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EXECUTIVE SUMMARY

In the fourth quarter of 2007, Brunei Darussalam continued to record fiscal surplus at an increase of 50.2 percent q-o-q mainly contributed by the increase of revenue collected. Total Government revenue collected increased by 16.3 percent q-o-q to B\$ 2,635.6 million. The increase was attributed to the Tax and Non-Tax revenue collected from the Oil and Gas Sector. On the expenditure side, Government Expenditure has decreased by 3.5 percent q-o-q to B\$ 1,380.09, while on y-o-y basis, it has increased by 10.6 percent.

In its continuing commitment to develop the domestic capital market, the Government of His Majesty The Sultan dan Yang Di-Pertuan of Brunei Darussalam has issued two Government Short Term Sukuk Al-Ijarah on the 25th October and 6th December 2007 amounting to B\$ 50 million and B\$ 45 million with the Yield Rate of 2.275 percent and 2.1875 percent respectively.

On the Monetary front, the Brunei Dollar continued to strengthen against the US Dollar, Sterling Pound, Australian Dollar and most Asian currencies. Currency in circulation increased by 6.8 percent q-o-q to B\$ 848.7 million backed by 96.1 percent coverage of external assets and coverage of liquid asset of 75.1 percent. The 3-month, 6-month and 12-month Fixed Deposit Rates stood at 1.20 percent, 1.25 percent and 1.56 percent respectively.

In the Banking sector, Total Assets have increased by 5.4 percent q-o-q to B\$ 15.7 billion. Total Deposits have also increased by 6.5 percent q-o-q to B\$ 13.2 billion. The Loan-Deposit Ratio stood at 45.7 percent. On a q-o-q basis, direction of lending to Personal Loans had decreased by 3.8 percent and 11.7 percent on y-o-y. Average NPL ratio registered an improvement at 8.7 percent. The Insurance Industry's assets recorded a nominal increase of 0.5 percent. Gross premiums increased by 21.8 percent to B\$ 56.9 million where Non-Life premiums grew significantly by 29.2 percent. Gross claims have increased by 4.9 percent to B\$ 21.4 million. On the Money Remittance sector, Total Money remitted abroad increased by 29.4 percent to B\$ 122.6 million.

GLOBAL ECONOMIC REVIEW

In the fourth quarter of 2007, global growth continued to moderate in view of economic slowdown particularly in the United States. Headline consumer price inflation remained high mainly in the industrialised countries while the underlying inflation stayed at moderate levels. Global oil prices continued to increase throughout late October and early November. It stood at a new high of USD 99.29 per barrel towards the end of November.

The United States economy grew at 0.6 percent q-o-q. This is due to slump in residential investment, slower consumer spending and lower growth of overseas sales. The headline CPI was 4.3 percent y-o-y higher in November 2007, mainly attributed to the increase in energy prices and food prices. Core inflation however remained stable with a small increase of 2.3 percent y-o-y in November. In December, the US Federal Open Market Committee cuts its Fed Fund rate by 25 basis points to 4.75 percent.

The Eurozone economy grew at a more moderate pace of 0.5 percent q-o-q. With the slowdown in economic growth in the United States, external demand continued to support euro area exports. However, the Harmonised Index of Consumer Prices Inflation (HICP) rate remained unchanged in December at 3.1 percent stemming mainly from strong increases in oil and food prices. The European Central Bank maintained its monetary policy stance by holding the interest rate at 4.0 percent.

The United Kingdom registered a growth of 0.6 percent q-o-q. The retail sales data showed that household consumption has moderated from the previous quarter. The annual HICP inflation remained unchanged in December from the last two months at 2.1 percent. On 6 December 2007 the Bank of England's Monetary Policy Committee cut its rate by 0.25 basis points to 5.5 percent amidst the deteriorating conditions in financial markets and tightening in credit supply.

	2006		2007		
	Q2	Q3	Q2	Q3	Q4
United States	2.4	1.1	3.8	4.9	0.6
Euro	0.9	0.6	0.3	2.6	0.5
United Kingdom	0.8	0.7	0.8	0.7	0.6
Japan	0.3	0.1	-0.4	0.6	0.9

Sources: Bureau of Economic Analysis; Eurostat; National Statistics UK; Cabinet Office, Japan

The Japanese economic growth improved to 0.9 percent q-o-q supported by robust business conditions and strong export demand from Asia. However, housing construction remained at low levels due to the revised Building Standard Law but is showing signs of recovery especially for construction of owned houses. Overall CPI became positive due to the rise in the price of imported materials where the annual change was 0.7

percent in December compared to 0.6 percent in November.

The Chinese economy moderated slightly to a growth of 11.2 percent y-o-y down from 11.5 percent in the previous quarter. Export growth sustained at 21.6 percent y-o-y in December. Trade surplus increased by 48 percent y-o-y to USD 262.2 billion. High retail sales data showed that consumption demand remained strong. CPI figures posted an easing from the 11-year high of 6.9 percent in November to 6.5 percent.

Growth in the nine largest emerging East Asian economies which includes Hong Kong, China, Indonesia, Korea, Malaysia, Philippines, Singapore, Taipei and Thailand showed that growth has moderated. Excluding Hong Kong and China, this growth was supported by strong demand in consumption and solid exports. In the ASEAN-4 economies namely Thailand, Indonesia, Malaysia and Philippines, domestic demand boosted the economic growth. Thailand was an exception amidst political uncertainty from the December elections affecting private consumption and investment demand. Private consumptions in the other ASEAN-4 countries increased due to salary revisions, healthy labour markets and higher number of overseas remittances. However, inflationary pressures remained due to higher food and energy prices. The region's inflation was up 5.2 percent in October. The Newly Industrialized Economies (NIEs) namely Hong Kong, Korea, Singapore and Taipei also saw inflation rising quickly especially Taipei at 5.3 percent and Singapore at 3.6 percent in October, from below 1 percent in the first two quarters of 2007. Half of Singapore's increased inflation was due to rise in the goods and service taxes.

