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EXECUTIVE SUMMARY

Brunei Darussalam continued to record a fiscal surplus in Q3 08, with an increase of 55.5 percent q-o-q from B\$ 1,569.6 million to B\$ 2,441.0 million. Total Government Revenue amounted to B\$ 3,878.0 million, an increase of 39.5 percent q-o-q contributed mainly by the Oil and Gas Sector. Government Expenditure also increased by 18.8 percent q-o-q to B\$ 1,437.0 million.

In line with the Ministry of Finance's on-going programme to develop the domestic capital market, the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam in Q3 08 issued four Government Short Term Sukuk Al-Ijarah at B\$ 15 million, B\$ 9 million, B\$ 24 million and B\$ 45 million respectively. This brings the total amount of Sukuk Al-Ijarah issued since the first offering in April 2006 to B\$ 1.211 billion.

On the Monetary front, the Brunei Dollar weakened against the US Dollar, Japanese Yen and most Asian Currencies except Philippines Peso. Currency in circulation (MO) increased by 4.9 percent q-o-q to B\$ 844.5 million. The External Assets of Brunei Currency and Monetary Board provided 95.0 percent coverage to the currency in circulation which is higher than the statutory requirement of 70.0 percent as stipulated in the Currency and Monetary Order 2004. Broad Money (M2) grew by 2.7 percent q-o-q corresponding to the 1.8 percent q-o-q increase in Money (M1).

In the Banking Sector, Total Banking Assets increased by 12.4 percent q-o-q from B\$ 16.6 billion to B\$ 18.6 billion. Total Deposits have also increased by 14.4 percent. The 3-month, 6-month and 12-month Fixed Deposit Rates stood at 0.89 percent, 0.99 percent and 1.3 percent respectively. In terms of Asset Quality, Non Performing Loans (NPL) ratio stood at 9.31 percent. The Insurance Industry Assets recorded an increase of 2.0 percent q-o-q to B\$ 1,071.9 million. Gross Premiums declined by 4.4 percent q-o-q to B\$ 55.4 million while Gross Claims increased by 72.2 percent q-o-q to B\$ 20.2 million. On the Money Remittance sector, Total Outward Remittance increased by 2.3 percent q-o-q from B\$124.4 million to B\$ 127.3 million.

GLOBAL ECONOMIC REVIEW

In Q3 08, major economies across the globe experienced a technical recession as they posted two consecutive quarters of negative growth due to the global financial crisis. This led to tightening of credit conditions, job layoffs, cut downs in industrial production and production plans resulting in weaker consumer and corporate expansion. Oil prices have more than halved since July 2008, falling from a peak US\$145 to US\$ 60 per barrel.

Growth in the US economy worsened in Q3 08, down 0.5 percent q-o-q due to a contraction in consumer expenditure and business investment. Residential investment also continued its decline but these effects altogether were partially offset by an increase in government expenditure and growing net exports. Inflationary pressures have turned down sharply as commodity prices have fallen. On the monetary policy front, the Federal Open Market Committee has cut the fed fund rates from 1.5 percent to 1.0 percent on Oct 29.

The Eurozone has fallen into a technical recession as it posted its second consecutive quarter of decline when it fell 0.2 percent q-o-q in Q3 08. Headline CPI eased to 3.2 percent from 3.6 percent y-o-y in September and core prices remained stable at 1.9 percent y-o-y. The European Central Bank had cut interest rates by 100 basis points (bps) including the coordinated move with other major Central Banks in October, bringing overall interest rates to 3.25 percent.

Growth in the United Kingdom declined sharply by 0.5 percent q-o-q, the largest decline since the end of 1990. The economy was weak across the board, with manufacturing, construction and private services all contracting. Inflation has peaked at 5.2 percent in September and fell to 4.5 percent in October. The Bank of England cut rates by 150 bps to 3.0 percent as they try to limit the impacts of the global financial crisis on the British economy.

	2007		2008		
	Q3	Q4	Q1	Q2	Q3
United States	4.8	-0.2	0.9	2.8	-0.5
Euro	0.6	0.4	0.7	-0.2	-0.2
United Kingdom	0.7	0.5	0.3	0.0	-0.5
Japan	0.2	0.6	0.7	-0.7	-0.5

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

The Japanese economy contracted by 0.5 percent in Q3 08 due to the fallbacks in business spending and net exports. However, consumption continued to be vibrant despite worsening confidence due to a temporary boost in consumer durable sales. Inflation

began to ease in Japan with core prices registering a decrease at 2.3 percent in September from 2.4 percent y-o-y in August. The Bank of Japan cut interest rates to 0.30 percent on October 31. The bleak economic outlook has led the Government to announce plans for an additional ¥ 5.0 trillion stimulus package, including measures such as cash payments to tax payers and tax breaks on mortgages.

Growth in China softened further to 9.0 percent y-o-y from 10.1 percent y-o-y in the previous quarter. Growth of consumer spending and fixed investment remained positive. Headline CPI has trended downwards, rising only 4.6 percent y-o-y in September while the wholesale price index came at 7.0 percent y-o-y. Against the backdrop of a more serious downturn in the global economy The People Bank of China cut its interest rates by 27 bps to 6.66 percent.

The Newly Industrialized Economies (Hong Kong, Korea, Singapore and Taiwan) growth decelerated from 5.3 percent to 2.0 percent in Q3 08 due to declining export growth and domestic demand. Meanwhile the ASEAN-4 economies namely Thailand, Indonesia, Malaysia and Philippines grew at a slower pace from 6.0 percent to 5.1 percent q-o-q supported by domestic consumption. Inflationary pressures in the region eased as commodity prices declined.

