بروني دارالسلام سنترال بڠك
BRUNEI DARUSSALAM CENTRAL BANK

2024

ANNUAL REPORT

بسم الله الرحمن الرحيم

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

Contents

Abbreviations

AC	Audit Committee
ACMF	ASEAN Capital Markets Forum
AI	Artificial intelligence
AIC	ASEAN Insurance Council
AIRM	ASEAN Insurance Regulators' Meeting
AML	Anti-Money Laundering
APG	Asia/Pacific Group on Money Laundering
ASEAN	Association of Southeast Asian Nations
ATB	ASEAN Taxonomy Board
ATO	Anti-Terrorism Order
BDIF	Brunei Darussalam Islamic Finance
BOT	Bank of Thailand
CAR	Capital Adequacy Ratio
CARO	Criminal Asset Recovery Order
CBA	Currency Board Arrangement
CBNI	Physical Currency and Bearer Negotiable Instrument
CFT	Combating the Financing of Terrorism
CIA	Currency Interchangeability Agreement
CINRG	Crime Intelligence Research Group
CMSRL	Capital Market Services Representative's Licence
COICOP	Classification of Individual Consumption According to Purpose
CPF	Counter Proliferation Financing of Weapons of Mass Destruction
CPI	Consumer Price Index
CSB	Cyber Security Brunei
CSR	Corporate Social Responsibility
CTR	Cash Transaction Reports
DEPS	Department of Economic Planning and Statistics, Ministry of Finance and Economy, Brunei Darussalam
DNFBPs	Designated Non-Financial Businesses and Professions
DPH	Digital Payment Hub
FATF	Financial Action Task Force
FDI	Foreign Direct Investment
FIU	Financial Intelligence Unit
FMSC	Financial and Monetary Stability Committee
FPS	Fast Payment Systems
FSBP	Financial Sector Blueprint
HES	Household Expenditure Survey
HND	Higher National Diploma
HRC	Human Resource Committee
IAC	Investment Advisory Committee
IBTE	Institute of Brunei Technical Education
IFDI	Islamic Finance Development Indicator
IFSB	Islamic Financial Services Board
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
ITIL	Information Technology Infrastructure Library
LCR	Liquidity Coverage Ratio
LSEG	London Stock Exchange Group
MAS	Monetary Authority of Singapore

Abbreviations

MER	Mutual Evaluation Report
MOFE	Ministry of Finance and Economy, Brunei Darussalam
MoU	Memorandum of Understanding
MSMEs	Micro, Small, and Medium-sized Enterprises
NAMLC	National Anti-Money Laundering and Combating the Financing of Terrorism Committee
ndpx	National Digital Payments Network Sdn Bhd
NFLC	National Financial Literacy Council
NFLD	National Financial Literacy Day
NSD	National Savings Day
OJK	Otoritas Jasa Keuangan
OSF	Overnight Standing Facilities
PB	Politeknik Brunei
RBCS	Risk-Based Capital and Solvency
RBPF	Royal Brunei Police Force
RBS	Risk-Based Supervision
RMC	Risk Management Committee
RPC	Regional Payment Connectivity
RTGS	Real-Time Gross Settlement
S$NEER	SGD Nominal Effective Exchange Rate
SEACEN	South East Asian Central Banks Research and Training Centre
SFR	Sustainable Finance Roadmap
SFSB	Syariah Financial Supervisory Board
SGF	Syariah Governance Framework
SIR	Self-inquiry reports
STR	Suspicious Transaction Reports
SWIFT	Society for Worldwide Interbank Financial Telecommunications
TEMAN	Technical Meeting of the Mints in ASEAN
TFR	Anti-Terrorism (Terrorist Financing) Regulations
UBD	Universiti Brunei Darussalam
UNISSA	Universiti Islam Sultan Sharif Ali
UTB	Universiti Teknologi Brunei
WC-FINC	ASEAN Working Committee on Financial Inclusion
WC-PSS	ASEAN Working Committee on Payment and Settlement Systems

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Chairman's Remarks

Dato Seri Paduka Awang Haji Khairuddin bin Haji Abdul Hamid
Deputy Minister of Finance and Economy (Economy)
Chairman, Board of Directors
Brunei Darussalam Central Bank

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

Alhamdulillah, the domestic economy sustained its growth momentum in 2024, with annual growth reaching 4.2 per cent, driven by an expansion in downstream activities. Disinflationary pressures persisted throughout the year, reflecting an easing of supply chain disruptions and moderating commodity prices. Meanwhile, the global economy remained steady in 2024 and is expected to maintain its stability in 2025. Inflationary pressures continued to soften, signalling an end to the post-pandemic economic cycle and a return to central bank targets. Despite this, 2024 was marked by a convergence of global challenges, including inflationary pressures, ongoing geopolitical tensions, and extreme weather events, all of which have put the strength of the global economy to the test.

In navigating these developments, the Central Bank stayed focused on its core mandates of maintaining monetary and financial stability. In 2024, our monetary policy, underpinned by the Currency Board Arrangement (CBA) and Currency Interchangeability Agreement (CIA) with Singapore, continues to provide macroeconomic stability by mitigating the impact of inflationary pressures from abroad. Furthermore, our financial sector remained robust, evidenced by a 6.2 per cent year-on-year growth in total financial sector assets to BND25.2 billion.

Recognising that a stable and sound financial sector is crucial to supporting our country's economic aspirations, the Central Bank is steadfast in ensuring the financial system is well positioned not just to finance the needs of today's economy but also to be ready for the future. The banking sector, which accounts for the majority of our financial sector assets, remained robust with strong capital adequacy and liquidity positions.

Last year, the Central Bank further strengthened prudential regulatory frameworks for the banking industry through the introduction of the Liquidity Coverage Ratio (LCR). Efforts are also underway to enhance the financial sector's crisis preparedness against unexpected volatilities by formulating a comprehensive recovery and resolution framework.

In safeguarding the integrity of the financial system, the Central Bank is committed to combatting financial fraud and scams. Throughout the year, the Central Bank expanded its initiatives to promote awareness by conducting outreach programmes that included diverse demographics and also continued to collaborate with the public and private sectors for intelligence exchange on financial crimes.

As we approach the final year of the Financial Sector Blueprint (FSBP) 2016–2025, it is essential to reflect on the progress achieved and its impact on the broader economy. While continuing to fulfil the strategies initially set in 2016, it is also imperative to take into account the rapid changes around us, such as artificial intelligence (AI) and quantum computing. This will be key as we develop the upcoming FSBP 2026–2035, which will chart the future of our financial sector.

One thing is certain: the financial sector is poised to maintain its vital role as a catalyst for transformative change within the Brunei economy. For the Central Bank, while circumstances evolve, our mandate remains unchanged in serving the public's interest. As such, we will continue to strengthen our engagement with relevant stakeholders to ensure the effectiveness of any regulatory reforms and work together towards achieving Brunei Darussalam's Wawasan 2035 goals.

In closing, I am delighted to welcome Dayang Hajah Rashidah binti Haji Sabtu as the Central Bank's new Managing Director. Her extensive experience and expertise in central banking will be invaluable to the institution. I would also wish to extend my sincere gratitude to Dayang Hajah Rokiah binti Haji Badar, the former Managing Director, for her immense contributions to BDCB. Under her leadership, several key achievements were attained, amongst which include the introduction of interim regulatory measures during the COVID-19 pandemic, the publication of BDCB's Strategic Plan (2021-2025), the launch of BDCB Islamic Bills (i-Bills) in 2020, BDCB's Chairmanship of the ASEAN Central Bank Governors Meeting in 2021, and the issuance of commemorative coins in conjunction with Brunei Darussalam's 40th Anniversary of Independence in 2024, to name a few.

I also would like to take this opportunity to acknowledge the unwavering commitment, hard work, and dedication of our Board of Directors, Executive Management, and all officers and staff throughout 2024 as they drive our mission forward to fulfil our mandates effectively. On that note, I am pleased to present the BDCB Annual Report 2024.

Dato Seri Paduka Awang Haji Khairuddin bin Haji Abdul Hamid

Managing Director's Foreword

Hajah Rashidah binti Haji Sabtu
Managing Director
Brunei Darussalam Central Bank

بسم الله الرحمن الرحيم
السلام عليكم ورحمة الله وبركاته

First and foremost, I would like to express my deepest gratitude to His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam, for entrusting me with the honour of serving as the Managing Director of BDCB. I would also like to extend my sincere appreciation to our former Managing Director, Yang Mulia Dayang Hajah Rokiah binti Haji Badar, for her exemplary leadership and invaluable guidance throughout her tenure at the Central Bank.

In 2024, the global economy was on a gradual recovery with easing inflationary pressures and a cautious shift towards looser monetary policies. At the same time, the year was marked by increased geopolitical uncertainties, adverse policy shifts from newly elected governments and extreme climate events – all of which became a source of great uncertainty and volatility for the global economy and financial markets.

Faced with such a dynamic and challenging environment, Alhamdulillah, our financial sector has remained resilient. In fulfilling our responsibility to safeguard the industry, the Central Bank continues to refine its oversight frameworks to uphold high regulatory standards while simultaneously fostering development and innovation. On the former, measures were undertaken to align the financial sector's risk management frameworks with international best practices and standards, such as the amendment to the Notice on Early Detection of Cyber Intrusion and Incident Reporting for Financial Institutions and Guidelines on Blockchain Platforms.

The Central Bank also continued its efforts in promoting a dynamic and vibrant financial sector. One such milestone in 2024 was the launch of the Mekar FinTech Innovation Centre, which aims to encourage collaboration and responsible innovation amongst FinTech players. In addition, the Central Bank actively supported the development of the National Digital Payment Hub, led by the National Digital Payments Network Sdn Bhd (ndpx), as part of its ongoing efforts to modernise the payment services of the financial sector. Set to launch soon, the hub will enhance the efficiency and security of digital payments, reinforcing the country's aspiration to become a Smart Nation.

At the same time, the Central Bank continues to promote a sustainable economy through the formulation of the Sustainable Finance Roadmap, which is expected to be published in 2025. This roadmap will provide clear guidance for the financial sector in integrating sustainable practices and addressing long-term environmental challenges.

In advancing Islamic Finance, the Central Bank collaborated with Universiti Islam Sultan Sharif Ali (UNISSA) to organise the inaugural Brunei Darussalam Islamic Finance Symposium 2024, which brought together thought leaders from various backgrounds to discuss key issues related to Islamic finance. Collectively, these efforts underscore our commitment to provide an enabling environment for the financial sector to prosper even further.

As the financial sector develops, there is also a growing concern about the rise of financial scams. Therefore, promoting financial literacy remains a top priority in our work in the Central Bank. In 2024, we celebrated the 10th year of National Savings Day with key objectives to promote a savings culture and practical financial management. To celebrate NSD 2024, the Central Bank conducted numerous outreach programmes across the country and organised the fifth Financial Fun Fair with the theme 'Digital Financial Literacy'. I am pleased to highlight the launch of our new BDCB mobile application during the event, which aims to enhance public access to the Central Bank's resources and allow users to stay abreast of BDCB's developments. Additionally, we celebrated the renaming of National Savings Day to National Financial Literacy Day, recognising the critical role of financial education in building a resilient society.

Looking ahead, the increased sophistication of our financial services will place greater demands on specialised skills. It is imperative that talent in the financial sector adapt to these changes. On our part, the Central Bank continues to offer scholarships for BDCB staff as well as secondment to international institutions to nurture our talent and ensure alignment with the demands of the industry. Furthermore, the Central Bank continues to strengthen its partnership with the local academia, as highlighted through the signing of two Memoranda of Understanding with UNISSA and Universiti Teknologi Brunei (UTB). These new partnerships aim to encourage collaboration in research, exchange of data and information, and capacity building.

Beyond the domestic front, the Central Bank continues to engage in initiatives that deepen international cooperation and integration. In 2024, BDCB was honoured to host key international events, namely the 16th Islamic Financial Services Board Summit, the 27th ASEAN Insurance Regulators' Meeting and the 50th ASEAN Insurance Council Meeting.

In embracing technological advancements in our operations, the Central Bank unveiled its Digital Transformation Roadmap 2024-2028, designed to guide the Central Bank in leveraging data and innovation in our day-to-day work. As part of the sustainability agenda, the Central Bank is also taking proactive steps to embrace sustainable practices in our investments, currency operations, and energy consumption.

With 2025 being the final year of the Central Bank’s strategic plan 2021-2025 and the Financial Sector Blueprint 2016-2025, the Central Bank continues to make concerted efforts to realise the remaining strategic action initiatives. At the same time, the Central Bank is preparing to issue the next cycle of the blueprint and strategic plan that will guide us on the path forward for Brunei Darussalam's financial sector.

To conclude, I extend my heartfelt thanks and gratitude to our officers and staff – the backbone of the Central Bank – for their tireless efforts and professionalism, to which these achievements would not have been made possible. I also wish to express my sincere appreciation to the Board of Directors for their support and guidance throughout 2024. Together, we remain committed to the Central Bank’s mission of ensuring a stable, secure, and progressive financial system that supports the long-term prosperity of Brunei Darussalam.

Hajah Rashidah binti Haji Sabtu

BDCB in Brief

Vision, Mission, and Objectives

Our Vision

With the blessings of Allah Subhanahu Wa Ta'ala, to be a dynamic central bank that supports a progressive and sustainable economy.

Our Mission

To ensure a well-functioning monetary and financial system, and promote the development of a sound and progressive financial services sector.

Our Objectives

As outlined in Section 4 of the BDCB Order, 2010, Brunei Darussalam Central Bank (BDCB) carries the following core objectives:

OBJECTIVE #1

Achieve and maintain domestic price stability

Operates a Currency Board Arrangement (CBA), facilitated by the Currency Interchangeability Agreement (CIA) between Brunei Darussalam and Singapore.

CBA

Ensures that all Brunei currency in circulation must be fully backed up by foreign exchange reserves.

CIA

Allows for the Brunei Dollar to be interchangeable with the Singapore Dollar at par.

OBJECTIVE #2

Ensure the stability of the financial system

By implementing relevant regulations and conducting supervision of the financial sector, the Central Bank has a vital role in maintaining financial stability and mitigating any risks that could potentially have a systemic impact on the economy. This helps to ensure that the financial system remains resilient and is able to withstand any potential shocks or disruptions.

OBJECTIVE #3

Assist in the establishment and functioning of efficient payment systems, and to oversee them

The Central Bank oversees the country's payment and settlement systems to ensure that consumers' interests are safeguarded. The national payment and settlement systems were established by the Central Bank to provide a digital platform for more efficient and secure interbank payment systems.

OBJECTIVE #4

Foster and develop a sound and progressive financial services sector

The Central Bank plays a crucial role in fostering and advancing the growth of the financial services sector. This is carried out by actively engaging and consulting with the industry and other relevant stakeholders, with the aim of supporting the broader goals of sustainable and inclusive economic development.

Board of Directors

Chairman

Yang Mulia
Dato Seri Paduka Awang Haji Khairuddin bin Haji Abdul Hamid
Deputy Minister of Finance and Economy (Economy)

Deputy Chairman

Yang Mulia
Pengiran Datin Seri Paduka Hajah Zety Sufina binti Pengiran Dato Paduka Haji Sani
Deputy Minister of Finance and Economy (Fiscal)

Members

Yang Mulia
Dato Seri Setia Dr. Awang Haji Japar bin Haji Mat Dain @ Maidin
Deputy State Mufti
State Mufti's Office

Yang Mulia
Pengiran Hajah Siti Nirmala binti Pengiran Haji Mohammad
Permanent Secretary (Wawasan)
Prime Minister's Office

Yang Mulia
Dr. Dayang Hajah May Fa'ezah binti Haji Ahmad Ariffin
Permanent Secretary
(Economy, Trade and Industry)
Ministry of Finance and Economy

Yang Mulia
Dayang Hajah Zuraini binti Haji Sharbawi
Solicitor General, Attorney General's Chambers
Prime Minister's Office

Yang Mulia
Dayang Hajah Rashidah binti Haji Sabtu
Managing Director
Brunei Darussalam Central Bank
(Effective 21 December 2024)

Yang Mulia
Dayang Hajah Rokiah binti Haji Badar
Managing Director
Brunei Darussalam Central Bank
(Until 20 December 2024)

Executive Management

Managing Director

Yang Mulia
Dayang Hajah Rashidah binti Haji Sabtu
[Effective 21 December 2024]
[Formerly Deputy Managing Director,
Regulatory and Supervision, BDCB]

Yang Mulia
Dayang Hajah Rokiah binti Haji Badar
[Until 20 December 2024]

Deputy Managing Directors

Yang Mulia
Dayang Hajah Noorrafidah binti Sulaiman
Regulatory and Supervision
[Effective 21 December 2024]
[Formerly Deputy Managing Director,
Monetary Operations, Development, and International, BDCB]

Yang Mulia
Awang Mardini bin Haji Eddie
Monetary Operations, Development, and International
[Effective 21 December 2024]
[Formerly Assistant Managing Director, Monetary Operations, BDCB]

Assistant Managing Director

Yang Mulia
Dayang Hajah Sufinah binti Haji Sahat
Corporate Development

Yang Mulia
Dayang Hajah Mahani binti Haji Mohsin
Regulatory and Supervision

Governance

Financial and Monetary Stability Committee (FMSC)

The FMSC monitors the risks present in the global and domestic financial and economic environments. Additionally, it offers policy recommendations to the Board of Directors and upholds the Currency Board Arrangement (CBA) according to the Currency Order, 2004 as amended by the Currency and Monetary (Amendment) Order, 2010 for the monetary stability of Brunei Darussalam.

The members of the FMSC, as of 31 December 2024 are:

Chairperson

Yang Mulia
Dayang Hajah Rashidah binti Haji Sabtu
Managing Director
Brunei Darussalam Central Bank

Members

Yang Mulia
Dayang Hajah Noorrafidah binti Sulaiman
Deputy Managing Director
Regulatory and Supervision
Brunei Darussalam Central Bank

Yang Mulia
Awang Mardini bin Haji Eddie
Deputy Managing Director
Monetary Operations, Development and International, Brunei Darussalam Central Bank

Yang Mulia
Pengiran Hajah Noorasiah binti Pengiran Md Hassan
Acting Deputy Accountant General
Treasury Department
Ministry of Finance and Economy

Yang Mulia
Dayang Heidi Farah Sia binti Abd Rahman
Acting Director General
Department of Economic Planning and Statistics
Ministry of Finance and Economy

Yang Mulia
Assistant Managing Director
Monetary Operations, Development and International,
Brunei Darussalam Central Bank

Yang Mulia
Assistant Managing Director
Regulatory and Supervision
Brunei Darussalam Central Bank

Yang Mulia
Awang Haji Zulhazmi bin Haji Jaludin
Acting Chief Executive Officer
Brunei Darussalam Deposit Protection Corporation
Ministry of Finance and Economy

Yang Mulia
Dr. Awang Mohd Hairul Azrin bin Haji Besar
Assistant Professor, UBD School of Business and Economics and Director, Sultan Omar 'Ali Saifuddien Centre for Islamic Studies

Governance

Investment Advisory Committee (IAC)

The IAC is responsible for advising the Board of Directors of the Central Bank on investment decisions, policies, and revisions. It oversees the selection and appointment of external fund managers and supports performance evaluations to ensure effective investment management. Additionally, the IAC reviews investment proposals from Executive Management and assesses other related matters as directed by the Board.

The members of the IAC, as of 31 December 2024 are:

Chairperson

Yang Mulia
Awang Haji Sofian bin Mohammad Jani
Managing Director
Brunei Investment Agency

Deputy Chairperson

Yang Mulia
Dayang Hajah Rashidah binti Haji Sabtu
Managing Director
Brunei Darussalam Central Bank

Members

Yang Mulia
Awang Mardini bin Haji Eddie
Deputy Managing Director
Monetary Operations, Development and International
Brunei Darussalam Central Bank

Yang Mulia
Assistant Managing Director
Monetary Operations, Development and International
Brunei Darussalam Central Bank

Yang Mulia
Awang Haji Mokhzani Izhar bin Pehin Orang Kaya Seri Kerna Dato Seri Setia Dr Haji Abu Bakar
Senior Manager
Brunei Investment Agency

Governance

Human Resource Committee (HRC)

The HRC oversees the review, amendment, and approval of the Central Bank's Employee Services Terms and Conditions, human resources policies, and rewards and recognition policies. Further, it endorses recommendations for State Decorations and Honorary State Medal recipients and is responsible for approving and/or endorsing the appointment of senior officers as directed by the Board of Directors.

The members of the HRC, as of 31 December 2024, are:

Chairperson

Yang Mulia
Awang Ajman bin Haji Meludin
Permanent Secretary
(Civil Service Governance)
Prime Minister's Office

Members

Yang Mulia
Dayang Hajah Rashidah binti Haji Sabtu
Managing Director
Brunei Darussalam Central Bank

Yang Mulia
Dayang Hajah Sufinah binti Haji Sahat
Assistant Managing Director
Corporate Development
Brunei Darussalam Central Bank

Yang Mulia
Awang Mohammad Yazdi Haji Yahya
Chief HR and Administration Officer,
Progresif Sdn Bhd

Governance

Audit Committee (AC)

The AC, as outlined under Section 21 (4) of the BDCB Order, 2010, is responsible for overseeing the Internal Audit Division, reviewing and recommending the appointment of external auditors, determining the scope of external audits and other inter-related services, facilitating discussions between auditors on findings and recommendations, and assessing the year-end financial statements with external auditors. The AC is supported by the Internal Audit Division, which provides independent assurance on the Central Bank's risk exposure, compliance with internal policies, and the effectiveness of control systems. This enables the AC to effectively oversee audit functions and uphold governance standards.

The members of the AC, as of 31 December 2024, are:

Chairperson

Yang Mulia
Dayang Hajah Zuraini binti Haji Sharbawi
Solicitor General at Attorney General's Chambers
Prime Minister's Office

Members

Yang Mulia
Awang Haji Hairul Mohd Daud
bin Haji Abdul Karim
Deputy Permanent Secretary
(Infocommunications)
Ministry of Transport and Infocommunications

Yang Mulia
Pengiran Hajah Noorasiah
binti Pengiran Mohd Hassan
Acting Accountant General
Ministry of Finance and Economy

Yang Mulia
Pengiran Hajah Normaswati
binti Pengiran Anak Haji Manshor
Acting Deputy Accountant General
Ministry of Finance and Economy

Yang Mulia
Awang Shamsul Bahri bin Haji Kamis
Chief Executive Officer
I.T. Protective Security (ITPSS)

Yang Mulia
Pengiran Haji Johari
bin Pengiran Haji Abd Ghani
Head, Business Continuity Planning
Brunei Investment Agency

Governance

Risk Management Committee (RMC)

The RMC is responsible for reporting and advising the Board of Directors on the Central Bank's overall risk tolerance, the risk management framework (encompassing principles, policies, systems, processes, and procedures), and overseeing the development of the overall risk management frameworks.

The members of the RMC, as of 31 December 2024, are:

Chairperson

Yang Mulia
Dr. Dayang Hajah May Fa'ezah binti Haji Ahmad Arifin
Permanent Secretary (Economy, Trade and Industry)
Ministry of Finance and Economy

Members

Yang Mulia
Dayang Hajah Rashidah binti Haji Sabtu
Managing Director
Brunei Darussalam Central Bank

Yang Mulia
Awang Haji Hairul Mohd Daud
bin Haji Abdul Karim
Deputy Permanent Secretary
(Infocommunication)
Ministry of Transport and Infocommunications

Yang Mulia
Kolonel (B) Muhd Harrith Rashidi
bin Haji Muhd Jamin
Director (National Disaster Management Centre)
Ministry of Home Affairs

Yang Mulia
Dayang Mazriyani binti Haji Abd Ghani
Acting Director of Communications
Ministry of Transport and Infocommunications

Yang Mulia
Pengiran Haji Johari
bin Pengiran Haji Abdul Ghani
Head, Business Continuity Planning
Brunei Investment Agency

Governance

Syariah Financial Supervisory Board (SFSB)

The SFSB was established under the Syariah Financial Supervisory Board Order, 2006. It is mandated to ascertain the Islamic law on any financial matter, to issue rulings on matters referred to it, and to advise on any Syariah issues relating to Islamic financial business, activities or transactions.

The members of the SFSB, as of 31 December 2024, are:

Chairperson

Yang Dimuliakan Pehin Orang Kaya Paduka Setia Raja
Dato Paduka Seri Setia Haji Awang Suhaili bin Haji Mohiddin

Deputy Chairperson

Yang Mulia
Dato Seri Setia Dr. Awang Haji Japar bin Haji Mat Dain @ Maidin
Deputy State Mufti
State Mufti Office

Yang Mulia
Dato Seri Setia Dr. Awang Haji Mazanan bin Haji Yusof
Assistant Mufti (Buhuth)
State Mufti Office

Members

Yang Arif
Awang Haji Hassan bin Haji Metali
Syariah High Court Judge

Yang Mulia
Hajah Rashidah binti Haji Sabtu
Managing Director
Brunei Darussalam Central Bank

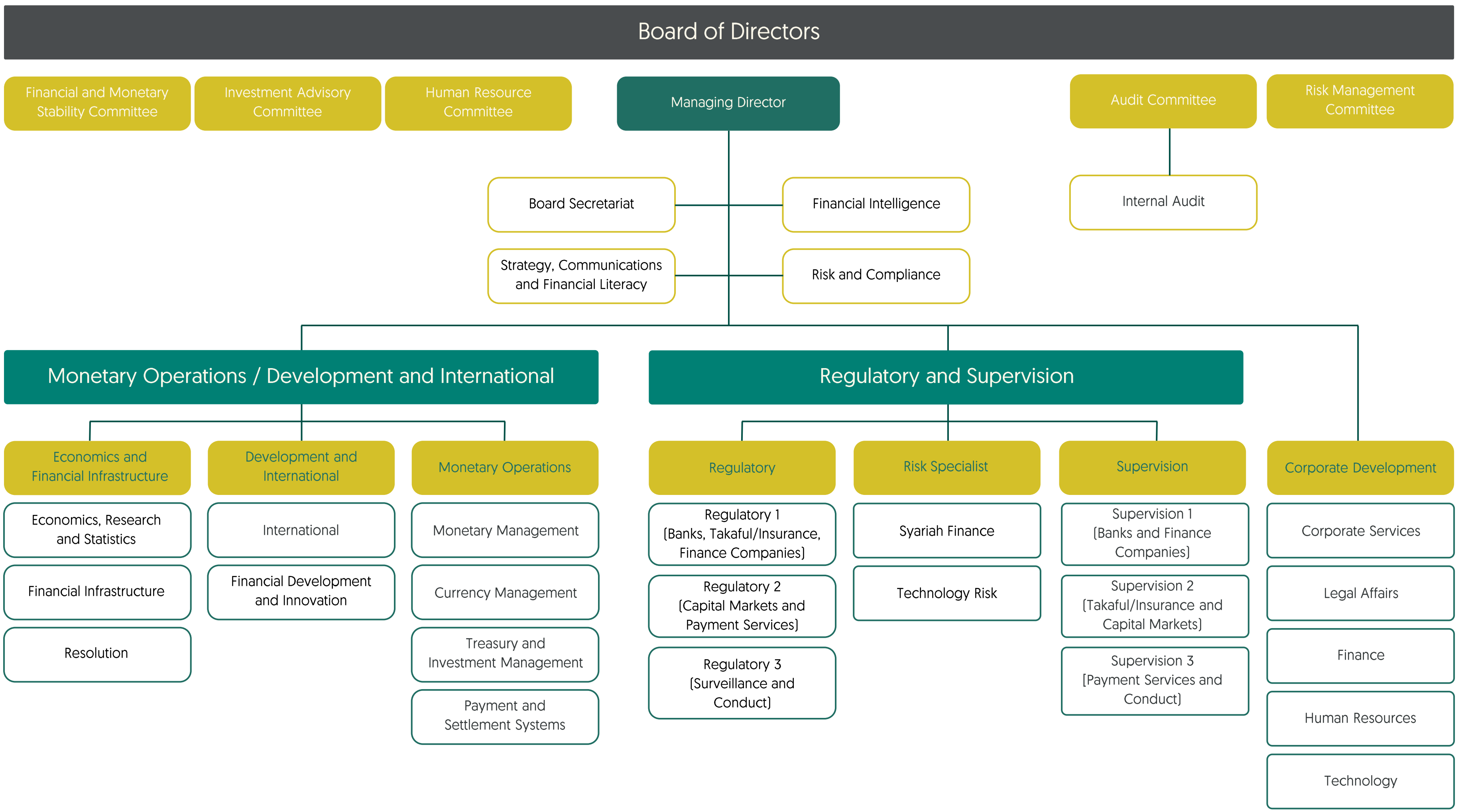
Yang Mulia
Dr. Awang Haji Hardifadhillah bin Haji Mohd Salleh
Director, Islamic Legal Unit
Ministry of Religious Affairs

Yang Mulia
Dr. Awang Mohd Hairul Azrin bin Haji Besar
Assistant Professor, UBD School of Business and Economics and Director, Sultan Omar 'Ali Saifuddien Centre for Islamic Studies

Yang Mulia
Awang Haji Mas Reduan bin Haji Jumat
Head of Buhuth, State Mufti Office

Governance

Organisational Structure



Maintaining Domestic Price Stability

The Central Bank remains committed to its mandate of maintaining price stability and ensuring a sound monetary environment amid evolving global and regional economic conditions. In line with this, the Central Bank continues to ensure an effective monetary framework, implementing strategic measures that support both economic growth and financial stability.