FISCAL SECTOR DEVELOPMENTS

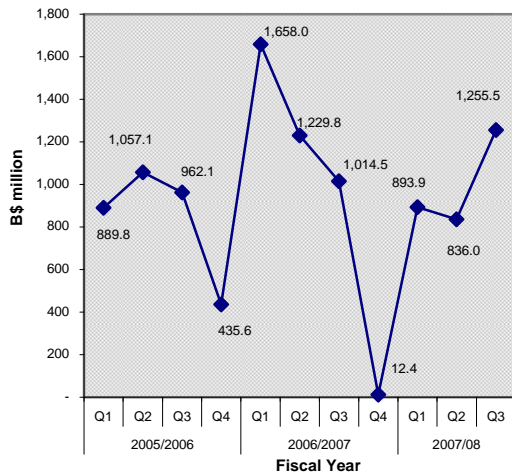
OVERVIEW

- Fiscal surplus was recorded at B\$1,255.5 million
- Total Government Revenue increased to B\$2,635.6 million
- Total Government Expenditure decreased to B\$1,380.1 million
- Total Government Expenditure decreased by 3.5 percent q-o-q

FISCAL POSITION

Fiscal surplus was provisionally registered at B\$1,255.5 million which indicates an increase of 50.2 percent q-o-q. The rise in surplus was due to the increase in revenue collected.

Figure 2.1: Surplus/Deficit Balances

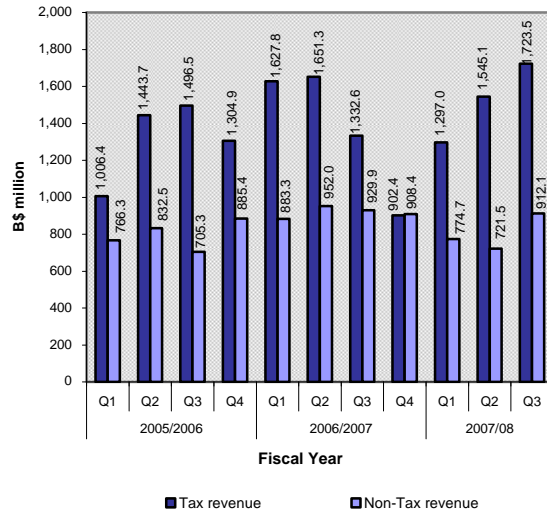


Source: Treasury Department, Ministry of Finance

GOVERNMENT REVENUE

In Q3 FY 07/08, Total Government Revenue increased by 16.3 percent q-o-q to B\$2,635.6 million. As shown in Figure 2.2, Tax revenue has increased by 11.5 percent q-o-q to B\$1,723.5 million whereas Non-Tax revenue increased by 26.4 percent q-o-q to B\$912.1 million.

Figure 2.2: Tax Revenue & Non-Tax Revenue, Q1 FY05/06 – Q3 FY07/08

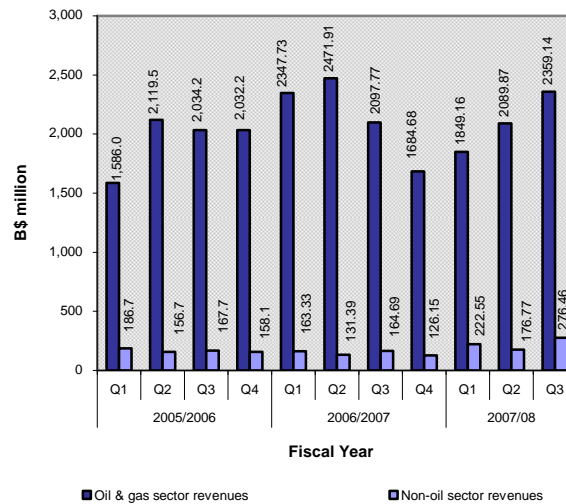


Source: Treasury Department, Ministry of Finance

Contribution from the Oil & Gas Sector accounted for 89.5 percent of total revenue. Revenue from the Oil & Gas Sector increased by 12.8 percent q-o-q to B\$2,359.14 million.

Meanwhile, Non-Oil Sector revenue, which contributed 10.5 percent of the total revenue, amounted to B\$276.5 million in the said quarter. Revenue from Non-Oil Sector increased by 56.4 percent q-o-q to B\$276.46 million.

Figure 2.3: Oil Sector Revenue & Non-oil Sector Revenue, Q1 FY05/06 – Q3 FY07/08



Source: Treasury Department, Ministry of Finance

Table 2.1 : Budgeted & Actual Revenue Comparison			
	Budgeted Revenue (B\$ million)	Actual Revenue (B\$ million)	Proportion of Revenue Collected (%)
Q3 07/08			
Total Revenue	1,441.6	2,635.6	182.8
Tax Revenue	751.1	1,723.5	229.5
Non-Tax Revenue	690.5	912.1	132.1
FY 07/08			
	Budgeted Revenue (FY 07/08)	Actual Revenue (Q1 – Q3 07/08)	Proportion of Revenue Collected (%)
Total Revenue	5,766.3	6,974.0	120.9
Tax Revenue	3,004.5	4,565.6	152.0
Non-Tax Revenue	2,761.9	2,408.4	87.2

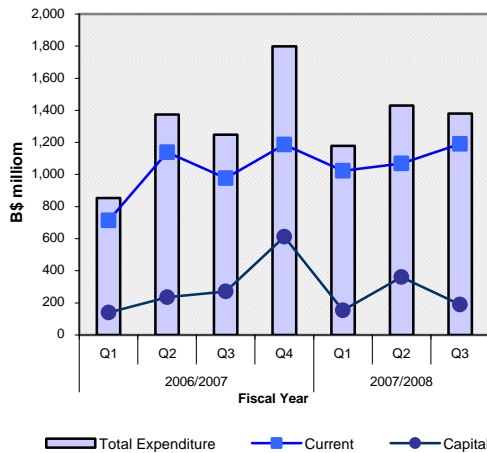
Source: Expenditure Division; and Treasury Department, Ministry of Finance

From Table 2.1, Total Revenue collected up to Q3 FY07/08 amounted to B\$6,974.0 million.

