

OCBC Group Regulatory Capital Position As at 31 Dec 2016

S\$'m

				5\$ m
		Amount	Amount subject to Pre-Basel	Source
			III Treatment	
	Common Equity Tier 1 capital: instruments and reserves			
-	Paid-up ordinary shares and share premium (if applicable)	14,107		a
	Retained earnings Accumulated other comprehensive income and other disclosed reserves	20,214 1,144		d e
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	.,		<u> </u>
	Minority interest that meets criteria for inclusion	228	(42)	g
	Common Equity Tier 1 capital before regulatory adjustments Common Equity Tier 1 capital: regulatory adjustments	35,693		
	Valuation adjustment pursuant to Part VIII of MAS Notice 637	0		i
	Goodwill, net of associated deferred tax liability	2,824	1,883	V
-	Intangible assets, net of associated deferred tax liability Deferred tax assets that rely on future profitability	422 180	282 120	W-j +
	Cash flow hedge reserve	-	-	
12	Shortfall of TEP relative to EL under IRBA	-	-	
	Increase in equity resulting from securitisation transactions	-	-	
	Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	_		
	Defined benefit pension fund assets, net of associated deferred tax liability	-	-	
16	Investments in own shares	3		р
18	Reciprocal cross-holdings in ordinary shares of financial institutions Capital investments in ordinary shares of unconsolidated financial institutions in which Reporting Bank does not hold a major stake	-		
19	Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act			_
	(including insurance subsidiaries) (amount above 10% threshold)	3,119	2,079	(q+u) - 3,226 ¹
	Mortgage servicing rights (amount above 10% threshold) Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)			
	Amount exceeding the 15% threshold	-		
	of which: investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)	-		
	of which: mortgage servicing rights of which: deferred tax assets arising from temporary differences			
	National specific regulatory adjustments	-		
26A	PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments	-	-	
	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	-	-	
	Capital deficits in subsidiaries and associates that are regulated financial institutions Any other items which the Authority may specify	-	<u>-</u>	
27	Regulatory adjustments applied in calculation of CET1 Capital due to insufficient AT1 Capital to satisfy required			
	deductions Total regulatory adjustments to CET1 Capital	- 6,550		
	Total regulatory adjustments to CET1 Capital Common Equity Tier 1 capital (CET1)	29,143		
	Additional Tier 1 capital: instruments			
	AT1 capital instruments and share premium (if applicable)	499 499		С
	of which: classified as equity under the Accounting Standards of which: classified as liabilities under the Accounting Standards	499		
33	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	2,500		b+f
	AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	110		h+k
	of which: instruments issued by subsidiaries subject to phase out Additional Tier 1 capital before regulatory adjustments	80 3,109		k
	Additional Tier 1 capital: regulatory adjustments	5,107		
	Investments in own AT1 capital instruments	-		
39	Reciprocal cross-holdings in AT1 capital instruments of financial institutions Capital investments in AT1 capital instruments of unconsolidated financial institutions in which Reporting Bank does not hold a major stake			
40	Investments in AT1 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act			
	(including insurance subsidiaries)	-		
41A	National specific regulatory adjustments PE/VC investments in the form of AT1 capital instruments, in excess of 20% of such capital investments	2,285	_	
41B	Any other items which the Authority may specify			
41C	Regulatory adjustments applied to AT1 Capital in respect of amounts subject to pre-Basel III treatment	2,285		
	of which: Goodwill, net of associated deferred tax liability of which: Intangible assets, net of associated deferred tax liability	1,883 282		
	of which: Intangible assets, het of associated deferred tax hability of which: Deferred tax assets that rely on future profitability	120		
	of which: Cash flow hedge reserve	-		
	of which: Increase in equity capital resulting from securitisation transactions	-		
$\vdash \vdash$	of which. Unrealized fair value gains/lesses on financial liabilities and demostics liabilities and to be a selected from the constitution of the constitution and the constituti			I
	of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own	-		
	of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk of which: Shortfall of TEP relative to EL under IRBA	-		
	of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk of which: Shortfall of TEP relative to EL under IRBA of which: PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments			
	of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk of which: Shortfall of TEP relative to EL under IRBA of which: PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	- - -		
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	of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk of which: Shortfall of TEP relative to EL under IRBA of which: PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630 of which: Capital deficits in subsidiaries and associates that are regulated financial institutions of which: Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries) of which: PE/VC investments in the form of Tier 2 capital instruments, in excess of 20% of such capital investments of which: Investments in Tier 2 capital instruments of unconsolidated major stake companies approved under s32 of			
42	of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk of which: Shortfall of TEP relative to EL under IRBA of which: PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630 of which: Capital deficits in subsidiaries and associates that are regulated financial institutions of which: Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries) of which: PE/VC investments in the form of Tier 2 capital instruments, in excess of 20% of such capital investments of which: Investments in Tier 2 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries) Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required			
42	of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk of which: Shortfall of TEP relative to EL under IRBA of which: PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630 of which: Capital deficits in subsidiaries and associates that are regulated financial institutions of which: Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries) of which: PE/VC investments in the form of Tier 2 capital instruments, in excess of 20% of such capital investments of which: Investments in Tier 2 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries) Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required deductions	- - - - - -		
42	of which: Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk of which: Shortfall of TEP relative to EL under IRBA of which: PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630 of which: Capital deficits in subsidiaries and associates that are regulated financial institutions of which: Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries) of which: PE/VC investments in the form of Tier 2 capital instruments, in excess of 20% of such capital investments of which: Investments in Tier 2 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries) Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required			



