

Disclosure under Basel II Pillar III

Purpose of disclosure:

The Notification of the Bank of Thailand No: SorNorSor. 4/2556 dated 02 May 2013, Re: Disclosure of Information on Capital Fund Maintenance for Banks in Thailand, 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.

http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html#generic-tabs-item-3

Capital

Section 1: Capital Structure

Oversea-Chinese Banking Corporation Limited-Bangkok Branch (“Bangkok Branch”) is a Branch of Oversea-Chinese Banking Corporation Limited (OCBC Bank) incorporated and domiciled in Singapore.

According to the Section 32 of the Financial Institution Business Act, B.E. 2551, branches of foreign commercial banks licensed to operate business as prescribed in the Act shall maintain assets in Thailand or hold securities in other countries in accordance with the regulation prescribed in the notification of the Bank of Thailand. The said assets and securities shall be considered as capital funds under the Act.

As of 31 December 2019, “Bangkok Branch” has the capital fund structure according to Section 32 of Financial Institution Business Act, B.E. 2551 as follows:

Capital

Item 1 : Capital Structure

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

Item	Unit : Baht	
	31/12/2019	30/06/2019
1. Assets required to be maintained under Section 32	10,353,407,802.86	10,259,316,667.58
2 Sum of net capital for maintenance of assets under Section 32 and net balance of inter-office accounts (2.1+2.2)	26,450,759,109.16	24,575,482,184.41
2.1 Capital for maintenance of assets under Section 32	9,202,828,844.45	9,320,888,844.45
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.	17,247,930,264.71	15,254,593,339.96
3. Total regulatory capital (3.1-3.2)	9,202,828,844.45	9,320,888,844.45
3.1 Total regulatory capital before deductions (The lowest amount among item 1 item 2 and item 2.1)	9,202,828,844.45	9,320,888,844.45
3.2 Deductions	-	-

Details of assets maintained under Section 32 as mentioned above are as follow:

Details of assets maintained under section 32		Outstanding Amount Per Book
Assets maintained under Section 32		10,353,407,802.86
	Government bonds	1,891,053,111.30
	Bank of Thailand bonds	7,005,835,557.76
	Non-central government public sector entities: PSEs Bonds	823,379,728.00
	Bonds guaranteed by Ministry of Finance	633,139,405.80
	Immovable properties	-

Section 2: Capital Adequacy

To promote the banks to establish a good risk management system and to maintain sufficient capital to cope with unexpected loss in the future, the Bank of Thailand has stipulated capital supervisory guidelines for the banks which are stipulated in the Notification no. Sor.Nor.Sor.12/2555, Re: Regulations on Capital Supervision for Commercial Banks. The Notification requires foreign bank branches to maintain minimum capital requirements at no less than 11.000% of aggregated risk weighted assets of the three major risks, i.e. credit risk, market risk and operational risk (known as Basel II Pillar I).

The computation of risk-weighted assets for credit risk of Bangkok Branch includes credit risk, counterparty credit risk and Non-delivery versus payment of the following exposures:

- Assets and off-balance sheet items in banking book,
- Off-balance items pertaining to OTC derivatives and repo style transactions for trading book items calculated for counterparty credit risk,
- Position pertaining to unsettled payment and non-delivery (unsettled transaction),
- Assets and off-balance sheets items in trading book that do not meet the threshold level as stipulated in the Notification of the Bank of Thailand Re:Supervisory Guideline on Market Risk and Capital Maintenance to cope with Market risk of the banks.

The approach adopted for calculation of the credit risk weighted assets presently is Standardized Approach as the Branch's size is relatively small as compared to the OCBC Group.

For market risks, the risks may arise from movements of interest rate, foreign exchange rates and prices of instruments in the money and capital markets which may negatively affect the Bank. The minimum capital requirement for market risk is required for positions in trading book, including interest rate risk from interest rate exposure in trading account, equity instrument price risk from exposures pertaining to equity instrument in trading account, foreign exchange risk from all exposures pertaining to foreign currencies and commodity price risk from all exposures pertaining to commodity products.

OCBC Bangkok has selected the Standardized method for calculating the capital requirements for market risks as the transactions in trading book are neither complicated nor significant.

