



اؤتوريٲى مونيتارى بروني دارالسلام
AUTORITI MONETARI BRUNEI DARUSSALAM

ANNUAL REPORT

2014

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Sabda by

His Royal Highness Prince Haji Al-Muhtadee Billah ibni His Majesty Sultan Haji Hassanal Bolkiah
Mu'izzaddin Waddaulah,
The Crown Prince and Senior Minister at the Prime Minister's Office
As Chairman of Autoriti Monetari Brunei Darussalam



بسم الله الرحمن الرحيم
السلام عليكم ورحمة الله وبركاته
الحمد لله رب العالمين،
والصلاة والسلام على أشرف المرسلين،
سيدنا محمد وعلى آله وصحبه أجمعين، وبعد

The year 2014 was no easy time for Brunei Darussalam's economy. In addition to earlier disruptions to oil production during the beginning of the year, steep declines in the price of oil during the second half of the year further amplified the downward pressures on growth. The fact that Brunei Darussalam's economy was heavily affected by an event that was largely out of our control further stresses the need to diversify away from the oil and gas sector.

With this in mind, it is pleasing to observe that the non-oil and gas sector, particularly the financial sector has maintained its robust growth. Overall, domestic prices experienced a mild decline in 2014 but personal consumption expenditure and business capital formation have remained on an upward trend. This implies that the drop in domestic prices is likely to have provided additional disposable income for spending rather than driving Brunei Darussalam's economy into a harmful deflationary spiral.

The domestic financial system remains robust and dynamic. The launching of the Credit Bureau Self-Inquiry and Dispute Resolution services to the public and the Real Time Gross Settlement (RTGS) system are testaments to the continuous development of the financial system. On top of this, as the regulator of the financial sector, AMBD will continue its efforts to ensure monetary and financial stability while also striving to create a regulatory and supervisory environment that is conducive to growth. As Brunei Darussalam's economy moves towards Wawasan 2035, there is a growing need for innovative financial products and services and conducive infrastructure. At this front, AMBD will stand ready to play its part. AMBD will also continue to remain strong and proactive in its efforts to combat money laundering and the financing of terrorist activities as signified by its acceptance into the prestigious Egmont Group of Financial Intelligence Units.

On the international stage, AMBD remains committed to building our existing relationships to fully take advantage of potential cross border synergy. This year, we had been privileged to host various major events such as the Islamic Financial Stability Board (IFSB) Annual Meeting for 2014 and the 17th ASEAN Insurance Regulators' Meeting. Certainly, AMBD has learnt a lot from our international counterparts through these Meetings and the trainings provided to our staff.

On this note, I would like to express my sincere appreciation and hope that we can expand our network. I would also like to extend my most sincere thanks and gratitude to the Board of Directors, management, and all the staff of AMBD for their efforts and contributions during the year. I am fully confident that they will uphold their professionalism and commitment to ensure that AMBD will continue to serve in the best interests of the nation.

In closing, it is my pleasure to present the AMBD Annual Report 2014. I hope this report will provide a useful reference for readers.

Foreword

by Managing Director

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

I am pleased to present the 4th Annual Report of AMBD which provides readers with a detailed overview of the developments of Brunei Darussalam's monetary and financial sectors as well as the activities and policies implemented by AMBD throughout 2014.

The Financial sector in Brunei Darussalam currently contributes about 3 percent to the country's GDP. A large portion of this contribution is from the banking industry followed by the insurance and takaful industry along with some fund management/investment activities. We believe that the financial sector has vast potential to increase its contribution to GDP especially in the areas of Islamic finance and capital market activities. The critical role of AMBD in this regard is to ensure a conducive environment for the financial sector to grow without compromising financial stability. For this to happen, consultation with industry players is critical particularly in setting future policies so that AMBD will be attuned to both markets' and consumers' needs.

The year 2014 saw the achievement of several key milestones in the development of financial infrastructure which is expected to increase the productivity of the financial sector. The first was the introduction of the Credit Bureau Self-Inquiry and Dispute Resolution services to the public which has allowed borrowers to access their own credit reports. The service is aimed to generate more transparency, greater credit awareness, and incentivize borrowers to maintain a good credit reputation. The second key milestone was the launching of the Real Time Gross Settlement System (RTGS) that allows the efficient and timely transfers of large value funds between banks. AMBD has also taken over the Brunei Association of Banks cheque clearing system which will be replaced with the Automated Clearing House by 2015.

AMBD took stride to enhance professionalism and market discipline in the insurance/takaful industry whereby in July 2014, guidelines were issued requiring the registration of general insurance/takaful agents. It is envisaged that the new set of requirements which is applicable to general agents would also result in increased public confidence in the country's takaful and insurance sector and further intensify the development of this sector.

During this year, AMBD's Financial Intelligence and Enforcement Unit was accepted as a member of the Egmont Group of Financial Intelligence Units. This acceptance is a reflection of AMBD's continuous effort in implementing the anti-money laundering and countering financing of terrorism measures.

In February 2014, AMBD signed a Memorandum of Understanding (MoU) with China Securities Regulatory Commission to promote investor protection and uphold the integrity of the capital markets in both Brunei Darussalam and the People's Republic of China. It has provided a framework to enhance cross-border regulatory cooperation and facilitate the exchange of information. Another MoU was also signed with the Monetary Authority of Singapore to further enhance our bilateral cooperation in capital market development and capacity building.

In March 2014, AMBD welcomed delegates and officials for the 2014 Islamic Financial Stability Board (IFSB) Annual Meetings. It has given a platform for Islamic Finance experts to exchange views on IFSB 6th Legal Seminar topic which was 'Innovation in Sukuk Securitisation and Islamic Hedging Instruments: Developments and Challenges'. AMBD also successfully hosted the 17th ASEAN Insurance Regulators' Meeting in November 2014 which has also allowed ASEAN insurance regulators to exchange views and foster cooperation on insurance sector development in the ASEAN region.

Through experience and learning from regional peers over the years, AMBD was able to identify key strategies to further strengthen its functions and service delivery to the public. Thus several organizational changes were made through the addition of new units to streamline work processes. These changes highlight our commitment to constantly grow as an institution in order to enhance effectiveness in fulfilling our objectives and more importantly to accomplish AMBD's vision of making Brunei Darussalam the preferred centre for Islamic Finance.

To close, I would like to express my heartiest appreciation to His Royal Highness, the Chairman, as well as to the Board of Directors for their wise guidance and steadfast support. I would also like to extend my gratitude to all AMBD personnel for their continued dedication and commitment to the organization.

Awang Yusof bin Haji Abd Rahman

MEMBERS OF THE BOARD OF DIRECTORS



Chairman

His Royal Highness Prince Haji Al-Muhtadee Billah ibni
His Majesty Sultan Haji Hassanah Bolkihah Mu'izzaddin Waddaulah

The Crown Prince and Senior Minister at the Prime Minister's Office



**Yang Berhormat Pehin
Orang Kaya Indera
Pahlawan Dato Seri Setia
Awang Haji Suyoi bin
Haji Osman**
*Minister of Development
as Deputy Chairman of AMBD*



**Yang Berhormat Pehin
Orang Kaya Laila Setia
Dato Seri Setia Awang
Haji Abdul Rahman bin
Haji Ibrahim**
*Minister of Finance II at the Prime
Minister's Office*



**Yang Mulia Dato Paduka
Awang Haji Ali bin
Apong**
*Deputy Minister
at the Prime
Minister's Office*



**Yang Arif Dato Seri
Setia Haji Awang
Metussin bin Haji Baki**
Syariah High Court Judge



**Yang Mulia Dato Paduka
Awang Haji Mohd Roselan
bin Haji Mohd Daud**
*Permanent Secretary
(PENGGERAK) at the Prime
Minister's Office*



**Yang Mulia Dato Paduka
Haji Hisham bin
Haji Mohd Hanifah**
*Permanent Secretary
(Policy & Investment)
Ministry of Finance*



**Yang Mulia Awang Yusof
bin Haji Abd Rahman**
*Managing Director
of AMBD*

FINANCIAL STABILITY COMMITTEE

Chairman

Yang Berhormat Pehin Orang Kaya Indera Pahlawan Dato Seri Setia Awang Haji Suyoi bin Haji Osman
Minister of Development as Deputy Chairman of AMBD

Deputy Chairman

Yang Mulia Dato Paduka Awang Haji Ali bin Apong
Deputy Minister at the Prime Minister's Office

Members

- i) Yang Arif Dato Seri Setia Haji Awang Metussin bin Haji Baki
Syariah High Court Judge
- ii) Yang Mulia Dato Paduka Awang Haji Mohd Roselan bin Haji Mohd Daud
Permanent Secretary (PENGGERAK) at the Prime Minister's Office
- iii) Yang Mulia Dato Paduka Awang Haji Hisham bin Haji Mohd Hanifah
Permanent Secretary (Policy & Investment), Ministry of Finance
- iv) Yang Mulia Awang Yusof bin Haji Abd Rahman
Managing Director, AMBD
- v) Yang Mulia Dayang Hajah Lily binti Haji Kula
Deputy Managing Director (Regulatory), AMBD
- vi) Yang Mulia Awang Haji Adi Marhain bin Haji Leman
Assistant Managing Director (Monetary Operations), AMBD

Secretariat

- i) *Regulatory Department, AMBD*
- ii) *Monetary Policy and Management Department, AMBD*

AUDIT COMMITTEE

Chairman

Yang Mulia Dato Paduka Awang Haji Mohd Roselan bin Haji Mohd Daud
Permanent Secretary (PENGGERAK) at the Prime Minister's Office

Members

- i) Yang Mulia Awang Haji Azhar bin Haji Ahmad
Deputy Permanent Secretary (Technology), Ministry of Defence
- ii) Yang Mulia Awang Haji Zakaria bin Haji Serudin
Deputy Permanent Secretary (Performance and Compliance), Ministry of Finance
- iii) Yang Mulia Awang Ahmaddin bin Haji Abdul Rahman
Acting Accountant General, Treasury Department, Ministry of Finance

Secretariat

Internal Audit Unit, AMBD

INVESTMENT ADVISORY COMMITTEE

Chairman

Yang Mulia Dato Paduka Awang Haji Hisham bin Haji Mohd Hanifah
Permanent Secretary (Policy & Investment), Ministry of Finance

Deputy Chairman

Yang Mulia Awang Yusof bin Haji Abd Rahman
Managing Director, AMBD

Members

- i) Yang Mulia Awang Haji Abu Bakar bin Haji Ibrahim
Deputy Permanent Secretary (Investment), Ministry of Finance
- ii) Yang Mulia Awang Junaidi bin Haji Masri
Acting Managing Director, Brunei Investment Agency

- iii) Yang Mulia Awang Haji Adi Marhain bin Haji Leman
Assistant Managing Director (Monetary Operations), AMBD
- iv) Yang Mulia Dayang Zakiah binti Haji Nayan
Acting Assistant Managing Director, Brunei Investment Agency

Secretariat

Yang Mulia Awang Mardini bin Haji Eddie
Executive Director (Reserve Investment and Payment & Settlement Systems), AMBD

Note:

1. Yang Mulia Awang Yusof bin Haji Abd Rahman was appointed as a member of the Board on 26 August 2014.
2. Yang Mulia Dato Paduka Awang Haji Mohd Rosli bin Haji Sabtu served as a member of the Board from 1 January 2011 to 1 July 2014.

MANAGEMENT TEAM

1. Yang Mulia Awang Yusof bin Haji Abd Rahman
Managing Director
2. Yang Mulia Dayang Hajah Lily binti Haji Kula
Deputy Managing Director (Regulatory)
3. Yang Mulia Awang Haji Adi Marhain bin Haji Leman
Assistant Managing Director (Monetary Operations)
4. Yang Mulia Dayang Hajah Sufinah binti Haji Sahat
Executive Director (Account and Finance)
5. Yang Mulia Awang Mardini bin Haji Eddie
Executive Director (Reserve Investment and Payment & Settlement System)
6. Yang Mulia Dayang Hajah Rashidah binti Haji Sabtu
Executive Director (Banking and Specialised Market Supervision)
7. Yang Mulia Dayang Hajah Mahani binti Haji Mohsin
Executive Director (Insurance/Takaful and Capital Market Supervision)
8. Yang Mulia Dayang Hajah Nuralia binti Haji Abd Rahim
Head of Financial Intelligence and Enforcement Unit
9. Yang Mulia Dayang Hajah Siti Norishan binti Haji Abdul Ghafor
Principal Counsel (Corporate and Legal Affairs) and AMBD Board of Directors Corporate Secretary
10. Yang Mulia Awang Haji Mohd Shukri bin Haji Ahmad
Head of Islamic Financial Advisory Unit
11. Yang Mulia Dayang Suriati binti Haji Mohamad Taib
Executive Director (Centre for Islamic Banking, Finance and Management)
12. Yang Mulia Awang Mohammad Soffean bin Haji Junaidi
Head of Human Resource Unit
13. Yang Mulia Awang Mohammad Roaizan bin Haji Johari
Head of Credit Bureau Unit

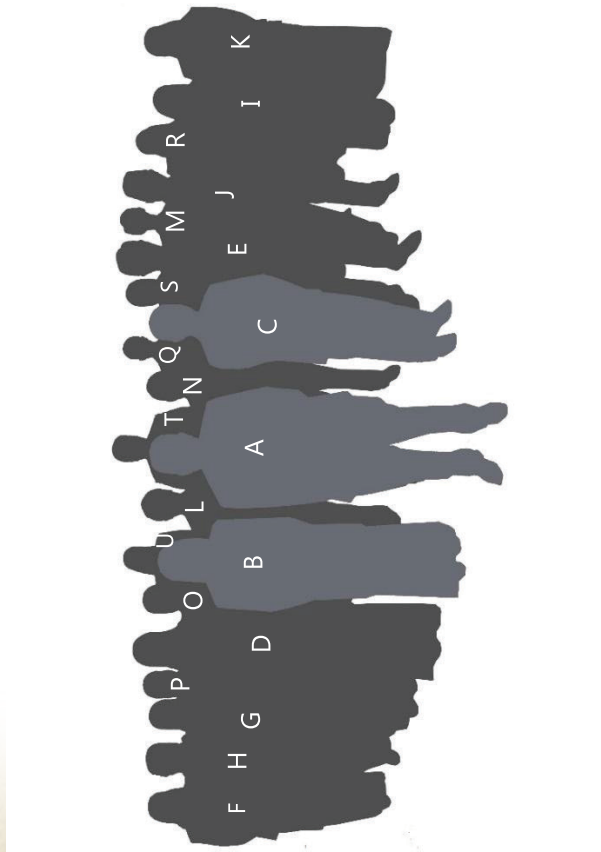
14. Yang Mulia Awang Haji Mohd Khairul Zaki bin Haji Mohidin
Head of Information Technology Unit
15. Yang Mulia Dayangku Sri Joedianna binti Pengiran Haji Mohammed
Head of Economic and Statistics Unit
16. Yang Mulia Dayang Rina Hayane binti Haji Sumardi
Head of International Unit
17. Yang Mulia Awang Mohd Yusri bin Dato Paduka Haji Abdul Majid
Head of Risk Management Unit
18. Yang Mulia Dayang Hajah Nurhuaida Fakhriah binti Haji Damit
Head of Monetary Management Unit
19. Yang Mulia Pengiran Maslina binti Pengiran Haji Mahmud
Head of Internal Audit Unit
20. Yang Mulia Awang Haji Othman bin Haji Mohd Salleh
Head of Administration Unit
21. Yang Mulia Dayang Noor Izzah binti Haji Abu Bakar
Head of Registry Unit

MANAGEMENT TEAM



اؤتوريتي مونيتاري بروني دارالسلام
AUTORITI MONETARI BRUNEI DARUSSALAM





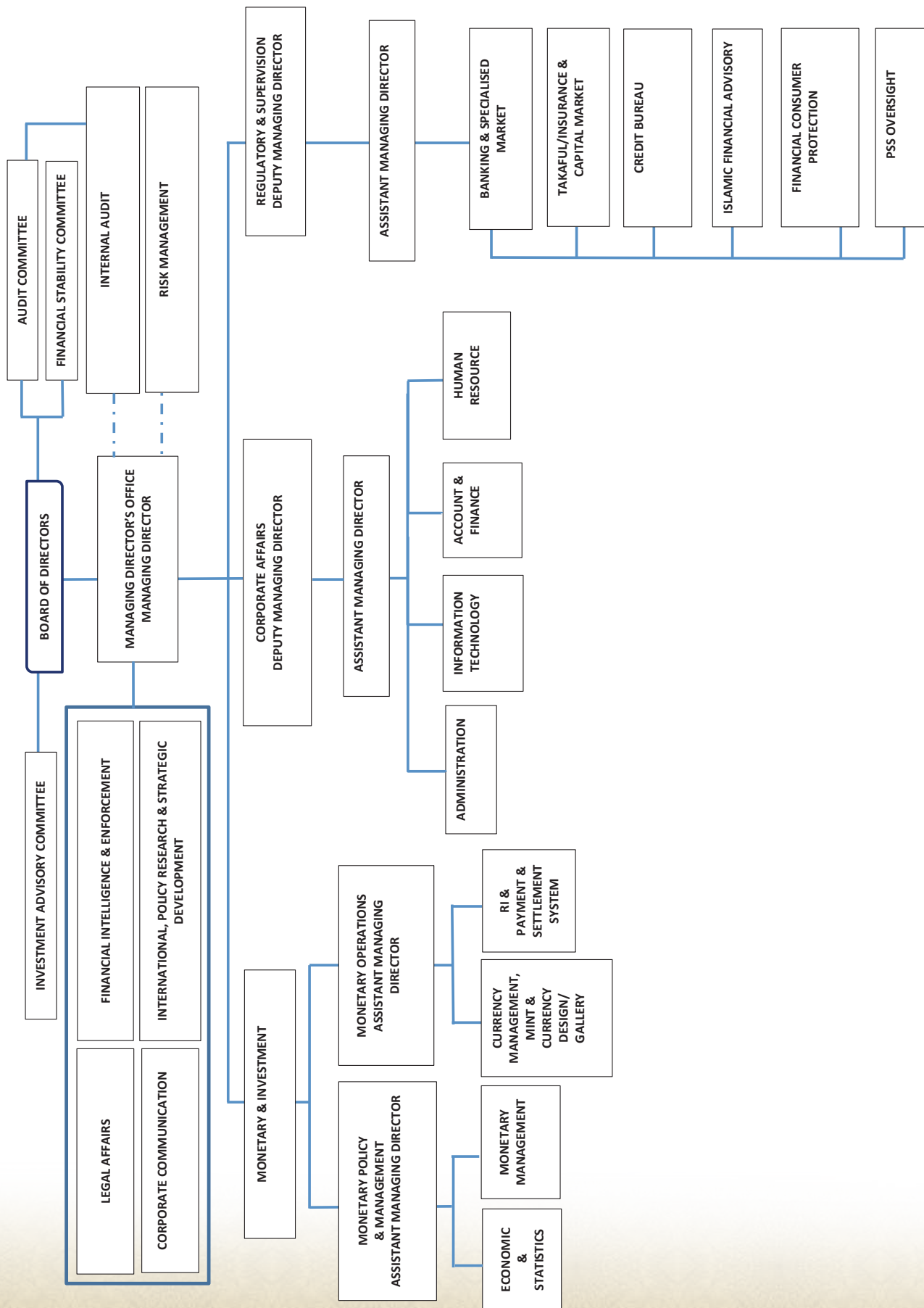
A	Awang Yusof bin Haji Abd Rahman <i>Managing Director</i>
B	Dayang Hajah Lily binti Haji Kula Deputy Managing Director (Regulatory)
C	Awang Haji Adi Marhain bin Haji Leman Assistant Managing Director (Monetary Operations)
D	Dayang Hajah Sufinah binti Haji Sahat
E	Awang Mardini bin Haji Eddie
F	Dayang Hajah Rashidah binti Haji Sabtu
G	Dayang Hajah Mahani binti Haji Mohsin
H	Dayang Hajah Nuralia binti Haji Abd Rahim
I	Dayang Hajah Siti Norishan binti Haji Abdul Ghafor
J	Awang Haji Mohd Shukri bin Haji Ahmad
K	Dayang Suriati binti Haji Mohamad Taib
L	Awang Mohammad Soffean bin Haji Junaiddi
M	Awang Mohamad Roaizan bin Haji Johari
N	Awang Haji Mohd Khairul Zaki bin Haji Mohidin
O	Dayangku Sri Joedianna binti Pg Haji Mohammed
P	Dayang Rina Hayane binti Haji Sumardi
Q	Awang Mohd Yusri bin Dato Paduka Haji Abd Majid
R	Dayang Hajah Nurhuida Fakhriah binti Haji Damit
S	Pengiran Maslina binti Pengiran Haji Mahmud
T	Awang Haji Othman bin Haji Mohd Salleh
U	Dayang Noor Izzah binti Haji Abu Bakar

Note:

1. Yang Mulia Awang Yusof bin Haji Abd Rahman was appointed as Managing Director on 26 August 2014.
2. Yang Mulia Dato Paduka Awang Haji Rosli bin Haji Sabtu served as Managing Director from 1 January 2011 to 1 July 2014.
3. Yang Mulia Awang Haji Rosdi Amin bin Dato Paduka Haji Yaakub served as Deputy Managing Director (Monetary and Corporate Services & Development) from 2 January 2014 to 25 August 2014.

ORGANISATIONAL STRUCTURE

Chart 1: Organisation Chart



MAIN OBJECTIVES

The principal objectives of AMBD under the Autoriti Monetari Brunei Darussalam Order, 2010 are:

- i. To achieve and maintain domestic price stability;
- ii. To ensure the stability of the financial system, in particular by formulating financial regulation and prudential standards;
- iii. To assist in the establishment and functioning of an efficient payments system and to oversee them; and
- iv. To foster and develop a sound and progressive financial services sector.



1. GLOBAL ECONOMIC REVIEW



The year 2014 was a year of divergence as some economies, in particular amongst the advanced countries, grew faster than others. The global economy as a whole grew by 3.3 percent (IMF), the same rate at which it grew in 2013, but advanced economies seemed to outperform emerging markets. Although emerging markets still grew at a faster pace than the advanced economies, their growth fell to 4.4 percent in 2014 from 4.7 percent in 2013, being dragged down by Russia, China, and Brazil. Advanced economies on the other hand managed a growth rate of 1.8 percent, which is an increase from 1.4 percent achieved in 2013.