Maintaining price stability in a changing economic landscape

In 2024, the global economy experienced steady but below-trend growth. The United States demonstrated resilience, driven by strong consumer spending and a robust labour market, whereas Europe and China faced structural challenges and weaker demand. Inflationary pressures eased but remained above central bank targets.

Looking ahead, the International Monetary Fund (IMF) projects global growth at 3.3% in 2025 and 2026, with an upward revision for the United States, offsetting weaker forecasts elsewhere. Inflation is expected to moderate to 4.2% in 2025 and 3.5% in 2026. However, the near-term growth outlook is subjected to downside risks, due to trade tensions, tariffs, and geopolitical conflicts. These factors could disrupt global growth, delay monetary easing, and impact fiscal and financial stability over the medium term.

Domestically, Brunei Darussalam's economy continued its expansion, recording a 4.2% GDP growth in 2024. This was driven by strong performances in both the Oil and Gas and Non-Oil and Gas sectors, which grew by 5.5% and 3.1%, respectively.

This growth momentum is expected to continue, supported by strong production in the Oil and Gas sector, sustained expansion in the Non-Oil and Gas sector, and ongoing progress in foreign direct investment (FDI) projects in downstream industries. However, potential external risks, including weaker demand from key trading partners and lower commodity prices, may pose challenges to the economic outlook.

Figure 1: Domestic economic highlights

Real GDP growth in 2024: **4.2%**
vs. 1.4% in 2023

Inflation in 2024: **-0.4%**
vs. 0.4% in 2023

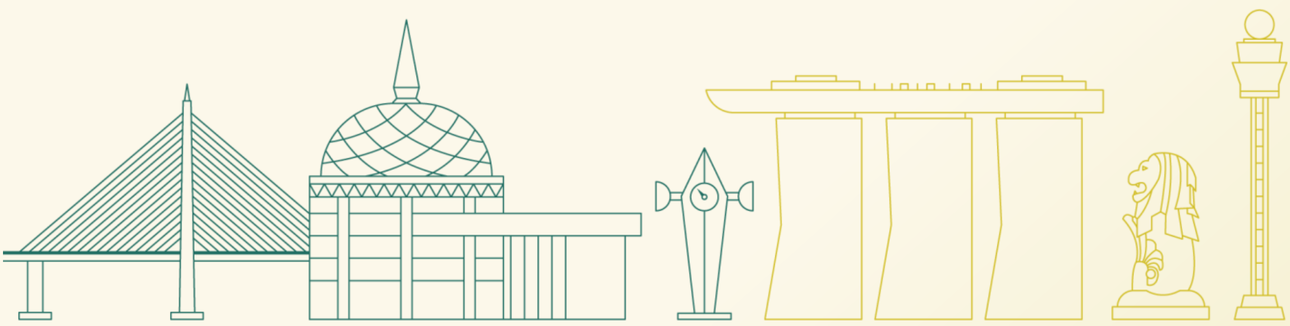
Source: Department of Economic Planning and Statistics, Ministry of Finance and Economy

In 2024, the overall Consumer Price Index (CPI) declined by 0.4% to 106.4, down from 106.8 in 2023. This trend aligned with the global disinflationary movement and was consistent with the Central Bank's inflation forecast in the BDCB Policy Statement 2/2024, which projected a range of -0.7% to 0.3%.

The Central Bank's monetary policy, anchored by the Brunei Dollar's (BND) one-to-one parity with the Singapore Dollar (SGD) has played a vital role in mitigating imported inflation. This has been further reinforced by subsidies and administrative price controls, which have helped stabilise domestic prices. Additionally, the Monetary Authority of Singapore's (MAS) decision in October 2024 to maintain the rate of appreciation of the SGD Nominal Effective Exchange Rate (S$NEER) policy band has provided further support in managing inflationary pressures.

Box 1 – Brunei Darussalam's Monetary Policy and Its Benefits

What is Brunei Darussalam's monetary policy?



The monetary policy framework for Brunei Darussalam is unique and has been in place since 1967. It has proven effective given the country's long record of low and stable inflation. It is made up of two components:

Currency Board Arrangement (CBA)

where the BND is pegged to the SGD and is 100% backed up with foreign reserves.

Currency Interchangeability Agreement (CIA)

with Singapore ensures that the BND and SGD are valued at par and accepted by the monetary authorities and banks in both countries. Both BND and SGD are customary tender in Singapore and Brunei Darussalam, respectively.

Benefits

Currency Board Arrangement (CBA)

Safeguards consumer confidence: The full backing of each Brunei Dollar with foreign reserves instils confidence in its value. Consumers can trust in the convertibility under the CBA that each BND issued is fully supported by tangible assets in the form of foreign reserves. This means that BND is not an unbacked type of fiat money with no intrinsic value. Instead, the BND is a fiduciary money issued by the Central Bank, fully backed by underlying assets.

Ensures monetary and fiscal discipline: The Central Bank's issuance of Brunei Dollars is directly tied to its reserve levels, ensuring that only as much currency is issued as can be supported by the reserves. This practice requires a strict and disciplined monetary policy, a healthy financial system and a conservative fiscal approach.

Credibility of monetary policy and inflation control: The highly disciplined CBA enhances the credibility of the Central Bank's monetary policy. This contributes to relatively low and stable inflation, safeguarding consumers' savings and purchasing power from the risk of uncontrolled inflation.

Currency Interchangeability Agreement (CIA)

Low and stable inflation: Brunei Darussalam's average inflation has remained relatively low and stable for a very long time due to several factors, including its monetary policy, administrative price controls on selected items, and some subsidies in place. A low and stable inflation means everyone is better off as they do not have to face highly volatile prices. Price stability can support economic growth and employment by allowing people to make more reliable plans when deciding about borrowing, spending, saving, investing and expanding businesses.

Currency stability: The fixed exchange rate under the peg signals exchange rate stability and provides confidence in the value of the Brunei Dollar. This currency stability helps with everyday decision-making and enables better planning for saving, spending, and investment for households and businesses alike. Exchange rate stability is also one of the factors that can attract inward investment and facilitate trade for an economy.

Benefits (cont'd)

Currency Board Arrangement (CBA)

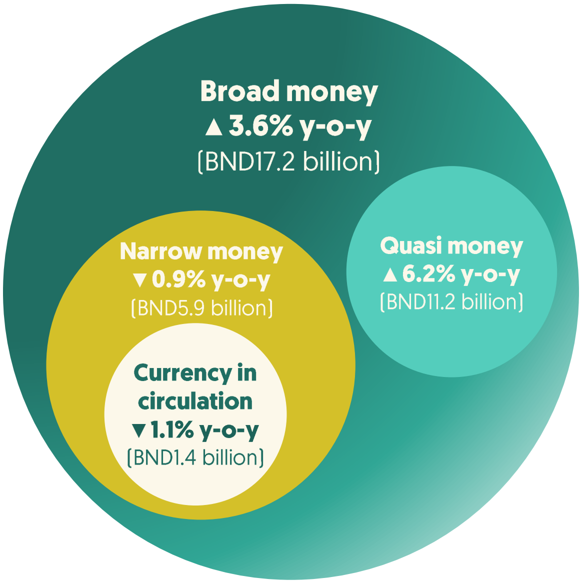
Macroeconomic stability: As mentioned by the IMF in Article IV consultation on Brunei Darussalam, "The peg to the Singapore dollar remains appropriate, providing a credible nominal anchor and stability to the financial system. The currency board has helped keep the inflation rate and its volatility low, suggesting that the credibility of the peg anchors inflation and preserves macroeconomic stability."

Currency Interchangeability Agreement (CIA)

Convenient cross-border transactions: The CBA and CIA eliminate foreign exchange or currency risk, making cross-border transactions fairly seamless and predictable between Brunei Darussalam and Singapore. This is especially convenient for frequent travellers, who can use both currencies without needing to exchange them into the local currency. Additionally, it benefits Brunei businesses and investors by removing concerns over exchange rate fluctuations and currency risk when carrying out transactions with Singapore. This helps to facilitate stronger trade and investment flows.

Cheaper imports: The relatively stronger BND/SGD exchange rate, compared to other currencies, can make imports cheaper, thus enhancing purchasing power as Brunei Darussalam relies heavily on imports from trade partners. A stronger Brunei Dollar helps mitigate the impact of imported inflation.

Figure 2: 2024 monetary aggregates



Given this evolving economic landscape, the Central Bank has taken proactive measures to ensure monetary stability while supporting market liquidity. A key aspect of this effort is the use of monetary instruments, including Overnight Standing Facilities (OSF), Islamic Bills (I-Bills), and Sukuk, which play a crucial role in liquidity management and financial stability.

The OSF serves as an essential liquidity management tool, offering Syariah-compliant Funding and Acceptance facilities, as well as conventional Lending and Deposit Facilities. These facilities enable banks to borrow or place excess Brunei Dollars with the Central Bank overnight.

In the first half of 2024, the Financial Monetary and Stability Committee (FMSC) adjusted the OSF rates, increasing the Overnight Deposit Rate by a total of 150 basis points, bringing it to 3.00%, while maintaining the Lending Rate at 4.00%. However, in response to evolving economic and global market conditions, the FMSC implemented rate cuts starting in September 2024, reducing the OSF Rates by 75 basis points. By December 2024, the Deposit Rate was lowered to 2.25% and Lending Rate was reduced to 3.25%.

These adjustments ensure that the Central Bank's monetary operations remain aligned with the principles of the Currency Board while also fostering greater participation in domestic money market activities.

Figure 2 shows the money supply as of end December 2024.

Enhancing liquidity and market development through strategic monetary operations

The Central Bank remains committed to the objectives of Pillars I and II of the Financial Sector Blueprint 2016-2025:

- Monetary and Financial Stability
- Competitive and Innovative Financial Institutions and Services

In line with these goals, the Central Bank manages the issuance of the Brunei Darussalam Government Sukuk Al-Ijarah and implements the BDCB I-Bills Programme.

These initiatives are designed to enhance liquidity management for financial institutions by providing secure and liquid investment instruments. Both the Government Sukuk Al-Ijarah and the BDCB I-Bills serve as eligible collaterals for the Lending/Funding Facilities under the OSF, enabling financial institutions to access Brunei Dollar liquidity when needed. Additionally, these programmes contribute to the development of a benchmark yield curve, further supporting market growth.

Since its launch in 2006, the Central Bank, as an agent to the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam, has issued a total of 242 sukuk, totalling BND17.40 billion, with varying maturities of three months, one year, three years, five years, seven years and ten years. As of 31 December 2024, the total outstanding value of Government Sukuk Al-Ijarah stood at BND321.35 million.

Meanwhile, since its inception in 2020, the Central Bank has issued BND5.55 billion worth of BDCB I-Bills across 203 issuances, with a total outstanding amount of BND97.00 million as of 31 December 2024.

Looking ahead, the Central Bank is expanding the tenor of the BDCB I-Bills to introduce a 4-week tenor, complementing the existing 2-week tenor. This expansion will further enhance liquidity management options for financial institutions, ensuring they have greater flexibility in addressing short-term funding needs within an evolving market environment.

BDCB's Annual Economic and Investment Outlook

The Central Bank hosted its 8th Economic and Investment Outlook in January 2024 with the theme "Living in a BANI (Brittle, Anxious, Non-Linear, and Incomprehensible) World". The event aimed to provide insights into the evolving economic and financial landscape, highlighting key trends and challenges shaping global and domestic markets. It served as a platform for experts to share perspectives on economic resilience, financial stability, and emerging investment strategies.

Discussions focused on how the world has transitioned from a VUCA (Volatility, Uncertainty, Complexity, and Ambiguity) environment to one characterised by BANI, triggered by various crises such as climate change, the COVID-19 pandemic, financial instability and geopolitical tensions. Experts examined the susceptibility of markets to instability, the role of regulatory frameworks in enhancing financial resilience, and the impact of social media on market efficiency and predictability.

A key area of focus was the global economic slowdown and its implications for Brunei Darussalam. The panel, which included representatives from the Department of Economic Planning and Statistics, Ministry of Finance and Economy; Brunei Investment Agency; School of Business and Economics, Universiti Brunei Darussalam; and Standard Chartered Bank, explored emerging megatrends, including artificial intelligence, climate change, and geopolitical developments, as well as the country's challenges, such as its reliance on oil and gas, small market size, and external dependencies. Strategic diversification and collective stakeholder efforts were highlighted as crucial for fostering economic resilience and sustainable growth.

By facilitating discussions on economic and financial developments, the event provided valuable insights for policymakers, financial institutions, industry players, and members of academia to navigate uncertainties and adapt to an evolving landscape. It reinforced the importance of proactive measures in maintaining financial stability and seizing opportunities for long-term economic growth.

Box 2 – Inflation Measurement and its Implication for Monetary Policy: Case for Brunei Darussalam

Introduction

Consumer Price Index (CPI) inflation is a key economic indicator that reflects changes in the cost of living and consumers' purchasing power over time. Persistently high inflation can erode real income, reduce domestic demand, and slow economic growth. Conversely, excessively low inflation, or deflation, can also have negative consequences, as consumers may delay purchases in anticipation of lower prices, leading to weaker business activity and slower economic growth.

CPI Compilation in Brunei Darussalam

In Brunei Darussalam, the CPI data is compiled and published monthly by the Department of Economic Planning and Statistics under the Ministry of Economy and Finance (DEPS, MOFE). The CPI basket includes goods and services that are classified into 11 groups, following the United Nation's Classification of Individual Consumption According to Purpose (COICOP). The groups and weights in the current series (base year: 2015) are as follows:

Table 1: Groups and weights used in CPI calculation

Groups	Weights
Food and Non-Alcoholic Beverages	1,883
Clothing and Footwear	403
Housing, Water, Electricity, Gas and Other Fuels	1,170
Furnishings, Household Equipment and Routine Household Maintenance	702
Health	91
Transport	1,961
Communication	594
Recreation and Culture	664
Education	696
Restaurants and Hotels	1,069
Miscellaneous Goods and Services	767
Total	**10,000**

The DEPS typically rebases the CPI every five years using data from the Household Expenditure Survey (HES) to ensure it accurately reflects current household consumption patterns.

Calculation of the Final CPI Index

Price observations are collected from all four districts in Brunei Darussalam, and the national average price for each item is calculated using weighted arithmetic mean, with regional weights derived from Population and Housing Census data.*

The Dutot index serves as the elementary index formula and forms the foundation of CPI calculations. These calculations are progressively aggregated at higher levels – including item, sub-class, class, group, and division – using predetermined weights obtained from the HES.

Inflation in Brunei Darussalam

Compared to global inflation, prices in Brunei Darussalam have remained relatively low. From 1983 to 2024, annual inflation in Brunei Darussalam averaged 1.1%, while data from the past 20 years indicates an even lower average of 0.7%.

Recent figures show a significant decline in inflation, dropping from 3.7% in 2022 to 0.4% in 2023, with an average inflation rate of -0.4% in 2024. As a small, open economy that relies heavily on imports, Brunei Darussalam's prices are highly influenced by external factors. Events such as supply chain disruptions during the COVID-19 pandemic and geopolitical tensions from the Russia-Ukraine conflict, which led to increases in certain food prices, had a noticeable impact on inflation between 2020 and 2022.

Impact of Monetary Policy on Relative Prices

Central banks and monetary authorities use either expansionary or contractionary monetary policies to manage economic fluctuations and achieve price stability. For many central banks, this involves maintaining inflation at a targeted rate that is considered optimal for long-term economic growth. Although Brunei Darussalam does not adopt an inflation-targeting policy, government subsidies and administered price controls on selected goods and services have contributed to lower inflation levels and reduced volatility compared to economies that rely solely on market-driven pricing.

The Central Bank ensures price stability through a two-pronged monetary policy approach, consisting of:

1. The Currency Board Arrangement (CBA), and
2. The Currency Interchangeability Agreement (CIA) with Singapore.

With these arrangements, the BND is pegged to the SGD at par, effectively importing Singapore's monetary policy. In contrast, the Monetary Authority of Singapore (MAS) follows a managed float exchange rate regime, where the SGD Nominal Effective Exchange Rate (S$NEER) has historically maintained an appreciating trend. Given that the majority of goods in Brunei's CPI basket are imported, a stronger currency helps mitigate the effects of imported inflation. Additionally, the Brunei Government's subsidies and price controls on selected essential goods further contribute to low and stable inflation in the country.

*The methodology used to compile and calculate the monthly Consumer Price Index in Brunei Darussalam is in line with what is prescribed by the International Monetary Fund Consumer Price Index Manual 2020.

Ensuring the Stability and Integrity of the Financial System

The Central Bank is mandated to uphold the stability and integrity of Brunei Darussalam's financial system by formulating and implementing regulations while supervising financial institutions. Through these measures, the Central Bank plays a crucial role in mitigating systemic risks, ensuring that the financial system remains resilient against shocks and disruptions.

Regulatory Developments

Strengthening prudential regulatory frameworks for the financial sector

As part of the Central Bank's ongoing efforts to align with the Basel III liquidity framework, a Notice on Maintenance of Liquidity Coverage Ratio (LCR) was issued to the banking industry in December 2024. This Notice aims to enhance the short-term resilience of banks' liquidity risk profiles. It establishes a mandatory reporting requirement effective from 1 July 2025 and a compliance requirement to meet the minimum LCR effective from 1 January 2026. In parallel, the first round of industry consultations was conducted on the proposed revisions to the Single Borrowing Limit framework.

In May 2024, the Central Bank issued a consultation paper on the Risk-Based Capital and Solvency (RBCS) framework for the takaful and insurance industry. First developed in 2020, the framework aims to strengthen financial resilience by requiring takaful operators and insurance companies to maintain sufficient allocation of capital proportionate to each insurer's risk profile.

The consultation paper outlined the outcomes of the annual RBCS exercises and gathered industry feedback on adopting the current RBCS technical specifications and reporting templates, as well as the proposed integration of the framework into the Central Bank's supervisory process. The Central Bank remains committed to working closely with the industry to ensure a seamless transition in implementing the RBCS framework.

Raising competency for a stronger capital market

In November 2024, the Central Bank circulated the Revised Exposure Draft Notice on Licensing Examination to the industry, incorporating feedback from the first exposure draft issued in 2023. The revised draft further refined the proposed introduction of the Rules and Regulations Module as a mandatory component of the licensing examination for Capital Market Service Representative's Licence (CMSRL) applicants, alongside the existing Product Knowledge and Analysis Module.

Throughout the year, the Central Bank conducted a second round of industry consultations to gather additional feedback, ensuring that the amendments align with regulatory objectives and industry needs. The feedback is currently under review and will inform the final amendments, which are planned for release in 2025.

Enhancing the resilience and security of financial institutions' systems

The Central Bank actively conducts self-assessments against global IT standards, including Control Objectives for Information and Related Technology (COBIT 2019), Center for Internet Security (CIS) Critical Security Controls (CSC), and Information Technology Infrastructure Library (ITIL).

These assessments ensure that the Central Bank's Notices and Guidelines remain aligned with technological advancements while proactively addressing emerging risks to strengthen existing regulatory frameworks.

Towards ensuring the resilience and security of financial institutions' IT systems to safeguard public access to critical digital services, the amended Notice on Early Detection of Cyber Intrusion and Incident Reporting was issued in January 2024. This required financial institutions to maintain a 99.95% uptime for critical systems, ensuring seamless online transactions and access to services, even during peak periods. Any major IT incidents are closely monitored to prevent cascading disruptions across institutions.

In line with this, two advisories were issued in 2024, urging financial institutions to remain vigilant against potential cyberattacks during high-risk periods, such as year-end holidays. Financial institutions were also advised to avoid IT maintenance during busy times, such as payday weeks, to ensure service continuity and maintain customer confidence.

Additionally, in October 2024, the Guidelines on Technology Risk Management for Money Changer and Money Remittance Businesses and Pawnbrokers was introduced to address technological risks and enhance consumer protection through stronger data security and strengthened systems management.

Encouraging innovation in financial services

To promote innovation and growth in Brunei Darussalam's financial sector, the remittance licensing criteria were refined in September 2024 to allow only companies with technology-based solutions to apply for a remittance business licence.

This refinement aims to foster digital adoption, create a more competitive environment for the remittance industry, and encourage innovation, in keeping with the Digital Payment Roadmap (2019-2025) and Wawasan 2035.

Staying in touch with stakeholders

The Central Bank actively engages with the financial industry through regular meetings and informal channels to foster collaboration and open dialogue. These engagements serve as a platform to share updates, exchange insights, and address challenges in the evolving financial landscape. By maintaining strong relationships and aligning strategic priorities, these discussions contribute to the advancement of Brunei Darussalam's financial sector, which is in line with Wawasan 2035.

What's next

The Central Bank remains committed to strengthening Brunei Darussalam's financial sector through comprehensive regulatory enhancements and targeted initiatives. Key priorities include refining regulatory frameworks to align with international standards, enhancing industry competency and accountability to foster a more professional and resilient sector, promoting robust governance practices to strengthen financial integrity, and examining existing regulations and developing new ones to support a more diversified and competitive financial sector, including the bond and sukuk market.

Through these measures, the Central Bank aims to ensure a resilient financial system that supports economic growth and inspires confidence in Brunei Darussalam's financial sector.

Supervising Financial Institutions

Ensuring compliance and governance through onsite inspections

The Central Bank conducts regular onsite inspections on licensed financial institutions in Brunei Darussalam, including banks, finance companies, takaful operators/insurance companies and agents, capital market intermediaries, and money services businesses.

These inspections follow a Risk-Based Supervision (RBS) framework to ensure compliance with regulations, protect customer interests, and safeguard financial institutions' ability to meet long-term financial obligations.

In 2024, the Central Bank conducted onsite inspections across 53 licensees, focusing on several areas, including governance and internal control framework, risk management, financial soundness, market conduct, Syariah compliance

Muzakarah Syariah Kewangan Islam 2024

With the theme "The Way Forward for Syariah in Islamic Finance in Brunei Darussalam", the Central Bank organised the Muzakarah in September 2024. The event served as a platform for discussions and knowledge sharing among the Central Bank, the Syariah Finance Supervisory Board (SFSB), the Syariah Advisory Board, and Islamic financial institutions. Participants explored the latest developments in Islamic finance, including issues and challenges in upholding Syariah compliance in the daily business operations of Islamic financial Institutions.

Among others, the critical role of Syariah Advisory Bodies and Syariah control functions in Islamic financial institutions was highlighted in ensuring strong Syariah compliance in the approval process of its products and services as well as in their daily business operations through the implementation of a robust Syariah governance framework.

Several sessions and discussions were held involving Syariah advisors and Syariah officers from SFSB, the Central Bank, and Islamic financial institutions in Brunei Darussalam. Among the key issues raised were the challenges faced by Islamic financial Institutions in implementing Syariah compliance and the strategies adopted to overcome such challenges. The Muzakarah also shared the journey of Islamic finance in Brunei Darussalam and the opportunities to be explored to develop the industry further.

The Muzakarah ended with a presentation of a draft resolution, summarising the key takeaways from the presentations and discussion. This resolution serves as a basis for reference and action by stakeholders, particularly Syariah advisors and officers, in addressing the Syariah compliance challenges raised and other contemporary issues in Islamic Finance.

and technology risk. Multiple divisions across the Central Bank are typically involved in conducting a joint onsite inspection, providing comprehensive and holistic assessments of financial institutions' processes and practices. These inspections are planned based on risk assessments, offsite monitoring, and regulatory priorities, with additional focus on thematic or "for cause" inspections when needed. Prior to inspections, the Central Bank reviews financial reports, engages with external auditors, and identifies significant activities and key areas of concern.

Following inspections, supervisory letters are issued outlining findings and recommendations, requiring the financial institutions to implement action plans within stipulated timelines.

The Central Bank closely monitors the implementation of these action plans to ensure full alignment with regulatory standards. In cases of non-compliance, the Central Bank takes firm regulatory action and in 2024, it issued two supervisory letters, one non-renewal letter, and four compound letters, amounting to BND43,000 in total compounds.

These measures not only strengthen compliance and governance but also promote a clear understanding of regulatory expectations and international best practices for risk management in financial institutions.

Data-driven offsite supervision for a strong financial ecosystem

Additionally, the Central Bank also conducts ongoing offsite supervision to ensure financial stability and regulatory compliance across the financial sector. This involves continuous monitoring and analysis of financial performance, operational practices, and emerging risks. By reviewing key financial indicators and regulatory reports on a periodic basis, the Central Bank gains valuable insights into institutional performance and potential risks. Supervisors regularly assess these risks to determine whether financial institutions have adequate internal controls and mitigation measures in place. This data-driven approach enables a comprehensive, risk-based assessment, supporting informed decision-making and timely intervention.

Offsite supervision also enables the Central Bank to evaluate institutional adherence to regulatory standards, fostering continuous improvement and alignment with international best practices. These efforts promote accountability, professionalism, and long-term financial stability, contributing to a resilient and reliable financial ecosystem.