For operational risks, the Bank of Thailand permits banks to use 3 methods for calculation of equivalent risk-weighted asset: Basic Indicator Approach (BIA) and Standardized Approach (SA-OR) / ASA and Advance Measurement Approach (AMA). OCBC Bangkok has selected to use the Standardized Approach for calculation of the capital charge for operational risks.

The following tables are minimum capital requirement for each type of risk

Capital

Item 2 : Capital adequacy

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

Unit : Baht

Minimum capital requirement for credit risk classified by type of assets under the SA	31/12/2019	30/06/2019
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	251,670,297.70	382,656,712.84
2. Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	547,921,547.19	322,644,403.13
3. Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	1,468,241,528.78	1,441,497,148.42
4. Claims on retail portfolios	29,333.33	-
5. Claims on housing loans	-	-
6. Other assets	1,068,892.36	1,358,954.96
Non-performing claims	28,842,224.87	29,979,014.88
First-to-default credit derivatives and Securitisation		
Total minimum capital requirement for credit risk under the SA	2,297,773,824.23	2,178,136,234.23

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

Unit : Baht

Minimum capital requirement for market risk (positions in the trading book)	31/12/2019	30/06/2019
1. Standardised approach	273,098,835.75	256,645,781.03
2. Internal model approach	-	-
Total minimum capital requirement for market risk	273,098,835.75	256,645,781.03

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

Unit : Baht

Minimum capital requirement for operational risk	31/12/2019	30/06/2019
1. Calculate by Basic Indicator Approach	-	-
2. Calculate by Standardised Approach	73,380,128.91	75,646,304.47
3. Calculate by Alternative Standardised Approach	-	-
4. Calculate by Advance Measurement Approach	-	-
Total minimum capital requirement for operational risk	73,380,128.91	75,646,304.47

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

Unit : %

Ratio	Curent period		Previous period	
	31/12/2019	Minimum requirement	30/06/2019	Minimum requirement
1. Total capital to risk-weighted assets	38.28%	11.000	40.84%	11.000
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

Risk exposure and assessment of banks

As a Branch of OCBC Bank, Bangkok Branch adopts and is guided by our Head Office on risk management policies, processes as well as risk measurement and monitoring. Please refer to our risk management policies from page 103 - 113 as per link appended below:

https://www.ocbc.com/assets/pdf/annual%20reports/2018/ocbc_ar2018_english.pdf

Credit risk disclosure**Definition of Default**

A borrower is recognized to be in default when evidenced by either non-payment (failure to pay any sum due), unlikely to repay in full or to meet any criteria as prescribed in the Notification of the Bank of Thailand no. SorNorSor. 5/2559 please refer to the BOT website as per link appended)

<https://www.bot.or.th/Thai/FIPCS/Documents/FPG/2559/ThaiPDF/25590128.pdf>

Definition of Impairment

An asset is impaired when its carrying amount exceeds its recoverable amount whereas the carrying amount refer to amount at which an asset is recognised in the balance sheet after deducting accumulated depreciation and accumulated impairment losses and the recoverable amount refers to the higher of an asset's fair value less the costs to sell

(sometimes called the net selling price) and its value in use. Please refer to TAS no.36, Re: Impairment of assets.

Loan Loss Provisioning

Specific Provision

For specific provision, OCBC Bangkok Branch adopts the more stringent between IAS39 and the Notification of the Bank of Thailand no. SorNorSor. 5/2559 (clause 5.2.4 of the Notification as per link appended above) that requires the Bank to make 100 percent provision for the difference between the carrying value and the present value of the cash flows expected to be received from the debtors or the present value of the cash flows expected to be received from the disposal of collateral resulting from calculating the present value of cash flows expected to be received from debtors, or the present value of cash flows expected to be received from the disposal of collateral in accordance with the Notification of the Bank of Thailand as prescribed on attachment 1 of the Notification .

General Provision

To be in line with the Notification of the Bank of Thailand no. SorNorSor. 5/2559 (clause 5.2.4 (3) of the Notification as per link appended above), OCBC Bangkok Branch has set the loan provision of 1% and 2% based on the outstanding balance of the principal for loans classified as Pass and Special Mention respectively.

