



A collage of four images. The first image shows a large array of solar panels under a bright sun. The second image shows a man in a dark suit and tie speaking into a microphone. The third image shows a close-up of a yellow wall. The fourth image shows a group of people, including a man in a black shirt and a woman in a patterned shirt, planting a young tree in a hole. A white bag with the text 'URGENT' and 'NET WEIGHT' is visible next to the tree.

ANNUAL REPORT 2022

About this report

This report covers Bank Islam Brunei Darussalam (BIBD) activities from 1st January 2022 to 31st December 2022 and provides a comprehensive overview of our organisation's achievements, focus areas, activities and future plans.

We are pleased to share that, similar to previous years, our report is provided digitally, in our effort to reduce our carbon footprint and minimize our impact on the environment. BIBD is committed to sustainability and reducing our environmental impact, and this year's digital format is a reflection of our ongoing efforts to achieve that goal.

We invite you to explore the report and learn more about our work, accomplishments, and impact on the local community. Thank you for your continued support of BIBD

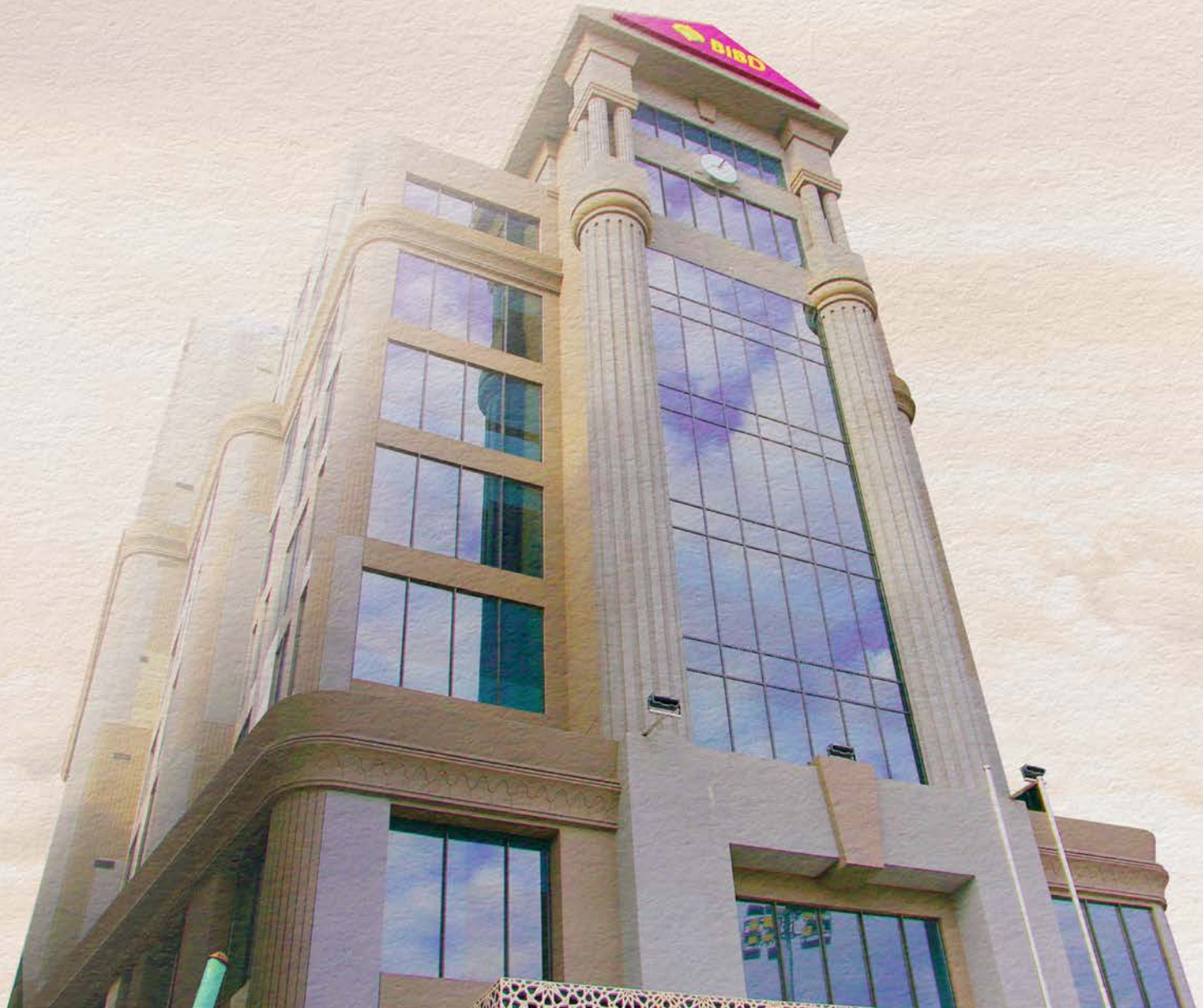
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About Us

BIBD, Brunei's largest bank and flagship Islamic financial institution, was formed in 2005 through the merger of Islamic Bank of Brunei and Islamic Development Bank of Brunei. It is an internationally recognised financial institution governed by global best practices under the guidance of an experienced management team. BIBD is committed to meeting the needs of our customers from all walks of life through continuous service, product and technology innovations.

BIBD is a bank for the people of Brunei, built by the people of Brunei. Our ethos perfectly captures the essence of inclusiveness of Islamic banking. We provide smart, safe and practical financial services and solutions to our customers regardless of race or religion, ultimately supporting the ambitions of the Bruneian community. BIBD's long-standing record of intrinsically and genuinely understanding the aspirations and culture of Brunei Darussalam inspires and enables us to constantly innovate to offer solutions that best fit the needs of all our customers.



Vision, Mission & Values

VISION

Serving Brunei through Islamic Solutions as its leading financial institution

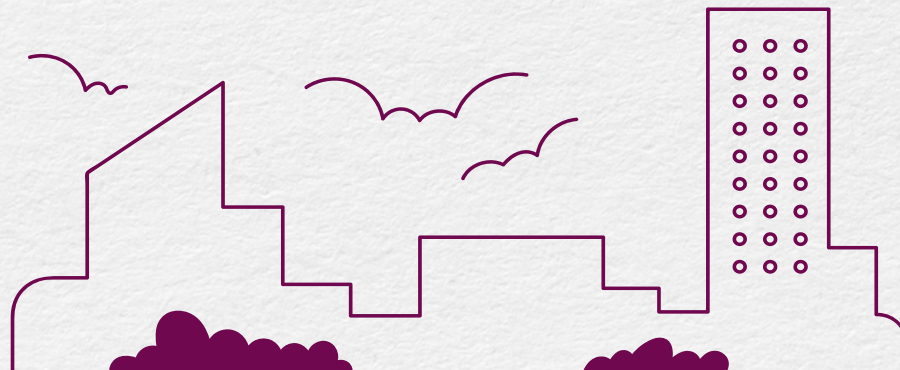
To be the benchmark Institution and Point of Reference through responsible Fusion of Islamic Values, Real Economy and Finance

MISSION

To be the Best Islamic Bank in Asia-Pacific

VALUES

- Integrity
- Customer Focus
- Unity of Purpose
- Excellence



1.

Overview

**BIBD is a bank for
the people of Brunei,
built by the people
of Brunei.**

1.1 Corporate Profile

The Bank started operations in 1981 as the Island Development Bank (IDB). It was converted into a full-fledged Islamic bank in January 1993, with the consent of His Majesty Sultan Haji Hassanal Bolkiah Mui'zzaddin Waddaulah, the Sultan and Yang Di-Pertuan of Brunei Darussalam, and began operations as the Islamic Bank of Brunei (IBB). Through a merger with the Islamic Development Bank of Brunei, Bank Islam Brunei Darussalam (BIBD) was formed in 2005.

BIBD is currently Brunei's largest bank and flagship Islamic financial institution. An internationally recognised financial institution governed by global best practices under the guidance of the Board of Directors, BIBD is committed to meeting the needs of our customers from all walks of life through continuous service, product and technology innovations. Challenged and stimulated by an ever-changing environment, BIBD brings technology and innovation to the fore for improved processes and accessibility.

Headquartered in Bandar Seri Begawan, the Bank has eighteen branches at strategic locations in Brunei Darussalam's four districts and the largest network of ATMs in the country, serving over a quarter of the Bruneian population. As Brunei's flagship Islamic bank and largest financial services provider, with more than 1000 employees and B\$11.5 billion worth of assets under management, we proudly serve more than 345,000 customer including retail, corporate as well as international clients.

Combined with BIBD's presence across the country, the Bank also has the largest Contact Centre in Brunei Darussalam complemented by innovative solutions such as internet and mobile banking.

BIBD is the only bank in Brunei Darussalam that serves all segments within the retail banking market. With a strong focus on innovation and excellence, BIBD has consistently recognised for our dedicated customer service and ability to deliver value to all our stakeholders. It is through continuous hard work, effort and commitment from our people that we are able to provide seamless and innovative services to our customers and ensure that their banking experience with us is unique and best-in-class.

Since the commencement of our transformative journey, BIBD has made great strides in the development of its capabilities, which included upgrades in its overall service delivery and branch design that depict the Islamic visual canvas of Brunei Darussalam. This distinct identity sets BIBD apart from other financial institutions in Brunei Darussalam, while establishing a service benchmark that is truly **"Bruneian at Heart"**. The amalgamation of all these efforts places BIBD in a stronger position to deliver on its aspirations and forge ahead in the local and international arena.



We are Bruneian at Heart

BIBD's ethos perfectly captures the essence of inclusiveness of Islamic banking, as we go back to our roots of Maqasid Shariah as our foundation. BIBD is a bank for all Bruneians, regardless of race or religion, offering smart, safe and practical financial services and solutions that support the ambitions of the Bruneian community. BIBD has a long-standing record of intrinsically and genuinely understanding the aspirations and culture of Brunei Darussalam inspires thus enabling us to constantly innovate to offer solutions that best fit the needs of all our customers.



WE ARE ROOTED IN DOING THE GREATER GOOD

Our achievements over the years are a testament to our hardworking and dedicated workforce who embody our values of Integrity, Customer Focus, Unity of Purpose and Excellence. Our people have always been our greatest asset, and we are committed to investing in them, equipping our employees with internationally benchmarked certifications, expertise and skills required to serve customers beyond their expectations.

In 2021, the Bank embarked on a journey which will, In Shaa Allah, bring BIBD closer to fortifying our roots in the principles of Maqasid Shariah, with the adoption of the BIBD Sustainability Framework.

With the global movement and increasing awareness on transitioning to a sustainable economy, BIBD strives to be a catalyst of change for the nation, by being a responsible business that actively works to make the world a better and greener place.

BIBD's Sustainability Framework is strongly aligned with the Maqasid Shariah — our fundamental principles and values that shape us as an Islamic financial institution — and a wider set of sustainability principles; the 17 United Nations Sustainable Development Goals (UN SDGs). Supporting these principles is also deeply intertwined with our 'Bruneian at Heart' DNA that aims to preserve the well-being of our people and society.

The framework marks the Bank's clear focus and strategic decision to support a wider commitment to sustainability and will be adopted into BIBD's overall business strategy through 3 pillars, namely Environmental Protection, Responsible Entrepreneurship, and Inclusive Social Impact.

BIBD has always complemented the Government's efforts to achieve Brunei Vision 2035 through both business activities and Corporate Social Responsibility (CSR) initiatives. These initiatives include contributions to and participation in youth development programmes, education scholarships for underprivileged children, entrepreneurship empowerment programmes and support for local micro enterprises.

Environmental Protection, Responsible Entrepreneurship, and Inclusive Social Impact.

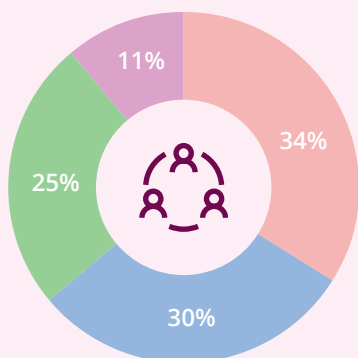


Governance

BIBD is committed to sound corporate governance and is fully guided by the principles and regulations set forth by the Brunei Darussalam Central Bank (BDCB), Syariah Financial Supervisory Board (SFSB) and the Companies Act Chapter 39, the Bank has strong internal controls and risk management in line with internationally benchmarked standards, especially in financial, Shariah and risk practices.



Shareholders



- Khazanah Satu Sdn Bhd
- Salam Investments Limited
- Yayasan Sultan Haji Hassanal Bolkiah
- Approximately 6,000 individual Bruneian investors

Active Subsidiaries and Associates

BIBD At-Tamwil Berhad

A wholly-owned subsidiary, mainly handling the provision of Islamic hire-purchase facilities.

BIBD Securities Sdn Bhd

A wholly-owned subsidiary, offering Islamic wealth management products and brokerage services for local BIBD shares and foreign securities listed on the Kuala Lumpur and Singapore stock market.

BIBD (Middle East) Limited

A wholly-owned subsidiary of BIBD and is a Dubai Financial Services Authority (DFSA) regulated entity providing Islamic financial services which include arranging deals in investments; advising of financial products; arranging credit and advising on credit.

Syarikat Takaful Brunei Darussalam Sdn Bhd (Associate)

It provides General and Family Takaful services through its subsidiaries: Takaful Brunei Am Sdn Bhd and Takaful Brunei Keluarga Sdn Bhd.



“

Over the past year, the BIBD Group has achieved numerous milestones that have been made possible through the execution of well-aligned strategies by the whole BIBD Group guided by the BIBD Board and Shariah Advisory Body.

”

Yang Berhormat Dato Seri Setia
Dr Awang Haji Mohd Amin Liew bin Abdullah
Minister at the Prime Minister's Office and
Minister of Finance and Economy II,
Chairman of the Board of Directors
Bank Islam Brunei Darussalam

1.2 A Message from our Chairman

Under the wise leadership of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, the country has successfully managed the impacts of the pandemic over the last 3 years as well as in initiating economic recovery efforts that has supported the Group's overall performance which in turn has a reciprocal effect on the Sultanate's economy.

Bismillahir Rahmanir Rahim. Assalamualaikum Warahmatullahi Wabarakatuh.

Alhamdulillah, I am pleased to report yet another encouraging and successful year for Bank Islam Brunei Darussalam (BIBD) Group despite challenging economic environments during the COVID-19 pandemic.

Over the past year, the BIBD Group has achieved numerous milestones that have been made possible through the execution of well-aligned strategies by the whole BIBD Group guided by the BIBD Board and Shariah Advisory Body.

Resilient economy amidst turbulent year

The past year has been turbulent for the global economy as conflicts, inflation and food supply crises as well as the tail effects of COVID-19 continued to beset economies throughout 2022.

Alhamdulillah, Brunei was able to maneuver through the economic impacts of COVID-19, as the country continued to readjust and initiate efforts to create additional economic streams.

Despite the challenging environment, the banking industry's strong capital position has allowed financial institutions and banks to continue to provide their services and support the local economy's demand for credit.

The banking sector in Brunei remained robust with banks being able to provide credit flows to the economy while asset quality also improved with Gross Non-Performing Financing ratio recorded at 3.3% in 2022 compared to 3.6% in previous year.

This was similarly reflected in the Group's performance through its key businesses as profitability and total assets improved during the fiscal year in review.

In the 2022 Financial Year, the Group continued to demonstrate its capability to generate strong revenue and earnings and, *Alhamdulillah*, recorded gross revenue of B\$387 million with a net profit of B\$175 million.

The Group's total assets in 2022 rose to B\$11.6 billion with a very sizeable market share both in the retail and corporate market segments.

The Group also delivered a 13.5% Return on Equity (ROE), further boosting returns and value to our shareholders.

The Group was also able to maintain total capital adequacy ratio (CAR) at 18.6% in 2022, well above regulatory minimum required. This has allowed us to maintain a robust capital position in implementing our strategies.

Under the wise leadership of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, the country has successfully managed the impacts of the pandemic over the last 3 years as well as in initiating economic recovery efforts that has supported the Group's overall performance which in turn has a reciprocal effect on the Sultanate's economy.

Built on the foundations of Maqasid Shariah and principles of *Melayu Islam Beraja*, the Group continues to be guided to be prudent and was able to brave through challenging economic headwinds to come out stronger. This ensures that the Group continue its track record of providing good investment returns to our shareholders.

Economic Review and Outlook: Brunei economy anticipated to grow in 2023, Sultanate set to boost the growth of a US\$5.9 trillion industry by 2026

Brunei's economy is forecasted to post a growth of 2.6% in 2023 according to the Center for Strategic and Policy Studies "Brunei Economic Outlook 2023".

The Brunei Darussalam Central Bank (BDCB) in its Policy Statement 2/2022 dated 13th December 2022, reported that Brunei's financial sector, which consists of both Islamic and conventional financial institutions, grew by

5.9% year-on-year with total asset value of B\$24.8 billion as of Q3 2022, of which over half of it consists of assets in the Islamic finance sector.

A standout characteristic of the Bruneian financial sector is the prominence of Islamic financial services, which account for approximately half the total financial market. This demonstrates the sustainability and resilience of the Islamic financial services as a whole.

According to the Thomson Reuters Islamic Finance Development Report 2022, the global Islamic finance industry is anticipated to grow to US\$5.9 trillion by 2026 with Brunei expected to contribute through several large-scale national projects and roadmaps.

This presents opportunities for the local financial industry players to step in and contribute to the growth, which the Group is keen to be part of.

The Group also aims to broaden the reach of its services in the region to tap into the increasing international demand for well-constructed Shariah offerings from those who seek not only ethical financial management but also diversification options to cushion the impact of uncertainties in other asset classes.

The Group remains committed to supporting the goal of the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam to move away from over-reliance on oil and gas and diversify the Sultanate's economy.

Supporting national goals of creating a digital and sustainable economy

The Group remains committed to fully support the goals of BDCB's Financial Sector Blueprint and the Brunei Vision 2035 to transform the Sultanate into a sustainable, diversified and a highly-digitised dynamic economy.

Through the BIBD NEXGEN platform, the Group has succeeded in creating a comprehensive digital ecosystem that promotes financial inclusions and the E-payment economy.

An example of such initiative in 2022 was shown through the Group's collaboration with a local fintech firm to promote cashless transactions at supermarkets and fast-food outlets through self-service kiosks.

The unveiling of the self-service kiosks marked the start of a journey for the Group to roll out more self-service kiosk units at stores and outlets nationwide.

This is a great addition to our existing comprehensive suite of digital banking offerings and solutions powered by the BIBD NEXGEN such as the BIBD QuickPay, BIBD Online and BIBD Biznet.

The Group will also continue to train its pool of talents to support the development of a financial sector workforce that will contribute to the creation of a supportive ecosystem for the sector, consistently aligning our roles towards supporting the Vision 2035 of strengthening our human assets' talents and skills.

Alhamdulillah, we have seen a stable rise in the usage of digital payments in recent times and In Shaa Allah, the Group shall strive to constantly improve its digital

proposition to strengthen market confidence towards the wide acceptance of cashless payments in the Sultanate that will ultimately realise the nation's drive of becoming a 'Smart Nation.'

Bolstering sustainability commitment via the BIBD Sustainability Framework

In 2021, the Group launched its Sustainability Framework which is strongly aligned with the Maqasid Shariah and a wider set of sustainability principles; the 17 United Nations Sustainable Development Goals (SDG).

As part of the framework, the Group announced a target commitment of B\$2 billion towards sustainability funding by 2030 which will see the Group taking the lead on business practices and activities in the domestic market by promoting the issue of sustainability through digitalisation, sustainability funding, community education and social inclusion.

Throughout 2022, the Group followed this through with relevant and significant actions that reflected the sustainability commitment.

In the first quarter of 2023, the Group kicked off a nationwide tree-planting campaign with a goal to plant 2,000 trees by the end of the year.

Through the SME360 Series campaign, the Group also launched the Sustainable Nation campaign, a whole-of-nation initiative aimed at encouraging small but impactful actions to fight the climate change crisis and move towards a circular economy specifically for small businesses and the public in general.

A significant highlight of 2022 was the signing of a Memorandum of Understanding (MoU) between the Group with the Brunei Darussalam National Council on Climate Change (BNCCC) to cooperate in climate action solutions.

The MoU stipulates that signees will explore cooperation in areas of mutual interest such as the Protokol Hijau, tree planting activities, renewable energy, awareness and education campaigns, sustainable finance, and investment in energy conservation, among many others.

In Shaa Allah, the MoU will inspire and spur the Group to intensify actions and fortify its commitment towards supporting the nation's goal of creating a sustainable and valuable ecosystem that will not only benefit the economy but also the society and its environment for generations to come.

All these initiatives highlight the bank's commitment to be a Partner in Progress as the nation strives towards achieving Brunei Vision 2035 as well as demonstrates the Group's role in the sustainability agenda as the largest Islamic Financial Institution that stands on its strong roots and foundation of Maqasid Shariah which aligns with the UN SDG (United Nations Sustainable Development Goals) 2030.

Empowering local businesses

Micro, small, and medium enterprises (MSMEs) play a key role in growing most economies, particularly developing nations. MSMEs face a range of challenges including capturing market share, shortage of capacity and quality management, among others.

Realising their importance to spurring economic growth and development, the Group remains committed to support MSMEs and facilitate their needs by offering tailored financial products and services.

BIBD established the BIBD SME360 as part of its commitment to address these common challenges faced by MSMEs by focusing on providing holistic and comprehensive financial and non-financial assistance.

In late December 2021, the SME360 was revamped and refreshed as part of efforts to serve the local business community better following the outbreak of the COVID-19 pandemic.

Through the SME360 series, which started in January 2022 and concluded in July 2022, the Group aimed to encourage a lively discussion on the greatest lessons throughout the series of forums and strategies for small and medium enterprises (SMEs) to prepare for the new business environment in the post-pandemic world.

Additionally, as part of the Local Product Expo, the Group also held an SME Sharing Session which highlighted the importance of businesses to be proactive and innovative, and to make use of digitalisation to ensure the accessibility and growth of their businesses.

We hope the SME360 Series, and its related events had helped to promote linkages between businesses of all sizes, bring them together for mutual benefits and networking opportunities to create a positive impact. All these forums which also presented MSMEs with opportunities to set up pop-up stores or 'flash retailing' for several days, were designed to give exposure to the micro, small and medium-sized enterprises and provide them with business matching opportunities that should

encourage them to find solutions to their challenges and scale up their businesses.

The Group remains committed to explore strategies that will further empower and elevate our business community to recover and grow sustainably to contribute to the growth of Brunei's economy.

A bank for the Bruneian community

Giving back to the community is an essential component of what makes us 'Bruneian at Heart'. Guided by the Maqasid Shariah principles which promotes the preservation of the public good, we are fully committed to enriching and supporting the communities.

The Group continued to kick off and maintained numerous Corporate Social Responsibilities (CSR) initiatives and events in 2022 through programmes such as the Sirah Amal, donations to less-privileged families nationwide, BIBD Advocating Life-Long Learning for Aspiring Future (ALAF) programme, the Special Entrepreneurial Empowerment & Development Scheme (BIBD SEED) and Community for Brunei (CFB).

The BIBD ALAF programme currently supports 256 students while 41 female entrepreneurs have participated in the BIBDSEED programme to date, which is on its fifth cohort.

The Group has also signed an agreement with the Ministry of Culture, Youth and Sports (MCYS) to expand the ministry's sponsorship programme that sees two selected students who meet the criteria onboarded into the BIBD ALAF programme.

The Group believes in the importance of inclusivity for the education and learning of all segments, as an underlying core of every individual and national development.

In Shaa Allah, the Group remains committed to be a responsible corporate citizen who supports the development and empowerment of multiple segments of the community, and we will always be conscious about how we can multiply our efforts to contribute towards the society, to help Brunei in developing its economy going forward and to achieve objectives under the UN Sustainable Development Goals.

Partner in Progress and beyond: Key PPP initiatives

Accomplishing organisational and national goals through strategic alliances and partnerships has always been a key strategy for the Group as the success of all of our initiatives would not have been possible without the support and cooperation from our partners from both the public and private sectors.

To this end, the Group has collaborated with multiple agencies including the Ministry of Home Affairs (MoHA), the Islamic Da'wah Centre (PDI) and Yayasan Sultan Haji Hassanal Bolkiah through the Tunas Project.

The Tunas Project (Projek Tunas) is a collaboration between the Group and MoHA to provide a marketplace to promote 1K1P and others products for underprivileged segments to earn a living as well as the opportunity for micro and small enterprises to learn and train in key skills required to establish themselves into successful entrepreneurs, and gain market access.

As one of the main partners of the Brunei Mid-Year Conference and Exhibition (MYCE) 2022, organised by the Ministry of Primary Resources and Tourism through the Tourism Development Department, the Group was heavily involved in supporting the 5-week event which featured thematic exhibitions, conferences and over 100 speakers to promote knowledge sharing and business activities in various sectors through the closing of the SME 360 Forum.

In August 2022, the Group, through BIBD, established its 'Corporate Platoon' which acts as a support group to the Brunei Darussalam Red Crescent Society (BRC) and will be involved in offering humanitarian assistance and volunteering activities to the nation.

The Group also actively pursues corporate syndicated financing by extending the financing opportunities to other local financial institutions to participate in the syndication programme. One example of such deal in 2022 was the corporate syndication financing worth US\$263 million which mirrors the Group's continued commitment to support Foreign Direct Investments (FDIs) in Brunei Darussalam.

The Group highly values the support and trust from its strategic partners in accomplishing projects that are well-aligned with the Group's values and national goals which will contribute to the overall success of Brunei's economy and prosperity.

Key Accolades and Awards

The Group raked in several accolades and awards that solidified our position as a market leader in Brunei that keeps raising the bar for the industry.

S&P Global affirmed its A- rating on BIBD yet again in 2022, a rating which we have maintained since 2015 which reflected BIBD's position with a strong market share, diversified business and established track record, while also acknowledging the bank's robust capitalisation.

BIBD was again named by The Asian Banker as Best Retail Bank in Brunei, retaining the title for 10 consecutive years, as well as Strongest Bank by Balance Sheet, while Global Finance Magazine also named BIBD the Safest Bank in Brunei.

Meanwhile BIBD Securities Sdn Bhd (BIBDS) and BIBD Asset Management (operating under the license of BIBDS) have once again been honoured with several awards by Asia Asset Management, a leading regional media on asset management.

BIBDS won the 'Best Islamic Fund House' for Brunei for the second year running and was also awarded with 'Best Sukuk Manager' and 'Best Islamic Fund' in Brunei, which is managed in collaboration with Arabesque Asset Management.

We are proud to be recognised through these accolades which reflect our commitment to strongly comply to sound business practices and prudent management style as we continue our strides towards our mission of becoming the Best Islamic Bank in Asia-Pacific.

I would like to take this opportunity to convey my gratitude to everyone in the Group's workforce for their continuous hard work and dedication which has allowed us to attain these recognitions.

In Appreciation

I am honoured and humbled to be Chairman of this very progressive institution that is highly capable of producing stellar performances and staying competitive on both local and global stage.

My gratitude and sincere appreciation go to the government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, the Ministry of Finance and Economy, and our regulators for their continued support and guidance.

I would also like to thank current and previous members of BIBD's Board of Directors and Shariah Advisory Body for all their guidance, support, and contribution in achieving long-term sustainable successes for Brunei Darussalam's premier financial institution.

On behalf of the Board, our sincere appreciation also goes to all employees for their dedication and for their consistent commitment and desire to strive for excellence, which has helped build the Group into a prestigious financial institution.

I also would like to take this opportunity to thank all our stakeholders who continue to collaborate and support the Group in all our undertakings including our CSR initiatives. A special appreciation also goes to our shareholders and customers for their continued support and loyalty as we recognise that our success is built upon the confidence that they have in our products and services, as well as, the trust in the people of the Group.

As we move forward, we stand committed to the vision of steering the Group towards excellence, as the preferred choice of our customers, and by the grace of Allah SWT, we

will continue to contribute meaningfully to our customers, our shareholders, our community, and our country, In Shaa Allah.

*Wabillahi Taufik Walhidayah Wassalamu 'Alaikum
Warahmatullah Hi Wabarakatuh*

**Yang Berhormat Dato Seri Setia Dr Awang Haji Mohd
Amin Liew bin Abdullah**
**Minister at the Prime Minister's Office and
Minister of Finance and Economy II,**
Chairman of the Board of Directors
Bank Islam Brunei Darussalam

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As we continue to push forward with our sustainability drive, the BIBD Group will look to enhance its cooperation with strategic partners, engage more of the communities and deliver quality and exceptional service to our clients to attain high-value and sustainable income that will ultimately benefit the Brunei economy and industries.

”

Awang Junaidi bin Haji Masri
Managing Director and Chief Executive Officer
Bank Islam Brunei Darussalam

1.3 A Message from our Managing Director and CEO

Alhamdulillah, I am heartened to report that the BIBD Group showed another year of performance that displayed resilience as profitability grew by 17 per cent from the B\$149 million recorded in the previous year to B\$175 million in 2022.

Dear Respected Shareholders,

Bismillahir Rahmanir Rahim. Assalamualaikum Warahmatullahi Wabarakatuh.

My sincerest gratitude and appreciation to the BIBD Group Board of Directors and the BIBD Shariah Advisory Body for their guidance and leadership that have allowed us to not only sustain our achievements and performance of the previous year but also build on our strength progressively in our journey towards success.

My sincere appreciation to the senior management team at BIBD and the BIBD family for their commitment and dedication to the Bank.

Performance review

As we are coming out from the COVID-19 pandemic, the country is not isolated in facing the economic challenges from rising inflation, supply chain disruption and the global conflicts. These factors post economic uncertainties in the short to medium term.

Having said that, *Alhamdulillah*, I am heartened to report that the BIBD Group showed another year of performance that displayed resilience as profitability grew by 17% from the B\$149 million recorded in the previous year to B\$175 million in 2022.

A main focus of the Group's strategy is to emphasise on encouraging growth in our business activities in 2022 where the Group had registered a total amount of deposits of B\$9.7 billion.

The increase in deposits also improved our Group's total assets, which achieved a strong figure of B\$11.6 billion, a 9.4% increase measured against our previous recorded result of \$10.6 Billion in 2021.

The Group's return on assets remained strong with 1.6% in 2022, which highlighted the strategic foundations placed upon our performance in securing targeted results annually.

Furthermore, our total capital adequacy ratio for the Group was at 18.6% in 2022, which reflected our ability to maintain a robust capital position to implement our best practices. BIBD has showcased consistency in its portfolio to maintain this amount well above the minimum regulatory requirement set by Brunei Darussalam Central Bank (BDCB).

These results were made possible through strong risk management practices and corporate governance as well as our prudent business approach during challenging times, which allowed us to maintain profitability.

As we continue to push forward with our sustainability drive, the BIBD Group will look to enhance its cooperation with strategic partners, engage more of the communities and deliver quality and exceptional service to our clients to attain high-value and sustainable income that will ultimately benefit the Brunei economy and industries.

Return to normalcy post COVID-19

As of the second half of 2022, daily COVID-19 cases began to drop significantly, and the economy began to make a steady recovery with more businesses reopening their doors and physical stores. *Alhamdulillah*, BIBD as a COVID-19 ready workplace, also started seeing more of its staff and personnel returning to work from their respective offices.

As of June 1, the Business Continuity Plan (BCP) site in Mentiri was deactivated which saw all employees working at the site returning to their normal working locations.

Alhamdulillah, throughout the COVID-19 waves, we have proven our capabilities and competency to manage the pandemic efficiently and we would like to thank all our employees for the support and cooperation as we look forward to adapting to the new normal.

Leading sustainability initiatives

Following the launch of the BIBD Sustainability Framework (SF) in 2021, we intensified efforts towards achieving objectives under the framework which covers the expanse of sustainability especially in climate actions.

A significant milestone in 2022 was the signing of a Memorandum of Understanding (MOU) with the Brunei Darussalam National Council on Climate Change (BNCCC) to cooperate in climate action solutions, making us the official partner for the 'Race to Zero' initiative, to realise the government's aspirations and goals towards the UNSDG 2030 and Brunei Net Zero 2050.

The MoU aims to establish, promote and develop cooperation between both parties in advancing climate action solutions to pave for Brunei Darussalam's low carbon emission and establish climate-resilient pathways for a sustainable nation.

BIBD's Sustainability Framework has 13 areas of collaborations outlined in the MOU, although not limited to these, as the Group pledges a target commitment of B\$2 billion towards Sustainability Funding by 2030, covering all areas of business, corporate sustainability, and corporate social responsibility initiatives.

The Brunei Climate Change Secretariat (BCCS) also organised an Eco-Festival as part of activities under the 'Climate Action Week' of the Brunei MYCE 2022, and BIBD was partner to it to further illustrate our partnership and serious commitment to further our sustainability agendas.

One of the activities of the festival was a tree planting activity led by the BIBD Group during which a total of 520 trees were planted by staff and volunteers in locations

across all 4 districts with a goal to plant 2,000 trees by the end of the year to demonstrate our commitment climate actions.

We have also launched the BIBD SME360 Sustainable Nation Campaign, a whole-of-nation campaign aimed at encouraging small but impactful actions to fight the climate change crisis and move towards a circular economy.

Aligned with our support for these Sustainable Development Goals aspirations, the Bank also donated IT appliances to local tertiary institutions as part of the IT Division's lifecycle management initiative.

A total of 122 IT appliances were donated in batches from December 2021 to February 2022. This is also part of our commitment to the UN Sustainable Development Goals (SDGs) specifically SDG 12 - to substantially reduce waste generation through reusing, recycling, and repurposing.

We continued to raise awareness among the general public on issues surrounding sustainability, both through social media and our various virtual forums, but also through the newspapers. In partnership with various government agencies, youth organisations and NGOs, the Bank has published a series of articles and interviews on sustainability, climate change and highlighting key players in the local sustainability space who have made an impact.

All these activities reflect our commitment to leading the way towards building a sustainable future through responsible banking practices and initiatives.

Sustained business in 2022

BIBD has always maintained its belief that our successes and achievements would not have been possible without the support and loyalty of our customers and partners. In 2022, by deeply understanding and anticipating our customers' needs, we have been able to bring continuous value to our customers and at the same time, rewarding our loyal patrons through various promotions and campaigns.

On the retail front, we continue to actively introduced several promotions and campaigns for our customers and collaborate with our corporate partners to make the events successful.

These are efforts to encourage and sustain digital transactions under the Go! Digital and Go! Cashless campaign as part of measures to minimise the impacts of COVID-19 on our local economy.

Meanwhile, the BIBD Aspirasi 3 Rewards campaign culminated in January 2022 with another lucky winner walking home with B\$250,000 as the grand prize of the campaign while more customers subscribed to BIBD Aspirasi 4 which was launched in December 2021 and has proven to be an attractive savings platform for our customers.

BIBD Impian, which was launched in January 2021 also came to an end in Q1 2022, with the winner walking away with a brand new, modern semi-detached house.

In the area of corporate banking, BIBD along with two other local financial institutions has also signed an Islamic Syndicated Term Financing Agreement totalling US\$263 million with Hengyi Industries.

We are grateful to have established a long-term and healthy working relationship with Hengyi Industries and BIBD, as a Partner in Progress, will continue to strengthen this relationship with Hengyi as we share the same philosophy in developing the human capital in Brunei with a strong sense of responsibility in national projects of this scale and nature.

The signing demonstrates our shared commitment and ongoing support to FDI companies as economic drivers and contributors to the nation's overall economic growth, and In Shaa Allah this will become an impetus for us to support more industries and foreign direct investments that will contribute to the growth of Brunei economy.

Boosting strategic alliance with Government and stakeholders

Strengthening our strategic partnerships and alliances remains as one of our vital strategies in the execution of projects and initiatives that are aimed at helping Brunei achieve the goals and objectives of the Brunei Vision 2035.

In this light, we initiated the Projek Tunas which is a collaboration with multiple agencies including the Ministry of Home Affairs (MoHA), the Islamic Da'wah Centre (PDI) and Yayasan Sultan Haji Hassanal Bolkiah through the Projek Tunas.

We are delighted and humbled to have been able to showcase this initiative to His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam during a get together ceremony in conjunction with His Majesty's 76th birthday celebrations.

Projek Tunas is a marketplace for underprivileged individuals to earn a living while providing the avenue for micro and small enterprises to learn entrepreneurial skills and attain real-life experience in entrepreneurship as well as other important skills like marketing, branding and management.

The project provides a marketplace for 31 vendors from BIBD SEED Programme (Special Underprivileged Mothers Empowerment Entrepreneurship Development); Usahawan Bakarih Yayasan (Yayasan Entrepreneurship Assistance programme); Muallafpreneuers Consortium from Islamic Da'wah Centre (PDI); and One Village One Product (1K1P) programme.

BIBD also participated in the Brunei Run to show support of the event which is held in conjunction with World Heart Day celebration.

The event is part of the BN on the Move campaign initiated by the Ministry of Health, which aims to see the people of the nation collectively achieve 20 Billion steps by the end of the year towards promoting a lifestyle of good health and wellness.

BIBD's support of the event demonstrated its commitment to support His Majesty's Government as Partner in Progress and as part of its Sustainability Framework, in support of the United Nations Sustainable Development Goals, particularly Goal No.3 – to ensure healthy lives and promote the well-being of people of all ages.

BIBD also signed an Intelligent Partnership Agreement (IPA) with the Brunei Red Crescent Society (BRC) which would see the Bank collaborate with BRC in the areas of mutual interest such as training, in-kind and manpower support as well as health, safety and wellness initiatives.

The agreement reflects the longstanding support and collaboration between BIBD and BRC, as one of the NGOs supporting the Ministry of Health.

As a follow-up action of the IPA, BIBD has also set up a 'Corporate Platoon' which acts as an auxiliary agent or support to BRC in executing missions or tasks on Basic First Aid and Life Saving. The platoon, which consists of 30 certified members and certified first aiders made up of the bank's employees from all levels, aims to professionally participate in humanitarian and volunteering work at both national and international level.

Furthermore, in a bid to further empower the creation of a sustainable digital society and fully realise Brunei's Smart Nation agenda, Bank Islam Brunei Darussalam (BIBD) also initiated a first-of-its-kind collaboration with local fintech ThreeG Media and the Milimewah Group to promote cashless transactions at supermarkets and fast-food outlets through the use of self-service kiosks.

The introduction of this solution is one of BIBD's initiatives to collaborate with and support local fintech firms, whilst always being at the forefront of the latest digital innovations and encouraging our customers to Go Digital.

Through the Whole of Nation Approach, BIBD will continue to collaborate with strategic partners in supporting the country's initiative towards becoming a Smart Nation, that is a digital and future-ready society, a vibrant and sustainable economy, and a conducive digital ecosystem, that will bring us closer towards achieving the Brunei Vision 2035.

Contributing to society

At BIBD, we take pride in our position as an engaged community partner who believes in giving back to society and sharing our blessings as well as playing central roles in improving their quality of life.

Emphasising our belief that everyone from all walks of life deserves access to education, we continue to make giant strides with our flagship programme, the BIBD ALAF (Advocating Life-Long Learning for An Aspiring Future) initiative which now supports around 256 underprivileged students.

A total of 84 students from BIBD ALAF received awards for achieving academic excellence in the 2021 academic year. BIBD ALAF maintained its 100 per cent pass rate, with all students sitting for the BC GCE 'A' Level exams achieving '3' and '4' A Levels. Meanwhile, in the GCE 'O' Level exams and SPUB exams, BIBD ALAF students also continued to maintain excellent results.

Some 20 BIBD ALAF students also participated in the annual BIBD ALAF Convention themed 'Teladani Rasulullah SAW'. The convention is part of the extra-curricular activities organised by the BIBD ALAF programme for its students to become more innovative and creative in their contribution to lead change.

In line with our belief that youth empowerment is key to ensuring a sustainable future, the Bank also held a dialogue with the Brunei Youth Council and over 90 representatives of youth-focused NGO's. In Shaa Allah, we hope the dialogue can be the starting point for many meaningful and beneficial collaborations that will ultimately bring greater growth and development for our youth as we move towards achieving Brunei Vision 2035, and also have

insights of what banking products and services they need as individuals, businesses or NGOs. This engagement is critical to ensure BIBD remain the Bank of Choice for all segments of the community.

We also celebrated five female entrepreneurs from the fourth cohort of BIBD SEED who successfully completed the programme. At the same time, we also enrolled 14 female entrepreneurs into the fifth cohort of the programme,

To date, 41 female entrepreneurs have participated in the program, where 27 participants have qualified for Dana Zakat funding. These female entrepreneurs comprise of underprivileged groups under the Islamic Dakwah Centre, Ministry of Religious Affairs; the Brunei Islamic Religious Council; the Community Development Department under the Ministry of Culture Youth and Sports as well as the Single Mothers Association.

Meanwhile, a total of 221 women have gone through the BIBD SEED boot camp, which focuses on the basics of entrepreneurship. Since the inception of the BIBD SEED program, B\$118,740 worth of funding under Dana Zakat has been disbursed and is hoped to be a catalyst toward success in their chosen fields.

BIBD has always believed in empowerment through entrepreneurship and the BIBD SEED programme is a manifestation of this belief and our commitment as a partner in progress, as we seek to uplift and upskill these women into successful, sustainable business owners who can make an impact in their personal lives and give back to the nation.

Through our ongoing partnership with Ministry of Culture Youth and Sports (MCYS), we continued our annual initiative to provide aid to the less privileged community during the holy month of Ramadhan. We donated a total sum of B\$199,950 to around 4,000 orphans nationwide as part of our dedication as a responsible corporate citizen to help the children prepare for the Hari Raya festivities and remind them that they are always cared for.

This initiative also reflects our commitment to the BIBD's Sustainability Framework and demonstrates our support of the UN SDG goals of ending hunger and poverty, ensuring a healthy society and promoting well-being of people of all ages and reduce inequalities within our community.

Alhamdulillah, we also successfully carried out our yearly Sirah Amal activity. Staff from various divisions visited 100 households comprising of BIBD ALAF families and muallaf households registered under the Pusat Dakwah Islamiah, to contribute relief items in the form of shopping vouchers and internal donations such as food necessities to support preparations during Ramadhan and for the upcoming Syawal. This was done in strict adherence to Standard Operating Procedures (SOPs) given the ongoing COVID-19 situation at the time.

All these initiatives symbolise our commitment towards elevating the community in realising the Brunei Wawasan 2035 based on our three-pillar CSR approach: Education, Entrepreneurship and Community.

Goals and Focus for 2023

At BIBD, we remain committed to our values of responsible business practices, continuous innovation and socio-

economic growth. In line with these values, we are pleased to share some of our key focus areas for the upcoming year.

As we continue to grow, we recognise that our most valuable asset is our people. We remain committed to developing our human resources through various learning and development programmes, including succession planning frameworks to ensure the continuity of leadership and talent within the organisation. We will also be investing in our employees' learning and development by providing opportunities for training, upskilling and career progression.

Our BIBD SME360 programme has been instrumental in providing through SMEs with the tools and resources necessary to succeed. In 2023, we aim to optimise the programme further to ensure that SMEs can benefit from a comprehensive range of financial and non-financial services and support.

One of our primary objectives this year is to further enhance our CSR initiatives such as BIBD ALAF and to further expand the programme to bigger groups in promoting the inclusivity of the programme. We believe that education is a fundamental human right that should be accessible to all. We will continue to work towards this goal by partnering with educational institutions and organisations to provide support to students from diverse background. We will also be working on initiatives that promote lifelong learning and skill development for all members of our community.

Additionally, we will continue to support and encourage the participation of our BIBD SEED members in various events and initiatives nationwide as we believe that by giving them opportunities to participate in community

events, they can build their leadership and networking skills while contributing to society.

Finally, sustainability is a key priority for us at BIBD. As a responsible corporate citizen, we are committed to reducing our carbon footprint and promoting sustainable practices in our operations. In 2023, we will continue to look into opportunities to invest in sustainable technologies and work towards our energy consumption and waste generation.