The US experienced an impressive growth rate of 2.4 percent in 2014, higher than the growth of 2.2 percent achieved in 2013 and the second highest amongst the advanced economies. The labour market was also seen to have improved substantially in 2014. The unemployment rate at the end of 2014 stood at 5.6 percent, a fall from 6.7 percent at the end of 2013. It also represents the lowest level of unemployment seen since the Global Financial Crisis suggesting that the US economy, or at least the labour market, has almost fully recovered from the crisis. The strong performance of the US economy provided confidence for the Federal Reserve to end their quantitative easing program in October and calls for gradual interest rate increases have become louder. Declines in global oil prices during the second half of 2014 have, however, lowered inflation and medium term inflation expectations substantially. During the last month of 2014, year-on-year consumer price inflation fell to 0.8 percent, well below the Federal Reserve's 2 percent target. This has prompted the Federal Open Market Committee (FOMC) to put any rate rises on hold until there is greater evidence that the economy is heating up.

The Eurozone economy managed to escape two consecutive years of negative growth to expand by 0.8 percent in 2014. The growth was, however, uneven among the Eurozone countries and does not hide the structural problems that persist. Inflation, too, has been weak ever since the start of the year and was further pushed down as a result of falling global oil prices during the second half. A fragile and uneven recovery and falling inflation prompted the European Central Bank (ECB) to cut their main interest rate from 0.15 percent to 0.05 percent and their deposit rate below 0 percent. The ECB also expanded their balance sheet through their Asset Back Securities (ABS) and Covered Bonds purchase program. In December 2014, the Eurozone officially fell into deflation as the Harmonized Index of Consumer Prices (HICP) fell year-on-year by -0.2 percent.

China's economy grew by 7.4 percent in 2014 which is lower than the 7.8 percent growth achieved the previous year and the slowest pace in 24 years. The slowdown was mainly attributed to the cooling of property prices as a result of credit tightening policies and fiscal problems with local governments. It was also attributed to policies designed to rebalance the economy away from investments and exports to a more consumption based growth model. The positive implications of such rebalancing policies are only expected to be seen in the long run.

The Japanese economy stumbled into a technical recession during the third quarter of 2014 after the sales tax was increased from 5 percent to 8 percent in April. The sales tax was planned to be increased again in October 2015 from 8 percent to 10 percent but has been put on hold for another 18 months during November's snap election. At the end of the year, the government approved a new economic package

ASEAN-5, namely Indonesia, Malaysia, Philippines, Thailand, and Vietnam, experienced a moderation in growth from 5.2 percent in 2013 to 4.5 percent in 2014. Meanwhile, Singapore is expected to grow by 2.8 percent in 2014, a decline from the 4.1 percent growth attained in 2013. The main reason for the fall in growth is weakening global demand and decreasing productivity.



2. ECONOMY OF BRUNEI DARUSSALAM



Real Gross Domestic Product (GDP) in 2014 contracted by 2.3 percent year-on-year to B\$19,055.5 million. The Oil and Gas sector contributed -2.7 percent to the overall GDP growth while the contribution from the non-Oil and Gas sector was -0.2 percent.

The Oil and Gas sector saw a decrease of 6.7 percent to B\$10,999.4 million in 2014. The non-Oil and Gas sector contracted slightly by 0.4 percent to B\$8,056.1 million. Among some of the specific sectors in the non-Oil and Gas that have shown a decline were Construction and Business Services while positive figures were reported in the areas of Government Services/Public Administration and Finance Services.

The inflation rate in Brunei Darussalam for 2014 was -0.2 percent with persistent negative figures from July to November 2014. The main contributors to this decrease in the consumer price index were Furnishings, Household Equipment and Routine Household Maintenance (-2.2 percent), Recreation and Culture (-2.0 percent) and Clothing and Footwear (-2.4 percent).

A Government budget of B\$5.98 billion was announced for the fiscal year 2014/2015 during the 10th Legislative Council Meeting held in March 2014, noting a B\$0.12 billion decrease from the previous approved budget for 2013/2014. The budget focused on strengthening education and training; stimulating investment activity; increasing productivity; and ensuring the welfare of citizens and residents. Part of the national budget, a total of B\$1.15 billion was allocated to fund developments under the 10th National Development Plan (RKN 10) for fiscal year 2014/2015. This development budget was to be distributed to, among others; the social services sector (including projects on education, health, national housing and human resources), public facilities sector (comprising on sewage treatment projects, providing clean water supply, drainage improvement, flood protection and electric supply); and improving the transportation and communications sector (includes projects on roads, telecommunications and civil aviation)

Exports stood at B\$13,315.2 million in 2014, recording a 6.9 percent decrease from 2013. Oil exports and LNG exports declined by 14.0 and 8.1 percent respectively. Imports saw a decrease by 5.0 percent to B\$4,290.7 million compared to 2013, mainly due to decreases in imports of Manufactured Goods by Materials; Machinery and Transport Equipment.

The Bruneian Dollar depreciated by 5.0 percent against the US Dollar, where the exchange rate at the end of 2014 was B\$1.3260 to US\$1.00. Comparing the Brunei Dollar against the currencies of other major trading partners, the Brunei Dollar strengthened against the Japanese Yen by 21.3 percent and the Malaysian Ringgit by 5.3 percent. Meanwhile, it depreciated against the Korean Won by 5.5 percent and against the Thai Baht by 1.0 percent.

Table 1: Economy of Brunei Darussalam¹

Items	2013		2014		Percentage change
	Amount (B\$ millions)	Market share (Percent)	Amount (B\$ millions)	Market share (Percent)	
Real Gross Domestic Product	19,150.9		18,702.1		-2.3%
Oil & Gas Sector	11,426.9	58.6	10,999.4	57.7	-2.2%
Non - Oil & Gas Sector	8,086.0	41.4	8,056.1	42.3	-0.2%
Exports	14,309		13,316		-6.9%
Crude Oil	6,398	44.7	5,500	41.3	-14.0%
LNG	7,414	51.8	6,816	51.2	-8.1%
Others	498	3.5	1,000	7.5	152.8%
Imports	4,518		4,290		-5.0%
Food and Live Animals	699	13.3	616	14.4	2.8%
Beverages and Tobacco	60	1.4	65	1.5	8.4%
Crude Material Inedible Except Fuel	52	1.1	44	1.0	-14.5%
Mineral Fuels, Lubricants and Related Materials	339	7.5	463	10.8	36.6%
Vegetable Oils and Animal Fats	13	0.3	19	0.4	42.4%
Chemicals	359	8.0	384	9.0	7.1%
Manufactured Goods by Materials	921	20.3	685	16.0	-25.6%
Machinery and Transport Equipments	1,656	36.6	1,489	34.7	-10.1%
Miscellaneous Manufactured Articles	481	10.6	501	11.7	4.2%
Miscellaneous Transactions and Commodities Not Elsewhere Classified	38	0.8	25	0.6	-35.6%
Total Trade	18,827		17,606		-6.5%
Consumer Price Index	100.6		100.4		-0.2
Exchange Rate	2013		2014		Percentage Change²
B\$/unit of US Dollar	1.2630		1.3260		5.0%
B\$/100 units of Japanese Yen	1.4079		1.1074		-21.3%
B\$/100 units of Korean Won	0.1148		0.1211		5.5%
B\$/100 units of Malaysian Ringgit	39.940		37.810		-5.3%
B\$/100 units of Thai Baht	3.9900		4.0300		1.0%

¹ GDP figures, as released by the Department of Economic Planning and Development (JPKE) have been revised using 2010 as the base year to replace the 2000-based series.

² Negative sign denotes appreciation of the Brunei Dollar and positive sign means depreciation of the Brunei Dollar against the foreign currencies.



3. MONETARY SECTOR DEVELOPMENTS



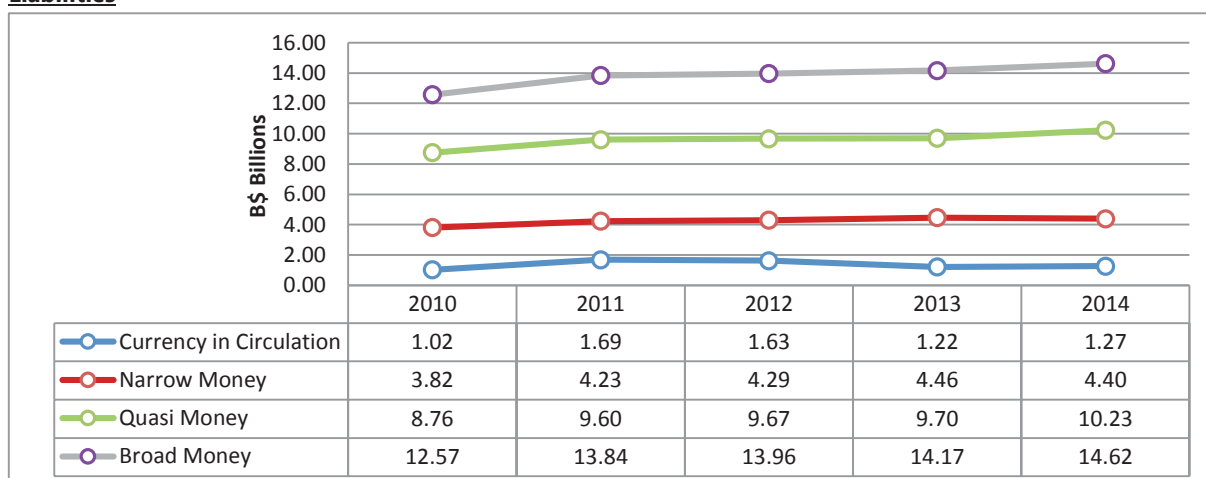
3.1 MONEY SUPPLY

In 2014, Broad Money³ (M2) grew 3.2 percent year-on-year to B\$14.6 billion. Quasi Money⁴ increased by 5.4 percent over the year to stand at B\$10.2 billion mainly due to an increase of savings by households. Meanwhile, Narrow Money⁵ (M1) stood at B\$4.4 billion, reflecting a decline of 1.5 percent for the same period due to a decrease of deposits by public non-financial corporations.

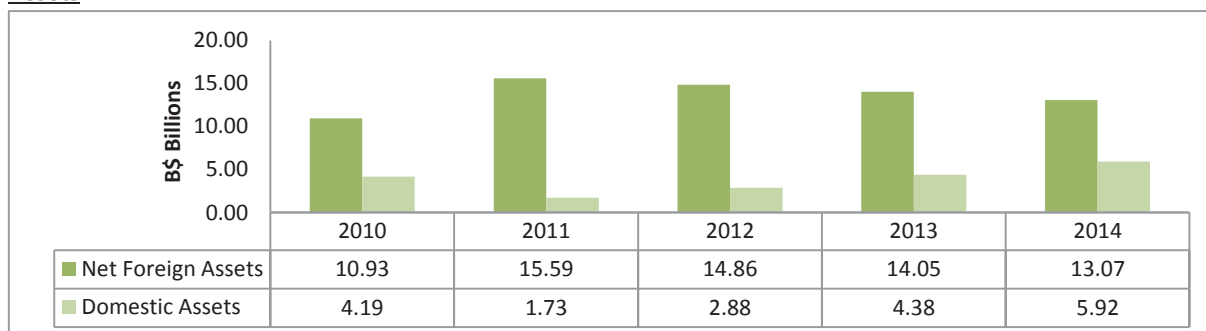
Net foreign assets of the depository corporations⁶ fell 7.0 percent year-on-year to B\$13.1 billion. Whilst, domestic claims⁷ jumped 35.0 percent for the same period to stand at B\$5.9 billion.

Chart 2: Money Supply

Liabilities



Assets



Source: Economics Unit, AMBD

³ Broad money is referring to Narrow Money plus Quasi Money.

⁴ Quasi money is referring to Fixed Deposits plus Savings & Other Deposits.

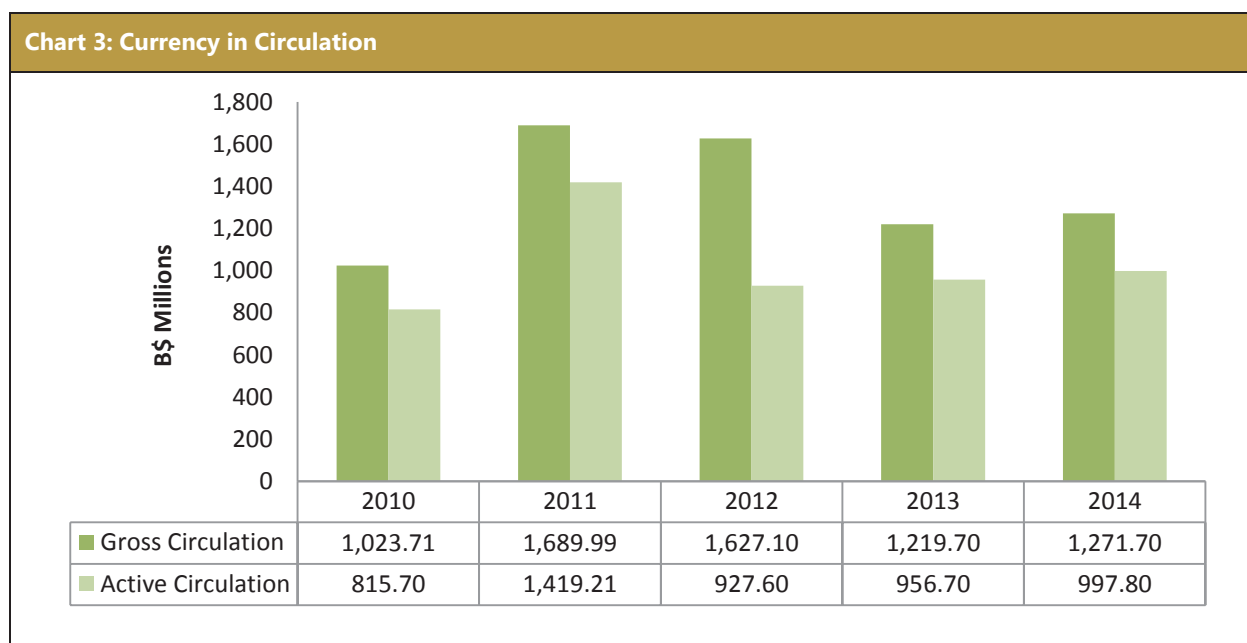
⁵ Narrow money is referring to Currency outside Banks plus Demand Deposits of Private Sector.

⁶ Depository Corporations consist of Central Bank and Other Depository Corporations

⁷ Claims on Other Sectors consist of Claims on Private Sector, Public Nonfinancial Corporations, and Other Nonfinancial Corporations

Currency in Circulation

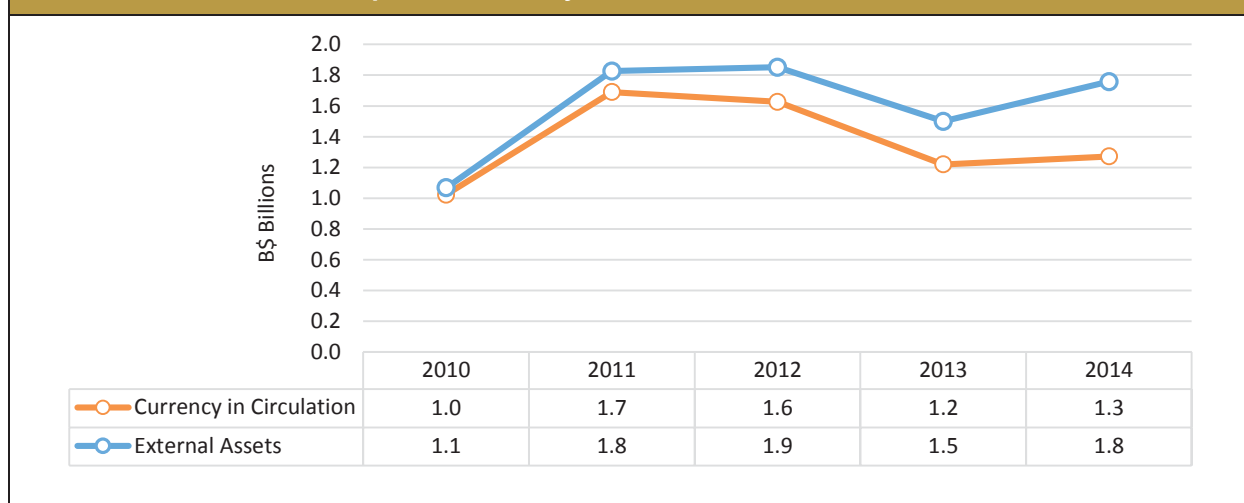
As shown in Chart 3, the gross currency in circulation at end of 2014 expanded 4.3 percent to B\$1.27 billion compared to the previous year. The active currency in circulation⁸ also grew 4.3 percent over the same period to B\$997.8 million. Meanwhile, the external assets for the currency back-up stood at B\$1.76 billion as at end of 2014, providing 138.3 percent coverage to the currency in circulation.



Source: Currency Management Unit, AMBD

⁸ Active circulation does not include commemorative coins, cash holdings of commercial banks in Brunei Darussalam and Brunei currency held by MAS pending repatriation.

Chart 4: External Assets back-up for the Currency in Circulation



Source: Currency Management Unit, AMBD

3.2 BRUNEI GOVERNMENT SUKUK AL-IJARAH

In 2014, AMBD as the agent to the Brunei Government on matters pertaining to the issuance and administration of the Brunei Government Sukuk Al-Ijarah, issued a total of 15 series of the Brunei Government Sukuk Al-Ijarah. Among the 15 series issued, one series had a tenor of 364 days, three series had a tenor of 273 days, four series had a tenor of 182 days with the remainder having a tenor of 91 days. This brings the total amount of the Brunei Government Sukuk Al-Ijarah issued to B\$8.23 billion with an outstanding amount of B\$700 million as at end of 2014.

Table 2: Brunei Government Sukuk Al-Ijarah Issuances

Year	No. of issuances				Total value of issuances (BND millions)	Average rental yield (Percent)			
	91 days	182 days	273 days	364 days		91 days	182 days	273 days	364 days
2006	4	-	-	-	570	3.375	-	-	-
2007	6	-	-	1	450	2.506	-	-	2.300
2008	10	-	-	2	374	0.831	-	-	1.325
2009	16	-	-	2	617	0.339	-	-	0.475
2010	14	-	-	1	649	0.300	-	-	0.340
2011	11	-	-	1	991	0.181	-	-	0.350
2012	14	-	-	1	1,500	0.180	-	-	0.280
2013	12	1	2	1	1579	0.171	0.180	0.195	0.200
2014	7	4	3	1	1,500	0.170	0.215	0.313	0.250
Total	94	5	5	10	8,230				

Box 1: Commemorative Coins in 2014

COMMEMORATIVE COINS FOR COMMEMORATING 30TH ANNIVERSARY OF INDEPENDENCE OF BRUNEI DARUSSALAM

In conjunction with Brunei Darussalam Independence Day, AMBD issued commemorative gold, silver and cupronickel coins on 23 February 2014 to commemorate the 30th anniversary of the Independence of Brunei Darussalam.

The design of the obverse of the coin depicts the portrait of 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. Meanwhile, the design on the reverse of the coin depicts a picture of Brunei Darussalam's Legislative Council Building.

The details of the commemorative coins are as follows :-

Composition	Face Value	Weight	Quantity Mintage	Selling Price
Gold 999.9	\$300	31.1 g	150	\$2,640 per piece
Silver 999	\$30	31.1 g	150	\$160 per piece
Cupronickel	\$3	31.1 g	150	\$90 per piece
Set 3 in 1	\$300, \$30, \$3	Same as above	150	\$2950 per set



The three commemorative coins issued to commemorate 30th Anniversary of the Independence of Brunei Darussalam

COMMEMORATIVE COINS FOR COMMEMORATING 30TH ANNIVERSARY OF BRUNEI DARUSSALAM –JAPAN DIPLOMATIC RELATIONS

AMBD also issued commemorative silver coins on 2 April 2014 to commemorate the 30th anniversary of Brunei Darussalam and Japan diplomatic relations.

The design of the obverse of the coin depicts the portrait of 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. Meanwhile, the design on the reverse of the coin depicts the National flags and symbolic flowers of Brunei Darussalam and Japan (Dillenia Suffruticosa and Cherry Blossoms).

The details of the commemorative coins are as follows :-

Composition	Face Value	Weight	Quantity Mintage	Selling Price
Pure Silver	\$30	31.1 g	5,500	\$100 per piece



Source: Currency Design/Gallery Unit, AMBD



4. FINANCIAL SECTOR DEVELOPMENTS



Brunei Darussalam's financial system consists of a dual financial system comprising Islamic and conventional financial institutions. Total assets of the key financial institutions as at end 2014 were B\$22.4 billion; of which 83.0 percent was attributed to the banking sector.

Table 3: Total Assets of the Major Classes of Financial Institutions in Brunei Darussalam⁹			
Financial Institutions Regulated by AMBD	2014		
	No of Financial Institutions	Amount B\$ billion	Share of Total Assets (Percent)
Deposit Taking Institutions	12	21.0	93.7
Banks including Perbadanan TAIB	7	18.6	83.0
Conventional	6	9.4	41.9
Islamic	2	9.2	41.1
Finance Companies	3	2.2	9.8
Offshore Banks	2	0.2	0.9
Other Licensed Financial Institutions	13	1.4	6.3
Insurance Companies & Takaful	13	1.4	6.3
Conventional	9	1.0	4.5
Takaful	4	0.4	1.8
Total Assets	25	22.4	100.0

Source: Regulatory Department, AMBD

In 2014, the Authority issued four notices to all licensed commercial banks as shown in Table 4 below. Notice No. BO/1/2014 and IBO/1/2014 on the Power of Authority to compound which came into effect on 1 July 2014 aims to ensure full compliance on prudential regulatory requirements in relation to their operations and conduct of business, thus reducing risks to the financial system and ensuring a level playing field in the banking industry. All licensed commercial banks are now subject to the prescribed penalties in the event of non-compliance with, or failure to meet, the requirements of Banking Order, 2006 and Islamic Banking Order, 2008.