OCBC Group Regulatory Capital Position As at 31 Dec 2016

S\$'m

		Amount	Amount subject to Pre-Basel III Treatment	Source
1.	Tier 2 capital: instruments and provisions	0.000		
46 47	Tier 2 capital instruments and share premium (if applicable) Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	2,932 2,172		l m
48	Tier 2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	190		m n
	of which: instruments issued by subsidiaries subject to phase out	178		
50	Provisions	793		0
51	Tier 2 capital before regulatory adjustments	6,087		
52	Tier 2 capital: regulatory adjustments Investments in own Tier 2 instruments	_		
~ _	Reciprocal cross-holdings in Tier 2 capital instruments of financial institutions	_		
54	Capital investments in Tier 2 capital instruments of unconsolidated financial institutions in which Reporting Bank does not hold a major stake	-		
	Investments in Tier 2 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)	-	-	
56	National specific regulatory adjustments	2,079		
	PE/VC investments in the form of Tier 2 capital instruments, in excess of 20% of such capital investments	-	_	
	Any other items which the Authority may specify	-	_	
	Regulatory adjustments applied to Tier 2 Capital in respect of amounts subject to pre-Basel III treatment	2,079		
	of which: Shortfall of TEP relative to EL under IRBA	-		
	of which: PE/VC investments in the form of ordinary shares, in excess of 20% of such capital investments of which: PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	<u>-</u> -		
	of which: Capital deficits in subsidiaries and associates that are regulated financial institutions of which: Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act	-		
	(incl insurance subsidiaries)	2,079		
	of which: PE/VC investments in the form of AT1 capital instruments, in excess of 20% of such capital investments	-		
	of which: Investments in AT1 capital instruments of unconsolidated major stake companies approved under s32 of Banking Act (incl insurance subsidiaries)	-		
	Total regulatory adjustments to Tier 2 capital	2,079		
	Tier 2 capital (T2) Total capital (TC = T1 + T2)	4,007 33,975		
	Total risk weighted assets	197,763		
	Capital ratios (as a percentage of risk weighted assets)	,		
	Common Equity Tier 1 CAR	14.7%		
	Tier 1 CAR Total CAR	15.1% 17.1%		
	Bank-specific buffer requirement	7.2%		
	of which: capital conservation buffer requirement	0.6%		
66	of which: bank specific countercyclical buffer requirement	0.1%		Refer to note ²
	of which: G-SIB buffer requirement (if applicable)	-		
	Common Equity Tier 1 available to meet buffers	7.1%		
	National minima Minimum CET1 CAR	6.5%		
	Minimum Tier 1 CAR	8.0%		
	Minimum Total CAR	10.0%		
	Amounts below the thresholds for deduction (before risk weighting)			
	Investments in ordinary shares, AT1 capital and Tier 2 capital of unconsolidated financial institutions in which the bank does not hold a major stake	1,126		r+s
	Investments in ordinary shares of unconsolidated major stake companies approved under s32 of Banking Act (including insurance subsidiaries)	3,226		Refer to note ¹
	Mortgage servicing rights (net of related tax liability) Deformed tax assets arising from temperary differences (not of related tax liability)			
75	Deferred tax assets arising from temporary differences (net of related tax liability) Applicable caps on the inclusion of provisions in Tier 2			
	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	765		
	Cap on inclusion of provisions in Tier 2 under standardised approach	658		
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	136		
	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach Capital instruments subject to phase-out arrangements (only applicable between 1 Jan	575		
00	2013 and 1 Jan 2022) Current cap on CET1 instruments subject to phase out arrangements			
	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements	2,973		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	33		
	Current cap on T2 instruments subject to phase out arrangements	2,696		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-		

¹ The investments in the ordinary shares of unconsolidated major stake companies within the prescribed threshold amount in accordance with MAS Notice 637 paragraph 6.1.3 (p)(iii).

² The effective country-specific countercyclical buffer requirement for Hong Kong and Sweden was 0.625%. The weighting applicable for Hong Kong and Sweden were 12.2% and less than 0.1% respectively.