We believe that through our CSR initiatives, education-focused programme, human resources development, SME support and sustainability drives, we can make meaningful impact and contribute towards social equity.

In Closing

All our achievements in 2022 were developed by the BIBD family who contributed towards the Bank's aspirations to reach its mission.

It is an absolute privilege to work with this strong team under the guidance of our honourable BIBD Chairman of the Board, Chairman of the Shariah Advisory Board and by the honourable members of the Board and of the Shariah Advisory Board who have always provided us to their wisdom and encouragement. My sincerest appreciation to all of them. My heartfelt gratitude goes to the Government of His Majesty, the Sultan and Yang Di-Pertuan of Brunei Darussalam, the Ministry of Finance and Economy and to our regulators for their continued belief and confidence in us.

2022 has indeed been a very progressive financial year and we are greatly encouraged by the results we have achieved. We will continue our strong commitment and dedication towards supporting our mission to be the Best Islamic Bank in Asia Pacific and contribute towards achieving the goals of Brunei Vision 2035, to ensure every single member of our community benefit from the existence of a green, sustainable and inclusive economy.

In Shaa Allah, with teamwork and dedication, together we will aim for more success that will fuel our growth and continue to play a major role in the progress of our community and our nation whilst making consistent strides towards our goals.

To our customers and shareholders, we reaffirm our commitment to serving you and building greater value. On behalf of BIBD, I would like to express our gratitude and appreciation for their continued loyalty, support and trust.

*Wabillahi Taufik Walhidayah Wassalamu 'Alaikum
Warahmatullah Hi Wabarakatuh*

Junaidi bin Haji Masri

Managing Director and CEO
Bank Islam Brunei Darussalam

1.4 OUR PEOPLE



BOARD OF DIRECTORS



**Yang Berhormat Dato Seri Setia
Dr. Awang Haji Mohd Amin Liew bin Abdullah**
Chairman of the Board / Independent Director

Date of Appointment: 30 January 2018

Length of Tenure as Director: 5 years

Shares held as BIBD Nominee in the Bank: 2 shares

Board Committees served on:

- * Audit & Finance Sub-committee
- * Executive Committee

Qualifications

- Member of Chartered Financial Analyst (CFA), Singapore
- PhD in Corporate Finance, Imperial College, University of London
- Master's Degree in Management, Imperial College, University of London
- Bachelor's Degree (First Class) in Computer Science and Statistics, Queen Mary College, University of London

Relevant Experience

YB Dato Dr Amin was appointed as the Minister at the Prime Minister's Office and Minister of Finance and Economy II on 27 September 2018, and before that was holding the position of the Minister of Finance II from 30 January 2018. Prior to these appointments, he was the Deputy Minister of Finance (Investment), while holding the CEO position of Darussalam Assets Sdn Bhd ("DA"), an investment holding company owned by the Minister For Finance Corporation, Brunei Darussalam.

Before joining DA, he held several key positions with the Brunei Government, including being appointed as the Permanent Secretary of the Ministry of Finance, the Permanent Secretary of the Ministry of Industry and Primary Resources and the Managing Director of the Brunei Investment Agency.

Prior to his tenure with the Brunei Government, he worked as a Crude Oil Trader with Brunei Shell Petroleum Co Sdn Bhd in the mid-nineties after returning from the United Kingdom where he worked for ICI Finance PLC as a research analyst in the late 80's / early 90's.

Further details of Board Member Directorships and other disclosures are outlined in the Corporate Governance Report.



Awang Junaidi bin Haji Masri
Executive Director / Managing Director
& Chief Executive Officer

Date of Appointment: 1 February 2010

Length of Tenure as Director: 13 years

Shares held as BIBD Nominee in the Bank: 2 shares

Shares held as BIBD Nominee in BIBD At-Tamwil Berhad: 1 share

Board Committees served on:

- Audit, Finance and Risk Committee
- Human Resources Remuneration and Nomination Committee
- Executive Committee

Qualifications

- Bachelor's Degree in Computer and Management Sciences, Keele University, United Kingdom

Relevant Experience

With over 30 years of working experience, he has held various positions in Brunei Investment Agency (BIA) and the Ministry of Finance and Economy (MOFE). In BIA, he managed investments globally as Director of Venture Capital and Strategic Investments and in 2014 he was appointed as the Acting Managing Director of BIA until his confirmation as Managing Director in 2017. Subsequently, in August 2018, Junaidi was appointed as the Managing Director of MOFE's Strategic Development Capital Fund and responsible in managing the Foreign Direct Investment portfolio. During this period, he was appointed as a member on the Board of Directors of the Government-Linked Companies under MOFE.

Further details of Board Member Directorships and other disclosures are outlined in the Corporate Governance Report.



Haji Sofian bin Mohammad Jani Independent Director

Date of Appointment: 19 March 2020

Length of Tenure as Director: 3 years

Shares held as BIBD Nominee in the Bank: 2 shares

Board Committees served on:

- Audit Finance and Risk Committee
- Human Resources Remuneration and Nomination Committee
- Executive Committee

Qualifications

- BA (Hons) Degree in Economic and Social Studies in Accounting & Finance, Victoria University of Manchester, United Kingdom
- Chartered Financial Analyst (CFA)

Relevant Experience

Haji Sofian bin Mohammad Jani, CFA has more than 24 years of investment management experience. He is currently the Acting Managing Director for Brunei Investment Agency since July 2018.

He began his career at Portfolio Asset Management Department and later moved to Research and Business Development in 2001. In 2005, he was promoted to Assistant General Manager and transferred to Internal Fund Management. He was appointed as Head of Listed Market in 2012 before heading the Investment Department in 2014. In 2018, he was confirmed as Senior Assistant Managing Director. Haji Sofian is a CFA charterholder.

Further details of Board Member Directorships and other disclosures are outlined in the Corporate Governance Report.



Dr. Jan Hendrik (Hennie) van Greuning Independent Director

Date of Appointment: 31 December 2010

Length of Tenure as Director: 12 years

Board Committees served on:

- Audit Finance and Risk Committee

Qualifications

- Chartered Financial Analyst (CFA)
- Chartered Accountant, South Africa and Canada
- Doctorate Degrees in Accounting Science and Monetary Economics

Relevant Experience

Dr. Hennie was previously a Senior Advisor in the World Bank Treasury, focusing on Operational Risk Management in the Treasury environment, as well as Islamic Banking issues. He was a member of the Board of FirstRand Limited (a listed bank holding company in South Africa), for nine years, until November 2017. He taught a Master's class in Finance at George Washington University for several years and has co-authored six editions of the World Bank's publication on International Financial Reporting Standards: A Practical Guide. He has also co-authored books on conventional as well as Islamic banking risk. His publications have been translated into more than 15 languages.

Further details of Board Member Directorships and other disclosures are outlined in the Corporate Governance Report.



Hajah Noraini binti Haji Sulaiman Deputy Managing Director / Executive Director / Acting Managing Director & Chief Executive Officer from 1 December 2021 until 12 August 2022

Date of Appointment: 1 December 2021

Length of Tenure as Director: 8 months

Shares held as BIBD Nominee in BIBD Securities Sdn Bhd: 1 share

Shares held as BIBD Nominee in BIBD At-Tamwil Berhad: 1 share

Qualifications

- Member of Association of Chartered Certified Accountants (ACCA)

Relevant Experience

Hajah Noraini was previously the Deputy Managing Director of BIBD and Acting Managing Director of Syarikat Takaful Brunei Darussalam, on secondment from BIBD. She was also the Chief Financial Officer for BIBD, and has held other accounting and financial roles in various Bruneian companies such as Brunei Shell Petroleum Sdn Bhd. Currently, she is the director for BIBD At-Tamwil Berhad, BIBD Securities, BIBD Management Services, Pantai Jerudong Specialist Centre and Jerudong Park Medical Centre. She was also a director in Tabung Amanah Pekerja (TAP) and the Chairman for the TAP Audit Committee. She is a member of the Brunei Darussalam Accounting Standards Council.

Further details of Board Member Directorships and other disclosures are outlined in the Corporate Governance Report.

SHARIAH ADVISORY BODY



BIBD



**Yang Mulia Dato Seri Setia Dr Awang
Haji Mazanan bin Haji Yusof
Chairman**

Length of Tenure as Member: 11 years

Qualifications

- PhD in Islamic Studies, National University of Malaysia;
- Master's Degree in Islamic Studies, National University of Malaysia;
- Bachelor's Degree in Usuluddin, Al-Azhar University;
- Syariah Judiciary, International Islamic University, Islamabad, Pakistan.

Relevant Experience

YM Dato Dr Haji Mazanan is the Assistant Mufti (Buhuth), State Mufti Office, Brunei Darussalam. He has over 13 years of experience in the field of Islamic finance which includes sitting in BIBD and Syarikat Takaful Brunei Darussalam's Shariah Advisory Body (SAB) and supervisory, namely Syariah Financial Supervisory Board (SFSB) of the Brunei Ministry of Finance. He is also a Member to the Brunei Islamic Religious Council, a council responsible for advising His Majesty the Sultan of Brunei Darussalam on Islamic religious matter. He also presented in various conferences and is an active speaker in many forums both local and overseas preaching Islamic religion. In the Shariah scholarly area, YM Dato Dr Haji Mazanan is a learned and trained scholar to deduce fatwa (Shariah ruling), where he has been trained by Darul Ifta, Egypt in 2003.



**Yang Mulia Dr Abdul Nasir
bin Haji Abdul Rani
Deputy Chairman**

Length of Tenure as Member: 9 years

Qualifications

- PhD in Economics and Muamalat Administration, Islamic Science University of Malaysia;
- Master's Degree in Economics and Islamic Banking, Yarmouk University, Hashemite Kingdom of Jordan;
- Bachelor's Degree in Islamic Studies (Shariah), University Brunei Darussalam.

Relevant Experience

YM Dr Abdul Nasir is the Dean of Faculty Islamic Economics and Finance, Sultan Sharif Ali Islamic University (UNISSA). He is the Chairman of BIBD At-Tamwil Berhad's Shariah Advisory Body and a member of Syarikat Takaful Brunei Darussalam's Board of Directors. He has been a part of the Islamic finance industry in many areas namely Shariah advisory, academician, lecturer and trainer. He has published many books, research papers and articles in various academic journals and publications. He also presented in various conferences both local and overseas as well as conducted a number of Islamic finance trainings locally.



**Yang Mulia Dayang Hajah Noraini
binti Haji Buntar
Member**

Length of Tenure as Member: 5 years

Qualifications

- Master's Degree in Islamic Revealed Knowledge and Heritage (Fiqh and Usul Al-Fiqh), International Islamic University Malaysia (UIAM);
- Bachelor's Degree in Syariah Islamiah, Al-Azhar University, Egypt;
- Certificate Holder of Fiqh Muamalat Professional Programme, Center for Islamic Banking, Finance and Management (CIBFM), Brunei Darussalam.

Relevant Experience

YM Dayang Hajah Noraini is a Senior Istiabat Officer in the Ifta Department, State Mufti Office and was appointed as a member of the BIBD SAB since 2018. She also presented in various conferences and speaker in many forums both local and overseas preaching Islamic religion.



Yang Mulia Dr Haji Mohd Aidil Yusrie bin Haji Shari
Member

Length of Tenure as Member: 3 years

Qualifications

- PhD in Syariah, Sultan Sharif Ali Islamic University (UNISSA);
- Master's Degree in Syariah, Sultan Sharif Ali Islamic University (UNISSA);
- Bachelor's Degree in Shariah, Universiti Brunei Darussalam (UBD);
- Investment Foundations Certificate, Chartered Financial Analyst (CFA) Institute.

Relevant Experience

YM Dr Haji Mohd Aidil Yusrie is the Head of the Sukuk Financing Office, Treasury Department, Ministry of Finance and Economy, Brunei Darussalam. He is the Chairman of BIBD Securities Sdn Bhd's Shariah Advisory Body. He also a member of the Board of Directors of Bank Usahawan Berhad and Bursa Brunei Darussalam. He has over 15 years of experience in the field of Islamic finance which includes industry and regulatory. Previously, he was an Assistant Professor (Islamic Finance) at UNISSA and Islamic Finance Specialist at Islamic Development Bank Group (IsDB), Jeddah. He also was the Manager of Capital Market Supervision at Regulatory Department, Brunei Darussalam Central Bank (BDCB) and at the same time attached to the Islamic Capital Market Business Group of Securities Commission Malaysia (SC). Prior to joining BDCB, he was the Deputy Manager of Shariah Department, BIBD.



Yang Mulia Dr Hajah Mas Nooraini
binti Haji Mohiddin
Member

Length of Tenure as Member: 3 years

Qualifications

- PhD in Islamic Finance, Durham University, United Kingdom;
- Masters in Islamic Studies, National University of Malaysia;
- Bachelor's Degree in Shariah, Al-Azhar University, Egypt.

Relevant Experience

YM Dr Hajah Mas Nooraini is the Director of Mazhab Shaf'i Research Centre, Sultan Sharif Ali Islamic University (UNISSA). She is a Member of the BIBD's Shariah Advisory Body since February 2020. She has published many research papers and articles in various academic journals. She also presented in various conferences both local and overseas.

BIBD Securities



**Yang Mulia Dr Haji Mohd Aidil Yusrie bin Haji Shari
Chairman**

Length of Tenure as Member: 2 years

Qualifications

- PhD in Syariah, Sultan Sharif Ali Islamic University (UNISSA);
- Master's Degree in Syariah, Sultan Sharif Ali Islamic University (UNISSA);
- Bachelor's Degree in Shariah, Universiti Brunei Darussalam (UBD);
- Investment Foundations Certificate, Chartered Financial Analyst (CFA) Institute.

Relevant Experience

YM Dr Haji Mohd Aidil Yusrie is the Deputy Head of the Sukuk Financing Office, Treasury Department, Ministry of Finance and Economy, Brunei Darussalam. He is the member of BIBD Shariah Advisory Body. He also a member of the Board of Directors of Bank Usahawan Berhad and Bursa Brunei Darussalam. He has over 15 years of experience in the field of Islamic finance which includes industry and regulatory. Previously, he was an Assistant Professor (Islamic Finance) at UNISSA and Islamic Finance Specialist at Islamic Development Bank Group (IsDB), Jeddah. He also was the Manager of Capital Market Supervision at Regulatory Department, Brunei Darussalam Central Bank (BDCB) and at the same time attached to the Islamic Capital Market Business Group of Securities Commission Malaysia (SC). Prior to joining BDCB, he was the Deputy Manager of Shariah Department, BIBD.



**Yang Mulia Dr Ahmad Lutfi bin Abdul Razak
Member**

Length of Tenure as Member: 2 years

Qualifications

- PhD in Islamic Finance, International Centre for Education in Islamic Finance
- CIMA Diploma in Islamic Finance
- Postgraduate Diploma in Advanced Economics, University of Warwick, United Kingdom
- Master of Science in Economics, University of Warwick, UK
- Bachelor of Science (Hons) in Economics, University of Warwick, UK

Relevant Experience

YM Dr Ahmad Lutfi is a Lecturer at School of Business and Economics, University Brunei Darussalam (UBD). He received his doctorate degree in Islamic Finance from the International Centre for Education in Islamic Finance (INCEIF) in December 2019, with this thesis titled "The Effects of Corporate Social Performance on Credit Risk". He was also awarded the INCEIF President's Award in Recognition of Achieving the Best Academic Performance in the Graduating Class 2019 for the Doctor of Philosophy in Islamic Finance.

Previously, he worked as a Lecturer at the Sultan Sharif Ali Islamic University (UNISSA), Brunei Darussalam. He also worked with the Centre for Strategic and Policy Studies (CSPS), Brunei Darussalam where he worked on a number of national projects, which includes: Land Optimization, National Productivity, Financial Literacy and Ease of Doing Business.



**Yang Mulia Dr Amnisuhailah binti Abarahan
Member**

Length of Tenure as Member: 2 year

Qualifications

- PhD in Islamic Finance, International Centre for Education in Islamic Finance (INCEIF)
- Master of Islamic Revealed Knowledge and Heritage, Fiqh & Usul Fiqh (Islamic Jurisprudence) specialising in Islamic Banking (Fiqh Muamalat); International Islamic University Malaysia
- Bachelor of Islamic Revealed Knowledge and Heritage, Fiqh & Usul Fiqh (Islamic Jurisprudence) (Hons) minoring in Comparative Religious; International Islamic University Malaysia

Relevant Experience

YM Dr Amnisuhailah is a Deputy Dean of Faculty of Economy and Islamic Finance, Sultan Sharif Ali Islamic University (UNISSA). She is an Associate Member of Associations of Shariah Advisers in Islamic Finance (ASAS), Malaysia and the Chartered Institute of Islamic Finance Professionals (CIFP), Malaysia.

BIBD At-Tamwil



**Yang Mulia Dr Abdul Nasir bin Haji Abdul Rani
Member**

Length of Tenure as Member: 2 years

Qualifications

- PhD in Economics and Muamalat Administration, Islamic Science University of Malaysia;
- Master's Degree in Economics and Islamic Banking, Yarmouk University, Hashemite Kingdom of Jordan;
- Bachelor's Degree in Islamic Studies (Shariah), University Brunei Darussalam.

Relevant Experience

YM Dr Abdul Nasir is the Dean of Faculty Islamic Economics and Finance, Sultan Sharif Ali Islamic University (UNISSA). He is the Deputy Chairman of BIBD Shariah Advisory Body and member of Syarikat Takaful Brunei Darussalam's Board of Directors. He has been a part of the Islamic finance industry in many areas namely Shariah advisory, academician, lecturer and trainer. He has published many books, research papers and articles in various academic journals and publications. He also presented in various conferences both local and overseas as well as conducted a number of Islamic finance trainings locally.



**Yang Mulia Haji Md Syahiran bin Haji Md Sofian
Member**

Length of Tenure as Member: 2 years

Qualifications

- Master's Degree in Syariah, Sultan Sharif Ali Islamic University (UNISSA);
- Bachelor's Degree in Shariah, Al-Azhar University, Egypt.

Relevant Experience

YM Haji Md Syahiran is a Director, Centre of Fundamental Knowledge at the Religious Teachers University College of Seri Begawan (KUPUSB). He has strong Shariah background with relevant banking and finance knowledge. His experience in teaching began in 2007 and to date has conducted many Shariah and Finance courses, namely Principles of Fiqh (Usul Fiqh), Islamic Legal Maxims (Qawa'id Fiqhiyyah), Fiqh Muamalat & Current Issues and Fatwas of jurisprudential rulings (Fatawa Al-Ahkam AlFihiyyah).



**Yang Mulia Pg Dr Md Hasnol Alwee Pg HajiMd Salleh
Member**

Length of Tenure as Member: 2 years

Qualifications

- PhD in Islamic Finance from Durham University, United Kingdom.
- Master of Science Finance (MSc Finance), Lancaster University, the United Kingdom
- Bachelor's Degree in Business Administration, University Brunei Darussalam

Relevant Experience

YM Pg Dr Md Hasnol Alwee is a lecturer at School of Business and Economics, University Brunei Darussalam (UBD) since 2009. He had taught few modules related to Islamic banking and finance, such as Introduction to Islamic Banking and Finance, Islamic Business Ethics, Investment in Islamic Finance, and Islamic Microfinance. His expertise and interest are in a research area related to Islamic financial literacy, Financial Literacy, Awqaf, and Social Finance. He has published many journal articles, chapters in books, and research papers in various academic journals and publications.

LEADERSHIP FORUM



Management



Awang Junaidi bin Haji Masri
Managing Director & CEO

Junaidi bin Haji Masri is currently the Managing Director and Chief Executive Officer of Bank Islam Brunei Darussalam Berhad (BIBD) since July 2022. He has been a member on the Board of Directors of BIBD since 2010 and was also the Chairman of the Human Resources, Remuneration and Nomination Committee.

With over 30 years of working experience, he has held various positions in Brunei Investment Agency (BIA) and the Ministry of Finance and Economy (MOFE). In BIA, he managed investments globally as Director of Venture Capital and Strategic Investments and in 2014 he was appointed as the Acting Managing Director of BIA until his confirmation as Managing Director in 2017. Subsequently, in August 2018, Junaidi was appointed as the Managing Director of MOFE's Strategic Development Capital Fund and responsible in managing the Foreign Direct Investment portfolio. During this period, he was appointed as a member on the Board of Directors of the Government-Linked Companies under MOFE.

He is the current Chairman of the Brunei Association of Banks (BAB) and a member on the Board of Directors of, Takaful Brunei, Darussalam Enterprise (DARE) and Brunei Energy Services & Trading Sdn Bhd (BEST). Junaidi holds a bachelor's degree in Computer and Management Science from University of Keele, United Kingdom.



Hajah Noraini binti Haji Sulaiman
Deputy Managing Director I

Hajah Noraini was previously the Deputy Managing Director of BIBD and Acting Managing Director of Syarikat Takaful Brunei Darussalam, on secondment from BIBD. She was also the Chief Financial Officer for BIBD, and has held other accounting and financial roles in various Bruneian companies such as Brunei Shell Petroleum Sdn Bhd. Currently, she is the director for BIBD At-Tamwil Berhad, BIBD Securities, BIBD Management Services, Pantai Jerudong Specialist Centre and Jerudong Park Medical Centre. She was also a director in Tabung Amanah Pekerja (TAP) and the Chairman for the TAP Audit Committee. She is a member of the Brunei Darussalam Accounting Standards Council.



Irwan bin Haji Lamit
Deputy Managing Director II and Head of Retail Banking

Irwan joined BIBD to lead the Retail Banking Group. He has more than fifteen years of experience in the Finance industry, of which, he has served as the Managing Director and a member of the Board of Directors of BIBD At-Tamwil Berhad since 2011. As a result of Irwan's leadership, BIBD At-Tamwil became one of the most profitable finance companies in the country, and has enjoyed continuous and uninterrupted increase in profits from 2006 to 2017. Irwan is a qualified Chartered Accountant and is a fellow member of the Association of Chartered Certified Accountants (ACCA). Prior to joining the BIBD group, Irwan has a brief stint with Brunei Shell Marketing Company Sdn Bhd. Irwan holds a BSc (Hons) in Applied Accounting from Oxford Brookes University, UK and recently received his EMBA from University of Oxford, UK.



Haji Minorhadi bin Haji Mirhassan
Chief Operating Officer

Haji Minorhadi has spent the last 30 years in the banking and finance industry. His early banking career started with the HSBC Group since 1989, then to Islamic Development Bank of Brunei (IDBB) in 2005, which subsequently merged with Islamic Bank of Brunei (IBB) to become Bank Islam Brunei Darussalam (BIBD). Haji Minorhadi is currently the Chief Operating Officer (COO) for BIBD.

Throughout his career, he has held leadership roles in Corporate Banking, Retail Banking, Institutional Banking businesses including Marketing & Public Affairs, as well as various landmark projects and financing assignments. He was responsible for setting up of the HSBC Amanah Finance office in Brunei Darussalam and was entrusted with additional subsidiary directorship responsibilities in HSBC Finance Sdn Bhd and BIBD Securities Sdn Bhd. He has overseas working experience in Kuala Lumpur, Dubai and Hong Kong. Previously, he was also appointed to sit in various Government related working committees such as the National Wawasan 2035 working committee, the Narcotics Control Bureau (NCB) Pusat Al Islah advisory committee, the National Development Plan (NDP) committee and the Universiti Brunei Darussalam (UBD) council. He was also the founding Chairman for the Brunei Darussalam Capital Markets Association (BCMA).

Haji Minorhadi earned his BTEC Higher National Diploma in Business and Finance from Institut Teknologi Brunei (ITB) in 1989, now known as Universiti Teknologi Brunei (UTB), achieved best student and won the HSBC Excellence in Business award. He completed an executive Master of Business Administration (MBA) from the Singapore Management University (SMU) in 2013. Additionally, he holds an Islamic Financial Planning Certificate (IFPC) from Hijrah Financial Planners, the Islamic Finance Qualification (IFQ) from the Chartered Institute for Securities and Investments (CISI), a Foundation in Design Thinking Certificate from IDEO U and a Fintech: Innovation and Transformation in Financial Services certificate from the National University of Singapore (NUS) Business School.



Tan Pheng Leong
Chief Financial Officer

Pheng Leong has more than 20 years of experience working in the financial services industry as a Chief Financial Officer (CFO) and auditor of various financial institutions. He joined BIBD as the CFO in 2017 heading the Finance Division and is responsible for the financial matters of the group. Prior to joining BIBD, YM Pheng Leong worked for an international audit firm in Singapore, United Kingdom, Taiwan and Brunei and was a partner in Brunei and Singapore looking after clients in a range of industries from banking, insurance, fund management, oil and gas and telecommunication. He advised clients in International Financial Reporting Standards (IFRS) conversions and audited the financial statements of a number of banks and insurance companies under IFRS. Pheng Leong has a strong appreciation of global working practices, IFRS and IFRS conversion, having worked with BIBD in Brunei and offices in various countries. Pheng Leong obtained a Bachelor Degree in Accounting (First Class Honours) from Nanyang Technological University and is a Chartered Accountant of the Institute of Singapore Chartered Accountants, the Institute of Chartered Accountants in England and Wales as well as a Certified Public Accountant of the Brunei Darussalam Institute of Certified Public Accountants. He is also a Certified Financial Analyst of the CFA Institute.



Effendy bin Othman
General Counsel & Company Secretary

Prior to joining BIBD, Effendy was in private legal practice in Kuala Lumpur for 24 years, of which 10 years was as a senior partner with the largest regional law firm in Malaysia with presence in all the Asean countries. Effendy's clients ranged from local and international financial institutions, multinational, public and public listed companies. Effendy is a certified company secretary with the Malaysian Association of Company Secretaries.

He is also the co-author of several publications including the Malaysian Company Law: Principles and Practice (3rd Ed. 2021 - Wolters Kluwer), the author for the Malaysian chapter on Asian Conflict of Laws - East and South East Asia (2017- Wolters Kluwer), and the contributor for Malaysia for the Global Perspectives on the Hague principles chapter of the Choice of Law in International Commercial Contracts (2021 - Oxford University Press).

Effendy graduated with First Class honours in law from the International Islamic University, Malaysia. He also holds Masters' Degree in Law from the University of Cambridge and the London School of Economics and Political Science.



Edmundo Horacio Uribe Bobadilla
Chief Risk Officer

Edmundo has thirty years of International banking experience, twenty-four years in Risk Management and six in Corporate and Investment Banking. He has worked for twenty-two years in Bank of America, Chase Manhattan Bank and lately for Citibank. He has worked in the Middle East in Islamic banking for Bank Aljazira in Saudi Arabia, Al Khaliqi France in Qatar and Emirates Islamic in Dubai where he was invited to upgrade the risk functions and to implement international best practices, including various risk related trainings across different areas. In his previous job, as Head of Credit and Risk at Emirates Islamic, he fully revamped the risk structure, including processes, related systems and people. Edmundo holds a Bachelor's degree in Business Administration from Universidad Iberoamericana and a Master's in Finance from University of Exeter.



Hajah Nurul Akmar binti Haji Mohd Jaafar
Chief Marketing Officer

Hajah Nurul has been with BIBD for more than twenty five years with experience across the areas of finance, investment and retail banking. She has been involved in the key transformations of BIBD's strategic initiatives including rebranding, product innovations, customer service excellence and strengthening of the brand equity.

She pioneered BIBD's CSR programmes since 2008 that underscored the Bank's 'Bruneian at Heart' values, with flagship initiatives including BIBD ALAF. Now assigned as the Chief Marketing Officer to lead the strategic marketing role for the Group of companies to further elevate BIBD's brand equity and positioning, and the Group to be at par with the best within the industry, regionally and globally. She has recently been appointed as lead of the organisation's Sustainable Transformation Group, which has established the Bank's Sustainability Framework and roadmap for the Group of companies during the ASEAN Business Investment Summit.

Hajah Nurul holds a BA in Accounting & Finance from United Kingdom and was an Islamic Bank of Brunei Scholar prior to joining BIBD in 1995.



Koh Swam Sing
Head of Corporate Banking

Swam Sing has vast knowledge and experience working in Corporate Banking as well as in Operations and Credit Risk. His career began with the Island Development Bank Bhd in 1983 where he held various positions in branch operations, administration and credit management. As one of the pioneer members of BIBD, he played a key role in the Bank's transformation into Islamic financial banking and services, and has been instrumental in introducing some of the Bank's core offerings. He currently leads the Corporate Banking Division which is responsible for building BIBD's Corporate Banking portfolio, and supporting local businesses that contribute to Brunei's infrastructure growth.



Hazimah Izzati binti Pehin Orang Kaya Johan Pahlawan Dato Seri Setia Awang Haji Adanan
Head of Treasury and Global Markets

Hazimah was recently appointed as the Head of Treasury & Global Markets Division in April 2021. With more than ten years of experience, Hazimah held several roles such as Money Market Dealer, Chief Dealer, Head of Foreign Exchange and Money Markets and the Deputy Head of TGM prior to her current role. Her primary responsibilities include the control and management of the Bank's capital and liquidity. Hazimah holds a Bachelor of Arts in Economic and Social Studies (Finance) from the University of Manchester. She is also a CFA charterholder.



Jason Wong
Acting Managing Director
of BIBD Securities Sdn Bhd

Jason has been with BIBD since 2012 and has worked across the entire Shariah asset management spectrum with over 10 years of investment management experience.

Prior to BIBD Securities, Jason headed the proprietary investment team of BIBD Bank and was responsible for the management of more than B\$1 billion worth of global market investments, including Sukuk (Islamic bonds), Islamic credit-linked notes (I-CLNs) and other medium-term investments. Additionally, Jason has worked at BIBD's Singapore representative office, BIBD's Debt Capital Markets (DCM) team and Citi London.

He holds a Master's degree (MSc) in Finance and a Master's degree (MEng) in Chemical Engineering, both from Imperial College London and is a CFA charter-holder.



Haji Mohd Said bin Haji Zania
Managing Director of BIBD At-Tamwil Berhad

Haji Mohd Said has twenty years of Brunei Banking and Finance industry experience. He joined BIBD At-Tamwil Berhad in 2000 and has been an ever-present figure in the ongoing success of BIBD At-Tamwil Berhad. In his previous role as Head of Operations, he has shown strong leadership qualities, and ability to manage strategic and operational matters has allowed significant improvements in the operations of BIBD At-Tamwil Berhad.



Hajah Hanifah binti Haji Jenan
Head of Shariah

Hajah Hanifah is BIBD's Head of Shariah with over ten years banking experience covering branch banking, recovery and legal advisory prior to taking the leading role of the Shariah Department. She is also experienced in Takaful matters which was gathered during her secondment to Takaful BIBD, where she looked after legal and claims matters. She holds a Bachelor's Degree (Hons) in Shariah from the University of Malaya, Malaysia, and a Diploma in Law and Administration of Islamic Judiciary from the International Islamic University of Malaysia (IIUM). She is a Certified Islamic Financial Planner from AlHijrah Consultancy and a certificate holder of Fiqh Muamalat Professional Programme (FMPP) from CIBFM Brunei.



Susanna Maria Goh Ghim Hong
Head of Compliance

Susanna has more than thirteen years of banking industry experience with more than seven specifically in the legal and compliance arena, having previously been the Head of Compliance for HSBC Brunei. She has also previously acted as Director for HSBC Finance (Brunei) Berhad. She joined BIBD as the Head of Compliance in July 2018 and manages the Compliance Division for BIBD, overseeing engagement with banking regulators and all aspects of financial crime compliance. She holds a Bachelor of Law LL.B honours degree from the University of Nottingham and is a qualified Barrister-at-Law.



Haji Mohd Yusri bin Haji Wahsalfelah
Head of Government Relations and Special Projects

Haji Mohammad Yusri started his career as an economist under the Department of Economic Planning and Development at the Prime Minister's Office and was responsible for overseeing policy formulation and economic planning in the areas of Privatization, Public Private Partnership (PPP), Competition Policy, Fair Trade Practices, and Consumer Protection. He joined BIBD as a Senior Relationship Manager in 2012, overseeing the Bank's overall relationship with the Ministry of Finance, Government Linked Companies (GLCs), as well as other strategic stakeholders in the Government and Corporate agencies. Currently, Haji Mohammad Yusri heads the Government Relations and Special Projects Division, the bank's key focal point for collaboration with key stakeholders in government sectors. He holds an MSc in Economics from the University of Leicester, United Kingdom, and a Double Majors Degree in Economics and Financial Planning, from Curtin University of Technology, Western Australia.



Lyndsay Spray
Deputy Chief Operating Officer

Lyndsay joined BIBD in July 2020 and has 30 years of experience in the banking industry, with BIBD and HSBC Group. Her professional experience ranges from marketing, human resources and training and retail banking, with her expertise being operations. She spent 28 years with HSBC Brunei, during which time she was also seconded to Singapore, Vietnam and New Zealand. After her role as Head of Retail Banking and Chief Operating Officer for HSBC Brunei and prior to joining BIBD, she was the Chief Operating Officer in HSBC New Zealand. In her current role, Lyndsay oversees the operations of the branch network, as well as the operations and customer services department and provides support for the other Departments under the leadership of BIBD's Chief Operating Officer. Lyndsay holds a BSc in Financial Services from United Kingdom and Associateship of the Chartered Institute of Bankers, UK.

EMERGING LEADERSHIP FORUM



2.

Corporate Governance

At BIBD, we uphold the highest standards of corporate governance and closely adhere to the principles and regulations outlined by the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam.

2.1 Corporate Governance Report

Introduction

Implementation of Key Corporate Governance Initiatives as the architecture for the Bank's dynamic and responsible growth.

As a continuation of the BIBD Board of Directors' ("Board") efforts in 2021 to strengthen the corporate governance of the BIBD Group, 2022 witnessed the implementation of several key governance initiatives, which places BIBD at par with its regional counterparts, and more importantly, it is hoped that these initiatives will architecture the BIBD Group's dynamic and responsible growth in the coming years. These key governance initiatives include:

- The Corporate Governance Framework which enumerates BIBD's organisational stakeholders' and leadership structure, its oversight, accountability and assurance systems, and the values by which BIBD carries out its operation and business activities. Collectively they

form the fundamentals of BIBD's corporate governance eco-system. One critical component of this Framework is its focus on sustainability which advocates the balanced pursuit of three goods: economic progress, social development, and environmental improvements.

- The BIBD Group Code of Ethics which functions as a guidance on the ethical behavioral conduct expected of members of the BIBD Group and on the importance of embracing an ethical working culture within the BIBD Group premised responsible actions and decisions.
- The Board Charter which objectives is to guide the BIBD Board in its stewardship role by outlining its duties, responsibilities, and roles in line with all Applicable Laws.

- The Price Sensitive Information Policy which sets out the guidelines in determining Price Sensitive Information and to ensure the proper and orderly public disclosure of the Price Sensitive Information in accordance with the applicable Securities Markets laws and regulations.
- The External Solicitors Management Framework which sets out the relevant governance processes, procedures, standards and guidelines to ensure that BIBD has an available pool of external solicitors ("Panel Solicitors") possessing the requisite skills, legal expertise, experience, and professionalism to assist the BIBD Group on all legal matters requiring external legal assistance.

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2.1.1

Risk Management Report by the Chief Risk Officer

BIBD has placed a significant emphasis on the role of risk management in ensuring a sustained and responsible long-term growth of the BIBD Group. To support BIBD's aspirations, a robust risk management function and respective processes, coupled with a strong awareness program have been placed to allow an independent assessment, monitoring and controls of all financial and non-financial risks across the BIBD Group.

The comprehensive management of all risks faced by BIBD is part of our wider efforts to uphold the highest standards of risk governance and compliance throughout the BIBD Group. BIBD undertakes a variety of businesses, and is required to be able to govern, monitor and report all risks with a clear enterprise and holistic approach.

BIBD has in place various Risk policies and processes intended to cover different risks across all businesses that are reviewed annually.

Risk Management Strategy

The BIBD Risk Management Strategy is reviewed and approved by the BIBD Board of Directors on an annual basis. The Risk Management Strategy provides a holistic approach in managing risks, triggers, and thresholds within BIBD Group.

Risk Appetite Statements

Within the Risk Management Strategy, holistic Risk Appetite Statements ("**RAS**") are established as primary risk parameters, and are aligned to the BIBD Group's overall risk management objectives:

- (a) To consistently exceed minimum regulatory capital requirements
- (b) To ensure sufficient levels of liquidity and funding
- (c) To manage the level of risk in the portfolio to an acceptable level,
- (d) To maintain external debt ratings.

Enterprise Risk Management Framework

The BIBD Group has embraced an enterprise-risk approach, covering 19 (nineteen) core risks, within its risk management structure. This is supported by the Enterprise Risk Management Framework ("**ERMF**") which provides a standardized approach to manage all risks within the BIBD Group. The key tools used within the ERMF are to establish, within each BIBD division, the proper governance, monitoring and controls to be tracked on a monthly and quarterly basis.

Risk Governance Structure

A strong governance structure is in place to ensure that the ERMF can be implemented effectively. While the Board is ultimately responsible for BIBD's risk management activities, it has delegated its responsibilities on the oversight of BIBD risk management to its Board Committees; the Audit and Finance Sub-Committee ("**AF**"), the Risk Sub-Committee ("**RC**"), and the Executive Committee ("**ExCom**"). These Board Committees are updated on risk-related matters on a quarterly and monthly basis or as and when required. The Shariah Advisory Body ("**SAB**") has also been delegated by the Board to provide oversight over Shariah matters, including Shariah Risk. The SAB meets at least every quarterly and are updated on Shariah matters including any Shariah related risk issues where their SAB's guidance can be sought.

At Management level, the Group Risk is managed by the established committees of the Credit Risk Committee ("**CRC**"), the Asset & Liabilities Committee ("**ALCO**"), Capital Committee ("**CC**") and Enterprise Risk Management Committee ("**ERMC**"). These management committees meet on a weekly, monthly, bi-monthly, and quarterly basis, respectively. Specific matters such as the Capital Adequacy ("**ICAAP**") and the Recovery Plan are reviewed within the ERMF.

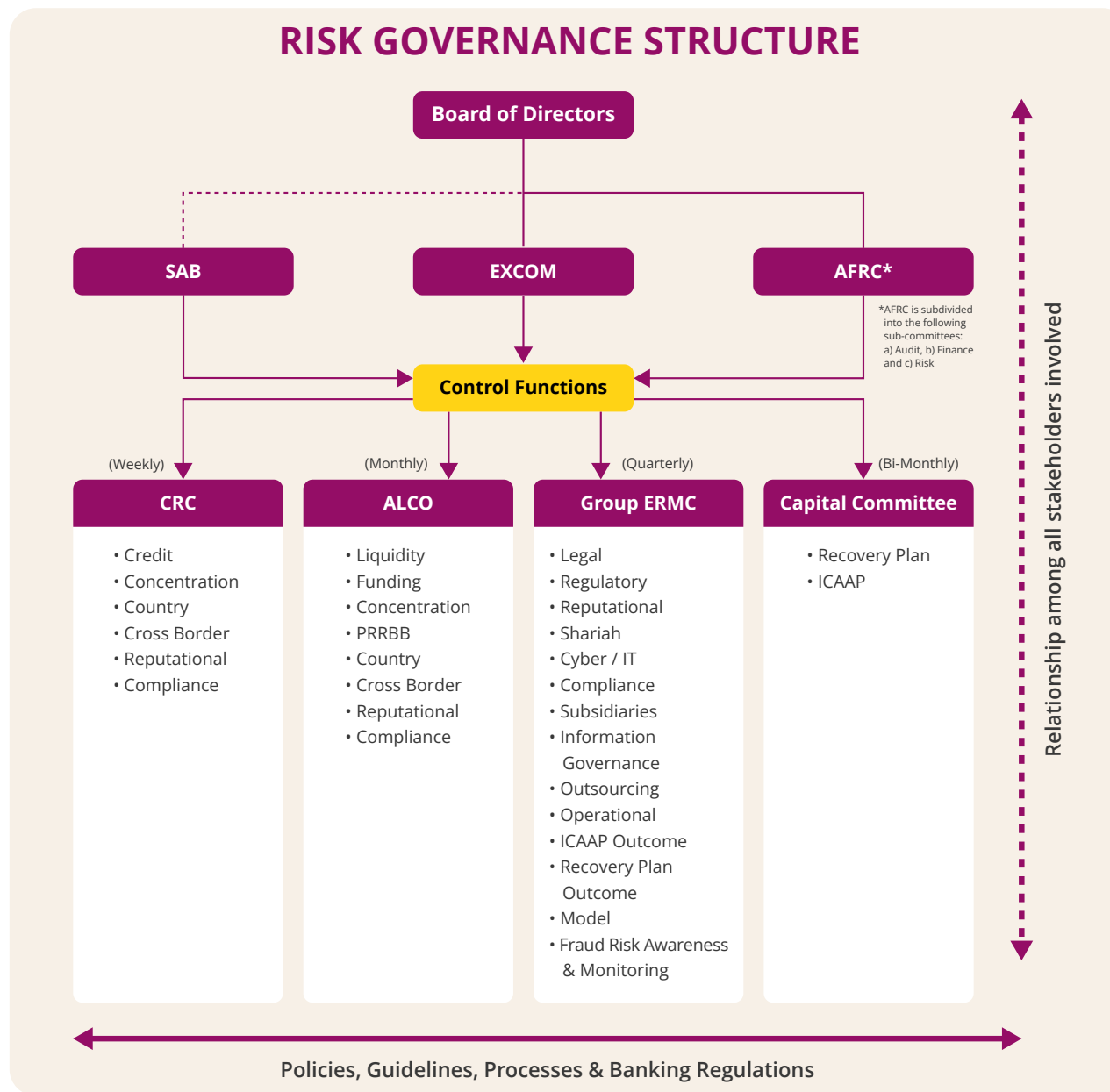
Group Risk Management Model

The Group Risk Management model utilizes the “Three Lines of Defense” approach, to contain any potential risk. This is achieved by maintaining an ongoing monitoring process, and the proper implementation of respective controls.

The responsibilities are shared as follows:

- 1st Line of Defense (Risk Owner), the Business/ Support units.
- 2nd Line of Defense (Monitoring and Oversight Functions), Risk Management and Compliance.
- 3rd Line of Defense (Risk Assurance), Internal Audit.

While risks are managed at the point of risk-taking activity, there is a clear accountability of the risk ownership across BIBD as demonstrated in the following chart.



Within the Risk Governance Structure (“RGS”), BIBD has several committees at Board and Senior Management level:

- **Board**

- (a) ExCom – Monthly
- (b) AFRC – Quarterly
- (c) SAB – Monthly

- **Senior Management**

- (a) CRC – Weekly
- (b) ALCO – Monthly
- (c) ERM – Quarterly
- (d) CC – Bi-monthly

The main risks within the BIBD Group are controlled and monitored under the Risk Management Division (“RMD”), as a 2nd Line of defense covering:

- **Credit Risk**
- **Market Risk**
- **Operational Risk**
- **Profit Rate Risk Banking Book (“PRRB”)**
- **Liquidity Risk**
- **Funding Risk**
- **Concentration Risk**
- **Country Risk**
- **Cross Border Risk**
- **Reputational Risk**
- **Legal Risk**
- **Regulatory Risk**
- **Shariah Risk**
- **Compliance Risk**
- **Cyber Risk**
- **IT Risk**
- **Information Governance**

- **Outsourcing Risk**

- **Model Risk**

The approach taken RMD is to analyze all financing and investment proposals, as well as, evaluating the BIBD Group’s operational processes and events, in close cooperation with respective business units, to ensure that the BIBD Group’s exposure to all risks is understood, discussed, and managed in a proactive way, for all stakeholders’ interests to be protected.

Financial risks are analyzed by performing different stress tests using different economic scenarios within the ICAAP, Recovery Plan and other Stress tests annually as required by the Brunei Darussalam Central Bank (“BDCB”), coupled with other specific exercises presented within ALCO.

