

PILLAR 3 DISCLOSURE

UNAUDITED AS AT JUNE 30, 2025

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1 SCOPE OF APPLICATION

The Pillar 3 Disclosure is prepared on a bank solo as well as on a consolidated basis of the Group, i.e. the Bank ("Baiduri Bank Sdn Bhd") and its subsidiaries ("Baiduri Finance Berhad" & "Baiduri Capital Sdn Bhd"). The financial statements of the Bank and the Group have been prepared in accordance with the Brunei Darussalam Companies Act, Chapter. 39, the Brunei Darussalam Banking Act (Chapter 95) and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

2 OVERVIEW OF KEY PRUDENTIAL METRICS AND RWA

2.1 Key Metrics

	Bank	Jun 2025 B\$'000	Mar 2025 B\$'000	Dec 2024 B\$'000	Sep 2024 B\$'000	Jun 2024 B\$'000
	<u>Available capital</u>					
1	Tier 1	637,313	636,268	635,271	577,082	575,974
2	Total Capital	601,725	602,942	599,496	542,677	539,569
	<u>Risk-weighted assets</u>					
3	Total risk-weighted assets (RWA)	2,653,766	2,513,309	2,477,337	2,369,526	2,453,064
	<u>Risk-based capital ratios as a percentage of RWA</u>					
4	Tier 1 ratio (%)	24.02%	25.32%	25.64%	24.35%	23.48%
5	Total capital ratio (%)	22.67%	23.99%	24.20%	22.90%	22.00%

	Group	Jun 2025 B\$'000	Mar 2025 B\$'000	Dec 2024 B\$'000	Sep 2024 B\$'000	Jun 2024 B\$'000
	<u>Available capital</u>					
1	Tier 1	758,617	757,345	756,077	690,033	688,638
2	Total Capital	777,473	778,548	773,127	715,375	710,407
	<u>Risk-weighted assets</u>					
3	Total risk-weighted assets (RWA)	3,371,031	3,229,029	3,202,821	3,094,927	3,172,294
	<u>Risk-based capital ratios as a percentage of RWA</u>					
4	Tier 1 ratio (%)	22.50%	23.45%	23.61%	22.30%	21.71%
5	Total capital ratio (%)	23.06%	24.11%	24.14%	23.11%	22.39%

2.2 Overview of Risk Weighted Assets (RWA)

		<u>Risk-weighted Assets</u>		<u>Minimum Capital Requirements</u>
		<u>Jun 2025</u>	<u>Mar 2025</u>	
		B\$'000	B\$'000	B\$,000
	<u>Bank</u>			
1	Credit risk (Standardised)	2,320,608	2,178,628	232,061
2	Market risk (Standardised)	2,977	4,500	298
3	Operational risk (Basic indicator Approach)	330,181	330,181	33,018
4	Total	2,653,766	2,513,309	265,377
	<u>Group</u>			
1	Credit risk (Standardised)	2,972,934	2,829,373	297,293
2	Market risk (Standardised)	2,603	4,162	260
3	Operational risk (Basic indicator Approach)	395,494	395,494	39,549
4	Total	3,371,031	3,229,029	337,103

3 COMPOSITION OF CAPITAL

3.1 Composition of Regulatory Capital as at Jun 30, 2025

	Bank	Group
	B\$'000	B\$'000
Tier 1 capital: Instruments and reserves	637,313	758,617
1 Paid-up Ordinary Shares/Assigned Capital (after deduction of holdings of own capital)	180,000	180,000
2 Non-Cumulative, Non-Redeemable Preference Shares	-	-
3 Share Premium	-	-
4 Statutory Reserve Fund	204,432	255,237
5 Published Retained Profits/(Accumulated Losses)	247,727	318,226
6 General Reserves	5,154	5,154
7 Fair Value Reserves	-	-
8 Tier 1 capital before regulatory adjustments	637,313	758,617
Tier 1 capital: regulatory adjustments	-	-
9 Reciprocal crossholdings of ordinary shares (as required by BDCB)	-	-
10 Goodwill	-	-
11 Other intangible assets	-	-
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 3 rd parties in Financial Subsidiary	-	-
14 Total Regulatory adjustments to Tier 1 Capital	-	-
15 Tier 1 capital	-	-
Tier 2 capital: instruments and provisions	12,361	18,856
16 General Credit Loss Reserves (Capped at 1.25% of Credit Risk)	12,361	18,856
17 Hybrid (debt/equity) Capital Instruments	-	-
18 Approved Subordinated Term Debt (Capped at 50% of Core Capital Element)	-	-
19 Tier 2 capital before regulatory adjustments	-	-
Tier 2 capital: regulatory adjustments	-	-
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 Total regulatory adjustments to Tier 2 capital	-	-
23 Tier 2 capital (T2)	12,361	18,856
24 Allowable Supplementary Capital (Tier 2 Capital)	12,361	18,856
25 Sub-Total of Tier 1 and Tier 2 Capital	649,674	777,473
26 Deductions/Adjustments 3 to total Amount of Tier 1 and Tier 2 Capital	47,949	-
27 Significant Investments in Banking, Securities and other Financial Entities	-	-
28 Significant Investments in Insurance, Entities & Subsidiary	47,949	-
29 Significant Investments in Commercial Entities	-	-
30 Securitisation Exposures (Rated B or Below and Unrated)	-	-
31 Re-securitisation Exposures (Rated B+ or Below and Unrated)	-	-
32 Total regulatory capital (TC = T1 + T2)	601,725	777,473
33 Total risk-weighted assets	2,653,766	3,371,031
Capital ratios		
34 Tier 1 (as a percentage of risk-weighted assets)	24.02%	22.50%
35 Total capital (as a percentage of risk-weighted assets)	22.67%	23.06%