Table 4: Recent Developments in the Financial Sector in 2014	
Notice No.	Notice Title
BO/1/2014	Power of Authority to compound
IBO/1/2014	
BO/2/2014 IBO/2/2014	Deregulation of Interest Rates on Residential Property Loan Deregulation of Profit Rates on Residential Property Financing
<i>Other</i>	Enhancement of Personal Loans/ Financing Cap

Source: Banking Supervision Unit, AMBD

Meanwhile, Notice No. BO/2/2014 and IBO/2/2014 on deregulation of interest/profit rates on residential property loans/ financing, which became effective on 3 October 2014, removes the capping on rates set for residential property loans/financing. With this notice all banks are able to price their products competitively. The Authority will, however, closely monitor this sector and reserves the right to intervene from time to time to ensure fair and reasonable financing costs for the consumers.

⁹ 2014 unaudited figures

In order to stimulate a more conducive banking environment and to encourage the increased deployment of excess liquidity within the country, the Authority, through a letter addressed to the Brunei Association of Banks, has enhanced the Personal Loans cap from 30 percent to 40 percent of total loans/financing starting February 2014. This decision was taken in the background of the enhancements of the financial system infrastructure, particularly the establishment of the Credit Bureau, which has greatly facilitated strong credit risk management by banks.

4.1 BANKING

The banking sector remained resilient amidst diverging performance in the global economy and declining oil prices, showing an asset base of B\$18.6 billion at the end of 2014. This is achieved through the continuous efforts of strengthening regulations and supervision which is critical for financial stability and public confidence in the domestic financial system. Overall, the key financial soundness indicators were maintained at healthy levels showing strong capital and high liquidity levels. The asset quality of the banks have improved through strong risk management systems which has resulted in sustained earnings and increased profitability. Banks' exposure to market risk continued to be negligible due to the low trading portfolios and minimal exposure to foreign exchange risk. This is as a result of substantial foreign currency assets are held in Singapore dollars by banks.

Table 5: Banking: Selected Financial Soundness Indicators for Banks¹⁰		
Financial Soundness Indicator	2013 (Percent)	2014 (Percent)
Capital Adequacy		
Regulatory Capital to Risk Weighted Assets	20.4	19.3
Tier 1 Capital to Risk weighted Assets	21.2	22.3
Assets Quality		
Non-Performing Loans/Financing to Loans/Financing	5.7	4.6
Net Non-Performing Loans/Financing to Loans/Financing	1.6	1.5
Provision Coverage	70.9	66.6
Profitability		
Return on Assets	1.3	1.5
Return on Equity	10.2	11.3
Non-Interest Expense to Gross Income	50.3	49.1
Liquidity		
Liquid Assets to Total Assets	56.2	53.7
Liquid Assets to Total Deposits	64.9	62.5
Loans/Financing to Deposits Ratio	42.5	41.8

Source: Banking Supervision Unit, AMBD

Overall, the assets and deposits of the banking system have declined marginally by 3.7 percent from B\$19.3 billion in 2013 to B\$18.6 billion in 2014 and 4.3 percent from B\$16.7 billion in 2013 to B\$16.0 billion in 2014 respectively. This is mainly attributed to the volatility of certain class of depositors. Loans/financing recorded a marginal growth of 1.0 percent from B\$5.6 billion in 2013 to B\$5.7 billion in 2014.

¹⁰ 2014 unaudited figures

Chart 5: Banking: Assets, Deposits and Loans/Financing¹¹



Source: Banking Supervision Unit, AMBD

The household sector continued to be the predominant borrower at 52.2 percent of total loans/financing, where personal loans/financing still represented the largest sector at 28.0 percent in 2014. Despite being predominant, lending towards the household sector continued to trend downwards. The shift towards a positive growth in the corporate sector of 5.8 percent in 2014 is contributed by the Transportation and Commercial Property sectors.

Table 6: Banking: Direction of Loans/Financing¹²

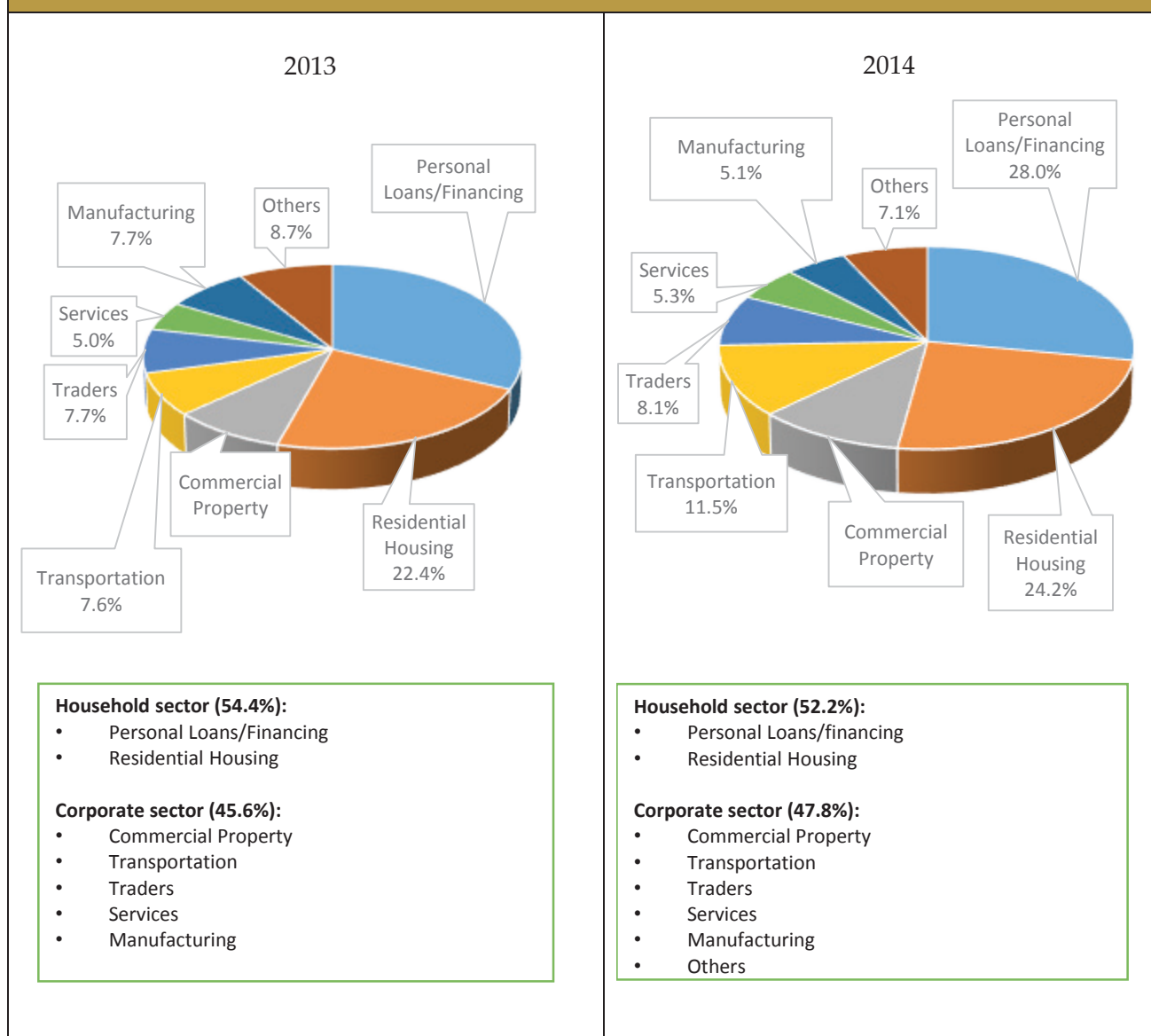
Sector	2013		2014		Percentage (%) Change
	Amount B\$ million	% of Total Loans/Financing	Amount B\$ million	% of Total Loans/Financing	
Household Sector	3,055	54.4	2,960	52.2	-3.1
Personal Loans/Financing	1,796	32.0	1,586	28.0	-11.7
Residential Housing	1,259	22.4	1,374	24.2	9.1
Corporate Sector	2,566	45.6	2,715	47.8	5.8
Commercial Property	502	8.9	609	10.7	21.3
Transportation	427	7.6	653	11.5	52.9
Traders	432	7.7	458	8.1	6.0
Services	283	5.0	303	5.3	7.1
Manufacturing	431	7.7	292	5.1	-32.3
Others	491	8.7	400	7.1	-18.5
Total Loans and Advances/Financing	5,621	100.0	5,675	100.0	1.0

Source: Banking Supervision Unit, AMBD

¹¹ 2014 unaudited figures

¹² 2014 unaudited figures

Chart 6: Banking: Direction of Loans/Financing in 2013 and 2014¹³



Source: Banking Supervision Unit, AMBD

¹³ 2014 unaudited figures

ACCESS TO FINANCE

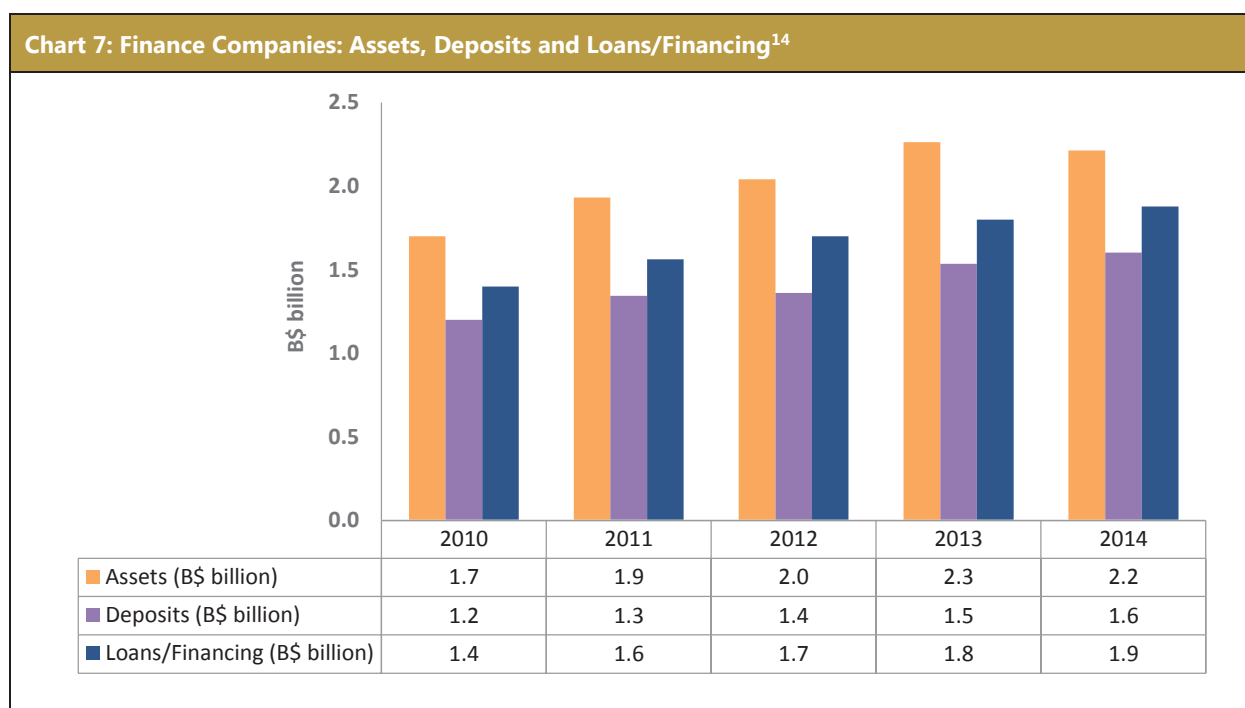
Evidently based on Table 7, the geographical segmentation is heavily based in the Brunei-Muara district which can be justified by the fact that this district is the most populated and is the main centre of all economic and financial activities. Nevertheless, the statistics also show that there has been easier access to finance in the other 3 districts. As of 2014, the number of banking branches and Automated Teller Machine (ATM) operated by the banks were 55 and 253 respectively.

Table 7: Banking: Distribution of Branches and ATMs by District		
District	No of Branches	No of ATMs
Brunei/ Muara	37	190
Kuala Belait	11	48
Tutong	5	13
Temburong	2	2
Total	55	253

Source: Banking Supervision Unit, AMBD

4.2 FINANCE COMPANIES

Total deposits of the finance companies have increased by 4.3 percent from B\$1.5 billion in 2013 to B\$1.6 billion in 2014. Finance companies whose main activities are hire purchase transactions have continued to show a positive trend where credit has increased by 4.4 percent from B\$1.8 billion in 2013 to B\$1.9 billion in 2014.



Source: Banking Supervision Unit, AMBD

¹⁴ 2014 unaudited figures

4.3 INSURANCE AND TAKAFUL

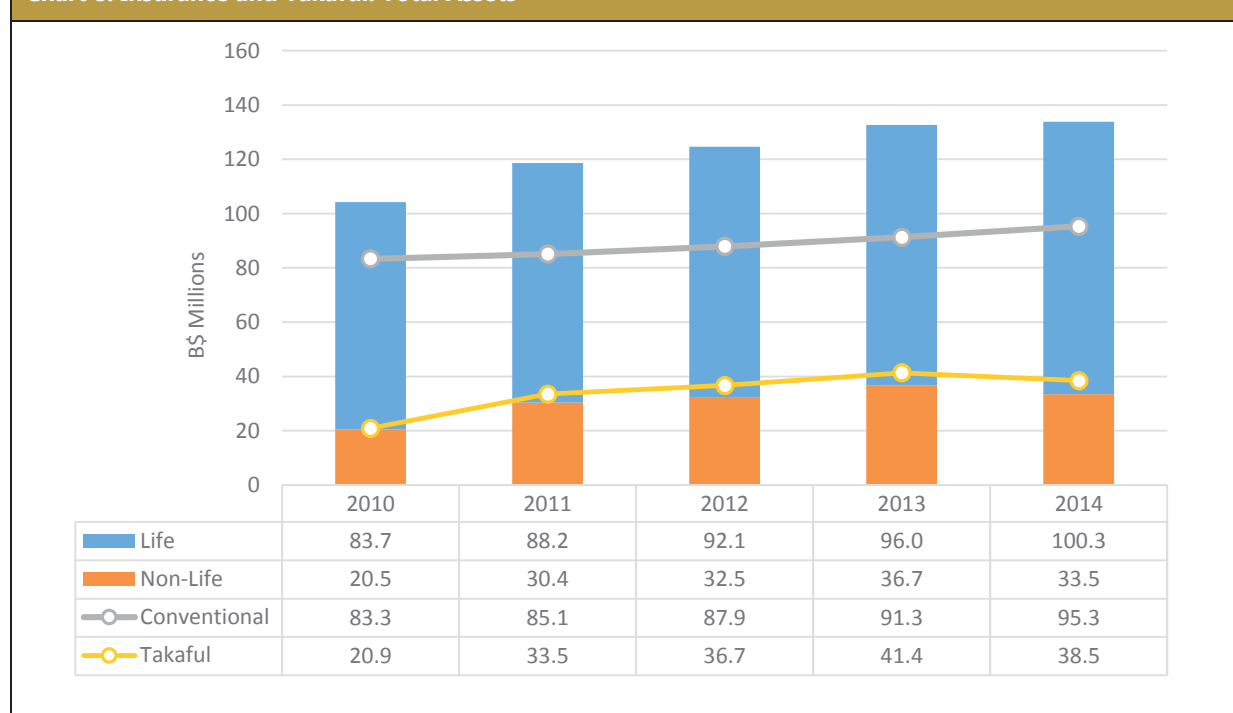
As at 31 December 2014, the insurance and takaful industry showed 1 percent growth in assets from B\$1,326.6 million in 2013 to B\$1,337.7 million in 2014. This is due to the adjustment in the asset-holding in non-life as shown in Chart 8. Correspondingly, gross premiums experienced a slow expansion of 0.2 percent from B\$306.9 million in 2013 to B\$307.5 million in 2014. Nonetheless, gross claims/benefits continued to increase by 3.4 percent from B\$131.5 million in 2013 to B\$135.9 million in 2014.

Table 8: Insurance and Takaful Highlights

(In B\$ millions)	2010	2011	2012	2013	2014
Assets	1,041.8	1,186.1	1,246.0	1,326.6	1,337.7
Gross Premiums	248.8	266.4	282.7	306.9	307.5
Gross Claims/Benefits	102.9	98.9	114.1	131.5	135.9

Source: Insurance/Takaful and Capital Market Supervision Division, AMBD

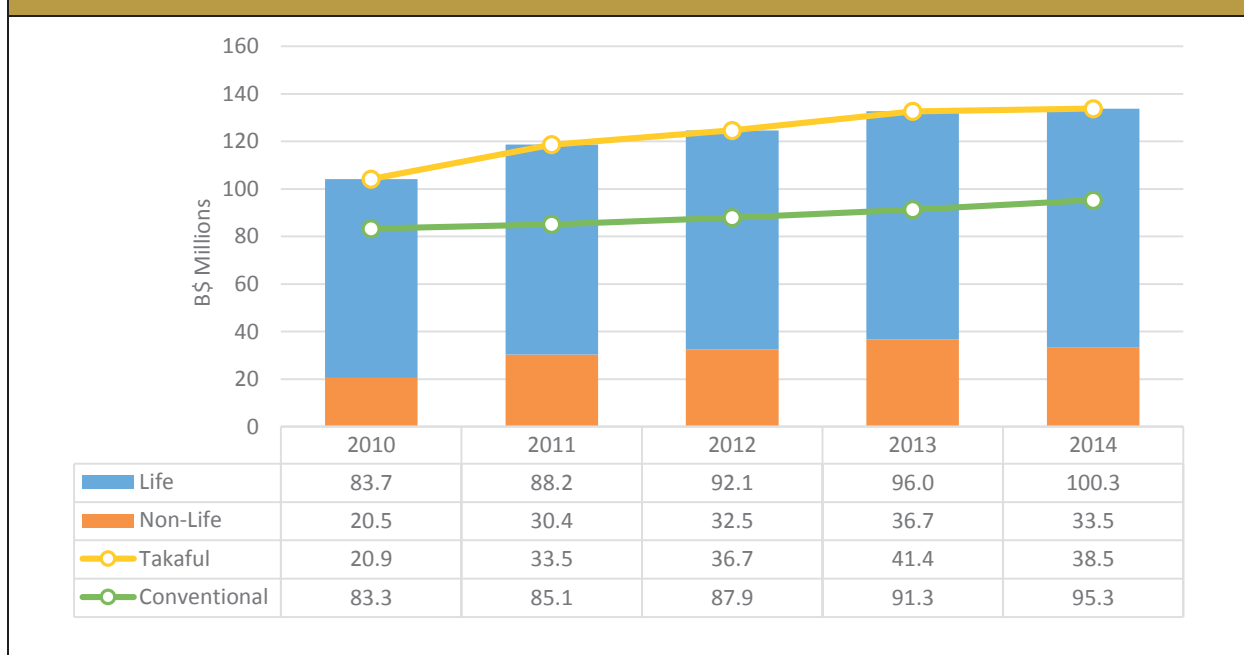
Chart 8: Insurance and Takaful: Total Assets



Source: Insurance/Takaful and Capital Market Supervision Division, AMBD

The small growth in gross premiums was brought upon by an 8.6 percent decrease in the life sector despite a 6.2 percent increase in the non-life sector. Takaful contributions accounted for 52.0 percent of total gross premiums, which was due to the high market share (61.9 percent) captured by takaful in non-life business.

Chart 9: Insurance and Takaful: Total Gross Premiums/Contributions



Source: Insurance/Takaful and Capital Market Supervision Division, AMBD

In the life sector, premiums decreased by 8.7 percent from B\$124.5 million in 2013 to B\$113.7 million in 2014. As can be seen in Chart 9, this was mainly attributed to a decrease in family takaful business by 23.8 percent from B\$52.5 million in 2013 to B\$40.0 million in 2014, which was contributed by both term and other-than-term takaful products. Meanwhile, conventional life business experienced small increase in other-than-term insurance by 3.9 percent while term insurance decreased by 37.4 percent.

The non-life sector continued to see growth in the motor business, workmens' compensation and others while the other classes contracted during the year. Motor premiums make up 46.8 percent of total premiums, followed by Others at 28.7 percent and Fire at 8.3 percent.

