

OCBC Group
Regulatory Capital Position
As at 31 March 2017

SS'm

	Amount	Amount subject to Pre-Basel III Treatment	Source
Common Equity Tier 1 capital: instruments and reserves			
1	Paid-up ordinary shares and share premium (if applicable)	14,113	a
2	Retained earnings	21,208	d
3	Accumulated other comprehensive income and other disclosed reserves	943	e
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)		
5	Minority interest that meets criteria for inclusion	202	(23) g
6	Common Equity Tier 1 capital before regulatory adjustments	36,466	
Common Equity Tier 1 capital: regulatory adjustments			
7	Valuation adjustment pursuant to Part VIII of MAS Notice 637	0	i
8	Goodwill, net of associated deferred tax liability	3,644	911 w
9	Intangible assets, net of associated deferred tax liability	591	148 x-i
10	Deferred tax assets that rely on future profitability	232	58 u
11	Cash flow hedge reserve	-	-
12	Shortfall of TEP relative to EL under IRBA	-	-
13	Increase in equity capital resulting from securitisation transactions	-	-
14	Unrealised fair value gains/losses on financial liabilities and derivative liabilities arising from changes in own credit risk	-	-
15	Defined benefit pension fund assets, net of associated deferred tax liability	-	-
16	Investments in own shares	0	p
17	Reciprocal cross-holdings in ordinary shares of financial institutions	-	
18	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
19	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries) (amount above 10% threshold)	4,312	1,078 (q+t+v) - 3,200 ¹
20	Mortgage servicing rights (amount above 10% threshold)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
22	Amount exceeding the 15% threshold	-	
23	of which: investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
24	of which: mortgage servicing rights		
25	of which: deferred tax assets arising from temporary differences		
26	National specific regulatory adjustments	-	
26A	PE/VC investments held beyond the relevant holding periods set out in MAS Notice 630	-	-
26B	Capital deficits in subsidiaries and associates that are regulated financial institutions	-	-
26C	Any other items which the Authority may specify	-	-
27	Regulatory adjustments applied in calculation of CET1 Capital due to insufficient AT1 Capital to satisfy required deductions	-	
28	Total regulatory adjustments to CET1 Capital	8,779	
29	Common Equity Tier 1 capital (CET1)	27,688	
Additional Tier 1 capital: instruments			
30	AT1 capital instruments and share premium (if applicable)	499	c
31	of which: classified as equity under the Accounting Standards	499	
32	of which: classified as liabilities under the Accounting Standards	-	
33	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	2,397	(b+f) ²
34	AT1 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	91	h+k
35	of which: Instruments issued by subsidiaries subject to phase out	62	k
36	Additional Tier 1 capital before regulatory adjustments	2,987	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own AT1 capital instruments	-	
38	Reciprocal cross-holdings in AT1 capital instruments of financial institutions	-	
39	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
40	Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
41	National specific regulatory adjustments	1,117	
41A	Regulatory adjustments applied to AT1 Capital in respect of amounts subject to pre-Basel III treatment	1,117	
	of which: Goodwill, net of associated deferred tax liability	911	
	of which: Intangible assets, net of associated deferred tax liability	148	
	of which: Deferred tax assets that rely on future profitability	58	
	of which: Cash flow hedge reserve	-	
	of which: Increase in equity capital resulting from securitisation transactions	-	
	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 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 financial institutions in which the Reporting Bank holds a major stake (incl insurance subsidiaries)	-	
	of which: Investments in Tier 2 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (incl insurance subsidiaries)	-	
41B	Any other items which the Authority may specify	-	
42	Regulatory adjustments applied in calculation of AT1 Capital due to insufficient Tier 2 Capital to satisfy required deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	1,117	
44	Additional Tier 1 capital (AT1)	1,871	
45	Tier 1 capital (T1 = CET1 + AT1)	29,558	

OCBC Group
Regulatory Capital Position
As at 31 March 2017

\$\$'m

	Amount	Amount subject to Pre-Basel III Treatment	Source
Tier 2 capital: instruments and provisions			
46	Tier 2 capital instruments and share premium (if applicable)	2,825	l
47	Transitional: Ineligible capital instruments (pursuant to paragraphs 6.5.3 and 6.5.4)	1,930	m ²
48	Tier 2 capital instruments issued by fully-consolidated subsidiaries that meet criteria for inclusion	173	n
49	of which: instruments issued by subsidiaries subject to phase out	162	
50	Provisions	886	o
51	Tier 2 capital before regulatory adjustments	5,815	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 capital instruments of financial institutions	-	
54	Investments in Tier 2 capital instruments of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	-	
55	Investments in Tier 2 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	-	
56	National specific regulatory adjustments	1,078	
56A	Any other items which the Authority may specify	-	
56B	Regulatory adjustments applied to Tier 2 Capital in respect of amounts subject to pre-Basel III treatment	1,078	
	of which: Shortfall of TEP relative to EL under IRBA	-	
	of which: PE/VIC 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 financial institutions in which the Reporting Bank holds a major stake (incl insurance subsidiaries)	1,078	
	of which: Investments in AT1 capital instruments of unconsolidated financial institutions in which the Reporting Bank holds a major stake (incl insurance subsidiaries)	-	
57	Total regulatory adjustments to Tier 2 capital	1,078	
58	Tier 2 capital (T2)	4,737	
59	Total capital (TC = T1 + T2)	34,295	
60	Floor-adjusted total risk weighted assets (after incorporating the floor adjustment set out in Table 11-3A(m))	207,224	
Capital ratios (as a percentage of floor-adjusted risk weighted assets)			
61	Common Equity Tier 1 CAR	13.3%	
62	Tier 1 CAR	14.2%	
63	Total CAR	16.5%	
64	Bank-specific buffer requirement	7.9%	
65	of which: capital conservation buffer requirement	1.25%	
66	of which: bank specific countercyclical buffer requirement	0.1%	Refer to note ³
67	of which: G-SIB buffer requirement (if applicable)	-	
68	Common Equity Tier 1 available to meet buffers	6.5%	
National minima			
69	Minimum CET1 CAR	6.5%	
70	Minimum Tier 1 CAR	8.0%	
71	Minimum Total CAR	10.0%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Investments in ordinary shares, AT1 capital and Tier 2 capital of unconsolidated financial institutions in which the Reporting Bank does not hold a major stake	1,160	r+s
73	Investments in ordinary shares of unconsolidated financial institutions in which the Reporting Bank holds a major stake (including insurance subsidiaries)	3,200	Refer to note ¹
74	Mortgage servicing rights (net 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			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	746	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	665	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	221	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	609	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	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	2,477	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	149	
84	Current cap on T2 instruments subject to phase out arrangements	2,246	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	167	

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

² Under Basel III transitional arrangements, outstanding Additional Tier 1 and Tier 2 capital instruments that do not meet the requirements are gradually phased out. Fixing the base at the nominal amount of such instruments outstanding at 1 January 2013, the recognition shall be capped at 90% in 2013, with the cap reducing by 10 percentage points in each subsequent year. To the extent a capital instrument is redeemed or amortised after 1 January 2013, the nominal amount serving as the base is not reduced.

³ The effective country-specific countercyclical buffer requirement for Hong Kong and Sweden was 1.25%. The weighting applicable for Hong Kong and Sweden were 11.7% and less than 0.1% respectively.