Set C : Risk exposure and assessment of commercial banks

Credit risk

Item 1 General information on credit risk*

Table 9 Outstanding amounts of significant on-balance sheet assets and off-balance sheet items before

adjustments by credit risk mitigation

Unit : Baht

Item	Average outstanding balance	Ending Balance	Ending Balance
	31/12/2019	31/12/2019	31/12/2018
1. On-balance sheet assets (1.1 + 1.2 + 1.3)	43,898,265,011.19	46,754,310,556.96	39,671,944,036.46
1.1 Net loans ^{1/}	13,845,740,800.77	13,001,100,120.94	13,353,166,295.21
1.2 Net Investment in debt securities ^{2/}	29,348,047,461.91	32,782,153,435.85	25,814,184,957.66
1.3 Deposits (including accrued interest receivables)	159,943,403.17	133,845,972.27	184,524,338.64
1.4 Derivative assets	544,533,345.34	837,211,027.90	320,068,444.95
2. Off-balance sheet items ^{3/} (2.1 + 2.2 + 2.3)	123,613,436,360.84	129,997,387,066.20	123,267,786,086.56
2.1 Aval of bills, guarantees of borrowings, and letter of credits	279,592,188.09	263,171,892.76	270,380,635.45
2.2 OTC derivatives ^{4/}	122,314,081,123.25	127,856,288,794.07	122,365,674,071.44
2.3 Undrawn committed line	1,019,763,049.50	1,877,926,379.37	631,731,379.67

* Commercial banks shall disclose position in banking book and trading book. Assets on balance sheet does not include equity exposures. Off-balance sheet items include equity exposures

** If the period-end outstanding amount is not significantly different from the average outstanding amount over the period, commercial banks need not disclose the average outstanding amount over the period

^{1/} Including accrued interest receivables and net of deferred incomes, allowances for doubtful accounts and allowances for revaluation from debt restructuring and including net loans of interbank and money market.

^{2/} Excluding accrued interest receivables and net of allowances for revaluation of securities and allowances for impairment of securities

^{3/} Before multiplying credit conversion factor

^{4/} Including equity-related derivatives

Table 10 Outstanding amounts of on-balance sheet assets and off-balance sheet items before adjustments by credit risk mitigation classified by country or geographic area of debtor*
2019

Unit : Baht

Country or geographic area of debtor	On-balance sheet assets					Off-balance sheet items ^{3/}			
	Total	Net loans ^{1/}	Net Investment in debt securities ^{2/}	Deposits (including accrued interest receivables)	Derivative assets	Total	Aval of bills, guarantees of borrowings, and letter of credits	OTC derivatives	Undrawn committed line
1. Thailand	39,875,734,053.18	13,001,100,120.94	26,266,187,388.09	110,292,607.25	498,153,936.90	85,426,038,570.65	263,171,892.76	83,284,940,298.52	1,877,926,379.37
2. Asia Pacific (exclude Thailand)	6,858,425,414.05	-	6,515,966,047.76	5,726,220.89	336,733,145.40	41,601,343,490.61	-	41,601,343,490.61	-
3. North America and Latin America	123,183.35	-	-	123,183.35	-	-	-	-	-
4. Africa and Middle East	-	-	-	-	-	-	-	-	-
5. Europe	20,027,906.38	-	-	17,703,960.78	2,323,945.60	2,970,005,004.94	-	2,970,005,004.94	-
Total	46,754,310,556.96	13,001,100,120.94	32,782,153,435.85	133,845,972.27	837,211,027.90	129,997,387,066.20	263,171,892.76	127,856,288,794.07	1,877,926,379.37

2018

Unit : Baht

Country or geographic area of debtor	On-balance sheet assets					Off-balance sheet items ^{3/}			
	Total	Net loans ^{1/}	Net Investment in debt securities ^{2/}	Deposits (including accrued interest receivables)	Derivative assets	Total	Aval of bills, guarantees of borrowings, and letter of credits	OTC derivatives	Undrawn committed line
1. Thailand	39,591,137,439.85	13,353,166,295.21	25,814,184,957.66	167,213,874.17	256,572,312.82	80,246,840,460.83	270,380,635.45	79,344,728,445.71	631,731,379.67
2. Asia Pacific (exclude Thailand)	57,969,659.59	-	-	133,932.62	57,835,726.97	38,906,794,879.84	-	38,906,794,879.84	-
3. North America and Latin America	13,216,446.28	-	-	11,873,955.86	1,342,490.42	579,817,744.92	-	579,817,744.92	-
4. Africa and Middle East	-	-	-	-	-	-	-	-	-
5. Europe	9,620,490.85	-	-	5,302,576.00	4,317,914.85	3,534,333,000.97	-	3,534,333,000.97	-
Total	39,671,944,036.58	13,353,166,295.21	25,814,184,957.66	184,524,338.85	320,068,445.06	123,267,786,086.56	270,380,635.45	122,365,674,071.44	631,731,379.67