GOVERNMENT EXPENDITURE

In Q3 FY 07/08, Government Expenditure decreased by 3.6 percent q-o-q from B\$1,430.60 million to B\$1,380.09 million. However, on a y-o-y basis, it increased by 10.6 percent. The quarterly decrease is mainly attributed to the significant decrease of Capital Spending by 47.4 percent.

Figure 2.4: Government Expenditure, Q1 FY06/07 – Q3 FY07/08



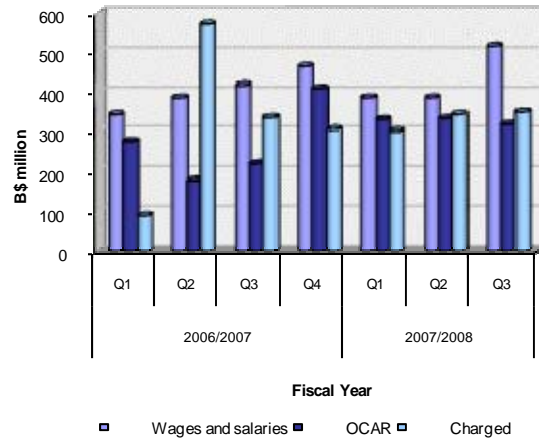
Source: Treasury Department, Ministry of Finance

Current Expenditure

Current Expenditure increased by 11.3 percent q-o-q and 21.8 percent y-o-y to B\$1,189.95 million. The increasing trend is attributed to an increase of Wages and Salaries by 33.5 percent q-o-q as the Government Civil Servants' received their bonus at the end of December 2007. Wages and Salaries remained the

highest proportion of the Current Expenditure at 43.57 percent, followed by Charged expenditure (OCSE) and Other Charges Annually Recurrent (OCAR) at 29.56 percent and 26.87 percent respectively. Charged expenditure (OCSE) increased by 1.8 percent q-o-q, whereas, Other Charges Annually Recurrent (OCAR) decreased by 4.6 percent q-o-q from B\$335.24 million to B\$319.72 million.

Figure 2.5: Actual Current Expenditure, Q1 FY06/07 – Q3 FY07/08



Source: Treasury Department, Ministry of Finance

Table 2.2: Budgeted & Actual Current Expenditure Comparison

	Budgeted Current Exp FY 07/08	Actual Current Exp Up to Q3 07/08	Proportion of Budget Utilised (%)
Current Expenditure	3,813.41	3,283.02	86.1
Wages & Salaries	1,737.89	1,294.98	74.5
OCAR	1,406.31	987.75	70.2
Charged	669.21	1,000.29	149.5
Q3 07/08			
	Q3 07/08	Q3 07/08	(%)
Current Expenditure	953.4	1,190.0	124.8
Wages & Salaries	434.8	518.4	119.3
OCAR	351.6	319.7	90.9
Charged	167.3	351.8	210.3

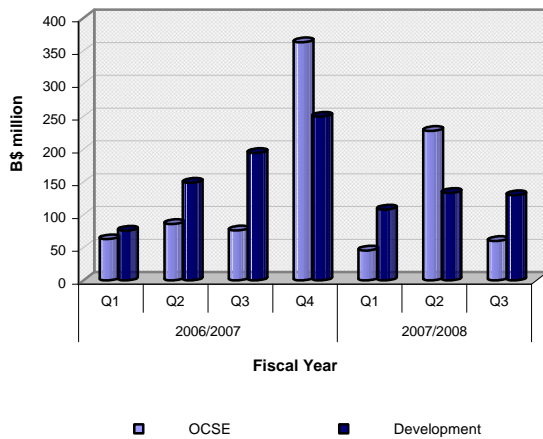
Source: Expenditure Division; and Treasury Department, Ministry of Finance

For FY 07/08, budgetary allocation for current expenditure was B\$3,813.4. By the third quarter of FY 07/08, 86.1 percent of the allocation has been spent.

Capital Expenditure

Capital Expenditure decreased by 47.4 percent q-o-q from B\$361.43 million to B\$190.14 million due to significant decrease of Other Charges Special Expenditure by 73.6 percent q-o-q. Development Expenditure also decrease slightly, by 2.7 percent q-o-q to B\$129.92 million.

**Figure 2.6: Actual Capital Expenditure
Q1 FY05/06 – Q3 FY07/08**



Source: Treasury Department, Ministry of Finance

Table 2.3: Budgeted & Actual Capital Expenditure Comparison

	Budgeted Capital Exp	Actual Capital Exp	Proportion of Budget Utilised
	FY 07/08	Up to Q3 07/08	(%)
Capital Expenditure	1,486.8	705.5	47.5
OCSE	586.8	333.9	56.9
Development	900.0	371.6	41.3
	Q3 07/08	Q3 07/08	(%)
Capital Expenditure	371.7	190.1	51.2
OCSE	146.7	60.2	41.0
Development	225.0	129.9	57.7

Source: Expenditure Division; and Treasury Department, Ministry of Finance

Overall, approximately 47.5 percent of the budgeted capital expenditure of B\$1,486.8 million for FY 07/08 has been utilised until the end-of-period Q3 FY 07/08.

MONETARY & FINANCIAL SECTOR DEVELOPMENTS

OVERVIEW

- All monetary aggregates posted positive growth.
- Narrow money, M1 grew by 4.6 percent.
- Quasi money increased by 2.5 percent.
- Broad money, M2 expanded by 3.3 percent.
- Banking sector shows a positive growth.
- Total assets increased by 5.4 percent.
- Total deposits grew by 6.5 percent.
- Average NPL ratio is 8.7 percent.