BIBD adopts a proactive approach in monitoring the BIBD Group’s risks which are exposed to, by having a robust Enterprise Risk Management Framework, coupled with a solid Operational Risk Governance that utilizes several tools to constantly monitor the risks resulting from People, Systems, Processes and External factors. The Operational Risk responsibility lies within all BIBD’s employees, which is strongly driven by the ongoing Risk Awareness and Risk Culture trainings.

The allocation of risk related responsibilities among all units, within BIBD, are organized in such a way to be in line with the Three Lines of Defense (“LOD”) principle, where each line of defense is independent from each other:

- The 1st LOD is provided by the business units and supporting functions, other than 2nd and 3rd LODs. responsible for identifying, and managing the inherent risks in the products, activities, processes, and systems for which are accountable.

- The 2nd LOD is provided by the independent risk management and compliance functions. The risk management function is primarily responsible for overseeing the bank’s risk-taking activities, couple with the undertaking of the risk assessments, with independent reporting from the 1st LOD. The compliance function monitors the compliance with respect to laws, corporate governance rules and internal policies.

- The 3rd LOD is provided by the independent internal audit function, responsible for providing assurance on the effectiveness of the bank’s 1st and 2nd LODs.

There are several initiatives from the BDCB that have been adopted or in the process of being adopted by BIBD to align the Brunei Banking Sector with international standards. These initiatives include

- (i) Risk management guideline and governance
- (ii) Credit risk management guideline
- (iii) Minimum regulatory capital requirements
- (iv) IFRS9 model implementation
- (v) Classification of impaired credit facilities and financial assets for provisioning purpose
- (vi) Market Risk Management Guidelines
- (vii) IT and Cyber Risk Guidelines
- (viii) Basel II – Pillar 3 Public disclosure document
- (ix) Corporate governance for Islamic banks
- (x) Prudential treatment of problem assets and allowance for credit losses
- (xi) Shariah Governance Framework
- (xii) Operational Risk Management
- (xiii) Liquidity Risk Management
- (xiv) Capital Adequacy Framework

- (xv) Outsourcing Guidelines
- (xvi) Internal Capital Adequacy Assessment Process (“ICAAP”)
- (xvii) Recovery Plan

Temporary Regulatory Measures (COVID-19)

On 30 June 2022, BDCB put an end to the liquidity relief program which was introduced to support all Corporate and Retail clients impacted by the COVID-19 pandemic. The relief program provided a deferment of principal payments across identified industries and sectors.

By April 2020, BIBD promptly implemented the new directive, by adding this program within BIBD credit policies. By December 2022, the program has been extended several times by BDCB, as follows: The 1st extension was implemented from April to September 2021, following an additional extension up to 31 December 2021 and a final extension up to June 2022. All extensions were approved by BDCB, and directives duly updated within the BIBD policies.

Standard & Poor’s Credit Rating

As a testament to BIBD’s prudent approach to risk management, the Bank was reaffirmed with an A- (Stable) by one of the big three international credit rating agencies, Standard & Poor’s (“S&P Global”).

Management of Material Risks

The emphasis of a strong risk management culture is the

foundation of the BIBD Group’s control mechanism. This involves an on-going process of identification, assessing, controlling, monitoring, and reporting of material risks, called “Risk Taxonomy” that affects the performance of the BIBD Group’s strategic objectives, as follows:

1. Credit and Concentration Risks

A robust credit risk framework is the one that embeds prudent financing guidelines to minimize credit defaults and losses, whilst maintaining a credit portfolio that is within the BIBD Group’s Risk Management scope. The Bank has in place several systems and processes to have a proper set of controls and a monitoring scheme to overview across all risks within BIBD’s the risk management.

The concentration factor per industry, limit, obligor, and product is an important aspect within the BIBD Group’s portfolio and is continuously tracked. In the Non-Retail spectrum, the BIBD Group’s industry portfolio concentration remained stable with the highest concentration in the oil and gas industry, which has been a historic trend, due to the importance of the domestic oil and gas revenues for Brunei. Within the Retail Portfolio, there is no concentration due to the regulatory guidelines in place (Capital Adequacy Framework dated 13 February 2019), whereby, each retail obligor cannot represent more than 0.2% of the total retail portfolio.

Non-Retail Portfolio

In the non-retail space, the Bank implemented an internal risk rating system from S&P Global, to help the Board and Senior Management to differentiate the risk levels, via a probability of default approach, across all financings and investments to facilitate the decision-making process.

In addition, there is an assessment process throughout a fundamental analysis approach – the review of qualitative and quantitative information – and financings above one year have additional analysis requirements, where specific projections and assumptions take place. Collateral coverage of financings is high. However, credit decisions are always based on the cash flow generation, as the primary source of repayment, coupled with an appropriate facility structure, where all facilities have specific limits per risk type (Funded, Unfunded and Pre-settlement risk).

There is a general monitoring scope, throughout two specific processes:

- (a) Watchlist accounts
This approach covers all accounts above 1 Day Past Due (“DPD”) as well as movements within the DPD buckets (1-30, 31-60, 61-90 and above 90 days).
- (b) Close monitoring accounts
This approach covers only current accounts with minor issues that may deteriorate if not monitored properly.

For accounts above 30 DPD but below 90 DPDs, Exposure at Default (“EAD”) must be transferred to Stage 2 (IFRS9) and when reaching 90 DPDs, must be defined as impaired and EAD transferred to Stage 3 along with their corresponding Expected Credit Losses (“ECL”) or impairments.

Within the Corporate Banking Group, the Special Assets Department (“SAD”) is responsible to continuously follow up and assesses trends for all accounts with DPDs above 30 days, to bring possible solutions. Risk Management closely works with the SAD, to properly manage all related efforts as well as the right level of impairment.

Retail Portfolio

In the retail space, the Bank has a portfolio approach assessing individual product types using internal risk models throughout different scorecards, and in some cases, fundamental credit analysis, for the final evaluation and respective approval. All facilities have specific limits per risk type (Funded, Unfunded and Pre-settlement risk).

There is a constant follow up on market trends/behaviors and portfolio analytics per product type, such as months on books under a performing status and DPDs bucket movement analysis, among others

Within the retail portfolio, there are secured financings, whereby, collaterals fully covered the financing amounts, and with the addition of the salary assignments. For unsecured financings, there is no collateral assigned. However, most obligors have the salary assignment in place.

Collections and Recovery

Collections and Recovery Department under the Chief Operating Officer is responsible to track all DPDs and trends, to assess the proper strategy for each product type. The Risk Management Division works closely with this department to understand behavioral patterns that can be used to further enhance to existing policies.

Expected Credit Loss

BIBD had established its IFRS9 process which has enabled us to calculate the Expected Credit Losses or credit impairments. This process provides forward looking expected credit losses for either a 12-month Probability of Default ("PD") or Lifetime PD, based on a statistical historic data with respect to BIBD portfolio's PDs, Loss

Given Defaults ("LGDs"), Macroeconomic overlays and Exposures at Default ("EAD").

2. Operational and Shariah Risks

Operational Risk events stemming from People, Systems, Processes and External Factors that may lead to losses for the Group. These factors are constantly monitored and reported.

As a continuous proactive measure to better capture all operational risk related events, the Group has placed a strong emphasis on providing regular training to all employees. The Group has assigned employees across all Divisions to act as the Risk Coordinators ("RC"), in charge to capture any operational risk issues, including Shariah Risks.

Risk Management Division has also implemented several tools and processes to provide a holistic operational risk view across the Group. Any Risk Event Report is carefully analyzed using a Root Cause methodology together with the respective causal factors to identify the proper solution within a reasonable timeline. Another key tool used for operational risk issues are the monthly tracking of the Risk Appetite Statements ("RAS") and Key Risk Indicators ("KRIs") implemented by each unit, in agreement with the Risk Management Division.

3. Market, PRRBB, Funding, Liquidity, Country, and Cross Border Risks

As part of the regular monitoring and reporting of BIBD's market risk exposures, there are several reports that are tracked to ensure these exposures are within the approved risk appetite parameters, the Risk Management team continuously keeps abreast of the market developments

in different geographies, which may impact BIBD cross border portfolio and specific risk guidelines. BIBD maintains high quality liquid assets and well diversified sources of funding that act as a liquidity buffer.

Another aspect of the market risk is the interest/profit rate movements affecting the banking book performance, and the consequent impact on the earnings and capital. This analysis is presented within the ALCO by the Risk Management Division, monthly.

BIBD utilizes several assessment methodologies with the help of various analytical techniques, to manage relevant risks and support specific business requirements:

- (a) Counterparty Limits Process using qualitative and quantitative techniques,
- (b) Country Limits using fundamental economic, political, and social analysis,
- (c) Cross Border Risk analysis covering the Nationalization, Expropriation, Convertibility and Transferability risks ("NECT").

BIBD also uses the Country Sovereign International risk ratings, from S&P Global, Moody's and Fitch to ensure further alignment with international practices.

4. Legal, Regulatory, Compliance and Reputational Risks

The BIBD Group places utmost priority on the compliance surveillance with respect to the international and local governance guidelines. BIBD is well aware of the proper and proactive implementation of all compliance principles, to mitigate, transfer or avoid all risks related to legal, regulatory, compliance, and the adverse impact to BIBD's reputation.

5. Cyber and IT Risks

Regular reviews upgrades and testing of all IT systems (hardware, middleware, and software), as well as BIBD's cyber infrastructure, are performed to avoid any internal and external disruptions that may affect the Group's general capabilities to operate. This approach allows further strengthening of BIBD's overall IT and Cyber risk management capabilities, by implementing best international practices. As part of this scope, the IT and Cyber risk framework is assessed and reviewed periodically as BIBD continues in developing a predictive risk management culture.

6. Information Governance and Outsourcing Risks

The BIBD Board and Senior Management has placed significant emphasis on ensuring that risks related to data quality, data security, record management and client data privacy, among others, are mitigated and avoided.

The BIBD Group has implemented an outsourcing monitoring process to ensure that material services and data received by external sources are reliable and providers have a sound and proven track record.

7. Model Risk

This refers to losses resulting from using inappropriate models, data, model's review, and maintenance service updates. BIBD Group is building its model inventory tracking list to have a comprehensive record of all available models to allow proper management, maintenance and tracking.

Foreseeable Risk Factors

In 2022, the world witnessed erratic movements in the global supply and demand of goods and services, coupled

with the already disrupted worldwide supply chain system. These situations are the consequences of the COVID effect, plus the Russian invasion of Ukraine. In addition, many countries among them the USA injected considerable amount of liquidity, boosting their respective economies, resulting in a further disruption effect between the supply vis demand, generating a worldwide inflationary effect, pushing interest rates hikes within the major economic blocks and the world, in general, and causing constant markets volatility.

For 2023, a recession may hit major economic blocks, and interest rates hikes will continue, however at a different pace, depending on the specifics of the countries in reference. Oil & Gas prices will be an important component within the worldwide inflation, where climate changes and production outputs will be elements to be considered.

Domestic (Brunei)

- Aggregate demand will grow across the economy.
- Limited new major governmental projects, within 2023.
- For 2023 domestic spending will improve due to the COVID Endemic phase, which was effective since 1st of June 2022.
- Higher activity in the corporate sector.
- Concentration is still in the oil & gas industry (Including derivatives), accounting for 62.1% of Domestic GDP (3Q22 – MOFE).
- GDP for 2023 is expected to grow 3.3% (IMF) and the Consumer Price Index expected to be at 2.5%(IMF).

International

- It is expected that the worldwide economy will have some reactivation for 2023. However it is expected that familiar economic constraints and industry specific conditions will continue to have an impact across all economic blocks, such as:
 - o High Inflation
 - o Interest rates hikes
 - o Volatility in the stock, bond, and exchange rate markets
 - o Supply chains still partially disrupted
 - o Energy prices volatility
- Uncertainty on new Covid variants and contagion rates for 2023.
- Russia invasion to Ukraine development.
- Other geopolitical tensions.

2.1.2 DISCLOSURE OF OTHER OPERATIONAL AND FINANCIAL RELATED MATTERS

Statutory/Regulatory Provision	Disclosure Requirement	Disclosure Response
Reg 18(3)(d) Securities Market Regulation, 2015	Disclosure of the details of any matter or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect: (i) the reporting entity's operations in future financial years; (ii) the results of those operations in future financial years; or (iii) the reporting entity's state of affairs in future financial years	• There are no significant subsequent events, between the financial year ended 31 December 2022 and the date of the financial report of 16 March 2023, that affects: (i) the reporting entity's operations in future financial years; (ii) the results of those operations in future financial years; or (iii) the reporting entity's state of affairs in future financial years. • Consequently, no such disclosures are made in the audited financial statement for the year ended 31 December 2022.
Reg 18(3)(e) Securities Market Regulation, 2015	Disclosure of the likely developments in the reporting entity's operations in future financial years and the expected results of those operations.	• The Bank is principally engaged in the provision of Islamic banking business in accordance with Shariah principles as allowed under the Islamic Banking Order 2008. • The subsidiaries (together with the Bank is referred to as the BIBD Group) are principally engaged in the provision of Islamic hire-purchase, stockbroking, asset, and fund management, leasing and management services. • There were no significant changes in these activities during the financial year ended 31 December 2022. • The BIBD Group expects to continue its similar principal activities with the results of the operating reflecting these activities in the foreseeable future financial years. • The operational results of these activities are subject to the following risk namely, credit risk, market risk, liquidity risk and operational risk from financial instruments and put in place financial risk management processes and controls to manage these risk as set out in note 36 of the Audited Financial Statements for the year ended 31 December 2022.

2.1.3 CORPORATE GOVERNANCE PRINCIPLES

PRINCIPLE 1

Every Bank should be headed by an effective Board to lead and control the Bank. The Board has ultimate responsibility for the Bank's business strategy and financial soundness and is collectively responsible for the long-term success of the Bank, including approving and overseeing management's implementation of the Bank's strategic objectives, governance framework and corporate culture. The Board works with Senior Management to achieve these objectives and Senior Management remains accountable to the Board.

The BIBD Board of Directors' ("**Board**") primary role is to assume stewardship in setting the direction, management, control, strategies, values, and financial objectives of the BIBD Group for its long-term and sustainable growth and its continued ability to deliver value to its shareholders. The BIBD Board Charter guides the BIBD Board in its stewardship role by outlining its duties, responsibilities, and roles in line with all Applicable Laws.

To ensure that the Board's obligation to its shareholders and other stakeholders (employees, customers, regulators, etc.) remains paramount, the following aspirations and values are propagated throughout the BIBD Group:

BIBD Vision

Serving Brunei through Islamic Solution as its leading financial institution through responsible fusion of Islamic Values, Real Economy, and Finance.

BIBD Mission

The Best Islamic Bank in Asia Pacific. As such, BIBD is driven by the ABCDEF strategy: -

A - Aligned
B - Bank of Choice
C - Customer Trust
D - Digital
E - Employees
F - Focus and Finish

I-CUE Values

Integrity
Customer Focus
Unity of Purpose
Excellence

The duties and responsibilities of the Board are clearly established in accordance with the law and guidelines issued by the regulator as set out in the Board Charter and Terms of Reference ("**TORs**") of the Board.

The roles, duties and responsibilities of the Board including that of the Chairperson, Independent Directors and Managing Director & Chief Executive Officer ("**MD & CEO**") are set out in detail in the Board Charter.

In addition to the matters which the Bank's Articles of Association may have specifically reserved for its directors, the following are matters reserved for the Board's decision as set out in the Board Charter:

(a) Board structure and organisation

- (i) appointment, extension of contract and removal of directors (including directors on the Boards of subsidiaries), MD & CEO, Deputy Managing Directors, company secretary, and other key responsible persons;
- (ii) establishment of the Board Committees, appointment, removal or replacement of their members, and the approval of amendments to the respective Board Committee's TORs;
- (iii) appointment and reappointment of Shariah Committee members, subject to the approval of the Syariah Financial Supervisory Board;
- (iv) oversee the performance and succession plans of the MD & CEO.

(b) Financials

- (i) review and approval the audited financial statements, financial reporting, and quarterly financial results of the BIBD Group;
- (ii) approval of the dividend policy and determine the amount, nature, and timing of interim dividends as well as final dividends or other distribution to be recommended for shareholders' approval;
- (iii) approval of the annual budget;
- (iv) approval of capital management plan and policies;
- (v) adoption of the relevant accounting policies in line with the Brunei Financial Reporting Standards;
- (vi) approval of all significant financial expenditures exceeding the authorisation limits granted to the Board Committees;

(c) BIBD Group operations

- (i) approval of strategic, business plan and other initiatives which would have a material impact to the BIBD Group;
- (ii) approval of the risk appetite, business strategy plans, information technology and other initiatives which would, singularly or cumulatively, have a material impact on the BIBD Group's risk profile, financial soundness, reputation, or key operational controls;
- (iii) ensure the implementation of appropriate governance framework and effective internal control procedures for audit, risk, and

compliance to monitor and manage material risks affecting the BIBD Group, and to undertake periodic review of their appropriateness and adequacy in light of any material changes to the size, nature, and complexity of the BIBD Group's operations;

- (iv) approval of any substantial change in the policies established from time to time by the BIBD Board for balance sheet management including capital adequacy, liquidity, maturity structure of assets and liabilities, asset concentration both geographically and by sector;
- (v) oversee and approve the recovery and resolution and business continuity plans for the BIBD Group for the preservation and continuity of critical operations and services if the BIBD group comes under stress;
- (vi) review and approve the compensation and benefits policy, service contracts and remuneration packages for the BIBD Group MD & CEO, Deputy Managing Director, Senior Management, and any other persons as the Board may determine as well as the succession plan for these positions;
- (vii) approve or to delegate authority to approve credit and market risks limits, acquisition, disposal, investment, capital expenditure or realisation or creation of a new transactional exercise including related party transactions, material acquisitions and disposals of assets not in the ordinary course of business to the extent they are consistent with Applicable Laws of BIBD or the other entities within the BIBD Group;

- (viii) approve or (where appropriate) delegate authority to the Board Committees to approve BIBD or BIBD Group Policies;
- (ix) review and approve strategies and frameworks on the promotion of sustainability throughout the BIBD Group through the assimilation of appropriate environmental, social and governance ("ESG") considerations;
- (x) recommend necessary changes to the BIBD Memorandum and Articles of Association for the approval of the shareholders and regulator;
- (xi) approval on any purchase of BIBD's own shares (if required);
- (xii) approval relating to the issuance of debt instruments;
- (xiii) granting power of attorney to any person to act at attorney of BIBD;
- (xiv) approval for BIBD to provide any corporate guarantee and indemnity.

Additionally, to ensure that its responsibilities and oversight over the BIBD Groups business and operations can be effectively undertaken, the Board has delegated its authority to the following key Board Committees which operate in accordance with their roles and responsibilities as defined in their respective TORs:

Audit, Finance and Risk Committee ("AFRC")

The AFRC ensures that a risk governance framework is established for the Group that includes well-defined organizational responsibilities for risk management, typically referred to as the three lines of defence;

- (a) the Business Line (**1st Line of Defence**);
- (b) a risk management function and a compliance function independent from the first line of defence (**2nd Line of Defence**); and
- (c) an internal audit function independent from the first and second lines of defence (**3rd Line of Defence**).

The AFRC is constituted as two separate sub-committees namely:

- (a) The Audit and Finance Sub-Committee ("**AFSC**"); and
- (b) The Risk Sub-Committee ("**RSC**").

The AFSC comprises entirely of independent directors, whilst the RSC consists of a majority of independent directors.

The AFRC's responsibilities are, amongst others:

- (i) to recommend to the Board on the appointment, reappointment, remuneration and dismissal of the external auditors and the scope of service of the external auditors;
- (ii) to provide the opportunity for the internal and external auditors to meet and discuss findings;
- (iii) to review the end of year financial statements with the external auditors;

- (iv) to frame policy on internal audit and financial reporting;
- (v) to oversee the financial reporting process;
- (vi) to provide oversight of and interact with the BIBD Group internal and external auditors;
- (vii) to review and approve the audit scope and frequency;
- (viii) to receive key audit reports and ensuring that Senior Management takes the necessary corrective actions in a timely manner to address control weaknesses, non-compliance with Applicable Laws, or other findings identified by auditors and other control functions;
- (ix) to oversee the establishment of accounting policies and practices by the BIBD Group;
- (x) to review any third-party opinions on the design and effectiveness of the overall risk governance framework and internal control systems;
- (xi) to discuss, advise on and approve all of the BIBD Group risk strategies and policies in respect of financials, and make recommendations to the Board thereon;
- (xii) to discuss, advise on and approve BIBD's risk appetite statement ("**RAS**");
- (xiii) to conduct periodic reviews on the effectiveness of the BIBD Group's risk management and internal control policies and systems including, but not limited to financial, operational, compliance and information technology controls;

- (xiv) to oversee that Senior Management has processes in place to promote BIBD's adherence to approved risk policies.

Executive Committee ("ExCom")

The ExCom consists of a majority of independent directors and its key responsibilities as per its TOR are, amongst others:

- (i) to have oversight of significant management decisions relating to the operations and business activities of the BIBD Group;
- (ii) to review of major strategic matters including the Financial Performance, Annual Operating Plan and Budget, prior to Board approval;
- (iii) to review and approve of domestic financing proposals with a net exposure equal to or greater than B\$20,000,000 based on recommendations from the CRC; and
- (iv) to review and approval of Treasury related exposures, new country/financial Institution limit applications and offshore exposure proposals with a gross exposure greater than US\$20,000,000 based on recommendations from the CRC.

Human Resources, Remuneration and Nomination Committee (“HRNC”)

The HRNC must consist of independent directors, and entrusted with, amongst others, the following responsibilities:

- (i) to provide its recommendations to the Board on all appointments to the Board and Senior Management;
- (ii) establish a formal and transparent process for the identification, assessment, appointment, and re-appointment of directors to the Board and ensure that the appropriate succession plan for the Board is in place;
- (iii) assist the Board to formulate, implement and review the remuneration policies and procedures (“RPP”) for the Board, Senior Management, and all

personnel of BIBD. The RPP must be aligned with the BIBD’s ethical values, goal and culture and promotes recruitment, motivation, loyalty, and retention;

- (iv) ensure that the remuneration of directors is sufficient and proportionate to attract and retain directors of calibre;
- (v) to undertake a pre-employment review and employment clearance exercise of all prospective hires of BIBD.

The Board continues to give its unwavering commitment to maintain BIBD’s exceptional standards of corporate governance and ensures values and behaviours are consistent across the business. The Board manages the affairs of the Group not by merely following prescribed rules and regulations, but by promoting open and transparent discussions. Additionally, the Board continues

to ensure best practices and strong governance process, which are integral to BIBD’s strategy and decision-making processes. Thus, these values are maintained for the benefit of BIBD’s shareholders and other stakeholders.

For first-time directors, BIBD requires the appointed Directors to attend BIBD’s Board induction programme to familiarise themselves with the Group’s operations and to build a strong foundation of knowledge about the Group. Similarly, the Board also ensures that individual directors attend ongoing and regular training on relevant issues including amongst others training on any relevant new laws, regulations and changing commercial risk, financial and any other relevant trainings.

The list of trainings attended by the Board members for the year 2022 is set out below:

• YB Dato Seri Setia Dr Hj Awang Mohd Amin Liew bin Abdullah

No.	Name of Course/Training etc.	Date(s) Attended	Facilitator	Medium
1.	Corporate Governance and Board Effectiveness	11 March 2022	PricewaterhouseCoopers (“PwC”)	Webinar
2.	Shariah Governance Framework Adopting Shariah Mindset Social Finance and United Nation Sustainable Development Goals (UNSDGs)	2 September 2022	Prof Dr Aznan bin Hasan	Webinar
3.	Financial Crime / Anti-Money Laundering	28 October 2022	PwC	Webinar

• **YM Dr Jan Hendrik (Hennie) van Greuning**

No.	Name of Course/Training etc.	Date(s) Attended	Facilitator	Medium
1.	Corporate Governance and Board Effectiveness	11 March 2022	PwC	Webinar
2.	Shariah Governance Framework Adopting Shariah Mindset Social Finance and United Nation Sustainable Development Goals (UNSDGs)	2 September 2022	Prof Dr Aznan bin Hasan	Webinar
3.	Financial Crime / Anti-Money Laundering	28 October 2022	PwC	Webinar

• **YM Haji Sofian bin Mohammad Jani**

No.	Name of Course/Training etc.	Date(s) Attended	Facilitator	Medium
1.	Corporate Governance and Board Effectiveness	11 March 2022	PwC	Webinar
2.	Shariah Governance Framework Adopting Shariah Mindset Social Finance and United Nation Sustainable Development Goals (UNSDGs)	2 September 2022	Prof Dr Aznan bin Hasan	Webinar
3.	Financial Crime / Anti-Money Laundering	28 October 2022	PwC	Webinar

• **YM Junaidi bin Haji Masri**

No.	Name of Course/Training etc.	Date(s) Attended	Facilitator	Medium
1.	Corporate Governance and Board Effectiveness	11 March 2022	PwC	Webinar

2.	Boards' Executive Education (BEE) Programme	19 – 20 July 2022	Brunei Institute of Leadership & Islamic Finance ("BILIF")	Conference
3.	Shariah Governance Framework Adopting Shariah Mindset Social Finance and United Nation Sustainable Development Goals (UNSDGs)	2 September 2022	Prof Dr Aznan bin Hasan	Webinar
4.	BILIF-ILIA Leadership Forum: Leaders, Leadership, and Uncertainties	18 October 2022	BILIF	Conference

• **YM Hajah Noraini binti Haji Sulaiman (tenure as director ended on 12 August 2022)**

No.	Name of Course/Training etc.	Date(s) Attended	Facilitator	Medium
1.	Corporate Governance and Board Effectiveness	11 March 2022	PwC	Webinar
2.	Operational Risk Report	30 May 2022	Dr. Jan Hendrik van Greuning	Conference
3.	International Conference on Financial Crime and Terrorism Financing (IFCTF) 2022	26 – 27 July 2022	AICB and Compliance Officers' Networking Group Malaysia	Conference
4.	Syariah Advisory Conference: Syariah Governance Framework	2 June 2022	BILIF	Conference
5.	Shariah Governance Framework Adopting Shariah Mindset Social Finance and United Nation Sustainable Development Goals (UNSDGs)	2 September 2022	Prof Dr Aznan bin Hasan	Webinar
6.	Financial Crime / Anti-Money Laundering	28 October 2022	PwC	Webinar
7.	AML - Anti-Money Laundering and Counter-Terrorist Financing (APAC) 2022	N/A	Thomson Reuters	Online

8.	AML - Sanctions (Global) 2022	N/A	Thomson Reuters	Online
9.	Cybersecurity awareness programme	N/A	KnowBe4	Online

The Board's alignment with Senior Management

The Board also ensures that the BIBD Group's vision, mission, values, aspirations, and objectives are aligned with the business activities carried out by the senior management. In this regard, the Leadership Forum ("LF") has been established.

LF is a committee which comprises of senior management responsible for the overall management of the BIBD Group.

The roles and responsibilities of the LF are as follows:

- To undertake the Ownership, Governance and Execution of the day-to-day operations and strategic projects;
- To provide collective, aligned and coordinated leadership towards the BIBD Group's ABCDE strategy;
- To consider and execute appropriate decisions on critical matters affecting the BIBD Group.

Apart from the LF, the emerging Leadership Forum ("eLF") is set up as a 2nd tier collaborative committee of senior management which the Bank aspires, as part of its succession plan, to assume the LF roles in future. The main objective of eLF is to fully support the LF in providing innovative ideas in line with the BIBD Vision, Mission and ABCDE strategy guided by BIBD's core values of I-CUE. The roles of the eLF are as follows: -

- To identify, evaluate, and agree on solution-based action plans to grow BIBD's team unity, branding, customer loyalty and businesses' profitability.
- To identify and create inter-divisional partnerships and leverage on available resources to improve overall BIBD staff engagement and customer service experience.
- To review internal processes, enhance sense of responsibilities and ownership of each employee to facilitate business opportunities, identify and take actions on any impediments faced by businesses.

- To identify bold and key value propositions that shall help BIBD elevate its branding to achieve the ABCDE strategy including the CSR aspect in the strategy.
- To report to the Chairman of LF the progress of projects on a quarterly basis or as and when required.
- To target a minimum of 1 (one) key deliverables based on the ABCDE strategy every half year. Target deliverables shall be defined based on short, medium, and long-term strategy.

PRINCIPLE 2

There should be an effective Board composition, with a strong independent element where no individual or small group of individuals should be allowed to dominate the Board's decision making.

As of 31 December 2022, there are 4 members in the BIBD Board comprising of 3 independent directors and 1 executive director who between them bring to the BIBD Group a broad range of experience, knowledge, and management skills in the banking, finance, and governance sectors.

Board Composition

Director	Designation	Remarks
YB Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah	Independent Director (Chairman)	-
YM Dr Jan Hendrik van Greuning	Independent Director	-
YM Hj Sofian bin Mohammad Jani	Independent Director	-
YM Junaidi bin Hj Masri	Executive Director (Managing Director & Chief Executive Officer)	Appointed as Managing Director & Chief Executive Officer on 28 July 2022
YM Hjh Noraini binti Hj Sulaiman	Executive Director (Acting Managing Director & Chief Executive Officer)	Appointed on 1 December 2021 and tenure ended on 12 August 2022

The Board acknowledges the importance of a clear division of responsibility between the Chairperson and the Group CEO. The roles of Chairperson and Group CEO are therefore exercised by separate individuals to ensure optimal balance, resulting in increased accountability and enhanced decision-making.

The Board is chaired by YB Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah (“**YB Dato Amin**”) an Independent Director, who plays a key role in ensuring the Board operates effectively and fully discharges its legal and regulatory responsibilities.

BIBD also ensures that an Independent Director is independent of Management and free from any business or other relationship which could interfere with his ability to act in the best interests of BIBD. Thus, the Independent Director is able to: -

- provide and enhance the necessary independence.
- ensure checks and balances on the Board.
- mitigate any possible conflict of interest between policy making process and day-to-day business activities.

As the Chairperson, YB Dato Amin also leads the Board in the oversight of the Management and in inculcating the right culture, values and behaviour, both at the top and throughout the entire organisation. The Board delegates responsibility for the overall business and day-to-day management of the BIBD Group to the Group CEO. The Group CEO is responsible for leading Management and for making and implementing operational decisions. In addition, the Group CEO will also be able to track and measure the performance of core programmes against the agreed strategies and roadmap and provide regular feedback and ensure timely course corrections.

In addition to the above, some members of the Board are also appointed as Chairman or as members of the board of BIBD’s wholly owned subsidiaries (“**Subsidiary Boards**”). This practice provides a bridge between the Board and Subsidiary Boards, from which the overall goals and objectives of the Group Business Plan and Strategy could be conveyed to the Subsidiary Boards, for better alignment and execution of the Group Business Plan and Strategy.

PRINCIPLE 3

There should be a clear division of responsibilities between the leadership of the Board and those executives responsible for managing the Bank’s business. Decision making power should not be concentrated in the hands of one individual.

As explained in Principle 2, the positions of BIBD Chairman of the Board and Managing Director & Chief Executive Officer are held by different individuals as shown in the table under the Principle 2 with clear division of roles and responsibilities in line with best practices. This distinction allows for a better understanding and distribution of jurisdictional responsibilities and accountabilities. The clear hierarchical structure with its focused approach facilitates efficiency and expedites decision-making.

PRINCIPLE 4

There should be a formal and transparent process for the identification, assessment, appointment, and reappointment of directors to the Board. The Board, not Senior Management, nominates candidates and promotes appropriate succession planning of directors.

The Human Resources, Remuneration and Nomination Committee ("HRNC") is responsible to make recommendations to the Board on all appointments to the Board and Senior Management including to ensure that the relevant selection processes are complied with.

The appointment of a director shall also follow the selection, assessment and recommendation process established by the HRNC and set out in its Terms of Reference as follows:

- (i) HRNC will assess of the need to hire a new director or to fill in a vacancy for the board as an independent or non-executive director.
- (ii) HRNC will then develop the candidate profile such as the industry they major in, gender and proof of qualification. Selection will be based on the candidacy from the Board, major shareholder, and the Committee's own search.
- (iii) HRNC will shortlist the candidates based on the assessment criteria
- (iv) HRNC will conduct an interview before the final assessment prior to submission of recommendation to the Board

Finally, if approved by the Board, the following actions are carried out:

- (v) Issuance of an appointment letter;
- (vi) Secure the signing by the new director of the Letter of Undertaking to maintain Confidentiality.
- (vii) Submit application for BDCB's approval.
- (viii) In the case when the appointment requires Shareholder's approval, the necessary members resolution will be prepared to be tabled to the Shareholders.

For new appointments, the candidate must fulfill the following criteria to the satisfaction of HRNC before it can recommend the candidate to the Board:

- (a) Not disqualified under any Applicable Laws to assume directorship position, including Rules 4 and 5 of the Companies (Corporate Governance) (Public Companies) Rules, 2016.
- (b) Possess the knowledge, skills, and experience to promote talent and diversity in the Board.
- (c) Understands local/regional economy & market.

- (d) Possesses integrity and of good repute.
- (e) Ability to commit time.
- (f) Character – able to work collectively without affecting independent voice i.e., avoid group thinking.
- (g) Not conflicted to join the Board – assess other directorships.
- (h) If applicable, fulfill the independence criteria under Principle 2.11 of the BDCB Corporate Governance Guidelines for Islamic Banks.

Effective from 19 March 2020, BIBD has ceased to have any alternate directorship appointment on its Board.

The key information regarding directors, such as academic and professional qualifications, shareholding in the bank and its related corporations, Board committees served on and date of appointment as a director can be found in the directors' profile section of this Annual Report.

In respect of Principle 4.7 of BDCB's Corporate Governance Guidelines for Islamic Banks relating to Board members' other directorships, the list of Directorships held by Members of the Board of BIBD are displayed below:

• **YB Dato Seri Setia Dr Hj Awang Mohd Amin Liew bin Abdullah (as of 8 February 2023)**

1. Bank Islam Brunei Darussalam Berhad (BIBD)
2. Jerudong International School Sdn Bhd
3. Jerudong Park Medical Centre Sdn Bhd
4. Gleneagles Jerudong Park Medical Centre
5. Brunei Cancer Centre Sdn Bhd
6. JPH Sdn Bhd
7. Muara Port Company Sdn Bhd
8. Unified National Networks Sdn Bhd
9. Brunei Shell Tankers Sendirian Berhad
10. Brunei Gas Carriers Sdn Bhd
11. Brunei Shall Marketing Company Sendirian Berhad
12. Brunei Shell Petroleum Company Sendirian Berhad
13. Brunei LNG Sendirian Berhad
14. Lembaga Dana Sustainabiliti (SF)
15. Lembaga Eksekutif Dana Modal Pembangunan Strategik
16. Brunei Fertilizer Industries Sdn Bhd
17. Damai Holdings Limited
18. Khazanah Satu Sdn Bhd
19. Bank Usahawan Berhad
20. Brunei Investment Agency
21. Syarikat EYVD Technologies Sdn Bhd
22. Brunei Economic Development Board
23. Pantai Jerudong Specialist Centre (PJSC)
24. Takaful Brunei Darussalam (TBD; TBA & TBK)

• **YM Dr Jan Hendrik (Hennie) van Greuning**

1. Bank Islam Brunei Darussalam Berhad (BIBD)

• **YM Junaidi bin Haji Masri (as of 1 February 2023)**

1. Bank Islam Brunei Darussalam Berhad (BIBD)
2. BIBD At-Tamwil Berhad
3. Better Sdn Bhd
4. Brunei Energy Services & Trading Sdn Bhd
5. Brunei Energy Holdings Sdn Bhd
6. Brunei Energy Production Sdn Bhd
7. Brunei Energy Exploration Sdn Bhd
8. Syarikat Takaful Brunei Darussalam
9. Darussalam Enterprise
10. Fajr Capital Limited

• **YM Haji Sofian bin Mohammad Jani (as of 30 January 2023)**

1. Bank Islam Brunei Darussalam Berhad (BIBD)
2. BIBD Securities Sdn Bhd
3. Tabung Amanah Pekerja
4. Royal Brunei Catering Sdn Bhd
5. Badan Tanmiah Harta Majlis Ugama Islam
6. DST Digital
7. Bursa Saham Brunei Darussalam (BNX)
8. Oman Brunei Investment Company
9. Pak Brunei Investment Company

B. YM Hjh Noraini binti Hj Sulaiman (as of 18 May 2022)

1. Bank Islam Brunei Darussalam Berhad (BIBD)
[Note: tenure as BIBD Director ended on 12 August 2022]
2. BIBD At-Tamwil Berhad
3. BIBD Securities Sdn Bhd
4. BETTER Sdn Bhd
5. BIBD (Middle East) Limited
6. BIBD Management & Services Sdn Bhd
7. Brunei Institute of Leadership & Islamic Finance
8. Jerudong Park Medical Centre Sdn Bhd
9. Pantai Jerudong Specialist Centre

PRINCIPLE 5

The Board should define appropriate governance structures and practices for its own work and put in place the means for such practices to be followed and periodically reviewed for ongoing effectiveness. There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.

BIBD Board of Directors' ("**Board**") primary role is to determine BIBD's strategy and objectives and policies to deliver sustainable value to its shareholders. The Board provides the Management with the guidance and leadership necessary for the Group. As explained in Principle 1, the Board and Management Committees assist the Board in providing effective oversight over the Bank's operations. The Board would review the structure periodically and advise on the current structure if deemed necessary. Further, the BIBD Board is guided by its Board Charter which outlines the Board's duties, responsibilities, and roles in line with all Applicable Laws.

The effectiveness of the Board and Board Committees is further strengthened by the majority composition of the Independent Directors on the BIBD Board as well as the chairmanship of the Board Committees which all held by Independent Directors as set out below:

- **ExCom** – YB Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah
- **HRNC** – YM Junaidi bin Hj Masri
- **AFRC** – YM Dr. Jan Hendrik Van Greuning

Following the appointment of YM Junaidi bin Hj Masri as the Managing Director & Chief Executive Officer on 28

July 2022, the HRNC comprise of only one (1) member i.e., YM Haji Sofian bin Mohammad Jani. As an interim arrangement until additional Director(s) are appointed to fulfill the constituent of the HRNC as per its TOR, the Board had, on 26 September 2022 approved for all HRNC matters to be deliberated or approved by the Board.

In addition to the above, Effendy bin Othman, who is the General Counsel for the Bank and a certified member of the Malaysian Association of Company Secretaries, is also the appointed Company Secretary for BIBD. He and his team provide legal, secretarial and governance support to the Board. The following are some of the key responsibilities of the Company Secretary:

- administer all Board and Board Committee meetings including the scheduling, taking of minutes, preparation of Board meeting materials and information supplied to the Board.
- ensure information supplied to the Board such as meeting minutes are accurate, timely and adequate for the Board to carry out its function.
- ensure proper record keepings off all deliberations and decisions of the Board and Board Committees

- accord the Board with regular updates and advice on changes to statutory and regulatory requirements including those related to governance matters.
- facilitate a two-way communication between Senior Management and the Board to ensure Board's decision are communicated in a timely basis.

Minutes of Board and Board Committee meetings are recorded and documented appropriately by the Company Secretary. Such records are made available to BDCB upon request.

Assessment of the Board and Shariah Advisory Body ("SAB").

To ensure that the effectiveness of the Board and the SAB, the Board had approved an independent assessment of the Board and the SAB undertaken by PricewaterhouseCoopers ("**PwC**") which was completed in August 2021 and is carried out biennially and a self-assessment exercise every other year.

PRINCIPLE 6

In a group structure, the Board of the parent Bank has the overall responsibility for the group and for ensuring the establishment and operation of a clear governance framework appropriate to the structure, business and risks of the group and its entities. The Board and Senior Management should know and understand the Bank group's organizational structure and the risks that it poses.

The wholly owned subsidiaries of the Bank are as follows:

- BIBD Securities Sdn Bhd
- BIBD At-Tamwil Berhad
- BIBD (Middle East) Limited
- BIBD Management & Services Sdn Bhd

To ensure that the BIBD Group adheres to consistent governance framework to manage its business and operational risks, BIBD as the parent company has established a group structure which includes the Bank having Board representation across the subsidiaries to cascade down the Bank's corporate governance values, principles, approach for its subsidiaries to adopt to the extent they do not conflict with the interests of the subsidiaries and their own legal or regulatory requirements.

All major decision which may impact the interest of the Bank, or the Group will be assessed by the Board and the Bank as the shareholder may make decisions for the benefit of the subsidiaries and in line with the BIBD Group Corporate Governance Framework.

The Board recognises the responsibilities of the directors of the BIBD subsidiaries to exercise judgement and to make decisions in accordance with the best interest of the subsidiaries even where those interest may conflict with the best interests of the Bank. This is further displayed as the subsidiary board and senior management structure have clearly defined roles and responsibilities.

The Bank's Internal Audit, Risk, Compliance, Finance, Legal and Shariah divisions also have an oversight of the subsidiaries in these areas whereby consultation between these Bank's divisions and the subsidiaries are held from time to time to address any arising matters in those areas. To that end, the BIBD Senior Management is responsible for developing policies, procedures and processes which benefit the BIBD Group. They are responsible for establishing group corporate strategy and direction ("**Group strategy**").

Once the Group Strategy is approved by the Board of the Bank and its subsidiaries the management of the respective subsidiaries shall be directed to implement the same and report on the progress of such implementation to their respective boards. Additionally, the operations of the subsidiaries are reviewed periodically by the Bank's Internal Audit and Risk divisions.

The Control Functions Reporting and Alignment Guidelines ("**CFRA Guidelines**") for the BIBD Group is to enhance the group alignment and to fulfil the Board's obligation under Principle 6 Corporate Governance for Islamic Bank ("**CGIB**") as the parent bank, with specific emphasis on strengthening internal group reporting processes.

The CFRA Guidelines are aimed at formalising:

- The group governance responsibilities of the control functions of BIBD as the parent bank.
- The reporting and consultation obligations of the BIBD subsidiaries to the control functions.
- Centralising the list of policies, framework, guidelines, terms of reference and other governance related documents of BIBD's control functions which are to be adopted by the respective subsidiaries.

The CFRA Guidelines form part of the BIBD Group Corporate Governance Framework as required under Principle 6 CBIG.

PRINCIPLE 7

The Board should meet regularly and be duly furnished with complete and timely information.

The Board meets on a regular basis, with a minimum of 4 scheduled meetings in a financial year or more frequently as circumstances dictate. The dates of these scheduled meetings are determined well in advance to enable the Directors to plan.

In 2022, the Board members attended all the quarterly Board and Board Committee meetings are detailed below:

Name	Role	Board Committees for 2021											
		BOD		HRNC		ExCom		AFSC		RSC		AGM	
		H	A	H	A	H	A	H	A	H	A	H	A
YB Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah	Chairman	7	7	N/A	N/A	13	13	1*	0	N/A	N/A	1	1
YM Dr Jan Hendrik van Greuning	Director	7	7	N/A	N/A	N/A	N/A	5	5	8	8	1	1
YM Haji Sofian bin Hj Mohd Jani	Director	7	7	2	2	13	12	5	5	8	8	1	1
YM Awang Junaiddi bin Haji Masri	MD & CEO	7	7	2	2	13	13	N/A	N/A	8	8	1	1

Key/ Abbreviations:

H	= Held
A	= Attended
N/A	= Not applicable as the director is not a member of the Committee
BOD	= Board of Directors Meeting
HRNC	= Human Resources, Remuneration and Nomination Committee
EXCOM	= Executive Committee
AFSC	= Audit and Finance Sub-Committee
RSC	= Risk Sub-Committee
AGM	= Annual General Meeting
1*	= Only 1 meeting was held after the appointment as a member of the AFSC on 30 September 2022

For the Board meetings, the Company Secretary ensures that the agenda of the meeting and the presentation deck must be issued at least seven (7) days prior to each Board meeting to allow sufficient time for all directors to consider the relevant information. The agenda of meeting includes amongst others matters specifically reserved for the Board's decision. The discussions and conclusions of the Board meetings are minuted, in a clear, accurate, consistent, complete, and timely manner. The minutes amongst others record the decisions of the Board, including key deliberations for each decision made. The draft minutes will then be tabled at the following meeting for approval and signing.