* Commercial banks shall classify countries or geographic areas according to guidelines used in their internal management and shall explain supporting reasons

^{1/} Including accrued interest receivables and net of deferred incomes, allowances for doubtful accounts and allowances for revaluation from debt restructuring and including net loans of interbank and money market.

^{2/} Excluding accrued interest receivables and net of allowances for revaluation of securities and allowances for impairment of securities

^{3/} Before multiplying credit conversion factor

Table 11 Outstanding amounts of on-balance sheet assets and off balance sheet items before credit risk mitigation classified by residual maturity

Item	Unit : Baht					
	31/12/2019			31/12/2018		
	Maturity not exceeding 1 year	Maturity exceeding 1 year	Total	Maturity not exceeding 1 year	Maturity exceeding 1 year	Total
1. On-balance sheet assets (1.1 + 1.2 + 1.3)	19,224,071,957.89	27,530,238,599.07	46,754,310,556.96	17,632,996,819.38	22,038,947,217.08	39,671,944,036.46
1.1 Net loans ^{1/}	8,522,543,139.11	4,478,556,981.83	13,001,100,120.94	7,700,187,888.17	5,652,978,407.04	13,353,166,295.21
1.2 Net Investment in debt securities ^{2/}	10,567,312,039.24	22,214,841,396.61	32,782,153,435.85	9,536,719,445.63	16,277,465,512.03	25,814,184,957.66
1.3 Deposits (including accrued interest receivables)	133,845,972.27	-	133,845,972.27	184,524,338.64	-	184,524,338.64
1.4 Derivative assets	370,807.27	836,840,220.63	837,211,027.90	211,565,146.94	108,503,298.01	320,068,444.95
2. Off-balance sheet items ^{3/} (2.1 + 2.2 + 2.3)	51,433,052,686.83	78,564,334,379.37	129,997,387,066.20	77,052,288,886.89	46,215,497,199.67	123,267,786,086.56
2.1 AVAL of bills, guarantees of borrowings, and letter of credits	263,171,892.76	-	263,171,892.76	270,380,635.45	-	270,380,635.45
2.2 OTC derivatives	51,169,880,794.07	76,686,408,000.00	127,856,288,794.07	76,781,908,251.44	45,583,765,820.00	122,365,674,071.44
2.3 Undrawn committed line	-	1,877,926,379.37	1,877,926,379.37	-	631,731,379.67	631,731,379.67

^{1/} Including accrued interest receivables and net of deferred incomes, allowances for doubtful accounts and allowances for revaluation from debt restructuring and including net loans of interbank and money market.

^{2/} Excluding accrued interest receivables and net of allowances for revaluation of securities and allowances for impairment of securities

^{3/} Before multiplying credit conversion factor

Table 12 Outstanding amounts of loans including accrued interest receivables and investment in debt securities before adjustments by credit risk mitigation classified by country or geographical area of debtor* and asset classification as prescribed by the Bank of Thailand

2019

Country or geographic area of debtor	Loans including accrued interest receivables ^{1/}						Investment in Debt Securities Classified as Doubtful Loss
	Unit : Baht						
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total	
1. Thailand	12,974,296,398.28	35,411,293.15	-	-	326,067,800.96	13,335,775,492.39	-
2. Asia Pacific (exclude Thailand)	-	-	-	-	-	-	-
3. North America and Latin America	-	-	-	-	-	-	-
4. Africa and Middle East	-	-	-	-	-	-	-
5. Europe	-	-	-	-	-	-	-
Total	12,974,296,398.28	35,411,293.15	-	-	326,067,800.96	13,335,775,492.39	-