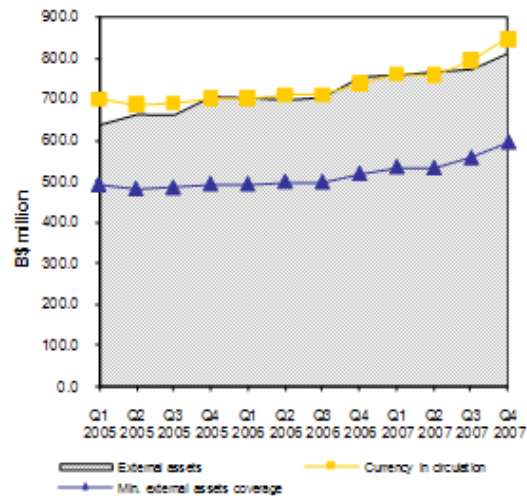
MONETARY DEVELOPMENTS

In its continuing effort to develop the domestic capital market, the Government of His Majesty the Sultan dan Yang Di-Pertuan of Brunei Darussalam issued another two Government Short-Term Sukuk Al-Ijarah with maturity of 91 days. Series 10th and 11th were issued for B\$50 million and B\$45 million respectively bringing the total amount of Sukuk Al-Ijarah issued as at end of Q4 07 to B\$1,020 million. The Brunei Dollar strengthened against major global and Asian Currencies with the exception of the Euro.

	Q2 2007 End Of Period	Q3 2007 End Of Period	Q4 2007 End Of Period
B\$ to 1 unit of Foreign Currency			
US Dollar	1.5447	1.5001	1.4565
Sterling Pound	3.1005	3.0499	2.9162
Euro	2.0926	2.1395	2.1608
Australian Dollar	1.3234	1.3364	1.2914
B\$ to 100 unit of Foreign Currency			
Hong Kong Dollar	20.09	19.66	18.99
Indonesian Rupiah	0.0214	0.0208	0.0174
Japanese Yen	1.2605	1.3045	1.3028
Philippine Peso	4.01	4.01	3.91
Thai Baht	5.07	4.93	5.07

Source: The Brunei Association of Banks

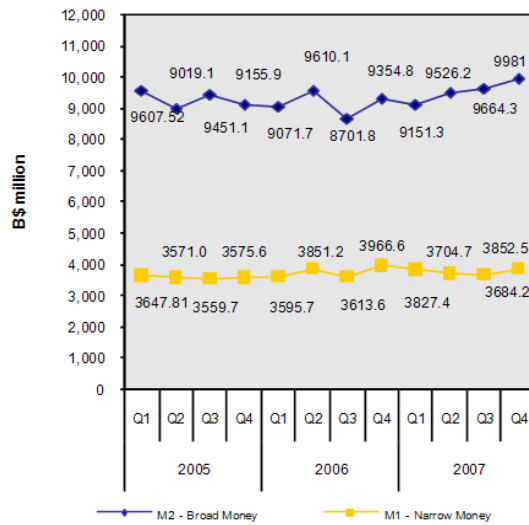
Figure 3.1: Currency Back-up



Source: Brunei Currency and Monetary Board, Ministry of Finance

During this quarter, Currency in circulation (M0)¹ expanded by 6.8 percent q-o-q to B\$848.7 million. The External Assets of \$815.5 million provided 96.1 percent coverage to the currency in circulation.² Meanwhile, the percentage coverage of Liquid Assets to the currency in circulation was 75.1 percent amounting to \$637.2 million.³

Figure 3.2: Monetary Developments



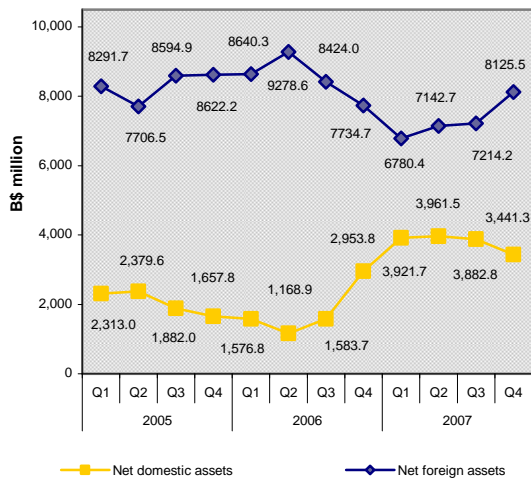
Source: Financial Institutions Division & Brunei Currency and Monetary Board, Ministry of Finance

¹ M0 = Currency in circulation

² Statutory requirement for percentage of external assets backing the currency in circulation is 70 percent.

³ Statutory requirement for percentage of liquid assets backing the currency in circulation is 30 percent.

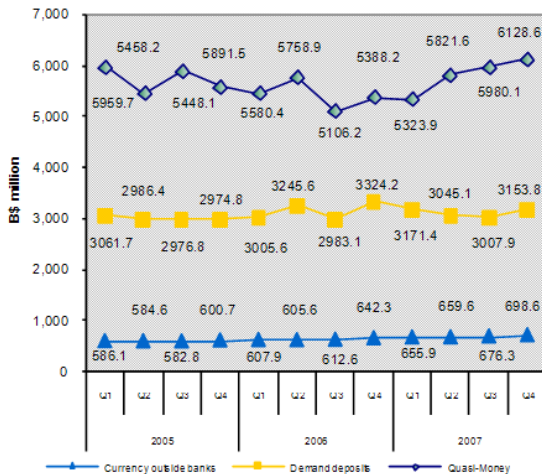
Figure 3.3: Net Foreign Assets and Domestic Assets



Source: Financial Institutions Division & Brunei Currency and Monetary Board, Ministry of Finance

Net foreign assets⁴ showed a significant increase of 12.67 percent q-o-q with a total amount of \$8,125.5 million for Q4 2007. This increase was due to the continuing expansion in commercial banks' net foreign assets. However, Domestic credit⁵ declined by 11.3 percent q-o-q as Government deposits posted another rapid growth of 12.7 percent q-o-q whilst Claims on private sector did not show much movement.