The Central Bank also actively conducts media sweeps to monitor emerging issues and trends in Brunei Darussalam's financial sector. This proactive approach helps:

- Identify potential risks and concerns affecting financial consumers;
- Assess how financial institutions handle consumers consumer complaints and issues; and
- Address gaps in consumer protection and enhance regulatory responses.

In 2024, media sweeps identified public concerns related to the service quality of financial institutions, as well as the offering of unlicensed financial products and services. In response, the Central Bank took decisive action, including verifying the claims, adding unlicensed entities to the BDCB Alert List, and sharing relevant information with the appropriate authorities.

Strengthening crisis management and preparedness for financial stability

The Central Bank's function as the regulatory authority for financial services and the lender of last resort for viable banks in financial distress emphasises the need for it to be prepared to manage potential financial crises, in particular, by putting in place a robust recovery and resolution framework for financial institutions in Brunei Darussalam.

Towards this, the Central Bank strengthened its crisis management governance with the establishment of the Crisis Management Coordination Committee to oversee its capacity and readiness in managing a financial crisis. In addition, the Financial and Monetary Stability Committee (FMSC) broadened its scope to include crisis management functions and expanded its composition to include the Chief Executive Officer of the Brunei Darussalam Deposit Protection Corporation (BDPC).

In October 2024, the Central Bank visited the Hong Kong Monetary Authority (HKMA) to gain insights into resolution frameworks, governance structures, and crisis management. The discussions covered HKMA's approach to financial institution resolution and its coordination with relevant entities overseeing deposit protection. The visit also explored HKMA's strategies for crisis management and regulatory enforcement, offering key lessons to strengthen the Central Bank's financial stability measures in line with international best practices.

Protecting consumers, upholding trust

The Central Bank plays a crucial role in consumer protection by addressing public complaints and queries, safeguarding their interests, and holding financial institutions accountable.

In 2024, the Central Bank received 181 complaints and 131 queries, of which 95% have been successfully resolved. A significant portion of complaints and queries were related to fraud and scams, highlighting the importance of addressing the evolving risks posed by digital threats and economic vulnerabilities. The Central Bank also collaborates closely with financial institutions and relevant stakeholders to resolve complaints related to financial products and services, and also credit reports.

Figure 3: Consumer protection key statistics, 2024

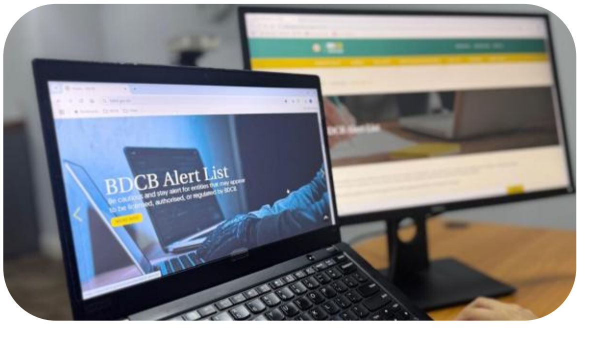
181 complaints, 131 queries received – 95% resolved

49 entities added to the Alert List

By actively monitoring and resolving consumer concerns, the Central Bank ensures that financial institutions comply with regulatory requirements and effectively address consumer protection issues. This reinforces consumer confidence, strengthens financial system resilience and upholds the trustworthiness of Brunei Darussalam's financial sector.

49 new entities were added to the Alert List in 2024, bringing the total to 274 since 2016. These entities were identified as being involved in suspicious or unlicensed activities, including fraudulent investment schemes, unlicensed money lending and remittance services, as well as other unethical financial practices.

The Alert List serves as a crucial public resource, helping the public identify individuals and companies that may be mistakenly perceived as licensed or regulated by the Central Bank. This initiative protects the public from financial fraud and scams by providing a clear warning against potential risks.



The Alert List on BDCB's updated website

The Central Bank also ensures the integrity of Alert List dispute resolution by reviewing applications and addressing only those supported by sufficient evidence. These ongoing efforts underscore the Central Bank's commitment to fostering a safe financial environment and promoting public trust in the country's financial sector.

Capacity building with SEACEN

In the first quarter of 2024, the Central Bank received technical support from the SEACEN Research and Training Centre to enhance its risk-based supervision frameworks for Payment Services as well as Culture and Conduct. This initiative provided valuable insights into the best practices on supervisory approaches of other Central Banks in the region, providing a foundation for the development of a comprehensive supervisory framework aligned with international standards.

What's next

To further enhance oversight and protect consumer interests, the Central Bank is advancing its supervisory capabilities with a strong focus on risk management, market conduct, and enforcement. Initiatives include the development of frameworks to address emerging risks, such as enterprise risk management, and reviews of existing risk profiling tools. Additionally, the Central Bank is working to strengthen the financial sector's resilience and preparedness through strategic initiatives, including enhancing crisis management frameworks and refining coordination protocols for financial stability. These strategic initiatives reaffirm the Central Bank's commitment to safeguarding financial stability and upholding the highest standards of governance.

Safeguarding the Financial Sector Against ML/TF Risks

Strengthening AML/CFT compliance and supervision

As part of our commitment to strengthening financial integrity, the Notice on Obligations to Conduct Actions in Respect of Designated Persons was issued in August 2024. This Notice establishes robust due diligence requirements, sanction screening, immediate reporting of suspicious transactions, and enhanced transparency through rigorous customer verification processes.

Meanwhile, ongoing onsite and offsite monitoring and supervision ensure that Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) processes remain effective and up-to-date, safeguarding the financial system against illicit activities and enhancing its integrity. In 2024, the Central Bank conducted AML/CFT onsite examinations across four financial institutions, in collaboration with other Central Bank divisions, to assess compliance with requirements stipulated under the Criminal Asset Recovery Order (CARO), Anti-Terrorism Order (ATO), and Anti-Terrorism (Terrorist Financing) Regulations (TFR).

Two sectoral risk assessments were conducted on payment service providers and insurance/family takaful sectors, identifying risks and areas for improvement. Supervisory actions taken include issuing 37 supervisory letters to financial institutions, consulting designated non-financial businesses and professions (DNFBPs) on AML/CFT matters, renewal of licences, and reviewing compliance officer applications across the sector. Desktop reviews were also conducted on two remittance companies to ensure remedial actions were implemented from previous onsite examinations.

Monitoring financial transactions for financial integrity

The Financial Intelligence Unit (FIU), BDCB analyses Suspicious Transaction Reports (STR)[1], Cash Transaction Reports (CTR)[2] and Physical Currency and Bearer Negotiable Instrument (CBNI)[3] to identify potential illicit activities, assess risks, and guide law enforcement investigations. These reports help the FIU to detect trends, ensure compliance, and safeguard the financial system.

Working closely with local and international counterparts

The Central Bank actively engages with domestic and international stakeholders to enhance intelligence analysis and combat financial crimes to safeguard financial systems at both national and global levels.

The Central Bank undertook several initiatives focused on strengthening operational capabilities and fostering collaboration among National Anti-Money Laundering and Combating the Financing of Terrorism Committee (NAMLC) agencies and international counterparts, which aims to enhance effectiveness in combating money laundering, terrorist financing, and proliferation financing. This was done through implementing strategic initiatives, training, and knowledge-sharing.

Brunei Darussalam's first AML Conference was successfully held in November 2024 with the objective of enhancing investigation and confiscation capabilities through panel discussions and multi-agency participation.

[1]STRs are filed when a transaction or attempted transaction is suspected to involve a serious offence, defined as any offence with a penalty of at least BND1,000. This includes crimes such as money laundering, associated predicate offences, and terrorism financing.

[2]A CTR is filed on any cash transaction(s) amounting to BND15,000 or more, or the equivalent in a foreign currency within a day.

[3]The CBNI reporting requires any person carrying BND15,000 or more, or the equivalent in a foreign currency across Brunei Darussalam borders to submit a CBNI report to either a Customs or Immigration officer at the border control post. These reports are then forwarded for digitisation, storage, and analysis by the FIU.

AML Conference in November 2024

Figure 4: 2024 STR, CTR, CBNI statistics

No. of STRs received

2,604 ▲34.9% (vs. 2023)

This increase signals growing vigilance, improved reporting systems, and increased awareness of financial crime risks.

Total monetary value of CTR

BND4 billion ▼11.1% (vs. 2023)

This decrease reflects the transition towards the reduced use of cash. 81.7% of CTRs in 2024 came from the banking and remittance sectors, similar to previous reporting patterns.

Total monetary value of CBNI

BND647.8 million

▲ 26.1% (vs. 2023)

This rise in value, along with increased enforcement actions taken by the relevant law enforcement authorities, indicate improvements in cross-border cash reporting.

The Criminal Intelligence Research Group (CINRG), pronounced "Synergy", plays a pivotal role in enhancing cooperation between public and private sectors to combat financial crimes in Brunei Darussalam. By focusing on joint strategies, CINRG strengthens efforts to mitigate money laundering threats in Brunei Darussalam.

With participation from key agencies, CINRG has identified fraud as the top financial crime threat and established three dedicated workstreams to tackle this issue:

1. Education and Awareness
2. Monitoring and Surveillance
3. Response and Asset Recovery

These efforts have yielded significant progress, including the development of a Scams Dashboard and an Awareness Toolkit. Regular meetings throughout 2024 further strengthened collective action, fostering deeper insights and more effective fraud prevention strategies.

A CINRG meeting in progress

Asia/Pacific Group on Money Laundering (APG) Mutual Evaluation

Brunei Darussalam is a member of the Asia/Pacific Group on Money Laundering (APG) where the FIU, as NAMLC Secretariat, acts as the main contact point. The APG aims to ensure effective implementation of Financial Action Task Force (FATF)'s international standards on combating money laundering, terrorist financing, and proliferation financing related to weapons of mass destruction.

The APG Mutual Evaluation is a peer review system that examines and determines a country's level of compliance with the international AML/CFT standards. Brunei Darussalam's current technical compliance ratings are in Table 2.

Brunei Darussalam has 36 Recommendations rated Compliant or Largely Compliant and is no longer required to file a follow-up report with re-rating requests.

Table 2: Brunei Darussalam's current technical compliance ratings

FATF Recommendations		2023 Mutual Evaluation Report (MER)	2024 Follow Up Report
Rec 10	Customer Due Diligence	PC	LC
Rec 16	Wire Transfers	PC	LC
Rec 18	Internal Controls and Foreign Branches and Subsidiaries	PC	C
Rec 19	Higher-Risk Countries	PC	LC
Rec 22	Designated Non-Financial Businesses and Professions (DNFVPs): Customer Due Diligence	PC	LC
Rec 26	Regulation and Supervision of Financial Institutions	PC	LC
Rec 27	Powers of Supervisors	PC	C
Rec 28	Regulation and Supervision of DNFBPs	PC	LC

PC – Partially Compliant LC – Largely Compliant C – Compliant

Fulfilling our responsibilities as NAMLC Secretariat

The NAMLC coordinates, implements, and monitors Brunei Darussalam's AML/CFT initiatives, providing strategic direction, formulating policies, addressing operational issues, exchanging information, and collaborating with stakeholders to maintain the integrity and robustness of the country's AML/CFT regime.

In 2024, the NAMLC held its 30th and 31st meetings. NAMLC also endorsed and received consent from His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam for its 4th cycle of the National Strategy on Anti-Money Laundering, Combatting the Financing of Terrorism and Counter-Proliferation Financing of Weapons of Mass Destruction (AML/CFT/CPF). This strategy, spanning 2024-2029, addresses challenges by enhancing practices, introducing relevant policies, and fostering coordination among agencies. Developed with stakeholders, it integrates MER recommendations and outlines seven strategic objectives with actionable timelines (see Figure 5).

What's next

In 2025, the Central Bank aims to update the National Risk Assessment on Money Laundering, enhance AML/CFT supervision through automation, and strengthen cooperation by increasing the availability of financial intelligence products for both domestic and international stakeholders. This initiative highlights the Central Bank's commitment to safeguarding the integrity of the financial system.

Figure 5: The strategic objectives of the National Strategy on AML/CFT/CPF

- Enhance the understanding of ML/TF/PF risks to ensure a nationally coordinated AML/CFT/CPF system to mitigate those risks.
- Strengthen domestic and international cooperation to ensure effective sharing and exchange of information to combat ML/TF and other financial crimes.
- Strengthen the supervision and regulation of reporting entities to improve effective and robust compliance to AML/CFT requirements.
- Improve the implementation and enforcement of beneficial ownership and transparency requirements for legal persons and legal arrangements.
- Enhance the effectiveness of ML investigations, prosecutions and confiscations.
- Enhance the awareness and implementation of counter-terrorism financing measures, including targeted financial sanctions.
- Develop legal and institutional framework for CPF to ensure the implementation of targeted financial sanctions against evasion of sanctions.

Establishing and Overseeing Efficient Payment Systems

In upholding its objective to establish and oversee efficient payment systems, the Central Bank remains focused on strengthening infrastructure, enhancing regulations, and fostering interoperability. Through strategic oversight and collaboration, the Central Bank supports digital innovation while maintaining financial stability. These efforts facilitate seamless transactions and position Brunei Darussalam for greater integration within the evolving global digital economy.

Supporting the Digital Payment Hub (DPH)

The Central Bank continues to play a pivotal role in supporting the Digital Payment Hub (DPH), a key initiative led by the National Digital Payments Network Sdn Bhd (ndpx). This effort aligns with Brunei Darussalam's vision for a robust digital economy, ensuring secure, efficient, and modernised payment solutions.

Building on the regulatory assessment conducted in 2023 to ensure compliance, the DPH was successfully integrated with the Central Bank's Real-Time Gross Settlement (RTGS) system in May 2024. Enhancements to the RTGS system have enabled seamless settlement of instant payment transactions, thus reducing settlement risks and enhancing the efficiency of Brunei Darussalam's payments infrastructure.

Throughout 2024, the Central Bank maintained regular engagement with ndpx, providing regulatory guidance, monitoring progress, and addressing emerging challenges.

Advancing innovation while ensuring regulatory compliance

The Central Bank remained committed to cultivating a secure, reliable, and innovative payment ecosystem while ensuring strong consumer protection standards.

In 2024, the Central Bank approved Mobilityone (B) Sdn Bhd's application to operate a payment system. Additionally, the Central Bank authorised two e-wallet services provided by Datastream Digital Sdn Bhd via 'DST SuperApp' and Progresif Sdn Bhd via 'Ding!', ensuring they met all regulatory requirements before market launch. Following their respective launches, the Central Bank continued having dialogue sessions with these institutions, gaining valuable insights into their developments and challenges.

Strengthening regional cooperation in payment systems

In February 2024, the Central Bank reaffirmed its commitment to enhancing regional payment connectivity by signing the Memorandum of Understanding (MoU) on Cooperation in

Regional Payment Connectivity (RPC). This initiative is focused on enhancing cross-border trade, investments, and economic activities within ASEAN, through faster, more transparent, and inclusive payment systems such as QR code-based and fast payment methods. With nine ASEAN central banks now signatories, the MoU underscores the Central Bank's dedication to fostering closer collaboration within the region.

Further, as co-chair of the Working Committee on Payment and Settlement Systems (WC-PSS) for 2024-2026, the Central Bank and Bank Negara Malaysia (BNM) successfully hosted the 29th WC-PSS Meeting in August 2024 in Bandar Seri Begawan, Brunei Darussalam. The meeting aimed to strengthen ASEAN's payment systems, with 17 existing cross-border linkages and a goal to double cross-border payment services by 2025.

Key focuses included enhancing financial inclusion, particularly for underserved populations such as micro, small, and medium-sized enterprises (MSMEs), and improving regulatory frameworks to support seamless cross-border payments. The meeting also served as a platform to discuss challenges such as raising customer awareness, increasing financial institution participation, and addressing security concerns. The meeting strengthened the members' commitment to regional collaboration and international partnerships to achieve a more interconnected and inclusive ASEAN payment ecosystem.

Benchmarking best practices in payment and settlement systems

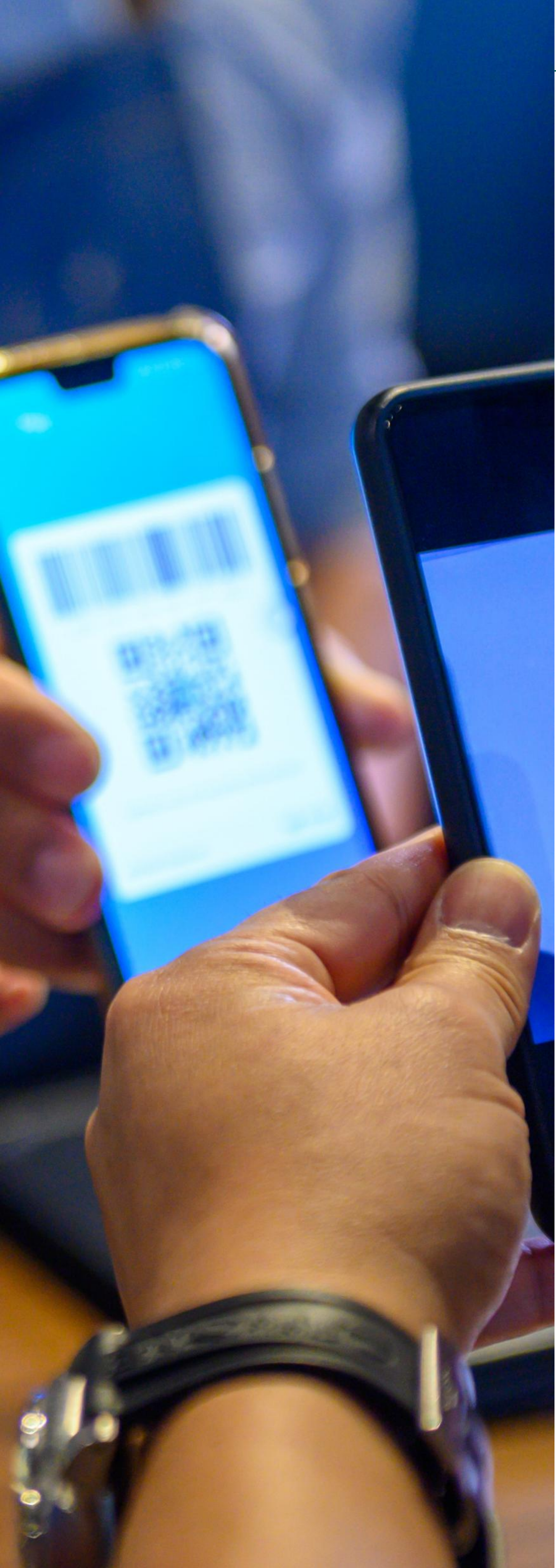
To strengthen its payment and settlement systems, the Central Bank conducted study visits to several regional central banks, namely Bangko Sentral ng Pilipinas (BSP), BNM, and Bank of Thailand (BOT). These visits provided valuable insights into the recent development and enhancement of RTGS systems, Central Securities Depository operations, and supporting infrastructure, focusing on improving system performance, reliability, and risk management.

The Central Bank also visited BOT to study its regulatory and supervisory framework for payment systems and operators. This visit focused on enhancing the Central Bank's regulatory framework and supervisory capabilities, particularly on Fast Payment Systems (FPS) and card network oversight. It provided valuable insights into BOT's strategies for addressing emerging trends, fraud prevention, risk mitigation, ensuring compliance and consumer protection, and strengthening cybersecurity measures, while also discussing supervisory challenges and international best practices.

What's next

In 2025, the Central Bank will advance Brunei Darussalam's payment ecosystem through regulatory enhancements and strategic frameworks. Industry consultations will be

29th WC-PSS Meeting in August 2024



conducted on a proposed new payment services legislation aimed at enhancing regulatory clarity, ensuring financial stability, and strengthening consumer protection. Additionally, a Payment System Designation Framework is expected to be introduced, which expands on the current legislation and will oversee critical payment infrastructures, including RTGS, ACH, and the DPH, ensuring resilience and alignment with international standards.

The Central Bank will introduce a Notice on the National QR Code Standard, which aims to establish a unified QR payment system across financial institutions. This will enhance interoperability and security, streamline digital transactions, and support future cross-border payments, accelerating Brunei Darussalam's shift toward a seamless digital payment ecosystem.

As the first Digital Payment Roadmap concludes in 2025, the Central Bank will develop the Digital Payment Roadmap 2.0 to drive digital adoption, collaboration, and risk management in line with national priorities such as the Digital Economy Masterplan and the Economic Blueprint for Brunei Darussalam. Further, the Central Bank will upgrade the ISO 20022 message standard for RTGS, enhancing compatibility with global financial systems and improving cross-border payment efficiency, ensuring Brunei Darussalam remains competitive in the evolving digital economy.

Developing A Sound and Progressive Financial Services Sector

The Central Bank is dedicated to fostering a sound and progressive financial services sector that drives economic growth and resilience. By strengthening financial infrastructure, promoting innovation, and enhancing accessibility, we aim to create a dynamic and inclusive ecosystem. Through strategic initiatives, we support a competitive and well-functioning financial sector that meets evolving needs while ensuring long-term stability.

Promoting Islamic finance through knowledge and transparency

The Central Bank, in collaboration with UNISSA, successfully organised the inaugural Brunei Darussalam Islamic Finance (BDIF) Symposium in June 2024. Carrying the theme “The Role of Islamic Finance as a Catalyst for Economic Growth and Shared Prosperity,” the symposium showcased the Best Papers from the Students and Professional categories of the BDIF Call for Papers (CFP) 2023. This event provided a valuable platform for networking, bringing together government officials, financial industry players, academicians, and students to exchange ideas and foster collaboration.

Building on this success, the second BDIF CFP was launched in September 2024, themed "Navigating Digital Frontiers in Islamic Finance”. This initiative aims to sustain in-depth discussions on emerging trends in Islamic Finance, encourage greater research efforts and expand the publication of articles related to Islamic finance that can contribute to Brunei Darussalam's economic growth.

The BDIF Symposium

Islamic Finance Development Indicator (IFDI) Reporting

Brunei Darussalam ranked 13th out of 136 countries globally in the Islamic Finance Development Report 2024: From Niche to Norm, published by the London Stock Exchange Group (LSEG). The country achieved a score of 29 points on the Islamic Finance Development Indicator (IFDI) – an increase from 26 points from the previous year, underscoring the continued development of Brunei Darussalam's Islamic finance industry and marking its return to the top 15 rankings.

Brunei Darussalam's ranking in 2024

#13

(out of 136 countries)

The Central Bank remains steadfast in its mission to position Brunei Darussalam as a leading international Islamic finance hub. As part of this commitment, the Central Bank actively enhances its strategic initiatives by fostering collaboration with key stakeholders, particularly Islamic financial institutions. Through impactful socialisation sessions and robust data reporting exercises, we ensure a shared understanding of the country's progress while gathering valuable insights. These efforts drive meaningful collaboration and ensure the relevance of data, reinforcing the foundation for the sustained growth and advancement of Brunei Darussalam's Islamic finance industry.

In promoting transparency and public confidence in Islamic finance, the Central Bank published a list of recognised Syariah scholars and Islamic finance experts in Brunei Darussalam, and a compilation of Syariah Financial Supervisory Board (SFSB) Resolutions. These efforts enhance awareness, provide Syariah guidance for Islamic financial institutions, and support the growth of a robust Islamic finance ecosystem in Brunei Darussalam.

In further supporting the continued growth and professionalism of the Islamic finance sector, the Central Bank will be conducting industry consultations on the Competency Framework for Syariah Advisors, which is set for publication in 2026. This framework will provide guidance for Islamic financial institutions in assessing and training their Syariah Advisors, aligning with the Syariah Governance Framework (SGF).

Shaping the future of FinTech in Brunei Darussalam

The Central Bank marked a significant milestone with the official launch of the Mekar FinTech Innovation Centre in November 2024, a key initiative to promote collaboration and innovation within Brunei Darussalam's growing FinTech sector. Mekar serves as a platform for stakeholders to engage, share ideas, and foster regulatory dialogue. By bridging the gap between innovators and the regulator, it nurtures an environment where FinTech solutions can thrive, ensuring a balanced future of growth and stability for the sector.

To further support FinTech development, the Central Bank amended its FinTech Regulatory Sandbox framework in June 2024 to provide greater clarity on the sandbox entry and exit processes, ensuring that new innovations can be tested in a controlled environment before being safely introduced to the wider market.

One success story from the FinTech Regulatory Sandbox is MoneyMatch Brunei (MMB Transfer Sdn Bhd). After testing digital remittance services and non-face-to-face customer onboarding, MMB successfully demonstrated the market viability of its solutions, underscoring the positive impact of the sandbox in fostering innovation. Following the Central Bank's introduction of licensing criteria for digital remittance companies and digital customer onboarding, MMB was granted a remittance licence by the Central Bank in August 2024.

In addition to regulatory frameworks, the Central Bank continues to engage with a wide range of stakeholders to promote FinTech growth. Mekar 101 knowledge-sharing sessions were introduced to provide start-ups with critical regulatory guidance, helping them navigate the early stages of development. The Central Bank also welcomed domestic and international stakeholders to Mekar, further enhancing its role in promoting awareness and collaboration within the dynamic FinTech ecosystem.

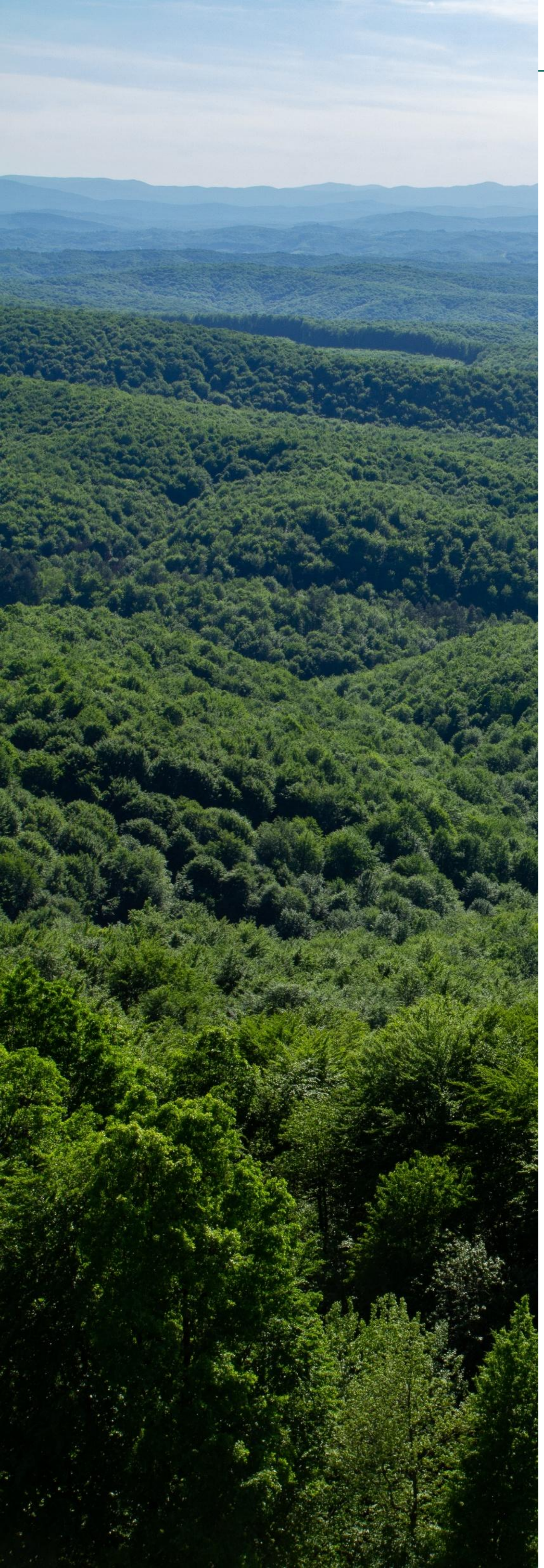
Moving forward, the Central Bank will continue to provide support for the establishment of the FinTech Association of Brunei (FinTechBN). This private-sector-led initiative will bring together key FinTech stakeholders, creating a collaborative platform to advance the sector, promote innovation and strengthen Brunei Darussalam's position as a leader in FinTech. FinTechBN will foster coordination and provide a unified voice to guide the development and regulation of FinTech in the country.