2018

Country or geographic area of debtor	Loans including accrued interest receivables ^{1/}						Investment in Debt Securities Classified as Doubtful Loss
	Unit : Baht						
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total	
1. Thailand	13,148,484,407.46	209,789,458.23	-	-	329,567,803.25	13,687,841,668.94	-
2. Asia Pacific (exclude Thailand)	-	-	-	-	-	-	-
3. North America and Latin America	-	-	-	-	-	-	-
4. Africa and Middle East	-	-	-	-	-	-	-
5. Europe	-	-	-	-	-	-	-
Total	13,148,484,407.46	209,789,458.23	-	-	329,567,803.25	13,687,841,668.94	-

* Commercial banks shall classify countries or geographic areas according to guidelines used in their internal management and shall explain support

^{1/} Including outstanding amounts of loans and interest receivable receivables of interbank and money market

Table 13 Provisions (General provision and Specific provision) and bad debts written-off during period for loan including accrued interest receivables and investment in debt securities classified by country or geographic area*

2019

Unit : Baht

Country or geographic area of debtor	Loans including accrued interest receivables ^{1/}			Specific provision for Investment in Debt Securities
	General provision ^{2/}	Specific provision	Bad debt written-off during period	
1. Thailand		131,575,826.11	-	-
2. Asia Pacific (exclude Thailand)		-	-	-
3. North America and Latin America		-	-	-
4. Africa and Middle East		-	-	-
5. Europe		-	-	-
Total	203,099,545.29	131,575,826.11	-	-

2018

Unit : Baht

Country or geographic area of debtor	Loans including accrued interest receivables ^{1/}			Specific provision for Investment in Debt Securities
	General provision ^{2/}	Specific provision	Bad debt written-off during period	
1. Thailand		131,575,828.45	-	-
2. Asia Pacific (exclude Thailand)		-	-	-
3. North America and Latin America		-	-	-
4. Africa and Middle East		-	-	-
5. Europe		-	-	-
Total	203,099,545.29	131,575,828.45	-	-

* Commercial banks shall classify countries or geographic areas according to guidelines used in their internal management and shall explain supporting reasons

^{1/} Including provision and bad debt written-off during period of loans including accrued interest receivables of interbank and money market

^{2/} Disclosed in total amount

Table 14 Outstanding amount of loans including accrued interests* before adjustments by credit risk mitigation classified by type of business

2019

Unit : Baht

Type of business	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total
- Agriculture and mining	-	-	-	-	-	-
- Manufacturing and commerce	3,252,793,337.34	35,411,293.15	-	-	326,067,800.95	3,614,272,431.44
- Real estate business and construction	902,126,973.87	-	-	-	-	902,126,973.87
- Public utilities and services	2,821,579,325.08	-	-	-	-	2,821,579,325.08
- Housing loans	-	-	-	-	-	-
-Others (Commercial banks shall use their own's discretion to determine materiality)	-	-	-	-	-	-
- Other financial intermediaries	5,997,530,095.32	-	-	-	-	5,997,530,095.32
- Other	266,666.68	-	-	-	-	266,666.68
Total	12,974,296,398.29	35,411,293.15	-	-	326,067,800.95	13,335,775,492.39

2018

Unit : Baht

Type of business	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total
- Agriculture and mining	-	-	-	-	-	-
- Manufacturing and commerce	3,991,713,012.29	59,739,321.25	-	-	329,567,803.25	4,381,020,136.78
- Real estate business and construction	569,710,541.46	-	-	-	-	569,710,541.46
- Public utilities and services	3,047,073,293.00	150,050,136.98	-	-	-	3,197,123,429.98
- Housing loans	-	-	-	-	-	-
-Others (Commercial banks shall use their own's discretion in determining materiality)	-	-	-	-	-	-
- Other financial intermediaries	5,539,987,560.72	-	-	-	-	5,539,987,560.72
- Other	-	-	-	-	-	-
Total	13,148,484,407.46	209,789,458.23	-	-	329,567,803.25	13,687,841,668.94

* Including outstanding amount of loans including accrued interest receivables of interbank and money market

Table 15 Provisions (General provision and Specific provision) and bad debts written-off during period for loans including accrued interest receivables* classified by types of business

