



PILLAR 3 – MARKET DISCIPLINE

BNP PARIBAS BANGKOK BRANCH

31 December 2019

REGULATOR : Bank of Thailand

VALIDATION DATE : 23rd APRIL 2020

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BNP PARIBAS BANGKOK BRANCH market disclosure

BNP Paribas considers its Group Pillar 3 communication to fully satisfy any disclosure to the Markets, especially for branches. The Group consolidated level is the most accurate one to perform analysis and should prevail to any other sub-consolidated/individual basis.

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see TABLE 17: RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENT (EU OV1) on page 303)

BNP Paribas considers this chart to cover any extra disclosure that can be requested to one of its entities. The only purpose of what follows in the next pages is to meet Bank of Thailand requirements.

RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENT

<i>In millions of THB</i>	RWAs		Capital requirements
	31 December 2019	31 December 2018	31 December 2019
1 Credit risk	34,146	36,753	3,756
2 Of which standardised approach	34,146	36,753	3,756
4 Of which advanced IRB approach			
5 Of which equity positions under the simple risk-weighted approach			
6 Counterparty Credit Risk	-	-	-
7 Of which mark-to-market			
10 Of which internal model method (IMM)			
11 Of which CCP - default fund contributions			
12 Of which CVA			
14 Securitisation exposures in the banking book	-	-	-
15 Of which IRB approach (IRB)			
16 Of which IRB supervisory formula approach (SFA)			
17 Of which internal assessment approach (IAA)			
18 Of which standardised approach			
19 Market risk	18,034	18,884	1,984
20 Of which standardised approach	18,034	18,884	1,984
21 Of which IMA			
23 Operational risk	1,871	1,787	206
24 Of which basic indicator approach			
25 Of which standardised approach	1,871	1,787	206
26 Of which advanced measurement approach (AMA)			
27 Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
29 TOTAL	54,051	57,424	5,946

Capital Structure

The Capital of BNP Paribas Bangkok Branch (the Branch) is made of assets maintained in accordance with the Section 32 of the Financial Institutions Businesses Act B.E. 2551 minus deductible items as prescribed in the notification No. SorNorSor. 8/2558 Re: Components of Capital of Branches of Foreign Commercial Banks.

The Branch maintains assets in accordance with Section 32 of the Financial Institutions Business Act B.E. 2551. They are made of Bonds issued by the Bank of Thailand and the Ministry of Finance or guaranteed by the Ministry of Finance and debt instruments issued by state organizations or state enterprises established under specific laws.

The minimum level of assets required to be maintained as capital is the lower amount between the assets maintained under Section 32 and the result of the following:

3.1. Aggregated amounts of money brought in by the head office or any other branches abroad, the reserves and the net profits transferred to the head office account but still maintained in Thailand, minus net losses not yet compensated by the head office, or

3.2. Aggregated amounts of money brought in by the head office or any other branches abroad, the reserves and the net profits transferred to the head office account but still maintained in Thailand, minus net losses not yet compensated by the head office and net balances of inter office accounts when the Branch is a creditor of the head office or any other branches, parent or subsidiary companies.

Under no circumstances, the Branch can have assets under Section 32 lower than THB 2,000 millions as prescribed in the license for operating branches of foreign commercial bank in Thailand.

Table 1 : Capital Structure of Foreign Bank Branches

Unit : THB '000

Capital Structure	31 December 2019	31 December 2018
1. Assets required to be maintained under Section 32	9,414,105	9,650,516
2. Sum of net capital for maintenance of assets under Section 32 and net balance of inter-office accounts (2.1+2.2)	10,567,965	14,031,310
2.1 Capital for maintenance of assets under Section 32	8,834,290	9,256,028
2.2 Net balance of inter-office accounts which the branch is the debtor (the creditor) to the head office and	1,733,676	4,775,282
3. Total regulatory capital (3.1-3.2)	8,827,514	9,246,870
3.1 Total regulatory capital before deductions (The lowest amount among item 1 item 2 and item 2.1)	8,834,290	9,256,028
3.2 Deductions	6,776	9,158
4. Capital after deducting capital add-on arising from Single Lending Limit*	8,827,514	9,246,870

