



# **Bangkok Bank Public Company Limited**

**Basel III - Pillar 3 Disclosures**

As at June 30, 2022

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## Introduction

Bangkok Bank (“the Bank”) recognizes that effective risk management and good corporate governance are essential to the stability and sustainable credibility of the Bank and its subsidiaries in the Group (“the Group”). The Bank therefore places great emphasis on continually improving risk management processes and on having a sufficient level of capital to support business operations, at both the Bank level and the Group level.

The use of market discipline is deemed to be an important driver in the enhancement of the risk management system. Therefore, disclosures of information regarding capital, risk exposures, risk assessment processes, and capital adequacy are provided at both the Bank level (Solo Basis) and the Group level (Full Consolidation Basis). The disclosures are in accordance with the disclosure requirements of the Bank of Thailand (“BOT”).

The complete disclosure report of information regarding capital management in accordance with Basel III - Pillar 3 is provided, of which the quantitative information regarding key prudential metrics, capital structure, capital adequacy, minimum capital requirements for credit risk, market risk, operational risk and Liquidity Coverage Ratio (LCR) is disclosed semi-annually. As for the disclosure of qualitative information, it is updated annually or when there is a material change in the risk management policy. Disclosures will be made for information that the Bank considers to be of material nature. The Pillar 3 disclosure reports will be made available on the Bank’s website under the section “Investor Relations” within four months after the end of relevant period.

## Scope of Application

The disclosure report covers information at both the Bank level (Solo Basis) and the Group level (Full Consolidation Basis). There are 13 companies in the Group consisting of;

- Bangkok Bank Public Company Limited engaged in commercial banking (as the parent company)
- Bangkok Bank Berhad engaged in commercial banking
- Bangkok Bank (China) Company Limited engaged in commercial banking
- PT Bank Permata Tbk engaged in commercial banking
- Bualuang Securities Public Company Limited engaged in securities business
- BBL Asset Management Company Limited engaged in fund management
- Bangkok Capital Asset Management Company Limited engaged in fund management
- Sinsuptawee Asset Management Company Limited engaged in asset management
- Bualuang Ventures Limited engaged in venture capital
- BSL Leasing Company Limited engaged in leasing business
- BBL (Cayman) Limited engaged in finance business
- BBL Nominees (Tempatan) Sdn. Bhd engaged in supporting business
- PT Honest Financial Technologies\* (formerly PT Sahabat Finansial Keluarga) engaged in finance business

\*Approved by the BOT to leave the Group level on September 13, 2022.

The scope of consolidation for accounting and regulatory purposes has no difference (See Table 7).

## 1. Key Prudential Metrics

**Table 1: Quantitative Disclosure of Key Prudential Metrics**

Items	The Group		The Bank		
	30 June 2022	31 December 2021	30 June 2022	31 December 2021	
<b>Capital (Unit : Million Baht)</b>					
1	Common Equity Tier 1 Capital (CET1)	434,683	433,699	423,129	425,758
1A	Common Equity Tier 1 Capital (CET1) after ECL <sup>1/</sup> (Fully loaded ECL CET1)	434,683	433,699	423,129	425,758
2	Tier 1 Capital	458,464	457,469	446,721	449,350
2A	Tier 1 Capital after ECL (Fully loaded ECL Tier1)	458,464	457,469	446,721	449,350
3	Total Capital	561,949	560,426	546,366	551,339
3A	Total Capital after ECL (Fully loaded ECL Total Capital)	561,949	560,426	546,366	551,339
<b>Risk Weighted Assets (Unit : Million Baht)</b>					
4	Total Risk Weighted Assets (RWA)	2,968,445	2,863,435	2,633,285	2,584,901
<b>Capital to Risk Weighted Assets Ratio (%)</b>					
5	Common Equity Tier1 Capital Ratio	14.64	15.15	16.07	16.47
5A	Common Equity Tier1 Capital Ratio after ECL (Fully loaded ECL CET1 Ratio)	14.64	15.15	16.07	16.47
6	Tier 1 Capital Ratio	15.44	15.98	16.96	17.38
6A	Tier 1 Capital Ratio after ECL (Fully loaded ECL Tier1 Ratio)	15.44	15.98	16.96	17.38
7	Total Capital Ratio	18.93	19.57	20.75	21.33
7A	Total Capital Ratio after ECL (Fully loaded ECL Total Capital Ratio)	18.93	19.57	20.75	21.33
<b>Capital Buffer Ratio (%)</b>					
8	Conservation Buffer Ratio	2.50	2.50	2.50	2.50
9	Countercyclical Buffer Ratio	-	-	-	-
10	High Loss Absorbency Ratio	1.00	1.00	1.00	1.00
11	Total Capital Buffer (Total Transaction 8 -10)	3.50	3.50	3.50	3.50
12	Common Equity Tier 1 Ratio Remaining after Minimum Requirement <sup>2/</sup>	9.44	9.98	10.96	11.38
<b>Liquidity Coverage Ratio (LCR) (%)</b>			<b>Average Value for the second quarter</b>		
			<b>Year 2022</b>	<b>Year 2021</b>	
13	Total High-Quality Liquid Assets (Unit : Million Baht)		1,067,914	1,062,464	
14	Total Expected Net Cash Outflows within the next 30 days (Unit : Million Baht)		368,000	375,517	
15	LCR (%)		292	283	

<sup>1/</sup> Expected Credit Loss (ECL) as prescribed in TFRS9 Financial Instruments (TFRS9) of the Federation of Accounting Professions

<sup>2/</sup> CET1 ratio remaining after minimum capital, it is not necessarily equal to the difference between the CET1 ratio in the 5th and the 4.5% minimum CET1 ratio requirement. Due to the CET1 ratio may be applied to maintain a minimum Tier1 ratio requirement of 6% and/or minimum total capital ratio requirement of 8.5%.