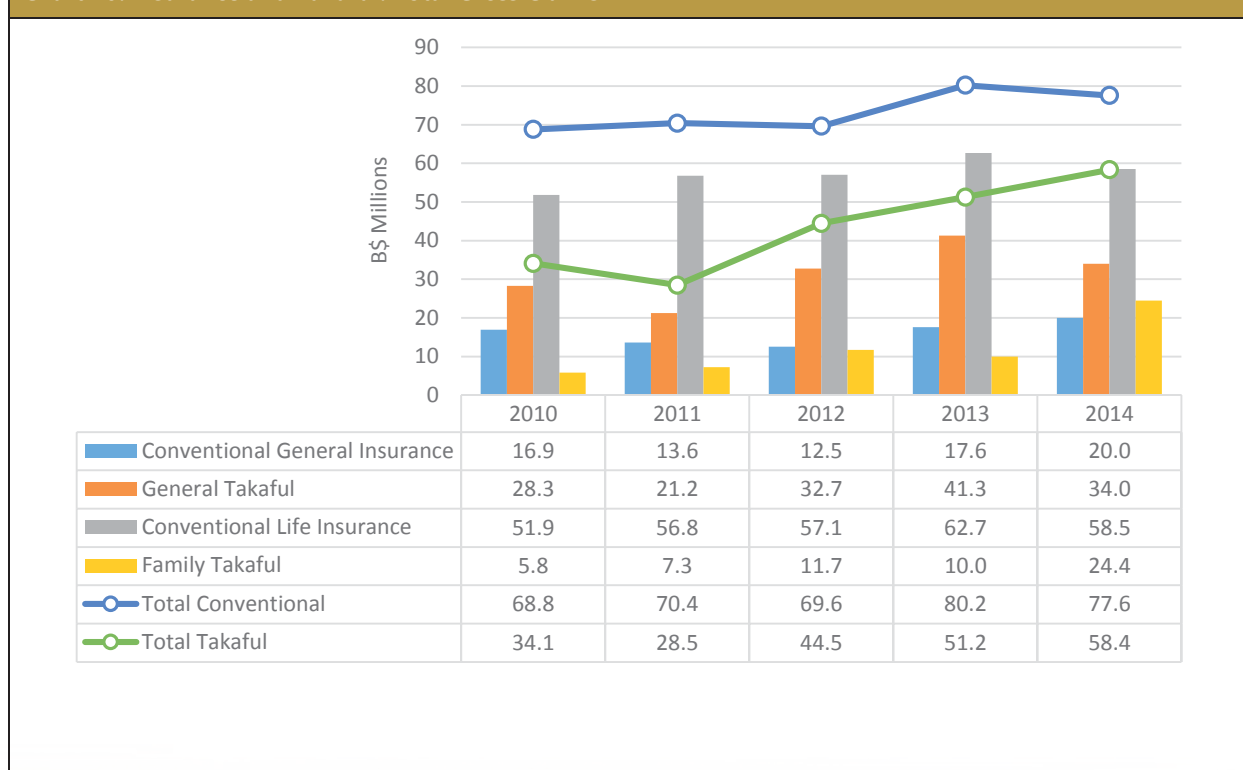
Table 9: Insurance and Takaful: Gross Premiums / Contributions for Non-Life Business

Classes of Non-Life Business	2013		2014		Percentage Change (Percent)
	Amount B\$ million	Market Share	Amount B\$ million	Market Share	
Motor	86.2	47.3	90.8	46.8	+5.2
Fire	15.4	8.4	16.0	8.3	+4.2
Marine, Aviation, and Transit	12.5	6.9	9.2	4.8	-26.2
Others	46.7	24.0	55.7	28.7	+19.3
Bond	0.4	0.2	0.3	0.2	-23.3
Workmen Compensation	13.6	7.5	14.5	7.5	+6.5
Public Liability	7.6	4.2	7.3	3.8	-4.3
Total	182.5	100.0	193.8	100.0	+6.2

Source: Insurance/Takaful and Capital Market Supervision Division, AMBD

Total gross claims continued to increase since the last 10 years to B\$136.9 million in 2014. As seen in Table 10 and Chart 10, while non-life business experienced a decrease in gross claims by 8.4 percent, life business recorded an increase by 14.3 percent which was largely due to a significant increase in family takaful business by 145.5 percent from B\$10.0 million in 2013 to B\$24.4 million in 2014.

Chart 10: Insurance and Takaful: Total Gross Claims



Source: Insurance/Takaful and Capital Market Supervision Division, AMBD

Table 10: Insurance: Gross Claims for Non-Life Business

Classes of Non-Life Business	2013		2014		Percentage Change (Percent)
	Amount B\$ million	Market Share	Amount B\$ million	Market Share	
Motor	38.54	65.47	34.86	64.66	-9.5
Fire	8.09	13.74	5.65	10.49	-30.2
Marine, Aviation, and Transit	0.76	1.29	0.58	1.07	-23.7
Others	6.63	11.02	8.48	15.73	27.9
Bond	-0.03	-0.05	0.33	0.60	+120
Workmen Compensation	3.82	6.49	3.44	6.38	-9.9
Public Liability	1.06	1.80	0.58	1.07	+0.9
Total	58.87	100.00	53.92	100.00	-8.4

Source: Insurance/Takaful and Capital Market Supervision Division, AMBD

4.4 CAPITAL MARKET

Assets Under Management (AUM) by Investment Advisers

As at 2014, there are 11 companies that hold a Capital Markets Services Licence, whom are authorized to conduct regulated activities as an investment adviser in Brunei Darussalam; three of which are local companies and nine being international companies.

Table 11 below shows the total AUM of investment advisers from the year 2010 to 2014. The figures show a decrease in AUM by 15.9 percent from 2013 to 2014. The continuous decrease in total AUM since 2013 has resulted in slowed growth of asset management portfolios of licensed investment advisers for the year.

Table 11: Capital Market: Total AUM of Investment Advisers					
B\$Million	2010	2011	2012	2013	2014
Total (rounded off)	3,482	3,978	7,319	4,564	3,837

Source: Insurance/Takaful and Capital Market Supervision Division, AMBD

Collective Investment Scheme

In total, there were 13 collective investment schemes (CIS) distributed and offered in Brunei Darussalam in 2014 as compared to 19 CIS in 2013. The public CIS comprise seven Islamic and four conventional funds whereas, the private CIS is made up of one Islamic and one conventional CIS. Currently, there is one licensed fund manager in Brunei Darussalam.

Table 12 illustrates the total market share of Islamic CIS against conventional CIS from 2010 to 2014. The market share of Islamic CIS in general continues to grow in 2014, with an increase from 26 percent in 2013 to 34 percent in 2014.

Table 12: Capital Market Islamic CIS vs Conventional CIS					
Market Share (Percent)	2010	2011	2012	2013	2014
Islamic CIS	25.0	24.9	25.9	26.0	34.0
Conventional CIS	75.0	75.1	74.1	74.0	66.0

Source: Insurance/Takaful and Capital Market Supervision Unit, AMBD

4.5 SPECIALISED MARKETS

The money changing and remittance business industry is governed by the Money Changing and Remittance Business Act (Cap 174) which was first enforced in 1995. Since its conception in 2011, Autoriti Monetari Brunei Darussalam's role as the regulator of the industry has overseen developments on several fronts, notably on increasing the awareness of the industry players on the significance of anti-money laundering and counter-terrorism financing. Additionally, the annual license renewal evaluation have been accorded more emphasis in recent years particularly in 2014, highlighting the need to improve the industry in areas of governance which is a necessary component to fulfill other licensing conditions imposed by the Authority. This has resulted in a number of companies being issued 6-month licenses in place of a full one-year license. Currently, there are 20 licensed remittance companies and 23 licensed money changers of which three are hotel money changers.

For the year 2014, foreign currencies sold at licensed money changers amounted to B\$121.6 million with Malaysian Ringgit recording the highest with B\$48.3 million of the sale. Other top selling currencies were the Indonesian Rupiah and US Dollars with B\$19.3 million and B\$14.2 million respectively. On the other hand, total foreign currencies bought amounted to B\$40.6 million dominated by the Malaysian Ringgit with B\$18.3 million followed by US Dollars recording B\$9.3 million and British Pounds amounting to B\$3.7 million.

For money remittance business, money remitted through licensed remittance companies amounted to B\$734.7 million, with Indonesia remained as a favorite destination for remittances recording B\$243.7 million. This was succeeded by remittances to the Philippines with B\$167.2 million and B\$113.3 to Malaysia.

4.6 ISLAMIC FINANCIAL SERVICES

The main roles of the Islamic Financial Advisory Unit (IFAU) in AMBD are to be the Secretariat to the Syariah Financial Supervisory Board (SFSB) of Ministry of Finance and to ensure that the overall Islamic financial industries operations are in conformity with Syariah principles. IFAU is currently developing its role to develop a strong and sound Islamic financial system, especially in developing Syariah principles and strong governance for the Islamic finance industry. These represent the key architecture to the development of gaining public confidence and receiving international recognition.

Major Developments

Syariah Audit/Review

One of the main roles of SFSB is to ascertain the level of compliance of Islamic financial products. IFAU will continue to gain knowledge and experience from international best practice including working visit and working attachment in relevant institutions, which are experienced and handling in Syariah audit/review area.

This first Syariah review was conducted with several main objectives: to ensure that the product being offered complies with Syariah principles, is in-line with the working paper that was submitted to Syariah Financial Supervisory Board (SFSB) and as learning platform for a better implementation of Syariah audit/review. That time the Syariah audit/review focused only on one Syariah compliant product.

Amendment of SFSB Order, 2006

In pursuit of the national vision to make Brunei Darussalam as a reputable Islamic financial centre, IFAU took action to amend the current SFSB Order, 2006. IFAU identified several possible amendments to the Order and formed a committee to discuss the matter. Currently, the amendment is in its final stage.

Collaboration with Centre of Islamic Banking Finance and Management (CIBFM) on its Fiqh Muamalat Professional Program (FMPP)

The growing demand for Islamic finance in Brunei Darussalam drives our policy stance to continuously develop our human capacity and capability to meet the demand. Strongly supported by AMBD, the flagship program of CIBFM was established with the purpose to grow and develop potential Syariah scholars, who will be equipped with the tools and knowledge required in the fast growing Islamic finance industry. IFAU continues to work very closely with CIBFM, especially in the third stage of the FMPP, whereby it is to stage a mentorship platform with local Syariah scholars from SFSB and the respective Syariah Adviser Bodies of local IFIs.

Muzakarah IFI

Muzakarah IFI is a platform for Syariah departments of local IFIs to raise and discuss issues on Islamic finance and any related matters. The Muzakarah IFI started earlier than planned and is to commence in 2015. With the target of holding the meeting bi-annually, 3 meetings were organized in 2014. Among the positive outcomes from the Muzakarah were: sharing information on each Syariah department organization structure, compilation of Syariah issues that have not been raised to SFSB and financial literacy program from each IFIs.

4.7 ANTI-MONEY LAUNDERING AND COUNTERING FINANCING OF TERRORISM

National AML/CFT Strategy

The Financial Intelligence and Enforcement (FIE) Unit contributed towards the formulation of the National Strategy on AML/CFT which was issued by the National Anti-Money Laundering and Combating the Financing of Terrorism Committee (NAMLC) on 12 May 2014. The National Strategy represents the country's policy framework for addressing challenges relating to money laundering and terrorism financing for the financial years of 2014 – 2016.

The National Strategy is aimed at supporting the objectives of the country's Long Term Development Plan outlined in "Brunei Vision 2035" and contributing towards the country's continued efforts in implementing its regional and international commitments.

The National Strategy outlines the national AML/CFT vision and mission statements; five strategic objectives; review and monitoring process; and expected output from implementing the objectives.

Joining Egmont Group of Financial Intelligence Units

FIE was admitted into the Egmont Group as one out of eight new members at the Egmont Plenary Meeting held in Peru, Lima on 1 – 6 June 2014.

The Egmont Group is a global network of Financial Intelligence Units from various jurisdictions. It was established in 1995 at the Egmont Arenberg Palace in Brussels, Belgium with its main objective of promoting the development of Financial Intelligence Units and cooperating on information exchange among its members.

As a full member of the Egmont Group, FIE has access to the Egmont Secure Web for the secure exchange of financial intelligence information and can contribute towards the Egmont Group's decision making process.

FIE submitted its formal application to the Egmont Group in October of 2013. As required by the Egmont Group membership application process, FIE was sponsored by two Egmont Group members namely the Anti-Money Laundering Office, Thailand and the Korea Financial Intelligence Unit, Financial Services Commission. An on-site assessment was carried out by the two sponsoring Financial Intelligence Units in January 2014 to ensure FIE complies with the Egmont Group's requirements. During the Egmont Plenary in June 2014, the Egmont Group's outreach and legal working groups made a recommendation for FIE to be considered for full membership which was accepted by the Egmont Group.

This achievement marks an important milestone for the development of FIE as it now joins 145 other FIUs that comprise the Egmont Group. It also demonstrates compliance towards Financial Action Task Force

Recommendation 29 which requires Financial Intelligence Units to apply for membership in the Egmont Group.

Enhancing analysis function

On 12 June 2014, FIE launched its Integrated Financial Intelligence System (IFIS) which enables the online reporting of cash and suspicious transaction reports by financial and non-financial reporting entities in a faster manner. The system is equipped with the latest technology and a secure network infrastructure, thereby providing a secure communication platform between FIE and the reporting entities.

The system utilises the latest version of the goAML application which was developed by the United Nations Office on Drugs and Crime. It is an integrated system that not only provides database and intelligence analysis capacity but also meets the business requirements of a Financial Intelligence Unit in relation to data collection, data validation, workflow management, task assignment and tracking, statistical reporting, resource management, document management, intelligence file creation and management and dissemination of an FIU's intelligence output.

In addition to the launching of IFIS, FIE enhanced its analysis function by acquiring access to new types of information that could assist in the analysis of suspicious transactions and other reports. In April 2014, FIE obtained a license for using the World-Check database which contains a list of politically exposed persons and other heightened risk individuals and organisations. In addition, FIE now obtains daily transaction reports from the money remittance sector.

AML/CFT Supervisory Program

In 2014, FIE conducted both off-site and on-site supervision on the money changing and remittance sector as well as the banking sector to assess their level of compliance with AML/CFT requirements. At the same time, the supervision conducted was also an avenue for increasing the sectors' awareness on specific AML/CFT obligations.

AML/CFT Education and Awareness

FIE works with its reporting entities in order to improve awareness of AML/CFT obligations through a series of presentations and computer-based workshops. In 2014, FIE conducted a number of programs for financial and non-financial reporting entities to create and increase awareness on reporting suspicious and cash transaction reports through the IFIS online system.

In addition to this, in November 2014 FIE in its capacity as the Secretariat to NAMLC assisted in conducting courses on financial investigation and cross-border control of cash and bearer negotiable instruments for officers from the law enforcement agencies. The courses were facilitated by two invited technical experts with extensive experience and background on AML/CFT.

4.8 ENFORCEMENT

Identification of Unlicensed Financial Schemes

The presence of unlicensed financial schemes in the form of new guises have presented a fresh challenge for FIE. The operators of unlicensed financial schemes have taken aboard the use of social media platforms such as Facebook in attempting to entice the public to join these schemes, most of which originate from across the borders.

These schemes if remained unchecked place consumers at financial risk and have harmful effects on the financial industry as well as the economy at large. In ensuring the members of the public do not fall prey to these illegal and dishonest practices, FIE takes a proactive approach in identifying the operators of unlicensed financial schemes by gathering information through social media and public tip-off.

Public Awareness Campaign

FIE's hotline number which was introduced in 2013 has provided an effective avenue for members of the public to report concerns or to seek information about unlicensed financial schemes. In addition, FIE received a number of "walk-in" visits by members of the public whereby a direct consultation by FIE officers has helped in the continued fight against unlicensed financial activities operating in Brunei Darussalam. At the end of 2014, FIE issued a public statement on its website and local newspapers reminding members of the public to be wary of unauthorised and misleading use of the AMBD logo and name for the endorsement of investment products and programmes.

4.9 FINANCIAL INFRASTRUCTURE ENHANCEMENTS

4.9.1 CREDIT BUREAU

The Credit Bureau service was first introduced in September 2012 to banks and financial institutions to assist them in enhancing their credit risk management function. After its second year in operation, the Credit Bureau marked another key milestone by launching the Self-Inquiry & Dispute Resolution (SIDR) service to the public in September 2014. The SIDR service was officiated by Yang Berhormat Pehin Orang Kaya Indera Pahlawan Dato Seri Setia Awang Haji Suyoi bin Haji Osman, the Minister of Development who also serves as the Deputy Chairman of the Board of Directors of AMBD during the opening ceremony of the new Credit Bureau's Customer Service Office at Dar Takaful IBB Utama Building, Bandar Seri Begawan.

The SIDR service provides individuals and commercial entities with access to their credit reports, and enables them to verify the correctness of the information in the report. At the moment, individuals and commercial entities may request for their own credit report from the Customer Service Office at a fee of B\$3 and B\$5 per report respectively.

Key Statistics on the Credit Bureau's Repository

Table 13 below shows the key statistics on the Credit Bureau's Repository as of 31st December 2014:

Table 13: Credit Bureau: Key statistics on the Credit Bureau's Repository	
Total Members ¹⁵	11
Total Accounts	888,835
Total Individuals	172,285
Active Individual Credit Facilities	750,239
Total Commercial Entities	9,225
Active Commercial Credit Facilities	49,775
Historical Records Duration	60 months

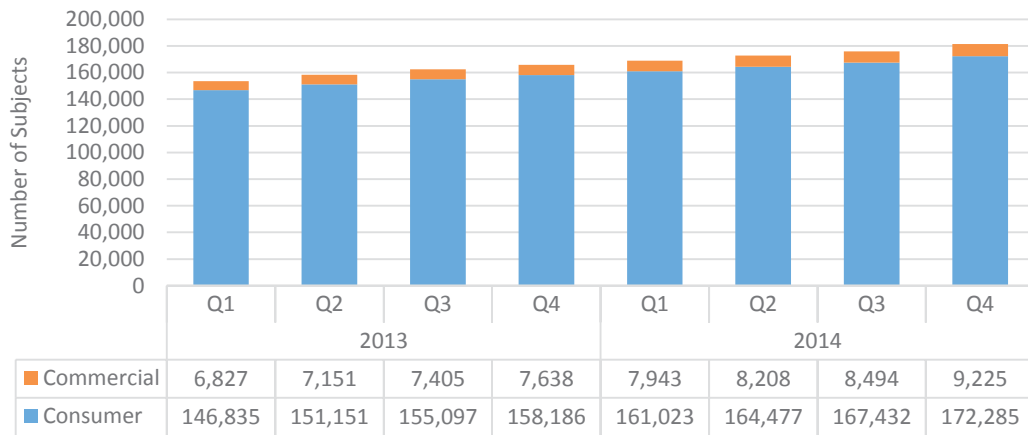
Source: Credit Bureau, AMBD

Chart 11 and Chart 12 below show the growth of data recorded in the Credit Bureau's repository as of 31 December 2014.

¹⁵ Citibank ceased its operation effective 1st April 2014

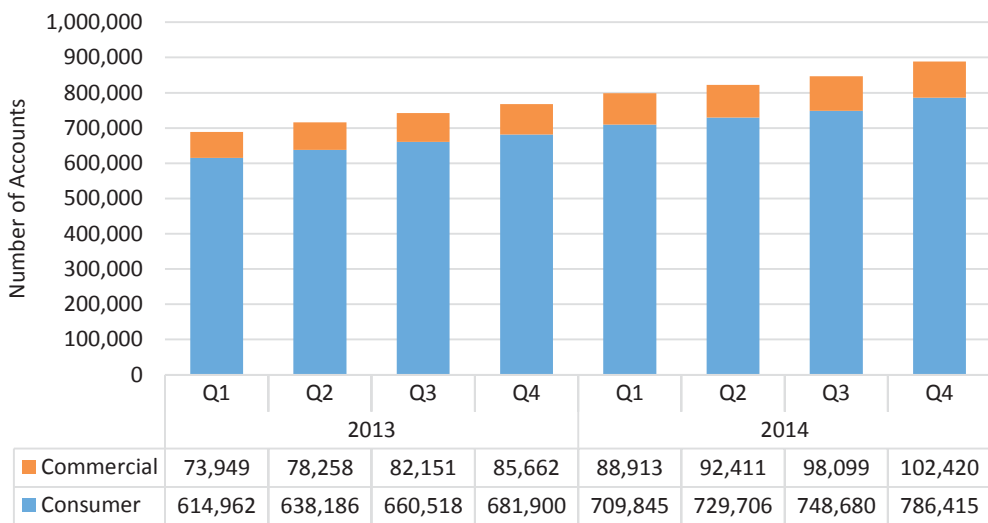
Disclaimer: The information is based on the data gathered from the Credit Verdict System used by Credit Bureau and the data provided may differ between the reporting periods as a result of ongoing data quality activities.

Chart 11: Credit Bureau: Number of Subjects Reported to Credit Bureau



Source: Credit Bureau, AMBD

Chart 12: Credit Bureau: Number of Accounts Reported to Credit Bureau

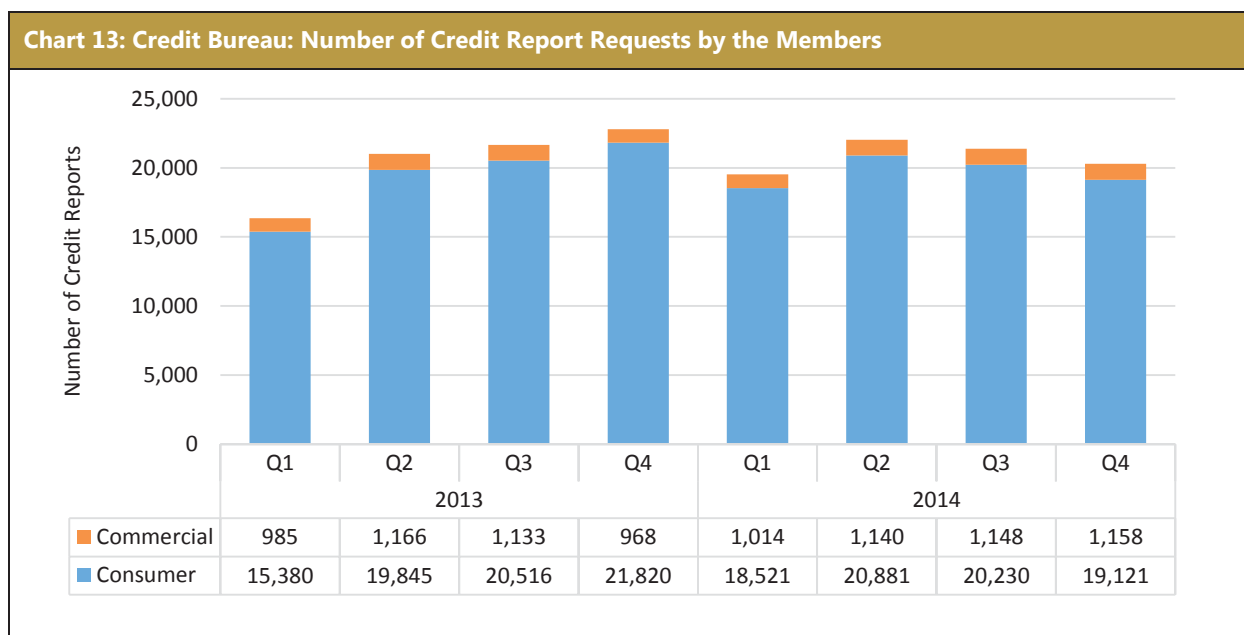


Source: Credit Bureau, AMBD

Credit Report Usage

As of 31 December 2014, the Members have requested a total of 182,354 credit reports. Of the total number of reports requested, more than 90 percent were made for the purpose of new credit applications, of which 47 percent of the applications were made for Hire Purchase¹⁶, 11 percent for personal loans and 10 percent credit cards.

Chart 13 below shows the statistics on the Credit Report requests by the Members.