(* Effective in January 2015)

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see TABLE 14: REGULATORY CAPITAL on page 301)



1. Capital adequacy

The Branch is required to comply with the Bank of Thailand's regulations and especially with the following notifications:

1. No. SorNorSor. 12/2555 Re: Supervisory Guidelines on Capital Provision for Commercial Banks
2. No. SorNorSor. 8/2558 Re: Components of Capital Fund of Branches of Foreign Commercial Banks
3. No. SorNorSor 15/2555 Re: Regulations for Credit Risk Asset Calculations for Commercial Banks Using the Standardised Approach
4. No. SorNorSor. 17/2555 Re: Regulation on the Calculation of Credit Equivalent Amount for OTC Derivatives
5. No. SorNorSor. 18/2555 Re: Regulation on Failed Trades and Non-Delivery versus Payment (Non-DvP) Transactions for Commercial Banks
6. No. SorNorSor. 94/2551 RE: Guideline on Supervision of Market Risk and Capital Requirement for Market Risk of Financial Institutions
7. No. SorNorSor. 95/2551 Re: Regulation on Minimum Capital Requirement for Operational Risk

For local regulatory reporting, the Capital Adequacy Ratios as at 31 December 2019 and 31 December 2018 have been calculated using the Standardised approach for credit, market and operational risk. The Bank of Thailand issued the Notification No. FPG.12/2555 Re: Supervisory Guidelines on Capital Provision for Commercial Banks, to comply with global regulatory framework (Basel III) of Basel Committee on Banking Supervision (BCBS). During the period from 1 January, 2013 to 31 December 2015, the minimum capital requirement ratio is 8.5% of total risk assets and will be increasing to 9.125% (effective 1 January 2016), 9.75% (effective 1 January 2017), 10.375% (effective 1 January 2018) and 11.00% (effective 1 January 2019), respectively.

The ratio is computed locally on a monthly basis to satisfy the Bank of Thailand requirements. The capital adequacy of the Branch covers the needs of activities under normal and stressed conditions. The capital is in line with the strategy, the business plans and the risk management.

According to the Bank of Thailand Notification No. SorNorSor 22/2555 Single Lending Limit guideline, the Bank is required to disclose Capital- Net Add-on Deductions and Capital to Risk-weighted assets - Net Add-on Deductions, effective 1 January 2015 onwards.

Table 2 : Total Capital to Risk-weighted assets

unit : %

Ratio	31 December 2019	31 December 2018
Total Capital to Risk-weighted assets	16.33	16.10
Total Capital to Risk-weighted assets - Net Add-On Deduction*	16.33	16.10

(*) Effective in January 2015

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see TABLE 1 : CAPITAL RATIOS on page 266 and TABLE 14: REGULATORY CAPITAL on page 301)

2. Risk Management

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/ddr2018-gb-bnp_paribas.pdf (See 5.3 Risk Management on page 316-322)

3. Credit risk disclosures

The Credit risk management policy is presented in the registration document and the financial report - BNP Paribas, Pillar 3 disclosure. Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see 5.4 CREDIT RISK on page 323-374)

Under the standardised approach, the Branch has decided to use the following External credit assessment institution (ECAIs) notations to risk weight its exposures;

- Sovereign Exposures : Standard and Poor's
- Corporate Exposures : TRIS Rating and Fitch Ratings (Thailand)

The Procedures for Use of ECAI Credit Ratings are in line with Bank of Thailand's regulation No. SorNorSor. 15/2555 Re: Regulations for Credit Risk Asset Calculations for Commercial Banks Using the Standardised Approach

Credit risk mitigation under the Standardised Approach

To mitigate the credit risk, the Branch recognizes collateral under the comprehensive approach and applies haircuts as defined by the Bank of Thailand.

