

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

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 31st March 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)
	31 March 2023	31 December 2022	30 September 2022	30 June 2022	31 March 2022
	B\$’000	B\$’000	B\$’000	B\$’000	B\$’000
<u>Available capital (amounts)</u>					
1 Tier 1	110,500	110,499	103,512	103,513	103,513
2 Total capital	111,691	112,079	104,873	104,655	104,839
<u>Risk-weighted assets (amounts)</u>					
3 Total risk-weighted assets (RWA)	318,825	351,450	355,071	379,900	335,065
<u>Risk-based capital ratios as a percentage of RWA</u>					
4 Tier 1 ratio (%)	34.66%	31.44%	29.15%	27.25%	30.89%
5 Total capital ratio (%)	35.03%	31.89%	29.54%	27.55%	31.29%

The main increase of tier 1 capital ratio and total capital ratio in Q1 2023 compared to Q4 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\$ 38,596,000.00. 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
	31 March 2023	31 December 2022	31 March 2023
	B\$'000	B\$'000	B\$'000
1 Credit risk (Standardised)	294,031	332,627	29,403
2 Market risk (Standardised)	1,055	1,347	106
3 Operational risk (Basic Indicator Approach)	23,739	17,476	2,374
4 Total (Row 1 + 2 + 3)	318,825	351,450	31,883

In this table, the main driver of decrease in credit risk RWA was due to maturity of loans and other trade finances business in Q1 2023.