Figure 3.4: Broad Money – Liabilities Side



Source: Financial Institutions Division & Brunei Currency and Monetary Board, Ministry of Finance

The growth in Broad money (M2)⁶ was 3.3 percent q-o-q with a total amount of \$9,981.04 million. After a contraction in the previous quarter, Narrow Money (M1)⁷ expanded this quarter by 4.6 percent q-o-q.

⁴ Net foreign assets = BCMB foreign assets less foreign liabilities + Commercial banks foreign assets less foreign liabilities
⁵ Domestic credit = Claims on private sector + Claims on Nonfinancial public + Claims on Government net
⁶ M2 = Quasi money + Narrow money (M1)
⁷ M1 = Currency in circulation (M0) + Demand deposits of private sector

Meanwhile, Currency outside banks, and Quasi money⁸ grew by 3.3 percent, and 2.5 percent q-o-q respectively.

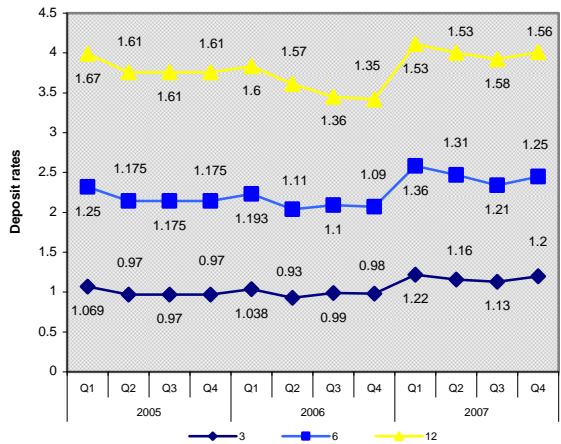
INTEREST RATES

In Q4 2007, the 3-month, 6-month and 12-month Fixed Deposit rate stood at 1.20 percent, 1.25 percent and 1.56 percent respectively.

Table 3.2 : Brunei Fixed-Deposit Rates

Months	Q4 2006	Q3 2007	Q4 2007
3	0.98	1.13	1.20
6	1.09	1.21	1.25
12	1.35	1.58	1.56

Figure 3.5 : Brunei Fixed-Deposit Rates Trend



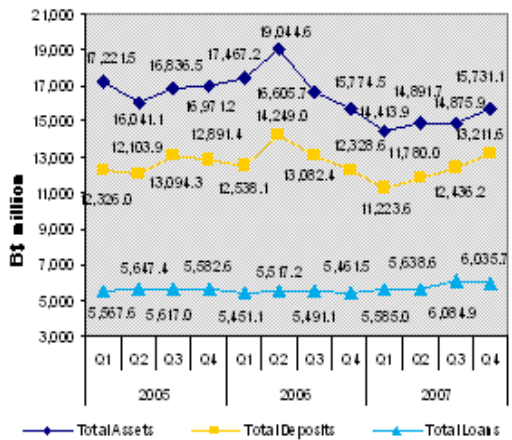
Source: Financial Institutions Division & Brunei Currency and Monetary Board, Ministry of Finance

BANKING SYSTEM⁹

The banking sector in Brunei Darussalam has shown positive growth. Total Assets increased at 5.4 percent q-o-q from B\$14.9 billion to B\$15.7 billion. Total Deposits have also increased by 6.5 percent q-o-q from B\$12.4 billion to B\$13.2 billion. Resident customers account for the majority of deposits at 65.8 percent whereas the Government holds 27.7 percent of total deposits. About 56.2 percent of total deposits were placed overseas. Meanwhile, total loans have decreased marginally by 0.8 percent q-o-q from B\$6.08 billion to B\$6.03 billion. In Q4 2007, the loan-deposit ratio¹⁰ stood at 45.7 percent compared to 48.9 percent in Q3 2007.

⁸ Quasi Money = Fixed deposits + Savings and other deposits
⁹ In previous issues of the Fiscal and Monetary Review, the banking system comprised wholly of banks operating in Brunei Darussalam. However, due to the increasingly significant banking activities of the trust fund, Tabung Amanah Islam Brunei (TAIB), the definition of the banking system has been amended to include the banks and trust fund.
¹⁰ The higher the ratio, the more the bank is relying on borrowed funds, which are generally more costly than most types of deposits.

Figure 3.6: Total Assets, Total Deposits and Total Loans



Source: Financial Institutions Division, Ministry of Finance

The two local banks and one trust fund maintained capital levels above the minimum Basel requirements. The risk-weighted capital ratio (RWCR) and core capital ratio (CCR)¹¹ at the end of Q4 2007 was 15.0 percent and 14.1 percent respectively.

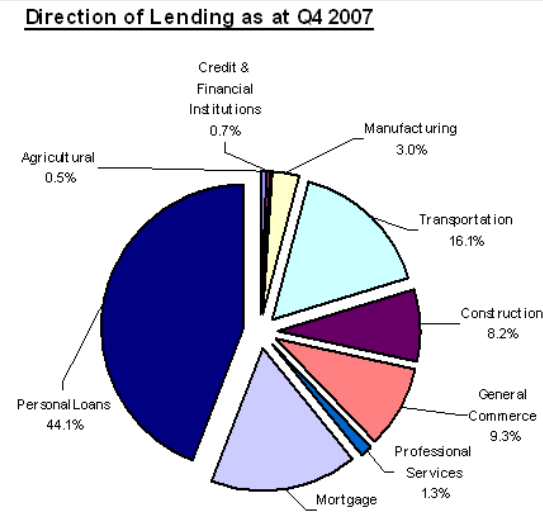
DIRECTION OF LENDING

Personal loans continued to constitute a major portion of financing extended by the banks which accounted for 44.1 percent of the total loans portfolio. Following the Ministry of Finance loan-capping ratio directive in May 2005, personal loans have further decreased by 3.8 percent q-o-q and 11.7 percent y-o-y.

