

BDCB Notice No. BU/N-1/2021/68
Pillar 3 – Public Disclosure
Requirements as of
30 September 2023

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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 30th September 2023. 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 September 2023	30 June 2023	31 March 2023	31 December 2022	30 September 2022
	B\$’000	B\$’000	B\$’000	B\$’000	B\$’000
<u>Available capital (amounts)</u>					
1 Tier 1	110,499	110,499	110,500	110,499	103,512
2 Total capital	111,349	111,753	111,691	112,079	104,873
<u>Risk-weighted assets (amounts)</u>					
3 Total risk-weighted assets (RWA)	255,628	297,416	318,825	351,450	355,071
<u>Risk-based capital ratios as a percentage of RWA</u>					
4 Tier 1 ratio (%)	43.23%	37.15%	34.66%	31.44%	29.15%
5 Total capital ratio (%)	43.56%	37.57%	35.03%	31.89%	29.54%

The main increase of tier 1 capital ratio and total capital ratio in Q3 2023 as compared to Q2 2023 was mainly due to maturity of loans and other trade finances business from customers including lower balance and placement with banks that resulted with a total decrease of B\$43,480,800 in credit risk RWA. There is no change in the nature of business. 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 September 2023	30 June 2023	30 September 2023
	B\$'000	B\$'000	B\$'000
1 Credit risk (Standardised)	228,641	272,122	22,864
2 Market risk (Standardised)	3,248	1,555	325
3 Operational risk (Basic Indicator Approach)	23,739	23,739	2,374
4 Total (Row 1 + 2 + 3)	255,628	297,416	25,563

In this table, the main driver of decrease in credit risk RWA was due to maturity of loans and other trade finances business including lower balance and placement with banks in Q3 2023.