Source: Credit Bureau, AMBD

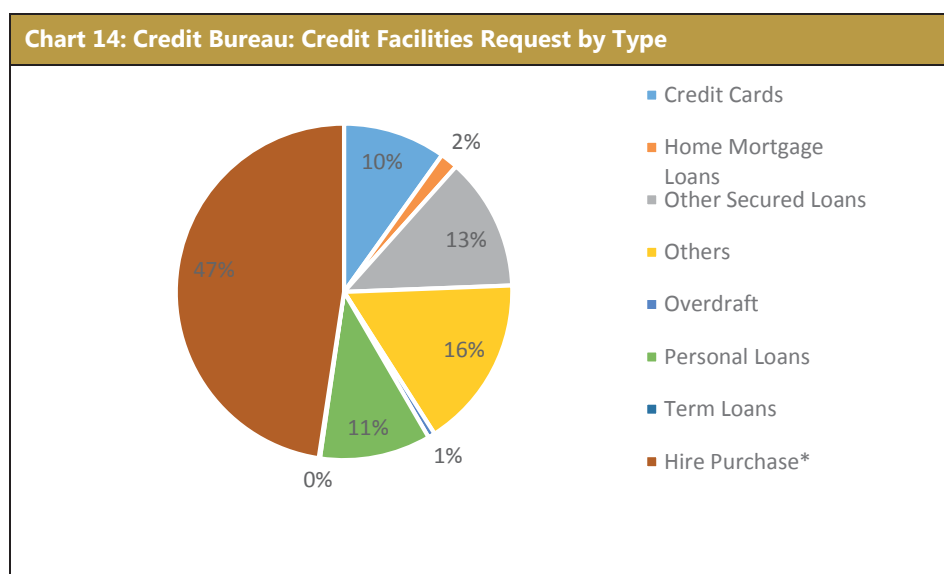
Table 14 below shows the statistics of the Credit Reports usage by purpose of the request being made:

Table 14: Credit Reports usage by purpose								
Purpose of Request	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
New Credit Application	13,426	19,680	20,102	20,542	17,417	20,318	19,673	18,735
New Guarantor	87	67	43	57	59	84	69	29
Review of Existing Customer	2,852	1,264	1,504	2,189	2,059	1,619	1,636	1,515
Total	16,365	21,011	21,649	22,788	19,535	22,021	21,378	20,279

Source: Credit Bureau, AMBD

¹⁶ Hire Purchase includes vehicle financing.

Chart 14 below shows the application of Credit Facilities by product type.



Source: Credit Bureau, AMBD

Number of Self-Inquiry Report Application and Registered Disputes

As of 31 December 2014, a total of 248 Self-Inquiry reports were applied by 217 individuals and one commercial entity. Of the total reports recorded, 62 applications were made during the Beta Roll-Out period¹⁷. Table 15 below shows the statistics on the number of application of Self-Inquiry reports since the commencement of the SIDR service on 22 September 2014.

Table 15: Credit Bureau: Number of Self-Inquiry Report Requested in 2014						
Report Type	Beta-Roll Out	September	October	November	December	Total
Individuals	62	18	59	38	70	247
Commercial Entities	0	0	0	0	1	1
Total						248

Source: Credit Bureau, AMBD

¹⁷ Beta Roll-Out is a pilot roll out of the SIDR service to the AMBD employees from 1-12 September 2014.

Disclaimer: The information is based on the data gathered from the Credit Verdict System used by Credit Bureau and the data provided may differ between the reporting periods as a result of ongoing data quality activities.

A total of 64 disputes were raised by 31 individuals by the end of December 2014, of which most of the disputes were registered with regards to the Credit Facility Details which is shown in Table 16 below:

Table 16: Credit Bureau: Dispute Registered by Type in 2014						
Dispute on	Beta-Roll Out	September	October	November	December	Total
Credit Facility Details	12	8	11	13	17	61
Address Details	0	2	0	0	0	2
Contact Details	1	0	0	0	0	1
Total						64

Source: Credit Bureau, AMBD

4.9.2 PAYMENT AND SETTLEMENT SYSTEMS

The national payment and settlement systems (PSS) project, which commenced in August 2013, is crucial in AMBD's efforts to ensure financial stability, position the country well to pursue the national objectives, to meet international best practice standards and to participate in forthcoming ASEAN initiatives as a strong participant.

AMBD has completed the first phase of the PSS project with the launch of the Real Time Gross Settlement (RTGS) system on 7 November 2014. The new RTGS system involves a number of innovations including the use of ISO 20022 Standard for Financial Services Messaging, the first in this region. Banks can now send payments via the RTGS system in real time; high value and urgent payments can now be settled immediately. This has enabled the transition from paper-based interbank payments and cash to a fully automated RTGS as the heart of the new payment systems. The drafting of the PSS legislation was completed in 2014 and four amended or new Orders are in the enactment process with the Attorney General's Chambers (AGC) office.

AMBD also took over the Brunei Association of Banks (BAB) cheque clearing house on 1 December 2014 which will be replaced with the Automated Clearing House (ACH) by the middle of 2015. This will be the second phase in the modernisation of the national payment and settlement system – all of which will contribute to a more efficient and secure financial system of which risks will be able to be managed effectively

AMBD remains in constant communication and engagement with the banks for the forthcoming implementation of the ACH, as it was for RTGS. A very good working relationship was also developed with SWIFT, who will continue to support the project for the communication network and message standards.

4.9.3 LEGAL AND REGULATORY FRAMEWORK

AMBD oversees a wide range of legislation encompassing both domestic and international financial activities. A table listing the legislation coming under AMBD's purview is shown below:

Table 17: Legislation Administered by AMBD	
Anti-Terrorism Order, 2011	International Limited Partnerships Order, 2000
Banking Order, 2006	International Trusts Order, 2000
Coin (Import and Exports) Act (Cap. 33)	Islamic Banking Order, 2008
Criminal Asset Recovery Order, 2012	Money-Changing and Remittance Businesses Act (Cap. 174)
Finance Companies Act (Cap. 89)	Moneylenders Act (Cap. 62)
Hire-Purchase Order, 2006	Motor Vehicles Insurance (Third Party Risks) Act (Cap. 90)
Insurance Order, 2006	Pawnbrokers Order, 2002
International Banking Order, 2000	Registered Agents and Trustees Licensing Order, 2000
International Business Companies Order, 2000	Securities Markets Order, 2013
International Insurance and Takaful Order, 2002	Takaful Order, 2008

The above legislation in Table 17 is supplemented by the issuance of relevant regulations, notices and guidelines to ensure sustained financial soundness and stability. The year 2014 saw the issuance of five notices and the promulgation of the Securities Markets Regulations, 2014.



5. INTERNATIONAL COOPERATION



5.1 INTERNATIONAL COOPERATION

His Royal Highness Prince Haji Al-Muhtadee Billah, the Crown Prince and Senior Minister at the Prime Minister's Office as Chairman of Autoriti Monetari Brunei Darussalam (AMBD) held a meeting with His Excellency Tharman Shanmugaratnam, Deputy Prime Minister and Minister of Finance, Republic of Singapore and Chairman of Monetary Authority of Singapore (MAS) on 3 September 2014 in the Republic of Singapore. The purpose of the meeting was to further strengthened bilateral relations between the two monetary authorities.

On 22 April 2014, AMBD signed a Memorandum of Understanding (MOU) on Bilateral Cooperation with MAS. This MOU aims to enhance cooperation for the mutual benefit of financial services development in both countries. The MOU focuses on cooperation in the area of capital market development and capacity building. It also encourages the exchange of views and best practices by both monetary authorities.

A High Level Working Visit to Bahrain and Luxembourg were also conducted on 7-8 May 2014 and 12-13 May 2014 respectively. The objective of the visit was to study the financial sector development in both countries.

5.2 INTERNATIONAL EVENTS

In 2014, AMBD was appointed as Chairman for two international meetings, i.e. the Islamic Financial Services Board (IFSB) and ASEAN Insurance Regulators Meeting (AIRM).

On 27 March 2014, AMBD hosted the 24th Meeting of the Council of the IFSB and 12th General Assembly in Brunei Darussalam. The meeting was chaired by Dato Paduka Haji Mohd Rosli bin Haji Sabtu, former Managing Director of AMBD and attended by 26 IFSB Council members. At the sidelines of the meeting, two events also took place as follows:

- 6th Islamic Financial Services Board (IFSB) Public Lecture on Financial Policy and Stability was held 26 March 2014 which covered issues on current financial landscape including Islamic Moral Economy and Dynamics of Islamic Financial Services Development.
- 6th Seminar on Legal Issues in the Islamic Financial Services Industry was held on 25 March 2014 with its theme "Innovation in Sukuk Securitisation and Islamic Hedging Instruments: Developments and Challenges". The seminar aimed to create awareness on emerging legal issues as well as developments and challenges in securitisation and Islamic hedging instruments.

As the IFSB Meeting is held bi-annually, AMBD also chaired the 25th Meeting of the Council of the IFSB and 10th Islamic Financial Stability Forum on 11 December 2014 in Kuala Lumpur, Malaysia. The meeting was chaired by Awang Yusof bin Haji Abd Rahman, Managing Director of AMBD. The forum highlighted on the importance of preserving the soundness and stability of the Islamic financial services industry as well as developing a financial safety net infrastructure.

Under the ASEAN financial cooperation initiative, AMBD chaired and hosted the 17th ASEAN Insurance Regulators Meeting on 25 November 25 2014. The Meeting was chaired by Dayang Hajah Mahani binti Haji Mohsin, Executive Director of Insurance/Takaful and Capital Market Supervision. AIRM serves as a platform for ASEAN insurance regulators to exchange views and foster cooperation on insurance sector development in the ASEAN region.



6. ORGANISATIONAL DEVELOPMENT



In the age of global competitiveness, AMBD is proactively keeping up with the current market trends in human resource development. AMBD has continued giving its endless support on the fundamental of learning and development of its staff, especially in the area of leadership and the efficiency at work, in order to achieve AMBD's long-term visions as well as to produce quality results.

Though AMBD is still in the initial stage of its establishment, AMBD can improve its manpower developments and performance focusing on individual and department results when equipped with suitable leadership and favorable performance management.

During its 4th year of establishment, AMBD had sent two officers from the Economic and Statistics Unit and the Insurance/Takaful Supervision Unit to undertake their Masters Postgraduate program in two of the Top 50 Universities in the United Kingdom. This is to ensure the constant development, in-depth understanding and enhancement of their knowledge and skills in the area of *specialties* at work. Additionally, they are required to gain the current practices in their own field in order to better equip themselves and to conduct a research field in terms of economic, supervisory and regulatory perspectives.

AMBD is also collaborating with the Centre for Islamic Banking, Finance and Management (CIBFM), a training arm of AMBD, to provide well-suited programs to be conducted locally in order to cater to the needs of AMBD's officers and staff especially in capacity building. In addition, AMBD also ensures that staff members are equipped with new information and knowledge in the ever-evolving financial market. AMBD also paired with other regional and global capacity providers such as South East Asian Central Banks Research and Training Centre (SEACEN), the ASEAN Insurance Training and Research Insurance (AITRI), the Islamic Financial Services Board (IFSB) and other central banks and financial regulators to ensure AMBD staff can continuously upgrade their skills and development in the area of central banking.

AMBD hosted several programs in 2014 namely, AMBD & Bank of England course on Financial Stability, ABIF Foundational Course on Risk-Based Supervision and the 8th SEACEN Intermediate Leadership Course.

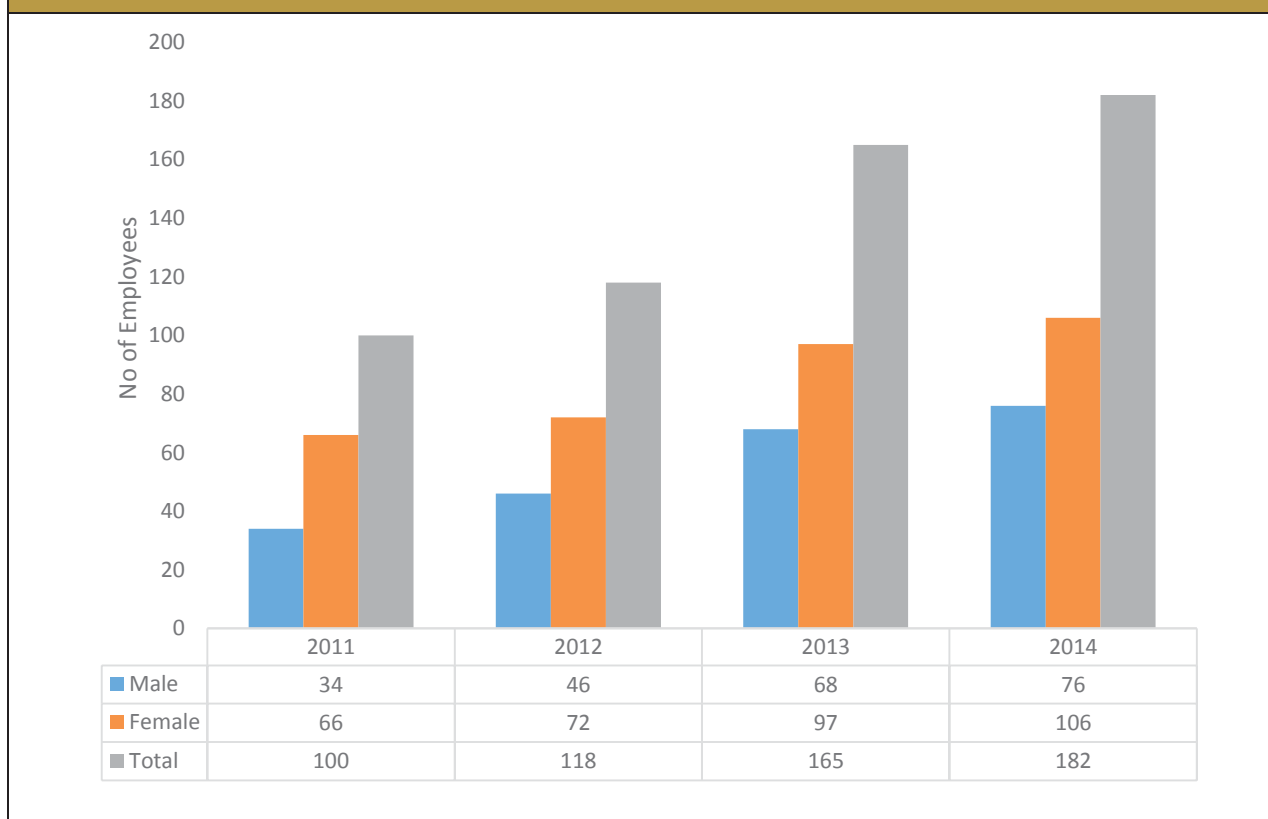
In terms of workforce development, there was a 47.5 percent increase in the number of officers and support staff members in the last four years since AMBD's establishment, where 2014 saw an increase of 10.3 percent since the previous year.

Table 18: Workforce Developments in 2013 and 2014

	2013		2014	
	MALE	FEMALE	MALE	FEMALE
OFFICERS	42	66	49	75
SUPPORT STAFFS	26	31	27	31
TOTAL	68	97	76	106
	165		182	

Source: Human Resource Unit, AMBD

Chart 15: Workforce Developments



Source: Human Resource Unit, AMBD

Table 18: Composition on the Number of Officers and Staffs in 2014			
POSITION	MALE	FEMALE	NO OF STAFFS
Executive Management	2	1	3
Senior Management	2	6	8
Middle Management	7	11	18
Junior Management	23	45	68
Executive	0	2	2
Contract	3	0	3
Supervisory	15	10	25
Support Staffs	24	31	55
TOTAL	76	106	182

Source: Human Resource Unit, AMBD

7. AUDITED FINANCIAL STATEMENTS

**Autoriti Monetari Brunei Darussalam
(Enacted in Brunei Darussalam)**

**Report and Audited Financial Statements
Year ended 31 December 2014**

The Members of the Board hereby submit their report and the audited financial statements of Autoriti Monetari Brunei Darussalam for the year ended 31 December 2014.

Principal Activities

Autoriti Monetari Brunei Darussalam ("the Authority") was established on 1 January 2011 pursuant to Section 3(1) of the Autoriti Monetari Brunei Darussalam Order, 2010 ("the Order").

Under Section 4 of the Order, the principal objects of the Authority are;

- (a) to achieve and maintain domestic price stability;
- (b) to ensure the stability of the financial system, in particular by formulating financial regulation and prudential standards;
- (c) to assist in the establishment and functioning of efficient payment systems and to oversee them; and
- (d) to foster and develop a sound and progressive financial services sector.

Without prejudice to the above-mentioned principal objects, the Authority shall support the general economic policies of the Government to the extent that it considers appropriate.

In line with the introduction of the Order His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam also consented to the amendment of the Currency and Monetary Order, 2004, now cited as Currency Order, 2004 ("the CO"), which came into effect on 1 January 2011.

The CO, amongst other things, provides for the transfer of the powers of the Brunei Currency and Monetary Board ("BCMB") to the Authority, including its assets and liabilities. Therefore, assets and liabilities previously held under BCMB which were valued using Generally Accepted Accounting Practice in Brunei ("GAAP") have now been transferred to the Authority valued in accordance with International Financial Reporting Standards ("IFRS"). The CO also provides for the establishment of the Currency Fund for the purpose of currency management. Following this amendment, the Authority is the sole authority for the issuance of Brunei currency notes and coins.

Financial Statements

	B\$'000
Total comprehensive income	<u>33,029</u>

Members of the Board

The members of the board at the date of this report are as follows:-

Duli Yang Teramat Mulia Paduka Seri Pengiran Muda Mahkota Pengiran Muda Haji Al-Muhtadee Billah ibni Kebawah Duli Yang Maha Mulia Paduka Seri Baginda Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah The Crown Prince and Senior Minister at the Prime Minister's Office	As Chairman
Yang Berhormat Pehin Orang Kaya Indera Pahlawan Dato Seri Setia Awang Haji Suyoi bin Haji Osman Minister of Development	As Deputy Chairman
Yang Berhormat Pehin Orang Kaya Laila Setia Dato Seri Setia Awang Haji Abd Rahman bin Haji Ibrahim Minister of Finance II at the Prime Minister's Office	
Yang Mulia Dato Paduka Awang Haji Ali bin Apong Deputy Minister at the Prime Minister's Office	
Yang Arif Dato Seri Setia Haji Awang Metussin bin Haji Baki Syariah High Court Judge	
Yang Mulia Dato Paduka Awang Haji Mohd Roselan bin Haji Mohd Daud Permanent Secretary (PENGGERAK), Prime Minister's Office (Effective from 1 January 2014)	
Yang Mulia Dato Paduka Haji Hisham bin Haji Mohd Hanifah Permanent Secretary (Policy and Investment), Ministry of Finance	
Yang Mulia Awang Yusof bin Haji Abd Rahman Managing Director, Autoriti Monetari Brunei Darussalam (Effective from 26 August 2014)	
Yang Mulia Dato Paduka Awang Haji Mohd Rosli bin Haji Sabtu Managing Director, Autoriti Monetari Brunei Darussalam (Retired on 30 June 2014)	

Audit Committee

The members of the Audit Committee are as follows:

From 1st January 2014 onwards:-

Yang Mulia Dato Paduka Awang Haji Mohd Roselan bin Haji Mohd Daud Chairman
Permanent Secretary (PENGGERAK)
Prime Minister's Office

Yang Mulia Awang Haji Zakaria bin Haji Serudin

Yang Mulia Awang Haji Azhar bin Haji Ahmad

Yang Mulia Awang Ahmaddin bin Haji Abdul Rahman
(Effective from 11 September 2014)

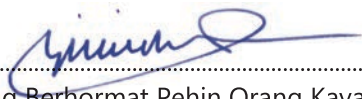
Yang Mulia Dayang Rokiah binte Haji Badar
(Replaced as of 11 September 2014)

The Audit Committee has held several meetings in 2014. In performing its functions, the Audit Committee met with the Authority's external auditors to discuss the scope of their work, the results of their examination and evaluation of the Authority's internal accounting control system.

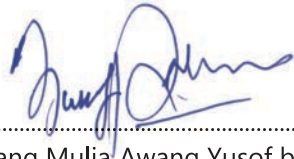
Auditors

The auditors, Messrs Deloitte & Touche, have indicated their willingness to accept re-appointment.

For and on behalf of the Board



.....
Yang Berhormat Pehin Orang Kaya
Indera Pahlawan Dato Seri Setia Awang
Haji Suyoi bin Haji Osman
Deputy Chairman



.....
Yang Mulia Awang Yusof bin Haji Abd
Rahman
Managing Director

INDEPENDENT AUDITOR'S REPORT

AUTORITI MONETARI BRUNEI DARUSSALAM

(Enacted in Brunei Darussalam)

Report on the Financial Statements

We have audited the accompanying financial statements of Autoriti Monetari Brunei Darussalam ("the Authority") which comprise the statement of financial position as at December 31, 2014, and the statement of profit or loss and other comprehensive income, statement of distribution, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on page 68 to 95.

Director's Responsibility for the Financial Statements

Director is responsible for the preparation and fair presentation of these financial statements in accordance with the Autoriti Monetari Brunei Darussalam Order, 2010 ("the Order"), Currency Order, 2004 ("the CO") and International Financial Reporting Standards ("IFRS"), and for such internal control as director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by director, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

- a) the financial statements of the Authority are properly drawn up in accordance with the Order, the CO and International Financial Reporting Standards ("IFRS") so as to give a true

and fair view of the state of affairs of the Authority as at December 31, 2014 and of the results, changes in equity and cash flows of the Authority for the year ended on that date according to the best of our information and the explanations given to us, and as shown by the books of the Authority; and

b) we have obtained all the information and explanations that we required.