DIRECTION OF LENDING	Q4 2006	Q3 2007	Q4 2007	y-o-y	q-o-q
	(in B\$ millions)			(in percent)	
Agricultural	29.7	31.2	31.3	+5.5	+0.4
Credit & Financial Institutions	22.4	33.5	40.4	+80.5	+20.6
Manufacturing	179.8	230.3	178.9	-0.5	-22.3
Transportation	596.2	949.6	971.6	+63.0	+2.3
Construction	554.6	494.1	494.7	-10.8	+0.1
General Commerce	520.9	547.1	561.2	+7.7	+2.6
Professional Services	81.2	71.4	78.7	-3.1	+10.2
Mortgage	820.3	958.4	1,014.2	+23.6	+5.8
Personal	3,013.5	2,765.7	2,661.1	-11.7	-3.8
Total Loans	5,818.6	6,081.3	6,032.1	+3.7	-0.8

Source: Financial Institutions Division, Ministry of Finance

Figure 3.7: Direction of Lending in percent



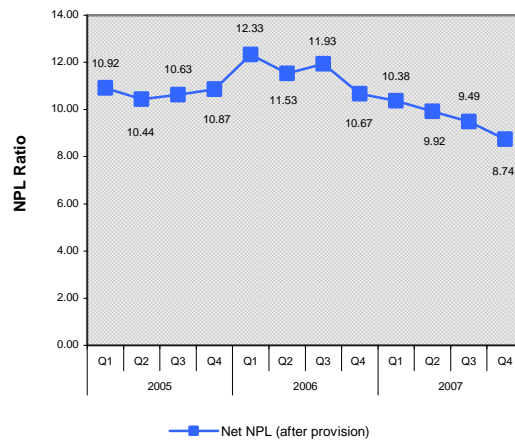
Source: Financial Institutions Division, Ministry of Finance

Lending to Mortgage sector continues to be the second largest portfolio accounting for 16.8 percent, followed by lending to Transportation sector at 16.1 percent. On a quarterly comparison, lending to Credit and Financial Institutions sector recorded the most rapid increase in sectoral lending by 20.6 percent q-o-q from B\$33.5 million to B\$40.4 million. Lending to the Manufacturing sector recorded the sharpest decline of 22.3 percent q-o-q from B\$230.3 million to B\$178.9 million.

NON-PERFORMING LOANS

The overall NPL ratio of the banks on average continued to show improvement. In terms of asset quality, banks have achieved an average NPL ratio of 8.7 percent from 9.5 percent in Q3 2007.

Figure 3.8: NPL percentage



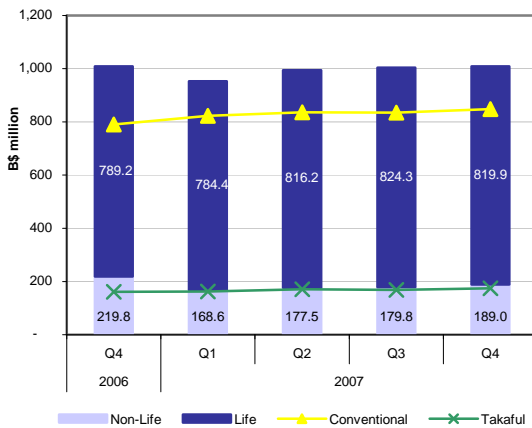
Source: Financial Institutions Division, Ministry of Finance

¹¹ RWCR and CCR are both calculated based on Total On and Off Balance sheet assets using Tier 1 + 2 and Tier 1 capital respectively.

INSURANCE INDUSTRY

Insurance assets stood at B\$1.01 billion from B\$1.0 billion at Q3 2007, reflecting a marginal increase of 0.5 percent q-o-q. Non-life assets increased by 5.1 percent q-o-q while life assets decreased by 0.5 percent q-o-q. Life insurance assets represented 81.3 percent of total assets.

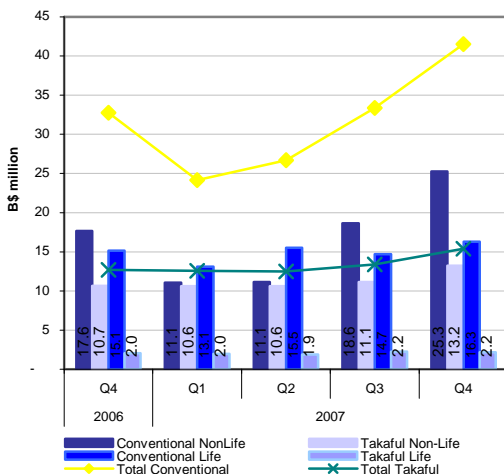
Figure 3.9: Total Assets, Q4 2006 – Q4 2007



Source: Financial Institutions Division, Ministry of Finance

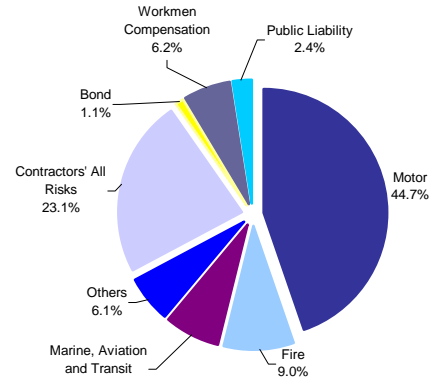
Gross premiums grew by 21.8 percent q-o-q to B\$56.9 million. Non-life premiums grew by 29.2 percent q-o-q due to the increased collection of contractor's all risks premium and marine, aviation and transit premium by 94.6 percent and 80.6 percent respectively. Life gross premiums grew by 8.9 percent q-o-q mainly due to increased underwriting of conventional business underwritten.