In line with proper governance on records, the minutes are entered into the Minutes Register kept by the Company Secretary which may be accessed by the Board at any time. To ensure accuracy and consistency in form and contents, reproduction of any part of the minutes can only be made by way of request to the Company Secretary who will certify the said minutes.

In June 2020, the Board had duly appointed Effendy Othman as the Company Secretary. Prior to joining BIBD, Effendy was in private legal practice in Kuala Lumpur for 24 years, of which 10 years was as a senior partner with the largest regional law firm in Malaysia with presence in all the Asean countries. Effendy's clients ranged from local and international financial institutions, multinational, public and public listed companies.

In addition to acting as counsel in a wide range of commercial and corporate disputes, Effendy also counselled clients on contractual claims, corporate compliance, shareholders disputes, banking related matters, regulatory investigations, receivership, and corporate insolvency. Effendy was also the lead counsel in obtaining the relevant court orders for several restructuring exercises and mergers of public listed companies and financial institutions in Malaysia.

Effendy is a certified company secretary with the Malaysian Association of Company Secretaries.

He is also the co-author of several publications including the Malaysian Company Law: Principles and Practice (3rd Ed. 2021 - *Wolters Kluwer*), the author for the Malaysian

chapter on Asian Conflict of Laws - East and Southeast Asia (2017- *Wolters Kluwer*), and the contributor for Malaysia for the Global Perspectives on the Hague principles chapter of the Choice of Law in International Commercial Contracts (2021 – Oxford University Press).

Effendy graduated with First Class honours in law from the International Islamic University, Malaysia. He also holds Masters' Degree in Law from the University of Cambridge and the London School of Economics and Political Science.

PRINCIPLE 8

There should be a formal and transparent procedure for fixing the remuneration packages of Board members, Chief Executive Officers and Senior Management and the remuneration policies and practices should be in line with the Bank's ethical values, objectives, and culture.

The remuneration policies for Senior Management and all other employees of the Bank are under the supervision and oversight of the Human Resources, Remuneration and Nomination Committee ("**HRNC**") whereby the implementation of these policies is carried out by Human Resource and Human Capital Division ("**HRHCD**"). The members of the HRNC are comprised of 3 Independent Directors and 1 Executive Director. The functions of the HRNC in terms of remuneration policy are amongst others-

- ensure that the remuneration policy supports the Bank's objectives, culture, and strategy;
- remuneration and employment conditions of the industry;
- the Bank's relative performance for the relevant financial year;
- the performance -related elements of remuneration should form a significant proportion of the total remuneration package of executive directors.

However, salary scales should be within the scope of the general business policy and not be solely based on short-term performance to avoid incentives for excessive risk-taking;

- to cover all aspects of remuneration including director's fees, salaries, allowances, bonuses, options and benefits-in-kind and termination benefits; and
- other key responsibilities are set out in HRNC Terms of Reference

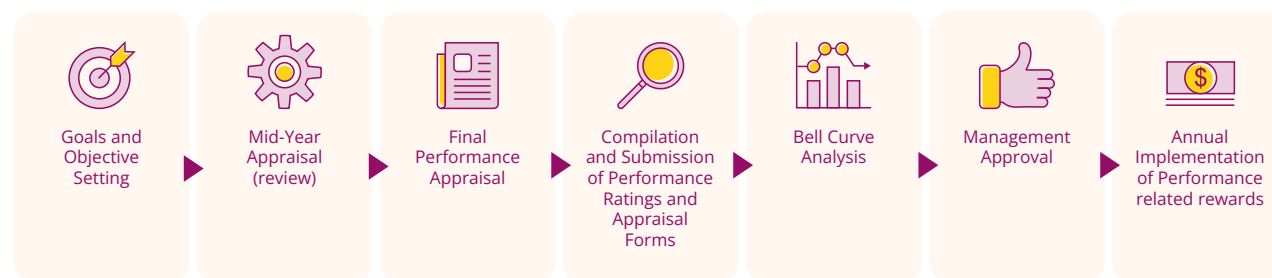
The philosophy for the Bank's remuneration is to be competitive in the market with the aim to attract the right talents for the organization. In terms of the local practices and statutory requirements, we ensure that we are aligned, meet the minimum requirements or better than what has been prescribed by both. The business objective is one of the main influences in driving our compensation policy.

The Bank's values are based on the history and culture, which are derived from the internal culture, the external environment, and the market that we are operating in.

The Bank's remuneration policy is primarily in compliance with international best practices and there is on-going exercise to enhance alignment of its remuneration policy including Board/Committee mandates, treatment of Material Risk Takers and its Performance Management System with these international best practices. To this end, the Bank will participate in the yearly compensation and benefits benchmarking survey against the practices of our competitors. From this benchmarking exercise, the Bank will be able to assess where the organization is against its competitors through its benchmark positioning. This exercise also provides competitive reference on the compensation market rates which can help the organization to formulate the overall compensation strategies, make decisions on current compensation policies, assist us to provide the right remuneration package for new jobs and diagnose compensation problems.

In terms of compensation assessment process, the Leadership Forum/Senior Management and all employees, their compensation is based on the current market practices, and they are assessed yearly for their performance weighted against financial, non-financial as

well as behavioral considerations. These considerations are accessed based on performance targets which are generally set at the outset of the financial year. This is further illustrated by the following diagram:



The assessment is based on the following criteria:

Financial and Non-Financial	Audit	Behavior	Learning and Development
Your objectives should provide you with clear direction, priorities and expectations for your performance as well as clarify how your priorities are aligned to your business and BIBD Strategy. Objective settings can be broken down into Financial and Non-Financial. Your objectives should provide the basis for managing and assessing your performance throughout the year.	The Audit Section must be completed by and applies to all Heads of Division, relevant Department Heads and staff who hold the responsibility and tasks in ensuring Audit Section items are acted upon. Staff who do not hold a responsibility for actioning audit section items are exempted from completing this section.	This is MANDATORY for the purpose of assessing the behavior and values of the staff.	Staff and line manager to jointly complete this section to identify development areas to focus on and to help staff achieve their performance and/or career aspirations.
Weighting			

Financial and Non-Financial

50%

50%

Audit (up to 20%) and Behavior

HRHCD will compile the completed performance appraisal from all divisions and business unit of the Bank and will undertake a moderation exercise to ensure a balanced overall appraisal which will then be tabled at the HRNC meeting for its approval.

PRINCIPLE 9

There should be a formal and transparent procedure for fixing the remuneration packages of Board members, Chief Executive Officers and Senior Management and the remuneration policies and practices should be in line with the Bank's ethical values, objectives, and culture.

Overall, the Board has clear understanding, skills, and experience to assess BIBD's performance risk position and prospects. The Board too has established a strong internal control governance and risk management framework to facilitate its risk and control oversight responsibilities over the BIBD Group.

To ensure alignment in the appreciation and seamless implementation of the business strategy, risk appetite and other policies approved by the Board in BIBD's business activities and operations by its Senior Management, the Board has established a 2-level Committee within BIBD, namely:

1) Board Level Committees (as detailed in Principle 1):

- a) Board
- b) AFRC
- c) ExCom
- d) HRNC

2) Management Level Committees

Types of Management Level Committees	Description
Enterprise Risk Management Committee ("ERMC")	Primary purpose is to perform a centralized risk oversight, policy-setting, information gathering, and communication to the Board of Directors, regarding important risks and risk management activities related, monitoring open Audit and Risk Issues. In addition, the Committee will assist the Board in fulfilling its oversight responsibilities related to the company's risk assessment and management processes. ERMC also addresses Capital Adequacy (ICAAP) and Recovery Plan issues. ERMC meetings are held quarterly.
Credit Risk Committee ("CRC")	The Committee has a duty to approve credit based on recommendation from the respective recommending authorities. Approvals are made after consideration of various risk perspectives. Risk approvals must be made within the boundaries of BIBD's risk appetite as guided by ExCom and the Board. CRC meetings are held weekly.
Asset Liability Committee ("ALCO")	The Committee is responsible to review BIBD Group's liquidity, funding and gapping policies and positions, profitability and efficiency including the assessment and management the Balance Sheet and Capital Management. ALCO meetings are held monthly.
Capital Committee ("CC")	The Committee is responsible to develop and implement the Group Recovery Plan and ICAAP.

These Management Level Committees comprise of members of the Senior Management and the Managing Director, and they provide input and approvals, and where needed, escalate recommendation to the relevant Board Committees and if necessary, the Board.

PRINCIPLE 10

The Board is responsible for the governance of risk. The Board should ensure that Senior Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Bank's assets and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Group has in place a Risk Management Strategy Document which is a holistic set of Risk Appetite Statements (RAS) to ensure that BIBD remains within acceptable Risk thresholds.

BIBD also has in place the Enterprise Risk Management Framework ("**ERMF**") which functions as a standardized approach to manage its risks. A strong governance structure is equally important to ensure that the ERMF can be implemented effectively.

The Group Risk Management model is based on "**Three Lines of Defense**" approach, to contain any risk, by keeping an ongoing monitoring process and a proper implementation of respective controls.

The Board is ultimately responsible for BIBD's risk management activities, and it is supported by AFRC and ExCom which convene a minimum of 4 quarterly meetings, as well as the SAB which holds meetings as and when needed.

At Management level, management of the 19 risks for the BIBD Group is undertaken by the following committees whose functions and frequency of meetings have been detailed in Principle 9 above:

- **ERMC**
- **ALCO**
- **CRC**
- **CC**

PRINCIPLE 11

Banks should have an effective independent risk management function, under the direction of a chief risk officer (CRO), with sufficient stature, independence, resources, and access to the board.

BIBD has a Group CRO with over 33 years of work experience in the Banking sector, across six different countries (Mexico, United States of America, Saudi Arabia, Qatar, United Arab Emirates and Brunei). His experience accounts for 23 years in global leading banks, such as Bank of America, Chase Manhattan Bank and Citibank.

The Group has in place the Risk Management Strategy Document, which is a holistic set of Risk Appetite Statements (RAS) to ensure BIBD is within acceptable Risk

thresholds. Also, the Group has specific RAS and Key Risk Indicators (KRI) across each unit within the Group, which are reviewed monthly, as part of the Operational Risk Management process.

BIBD has in place the Enterprise Risk Management Framework ("**ERMF**") as a standardized scope or approach to manage all its risks (19 in total) which are reviewed on a quarterly basis by the Enterprise Risk Management Committee ("**ERMC**").

For 2022, the BIBD Group continued its Risk Awareness/Culture program, which consists of fortnightly risk trainings to the BIBD Group employees, to create Risk Awareness/Culture among all members of the BIBD Group community.

The Credit Risk control architecture is premised on constant monitoring undertaken by several processes across the BIBD Group daily, weekly, and monthly. Any breach must be recognised by the respective approving

level, and all such issues are to be discussed by the respective committees.

The Risk Group has 28 personnel which may see growth if such a need arises. External and internal trainings, as well as on the job continuous mentoring are in place to ensure continuous upgrading of skillsets and experience amongst the personnel.

PRINCIPLE 12

Risks should be identified, monitored and controlled on an ongoing bank-wide and individual entity basis. The sophistication of the Bank's risk management and internal control infrastructure should keep pace with changes to the Bank's risk profile, to the external risk landscape and in industry practice.

The Group has in place the Risk Management Strategy Document which is a holistic set of Risk Appetite Statements (RAS) to ensure BIBD is within acceptable Risk thresholds. As explained in Principle 11, BIBD has in place the ERMF which effective implementation can only be realised through a strong governance structure. The Board through its Committee, the AFRC, is ultimately responsible for BIBD's ERM outcome. The AFRC will review the ERMF on a quarterly basis.

As part of its governance structure, BIBD has different set of policies/guidelines across the Group. Risk related policies/guidelines apply across the Group to cover areas such as Credit, Market Risk, Middle Office, Operational Risk, IT & Cyber and Capital Management, among others are closely monitored and approved by the respective Board committees and related regulators.

- Credit related limits are analyzed per risk type, such as funded, unfunded and Pre settlement. Analysis contemplates a qualitative and quantitative approach, coupled with external factors that may affect.
- Liquidity Risk is monitored daily.
- Capital Management is monitored monthly, whereby the Capital Adequacy Ratio is calculated and stressed assuming full credit pipeline available at the time.

Additionally, BIBD has adopted several stress exercises such as ICAAP and Recovery Plan, which are duly submitted to BDCB as required. Different modelling techniques, offered by Standard & Poor, Moody's, Bloomberg, and others, are adopted by BIBD to carry out a more extensive risk assessment.

PRINCIPLE 13

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties. The Chairman must be an Independent Director and must not be the Chairman of the Board or of any other committee.

On 19 January 2011, the Board established an Audit Committee known as the Audit, Finance & Risk Committee ("**AFRC**"). The terms of reference and the constitution of the AFRC are as provided in Principle 1. The AFRC oversees the Bank's risk management framework and policy. This is further elaborated in **Principles 10, 11 and 12** of BIBD's Corporate Governance report.

The Bank's AFRC consists of non-executive directors, all of whom are deemed independent. The Committee Chairman ("**Chairman**") who is an Independent Director is appointed by the Board of Directors of BIBD.

The membership of the two sub-committees of the AFRC has been detailed in **Principle 1**. The Bank also ensures that at least 1 member of the AFSC is a Chartered Accountant and a member of an accounting body (that is a member of IFAC), and at least 2 members have extensive professional experience in the field of financial reporting, risk management or auditing.

The requirements stated in **Principle 13.3** have been incorporated into the TOR of the AFRC.

AFRC meetings are held no fewer than 4 times a year and are held prior to Board meetings. Hence, should there be any deliberations in AFRC meetings requiring approval; or guidance of the full Board, the Chairman of AFRC will escalate such matters at the Board meeting for its approval or guidance.

PRINCIPLE 14

The Bank should establish an effective internal audit function that is adequately resourced and independent of the activities it audits. The internal audit function should provide independent assurance to the board and should support board and senior management in promoting an effective governance process and the long-term soundness of the Bank.

The BIBD Internal Audit function is governed by an Internal Audit Charter. Internal Audit reports directly to the Audit, Finance and Risk Committee ("**AFRC**"), and provides independent and objective assurance to the AFRC and ultimately the Board of Directors that the internal controls within BIBD and its subsidiaries are designed and operating effectively.

Internal Audit adopts a risk-based approach to audits focusing on high-risk areas across the Bank and its subsidiaries and the frequency of audits vary from one entity to another. Audits conducted are inclusive of considerations to compliance to BDCB guidelines, applicable legislative requirements as well as Shariah principles and applicable SAB and SFSB resolutions.

Internal Audit executed its 2022 Audit Plan and carried out risk-based audits on the Bank and its subsidiaries. Internal Audit will continue to further strengthen the internal audit function based on International Standards for the Professional Practice of Internal Auditing of The Institute of Internal Auditors and its Code of Ethics, and compliance with regulatory guidelines on Internal Audit Function and Corporate Governance for Banks (Principle 14).

PRINCIPLE 15

The Bank's board of directors is responsible for overseeing the management of the Bank's compliance risk. The board should establish a compliance function and approve the Bank's policies and processes for identifying, assessing, monitoring, and reporting and advising on compliance risk.

BIBD's Compliance Division acts as a trusted advisor on matters related to regulations, anti-money laundering, sanctions and terrorism financing and supports BIBD by protecting its value and image through the monitoring transactions and ensures compliance with relevant laws and regulations.

The division is made up of four sections:

- 1) Regulatory Compliance ("**RC**"), which is the centralized point for all regulatory matters, through effective engagement between regulators and Divisions within the BIBD organisation;
- 2) Financial Crime Compliance Policy, Advisory and Training ("**FCC PAT**") which oversees compliance risk management through ensuring effective policies are in place, articulating the Group's compliance risk and coordinating training for the wider organisation to ensure effective Compliance culture is in place;
- 3) Financial Crime Compliance Operations ("**FCC Ops**") ensures effective oversight of compliance risk in relation to transactions; and
- 4) Compliance Assurance which conducts monitoring and testing to ensure ongoing compliance with regulations.

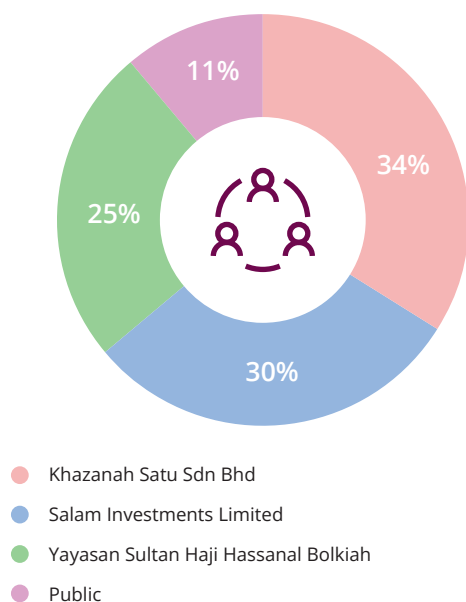
The Compliance Division's focus for 2022 was to ensure ongoing enhancements and improvements to the Compliance programme which involved ongoing review of the different systems and platforms in place. In addition, the Division was actively involved in the Financial Action Task Force ("**FATF**") Asia Pacific Group ("**APG**") Mutual Evaluation assessment on Brunei, which took place in November 2022. BIBD continues to invest in Compliance with a drive towards training and certification of the compliance personnel. Engagement with international experts in the field of financial crime compliance continue to take place, with the aim of aligning BIBD's compliance framework with global standards.

PRINCIPLE 16

Banks should treat all shareholders 1) fairly and equitably, and 2) should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

In compliance with R18(1) – (3) of the Securities Market Regulations 2015, BIBD ensures that all relevant and material information or changes in the Bank's financial information, operations or businesses are clearly stated in its Annual Report.

In relation to the status of the BIBD's share ownership, the list of its major shareholders is set out in the following Table:

Percentage of Shares Held

Furthermore, in ensuring that there is transparency and full disclosure of material information including the Bank's financial information and information relating to the operations and businesses of the Bank, the shareholders may access this information through BIBD's website which is updated regularly to factor in material changes as they occur. Additionally, the BIBD Board had also approved the Price Sensitive Information Policy which sets out the guidelines in determining Price Sensitive Information and to ensure the proper and orderly public disclosure of the Price Sensitive Information in accordance with the applicable Securities Markets laws and regulations.

As part of the BIBD's efforts to ensure that there is a meaningful and informed engagement between the shareholders and BIBD's Board at the Annual General Meeting ("AGM"), the Annual Reports are made available on the BIBD's website to the shareholders twenty-one (21) days prior to the convening of the AGM. The shareholders are thus given sufficient opportunity to review the Annual Report and the Financial Statement and raise any concerns or issues on any aspects relating to the Bank's operations or management at the AGM.

Additionally, BIBD has put in place proper and systematic procedures to ensure that:

- 1) All procedural aspects of the AGM are carried out in accordance with the law.
- 2) Shareholders who are not able to attend the AGM in person are entitled to appoint proxies to attend the AGM.
- 3) Prior to the commencement of any physical AGM, shareholders are properly briefed of the voting procedures and as explained above are subsequently given the opportunity to raise any issues or concerns to be addressed by the Chairman of the AGM or if required, by members of the SAB or senior management. Where the AGM is not able to be convened physically, detailed instructions relating to the voting process and appointment of proxies are set out in the AGM Notice.

PRINCIPLE 17

Banks should actively engage their shareholders, depositors and other relevant stakeholders and put in place an investor relations policy to promote regular, effective, and fair communication with stakeholders.

As part of the BIBD's efforts to ensure effective, transparent, and fair communication with its stakeholders, all information relating material changes or developments in the Bank's financial information, its operations and/or businesses, is disseminated through various communication channels including its website.

BIBD's website is maintained by its Chief Marketing Office ("CMO") and is regularly updated to ensure that its stakeholders are kept abreast with any development relating to BIBD's financial information, operations, and businesses. Further, BIBD is also acutely aware of the critical role which social media platforms have assumed in recent years in information communication. To that end, as and when considered appropriate, news, and notices relating to its operation, business and products are relayed to its customers through its official social media platforms such as Instagram and Facebook.

BIBD's Annual Report which is published annually coinciding with its AGM provides material information relating to the constitution of the Board and its Committees, their roles, functions and responsibilities, relevant information on its financial performance for the preceding accounting period, as well as updates on its corporate governance initiatives and actions.

Regarding BIBD's compensation policy, this has been addressed under Principle 8 of this Report whilst its risk exposure and risk management strategies have been explained in detail under Principles 9 to 12 of this Report.

With regard to its dividend policy, this has been disclosed under the note "**Capital Adequacy - Capital Management**" in the Audited Financial Statements for the financial year ended 31 December 2022 which states as follows:

"The Group and Bank has a dividend policy to distribute dividend which takes into consideration capital requirements, available distributable retained profits, liquidity and other factors while ensuring compliance with the prevailing laws and regulations".

PRINCIPLE 18

Banks should encourage greater shareholder participation at general meetings of shareholders and allow shareholders the opportunity to communicate their views on various matters affecting the Bank.

As explained in **Principles 16 and 17**, BIBD has put in place the necessary legal and procedure-based governance features to encourage a meaningful and informed shareholders participation and engagement at its AGMs.

For AGMs which are convened physically, the Share Registrar will provide hand-outs to the shareholders on the use of the voting devices prior to the commencement of the AGM. Results of voting on each resolution, showing the number of votes cast will be announced and displayed during the AGM.

The Chairman and members of the Board including the representatives of the SAB are present at the AGMs and are readily available to address any issues or concerns raised by the shareholders. BIBD's external auditors are also present at the AGMs to address any queries which may be raised by the shareholders pertaining to the conduct of audit and any matters relating thereto.

All the agenda items for the AGM are raised and dealt with separately. There are separate resolutions passed for each agenda item which requires the shareholders' approval. The proceedings of the AGM including the comments or

queries raised by the shareholders are properly recorded. The Corporate Secretary is tasked with the preparation of the minutes of the AGM. Shareholders are entitled to request for a copy of the minutes of the AGM and shall be duly provided with the same.

PRINCIPLE 19

Persons empowered with decision-making authority (including directors) should exercise care to avoid situations that may give rise to a conflict-of-interest situation.

Policy on Conflict of Interest & Fiduciary Duty

BIBD through its Board has put in place a Conflict of Interest ("COI") Policy which applies across the board, from members of the Board to all employees to ensure that its business is conducted ethically with transparency.

COI situations can affect the ability of a person to act objectively in the best interests of BIBD and may occur in the following situations:

- Where they have a private or personal interest and may influence their performance of their duties.
- Director of the Board or a Bank's employee receiving from any source any benefit, reward, remuneration or gift in excess of a customary or negligible amount whether financial or non-financial.
- Non-disclosure of any financial interests which a member of the Board or a BIBD's employee may directly or indirectly possess.
- A Board member's participating in any discussion or decision-making process with respect to matters where there is or a potential COI situation.
- When reporting lines and information flow between the Bank, and/or other subsidiaries can lead to the emergence of conflicts of interest situations.

To manage the potential COI situations, BIBD has in place the following policies:

- BIBD Group Corporate Governance Policy;
- BIBD Gifts Borrowing & Corporate Hospitality Policy;
- “Fitness and Propriety/Conflict of Interest Questionnaire” administered by the HR and Human Capital Division;
- the mandate for a full disclosure by any member of the Board who has interest in the subject-matter of a decision or contract made by BIBD of the nature of his/her interest at the first meeting of the Board after the relevant facts have come to his/her knowledge and such disclosure will be recorded in the minutes of meeting of the Board;

A breach of the COI policy by any director, member of the SAB or employee is viewed seriously by BIBD and BIBD will take all necessary action to ensure that its interest and that of its customers are preserved. Where a COI situation cannot be prevented, it shall be responsibly managed and disclosed to BDCB in accordance with BDCB’s notification procedure.

As part of the BIBD Board’s effort to instill a greater sense of responsibility in the management of conflict-of-interest situations, this responsibility is also embedded in the BIBD Group Code of Ethics, as an ethical value which each member of the BIBD Group should embrace.

Policy on Related Party Transactions (“RPT”)

In addition to the COI, BIBD also has a RPT Policy which applies to any financial transaction or relationship where BIBD or its subsidiaries is a participant, and a director

(including nominee), senior manager, 5% shareholder, an immediate family member or primary business affiliate has or will have a direct or indirect material interest (“**Related Party Transaction**”).

The AFRC plays a central role in ensuring effective implementation of and compliance with the RPT - it is responsible to review, approve, ratify, or reject any RPT.

AFRC will review the following information when assessing an RPT:

- The terms, related person’s interest, and purpose and timing of such transaction.
- Whether BIBD is a party to the transaction, and if not, the nature of the Bank’s participation in the transaction.
- If the transaction involves the sale of an asset, a description of the asset, including date acquired and costs basis.
- Information concerning potential counterparties in the transaction.
- The approximate monetary value and the related person’s interest in the transaction.
- Description of any provisions or limitations imposed as a result of entering into the proposed transaction.
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction.

- Any other relevant information regarding the transaction.

Except with the approval of the AFRC, no Director or senior manager may invest in a 3rd party entity if the investment opportunity is made available to him or her as a result of such individual’s status i.e., as a director, or a senior manager of BIBD.

The AFRC shall consider all relevant facts and circumstances set out above, and shall evaluate all options available to BIBD, including to ratify, revise or reject the RPT. In the event of any non-disclosure of a RPT, the AFRC may seek the advice of the General Counsel on the appropriate action to be taken.

2.2 Shariah Advisory Body

Membership

The members of the BIBD Shariah Advisory Body (SAB) are:

- YM Dato Seri Setia Dr Awang Haji Mazanan bin Haji Yusof (Chairman)
- YM Dr Abdul Nasir bin Haji Abdul Rani (Deputy Chairman)
- YM Dr Hajah Mas Nooraini binti Haji Mohiddin (Member)
- YM Dayang Hajah Noraini binti Haji Buntar (Member)
- YM Dr Haji Mohd Aidil Yusrie bin Haji Shari (Member)

The SAB members of BIBD were appointed for a 3-year term from 1st February 2020 until 31st January 2023.

The members of the BIBD At-Tamwil Berhad (BIBD ATW) SAB are:

- YM Dr Abdul Nasir bin Haji Abdul Rani (Chairman)
- YM Pg Dr Md Hasnol Alwee bin Pg Haji Md Salleh (Member)
- YM Haji Md Syahiran bin Haji Md Sofian (Member)

The SAB members of BIBD ATW were appointed for a 3-year term from 1st September 2020 until 31st August 2023.

The members of the BIBD At-Tamwil Berhad (BIBD ATW) SAB are:

- YM Dr Abdul Nasir bin Haji Abdul Rani (Chairman)
- YM Pg Dr Md Hasnol Alwee bin Pg Haji Md Salleh (Member)
- YM Haji Md Syahiran bin Haji Md Sofian (Member)

The SAB members of BIBD ATW were appointed for a 3-year term from 1st September 2020 until 31st August 2023.

The SABs members' appointments are approved by the Syariah Financial Supervisory Board (SFSB) of Ministry of Finance and Economy (MOFE) for the period of 3 years term.

Duties and Responsibilities

The primary duties and responsibilities of the BIBD SAB are to:

1. Oversee Shariah matters related to the Bank's operations and business activities.
2. Attend any training as required by the Bank from time to time.
3. Advise the Board and Management on Shariah related matters in order for the Bank to comply with Shariah rules and principles at all times. The SAB members are responsible and accountable for all Shariah decisions, opinions and views provided by them.
4. Approve Shariah related policies and guidelines.
5. Advise related parties such as the Bank, clients, legal counsel, auditors or consultants on Shariah matters upon request.
6. Provide written Shariah resolutions and/or opinions in circumstances where the Bank refers to the SAB for further deliberation or where the Bank submits application to BDCB for new product approval.
7. Approve the Zakat calculation methodology and distribution of Zakat of the Bank.
8. Approve the channeling of Shariah Non-Compliant income to charity.
9. Approve products and services to ensure compliance with Shariah rules and principles which includes:
 - (a) Validating the terms and conditions contained in the forms, contracts, agreements or legal documents used in executing the transactions; and

(b) Validating the products manual, marketing advertisements, sales illustrations and brochures used to describe the products and services.

10. Assess the works carried out pursuant to Shariah review and Shariah audit which form part of the SAB duties in providing the assessment report on of Shariah compliance and assurance in the Annual Report of the Bank and its Group upon consultation with the Bank's subsidiaries' SAB.
11. To review findings and reports carried out by the Shariah review and Shariah audit functions in order to ensure compliance with Shariah financial matters.
12. To advise the bank on matters to be referred to the SFSB. The SAB may advise the Bank to consult the SFSB on Shariah financial matters which cannot be resolved.
13. To provide an annual assurance that the operations of the Bank are in compliance with Shariah rules and principles to the Board.

The primary duties and responsibilities of the BIBD ATW SAB are to:

1. Oversee Shariah matters related to BIBD ATW operations and financing business activities.
2. Attend any training as required by the BIBD ATW from time to time.
3. Advise the Board and Management on Shariah related matters in order for BIBD ATW to comply with Shariah rules and principles at all times. The SAB members are

responsible and accountable for all Shariah decisions, opinions and views provided by them.

4. Approve policies and procedures in respect of its Islamic financing business.
5. Advise related parties such as BIBD ATW's clients, legal counsel, auditors or consultants on Shariah matters for advice upon request.
6. Provide written Shariah resolutions and/or opinions in circumstances where BIBD ATW make reference to the SAB for further deliberation or where the BIBD ATW submits application to AMBD for new product approval.
7. Approve the Zakat calculation methodology.
8. Inform the Bank's SAB of the channeling of SNC income to the Bank's Maslahat Fund for charity.
9. Approve financing business products and services to ensure compliance with Shariah rules and principles which include:
 - (a) Validating the terms and conditions contained in the forms, contracts, agreements or legal documents used in executing the transactions; and
 - (b) Validating the product manual, marketing advertisements, sales illustrations and brochures used to describe the financing business activities.
10. Assess the work carried out pursuant to Shariah review and Shariah audit which form part of the SAB duties in providing assessment of Shariah compliance and assurance information in the annual report of BIBD ATW.

11. To review findings and reports carried out by the Shariah review and Shariah audit functions in order to ensure compliance with Shariah financial matters.
12. To advise on matters to be referred to the SFSB. The SAB may advise BIBD ATW to consult the SFSB on Shariah financial matters which cannot be resolved.

The primary duties and responsibilities of the BIBDS SAB are to:

1. Oversee Shariah matters related to BIBDS operations and investment business activities.
2. Attend any training as required by the BIBDS from time to time.
3. Advise the Board and Management on Shariah related matters in order for BIBDS to comply with Shariah rules and principles at all times. The SAB members are responsible and accountable for all Shariah decisions, opinions and views provided by them.
4. Approve policies and procedures in respect of its Islamic investment business.
5. Advise related parties such as BIBDS's clients, legal counsel, auditors or consultants on Shariah matters for advice upon request.
6. Provide written Shariah resolutions and/or opinions in circumstances where BIBDS make reference to the SAB for further deliberation or where BIBDS submits application to BDCB for new product approval.
7. Approve the Zakat calculation methodology.
8. Inform the BIBD SAB of the channeling of SNC income to the BIBD Maslahat Fund for charity.
9. Approve investment business activities to ensure compliance with Shariah rules and principles which include:
 - (a) Validating the terms and conditions contained in the forms, contracts, agreements or legal documents used in executing the transactions; and
 - (b) Validating the product manual, marketing advertisements, sales illustrations and brochures used to describe the investment business activities.
10. Assess the work carried out pursuant to Shariah review and Shariah audit which form part of the SAB duties in providing assessment of Shariah compliance and assurance information in the annual report of BIBDS.
11. To review findings and reports carried out by the Shariah review and Shariah audit functions in order to ensure compliance with Shariah financial matters.
12. To advise on matters to be referred to the SFSB. The SAB may advise BIBDS to consult the SFSB on Shariah financial matters which cannot be resolved.

Frequency and Attendance of Meetings

The SABs meets on a regular basis with minimum attendance of at least 75% of the meetings held in 2022.

BIBD SAB meetings held in 2022 were:

No.	Name	Positions (Terms)	SAB Meetings	
			Held	Attendance
1	YM Dato Seri Setia Dr Awang Haji Mazanan bin Haji Yusof	Chairman (2020-2023)	8	8
2	YM Dr Abdul Nasir bin Haji Abdul Rani	Deputy Chairman (2020-2023)	8	8
3	YM Dr Hajah Mas Nooraini binti Haji Mohiddin	Member (2020-2023)	8	8
4	YM Hajah Noraini binti Haji Buntar	Member (2020-2023)	8	8
5	YM Dr Haji Aidil Yusri bin Haji Shari	Member (2020-2023)	8	8

BIBD ATW SAB meetings held in 2022 were:

No.	Name	Positions (Terms)	SAB Meetings	
			Held	Attendance
1	YM Dr Abdul Nasir bin Haji Abdul Rani	Chairman (2020-2023)	3	3
2	YM Pg Dr Md Hasnol Alwee bin Pg Haji Md Salleh	Member (2020-2023)	3	3
3	YM Haji Md Syahiran bin Haji Md Sofian	Member (2020-2023)	3	3

BIBDS SAB meetings held in 2022 were:

No.	Name	Positions (Terms)	SAB Meetings	
			Held	Attendance
1	YM Dr Haji Aidil Yusri bin Haji Shari	Chairman (2020-2023)	1	1
2	YM Dr Ahmad Lutfi bin Abdul Razak	Member (2020-2023)	1	1
3	YM Dr Amnisuhailah binti Abarahan	Member (2020-2023)	1	1

Summary of Meetings in 2022

The SAB has reviewed, advised and approved all the proposals including legal documentations for products and services submitted by the respective BIBD and subsidiaries' businesses.

Total of 66 proposals were mooted and deliberated in the respective SABs meetings between January to December 2022

No.	Proposal by Business and Subsidiaries	No. of Proposal
1	Retail Banking Group (RBG)	16
2	Corporate Banking Group (CBG)	7
3	Risk Management Division (RMD)	7
4	Shariah Division (SD)	6
5	Treasury and Global Markets (TGM)	4
6	Internal Audit Division (IA)	4
7	Finance and Strategy Group (FSG)	2
8	Chief Marketing Office (CMO)	2
9	Government Relation and Special Project Division (GRSP)	1
10	Chief Operating Officer Office (COO)	1
11	BIBD At-Tamwil Berhad	11
12	BIBD Securities Sdn Bhd	5
TOTAL		66

SAB Members Training Summary

The SAB members attended various forums and trainings to enhance their knowledge and understanding as well as keeping them abreast of the latest development in Islamic Finance industry.

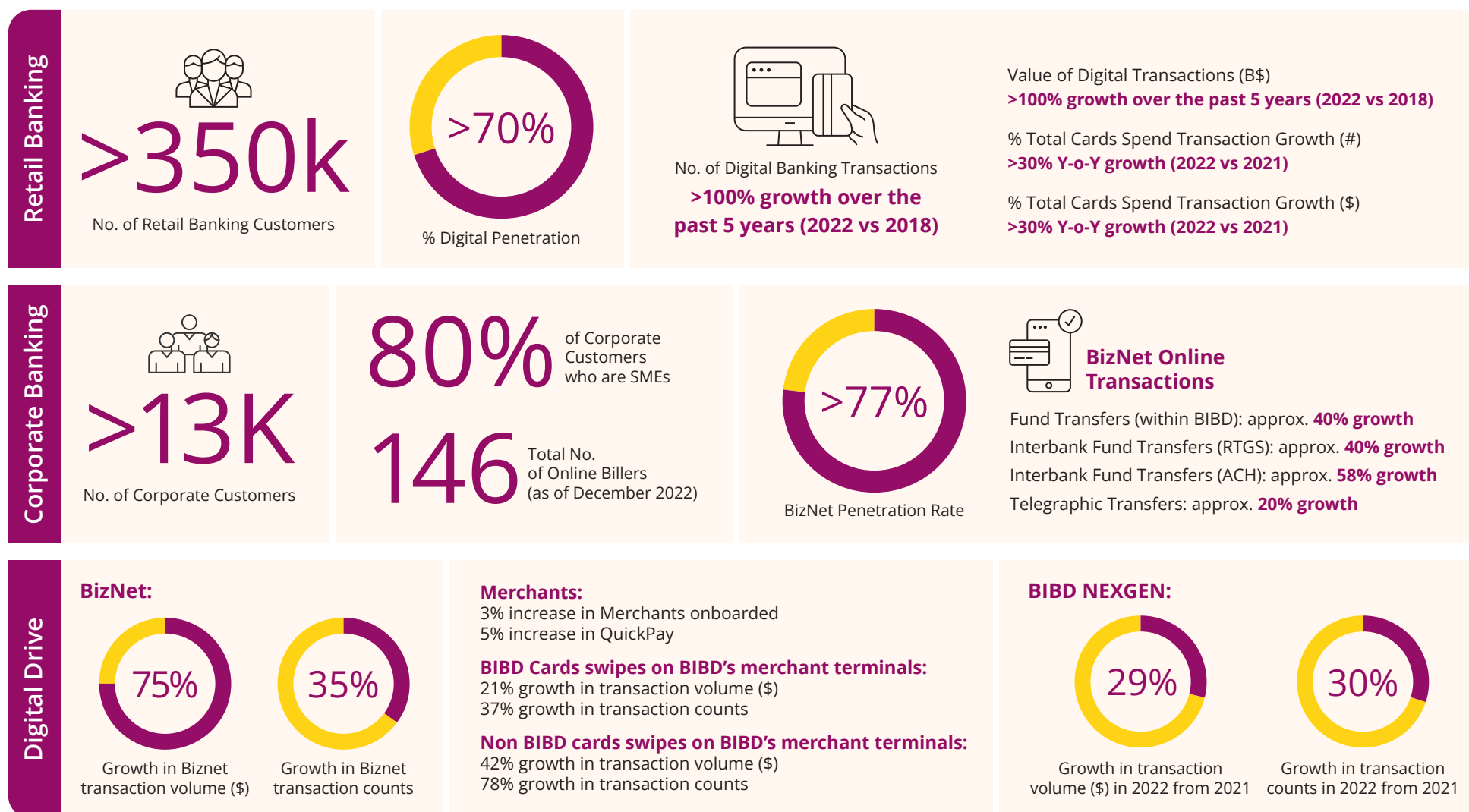
No.	Training Details	SAB BIBD Members and its Subsidiaries								
		YM Dato Dr Hj Mazanan	YM Dr Abdul Nasir	YM Dr Hj Mas Nooraini	YM Hj Noraini	YM Dr Hj Md Aidil	YM Pg Dr Hj Md Hasnol	YM Hj Md Syahiran	YM Dr Ahmad Lutfi	YM Dr Amni Suhailah
1	Corporate Governance & Board Effectiveness (virtual)		✓	✓	✓	✓	✓	✓	✓	✓
2	Syariah Advisory Conference: Syariah Governance Framework (BILIF)	✓	✓		✓	✓	✓	✓	✓	✓
3	International Waqf Conference, Brunei Darussalam MYCE2022			✓						
4	AAOIFI 20th Annual Shariah Board (virtual)	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	AAOIFI – Islamic Crowd Funding	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Shariah Governance Framework, Adopting Shariah Mindset Social Finance & UNSDG Goal (virtual)	✓	✓	✓	✓	✓	✓	✓	✓	✓
7	Compliance Financial Crime & Anti-Money Laundering (AML) (virtual)			✓	✓	✓	✓		✓	✓
8	17th Kuala Lumpur Islamic Finance Forum (KLIFF2022) – Muzakarah Penasihat Syariah Kewangan Islam ke-15	✓			✓					

3.

Year in Review

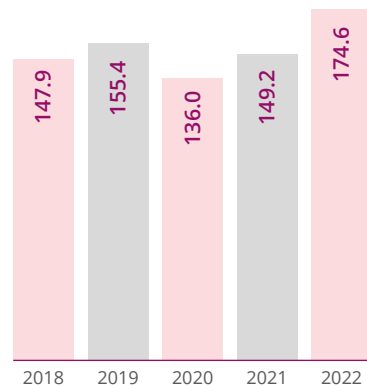
**In 2022, BIBD made
significant strides towards
fostering sustainable
development in the
nation and the
community**

3.1 Infographics

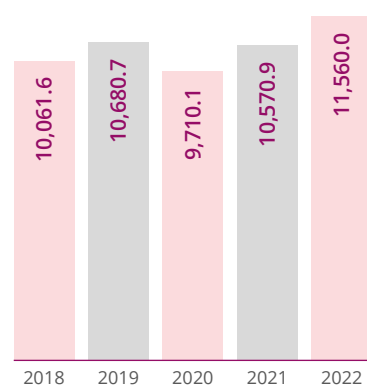


3.2 Group Financial Highlights

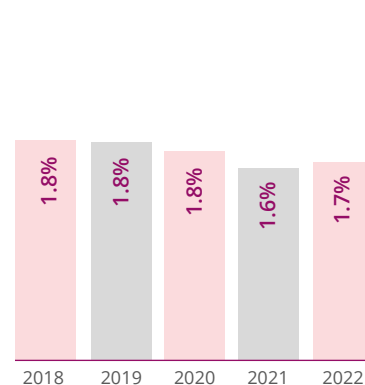
**Net Profit
After Zakat and Taxation
(B\$ Million)**



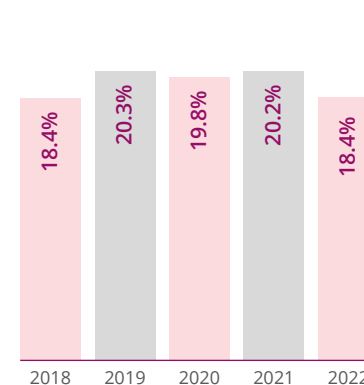
Total Assets (B\$ Million)



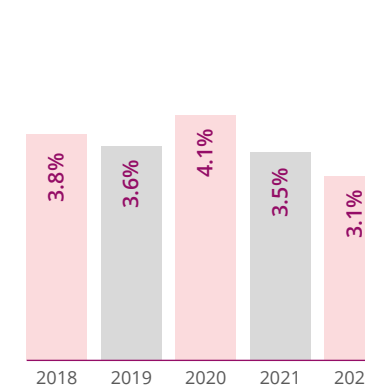
**Return on Asset
– Before Taxation (%)**



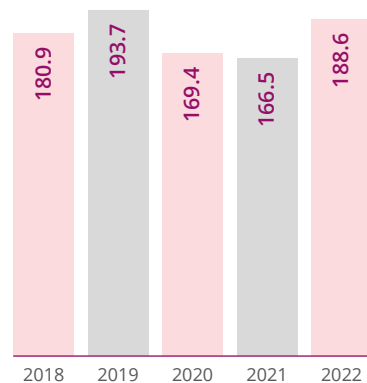
**Capital Adequacy
Ratios Core Capital (Tier 1) (%)**



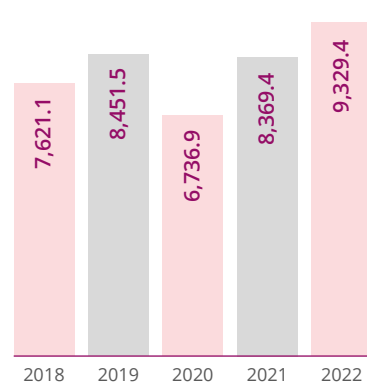
**Gross impaired financing as
a percentage of gross financing
and advances (%)**



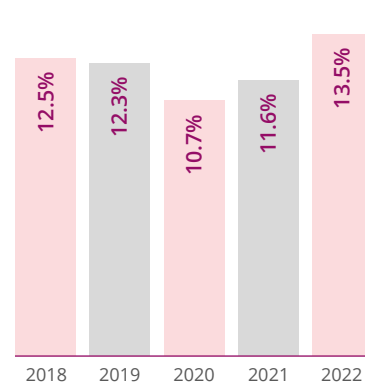
Operating Profit (B\$ Million)



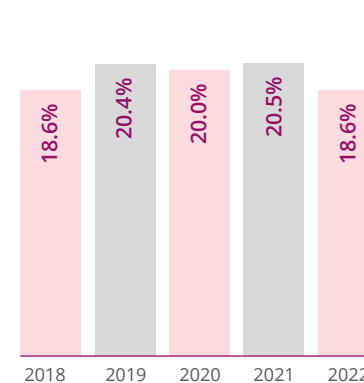
**Deposits from Customers
(B\$ Million)**



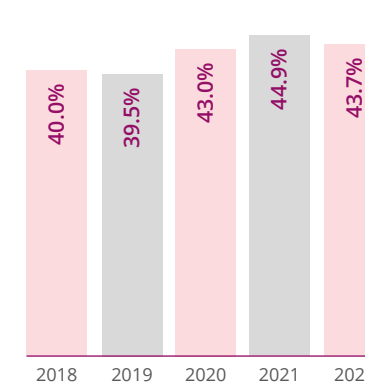
Return on Equity – After Tax (%)



Total Capital Adequacy Ratio (%)



Cost to Income Ratio (%)



3.3 Awards & Recognition

BIBD regularly competes in industry-wide banking awards to establish its reputation as the leading financial institution in Brunei and beyond.