Table 3 Exposure of significant on-balance sheet assets and off-balance sheet items before credit risk mitigation

Unit: THB '000

Item	31 December 2019	31 December 2018
1. On-balance sheet assets (1.1 + 1.2 + 1.3 + 1.4)	55,227,460	40,756,254
1.1 Net loans (including interbank) ^{1/}	8,721,678	9,262,027
1.2 Net Investment in debt securities ^{2/}	22,709,965	16,831,281
1.3 Deposits (including accrued interest receivables)	288,916	226,704
1.4 Derivative asset	23,506,901	14,436,242
2. Off-balance sheet items ^{3/} (2.1 + 2.2 + 2.3)	2,139,303,894	2,327,420,350
2.1 Aval of bills, guarantees, and letter of credits	19,400,500	30,089,674
2.2 OTC derivatives ^{4/}	2,119,903,394	2,297,330,676
2.3 Undrawn committed line	-	-

^{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

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/ddr2018-gb-bnp_paribas.pdf (see TABLE 26: CREDIT RISK EXPOSURE BY GEOGRAPHICAL REGION (EU CRB-C) on page 338)

Table 4 Exposure of significant on-balance sheet assets and off-balance sheet items before credit risk mitigation classified by country or geographic area of debtor

Unit : THB '000

Country or geographic area of debtor	31 December 2019								
	On-balance sheet assets					Off-balance sheet items ^{3/}			
	Total	Net loans (including interbank) ^{1/}	Net Investment in debt securities ^{2/}	Deposits	Derivative Assets	Total	Aval of bills, guarantees of borrowings, and letter of credits	OTC derivatives	Undrawn committed line
1. Thailand	50,741,291	7,536,370	22,709,965	249,872	20,245,084	1,619,339,662	8,584,611	1,610,755,051	-
2. Outside Thailand	4,486,169	1,185,307	-	39,044	3,261,817	519,964,232	10,815,889	509,148,343	-
Total	55,227,460	8,721,678	22,709,965	288,916	23,506,901	2,139,303,894	19,400,500	2,119,903,394	-

Unit : THB '000

Country or geographic area of debtor	31 December 2018								
	On-balance sheet assets					Off-balance sheet items ^{3/}			
	Total	Net loans (including interbank) ^{1/}	Net Investment in debt securities ^{2/}	Deposits	Derivative Assets	Total	Aval of bills, guarantees of borrowings, and letter of credits	OTC derivatives	Undrawn committed line
1. Thailand	37,458,267	8,988,688	16,831,281	212,484	11,425,813	1,620,681,985	13,353,431	1,607,328,554	-
2. Outside Thailand	3,297,987	273,339	-	14,220	3,010,429	706,738,365	16,736,243	690,002,122	-
Total	40,756,254	9,262,027	16,831,281	226,704	14,436,242	2,327,420,350	30,089,674	2,297,330,676	-

Note:

^{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

The classified assets of the Branch are split in Pass, Special mention, Substandard, Doubtful, and Doubtful loss categories according to the regulation of the Bank of Thailand No.Sor Nor Sor 31/2008 Re Classification and Provision of Financial Institutions. The defaults and impairment of assets follow the provisioning rules issued by the Bank of Thailand.

The Branch calculates general provision and specific provision based on Bank of Thailand's regulation No. Sor Nor Sor 31/2008 Re Classification and Provision of Financial Institutions.

Table 5 Exposure of significant on-balance sheet assets and off balance sheet items before credit risk mitigation classified by residual maturity

Unit : THB '000

Item	31 December 2019			31 December 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)						
1.1 Net loans (including interbank) ^{1/}	32,445,166	22,782,293	55,227,460	28,017,912	12,738,342	40,756,254
1.2 Net Investment in debt securities ^{2/}	5,828,311	2,893,366	8,721,678	7,237,081	2,024,946	9,262,027
1.3 Deposits (including accrued interest receivables)	20,971,151	1,738,813	22,709,965	15,466,339	1,364,942	16,831,281
1.4 Derivative asset	288,916	-	288,916	226,704	-	226,704
2. Off-balance sheet items^{3/} (2.1 + 2.2 + 2.3)						
2.1 Aval of bills, guarantees of borrowings, and letter of credits	5,356,788	18,150,114	23,506,901	5,087,787	9,348,455	14,436,242
2.2 OTC derivatives	968,266,682	1,171,037,212	2,139,303,894	1,197,827,025	1,129,593,325	2,327,420,350
2.3 Undrawn committed line	12,683,420.60	6,717,080	19,400,500	23,860,074	6,229,600	30,089,674
	955,583,262	1,164,320,132	2,119,903,394	1,173,966,951	1,123,363,725	2,297,330,676
	-	-	-	-	-	-