Unit : Baht

Unit : Baht

Type of business	2019			2018		
	General provision ^{1/}	Specific provision	Bad debt written-off during period	General provision ^{1/}	Specific provision	Bad debt written-off during period
- Agriculture and mining						
- Manufacturing and commerce		131,575,826.11	-		131,575,828.45	-
- Real estate business and construction		-	-		-	-
- Public utilities and services		-	-		-	-
- Housing loans		-	-		-	-
-Others (Commercial banks shall use their own's discretion to determine significance)		-	-		-	-
- Other financial intermediaries		-	-		-	-
- Other		-	-		-	-
Total	203,099,545.29	131,575,826.11	-	203,099,545.29	131,575,828.45	-

Table 16 Reconciliation of change in provisions (General provision and Specific provision) for loans including accrued interest receivables*

Item	Unit : Baht					
	2019			2018		
	General provision	Specific provision	Total	General provision	Specific provision	Total
Provisions at the beginning of the period	203,099,545.29	131,575,828.45	334,675,373.74	203,099,545.29	61,073,088.98	264,172,634.27
Bad debts written-off during the period	-	-	-	-	-	-
Increases or Decreases of provisions during the period	-	-	-	-	70,502,742.88	70,502,742.88
Other provisions (provisions for losses from foreign exchange, provisions for merger and sale of businesses)	-	2.34	2.34	-	3.41	3.41
Provisions at the end of the period	203,099,545.29	131,575,826.11	334,675,371.40	203,099,545.29	131,575,828.45	334,675,373.74

* Including outstanding amount of loans including accrued interest receivables of interbank and money market

Credit Risk Exposures

In compliance with the Notification of the Bank of Thailand, no. No.: SorNorSor. 15/ 2555, Re: Regulations for Credit Risk Asset Calculations for Commercial Banks using the Standardised Approach (SA Approach), OCBC Bangkok Branch has classified the assets of the Branch into 9 categories as follows:-

- (1.1) Claims on sovereigns and central banks
- (1.2) Claims on provincial administrations, government entities, and state enterprises (PSEs)
- (1.3) Claims on multilateral development banks (MDBs) (N/A)
- (1.4) Claims on financial institutions
- (1.5) Claims on securities firms
- (1.6) Claims on corporates
- (1.7) Claims in the retail portfolios (NA)
- (1.8) Residential mortgage loans (NA)
- (1.9) Other assets

OCBC Bangkok Branch uses the country risk rating of either Moody's Investors Service, Standard and Poor's or Fitch Rating for the computation of risk weighted assets of claims on Banks/Financial Institutions or PSEs that are classified as financial institutions, as well as claims on corporates according to the Notification of the Bank of Thailand No. SorNorSor. 15/ 2555.

Table 17 Outstanding amounts of on-balance sheet assets and off-balance sheet items* classified by type of assets under the SA

Unit : Baht

Unit : Baht

Type of asset	2019			2018		
	On balance sheet assets	Off balance sheet item **	Total	On balance sheet assets	Off balance sheet item **	Total
1. Performing claims			-			
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	2,287,911,797.25	-	2,287,911,797.25	16,748,333,496.18	-	16,748,333,496.18
1.2 Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	4,506,326,276.48	474,778,697.95	4,981,104,974.42	9,474,618,590.34	1,168,644,103.07	10,643,262,693.41
1.3 Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	11,764,877,267.65	1,582,772,993.94	13,347,650,261.59	13,254,037,456.42	2,322,631,853.11	15,576,669,309.53
1.4 Claims on retail portfolios	266,666.68	-	266,666.68	-	-	-
1.5 Housing loans	9,717,203.30	-	9,717,203.30	436,556,171.37	-	436,556,171.37
1.6 Other assets	262,202,044.23	-	262,202,044.23	189,201,122.86	-	189,201,122.86
2. Non-performing claims						
3. First-to-default credit derivatives and Securitisation						
Total	18,831,301,255.59	2,057,551,691.89	20,888,852,947.48	40,102,746,837.17	3,491,275,956.18	43,594,022,793.35

* After multiplying with credit conversion factor and specific provision

** Including all Repo-style transactions (including Reverse repo transactions)

Item 2 Credit risk exposures classified by method the commercial bank uses for maintaining minimum capital fund
2.1 Credit risk exposures under the SA¹