Q3 08 marked another negative turn in the bear market. MSCI World lost 15.6 percent in the quarter, with US and European markets losing close to 10.0 percent. Asian stock markets were down double digits in percentage terms. In July, the market remained weak on mounting concerns of global inflation triggered by rising crude prices. In August, global stock indices fell again as funding problems at US government-sponsored mortgage lenders fueled concerns about operations at US financial institutions. Government bail-out plans for these mortgage lenders triggered a market rally in September. Nevertheless, gains were limited, as uncertainties surrounding the US financial system could not be dispelled. Subsequently, equity markets plummeted as Lehman Brothers filed for Chapter 11 bankruptcy protection, amid signs the financial crisis that began in first half of 2007 took a turn for the worse. Markets regained ground when the US government announced a bail-out plan for AIG, and a US\$ 700 billion financial rescue package for other financial institutions.

FISCAL SECTOR DEVELOPMENTS

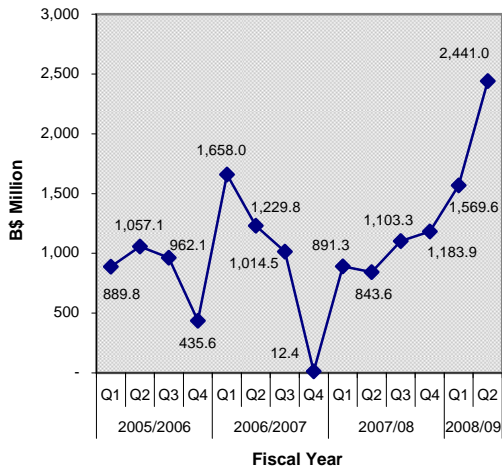
OVERVIEW

- Fiscal surplus was recorded at B\$2,441.0 million.
- Total Government Revenue increased to B\$3,878.0 million.
- Total Government Expenditure increased to B\$1,437.0 million.
- Total Government Revenue increased by 39.5 percent.
- Total Government Expenditure increased by 18.8 percent.

FISCAL POSITION

Fiscal surplus increased by 55.5 percent q-o-q from B\$ 2,441.0 million due to the higher rate of increase in Government Revenue compared to Government Expenditure.

Figure 2.1: Surplus/Deficit Balances

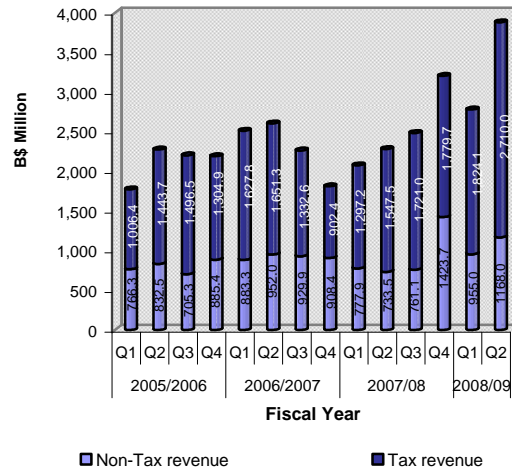


Source: Treasury Department, Ministry of Finance

GOVERNMENT REVENUE

In Q2 FY 08/09, Total Government revenue increased by 39.5 percent q-o-q to B\$ 3,878.0 million from B\$ 2,779.2 million from B\$ 1,824.1 million. Tax revenue increased by 48.6 percent to B\$ 2,710.0 million. Non-Tax revenue also increased by 22.3 percent to B\$ 1,168.0 million from B\$ 955.0 million.

Figure 2.2: Tax Revenue & Non-Tax Revenue, Q1 FY05/06 – Q2 FY08/09

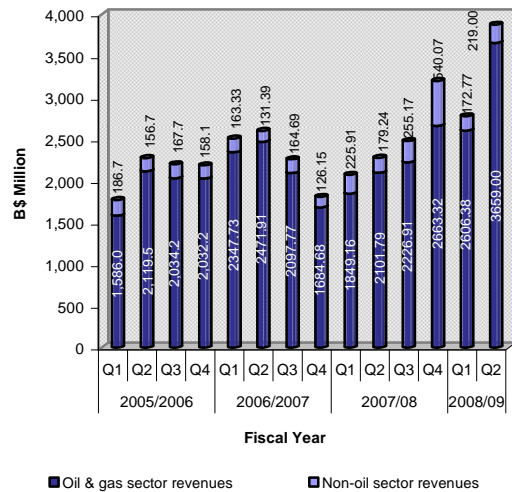


Source: Treasury Department, Ministry of Finance

The Oil & Gas Sector accounted for 94.4 percent of Total Revenue (see Fig 2.3). Both Tax revenue and Non-Tax revenue collections from the Oil & Gas Sector increased by 49.7 percent and 22.1 percent q-o-q to B\$ 2,588.0 million and B\$ 1,071.0 million respectively.

Meanwhile, the Non-Oil Sector revenue, which contributed to 5.6 percent of the total revenue, amounted to B\$ 219.0 million. Both Tax and Non-Tax revenue from the Non-Oil Sector increased by 28.0 percent q-o-q to B\$ 122.0 million and by 25.2 percent to B\$ 97.0 million, respectively.

Figure 2.3: Oil Sector Revenue & Non-oil Revenue, Q1 FY05/06 – Q2 FY08/09



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
	Q2 08/09		(%)
Total Revenue	1,400.4	3,878.0	276.9
Tax Revenue	818.5	2,710.0	331.1
Non-Tax Revenue	581.9	1,168.0	200.7
	Budgeted Revenue (FY 08/09)	Actual Revenue (Q1 – Q2 08/09)	Proportion of Revenue Collected (%)
Total Revenue	5,601.5	6,657.2	118.8
Tax Revenue	3,274.1	4,534.1	138.5
Non-Tax Revenue	2,327.4	2,123.0	91.2

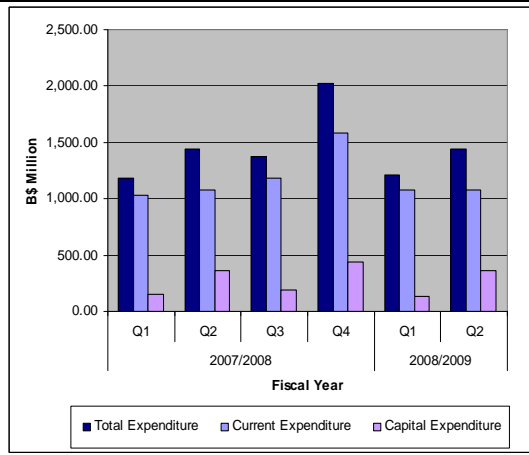
Source: Expenditure Division; and Treasury Department, Ministry of Finance

From Table 2.1, Total Revenue collected for Q2 FY08/09 amounted to B\$3,878.0 million.

