

Disclosure under Basel II Pillar III

Purpose of disclosure:

The Notification of the Bank of Thailand No: SorNorSor. 14/2562 dated 07 May 2019, Re: Disclosure of Information on Capital Fund Maintenance for Banks in Thailand (No.2), requires banks in Thailand to disclose the information on Capital Fund maintenance and their risks. This is to enable market participants to assess the scope of application, capital, risk exposure, risk assessment process and the capital adequacy of the banks.

This disclosure reflects only information associated solely to the activities of Bangkok branch. Please refer to disclosure under Basel II Pillar III for OCBC group as per link appended below.

<https://www.ocbc.com/business-banking/large-corporates/international-presence-thailand.html>

Attachment 2

Key prudential metrics

Table: Disclosure of quantitative data for key risk indicators

		Unit: In million Baht	
	Item	30/06/2023	31/12/2022
Available capital (unit: ...)			
1	Common equity tier 1 (CET1)	-	-
1A	Fully loaded ECL ^{1/} CET1	-	-
2	Tier 1	-	-
2A	Fully loaded ECL tier 1	-	-
3	Total capital	10,290	10,085
3A	Fully loaded ECL total capital	10,290	10,085
Risk-weighted assets (unit: ...)			
4	Total risk-weighted assets (RWA)		
Risk-based capital ratios as a percentage of RWA (%)			
5	CET1 ratio	-	-
5A	Fully loaded ECL CET1 ratio	-	-
6	Tier 1 ratio	-	-
6A	Fully loaded ECL tier 1 ratio	-	-
7	Total capital ratio	37.78	39.34
7A	Fully loaded ECL total capital ratio	37.78	39.34
Capital buffer ratios a percentage of RWA (%)			
8	Conservation buffer ratio	2.5	2.5
9	Countercyclical buffer ratio	-	-
10	Higher loss absorbency ratio	-	-
11	Total capital buffer ratio (the sum of Item 8 to Item 10)	-	-
12	Ratio of CET1 available after meeting the commercial bank's minimum capital requirements ^{2/}	35.28	36.84
Liquidity coverage ratio (LCR) (%)			
		Q2' 2023	Q4' 2022
13	Total high-quality liquid assets (Total HQLA) (unit: In million Baht)	20,729	13,475
14	Total net cash outflows (within a 30-day period) (unit: In million Baht)	16,162	10,668
15	LCR ratio (%)	128	127

^{1/} Expected credit losses according to the Thai Financial Reporting Standard No.9 - Financial Instruments

^{2/} Ratio of CET1 available after meeting the commercial bank's minimum capital requirements is not necessarily equal to the difference between the CET1 ratio (Item 5) and the minimum CET1 ratio requirement of 4.5% since the CET1 ratio may be attributable to the minimum tier 1 ratio requirement of 6% and/or the minimum total capital ratio requirement of 8.5%. **Example:** If a bank has RWA = 100, CET1 = 10, AT1 = 1.5 and T2 = 0, the bank's CET1 is therefore used for maintaining the total capital ratio of 8.5%, then the remaining

Accompanying narrative

Impairment of financial assets

Impairment allowances for financial assets are assessed using a forward-looking expected credit loss ("ECL") model in accordance with the requirements of TFRS 9.

Scope

Under TFRS 9, the ECL model is applied to debt financial assets measured at amortised cost or FVOCI and most off-balance sheet loan commitments and financial guarantees

Expected Credit Loss Impairment Model

Under TFRS 9, credit loss allowances are measured on each reporting date according to a three-stage expected credit loss impairment model:

- Stage 1 - On initial recognition, expected credit loss will be that resulting from default events that are possible over the next 12 months
- Stage 2 - Following a significant increase in credit risk of the financial assets since its initial recognition, the credit loss allowance will be that resulting from default events that are possible over the expected life of the asset.
- Stage 3 - When a financial asset exhibits objective evidence of impairment and is considered to be credit-impaired, the credit loss allowance will be the full lifetime expected credit loss.

Capital Structure

Structure of capital fund of Oversea-Chinese Banking Corporation Limited-Bangkok Branch

		Unit: In million Baht	
	Item	30/06/2023	31/12/2022
1.	Assets required to be maintained under Section 32	10,553	10,246
2	Sum of net capital for maintenance of assets under Section 32 and net balance of inter-office	25,674	23,838
2.1	Capital for maintenance of assets under Section 32	10,290	10,085
2.2	Net balance of inter-office accounts which the branch is the debtor (the creditor) to the head office and other branches located in other countries, the parent company and subsidiaries of the head office.	15,384	13,753
3.	Total regulatory capital (3.1-3.2)	10,290	10,085
3.1	Total regulatory capital before deductions (The lowest amount among item 1 item 2 and item 2.1)	10,290	10,085
3.2	Deductions	-	-

Capital adequacy

Table 3 Minimum capital requirement for credit risk classified by type of assets under the SA

Unit: In million Baht		
Minimum capital requirement for credit risk classified by type of assets under the SA	30/06/2023	31/12/2022
Performing claims		
1.Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	242	-
2.Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	257	584
3.Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	2,167	1,942
4.Claims on retail portfolios	-	-
5.Claims on housing loans	-	-
6.Other assets	5	5
Non-performing claims	-	-
First-to-default credit derivatives and Securitisation	-	-
Total minimum capital requirement for credit risk under the SA	2,671	2,531

Market risk under the Standardised Approach

Table 30 Minimum capital requirements for each type of market risk under the Standardised Approach

Unit: In million Baht		
Minimum capital requirements for market risk under the Standardized Approach	30/06/2023	31/12/2022
Interest rate risk	158	152
Equity position risk	-	-
Foreign exchange rate risk	58	29
Commodity risk	-	-
Total minimum capital requirement	217	181

Table 6 Minimum capital requirement for market risk for positions in the trading book (Standardized measurement approach)

Unit: In million Baht		
Minimum capital requirement for market risk (positions in the trading book)	30/06/2023	31/12/2022
1. Standardised approach	217	181
2. Internal model approach	-	-
Total minimum capital requirement for market risk	217	181

Table 7 Minimum capital requirement for operational risk (BIA / SA / ASA)

Unit : Baht		
Minimum capital requirement for operational risk	30/06/2023	31/12/2022
1. Calculate by Basic Indicator Approach	-	-
2. Calculate by Standardised Approach	108	107
3. Calculate by Alternative Standardised Approach	-	-
4. Calculate by Advance Measurement Approach	-	-
Total minimum capital requirement for operational risk	108	107

Table 8 Total risk-weighted capital ratio and Tier 1 risk-weighted capital ratio

Unit : %				
Ratio	Current period		Previous period	
	30/06/2023	Minimum requirement	31/12/2022	Minimum requirement
1. Total capital to risk-weighted assets	37.8	11	39.3	11
2. Tier 1 capital to risk-weighted assets *				
3. Tier 1 capital of equity part to risk-weighted assets *				

*Disclosed only in case of locally incorporated commercial banks

Attachment 4

Item 2: Disclosure of capital information in transitional period under the Basel III

Unit: In million Baht		
Value of capital, inclusions, adjustments and deductions for the period of 30 June 2023		
2. In case of foreign bank branch^{2/}		
2.1	Capital of foreign bank branch	10,290
2.2	less deduction from capital of foreign ba	-
Total capital of foreign bank branch		10,290

Net amount of item to be included in or deducted from capital under the Basel III

^{2/} Refer to the Notification of the Bank of Thailand Re: Capital Components of Foreign Banks Branches