

**BDCB Notice No. BU/N-1/2021/68**  
**Pillar 3 – Public Disclosure**  
**Requirements as of**  
**30 June 2025**

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## Overview

Bank of China (Hong Kong) Limited Brunei Branch (“The Branch”) has completed its Pillar 3 – Public disclosure requirements covering the overview of key prudential metrics and Risk-Weighted Assets (“RWA”) in respect of the year as of 30<sup>th</sup> June 2025. The report is prepared with reference to Brunei Darussalam Central Bank (“BDCB”)’s Pillar 3 – Specific Disclosure Requirements. The Branch conducts regular assessment on risk management status and risk governance based on regulatory requirements and assesses the Branch’s level of internal capital adequacy accordingly.

### 1. C1: OVERVIEW OF KEY PRUDENTIAL METRICS AND RWA

#### a. KM1: Key Metrics

	(a)	(b)	(c)	(d)	(e)
	30 June 2025	31 March 2025	31 December 2024	30 September 2024	30 June 2024
	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000
<b><u>Available capital (amounts)</u></b>					
1 Tier 1	<b>130,195</b>	130,174	130,153	118,726	118,722
2 Total capital	<b>131,381</b>	131,611	132,386	119,569	119,755
<b><u>Risk-weighted assets (amounts)</u></b>					
3 Total risk-weighted assets (RWA)	<b>353,771</b>	387,114	432,477	268,490	283,811
<b><u>Risk-based capital ratios as a percentage of RWA</u></b>					
4 Tier 1 ratio (%)	<b>36.80%</b>	33.63%	30.09%	44.22%	41.83%
5 Total capital ratio (%)	<b>37.14%</b>	34.00%	30.61%	44.53%	42.20%

The main increase of tier 1 capital ratio and total capital ratio in Q2 2025 compared to Q1 2025 was mainly due to maturity of trade financing loans from corporate customers which affected the credit risk RWA resulted a total decrease of B\$32,476,000.00. There is no change in the nature of business. However, it can be seen that the position of total CAR is sufficient to meet the Branch’s capital needs.

b. OV1: Overview of Risk Weighted Assets (RWA)

	(a)	(b)	(c)
	RWA		Minimum capital requirements
	30 June 2025	31 March 2025	30 June 2025
	B\$'000	B\$'000	B\$'000
1 Credit risk (Standardised)	319,136	351,612	31,914
2 Market risk (Standardised)	833	1,700	83
3 Operational risk (Basic Indicator Approach)	33,802	33,802	3,380
4 Total (Row 1 + 2 + 3)	353,771	387,114	35,377

In this table, the main driver of decrease in credit risk RWA was mainly due to maturity of trade financing loans in Q2 2025.

## 2. C2: COMPOSITION OF CAPITAL

### a. CC1: Composition of regulatory capital

	(a) 30 June 2025 B\$'000
<b>Tier 1 capital: instruments and reserves</b>	
1 Paid-up Ordinary Shares/Assigned Capital (after deduction of holdings of own capital)	100,037
2 Non-Cumulative, Non-Redeemable Preference Shares	-
3 Share Premium	-
4 Statutory Reserve Fund	16,921
5 Published Retained Profits/ (Accumulated Losses)	13,429
6 General Reserves	-
7 Fair Value Reserves	1
8 <b>Tier 1 capital before regulatory adjustments</b>	<b>130,388</b>
<b>Tier 1 capital: regulatory adjustments</b>	
9 Reciprocal cross-holdings of ordinary shares (as required by BDCB)	-
10 Goodwill	-
11 Other intangible assets	193
12 Advances/financing granted to employees of the bank for the purchase of shares of the bank under a share ownership plan	-
13 Minority Interests held by 3rd parties in Financial Subsidiary	-
14 <b>Total Regulatory adjustments to Tier 1 Capital</b>	<b>193</b>
15 <b>Tier 1 capital</b>	<b>130,195</b>
<b>Tier 2 capital: instruments and provisions</b>	
16 General Credit Loss Reserves (Capped at 1.25% of Credit Risk)	1,186
17 Hybrid (debt/equity) Capital Instruments	-
18 Approved Subordinated Term Debt (Capped at 50% of Core Capital Element)	-
19 <b>Tier 2 capital before regulatory adjustments</b>	<b>1,186</b>
<b>Tier 2 capital: regulatory adjustments</b>	
20 Reciprocal Crossholdings of Tier 2 Capital Instruments	-
21 Minority Interests Arising From Holdings of Tier 2 Instruments in Financial Subsidiaries by Third Parties	-
22 <b>Total regulatory adjustments to Tier 2 capital</b>	<b>-</b>
23 <b>Tier 2 capital (T2)</b>	<b>1,186</b>
24 <b>Allowable Supplementary Capital (Tier 2 Capital)</b>	<b>1,186</b>
25 <b>Sub-Total of Tier 1 and Tier 2 Capital</b>	<b>131,381</b>
26 <b>Deductions/Adjustments 3 to total Amount of Tier 1 and Tier 2 capital</b>	<b>-</b>
27 <b>Significant Investments in Banking, Securities and Other Financial Entities</b>	<b>-</b>
28 <b>Significant Investments in Insurance Entities &amp; Subsidiary</b>	<b>-</b>
29 <b>Significant Investments in Commercial Entities</b>	<b>-</b>
30 <b>Securitisation Exposures (Rated B+ or Below and Unrated)</b>	<b>-</b>
31 <b>Resecuritisation Exposures (Rated B+ or Below and Unrated)</b>	<b>-</b>
32 <b>Total regulatory capital</b>	<b>131,381</b>
33 <b>Total risk-weighted assets</b>	<b>353,771</b>
<b>Capital ratios</b>	
34 <b>Tier 1 (as a percentage of risk-weighted assets)</b>	<b>36.80%</b>
35 <b>Total capital (as a percentage of risk-weighted assets)</b>	<b>37.14%</b>

The increase of Tier 1 and Total capital ratio in 1H 2025 compared to 2H 2024 was resulted from decrease in Total RWA by B\$78,706,000.00 which was mainly due to maturity of trade financing loans from corporate customers.