GOVERNMENT EXPENDITURE

In Q2 FY 08/09, Total Government Expenditure increased by 18.8 percent q-o-q to B\$ 1,437.0 million due to an increase in Capital Expenditure.

Figure 2.4: Government Expenditure, Q1 FY07/08 – Q3 FY08/09

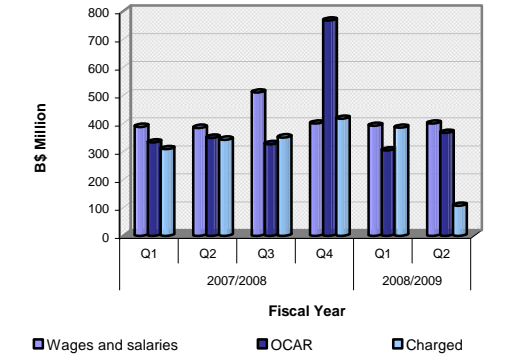


Source: Treasury Department, Ministry of Finance

Current Expenditure

Current Expenditure registered a marginal decrease of 0.4 percent q-o-q to B\$ 1,075.0 million. Wages and Salaries that represent the largest component of Total Current Expenditure have decreased moderately by 2.0 percent q-o-q to B\$ 384.0 million while charged expenditure decreased by 11.2 percent q-o-q to B\$ 342.0 million. Other Charges Annually Recurrent (OCAR) increased by 15.6 percent q-o-q from B\$ 301.9 million to B\$ 349.0 million.

Figure 2.5: Actual Current Expenditure (Wages & Salaries, OCAR & Charged) Q1 FY07/08 – Q2 FY08/09



Source: Treasury Department, Ministry of Finance

Table 2.2: Budgeted & Actual Current Expenditure Comparison

	Budgeted Current Exp	Actual Current Exp	Proportion of Budget Utilised
	Q2 08/09 (B\$ Million)		(in Percent)
Current Expenditure	976.7	1075.0	110.1
Wages & Salaries	442.7	384.0	86.7
OCAR	366.7	349.0	95.2
Charged	167.3	342.0	204.4

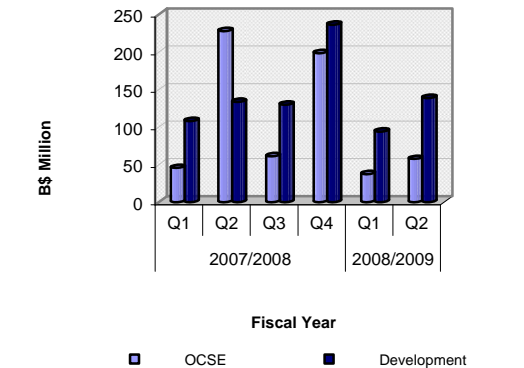
Source: Expenditure Division and Treasury Department, Ministry of Finance

A total amount of B\$ 3,906.8 million was allocated for the fiscal year 08/09 at which approximately 27.5 percent has been utilized.

Capital Expenditure

Capital Expenditure increased by 176.8 percent q-o-q to B\$ 362.0 million in Q2 FY 08/09 due to the significant increase of Other Charges Special Expenditure (OCSE) by 509.6 percent and Development Expenditure by 43.6 percent.

Figure 2.6: Actual Capital Expenditure (OCSE & Development) Q1 FY07/08 – Q2 FY08/09



Source: Treasury Department, Ministry of Finance

	Budgeted Capital Exp Q2 08/09 (B\$ Million)	Actual Capital Exp	Proportion of Budget Utilised (in Percent)
Capital Expenditure	387.0	362.0	93.5
Development	124.5	134.0	107.6
OCSE	262.5	228.0	86.9

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

Overall, approximately 31.8 percent of the budgeted Capital Expenditure of B\$ 1,548.2 million for FY 08/09 has been utilized.

MONETARY & FINANCIAL SECTOR DEVELOPMENTS

OVERVIEW

- Total issuance of Sukuk Al-Ijarah amounted to B\$1.211 billion.
- All monetary aggregates posted positive growth.
- Total Banking Assets increased by 12.4 percent.
- Total Deposit increased by 14.4 percent.
- NPL ratio stood at 9.31 percent.
- Total Insurance Assets increased by 2.0 percent.
- Total Insurance Gross Premiums declined by 4.4 percent.
- Total Outward Remittance increased by 2.3 percent.

MONETARY DEVELOPMENTS

i. Government Short Term Sukuk Al-Ijarah

Four Government Short Term Sukuk Al-Ijarah of 91 days maturity were issued in Q3 08. The aggregate amount of the Sukuk Al-Ijarah issued since the maiden offering in April 2006 up to Q3 08 was B\$ 1.211 billion.

