



RHB Bank Berhad
Brunei Darussalam Branch

Pillar 3 Disclosures

30th June 2024

**RHB BANK BERHAD
BRUNEI DARUSSALAM BRANCH
PILLAR 3 DISCLOSURES AS AT 30th JUNE 2024**

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1.0 Disclosure A: Scope of Application

This document covers the quantitative information as at 30th June 2024. The disclosure was prepared in compliance with the requirements set forth in Brunei Darussalam Central Bank (BDCB) Notification No. BU/N-1/2021/68 dated 02nd April 2021.

RHB Bank Berhad Brunei Darussalam branch (“the Bank”) is a branch office of RHB Bank Berhad and is part of RHB Banking Group with its Head Office in Malaysia. In operating the business, RHB Bank Berhad Brunei Darussalam branch is guided by the Group Policies, Bank Negara Malaysia’s Guidelines and BDCB’s Guidelines, whichever is more stringent.

Table 1: Key Metrics

		June 2024	March 2024	December 2023	September 2023	June 2023
Available Capital (BND'000)						
1	Tier 1	46,459.00	46,459.00	46,459.00	44,844.00	44,844.00
2	Total Capital	46,685.00	46,812.00	46,713.00	45,099.00	45,115.00
Risk-weighted assets (BND'000)						
3	Total risk-weighted assets (RWA)	86,487.32	95,426.51	97,301.27	100,213.01	101,034.23
Risk-based capital ratios as a percentage of RWA						
4	Tier 1 ratio (%)	53.72	48.69	47.75	44.75	44.38
5	Total capital ratio (%)	53.98	49.06	48.01	45.00	45.65

Total risk-weighted assets (RWA) decreased quarter-on-quarter in June 2024 against March 2024, mainly driven by lower gross loan and advances and lower amount in interbank placement. Thus, the Tier 1 ratio and Total Capital ratio improved to 53.72% and 53.98% respectively. Both ratios remained healthy and the TCR is above the minimum regulatory requirement of 10%.

Table 2: Overview of Risk Weighted Assets (RWA)

		RWA (BND'000)		Minimum capital requirements
		June 2024	March 2024	June 2024
1	Credit risk (Standardised)	77,752.75	86,396.43	7,775.28
2	Market risk (Standardised)	340.19	635.71	34.02
3	Operational risk (Basic Indicator Approach)	8,394.38	8,394.38	839.44
4	Total	86,487.32	95,426.51	8,648.73

Total risk-weighted assets (RWA) decreased quarter-on-quarter from March 2024 to June 2024. This is mainly driven by lower gross loan and advances and lower amount in interbank placement.

Table 3: Composition of regulatory capital

June 2024

		Amounts (BND'000)
	Tier 1 capital: instruments and reserves	
1	Paid-up Ordinary Shares/Assigned Capital (after deduction of holdings of own capital)	30,000.00
2	Non-Cumulative, Non-Redeemable Preference Shares	-
3	Share Premium	-
4	Statutory Reserve Fund	8,089.00
5	Published Retained Profits/(Accumulated Losses)	8,370.00
6	General Reserves	-
7	Fair Values Reserves	-
8	Tier 1 capital before regulatory adjustments	46,459.00
	Tier 1 capital: regulatory adjustments	
9	Reciprocal cross-holdings 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 Tier1 Capital	-
15	Tier 1 capital	46,459.00
	Tier 2 capital: instruments and provision	
16	General Credit Loss Reserves (Capped at 1.25% of Credit Risk)	226.00
17	<i>Hybrid (debt/equity) Capital Instruments</i>	-
18	Approved Subordinated Term Debt (Capped at 50% of Core Capital Element)	-
19	Tier 2 Capital before regulatory adjustments	226.00
	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)	226.00
24	Allowable Supplementary Capital (Tier 2 Capital)	-
25	Sub-Total of Tier 1 AND Tier 2 Capital	46,685.00
26	Deductions/Adjustments 3 to total Amount of Tier 1 and Tier 2 capital	-