^{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 6 Loans and investment in debt securities before credit risk mitigation classified by country or geographic area of debtors and by asset classification specified by the Bank of Thailand

Unit : THB '000

Geographic area of debtor	31 December 2019						
	Loans including accrued interest receivables ^{1/}						Investment in debt securities Doubtful loss
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total	
1. Thailand	7,612,460	-	-	-	-	7,612,460	9,550
2. Outside Thailand	1,197,218	-	-	-	-	1,197,218	-
Total	8,809,678	-	-	-	-	8,809,678	9,550

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

Unit : THB '000

Geographic area of debtor	31 December 2018						
	Loans including accrued interest receivables ^{1/}						Investment in debt securities Doubtful loss
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total	
1. Thailand	9,079,427	-	-	-	-	9,079,427	2,083
2. Outside Thailand	276,100	-	-	-	-	276,100	-
Total	9,355,527	-	-	-	-	9,355,527	2,083

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

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see TABLE 27: CREDIT RISK EXPOSURE BY GEOGRAPHICAL REGION (EU CRB-C) on page 330)

Table 7 Provisions and bad debt written-off during period on loan & investment in debt securities classified by geographic area of debtor

Unit : THB '000

Geographic area of debtor	31 December 2019			
	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	-	-	-	9,550
2. Outside Thailand	-	-	-	-
Total	88,000	-	-	9,550

Geographic area of debtor	31 December 2018			
	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	-	-	-	2,083
2. Outside Thailand	-	-	-	-
Total	93,500	-	-	2,083

^{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 8 Loans and accrued interests before credit risk mitigation classified by type of business and by asset classification specified by the Bank of Thailand

Unit : THB '000

Type of business	31 December 2019					Total
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	
Agriculture and mining	-	-	-	-	-	-
Manufacturing and commerce	5,049,609	-	-	-	-	5,049,609
Real estate business and construction	422,949	-	-	-	-	422,949
Public utilities and services	1,791,682	-	-	-	-	1,791,682
Housing loans	-	-	-	-	-	-
Interbank	1,545,438	-	-	-	-	1,545,438
Total	8,809,678	-	-	-	-	8,809,678

Unit : THB '000

Type of business	31 December 2018					Total
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	
Agriculture and mining	-	-	-	-	-	-
Manufacturing and commerce	6,671,767	-	-	-	-	6,671,767
Real estate business and construction	400,263	-	-	-	-	400,263
Public utilities and services	2,006,973	-	-	-	-	2,006,973
Housing loans	424	-	-	-	-	424
Interbank	276,100	-	-	-	-	276,100
Total	9,355,527	-	-	-	-	9,355,527

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see TABLE 28 : CREDIT RISK EXPOSURE BY INDUSTRY (EU-CRB-D) on page 334)

Table 9 Provisions and bad debt written-off during period for loans classified by types of business

Unit : THB '000

Type of business	31 December 2019			31 December 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	-	-	-	-	-	-
Real estate business and construction	-	-	-	-	-	-
Public utilities and services	-	-	-	-	-	-
Others	-	-	-	-	-	-
- Interbank and money market	-	-	-	-	-	-
- Others	-	-	-	-	-	-
Total	88,000	-	-	93,500	-	-

^{1/} Disclosed in total amount

Table 10 Reconciliation of change in provisions on loans

Unit : THB '000

Item	31 December 2019			31 December 2018		
	General provision	Specific provision	Bad debt written-off during period	General provision	Specific provision	Bad debt written-off during period
Provisions at the beginning of the period	93,500	-	-	85,000	-	-
Bad debts written-off during the period	-	-	-	-	-	-
Increases (Decreases) of provisions during the period	- 5,500	-	-	8,500	-	-
Provisions at the end of the period	88,000	-	-	93,500	-	-