Table 19 Outstanding amount of net on-balance sheet assets and off-balance sheet items after adjustments by credit risk mitigation for each type of asset, classified by risk weight under the SA**

Unit: Baht

Type of asset	Risk weight (%)	2019					Unrated outstanding amount										
		Rated outstanding amount					0	20	50	35	75	100	625	937.5	100/8.5% ²		
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		21,099,889,296.46	-	4,575,823,594.50	-	-											
2. Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms		-	6,254,921,121.18	323,228,650.86	3,568,506,424.75	-											
3. Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate		-	-	755,127,418.09	-	-								12,970,086,552.56			
4. Claims on retail portfolios														266,666.68			
5. Claims on housing loans														9,717,202.30			
6. Other assets																	
Non-performing claims^{1/}				50	100	150											
Capital deduction items prescribed by the Bank of Thailand				0	-	174,801,362.82											

^{1/} Including insignificant credit portfolios using the SA of the commercial banks that use the

** After multiplying credit conversion factor

^{1/} For the portion claims with no credit risk mitigation of which risk weight are determined by the proportion of provision to total amount of claims

^{2/} For foreign bank branches, the risk weight shall be equal to 100 divided by 7.5%

Item 2 Credit risk exposures classified by method the commercial bank uses for maintaining minimum capital fund

2.1 Credit risk exposures under the SA¹

Table 19 Outstanding amount of net on-balance sheet assets and off-balance sheet

Baht...

Type of asset	Risk weight (%)	2018					Unrated outstanding amount										
		Rated outstanding amount					0	20	50	35	75	100	625	937.5	100/8.5% ²		
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		16,298,370,058.82	-	5,392,537,541.74	-	-											
2. Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms		-	3,923,386,215.16	16,619,388.26	1,760,682,985.61	-											
3. Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate		-	-	1,500,448,767.12	-	-								13,058,452,166.82			
4. Claims on retail portfolios														-			
5. Claims on housing loans														529,149,844.71			
6. Other assets														14,691,194.72			
Non-performing claims^{1/}				50	100	150											
Capital deduction items prescribed by the Bank of Thailand				0	-	294,518,059.25											

^{1/} Including insignificant credit portfolios using the SA of the commercial

** After multiplying credit conversion factor

^{1/} For the portion claims with no credit risk mitigation of which risk weight are determined by the proportion of provision to total amount of claims

^{2/} For foreign bank branches, the risk weight shall be equal to 100 divided by 7.5%

Credit Risk Mitigation

The Notification of the Bank of Thailand no. SorNorSor. 15/2555 permits banks to use credit risk mitigation for Standardized Approach as follow:

1. Financial Collateral

2. On-Balance Sheet Netting (netting method between assets (loans) and debts (deposits) with the same counterparty as prescribed under attachment 6 of the Notification)
3. Guarantees and Credit Derivatives (banks shall meet criteria as prescribed under attachment 7 of the Notification).

The credit risk mitigation that is being used in OCBC Bangkok Branch presently are Financial Collaterals and Guarantees.

Item 3 Credit risk mitigation under SA and IRB

Quantity disclosure

3.1 Credit risk mitigation* under SA

Part of outstanding that is secured by collateral under SA classified by type of assets and collateral**

Type of asset	Unit : Baht 31/12/2019		Unit : Baht 31/12/2018	
	Eligible financial collateral ^{1/}	Guarantee and credit derivatives	Eligible financial collateral ^{1/}	Guarantee and credit derivatives
Performing assets				
1 Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	-	-	-	-
2 Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	-	2,746,661,803.20	-	4,942,574,104.38
3 Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	806,885,573.34	-	1,061,879,086.34	-
4 Claims on retail portfolios	-	-	-	-
5 Claims on housing loans	-	-	-	-
6 Other assets	-	-	-	-
Substandard assets				
Total	806,885,573.34	2,746,661,803.20	1,061,879,086.34	4,942,574,104.38

* Excluding securitisation.

** Values after on-balance sheets and off-balance sheets netting

^{1/} Eligible financial collateral that the Bank of Thailand allows to use for risk mitigation. Commercial banks applying the comprehensive approach shall disclose the value after haircut.