Figure 3.10: Gross Premiums, Q4 2006 – Q4 2007



Source: Financial Institutions Division, Ministry of Finance

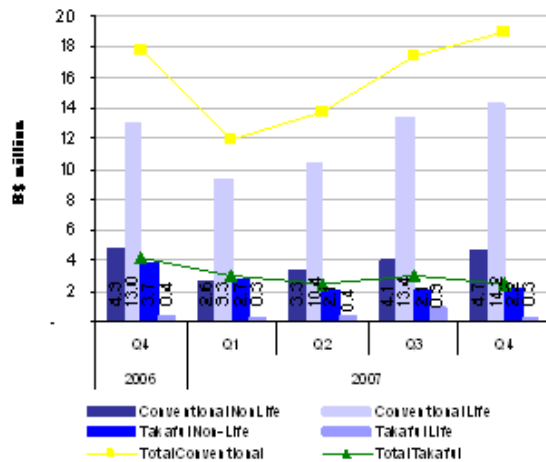
Figure 3.11: Non-Life Gross Premiums Percentage, Q4 2007



Source: Financial Institutions Division, Ministry of Finance

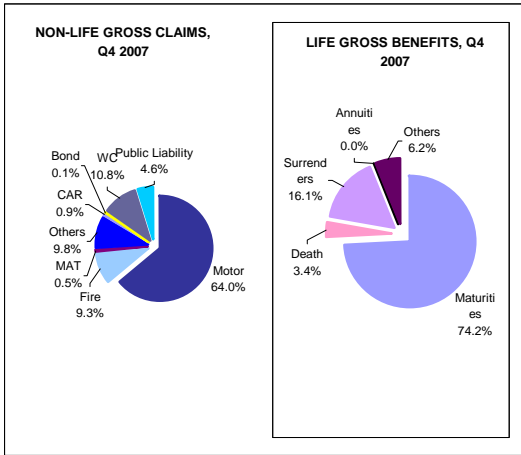
Gross claims increased by 4.9 percent q-o-q to B\$21.4 million from B\$20.4 million. Non-life claims increased by 12.6 percent q-o-q to B\$9.5 million in particular due to contractor's all risks (+1,560.7 percent); public liability (+434.9 percent); and fire (+248.8 percent). Meanwhile, motor claims have decreased by 14.2 percent q-o-q. Life claims increased by 1.5 percent q-o-q due to maturities.

Figure 3.12: Gross Claims, Q4 2006 – Q4 2007



Source: Financial Institutions Division, Ministry of Finance

Figure 3.13: Gross Claims Percentage, Q4 2007

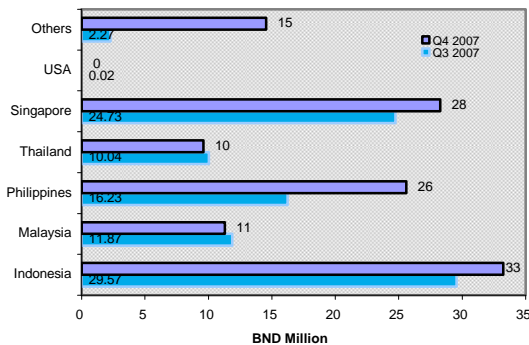


Source: Financial Institutions Division, Ministry of Finance

MONEY REMITTANCE

Total funds remitted abroad for Q4 2007 stood at B\$ 122.6 million which was an increase of 29.4 percent q-o-q. Indonesia remains the top destination accounting for 27.1 percent followed by Singapore at 23.1 percent, and Philippines at 20.9 percent. Money remitted to the Philippines dominate the remittance industry with an increase of 57.7 percent q-o-q to B\$25.6 million where previously it stood at B\$16.2 million. This is due to the Christmas holidays and New Year Celebrations.

Figure 3.14: Total Money Remitted



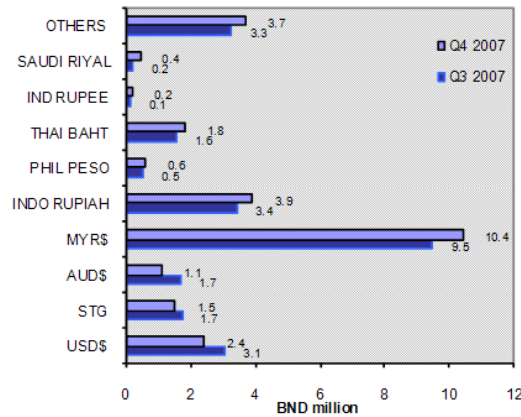
MONEY REMITTED	Q4 2006	Q3 2007	Q4 2007
Total (in B\$m)	95.0	94.7	122.6
% Change	29.1% (y-o-y)	-	29.4% (q-o-q)

Source: Financial Institutions Division, Ministry of Finance

FOREIGN CURRENCY EXCHANGE

The total amount of foreign currencies purchased during this quarter increased by 4.0 percent q-o-q and 17.6 percent y-o-y to B\$ 26.1 million. The Malaysian Ringgit was the most demanded foreign currency followed by the Indonesian Rupiah. The increase in demand for Malaysian Ringgit coincided with an increase of cross-border activities in the run-up to the festive seasons as well as the long school holidays during this quarter. On the other hand, the demand for United States Dollar declined remarkably by 20.6 percent q-o-q, followed by the Pound Sterling which declined by 12.2 percent q-o-q.

Figure 3.15: Buying of Foreign Currencies

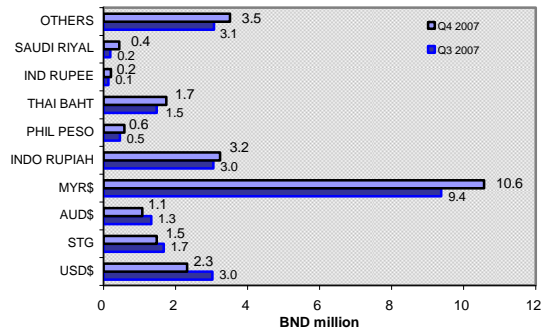


BUYING	Q4 2006	Q3 2007	Q4 2007
Total (in B\$m)	22.2	25.1	26.1
% Change	17.6% (y-o-y)	-	4.0% (q-o-q)

Source: Financial Institutions Division, Ministry of Finance

Conversely, the amount of foreign currencies sold during the period increased by 5.9 percent q-o-q and 13.8 percent y-o-y. The Malaysian Ringgit recorded the highest amount of foreign currency sold during the period which amounted to B\$10.6 million, followed by the Indonesian Rupiah amounting to B\$3.2 million. The sale of Saudi Riyal registered the most rapid growth of 129.4 percent q-o-q during the period due to the Haj pilgrimage period and amounted to B\$0.4 million whereas growth in the sale of United States Dollar recorded the least at 23.2 percent q-o-q to B\$2.3 million.