Advancing sustainable finance for long-term growth

In line with the growing global focus on sustainability, the Central Bank has made amendments to the Guidelines on the Issuance of Debentures to adopt the ASEAN Sustainability-Linked Bonds Standards (ASEAN SLBS) for the issuance of ASEAN Sustainability-Linked Bonds in Brunei Darussalam. This aims to attract more sustainable investments into the country.

By adopting these standards, the Central Bank also seeks to foster greater environmental and social responsibility among investors and issuers alike. The amendments also reflect Brunei Darussalam's commitment to regional sustainability initiatives, particularly those under the ASEAN Capital Markets Forum (ACMF). This move enhances the nation's capital market by encouraging responsible investment practices while contributing to the broader regional goals of sustainable economic growth and development.

Official launch of Mekar FinTech Innovation Centre



Looking ahead, the Central Bank will publish the Sustainable Finance Roadmap (SFR), which aims to guide the financial sector toward adopting sustainable practices, managing sustainability-related risks, and fostering innovation. Planned socialisation activities and capacity-building programmes will enhance awareness and equip stakeholders with the knowledge and tools to successfully implement the SFR's strategic recommendations, ensuring the goal for long-term sustainability.

Building capacity for secure lending and improved credit assessment

To promote the use of movable assets as collateral and alternative financing, as well as increase access to credit for MSMEs to support Brunei Darussalam's economic growth, the Central Bank, in collaboration with the International Law Institute, conducted capacity-building sessions on secured transactions. These sessions equipped stakeholders, including financial institutions, businesses, and regulators, with tools for secure lending and financial risk management.

Additionally, the Central Bank developed a Modular Training Programme to enhance knowledge of credit reporting and collateral registration. This program, designed for both newcomers and professionals, provided essential insights into credit risk management. Level 1 covered basic concepts such as data submission and credit reporting processes, while Level 2 focused on credit assessment and decision-making.

Moving forward, the Central Bank plans to launch Credit Wisdom, a resource book aimed at educating individuals and businesses on effective credit management. The booklet will provide practical advice on borrowing, lending, debt management, and creditworthiness, helping the public make informed financial decisions. By promoting responsible credit behaviour, it seeks to improve financial management and foster sustainable practices, while aligning with best practices to build trust in the financial system and create a healthier credit environment for both individuals and businesses. These initiatives reflect the Central Bank's commitment to fostering transparency, adaptability, and confidence in lending practices, ultimately strengthening Brunei Darussalam's financial infrastructure and facilitating better access to finance for all.

Figure 6: 2024 key highlights in financial infrastructure

COLLATERAL REGISTRY

3,664 searches

▼ 5.1% from 2023

Despite a slight dip, searches have shown a steady increase over the years, reflecting the registry's growing role in credit risk evaluation.

Top 3 moveable assets registered

Motor vehicles

General collateral

Investment securities

CREDIT BUREAU

Credit reports generated

▲ **11.9%**

109,645 reports in 2024, 96.3% for consumers, 3.7% for commercial

Self-inquiry reports (SIR)

▼ **0.3%**

3,634 SIRs in 2024, 99.9% generated from online applications

No. of active accounts

Consumer: ▼ **2.1%**
378,498 accounts in 2024, following a data cleaning exercise

Commercial: ▲ **9.1%**
16,954 in 2024

Top 3 credit facilities requested

Consumer:
Hire purchase (50.3%)
Personal loans (33.6%)
Credit cards (10.9%)

Commercial:
Hire purchase (51.7%)
Term financing/loans (16.4%)
Other revolving credit (6.1%)

Credit Score distribution

Very High Risk	High Risk	Medium Risk	Low Risk	Very Low Risk	Not Available*
10.4%	12.3%	8.9%	12.8%	35.3%	20.2%

On average, 48.7% of applicants had very low-risk and low-risk credit scores. There is a 1.4% increase in the share of applicants in the Very Low Risk category compared to 2023.

**Not Available refers to Applicants who have no credit score that may either be due to the Subject being new with no existing financing, the Subject having all contracts closed before 12 months, or the Subject having been inactive for the last 12 months.*

ASEAN Working Committee on Financial Inclusion (WC-FINC)

The Central Bank and Bank of Thailand (BOT), as the co-chairs of the ASEAN WC-FINC for 2024-2026, chaired the 18th WC-FINC Meeting held in August 2024 in Hanoi, Vietnam.

The meeting covered key updates on WC-FINC initiatives, including performance indicators, progress on sub-committees' work, and priorities and work plans for 2025.

The meeting emphasised ongoing efforts to strengthen financial inclusion in ASEAN through collaboration with members, relevant working committees and working groups. This was followed by the OECD & ASEAN WC-FINC Joint Roundtable on Financial Inclusion, Financial Consumer Protection, and Financial Literacy. This roundtable discussed international developments and digital financial literacy strategies, with ASEAN member states sharing their progress in advancing financial inclusion.

Assessing financial needs to promote inclusive growth

The Central Bank takes a data-driven approach to monitor and enhance financial inclusion in Brunei Darussalam. A nationwide demand-side survey is conducted every three years to gather detailed insights into consumer needs, behaviours, and preferences regarding financial products and services. The survey aims to measure access, usage, and quality of financial services in Brunei Darussalam and will provide insights, track trends, and identify barriers, guiding future efforts to enhance financial inclusion.

In 2024, the Central Bank conducted an extensive assessment and evaluation process, leading to the appointment of Universiti Teknologi Brunei (UTB) as the consultant for the second financial inclusion demand-side survey to be conducted in 2025. This partnership leverages UTB's expertise in data collection and analysis, strengthening research efforts to support evidence-based policymaking in financial inclusion.

Issuing and Managing the Brunei Currency

As the sole issuer of the Brunei currency under the Currency Order, 2004, the Central Bank practises responsible currency management and continues to ensure a stable and reliable supply of Brunei's money within the financial system by overseeing its printing, minting, and distribution. By continuously enhancing security features and improving durability, the Central Bank aims to maintain public confidence in the Brunei currency and uphold a resilient and trusted monetary system for long-term financial stability.

Strengthening currency integrity with mono-ply plated steel

In a move to enhance the durability and sustainability of circulating coins, the Central Bank introduced a new metal composition for its coins in 2024.

The new mono-ply plated steel coins replace the previous homogenous cupronickel material, offering enhanced durability, strength, and security, while maintaining the same size, weight and design for seamless circulation. Public awareness initiatives have also been undertaken to ensure a smooth transition.

This new composition also ensures that the coins are fully recyclable, contributing to the Central Bank's sustainability efforts.

Enhancing awareness and expertise in counterfeit banknote detection

The Central Bank, in collaboration with the Royal Brunei Police Force (RBPF), strengthened its efforts to combat counterfeit banknotes through the 'Know Your Banknotes' awareness sessions. These talks targeted various sectors – including financial institutions, government and public agencies, retailers, schools, and universities – providing guidance on how to identify and handle suspected counterfeit banknotes.

Additionally, three Central Bank employees were certified as experts in assessing counterfeit banknotes. These experts are able to provide detailed reports to the RBPF, supporting their investigations and further strengthening the country's efforts to combat counterfeit currency.

A socialisation session on currency

Box 3 – Do's and Don'ts of Using Images of Brunei Darussalam's Money

To maintain the integrity and security of the Brunei currency, it is important to understand the regulations surrounding the use of images of Brunei money. Here are the key do's and don'ts when handling images of Brunei currency:

1. No photocopying and scanning of the Brunei currency

Photocopying Brunei Darussalam's banknotes or coins is strictly prohibited. Regardless of the purpose, photocopying money is illegal because it can be used for counterfeiting, undermining the currency's integrity and threatening the stability of the financial system. Reproducing currency in any form is a criminal act with severe legal consequences.

2. No use of the Brunei currency images in advertisements without permission

The use of photographs or drawings resembling Brunei currency in advertisements or promotional material without prior authorisation from the Central Bank is not permitted. Furthermore, only the Central Bank can authorise the use of images marked with "SPECIMEN" or "CONTOH," ensuring they are not mistaken for real currency.

3. Obtain approval for using Brunei currency images

The Central Bank must grant approval prior to the use of an image of Brunei money for any legitimate purpose. This includes any form of reproduction or digital representation.

4. Avoid using money for decorative purposes

The primary purpose of Brunei currency is for transactions, not for decoration. Using money for decorative purposes – such as in art, crafts, or as part of an installation – should be avoided. Often, such activities involve stapling, taping, or damaging the currency in other ways, which not only reduces the value of the money but may also be considered illegal under the Currency Order, 2004.

5. Money as a display item must be protected and framed

It is permissible to display Brunei money if it is encased in a protective frame or glass. This ensures that the money's condition is maintained and that it is not exposed to damage. It is essential to avoid any actions that could harm the currency, such as laminating, folding, rolling, taping, or stapling.

6. Avoid sharing images publicly

For the protection of the currency and to prevent its misuse, the Central Bank advises against sharing images of the Brunei money on public platforms. This includes misplaced or unattended money, which should be reported to the police if found. Sharing such images increases the risk of them being reproduced for illegal activities.

Remember, protecting the integrity of Brunei's currency is a shared responsibility. By adhering to these guidelines, we can work together to preserve its integrity.

Honouring 40 Years of Brunei Darussalam's Independence Through Commemorative Coins

In celebration of Brunei Darussalam's 40th Anniversary of Independence, the Central Bank issued a series of commemorative coins made of gold, silver, and cupronickel in February 2024. These coins serve as a tribute to the country's significant milestone and reflects the nation's cultural and historical roots.

Obverse

The obverse of the commemorative coin features a portrait of His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, the Sultan and Yang Di-Pertuan of Brunei Darussalam. This image captures the essence of His Majesty's leadership and vision. Surrounding the portrait are 40 dots, arranged to symbolise the four decades of independence, alongside three 'Tabor Emas' motifs, representing the Melayu Islam Beraja philosophy.

Reverse

The reverse design showcases the Taman Mahkota Jubli Emas, a landmark symbolising harmony, tranquillity, and peace. This iconic structure reflects the transformation of Bandar Seri Begawan into a modern capital city. The design also incorporates the traditional 'Bunga Menjalar' motif, commonly found in Brunei Darussalam's woven textiles, representing the country's rich cultural heritage. Two 'Tabor Emas' motifs are also featured to symbolise the values of equilibrium and justice.

What's next

The Central Bank remains committed to its crucial role in the issuance and management of Brunei currency, ensuring the circulation of durable and fit notes and coins within the financial system.

Continuous efforts will be taken to enhance public awareness of the security features of Brunei currency, equipping them with knowledge to identify counterfeit notes to ensure the integrity of Brunei banknotes.

In expanding its sustainability efforts, the Central Bank also plans to work with certified recycling companies to repurpose shredded polymer banknotes to support a circular economy and reduce waste.

Figure 7: Currency statistics in 2024

Issuance to Banks

▼ **4.7%**

2024: BND2.072 billion
2023: BND2.175 billion

Redemption

▼ **11.3%**

2024: BND1.150 billion
2023: BND1.296 billion

Destruction of Banknotes

▼ **39.4%**

2024: BND189 million
2023: BND311 million

This reduction proves our banknotes' durability and circulation fitness

Circulation coins minted

▼ **33.6%**

Minting dropped in Q4 2024 due to operation disruptions

Commemorative sales

▲ **429.3%**

There was strong demand in the gold coins for the Jambatan Sultan Haji Omar 'Ali Saifuddien opening and 40th Anniversary of Independence commemorative silver and cupronickel coins

Coins deposited through deposit machine

▲ **5.7%**

2024: BND167,430.27
2023: BND158,425.63

Consignment received from Monetary Authority of Singapore

▼ **12.5%**

2024: BND884.13 million
2023: BND1.01 billion

Repatriation of SGD to Monetary Authority of Singapore

▼ **37.9%**

2024: SGD2.942 million
2023: SGD4.740 million

Enhancing International Relations

In line with the Financial Sector Blueprint (2016-2025), the Central Bank continues to strengthen regional and international financial integration through active participation in global forums and committees. The Central Bank holds memberships in several prestigious international and regional organisations, including the South East Asian Central Banks Research and Training Centre (SEACEN), the International Islamic Financial Market (IIFM), the International Association of Insurance Supervisors (IAIS), the Islamic Financial Services Board (IFSB), the International Organization of Securities Commissions (IOSCO), the Egmont Group of Financial Intelligence Units (the Egmont Group), the Organisation for Economic Co-operation and Development International Network on Financial Education (OECD INFE), the Financial Services Information Sharing and Analysis Center (FS-ISAC), the Global Financial Innovation Network (GFIN) and the Technical Meeting of the Mints in ASEAN (TEMAN).

Through these memberships and platforms, the Central Bank stays engaged with global financial developments while contributing to shaping policies that enhance resilience, innovation, and sustainability.

Leading sustainable finance: ASEAN Taxonomy Board (ATB) chairmanship

Since assuming the chairmanship of the ATB following its inception in 2021, the Central Bank has played a crucial role in driving the region's

Workshop on ASEAN Taxonomy for sustainable finance in April 2024

efforts to establish a robust framework for sustainable finance. A major milestone was reached in March 2024 with the development and successful launch of the ASEAN Taxonomy Version 3, which directs investments towards sustainable economic activities in the region based on a science-driven classification system. This enhances clarity and usability for financial institutions and investors across ASEAN.

The Central Bank also hosted the 4th ATB Meeting in April 2024, providing a platform for strategic discussions on the Taxonomy's implementation.

Addressing global challenges in Islamic finance: the 16^{th} IFSB Summit

The Central Bank had the honour of hosting the 16^{th} Islamic Financial Services Board (IFSB) Summit in Brunei Darussalam in May 2024. The theme of the Summit, "Islamic Finance and Financial Stability in an Evolving Environment: Navigating Emerging Risks", addressed the global challenges and emerging issues facing the Islamic financial services industry.

The Summit brought together a diverse group of local and international participants, including central bank governors, industry leaders, and representatives from inter-governmental organisations and academia. It provided an important platform for policymakers to engage in discussions and evaluate the effectiveness of existing regulatory and supervisory frameworks in managing the risks emerging in Islamic finance from the evolving global financial landscape.

Pioneering regional insurance integration: hosting the ASEAN Insurance Meetings

In November 2024, the Central Bank hosted the 27^{th} ASEAN Insurance Regulators' Meeting (AIRM) and the 50^{th} ASEAN Insurance Council (AIC). The event, which gathered over 170 participants from ASEAN insurance regulators and private sectors, was a significant collaboration with the Brunei Insurance and Takaful Association (BITA) as well as the ASEAN Secretariat and the AIC Secretariat.

This marked the fourth time that Brunei Darussalam has had the opportunity to host these influential meetings, reflecting the Central Bank's commitment to strengthening the ASEAN insurance sector. The theme, "Bridging Resilience and Innovation in ASEAN Insurance Landscape" fostered meaningful dialogue and idea-sharing, reflecting Brunei Darussalam's dedication to advancing sustainable development within the region's insurance sector.

Global engagement and regional cooperation

Our participation in regional and international financial forums ensures our continued engagement in shaping the future of the global financial sector.

As an Affiliate Partner of the Global Asia Insurance Partnership (GAIP), the Central Bank attended high-level discussions at the inaugural GAIP Summit in October 2024, which gathered public and private sector leaders to explore strategies to address protection gaps across Asia and strengthen the insurance sector's resilience and growth.

Meanwhile, as a member of the International Organization of Securities Commissions (IOSCO) and signatory to the IOSCO Multilateral Memorandum of Understanding (MoU), the Central Bank contributed to global discussions through meetings and surveys on sustainable finance, crypto assets, and regulatory standards whilst continuing efforts to uphold international best practices in supporting industry development. In 2024, the Central Bank joined the Growth and Emerging Market Committee (GEMC) Network for the Adoption and Other Use of International Sustainable Standards Board (ISSB) Standards, which allows the Central Bank to stay updated on ISSB Standards developments and implementation in other jurisdictions.

Regionally, the Central Bank collaborates with the ASEAN Capital Markets Forum (ACMF) to support the development of an integrated and robust capital market. The Central Bank continued to participate in key ACMF high-level meetings, ensuring Brunei Darussalam's effective representation in key discussions. The Central Bank also provided valuable inputs to several ACMF initiatives in sustainable finance, disclosure standards, strategic planning, capacity building and regional collaboration.

Additionally, the Central Bank maintains a close relationship with Home Supervisors of foreign bank branches or insurance companies operating in Brunei Darussalam. This is achieved through regular dialogues held via global supervisory colleges with international regulators to exchange supervisory assessments, address areas of concern, and receive updates on the development of group business plans, strategies, and future directions.

The Central Bank also upholds bilateral relationships with other regulators to facilitate the exchange of information about our licensees and has multilateral MOUs with international organisations to enhance supervisory cooperation at both global and regional levels.

The 21st TEMAN Conference in November 2024

In strengthening regional collaboration on sustainable coin minting, the Central Bank participated in the 21st TEMAN Conference in Cebu, Philippines in November 2024, which, among others, aimed to address industry challenges for long-term viability. The conference provided a platform for mint authorities to exchange insights as well as discuss advancements and developments in currency management to enhance security and efficiency. This underscores the Central Bank's commitment to innovation and sustainability in the industry.

Building strategic bilateral relations

In January 2024, the Central Bank held its inaugural bilateral meeting with Otoritas Jasa Keuangan (OJK), discussing strategic areas of mutual interest, including capital market supervision, the development of bond and sukuk markets, and sustainable finance. The Central Bank also facilitated discussions between OJK and other local entities such as the Brunei Climate Change Secretariat (BCCS), advancing the exploration of carbon markets in both Brunei Darussalam and Indonesia.

This meeting was a crucial step in advancing the objectives outlined in the 2021 MoU between the Central Bank and OJK, which focuses on capacity building, the exchange of best practices, financial institution supervision, financial education and inclusion, and consumer protection.

Bilateral meeting with OJK in January 2024

What's next

The Central Bank remains committed to deepening its international engagements to strengthen financial resilience and adaptability in an evolving global landscape. In navigating emerging challenges and opportunities, the Central Bank will continue to build strategic partnerships that support collaboration, knowledge-sharing, regional integration, financial stability, and economic progress.

Organisational Development

Our People

At the Central Bank, the people are at the heart of its success. The Central Bank is committed to fostering a dynamic and supportive workplace that is focused on engagement, resilience, and continuous development – empowering the workforce to excel and adapt to future challenges.

Strategic talent alignment for organisational excellence

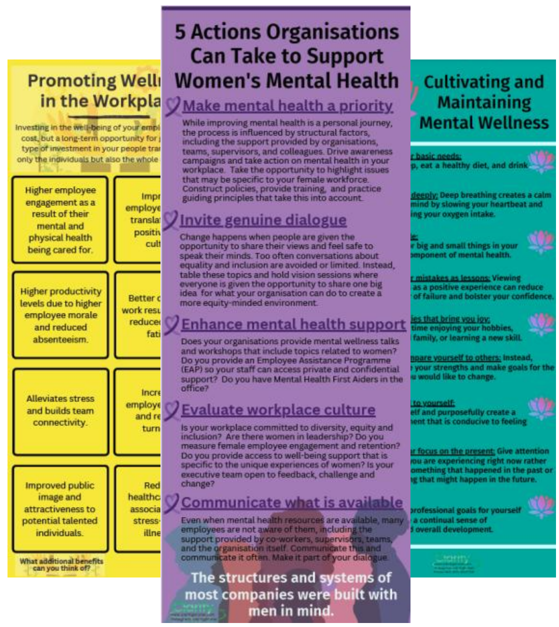
In 2024, several workshops were conducted to gather feedback from employees on the competencies most relevant to their respective departments, forming a crucial step in developing the Central Bank's Competency Framework.

This framework is designed to define the essential skills, knowledge, behaviours, and attributes employees need to succeed in their roles and contribute to the organisation's strategic objectives. By aligning individual performance with the Central Bank's mission and values, it ensures employees are well-equipped to drive long-term institutional goals effectively.

Once fully integrated, the framework will also strengthen key human resource processes, including recruitment, performance management, learning and development, and succession planning. It will also guide job descriptions, candidate assessments, and performance evaluations while identifying skill gaps for targeted training.

Empowering employees through well-being and engagement initiatives

The Central Bank recognises that the well-being of its employees is fundamental to the organisation's overall success. Hence, initiatives are regularly implemented to prioritise employees' mental health, professional growth, and overall welfare.



Digital well-being education materials

As part of its ongoing commitment to supporting employees' mental health and well-being, the Central Bank renewed its contract for the fourth year with Clarity Sdn Bhd, a trusted third-party local counselling service provider. Through this partnership, the Central Bank ensures employees have access to professional counselling services, an essential component of fostering a healthy, productive work environment.

On top of professional counselling services, the Central Bank continued to issue resources throughout the year to promote mental wellness, resilience, and well-being as part of its digital well-being education initiative. The materials, curated by Clarity as part of our Employee Assistance Programme, addressed crucial topics such as women's mental health and workplace wellness.

Moreover, to further strengthen its commitment to employee engagement and transparency, the Central Bank hosted its annual Town Hall in April 2024. The Town Hall provides a platform for employees to engage directly with the Central Bank's Executive Management, share concerns, and discuss various topics ranging from organisational efficiency to training needs, employee welfare, and the Central Bank's strategic direction for the year.

The Town Hall also served as an opportunity to motivate and inspire employees, fostering internal collaboration and engagement in line with the Central Bank's core values of Teamwork, Integrity, Excellence, and Innovation. Additionally, the event celebrated the dedication of 22 employees who achieved a significant milestone of long-term service with the Central Bank, acknowledging their loyalty and commitment to the organisation.

Empowering journeys through continuous learning

Investing in continuous learning and professional growth remains a key priority for the Central Bank. Through targeted development initiatives, the Central Bank empowers its employees to enhance their expertise, strengthen their capabilities, and stay aligned with industry best practices. As part of these efforts, 28 employees successfully obtained professional certification, charters, and advanced qualifications throughout 2024.

Data and Technology

- PL-300T00: Microsoft Power BI Data Analyst Certification
- ITIL V4 Foundation Training and Exam
- CompTIA Security+ Exam Certification
- CompTIA Server+
- CompTIA Security+
- Qualified Information Security Associate

Financial Supervision

- Certified Financial Supervisor (CFS) Level 2

Islamic Finance

- Certified Islamic Specialist in governance and compliance, Bahrain
- Certified Syariah Advisor and Auditor, Bahrain
- Certified Syariah Advisor, Malaysia
- Certified Islamic Specialist in Product Development, Bahrain

Financial Development

- Certification in Green and Sustainable Finance
- Islamic FinTech Professional Certificate Programme

Human Resource and Talent Development

- Chartered Institute of Personnel and Development Level 5
- Chartered Institute of Personnel and Development Level 3

Project and Crisis Management

- Prince2 Foundation
- Prince2 7th Edition Foundation
- Certificate in Agile Project and Delivery Management
- EC-Council Disaster Recovery Professional

In April 2024, the BDCB Scholarship Scheme was introduced. This scheme expands on the previous In-Service Programme, which was limited to Master's and PhD studies. This new initiative now includes Higher National Diploma (HND) and degree programmes for both full-time and part-time studies, supporting employees in their professional development.

This year, two employees were awarded scholarships – one pursuing a Master of Science in Business Analytics at the University of Warwick, United Kingdom, and another undertaking a Level 5 HND in Business at Cosmopolitan College, Brunei Darussalam.

The scheme aims to foster continuous learning, helping employees enhance their skills while strengthening BDCB's overall capabilities. The positive response reflects the Central Bank's commitment to talent development and organisational growth.

Further, as part of the Central Bank's dedication to professional development and knowledge exchange, two officers completed work attachments at the Securities Commission Malaysia and the Monetary Authority of Singapore, respectively. During their placements, they gained valuable insights into international best practices, supervision frameworks, and innovative financial technologies. Their exposure to emerging trends, digital transformation strategies, and progressive regulatory approaches broadened their expertise and deepened their understanding of global financial governance.

This opportunity not only enhanced their technical knowledge and strategic competencies but also strengthened institutional ties with key global financial regulators and industry leaders.

These connections lay the foundation for future collaborations, ensuring that the Central Bank remains actively engaged in regional and international financial regulatory developments.

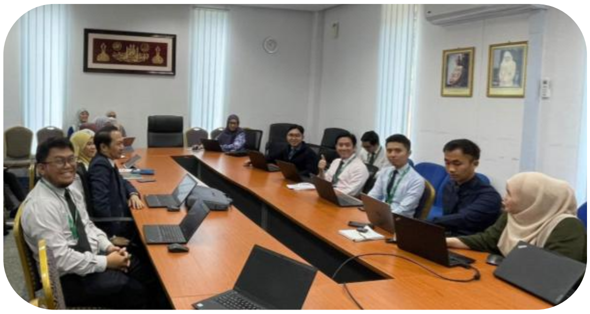
Upon their return, they actively shared their key learnings through internal knowledge-sharing sessions, targeted briefings, and policy discussions, contributing to the refinement and enhancement of the Central Bank's policies, regulatory strategies, and operational practices. Their insights have played a crucial role in ensuring the Central Bank's supervisory and regulatory frameworks remain aligned with global standards and industry best practices.

Meanwhile, the Central Bank's internship programme is a pivotal initiative that provides Bruneian students with hands-on experience in central banking. These students include those from both local and international institutions, including the Institute of Brunei Technical Education (IBTE), Politeknik Brunei (PB), Universiti Brunei Darussalam (UBD), Universiti Islam Sultan Sharif Ali (UNISSA), Universiti Teknologi Brunei (UTB) and overseas universities such as Sunway University. This programme enables students to gain practical skills and apply theoretical knowledge in a real-world environment while helping them develop key professional competencies for their future careers.

Cultivating a knowledge-sharing culture

Throughout 2024, a series of knowledge-sharing sessions were conducted to enhance professional growth and ethics within the Central Bank's workforce. These sessions empowered employees to navigate challenges and uphold the organisation's commitment to integrity and excellence.

Key topics included fostering trust and excellence in the workplace, with a focus on building strong interpersonal relationships and a high-performing environment. The sessions also addressed ethical leadership, drawing inspiration from the values of Prophet Muhammad ﷺ, and



An internal sharing session in progress

emphasised the importance of values-based decision-making. Additionally, employees were educated on preventing corruption and commercial fraud, equipping them with the tools to safeguard the organisation against unethical practices and potential threats.

