



PRESS RELEASE
AMBD POLICY STATEMENT 2/2015

1. Autoriti Monetari Brunei Darussalam (AMBD) today published its bi-annual policy statement for the second half of the year.
2. In the statement, AMBD remarked that the global economy was weaker overall in 2015 with low growth prospects for commodity exporters. In the first half of the year, the domestic economy contracted by 2.6% y-o-y due to declines in both the Oil and Gas and the Non-Oil and Gas Sectors. Inflation is expected to remain subdued due to low food and commodity prices as well as the modest strengthening of the Brunei Dollar. The Monetary Policy Committee (MPC) of AMBD will continue to be vigilant of the economic environment and to assess the need of loosening credit conditions, if necessary, whilst preserving stability in the financial system.
3. AMBD also highlighted on several financial developments in the country, particularly on the amendments to five Regulatory Notices that were effective as of 28 October 2015. The total assets and deposits of the banking system have declined marginally as of Q3 2015. Nevertheless, the overall banking sector remained sound posting high capital adequacy ratio. AMBD also introduced a provision which gives the Authority power to compound offences under Insurance Order, 2006 and Takaful Order, 2008 respectively.
4. In terms of future developments, AMBD noted that it is currently working, in consultation with the insurance/Takaful industry, on enhancing the industry's market conduct framework. Apart from that, AMBD further remarked that the second phase of the modernization process of the national payment and settlement systems is currently underway where the Automated Clearing House (ACH) system is expected to go live in the first quarter of 2016.
5. The full version of AMBD Policy Statement 2/2015 can be found on AMBD's website (www.ambd.gov.bn)

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Reference: AMBD/COMMS/3