



Pillar 3 – PUBLIC DISCLOSURES

UNAUDITED AS OF JUNE 30, 2025

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1. Overview and Introduction

The Bank is regulated by the Brunei Darussalam Central Bank (“BDCB”) and follows the updated Pillar 3 - Public disclosure requirements issued by the BDCB in April 2021.

This document is prepared and based on the said notice and complements other regulatory guidance such as the minimum risk-based capital requirements and other quantitative requirement as per the Notice No BU/N-4/2017/39 - Maintenance of Capital Adequacy Ratio and Notice No. BU/N-10/2018/60 : Amendment No. 1 - Supervisory Review and Evaluation Process (SREP)The Pillar 3 disclosure aims to facilitate and promote market discipline by requiring disclosure of key information on a consistent and comparable basis.

1.1 Basel Regulatory Framework

The Basel Accord framework consists of following three main pillars:

- **Pillar I** - defines the regulatory minimum capital requirements by providing rules and regulations for measurement of credit risk, market risk and operational risk. The requirement of capital has to be covered by the Banks’ own regulatory fund;
- **Pillar II** - addresses a Bank’s Internal Capital Adequacy Assessment Process (“ICAAP”) for assessing overall capital adequacy in relation to risks other than Pillar I. Pillar II also introduces the Supervisory Review and Evaluation Process (“SREP”), which is used as a tool to assess the internal capital adequacy of banks; and
- **Pillar III** - complements the other two pillars and focuses on enhanced transparency in information disclosure, covering risk and capital management, including capital adequacy which encourages market discipline and allows market participants to assess specific information.

Scope of Application

The name of the top corporate entity in the group, to which these regulations apply, is Bank Islam Brunei Darussalam Berhad (“BIBD”) and its subsidiaries (“the Group”). The consolidated financial statements are prepared in accordance with the requirement of International Financial Reporting Standards (“IFRS”) and Brunei Darussalam Central Bank (“BDCB”).

There is no difference between our accounting and reporting in the consolidation to our subsidiaries. Further details on the basis of consolidation can be referred on the notes to the BIBD financial statements.

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C1: Overview of key prudential metrics and Risk Weighted Assets (“RWA”)

KM1: Key Metrics

Purpose: To provide an overview of the Group’s prudential regulatory metrics							
Content: Key prudential metrics related to regulatory capital and other regulatory requirements							
Frequency: Quarterly							
Format: Fixed							
Narrative: March 2025 to June 2025 saw a decrease in the Tier 1 ratio and Total Capital Ratio by 0.5%. Although there was an overall increase in capital ratio due to an increase in the Fair Value Reserve, there was an increase in RWA leading to a decrease in the total capital ratio comparative to Q1 2025.							
Quantitative disclosure:							
			T	T-1	T-2	T-3	T-4
			30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24	30-Jun-24
Available capital (BND'000)							
1	Tier 1		1,373,826	1,367,228	1,356,804	1,427,868	1,339,912
2	Total Capital		1,373,826	1,367,228	1,356,804	1,427,868	1,348,314
Total risk-weighted assets (RWA)							
3	Total risk-weighted assets (RWA)		7,805,844	7,536,199	7,594,081	7,635,122	7,698,953
Tier 1 ratio (%)							
4	Tier 1 ratio (%)		17.6%	18.1%	17.9%	18.7%	17.4%
Total capital ratio (%)							
5	Total capital ratio (%)		17.6%	18.1%	17.9%	18.7%	17.5%

OV1: Overview of Risk Weighted Assets (RWA)

Purpose: To provide an overview of total RWA and further breakdowns of RWA.				
Frequency: Quarterly				
Format: Fixed				
Narrative: There is an increase in the credit risk RWA due to an increase in corporate off-balance sheet exposures.				
Quantitative disclosure:				
		(a)	(b)	(c)
		RWA (BND'000)		Minimum capital requirements
		30-Jun-25	31-Mar-25	30-Jun-25
1	Credit Risk (Standardised)	7,138,060	6,868,760	713,806
2	Market Risk (Standardised)	3,922	3,577	392
3	Operational risk (Basic Indicator Approach)	663,862	663,862	66,386
4	Total	7,805,844	7,536,199	780,584