Table 3.1: Issuance of Government Sukuk Al-Ijarah

Series	15	16	17	18
Issuance (B\$m)	B\$15	B\$9	B\$24	B\$45
Issuance Date	17 Jul 08	7 Aug 08	21 Aug 08	11 Sep 08
Maturity Date	16 Oct 08	6 Nov 08	20 Nov 08	11 Dec 08
Rental Yield (p.a.)	0.60%	0.55%	0.75%	1.00%

Source: Brunei Currency and Monetary Board, Ministry of Finance

ii. Foreign exchange

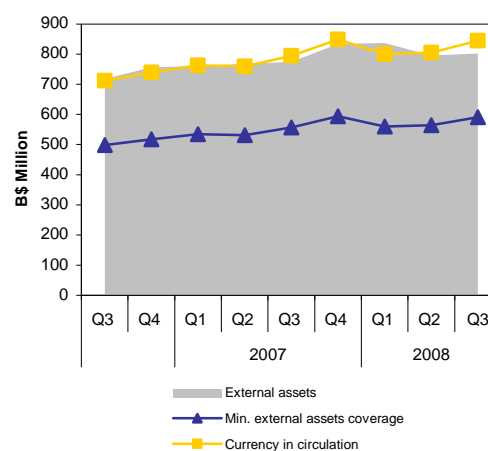
Table 3.2: Brunei Dollar Against Selected Currencies			
	Q3 2007 End Of Period	Q2 2008 End Of Period	Q3 2008 End Of Period
B\$ to 1 unit of Foreign Currency			
US Dollar	1.4909	1.3616	1.4314
Pound Sterling	3.0180	2.7142	2.5775
Euro	2.1123	2.1493	2.0558
Australian Dollar	1.3157	1.3101	1.1445
B\$ to 100 unit of Foreign Currency			
Hong Kong Dollar	19.21	17.45	18.43
Indonesian Rupiah	0.016294	0.014761	0.015179
Japanese Yen	1.2936	1.2819	1.3732
Philippine Peso	3.3157	3.0329	3.0288
Thai Baht	4.3511	4.0614	4.2044

Source: The Brunei Association of Banks

On the foreign exchange front, the Brunei Dollar weakened against the US Dollar and Japanese Yen but strengthened against the Australian Dollar, the Pound Sterling and the Euro. Relative to Other Asian currencies, the Brunei Dollar weakened against most Asian Currencies except the Philippines Peso.

iii. Monetary Aggregates

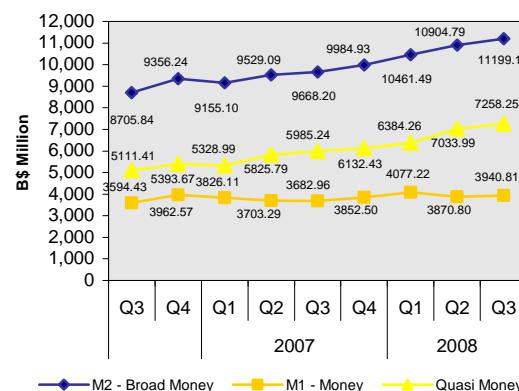
Figure 3.1: Currency in circulation (M0) and External Assets Back-up



Source: Brunei Currency and Monetary Board, Ministry of Finance

Currency in circulation (M0)¹ increased by 4.9 percent q-o-q to B\$ 844.5 million. The External assets of B\$ 802.2 million provided 95.0 percent coverage to currency in circulation which is higher than the statutory requirement of 70.0 percent. At the same time, Liquid Assets coverage was also well above the statutory requirement of 30.0 percent at 42.0 percent.

Figure 3.2: Monetary Aggregates



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

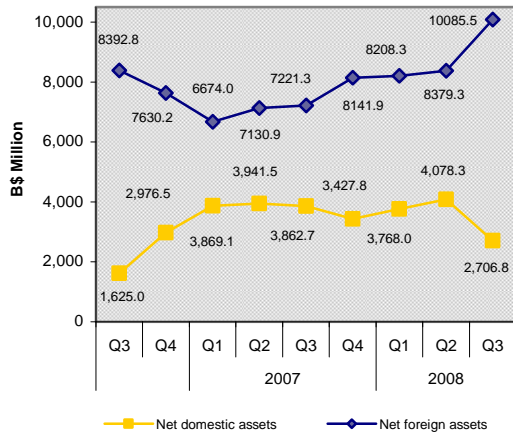
Net foreign assets² recorded an increase of 20.4 percent q-o-q to B\$ 10,085.5 million resulting from

¹ M0 = Currency in circulation outside BCMB

² Net foreign assets = BCMB net claims on nonresidents + Commercial banks net claims on nonresidents

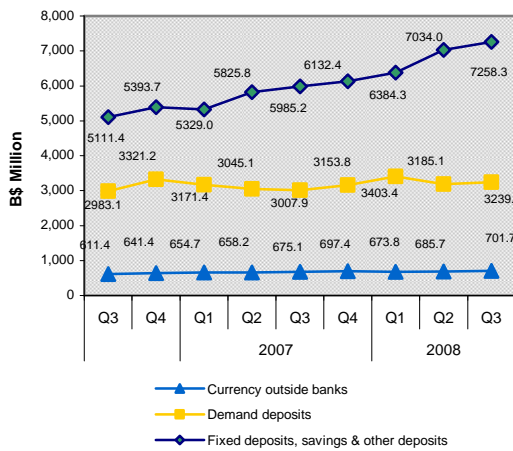
the decrease of Domestic claims³ by 33.6 percent q-o-q. The fall in Domestic claims is mainly attributed from an increase in government deposits of 49.8 percent q-o-q. Meanwhile, Claims on public non-financial corporations fell by 7.9 percent although there was a recorded growth of 3.3 percent in Claims on private sector.

Figure 3.3: Net Foreign Assets and Domestic Claims



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

Figure 3.4: Components of Money and Quasi Money



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

Broad Money (M2) grew at 2.7 percent q-o-q to B\$ 11,199.1 million. Quasi money grew by 3.2 percent q-o-q. Money (M1) increased moderately by 1.8 percent q-o-q to B\$ 3,940.81 million. M1 components, currency outside bank and demand deposit both increased by 2.3 percent and 1.6 percent q-o-q respectively.