DELOITTE & TOUCHE

Certified Public Accountants



PENGIRAN HAJI MOKSIN BIN PENGIRAN HAJI YUSOF

Public Accountant

Brunei Darussalam


Date: April 16, 2015

Statement of financial position
As at 31 December 2014

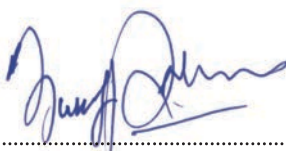
	Note	2014 B\$'000	2013 B\$'000
<u>Non-current assets</u>			
Gold, property, plant & equipment	3	254,185	242,148
Total non-current assets		254,185	242,148
<u>Current assets</u>			
Securities	4	1,556,667	1,512,371
Inventories		13,122	13,680
Assets held with IMF	5	444,563	453,543
Other Assets	6	33,117	29,290
Fixed deposit		15,039	-
Cash and cash equivalents with - Banks and other financial institutions	7	2,510,607	2,277,139
Total current assets		4,573,115	4,286,023
TOTAL ASSETS		4,827,300	4,528,171
<u>EQUITY & LIABILITIES</u>			
<u>Equity</u>			
Capital	8	1,000,000	1,000,000
Reserve funds	9 (a)	76,429	69,802
Currency valuation reserve	9 (b)	460	473
Market valuation reserve	9 (c)	10,954	-
Total equity		1,087,843	1,070,275

	Note	2014 B\$'000	2013 B\$'000
<u>Non-current liabilities</u>			
Provisions	10	21,788	5,980
Total non-current liabilities		21,788	5,980
<u>Current liabilities</u>			
Currency in circulation	11	1,271,710	1,219,737
Payables to Brunei Government	12	56,153	56,341
Liabilities with IMF	5	389,989	398,258
Other Liabilities	13	266,959	26,390
Deposit and balances of - Banks and other financial institutions	14	1,732,858	1,751,190
Total current liabilities		3,717,669	3,451,916
TOTAL EQUITY & LIABILITIES		4,827,300	4,528,171

On behalf of the Board



 Yang Berhormat Pehin Orang Kaya
 Indera Pahlawan Dato Seri Setia Awang
 Haji Suyoi bin Haji Osman
 Deputy Chairman



 Yang Mulia Awang Yusof bin Haji
 Abd Rahman
 Managing Director

The notes set out on pages 68 to 95 form part of these financial statements.

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2014

	Note	2014	2013
		B\$'000	B\$'000
Interest Income	15	1,885	1,311
		1,885	1,311
Net gain / (loss) on financial assets	16	40,020	(2,558)
Gain / (loss) on gold revaluation	17	11,283	(63,034)
Operating income	18	6,213	3,615
		57,516	(61,977)
Profit before operating expenses		59,401	(60,666)
Fee and commission expense		(2,871)	(2,866)
Staff costs	19	(12,568)	(9,794)
Other operating expenses	20	(10,933)	(8,311)
Profit for the year		33,029	(81,637)
Other comprehensive income		-	-
Total comprehensive income / (loss)		33,029	(81,637)

The notes set out on pages 68 to 95 form part of these financial statements.

Statement of distribution
For the year ended 31 December 2014

	Note	2014 B\$'000	2013 B\$'000
Total comprehensive income / (loss)		33,029	(81,637)
Transfer from reserve fund	2.20 (c)	-	37,404
Transfer from currency valuation reserve fund	2.19 (b)	13	-
Transfer from market valuation reserve fund	2.19 (d)	-	44,706
Earnings available for distribution		33,042	473
<i>Distributed as follows:</i>			
Transfer to reserve fund	2.20 (b)	(6,627)	-
Transfer to currency valuation reserve fund	2.19 (a)	-	(473)
Transfer to market valuation reserve fund	2.19 (c)	(10,954)	-
To be transferred to the Government of Brunei Darussalam		(15,461)	-
		-	-

The notes set out on pages 68 to 95 form part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2014

	Share capital	Retained earnings	Reserve fund	Currency valuation reserve	Market valuation reserve	Total
	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000
At 1 January 2013	1,000,000	-	107,206	-	44,706	1,151,912
Total comprehensive loss for the year	-	(81,637)	-	-	-	(81,637)
Transfer during the year:						
Transfer for distribution of profits	-	81,637	(37,404)	473	(44,706)	-
Transfer to Brunei Government*	-	-	-	-	-	-
At 31 December 2013	1,000,000	-	69,802	473	-	1,070,275
At 1 January 2014	1,000,000	-	69,802	473	-	1,070,275
Total comprehensive income for the year	-	33,029	-	-	-	33,029
Transfer during the year:						
Transfer for distribution of profits	-	(17,568)	6,627	(13)	10,954	-
Transfer to Brunei Government*	-	(15,461)	-	-	-	(15,461)
At 31 December 2014	1,000,000	-	76,429	460	10,954	1,087,843

Note:-

* Transfer to Government of Brunei Darussalam in accordance to Section 9 of the Order.

The notes set out on pages 68 to 95 form part of these financial statements.

Statement of cash flows
For the year ended 31 December 2014

	2014	2013
	B\$'000	B\$'000
Cash flows from operating activities		
Total comprehensive income / (loss)	33,029	(81,637)
Adjustment for:		
Depreciation on plant, property and equipment	2,496	2,125
(Gains) / losses on gold revaluation	(11,283)	63,034
Unrealised (gains) / losses on currency and market	(3,622)	35,336
	20,620	18,858
Changes in operating assets and liabilities		
(Increase) / Decrease in:		
Securities	(40,673)	(597,326)
Inventories	557	(5,802)
Other Assets	(3,827)	33,840
Fixed deposits	(15,039)	8,481
Increase / (Decrease) in:		
Provisions	348	(21,800)
Payables to Government of Brunei Darussalam	523	224
Other Liabilities	240,569	1,336
Deposit and Balance of : Banks and Other Financial Institutions	(18,332)	491,234
Net cash from / (used for) operating activities	164,126	(89,813)
Cash flows from investing activities		
Purchase of gold, property, plant & equipment	(3,251)	(86,311)
Net cash used in investing activities	(3,251)	(86,311)

The notes set out on pages 68 to 95 form part of these financial statements.

	2014	2013
	B\$'000	B\$'000
Cash flows from financing activities:		
Increase in share capital	-	-
Increase / (Decrease) in currency in circulation	51,973	(407,320)
Net cash from / (used in) financing activities	51,973	(407,320)
Net increase in cash & cash equivalent	233,468	(564,586)
Cash and cash equivalents at beginning of the year	2,277,139	2,841,725
Cash & cash equivalent at the end of the year (Note 7)	2,510,607	2,277,139

The notes set out on pages 68 to 95 form part of these financial statements.

Notes to the financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

The financial statements were authorised for issue by the Board of Directors on 16 April 2015.

1. Domicile and activities

Autoriti Monetari Brunei Darussalam ("the Authority") acts as a central bank of Brunei Darussalam, domiciled in Brunei Darussalam and was established on 1 January 2011 pursuant to Section 3(1) of the Autoriti Monetari Brunei Darussalam Order, 2010.

The address of the Authority's registered office is Level 14, Ministry of Finance Building, Commonwealth Drive, Bandar Seri Begawan, BB3910, Negara Brunei Darussalam.

The Government of Brunei Darussalam is the shareholder of the Authority.

2. Summary of significant accounting policies

2.1. Basis of preparation

2.1.1. Statement of compliance

The financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS"), Autoriti Monetari Brunei Darussalam Order, 2010 ("the Order") and Currency Order 2004 ("the CO").

2.1.2. Functional currency

The financial statements of the Authority are presented in Brunei Dollars, rounded to the nearest thousands, except as otherwise stated. The Brunei Dollar is also the functional currency of the Authority.

2.1.3. Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

2.2. Financial instruments

Financial assets and financial liabilities are recognised when the Authority becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.3. Financial assets

Financial assets comprise investments in equity and debt securities, trade and other receivables, cash balances with central banks, banks and other financial institution and assets held with the IMF. Cash and cash equivalents comprise cash on hand, balances and placements with banks which are repayable on demand, money at call and on short notice.

Financial assets are classified in the following categories: financial assets at fair value through profit or loss ("FVTPL"), and loan and receivables financial assets. Note 23 sets out the amount of each class of financial asset and their corresponding categories. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Authority commits itself to purchase or sell the asset.

Purchases and sales of financial assets at fair value through profit or loss are recognised on trade date – the date on which the Authority commits to purchase or sell the asset. Loans and receivables are recognised on the date they are originated.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.3.1. Financial assets at fair value through profit or loss

This category has two sub-categories: financial instruments held for trading, and those designated as fair value through profit or loss at inception ("fair value option").

A financial asset is classified as held for trading if:

- a) it has been acquired principally for the purpose of selling it in the near term; or
- b) on initial recognition it is part of a portfolio of identified financial instruments that the Authority manages together and has a recent actual pattern of short-term profit-taking; or
- c) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets held for trading include Government securities and treasury bills and other dealing securities which are held for trading.

The Authority does not have any financial assets designated at fair value through profit or loss.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

2.3.2. *Loans and receivables*

Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade receivables, and deposits held in banks unless otherwise stated) are initially recognised at fair value plus incremental direct transaction costs, and subsequently measured at amortised cost using the effective interest method less impairment losses.

2.3.3. *Derecognition of financial assets*

The Authority derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Authority recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.3.4. *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected, and that loss can be estimated reliably.

For all other financial assets, objective evidence of impairment could include:

- a) significant financial difficulty of the issuer or counterparty; or
- b) breach of contract, such as a default or delinquency in interest or principal payments; or
- c) it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- d) the disappearance of an active market for that financial asset because of financial difficulties.

For financial assets carried at amortised cost, the amount of the impairment loss is recognised as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after

the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

2.4. Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or measured at amortised cost.

2.4.1. Financial liabilities at fair value through profit or loss

To date, the Authority does not have financial liabilities that are classified under FVTPL. All financial liabilities are measured at amortised cost.

2.4.2 Financial liabilities measured at amortised cost

Other financial liabilities (including currency in circulation, trade and other payables, deposits and balances of banks and other financial institutions, and liabilities with the IMF) are subsequently measured at amortised cost using the effective interest method. Currencies held for distribution are recorded at fair value.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.4.3. Derecognition of financial liabilities

The Authority derecognises financial liabilities only when the Authority's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.5. Derivative financial instruments

The Authority enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks.

Derivative financial instruments are accounted for on a trade date basis. Derivative financial instruments are recognised initially at fair value on the date on which a derivative contract is entered into. Subsequent to initial recognition, derivative financial instruments are remeasured at their fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. Any arising attributable transaction costs are recognised in the statement of profit or loss and other comprehensive income as incurred.

Fair values of the derivative financial instruments are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flows models and pricing models, as appropriate.

Assets, including gains, resulting from derivative financial instruments which are measured at fair value are presented on the face of the statement of financial position as "Derivatives" under current assets; liabilities, including losses, resulting from such contracts, are included are presented on the face of the statement of financial position as "Derivatives" under current liabilities. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

2.6. Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Authority takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

Fair value is based on observable market prices or parameters where available, or derived from such prices or parameters.

The fair values of quoted investments in active markets are based on bid prices for equity and debt securities. If the market for a financial asset is not active (and for unquoted securities), the Authority establishes fair value by using valuation techniques.

Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Authority, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument. The Authority calibrates market transactions in the same instrument or based on other available observable market data.

Any gains or losses arising from the valuation of financial instruments do not include interest and dividend income. As for cash and cash equivalents, other assets, currency in circulation and deposits liabilities are carried in the statement of financial position at face value which is equivalent to their amortised cost.

Fair values of derivative financial instruments are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flows models and pricing models, as appropriate.

2.7. Property, plant and equipment

2.7.1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

2.7.2 Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits of expenditure will flow to the Authority. Ongoing repairs and maintenance are expensed as incurred.

2.7.3 Depreciation

Property, plant and equipment are stated at cost and depreciated on a straight line basis over their estimated useful lives. The periods used for this purpose are:-

Buildings	– 3 to 50 years
Furniture, fixtures and fittings	– 5 to 10 years
Office equipment, computers and machinery	– 3 to 10 years
Motor vehicles	– 7 years

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of reporting period. Assets that are subject to depreciation are reviewed at each reporting date to assess whether there is any indication that an asset may be impaired. An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value (less costs to sell) and value in use.

Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

2.8. Gold

Gold is recognised in the statement of financial position at cost and subsequently measured at its revalued amount, being the fair value at the date of revaluation. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of gold is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such asset is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Gold held by the Authority is not actively traded.

2.9. Impairment on non-financial assets

The carrying amounts of the Authority's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. If this is not possible to do so, the recoverable amount for the cash-generating unit to which the asset belongs to shall be determined. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash generating unit is the greater of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or a cash-generating unit exceeds the estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss recognised in prior periods is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's or cash generating unit's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.10. Revenue recognition

Revenue is recognised when the amount of revenue and associated costs can be reliably measured, it is probable that economic benefits associated with the transaction will be realised, and the stage of completion of the transaction can be reliably measured.

2.10.1. Interest income

Interest from all interest-bearing assets and liabilities is recognised as net interest income using the effective interest method. The effective interest rate is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or expense over the relevant period using the estimated future cash flows.

The estimated future cash flows used in this calculation include those determined by the contractual terms of the asset or liability, all fees that are considered to be integral to the effective interest rate, direct and incremental transaction costs, and all other premiums or discounts but not future credit losses.

2.10.2. Dividend income

Dividends are recognised as revenue when the right to receive payment is established.

2.10.3. Operating income

Operating income is recognised in the accounting period in which it is earned, except where it is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest

in nature. In these cases, the income is recognised as revenue as the services are provided, or when the significant act has been completed, or as an adjustment to the effective interest rate.

2.11. Fee and commission expense

Fee and commission expense is recognised in the period in which related revenue is recognised. This includes management fee, custody fee and other charges arising from other operations.

2.12. Foreign currency transaction and translation

In preparing the financial statements, transactions in currencies other than the Authority's functional currency are recognised at the rate of exchange prevailing at the dates of the transactions. Foreign currency monetary assets and liabilities are translated into the functional currency, Brunei dollars, at rates of exchange prevailing at the end of the reporting period. Transactions in foreign currencies are translated into Brunei Dollar at exchange rates prevailing on the transaction date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the spot exchange rate at the end of the year. Foreign currency differences arising on retranslation are generally recognised in profit or loss. However, any foreign currency valuation losses are deducted from the currency valuation reserve fund to the extent that there are credit funds available in the currency valuation reserve fund to cover such losses.

2.13. Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Authority has a legally enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis. The right to offset must not be contingent on a future event and must be enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

Income and expenses are presented on a net basis only when permitted under IFRS or for gains and losses arising from a group of similar transactions.

2.14. Cash and cash equivalents

Cash and cash equivalents comprise of balances and short-term investments with less than or equal to three months maturity from the date of acquisition and currencies that are held for distribution. Breakdown of the maturity period of cash deposits and short-term investments are disclosed in Note 24 under sub-heading Liquidity Risk.

2.15. Inventory

Inventories consist of the currencies that are held for distribution and are measured at costs. The cost of inventories is based on the first-in first-out principle, and is defined as the sum of all costs

of purchase and other costs incurred in bringing the inventories to their present location and condition.

2.16. Currency in circulation

Under Section 24 of the CO, the external assets of the Currency Fund shall at all times be not less than 100 per cent of the face value of the Currency In Circulation.

Currencies that are held for distribution are measured at cost. The cost is based on the first-in first-out principle, and is defined as the sum of all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

The assets and liabilities of the Currency Fund as at 31 December 2014 are as follow:

	2014	2013
	B\$'000	B\$'000
External Assets:		
Gold	233,342	222,060
Securities	778,891	605,910
Cash & Cash Equivalent	792,749	637,042
Other (liabilities) / assets	(72,797)	3,245
	1,732,185	1,468,257
Less:		
Active currency in circulation	1,271,710	1,219,737
Currency held by AMBD	-	-
	1,271,710	1,219,737
	460,475	248,520

2.17. Provisions

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.18. Employee benefits

2.18.1. Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Authority pays fixed contributions and will have no legal or constructive obligation to pay further contributions. Obligations for contributions to defined contribution plans are recognised as personnel expenses in profit or loss in the periods during which related services are rendered.

Under Section 26 of the Order, the laws of Brunei Darussalam which relate to retirement benefits schemes shall apply to employees of the Authority. For the current financial year, the Authority participates in Employees Trust Fund ("TAP") and Supplemental Contributory Pension ("SCP").

2.19. Distributable earnings

The earnings available for distribution shall be determined under Section 8 of the Order, 2010 as follow:

- a) where profits include realised and unrealised foreign currency valuation gains, by deducting the amount of such gains from the net profits and adding the amount to the currency valuation reserve fund;
- b) where profits include realised and unrealised foreign currency valuation losses, by adding back such losses to the net profits and deducting the amount from the currency valuation reserve fund to the extent that there are credit funds available in the currency valuation reserve fund to cover such losses;
- c) where profits include market unrealised valuation gains, by deducting the amount of such gains from the net profits and adding the amount to the market valuation reserve fund;
- d) where profits include market unrealised valuation losses, by adding back such losses to the net profit and deducting such losses from the market valuation reserve fund to the extent that there are credit funds available in the market valuation reserve fund to cover such losses.

2.20. Allocation of distributable earnings

The allocation of distributable earnings shall be determined under Section 9 of the Order, 2010 as follow:

- a) Within 3 months after the end of every financial year, the Authority shall allocate the distributable earnings as follows:
 - where the total balance of the paid-up capital and Reserve Fund is less than 20 percent of the total assets at the end of the financial year, 10 percent of the distributable profit is to be transferred to the Reserve Fund until the 20 percent level is met;
 - where the total balance of the paid-up capital and Reserve Fund is greater than 20 percent of the total assets at the end of the financial year, 30 percent of the distributable profit is to be transferred to the Reserve Fund and the balance of 70 percent is to be transferred to the Government of Brunei Darussalam.
- b) No distribution shall be made out of the current income of the Authority except as permitted by subsection (a) above.
- c) If in any financial year the Authority incurs negative distributable earnings, these earnings shall first be charged to the Reserve Fund and subsequently be covered by capital.

2.21. Application of new and revised IFRSs

All new and amended applicable IFRS effective for this financial period have been applied consistently throughout these financial statements. There is no material impact of this application.

The Authority has not applied the following new and revised IFRS that has been issued but not yet effective, and which is relevant to it:

a) Amendment to IFRS 9 Financial Instruments

IFRS 9 'Financial Instruments' addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 issued on 24th July 2014 clarifies requirements previously issued and the additional amendments to introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets replacing IAS 39 Financial Instruments: Recognition and Measurement. This final version of IFRS 9 adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income (FVTOCI) category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics test.

The version of IFRS 9 (2014) supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted. The application of the Amendment to IFRS 9 will not result in a significant impact on the Authority's financial statements.

3. Gold, property, plant and equipment

	Gold	Buildings	Furniture fixtures & fittings	Motor vehicles	Office equipment, machinery & computers	Total
	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000
Cost						
At 1 January 2014	222,060	39,794	613	310	8,308	271,085
Additions	-	158	349	267	2,477	3,251
Revaluation	11,282	-	-	-	-	11,282
At 31 December 2014	233,342	39,952	962	577	10,785	285,618
Accumulated depreciation						
At 1 January 2014	-	24,505	378	139	3,915	28,937
Depreciation charge for the year	-	471	53	57	1,915	2,496
At 31 December 2014	-	24,976	431	196	5,830	31,433
Net book value as at 31 December 2014	233,342	14,976	531	381	4,955	254,185

	Gold	Buildings	Furniture fixtures & fittings	Motor vehicles	Office equipment, machinery & computers	Total
	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000
Cost						
At 1 January 2013	199,463	39,794	449	194	7,908	247,808
Additions	85,631	-	164	116	400	86,311
Revaluation	(63,034)	-	-	-	-	(63,034)
At 31 December 2013	222,060	39,794	613	310	8,308	271,085
Accumulated depreciation						
At 1 January 2013	-	24,044	355	117	2,296	26,812
Depreciation charge for the year	-	461	23	22	1,619	2,125
At 31 December 2013	-	24,505	378	139	3,915	28,937
Net book value as at 31 December 2013	222,060	15,289	235	171	4,393	242,148

4. Securities

	2014 B\$'000	2013 B\$'000
Government debt securities	881,135	744,856
Corporate debt securities	188,754	74,272
Other Government treasury bills	436,733	614,670
Equity	50,045	78,573
	1,556,667	1,512,371

Debt securities with carrying amount B\$1,069,889,300.60 (2013: B\$819,128,068.44) have stated interest rates ranging from 0.13% to 4.60% (2013: from 0.10% to 4.665%) and have maturity of up to 30 years (2013: 28 years).

The performance of financial assets designated at fair value through profit or loss is actively monitored and they are managed on a fair value basis. The Authority's exposure to credit and market risks and fair value information related to securities are disclosed in note 24.

Securities include B\$778,891,094 (2013: B\$605,910,148) which is used as a backed up to the CIC as at 31 December 2014, in compliance with the requirements of Section 24 of the CO (Note 2.16).

5. Assets held and liabilities with IMF

Brunei Darussalam became a member country of the International Monetary Fund ("IMF") in October 1995. The Ministry of Finance is the fiscal agent and the Authority was appointed to be a depository for the IMF deposits. These deposits which were paid by the Government of Brunei Darussalam to IMF through the Ministry of Finance were maintained by the Authority (as a depository) under IMF Account No. 1, IMF Account No. 2 and IMF Securities Account. The deposits represented the Domestic Currency Portion amounting to SDR201,730,037 of Brunei Darussalam's Quota Subscription payment to IMF.

Borrowings from and repayments to the IMF are denominated in Special Drawing Rights ("SDRs"). The SDR balances in IMF accounts are translated into Brunei currency at the prevailing exchange rates and any unrealised gains or losses are accounted for in accordance with accounting policy on foreign currencies.

The IMF account is as detailed below:

	2014	2013
	B\$'000	B\$'000
<u>ASSETS</u>		
Foreign currency investment ad claims:		
IMF quota subscription	411,958	420,656
IMF No.1 currency account	(84,193)	(84,193)
IMF securities account	(291,132)	(291,132)
Currency valuation adjustment account	(10,459)	(18,604)
Reserve Tranche Position	26,174	26,727
SDR holdings	414,458	423,179
Account receivable:		
Accrued remuneration on Brunei's reserve tranche position	1	2
Accrued interest on SDR holdings	35	73
IMF expenses on SDR allocation	3,895	3,562
	444,563	453,543
<u>LIABILITIES</u>		
IMF No.2 currency account	378	378
Currency valuation adjustment account No.2	11	19
IMF SDR allocation	389,568	397,793
IMF accrued expenses on SDR allocation	32	68
	389,989	398,258

6. Other assets

	2014	2013
	B\$'000	B\$'000
Interest and dividend receivable	7,950	5,875
World Bank subscription	19,631	19,659
Prepayments	1,703	2,921
Trade pending settlement	2,775	-
Sundry assets	1,058	835
	33,117	29,290

7. Cash and cash equivalents

	2014	2013
	B\$'000	B\$'000
Cash	236,365	214,748
Short-term deposits	666,307	780,200
Short-term Government Treasury bills	1,606,873	1,282,191
Short-term Government debt securities	1,062	-
	2,510,607	2,277,139

Cash and cash equivalents include B\$792,748,654 (2013: B\$637,041,818) which is used as a backed up to the CIC as at 31 December 2014, in compliance with the requirements of Section 24 of the CO (Note 2.16).