Internal sharing sessions are also regularly held, which provide employees valuable opportunities to broaden their knowledge across a wide range of subjects while simultaneously refining their skills in presentation, public speaking, and audience engagement.

The 2024 sessions covered various aspects such as currency management, digital transformation, sustainability, and Islamic finance. Topics like cybersecurity, social media's impact on consumer behaviour, and generative AI also sparked insightful discussions. By learning from external experiences, such as lessons learned from work visits, employees also gained valuable perspectives that contributed to their professional growth and the Central Bank's strategic initiatives.

Moreover, employees participated in the Central Bank's annual internal Investment Challenge, which aimed to enhance investment literacy and awareness among employees. Participants engaged in self-paced learning, analysed market trends, and developed trading strategies.

The challenge provided valuable hands-on experience, fostering a deeper understanding of investment concepts and promoting financial knowledge within the organisation.

"The work attachment was recommended by Management with the objective of gaining practical experience in stock exchange supervision and market surveillance, in preparation for the establishment of the upcoming stock exchange. During the attachment, I was rotated across various teams, which allowed me to acquire technical knowledge related to financial market infrastructure, including clearing and settlement processes, detecting real-life cases of market manipulation using surveillance systems, and conducting macro-level surveillance of financial markets. One of the challenges I faced during the attachment, apart from being away from my family, was ensuring that the experience aligned with the intended objectives. This required a proactive approach, such as identifying the right opportunities to ask targeted questions and learning from colleagues. I discovered that casual or informal discussions with team members were particularly valuable for gaining insights and deepening my understanding.

Alhamdulillah, I successfully presented several topics from my work attachment to relevant teams within BDCB and am eager to contribute further to this area."

Farhan Kamri

Manager, Supervision 2
6-month Work Attachment at Securities Commission Malaysia
September 2023 – March 2024

Our 2023-2024 Graduates

"When I decided to pursue the Masters in Central Banking (MCB) program, I was driven by the desire to strengthen my expertise and contribute more effectively to financial stability in Brunei Darussalam. The program, offered by the Asia School of Business in collaboration with the Massachusetts Institute of Technology (MIT) Sloan, was the perfect fit with its combination of theoretical knowledge and practical insights tailored to central bankers. Through the program, I expanded my professional network, connecting with central bankers from Southeast Asia, Pakistan, Saudi Arabia and Sudan.

One of the most impactful aspects of the programme was the case study approach, which allowed me to apply theoretical knowledge to real-world scenarios. I worked on challenges like crisis management, monetary policy implementation, and implementing macroprudential tools. This hands-on experience helped me think critically and develop solutions tailored to Brunei Darussalam's financial system.

The Proseminar series was another highlight, where I learned directly from former central bank governors like Tan Sri Shamsiah Mohd Yunos, who shared her leadership experience during the COVID-19 pandemic, and Tan Sri Dr. Zeti Akhtar Aziz, who offered insights on managing the Asian Financial Crisis.

The most memorable moment of the programme was the US Trek, where we visited key institutions in the United States, including the New York Federal Reserve and the International Monetary Fund. This gave me an in-depth understanding of how major central banks operate and reinforced the importance of collaboration in policymaking.

This journey wasn't just about academic growth; it was a transformational experience that reshaped my approach to central banking and strengthened my commitment to contributing to Brunei Darussalam's financial resilience."

Najibah Muhammad

Assistant Executive Director, Regulatory 3
Masters in Central Banking at Asia School of Business in collaboration with MIT Sloan

"The rapidly evolving financial landscape, particularly with the rise of digital currencies and blockchain technology, has significantly transformed the role of central banks. As a central bank economist, I decided to pursue an MSc in Financial Technology to ensure I stayed ahead of these changes. The programme offered a unique blend of technical skills while also providing a deep understanding of the policy implications these technological advancements have. Throughout the course, I developed valuable programming skills using Python and R and gained a comprehensive understanding of blockchain and distributed ledger technologies. Meanwhile, the programme's focus on policy innovation taught the importance of fostering innovation without compromising monetary and financial stability.

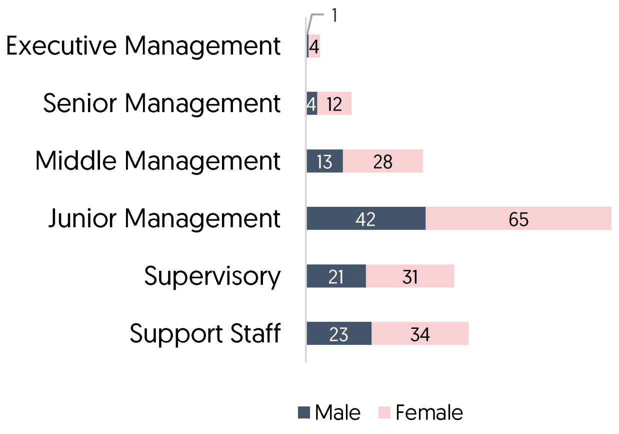
A highlight of my experience was getting to work and network with FinTech industry experts in the United Kingdom ranging from those in FinTech and tech startup firms to more established entities. I also found hackathons to be particularly memorable, during which I had the chance to apply my knowledge, collaborate with peers, and innovate under pressure. Beyond academics, witnessing the Northern Lights during one of my travels to Norway remains one of the most cherished moments of my time abroad.

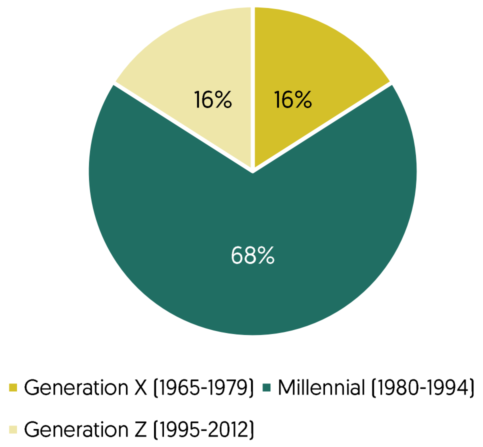
Looking back, what I miss most might be the intellectually stimulating environment and engaging with peers from various parts of the world. Conversely, I do not miss the sleepless nights spent completing assignments and studying for exams! Nonetheless, this experience has overall been highly enriching, and I would recommend it to anyone with a keen interest in the field of FinTech."

Ameera Dayana Borhan

Manager, Economics, Research and Statistics
MSc in Financial Technology, University of Birmingham

Figure 8: Workforce demographics in 2024





Workforce growth for organisational strength

We continued to expand our workforce to support the organisation's long-term growing needs and strategic priorities. This ongoing growth reflects our commitment to building a strong and resilient organisation for the future, with the capacity to meet evolving demands.

The Central Bank grew by 5.33% from a talent pool of 244 in 2023 to 257 in 2024. Our workforce is characterised by a healthy mix of age groups, with millennials representing a significant proportion, whilst maintaining a fairly balanced gender distribution across various job levels.

As we grow, a diverse generational mix fosters resilience and adaptability, ensuring a well-balanced and dynamic workforce. This workforce composition provides a strong foundation of experience and fresh perspectives, enabling the organisation to navigate future challenges effectively.

Strengthening employee relations

The Central Bank remains committed to fostering a collaborative and engaged workforce through initiatives that strengthen employee relations and team spirit beyond daily responsibilities. In conjunction with November Wellness Month, a skill-sharing session on baking provided employees with a platform to connect, share knowledge, and develop teamwork in a relaxed setting. Additionally, the BDCB Interhouse Lip Sync Battle and CSR "Winding Down" event encouraged creativity and camaraderie through light-hearted competition.

Respective divisions within the Central Bank also have the opportunity to organise their own team-building initiatives. This aims to empower teams to strengthen collaboration, build trust, enhance communication, and foster a positive sense of belonging among colleagues.

"As a small team, the team-building experience allowed us to establish more personalised interactions and connections to build rapport with one another. Our team conducted a pottery-based activity which proved to be relaxing and enjoyable for the team, encouraging patience, creativity, and problem-solving – all important attributes for a risk manager."

'Atiqah Adinin (Manager, Risk & Compliance)

"Our division's teambuilding featured a variety of engaging activities, including archery, fishing, board games, and karaoke, complemented by a lunch buffet. The day provided a relaxed and enjoyable atmosphere, fostering stronger team spirit and enhancing coordination among colleagues. Overall, it was a highly productive and enjoyable experience for the entire team."

Ernnie Sekinnah Ali Rahman (Associate, Economics, Research & Statistics)

"Technology's teambuilding session held at Serasa Beach was a very outgoing and adventurous session. Despite the weather and low tide initially, we still had a great time with a trivia session. We then started playing the watersports games. Although the watersports were quite extreme, I had a blast riding around the waters.

After the water sports play, we had another game session – 'Guess the Baby Photo' and 'ABC If You Win'. It was a fun and memorable experience seeing my colleagues outside of the office setting and it helped further improve my relationship with my colleagues."

Hafiz Hilmy (Associate, Technology)

Our Engagement

Raising awareness about what we do

The Central Bank continued to organise socialisation initiatives to enhance understanding of the organisation's roles and responsibilities. The sessions covered key topics, including Brunei Darussalam's monetary policy, the Financial Sector Blueprint (2016-2025), the Currency Order 2004 – with a particular focus on the proper handling of Brunei's currency – and access to credit. The Central Bank also hosted several guided tours of the BDCB Currency Gallery.

Figure 9: Our socialisation initiatives

TOPICS	**Brunei Darussalam's Monetary Policy + Financial Sector Blueprint**	**Know Your Banknotes + Guided tour of BDCB Currency Gallery**	**Access to Credit**
DETAILS	• An overview of the Currency Interchangeability Agreement (CIA) between Brunei Darussalam and Singapore, as well as the Currency Board Arrangement (CBA). • An overview of progress/strides made to spur the growth of Brunei Darussalam's financial sector from a regulatory and development aspect.	• The proper handling of the Brunei currency. • An overview of the history and development of the Brunei currency over the decades. • Includes a guided tour of the BDCB Currency Gallery.	• Introductory session on the concepts of Secured Transactions and the Collateral Registry. • The concepts of interest and the costs of borrowing money, including what makes a person a good/bad borrower.
AUDIENCE	**Government agencies** • Ministry of Education • Ministry of Home Affairs • Civil Service Institute, Prime Minister's Office • Ministry of Development • Tutong District Office • Dewan Bahasa dan Pustaka	**Private sector** • Online vendors • Bank Islam Brunei Darussalam (BIBD) • Perbadanan Tabung Amanah Islam Brunei (TAIB) • Standard Chartered Bank (SCB)	**Students** • Laksamana College Brunei • Sekolah Menengah Pengiran Jaya Negara Pengiran Haji Abu Bakar • Sekolah Rendah Lambak Kanan • Sekolah Rendah Keriam • Sekolah Rendah Teraban

Enhancing financial literacy

In its efforts towards enhancing financial literacy for different segments of the population, the Central Bank organised a wide range of financial literacy programmes, including talks, courses, roadshows, and events in 2024. On this front, the Central Bank continues to expand its financial literacy modules to meet the evolving needs of the financial landscape, with a particular focus on digital financial literacy.

Figure 10: Financial literacy reach

Initiatives	Talks Courses Roadshows
Total number of people reached*	1,316
Target groups reached	Students Private sector Statutory bodies Government employees

Excludes coverage during National Financial Literacy Day

The Central Bank also supported national, regional, and global financial literacy events such as National Financial Literacy Day, ASEAN Savings Day, and World Investor Week.

To ensure access to financial information, the Central Bank disseminated awareness materials through multiple channels, including TV tickers, radio capsules, videos, articles, and social media posts on its Instagram account (@centralbank.brunei).

Moving forward and in support of the National Financial Literacy Council (NFLC), the Central Bank will conduct the 4th National Financial Literacy Survey. The survey aims to measure financial literacy and identify the at-risk groups in Brunei Darussalam using internationally recognised methodologies. The findings will directly be linked to the NFLC's initiative to refresh the national financial literacy strategies, particularly in developing strategic priorities, goals, and quantifiable targets.

Tackling financial scams

In 2024, the Central Bank continued its efforts to raise awareness about financial scams and help protect the public from fraudulent financial activities.

As part of these efforts, the Central Bank met with Yang Berhormat Chong Chin Yee, a Member of the Legislative Council (LegCo) and the Law Enforcement Working Committee or Jawatankuasa Kerja Penguatkuasaan Undang-undang (JKPU). These discussions highlighted the Central Bank's ongoing initiatives in combating scams and highlighted the importance of collaborative action in addressing financial crime.

Moreover, as part of its proactive communication strategy, the Central Bank responded swiftly to scams involving the misuse of its name and logo. Press releases and corresponding Instagram posts were issued to alert the public. These efforts aimed to inform the public about emerging scams and safeguard them against threats.

Scam awareness materials through the Central Bank's Instagram

Box 4 – National Financial Literacy Day 2024

National Financial Literacy Day (NFLD), previously known as National Savings Day (NSD) is celebrated annually on 28 May. NFLD is a flagship initiative led by the Central Bank and supported by the National Financial Literacy Council (NFLC). Its primary goals include promoting a culture of saving and prudent money management, enhancing financial literacy, and raising awareness of available financial products and services. The rebranding of NSD to NFLD reflects its broader mission of strengthening financial resilience as a whole among Bruneians.

Key Initiatives Under NFLD 2024

Financial Awareness Roadshows

The Central Bank, in collaboration with the Ministry of Education, organised five roadshows across Brunei Darussalam, reaching over 2,100 students from 149 primary schools.

The series of roadshows was officially launched by Yang Berhormat Datin Seri Setia Dr. Hajah Romaizah binti Haji Md. Salleh, Minister of Education and Chairperson of the NFLC. Yang Mulia Dato Seri Paduka Haji Khairuddin bin Haji Abdul Hamid, Deputy Minister of Finance and Economy (Economy) as Chairman of BDCB's Board of Directors and Deputy Chairman of the NFLC, were also in attendance, together with other senior officials.

These roadshows focused on key financial topics such as budgeting, savings, debt management, and financial consumer protection. The sessions were interactive, featuring gamified activities in partnership with various agencies like the Royal Brunei Police Force (RBPF), Tabung Amanah Pekerja (TAP), Cyber Security Brunei (CSB) and several financial institutions.

Table 3: School roadshows held under NFLD 2024

Date	Host School	No. of Schools Involved	No. of Students
6 June 2024	SR Dato Mohd Yassin, Brunei-Muara	43	475
11 June 2024	SR Sg. Tali, Belait	16	430
13 June 2024	SR Rataie, Temburong	13	383
27 June 2024	Pusat Tingkatan Enam Tutong, Tutong	29	391
3 July 2024	Pusat Tingkatan Enam Sengkurong, Brunei-Muara	48	440
Total Reach		**149**	**2,119**

School roadshows in conjunction with NFLD 2024

Financial Fun Fair

Held from 31 August to 1 September at Jerudong Park, the fifth Financial Fun Fair attracted over 7,000 visitors. The event focused on digital financial literacy, featuring exhibitors who showcased innovative digital payment solutions through games and a series of financial talks. It also marked the BDCB Mobile App's launch, offering financial planning and consumer protection tools. One key highlight was the Fun-nancial Race, an interactive financial challenge using a treasure hunt concept.

Awareness Articles

Three articles on digital financial management were published on the evolution of savings from traditional to digital, the benefits of digital payments, and types of digital payments, aiming to educate the public on navigating Brunei Darussalam's evolving financial landscape. Through these efforts, the Central Bank continues to empower Bruneians with the knowledge and tools to manage their finances effectively, build financial resilience, and embrace the digital financial ecosystem.

The fifth Financial Fun Fair

Talks and exhibitions on financial literacy and scams

As part of Workstream 1 (Education and Awareness) of the Criminal Intelligence Research Group (CINRG, "synergy"), several articles were issued, providing tips for becoming a responsible financial consumer online. These articles provided valuable guidance on identifying and avoiding online scams, empowering the public to make informed financial decisions.

The Central Bank also actively participated in public engagements to raise awareness of financial scams and promote financial consumer protection.

During these events, the Central Bank socialised topics such as common scam characteristics, prevalent online scams, and tips for staying safe.

Through these multifaceted efforts, the Central Bank plays a critical role in combating financial scams, equipping the public with the tools and knowledge to safeguard their financial well-being.

Our Community Outreach

The Central Bank's Corporate Social Responsibility (CSR) initiatives aim to contribute to community development and social well-being, with a focus on fostering a caring and inclusive community. These efforts align with the Central Bank's commitment to making a positive impact on society, supporting sustainable practices, and enhancing the overall betterment of the community.

Making a difference in Ramadhan

As part of its annual initiative during Ramadhan, the Central Bank carried out several initiatives to support the community, especially during a time of reflection and giving. Partnering with local organisations, we provided essential household items to 25 convert families in need, prepared and distributed 550 iftar meals to underserved communities, and organised a donation drive for 23 orphaned children, raising BND3,450. Through these initiatives, we aim to make a meaningful difference in the lives of those in need.

Supporting the Palestinian Humanitarian Fund for Gaza

We raised and donated BND4,734.30 to the Palestinian Humanitarian Fund for Gaza. This national fund aims to collect donations from all citizens to be donated to the affected victims.

Driving sustainability in the financial sector and beyond

The Central Bank launched the Komuniti Industri Kewangan initiative, which aims to foster collaboration and strengthen relationships among financial institutions for CSR activities.

To kick off the initiative, we partnered with Green Brunei for the H2O: Heroes River Clean Up in Kampong Ayer in June 2024. This project, held in conjunction with World Environment Day, aimed to drive the financial sector's contribution to Brunei Darussalam's sustainability agenda while raising awareness of environmental challenges in Kampong Ayer.

In further support of sustainability, we donated 26 repurposed information technology assets to the Institute of Brunei Technical Education (IBTE) Jefri Bolkiah Campus. By extending the life of these assets, the Central Bank not only promotes resource conservation, thus reinforcing our commitment to sustainable practices, but also enriches learning opportunities for students.

Supporting community well-being

The Central Bank also initiated two impactful projects aimed at enhancing the well-being of the community. A Blood Donation Drive was organised in collaboration with the Blood Donation Centre of RIPAS Hospital, successfully collecting 64 pints of blood from 72 generous donors. Additionally, eight benches were donated to RIPAS Hospital, providing comfort and convenience for patients, visitors, and staff. These initiatives reflect our dedication to making a positive difference in the lives of others.

Our Organisational Capabilities

Aligning strategic priorities with the Financial Sector Blueprint

In 2024, the Central Bank conducted four Annual Business Planning Retreat (ABPR) sessions. The retreat was designed to align and prioritise each department's work plans with the Financial Sector Blueprint (FSBP) 2016-2025 to ensure the effective allocation of resources necessary for its successful implementation. It also provided a valuable opportunity for every BDCB division to clarify their focus areas and align their efforts with the Central Bank's organisational priorities.

Additionally, the Central Bank began preparations for the second iteration of the FSBP (2026-2035) and, subsequently, its own Strategic Plan (2026-2030), ensuring that both documents guide departmental priorities and long-term objectives in line with national economic goals.

Fostering academic partnerships for growth

As part of its commitment to strengthening research-based policymaking, the Central Bank formalised partnerships with several of the nation's higher education institutions, namely UNISSA and UTB, through MOUs.

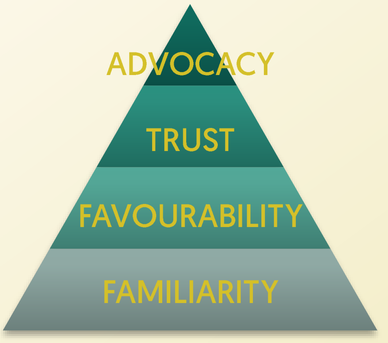
BDCB Public Perception Survey 2024

The Public Perception Survey (PPS) 2024 was conducted in 2024 with the following objectives:

- To understand the public's perception and understanding of the Central Bank in terms of its roles and importance;
- To gain an overview of the relationships the Central Bank holds with the public;
- To measure reputational indicators of familiarity, favourability, trust, and advocacy;
- To measure perceptions of past communication efforts and initiatives; and
- To identify the relationship between demographic characteristics and perceptions of the Central Bank.

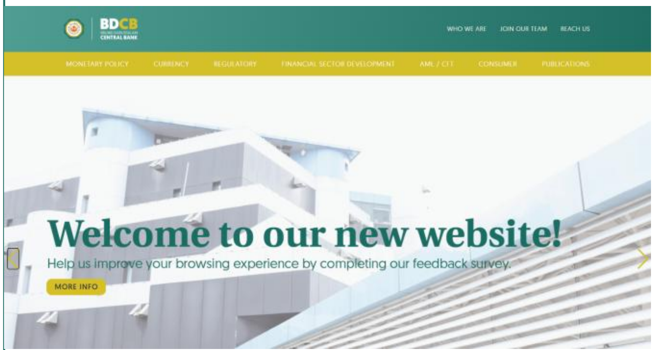
Benchmarking on other similar surveys, the PPS measures:

- Familiarity – refers to how well the public knows the Central Bank's mandates, in particular, the roles and responsibilities it executes in fulfilling the mandates within its purview;
- Favourability – refers to the extent to which the Central Bank and its services are viewed positively;
- Trust – refers to public confidence in the Central Bank's competence, integrity, and commitment to public interest; and
- Advocacy – refers to the likelihood of the public actively speaking highly or critically of the Central Bank, linking to belief and confidence in our ability to fulfil our mandates.



Overall, respondents were generally familiar with the Central Bank's roles, especially as a regulator, supervisor, and currency management. Favourability was mostly neutral to positive, with around 40% rating the Central Bank fairly to very favourably. Trust levels were high, with over 60% agreement on all trust indicators. Advocacy remains largely neutral (60%), with 37% willing to speak positively. These insights highlight opportunities for BDCB to enhance engagement, awareness, and public confidence in the roles of the central bank.

These findings will be used to develop relevant communication policies and strategies to reach the public more effectively, in line with the BDCB Strategic Plan (2016–2025).



The homepage of the updated BDCB website

These collaborations aim to enhance the Central Bank's employees' research capabilities through training opportunities with faculty of staff or students in the universities. At the same time, these partnerships also enable the Central Bank and universities to leverage each other's expertise and experience in areas of mutual interest. These include facilitating the exchange of data and information, joint efforts in conducting surveys and research, and organising seminars, workshops, and conferences in the field of finance.

Furthermore, this collaboration fosters human capital development where Central Bank employees and university students, as well as faculty members, may participate in initiatives such as study visits, sharing sessions, invitations as moderators or panellists, as well as internship and work attachment programmes.

The Central Bank and universities are also able to work together to develop courses that meet the evolving needs of the financial sector and contribute to the publication of research papers, academic journals, newsletters, educational materials, and other resources related to the financial sector.

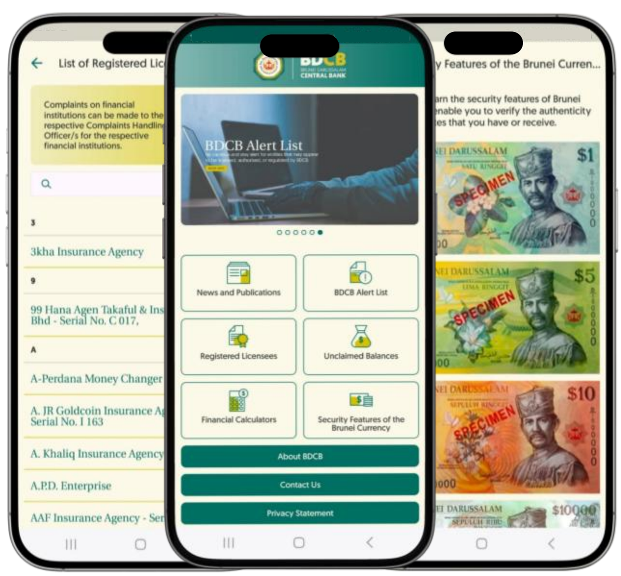
Strengthening communications and public engagement

In 2024, the Central Bank enhanced its digital presence with the launch of a refreshed website and mobile application. Both were aimed at improving accessibility, transparency, and stakeholder engagement.

The updated website, launched in March 2024, introduces a more user-friendly interface and streamlined navigation, making it easier for financial institutions, stakeholders, and the public to access critical information. The website provides comprehensive details on the Central Bank's roles, market data, and educational resources, serving as a tool for keeping users informed.

On the other hand, the mobile application, launched on 31 August during National Financial Literacy Day's Financial Fun Fair, features easy access to the Central Bank's list of registered licensees, helping users stay informed about licensed financial institutions and payment service providers. It also provides information on the BDCB Alert List, which highlights suspicious entities, and the Unclaimed Balances list, which is a record of individuals with unclaimed funds. Additionally, the application includes a suite of financial calculators, allowing users to manage personal finances more effectively.

To further strengthen its communications strategies, the Central Bank also visited Bank Negara Malaysia (BNM) and Securities Commission Malaysia (SC) to gain insights into their practices. The visit resulted in the exchange of fresh ideas for implementing effective central bank communication, in line with the aspiration of the Central Bank's strategic objectives.



Digital transformation for operational excellence

The Central Bank is committed to continuing its modernisation efforts to optimise productivity and efficiency. To support this ongoing evolution, an internal digital transformation roadmap was developed, aimed at achieving digital excellence, with a focus on organisational ease of doing work.

A governance committee was also established to oversee the strategic development and implementation of the Central Bank's digital transformation initiatives, ensuring effective governance and alignment with long-term objectives. In line with these efforts, the Central Bank conducted a work visit to Bank of Thailand (BOT) and BNM to learn valuable lessons in aligning IT operations with strategic objectives, effective technology management, digital transformation, and capacity building.

Our Governance and Assurance

Internal audit and review, advisory, and consultancy service

Internal audit activities within the Central Bank are conducted in conformance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (IIA IPPF).

The Central Bank's audit priorities in 2024 were aligned to account for concerns raised and on current and emerging risks in the Central Bank's operations. A range of audit activities were conducted throughout the year, including reviews on recruitment, procurement framework, and information technology policies and procedures.

The Central Bank's 2024 internal audit work plan also included the facilitation of the 2024 Society for Worldwide Interbank Financial Telecommunications (SWIFT) Customer Security Programme (CSP) Independent Assessment on the Payment and Settlement System, where the Central Bank achieved a 91% compliance with SWIFT CSP controls as stated in the SWIFT Customer Security Controls Framework v2024.

External audit activities

In accordance with section 61 of the BDCB Order, 2010, the BDCB Group and Al-Munawarrah Sdn Bhd Financial and Statutory audit for the financial year 2024 was performed by PricewaterhouseCoopers (PwC).

Building capacity through knowledge exchange

Two employees engaged in strategic work visits to regional central banks to gain deeper understanding into their operational practices, with a focus on key areas such as internal audit strategies, quality assurance, data analytics, and innovative applications. These visits provided valuable perspectives on best practices, enhancing the Central Bank's approach to internal operations and supporting the continuous improvement of governance and performance.

Our Commitment to Managing Risks

Strengthening risk management and organisational resilience

In 2024, the Central Bank focused on strengthening risk management by enhancing key policies and frameworks related to risk appetite, key risk indicators, incident management, communications response, disaster recovery, and business continuity. This ongoing review ensures policies align with the Central Bank's operations and objectives.