By participating and winning awards in various categories, such as Best Retail Bank or Best Islamic Financial Institution, BIBD can demonstrate its commitment to excellence and innovation, as well as showcase its strengths and achievements to customers, stakeholders, and strategic partners.

These awards also provide a benchmark for BIBD to measure its performance against other banks and identify areas for improvement. Overall, industry-wide banking awards help BIBD enhance our brand image while building trust and credibility.



The Asian Banker

In 2022, BIBD was named Best Retail Bank in Brunei by The Asian Banker, marking the 10th year running that BIBD has won the award.

According to The Asian Banker, BIBD's win was attributed to the Bank's dominant market share in terms of retail deposits and financing. BIBD's NEXGEN Wallet also recorded over 150,000 regular users, with NEXGEN Wallet usage representing 90% of the Bank's total retail transactions.

BIBD was also once again named the Strongest Bank by Balance Sheet by The Asian Banker. With a strength score of 3.1 out of 5, BIBD is the strongest bank in Brunei and remains the only Bruneian bank to be featured in the Top 500 for the fourth year running.

The ranking, which covered the bank's performance in 2021, is based on a very detailed and transparent scorecard that ranks commercial banks on six areas of balance sheet financial performance; namely the ability to scale, balance sheet growth, risk profile, profitability, asset quality and liquidity.

Global Finance Magazine

BIBD was also recently announced as the safest bank in Brunei Darussalam for 2022 by Global Finance – a leading and highly renowned financial magazine.

Global Finance's annual rankings of the World's Safest Banks have been the recognized and trusted standard of financial counterparty safety for more than three decades. Winners were selected through an evaluation of long-term foreign currency ratings—from Moody's, Standard & Poor's and Fitch—of the 1000 largest banks worldwide.

Global Finance also named BIBD the Best Islamic Financial Institution in Brunei. According to Global Finance, this year's award winners continued to invest in technology and delivery, launching new products and services while delivering good financial performance. Moreover, the award winners recognize the importance of corporate and social responsibility and environmental factors.

Asia Asset Management Magazine

BIBD Securities Sdn Bhd (BIBDS) and BIBD Asset Management (BIBD AM - operating under the license of BIBDS), have once again been honoured with several awards by Asia Asset Management (AAM), a leading regional media on asset management industry.

Both BIBDS and BIBD AM won the 'Best Islamic Fund House' for Brunei for the second year running and was also awarded with 'Best Sukuk Manager' and 'Best Islamic Fund' in Brunei, which is managed in collaboration with Arabesque Asset Management.

The 'Best of the Best Awards' is an annual awards programme published by AAM that gives recognition to financial institutions for outstanding achievements over the past calendar year.

A-
S&P Global
Ratings

S&P Rating

In 2022, leading international credit ratings agency S&P Global affirmed its A- rating with a Stable Outlook on BIBD. The A- rating, which BIBD has held on to since 2015, puts BIBD on par with other leading banks in the Asia Pacific region.

According to S&P Global, the rating reflects BIBD's position with a strong market share, diversified business and established track record, while also acknowledging the Bank's robust capitalisation. The report also took note of Brunei Darussalam's strong fiscal and balance sheet positions over the years. While Brunei's economy contracted in recent quarters due to unanticipated production disruptions as well as a surge in COVID-19 cases, S&P Global expected economic growth to accelerate in 2022, supported by stronger energy prices, high vaccination rates and sustained growth in the downstream petrochemical sector.



Ilal Hijrah

BIBD was recognised by the Ministry of Religious Affairs for its contribution in developing and empowering the underprivileged in society through its corporate social responsibility initiatives.

During the Majlis Ilal Hijrah held at The International Convention Centre, BIBD was awarded for outstanding initiatives in the BIBD Special Entrepreneurial Empowerment and Development Scheme (BIBD SEED) and the BIBD Advocating Life-Long Learning for an Aspiring Future (BIBD ALAF) programme.

Present to receive the award from Minister of Religious Affairs, Yang Berhormat Pehin Udana Khatib Dato Paduka Seri Setia Ustaz Haji Awang Badaruddin bin Pengarah Dato Paduka Haji Awang Othman was BIBD Deputy Managing Director, Hajah Noraini binti Haji Sulaiman.





Distinguished Friends of BRC

BIBD was conferred the 'Distinguished Friends of BRC Award' by the Brunei Red Crescent Society (BRC) in recognition of the Bank's strong support and collaboration during COVID-19.

The 'Distinguished Friends of BRC Award' is the highest form of recognition and appreciation, given to selected corporate partners in recognition of their contributions, volunteer activities and ongoing support towards various humanitarian endeavours.

The awards were handed over by Yang Berhormat Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah, Minister at the Prime Minister's Office and Minister of Finance & Economy II. Receiving on behalf of BIBD was Acting Managing Director and CEO, Hajah Noraini binti Haji Sulaiman.

BIBD's Acting Managing Director and CEO along with 2 members of BIBD Senior Management were awarded with BRC Gold Honorary Medals while 8 staff were given Silver Honorary Medals at the ceremony, in recognition of their role in supporting the BRC in various capacities throughout the 2nd and 3rd wave of COVID-19 in the country.

Throughout the COVID-19 pandemic, BIBD worked closely with BRC in contributing COVID-19 Hygiene Packs and basic food necessities for underprivileged families.

BIBD staff who have been specially trained by BRC also provided support for the Ministry of Health and were deployed to conduct Antigen Rapid Testing (ART) for guests at national-level events.



4.

Serving the Nation

**BIBD as a Partner in
Progress has always believed
in taking a whole of nation
approach in addressing
national issues and toward
making a positive impact
in the community.**

4.1 Partnering towards Climate Action



"Rapid development projects and technological advancements have brought about some unwanted and negative impacts on our environments both locally and globally and the time to take action is now. We need to take a holistic approach to drive the sustainability agenda and commitment further into the spotlight to ensure actions are being made immediately to achieve the BNCCC's goal of Net Zero by 2050."

*Hajah Noraini binti Haji Sulaiman
Acting Managing Director and CEO*

*during signing ceremony for Memorandum of Understanding between Brunei National Council
on Climate Change & BIBD*

BIBD signed a Memorandum of Understanding (MOU) with the Brunei Darussalam National Council on Climate Change (BNCCC) to cooperate in climate action solutions as part of the Bank's commitment to support sustainability. The MOU aims to establish, promote and develop cooperation between both parties in advancing climate action solutions to pave for Brunei Darussalam's low carbon emission and establish climate-resilient pathways for a sustainable nation.

The MOU will also explore cooperation in any other areas of mutual interest such as the Protokol Hijau, Tree Planting activities, renewable energy, awareness and education campaigns, sustainable finance and investment in energy conservation, among many others.

Acting Managing Director and CEO of BIBD, Hajah Noraini binti Hj Sulaiman said, "BIBD as a corporate citizen, is honoured to answer the call, becoming the first private organisation to be an official partner for the Race to Zero, through our strong partnership and collaboration with the BNCCC through the Brunei Climate Change Secretariat, Insya Allah. A pledge that will be taken as our core business values that will progressively shape the business ecosystem for BIBD and its Group of Companies moving forward."



The signing signifies the importance of maintaining a sustainable future for the next generation and highlights BIBD's commitment and role in the sustainability agenda as the largest Islamic Financial Institution that stands on its strong roots and foundation of Maqasid Shariah which aligns with the SDG 2020 and Brunei Vision 2035 goals.

Signing the ceremony on behalf of BIBD was Hajah Noraini, BIBD's Acting Managing Director & CEO witnessed by BIBD's Chief Marketing Officer, Hajah Nurul Akmar binti Haji Md Jaafar as Lead of the BIBD Sustainability Transformation Group.

Meanwhile the BNCCC was represented during the signing by Permanent Secretary (Planning, Land Use and Environment) at the Ministry of Development, Dr Nor Imtihan binti Haji Abdul Razak with Haji Azhar bin Haji Yahya, Permanent Secretary, Department of Energy at the Prime Minister's Office as witness and Chair of the Executive Committee on Climate Change.



4.2 Sustainable Nation Campaign

"The Sustainable Nation Campaign is part of our business follow through on one of 3 pillars of our BIBD Sustainability Framework - Responsible Entrepreneurship. The topic of sustainability may be new to a lot of us and we hope the education and awareness we bring through the series of events under Sustainable Nation will help bring understanding for the MSMEs of steps how we can help to create a more circular economy. There is no doubt that SMEs have the potential to become the foundations of the domestic and global sustainability agenda."

Haji Shamri bin Haji Mahali
 Head of Corporate Digital and Business Development, Corporate Banking Group
 in conjunction with the launch of the Sustainable Nation Campaign



As part of efforts to foster a circular economy, BIBD through the SME360 series of programs, launched the Sustainable Nation Campaign, a Whole-of-Nation campaign in collaboration with Community for Brunei aimed at encouraging small but impactful actions to fight the climate change crisis and move towards a circular economy specifically for small businesses and the public in general.

The 4 month campaign, which ran from February to July, was a first of its kind, multi-level, multi-agency campaign bringing together various partners across different sectors including government agencies such as the Brunei Climate Change Council and the Ministry of Culture Youth and Sports; NGO's such as the ASEAN Youth Advocacy Network, Bruwild, Borneo Futures and MySDG's; and entrepreneurs such as Thryffy.

BIBD's Head of Corporate Digital and Business Development from the Corporate Banking Group, Haji Shamri bin Haji Mahali shared "We have one Earth and resources will be finite. Whatever our business or role in society, we need to remember that we need to leave a better life and a livable earth for our future generations".

Forming the core of the Sustainable Nation campaign is the Eco-chat Series, run in partnership with Community for Brunei and the ASEAN Youth Advocated Network (AYAN) Brunei, and intended to be a catalyst for change and education by starting a conversation and educating the public with industry experts and stakeholders.

4.3 SDG Alignment

BIBD participated in a National Workshop at the 2nd Voluntary National Review of the United Nations Sustainable Development Goals, organised by the Prime Minister's Office, as the Secretariat of the Special National Coordinating Committee for the Sustainable Development Goals (SDGs) of Brunei Darussalam.

Among the objectives of the workshop is to prepare for Brunei Darussalam's Voluntary National Review report, and discussed whole-of-nation efforts as well as challenges and opportunities in implementing the SDGs.

Present at the opening ceremony was BIBD's Managing Director and CEO, Awang Junaidi bin Haji Masri and Deputy Managing Director, Hjh Noraini binti Hj Sulaiman. 6 officers from BIBD, including members of BIBD's Management, participated in the two-day workshop.

Chairman of BIBD's Sustainability Transformation Group, Hjh Nurul Akmar binti Hj Mohd Jaafar said "It was an honour to be able to share our initiatives and perspective, and we hope through this and other future activities, BIBD can be a catalyst to create awareness on the climate change agenda and to be a driver of influence and change for our clients, the community and the industry."

As part of the workshop, BIBD was also invited to participate in a dialogue to explore how non-governmental organisations in particular can play a role in driving collective and sustainable action to combat the climate crisis, as outlined under SDG 13 (Climate Action).



"BIBD as a Partner in Progress has always believed in taking a whole of nation approach in addressing national issues and toward making a positive impact in the community. One of the key takeaways from this workshop was how much the success of achieving SDGs relies on taking a whole of approach, and we are keen to explore ways in which BIBD can support government agencies as well as non-governmental actors in meeting the SDGs"

Hjh Nurul Akmar binti Hj Mohd Jaafar
Chief Marketing Officer & Lead of Sustainability Transformation Group
during National Workshop at the 2nd Voluntary National Review of the United Nations Sustainable Development Goals

4.4 Projek Tunas

As a Partner in Progress, BIBD has always been committed to supporting the nation in its drive to spur economic diversification by empowering the private sector and encouraging entrepreneurship.

Alhamdulillah, during the *Majlis Ramah Mesra dan Bersama Rakyat* in the Brunei-Muara district, BIBD was given the opportunity to present our latest collaboration to His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, Sultan and Yang Di-Pertuan of Brunei Darussalam and other members of the Royal Family.

Projek Tunas, a partnership between BIBD and the Ministry of Home Affairs, provides a marketplace for underprivileged individuals to earn a living as well as the opportunity for micro and small enterprises to learn key skills required to establish themselves as successful entrepreneurs.



Vendors in the projects include underprivileged participants from BIBD SEED, *1 Kampong 1 Produk* under the Ministry of Home Affairs, the Muallafpreneurs Consortium under the Islamic Dakwah Centre as well as *Usahawan Bakarih* under the Yayasan Sultan Haji Hassanal Bolkiah.

4.5 Enabling Foreign Direct Investments



"Despite the global economic downturn caused by the COVID-19 pandemic, Alhamdulillah the downstream sub-sectors has continued to fuel Brunei's economic growth. This reflects the abundance of opportunities that are present in the sub-sector for institutions like BIBD to play our part as the nation's Partner in Progress and facilitate opportunities for our partners to upscale their operations and ultimately help achieve the nation's economic diversification goals in line with the Vision 2035"

Hajah Noraini binti Haji Sulaiman
Deputy Managing Director
during Signing Ceremony of Islamic Syndicated Term Financing agreement with Hengyi Industries

BIBD signed an Islamic Syndicated Term Financing agreement totalling US\$263 million with Hengyi Industries Sdn Bhd, indicating a new milestone in a growing relationship between local financial institutions and Hengyi Industries Sdn Bhd.

The agreement, signed along with two other local financial institutions namely Baiduri Bank and Perbadanan Tabung Amanah Islam Brunei (TAIB), reinforces BIBD's long-standing working relationship with Hengyi Industries, and showcases BIBD's capabilities to facilitate foreign direct investments (FDIs) and deliver on large scale Shariah-compliant transactions.

The agreement also highlights the importance of in-country liquidity mobilisation to further support the nation's economic activities.

BIBD's Deputy Managing Director, Hajah Noraini binti Haji Sulaiman said, "We are grateful to have established a long-term and healthy working relationship with Hengyi Industries and BIBD, as a Partner in Progress, will continue to strengthen this relationship with Hengyi as we share the same philosophy in developing human capital in Brunei and a strong sense of responsibility in national projects of this scale and nature."

As Partner in Progress, BIBD will continue to support Brunei's economic diversification efforts while strengthening the country's positioning as a regional hub for economic activity and trade.



4.6 Towards a Healthier Lifestyle

1 Billion Steps with #BNontheMove



BIBD was honoured to support the #BNontheMove event in conjunction with the Ministry of Health's 1 Billion Steps Challenge. BIBD's Managing Director and CEO Junaidi bin Haji Masri as well as members of management joined in with members of the public and each logged close to 10,000 steps.

During the event, BIBD's Wellness Ambassadors conducted free health screenings for the public at the BIBD booth.

BIBD's support of the event demonstrated its commitment to support His Majesty's Government as Partner in



Progress and as part of its Sustainability Framework, in support of the United Nations Sustainable Development Goals, particularly Goal No.3 – to ensure healthy lives and promote the well-being of people of all ages.

BIBD also participated in the 20 Billion Steps Campaign, launched during World Heart Day, reflecting BIBD's strong commitment and readiness as a corporate citizen to serve our nation in various aspects including initiatives that look after the health and wellness of the people.



4.7 Bersama Menjayakan Wawasan Negara

BIBD showcased our Bruneian at Heart spirit by taking part in the 38th National Day celebrations. The BIBD contingent, lead by members of the Leadership Forum, took part in the parade that was still filled with patriotism despite being scaled down due to the pandemic. This year's theme "Bersama Menjayakan Wawasan Negara" perfectly encapsulates BIBD's role in being a Partner in Progress to support the nation in achieving Brunei Vision 2035.



4.8 Brunei Mid Year Conference and Exhibition (MYCE) 2022

As one of the main sponsors for Brunei MYCE 2022, BIBD was involved in and supported the 5-week event through various thematic exhibitions and conferences.

Islamic Week

BIBD's Shariah Advisory Board members took part in a dialogue which centered around the topic of waqaf or endowment. Carrying the theme "Challenges of integrating traditional and contemporary Waqaf", the discussion deliberated the issue of lack of waqaf utilisation towards the development of Ummah due to lingering misconceptions on the true purpose and beneficiaries of waqaf.

Taking part in the dialogue session was Dr Hajah Mas Nooraini binti Haji Mohiddin, Dean of the Faculty of Shariah and Law at UNISSA and member of the BIBD Shariah Advisory Body who said that proper and efficient utilisation of waqaf offers prosperity and ensures the well-being of the society.

The forum aimed at enhancing the understanding of waqaf and its role in generating and stabilising the economy and also sought to highlight the privileges and advantages of waqaf institutions as an agent in developing the Ummah.

BIBD's Shariah Division also showcased their compilation of selected SAB resolutions on Shariah-related matters.





Energy Week

Among the highlights of our involvement during the Energy Week was the MSME clinic, aimed at showcasing the bank's comprehensive banking solutions that complement the needs of businesses, especially the micro, small and medium enterprises (MSMEs), which includes a dedicated relationship management team, financial solutions and digital payments. Some of the products showcased at the clinic were BIBD SME360, Mastercard Payment Gateway System (MPGS), BIBD QuickPay and BIBD Biznet.

During the week, we also continued our BIBD SME 360 Series, which was held physically for the first time during MYCE 2022 at the International Convention Centre. Discussions at the forum were centred around SME opportunities and best practices and the future of the energy sector.

Climate Action Week



BIBD, as the Brunei Government's official partner for the 'Race to Zero' initiative, showcased the various initiatives that the Bank has launched and pledged since the implementation of BIBD Sustainability Framework. Through the Framework, BIBD strives to be a catalyst of change by being a responsible business that actively works to make the world a better and greener place. BIBD also collaborated with the Brunei Climate Change Secretariat to organise an Eco-Festival as part of activities under Climate Action Week.





Present to launch the Eco Festival and take part in a tree-planting activity at BIBD Connects in Taman Mahkota Jubli Emas, Bandar Seri Begawan were the Minister at the Prime Minister's Office, Yang Berhormat Pehin Datu Lailaraja Major General (Rtd) Dato Paduka Seri Haji Awang Halbi bin Haji Mohd Yussof; Minister of Home Affairs, Yang Berhormat Dato Seri Paduka Awang Haji Ahmaddin bin Haji Abdul Rahman; Minister of Primary Resources and Tourism, Yang Berhormat Dato Seri Paduka Dr Haji Abdul Manaf bin Haji Metussin; Minister of Development, Yang Berhormat Dato Paduka Awang Haji Mohd Juanda bin Haji Abdul Rashid; Minister of Transport and Infocommunications, Yang Berhormat Pengiran Shamhary bin Pengiran Dato Paduka Haji Mustapha; and the Minister of Culture, Youth and Sports, Haji Nazmi bin Haji Mohamad.

Economy Week



As one of the main partners of the Brunei MYCE2022, BIBD participated in the Economy Week through the hosting of the SME360 Forum Season Finale as well as exhibitions at the BIBD Pavilion. BIBD also facilitated workshops titled 'Bridging the Gap: Financing Growth' conducted by senior officers from the Corporate Banking Group.

The Economy Week, hosted by the Ministry of Finance and Economy, focused on economic growth and development. It also focused on Gross Domestic Product (GDP) and how to encourage growth, the continued development of MSMEs which would in turn lead to the strengthening of the private sector, as well as the promotion of trade and Free Trade Agreements (FTAs).

4.9 Supporting Sustainability



In April, BIBD kicked off a nationwide tree-planting initiative in conjunction with International Day of Forests. The initiative, which is being held as part of the Bank's Sustainable Nation Campaign, is facilitated by Community for Brunei and aims to raise awareness on the importance of the fight against climate change.



The first activity saw 20 trees being planted in locations throughout the 4 districts. Present to officiate the initiative at BIBD Connects Lambak was Yang Berhormat Dayang Khairunissa binti Haji Ash'ari, Member of the Legislative Council and Founder of Green Brunei as well as the Deputy Minister of Development, Dato Seri Paduka Ar. Awang Haji Marzuke bin Haji Mohsin and BIBD's Acting Managing Director and CEO, Hajah Noraini binti Haji Sulaiman.





Representatives from campaign partners such as the Brunei Climate Change Secretariat, Brunei Youth Council, Green Brunei, Growth.BN, the Department of Environment Parks and Recreation (JASTRe) and CIC Environmental Services Sdn Bhd were present, along with senior members of BIBD's management and government officials.

Similar tree planting activities were also held at the H40 Housing Scheme in Lambak, Bukit Beruang Recreational Park in the Tutong District, the Lorong Tengah National Housing Scheme in Seria and the Selangan Agricultural Development Area in the Temburong District.



5.

Supporting the Industry

**Being a bank that is
Bruneian at Heart, BIBD
has always recognized and
prioritized the critical role
of empowering the
local businesses.**

5.1 SME360 Series



In January, BIBD kicked off its 10-part BIBD SME360 Series with a virtual forum for Small and Medium Enterprises (SMEs) in the food and beverage (F&B) industry in Brunei. The SME360 Series continued throughout 2022, featuring two industry highlights every month and aimed to gather thought leaders and industry experts from 9 main business sectors across Brunei in engagement sessions with business owners and stakeholders to discuss the challenges, best practices, perspectives and opportunities to come back stronger.

The SME360 series was held virtually until July 2022, when Brunei Darussalam entered the endemic phase with further easing of COVID-19 restrictions, with the final two

sessions of the series held physically as part of the Brunei Mid-Year Conference and Exhibition (MYCE) 2022.

The programme was organised by BIBD with DARE and the Ministry of Finance and Economy as strategic partner, co-curated by Firelight Sdn Bhd and Curious Mind. It was jointly supported by 10 of Brunei's major trade association partners and key market players namely the Malay, Chinese, Indian and National Chamber of Commerce, LiveWIRE, BIMP-EAGA, Young Entrepreneurs Association of Brunei (YEAB), Royal Brunei Catering (RBC), McDonalds Brunei, Serikandi Group, GoMamam, Ghanim International Corporation (bruneihalalfoods), Jab Gym, Hua Ho and Soon Lee.

The SME360 Series will be taken up as a regular yearly event as part of the Bank's efforts to continue supporting local enterprises navigate current issues, opportunities and latest developments in the business arena.

BIBD Group's strategic vision is aligned with His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam's Vision 2035 and recently, through its sustainability framework, the bank aspires to complement the government's efforts to achieve the UN Sustainable Development Goals (UN SDGs) by creating a holistic plan that contributes towards lasting economic growth, community empowerment, healthier lifestyles and more environmentally conscious production and consumption.



5.2 Promoting Sustainable Investments

"The launch of fund is just one of many initiatives that we are embarking on, as part of the BIBD Group's Sustainability Framework. It is the first Shariah compliant ESG Fund available in Brunei – allowing our clients the opportunity to add value in both a Shariah-compliant and sustainable manner. Our objective is simple – we want to be our client's life-long investment partner, offering sustainable and long-term investment solutions to all our clients."

Jason Wong
Acting Managing Director, BIBDS
during BIBDS Client Event for the Arabesque Q3.17 Global ESG Momentum Flexible Allocation Fund



BIBD Securities held an event to provide an overview and insight on sustainable investing to clients, and to introduce the Arabesque Q3.17 Global ESG Momentum Flexible Allocation Fund which was launched in December last year and give further insights on the potential offering of the fund.



The Arabesque Q3.17 Global ESG Momentum Flexible Allocation Fund is a globally diversified multi-asset strategy that integrates material sustainability criteria and bottom-up, AI-driven stock analyses within a rules-based investment process.

In strict compliance with the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) guidelines, the strategy ensures the Shariah-compliance of the underlying funds.

The strategy's global investable universe consists of approximately 1,500 highly liquid and sustainable companies and excludes companies that generate profit from non-permissible business activities outlined in the AAOIFI guidelines.

The transparent stock selection process equally allocates into circa 100 companies with the strongest prospects for future success, while a dynamic cash allocation allows for increased stability and a systematic market participation.

Underscoring the Importance of ESG in Islamic Finance



BIBD Asset Management also participated in the 14th Annual Brunei Darussalam Roundtable and highlighted the importance of integrating environmental, social and governance (ESG) elements into Islamic Finance to create a more inclusive and well-rounded economy. The theme for

the roundtable was 'Moving Forward: Drivers of the New Economy'. BIBD AM was represented by Acting Managing Director of BIBDS, Jason Wong while Head of Structured Finance at CBG, Abd Azim bin Hj Mohammad was also one of the panelists in a separate session.

The event provided an avenue for local and regional financial regulators and industry players to share ideas and value-added information on current investment strategies in the region, economic and financial market infrastructure development and prospects in the ASEAN region as well as opportunities beyond 2022, which in turn can contribute in the alignment of future capacity building plans.



5.3 Enabling Digital Payments

Supporting Brunei as a Smart Nation



In a bid to further empower the creation of a sustainable digital society and fully realise Brunei's Smart Nation agenda, BIBD is advancing its efforts to promote cashless transactions at supermarkets and fast food outlets through the use of self-service kiosks.

The latest initiative is a first-of-its kind collaboration with local fintech ThreeG Media and the Milimewah Group. The introduction of this solution is one of BIBD's initiatives to collaborate with and support local fintech firms, whilst always being at the forefront of the latest digital innovations and encouraging customers to Go Digital.



Digital Zakat Fitrah

In a bid to further drive Brunei's aspiration of becoming a highly developed and cashless economy as well as in fulfilling Maqasid Syariah and achieving the United Nation's Sustainable Development Goals (UN SDGs) the Bank has continuously introduced initiatives to promote nationwide adoption of cashless payments across all segments of the society.

In 2022, BIBD once again introduced an innovative spin to an age-old tradition with the launch of e-Duit Raya. The function, which is integrated within the BIBD NEXGEN Wallet mobile app, enables customers to send and receive funds digitally by scanning a QR code or transferring directly to a Virtual Mastercard (VMC).

As a Partner in Progress, BIBD has always been deeply invested in supporting the nation's drive towards become a Smart Nation, powered by a digital economy. The Digital Zakat Fitrah is a collaboration between BIBD and the Ministry of Religious Affairs, and serves as a great example to drive a cashless society.



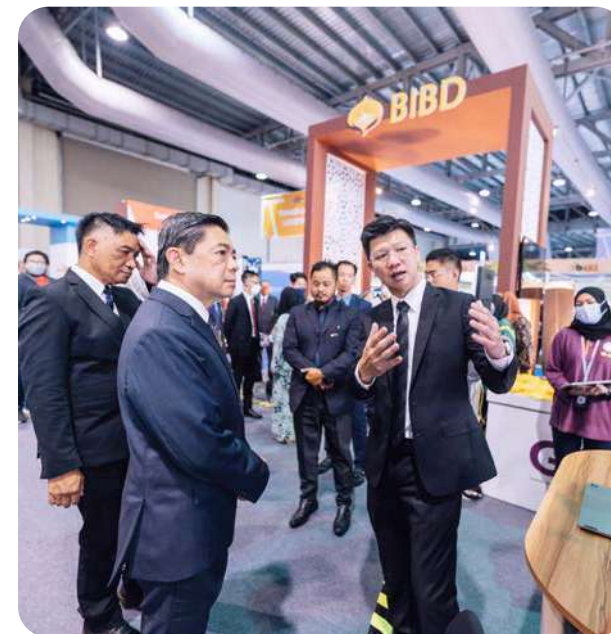
5.4 Supporting Local Businesses



As a Bank that is Bruneian at Heart, BIBD has always understood the importance of supporting local businesses. In 2022, BIBD participated in the Local Product Expo which was being held as part of the Brunei December Festival.

Our presence at the Local Product Expo demonstrated our commitment to fostering the growth of local business by providing them the resources, products and services that they need to succeed.

Carrying the theme 'Enabling Business Digitally', our team was able to showcase the range of digital banking solutions for both retail and corporate customers as part of our efforts to bring the digital agenda to the mass market and encourage cashless transactions. Alhamdulillah, we were able to meet with many local business owners, learn about their challenges, and discuss ways in which our bank could help them to succeed and look forward to continuing to work with local businesses in the future and to be a partner in their success.



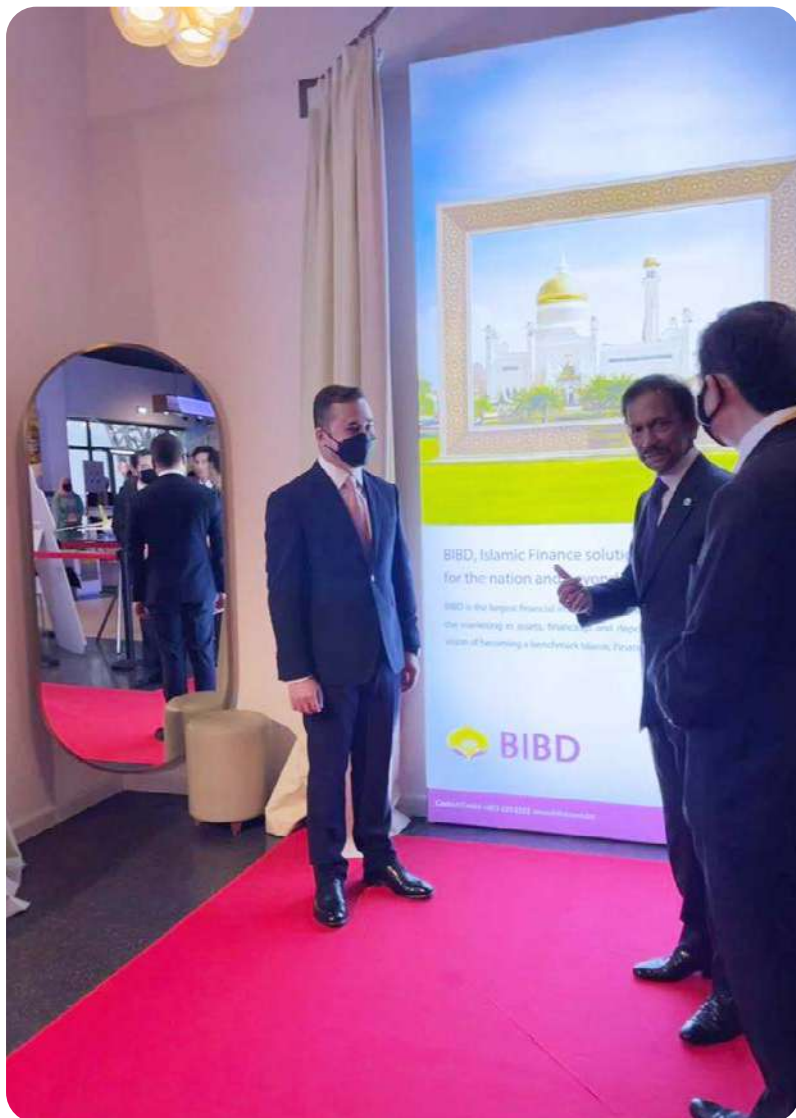
Digitalisation as a Key Driver for Growth for MSMEs



As part of the Local Product Expo, BIBD also held an SME Sharing Session which highlighted the importance of businesses to be proactive and innovative, and to make use of digitalisation to ensure the growth of their businesses. The session shared the business journeys and success stories of four local SMEs who built their businesses from the ground up under the guidance of BIBD SME360.

Participating in the session were Hadi Wahab, Chief Executive Officer of Go Mamam; Loqman Hamdan, founder of Al-Huffaz; Hafiz Talip, General Manager of Fiziq Healthcare Services; and Ellin Chong, Farm Director at IAM Food.

5.5 Expanding Our Global Reach



In April 2022, His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam met with the team from BIBD Middle-East (ME) Limited at the Expo 2020 Dubai.

Following the meet up with the monarch at the Brunei Pavilion during the expo, BIBD ME is fully supportive of His Majesty's call for increased cooperation between ASEAN and UAE to promote economic prosperity for their people.

As the focal point for BIBD Group of Companies in the Gulf Cooperation Council, BIBD ME remains committed and ready to answer His Majesty's call and seek new opportunities through forging new relationships for the Bank as well as for the business community, and at the same time fortifying existing ones.





Prior to the World Government Summit, Yang Berhormat Dato Seri Setia Dr Awang Haji Mohd Amin Liew bin Abdullah, Minister at the Prime Minister's Office and Minister of Finance and Economy II, who is also Chairman of the BIBD Group toured the BIBD ME office which is located at the Dubai International Financial Centre.

BIBD ME also signed a Memorandum of Understanding (MoU) with Bank Syariah Indonesia (BSI) in Dubai in April 2022 to foster cooperation in the region.

The MoU will unlock opportunities for cooperation in the area of treasury, trade finance, transactional banking, Islamic syndicated financing, remittance and human capacity development, among others.

BSI is a state-owned Islamic Bank in Indonesia which was officially founded in early 2021 as a result of a merger between state-owned Shariah banks.

BIBD ME is a wholly-owned subsidiary of Bank Islam Brunei Darussalam (BIBD) based in Dubai whose activities include arranging deals in investments; advising on financial products; and arranging and advising on credit.

The BIBD ME team is made up of 60% male and 40% female Bruneians, and BIBD Group of Companies will continue to invest in our people and ensure wider exposures are given especially to the younger team.

6.

Supporting the Customers

**BIBD is a bank for all
Bruneians, offering smart,
safe and practical financial
services and solutions that
support the ambitions
of the Bruneian
community.**

6.1 Go Digital

There is no doubt that banking digitally contributes to greater efficiency, accessibility and convenience for our customers. BIBD's latest Go Digital! campaign aims to raise awareness on the advantages of digital banking, but also on the positive environmental impacts of going digital, and how it contributes to the nation's wider sustainability agenda. For example, digital banking reduces our overall carbon footprint by using less paper which, in turn, saves trees. At the same time, customers no longer need to visit a branch for their banking needs, which reduces overall carbon emissions."

Irwan bin Haji Lamit
Deputy Managing Director II and Head of Retail Banking
in conjunction with the launch of BIBD's Go Digital campaign

In a bid to encourage digitalisation and sustainability, BIBD launched our Go Digital! campaign to encourage Bruneians to adopt digital banking in their daily lives in order to play their part in contributing to a more sustainable nation.

BIBD's Deputy Managing Director II and Head of Retail Banking added, *"Alhamdulillah, we have seen a growing awareness around sustainability. With this Go Digital! campaign, we want to highlight that big impact can start with small changes - going digital is good not just for the customer, but for the overall environment."*

With the global movement and increasing awareness on sustainable living, BIBD is committed to be a catalyst of change by being a sustainable business that actively works to make the world a better place through the Bank's Sustainability Framework.

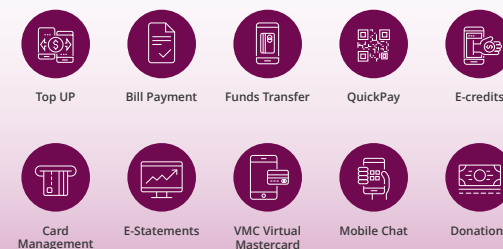
The Go Digital! campaign, which carries the theme "Together We Grow Sustainably" is part of efforts under the BIBD Sustainability Framework's pillar of encouraging responsible entrepreneurship by adopting digital banking. Through the campaign, BIBD aims to amplify the advantages of digital banking in terms of increasing accessibility of banking services, enhancing security of transactions and bringing added convenience to the public. At the same time, Go Digital! also highlights the positive environmental impact of digital banking.



Choose BIBD NEXGEN and bank digitally for the future generations.

Saving mother nature helps YOU save.

You can breathe easy while conveniently banking via:



6.2 Rewarding Our Customers

Throughout 2022, we held various campaigns and promotions aimed at rewarding our loyal customers.



Realising a Dream Home with BIBD Impian



Through the BIBD Impian campaign, BIBD handed over a brand new modern detached house to one lucky winner at the culmination of the campaign. The three-bedroom, four-bathroom house comes with a living room and family room, kitchen areas among others, and sits on a 0.1 acre land in Kampong Kilanas.

The BIBD Impian campaign was part of BIBD's efforts to reward its customers for their support and loyalty, while also giving the chance for everyone to win a modern space to call a home. At the same time, BIBD hopes to support national aspirations as a Partner in Progress, and provide means for citizens of Brunei Darussalam to own their own home.



Reaching the Peak of your Aspirations



In 2022, we rewarded one grand prize winner with a life-changing prize of B\$250,000 at the end of the BIBD Aspirasi 3 campaign.

BIBD Aspirasi was introduced in 2018 in support of BDCB's objective of promoting financial management skills and to nurture the discipline of savings amongst the people of Brunei Darussalam

BIBD also launched the 5th cycle of BIBD Aspirasi, the hugely successful Certificate of Deposit product which is aimed as instilling the discipline of regular savings and rewards customers with attractive cash prizes.

Through Aspirasi 5, BIBD will once again be rewarding over 400 winners with total cash prizes of B\$870,000 over the coming year. In response to the success of Aspirasi 4, BIBD has increased the maximum deposit amount to B\$450,000 while maintaining the low minimum deposit of B\$50, enabling everyone to save and be part of the rewards programme.

BIBD Aspirasi has seen encouraging growth since it was first launched, recording an average growth rate of 88% over the years.



The latest iteration of BIBD Aspirasi shares the story of inspiring local heroes, specifically Muhammad Iqbal Fakri bin Haji Damit, a youth advocate and community leader who was recently announced as the ASEAN Prize 2022 recipient.

Muhammad Iqbal Fakhri's inspiring story and aspirations to help others encapsulates the essence of BIBD Aspirasi, and calls on everyone to play their part in making a difference, whether big or small. Members of the public will be able to follow the aspirational journey of Muhammad Iqbal Fakhri throughout the journey of Aspirasi 5.

6.3 Towards a More Resilient and Secure Society

"BIBD takes online security very seriously. It was and always has been at the top of our agenda. However, we see online threats these days are becoming more sophisticated and are constantly evolving. Hence we want to provide the necessary information not just to our customers but the public in general on how to stay safe and protected from cyber threats and online scams".

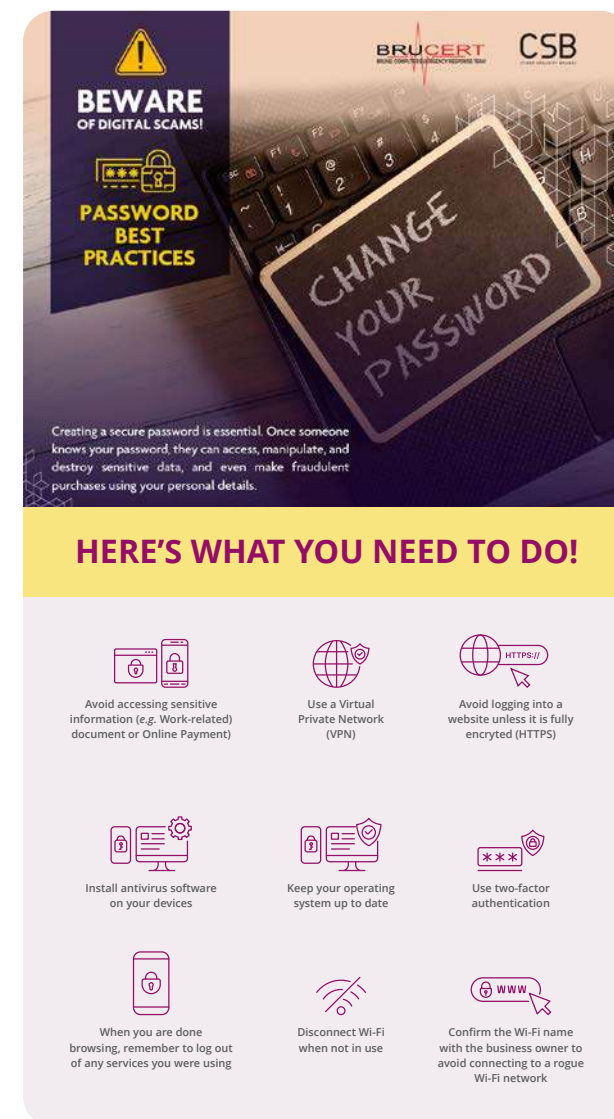
Adi Shamsul bin Haji Sabli
Chief Information Officer
in conjunction with the launch of BIBD's collaboration with CSB

BIBD embarked on a 12-month cybersecurity awareness campaign in collaboration with Cyber Security Brunei (CSB) and BruCERT, aimed at fostering greater awareness of cyber threats and empowering members of the public to be safer and more secure online.

The BIBD, CSB and BruCERT cybersecurity awareness campaign will use social media to educate members of the public on relevant topics such as how to stay safe while working remotely, online shopping, best practices when selecting passwords and using social media as well as awareness on different cyber threats such as phishing, smishing and social engineering attacks.

Chief Information Officer, Adi Shamsul bin Haji Sabli said "The COVID-19 pandemic has lead to more and more of our daily activities being conducted online. With higher demand and utilisation of digital banking, it is therefore more important than ever to be aware of and adopt good cyber security practices."

As a Partner in Progress, BIBD is deeply invested in supporting the nation's drive towards becoming a Smart Nation, empowered by a digital economy. This campaign, and the collaboration with CSB, is part of BIBD's contribution to drive to ensure a more resilient and secure society as we move to achieve Brunei Vision 2035, and is in support of Brunei's Digital Economy Masterplan 2025 which call on both the government and private sector to the strengthen the country's cybersecurity landscape, together with the growth of digital usage towards the protection of data, infrastructure, and networks against growing cyber threats.



6.4 Promoting Financial Literacy

Financial literacy is at the heart of what we do at BIBD and we completely recognise the importance of raising awareness on better financial literacy as early as possible. Islamic finance views financial literacy as a core component in the well-being of not only individuals but the society as a whole. From an Islamic standpoint, financial literacy is a critical skill needed to fulfill one's religious responsibilities.

Social Inclusion and Financial Awareness

During the year in review, BIBD carried out various financial literacy and awareness talks targeting various segments of the population in a bid to raise the level of financial literacy in the country.

Representatives from BIBD's Retail Banking, Corporate Banking and Chief Operating Office Divisions carried out several sessions of financial planning, entrepreneurship and digital banking talks in the Temburong district, aimed at government servants, micro enterprises, village heads as well as members of the community.

The holistic approach to financial talks was attended by over 200 people, and was aimed at raising the level of financial literacy in the community. Apart from delivering talks to government officers and members of Kampong/Mukim consultative councils, members of the BIBD team also travelled directly to villages and longhouses in Kg Selapon, Kg Batu Apoi, Kg Amo and Kg Lepong Baru to engage with members of the community in order to specifically cater to their needs and requirements.