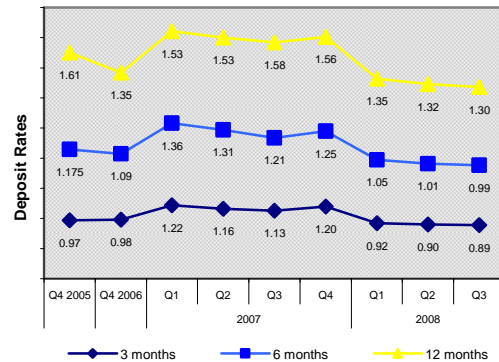
³ Domestic claims = Net claims on Government + Claims on Public Nonfinancial Corporations + Claims on Private Sector

INTEREST RATES

In Q3 08, the 3-months, 6-months and 12-months Fixed Deposit rate stood at 0.89 percent, 0.99 percent and 1.30 percent respectively.

Figure 3.5 : Brunei Fixed-Deposit Rates Trend

Months	Q3 2007 (%)	Q1 2008 (%)	Q2 2008 (%)	Q3 2003 (%)
3	1.13	0.92	0.90	0.89
6	1.21	1.05	1.01	0.99
12	1.58	1.35	1.32	1.30

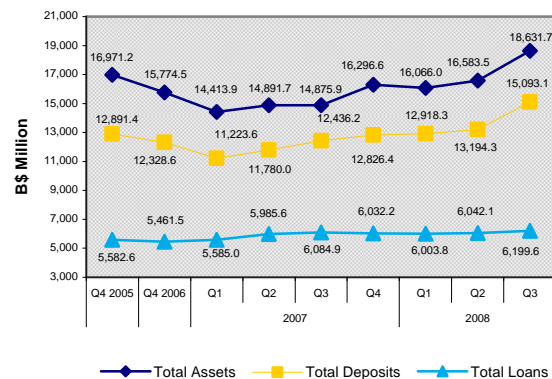


Source: Financial Institutions Division, Ministry of Finance

BANKING SYSTEM⁴

Total Banking Assets increased by 12.4 percent q-o-q from B\$ 16.6 billion to B\$ 18.6 billion where the local banks and the foreign banks record an increase of 3.1 percent and 22.9 percent q-o-q respectively. Total Deposits of the banking industry increased by 14.4 percent q-o-q.

Figure 3.6: Total Assets, Total Deposits and Total Loans



Source: Financial Institutions Division, Ministry of Finance

⁴ 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.

Loans to deposit ratio stood at 41.1 percent reflecting the high liquidity levels in the banking system primarily with the foreign banks which accounted for 68.9 percent of total liquid assets and 71.1 percent of total offshore deposits in the industry. The domestic banks meanwhile had a higher loan to deposit ratio at 59.0 percent of total deposits allocated to credit.

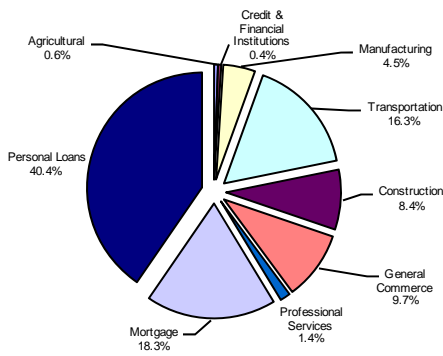
DIRECTION OF LENDING

Personal loans continued to show a declining trend since the Ministry of Finance loan-capping ratio directive in May 2005. In Q3 2008, it continued to decrease by 1.7 percent q-o-q and 9.4 percent y-o-y and accounted for 40.4 percent of the total lending portfolio.

DIRECTION OF LENDING	Q3 2007	Q2 2008	Q3 2008	y-o-y	q-o-q
	(in B\$ million)				
Agricultural	31.2	35.2	35.2	12.8	0.0
Credit & Financial Institutions	33.5	24.3	27.6	-17.6	13.6
Manufacturing	230.3	159.5	278.6	21.0	74.7
Transportation	949.6	991.9	1,010.7	6.4	1.9
Construction	494.1	522.7	521.6	5.6	-0.2
General Commerce	547.1	567.0	598.5	9.4	5.6
Professional Services	71.4	87.8	89.3	25.1	1.7
Mortgage	958.4	1,105.0	1,132.4	18.2	2.5
Personal	2,765.7	2,548.6	2,505.6	-9.4	-1.7
Total Loans	6,081.1	6,042.0	6,199.5	1.9	2.6

Figure 3.7: Direction of Lending in percent

Direction of Lending as at Q3 2008



Source: Financial Institutions Division, Ministry of Finance

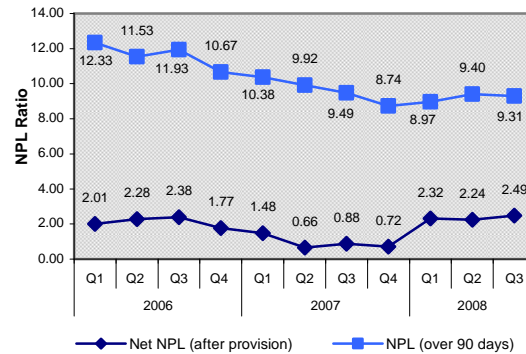
Mortgage lending for housing continues to be the second largest sector at 18.3 percent which continues to be reflected in the structural home improvement sub-sector, followed by the Transportation sector at 16.3 percent. On a quarterly basis, the Manufacturing sector has recorded the highest increase by 74.7 percent to B\$ 278.6 million. On a yearly basis, Professional Services sector

shows the highest increase by 25.1 percent from B\$ 71.4 million to B\$ 89.3 million whereas Credit and Financial Institutions sector recorded the highest decrease of 17.6 percent from B\$ 33.5 million to B\$ 27.6 million.