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see TABLE 46: EXPOSURES AND PROVISIONS BY BASEL ASSET CLASS (EU CR1-A) on page 366

Table 11 Exposure of on-balance sheet assets* and off-balance sheet items* classified by type of assets under the SA

Unit : THB '000

	31 December 2019			31 December 2018		
	On balance sheet assets	Off balance sheet item **	Total	On balance sheet assets	Off balance sheet item **	Total
1. Performing claims	50,094,808	45,249,410	95,344,219	47,495,596	37,246,521	84,742,117
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	13,295,623	4,961,256	18,256,879	14,603,420	2,858,808	17,462,228
1.2 Claims on financial institutions, non-central government public sector entities (PSEs)	1,652,395	25,615,040	27,267,435	8,886,350	15,199,807	24,086,157
1.3 Claims on corporates, non-central government public sector entities (PSEs) treated as claims on corporate	7,172,263	14,673,114	21,845,377	296,713	19,187,906	19,484,620
1.4 Claims on retail portfolios	-	-	-	424	-	424
1.5 Housing loans	-	-	-	-	-	-
1.6 Other assets	27,974,528	-	27,974,528	23,708,689	-	23,708,689
2. Non-performing claims	-	-	-	-	-	-
3. First-to-default credit derivatives and Securitisation	-	-	-	-	-	-
Total	50,094,808	45,249,410	95,344,219	47,495,596	37,246,521	84,742,117

* After multiplying with credit conversion factor and specific provision

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

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see TABLE 38: STANDARDISED CREDIT RISK EXPOSURE BY STANDARD EXPOSURE CLASS (EU CR4) on page 354

Credit risk exposures under the SA*
Table 12 : Exposure of net on-balance sheet assets and off-balance sheet items after adjusted by credit risk mitigation for each type of asset, classified by risk weight under the SA**

unit : THB'000

Type of asset	31 December 2019									
	Risk weight (%)	Rated outstanding amount					Unrated outstanding amount			
		0	20	50	100	150	0	20	75	100
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	14,709,486	12,000	2,207,788	1,327,605						
2. Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions and securities firms		10,102,916	11,713,724	5,450,795						
3. Claims on corporates, non-central government public sector entities (PSEs) treated as claims on corporate		1,310,869	215,682	20,318,826						
4. Claims on retail portfolios										-
5. Claims on housing loans										
6. Other assets						27,922,239				52,289
Risk weight (%)			50	100	150					
Non-performing claims^{1/}										
Capital deduction items prescribed by the Bank of Thailand										

* Including insignificant credit portfolios using the SA of the commercial banks that use the IRB

** 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

Credit risk exposures under the SA*
Table 12 : Exposure of net on-balance sheet assets and off-balance sheet items after adjusted by credit risk mitigation for each type of asset, classified by risk weight under the SA**

unit : THB'000

Type of asset	31 December 2018									
	Risk weight (%)	Rated outstanding amount					Unrated outstanding amount			
		0	20	50	100	150	0	20	75	100
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	12,452,901	2,947,417	514,042	1,547,868						
2. Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions and securities firms		8,812,814	2,303,276	8,368,530						
3. Claims on corporates, non-central government public sector entities (PSEs) treated as claims on corporate		1,111,716	145,008	22,829,433						
4. Claims on retail portfolios										424
5. Claims on housing loans										
6. Other assets						23,671,148				37,541
Risk weight (%)			50	100	150					
Non-performing claims^{1/}										
Capital deduction items prescribed by the Bank of Thailand										

* Including insignificant credit portfolios using the SA of the commercial banks that use the IRB

** 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

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see TABLE 39: STANDARDISED CREDIT EXPOSURE AT DEFAULT (EU CR5) on page 355)



4. Market risk disclosures

Details, about how market risks of the Branch are managed, are given in Registration document and financial report - BNP Paribas, Pillar 3 disclosure.