### 3. C6: CREDIT RISK

#### a. CR1: Credit quality of assets

	(a)	(b)	(c)	(d)	(e)	(f)
	Gross carrying values of		Allowances/ impairments	Of which: ECL accounting provisions for credit losses on SA exposures		Net values
	Defaulted exposures	Non-defaulted exposures		Of which: Specific Allowances	Of which: General Allowances	
	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000
<b>30 June 2025</b>						
1 Loans	-	122,076	(579)	-	(579)	121,497
2 Debt Securities	-	63,498	(7)	-	(7)	63,491
3 Off- balance sheet exposures	-	361,674	(575)	-	(575)	361,099
4 <b>Total</b>	-	547,248	(1,161)	-	(1,161)	546,087

The Branch identifies the exposures as “default” in accordance with the definition of default used for regulatory capital adequacy purpose. Off-balance sheet exposures exclude revocable loan commitments of B\$11,134,000.00

#### b. CR2: Changes in Stock of Defaulted Loans and Debt Securities

	(a)
	30 June 2025
	B\$'000
1 <b>Defaulted loans and debt securities at end of the previous reporting period</b>	-
2 Loans and debt securities that have defaulted since the last reporting period	-
3 Returned to non-defaulted status	-
4 Amounts written off	-
5 Other changes	-
6 <b>Defaulted loans and debt securities at end of the reporting period</b>	-

There was no defaulted loan and debt security for the Branch.

c. CR3: Overview of credit risk mitigation (CRM) techniques

	(a)	(b)	(c)	(d)	(e)
	Exposures unsecured	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000
<b>30 June 2025</b>					
1 Loans	114,893	6,604	4,104	2,500	-
2 Debt securities	63,491	-	-	-	-
3 <b>Total</b>	<b>178,384</b>	<b>6,604</b>	<b>4,104</b>	<b>2,500</b>	<b>-</b>
4 Of which defaulted	-	-	-	-	-

Exposures secured uses cash and guarantees to cover gross exposures for the purpose of credit risk mitigation, as align with BDCB capital adequacy framework.

d. CR4: Standardised approach for Credit risk exposure and credit risk mitigation (CRM) effects

	(a)	(b)	(c)	(d)	(e)	(f)
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	%
<b>30 June 2025</b>						
1 Sovereigns and their central banks	109,544	-	109,544	-	369	0%
2 Non-central government public sector entities	-	-	-	-	-	0%
3 Multilateral development banks	-	-	-	-	-	0%
4 Banks	408,582	148	408,582	74	108,276	26%
5 Securities firm	-	-	-	-	-	0%
6 Corporates	121,598	372,660	114,994	100,070	208,689	97%
7 Regulatory retail portfolios	-	-	-	-	-	0%
8 Secured by residential property	478	-	478	-	167	35%
9 Secured by commercial real estate	-	-	-	-	-	0%
10 Equity	-	-	-	-	-	0%
11 Past-due loans	-	-	-	-	-	0%
12 Higher-risk categories	-	-	-	-	-	0%
13 Other assets	4,440	-	4,440	-	1,635	37%
14 <b>Total</b>	<b>644,642</b>	<b>372,808</b>	<b>638,038</b>	<b>100,144</b>	<b>319,136</b>	<b>43%</b>

The main decrease in credit risk exposure in 1H 2025 compared to 2H 2024 was mainly due to maturity of trade financing loans from corporate customers.

e. CR5: Standardised approach for Exposures by asset classes and risk weights

Asset classes \ Risk Weight	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000
<b>30 June 2025</b>										
1 Sovereigns and their central banks	107,701	-	1,843	-	-	-	-	-	-	109,544
2 Non-central government public sector entities (PSEs)	-	-	-	-	-	-	-	-	-	-
3 Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-	-	-
4 Banks	-	-	320,173	-	88,483	-	-	-	-	408,656
5 Securities firms	-	-	-	-	-	-	-	-	-	-
6 Corporates	-	-	-	-	12,750	-	202,314	-	-	215,064
7 Regulatory retail portfolios	-	-	-	-	-	-	-	-	-	-
8 Secured by residential property	-	-	-	478	-	-	-	-	-	478
9 Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
10 Equity	-	-	-	-	-	-	-	-	-	-
11 Past-due loans	-	-	-	-	-	-	-	-	-	-
12 Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13 Other assets	2,805	-	-	-	-	-	1,635	-	-	4,440
14 Total	110,506	-	322,016	478	101,233	-	203,949	-	-	738,182

The main decrease in credit exposure in 1H 2025 compared to 2H 2024 is mainly due to the maturity of trade financing loans from corporate customers.



#### 4. C9: MARKET RISK

##### a. MR1: Market risk under standardised approach

	(a)
	<b>RWA</b>
	<b>30 June 2025</b>
	<b>B\$'000</b>
1 Interest / Profit rate risk (general and specific)	-
2 Equity risk (general and specific)	-
3 Foreign exchange risk	<b>833</b>
4 Commodity risk	-
<b>5 Total</b>	<b>833</b>