4 CREDIT RISK

4.1 Credit Quality of Assets

		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
<u>Bank as at Jun 30, 2025</u>							
1	Loans	72,492	1,709,701	(47,462)	(35,738)	(11,724)	1,734,731
2	Debt securities	-	1,002,397	(97)	(97)	-	1,002,300
3	Off-balance sheet exposures	5,960	895,908	(880)	(243)	(637)	900,988
4	Total	78,452	3,608,006	(48,439)	(36,078)	(12,361)	3,638,019
<u>Group as at Jun, 2025</u>							
1	Loans	81,139	2,624,547	(64,613)	(46,394)	(18,219)	2,641,073
2	Debt securities	-	1,002,397	(97)	(97)	-	1,002,300
3	Off-balance sheet exposures	5,960	895,908	(880)	(243)	(637)	900,988
4	Total	87,099	4,522,852	(65,590)	(46,734)	(18,856)	4,544,361

Definition of default:

The Baiduri Bank Group considers the following definition as an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators of Credit-impaired financial assets. The definition is applied consistently period to period and reviewed to ensure accurate reflection of what constitutes a default in the current economic environment.

The Group ensures its list of Unlikely to Pay ("UTP") criteria reflect the current UTP indicators that are evident from borrowers' non-payment behaviour in the current economic environment. Where an increasing amount of balances may be subject to longer 'days past due', the Group exercises care in applying the 90 dpd rebuttable presumption, especially where principal payment holidays are introduced, during which borrowers are permitted to defer certain payments, where such payments are no longer past due.

4.2 Changes in Stock of Defaulted Loans and Debt Securities as at Jun 30, 2025

	Bank B\$'000	Group B\$'000
1 Defaulted loans and debt securities at Jun 30, 2024	72,005	79,243
2 Loans and debt securities that have defaulted since Jun 30, 2024	6,299	13,438
3 Returned to non-defaulted status	(829)	(3,009)
4 Amounts written off	(955)	(4,338)
5 Other changes	1,932	1,765
6 Defaulted loans and debt securities at Jun 30, 2025	78,452	87,099

4.3 Overview of Credit Risk Mitigation (CRM) Techniques as at Jun 30, 2025

	Exposures Unsecured B\$'000	Exposures Secured B\$'000	Exposures secured by Collateral B\$'000	Exposures secured by Financial Guarantees B\$'000	Exposures secured by credit Derivatives B\$'000
Bank					
1 Loans	971,295	763,436	763,436	-	-
2 Debt securities	1,002,300	-	-	-	-
3 Total	1,973,595	763,436	763,436	-	-
4 Of which defaulted	382	44,780	44,780		
Group					
1 Loans	1,061,874	1,579,199	1,579,199	-	-
2 Debt securities	1,002,300	-	-	-	-
3 Total	2,064,174	1,579,199	1,579,199	-	-
4 Of which defaulted	420	49,721	49,721	-	-