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see 5.7 MARKET RISK on page 398-415)

Table 13 Capital for market risk under the SA

unit : THB'000

Capital for market risk	31 December 2019	31 December 2018
1. Capital for Interest Rate Risk	1,913,395	1,778,764
2. Capital for Equity Price Risk	-	-
3. Capital for Foreign Exchange Risk	70,306	180,443
4. Capital for Commodity Price Risk	-	-
Total Capital for Market Risk	1,983,701	1,959,207



5. Operational risk disclosures

Details about the operational risk management of the Branch are given in Registration document and financial report - BNP Paribas, Pillar 3 disclosure.

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see 5.9 OPERATIONAL RISKS on page 430-437)

For local regulatory reporting, the Branch uses the standard approach to calculate the equivalent factors of operations risk-weighted assets as at 31 December 2019.

6. Equity exposure disclosures

Equity exposures in banking book

Table 14 Equity exposures in banking book

Unit: THB '000

Equity exposures	31 December 2019	31 December 2018
1. Equity exposures		
1.1 Equities listed and publicly traded in the Stock Exchange		
- Book value	0.00	0.00
- Fair value	0.00	0.00
1.2 Other equities	0.00	0.00
2. Gains (losses) of sale of equities in the reporting period	0.00	0.00
3. Net surplus (deficit) from revaluation of available for sale equities	0.00	0.00
4. Minimum capital requirements for equity exposures classified by the calculation methods		
- SA	0.00	0.00
- IRB	0.00	0.00
5. Equity values for commercial banks applying IRB which the Bank of Thailand allows to use SA	0.00	0.00
Total	0.00	0.00

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see CREDIT RISK : EQUITIES UNDER THE SIMPLE WEIGHTING METHOD on page 357-358 and MARKET RISK RELATED TO BANKING ACTIVITIES on page 412-415)

7. Interest rate risk in banking book disclosures

Details about the interest rate risk in the banking book of the Branch are given in Registration document and financial report - BNP Paribas, Pillar 3 disclosure.

Table 15 The effect of changes in interest rates (change 100 bps) to net earnings

Unit : THB '000

Currency	Impact to Net Interest income (NII)	
	31 December 2019	31 December 2018
Baht	28,443	78,340
USD	(19,967)	(41,063)
EURO	(19,971)	(16,009)
Others	(83)	(761)
Total impact to Net Interest Income	(11,578)	20,507
% of Net Interest Income expected in the next 1 year	-2.95	6.26

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see MARKET RISK RELATED TO BANKING ACTIVITIES on page 412-415, TABLE 86: SENSITIVITY OF REVENUES TO GLOBAL INTEREST RATE RISK ON A 50 BASIS POINT INCREASE OR DECREASE IN THE INTEREST RATE page 414)

8. Regulatory Capital during the transitional period to Basel III

The Bank of Thailand's notification No.FPG 4/2556 Capital disclosure for the Commercial Banks, effective 1 January 2013, requires the Commercial bank to disclose the regulatory capital during the transitional period to Basel III. The disclosure is consistent with the BCBS's composition of capital disclosure requirement: June 2012 which prescribes the deduction from capital.

Transitional arrangements under Basel III require that certain capital components be deducted from capital starting from 2014.

Table 16 Total regulatory capital of the Foreign Bank Branch during the transitional period to Basel III

Unit : THB '000

Regulatory Capital and Deductions under Basel III	31 December 2019	31 December 2018
Regulatory Capital	8,834,290	9,256,028
Deductions	6,776	9,158
Net Regulatory Capital	8,827,514	9,246,870

1/ Intangible assets e.g. software licenses, phase-out at 100% p.a. in 2014

Please refer to the BNP Paribas Group Pillar 3 information, which can be found under part 5 within the 2019 Registration Document https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf (see TABLE 14: REGULATORY CAPITAL on page 301)



Appendix

BNP PARIBAS GROUP KEY DOCUMENTS & FIGURES	HYPERLINKS
Registration Document (incl. Group Pillar 3, part 5)	https://invest.bnpparibas.com/sites/default/files/documents/bnp2019_urd_en_20_03_13.pdf part 5 within the 2019
Annual Report	https://invest.bnpparibas.com/en/annual-reports
Results	https://invest.bnpparibas.com/en/results
Information Statement	https://invest.bnpparibas.com/en/information-statement