BIBD's financial planning talks delivered by BIBD's certified Islamic Financial Planners. Among the topics covered



were the basics of budgeting and savings, investments and long term financial goals, takaful protection as well as retirement protection, zakat and estate planning.

BIBD staff also delivered talks for MSME business owners and potential entrepreneurs, introducing the range of products and services available for local micro enterprises and how BIBD is able to support them on their entrepreneurship journey.

Underpinning BIBD's commitment to digital banking, the Bank's Digital Customer Service Representatives (CSRs) also delivered talks to attendees, to demonstrate the wide range of services that can be done through BIBD NEXGEN.



Key components to maintain your Financial Well Being

Striking the right balance between short-term and long-term goals is fundamental in ensuring control over your day-to-day finances without jeopardizing your future ambitions.

Savings

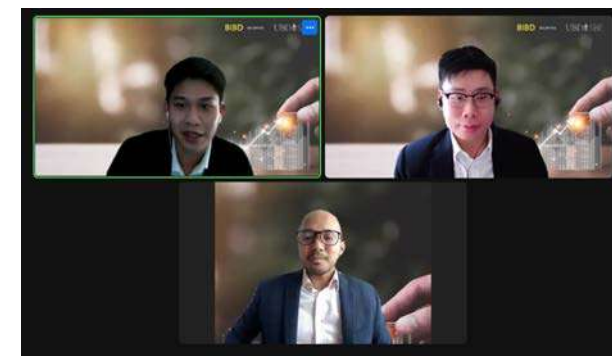
- Suitable for short terms goals such as emergency fund, travel place, etc.
- Convenient access
- Lower risk involved; lower returns
- Subject inflation risk

Savings vs Investment



Investment

- Suitable for longer term goals such as retirement, education plan, etc.
- Not as readily accessible than savings
- High risk involved; higher expected returns
- Potentially beat inflation over time



Investing in the Future

BIBDS also organised various financial literacy and investment talks throughout the year. Among them was a virtual talk attended by almost 200 participants at a Financial Awareness Seminar in collaboration with Universiti Brunei Darussalam's School of Business and Economics.

The seminar covered the basics of investing, as well as an interactive panel discussion which provided an insight into the day to day activities of BIBDS, setting an investment mindset and different approaches to investing.

As a Partner in Progress, promoting financial awareness is being undertaken as part of a wider commitment to sustainability and the UN Sustainable Development Goals, specifically SDG4 and SDG8.



7.

Giving Back to the Community

As a corporate citizen, BIBD is ready to serve our nation in various aspects that look after the health and wellness of our community, in line with our foundational values of Maqasid Shariah.

7.1 Investing in Education



"BIBD ALAF is an education-community funding initiative in the form of financial support and assistance, commonly known as Advocating Life-Long Learning for Aspiring Future. At BIBD, we believe in the importance of education and learning as an underlying core of every individual and for national development. Alhamdulillah, today's signing fortifies our commitment and strong support from His Majesty's government in providing a significant impact on nation building via education towards Brunei Vision 2035."

*Hajah Noraini binti Haji Sulamian
Acting Managing Director and CEO
during Signing of Memorandum of Understanding with Ministry of Culture Youth and Sport*

BIBD's flagship education-community funding initiative aims to provide the necessary support to realise His Majesty's Vision 2035 of turning Brunei Darussalam into a nation widely recognised for its people's quality of life and the accomplishments of its well-educated citizens.

The BIBD ALAF Programme strives to provide education and learning, the essentials of individual growth and key indicators of national development, to less fortunate children in Brunei Darussalam so that opportunities for success remain abundant for the underprivileged. Besides constant tutoring and counselling, our ALAF programme also provides for necessities such as school and tuition fees, stationeries, transportation, and meals.

As a result of the close collaboration and cooperation between BIBD, the Ministry of Religious Affairs and Ministry of Education along with the support of local corporates and members of the public, the BIBD ALAF programme currently supports **277** students.





Expanding Our Support

In 2022, BIBD expanded our support for children with high potential from less fortunate backgrounds through a Memorandum of Understanding with the Ministry of Culture Youth and Sports. For the first time, orphans registered under the Ministry may be included in the BIBD ALAF program, utilising funds from the National Orphans Fund to sponsor selected students who meet the criteria for BIBD ALAF program admissions. The sponsorship includes the provision of school supplies, tuition fees and co-curricular activities to expand their learning capabilities.

Signing on behalf of the ministry was Hajah Nor Ashikin binti Haji Johari, Permanent Secretary (Community and Culture) at MCYS while signing on behalf of BIBD was Hajah Noraini binti Haji Sulaiman, Acting Managing Director and CEO of BIBD.

Present to witness the momentous occasion was Yang Berhormat Major General (Rtd) Dato Paduka Seri Haji Aminuddin Ihsan bin Pehin Orang Kaya Saiful Mulok Dato Seri Paduka Haji Abidin, Minister of Culture, Youth and Sports.



Recognising Excellence

A total of 84 students from BIBD ALAF were celebrated for achieving outstanding results in the 2021 Academic Year. Overall, BIBD ALAF maintained its 100 per cent pass rate, with all students sitting for the Brunei Cambridge GCE A Level exams achieving 3 and 4 A Levels. Meanwhile, in the Brunei Cambridge GCE O Level exams and Brunei Religious Education Certificate Exams (*Sijil Pelajaran Ugama Brunei SPUB*), BIBD ALAF students also continued to achieve excellent results. Similarly, the program maintained a 100 per cent pass rate in the Primary School Assessment (*Penilaian Sekolah Rendah PSR*) Exam with eight students achieving 5 A's.



7.2 Nurturing Entrepreneurship

"Evidence shows that empowering women can have a positive impact on their families, on the community and the country as a whole. BIBD has always believed in empowerment through entrepreneurship and the BIBD SEED program is a manifestation of this belief and our commitment as a Partner in Progress, as we seek to uplift and upskill these women into successful, sustainable business owners that can make an impact in their personal lives and give back to the nation."

*Hajah Nurul Akmar binti Haji
Mohd Jaafar
Chief Marketing Officer
during BIBD SEED Cohort 4 Graduation
Ceremony*



BIBD SEED

The Special Entrepreneurial Empowerment & Development Scheme (BIBD SEED) programme aspires to enhance the livelihood of underprivileged mothers in Brunei Darussalam by empowering and facilitating their development as competitive, resilient, and successful entrepreneurs in the local and international markets.

In collaboration with the Ministry of Religious Affairs and Ministry of Culture, Youth, and Sports, the BIBD SEED programme also aims to create more opportunities in Brunei Darussalam, especially for the less fortunate, and support their progress towards becoming highly-skilled individuals as measured by international standards.



This year, BIBD celebrated 5 female entrepreneurs who successfully completed the programme as part of the fourth cohort, comprising of three entrepreneurs following their passions in the F&B industry while the remaining two are business owners in the service industry.



BIBD also welcomed the fifth cohort of BIBD SEED, made up of 14 female entrepreneurs comprising of targeted groups under the Islamic Dakwah Centre, Ministry of Religious Affairs; the Brunei Islamic Religious Council; the Community Development Department under the Ministry of Culture Youth and Sports as well as the Single Mothers Association.

All BIBD SEED participants are given training workshops focusing on entrepreneurial skills, product development, practical business skills as well as branding and marketing. Participants are also given the opportunity to participate in various pop-ups and marketplaces as a way of gaining practical experience in interacting with customers and to begin building their customer base. Additionally, participants are also encouraged to make use of sustainable packaging for all their products, as part of BIBD's commitment to sustainability under the BIBD Sustainability Framework.

To date, 41 female entrepreneurs have participated in the program, where 27 participants have qualified for *Dana Zakat* funding. Meanwhile, a total of 221 women have gone through the BIBD SEED boot camp, which focuses on the basics of entrepreneurship. Since the inception of the BIBD SEED program, B\$118,740 worth of funding under *Dana Zakat* has been disbursed and is hoped to be a catalyst toward success in their chosen fields.

The Kasturi Stand Kidpreneurs



Five kidpreneurs were awarded for achieving top sales at the culmination of The Kasturi Stand, an entrepreneurship mentoring programme for children aged 7 to 12, which was organised by BIBD.

The kidpreneurs were enrolled in online workshops with local industry mentors who guided participants on topics such as ideation, product development, sustainability and marketing. At the end of the programme, each participant was given the opportunity to set up their own online business on the Community for Brunei Virtual Marketplace.

Amalia's Desserts, run by Amalia Maisarah binti Hj Shayfol Khairin; Epic Surprise Box run by Ethan Han; Kayli's Krafts run by Lai Kayli; Aleenas Cookies run by Dk Amanda Aleena Pg Saiful Ismail; and Rad Cactus Co run by Rania Aleesya Sateria, Rayyan Ar-Rasyid and Md Amir Fuad bin Jofri were each awarded with a B\$200 kickstarter fund for achieving top sales in their online businesses.

Our kidpreneurs were also given the opportunity to meet His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, the Sultan and Yang Di-Pertuan of Brunei Darussalam during the *Majlis Ramah Mesra dan Bersama Rakyat* in the Brunei-Muara district.

Souq Al Qudwah

The Souq Al Qudwah is an annual event, held to support the Islamic Dakwah Centre under the Ministry of Religious Affairs and various other strategic partners, where a marketplace is set up and local micro enterprises promote and sell products from targeted segments with activities related to creating awareness and promoting the teaching of Islam.

This year's Souq Al-Qudwah Expo establishes a 'Muslimpreneurs' market concept that can become a driver and role model for Muslims in particular, in improving and developing Islamic Eminence.



During the event, BIBD donated books titled '*Bimbingan Asas Fardhu Ain*' to the Ministry of Religious Affairs.



7.3 Caring for the Community

Community for Brunei continues to mature as a community-based platform since its launch in April 2020. This year, sustainability issues and supporting non-government organisations (NGOs) were at the core of Community for Brunei's activities.

Promoting a Sustainable Future through a Circular Economy

Community for Brunei, as part of the Sustainable Nation Campaign, organised the Eco-Chat Series, highlighting the importance of a circular economy as the nation heads towards a sustainable future. The series is run in partnership with ASEAN Youth Advocates Network (AYAN) Brunei and is intended to be a catalyst for change and education by starting a conversation and educating the public with industry experts and stakeholders.

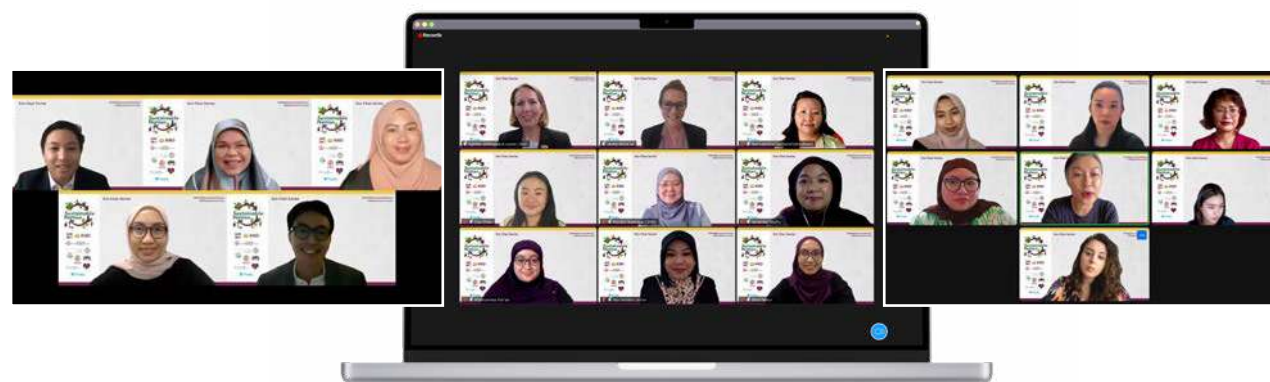
Among the topics that will be covered were the climate crisis, sustainable development goals, plastic pollution and fast fashion, and will feature speakers from BIBD, the Brunei Climate Change Secretariat, Green Brunei, the Ministry of Culture Youth and Sports, BSP and BLNG.

The Eco Chat Series also commemorated International Women's Day with a special talk carrying the theme 'Gender Equality Today for a Sustainable Tomorrow', featuring several notable female leaders and change-makers in their respective fields. Among the panelists were BIBD's Acting Managing Director and CEO, Hajah Noraini binti Haji Sulaiman; Nor Lastrina Hamid, co-founder of Singapore Youth for Climate Action; Mdm Agnete Johnsgaard-Lewis, Managing Director of Brunei Shell Petroleum (BSP); Dina Yahya, Head of Brunei Climate Change Secretariat; Amanina Shofry, Research and Development Coordinator at CIC Environmental Services

and Zoe Chan, Student Environmentalist, Growth BN. The discussion was supported by various youth organisations as well as government agencies such as the Ministry of Culture, Youth and Sports and the Brunei Climate Change Secretariat to further elevate education and awareness efforts and ensuring the realisation of the government's aspirations and goals towards 2030 and Net Zero 2050.

The conversation, which was participated by almost 200 attendees, revolved around sustainability, while delving

into the intersection between environmental issues and gender equality. Also present during the session was the Permanent Secretary (Community and Culture) at the Ministry of Culture, Youth and Sports, Hjh Norashikin binti Hj Johari.



Supporting Women-Led Businesses and NGOs



BIBD was given the opportunity to showcase to His Majesty Sultan Haji Hassanal Bolkiah Mui'zzaddin Waddaulah, the Sultan and Yang DiPertuan of Brunei Darussalam and members of the royal family on how Community for Brunei has been making a positive impact in society, especially by empowering women-lead businesses and NGOs.

By giving a platform to NGOs and kickstarting important conversations on sustainability, the goal is for Community for Brunei to become a central platform for community causes and allow everyone to play a part in giving back to the community. The virtual marketplace is also part of our support for e-commerce, and encouraging small businesses to digitise.

7.4 Promoting Health and Wellness

"BIBD is very proud of today's milestone which reflects our strong commitment and readiness as a corporate citizen to serve our nation in various aspects including initiatives that look after the health and wellness of our people, in line with our foundational values of Maqasid Shariah"

Haji Muhammad Yusri bin Haji Wahsalfelah
 Head of Government Relations and Special Projects, Honorary Member
 of BIBD Corporate Platoon during launch of BIBD Corporate Platoon



The Nation's First Corporate Platoon

BIBD has established its Corporate Platoon which will act as a support group to the Brunei Darussalam Red Crescent Society (BRC) and be involved in offering humanitarian assistance and volunteering activities to the nation. The platoon is an auxiliary agent or support to BRC in executing missions or tasks on Basic First Aid and Life Saving.

BIBD is the first corporate entity in Brunei to have established such group and initiative and is part of a follow-up action of an Intelligent Partnership Agreement (IPA) signed with BRC. The IPA sees the Bank collaborate with the BRC in areas of mutual interest such as training, in-kind and manpower support as well as health, safety and wellness initiatives.





The platoon, which consists of 30 certified members and certified first aiders made up of the bank's employees from all levels, aims to professionally participate in humanitarian and volunteering work at both national and international level.

Members of the platoon have undergone and completed an intensive training recognised by the Safety, Health and Environment National Authority (SHENA) which is the Occupational First Aid Certification Training (OFAC) and a first-of-its kind Wellness Training Programme in Brunei that is certified by the Ministry of Health.

Highlighting the Importance of Lifelong First Aid



"This a continuation of BIBD's longstanding partnership with the Brunei Red Crescent Society (BRC) as one of the main non- governmental organisations supporting the Ministry of Health. The BRC, through their 2020-2025 Strategic Plan, is actively working to instill a safety culture amongst the community by training more First Aiders and to achieve their goal of having a First Aider in every household. As a Partner in Progress, we are proud to be able to support the BRC, as this aligns strongly with our own values rooted in the Maqasid Shariah, which is concerned with the protection and preservation of life, among others."

*Haji Yusri bin Haji Wahsalfelah
Head of Government Relations and Special Projects
during World First Aid Day 2022*



In support of the Brunei Red Crescent Society (BRC), BIBD held an event to commemorate World First Aid Day, in order to highlight the importance of first aid and raise awareness on how first aid can save lives. Present to officiate the event was the Minister of Health, Yang Berhormat Dato Seri Setia Dr Haji Md Isham bin Haji Mohd Jaafar.



Hj Mohd Yusri added, "This is the first time such an event for World First Aid Day has been held in Brunei through outdoor activities and exhibitors from multiple stakeholders and we hope to encourage more members of the public to learn first aid, and to be aware of the importance of having first aid knowledge in order to create safer and healthier communities. This is also part of our support towards achieving the United Nations Sustainable Development Goals, specifically Goal 3, in ensuring good health and well-being."

During the event, the Minister of Health also officiated the installation of an Automated External Defibrillator (AED) at BIBD Connects which is accessible for public use during emergencies, and handed over First Aid Pouches to members of the BIBD Corporate Platoon. BIBD recently became the first corporate entity in Brunei to set up a Corporate Platoon which would act as an auxiliary agent or support for the BRC in carrying out Basic First Aid missions or initiatives.



7.5 Sharing Our Blessings

Fulfilling Our Obligations

BIBD handed over B\$64,496.26 in Zakat Fitrah, collected online via BIBD QuickPay throughout the month of Ramadhan. More than 5,800 users opted to pay their Zakat Fitrah via our BIBD QuickPay which reflected the growing acceptance and efficiency of cashless payment methods particularly during COVID-19.

BIBD and its subsidiaries also performed its obligation as a Business by handing over its zakat on business for the financial year 2021, along with zakat for customer deposits, to the Brunei Islamic Religious Council (MUIB).

BIBD's Business zakat amounted to B\$2,809,070.90 while zakat for customer deposits for the period of 22 April 2021 to 24 April 2022 amounted to B\$529,744.82, derived from obligations paid by the Bank and its customers.

The zakat were handed over by Yang Mulia Dato Seri Setia Dr Awang Haji Mazanan bin Haji Yusof, the Assistant Mufti (Buhuth), State Mufti Office, as the Chairman of Shariah Advisory Body of BIBD and its subsidiaries to Yang Berhormat Pehin Udana Khatib Dato Paduka Seri Setia Ustaz Haji Awang Badaruddin bin Pengarah Dato Paduka Haji Awang Othman, the Minister of Religious Affairs, in his capacity as MUIB President.

Caring for the Less Fortunate



As part of the Bank's commitment to be a Partner in Progress, BIBD handed over B\$199,950 to 3,999 recipients with 2,580 coming from Brunei-Muara District, 619 comprising of recipients from Kuala Belait District, 611 from Tutong District and 189 from Temburong District.



The donations to orphans are part of an annual event organised by the Ministry of Culture, Youth and Sports in collaboration with the District Offices under the Ministry of Home Affairs as well as BIBD. Typically held in the month of Ramadhan, the donations are hoped to lessen the financial burden of families preparing for the upcoming festive season.



Rewarding Academic Excellence



BIBD also handed over a total of B\$9,000 to 15 students as part of the Excellent Students Incentive Award Scheme for Orphans 2021. The recipients comprised of orphans registered under the Minister of Culture, Youth and Sports who obtained excellent academic results in their General Examinations in 2021. The event is organised by BIBD with the support of the Ministry of Culture Youth and Sports.

5 GCE O'Level students received BIBD Savings accounts worth B\$800 each. Meanwhile, 10 students who obtained excellent results in the Primary School Assessment Examination received B\$500 each under the scheme.

As a Partner in Progress, BIBD is committed to fulfilling the Maqasid Shariah, which is concerned with the preservation and promotion of faith, life, the mind, progeny and of wealth. Through its business activities and values, BIBD will be taking concrete steps to uphold these values, while at the same time, finding ways to complement the Government's efforts to achieving the United Nation's Sustainable Development Goals (SDG) and realising Brunei Vision 2035. This initiative directly contributes to SDG 4, to achieve high quality education for all.

Uplifting Communities through Sirah Amal





BIBD also continued its annual Sirah Amal activities for the 12th year running in the spirit of welcoming the holy month of Ramadhan.

The bank's employees banded together to visit 100 households to contribute relief items in the form of shopping vouchers and internal donations such as foods and raya items to support preparations during Ramadhan and for the upcoming Syawal. The internal donations were collected from respective divisions of the Bank.

The recipients comprised of the BIBD ALAF students (60 houses) and a number of underprivileged Muallafs (40 houses) obtained through a close cooperation and coordination with the Islamic Da'wah Centre, Ministry of Religious Affairs.

The 12th Sirah Amal began with a visit to families in the Brunei-Muara District and was extended to all four districts.

The BIBD Sirah Amal provides an excellent platform for us to share our blessings, especially with the less fortunate, so that they are able to better enjoy the festive months with their loved ones.

Commemorating Aidil Adha



During the year in review, BIBD collaborated with Kampong Masin Mosque Consultative Committee to hold an Ibadah Korban event with members of the community to commemorate the Aidil Adha celebrations. A total of nine cows were sacrificed and distributed to a total of 35 families, comprising of underprivileged members of the community and family members of BIBD ALAF recipients.

BIBD also contributed 100 Yaasin books as Wakaf to the mosque which was handed over by Deputy Managing Director II and Head of Retail Banking Group, Irwan bin Lamit.



7.6 Empowering Our Youth

Highlighting Youth-Led Organisations



At the National Youth Day celebrations, BIBD was given the opportunity to highlight local youth-led organisations who are taking action in the fight against climate change.



BIBD briefed His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, the Sultan and Yang Di-Pertuan of Brunei Darussalam on the Bank's efforts in promoting sustainability through the BIBD Sustainability Framework and Roadmap. The Bank recently launched the country's first solar-powered LED screen in order to raise awareness on renewable energy as well as to reduce the organisation's overall environmental footprint.

Green Brunei, a youth-led platform to promote environmental sustainability through education, conservation and advocacy, also showcased their tree-planting activities as part of their commitment to mitigate the harmful effects of deforestation.

Also participating in the National Youth Day celebrations were BIBD's partner, Reef Check Brunei, a non-governmental organisation dedicated to the conservation of ocean reef ecosystem in Brunei Darussalam, showcased the important role that coral reefs play in providing an ecosystem for life underwater. The group has been actively carrying out a coral restoration project off the Brunei coast in addition to education, research and conservation awareness activities.

My Actions for SDGs, a local non-governmental organisation which carries out awareness and community engagement activities on the Sustainable Development Goals in Brunei, also highlighted their efforts in educating, empowering and engaging the public.



Meanwhile, Community for Brunei briefed His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam on the Sustainable Nation Campaign, a whole of nation campaign to create small but impactful actions to fight the climate change crisis and move towards a circular economy.



Also presenting to His Majesty the Sultan as one of BIBD's strategic partners was the Brunei Climate Change Secretariat (BCCS), who highlighted the various initiatives and efforts they have undertaken towards implementing and monitoring Brunei Darussalam's climate change policies, strategies and actions.



"As a Partner in Progress for the nation, youth empowerment has always been a cause that is near and dear to our hearts. Being a bank that is Bruneian at Heart, BIBD believes there is no greater investment in our future than to focus on how we can empower, support and encourage our youth."

*Hajah Noraini binti Haji Sulaiman
Acting Managing Director and CEO
during Dialogue with Brunei Youth Council*

Dialogue with the Brunei Youth Council

As part of the Bank's efforts to gain a better understanding on the concerns and challenges facing the country's youths, and discover new areas and potential for collaboration, BIBD held a virtual engagement and dialogue session with the Brunei Youth Council and over 90 representatives from youth-related NGO's in the country.

According to Hajah Noraini, "We wanted to hear directly from our *belia* and the groups that work closely with youth to understand the issues and challenges that they face, and how BIBD as an organisation can help them. In Shaa Allah, this dialogue can be the starting point for many meaningful and beneficial collaborations that will ultimately bring greater growth and development for our youth as we move towards achieving Brunei Vision 2035."

Also present at the virtual dialogue was Yang Berhormat Khairunnisa binti Haji Ash'ari, Legislative Council Member and President of the Brunei Youth Council.

The dialogue session began with a briefing on BIBD's business activities and Corporate Social Responsibility programmes, many of which are youth-related, as

well as the Sustainability Framework and Roadmap. Among the topics discussed during the dialogue was entrepreneurship and financial education, the importance of mentorship as well as issues related to sustainability and mental health awareness. Representatives of the NGOs expressed their appreciations for such platform for engagement and felt the session were highly engaging and timely.



8.

Supporting Our Employees

Our dedicated and hardworking staff are always the backbone of our success as a bank. BIBD remains committed to providing our staff with an environment where they feel supported and appreciated.

8.1 Recognising Loyalty



"Today's event is not just to acknowledge the hard work and dedication shown throughout the COVID-19 pandemic but also to recognise and honour our long-serving and loyal employees who have dedicated many years of invaluable service to BIBD and have embodied our I-CUE values of Integrity, Customer Focus, Unity of Purpose and Excellence in their work."

*Hajah Noraini binti Haji Sulaiman
Deputy Managing Director
during BIBD Service Awards Ceremony 2022*



BIBD and its group of companies recently celebrated 78 of its loyal and long-serving staff who have collectively contributed to the success of the organisation.

Deputy Managing Director, Hajah Noraini binti Haji Sulaiman, in a speech during the ceremony reflected on the working environment and challenges at the height of the pandemic during which employees of the bank showed exceptional dedication and commitment in working through uncertainty and challenges.

As BIBD seeks to position itself as the best Islamic Bank in Asia Pacific, the bank strongly believes that the foundation of its success and indeed the country's future relies significantly on the quality and efficiency of its people. Thus, the BIBD Group, which has over 1000 employees, will continue to invest and celebrate its excellent workforce.

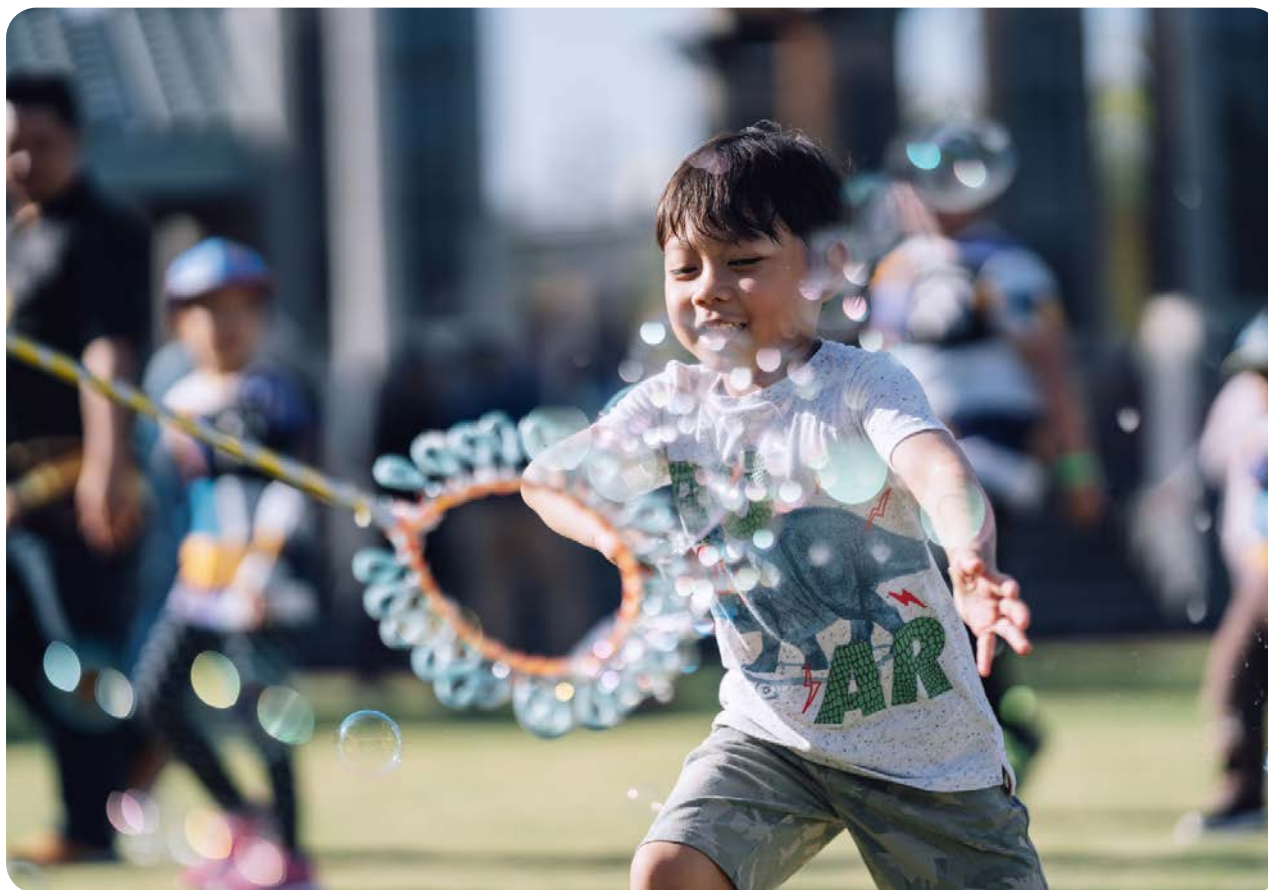


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8.2 Our BIBD Family

Our dedicated and hardworking staff are always the backbone of our success as a bank. BIBD remains committed to providing our staff with an environment where they feel supported and appreciated.

BIBD Family Day



BIBD Family Day was organised for all staff and their families as a way for everyone to unwind at the end of the year, while fostering a sense of family and camaraderie.

The event was organised by the Human Resources and Human Capital Division to strengthen the ties and relations between employees of the bank.

Closing the Care Gap



Earlier in the year, we also organised a Cancer Awareness Talk delivered by medical officers from the Pantai Jerudong Specialist Centre, as part of our efforts to ensure the health and wellness of all our employees.

Over 50 BIBD employees attended the talk that included common types of cancers in both men and women, symptoms and details of how to conduct breast self examination (BSE). The talks were delivered by Dr Raden Mas Jeffri bin Raden Mas Ismail, Consultant Medical

Oncologist from The Brunei Cancer Centre (TBCC) as well as Dr Nur Sadrina binti Hj Marsidi, Senior Medical Officer at the Early Detection and Cancer Prevention Services, TBCC. The talk also included a sharing session from a former cancer patient, and one patient who is still going through her cancer journey.

BIBD Wellness Programme





The BIBD Wellness Program aims to provide support for BIBD employees and BIBD customers to help them make healthier lifestyle choices and to improve their quality of life. This program reflects BIBD's strong commitment and readiness to serve Brunei in various aspects including initiatives that look after the health and wellness of our people, in line with our foundational values of Maqasid Syariah. This initiative is also in line and directly supports the United Nations Sustainable Development Goals specifically SDG 3 (Ensure Healthy Lives and Promote Well-being).

Through the BIBD Wellness Program, BIBD Wellness Ambassadors have carried out multiple health check initiatives for BIBD staff as well as members of the public, allowing participants to have a better understanding on the state of their health and well-being. The regular Basic Health Checks include Body Mass Index (BMI) check, Blood Pressure check, Glucose level, Cholesterol level, Uric Acid, and Hemoglobin.

The Wellness Program serves as an effort for early detection of health complications and our BIBD Wellness Ambassadors are trained to provide solutions to tackle these problems through proper diet, exercise, stress management, and illness prevention. Past participants of our Wellness Program have also greatly benefited from this health initiative as they come to understand and detect their underlying health conditions that may have gone unnoticed in the past.

9.

Our Business

BIBD strives to be a catalyst of change for the nation, by being a responsible business that actively works to make the world a better and greener place.

9.1 Retail Banking Group

Our vision of becoming Brunei's leading financial institution and a benchmark for Islamic finance remains true with strong financial figures and market share. BIBD continues to solidify its position as the leading provider of retail banking services in Brunei Darussalam by maintaining the largest banking network in Brunei with eighteen branches and more than 100 self-service terminals strategically located across Brunei Darussalam. BIBD is also the largest payment card issuer with the largest base of active Debit and Credit Cards.



Key Initiatives in 2022

Self-Service Kiosks

In a bid to further empower the creation of a sustainable digital society and fully realise Brunei's Smart Nation agenda, Bank Islam Brunei Darussalam (BIBD) is advancing its efforts to promote cashless transactions at supermarkets and fast food outlets through the use of self-service kiosks.

Two units of self-service kiosks were unveiled at the Jaya Hypermart Centrepont as the result of a collaboration between BIBD and 3G Media. The kiosks will provide customers and shoppers with an interactive experience and convenience which will ultimately foster and transform future consumer habit. Customers are able to scan their items using the kiosks and pay for their goods via BIBD credit cards or Pocket, the cashless payment mobile application operated by ThreeG Media.

The unveiling of the self-service kiosks marks the start of a journey for BIBD to roll out more units over the next 3 to 6 months, with the ultimate goal to expand and collaborate with other shopping centres and food and beverage outlets nationwide.

BIBD is also planning to integrate QuickPay into the self-service kiosks in the near future.



Introducing BIBD's Online Merchant Portal

Supporting our merchants in their digital drive, BIBD rolled out our Online Merchant Portal for ease of merchant transaction monitoring and reconciliation. This initiative shows our holistic support for all parties to Go Digital, from providing customers with digital payment tools and also introducing the adequate support systems for our merchants.

Encouraging Digital Transactions

We continued to encourage our customers to stay safe and Go Digital, especially during the COVID-19 pandemic. Throughout 2022, BIBD waived online interbank fund transfers for all customers, promoting the convenience, speed, security and cost-effectiveness of online transfers.



Meeting our Customers' Needs

As part of efforts to provide greater convenience and ease for our customers, the Retail Banking team rolled out 18 new ATM replacements units to mitigate any customer issues, especially in high-traffic areas.

Leading the Way in Eco-Friendly Banking Solutions

"The launch of BIBD's eco-friendly cards demonstrates our commitment to tackling the sustainability challenges facing the world. These cards have the same functionality as our existing cards, and BIBD worked closely with our card manufacturer to ensure a more sustainable alternative to the current materials we use in our cards today."

Irwan bin Haji Lamit
Deputy Managing Director II and Head of Retail Banking
in conjunction with the launch of BIBD's Eco Cards

In 2022, BIBD launched eco-friendly cards, made from 100% recycled plastic material. The eco-friendly cards are crafted using the same technology and functionality as conventional plastic cards, but made from renewable materials, requires less energy to create and produces no toxins when destroyed during incineration.

The raw materials used for the cards are made from 100% Polylactic Acid (PLA) layers, a bioplastic produced for annually renewable sources that offers a reduced carbon footprint. The additional benefits of PLA materials comes from production, requiring 65% less energy to produce, and when incinerated, produces 70% fewer greenhouse cases. These results are also independently certified with a 3rd party.

Being the largest card issuer in Brunei, this is part of the Bank's commitment under the BIBD Sustainability Framework and Roadmap to integrate sustainability into our business practices.



Goals and Focus Areas for 2023

Going Digital



Brunei Darussalam's Digital Economy Masterplan 2025 sets out goals and strategies that will transform Brunei Darussalam into a Smart Nation. The development of a digital economy is also an important part of the country's Smart Nation vision, with the government working to increase access to digital financial services, such as online banking and mobile payments, to further drive economic growth.

BIBD as the largest financial institution in the country is committed to supporting the country's Smart Nation initiatives through further enhancements to BIBD's digital platforms with an aim to improve customer accessibility, adoption and user experience.

Banking Sustainably

BIBD's Sustainability Framework highlights the crucial role that banks can play in promoting sustainability, by integrating it into their business operations and financing activities.

Building on the success of the Eco Card launch, in the coming year, the Retail Banking Group hopes to continue this focus by integrating sustainable practices into our products, services and other offerings.



Supporting BIBD's Sustainability Framework

Environmental Protection

BIBD continued to advocate digital services among our customers, as part of efforts to empower services on demand with greater convenience and security and encourage a branchless banking experience.

RBG has also found ways to incorporate sustainability into our campaigns and promotions, for example by offering sustainable gifts such as reusable straws and mugs, recycled bags, as part of our initiative to encourage customers to make small changes in their everyday lives that can contribute to a better environment.



During roadshows, we have also introduced our customers to sustainable activities such as soap and candle making, in order to encourage upcycling and reduce wastage.

In order to reduce our environmental footprint, we have been moving away from printed collaterals and transitioning our marketing materials to digital channels. For example, we have limited the amount of printed brochures in our branches and replaced them with scannable QR codes.

Responsible Entrepreneurship

With the introduction of the Self-Service Kiosk, we hope to promote more responsible entrepreneurship. For businesses, this is especially useful and beneficial as one of the primary benefits of self-service kiosks is decreased overhead expenses. Self-service kiosks also allow staff to be more productive as they can be stationed in busier areas that require more attention and personalised customer service. As a Partner in Progress, BIBD has always supported the nation's drive towards becoming a Smart Nation, powered by a digital economy.

Inclusive Social Impact

In 2022, RBG continued our commitment to promoting inclusiveness through a series of financial planning talks, as part of efforts to raise the level of financial literacy in the country. Most notably, BIBD conducted talks in the Temburong District by visiting the kampung residents directly.

This is in line with BIBD's ongoing commitment to local communities in ensuring that all levels of society regardless of location are able to access the range of products and services offered by BIBD.

These talks are also part of BIBD's efforts under the Sustainability Framework and Roadmap, to promote inclusive social impact and responsible entrepreneurship in support of the Maqasid Shariah and work toward achieving Brunei Vision 2035. These efforts also align with the United Nations Sustainable Development Goals, specifically SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation and Infrastructure) and SDG 10 (Reduced Inequalities) through a Whole of Nation approach, in line with SDG 17 (Partnership for the Goals).



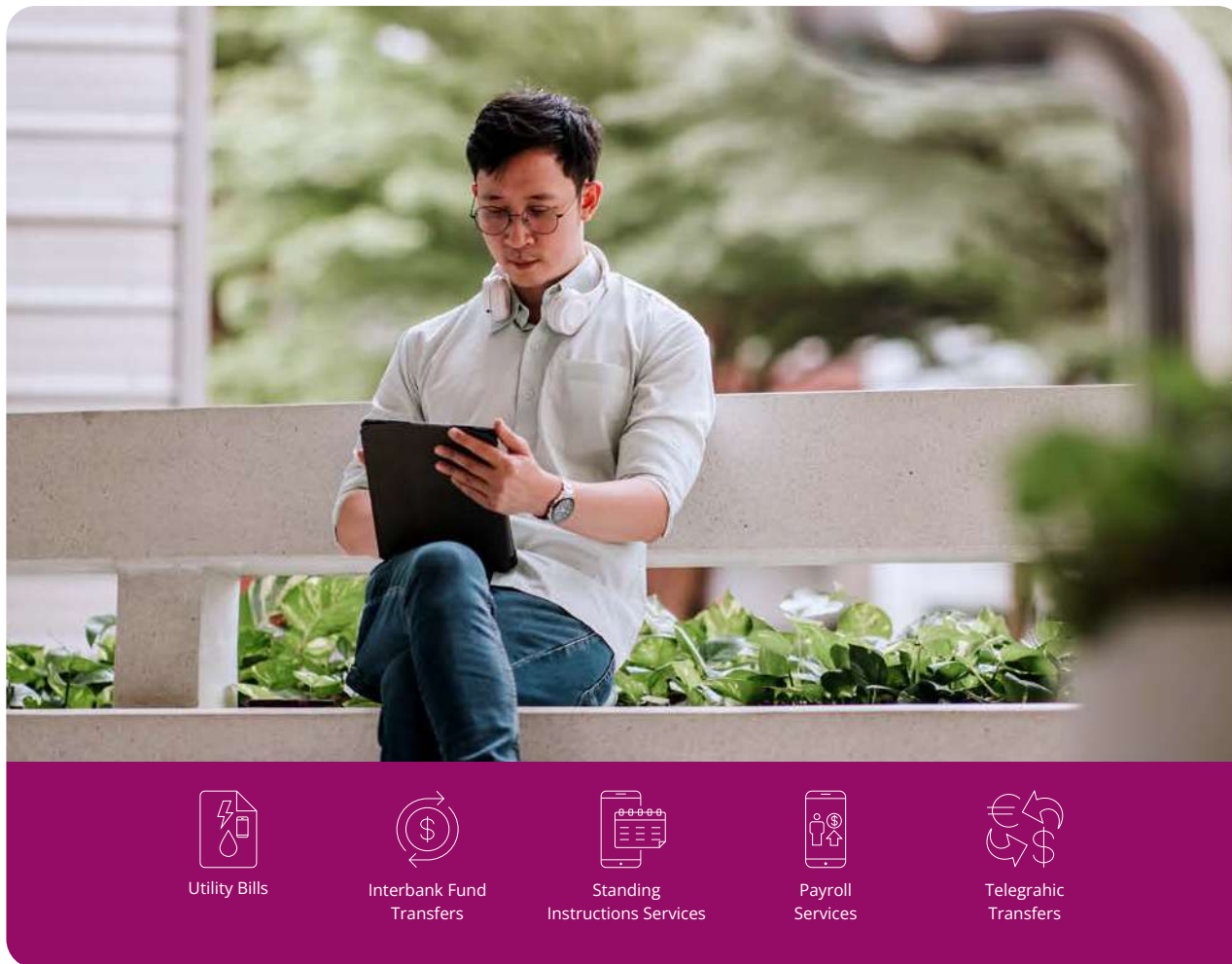
9.2 Corporate Banking Group

Corporate Banking Group (CBG) offers a range of banking services that are catered to Micro, Small and Medium Enterprises (MSMEs) and corporates, aimed at providing a well-rounded range of Shariah Compliant products and services for the benefit of BIBD's Corporate client business growth.



Priorities & Focus Areas

Digitalisation



The Digitalisation of Small to Medium Enterprises (SMEs) and corporates was a key focus for BIBD's Corporate Banking Group in 2022. As the economy continues to grow, digitalisation will be a game changer for businesses, it will provide opportunities for businesses to leverage technology to enhance productivity and improve efficiency.

The Group aims to provide integrated solutions that help businesses grow, while at the same time, develop strong and lasting relationships with their clients. BIBD is committed in providing SMEs and corporates with digital tools that support them in their daily operations through our BIBD BizNet platform.

Introduced in 2018 as part of BIBD NEXGEN's suite of online banking solutions, BIBD BizNet comes with an array features including bulk payment management for payrolls, making enquiries and checking transaction histories for Current, Investment and Financing Accounts, conducting transactions in multiple foreign currencies and to make donations, among others.

With BizNet, large businesses as well as micro, small and medium enterprises (MSMEs) will be able to manage their accounts easily in just a few clicks away; via the app and website.

SME Business Support and Mentoring Program



Supporting SMEs through business support and mentoring was a key priority for BIBD's corporate banking group in 2022.

BIBD's Corporate Banking Group has been working closely with local SMEs to help them grow their businesses through SME360, with a focus on helping businesses recover from the effects of the COVID-19 pandemic.

SME360 is a comprehensive banking solution that complements the needs of businesses, especially SMEs, which includes a dedicated relationship management team, financial solutions and digital payments.

COVID-19 Business Relief Initiatives

Throughout the 3rd wave of the COVID-19 pandemic in Brunei Darussalam, despite the activation of our Business Continuity Plan and scaled down business operations in the first half of the year, the Corporate Banking Group was able to seamlessly meet the demands of our customers, embodying the Bank's value of Customer-Focus and proving that BIBD has the ability to function in challenging circumstances.

We also continued to provide support for affected corporates through our COVID-19 Relief Package which offered financing deferrals to affected customers. The bank has also taken part in the Government's initiatives to waive charges of interbank transfer made by our clients as to spur the usage of online transaction during the pandemic period.

Sustainable Development Goals

In line with BIBD's Sustainability Framework, CBG also works to inculcate SDG initiatives by introducing and education green protocols to both internal and external stakeholders.