In line with ISO 31000, the Central Bank's risk framework defines acceptable risk levels in pursuit of its mandates, guiding the identification, assessment and management of potential risks. The Risk Appetite Framework, alongside the annual risk horizon scanning, ensures a systematic and accountable approach to managing risks in alignment with strategic goals.

The Central Bank's resilience policies emphasise crisis preparedness, utilising best practices such as the ISO 22300 and ISO 27000 family of standards. These frameworks ensure effective communication, incident management, and continuity of essential services during disruptions.

Ongoing business continuity exercises in 2024 reinforced workforce preparedness and critical system resilience. This comprehensive approach to risk and resilience management ensures that the Central Bank can effectively anticipate challenges, minimise damage and recover swiftly in the face of disruptions.

Managing the Central Bank's lines of defence

The Central Bank continued strengthening its people in key areas, including compliance, operational risk management, information security, fraud risks, and resilience across the three lines of defence. Emphasising information security, it maintained alignment with the ISO27000 family of standards and fostered a cyber-aware culture through collaborative efforts. Key initiatives included onboarding training for new employees on information security policies and handling classified data.

A gamified Information Security Escape Room event was also hosted during Cybersecurity Awareness Month in October 2024 to enhance security knowledge and promote a risk-aware culture. Additionally, the Central Bank expanded training modules to cover compliance topics such as whistleblowing, fraud prevention, and conflicts of interest, reinforcing the core value of integrity.

To assess the impact of these initiatives, the Central Bank conducted its annual Information Security Knowledge and Culture Assessment in late 2024, identifying proficiency gaps and guiding the refinement of future training programmes.

Information Security Escape Room

Consolidated Financial Statements

Contents

Report of the Board

For the financial year ended 31 December 2024

The Members of the Board hereby submit their report and the audited consolidated and parent financial statements of Brunei Darussalam Central Bank (the "Authority" or "BDCB") and its subsidiary (the "Group") for the financial year ended 31 December 2024.

Principal Activities

Brunei Darussalam Central Bank ("the Authority"), was established on 1 January 2011 pursuant to Section 3(1) of the Brunei Darussalam Central Bank 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 of Brunei Darussalam to the extent that it considers appropriate.

Al-Munawwarah Sdn Bhd (the "Subsidiary") ("AMSB") is a special purpose vehicle ("SPV"), which facilitates the Authority's liquidity management activities and other investment activities through the issuance of Sukuk under a variety of Syariah principles. AMSB is controlled by the Authority as it has existing rights that give the Authority the current ability to direct the relevant activities of AMSB.

Financial Statement Highlights

	The Group	The Authority
	BND'000	BND'000
Net profit for the year	98,845	98,770
Other comprehensive income	135,071	135,071
Total comprehensive income for the year	233,916	233,841
Less (non-distributable profit / unrealised market gain):		
Profit for the year of AMSB	(75)	-
Transfer to market revaluation reserves	(165,957)	(165,957)
Distributable earnings for the year	67,884	67,884
Distributable to:		
BDCB Reserve Fund	20,365	20,365
The Government of Brunei Darussalam	47,519	47,519
	67,884	67,884

Board of Directors

Chairman

Yang Mulia
Dato Seri Paduka Awang Haji Khairuddin bin Haji Abdul Hamid
Deputy Minister of Finance and Economy (Economy)
Ministry of Finance and Economy
(17 July 2022 – Present)

Deputy Chairman

Yang Mulia
Pengiran Datin Seri Paduka Hajah Zety Sufina binti Pengiran Dato Paduka Haji Sani
Deputy Minister of Finance and Economy (Fiscal)
Ministry of Finance and Economy
(8 August 2022 – Present)

Members

Yang Mulia
Dato Seri Setia Dr. Awang Haji Japar bin Haji Mat Dain @ Maidin
Deputy State Mufti
State Mufti's Office
(8 August 2022 – Present)

Yang Mulia
Pengiran Hajah Siti Nirmala binti Pengiran Haji Mohammad
Permanent Secretary (Wawasan)
Prime Minister's Office
(8 August 2022 – Present)

Yang Mulia
Dr. Dayang Hajah May Fa'ezah binti Haji Ahmad Ariffin
Permanent Secretary (Economy, Trade and Industry)
Ministry of Finance and Economy
(8 August 2022 – Present)

Yang Mulia
Dayang Hajah Zuraini binti Haji Sharbawi
Solicitor General, Attorney General's Chambers
Prime Minister's Office
(8 August 2022 – Present)

Yang Mulia
Dayang Hajah Rashidah binti Haji Sabtu
Managing Director
Brunei Darussalam Central Bank
(21 December 2024 – Present)

Yang Mulia
Dayang Hajah Rokiah binti Haji Badar
Managing Director
Brunei Darussalam Central Bank
(8 August 2022 – 20 December 2024)

Audit Committee

Chairperson

Yang Mulia
Dayang Hajah Zuraini binti Haji Sharbawi
Solicitor General, Attorney General's Chambers
Prime Minister's Office
(1 January 2020 – Present)

Members

Yang Mulia
Haji Hairul Mohd Daud bin Haji Abd Karim
Deputy Permanent Secretary (Infocommunications),
Ministry of Transport and Infocommunications
(1 January 2020 – Present)

Yang Mulia
Pengiran Hajah Noorasiah binti Pengiran Hassan
Deputy Accountant General, Treasury Department,
Ministry of Finance and Economy
(20 May 2023 – Present)

Yang Mulia
Pengiran Hajah Normaswati binti Pengiran Anak Haji Mashor
Acting Accountant General, Treasury Department,
Ministry of Finance and Economy
(22 May 2023 – Present)

Yang Mulia
Awang Shamsul Bahri bin Haji Kamis
Chief Executive Officer,
I.T. Protective Security Services Sdn Bhd
(1 January 2023 – Present)

Yang Mulia
Pengiran Haji Johari bin Pengiran Haji Abd Ghani
Manager,
Brunei Investment Agency
(1 January 2023 – Present)

Observer

Yang Mulia
Awang Muhammad Yusri bin Dato Abdul Majid
Head of Risk and Compliance,
Brunei Darussalam Central Bank
(1 January 2020 – Present)

The Audit Committee has held several meetings in 2024. In performing its functions, the Audit Committee met with the Group's external auditors to discuss the scope of their work, the results of their examination and evaluation of the Group's internal accounting control system.

For and on behalf of the Board

Dato Seri Paduka Awang Haji Khairuddin bin Haji Abdul Hamid Chairman	Dayang Hajah Rashidah binti Haji Sabtu Managing Director

Date: 26 May 2025

Independent Auditor's Report

As at 31 December 2024

Brunei Darussalam Central Bank and Its Subsidiary
(Established in Brunei Darussalam)

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Brunei Darussalam Central Bank and its Subsidiary (the "Group") and the parent financial statements of Brunei Darussalam Central Bank (the "Authority") are properly drawn up in accordance with the provisions of the Brunei Darussalam Central Bank Order, 2010 (the "Order"), the Brunei Darussalam Companies Act, Chapter 39 (the "Act"), the Currency Order, 2004 (the "CO") and the International Financial Reporting Standards (IFRS) Accounting Standards so as to give a true and fair view of the financial position of the Group and of the Authority as at 31 December 2024 and of their financial performance and of their cash flows for the year then ended.

What we have audited

The financial statements comprise:

- the consolidated and parent statement of financial position as at 31 December 2024;
- the consolidated and parent statement of profit or loss and other comprehensive income for the year ended 31 December 2024;
- the consolidated and parent statement of changes in equity for the year ended 31 December 2024;
- the consolidated and parent statement of cash flows for the year ended 31 December 2024; and
- the notes to the consolidated and parent financial statements, comprising material accounting policy information and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Independence

We are independent of the Group and of the Authority in accordance with the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (the Code), together with the ethical requirements that are relevant to our audit of the financial statements in Brunei Darussalam, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Report of the Board, but does not include the consolidated and parent financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated and parent financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and parent financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Other Matter

The financial statements of the Group and of the Authority as at and for the year ended 31 December 2023 were audited by another firm of auditors whose report, dated 10 May 2024, expressed an unmodified opinion on those statements.

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Authority's directors are responsible for the preparation and fair presentation of these consolidated and parent financial statements in accordance with the provisions of the Order, the Act, the CO, and the IFRS Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and parent financial statements, the directors are responsible for assessing the ability of each entity within the Group and of the Authority to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the entities within the Group and the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group and the Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and parent financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and the Authority to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and parent financial statements, including the disclosures, and whether the consolidated and parent financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Group and the Authority have been properly kept in accordance with the provisions of the Act. We have obtained all the information and explanations that we required.

PricewaterhouseCoopers Services

Chai Xiang Yuin
Partner

Brunei Darussalam
Date: 30 May 2025

Brunei Darussalam Central Bank and its Subsidiary

Statement of Financial Position

As at 31 December 2024

(With comparative figures as at 31 December 2023)

		The Group		The Authority	
		2024	2023	2024	2023
	Note	BND'000	BND'000	BND'000	BND'000
ASSETS					
Cash and cash equivalents	4	2,246,476	2,427,649	2,162,528	2,327,755
Deposits with financial institutions		500,355	576,481	500,355	576,481
Investment securities	5	1,368,289	1,274,706	1,368,289	1,274,706
Derivative financial assets	6	6,228	5,724	6,228	5,724
Inventories		11,319	13,454	11,319	13,454
Assets held with International Monetary Fund (IMF)	7	1,064,114	1,033,756	1,064,114	1,033,756
Other assets	8	16,402	27,421	16,347	27,356
Investment in AMSB	1	-	-	-	-
Gold	9	519,716	400,317	519,716	400,317
Property and equipment, net	10	23,796	16,533	23,796	16,533
TOTAL ASSETS		5,756,695	5,776,041	5,672,692	5,676,082
LIABILITIES AND EQUITY					
Liabilities					
Currency in circulation	11	1,401,451	1,417,033	1,401,451	1,417,033
Deposits and balances of local banks and other local financial institutions	13	1,207,632	1,627,280	1,221,030	1,629,477
Deposits and balances of international financial institutions	14	19,650	19,650	19,650	19,650
Derivative financial liabilities	6	11,314	1,231	11,314	1,231
Payables to the Government of Brunei Darussalam		186,992	151,069	186,992	151,069
Liabilities held with IMF	7	877,543	883,109	877,543	883,109
Other liabilities	15	254,197	110,320	254,122	108,398
Provisions	16	103,679	55,526	103,679	55,526
Sukuk issuance	17	96,960	99,943	-	-
TOTAL LIABILITIES		**4,159,418**	4,365,161	**4,075,781**	4,265,493

See accompanying notes to the financial statements.

		The Group		The Authority	
	Note	2024 BND'000	2023 BND'000	2024 BND'000	2023 BND'000
Equity					
Share capital	18	1,000,000	1,000,000	1,000,000	1,000,000
Reserve fund	18	179,396	159,031	179,396	159,031
Currency valuation reserve fund	18	-	-	-	-
Market valuation reserve fund	18	417,515	251,558	417,515	251,558
Retained earnings		366	291	-	-
TOTAL EQUITY		**1,597,277**	**1,410,880**	**1,596,911**	**1,410,589**
TOTAL LIABILITIES AND EQUITY		**5,756,695**	**5,776,041**	**5,672,692**	**5,676,082**

For and on behalf of the Board

Dato Seri Paduka Awang Haji Khairuddin bin Haji Abdul Hamid
Chairman

Dayang Hajah Rashidah binti Haji Sabtu
Managing Director

Date: 26 May 2025

See accompanying notes to the financial statements.

Brunei Darussalam Central Bank and its Subsidiary

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

(With comparative figures for the year ended 31 December 2023)

	Note	The Group 2024 BND'000	The Group 2023 BND'000	The Authority 2024 BND'000	The Authority 2023 BND'000
INCOME					
Interest income	19	68,910	64,190	66,818	62,565
Dividend income	5	3,921	3,732	3,921	3,732
Net gain on investment securities measured at fair value through profit or loss (FVTPL)	20	27,299	44,975	27,299	44,975
Net gain from derecognition of investment securities measured at fair value through other comprehensive income (FVOCI)	21	39,048	32,035	39,048	32,035
Operating income	22	4,839	3,620	4,839	3,609
Other gains or losses	22	(1,674)	(9,493)	(1,674)	(9,493)
TOTAL INCOME		**142,343**	**139,059**	**140,251**	**137,423**
EXPENSES					
Staff costs	23	(22,280)	(20,704)	(22,280)	(20,704)
Other operating expenses	24	(17,169)	(14,377)	(17,158)	(14,368)
Sukuk coupon cost		(2,006)	(1,529)	-	-
Fee and commission expense		(2,043)	(2,057)	(2,043)	(2,057)
TOTAL EXPENSES		**(43,498)**	**(38,667)**	**(41,481)**	**(37,129)**
NET PROFIT FOR THE YEAR		**98,845**	**100,392**	**98,770**	**100,294**
OTHER COMPREHENSIVE INCOME					
Item that may be reclassified to profit or loss					
Net gain on debt investment securities measured at FVOCI	21	15,672	23,974	15,672	23,974
Item that may not be reclassified to profit or loss					
Net gain on gold revaluation	9	119,399	45,121	119,399	45,121
TOTAL OTHER COMPREHENSIVE INCOME		**135,071**	**69,095**	**135,071**	**69,095**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**233,916**	**169,487**	**233,841**	**169,389**

See accompanying notes to the financial statements.

Brunei Darussalam Central Bank and its Subsidiary

Statement of Changes in Equity

For the year ended 31 December 2024

(With comparative figures for the year ended 31 December 2023)

The Group	Share capital BND'000	Distributable earnings BND'000	Retained earnings ** BND'000	Reserve fund BND'000	Currency valuation reserve BND'000	Market valuation reserve BND'000	Total BND'000
Balance as at 1 January 2022	**1,000,000**	**-**	**(5)**	**147,324**	**3,960**	**211,167**	**1,362,446**
Total Comprehensive loss:							
Net profit (loss) for the year	-	(25,180)	198	-	-	-	(24,982)
Other comprehensive loss	-	(45,495)	-	-	-	-	(45,495)
Transfers during the year:							
Foreign exchange valuation	-	3,960	-	-	(3,960)	-	-
Fair value movement of gold at FVOCI	-	285	-	-	-	(285)	-
Fair value movement of investment securities at FVOCI	-	7,335	-	-	-	(7,335)	-
Fair value movement of investment securities at FVTPL	-	49,126	-	-	-	(49,126)	-
Transfer to reserve fund	-	9,969	-	(9,969)	-	-	-
Transfer to the Government of Brunei Darussalam*	-	-	-	-	-	-	-
Balance as at 1 December 2022	**1,000,000**	**-**	**193**	**137,355**	**-**	**154,421**	**1,291,969**
Balance as at 1 January 2023	**1,000,000**	**-**	**193**	**137,355**	**-**	**154,421**	**1,291,969**
Total Comprehensive income:							
Net profit for the year	-	100,294	98	-	-	-	100,392
Other comprehensive income	-	69,095	-	-	-	-	69,095
Transfers during the year:							
Foreign exchange valuation	-	-	-	-	-	-	-
Fair value movement of gold at FVOCI	-	(45,121)	-	-	-	45,121	-
Fair value movement of investment securities at FVOCI	-	(23,974)	-	-	-	23,974	-
Fair value movement of investment securities at FVTPL	-	(28,042)	-	-	-	28,042	-
Transfer to reserve fund	-	(21,676)	-	21,676	-	-	-
Transfer to the Government of Brunei Darussalam*	-	(50,576)	-	-	-	-	(50,576)
Balance as at 31 December 2023	**1,000,000**	**-**	**291**	**159,031**	**-**	**251,558**	**1,410,880**

The Group

	Share capital	Distributable earnings	Retained earnings **	Reserve fund	Currency valuation reserve	Market valuation reserve	Total
	BND'000	BND'000	BND'000	BND'000	BND'000	BND'000	BND'000
Balance as at 1 January 2024	**1,000,000**	**-**	**291**	**159,031**	**-**	**251,558**	**1,410,880**
Total Comprehensive income:							
Net profit for the year	-	98,770	75	-	-	-	98,845
Other comprehensive income	-	135,071	-	-	-	-	135,071
Transfers during the year:							
Foreign exchange valuation	-	-	-	-	-	-	-
Fair value movement of gold at FVOCI	-	(119,399)	-	-	-	119,399	-
Fair value movement of investment securities at FVOCI	-	(15,672)	-	-	-	15,672	-
Fair value movement of investment securities at FVTPL	-	(30,886)	-	-	-	30,886	-
Transfer to reserve fund	-	(20,365)	-	20,365	-	-	-
Transfer to the Government of Brunei Darussalam*	-	(47,519)	-	-	-	-	(47,519)
Balance as at 31 December 2024	**1,000,000**	**-**	**366**	**179,396**	**-**	**417,515**	**1,597,277**

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

See accompanying notes to the financial statements.

Brunei Darussalam Central Bank and its Subsidiary

Statement of Changes in Equity

For the year ended 31 December 2024

(With comparative figures for the year ended 31 December 2023)

The Authority	Share capital	Distributable earnings	Reserve fund	Currency valuation reserve	Market valuation reserve	Total
	BND'000	BND'000	BND'000	BND'000	BND'000	BND'000
Balance as at 1 January 2022	1,000,000	-	147,324	3,960	211,167	1,362,451
Total Comprehensive loss:						
Net loss for the year	-	(25,180)	-	-	-	(25,180)
Other comprehensive loss	-	(45,495)	-	-	-	(45,495)
Transfers during the year:						
Foreign exchange valuation	-	3,960	-	(3,960)	-	-
Fair value movement of gold at FVOCI	-	285	-	-	(285)	-
Fair value movement of investment securities at FVOCI	-	7,335	-	-	(7,335)	-
Fair value movement of investment securities at FVTPL	-	49,126	-	-	(49,126)	-
Transfer to reserve fund	-	9,969	(9,969)	-	-	-
Balance as at 31 December 2022	1,000,000	-	137,355	-	154,421	1,291,776
Balance as at 1 January 2023	1,000,000	-	137,355	-	154,421	1,291,776
Total Comprehensive income:						
Net profit for the year	-	100,294	-	-	-	100,294
Other comprehensive income	-	69,095	-	-	-	69,095
Transfers during the year:						
Foreign exchange valuation	-	-	-	-	-	-
Fair value movement of gold at FVOCI	-	(45,121)	-	-	45,121	-
Fair value movement of investment securities at FVOCI	-	(23,974)	-	-	23,974	-
Fair value movement of investment securities at FVTPL	-	(28,042)	-	-	28,042	-
Transfer to reserve fund	-	(21,676)	21,676	-	-	-
Transfer to the Government of Brunei Darussalam*	-	(50,576)	-	-	-	(50,576)
Balance as at 31 December 2023	1,000,000	-	159,031	-	251,558	1,410,589

The Authority

	Share capital	Distributable earnings	Reserve fund	Currency valuation reserve	Market valuation reserve	Total
	BND'000	**BND'000**	**BND'000**	**BND'000**	**BND'000**	**BND'000**
Balance as at 1 January 2024	1,000,000	-	159,031	-	251,558	1,410,589
Total Comprehensive income:						
Net profit for the year	-	98,770	-	-	-	98,770
Other comprehensive income	-	135,071	-	-	-	135,071
Transfers during the year:						
Foreign exchange valuation	-	-	-	-	-	-
Fair value movement of gold at FVOCI	-	(119,399)	-	-	119,399	-
Fair value movement of investment securities at FVOCI	-	(15,672)	-	-	15,672	-
Fair value movement of investment securities at FVTPL	-	(30,886)	-	-	30,886	-
Transfer to reserve fund	-	(20,365)	20,365	-	-	-
Transfer to the Government of Brunei Darussalam*	-	(47,519)	-	-	-	(47,519)
Balance as at 31 December 2024	**1,000,000**	**-**	**179,396**	**-**	**417,515**	**1,596,911**

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

See accompanying notes to the financial statements.

Brunei Darussalam Central Bank and its Subsidiary

Statement of Cash Flows

For the year ended 31 December 2024

(With comparative figures for the year ended 31 December 2023)

	The Group		The Authority	
	2024	2023	2024	2023
	BND'000	BND'000	BND'000	BND'000
Cash flows from operating activities:				
Net profit for the year	98,845	100,392	98,770	100,294
Adjustments for:				
Depreciation on property and equipment	2,748	2,289	2,748	2,289
Unrealised net gain on foreign exchange and fair value	(5,132)	(40,506)	(5,132)	(40,506)
Sukuk coupon cost	2,006	1,529	-	-
	98,467	63,704	96,386	62,077
Changes in operating assets and liabilities				
Decrease (increase) in operating assets:				
Deposits with financial institutions	76,126	(312,407)	76,126	(312,407)
Investment securities	(72,780)	32,577	(72,780)	32.577
Derivative financial assets	(504)	2,818	(504)	2,818
Inventories	2,135	(2,682)	2,135	(2,682)
Other assets	11,019	(14,268)	11,009	(14,216)
(Decrease) increase in operating liabilities:				
Currency in circulation	(15,582)	(5,242)	(15,582)	(5,242)
Deposits and balances of local banks and other local financial institutions	(419,648)	(1,081,555)	(408,447)	(1,079,982)
Payables to the Government of Brunei Darussalam	-	(21)	-	(21)
Derivative financial liabilities	10,083	1,132	10,083	1,132
Other liabilities	143,877	22,358	145,724	20,873
Provisions	633	(5,614)	633	(5,614)
Net cash used in operating activities	**(166,173)**	**(1,299,199)**	**(155,216)**	**(1,300,686)**
Cash flows used in investing activity:				
Additions to property and equipment, representing net cash used in investing activity	**(10,011)**	**(2,145)**	**(10,011)**	**(2,145)**
Cash flows used in financing activities:				
Sukuk net (placement) redemption	(2,983)	44,978	-	-
Sukuk coupon cost	(2,006)	(1,529)	-	-
Net cash flows (used in) generated from financing activities	**(4,989)**	**43,449**	**-**	**-**

	The Group		The Authority	
	2024	2023	2024	2023
	BND'000	BND'000	BND'000	BND'000
Net decrease in cash & cash equivalents	**(181,173)**	**(1,257,895)**	**(165,227)**	**(1,302,831)**
Cash and cash equivalents at beginning of the year	2,427,649	3,685,544	2,327,755	3,630,586
Cash and cash equivalents at the end of the year	**2,246,476**	**2,427,649**	**2,162,528**	**2,327,755**

See accompanying notes to the financial statements.

Notes to the Financial Statements

For the year ended 31 December 2024
(With comparative figures and notes as at and for the year ended 31 December 2023)

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

The consolidated and parent financial statements for the year ended 31 December 2024 were authorised for issue by the Members of the Board on 26 March 2025.

1. Domicile and activities

The Brunei Darussalam Central Bank ("BDCB") ("the Authority") as the central bank of Brunei Darussalam was established and domiciled in Brunei Darussalam and is committed to its objectives mandated under the Brunei Darussalam Central Bank Order, 2010.

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 of Brunei Darussalam to the extent that it considers appropriate.

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

The issued and paid-up capital is wholly owned by the Government of Brunei Darussalam.

Al-Munawwarah Sdn Bhd ("AMSB")

AMSB (the "Subsidiary") is a special purpose vehicle ("SPV"), which facilitates the Authority's liquidity management activities and other investment activities through the issuance of sukuk under a variety of Syariah principles. AMSB is controlled by the Authority as it has existing rights that give the Authority the current ability to direct the relevant activities of AMSB. AMSB has $2.00 paid up capital which is held by nominees who are key officers of the Authority.

2. Summary of material accounting policies

The material accounting policies applied in the preparation of these consolidated and parent financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

2.1 Basis of preparation

2.1.1. Statement of Compliance

The consolidated and parent financial statements of the Group and of the Authority have been prepared in accordance with the Brunei Darussalam Central Bank Order, 2010 (the "Order"), the Brunei Darussalam Companies Act, Chapter 39 (the "Act"), the Currency Order, 2004 (the "CO"), and the International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards") including any relevant interpretations issued by the IFRS Interpretations Committee ("IFRIC") applicable to entities reporting under IFRS Accounting Standards.

The consolidated and parent financial statements comply with the Order, the Act, the CO issued by the Government of Brunei Darussalam and IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB").

The accounting policies set out below have been consistently applied to all periods presented in these consolidated and parent financial statements, unless otherwise stated. The accounting policies have been applied consistently by the Authority and the entities within the Group.

2.1.2. Functional currency

The consolidated and parent financial statements of the Group and of the Authority are presented in Brunei Darussalam Dollars ("BND"), rounded to the nearest thousands, except as otherwise stated. BND is also the functional currency of the Group.

2.1.3. Basis of measurement

These consolidated and parent financial statements have been prepared under the historical cost convention except that the following assets and liabilities are stated at their fair values as disclosed in the accounting policies set out below:

- Investment securities at FVTPL and FVOCI (Note 2.3);
- Derivatives financial instruments (Note 2.5); and
- Gold (Note 2.8).

2.1.4. Basis of consolidation

The consolidated financial statements of the Group comprise the financial statements of the Authority and its Subsidiary as at and for the year ended 31 December 2024 (with comparative figures as at and for the year ended 31 December 2023). The Group controls and consequently consolidates an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group is considered to have power over an entity when it has existing rights that give it the current ability to direct the relevant activities of the entity. For the Group to have power over an entity, it must have the practical ability to exercise those rights. In situations where potential voting rights exist, these are taken into account if the Group has the practical ability to exercise those rights.

Entities that are controlled by the Group are consolidated from the date the group gains control and ceases to be consolidated from the date the Group loses control of the entities.

All intra-group transactions are eliminated on consolidation.

2.1.5. Adoption of amended accounting standards and interpretations

(a) Amendments to existing standards adopted by the Group and of the Authority effective 1 January 2024.

The following amendment to existing standard has been adopted by the Group and of the Authority effective 1 January 2024:

- IAS 1, *Presentation of Financial Statements (Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants)*

  Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability
- information about the covenants, and
- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current/non-current classification of a convertible note.

The amendments has been applied retrospectively in accordance with the requirements in IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

There are no other new standards, interpretations and amendments to existing standards effective 1 January 2024 that are considered to be relevant or have a material impact on the consolidated and parent financial statements of the Group and of the Authority.

(b) Amendments to existing standards not yet effective and not early adopted by the Group and of the Authority

The following amendments to existing standards are not mandatory for 31 December 2024 reporting period and have not been early adopted by the Group and of the Authority:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 *(Effective beginning on or after 1 January 2026)*

  On 30 May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

  The adoption of the above amendments is not expected to have a material impact on the consolidated and parent financial statements of the Group and of the Authority.

- IFRS 18 Presentation and Disclosure in Financial Statements *(Effective beginning on or after 1 January 2027)*
  IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are

expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group and of the Authority's consolidated and parent financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Group and of the Authority's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported. From the high-level impact assessment that the Group has performed, the following items might potentially impact operating profit:
    - Foreign exchange differences currently aggregated in the line item 'other income and other gains/(losses) - net' in operating profit might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
    - IFRS 18 has specific requirements on the category in which derivative gains or losses are recognised - which is the same category as the income and expenses affected by the risk that the derivative is used to manage. Although the Group currently recognises some gains or losses in operating profit and others in finance costs, there might be a change to where these gains or losses are recognised, and the Group is currently evaluating the need for change.

