

**BDCB Notice No. BU/N-1/2021/68**  
**Pillar 3 – Public Disclosure**  
**Requirements as of**  
**31 March 2022**

**Table of Contents**

Overview ..... 1

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

    a. KM1: Key Metrics ..... 1

    b. OV1: Overview of Risk Weighted Assets (RWA) ..... 2

## 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 31<sup>st</sup> March 2022. 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)
	31 March 2022	31 December 2021	30 September 2021	30 June 2021	31 March 2021
	B\$'000	B\$'000	B\$'000	B\$'000	B\$'000
<b><u>Available capital (amounts)</u></b>					
1 Tier 1	103,513	103,457	99,656	99,601	99,545
2 Total capital	104,839	104,770	100,687	100,687	101,085
<b><u>Risk-weighted assets (amounts)</u></b>					
3 Total risk-weighted assets (RWA)	335,065	309,410	241,390	307,440	289,312
<b><u>Risk-based capital ratios as a percentage of RWA</u></b>					
4 Tier 1 ratio (%)	30.89%	33.44%	41.28%	32.40%	34.41%
5 Total capital ratio (%)	31.29%	33.86%	41.71%	32.75%	34.94%

The main decrease of tier 1 capital ratio and total capital ratio in Q1 2022 compared to Q4 2021 was mainly due to the increase of new loans from customers which affected the credit risk RWA resulted a total increase of B\$ 25,655,000.00. There is no change in the nature of business and business is improving gradually since the pandemic outbreak in March 2020. However, it can be seen that the position of total CAR is still sufficient to meet the Branch’s capital needs.

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

	(a)	(b)	(c)
	RWA		Minimum capital requirements
	31 March 2022	31 December 2021	31 March 2022
	B\$'000	B\$'000	B\$'000
1 Credit risk (Standardised)	316,190	294,402	31,619
2 Market risk (Standardised)	1,404	1,460	140
3 Operational risk (Basic Indicator Approach)	17,471	13,548	1,747
4 Total (Row 1 + 2 + 3)	335,065	309,410	33,507

In this table, the main driver of significant increase in credit risk RWA was due to new customer loans and other trade finances business in Q1 2022. Business is generally improving comparing Q4 2021 with Q1 2022 as the global economy is recovering despite resurging pandemic.