

PILLAR 3 DISCLOSURE

UNAUDITED AS AT 30 SEPTEMBER 2020

CAPITAL ADEQUACY

The Group's regulator, Autoriti Monetari Brunei Darussalam sets and monitors capital requirements for the Group.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Group's overall strategy remains unchanged from the previous financial year.

The capital structure of the Group consists of equity of the Bank (comprising issued capital, reserves, and retained earnings).

The Group has complied with all imposed capital requirements at all times during the reporting period.

	Bank	Group
	Sep 2020	Sep 2020
	B\$'000	B\$'000
Capital		
Core Capital (Tier I Capital)	404,167	506,609
Supplementary Capital (Tier II Capital)	19,360	27,560
Less: Investment in Subsidiaries	(47,949)	-
Total Capital base	375,578	534,169
Risk-weighted amount		
Risk-Weighted amount for Credit Risk	1,548,840	2,204,797
Risk-Weighted amount for Operational Risk	265,271	324,674
Risk-Weighted amount for Market Risk	5,499	5,411
Total Risk-weighted amount	1,819,610	2,534,882
Capital Ratios		
Core Capital (Tier I) Ratio, %	20.64	19.99
Total Capital Ratio, %	20.64	21.07

COMPOSITION OF CAPITAL

	Bank
	Sep 2020
	B\$'000
Tier 1 Capital	404,167
Paid-up Ordinary Shares/Assigned Capital (after deduction of holdings of own capital)	180,000
Statutory Reserve Fund	139,167
Published Retained Profits/(Accumulated Losses)	77,974
General Reserves	5,154
Prudential Reserve for Credit Losses	1,872
Tier 2 Capital	19,360
Collective Impairment/Allowance – Allowable (Capped at 1.25% of Credit Risk)	19,360
Sub-Total of Tier 1 and Tier 2 Capital	423,527
Deduction for Significant Investments in Insurance Entities & Subsidiary	(47,949)
Total Regulatory Capital (Capital Base)	375,578

	Group
	Sep 2020
	B\$'000
Tier 1 Capital	506,609
Paid-up Ordinary Shares/Assigned Capital (after deduction of holdings of own capital)	180,000
Statutory Reserve Fund	177,878
Published Retained Profits/(Accumulated Losses)	141,242
General Reserves	5,154
Prudential Reserve for Credit Losses	2,335
Tier 2 Capital	27,560
Collective Impairment/Allowance – Allowable (Capped at 1.25% of Credit Risk)	27,560
Sub-Total of Tier 1 and Tier 2 Capital	534,169
Total Regulatory Capital (Capital Base)	534,169