Figure 3.16: Selling of Foreign Currencies



SELLING	Q4 2007	Q3 2007	Q4 2007
Total (in B\$m)	22.1	23.8	25.1
% Change	13.8% (y-o-y)	-	5.9% (q-o-q)

Source: Financial Institutions Division, Ministry of Finance

TABLE A: Brunei Darussalam - FISCAL INDICATORS (Fiscal Position)											
	2005/2006				2006/07				2007/08		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
(B\$ million)											
Total Revenue	1,772.8	2,276.2	2,201.8	2,190.3	2,511.1	2,603.3	2,262.5	1,810.8	2,071.7	2,266.6	2,635.6
Tax Revenue	1,006.4	1,443.7	1,496.5	1,304.9	1,627.8	1,651.3	1,332.6	902.4	1,297.0	1,545.1	1,723.5
Oil & Gas sector	932.9	1,374.7	1,420.7	1,260.1	1,553.8	1,608.3	1,270.2	868.0	1,165.1	1,446.0	1,678.8
Non-oil sector	73.5	69.0	75.8	44.8	74.1	43.1	62.4	34.4	132.0	99.2	44.7
Non-tax revenue	766.3	832.5	705.3	885.4	883.3	952.00	929.9	908.41	774.7	721.5	912.1
Oil & Gas sector	653.1	744.8	613.5	772.2	793.9	863.6	827.6	816.66	684.1	643.9	680.4
Non-oil sector	113.2	87.6	91.9	113.3	89.3	88.3	102.3	91.75	90.6	77.6	231.7
Total Expenditure	883.0	1,219.1	1,239.7	1,754.6	853.1	1,373.5	1,247.9	1,798.5	1,177.8	1,430.6	1,380.1
Current Expenditure	743.1	948.2	971.2	1,423.9	714.2	1,138.7	977.4	1,185.7	1,023.9	1,069.2	1,190.0
Wages and salaries	342.2	342.4	347.6	443.5	345.2	387.9	418.7	466.5	388.1	388.4	518.4
OCAR	310.6	344.1	328.8	438.6	278.6	179.3	221.4	411.3	332.8	335.2	319.7
Charged	90.3	261.7	294.8	541.9	90.4	571.5	337.3	307.9	303.0	345.5	351.8
Capital Expenditure	139.9	270.9	268.5	330.8	138.9	234.9	270.6	612.8	153.9	361.4	190.1
OCSE	62.9	150.6	152.8	159.1	62.9	86.0	76.3	363.0	45.7	228.0	60.2
Development	76.9	120.3	115.7	171.7	75.9	148.9	194.3	249.8	108.2	133.5	130.0
Investments in Public Enterprises	38.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Surplus or deficit (-), excl. transfer	889.9	1,057.1	962.1	435.6	1,658.0	1,229.8	1,014.5	12.4	893.9	836.0	1,255.5
Memorandum items											
Oil & gas sector revenues	1,586.0	2,119.5	2,034.2	2,032.2	2,347.7	2,471.9	2,097.8	1,684.7	1,849.2	2,089.9	2,359.1
Non-oil sector revenues	186.7	156.7	167.7	158.1	163.3	131.4	164.7	126.2	222.6	176.8	276.5
Oil & gas sector (in % of total revenues)	89.5	93.1	92.4	92.8	93.5	95.0	92.7	93.0	89.3	92.2	89.5
Non-oil sector revenues (in % of total revenues)	10.5	6.9	7.6	7.2	6.5	5.1	7.3	7.0	10.7	7.8	10.5

Source: Expenditure Division; Treasury Department, Ministry of Finance

Table B: Brunei Darussalam – MONETARY SECTOR			
Depository Corporation Survey			
	Q4 2006	Q3 2007	Q4 2007
	B\$ Millions		
Net foreign assets	7,734.7	7,291.9	8,125.5
BCMB	848.6	909.7	946.6
Commercial banks	6,886.1	6,382.2	7,178.9
Domestic Credit	2,953.8	3,862.9	3,441.3
Claims on private sector	6,335.0	6,883.7	6,882.4
Claims on nonfinancial public	59.8	132.4	122.7
Claims on Government Net	-3,441.0	-3,153.1	-3,563.8
Money	3,966.6	3,684.2	3,852.5
Currency	642.3	676.3	698.7
Demand deposits	3,324.2	3,007.9	3,153.8
Quasi-money	5,388.2	5,980.1	6,128.6
Money Market Instruments	1.6	0.8	0.5
Capital Accounts	1223.6	1,467.0	1,628.0
Other Items (Net)	108.6	22.8	-42.8
Memorandum items			
Currency with banks	97.5	118.7	150.0
Currency in Circulation	739.9	794.9	848.7
Broad money	9,354.8	9,664.3	9,981.0
Prime lending rate (end of period)	5.5	5.5	5.5
		(Percent Change)	
Net foreign assets	-	-	11.4
Claims on private sector	-	-	-0.02
Claims on Government Net	-	-	13.0
Money	-	-	4.6
Currency	-	-	3.3
Demand deposits	-	-	4.9
Quasi-Money	-	-	2.5
		(in Percent of Broad Money)	
Contribution to broad money growth			
Net foreign assets	-	-	8.4
Claims on private sector	-	-	-0.01
Claims on Government Net	-	-	-4.1
Memorandum item			
		(Percent change q-o-q)	
Broad money	-	-	3.3

Source: Financial Institutions Division and Brunei Currency and Monetary Board, Ministry of Finance