Key Initiatives in 2022

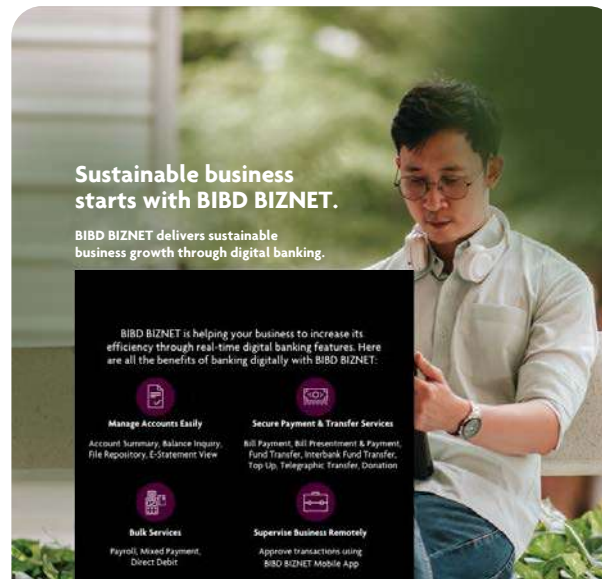
Enabling Efficient and Seamless Digital Business Transactions

BIBD BizNet forms the backbone of our digital ecosystem for corporates, enabling all parties to transact seamlessly and efficiently. Beginning in 2022, as part of CBG's efforts to encourage businesses to transact digitally, all new account openings are now onboarded to BIBD BizNet. The platform already has more than 5,000 MSME Current Accounts registered as of December 2022. In keeping with BIBD's commitment to digitalisation, CBG's Relationship Managers and Front Liners are proactively and consistently raising awareness to their respective clients on the benefits of BIBD BizNet in their daily business activities.

To further increase the penetration and usage of BIBD BizNet, CBG has simplified and repriced BizNet's service packages where clients can now choose between the Standard and Premium packages at more attractive prices. As a result, the percentage of BIBD BizNet activity in 2022 has increased by more than 6% compared to the previous year. Currently more than 75% of corporate account holders are active users of BIBD BizNet.

In order to encourage customers to carry out online transactions, CBG began introducing fees for over-the-counter services while also waiving local interbank fund transfer fees. In 2022, the number of local interbank fund transfers through Real Time Gross Settlement (RTGS) increased by 40% compared to 2021. Meanwhile, the number of Automated Clearing House (ACH) transactions increased by 58% compared to the previous year.

At the same time, CBG also continued to encourage customers to go digital by increasing the number of companies offering the capability to pay bills online. The number of online billers has doubled to 146, where almost half of those are government agencies, which enables members of the public to pay for government services directly through BIBD's digital banking ecosystem.



Sustainable business starts with BIBD BIZNET.

BIBD BIZNET delivers sustainable business growth through digital banking.

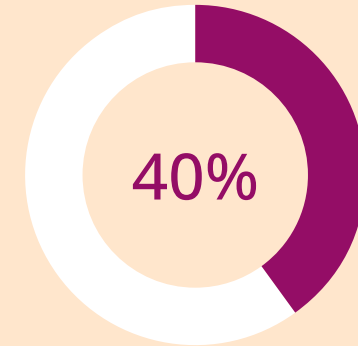
BIBD BIZNET is helping your business to increase its efficiency through real-time digital banking features. Here are all the benefits of banking digitally with BIBD BIZNET:

- Manage Accounts Easily**
Account Summary, Balance Inquiry, File Repository, E-Statement View
- Secure Payment & Transfer Services**
Bill Payments, Bill Presentment & Payment, Fund Transfer, Interbank Fund Transfer, Top-Up, Telegraphic Transfer, Duration
- Bulk Services**
Payroll, Mixed Payment, Direct Debit
- Supervise Business Remotely**
Approve transactions using BIBD BIZNET Mobile App

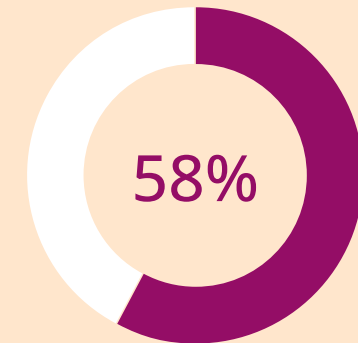
Through BIBD BIZNET, you can efficiently manage all your business transactions on the go. Ensuring your business continues to operate smoothly while empowering your ability to make better monetary decisions with better transactional data.

Choose BIBD BIZNET to be a better business.

Together We Grow Sustainability



increase in local interbank fund transfers via Real Time Gross Settlement (RTGS)



increase in local interbank fund transfers via Automated Clearing House (ACH)

Supporting the Micro, Small and Medium Enterprises

BIBD has always believed in empowering local businesses. The Bank's SME360 service, with dedicated branches in Serusop and Seri Branch, is intended to be a one-stop agency providing micro enterprises with the appropriate financial advisory and support services to help them grow.

Throughout 2022, BIBD organized the SME360 Series - a monthly forum for local entrepreneurs to the issues faced by small and medium enterprises in different sectors, as the economy recovers from the effects of COVID-19. The forum also offers participants an avenue for networking opportunities and also allows them to voice out their concerns on various issues ranging from sustainability to digitalisation.

In addition, the bank has been working with various government agencies and private sector organisations to hold frequent awareness programs that provide information on BIBD's support for micro enterprises aimed at the public, new business owners, young entrepreneurs as well as tertiary students.

To further facilitate MSMEs' engagement with BIBD, the bank launched an online booking system in 2022. The system allows customers to ease and cut short account opening times, leading to an increase in MSME account openings throughout the year.



Encouraging Sustainability

BIBD is committed to sustainability. This commitment extends beyond our daily operations to include all corporate customers, our staff and our overall business practices as a bank. In an effort to reduce the impact on the environment, BIBD stopped issuing paper statements to all corporate customers in 2022. This meant that all corporate account holders received electronic statements via email instead of paper statements via mail. This will eliminate the use of paper for thousand of customers and help reduce the carbon footprint.

In addition, BIBD identifies and supports green companies in promoting their sustainable business activities whenever possible.

To promote sustainable habits among our Corporate Banking staff, we also participated in various tree planting initiatives organised by the Bank.

Goals and Focus Areas for 2023

In 2023, BIBD will continue to support companies in recovering from the effects of COVID-19. We aim to provide financial assistance as well as mentoring support to help companies get back on their feet and become stronger than ever.

Moving forward, we will also be looking at implementing initiatives to help make the onboarding process for new accounts and BIBD Biznet more efficient. This will be done by streamlining the processes as we work to reduce the time it takes you to get your corporate account up and running.

In 2023, BIBD hopes to maximise the use of digital transactions and online banking services for corporate clients. It aims to achieve this by increasing the number of corporate clients who use its online banking services, as well as by increasing the number of transactions that take place through these services.

As part of our commitment to sustainability and support for the United Nations Sustainable Development Goals, BIBD is committed to adapting these initiatives for the working environment. We hope to promote these initiatives to our clients, so that they can incorporate them into their own daily lives in the workplace.

In line with our efforts to support the growth of small and medium enterprises (SMEs), the Corporate Banking Division will be actively collaborating with other relevant stakeholders such as LiveWire Brunei and DARE as well as tertiary institutions such as UBD, UTB and UNISSA in providing mentoring program as well as product knowledge session to young entrepreneur, start-ups and emerging business players.

Supporting the BIBD Sustainability Framework

At BIBD, sustainability isn't just a buzzword; it's the cornerstone of our ethos, influencing every facet of our operations, from client interactions to internal practices. Demonstrating our environmental responsibility, we transitioned all corporate client communications to digital formats in 2022, significantly reducing paper use and contributing to a greener planet. Our commitment extends further as we actively seek and bolster environmentally conscious businesses, supporting the eco-friendly ecosystem. Moreover, our Corporate Banking team embodies our green pledge through active participation in tree-planting endeavours, reinforcing our dedication to a sustainable future. Join us in our journey



9.3 Treasury & Global Markets Division

Treasury and Global Markets Division (TGM) is responsible in overseeing the management of the Bank's funds and ensuring the availability of sufficient liquidity in meeting the Bank's financial obligations at all times.

TGM always strives to provide innovative Shariah compliant treasury products and services that live up to the aspirations of our clients and partners. We play a major role in safeguarding the Bank from financial market stresses through prudent management of capital and liquidity. As a brand ambassador for the Bank in the global financial markets, TGM continues to build and maintain relationships with partner financial institutions both regionally and internationally.



Priorities and Focus Areas

2022 started off with many uncertainties. During the first quarter, Brunei and many parts of the world were still grappling with COVID-19. Economies continued to experience lockdowns. The world was also shaken with geopolitical events in Russia and Ukraine which caused shockwaves in the global financial markets. Commodity prices rose to levels not seen in the last decade. The currency, bond and equity markets were equally impacted. We also saw inflation rising causing central banks around the world to react in unprecedented ways.

TGM was not immune to these events as our portfolio is widely diversified across different asset classes. The fixed income as well as the structured portfolio took a hit as markets became risk averse and yields reacted. Alhamdulillah, TGM took a very proactive approach during this turmoil and had rebalanced and restrategised to ensure that volatility was minimized. This was very much the reflection of hard work, dedication and commitment shown by the TGM team which demonstrated resilience in the face of adversity.

During those challenging times, TGM had even managed to sustainably and responsibly build both its liabilities as well as asset book although new transactions and sukuk issuances were scarce. This was the epitome of years of building relationships with various clients and counterparts both regionally as well as internationally.

Key Initiatives in 2022

TGM has always believed in capacity building. In 2022, we saw the revival of face-to-face interactions where the TGM team was able to attend various trainings, forums as well as conferences to upskill their knowledge and expertise. 2022 was also the first time since the pandemic where TGM along with its international offices began on-site visits to its various counterparts. This is an integral part of TGM as it helps create investment opportunities for the Bank.

Goals and Focus Areas for 2023

TGM has always focused its efforts to building and maintaining relationships with partner financial institutions both regionally as well as globally in its attempt to find opportunities to build the balance sheet of the Bank whilst also prudently managing the risks and return it entails. This works hand in hand with TGM's long standing aim of looking to continuously improve the net profit margin. With the presence of the Bank's international offices in Dubai and Singapore, TGM is able to achieve this. However, there is still a wider market to explore and captivate, it is hoped with plans on upgrading these international offices, BIBD will be able to further cement its footprint in the international markets.

Understanding the need to constantly innovate and the significance of digitalization to create more efficiency, TGM has plans to upgrade and enhance the current Treasury systems and processes to create more streamlined and automated processes within TGM. This is hoped to achieve a more dynamic solution which will enable TGM to optimize and better manage the Bank's liquidity.

Islamic Finance has always been evolving with new innovative products and TGM has always kept abreast with any new developments in the market. Together with its counterparts, the TGM team has always seek to develop and come up with new solutions and products which would enhance the suite of products that it currently has and could offer to its clientele. In addition, understanding the uncertainty nature of the markets, TGM hope to offer a diverse range of hedging solutions for both its proprietary books as well as for its clients.

Trade transactions will continue to be significant in TGM books for 2023. There is much potential in this space for TGM. Not only will TGM be looking to explore new markets within its risk appetite but also the possibility of developing and entering into new structures within this area.

The year 2023 will come with its own set of challenges as events from the aftermath of 2022 lingers on. With talks about recession and global economic slowdown, the impact it would have on TGM's portfolio would be a key focus. The TGM team along with the Risk Management Division would be ready to be more dynamic in its strategy and analysis to ensure that the portfolio value remains in tact and to reallocate or rebalance when needed. TGM continues to remain vigilant and safeguard its investments to ensure that the Bank is able to weather through and be resilient even during turbulent times.

TGM's clients remains the utmost priority. TGM aims to always ensure that it provides the best value service and products to its clients in order to optimize their returns whilst at the same time maximizing the returns to its stakeholders.



Supporting the BIBD Sustainability Framework

Understanding the conscious need to be aware of one's social responsibility towards a sustainable future, TGM remains committed to the Group's Sustainability Framework, which is aligned with the Maqasid Shariah and the 17 United Nations Sustainable Development Goals, and works hand-in-hand with all relevant stakeholders in order to reach the Bank's target. Thus, when making investment decisions, besides the financial aspects, TGM also considers the environmental, social and governance factors.

Alhamdulillah, in 2022, TGM had continued to increase its momentum in sustainable investments with more in the pipeline. With focus on the Bank's vision of achieving B\$2 billion in sustainable investments by 2030, TGM aims to continue with this momentum and source for more opportunities in this space.

9.4 BIBD Securities

BIBD Securities Sdn Bhd (BIBDS) was established in 1993 and is the first securities company in Brunei. BIBDS provides investment solutions to both retail and institutional clients and is a wholly owned subsidiary of BIBD Berhad.

BIBDS provides brokerage services to clients wishing to trade BIBD shares and shariah compliant securities listed on the Singapore Stock Exchange and Bursa Malaysia, and distribution of shariah compliant mutual funds to retail clients.

BIBDS also provides services to institutional clients via its asset management arm, BIBD Asset Management (BIBD AM). BIBD AM was established in 2019 and is the first fully local Shariah-compliant asset manager in Brunei. BIBD AM capabilities include sukuk solutions through professional in-house sukuk management as well as equities and multi-asset strategies through strategic alliances with renowned international investment management partners.



Financial Literacy & Education in 2022

The primary focus for BIBDS in 2022 was to continue from its growth in the previous year in assets and customers through enhancing financial literacy in Brunei Darussalam.

Despite the challenges brought about by the COVID-19 pandemic and a highly volatile global market in 2022, BIBDS had experienced a 14% growth in assets under distribution and had grown its client base by 36% in 2022. Our asset management arm, BIBD AM, had also experienced growth in assets under management that was driven by our in-house Environmental, Social and Governance (ESG) sukuk strategy.

Guided by the BIBD Sustainability Framework and the BIBDS ESG values of Alignment, Continuity and Education (ACE), BIBDS had entered 2022 with a deliberate focus on enhancing financial literacy and investor education in the country.



Throughout the year, we had organized several education-themed initiatives to enhance financial literacy in Brunei. These initiatives include:

Enhancing Financial Literacy

BIBDS had organized 15 financial literacy events in 2022 aimed at engaging with:

- Corporate employees to highlight the importance of long-term investing and retirement planning. These roadshows and client pocket events are tailor-made for the respective audiences and their needs.
- Secondary and tertiary students where we focus at expanding investment knowledge at the grassroots levels to provide students of all ages a background on Islamic investing and the importance of investments, financial planning, risk profiling, as well as sharing the day-to-day responsibilities of portfolio managers.
- ways to achieve financial goals through Shariah compliant means.

Some examples of events include organizing:

- investor education talks with secondary students under the BIBD Group's educational financial support initiative, BIBD ALAF program;
- a financial awareness webinar in collaboration with the Universiti Brunei Darussalam ("UBD") School of Business and Economics, with almost 200 students in attendance;
- Site visits from university students and lecturers from Universiti Teknologi Brunei ("UTB") and Universiti Islam Sultan Sharif Ali ("UNISSA") for an introductory talk on financial literacy and first hand portfolio simulation and Bloomberg experience; and

- a Financial Readiness Talk with students from UTB, including an interview session with BIBD and BIBD Securities executives where students had the opportunity to gain insights from our experienced speakers.

Additionally, BIBDS had hosted 80 client pocket events for existing and new clients where we showcase our financial planning services and



BIBD AM ESG Sukuk Strategy

2022 is also when BIBD AM launched a high conviction, ESG focused Global Sukuk strategy that intends to achieve higher risk-adjusted returns than the Dow Jones Sukuk Benchmark. The strategy utilizes both shariah filters and ESG ratings to provide a systematic overlay and act as both black-lists and white-lists for securities.

The ESG Sukuk Strategy is based on a Model Portfolio that has successfully achieved its objective of providing a better risk-adjusted return and ran from the start of 2019 to mid-2022, prior to the actual strategy launch.



2022 Internationally Recognized Awards

BIBDS and BIBD AM were awarded for our 2022 achievements from Asia Asset Management and Global Business Outlook with BIBDS acquiring the awards for Brunei Best Islamic Fund House and Brunei Best Islamic Fund while BIBD AM acquired the awards for Brunei Best Sukuk Manager and Best Application of ESG Practices in Brunei.



BIBDS Investment Challenge

2022 also saw BIBDS organize its inaugural Investment Challenge whereby we hosted 30 students from five local tertiary level education institutions. The objective of the challenge is to improve the financial literacy of the youth in the area of investing through a hands-on approach in a team-based setting.



Participation in Industry Forum

BIBDS was also a sponsor and participant at the 14th Annual Brunei Darussalam Roundtable, themed 'Moving Forward: Drivers of the New Economy'. BIBDS participated in the roundtable as a speaker during the panel discussion, highlighting the importance of integrating ESG elements into Islamic Finance to create a more inclusive and well-rounded economy. ESG and Islamic Finance share several similarities, where both have shared fundamental principles such as the avoidance of harm, and on the macro-economic level, both Islamic Finance and ESG are tasked with improving social well-being, infrastructure and prosperity.



Enhancing on Social Media Presence

We have actively expanded our social media presence and online education initiatives via our partnership with a reputable marketing and media company aimed to empowering young adults to successfully manage their personal finances. BIBDS launched a series of financial education content through graphic illustrations posted via Instagram and long-form articles tackling topics such as interpreting factsheets, understanding the different asset classes and the uniqueness of Shariah-compliant investing and ESG investing. Furthermore, BIBDS in collaboration with our financial education marketing partner delivered a financial literacy workshop titled 'Investing 101: A Crash Course of Investing for Beginners.'

BIBDS also posted a series of interactive quizzes and Q&A via Instagram Stories submitted anonymously by the public, as well as a weekly market update produced by BIBD AM – providing a high-level overview of the developments in global capital markets and asset class performance updates.



Talent Development within BIBDS

In 2022, three staff members of BIBDS were awarded The CFA Institute Certificate in ESG Investing. The CFA Institute Certificate in ESG Investing is a 100+ hour certification curriculum is designed for investment practitioners to develop skills in analyzing and integrating material ESG factors into their day-to-day roles, offering practical and technical knowledge in the fast-growing field of ESG investing. The certificate and learning materials were developed by leading practitioners and recognized by the UN Principles for Responsible Investment (PRI), an independent body that seeks to encourage investors to use responsible investment to enhance returns and better manage business risks. BIBDS is actively looking to provide its team with professional development opportunities in order to enable the enhanced services to be provided to its clients.



Looking towards 2023

As BIBDS embarks on its journey in 2023, we believe that the ongoing growth for us lies in the development and introduction of new Shariah compliant products and services to meet the needs of our retail and institutional clients. On the social media aspect, we will be working and collaborating with local talents to further understand client preferences and needs, while incorporating the Bruneian culture to provide uniquely Bruneian content. BIBDS aims to better tailor our selection of new products and services. The introduction of these products and services are governed by our strict internal governance processes to ensure our clients are provided with best-in-class Shariah compliant offerings.



10.

Business Support

**As a dedicated Partner
in Progress, BIBD strives to
collaborate with stakeholders
and strategic partners to
drive change in issues
that are fundamental
to the betterment
of the community**

MANAGING DIRECTORS OFFICE



10.1 Chief Operating Officer Division

The Chief Operating Officer (COO) Division develops, supports and executes the operational strategic plan and performance management plans that align with the bank's objectives and strategies. These plans support the businesses and all the other divisions in the bank.

This includes driving the digital initiatives in enabling seamless adoption of digital channels, increasing BIBD Nexgen and BIBD Biznet platform usage for retail customers and corporate entities respectively.

COO Division also manages the business contingency planning, activation and deployment. Its focus is to provide full support to businesses and divisions across the bank towards achieving its strategic goals and targets.



Priorities and Focus Areas

In 2022, COO Division's activities focused on the following areas:

Creating Awareness on Sustainability

COO Division actively supports the BIBD Sustainability Framework and aimed to implement sustainable practices in our daily work lives in 2022. Each department was asked to come up with at least one initiative for the implementation of SDG 3: Good Health and Well-Being throughout the year. In addition to these internal activities, COO Division also aimed to organise at least 1 bank-wide initiative per quarter. Our hope was that these will set the tone for future years as we work toward a sustainable future.

COO as a Strategic Partner

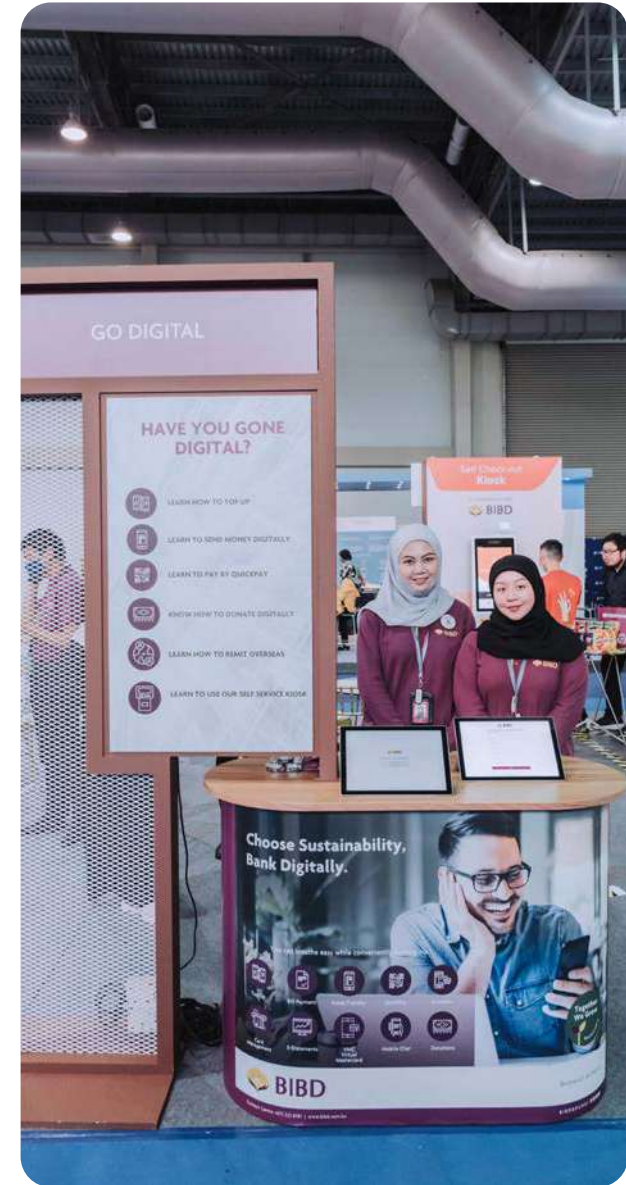
Throughout 2022, COO held monthly meetings with over divisions to discuss issues, celebrate achievements and drive continuous improvements.



Enablement, Process and Automation

As a Bank that is Bruneian at Heart, fulfilling the needs of our customers is of utmost importance. COO is committed to serving the needs of our customers, and to go above and beyond, leaving customers with an unparalleled service experience. Among the initiatives we carried out in 2022 to achieve this includes:

- RISE Recharge Initiatives
- Automation in operational, support units and MIS to enhance efficiency and turn-around-time.
- Credit card process improvement.
- Increase digitalisation of our customers with a target to improve overall bank digital transactions.
- Improving response time to customers' feedback and service requests.
- Enhancing availability and accessibility of our Self Service Terminals (SST).
- Reinstilling work ethics across COO Division.
- Ensure the completeness of Business Continuity Management System (BCMS) framework and policy, Incident and Crisis Management Plan as well as Department Business Continuity Plan.



Strengthening our Governance and Culture

In 2022, strengthening the internal governance within COO Division was a key focus area. Our team undertook a review of all policies and SOPs under COO Division. This was done to ensure that we were compliant with all regulations, as well as ensure that our processes were standardized for the entire organization.

Our key priority was also to maintain the Bank's ISO9001:2015 certification in "Provision of Retail Customer Onboarding, Financing (Personal & Home), Payments (Payroll & Bulk Payments) and Card Services"



Building Unity, Trust and Transparency

In 2022, we focused on upskilling and reskilling staff in preparation for digitalisation. This is a key investment to ensure that our people have the right skills to support the Bank's initiatives.

Continuing our focus on staff development, we also developed staff in management, leadership, communication and negotiation skills.

We also organised "Get to Know" sessions within the division to increase awareness of what others do. This was aimed at building relationships between departments, as well as giving people a chance to learn more about their colleagues' roles.



Key Initiatives in 2022

1. **Organised Islamic Financial Talks** in Temburong district in collaboration with the Retail Banking team, with the aim of enhancing financial literacy amongst residents at Temburong district.
2. Deployment of **Digital Customer Service Representatives** to roadshows for both internal BIBD staff and customers, with the aim of creating digital awareness, onboarding staff and customers, as well as to educate and provide assistance to customers.
3. **Improving Self Service Terminals (SSTs):**
 - All Branches and SST are 100% operational throughout BCP Pandemic Activation.
 - Implementation of E-Journals for all ATMs & Cash Deposit Machines (CDMs) to support SDG initiative.
 - Replacement of 18 SST in Q3 of 2022 at OneCity, Hua Ho Tutong, Kiulap Branch, Sengkurong E-branch, Manggis Branch – *Completed in July 2022.*
 - CDM relocation from Airport to Panaga Branch – *Completed in April 2022*
 - New ATM installation at BSP Panaga – *Completed in Sep 2022*
 - Uptime of for ATMs - an increase from an average of 55% in 2021 to 89% (until Nov) in 2022 and for CDMs - an increase from an average of 19% in 2021 to 28% (until Nov) in 2022.
4. Implementation of **early branch opening hours** (1 hour before working hour) for Government Salary and pension payout.
5. **Queue Management system** implementation across all branches (QueueUp) – for efficient customer reservation system with the branches and personnel.
6. Joined Corporate Banking team to clients' site to conduct **briefing on Trade Businesses.**
7. **R.I.S.E. Recharge** – refreshed the service culture, conducted training and roadshows to branches on 6 keys of R.I.S.E. Skilled up 13 internal BIBD R.I.S.E trainers.
8. Successful recertification of ISO9001:2015 in 2022 for the scope of "Provision of retail customer onboarding, financings (Personal & Home), payments (Payroll & Bulk payments) and card services."
9. **Digital Drive** initiative to increase digital usage and reduce OTC transaction. Below are the achievements:
 - **BizNet:**
 - 75% growth in Biznet transaction volume (\$) in 2022 from 2021
 - 35% growth in Biznet transaction counts in 2022 from 2021
- **Merchants:**
 - Merchants onboarded – 3% increase in 2022 from 2021 for merchant terminals, and 5% increase in 2022 from 2021 for QuickPay.
 - BIBD Cards swipes on BIBD's merchant terminals: 21% growth in transaction volume (\$) in 2022 from 2021, and 37% growth in transaction counts in 2022 from 2021.
 - Non BIBD cards swipes on BIBD's merchant terminals: 42% growth in transaction volume (\$) in 2022 from 2021, and 78% growth in transaction counts in 2022 from 2021.
10. **Improved turnaround time** for financing and fulfillment of service request received through Contact Centre.
11. **Implemented SWIFT ISO20022** to comply with the SWIFT ISO standard.
12. Focused on **staff reskilling and upskilling**, as well as career development program in 2022.

Goals and Focus Areas for 2023

1. To anticipate the evolving customer needs and continuously provide support to promote customers' financial wellbeing.
2. Continue to push through the digital drive initiative – to increase migration of customers to more effective and efficient digital platforms. This includes customer roadshows, Digital CSRs to be deployed to onboard and assist customers, enhancements of BIBD's digital platforms, and collaborating with Brunei Association of Banks (BAB) member banks to promote ACH & RTGS usage.
3. Implement and improve the green banking movement that addresses the bank's ESG targets in a more holistic way which not only spans in our own operations but also support our customers in our decarbonisation footprint efforts.
4. To further enhance Business Continuity Management System (BCMS) to incorporate industry's best practices in order to ensure continuous readiness for potential events.
5. Enhancements and further automation of systems and processes. Streamlining and enhancing existing process towards ensuring faster delivery of service, better turnaround time and operational efficiency.
6. Introduce more E-learnings for staff to prepare them for digital advancements and promote innovative mindset.
7. Continuously work on service initiatives (*i.e* RISE Recharge program) to improve BIBD's customer experience through training and advocacy to provide excellent customer service.



Supporting BIBD's Sustainability Framework

Each Department under COO Division came up with programs and activities that supported BIBD's sustainability goals, with particular focus on SDG3 : Good Health and Well-being.

These activities were:

- a. **Weekly "Deskercises"** – to have staff across COO Division participate in exercises at their desks, conducted by qualified trainer via online.
- b. **Virtual Walk, Run or Hike Challenge** for BBOS Branches and back-office team – to encourage staff to take more steps.
- c. **"Naturally Delicious and Colourful"** – to encourage eating natural local produce from Brunei, whilst increasing awareness of nutritional contents of these natural produce; and to reduce consumption of processed food.
- d. Distribution of indoor plants to all Departments within COO – for air cleansing.
- e. **Tree-planting activity** in collaboration with Universiti Teknologi Brunei – to encourage outdoor activity whilst contributing to global reforestation efforts.
- f. **"Life after plastics"**, a talk awareness, arranged in collaboration with Corporate Banking Division, on the impact of pollution on the ecosystem for life underwater, which eventually impacts our health, and practical ways on how staff can reduce plastics usage.

- g. **Musculoskeletal disorders (MSD) awareness talk** – to educate staff on what MSD is and to learn exercise strategies to reduce risk of getting MSD disorder.



10.2 Finance and Strategy Group

Finance and Strategy Group (FSG) has 2 main departments, namely Finance and Strategy Departments. The Finance Department is responsible for the group financial reporting, budgeting, vendor payments and financial information. The Strategy Department is responsible to provide support and facilitate Group level strategy, and resources for strategic projects of the Group.



10.3 Human Resources and Human Capital Division

Human Resources and Human Capital Division (“HRHCD”) plays a key role in enabling BIBD to succeed in the Banking Industry and achieve its annual business targets, medium-term mission and long-term vision through its Strategic People Agenda.



To deliver its People Agenda, HRHCD considers the ever-changing business climate and rapid technological advances and prioritises its efforts in the following areas:

- Building strong alignment and effective partnership with leaders in all Divisions
- Improving employee motivation and productivity, innovation and creativity to maximize performance through Learning programs, job exposures and projects
- Establish and implement high employee engagement where critical employee welfare issues, challenges and obstacles that can potentially jeopardize success

of organizational targets and goals are adequately addressed and resolved

- Acquisition & retention of required talents that enhance individual and organizational performance that will ensure a healthy leadership talent pipeline of future leaders
- Drive organizational change through comprehensive employee engagement and communication to gain their buy-in and commitment to support the various BIBD's strategic initiatives to support BIBD's organizational transformation.

Priorities and Focus Areas in 2022

Even though the COVID-19 pandemic had officially ended in-country, issues were still being addressed, and HRHCD was tasked to ensure proper close-out of actions, albeit with much lesser impact on the business and manpower stability.

For 2022, HRHCD prioritized its efforts on:

- Strengthening the Leadership pipeline to ensure talent stability and continuity,
- Building strong Frontliner Performance to achieve excellence in Customer Service
- Supporting BIBD's strategic Digitalization and Sustainability Development Goals.
- Corporate Governance & Cost Alignment measures
- Employee Engagement to Promote Performance, Unity & Transparency



Key Initiatives in 2022

Local Talent Leadership Development

In 2022, leadership development programs took 25% of the total learning days, i.e. 834 out of 3,337 days spent on learning.

The BIBD Leadership Forum members attended the CliftonStrengths Leadership Program facilitated by Gallup, aimed at strengthening team performance, collaboration and building stronger relationships. This program will be extended to leaders and department heads in 2023.

65 employees attended in-house leadership & soft skill development programs designed for strengthening various levels of leadership competencies which include the Personal & Interpersonal Effectiveness (PIPE) and Jumpstart Your Supervisory Skills (JYSS) workshops.

9 senior leaders enrolled in the signature leadership programs, YELP, SEAL & HIEL, facilitated by Brunei Institute of Leadership and Islamic Finance (BILIF). 42 Certifications were awarded to employees in various subject areas in Banking, Cybersecurity, Islamic Fintech, Compliance, Digital Marketing, Investing & Risk Management. 70 Certifications are still In progress

The second batch of the Graduate Management Trainees completed their assignments in 3 Divisions, passed their Chartered Banker Institute (CBI) examinations and are back in their Parent Divisions. HRHCD continues to monitor their performance and progress and provide counselling and coaching where required.



Some skills, especially in IT and Risk Management, are highly required by the Bank but are either scarce or unavailable locally. BIBD onboarded 3 expatriates in the Risk Management & IT Divisions to improve work deliverables, transfer knowledge and coach potential successors and teams in technical and leadership skills.

Building Strong Frontliner Performance to Boost Customer Service Excellence

To ensure Frontliners provide Excellent Customer Service consistently, HRHCD, in collaboration with Service Quality Department, scheduled in-house trainers to independently conduct programs on RISE aimed at instilling a 'I Can Make a Difference' service mindset and ensure consistent customer service behaviors are inculcated in all frontliners. Frontliners are also provided access to bite-sized customer service and soft skill online learning programs, as well as other learning resources that aim to assist them to strengthen their customer service excellence.

In the Retail Banking Group, 132 personal bankers from the Sales Team undertook a tailored in-house program aimed at standardizing BIBD's sales engagement methodology, which emphasized on understanding customers' needs to serve them better.

HRHCD produced learning aids to promote Shariah knowledge and application via its 'Know Your Shariah Lingo' theme to frontliners' application of Shariah terms in their day-to-day transactions with customers and each other. These learning aids include Shariah Factsheets covering Shariah terminologies and concepts and 4 bite-sized videos covering various fundamental knowledge about Shariah and Islamic Banking. Both learning aids were endorsed by the Shariah Advisory Body and planned roll-out is scheduled in Q1 2023.

Supporting BIBD's Transformation Journey

Digital Academy

BIBD continued to build digital capabilities to enable employees to navigate the new digital landscape and for BIBD to achieve a Future-ready, Innovative & Tech-savvy (FIT) workforce.

- In the 3rd phase of BIBD Digital Academy, various learning programs including professional certification in Fintech were introduced. 6 employees from RBG and CBG were enrolled for 2 banking certification programs by the London Institute of Banking and Finance (LIBF), both cover digitalization of banking products & services: 2 for Certificate in Retail & Digital Banking (CertRDB) and 4 for Certificate in Business Banking (CertBB)
- 4 employees attended the Singapore Fintech Festival 2022, while 2 others joined the CX SUMMIT in Malaysia. This opportunity allowed them to learn the latest digital solutions available in the market and interact with subject matter experts in the field. They were expected to share and discuss their learnings with other colleagues and propose suitable solutions to the BIBD management.
- To build employees' knowledge of different cybersecurity risks and the critical role all employees play in acting as human firewalls to keep the bank safe, an online Cybersecurity Awareness Program was rolled out. 98% of BIBD employees participated in the program

- Over 600 employees completed at least 2 digital related programs, including: Multi-Factor Authentication, MS Excel Dashboards, Power BI, Digital Marketing & IT Business Analysis.
- 9 officers completed the Islamic FinTech Professional Certificate Program facilitated by UNISSA & Amanah Institute of Islamic Finance and Economics. 3 BIBD participants received Certificate of Excellence.
- 99.8% BIBD employees successfully completed the bank-wide Cybersecurity Awareness Program. All employees are required to put the learning into practice to keep BIBD safe
- HRHCD also launched an AI-based online platform, CompetencyCore, that enables HRHCD to conduct analyses on organization capability profiling, ensures consistency by basing many HRHCD's core functions to be competency-based.

This **CompetencyCore** system also allows employees to use it as a career development tool where they can assess their competencies against their job, and/or against other jobs within the Bank for the purpose of career development. This provides better transparency and putting the development ownership in the employee's own control.

Promoting Bank-Wide Sustainability Culture & Activities

In line with BIBD's commitment to sustainability, HRHCD worked in collaboration with the Sustainability Transformation Group (STG) to develop a sustainability learning blueprint, which targeted learning programs were identified and developed to meet varying levels of competency.

To equip employees with a fundamental understanding of sustainability, key personnels have been enrolled for the Chartered Banker Institute's (CBI) Certificate in Green and Sustainable Finance. HRHCD has also worked with CMO to develop an online learning programme entitled Sustainability Transformation and Readiness Training (START), which will be rolled out bank-wide in the first half of 2023.



Corporate Governance and Cost Alignment Measures

Corporate Governance & Cost alignment to be important elements in strengthening the organization's work culture and were to be incorporated in all HRHCD functional deliverables and employee engagement activities.

- Strengthening Risk Awareness Culture**
 59 employees from various divisions were enrolled in 2 Retail Credit Risk Management programs to strengthen their competencies, mindset and instill personal responsibility when performing their duties which also include identifying and reporting red flags. The programs - Retail Lending and Foundations of Banking - are by Moody's.
- Stronger Application of Shariah Concepts**
 To promote Frontliners' understanding, application and adherence to the Islamic Banking concepts, terms and practices, the Branch Banking Operations & Services Department collaborated with the Shariah Division in rolling out the Shariah Concepts Refresher workshop. This initiative will continue in 2023.
- Updating Employee Business Declaration Records**
 67% submissions were received for 2022 Business Declarations. Employees were required to submit new Business Declarations forms to ensure accuracy and up-to date information.

Enhancing Employee Engagement to Promote Performance, Unity and Transparency



HRHCD's employee engagement activities re-started after the end of the pandemic. Activities and events include key religious activities, e.g. Korban, celebrating Life Milestones (long service awards, Haj pilgrimage, retirement events) and Bank-wide events (BIBD Family Day).



HRHCD held the first Employee Open Day to allow employees to interact closely with the HRHCD team and have a better understanding of the various functions and roles within the Division. The Open Day was received very positively by employees as it provided them with the transparency of the workings of the HRHCD and they learned about how they could navigate and take charge of their careers

Goals and Focus Areas for 2023

HRHCD's 2023 priorities will be in the following areas:

- Enhance HRHCD functional and service efficiencies
- Continue supporting BIBD's transformation efforts
- Build BIBD bench strength to ensure leadership continuity and talent stability
- Strengthen Bank-wide Corporate Governance Drive in two areas: Cybersecurity & ORM Transformation



Supporting the BIBD Sustainability Framework

HRHCD continues to support the BIBD Sustainability Framework through various Bank-wide events such as Tree Planting activities in Seria, as well as the Eco Festival in Bandar Seri Begawan.



10.4 Information Technology Division

The Information Technology Division (ITD) oversees BIBD technology-related strategies and initiatives. ITD provides insight into digital trends, innovation and business growth opportunities and strives to improve the consumer experience across the entire customer journey. Through ITD, BIBD is able to move forward with advances in technology and methods of processing and managing information. In addition, ITD also manages and maintains the delivery of digital products and services in supporting the Bank's day-to-day operations.



10.5 Chief Marketing Officer Division

The Chief Marketing Office (CMO) Division is a strategic set up aimed at overseeing and managing the holistic development and execution of the Bank's brand strategy, marketing activities, customer experience management and communications for the Group as a whole.

Led by the Chief Marketing Officer, the CMO Division is responsible for ensuring that the Group's marketing, customer experience and engagement, strategic and corporate communications, strategic campaigns, digital executions, customer touchpoints, brand profiling and brand positioning are all supported through value creation and addition to the requested works.

All the value creation and addition from the CMO Division will be to steer, refine and align every stakeholder's business decisions and plans towards supporting the Bank, the community and the nation with a goal to be at par with reputable and established financial institutions regionally and globally. The division is the focal point for the bank's ongoing management of Corporate Social Responsibility (CSR) and sustainability initiatives under the BIBD Sustainability Framework and Roadmap.



Focus Areas for 2022

Building Brand Equity

CMO plays a crucial role in overseeing the branding of products and services and building brand equity. This involves developing and executing marketing strategies that promote the brand image, messaging, and positioning to create a distinctive and memorable identity in the minds of customers. The CMO also ensures that products and services align with the brand standards, and that all touchpoints, including static and digital creative artwork, social media, events and customer experience consistently reflect BIBD's values and personality. To build brand equity, CMO collaborates with other divisions to enhance the customer experience and create brand loyalty.

Throughout 2022, CMO produced 216 artwork, 41 collaterals, 149 videos, 16 radio ads, 415 social media posts, 106 press releases and organised 115 events.

Advocating Digital Marketing

To advocate for digital marketing and advertising technology, the Chief Marketing Officer also participated in Brunei's first ever advertising technology dialogue and networking event, DBATE. Organised by Optimas Management, the event brought together over 100 attendees from local creative agencies, marketing enthusiasts as well as content creators.

Hjh Nurul Akmar participated in a panel titled "Building the Demand Side Platform of #DigitalBrunei" alongside creative leads and key opinion leaders, to kick off crucial conversations around digital marketing in Brunei.

Strengthening Brand Positioning

Awards and Accolades

As part of efforts to enhance corporate branding and strengthen brand positioning, CMO coordinates participation in and submissions for various international awards and accolades. In 2022, BIBD was named Best Retail Bank in Brunei and Strongest Bank in Brunei by Balance Sheet by The Asian Banker and Safest Bank in Brunei and Best Islamic Financial Institution by Global Finance Magazine. Additionally, BIBD Securities and BIBD Asset Management were named Best Sukuk Manager, Best Islamic Fund House and Best Islamic Fund by Asia Asset Management.

Each award is a testament to BIBD's commitment to deliver excellence for our shareholders and customers, as part of our values. These accreditations are critical as a means for us to also validate our hard work by independent industry experts and to ensure we remained robust in all aspects of our business and governance when compared to the industry landscape regionally and globally.

Partners in Progress

Partners in Progress, launched in 2020, is BIBD's strategic communication of our brand positioning toward our mission of Best Islamic Bank in Asia Pacific. It was an integral part of BIBD's strategic communication and was carried out by CMO and oversaw closely throughout the campaign's duration.

In 2023, CMO will be focused on BIBD's 30th anniversary celebrations and is planning to launch a new strategic communication plan and branding campaign to strengthen our brand position and create unwavering brand loyalty.

Brand Audit

As part of efforts to maintain BIBD's brand appearance, an annual brand audit on BIBD's physical branding assets at BIBD locations was conducted. The brand audit is a regular annual exercise and is a collaboration between CMO, Facilities Management Unit under GRSP and Branch Banking and Operating Services under the Chief Operating Office Division to ensure overall alignment. Apart from the annual brand audit, regular brand surveillance activities are also carried out throughout the year.

Brand Immersion

Brand immersion is the process of creating a deep connection between the brand and its customers by fostering an emotional, experiential, and interactive relationship. The CMO plays a key role in overseeing brand immersion by designing and implementing strategies that engage customers in meaningful ways.

Among these efforts have been overseeing BIBD's community and Corporate Social Responsibility (CSR) activities, along with spearheading support for BIBD's sustainability agenda under the BIBD Sustainability Framework.

Laying the Foundations for a Sustainable Future

CMO has played a key role in supporting the BIBD Sustainability Framework, by promoting sustainable practices and expanding partnerships with key strategic partners and internal stakeholders.



During the year in review, BIBD signed a Memorandum of Understanding (MOU) with the Brunei Darussalam National Council on Climate Change (BNCCC) to cooperate in climate action solutions, making the Bank the official partner for the 'Race to Zero' initiative, to realise the government's aspirations and goals towards the UNSDG 2030 and Brunei Net Zero 2050. During the signing ceremony, various strategic partners were

As part of the Bank's support for the Brunei Climate Change Secretariat (BCCS), BIBD jointly organised the EcoFestival as part of activities in Brunei MYCE 2022. Tree planting activities were carried out under BIBD's annual commitment of planting 2000 trees by the end of the year as part of the Bank's efforts to combat the harmful effects that climate change has on the world's ecosystem. An earlier tree planting activity had taken

BIBD was one of the main sponsors of the International School Brunei's Borneo Global Issues Conference (ISB BGIC), an annual student-led conference where participants (delegates) represent countries to address various current, real-world issues. This year's conference discussed the United Nations Sustainable Development Goal 3, namely Good Health and Well Being. This is aligned with BIBD's belief in youth empowerment and is part of the Bank's efforts under the Sustainability Framework and Roadmap to raise awareness on sustainability-related issues.