8. Capital

The authorised capital of the Authority is B\$2,000,000,000 and the paid-up capital is B\$1,000,000,000. The entire capital is held by the Government of Brunei Darussalam.

The Authority regards its shareholder's funds as capital to support its normal operations.

9. Reserve funds

The reserve funds were established in accordance with the provisions of Section 7 of the the Order, 2010 as follow:

- a Reserve Fund which shall not be used except for the purpose of covering losses sustained by the Authority;
- a Currency Valuation Reserve Fund which shall be used to account for realized and unrealised gains and losses arising from its positions with foreign currencies;
- a Market Valuation Reserve Fund which shall be used to account for unrealised gains and losses arising from its positions with gold, financial instrument and other assets; and
- such other funds as the Authority may determine.

10. Provisions

	2014	2013
	B\$'000	B\$'000
Provision for seconded staff costs	5,238	5,238
Provision for incentive scheme	1,033	702
Provision for leave expenses	56	40
Provision for distributable earnings to Government of Brunei Darussalam	15,461	-
	21,788	5,980

- The provision for seconded staff costs comprises of the staff costs for the Government officers and staff who were seconded to BCMB for the year 2009-2010 and to the Authority for the year 2011-2012.
- The provision for incentive scheme relates to a post-employment benefit plan under which the Authority contributes 5 or 10 percent of employee's monthly salary depending on the employee's annual performance. This will be invested through third party or any institution approved by the Board. This incentive scheme is recognised as an employee benefits expense under "Other operating expenses" in the statement of profit or loss and other comprehensive income.
- The provision of leave expenses is to account for the amount of accumulated leave which has a vesting interest on the Authority by calculating the days of leave accumulated against the salary as at 31 December 2014.
- The provision for distributable earnings to Government of Brunei Darussalam is as follows:

	2014	2013
	B\$'000	B\$'000
At 1 January	-	22,102
Distributable profit for the year	15,461	-
Repayment made during the year	-	(22,102)
At 31 December	15,461	-

There is no provision for 2013 as the Authority has no distributable earnings to be distributed to the Government of Brunei Darussalam.

11. Currency in circulation

Denomination	2014 B\$'000	2013 B\$'000
\$1	35,666	34,564
\$5	23,874	22,575
\$10	129,600	121,579
\$20	11,751	11,225
\$25	8,445	8,474
\$50	41,509	40,162
\$100	583,413	550,671
\$500	197,875	195,288
\$1,000	90,007	86,249
\$10,000	109,540	110,360
Other notes and coins	40,030	38,590
	1,271,710	1,219,737

Currency in circulation represents the face value of banknotes and coins in circulation. Notes and coins held by the Authority as cash in vault and cashier/teller at the end of the financial year have been excluded from the liability of bank notes and coins in circulation because they do not represent currency in circulation.

12. Payables to the Government of Brunei Darussalam

	2014 B\$'000	2013 B\$'000
Payables to the Government of Brunei Darussalam on IMF holdings	54,574	55,285
Payables to the Government of Brunei Darussalam	1,579	1,056
	56,153	56,341

13. Other liabilities

	2014 B\$'000	2013 B\$'000
Trade pending settlement	239,787	-
Accrued expenses	3,882	4,095
Deposits by international institutions	20,261	19,679
Other liabilities	3,029	2,616
	266,959	26,390

14. Deposits and balances of banks and other financial institutions

	2014 B\$'000	2013 B\$'000
Minimum cash balance:		
Commercial banks	846,702	906,787
Finance companies	101,347	106,403
Reserve account:		
Commercial banks	577,000	738,000
Current account:		
Commercial banks	207,809	-
	1,732,858	1,751,190

Deposits from banks and finance companies include:

- The minimum cash balance maintained by banks and finance companies with the Authority as required under Section 45 of the Banking Order, 2006 and the Islamic Banking Order, 2008 and Section 13A of the Finance Companies Act (Chapter 89) respectively. Deposits from companies holding licences under the Securities Order (SO), 2001 represents statutory deposits as required under Section 27 of the SO 2001.
- The reserve accounts shall be used for the maintenance of the bank's cash balances with the Authority. For the Asset Maintenance Requirement, the cash balances in the reserve account may be recognised as an eligible asset as defined in regulation 2 of the Deposit Protection Regulations, 2010 (S111/10) for the purpose of computing the asset maintenance ratio. This account was introduced in 2012.
- The current account maintained by the banks with the Authority shall be used as a settlement account for each bank within the Real-Time Gross Settlement ("RTGS"). RTGS is a process and computer installations providing continuous (real-time) settlement of fund transfers individually on an order basis (without netting).

15. Interest Income

Interest income is inclusive of interest that is earned from placement of fixed deposits, cash and cash equivalents. For the year 2014, the Authority earned B\$1,885,176 (2013: B\$1,310,885)

16. Net gains / (losses) on financial assets

	2014 B\$'000	2013 B\$'000
Debt securities		
- Market gains / (losses)	15,532	(36,683)
- Bonds interest	22,616	17,417
Equity		
- Market gains	687	14,686
- Dividend	1,610	1,536
Foreign exchange (losses) / gains	(425)	486
	40,020	(2,558)

17. Net gains / (losses) on gold revaluation

	2014	2013
	B\$'000	B\$'000
Net gains / (losses) attributable to:		
- Changes in market price	(3,868)	(71,160)
- Changes in foreign exchange	15,151	8,126
	11,283	(63,034)

18. Operating income

	2014	2013
	B\$'000	B\$'000
Registry of international business companies	2,981	1,745
Registration and licensing of banks and financial institutions	1,712	554
Credit Bureau services	609	614
Sale of commemorative coins	765	650
Payment settlements	112	-
Other income	34	52
	6,213	3,615

19. Staff costs

	2014	2013
	B\$'000	B\$'000
Salaries and wages	7,437	5,833
Bonuses	1,310	1,073
Long-term incentive scheme	382	261
Allowances	1,900	1,585
Other staff costs	1,539	1,042
	12,568	9,794

20. Other operating expenses

	2014	2013
	B\$'000	B\$'000
Depreciation	2,496	2,125
Consultancy and development expenditure	3,080	2,367
Other expenses	5,357	3,819
	10,933	8,311

21. Capital management

The Authority manages its capital to ensure that it will be able to continue as going concerns while ensuring there is sufficient capital to carry out effectively its statutory responsibilities. The Authority's overall strategy remains unchanged from 2011.

The capital structure of the Authority's consists of the equity of the Authority's comprising paid-up capital and reserve, detailed in Notes 8 and 9.

The Authority is not subject to any externally imposed capital requirements.

22. Related party

In the normal course of its operation, the Authority can enter into transactions with related party. Related parties include the Government of Brunei Darussalam.

The Authority may serve as banker to and act as the financial agent to the Government of Brunei Darussalam. Other than the transfer to the Government of Brunei Darussalam in accordance to Section 9 of the Order, there were no other significant related party transaction during the current financial year.

23. Categories of financial instruments

The fair values of financial assets and liabilities, together with their carrying amounts shown in the statement of financial position, are presented in the table below.

The Authority considers that the carrying amounts of financial assets and financial liabilities which are classified under loans and receivables and held at amortised cost approximate their fair values due to their relatively short term maturity.

The fair values of financial assets and financial liabilities are determined as follows:

- a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
- b) The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts; and
- c) The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

31 December 2014Financial assets

	Carrying amount	At fair value through profit or loss	Loans and receivables	Financial liabilities held at amortised cost
	B\$'000	B\$'000	B\$'000	B\$'000
Securities	1,556,667	1,556,667	-	-
Assets held with IMF	444,563	-	444,563	-
Other Assets	31,414	-	31,414	-
Fixed deposit	15,039	-	15,039	-
Cash and cash equivalents with banks and other financial institutions	2,510,607	-	2,510,607	-
	4,558,290	1,556,667	3,001,623	-

Financial Liabilities

Currency in circulation	1,271,710	-	-	1,271,710
Payables to Brunei Government	56,153	-	-	56,153
Liabilities with IMF	389,989	-	-	389,989
Other Liabilities	266,959	-	-	266,959
Deposit and balances of banks and other financial institutions	1,732,858	-	-	1,732,858
	3,717,669	-	-	3,717,669

	Carrying amount	At fair value through profit or loss	Loans and receivables	Financial liabilities held at amortised cost
31 December 2013	B\$'000	B\$'000	B\$'000	B\$'000
<u>Financial assets</u>				
Securities	1,512,371	1,512,371	-	-
Assets held with IMF	453,543	-	453,543	-
Other assets	26,369	-	26,369	-
Cash and cash equivalents with banks and other financial institutions	2,277,139	-	2,277,139	-
	4,269,422	1,512,371	2,757,051	-
<u>Financial Liabilities</u>				
Currency in circulation	1,219,737	-	-	1,219,737
Payables to Government of Brunei Darussalam	56,341	-	-	56,341
Liabilities with IMF	398,258	-	-	398,258
Other liabilities	26,390	-	-	24,258
Deposits and balances of banks and other financial institutions	1,751,190	-	-	1,751,190
	3,451,916	-	-	3,449,784

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1: Valued using unadjusted quoted prices in active markets for identical financial instruments.

Level 2: Valued using techniques that rely upon relevant observable market data curves. This category of instruments comprised of derivatives, repurchase transactions, commercial paper and deposits.

Level 3: Valued using techniques where at least one input that could have a significant impact on the valuation is not based on observable market data.

	Level 1	Level 2	Level 3	Total
	B\$'000	B\$'000	B\$'000	B\$'000
31 December 2014				
Securities	1,556,667	-	-	1,556,667
	1,556,667	-	-	1,556,667
	Level 1	Level 2	Level 3	Total
	B\$'000	B\$'000	B\$'000	B\$'000
31 December 2013				
Securities	1,512,371	-	-	1,512,371
	1,512,371	-	-	1,512,371

Securities are valued using quoted bid prices in an active market (Level 1).

24. Financial risk management

Exposure to credit, market, liquidity and operational risks arise in the normal course of the Authority's business. The Authority has risk management policies and has established processes to monitor and control the risks inherent in their business and activities.

Credit risk

Credit risk is the risk of financial loss resulting from the failure of counterparty to settle its financial and contractual obligations to the Authority, as and when they fall due.

Under Section 68 of the Order, there is a guarantee from the Government which states that the Government shall be responsible for the payment of all moneys due by the Authority.

Credit risk on securities held by the Authority is managed by providing investment guidelines and requirements to the funds. These guidelines are agreed upon by the Board of Directors.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2014	2013
	B\$'000	B\$'000
Securities	1,556,667	1,512,371
Other assets	31,414	26,369
Fixed deposits	15,039	-
Cash and cash equivalents with banks and other financial institutions	2,510,607	2,277,139
	4,113,727	3,815,879

The Authority acts as the depository agent for the Government for IMF Membership. The Authority is not expose to credit risk for these deposits.

Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting the commitments associated with liabilities and other payment obligations. Such risk may result from inadequate market depth or disruption or refinancing problems.

The Authority's objective is to ensure that adequate liquidity is maintained at all times. The Authority manages such risk by investing mainly in liquid money market instruments for maturities not exceeding 12 months so as to meet its day-to-day liquidity need. Alongside this, the Authority imposes exposure limits on its approved counterparty list. Diversification of the fund is also achieved by investing in other asset classes such as fixed income, equities and precious metals.

The following tables analyse the Authority's financial assets at the end of reporting period into relevant maturity groupings based on the remaining period to the contractual maturity date:

31 December 2014Financial assets

	No specific maturity B\$'000	Up to 1 mth B\$'000	1 - 3 mths B\$'000	3 - 12 mths B\$'000	1 - 5 yrs B\$'000	> 5 yrs B\$'000	Total B\$'000
Debt Securities	-	-	-	89,953	326,313	653,623	1,069,889
Government treasury bills	-	-	-	432,756	3,977	-	436,733
Equity	50,045	-	-	-	-	-	50,045
Assets held with IMF	444,563	-	-	-	-	-	444,563
Other Assets	20,689	10,725	-	-	-	-	31,414
Fixed Deposits	-	-	-	15,039	-	-	15,039
Cash and cash equivalents with banks and other financial institutions	-	947,292	1,563,315	-	-	-	2,510,607
	515,297	958,017	1,563,315	537,748	330,290	653,623	4,558,290

Financial liabilities

Currency in Circulation	1,271,710	-	-	-	-	-	1,271,710
Payable to Government of Brunei Darussalam	56,153	-	-	-	-	-	56,153
Liabilities with IMF	389,989	-	-	-	-	-	389,989
Other Liabilities	27,172	239,787	-	-	-	-	266,959
Deposit and balances of banks and other financial institutions	1,525,049	207,809	-	-	-	-	1,732,858
	3,270,073	447,596	-	-	-	-	3,717,669

	No specific maturity	Up to 1 mth	1 - 3 mth	3 - 12 mths	1 - 5 yrs	> 5 yrs	Total
31 December 2013	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000
<u>Financial assets</u>							
Fixed income	-	-	132	10,621	351,733	456,642	819,128
Government							
treasury bills	-	-	-	499,767	114,903	-	614,670
Equity	78,573	-	-	-	-	-	78,573
Assets held with IMF	453,543	-	-	-	-	-	453,543
Other assets	20,494	5,875	-	-	-	-	26,369
Fixed deposits	-	-	-	-	-	-	-
Cash and cash							
equivalents with							
banks and other							
financial							
institutions	-	1,283,910	993,229	-	-	-	2,277,139
	552,610	1,289,785	993,361	510,388	466,636	456,642	4,269,422
<u>Financial liabilities</u>							
Currency in							
circulation	1,219,737	-	-	-	-	-	1,219,737
Payable to							
Government of							
Brunei Darussalam	56,341	-	-	-	-	-	56,341
Liabilities with IMF	398,258	-	-	-	-	-	398,258
Other liabilities	26,390	-	-	-	-	-	26,390
Deposits and							
balances of banks							
and other financial							
institutions	1,751,190	-	-	-	-	-	1,751,190
	3,451,916	-	-	-	-	-	3,451,916

Market risk

Market risk is defined as the risk of loss as a result of changes in market risk factors, including prices of securities, interest rates, foreign exchange rates, and credit spreads.

The Authority is exposed to market risk, as a consequence of its operations to deliver its policy objectives in the course of managing the Authority's Statement of Financial Position, principally through changes in the relative interest rates received on its assets and paid on its liabilities. Limited exposure may also be incurred to changes in exchange rates (see below) and to shifts in general market conditions, such as the liquidity of asset markets.

Market risk is managed through regular monitoring of the market risk exposure of the Authority's investments, the diversification of the Authority's investments across different markets and currencies, and the establishment of investment risk tolerance and controls at both the aggregate and individual portfolio levels.

Interest rate risk

Interest rate risk is the risk associated with holding fixed-rate and floating-rate instruments in a changing interest-rate environment. The Authority's Statement of Financial Position and profit is exposed to interest rate risk because most of its assets are financial assets, such as foreign securities and fixed deposits, which have interest income streams. The price of fixed-interest instruments like fixed income will decline when market rates rise, while the price will increase when market rates fall. Interest rate risk will also increase with maturity of a security because the associated income stream is fixed for a longer period.

The Authority has holdings of interest-bearing financial instruments in the form of fixed deposits ranging from 0.05% to 0.81% (2013: 0.01% to 0.46%) and fixed-income bonds ranging from 0.00% to 4.60% (2013: 0.00% to 4.665%).

The maximum duration of the Authority's holding of fixed-income instruments in its investment portfolio as at 31 December 2014 is 30 years (2013: 28 years).

Sensitivity to interest rate risk

At the reporting date the interest rate profile of the Authority's interest-bearing financial instruments were as follows:

	Carrying amount 2014 B\$'000	Carrying amount 2013 B\$'000
<u>Financial assets:</u>		
Securities	1,506,622	1,433,798
Fixed deposits	15,039	-
Cash & cash equivalents	2,274,242	2,062,391
	3,795,903	3,496,189
<u>Financial Liabilities</u>	-	-
	-	-

The figures below show the effect on the Authority's fixed and floating rate instruments' interest income of a movement of 10 basis points in interest rates as at 31 December 2014. A change of 10 basis points in interest rates for fixed rate instruments, would result in an increase or decrease of B\$958,782.32 in the Authority's equity and profit or loss. A change of 10 basis points in interest rate for floating rate instruments would increase or decrease the Authority's equity and profit or loss by B\$111,905.98. These figures are generally reflective of the Authority's exposure over the financial year.

Asset	+ 10 b.p. movement B\$'000	-10 b.p. movement B\$'000
Fixed-rate	(959)	959
Floating-rate	(112)	112

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of the instrument will vary due to changes in currency exchange rates. The Authority holds forward contracts amounting to principal amount of B\$15,517,026 for 2014 (2013: B\$44,312,007) to hedge its exposure to foreign exchange risks.

Any gains or losses of the outstanding forward contracts are recognised in profit or loss.

As at 31 December 2014, the Authority's net exposure to major currencies, in Brunei Dollar terms, is:

	2014	2013
	B\$'000	B\$'000
<u>Securities:</u>		
US dollar (USD)	15,855	58,899
Euro currency (EUR)	-	15,962
Hong Kong dollar (HKD)	-	4,296
Japanese yen (JPY)	-	7,009
Pound sterling (GBP)	-	4,558
Singapore dollar	1,540,812	1,418,071
Other currencies	-	3,576
	1,556,667	1,512,371

Other financial assets and liabilities are denominated in the functional currency.

A 10% strengthening of the Brunei dollar against the USD, EUR, HKD, JPY, GBP and Other currencies at 31 December 2014 would have decreased profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Authority considered to be reasonably possible at the end of reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

	2014	2013
	B\$'000	B\$'000
<u>Securities:</u>		
US dollar (USD)	1,586	5,890
Euro currency (EUR)	-	1,596
Hong Kong dollar (HKD)	-	430
Japanese yen (JPY)	-	701
Pound sterling (GBP)	-	456
Other currencies	-	358
	1,586	9,431

There is no analysis performed on movement against the Singapore dollar as the Brunei dollar is pegged to the Singapore dollar at parity under the Currency Interchangeability Agreement (CIA) signed between the Government of Negara Brunei Darussalam and the Government of Republic of Singapore and is customary tender in Singapore and vice-versa.