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
- for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 January 2027.

Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

2.2 Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial 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 (except for financial assets and financial liabilities measured at Fair Value through Profit and Loss ("FVTPL") and Fair Value through Other Comprehensive Income ("FVOCI") 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 measured at FVTPL and FVOCI are recognised immediately in profit or loss.

2.3 Financial assets

2.3.1 Classification and subsequent measurement

The Group classifies its financial assets in the following measurement categories:

- Financial assets at fair vlue through profit or loss (FVTPL);
- Financial assets at fair value through other comprehensive income (FVOCI);
- Financial assets at amortised cost; or
- Other assets at amortised cost.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The classification requirements for debt and equity instruments are described below:

Debt instruments

Classification and subsequent measurement of debt instruments depend on:

a) the Group's business model for managing the asset; and
b) the cash flow characteristics of the asset.

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest and similar income' using the effective interest rate (EIR) and/or effective profit rate (EPR) method.

- FVOCI: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FTVPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Net gain from derecognition of investment securities measured at FVOCI". Interest income from these financial assets is included in 'Interest income' using the EIR and/or EPR method.

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented within "Net gain on investment securities measured at FVTPL" in the period in which it arises. Interest income from these financial assets is included in the 'Net gain on investment securities measured at fair value through profit or loss (FVTPL)' in the statement of profit or loss.

The Group has more than one business model for managing its financial instruments which reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Group does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios.

The Group takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent SPPI (the 'SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as government and corporate bonds, loans, and other receivables.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Group subsequently measures all equity investments at FVTPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

2.3.2 Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI. The Group recognises a loss allowance for such loss at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instruments that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instruments, (referred to as Stage 2 and Stage 3); or
- a loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL. More details on the determination of a significant increase in credit risk ("SICR") are provided in Note 27.2.1(c).

ECLs are probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that

the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR and/or EPR.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of securities that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR and/or EPR, regardless of whether it is measured on an individual basis or a collective basis.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender or the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event - instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are measured at amortised cost or FVOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a SICR.

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in debt securities a qualitative indicator used is the breach of covenants. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

Significant increase in credit risk (SICR)

The Group monitors all financial assets that are subject to the impairment requirements to assess whether there has been a SICR since initial recognition. If there has been a SICR, the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when it has an external credit rating of 'investment grade', which is above Baa3 for Moody's and above BBB for S&P and Fitch. Accordingly, the Group assumes the application of the low credit risk expedient on the debt securities portfolio that broadly represents bonds issued with strong credit ratings of at least A3 for Moody's and A- for S&P and Fitch.

For cash and cash equivalents, assets held with IMF, deposits with financial institutions and other receivables, these are either repayable on demand, mature within a year or placed with reputable financial institutions with high external credit rating. Accordingly, determination of staging triggers for identifying significant increase in credit risk is not consequential taking into account the rating of the counterparties are consistent.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has significantly increased since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group incorporates forward-looking information in its determination whether credit risks have increased significantly since initial recognition through its rating mechanism using external rating or based on criteria involving qualitative forward-looking elements.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a SICR before the amount becomes past due.

Presentation of allowance for ECL in the statements of financial position

Loss allowances for ECL are presented in the statements of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets; and
- for debt instruments measured at FVOCI: the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised as a part of net income in the statements of comprehensive income. 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 by adjusting the allowance account. The amount of the reversal is recognised as a part of net income in the statements of comprehensive income. When a financial asset is uncollectible, it is written off against the related allowance account. Such financial assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Recoveries of accounts previously written off are recognised directly in the statements of comprehensive income as a part of net income.

2.3.3 Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing debt security would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group 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 Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

2.3.4 Write-off

Debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or in a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in other income.

2.4 Financial Liabilities

Classification and subsequent measurement

Financial liabilities are any liabilities that are contractual obligations to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or a contract that will or may be settled in the Group's own equity instrument. Financial liabilities are classified as either financial liabilities at FVTPL (including financial liabilities held for trading and those designated at FVTPL) or financial liabilities at amortised cost.

a) Financial liabilities at FVTPL

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking or if so designated by management. Financial liabilities designated as at FVTPL at inception are those that are managed and whose performance is evaluated on a fair value basis, and are intended to be held for an indefinite period of time but may be extinguished in response to needs for liquidity or changes in interest rates or exchange rates. Information about these financial liabilities is provided internally on a fair value basis to the Treasury Investment Management. Financial liabilities classified as FVTPL consist of derivative financial liabilities.

Financial liabilities at FVTPL are initially recognised and subsequently measured at fair value with any gains or losses recognised in profit or loss. Fair value is computed using quoted market prices.

b) Other financial liabilities at amortised cost

Other financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the EIR and/or EPR method, where applicable.

Derecognition of financial liabilities

The Group derecognises financial liabilities only when the Group's obligations are discharged, cancelled or have expired. 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

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets including recent market transactions, and valuation techniques (for example for structured notes), including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The Group's derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that do not qualify for hedge accounting are recognised immediately in the statements of comprehensive income under "Net gain on investment securities measured at FVTPL".

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.

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfil an obligation.

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges;

- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of the over-the-counter ("OTC") derivative contracts. The primary source of input parameters like LIBOR yield curve or counterparty credit risk is Bloomberg; and

- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible. The Group has no assets or liabilities classified under Level 3 as at 31 December 2024 and 2023.

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges and broker quotes mainly from Bloomberg.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indications that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.
For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, LIBOR yield curve, FX rates, volatilities and counterparty spreads) existing at reporting date. The Group uses widely recognised valuation models for determining fair values of non-standardised financial instruments of lower complexity such as forward contracts. For these financial instruments, inputs into models are generally market observable.

For more complex instruments, the Group uses internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value derivatives transacted in the OTC market, unlisted debt securities (including those with embedded derivatives) and other debt instruments for which markets were or have become illiquid. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The fair value of OTC derivatives is determined using valuation methods that are commonly accepted in the financial markets, such as present value techniques and option pricing models. The fair value of foreign exchange forwards is generally based on current forward exchange rates, with the resulting value discounted back to present value.

2.7 Property and equipment

Property 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 & fittings	–	5 to 10 years
Motor vehicles	–	7 years
Office equipment, machinery & computers	–	3 to 10 years

Fully depreciated assets are retained in the consolidated and parent 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 statements of comprehensive income.

2.8 Gold

Gold is recognised initially at cost and subsequently measured at fair value at reporting date. The Group's intention is to hold the asset as part of its long-term reserves.

Changes in carrying amount of gold relating to the price of gold bullion are recognised in OCI as "Net gain/loss on gold revaluation". This in turn forms part of market valuation reserve in accordance with Section 7 of the Order. When gold is derecognised, the cumulative gain or loss previously recognised in market valuation reserve is retained in equity and will be reclassified to reserve fund.

2.9 Impairment

The carrying amounts of the Group'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 Interest income and expense

Interest income and expense are recognised in profit or loss for all interest-bearing financial instruments using the EIR and/or EPR method.

The EIR and/or EPR method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The EIR and/or EPR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the EIR and/or EPR, the Group estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the EIR and/or EPR, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

2.11 Dividend Income

Dividends are recognised in profit or loss when the Group's right to receive payment is established.

2.12 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 EIR and/or EPR.

2.13 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.

2.14 Foreign currency transactions and transition

2.14.1 Functional and presentation currency

Items in the consolidated and parent financial statements of the Group and of the Authority are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated and parent financial statements are presented in BND, which is the Group's functional currency.

2.14.2 Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items measured at historical cost denominated in a foreign currency are translated at exchange rates as at the date of initial recognition. Non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value is determined.

Translation differences on non-monetary financial instruments, such as equities held at FVTPL, are reported as part of the fair value gain or loss recognised under "Net gain on investment securities measured at FVTPL" in the statements of comprehensive income.

2.15 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when the Group 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.

As at 31 December 2024 and 2023, there are no financial assets and liabilities that have been offset.

2.16 Cash and cash equivalents

Cash and cash equivalents consist of cash and other cash items, deposit placements with local and international financial institutions with maturities of less than three months from the date of acquisition and that are subject to

insignificant risk of changes in value. Restricted cash is disclosed separately from cash and cash equivalents in Note 4 and in the statements of cash flows.

2.17 Advances to suppliers and other assets

Advances to suppliers are expenses paid in advance and recorded as assets before they are used or consumed, as the service or benefit will be received in the future. Advances to suppliers expire and are recognised as expense either with the passage of time or through use or consumption.

Other assets include assets that are realised as part of the normal operating cycle and are expected to be realised within twelve months after the reporting period.

2.18 Inventories

Inventories consist of bank notes and coins and are recorded at cost upon receipt of stock. They are subsequently expensed when issued into circulation.

Inventories also consist of numismatic notes and coins, which are specially minted or packaged as collectors' items which are not issued for monetary purposes and are not included as part of currency in circulation. Any profit or loss arising from the sale of these coins is included in the statements of comprehensive income.

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.

2.19 Currency in circulation

Currency issued is a claim on the Authority for notes and coins issued for circulation, fully guaranteed by the Government of Brunei Darussalam, in favour of the holder. Currency in circulation is recorded at face value as a liability in the statements of financial position.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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.

2.21 Sukuk issuance, accrued expenses and other liabilities

Sukuk are financial certificates that provide an investor with proportionate beneficial ownership of an asset, and returns based on this ownership. They are commonly referred to as Islamic bonds.

Accrued expenses and other liabilities represent actual and estimated liabilities for goods and services provided to the Group prior to the end of financial year that are still unpaid. The amounts are unsecured and are usually paid subsequent to year-end.

They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR and/or EPR method, unless the discounting effect is immaterial.

2.22 Employee benefits

2.22.1 Defined contribution plans and other employment benefits

Defined contribution plans are post-employment benefit plans under which the Group 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.

a) Skim Persaraan Kebangsaan ("SPK")

Under Section 26 of the Order, the laws of Brunei Darussalam which relate to retirement benefits schemes shall apply to the employees of the Group. The Group participates in SPK.

b) Incentive scheme

The incentive scheme is a bonus scheme of which the calculation is referenced to monthly salary of the employee. Employees are eligible to participate in the incentive scheme after completing the six-month trial period. The main objective of this incentive is to provide incentives to employees to improve the level and quality of their services according to their capabilities. The Group contributes 5 or 10 percent of employee's monthly salary depending on the employee's annual performance. This incentive scheme is recognised as an employee benefits expense under "Staff costs" in the statements of comprehensive income.

2.22.2 Annual leave

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2.23 Distributable earnings

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

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; and

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.

2.24 Allocation of distributable earnings

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

a) Within 3 months after the end of every financial year of the Group, the Group shall allocate the distributable earnings as follows:
    - where the total balance of the paid-up capital and the Reserve Fund is less than 20 percent of the total assets at the end of the financial year, 100 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 the 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 Group except as permitted by subsection (a) above; and

c) If in any financial year the Group incurs negative distributable earnings, these earnings shall first be charged to the Reserve Fund and subsequently be covered by capital.

2.25 Other operating expenses

Other operating expenses are recognised in the consolidated and parent financial statements as incurred.

2.26 Comparative information

Certain reclassifications have been made in the prior year to conform to the current year's presentation. These did not affect the total assets, liabilities, equity, net profit and total comprehensive income that were previously reported.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in the below notes to the consolidated and parent financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying the accounting policies

The following are the critical judgments, apart from those involving estimations (which are dealt with separately below), that management has made in the process of applying the accounting policies and with the most significant effect on the consolidated and parent financial statements.

a) Business model assessment: Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or FVOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

b) Significant increase in credit risk: ECL is measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a SICR. In assessing whether the credit risk of an asset has significantly increased the Group applied the 'low credit risk' expedient. Refer to Note 27.2.1 for more details.

   Establishing groups of assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to Note 27.2.1 for details of the characteristics considered in this judgement.
   The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets.

c) Models and assumptions used: The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk. Refer to Note 27.2.1 for more details on the ECL.

d) Impairment of property and equipment: Assets that have definite useful lives are subject to depreciation and amortisation and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In assessing whether there is any indication that an asset may be impaired, management considers evidence of obsolescence or physical damage of an asset, assets becoming idle, or the economic performance of the asset is, or will be, worse than expected. If any such evidence exists for any item of property and equipment, changes in those estimates and judgments could result in adjustments to the net carrying amount of property and equipment.

There is no recorded provision for impairment loss pertaining to property and equipment during the reporting period considering the absence of impairment indicators such as evidence of obsolescence or physical damage to any item of property and equipment or significant changes in the Group's industry to which it operates.

3.2 Key sources of estimation uncertainty

The following are key estimations that the management has used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated and parent financial statements:

a) Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward-looking information relevant to each scenario: When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

b) Probability of default: PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

c) Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

d) Useful lives of property and equipment: Management estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, the estimation of the useful lives of property and equipment is based on the Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that the future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amount and timing of recorded expenses for any period would be affected by changes in these circumstances. A change in the estimated useful lives of property and equipment would impact recorded costs and expenses, and assets. The carrying amounts of property and equipment are presented in Note 10. Based on management's assessment as at 31 December 2024 and 2023, there is no change in estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

4. Cash and cash equivalents

Cash and cash equivalents per statements of cash flows comprise the following:

	The Group		The Authority	
	2024 BND'000	2023 BND'000	2024 BND'000	2023 BND'000
Cash	1,027,677	1,414,743	1,027,677	1,414,743
Short-term deposits	112,909	107,843	28,961	7,949
Short-term government treasury bills	1,105,890	905,063	1,105,890	905,063
Total cash and cash equivalents	**2,246,476**	**2,427,649**	**2,162,528**	**2,327,755**

Short-term deposits with banks have average maturities of less than or equal to 90 days and carry effective interest and/or profit rates ranging from 2.38% to 4.23% (2023: 3.38% to 5.12%).

Short-term government treasury bills have maturities of less than or equal to 90 days from the date of acquisition.

Interest earned from cash and deposits with banks and financial institutions is disclosed in Note 19.

5. Investment securities

	The Group and the Authority 2024 BND'000	The Group and the Authority 2023 BND'000
Investment securities at FVTPL:		
Corporate debt securities	175,044	138,758
Listed equity instruments	211,452	180,314
	386,496	**319,072**
Investment securities at FVOCI:		
Government debt securities	466,357	454,934
Corporate debt securities	515,436	500,700
	981,793	**955,634**
Total investment securities	**1,368,289**	**1,274,706**

Debt securities classified as FVOCI that are expected to mature within 12 months after reporting date amount to BND230,450,183 (2023: BND288,643,912). The remaining balance of FVOCI has a maturity of more than 12 months after reporting date.

The dividend income from listed equity instruments recognised by the Group and the Authority for the financial year amounts to BND3,920,912 (2023: BND3,731,740).

6. Derivative financial assets and liabilities

Derivatives held by the Authority for non-hedging purposes mainly consist of foreign exchange forwards representing commitments to purchase or sell one currency against another at an agreed forward rate on a specified date in the future. Settlement can be made via full delivery of forward proceeds or via payment of the difference (non-deliverable forward) between the contracted forward rate and the prevailing market rate on maturity.

As at 31 December, the Authority had contractual commitments under open forward currency contracts as follows:

	2024 Contract/Notional Amount in BND'000	2023 Contract/Notional Amount in BND'000
Commitments to purchase currencies under forward contracts	642,561	549,696
Commitments to sell currencies under forward contracts	(647,647)	(545,203)

As at 31 December 2024, the derivative financial assets amount to BND6,227,591 (2023: BND5,724,115), while the derivative financial liabilities amount to BND11,313,673 (2023: BND1,231,261). The contract amounts of these instruments reflect the extent of the Authority's involvement in forward currency contracts and do not represent the risk of loss due to counterparties non-performance. The fair values of these derivatives are presented on the statements of financial position.

The fair value changes during the year are included under "Net gain on investment securities measured at fair value through profit or loss (FVTPL)" in the statement of profit or loss.

7. 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 and Economy ("MOFE") 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 MOFE 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 SDR266,305,037 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 Darussalam 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:

	The Group and the Authority	
	2024 BND'000	2023 BND'000
ASSETS		
Foreign currency investment and claims:		
IMF quota subscription	532,192	536,556
Less:		
IMF No. 1 currency account	(79,232)	(79,365)
IMF securities account	(387,045)	(387,695)
Currency valuation adjustment account	(3,744)	(6,815)
Reserve Tranche Position	**62,171**	**62,681**
Add:		
SDR holdings	899,955	904,981
Poverty Reduction and Growth Trust	3,533	-
Account receivable:		
Accrued remuneration on Brunei's reserve tranche position	264	325
Accrued interest on SDR holdings	5,008	6,278
IMF expenses on SDR allocation	93,183	59,491
	1,064,114	**1,033,756**
LIABILITIES		
IMF No. 2 currency account	356	357
Currency valuation adjustment account No. 2	3	5
IMF SDR allocation	869,534	876,665
Subsidy Reserve Account (SRA) foreign currency liabilities	2,811	-
IMF accrued expenses on SDR allocation	4,839	6,082
	877,543	**883,109**

8. Other assets

	The Group		The Authority	
	2024 BND'000	2023 BND'000	2024 BND'000	2023 BND'000
Interest and dividend receivables	13,027	13,269	12,972	13,204
Advances to suppliers	2,466	9,974	2,466	9,974
Trade pending settlement	-	3,265	-	3,265
Sundry assets	909	913	909	913
	16,402	**27,421**	**16,347**	**27,356**

Interest and dividend receivables represent amounts due to the Group and of the Authority from investments in debt and equity securities.

Trade pending settlements are securities sold pending settlement, in a regular way transaction, that have been contracted but not yet transferred on the reporting date.

9. Gold

	The Group and the Authority	
	2024 BND'000	2023 BND'000
As at 1 January	400,317	355,196
Net gain on revaluation	119,399	45,121
As at 31 December	**519,716**	**400,317**

Gold is measured at fair value at the end of each reporting period. The fair value of gold is calculated using unadjusted quoted prices in active markets for identical assets. The fair value measurement of gold is under Level 1 of the fair value hierarchy.

10. Property and equipment, net

The Group and the Authority

	Note	Buildings BND'000	Furniture, fixtures & fittings BND'000	Motor vehicles BND'000	Office equipment, machinery & computers BND'000	Total BND'000
Cost						
Balance as at 1 January 2022		41,828	1,162	388	26,482	69,860
Additions		315	16	-	2,481	2,812
Balance as at 31 December 2022		42,143	1,178	388	28,963	72,672
Accumulated depreciation						
Balance as at 1 January 2022		29,187	1,014	325	22,794	53,320
Depreciation charge for the year	24	652	60	10	1,953	2,675
Balance as at 31 December 2022		29,839	1,074	335	24,747	55,995
Net book value as at 31 December 2022		**12,304**	**104**	**53**	**4,216**	**16,677**
Cost						
Balance as at 1 January 2023		**42,143**	**1,178**	**388**	**28,963**	**72,672**
Additions		740	11	-	1,394	2,145
Balance as at 31 December 2023		42,883	1,189	388	30,357	74,817
Accumulated depreciation						
Balance as at 1 January 2023		**29,839**	**1,074**	**335**	**24,747**	**55,995**
Depreciation charge for the year	24	749	59	9	1,472	2,289
Balance as at 31 December 2023		30,588	1,133	344	26,219	58,284
Net book value as at 31 December 2023		**12,295**	**56**	**44**	**4,138**	**16,533**

	Note	Buildings BND'000	Furniture, fixtures & fittings BND'000	Motor vehicles BND'000	Office equipment, machinery & computers BND'000	Total BND'000
Cost						
Balance as at 1 January 2024		42,883	1,189	388	30,357	**74,817**
Additions		218	11	-	9,782	**10,011**
Balance as at 31 December 2024		43,101	1,200	388	40,139	84,828
Accumulated depreciation						
Balance as at 1 January 2024		30,588	1,133	344	26,219	**58,284**
Depreciation charge for the year	24	816	43	9	1,880	**2,748**
Balance as at 31 December 2024		31,404	1,176	353	28,099	61,032
Net book value as at 31 December 2024		**11,697**	**24**	**35**	**12,040**	**23,796**

11. Currency in circulation

In accordance with Section 13 of the CO, the Authority has the sole authority to issue banknotes and coins for circulation in Brunei Darussalam.

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 banknotes and coins in circulation because they do not represent currency in circulation.

12. External assets

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.

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

	The Group and the Authority	
	2024 BND'000	2023 BND'000
External Assets (Liabilities):		
Cash and cash equivalents	498,333	464,122
Fixed deposits	146,435	158,926
Investment securities	945,475	894,881
Other (liabilities) assets	(12,282)	12,106
	1,577,961	**1,530,035**
Less:		
Active currency in circulation	1,401,451	1,417,033
	176,510	**113,002**
Percentage of external assets	**113%**	**108%**

13. Deposits and balances of local banks and other local financial institutions

	The Group		The Authority	
	2024 BND'000	2023 BND'000	2024 BND'000	2023 BND'000
Minimum cash balance:				
Finance companies	95,390	88,624	95,390	88,624
Current account:				
Commercial banks	1,074,398	1,104,851	1,074,398	1,104,851
AMSB	-	-	13,398	2,197
Insurance company	8,000	8,000	8,000	8,000
Other institutions	4,839	4,736	4,839	4,736
Deposits:				
Commercial banks	25,005	421,069	25,005	421,069
	1,207,632	**1,627,280**	**1,221,030**	**1,629,477**

Deposits from local banks and other local financial institutions include:

(a) The minimum cash balance maintained by banks and finance companies with the Authority as required under Section 45 of the Banking Order, 2006, 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.

With effect from 21 December 2017, the current account maintained by each bank and other institution with the Authority shall be used to satisfy the minimum cash balance and as a settlement account for each bank and other institution within the Real-Time Gross Settlement ("RTGS"). This means that the balances on the current account can be maintained, up to the minimum cash balance utilisation rate of 30%, and may be used for intraday settlement within the RTGS.

(b) The current account maintained by the banks and other institutions with the Authority shall be used as a settlement account for each bank within the RTGS. RTGS is a process and computer installations providing continuous (real-time) settlement of fund transfers individually on an order basis (without netting).

14. Deposits balances of international financial institutions

	The Group and the Authority	
	2024 BND'000	2023 BND'000
Deposit from World Bank	19,631	19,631
Other institutions	19	19
	19,650	**19,650**

15. Other liabilities

	The Group		The Authority	
	2024 BND'000	2023 BND'000	2024 BND'000	2023 BND'000
Accrued expenses	114,101	107,539	114,026	105,617
Fees received in advance	1,739	1,771	1,739	1,771
Trade pending settlement	138,357	1,010	138,357	1,010
	254,197	**110,320**	**254,122**	**108,398**

Fees received in advance relates to cash received in advance for licensing and regulatory operations.

Trade pending settlements are securities purchased pending settlement, in a regular way transaction, that have been contracted but not yet delivered on the reporting date.

16. Provisions

	The Group and the Authority	
	2024 BND'000	2023 BND'000
Provision for incentive scheme	5,417	4,792
Provision for leave expenses	167	158
Provision for distributable earnings to the Government of Brunei Darussalam	98,095	50,576
	103,679	**55,526**

The provision for distributable earnings to the Government of Brunei Darussalam is as follows (Note 2.24):

	The Group and the Authority	
	2024 BND'000	2023 BND'000
As at 1 January	50,576	5,525
Distributable profit for the year	47,519	50,576
Repayment made during the year	-	(5,525)
As at 31 December	**98,095**	**50,576**

17. Sukuk issuance

	The Group		The Authority	
	2024 BND'000	2023 BND'000	2024 BND'000	2023 BND'000
Issuance of BDCB Islamic Bills Programme (BDCB I-Bills)	96,900	99,894	-	-
Coupon payable (within 12 months)	60	49	-	-
	96,960	**99,943**	**-**	**-**

As part of the Authority's continued efforts to develop a more efficient money market for Brunei Darussalam, the Authority launched the BDCB I-Bills with the maiden issuance, through AMSB, on 22 October 2020. The BDCB I-Bills Programme aims to support the effective and efficient liquidity management for the banks in Brunei Darussalam and at the same time, widen the list of available money market instruments for BDCB and the domestic financial sector. The BDCB I-Bills is based on the Syariah concept of Wakalah bil Ujrah with a tenor of two weeks and is issued weekly. The maximum issuance size of the BDCB I-Bills is BND50,000,000 and is one of the eligible collaterals for the BDCB Funding/ Lending Facilities in addition to the Brunei Government Sukuk.

18. Equity including reserves

The authorised capital of the Authority is 2,000,000,000 ordinary shares of BND1 each and the paid-up capital is 1,000,000,000 ordinary shares of BND1 each. The entire capital is held by the Government of Brunei Darussalam.

18.1 Capital management

The Authority's objectives when managing capital are as follows:

(a) to comply with the capital requirements outlined in Sections 6 of the Order;
(b) to safeguard the Authority's ability to continue as a going concern in its provision of Central Banking facilities for the Government of Brunei Darussalam as outlined in Sections 49 to 51 of the Order; and
(c) to maintain a strong capital base to support the development of the Brunei economy.

Capital adequacy is monitored by the Authority's management, and in accordance with the guidelines established by the Order.

18.2 Reserve fund and reserve accounts

The reserve fund was established in accordance with the provisions of Section 7 of the Order as follows:

(a) a Reserve Fund which shall not be used except for the purpose of covering losses sustained by the Authority;
(b) a Currency Valuation Reserve Fund which shall be used to account for realised and unrealised gains and losses arising from its positions with foreign currencies;
(c) a Market Valuation Reserve Fund which shall be used to account for unrealised gains and losses arising from its positions with gold, financial instruments and other assets; and
(d) such other funds as the Authority may determine. Effective from 1 January 2019 market valuation reserve consists of the following:
    (i) Market valuation reserve for investment securities measured at FVTPL;
    (ii) Market valuation reserve for investment securities measured at FVOCI; and
    (iii) Market valuation reserve for revaluation of gold.

The distribution of earnings is in accordance with Section 8 of the Order is as follows:

[a] The net profits or losses determined by the Authority shall be in conformity with the accounting standards adopted by the Authority.
[b] The earnings available for distribution under section 9 shall be determined:

(i) 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;
(ii) 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;
(iii) 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; and
(iv) 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.

The table below shows the distribution of available earnings for the financial years ended 31 December:

	The Authority	
	2024 BND'000	**2023 BND'000**
Total comprehensive income	233,841	169,389
Transfer to currency valuation reserve fund	-	-
Transfer to market valuation reserve fund for investment securities measured at FVOCI	(15,672)	(23,974)
Transfer to market valuation reserve fund for investment securities measure at FVTPL	(30,886)	(28,042)
Transfer to market valuation reserve fund for gold revaluation	(119,399)	(45,121)
Earnings available for distribution	**67,884**	**72,252**
Distributed as follows:		
Transfer to reserve fund	(20,365)	(21,676)
Transfer to the Government of Brunei Darussalam	(47,519)	(50,576)
	-	-

19. Interest income

	The Group		**The Authority**	
	2024 BND'000	**2023 BND'000**	**2024 BND'000**	**2023 BND'000**
On deposits with banks and financial institutions	36,638	34,882	34,546	33,257
On debt investment securities measured at FVOCI	32,272	29,308	32,272	29,308
	68,910	64,190	66,818	62,565

Interest on deposits with banks and financial institutions and debt investment securities measured at FVOCI is accrued over the term of deposits and is paid upon maturity or on installment basis based on payment terms.

