

PILLAR 3 DISCLOSURE

UNAUDITED AS AT MARCH 31, 2021

CAPITAL ADEQUACY

The Group's regulator, Autoriti Monetari Brunei Darussalam ("AMBD") 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 and its subsidiaries (comprising issued capital, reserves, and retained earnings).

The Group has complied with all imposed capital requirements at all times during the reporting period. Management monitors capital based on "capital funds" as defined under the Brunei Darussalam Banking Order, 2006.

	Bank Mar 2021 B\$'000	Group Mar 2021 B\$'000
Capital		
Core Capital (Tier I Capital)	435,281	530,965
Supplementary Capital (Tier II Capital)	14,912	18,808
Less: Investment in Subsidiaries	(47,949)	-
Total Capital base	402,244	549,773
Risk-weighted amount		
Risk-weighted amount for Credit Risk	1,667,288	2,341,713
Risk-weighted amount for Operational Risk	267,148	322,211
Risk-weighted amount for Market Risk	3,358	3,069
Total Risk-weighted amount	1,937,794	2,666,993
Capital Ratios		
Core Capital (Tier I) Ratio, %	22.46%	19.91%
Total Capital Ratio, %	20.76%	20.61%

COMPOSITION OF CAPITAL

	Bank
	Mar 2021
	B\$'000
Tier 1 Capital	435,281
Paid-up Ordinary Shares/Assigned Capital (after deduction of holdings of own capital)	180,000
Statutory Reserve Fund	146,648
Published Retained Profits (after deduction of proposed dividends)	103,097
General Reserves	5,154
Prudential Reserve for Credit Losses	382
Tier 2 Capital	14,912
Collective Impairment/Allowance	14,912
Collective Impairment/Allowance – Allowable (Capped at 1.25% of Credit Risk)	14,912
Sub-Total of Tier 1 and Tier 2 Capital	450,193
Deduction for Significant Investments in Subsidiaries	(47,949)
Total Regulatory Capital (Capital Base)	402,244

	Group
	Mar 2021
	B\$'000
Tier 1 Capital	530,965
Paid-up Ordinary Shares/Assigned Capital (after deduction of holdings of own capital)	180,000
Statutory Reserve Fund	187,237
Published Retained Profits (after deduction of proposed dividends)	157,426
General Reserves	5,154
Prudential Reserve for Credit Losses	1,148
Tier 2 Capital	18,808
Collective Impairment/Allowance	18,808
Collective Impairment/Allowance – Allowable (Capped at 1.25% of Credit Risk)	18,808
Sub-Total of Tier 1 and Tier 2 Capital	549,773
Total Regulatory Capital (Capital Base)	549,773