NON-PERFORMING LOANS (NPL)

In terms of asset quality, Total NPLs of the Banking industry stood at B\$ 646.6 million which is an increase of 4.8 percent q-o-q. Sectoral distribution of NPLs showed personal loans consistently having the highest rate of default. In Q3 08, The NPL ratio decrease to 9.31.

Figure 3.8: NPL percentage



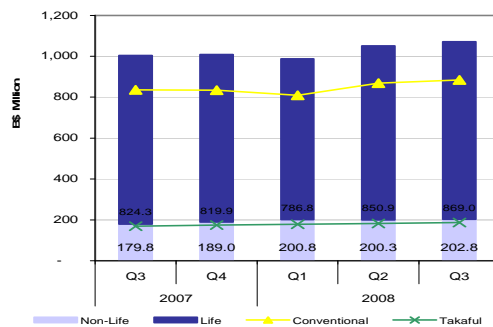
Source: Financial Institutions Division, Ministry of Finance

INSURANCE INDUSTRY

The insurance sector in Brunei Darussalam continued to progress well in Q3 2008 despite the announcement of American International Group (AIG) liquidity crisis in September 2008. Similarly to other countries in the region, consumer concerns were raised regarding the position of AIG's life insurance arm, American International Assurance Co. Ltd (AIA).

The industry's Total Assets increased by 2.0 percent q-o-q from B\$ 1,051.2 million to B\$ 1,071.9 million of which life assets and non-life assets grew by 2.1 percent and 1.3 percent q-o-q respectively. Life assets accounted for 81.1 percent of Total Assets.

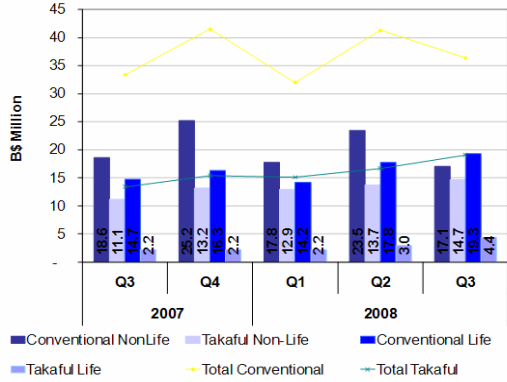
Figure 3.9: Total Assets, Q3 2007 – Q3 2008



Source: Financial Institutions Division, Ministry of Finance

Overall Industry Gross Premiums declined by 4.4 percent q-o-q from B\$ 57.9 million to B\$ 55.4 million. However, on a y-o-y basis premium growth was recorded at 18.6 percent.

Figure 3.10: Gross Premiums, Q3 2007 – Q3 2008

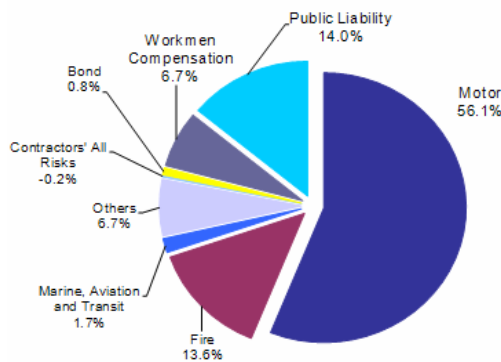


Source: Financial Institutions Division, Ministry of Finance

In Life Business, Gross Premiums rose by 14.2 percent q-o-q from B\$ 20.7 million to B\$ 23.7 million. Takaful Family Business increased by 48.1 percent q-o-q to B\$4.4 million whereas Conventional Life Business increased by 8.5 percent q-o-q to B\$ 19.3 million.

In Non-Life Business, Gross Premiums decreased by 14.8 percent q-o-q from B\$ 37.2 million to B\$ 31.7 million, despite the increase in almost all the classes of Non-Life Business. This marked decrease was the result of the exceptionally high Gross Premiums for Contractors' All Risks which amounted to B\$ 11.2 million written in Q3 08. Takaful operators continued to dominate the motor business with a market share of 73.4 percent at an amount of B\$ 13.1 million.

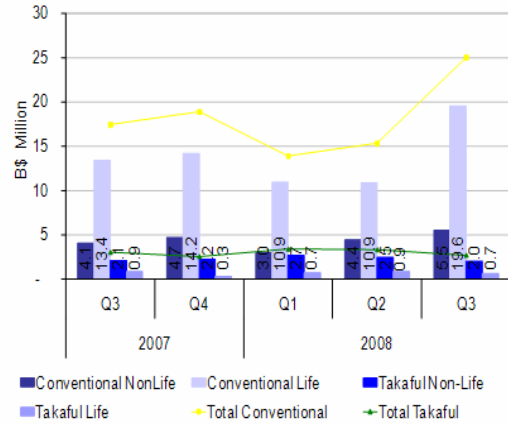
Figure 3.11: Non-Life Gross Premiums Percentage, Q3 2008



Source: Financial Institutions Division, Ministry of Finance

Overall Industry Gross Claims increased significantly by 72.2 percent q-o-q from B\$11.8 million to B\$20.2 million. On a y-o-y comparison, Gross Claims rose by 41.9 percent.

Figure 3.12: Gross Claims, Q3 2007 – Q3 2008

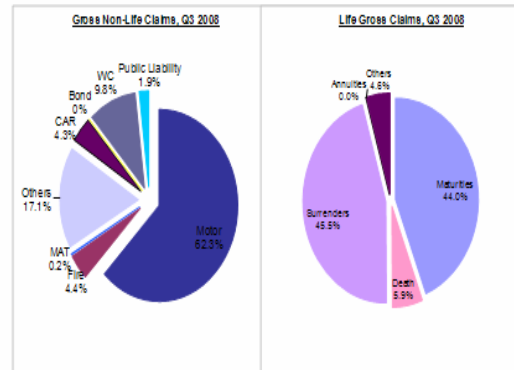


Source: Financial Institutions Division, Ministry of Finance

In Life Business, Gross Claims increased by 72.2 percent q-o-q attributed to consumer concerns of AIA in September 2008. This resulted in an exponential increase in Surrenders by 360.7 percent q-o-q from B\$ 2.0 million to B\$ 9.2 million.