20. Net gain on investment securities measured at FVTPL

	The Group and the Authority	
	2024 BND'000	**2023 BND'000**
Investment in debt securities measured at FVTPL		
- Interest income	7,372	5,877
- Realised loss on fair value	(756)	(764)
- Unrealised gain on fair value	3,847	4,548
- Realised (loss) gain on foreign exchange	(10,431)	3,793
- Unrealised (loss) gain on foreign exchange	(3,872)	4,523

	The Group and the Authority	
	2024 BND'000	2023 BND'000
Investment in equity securities measured at FVTPL		
- Realised gain on fair value	-	5,593
- Unrealised gain on fair value	27,039	23,494
- Realised loss on foreign exchange	-	(226)
- Unrealised gain (loss) on foreign exchange	4,100	(1,863)
	27,299	**44,975**

21. Net gain on investment securities measured at FVOCI

	The Group and the Authority	
	2024 BND'000	2023 BND'000
Recognised in profit or loss:		
Net gain from derecognition of investment securities:		
- Realised gain on fair value from derecognition	28,721	38,896
- Realised loss on foreign exchange from derecognition	(3,265)	(1,123)
- Unrealised gain (loss) on foreign exchange of debt securities	13,592	(5,738)
	39,048	32,035
Recognised in other comprehensive income:		
Net gain on debt investment securities:		
- Unrealised gain on fair value	15,672	23,974
	54,720	**56,009**

22. Operating income; and Other gains and losses

Other income account for the year ended 31 December follows:

	The Group		The Authority	
	2024 BND'000	2023 BND'000	2024 BND'000	2023 BND'000
Commemorative coins	1,561	246	1,561	246
Registration and licensing of banks and financial institutions	1,546	1,509	1,546	1,509
Payment settlements	829	880	829	880
Credit bureau	678	642	678	642
Other income	120	147	120	136
Collateral Registry	105	196	105	196
	4,839	**3,620**	**4,839**	**3,609**

Other gains and losses account for the year ended 31 December follows:

	The Group		The Authority	
	2024 BND'000	2023 BND'000	2024 BND'000	2023 BND'000
Foreign exchange losses	(1,674)	(9,493)	(1,674)	(9,493)
	(1,674)	**(9,493)**	**(1,674)**	**(9,493)**

23. Staff costs

	The Group and the Authority 2024 BND'000	The Group and the Authority 2023 BND'000
Salaries and wages	13,240	12,411
Allowances	4,050	3,954
Bonuses	3,217	2,742
Other staff costs	1,131	959
Long-term incentive scheme	642	638
	22,280	**20,704**

24. Other operating expenses

	Note	The Group 2024 BND'000	The Group 2023 BND'000	The Authority 2024 BND'000	The Authority 2023 BND'000
General and administrative expenditure		5,843	4,858	5,831	4,849
Maintenance of building, office equipment & computer		3,148	3,165	3,148	3,165
Consultancy and developmental expenditure		2,780	1,999	2,781	1,999
Depreciation	10	2,748	2,289	2,748	2,289
Currency operation expenses		2,650	2,066	2,650	2,066
		17,169	**14,377**	**17,158**	**14,368**

25. Related parties

In the normal course of its operation, the Group and the Authority can enter into transactions with related parties. Related parties includes the Government of Brunei Darussalam and AMSB.

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

26. Events after the reporting date

Post year-end events that provide additional information about the Group's financial position at reporting date (adjusting events) are reflected in the consolidated and parent financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated and parent financial statements when material. There was no material event after the end of the reporting period that necessitates the revision of the figures included in the consolidated and parent financial statements.

27. Financial instruments and financial risks

27.1 Fair value of financial instruments

The Group ranks its investment securities based on the hierarchy of valuation techniques required by IFRS, which is determined based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group and the Authority's market assumptions.

The table below presents the hierarchy levels of the Group and the Authority's assets and liabilities measured at fair value. There were no transfers between Level 1 and Level 2 during the current or prior year.

The Group and the Authority 31 December 2024	Level 1 BND'000	Level 2 BND'000	Level 3 BND'000	Total BND'000
Financial assets				
Investment securities	1,368,289	-	-	1,368,289
Derivative financial assets	-	6,228	-	6,228
	1,368,289	**6,228**	**-**	**1,374,517**
Financial Liabilities				
Derivative financial liabilities	-	11,314	-	11,314
	-	**11,314**	**-**	**11,314**

The Group and the Authority 31 December 2023	Level 1 BND'000	Level 2 BND'000	Level 3 BND'000	Total BND'000
Financial assets				
Investment securities	1,274,706	-	-	1,274,706
Derivative financial assets	-	5,724	-	5,724
	1,274,706	**5,724**	**-**	**1,280,430**
Financial Liabilities				
Derivative financial liabilities	-	1,231	-	1,231
	-	**1,231**	**-**	**1,231**

The carrying amount of the cash and cash equivalents, deposits with financial institutions, assets held with IMF, currency in circulation, deposits and balances of local banks and other local financial institutions, deposits and balances of international financial institutions, liabilities held with IMF, payable and provision to the Government of Brunei Darussalam, sukuk issuance and other financial assets and liabilities approximate its fair value as at 31 December 2024 and 2023.

27.2 Financial risk management

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The most important types of financial risks are credit risk, liquidity risk and market risk. Market risk includes currency risk, price risk and interest rate risk.

The Group's investment policy statements are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.

27.2.1 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 Group, as and when they fall due.

Credit exposures arise principally in debt securities and other treasury bills in the Group's asset portfolio. The Group Risk Committee manages and controls credit risk by monitoring the investment guidelines and directives issued to the fund managers of the Group.

The Members of the Board do not consider that the Group is exposed to any significant credit risk because its financial assets consist primarily of cash and securities issued or guaranteed by Government of sovereign countries (i.e. Singapore, Hong-Kong, and China). The Group does not have any significant credit risk exposure to any single non-investment grade counterparty or any group of counterparties having similar characteristics.

a) Credit risk management

For debt securities and other treasury bills, external ratings such as Standard & Poor's ratings or their equivalents are used by the Group for managing credit risk exposures. Investments in these securities and bills are viewed as a way to gain better credit quality mix and at the same time, maintain a readily available source to meet funding requirements. The PD's associated with each grade are determined based on realised default rates over the prior 12 months, as published by the rating agency.

b) Expected credit loss measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the Group;
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired;
- If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3";
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis;
- A pervasive concept in measuring ECL in accordance with IFRS 9 is that it should consider forward-looking information; and
- Purchased or originated credit-impaired financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3).

Further explanation is also provided of how the Group determines appropriate groupings when ECL is measured on a collective basis.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

c) Significant increase in credit risk ('SICR')

Due to the generally high quality of the securities as stipulated in Investment Policy Statement of respective funds and the overall low credit risk exposures whereby investments are commonly rated "investment grade" by the global credit rating agencies, the Group has opted for the practical expedient of the general approach through applying low credit risk operational simplification.

d) Definition of default and credit-impaired assets

The Group defines a financial instrument as in default if the issuer of the investment securities is downgraded to below investment grade, which is below Baa3 for Moody's and below BBB for Standard & Poor's and Fitch Ratings. Notwithstanding the above, the Group does not intend to rebut the "90 days overdue" presumed definition of default.

e) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The key inputs used for measuring ECL are:

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

These ECL is derived from internally developed statistical models and other historical data and it is adjusted to reflect probability-weighted forward-looking information.

PD is an estimate of the likelihood of default over a given time horizon. It is estimated as at a point in time. The calculation is based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on market data (where available), as well as internal data comprising both quantitative and qualitative factors. Given that there has not been any historical instance of defaults on the portfolio, the Group applied the external credit rating agency's historical observed default rates to derive the portfolio's average default rates for respective historical years. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact PD.

LGD is an estimate of the loss severity arising from default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. Given that there has not been any historical instance of defaults on the portfolio, the Group bases its LGD estimates from data published by external rating agency. The LGD parameter will be determined based on average historical LGD on the basis that there is a limited statistical significance between LGD and macroeconomic indicators. The cash flows are not discounted as any discounting effects are not expected to be significant for measuring 12 months ECL on the debt securities portfolio.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest. The Group's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the debt security exposure that are permitted by the current contractual terms, such as amortisation profiles and early repayment.

The measurement of ECL is based on probability weighted average credit loss. As a result, the measurement of the loss allowance should be the same regardless of whether it is measured on an individual basis or a collective basis (although measurement on a collective basis is more practical for large portfolios of items). In relation to the assessment of whether there has been a SICR it can be necessary to perform the assessment on a collective basis as noted below.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

f) Forward-looking information incorporated in the ECL model

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified economic variables impacting credit risk and expected credit losses for each portfolio. The macroeconomic indicators should be both sensitive and reflective of Group's portfolio based on the following considerations:

- Intuitiveness for users to interpret and understand the relationship between macroeconomic indicators and the segment of the portfolios' default risk;
- Readily available forecasts to operationalise the model. In the absence of available forecasts, Group would require a separate forecasting process or introduce an element of expert judgement to derive the forecast estimate; and
- Accommodates assignment of probability weights.

Based on those considerations and the nature of the investment portfolio and the selected segmentation approach, we further narrowed down the potential economic factors to the following:

g) Singapore economic factors - Singapore Macroeconomic Variables (MEVs)

The Singapore MEVs will be tested for correlation with credit quality of Singapore issuer counterparties within the Group's investment portfolio, which are the following:

Singapore MEVs	Description	Category
SIN_STI	Singapore STI Index which is one of the main stock indices for Singapore equities	Equity Price

SIN_GDP	Singapore GDP (absolute value in SGD million) which measures economic growth for the country	Economic Growth
SIN_CPI_YOY%	Singapore Consumer Price Index	Inflation
SIN_PPI_MANF	Singapore Producer Price Index	Economic Growth
SIN_3M_SIBOR	Singapore 3-month Interbank Offer Rate	Interest Rate
SIN_IMP_PRICE	Singapore Import Price Index	Economic Growth
SIN_EXP_PRICE	Singapore Export Price Index	Economic Growth
SIN_EMPL	Singapore Employment Number	Employment

h) World economic factors - World MEVs

The World MEVs will be tested for correlation with credit quality of both Singapore and non-Singapore counterparties. They are:

World MEVs	Description	Category
WORLD_GDP	World GDP (%) which measures the economic growth globally	Economic Growth
WORLD_TRADE_VOL	World Trade Volume which measures trade flow globally	Trade
WORLD_WTI_OIL	World WTI crude oil prices measuring global demand for energy	Economic Growth
WORLD_BRENT_OIL	World Brent crude oil prices measuring global demand for energy	Economic Growth
WORLD_3M_LIBOR	World 3M LIBOR which measure interbank lending rate globally	Interest Rate
WORLD_US_CPI	US CPI Index which measures inflation in the world's largest economy	Inflation
WORLD_US_IND_PROD	US Industrial Production which measures industrial activities in the US	Economic Growth
WORLD_US_10Y	US 10Y Benchmark Yield	Interest Rate
WORLD_US_UNEMPL	US Unemployment Rate	Employment
S&P 500	S&P 500 which measure equity prices of the largest 500 companies in US	Equity Prices
DJIA	DowJones Industrial Average which measure the largest 30 biggest market cap companies in the US	Equity Prices
NASDAQ	NASDAQ index measures the equity prices of largest tech companies in the US	Equity Prices
US_OIS_3M	USD3M Overnight Index Swap serves as the indicator of overnight benchmark lending rate	Interest Rate
LIBOR_OIS_SPREAD	Spread between LIBOR and OIS tend to measure the market liquidity status	Interest Rate

The macro-economic indicators are shortlisted for further statistical analyses process to determine the highest predictive power for the Group's portfolio. Those shortlisted will be further examined before arriving at the final economic indicators that are both statistically significant, intuitive and reflective of the Group's portfolio.

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors.

i) Groupings based on shared risks characteristics

For expected credit loss provisions modelled on a collective basis, a grouping is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous. In performing this grouping, there must be sufficient information for the group to be statistically credible. When ECL are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics, such as:

- instrument type;
- credit risk grade;
- date of initial recognition;
- remaining term to maturity;
- industry; and
- geographic location of the borrower.

The groupings are reviewed on a regular basis to ensure that each group is comprised of homogenous exposures.

j) Credit risk exposure

Maximum exposure to credit risk - Financial instruments subject to impairment

The following tables contain an analysis of the credit risk exposure of each financial instrument. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets.

The table below presents the ratings of debt securities, treasury bills and other government securities as at 31 December 2024 and 2023 based on international and domestic credit assessment agencies.

The Group and the Authority	Financial assets at fair value through OCI *		Deposits with financial institutions *	
Credit grade	2024 BND'000	2023 BND'000	2024 BND'000	2023 BND'000
AAA	379,751	367,750	19,631	19,631
Aa1 to Aa3	72,285	73,589	112,217	197,981
A1 to A3	243,197	263,258	368,507	347,530
Lower than A1	62,857	63,822	-	-
Unrated	223,703	187,215	-	11,339
Gross carrying amount	981,793	955,634	500,355	576,481
Loss allowance	-	-	-	-
Net carrying amount	981,793	955,634	500,355	576,481

** Stage 1: 12-month expected credit losses*

As at 31 December 2024 and 2023, the Group and the Authority's cash and cash equivalents, assets held with IMF, and other financial assets mainly pertaining to interest and dividends receivable are placed with highly reputable financial institutions and considered to be strong credit rating.

The entity is also exposed to credit risk in relation to Assets held with IMF that are measured at amortised cost. The maximum exposure at the end of the reporting period is the carrying amount of the asset at BND 1,064,113,206 (2023: BND1,033,755,612).

Maximum exposure to credit risk - Financial instruments not subject to impairment

The following table contains an analysis of the maximum credit risk exposure from financial assets not subject to impairment:

The Group and the Authority	Maximum exposure to credit risk	
Financial assets at FVTPL	2024 BND'000	2023 BND'000
Debt securities	175,044	138,758
Carrying amount	175,044	138,758

27.2.2 Market risk

The Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Group's exposure to market risk is from its financial investment portfolios.

The market risks arising from the Group's activities are monitored by the Investment Advisory Committee (IAC). Regular reports are submitted to the Management and IAC.

a) Currency risk

Apart from the Group's assets and liabilities with the IMF, which are denominated in SDRs, its exposure to foreign currency risk is limited. The only other significant foreign currency is Singapore Dollar (SGD), on which there is no exposure because the Brunei and the SGD are pegged 1:1. The Group manages any other foreign currency exposure using internal hedging techniques, by matching assets and liabilities, wherever possible.

As at 31 December, the Group's exposure to other foreign currencies follows:

The Group and the Authority	2024 BND'000	2023 BND'000
Investment securities		
US Dollar (USD)	649,884	620,066
Australian dollar (AUD)	125,776	74,733
Chinese Yuan (CNY)	11,406	4,790
Pound Sterling (GBP)	2,651	2,478
Euro (EUR)	1,212	1,633
Hong Kong dollar (HKD)	-	672

A 10% strengthening of the BND against the USD, AUD, HKD, EUR, GBP and CNY at 31 December 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.

The Group and the Authority	2024 BND'000	2023 BND'000
Investment securities		
US Dollar (USD)	64,988	62,007
Australian dollar (AUD)	12,578	7,473
Chinese Yuan (CNY)	1,141	479
Pound Sterling (GBP)	265	248
Euro (EUR)	121	163
Hong Kong dollar (HKD)	-	67

A weakening of the BND against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant. There is no analysis performed on movement against the Singapore dollar (SGD) as the BND 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.

SDR, the IMF's unit of account, is essentially a specified basket of five (5) major international currencies (i.e., the USD, EUR, Japanese Yen (JPY), GBP and Chinese Renminbi (CNY)). The weightage of each currency is as follows:

Currency	Weight (%)
USD	43.38
EUR	29.31
CNY	12.28
JPY	7.59
GBP	7.44
	100

b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may decrease or create losses in the event that unexpected movements arise. The level of mismatch of interest rate repricing that may be undertaken by the Group is monitored frequently by the IAC.

The following table shows the information relating to the Group's financial assets that are exposed to fair value interest rate risk presented by maturity profile.

			Interest bearing			
31 December 2024	Non-interest bearing	Range of rates	Up to a year	2-5 years	Over 5 years	Total
	BND'000	%	BND'000	BND'000	BND'000	BND'000
Cash and cash equivalent	2,133,567	2.38% - 4.23%	112,909	-	-	2,246,476
Deposits with financial institutions	-	3.10% - 4.95%	500,355	-	-	500,355
Investment securities at FVTPL	211,452	2.69% - 5.74%	1,631	20,452	152,961	386,496
Investment securities at FVOCI	18,356	0.50% - 6.48%	86,977	335,426	541,034	981,793

			Interest bearing			
31 December 2023	Non-interest bearing	Range of rates	Up to a year	2-5 years	Over 5 years	Total
	BND'000	%	BND'000	BND'000	BND'000	BND'000
Cash and cash equivalent	2,319,806	3.38% - 5.12%	107,843	-	-	2,427,649
Deposits with financial institutions	-	4.80% - 5.87%	576,481	-	-	576,481
Investment securities at FVTPL	180,314	0.00% - 5.52%	2,164	41,428	95,166	319,072
Investment securities at FVOCI	9,909	0.50% - 6.48%	67,790	405,849	472,086	955,634

As at 31 December 2024, BND73,580,811 or 7.49% (2023: BND71,147,158 or 7.45%) of investment securities at FVOCI and BND154,805,828 or 40.05% (2023: BND104,147,951 or 32.64%) at FVTPL are subject to repricing.

As at 31 December 2024, cash and cash equivalents include BND83,948,274 (2023: BND99,893,677) of the Subsidiary which are all non-interest bearing.

The analysis below is performed for reasonably possible movements in interest rate with all other variables held constant, showing the impact on profit for the financial year ended 31 December:

31 December 2024	Impact on profit (in BND'000)	
Change in interest rate:	Fixed Rate	Floating Rate
+1%	(89)	(23)
-1%	89	23

31 December 2023	Impact on profit (in BND'000)	
Change in interest rate:	Fixed Rate	Floating Rate
+1%	(87)	(18)
-1%	87	18

c) Price risk

Price risk relates to financial assets and liabilities whose values will fluctuate as a result of changes in market prices. The Group is exposed to price risk in respect of its investments in listed equities amounting to BND211,453,192 (2023: BND180,314,632).

As at 31 December 2024, based on a 10% fall in equity prices, the impact on profit or loss would be reduction of BND21,145,319 (2023: BND18,031,463).

27.2.3 Liquidity risk

Liquidity risk is the risk that the Group 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 Group's objective is to ensure that adequate liquidity is maintained at all times. The Group 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 needs. Alongside with this, the Group imposes exposure limits on its approved counterparty list. Diversification of the fund is also achieved by investing in other asset classes such as debt securities and equities.

As at 31 December 2024 and 2023, the Group is also compliant with the liquidity asset requirements of the CO.

	The Group		The Authority	
	2024 BND'000	2023 BND'000	2024 BND'000	2023 BND'000
Financial assets	5,193,170	5,330,039	5,109,167	5,230,080
Financial liabilities	4,142,520	4,358,980	4,058,883	4,259,312

Financial assets consists of cash and cash equivalents, deposits with financial institutions, debt securities, government treasury bills, equity securities, assets held with IMF, and other assets excluding advances from suppliers.

Financial liabilities consists of currency in circulation, deposit and balances of local banks and other local financial institutions, deposit balances of international financial institutions, payables to Government of Brunei Darussalam, liabilities with IMF, other liabilities, sukuk issuance, and provision for distributable earnings to the Government of Brunei Darussalam.

The Group 31 December 2024	No specific maturity BND'000	Up to 1 month BND'000	1-3 months BND'000	3-12 months BND'000	1-5 years BND'000	> 5 years BND'000	Total BND'000
Financial assets							
Cash and cash equivalents	1,027,677	392,262	826,537	-	-	-	2,246,476
Deposits with financial institutions	19,631	-	-	480,724	-	-	500,355
Debt securities	-	545	18,857	87,562	355,878	693,995	1,156,837
Equity securities	211,452	-	-	-	-	-	211,452
Assets held with IMF	1,064,114	-	-	-	-	-	1,064,114
Other assets	13,936	-	-	-	-	-	13,936
	2,336,810	392,807	845,394	568,286	355,878	693,995	5,193,170
Financial liabilities							
Currency in circulation	1,401,451	-	-	-	-	-	1,401,451
Deposits and balances of local banks and other financial institutions	1,207,632	-	-	-	-	-	1,207,632
Deposits and balances of international financial institutions	19,650	-	-	-	-	-	19,650
Payables to the Government of Brunei Darussalam	186,992	-	-	-	-	-	186,992
Liabilities held with IMF	877,543	-	-	-	-	-	877,543
Other liabilities	254,197	-	-	-	-	-	254,197
Provision for distributable earnings to the Government of Brunei Darussalam	-	-	-	-	98,095	-	98,095
Sukuk issuance	-	96,960	-	-	-	-	96,960
	3,947,465	96,960	-	-	98,095	-	4,142,520
Net liquidity gap	**(1,610,655)**	**295,847**	**845,394**	**568,286**	**257,783**	**693,995**	**1,050,650**
Derivative financial instruments							
Foreign exchange contracts							
- Inflow	-	55,855	119,074	467,632	-	-	642,561
- Outflow	-	(56,418)	(120,744)	(470,485)	-	-	(647,647)
	-	**(563)**	**(1,670)**	**(2,853)**	**-**	**-**	**(5,086)**

The Group 31 December 2023	No specific maturity BND'000	Up to 1 month BND'000	1-3 months BND'000	3-12 months BND'000	1-5 years BND'000	> 5 years BND'000	Total BND'000
Financial assets							
Cash and cash equivalents	1,414,743	260,533	752,373	-	-	-	2,427,649
Deposits with financial institutions	19,631	-	-	556,850	-	-	576,481
Debt securities	-	675	9,006	70,183	447,277	567,251	1,094,392
Equity securities	180,314	-	-	-	-	-	180,314
Assets held with IMF	1,033,756	-	-	-	-	-	1,033,756
Other assets	17,447	-	-	-	-	-	17,447
	2,665,891	**261,208**	**761,379**	**627,033**	**447,277**	**567,251**	**5,330,039**
Financial liabilities							
Currency in circulation	1,417,033	-	-	-	-	-	1,417,033
Deposits and balances of local banks and other financial institutions	1,627,280	-	-	-	-	-	1,627,280
Deposits and balances of international financial institutions	19,650	-	-	-	-	-	19,650
Payables to the Government of Brunei Darussalam	151,069	-	-	-	-	-	151,069
Liabilities held with IMF	883,109	-	-	-	-	-	883,109
Other liabilities	110,320	-	-	-	-	-	110,320
Provision for distributable earnings to the Government of Brunei Darussalam	-	-	-	50,576	-	-	50,576
Sukuk issuance	-	99,943	-	-	-	-	99,943
	4,208,461	99,943	-	50,576	-	-	4,358,980
Net liquidity gap	**(1,542,570)**	**161,265**	**761,379**	**576,457**	**447,277**	**567,251**	**971,059**
Derivative financial instruments							
Foreign exchange contracts							
- Inflow	-	20,662	369,399	159,635	-	-	549,696
- Outflow	-	(20,848)	(367,267)	(157,088)	-	-	(545,203)
	-	**(186)**	**2,132**	**2,547**	**-**	**-**	**4,493**

The Authority 31 December 2024	No specific maturity BND'000	Up to 1 month BND'000	1-3 months BND'000	3-12 months BND'000	1-5 years BND'000	> 5 years BND'000	Total BND'000
Financial assets							
Cash and cash equivalents	1,027,677	308,314	826,537	-	-	-	2,162,528
Deposits with financial institutions	19,631	-	-	480,724	-	-	500,355
Debt securities	-	545	18,857	87,562	355,878	693,995	1,156,837
Equity securities	211,452	-	-	-	-	-	211,452
Assets held with IMF	1,064,114	-	-	-	-	-	1,064,114
Other assets	13,881	-	-	-	-	-	13,881
	2,336,755	**308,859**	**845,394**	**568,286**	**355,878**	**693,995**	**5,109,167**
Financial liabilities							
Currency in circulation	1,401,451	-	-	-	-	-	1,401,451
Deposits and balances of local banks and other local financial institutions	1,221,030	-	-	-	-	-	1,221,030
Deposits and balances of international financial institutions	19,650	-	-	-	-	-	19,650
Payables to the Government of Brunei Darussalam	186,992	-	-	-	-	-	186,992
Liabilities held with IMF	877,543	-	-	-	-	-	877,543
Other liabilities	254,122	-	-	-	-	-	254,122
Provision for distributable earnings to the Government of Brunei Darussalam	-	-	-	-	98,095	-	98,095
	3,960,788	-	-	-	98,095	-	4,058,883
Net liquidity gap	**(1,624,033)**	**308,859**	**845,394**	**568,286**	**257,783**	**693,995**	**1,050,284**
Derivative financial instruments							
Foreign exchange contracts							
- Inflow	-	55,855	119,074	467,632	-	-	642,561
- Outflow	-	(56,418)	(120,744)	(470,485)	-	-	(647,647)
	-	**(563)**	**(1,670)**	**(2,853)**	**-**	**-**	**(5,086)**

The Authority 31 December 2023	No specific maturity BND'000	Up to 1 month BND'000	1-3 months BND'000	3-12 months BND'000	1-5 years BND'000	> 5 years BND'000	Total BND'000
Financial assets							
Cash and cash equivalents	1,414,743	160,639	752,373	-	-	-	2,327,755
Deposits with financial institutions	19,631	-	-	556,850	-	-	576,481
Debt securities	-	675	9,006	70,183	447,277	567,251	1,094,392
Equity securities	180,314	-	-	-	-	-	180,314
Assets held with IMF	1,033,756	-	-	-	-	-	1,033,756
Other assets	17,382	-	-	-	-	-	17,382
	2,665,826	**161,314**	**761,379**	**627,033**	**447,277**	**567,251**	**5,230,080**
Financial liabilities							
Currency in circulation	1,417,033	-	-	-	-	-	1,417,033
Deposits and balances of local banks and other local financial institutions	1,629,477	-	-	-	-	-	1,629,477
Deposits and balances of international financial institutions	19,650	-	-	-	-	-	19,650
Payables to the Government of Brunei Darussalam	151,069	-	-	-	-	-	151,069
Liabilities held with IMF	883,109	-	-	-	-	-	883,109
Other liabilities	108,398	-	-	-	-	-	108,398
Provision for distributable earnings to the Government of Brunei Darussalam	-	-	-	50,576	-	-	50,576
	4,208,736	-	-	50,576	-	-	4,259,312
Net liquidity gap	**(1,542,910)**	**161,314**	**761,379**	**576,457**	**447,277**	**567,251**	**970,768**
Derivative financial instruments							
Foreign exchange contracts							
- Inflow	-	20,662	369,399	159,635	-	-	549,696
- Outflow	-	(20,848)	(367,267)	(157,088)	-	-	(545,203)
	-	**(186)**	**2,132**	**2,547**	**-**	**-**	**4,493**