Disclosure on market risks for trading book position

Market Risk” refer to the risks which banks may encounter due to the changes on the on and off balance sheet positions as a result of the variation in interest rate, price of equity instruments, foreign exchange rate and price of commodities. The variation in interest rate and price of equity instrument may be caused by general market risk and/or specific risk of the issuers.

OCBC Bangkok Branch does not engage in commodity and debt instruments for trading purposes. However, according to the notification of the Bank of Thailand no. SorNorSor. 94/2551, Re: Guideline on Supervision of Market Risk and Capital Requirement for Market Risk of Financial Institutions, OCBC Bangkok Branch is required to calculate risk weighted assets for transactions relating to foreign exchange and interest rate risks. OCBC Bangkok Branch has adopted the Standardized Approach for computation of the risk weighted assets for market risk.

4.1 Market risk under the Standardised Approach

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

Unit: Baht

Minimum capital requirements for market risk under the Standardized Approach	31/12/2019	30/06/2019
Interest rate risk	261,918,358.71	240,736,021.20
Equity position risk	-	-
Foreign exchange rate risk	11,180,477.04	15,909,759.83
Commodity risk	-	-
Total minimum capital requirements	273,098,835.75	256,645,781.03

Item 6 : Equity exposures in banking book
Table 32 Equity exposures in banking book

Unit : Baht

Equity exposures	31/12/2019	31/12/2018
1 Equity exposures	NIL	NIL
1.1 Equities listed and publicly traded in the Stock Exchange		
- Book value		
- Fair value		
1.2 Other equities (both within the country and aboard)		
2 Gains (losses) of sale of equities in the reporting period	NIL	NIL
3 Net surplus (deficit) from revaluation of available for sale equities		
4 Minimum capital requirements for equity exposures classified by the calculation methods		
- SA	-	-
- IRB		
5 Equity values for commercial banks applying IRB which the Bank of Thailand allows to use SA	NIL	NIL

Item 7 Interest rate risk in the banking book

Table 33 The effect of changes in interest rates* to net earnings

Currency	Unit:Baht	Unit:Baht
	2019	2018
	Effect to net earnings	Effect to net earnings
Baht	87,883,964.67	37,374,522.32
USD	62,111,216.73	62,088,384.65
JPY	-	-
Others	199,316.79	354,187.67
Total effect of interest rate changes	150,194,498.18	24,359,674.66
Percentage to net earnings in next 1 year	36.62	7.55

* Commercial banks shall use the percentage changes in interest rates of 100 bps .

Disclosure on operational risks

Operational risks refer to the potential risks from damages that may arise from inadequacy or impairment of the Bank's internal controls, processes, personal and work

system or due to external events, including legal risk but excluding strategic risk and reputation risk.

Under the Bank of Thailand’s notification no.SorNorSor 95/2551 and no.SorNorSor 5/2555, there are 3 methods i.e. Basic Indicator Approach (BIA), Standardized Approach (SA-OR) and ASA or Advance Measurement Approach (AMA) for the computation of risk weighted assets for operational risks.

OCBC Bangkok Branch has adopted SA-OR for the computation of risk weighted assets. To obtain the risk weighted assets for operational risk, OCBC Bangkok Branch allocates gross income to each business as prescribed by the Bank of Thailand and apply constant beta value to its respective business line.

Composition of capital disclosure requirement

At end of Year 2019 and end of Y2018, OCBC Bangkok Branch does not have items as stipulated in the BOT Notification no. SorNorSor 8/2558 (Goodwill, Intangible assets, Profit from securitization and Investment in equity instruments including warrants of companies conducting financial business and supporting business) to be deducted from capital. Therefore, value of capital including adjustment and deduction will be as per below table.

Attachment 4

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

Unit : Baht

Value of capital, inclusions, adjustments and deductions for the period of 31 December 2019		Net amount of item to be included in or deducted from capital under the Basel III
2. In case of foreign bank branch^{2/}		
2.1 Capital of foreign bank branch	9,202,828,844.45	
2.2 less deduction from capital of foreign bank branch	-	-
Total capital of foreign bank branch	9,202,828,844.45	

Remark: Please refer to the information of Basel II Pillar III Disclosure of Oversea-Chinese Banking Corporation Limited as per link appended below.

http://www.ocbc.com/group/investors/Cap_and_Reg_Disclosures.html#generic-tabs-item-3