8. KEY EVENTS AND ACTIVITIES



**HARI RAYA GET - TOGETHER WITH
HIS ROYAL HIGHNESS CHAIRMAN OF AMBD**



LAUNCHING OF THE CREDIT BUREAU SELF-INQUIRY AND DISPUTE RESOLUTION SERVICES



24TH MEETING OF THE IFSB COUNCIL, 12TH GENERAL ASSEMBLY AND OTHER EVENTS



HARI RAYA CELEBRATION WITH BOD MEMBERS





Visit By US ASEAN
Business Council

SEACEN - Toronto Course on
Macro - Prudential Surveillance



17th ASEAN Insurance
Regulators' Meeting

40th ASEAN Insurance
Council Meeting



Cleaning Campaign at
Berakas Beach



Cleaning Campaign at
Makam Di Luba



“Projek Keluarga”





ANNEX



Annex

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Annex 1: Circulation of Brunei Notes				
Denomination	Held by Banks in Brunei	Held by Monetary Authority of Singapore Pending Repatriation	Held Otherwise (Active Circulation)	Gross Circulation
\$1	736,047.70	39,667.00	34,890,759.30	35,666,474.00
\$5	1,068,358.50	34,660.00	22,770.850.50	23,873,869.00
\$10	11,714,780.00	2,599,290.00	115,286,338.00	129,600,408.00
\$20	294,850.00	8,640.00	11,447,120.00	11,750,610.00
\$25	128,300.00	375.00	8,316,770.50	8,445,445.50
\$50	3,828,900.00	1,122,450.00	36,557,986.00	41,509,336.00
\$100	91,728,500.00	77,273,200.00	414,411,308.00	583,413,008.00
\$500	14,629,000.00	26,269,500.00	156,976,500.00	197,875,000.00
\$1,000	4,534,000.00	9,900,000.00	75,572,500.00	90,006,500.00
\$10,000	21,440,000.00	6,540,000.00	81,560,000.00	109,540,000.00
TOTAL (B\$)	150,102,736.20	123,787,782.00	957,790,132.30	1,231,680,650.50

*As of 31 December 2014

Source: Monetary Operations Department, AMBD

Annex 2: Circulation of Brunei Coins			
Denomination	Held by Banks in Brunei	Held Otherwise (Active Circulation)	Gross Circulation
1¢	920.21	654,835.34	654,835.34
5¢	4,793.70	2,616,551.95	2,616,551.95
10¢	5,147.90	7,114,035.20	7,114,035.20
20¢	6,428.00	9,740,488.80	9,740,488.80
25¢	0.00	85.25	85.25
50¢	8,016.00	9,884,598.00	9,884,598.00
\$1	0.00	79,887.00	79,887.00
\$2	0.00	8,368.00	8,368.00
\$2.50	0.00	760.00	760.00
\$3	0.00	23,000.00	23,000.00
\$5	0.00	286,295.00	286,295.00
\$10	0.00	334,225.00	334,225.00
\$20	0.00	388,450.00	388,450.00
\$25 (Jubilee)	0.00	199,925.00	199,925.00
\$30	0.00	111,441.00	111,441.00
\$50 (Jubilee)	0.00	504,200.00	504,200.00
\$100	0.00	993,000.00	993,000.00
\$200	0.00	324,000.00	324,000.00
\$250	0.00	249,000.00	249,000.00
\$300	0.00	41,100.00	41,100.00
\$500	0.00	994,500.00	994,500.00
\$750	0.00	747,750.00	747,750.00
\$1,000	0.00	4,708,000.00	4,708,000.00
TOTAL (B\$)	25,305.81	40,004,495.54	40,004,495.54

*As of 31 December 2014

Source: Monetary Operations Department, AMBD

Annex 3: Brunei Government Sukuk Al-Ijarah Issuance

YEAR	SERIES	ISSUANCE DATE	TENOR	MATURITY DATE	TOTAL (BND)	RENTAL YIELD (Percent)
2006	SERIES 1	6-Apr-06	91	06-Jul-06	150,000,000.00	3.400
	SERIES 2	29-Jun-06	91	28-Sep-06	150,000,000.00	3.375
	SERIES 3	13-Jul-06	91	12-Oct-06	150,000,000.00	3.350
	SERIES 4	2-Nov-06	91	01-Feb-07	120,000,000.00	3.375
2007	SERIES 5	15-Feb-07	91	17-May-07	90,000,000.00	3.150
	SERIES 6	12-Apr-07	91	12-Jul-07	70,000,000.00	2.700
	SERIES 7	21-Jun-07	91	20-Sep-07	70,000,000.00	2.275
	SERIES 8	12-Jul-07	364	10-Jul-08	45,000,000.00	2.300
	SERIES 9	16-Aug-07	91	15-Nov-07	80,000,000.00	2.450
	SERIES 10	25-Oct-07	91	24-Jan-08	50,000,000.00	2.275
	SERIES 11	6-Dec-07	91	06-Mar-08	45,000,000.00	2.188
2008	SERIES 12	24-Jan-08	364	22-Jan-09	30,000,000.00	1.500
	SERIES 13	5-Jun-08	91	04-Sep-08	40,000,000.00	0.925
	SERIES 14	19-Jun-08	91	18-Sep-08	28,000,000.00	0.880
	SERIES 15	17-Jul-08	91	16-Oct-08	15,000,000.00	0.600
	SERIES 16	7-Aug-08	91	06-Nov-08	9,000,000.00	0.550
	SERIES 17	21-Aug-08	91	20-Nov-08	24,000,000.00	0.750
	SERIES 18	11-Sep-08	91	11-Dec-08	45,000,000.00	1.000
	SERIES 19	9-Oct-08	91	08-Jan-09	35,000,000.00	1.430
	SERIES 20	23-Oct-08	364	22-Oct-09	35,000,000.00	1.150
	SERIES 21	6-Nov-08	91	05-Feb-09	18,000,000.00	0.920
	SERIES 22	20-Nov-08	91	19-Feb-09	35,000,000.00	0.600
	SERIES 23	18-Dec-08	91	19-Mar-09	60,000,000.00	0.650
2009	SERIES 24	5-Feb-09	91	07-May-09	31,000,000.00	0.400
	SERIES 25	19-Feb-09	91	21-May-09	60,000,000.00	0.390
	SERIES 26	5-Mar-09	364	04-Mar-10	11,000,000.00	0.500
	SERIES 27	19-Mar-09	91	18-Jun-09	63,000,000.00	0.340
	SERIES 28	9-Apr-09	91	09-Jul-09	25,000,000.00	0.300
	SERIES 29	23-Apr-09	91	23-Jul-09	30,000,000.00	0.300
	SERIES 30	7-May-09	91	06-Aug-09	21,000,000.00	0.300
	SERIES 31	21-May-09	91	20-Aug-09	35,000,000.00	0.300
	SERIES 32	11-Jun-09	91	10-Sep-09	20,000,000.00	0.300
	SERIES 33	9-Jul-09	91	08-Oct-09	45,000,000.00	0.300
	SERIES 34	30-Jul-09	364	29-Jul-10	50,000,000.00	0.450
	SERIES 35	13-Aug-09	91	12-Nov-09	25,000,000.00	0.330
	SERIES 36	27-Aug-09	91	26-Nov-09	32,000,000.00	0.300

YEAR	SERIES	ISSUANCE DATE	TENOR	MATURITY DATE	TOTAL (BND)	RENTAL YIELD (Percent)
2009	SERIES 37	17-Sep-09	91	17-Dec-09	38,000,000.00	0.350
	SERIES 38	8-Oct-09	91	07-Jan-10	33,000,000.00	0.360
	SERIES 39	22-Oct-09	91	21-Jan-10	30,000,000.00	0.380
	SERIES 40	19-Nov-09	91	18-Feb-10	25,000,000.00	0.390
	SERIES 41	3-Dec-09	91	04-Mar-10	43,000,000.00	0.390
2010	SERIES 42	25-Mar-10	91	24-Jun-10	70,000,000.00	0.380
	SERIES 43	1-Apr-10	91	01-Jul-10	30,000,000.00	0.350
	SERIES 44	29-Apr-10	91	29-Jul-10	25,000,000.00	0.300
	SERIES 45	20-May-10	91	19-Aug-10	33,000,000.00	0.300
	SERIES 46	17-Jun-10	91	16-Sep-10	70,000,000.00	0.320
	SERIES 47	1-Jul-10	91	30-Sep-10	65,000,000.00	0.300
	SERIES 48	22-Jul-10	91	21-Oct-10	35,000,000.00	0.300
	SERIES 49	5-Aug-10	364	04-Aug-11	65,000,000.00	0.340
	SERIES 50	19-Aug-10	91	18-Nov-10	40,000,000.00	0.280
	SERIES 51	2-Sep-10	91	02-Dec-10	25,000,000.00	0.280
	SERIES 52	30-Sep-10	91	30-Dec-10	48,000,000.00	0.280
	SERIES 53	14-Oct-10	91	13-Jan-11	25,000,000.00	0.280
	SERIES 54	28-Oct-10	91	27-Jan-11	48,000,000.00	0.280
	SERIES 55	25-Nov-10	91	24-Feb-11	35,000,000.00	0.280
	SERIES 56	9-Dec-10	91	10-Mar-11	35,000,000.00	0.270
2011	SERIES 57	21-Apr-11	91	21-Jul-11	72,000,000.00	0.280
	SERIES 58	12-May-11	91	11-Aug-11	85,000,000.00	0.250
	SERIES 59	9-Jun-11	91	08-Sep-11	31,000,000.00	0.200
	SERIES 60	23-Jun-11	91	22-Sep-11	51,000,000.00	0.190
	SERIES 61	7-Jul-11	91	06-Oct-11	71,000,000.00	0.200
	SERIES 62	11-Aug-11	364	09-Aug-12	96,000,000.00	0.350
	SERIES 63	25-Aug-11	91	24-Nov-11	85,000,000.00	0.100
	SERIES 64	22-Sep-11	91	22-Dec-11	100,000,000.00	0.150
	SERIES 65	13-Oct-11	91	12-Jan-12	100,000,000.00	0.100
	SERIES 66	3-Nov-11	91	02-Feb-12	100,000,000.00	0.175
	SERIES 67	17-Nov-11	91	16-Feb-12	100,000,000.00	0.180
	SERIES 68	8-Dec-11	91	08-Mar-12	100,000,000.00	0.170
2012	SERIES 69	8-Mar-12	91	07-Jun-12	100,000,000.00	0.200
	SERIES 70	22-Mar-12	91	21-Jun-12	100,000,000.00	0.200
	SERIES 71	12-Apr-12	91	12-Jul-12	100,000,000.00	0.200
	SERIES 72	26-Apr-12	91	26-Jul-12	100,000,000.00	0.180
	SERIES 73	17-May-12	91	16-Aug-12	100,000,000.00	0.180
	SERIES 74	7-Jun-12	91	06-Sep-12	100,000,000.00	0.180

YEAR	SERIES	ISSUANCE DATE	TENOR	MATURITY DATE	TOTAL (BND)	RENTAL YIELD (Percent)
2012	SERIES 75	28-Jun-12	91	27-Sep-12	100,000,000.00	0.200
	SERIES 76	12-Jul-12	91	11-Oct-12	100,000,000.00	0.180
	SERIES 77	2-Aug-12	91	01-Nov-12	100,000,000.00	0.180
	SERIES 78	16-Aug-12	364	15-Aug-13	100,000,000.00	0.280
	SERIES 79	20-Sep-12	91	20-Dec-12	100,000,000.00	0.180
	SERIES 80	11-Oct-12	91	10-Jan-13	100,000,000.00	0.160
	SERIES 81	1-Nov-12	91	31-Jan-13	100,000,000.00	0.160
	SERIES 82	22-Nov-12	91	21-Feb-13	100,000,000.00	0.160
	SERIES 83	6-Dec-12	91	07-Mar-13	100,000,000.00	0.160
2013	SERIES 84	21-Feb-13	91	23-May-13	100,000,000.00	0.180
	SERIES 85	14-Mar-13	91	13-Jun-13	100,000,000.00	0.160
	SERIES 86	28-Mar-13	91	27-Jun-13	100,000,000.00	0.160
	SERIES 87	18-Apr-13	91	18-Jul-13	96,000,000.00	0.150
	SERIES 88	2-May-13	91	01-Aug-13	83,000,000.00	0.210
	SERIES 89	16-May-13	91	15-Aug-13	100,000,000.00	0.210
	SERIES 90	7-Jun-13	91	06-Sep-13	100,000,000.00	0.220
	SERIES 91	27-Jun-13	91	26-Sep-13	100,000,000.00	0.160
	SERIES 92	18-Jul-13	364	17-Jul-14	100,000,000.00	0.200
	SERIES 93	1-Aug-13	91	31-Oct-13	100,000,000.00	0.160
	SERIES 94	22-Aug-13	91	21-Nov-13	100,000,000.00	0.160
	SERIES 95	12-Sep-13	91	12-Dec-13	100,000,000.00	0.140
	SERIES 96	10-Oct-13	273	10-Jul-14	100,000,000.00	0.200
	SERIES 97	14-Nov-13	91	13-Feb-14	100,000,000.00	0.150
	SERIES 98	21-Nov-13	273	21-Aug-14	100,000,000.00	0.190
	SERIES 99	19-Dec-13	182	19-Jun-14	100,000,000.00	0.180
2014	SERIES 100	9-Jan-14	91	10-Apr-14	100,000,000.00	0.150
	SERIES 101	13-Feb-14	182	14-Aug-14	100,000,000.00	0.190
	SERIES 102	6-Mar-14	91	05-Jun-14	100,000,000.00	0.150
	SERIES 103	20-Mar-14	273	18-Dec-14	100,000,000.00	0.200
	SERIES 104	17-Apr-14	91	17-Jul-14	100,000,000.00	0.160
	SERIES 105	22-May-14	182	20-Nov-14	100,000,000.00	0.210
	SERIES 106	19-Jun-14	91	18-Sep-14	100,000,000.00	0.160
	SERIES 107	24-Jul-14	273	23-Apr-15	100,000,000.00	0.230
	SERIES 108	21-Aug-14	364	20-Aug-15	100,000,000.00	0.250
	SERIES 109	4-Sep-14	91	04-Dec-14	100,000,000.00	0.170
	SERIES 110	18-Sep-14	182	19-Mar-15	100,000,000.00	0.220
	SERIES 111	16-Oct-14	91	15-Jan-15	100,000,000.00	0.190

YEAR	SERIES	ISSUANCE DATE	TENOR	MATURITY DATE	TOTAL (BND)	RENTAL YIELD (Percent)
2014	SERIES 112	6-Nov-14	91	05-Feb-15	100,000,000.00	0.210
	SERIES 113	20-Nov-14	182	21-May-15	100,000,000.00	0.240
	SERIES 114	18-Dec-14	273	17-Sep-15	100,000,000.00	0.510
TOTAL					8,230,000,000.00	

Annex 4: Central Bank Survey				
<i>Millions of Brunei Dollars</i>	2011	2012	2013	2014
Net Foreign Assets	2,697.55	3,632.27	3,875.44	3,952.869
Claims On Nonresidents	3,124.40	4,034.75	4,292.43	4,606.555
Liabilities To Nonresidents	-426.86	-402.48	-416.99	-653.686
Claims on Other Depository Corporations	850.22	423.46	193.75	180.030
Net Claims On Central Government	138.18	-69.52	-56.96	-56.269
Claims On Central Government	300.77	0.80	1.09	1.279
Liabilities To Central Government	-162.59	-70.32	-58.01	-57.549
Claims On Other Sectors	0.00	0.00	0.00	0.000
Claims On Other Financial Corporations	0.00	0.00	0.00	0.000
Claims On State and Local Government	0.00	0.00	0.00	0.000
Claims On Public Nonfinancial Corporations	0.00	0.00	0.00	0.000
Claims on Private Sector	0.00	0.00	0.00	0.000
Monetary Base	2,665.48	2,887.01	2,970.92	3,005.175
Currency In Circulation	1,689.99	1,627.05	1,219.74	1,271.706
Liabilities To Other Depository Corporations	975.49	1,259.96	1,751.19	1,733.468
Liabilities To Other Sectors	0.000	0.00	0.00	0.000
Other Liabilities To Other Depository Corporations	0.00	1.13	1.32	1.066
Deposits and Securities Other Than Shares Excluded From Monetary Base	0.00	0.00	0.00	0.000
Deposits Included In Broad Money	0.00	0.00	0.00	0.000
Securities Other Than Shares Included In Broad	0.00	0.00	0.00	0.000
Deposits Excluded From Broad Money	0.00	0.00	0.00	0.000
Securities Other Than Shares Excluded From Broad Money	0.00	0.00	0.00	0.000
Loans	0.00	0.00	0.00	0.000
Financial Derivatives	0.00	0.00	0.00	0.000
Shares and Other Equity	1,045.44	1,159.49	1,070.28	1,102.800
Other Items (Net)	-24.97	-61.42	-30.28	-32.411

Source: Monetary Policy and Management Department, AMBD

Note: Central Bank refers to Autoriti Monetari Brunei Darussalam

Annex 5: Other Depository Corporations Survey				
Millions of Brunei Dollars	2011	2012	2013	2014
Net Foreign Assets	12,897.32	11,227.44	10,172.08	9,113.790
Claims On Nonresidents	13,098.10	11,428.60	10,319.39	9,286.295
Liabilities To Nonresidents	-200.78	-201.16	-147.31	-172.505
Claims on Central Bank	1,833.58	1,960.87	1,991.75	1,847.660
Currency	858.93	701.03	242.21	250.665
Reserve Deposits And Securities Other than Shares	974.65	1,259.84	1,749.54	1,596.995
Other Claims On Central Bank	0.00	0.00	0.00	0.000
Net Claims On Central Government	-5,120.41	-3,917.50	-3,101.46	-1,811.914
Claims On Central Government	495.66	499.68	499.62	699.040
Liabilities To Central Government	-5,616.06	-4,417.18	-3,601.08	-2,510.954
Claims On Other Sectors	6,711.97	6,864.02	7,540.66	7,783.319
Claims On Other Financial Corporations	108.73	59.98	220.44	385.623
Claims On State and Local Government	0.00	0.00	0.00	0.000
Claims On Public Nonfinancial Corporations	107.92	194.05	320.17	268.624
Claims On Private Sector	6,495.33	6,609.99	7,000.04	7,129.071
Liabilities To Central Bank	700.22	322.89	425.81	467.942
Transferable Deposits Included In Broad Money	3,402.43	3,367.36	3,487.06	3,375.079
Other Deposits Included in Broad Money	9,603.70	9,668.21	9,701.73	10,226.501
Securities Other Than Shares Included in Broad Money	0.00	0.00	0.00	0.000
Deposits Excluded From Broad Money	0.00	0.00	0.00	0.000
Securities Other Than Shares Excluded From Broad Money	0.00	0.00	0.00	0.000
Loans	0.00	0.00	0.00	0.000
Financial Derivatives	0.00	0.00	0.00	0.000
Insurance Technical Reserves	0.00	0.00	0.00	0.000
Shares and Other Equity	2,073.25	2,184.24	2,348.96	2,420.747
Other Items (Net)	542.88	592.13	639.48	442.585

Source: Monetary Policy and Management Department, AMBD

Note: Other Depository Corporations consist of deposit-taking institutions including commercial banks, finance companies, and an Islamic trust fund

Annex 6: Depository Corporations Survey				
<i>Millions of Brunei Dollars</i>	2011	2012	2013	2014
Net Foreign Assets	15,594.87	14,859.71	14,047.52	13,066.658
Claims On Nonresidents	16,222.51	15,463.34	14,611.82	13,892.850
Liabilities To Nonresidents	-627.63	-603.63	-564.30	-826.191
Domestic Claims	1,729.75	2,877.00	4,382.24	5,915.135
Net Claims On Central Government	-4,982.22	-3,987.02	-3,158.41	-1,868.183
Claims On Central Government	796.43	500.48	500.71	700.319
Liabilities To Central Government	-5,778.65	-4,487.50	-3,659.13	-2,568.503
Claims On Other Sectors	6,711.97	6,864.02	7,540.66	7,783.319
Claims On Other Financial Corporations	108.73	59.98	220.44	385.623
Claims On State And Local Government	0.00	0.00	0.00	0.000
Claims On Public Nonfinancial Corporations	107.92	194.05	320.17	268.624
Claims On Private Sector	6,495.33	6,609.99	7,000.04	7,129.071
Broad Money Liabilities	13,837.19	13,961.59	14,166.31	14,622.621
Currency Outside Depository Corporations	831.06	926.02	977.52	1,021.042
Transferable Deposits	3,402.43	3,367.36	3,487.06	3,375.079
Other Deposits	9,603.70	9,668.21	9,701.73	10,226.501
Securities Other Than Shares	0.00	0.00	0.00	0.000
Deposits Excluded From Broad Money	0.00	0.00	0.00	0.000
Securities Other Than Shares Excluded From Broad Money	0.00	0.00	0.00	0.000
Loans	0.00	0.00	0.00	0.000
Financial Derivatives	0.00	0.00	0.00	0.000
Insurance Technical Reserves	0.00	0.00	0.00	0.000
Shares and Other Equity	3,118.69	3,343.73	3,419.24	3,523.547
Other Items (Net)	368.75	431.39	844.22	835.626

Source: Monetary Policy and Management Department, AMBD

Note: Depository Corporations consist of Central Bank and Other Depository Corporations.

Annex 7: Other Financial Corporations Survey				
<i>Millions of Brunei Dollars</i>	2011	2012	2013	2014
Net Foreign Assets	747.754	762.532	9,949.305	5,489.288
Claims On Nonresidents	1014.061	1041.376	10,178.324	5,770.600
Liabilities To Nonresidents	-266.307	-278.844	-229.018	-281.312
Claims On Other Depository Corporations	265.179	304.400	1,117.655	1,186.924
Net Claims On Central Government	-10.637	-10.917	-65.996	-68.530
Claims On Central Government	10.892	12.255	17.477	5.915
Liabilities To Central Government	-21.529	-23.172	-83.473	-74.446
Claims On Other Sectors	58.439	54.969	62.919	67.063
Claims On State and Local Government	0.000	0.000	0.000	0.000
Claims On Public Nonfinancial Corporations	0.860	2.181	1.379	2.093
Claims on Private Sector	57.579	52.788	61.540	64.970
Deposits	0.000	0.000	0.000	0.000
Securities Other Than Shares	0.000	0.000	0.000	0.000
Loans	73.087	76.067	81.183	76.637
Financial Derivatives	0.000	0.000	0.000	0.000
Insurance Technical Reserves	558.938	598.658	3221.083	3,689.039
Shares and Other Equity	403.906	422.187	7742.084	2,902.418
Other Items (Net)	24.804	14.072	19.533	6.651

Source: Monetary Policy and Management Department, AMBD

Note: Other Financial Corporations consist of insurance companies, assets management companies, offshore financial institutions and pension fund except for 2011 and 2012 which only consist of insurance companies.

Annex 8: Financial Corporations Survey				
<i>Millions of Brunei Dollars</i>	2011	2012	2013	2014
Net Foreign Assets	16,342.626	15,622.242	23,996.829	18,555.947
Claims On Nonresidents	17,236.567	16,504.717	24,790.146	19,663.450
Liabilities To Nonresidents	-893.941	-882.475	-793.317	-1,107.503
Domestic Claims	1,668.820	2,861.073	4,158.726	5,528.045
Net Claims On Central Government	-4,992.860	-3,997.934	-3,224.411	-1,936.714
Claims On Central Government	807.320	512.738	518.191	706.235
Liabilities To Central Government	-5,800.180	-4,510.673	-3,742.602	-2,642.948
Claims On Other Sectors	6,661.680	6,859.007	7,383.136	7,464.758
Claims On State and Local Government	0.000	0.000	0.000	0.000
Claims On Public Nonfinancial Corporations	108.775	196.231	321.553	270.717
Claims On Private Sector	6,552.905	6,662.775	7,061.583	7,194.041
Currency Outside Financial Corporations	828.865	919.578	797.432	906.700
Deposits	12,826.301	12,858.087	12,965.746	13,324.108
Securities Other Than Shares	0.000	0.000	0.000	0.000
Loans	72.366	75.560	81.183	75.582
Financial Derivatives	0.000	0.000	0.000	0.000
Insurance Technical Reserves	558.781	598.507	3,220.843	3,688.714
Shares and Other Equity	3,522.594	3,765.917	11,161.319	6,425.965
Other Items (Net)	202.537	265.665	-70.969	-337.078

Source: Monetary Policy and Management Department, AMBD

Note: Financial Corporations consist of Depository Corporations and Other Financial Corporations

Annex 9: Monetary Aggregates and Broad Money Components				
<i>Millions of Brunei Dollars</i>	2011	2012	2013	2014
Monetary Aggregates				
M0	1,689.99	1,627.05	1,219.4	1,217.7
Money	4,233.49	4,293.38	4,464.58	4,396.12
Quasi Money	9,603.70	9,668.21	9,701.73	10,226.50
Broad Money	13,837.19	13,961.59	14,166.31	14,622.62
Broad Money Components				
Currency outside banks	831.06	926.02	977.52	1,021.04
Demand deposits	3,402.43	3,367.36	3,487.06	3,375.08
Money	4,233.49	4,293.38	4,464.58	4,396.12
Fixed deposits, savings & other deposits	9,603.70	9,668.21	9,701.73	10,226.50

Source: Monetary Policy and Management Department, AMBD



APRIL 2015