



RHB Bank Berhad
Brunei Darussalam Branch

Pillar 3 Disclosures

31st March 2023

**RHB BANK BERHAD
BRUNEI DARUSSALAM BRANCH
PILLAR 3 DISCLOSURES AS AT 31st MARCH 2023**

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1.0 Disclosure A: Scope of Application

This document covers the quantitative information as at 31st March 2023. The quarterly disclosure is prepared in compliance with the requirements set forth in Brunei Darussalam Central Bank (BDCB) Notification No. BU/N-3/2021/68 dated 2nd 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.

2.0 Overview of key prudential metrics and RWA

2.1 Key Metrics

		March 2023	December 2022	September 2022	June 2022	March 2022
	Available Capital (BND'000)					
1	Tier 1	44,844.00	44,844.00	43,582.00	43,582.00	43,582.00
2	Total Capital	45,139.00	45,077.00	43,754.00	43,790.00	43,749.00
	Risk-weighted assets (BND'000)					
3	Total risk-weighted assets (RWA)	98,268.61	100,808.06*	96,289.82	97,016.07	92,885.44
	Risk-based capital ratios as a percentage of RWA					
4	Tier 1 ratio (%)	45.63	44.48	45.26	44.92	46.92
5	Total capital ratio (%)	45.93	44.72	45.44	45.14	47.10

Total Risk-Weighted Assets (RWA) decreased quarter-on-quarter for March 2023 against December 2022, mainly driven by lower RWA from shorter-term interbank placement which attracts lower risk weight. (Note: Placements with less than 3 months attract 20% RWA charges whilst placements of more than 3 months attract 50% RWA charges).

Thus, the Tier 1 ratio and Total Capital ratio improved to 45.63% and 45.93% respectively. Both ratios remained healthy and the TCR is above the minimum regulatory requirement of 10%.

* Note:

Minor revision on the Operational RWA for December 2022 figure (from BND7,645.63 to BND7,613.75) post external auditor confirmation resulting in Total RWA of BND100,808.06 against BND100,839.94.

2.2 Overview of Risk-Weighted Assets (RWA)

	RWA (BND'000)		Minimum capital requirements
	March 2023	December 2022	March 2023
1 Credit risk (Standardised)	90,156.45	92,901.95	9,015.64
2 Market risk (Standardised)	498.41	292.36	49.84
3 Operational risk (Basic Indicator Approach)	7,613.75	7,613.75*	761.38
4 Total	98,268.61	100,808.06*	9,826.86

Total RWA decreased slightly in March 2023 as compared to December 2022, mainly from lower credit risk RWA from shorter-term interbank placement which attracts lower risk weight, offset slightly by higher market risk RWA.

Market risk increased quarter-on-quarter mainly due to higher Foreign Exchange Net Open Position (FXNOP) arising from higher Nostro balance in March 2023 against December 2022.

* Note:

Minor revision on the Operational RWA for December 2022 figure (from BND7,645.63 to BND7,613.75) post external auditor confirmation resulting in Total RWA of BND100,808.06 against BND100,839.94.