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C2: Composition of Capital

CC1: Composition of regulatory capital

Purpose: To provide a breakdown of the constituent elements of a bank's capital		
Content: Breakdown of regulatory capital according to the scope of regulatory consolidation		
Frequency: Semi-Annual		
Format: Fixed		
Narrative: General credit loss reserved only include stage 1.		
Quantitative disclosure:		
	Item (BND'000)	Amount
	Tier 1 Capital: instruments and reserves	
1	Paid-up Ordinary Shares/Assigned Capital (after deduction of holdings of own capital)	507,325
2	Non-Cumulative, Non-Redeemable Preference Shares	-
3	Share Premium	-
4	Statutory Reserve Fund	599,075
5	Published Retained Profits/(Accumulated Losses)	297,767
6	General Reserves	5,421
7	Fair Value Reserves	7,367
8	Tier 1 capital before regulatory adjustments	1,416,955
	Tier 1 Capital: regulatory adjustments	
9	Reciprocal cross-holdings of ordinary shares (as required by BDCB)	-
10	Goodwill	-
11	Other intangible assets	20,617
12	Advances/financing granted to employees of the bank for the purchase of shares of the bank under a share ownership plan	-
13	Minority Interests held by 3rd parties in Financial Subsidiary	-
14	Total Regulatory adjustments to Tier 1 Capital	20,617
15	Tier 1 Capital (prior to Deductions/Adjustments 3)	1,396,338
	Tier 2 capital: instruments and provisions	
16	General Credit Loss Reserves (Capped at 1.25% of Credit Risk)	10,035
17	Hybrid (debt/equity) Capital Instruments	-
18	Approved Subordinated Term Debt (Capped at 50% of Core Capital Element)	-
19	Tier 2 capital before regulatory adjustments	10,035
	Tier 2 capital: regulatory adjustments	
20	Reciprocal Crossholdings of Tier 2 Capital Instruments	-
21	Minority Interests Arising From Holdings of Tier 2 Instruments in Financial Subsidiaries by Third Parties	-
22	Total regulatory adjustments to Tier 2 capital	-
23	Tier 2 capital (T2)	10,035
24	Allowable Supplementary Capital (Tier 2 Capital)	10,035
25	Sub-Total of Tier 1 and Tier 2 Capital (prior to adjustment 3)	1,406,373
26	Deductions/Adjustments 3 to total Amount of Tier 1 and Tier 2 capital	32,547
27	Significant Investments in Banking, Securities and Other Financial Entities	25,467
28	Significant Investments in Insurance Entities & Subsidiary	7,080
29	Significant Investments in Commercial Entities	-
30	Securitisation Exposures (Rated B+ or Below and Unrated)	-
31	Resecuritisation Exposures (Rated B+ or Below and Unrated)	-
32	Tier 1 capital after regulatory adjustment (T1)	1,373,826
33	Total regulatory capital (TC = T1 + T2)	1,373,826
34	Total risk-weighted assets	7,805,844
	Capital ratios	
35	Tier 1 (as a percentage of risk-weighted assets)	17.60%
36	Total capital (as a percentage of risk-weighted assets)	17.60%

C6: Credit Risk

CR1: Credit quality of assets

Purpose: To provide a comprehensive picture of the credit quality of a bank's (on- and off- balance sheet) assets.							
Content: Carrying values (corresponding to the accounting values reported in financial statements but according to the scope of regulatory consolidation).							
Frequency: Semi-Annual							
Format: Fixed							
Narrative: Non-performing financings are classified based on the BDCB Regulatory definition of 90 days past due guided by the regulator's Prudential Treatment of problem assets and Accounting for Expected Credit Losses (Notice: BU/N-7/2018/57). Other Investment includes Structure deposit and equity securities. General allowance includes stage 1 (BND 9.485mil) and stage 2 (BND4.044mil).							
Note: Based on IFRS9 definition, any non-performing exposure will affect all other facilities. There are clients that have non-performing in the funded exposure, thus impacted the unfunded portfolio.							
Quantitative disclosure:							
		(a)	(b)	(c)	(d)	(e)	(f)
		Gross carrying values of		Allowances / impairments	Of which: ECL accounting provisions for credit losses on SA exposure		Net values (a+b-c)
	Asset classes (BND'000)	Defaulted exposures	Non-defaulted exposures		Of which : Specific Allowance	Of which : General Allowance	
1	Financing	70,708	5,838,303	38,131	25,282	12,849	5,870,880
2	Sukuk Investment	-	1,420,257	397	-	397	1,419,860
3	Other Investment	-	84,052	-	-	-	84,052
4	Money Market Placement	-	2,160,496	75	-	75	2,160,421
5	Off-balance sheet exposures	-	1,255,582	208	-	208	1,255,375
6	Total	70,708	10,758,690	38,811	25,282	13,529	10,790,588

CR2: Changes in Stock of Defaulted Financing and Debt Securities

Purpose: Identify the changes in a bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.		
Content: Carrying values		
Frequency: Semi-Annual		
Format: Fixed		
Narrative: There is a recovery from non-performing status to performing status, which resulted a lower non-performing portfolio compared to previous year.		
Quantitative disclosure:		
	Asset classes (BND'000)	(a)
1	Defaulted financing and debt securities at end of the previous reporting period	74,119
2	Financing and debt securities that have defaulted since the last reporting period	8,977
3	Returned to non-defaulted status	(6,420)
4	Amounts written off	(1,665)
5	Other changes	(4,303)
6	Defaulted financing and debt securities at end of the reporting period (1+2-3-4+5)	70,708