4.4 Standardised Approach for Credit Risk Exposure and Credit Risk Mitigation (CRM) Effects

		Bank as at Jun 30, 2025					
		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
1	Sovereigns and their central banks	599,910	-	599,910	-	-	0.00%
2	Non-central government public sector entities	-	-	-	-	-	0.00%
3	Multilateral development banks	-	-	-	-	-	0.00%
4	Claims on banks and financial institutions	1,356,296	233,000	1,356,296	116,500	647,740	43.98%
5	Securities firms	-	-	-	-	-	0.00%
6	Corporates	1,041,760	1,448,100	913,966	99,776	995,188	98.17%
7	Regulatory retail portfolios	212,924	-	209,967	-	160,669	76.52%
8	Secured by residential property	257,036	-	254,262	-	182,746	71.87%
9	Secured by commercial real estate	226,919	-	220,627	-	220,627	100.00%
10	Equity	288	-	288	-	432	150.00%
11	Past due loans	45,162	-	33,846	-	38,296	113.15%
12	Higher-risk categories	-	-	-	-	-	0.00%
13	Other assets	284,562	-	284,562	-	74,910	26.32%
14	Total	4,024,857	1,681,100	3,873,724	216,276	2,320,608	56.74%

Group as at Jun 30, 2025

Asset Classes		Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	599,910	-	599,910	-	-	0.00%
2	Non-central government public sector entities	-	-	-	-	-	0.00%
3	Multilateral development banks	-	-	-	-	-	0.00%
4	Claims on banks and financial institutions	1,179,022	233,000	1,179,022	116,500	561,187	43.32%
5	Securities firms	-	-	-	-	-	0.00%
6	Corporates	1,094,058	1,448,100	966,260	99,776	1,047,482	98.26%
7	Regulatory retail portfolios	1,068,484	-	1,065,527	-	802,339	75.30%
8	Secured by residential property	257,036	-	254,262	-	182,746	71.87%
9	Secured by commercial real estate	226,919	-	220,627	-	220,627	100.00%
10	Equity	288	-	288	-	432	150.00%
11	Past due loans	50,141	-	38,825	-	43,275	111.46%
12	Higher-risk categories	-	-	-	-	-	0.00%
13	Other assets	375,241	-	375,241	-	114,846	30.61%
14	Total	4,851,099	1,681,100	4,699,962	216,276	2,972,934	60.47%

4.5 Standardised Approach for Exposure by Asset Classes and Risk Weights

Bank as at Jun 30, 2025		0%	10%	20%	35%	50%	75%	100%	150%	Others	Total Credit exposures (post CCF and post CRM)
1	Sovereigns and their central banks	599,910	-	-	-	-	-	-	-	-	599,910
2	Non-central government public sector entities	-	-	-	-	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-
4	Claims on banks and financial institutions	-	-	526,654	-	807,468	-	138,674	-	-	1,472,796
5	Securities firms	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	23,569	-	-	-	990,173	-	-	1,013,742
7	Regulatory retail portfolios	-	-	-	-	-	197,192	12,775	-	-	209,967
8	Secured by residential property	-	-	-	19,876	-	234,386	-	-	-	254,262
9	Secured by commercial real estate	-	-	-	-	-	-	220,627	-	-	220,627
10	Equity	-	-	-	-	-	-	-	288	-	288
11	Past due loans	-	-	-	-	-	-	24,946	8,900	-	33,846
12	Higher risk categories	-	-	-	-	-	-	-	-	-	-
13	Other assets	209,652	-	-	-	-	-	74,910	-	-	284,562
14	Total	809,562	-	550,223	19,876	807,468	431,578	1,462,105	9,188	-	4,090,000

Group as at Jun 30, 2025		0%	10%	20%	35%	50%	75%	100%	150%	Others	Total Credit exposures (post CCF and post CRM)
1	Sovereigns and their central banks	599,910	-	-	-	-	-	-	-	-	599,910
2	Non-central government public sector entities	-	-	-	-	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-
4	Claims on banks and financial institutions	-	-	526,654	-	626,025	-	142,843	-	-	1,295,522
5	Securities firms	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	23,569	-	-	-	1,042,467	-	-	1,066,036
7	Regulatory retail portfolios	-	-	-	-	-	1,052,752	12,775	-	-	1,065,527
8	Secured by residential property	-	-	-	19,876	-	234,386	-	-	-	254,262
9	Secured by commercial real estate	-	-	-	-	-	-	220,627	-	-	220,627
10	Equity	-	-	-	-	-	-	-	288	-	288
11	Past due loans	-	-	-	-	-	-	29,925	8,900	-	38,825
12	Higher risk categories	-	-	-	-	-	-	-	-	-	-
13	Other assets	260,395	-	-	-	-	-	114,846	-	-	375,241
14	Total	860,305	-	550,223	19,876	626,025	1,287,138	1,563,483	9,188	-	4,916,238

5 MARKET RISK**5.1 Market Risk under Standardised Approach as at Jun 30, 2025**

	Risk Weighted Assets	
	Bank	Group
	B\$'000	B\$,000
Interest/Profit Rate Risk	-	-
Equity Position Risk	-	-
Foreign Exchange Risk	2,977	2,603
Commodity Risk	-	-
Total	2,977	2,603