In Non-Life Business, Gross Claims recorded an increase of 8.3 percent q-o-q from B\$ 6.9 million to B\$ 7.5 million. Higher claims in Motor, Workmen Compensations and Contractors' All Risks businesses were seen throughout the period, of which the majority was incurred by conventional insurers.

Figure 3.13: Gross Claims Percentage, Q3 2008

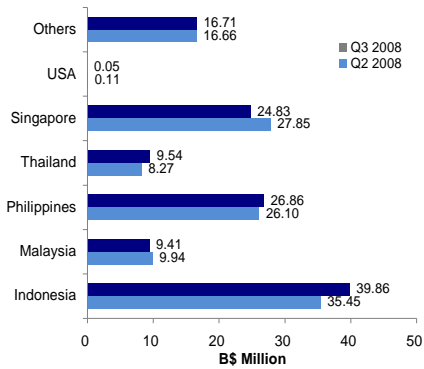


Source: Financial Institutions Division, Ministry of Finance

MONEY REMITTANCE

Total Outward Remittance recorded an increase of 2.3 percent q-o-q and 34.3 percent y-o-y amounting to B\$ 127.3 million. Indonesia remains the top destination for remittance reflecting the high proportion of Indonesian in the foreign labour workforce. Remittance to Indonesia increased by 12.4 percent q-o-q to B\$ 39.9 million. Remittance made to Thailand, Philippines and Other Destination have also increased due to the strengthened Brunei Dollar.

Figure 3.14: Total Money Remitted



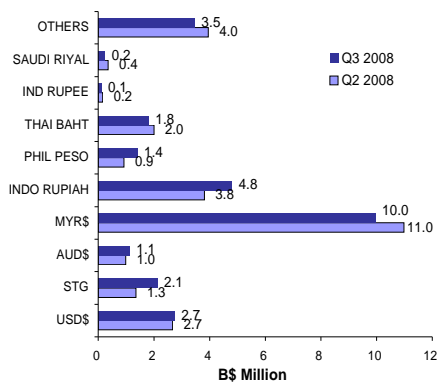
MONEY REMITTED	Q3 2007	Q2 2008	Q3 2008
Total (in B\$m)	94.7	124.4	127.3
% Change	34.3%(y-o-y)	-	2.3% (q-o-q)

Source: Financial Institutions Division, Ministry of Finance

FOREIGN CURRENCY EXCHANGE

The total amount of foreign currencies purchased in Q3 08 amounted to b\$27.8 million which is an increase of 2.3 percent q-o-q and 10.8 percent y-o-y. The Malaysian Ringgit continues to be the most purchased currency even though it registered decline of 9.1 percent q-o-q.

Figure 3.15: Buying of Foreign Currencies

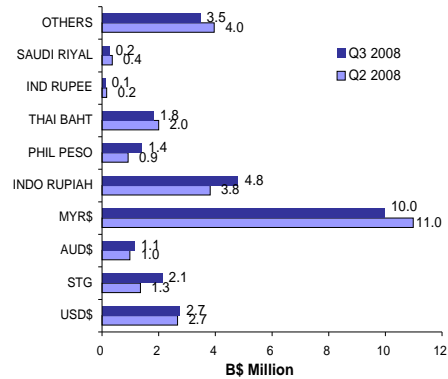


BUYING	Q3 2007	Q2 2008	Q3 2008
Total (in B\$m)	25.1	27.21	27.8
% Change	10.8% (y-o-y)	-	2.3% (q-o-q)

Source: Financial Institutions Division, Ministry of Finance

The total amount of foreign currencies sold during Q3 08 amounted to B\$ 26.7 million which is an increase of 2.7 percent q-o-q and 12.3 percent y-o-y.

Figure 3.16: Selling of Foreign Currencies



SELLING	Q3 2007	Q2 2008	Q3 2008
Total (in B\$m)	23.8	26.0	26.7
% Change	12.3 (y-o-y)	-	2.7 (q-o-q)

