

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

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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 September 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)
	30 September 2022	30 June 2022	31 March 2022	31 December 2021	30 September 2021
	B\$’000	B\$’000	B\$’000	B\$’000	B\$’000
<b><u>Available capital (amounts)</u></b>					
1 Tier 1	103,512	103,513	103,513	103,457	99,656
2 Total capital	104,873	104,655	104,839	104,770	100,687
<b><u>Risk-weighted assets (amounts)</u></b>					
3 Total risk-weighted assets (RWA)	355,071	379,900	335,065	309,410	241,390
<b><u>Risk-based capital ratios as a percentage of RWA</u></b>					
4 Tier 1 ratio (%)	29.15%	27.25%	30.89%	33.44%	41.28%
5 Total capital ratio (%)	29.54%	27.55%	31.29%	33.86%	41.71%

The main increase of tier 1 capital ratio and total capital ratio in Q3 2022 compared to Q2 2022 was mainly due to maturity of loans and other trade finances business from customers which affected the credit risk RWA resulted a total decrease of B\$ 24,829,000.00. 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 September 2022	30 June 2022	30 September 2022
	B\$'000	B\$'000	B\$'000
1 Credit risk (Standardised)	333,261	359,527	33,326
2 Market risk (Standardised)	4,334	2,897	433
3 Operational risk (Basic Indicator Approach)	17,476	17,476	1,748
4 Total (Row 1 + 2 + 3)	<b>355,071</b>	379,900	<b>35,507</b>

In this table, the main driver of decrease in credit risk RWA was due to maturity of loans and other trade finances business in Q3 2022.