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CR3: Overview of Credit Risk Mitigation (CRM) techniques

Purpose: Disclose the extent of use of CRM techniques						
Content: Carrying values - all CRM techniques used to reduce capital requirements and disclose all secured exposures.						
Frequency: Semi-Annual						
Format: Fixed						
Narrative: As per BDCB capital adequacy framework, for the purpose of credit risk mitigation, BIBD uses Cash, foreign currencies and guarantees.						
Quantitative disclosure:						
		(a)	(b)	(c)	(d)	(e)
	Asset classes (BND'000)	Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Financing	4,847,989	1,023,300	1,023,300	-	-
2	Sukuk Investment	1,419,860	-	-	-	-
3	Other investment	84,052	-	-	-	-
4	Money Market Placement	2,061,038	99,383	-	99,383	-
5	Total	8,412,939	1,122,683	1,023,300	99,383	-
6	Of which defaulted	32,943	14,898	14,898	-	-

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CR4: Standardised approach for Credit risk exposure and Credit Risk Mitigation (CRM) effects

Purpose: Illustrate the effect of CRM on standardized approach capital requirements' calculations. The RWA density provides a synthetic metric on riskiness of each portfolio.							
Content: Regulatory exposure amounts.							
Frequency: Semi-Annual.							
Format: Fixed.							
Narrative: The exposure includes both on balance sheet exposure and off-balance sheet exposure which is converted by the credit conversion factor ("CCF").							
Quantitative disclosure:							
		(a)	(b)	(c)	(d)	(e)	(f)
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Asset classes (BND'000)	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density (%)
1	Sovereigns and their central banks	665,887	833	665,887	-	65,058	10
2	Non-central government public sector entities	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	3,876,512	228,207	3,777,129	228,207	1,499,641	37
5	Securities firms	-	-	-	-	-	-
6	Corporates	1,587,491	400,350	1,505,966	400,350	1,804,948	95
7	Regulatory retail portfolios	1,893,167	60,882	1,802,549	36,586	1,387,588	75
8	Secured by residential property	1,004,098	29,468	1,004,098	29,468	719,164	70
9	Secured by commercial real estate	1,043,063	-	1,035,052	-	1,035,052	100
10	Equity	1,223	-	1,223	-	1,834	150
11	Non-performing financing	45,026	-	43,290	-	61,111	141
12	Higher-risk categories	879	-	879	-	1,318	150
13	Other assets	609,667	-	609,667	-	562,346	92
14	Total	10,727,013	719,740	10,445,740	694,611	7,138,060	64

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CR5: Standardised approach for Exposures by asset classes and risk weights

Purpose: Present the breakdown of credit risk exposures under the standardized approach by asset class and risk weight (corresponding to the level of risks attributed to the exposure).											
Content: Regulatory exposure amounts											
Frequency: Semi-Annual											
Format: Fixed											
Narrative: No Significant changes were observed.											
Quantitative disclosure:											
	Risk Weight→ Asset Classes (BND'000)↓	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
		0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	530,994	-	38,834	-	79,203	-	17,690	-	-	666,721
2	Non-central government public sector entities (PSEs)	-	-	-	-	-	-	-	-	-	-
3	Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-	-	-
4	Banks	-	-	1,904,046	-	2,064,298	-	36,991	-	-	4,005,335
5	Securities firms	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	202,737	-	1,703,580	-	-	1,906,317
7	Regulatory retail portfolios	-	-	-	-	-	1,836,335	2,800	-	-	1,839,135
8	Secured by residential property	-	-	-	142,445	-	887,253	3,868	-	-	1,033,566
9	Secured by commercial real estate	-	-	-	-	-	-	1,035,052	-	-	1,035,052
10	Equity	-	-	-	-	-	-	-	1,223	-	1,223
11	Non-performing financing	-	-	-	-	-	-	7,920	35,370	-	43,290
12	Higher-risk categories	-	-	-	-	-	-	-	879	-	879
13	Other assets	47,321	-	-	-	-	-	562,346	-	-	609,667
	Total	578,315	-	1,942,880	142,445	2,346,238	2,723,588	3,370,247	37,472	-	11,141,185

C9: Market Risk

MR1: Market risk under standardized approach

Purpose: To provide the components of the capital charge under the <i>Standardised Approach</i> for market risk.		
Content: RWA		
Frequency: Semi-Annual		
Format: Fixed		
Quantitative disclosure:		
		(a)
		RWA (BND'000)
1	Profit rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	3,922
4	Commodity risk	-
5	Total	3,922