Source: Financial Institutions Division, Ministry of Finance

TABLE A : Brunei Darussalam - FISCAL INDICATORS (Fiscal Position)										
	2006/07				2007/08				2008/09	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
(B\$ million)										
Total Revenue	2,511.1	2,603.3	2,262.5	1,810.8	2,075.1	2,281.0	2,482.1	3,203.4	2,779.2	3,878.0
Tax Revenue	1,627.8	1,651.3	1,332.6	902.4	1,297.1	1,547.5	1,721.0	1,779.7	1,824.1	2,710.0
Oil & Gas sector	1,553.8	1,608.3	1,270.2	868.0	1,165.1	1,446.0	1,678.8	1,739.2	1,728.9	2,588.0
Non-oil sector	74.1	43.1	62.4	34.4	132.0	101.6	42.3	40.5	95.3	122.0
Non-tax revenue	883.3	952.00	929.9	908.41	777.9	733.5	761.1	1,423.7	955.0	1,168.0
Oil & Gas sector	793.9	863.6	827.6	816.66	684.1	655.8	548.2	924.1	877.5	1,071.0
Non-oil sector	89.3	88.3	102.3	91.75	93.8	77.7	212.9	499.6	77.5	97.0
Total Expenditure	853.1	1,373.5	1,247.9	1,798.5	1,183.8	1,437.5	1,378.8	2,019.5	1,209.6	1,437.0
Current Expenditure	714.2	1,138.7	977.4	1,185.7	1,029.8	1,075.8	1,187.6	1,584.3	1,078.8	1,075.0
Wages and salaries	345.2	387.9	418.7	466.5	388.1	384.4	510.7	399.9	392.0	384.0
OCAR	278.6	179.3	221.4	411.3	332.8	349.1	326.6	767.3	301.9	349.0
Charged	90.4	571.5	337.3	307.9	308.9	342.3	350.3	417.1	385.0	342.0
Capital Expenditure	138.9	234.9	270.6	612.8	154.0	361.6	191.2	435.2	130.8	362.0
OCSE	62.9	86.0	76.3	363.0	45.7	228.0	61.3	198.6	37.4	228.0
Development	75.9	148.9	194.3	249.8	108.2	133.7	130.0	236.6	93.3	134.0
Investments in Public Enterprises	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	1,658.0	1,229.8	1,014.5	12.4	891.3	843.6	1,103.3	1,183.9	1,569.6	2,441.0
Memorandum items										
Oil & gas sector revenues	2,347.7	2,471.9	2,097.8	1,684.7	1,849.2	2,101.8	2,226.9	2,663.3	2,606.4	3,659.0
Non-oil sector revenues	163.3	131.4	164.7	126.2	225.9	179.2	255.2	540.1	172.8	219.0
Oil & gas sector (in % of total revenues)	93.5	95.0	92.7	93.0	89.1	92.1	89.7	83.1	93.8	94.4
Non-oil sector revenues (in % of total revenues)	6.5	5.1	7.3	7.0	10.9	7.9	10.3	16.9	6.2	5.7

Source: Expenditure Division, Treasury Department, Ministry of Finance

Table B: Central Bank Survey			
<i>Millions of Brunei Dollars</i>	Jul-08	Aug-08	Sept-08
Net Foreign Assets	985.244	974.770	989.491
Claim On Nonresidents	1,018.961	1,008.487	1,041.574
Liabilities To Nonresidents	-33.717	-33.717	-52.084
Claim On Other Depository Corporations	755.857	799.964	847.473
Net Claim On Central Government	-306.846	-306.845	-306.852
Claims On Central Government	0.664	0.667	0.667
Liabilities To Central Government	-307.510	-307.512	-307.519
Claims On Other Sectors	0.000	0.000	0.000
Claims On Other Financial Corporation	0.000	0.000	0.000
Claims On State and Local Government	0.000	0.000	0.000
Claims On Public Nonfinancial Corporations	0.000	0.000	0.000
Claims On Private Sector	0.000	0.000	0.000
Monetary Base	1,399.605	1,444.046	1,493.160
Currency In Circulation	807.427	835.012	844.509
Liabilities To Other Depository Corporations	592.178	609.034	648.650
Liabilities To Other Sectors	0.000	0.000	0.000
Other Liabilities To Other Depository Corporations	0.000	0.000	0.000
Deposit and Securities Other Than Shares Excluded From Monetary Base	0.000	0.000	0.000
Deposits Included In Broad Money	0.000	0.000	0.000
Securities Other Than Shares Included In Broad	0.000	0.000	0.000
Deposits Excluded From Broad Money	0.000	0.000	0.000
Securities Other Than Shares Excluded From Broad Money	0.000	0.000	0.000
Loans	0.000	0.000	0.000
Financial Derivatives	0.000	0.000	0.000
Shares and Other Equity	115.534	102.272	113.222
Other Items (Net)	-80.886	-78.429	-76.270

Source: Brunei Currency and Monetary Board, Ministry of Finance

Table C: Depository Corporations			
<i>Millions of Brunei Dollars</i>	Jul-08	Aug-08	Sept-08
Net Foreign Assets	8145.5797	7297.5846	10085.457
Claims On Nonresidents	8620.5763	7763.1589	10713.372
Liabilities To Nonresidents	-474.99662	-465.57431	-627.91524
Domestic Claims	4250.7967	4814.1224	2706.8182
Net Claims On Central Government	-2889.0149	-2352.9934	-4624.9692
Claims On Central Government	103.5423	136.89074	114.02009
Liabilities To Central Government	-2992.5572	-2489.8841	-4738.9893
Claims On Other Sectors	7139.8116	7167.1158	7331.7874
Claims On Other Financial Corporations	0.082	0.08	0.081
Claims On State and Local Government	0	0	0
Claims On Public Nonfinancial Corporations	102.774	104.22	97.129
Claims On Private Sector	7036.9556	7062.8158	7234.5774
Broad Money Liabilities	10726.705	10547.29	11199.066
Currency Outside Depository Corporations	673.91705	693.83118	701.71062
Transferable Deposits	3137.2723	3171.1913	3239.1033
Other Deposits	6914.639	6681.3607	7257.2733
Securities Other Than Shares	0.877	0.907	0.979
Deposits Excluded From Broad Money	0	0	0
Securities Other Than Shares Excluded From Broad Money	0	0	0
Loans	0	0	0
Financial Derivatives	0	0	0
Insurance Technical Reserves	0	0	0
Shares and Other Equity	1786.7545	1771.9932	1783.5569
Other Items (Net)	-117.08349	-207.57633	-190.34763

Source: Brunei Currency and Monetary Board, Ministry of Finance

Table D: Monetary Aggregates and Broad Money Components			
<i>Millions of Brunei Dollars</i>	Jul-08	Aug-08	Sept-08
M0	807.43	835.01	844.51
Money	3,811.19	3,865.02	3,940.81
Quasi Money	6,915.52	6,682.27	7,258.25
Broad Money	10,726.71	10,547.29	11,199.07
Broad Money Components			
Currency outside banks	673.92	693.83	701.71
Demand deposits	3137.27	3171.19	3239.10
Money	3811.19	3865.02	3940.81
Fixed deposits, savings & other deposits	6915.52	6682.27	7258.25

Source: Brunei Currency and Monetary Board, Ministry of Finance