		Amounts (BND'000)
27	Significant Investments in Banking, Securities and Other Financial Entities	-
28	Significant Investments in Insurance Entities & Subsidiary	-
29	Significant Investments in Commercial Entities	-
30	Securitisation Exposures (Rated B+ or Below and Unrated)	-
31	Resecuritisation Exposures (Rated B+ or Below and Unrated)	-
32	Total regulatory capital (TC = T1 + T2)	46,685.00
33	Total risk-weighted assets	86,487.32
	Capital ratios	
34	Tier 1 (as a percentage of risk-weighted assets)	53.72
35	Total capital (as a percentage of risk-weighted assets)	53.98

Table 4: Credit quality of assets

June 2024

(BND'000)		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	
1	Loans	1,226	58,189	(414)	(189)	(225)	59,001
2	Debt Securities	-	10,883	-	-	-	10,883
3	Off-balance sheet exposures	-	2,533	-	-	-	2,533
4	Total	1,226	71,605	(414)	(189)	(225)	72,417

Table 5: Changes in stock of defaulted loans and debt securities

June 2024

		BND'000
1	Defaulted loans and debt securities at the end of the previous reporting period	1,163
	Loans and debt securities that have defaulted since the last reporting period	75
3	Returned to non-defaulted status	(35)
4	Amounts written off	-
5	Other changes	23
6	Defaulted loans and debt securities at the end of reporting period	1,226

Table 6: Overview of credit risk mitigation (CRM) techniques

June 2024

	(BND'000)	Exposures unsecured	Exposures secured	Exposures secured by collateral *	Exposures secured by financial guarantees *	Exposures secured by credit derivatives
1	Loans	17,292	42,123	42,123		-
2	Debt securities	10,883	-	-		-
3	Total	28,175	42,123	42,123		-
4	Of which defaulted	119	1,107	1,107		-

* Figures for exposure secured by collateral and financial guarantees are reported as merged (i.e. Loans and Debt Securities combined) as some of the customers' loans are secured by multi-collateral including property, fixed deposit and guarantees.

Table 7: Standardised approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

June 2024

Asset classes (BND'000)		Exposures before CCF and CRM		Exposures post- CCF and CFM		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	36,527	-	36,527	-	0	0%
2	Non-central government public sector entities	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	60,922	-	60,922	-	19,727	32.38%
5	Securities firms	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	-
7	Regulatory retail portfolios	44,234	12,890	44,234	3,102	42,720	96.58%
8	Secured by residential property	13,955	-	13,955	-	8,876	63.60%
9	Secured by commercial real estate	-	-	-	-	-	-
10	Equity	-	-	-	-	-	-
11	Past-due loans	1,226	-	1,161	-	1,161	100%
12	Higher-risk categories	-	-	-	-	-	-
13	Other assets	7,821	-	7,821	-	2,942	37.62%
14	Total	164,685	12,890	164,620	3,102	75,425	44.97%

Table 8: Standardised Approach – Exposures by asset classes and risk weights
June 2024

	Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure amount (post CCF and post CRM)
	Asset classes (BND'000)										
1	Sovereign and their central banks	36,527	-	-	-	-	-	-	-	-	36,527
2	Non-central government public sectors entities (PSEs)	-	-	-	-	-	-	-	-	-	-
3	Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-	-	-
4	Banks	-	-	35,676	-	25,309	-	(63)	-	-	60,922
5	Securities firms	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	-	-	-	-	-
7	Regulatory retail portfolios	-	-	-	-	-	6,055	38,179	-	-	44,234
8	Secured by residential property	-	-	-	3,976	-	9,979	-	-	-	13,955
9	Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-

	Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	Others	Total credit exposure amount (post CCF and post CRM)
	Asset classes (BND'000)										
10	Equity	-	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-	1,161	-	-	1,161
12	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13	Other assets	2,991	-	2,360	-	-	-	2,470	-	-	9,419
14	Total	39,518	-	38,036	3,976	25,309	16,034	41,747	-	-	164,620

Table 9: Market Risk under the *Standardised Approach***June 2024**

	RWA (BND'000)
1 Interest rate risk (general and specific)	-
2 Equity risk (general and specific)	-
3 Foreign exchange risk	340.19
4 Commodity risk	-
5 Total	340.19