As part of efforts under the BIBD Sustainability Framework, Chief Marketing Officer Hjh Nurul Akmar binti Hj Mohd Jaafar as the Chair of BIBD's Sustainability Transformation Group participated in a sharing session at a National Workshop at the 2nd Voluntary National Review of the United Nations Sustainable Development Goals, organised by the Prime Minister's Office, as the Secretariat of the Special National Coordinating Committee for the Sustainable Development Goals (SDGs) of Brunei Darussalam.

Furthermore, BIBD was also invited to present at the UNESCAP's South-East Asia Multi-Stakeholder Forum on the Implementation of the Sustainable Development Goals, focusing on how countries are demonstrating leadership on SDGs and leveraging VNRs to accelerate policy reform and align SDGs to align to national plans and programmes.

CMO has also spearheaded an initiative to reduce printed collaterals and focus on digital marketing channels in



a bid to decrease paper waste and reduce our overall carbon footprint. The division has also been introducing sustainable, eco-friendly corporate gifts such as metal tumblers, woven tote bags and reusable metal straws as part of a bid to raise awareness among customers and members of the public on sustainable materials. The Bank's yearly festive envelopes, calendars and notebooks have also been printed on recyclable materials.

Making an Impact in the Community

CMO also coordinated and oversaw various activities throughout the year in support of the Bank's CSR programs and the local community.

The Importance of Lifelong Learning

The BIBD ALAF programme embodies the Bank's commitment to lifelong learning, ensuring that children from all segments of society are given opportunities to succeed. As part of the Bank's efforts to ensure that the BIBD ALAF programme produces productive, well-rounded students, a number of activities were arranged throughout the year in order to enrich our ALAF

Among them was the annual BIBD ALAF Convention which carried the theme 'Teladani Rasulullah SAW'.

Various other co-curricular activities such as study visits, 'khat' or calligraphy workshops and career talks were organised in 2022. These activities aim to better prepare Brunei's youth to be part a competitive workforce and also leaders in the future.



Empowering Underprivileged Women

BIBD continues to maintain support for the UN SDGs through the 5th cohort of BIBD SEED, which commenced in October 2022.

The objectives of BIBD SEED include the development of human capital to embody successful entrepreneurs, improve productivity and services through innovation and automation with the latest business practices, and to uplift their living conditions through business acumen, knowledge, and optimal trading to adapt them into the business ecosystem.





In preparation for the next cohort of the programme, BIBD works closely with strategic partners and stakeholders such as Brunei Islamic Religious Council (MUIB), the Asnaf Zakat Empowerment Programme (PROPAZ), Community Development Department (JAPEM) and the Islamic Da'wah Centre (PDI).

The consistency and continuity of this programme which keeps taking in new participants every year reflects BIBD's commitment towards social inclusion for nation building not just as a financial institution, but as a responsible corporate citizen contributing towards the development of Brunei and its society.

BIBD SEED is also aligned to our dedication and goal to support the United Nation Sustainable Development Goals (UNSDG) – particularly goals no 1,5 and 8. Through this programme, we are empowering these underprivileged

women to overcome and eradicate poverty while at the same time promoting gender equality as well as encouraging entrepreneurship and job creation. As Brunei's largest Islamic financial institution, it is also our responsibility to fulfill the Maqasid Shariah through the BIBD SEED programme.

Making an Impact in the Community

CMO worked closely with Community for Brunei (CFB) to oversee the launch and implementation of the Sustainable Nation Campaign. Aside from the Eco-Chat Series, CFB also organised a Youth Health Forum as part of events to commemorate World Health Day. The forum was a community building initiative aligned with BIBD's support for addressing the UN Sustainable Development Goals, specifically Goal 3 (Good Health and Well-being).



The virtual Youth Health Forum is a workshop focused on school-aged youth, and is a collaboration between Community for Brunei, the Ministry of Health's Health Promotion Centre and Jab Gym. The forum brings together youth from different schools and featured Sammy McNeess, a professional boxer and fitness coach and spent 4 years on Team GB, representing England and Great Britain for four years, travelling the world fighting Continental, World and Olympic champions. The panel also featured well respected figures in the local fitness industry, namely Firdaus Ar Rasyid, Brunei's national and Olympic sprinter and Alim Roslan, a calisthenic & NASM-certified fitness coach with Jab Gym Brunei.

According to Chief Marketing Officer, Hjh Nurul Akmar binti Hj Mohd Jaafar, the Youth Health Forum is part of BIBD's efforts to empower youth by opening their minds to the different pathways open to them after their school years.

Strengthening Brand Positioning

The personal branding of key management members plays a crucial role in shaping the organization's reputation, credibility, and thought leadership. The CMO works closely with key management members to establish a distinctive personal brand identity that aligns with the organisation's mission, values, and goals and that it continues to build a strong reputation as a leader in its industry.

Throughout 2022, various members of BIBD's Management and Emerging Leadership Forum (ELF) appeared in public forums and participated in panel discussions as key subject matter experts.



10.6 Shariah Division



Key Initiatives in 2022

- **Strengthening Shariah Governance to align with BDCB Guidelines**

This is an ongoing exercise however, more depth and robust governance has been put in place in 2022 having formulated and implemented several guidelines and of which these guidelines have obtained the approval from the Board of Directors and Shariah Advisory Body respectively.

Body respectively.

The Division submitted a total of 6 reports to BDCB on a regular basis.

- **Strengthening existing legal documentation for Products and Services**
- **Reviewing business processes**

Goals and Focus Areas for 2023



- **Phase 2 implementation – Selected Shariah Resolution's Compilation project (Shariah Advisory Body Resolution 2017 – 2022).**

To complete second edition of the resolution book for the purpose of sharing the knowledge and SAB's deliberation and decision-making with the public.

- **Exploring other Shariah structures and concepts for our existing products for the betterment of the Bank and to be within international standard.**

10.7 Compliance Division

The Compliance Division manages the Compliance Framework for the Group which aims at protecting BIBD's value and image by ensuring focus on compliance to regulations. The Division manages this through its four sections - Regulatory Compliance which manages all regulatory engagement, Financial Crime Compliance Policies, Advisory and Training which handles all related policies and provides advisory and Group training, Financial Crime Compliance Operations which oversees daily operations in relation to transaction monitoring and Compliance Assurance which conducts monitoring and testing to ensure ongoing compliance with regulations. The sections work to ensure that Compliance Framework remains up-to-date and relevant and engages with other subsidiaries and divisions within the BIBD Group to ensure alignment and adherence to regulations.



Key Initiatives in 2022

Compliance Division's focus for 2022 was to ensure that the Compliance Framework remained effective and up to date. This included ensuring Group-wide training were conducted, assessment of the Group's Compliance Risk was carried out and any areas requiring improvement was addressed timely. The Division continued to support regulatory onsite reviews as well as alignment initiatives with global standards. In addition to this, the Division also represented the BIBD Group in the Asia Pacific Group Mutual Evaluation process of Brunei. Compliance Division's operational changes which were adopted in 2021 due to COVID-19 served the Division well and 2022 priorities were successfully delivered as a result.

Goals and Focus Areas in 2023

The main focus for the Compliance Division for 2023 includes a refocus on training and certification for the Compliance team and a restructure and rightsizing of the Compliance Assurance section to be able to meet the assurance needs of the BIBD Group. In addition, the Compliance Division will be working on strategic alignment to Global Standards recommendations, aligning to the results of the Asia Pacific Group Mutual Evaluation on Brunei and supporting and Private-Public Partnership initiatives which may be introduced. All these goals and focus is expected to contribute positively to SDG16.

Supporting the BIBD Sustainability Framework

With the impact of COVID-19, the Compliance Division continued to work on a split-site arrangement to ensure operations would not be impacted and staff would be supported from a health and well-being perspective (SDG3 Good Health and Well Being). The Compliance Division continues to ensure the Compliance Framework remains robust and effective. With close engagement to regulators and stakeholders, and exhibiting I-CUE, the Division continues to support the building of BIBD as a strong and reliable institution through its day-to-day operations (SDG16 Peace, Justice, and Strong Institutions).

10.8 Risk Management Division

BIBD has placed a significant emphasis on the role of risk management in ensuring a sustained and responsible long-term growth of the Group. In order to support BIBD's aspirations, a robust risk management function and respective processes, coupled with a strong awareness program have been placed to allow an independent assessment, monitoring and controls of all financial and non-financial risks across the BIBD Group.



The comprehensive management of all risks faced by BIBD is part of our wider efforts to uphold the highest standards of risk governance and compliance throughout the Group. BIBD undertakes a variety of businesses, and is required to be able to govern, monitor and report all risks with a clear enterprise and holistic approach.

BIBD has in place various Risk policies and processes intended to cover different risks across all businesses that are reviewed annually.

Risk Management Strategy

The BIBD Risk Management Strategy is reviewed and approved by the BIBD Board of Directors on an annual basis. The Risk Management Strategy provides a holistic approach in managing risks, triggers and thresholds within BIBD Group.

Risk Appetite Statements

Within the Risk Management Strategy, holistic Risk Appetite Statements ("RAS") are established as primary risk parameters, and are aligned to the Group's overall risk management objectives:

- a) To consistently exceed minimum regulatory capital requirements
- b) To ensure sufficient levels of liquidity and funding
- c) To manage the level of risk in the portfolio to an acceptable level,
- d) To maintain external debt ratings.

Enterprise Risk Management Framework

The BIBD Group has embraced an enterprise-risk approach, covering 19 (nineteen) core risks, within its risk management structure. This is supported by the Enterprise Risk Management Framework ("ERMF") which provides a standardized approach to manage all risks within the Group. The key tools used within the ERMF are to establish, within each BIBD division, the proper governance, monitoring and controls to be tracked on a monthly and quarterly basis.

Risk Governance Structure

A strong governance structure is in place to ensure that the ERMF can be implemented effectively. While the Board is ultimately responsible for BIBD's risk management activities, it has delegated its responsibilities on the oversight of BIBD risk management to its Board Committees; the Audit and Finance Committee ("AF"), the Risk Committee ("RC"), and the Executive Committee ("EXCOM"). These Board Committees are updated on risk-related matters on a quarterly and monthly basis or as and when required. The Shariah Advisory Body has also been delegated by the Board to provide oversight over Shariah matters, including Shariah Risk. The Shariah Advisory Body meets at least quarterly and will be update accordingly.

At Management level, the Group Risk is managed by the established committees of the Credit Risk Committee ("CRC"), the Asset & Liabilities Committee ("ALCO"), Capital Committee ("CC") and Enterprise Risk Management Committee ("ERM"). These management committees meet on a weekly, monthly, bi-monthly and quarterly

basis respectively. Specific matters such as the Capital Adequacy ("ICAAP") and the Recovery Plan are reviewed within the ERM.

Group Risk Management Model

The Group Risk Management model utilizes the "Three Lines of Defense" approach, to contain any potential risk. This is achieved by maintaining an ongoing monitoring process, and the proper implementation of respective controls.

The responsibilities are shared as follows:

1st Line of Defense (Risk Owner), the Business/Support units.

2nd Line of Defense (Monitoring and Oversight Functions), Risk Management and Compliance.

3rd Line of Defense (Risk Assurance), Internal Audit.

While risks are managed at the point of risk-taking activity, there is a clear accountability of the risk ownership across BIBD as demonstrated in the following chart.

Risk Governance Structure “RGS”

Within the RGS, BIBD has several committees at Board and Senior Management level:

a) Board

- Executive Committee “ExCom” - Monthly
- Audit, Finance and Risk Committee “AFRC” – Quarterly
- Shariah Advisory Body “SAB” – Monthly

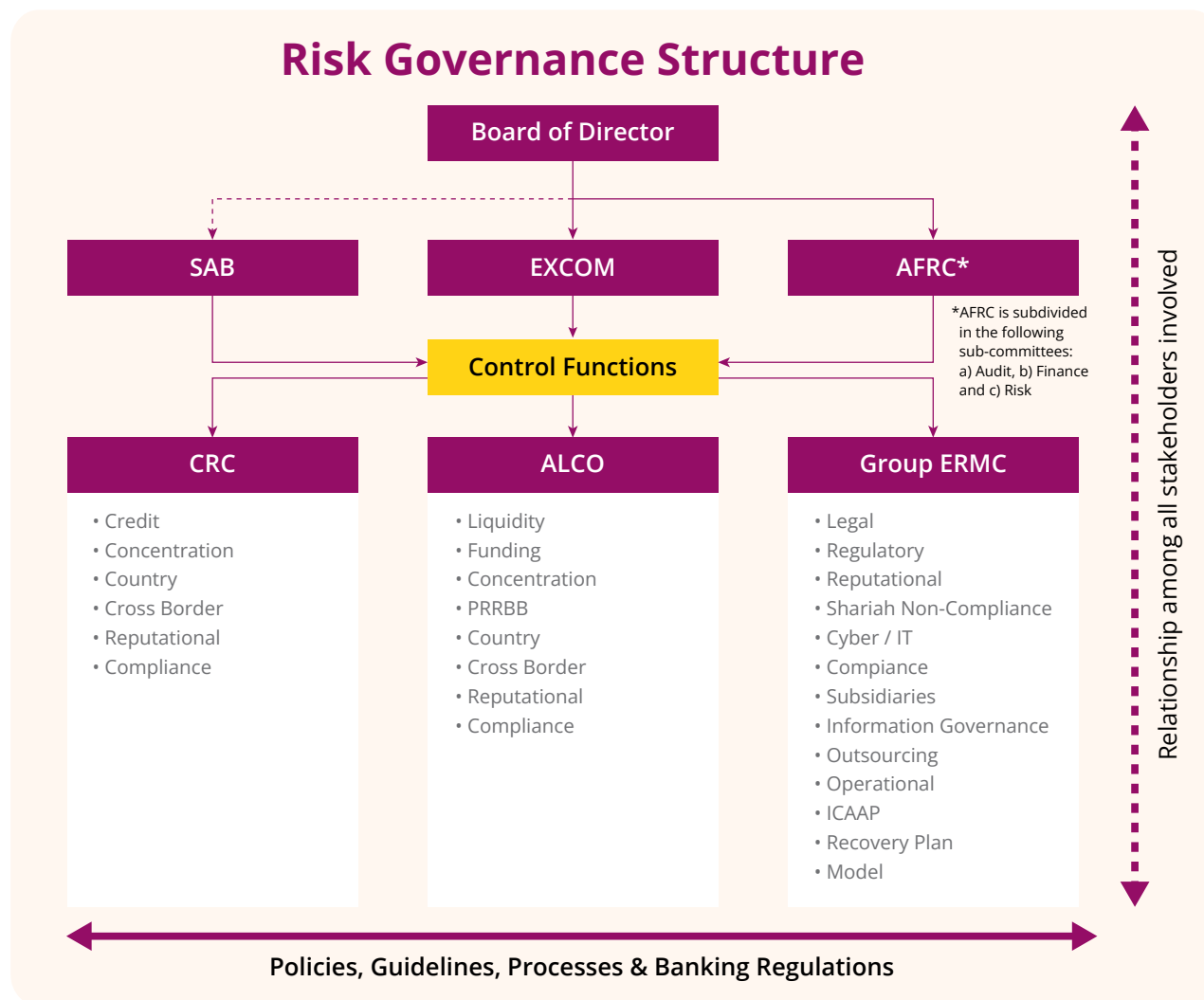
b) Senior Management

- Credit Risk Committee “CRC” – Weekly
- Assets & Liabilities Committee “ALCO” - Monthly
- Enterprise Risk Management Committee “ERMC” - Quarterly
- Capital Committee “CC” – Bi-monthly

The main risks within the Group are controlled and monitored under the Risk Management Division, as a 2nd Line of defense covering:

- Credit Risk
- Market Risk
- Operational Risk
- Profit Rate Risk Banking Book (“PRRBB”)
- Liquidity Risk
- Funding Risk
- Concentration Risk
- Country Risk
- Cross Border Risk
- Reputational Risk
- Legal Risk
- Regulatory Risk
- Shariah Risk
- Compliance Risk
- Cyber Risk
- IT Risk

- Information Governance
- Outsourcing Risk
- Model Risk



We take the approach of analyzing all financing and investment proposals, as well as, evaluating the Group's operational processes and events, in close cooperation with respective business units, to ensure that the Group's exposure to all risks is understood, discussed and managed in a proactive way, in order for all stakeholders' interests to be protected.

Financial risks are analyzed by performing different stress tests using different economic scenarios within the ICAAP, Recovery Plan and other Stress tests annually as required by the Brunei Darussalam Central Bank ("BDCB"), coupled with other specific exercises presented within ALCO.

BIBD adopts a proactive approach in monitoring the Group's risks which are exposed to, by having a robust Enterprise Risk Management Framework, coupled with a solid Operational Risk Governance that utilizes several tools to constantly monitor the risks resulting from People, Systems, Processes and External factors. The Operational Risk responsibility lies within all BIBD's employees, which is strongly driven by the ongoing Risk Awareness and Risk Culture trainings.

The allocation of risk related responsibilities among all units, within BIBD, are organized in such a way to be in line with the Three Lines of Defense "LOD" principle, where each line of defense is independent from each other:

- a. The 1st LOD is provided by the business units and supporting functions, other than 2nd and 3rd LODs, responsible for identifying, and managing the inherent risks in the products, activities, processes, and systems for which are accountable.
- b. The 2nd LOD is provided by the independent risk management and compliance functions. The risk management function is primarily responsible for overseeing the bank's risk-taking activities, couple with the undertaking of the risk assessments, with independent reporting from the 1st LOD. The compliance function monitors the compliance with respect to laws, corporate governance rules and internal policies.
- c. The 3rd LOD is provided by the independent internal audit function, responsible for providing assurance on the effectiveness of the bank's 1st and 2nd LODs.
- k. Shariah Governance Framework
- l. Operational Risk Management
- m. Liquidity Risk Management
- n. Capital Adequacy Framework
- o. Outsourcing Guidelines
- p. Internal Capital Adequacy Assessment Process ("ICAAP")
- q. Recovery Plan

There are several initiatives from the BDCB that have been adopted or in the process of being adopted by BIBD to align the Brunei Banking Sector to international standards. These initiatives include:

- a. Risk management guideline and governance
- b. Credit risk management guideline
- c. Minimum regulatory capital requirements
- d. IFRS9 model implementation
- e. Classification of impaired credit facilities and financial assets for provisioning purpose
- f. Market Risk Management Guidelines
- g. IT and Cyber Risk Guidelines
- h. Basel II – Pillar 3 Public disclosure document
- i. Corporate governance for Islamic banks
- j. Prudential treatment of problem assets and allowance for credit losses

Temporary Regulatory Measures (COVID-19)

On June the 30th 2022 the BDCB put an end to the liquidity relief program which was introduced to support all Corporate and Retail clients impacted by the COVID-19 pandemic. The relief program aimed to provide a deferment of principal payments across identified industries and sectors.

By April 2020, BIBD promptly implemented the new directive, by adding this program within BIBD credit policies. By December 2022 the program has been extended several times by BDCB, as follows: The 1st extension was implemented from April to September 2021, following an additional extension up to 31st of December 2021 and a final extension up to June 2022. All extensions were approved by BDCB, and directives duly updated within the BIBD policies.

Standard & Poor's Credit Rating

As a testament to BIBD's prudent approach to risk management, the Bank was reaffirmed with an A- (Stable) by one of the big three international credit rating agencies, Standard & Poor's ("S&P Global").

Management of Material Risks

The emphasis of a strong risk management culture is the foundation of the Group's control mechanism. This involves an on-going process of identification, assessing, controlling, monitoring, and reporting of material risks, called "Risk Taxonomy" that affects the performance of the Group's strategic objectives, as follows:

a. Credit and Concentration Risks

A robust credit risk framework is the one that embeds prudent financing guidelines to minimize credit defaults and losses, whilst maintaining a credit portfolio that is within the Group's Risk Management scope. The Bank has in place several systems and processes to have a proper set of controls and a monitoring scheme to overview across all risks within BIBD's the risk management.

The concentration factor per industry, limit, obligor, and product is an important aspect within the Group's portfolio and is continuously tracked. In the Non-Retail spectrum, the Group's industry portfolio concentration remained stable with the highest concentration in the oil and gas industry, which has been a historic trend, due to the importance of the domestic oil and gas revenues for Brunei. Within the Retail Portfolio, there is no concentration due to the regulatory guidelines in place (Capital Adequacy Framework 13Feb19), whereby, each retail obligor cannot represent more than 0.2% of the total retail portfolio

Non-Retail Portfolio

In the non-retail space, the Bank implemented an internal risk rating system from S&P Global, to help the Board and Senior Management to differentiate the risk levels, via a probability of default approach, across all financings and investments to facilitate the decision-making process.

In addition, there is an assessment process throughout a fundamental analysis approach – the review of qualitative and quantitative information – and financings

above one year have additional analysis requirements, where specific projections and assumptions take place. Collateral coverage of financings is high. However, credit decisions are always based on the cash flow generation, as the primary source of repayment, coupled with an appropriate facility structure, where all facilities have specific limits per risk type (Funded, Unfunded and Pre-settlement risk).

There is a general monitoring scope, throughout two specific processes:

a) Watchlist accounts

This approach covers all accounts above 1 Day Past Due ("DPD") as well as movements within the DPD buckets (1-30, 31-60, 61-90 and above 90 days).

b) Close monitoring accounts

This approach covers only current accounts with minor issues that may deteriorate if not monitored properly.

For accounts above 30 DPD but below 90 DPDs, Exposure at Default ("EAD") must be transferred to Stage 2 (IFRS9) and when reaching 90 DPDs, must be defined as impaired and EAD transferred to Stage 3 along with their corresponding Expected Credit Losses ("ECL") or impairments.

Within the Corporate Banking Group, the Special Assets Department ("SAD") is responsible to continuously follow up and assesses trends for all accounts with DPDs above 30 days, to bring possible solutions. Risk Management closely works with the SAD, to properly manage all related efforts as well as the right level of impairment.

Retail Portfolio

In the retail space, the Bank has a portfolio approach assessing individual product types using internal risk models throughout different scorecards, and in some cases, fundamental credit analysis, for the final evaluation and respective approval. All facilities have specific limits per risk type (Funded, Unfunded and Pre-settlement risk).

There is a constant follow up on market trends/behaviors and portfolio analytics per product type, such as months on books under a performing status and DPDs bucket movement analysis, among others

Within the retail portfolio, there are secured financings, whereby, collaterals fully covered the financing amounts, and with the addition of the salary assignments. For unsecured financings, there is no collateral assigned. However, most obligors have the salary assignment in place.

Collections and Recovery

Collections and Recovery Department under the Chief Operating Officer is responsible to track all DPDs and trends, to assess the proper strategy for each product type. The Risk Management Division works closely with this department to understand behavioral patterns that can be used to further enhance to existing policies.

Expected Credit Loss

BIBD had established its IFRS9 process which has enabled us to calculate the Expected Credit Losses or credit impairments. This process provides forward looking

expected credit losses for either a 12-month Probability of Default ("PD") or Lifetime PD, based on a statistical historic data with respect to BIBD portfolio's PDs, Loss Given Defaults ("LGDs"), Macroeconomic overlays and Exposures at Default "EAD".

Operational and Shariah Risks

Operational Risk events stemming from People, Systems, Processes and External Factors that may lead to losses for the Group. These factors are constantly monitored and reported.

As a continuous proactive measure to better capture all operational risk related events, the Group has placed a strong emphasis on providing regular training to all employees. The Group has assigned employees across all Divisions to act as the Risk Coordinators "RC", in charge to capture any operational risk issues, including Shariah Risks.

Risk Management Division has also implemented several tools and processes to provide a holistic operational risk view across the Group. Any Risk Event Report is carefully analyzed using a Root Cause methodology together with the respective causal factors to identify the proper solution within a reasonable timeline. Another key tool used for operational risk issues are the monthly tracking of the Risk Appetite Statements "RAS" and Key Risk Indicators "KRIs" implemented by each unit, in agreement with the Risk Management Division.

Market, PRRBB, Funding, Liquidity, Country and Cross Border Risks

As part of the regular monitoring and reporting of BIBD's market risk exposures, there are several reports that are tracked to ensure these exposures are within the approved risk appetite parameters, the Risk Management team continuously keeps abreast of the market developments in different geographies, which may impact BIBD cross border portfolio and specific risk guidelines. BIBD maintains high quality liquid assets and well diversified sources of funding that act as a liquidity buffer.

Another aspect of the market risk is the interest/profit rate movements affecting the banking book performance, and the consequent impact on the earnings and capital. This analysis is presented within the ALCO by the Risk Management Division, monthly.

BIBD utilizes several assessment methodologies with the help of various analytical techniques, to manage relevant risks and support specific business requirements:

- a. Counterparty Limits Process using qualitative and quantitative techniques,
- b. Country Limits using fundamental economic, political, and social analysis,
- c. Cross Border Risk analysis covering the Nationalization, Expropriation, Convertibility and Transferability risks ("NECT").

BIBD also uses the Country Sovereign International risk ratings, from S&P Global, Moody's and Fitch to ensure further alignment with international practices.

Legal, Regulatory, Compliance and Reputational Risks

BIBD Group has placed the utmost priority on the compliance surveillance with respect to the international and local governance guidelines. BIBD is well-aware of the proper and proactive implementation of all compliance principles, to mitigate, transfer or avoid all risks related to legal, regulatory, compliance, and the adverse impact to BIBD's reputation.

Cyber and IT Risks

Regular reviews, upgrades and testing of all IT systems (hardware, middleware and software), as well as BIBD's cyber infrastructure, are performed to avoid any internal and external disruptions that may affect the Group's general capabilities to operate. This approach allows further strengthening of BIBD's overall IT and Cyber risk management capabilities, by implementing best international practices. As part of this scope, the IT and Cyber risk framework is assessed and reviewed periodically as BIBD continues in developing a predictive risk management culture

Information Governance and Outsourcing Risks

The BIBD Board and Senior Management has placed significant emphasis on ensuring that risks related to data quality, data security, record management and client data privacy, among others, are mitigated and avoided.

The BIBD Group has implemented an outsourcing monitoring process to ensure that material services and data received by external sources are reliable and providers have a sound and proven track record.

Model Risk

This refers to losses resulting from using inappropriate models, data, model's review, and maintenance service updates. BIBD Group is building its model inventory tracking list in order to have a comprehensive record of all available models in order to allow proper management, maintenance and tracking .

Foreseeable Risk Factors

In 2022, the world witnessed erratic movements in the global supply and demand of goods and services, coupled with the already disrupted worldwide supply chain system. These situations are the consequences of the COVID effect, plus the Russian invasion of Ukraine. In addition, many countries among them the USA injected considerable amount of liquidity, boosting their respective economies, resulting in a further disruption effect between the supply vis demand, generating a worldwide inflationary effect, pushing interest rates hikes within the major economic blocks and the world, in general, and also causing constant markets volatility.

For 2023, a recession may hit major economic blocks, and interest rates hikes will continue, however at a different pace, depending on the specifics of the countries in reference. Oil & Gas prices will be an important component within the worldwide inflation, where climate changes and production outputs will be elements to be considered.

Domestic (Brunei)

- o Aggregate demand will grow across the economy.
- o Limited new major governmental projects, within 2023
- o For 2023 domestic spending will improve due to the COVID Endemic phase, which was effective since 1st of June 2022.
- o Higher activity in the corporate sector.
- o Concentration is still in the oil & gas industry (Including derivatives), accounting for 62.1% of Domestic GDP (3Q22 – MOFE).
- o GDP for 2023 is expected to grow 3.3% (IMF) and the Consumer Price Index expected to be at 2.5%(IMF).

International

It is expected that the worldwide economy will have some reactivation for 2023, however common constraints and specific situations are still present across all economic blocks, such as:

- o High Inflation .
- o Interest rates hikes .
- o Volatility in the stock, bond, and exchange rate markets.
- o Supply chains still partially disrupted.
- o Energy prices volatility.
- o Uncertainty on new Covid variants and contagion rates for 2023.
- o Russia invasion to Ukraine development.
- o Other geopolitical tensions.

10.9 Internal Audit Division

Internal Audit is governed by an Internal Audit Charter. The BIBD Internal Audit Division reports directly to the Audit, Finance and Risk Committee (“AFRC”), and provides independent and objective assurance to the AFRC and ultimately the Board of Directors that the internal controls within BIBD and its subsidiaries are designed and operating effectively.



10.10 Legal and Corporate Secretarial Division

As the primary provider of legal services to the BIBD Group, Legal, Corporate Governance and Corporate Secretarial Division ("LCSD") strives to provide efficient, effective and timely Legal, Corporate Governance and Corporate Secretarial services to the BIBD Group and to ensure the BIBD Group's compliance with applicable legal and regulatory requirements.



Key Initiatives in 2022

- Initiating the framework for the BIBD Board of Directors ("**Board**") Charter. The Board Charter serves as a guidance for the Board in its stewardship role in setting the direction, management, control, strategies, values and financial objectives of the BIBD Group for its long-term and sustainable growth and its continued ability to deliver value to its shareholders.
- Initiating the framework for the BIBD Group Code of Ethics ("**Code**"). The Code functions as a guidance on the ethical behavioral conduct expected of members of the BIBD Group and to encourage responsible actions and decisions. The Code also creates awareness on the importance of embracing an ethical working culture within the BIBD Group.
- Initiating the framework for the BIBD Group Corporate Governance ("**Framework**"). The Framework enumerates BIBD's organisational stakeholders' and leadership structure, its oversight, accountability and assurance systems, and the values by which BIBD carries out its operation and business activities. Collectively they form the fundamentals of BIBD's corporate governance eco-system.
- Initiating the framework for Price Sensitive Information Policy ("**Policy**"). The Policy sets out the guidelines in determining Price Sensitive Information and to ensure the proper and orderly public disclosure of the Price Sensitive Information in accordance with the applicable laws and regulations pursuant to Section 135 of the Securities Markets Order, 2014 ("**SMO**") and Regulation 24 of the Securities Markets Regulations, 2015 ("**SMR**").
- Initiating the framework for the BIBD Group Outsourcing Management Guidelines ("**Guidelines**"). The Guidelines function as an internal mechanism for prudent and effective assessment and management of risks associated with any Outsourcing Arrangement which BIBD proposes to undertake in line with recommendations of the Brunei Darussalam Central Bank ("**BDCB**") Outsourcing Guidelines, IT Third Party Risk Management Guidelines ("**ITPRMG**") and Technology Risk Management Guidelines ("**TRMG**") to provide guidance in the management of Outsourcing Arrangements undertaken by BIBD.
- Initiating the framework for LCSD's Legal Manual. The Legal Manual encapsulates the framework, processes, procedures, guidelines and best practices which the LCSD employs to manage, address and mitigate the legal risks, issues and implications arising out of or relating to the management, financials, operation, business and governance of BIBD and, as applicable, its subsidiaries.

Goals and Focus Areas for 2023

- To review and enhance the rules and regulations of the BIBD Employee Handbook.
- To review and enhance the Delegation of Authority and Power to Sign policies.
- To enhance efficacy of contractual arrangements with third parties e.g., vendors, contractors, and suppliers by having standardized templates of contracts in place.
- To enhance legal awareness by providing focused training for various stakeholders within the BIBD Group.

Supporting BIBD's Sustainability Framework

- LCSD has worked towards digitization by printing less documents and saving them into cloud servers instead and having paperless meetings for both internal meetings as well as Board and Board Committee meetings.
- LCSD has implemented its Document Management System ("DMS") which is a cloud-based system whereby all agreements and documents are to be kept, stored and monitored.

10.11 Government Relations and Special Projects Division

The Government Relations and Special Projects (GRSP) Division continues its commitment in maximizing the Bank's potential through collaboration and partnership with key strategic stakeholders and partners.

The GRSP Division consists of the Facilities & Security Unit, the Procurement & Data Repository Unit and the Strategic Relationship Management Unit.



Facilities & Security Unit (FMSU)

The key function of the FMSU is, among others:

- To provide transparency and consistency in the implementation of physical security, and communications of policies and procedures incorporated by the Bank,
- To continuously maintain proper management of the Bank's facilities and properties, and
- To ensure the safety and security of the Bank's personnel, visitors, customers, service providers, contractors, and to protect and maintain a secure and safe environment – which will ensure the effectiveness and efficiency of the Bank's operations.

Procurement & Data Repository Unit

The top level functions of the PRDU include:

a. Procurement

Acquiring of goods, services and work that is required by the Bank. It involves the process of selecting vendors, establishing payment terms, vetting, the negotiation of contracts, actual purchasing of goods, services, and work in line with the Procurement and Supply Management Policy of the Bank.

b. Mailing

Responsible for providing administrative support to internal stakeholders in managing all incoming and outgoing mails or parcel, including collecting mails or parcels from the Government Postal Service and other agencies for distribution to all divisions and the Bank's customers.

c. Archival

Responsible for providing administrative support and ensure effectiveness and efficiency in record management throughout its life cycle, from the time of creation to its eventual disposition, and for ease of future retrieval for Legal, Audit and Risk management purposes.

Strategic Relationship Management Unit (SRMU)

The Government Relations and Special Projects (GRSP) Division through the Strategic Relationship Management Unit (SRMU) continues its commitment in maximizing the Bank's potential through collaboration and partnership with key strategic stakeholders and partners.

The Division will ensure that all collaborations and activities coordinated by the Bank and its strategic partners (the Government, Corporate and Private sectors) are aligned and supporting national level strategic initiatives through:

- Wawasan Brunei 2035
- Whole of Nation Approach
- Maqasid Al-Shariah
- Brunei Smart Nation driven by Digital Government, Digital Economy, and Digital Society
- BIBD Partners in Progress

All these initiatives would eventually contribute towards long-term and sustainable outcomes for all parties involved.

Priorities and Focus Areas

Enhancing Bank's Overall Values and Reputation

GRSP is committed in ensuring (internal) business relationship and (external) client relationship management (government, corporates, private agencies, and regulators) will enhance the overall Bank's values, reputation, and contribute towards achieving the Bank's strategy and national level efforts under the various initiatives as listed below.

GRSP's strategic direction over the past year included the following efforts:

- To transform relationships into business opportunities and improving the stakeholder's own contributions and reputations through various initiatives under the Whole of Nation Approach and BIBD Partners in Progress collaborations.
 - o Wawasan Brunei 2035
 - o Whole of Nation Approach
 - o Maqasid Al-Shariah
 - o Partners in Progress
- To continuously maintain and amplify the Bank's reputation through supporting national agendas/ initiatives advocated by key strategic government agencies, and in the preservation of the BIBD's branding, as well as positioning itself as the Bank of Choice in the country and abroad, by emphasizing on the following approaches and initiatives:



Proper Management of Bank's Facilities

The Division ensures maintainance and proper management of the Bank's facilities and properties. Among the key focus areas was to provide timely and effective support to internal stakeholder's towards ensuring long-term and sustainable asset management strategies, by ensuring that all Bank's facilities are properly maintained to prevent interruptions to Bank's operations

Governance and Standard Operating Procedures

The Division also continued to prioritise policies and procedures, especially related to archival functions and document destruction policies.

Key Initiatives in 2022

Ensuring Employee Health and Safety during the COVID-19 Pandemic

GRSP through the FMSU improved the PPE and ART kit delivery process allowing the equipment to be acquired by the staff swiftly and with minimal interaction and movement with other employees (across divisions), during COVID-19.

The Division also carried out the following safety measures to safeguard BIBD employees and customers from COVID-19:

- Reinstating Disinfectant services for affected branches
- Deploying hand sanitizers with unlimited refill services to all BIBD ATM sites for public use
- Procuring and distribution of PPE equipment's for all BIBD employees
- Procuring and distribution of ART kits to all BIBD employees

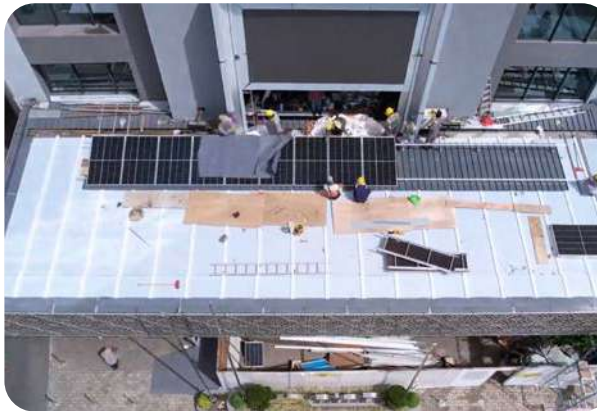
Enabling Efficient Management of Bank's Facilities

As an effort to ensure timely requests, the Division also introduced the SharePoint system to manage requests for repair and maintenance bank wide. The system has been implemented by the Branch Banking Operations & Services (BBOS) under COO Division as a trial basis. Since

the activation of the system, it has help BBOS to submit issues to FMU quickly and have enabled them to monitor repair and maintenance works until completion.

Showcasing Renewable Energy

GRSP oversaw the installation of an external LED TV semi-powered using solar panels at BIBD HQ. BIBD is able to save cost for the powering of LED TV using minimal electrical consumption and utilising power from the sun, as part of our efforts to highlight the use of renewable and clean energy.



Facilitating an Effective and Efficient Procurement Process

The Division strived to ensure that Purchase Orders, Blanket Purchase Orders and Supplier Invoices are processed in a timely manner, despite the COVID-19 outbreak, in order to mitigate operational risks.

We worked closely and supported the Service Quality Department, COO Division, and other internal stakeholders, in streamlining and improving our internal procurement processes for timely and seamless support and services, in accordance with International Standard.

Despite the challenges, notable accomplishments include:

- Streamlining internal process such as establishing contracts with key vendors to improve efficiency and productivity in procuring goods, services, and work.
- Drive savings initiatives through implementation of proper and systematic procurement activities.
- Conducting ongoing engagement with internal stakeholders to provide relevant information and guidance for new and challenging procurement process of goods, services, and works.

Social Net Empowerment Initiatives



GRSP collaborated closely with Ministry of Religious Affairs and Ministry of Home Affairs in their empowerment initiatives, that aims to provide opportunity to create exposure and a platform for MSMEs to generate income from their cottage industry/ home businesses. In 2022, the Division advised and supported participants and Islamic Dakwah Centre in the Ekspo Souq Al- Qudwah 3.0 organised by the Ministry of Religious Affairs.

Knowledge Sharing

Key members of the Division were invited as panel speakers for the Boards' Executive Education (BEE) Program forum entitled "Boards' Role in Ensuring Good Governance and Sustainability Practices" organized by the Brunei Institute of Leadership & Islamic Finance (BILIF). GRSP was also invited to deliver a Lecture entitled "Development of Leadership Skills - Leadership in Managing Change for the Present & Future" to the Heads and Senior Officers of the Prisons Department under the Ministry of Home Affairs.

Advisory Roles

SMRU, under the leadership and guidance of the Head of GRSP, participated in several initiatives including:

- Becoming advisor and focal point in the establishment and implementation of the Projek TUNAS, an entrepreneurship program that provides a platform to carry out business activities for SMEs, through a Whole of Nation Approach between BIBD and the Ministry of Home Affairs.



- Acting as advisor and focal point in the establishment and implementation of *Gabungan Usahawan 1K1P*, that aims to create synergy in the production of high quality products and creating a sustainable, viable, resilient, competitive business eco-system.



- Establishing the BIBD Corporate Platoon and BIBD Wellness Ambassadors.



Additionally, GRSP was also an advisor to key projects under the Executive Development Programme for Middle Management (EDPMO) projects, namely:

- *Persatuan Gerakan Ibu Tunggal* (PGIT) – shared information in establishment and managing business and working team/members.
- One School One Farm – advice in the setting up and management of businesses, a school project under the Department of Islamic Studies, Ministry of Religious Affairs.

Goals and Focus Areas in 2023

Among the key goals in 2023 will be to:

Human Capacity Development

Enhancing and improving the skill sets of our human assets will be of key priority in the coming year, especially in the areas of:

- Project Management, to equip the team with knowledge that would ensure project can be planned, implemented and completed against the deadline, within the project costs and budgeted resources.
- HSE Training, to further improve the team's competency in health and safety and able to serve FMSU internal and external clients with safety in mind.
- Negotiation skills and industry knowledge – understanding of material and related costs, and appreciation of suppliers' capabilities. These capabilities and knowledge will facilitate the

respective unit in negotiations and discussions, to obtain the best deals and value for money goods, services, and works that will benefit the Bank.

Digitalisation

Adopting digital means to improve efficiency and effectiveness, specifically:

- To implement the Facility Management SharePoint System, to allow the respective unit to receive order and manage repairs and works from a system-based dashboard.
- To enhance our capabilities in the use of ERP systems to further improve efficiency, productivity, spending visibility and minimise downtime in end-to-end processing.

Governance and Stakeholder Engagement

The Division is committed to continuously identify improvement opportunities by reviewing current processes and procedures and keep up to date with trend and practices, which can benefit the businesses.

We believe that key processes can also be facilitated by leveraging supplier relationship management to further enhance trust, honesty, open communication, and ethical business practices, and deliver efficient customer service, secure attractive pricing, and other benefits.

Building Key Alliances

GRSP will continue to strengthen the Bank's reputation and to be a key alliance to His Majesty the Sultan's Government and its affiliated partners through Whole of Nation Approach and BIBD's Partner in Progress in jointly guiding, supporting, leading/ driving, and achieving the Brunei Government aspiration and strategic goals in relation to the Wawasan Brunei 2035, Digital Masterplan, Maqasid Al-Shariah, and SDG drives.



Supporting the BIBD Sustainability Framework

The Division's collaboration and relationship with key and relevant suppliers will emphasise the importance of preserving the Environment, being Socially Responsible vendors, ethical in managing Bank's businesses through comprehensive (corporate) Governance (ESG), thus leading all parties involved towards more sustainable business and financial stability.

Furthermore, GRSP are also supporting various initiatives in collaboration with key strategic partners that will address specific Sustainable Development Goals, such as:

SDG 3 - Good Health and Well-Being

- o Collaboration with the Ministry of Health and Pantanj Jerudong Specialist Centre on related initiatives to promote and healthy lifestyle.
- o First Aid, Wellness and Mental Health Training through the Brunei Red Crescent.

SDG 4 - Quality Education

- o BIBD supported Pusat Ehsan Al-Ameerah Al Hajjah Maryam by contributing to the construction of a classroom for the new Al-Ameerah Al-Hajjah Maryam School, a first-of-its-kind special needs school in Brunei that provides Primary, Kindergarten and Reception level, in meeting the educational requirements of special needs children/individuals.

SDG 9 - Industry, Innovation and Infrastructure

- o BIBD supported UTB's collaboration with the Agriculture Department, Ministry of Primary Resources & Tourism in innovative technology in padi seedlings planting for Brunei Darussalam distribution.

SDG 17 - Partnership for the Goals

- o GRSP strengthen its partnership with government stakeholders such as Ministry of Religious Affairs, Prime Minister's Office, Ministry of Health, Ministry of Finance & Economy, Ministry of Home Affairs and Yayasan Sultan Haji Hassanal Bolkiah, in the coordination and implementation of key initiatives of national interest, particularly in the areas of empowerment and entrepreneurship. These includes:

- *Souq Al Qudwah and Asnafpreneurs, Ministry of Religious Affairs*

These are annual events where a marketplace is set-up to promote and sell products of targeted segments and activities related to creating awareness and promoting the teaching of Islam

- *Projek Tunas, Ministry of Home Affairs*

A permanent marketplace to promote and sell products of targeted segments, for them to earn consistent income.

- *Business and Products Development, Pusat Bahagia, Ministry of Culture, Youth and Sports*
Providing advice and guidance for the Centre's entrepreneurial initiatives that are made by special needs individuals, that can be commercialised and provide income to the producers.



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