## 2. Capital Structure and Capital Adequacy

### 2.1 Capital Structure

The Bank's capital structure according to the regulations on capital requirements under the principles of BOT's Basel III, is revised into Common Equity Tier 1 Capital, Additional Tier 1 Capital and Tier 2 Capital.

- Common Equity Tier 1 Capital comprises
  - 1) Paid-up Share Capital
  - 2) Premium (discount) on Common Share
  - 3) Legal Reserves
  - 4) Reserves appropriated from net profit
  - 5) Retained earnings after appropriations
  - 6) Non-controlling Interest classified as Common Equity Tier 1 Capital
  - 7) Other Reserves
  - 8) Deductions such as goodwill, intangible assets and deferred tax assets
- Additional Tier 1 Capital consists of
  - 1) Long-term subordinated debt instrument with claims subordinated to depositors, general creditors and other subordinated debts, including debt instruments qualified as Tier 2 Capital.
  - 2) Non-controlling Interest classified as Additional Tier 1 Capital
- Tier 2 Capital consists of
  - 1) Long-term subordinated debt instrument with claims subordinated to depositors and general creditors
  - 2) General Provisions for normal assets not exceeding 1.25 percent of credit risk- weighted assets
  - 3) Non-controlling Interest classified as Tier 2 Capital

In adopting Basel III, the BOT relaxes for subordinated debt instruments classified as Tier 2 capital of which the criteria do not meet qualifications under Basel III regarding capability for loss absorbency of the Bank at the point of non-viability i.e. no conversion feature to common shares or written off upon the authority's decision to make financial support to the Bank, the BOT requires phasing out capital at 10 percent p.a. starting from 2013 to 2022.

**Table 2: Capital Structure**

Unit : Million Baht

Capital	The Group		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Common Equity Tier 1 Capital	434,683	433,699	423,129	425,758
Tier 1 Capital	458,464	457,469	446,721	449,350
Tier 2 Capital	103,485	102,957	99,645	101,989
Total Capital	561,949	560,426	546,366	551,339

## 2.2 Capital Adequacy

The objective of the Bank's and the Group's capital management policy is to maintain an adequate level of capital to support growth strategies within an acceptable risk framework, as well as to meet regulatory requirements and market expectations.

In compliance with the BOT's supervisory review process guidelines, the Bank's capital management process assesses the overall risk and capital adequacy under the Internal Capital Adequacy Assessment Process (ICAAP). The process covers projected assessments of all substantial risks to the Bank's operations, so that the Bank can effectively manage its risks and has a sound capital base for business operations under normal and stress scenarios. Therefore, the capital management process covers the Group level.

The Standardised Approach (SA) is used to measure credit risk, market risk, and operational risk for computing regulatory capital requirements under BOT's Basel III at both the Bank level and the Group level.

Under the principles of Basel III, the BOT requires that commercial banks registered in Thailand and their groups must maintain three minimum capital adequacy ratios: a Common Equity Tier 1 Capital adequacy ratio of no less than 4.50 percent, a Tier 1 Capital adequacy ratio of no less than 6.00 percent, and a Total Capital adequacy ratio of no less than 8.50 percent. The aforementioned minimum ratios have yet to include the Capital Conservation Buffer of more than 2.50 percent. Moreover, the BOT requires the Bank, which is classified as a Domestic Systemically Important Bank (D-SIB), to have additional capital to meet the Higher Loss Absorbency (HLA) requirement by 1.00 percent. Consequently, from January 1, 2020, Common Equity Tier 1 Ratio, Tier 1 Ratio and Total Capital Ratio must be more than 8.00, 9.50 and 12.00 percent, respectively, of the total risk-weighted assets.

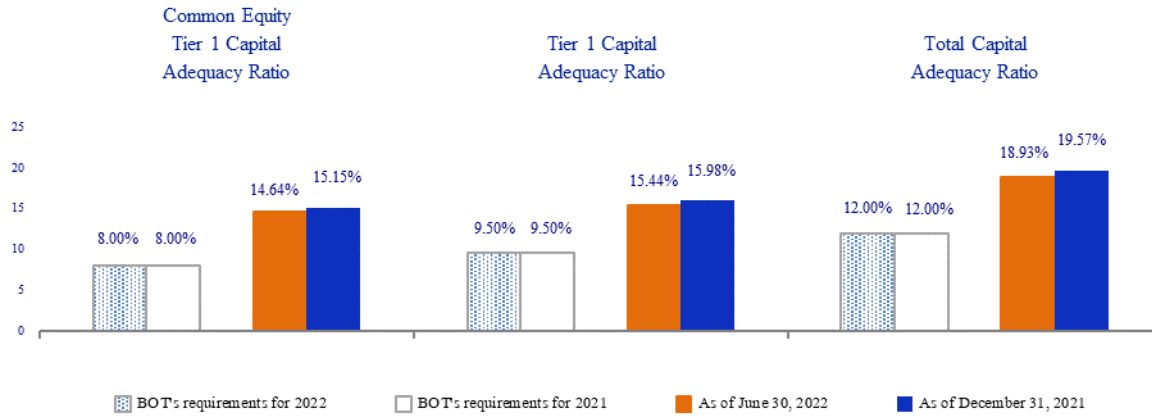
Moreover, the BOT may require banks to maintain additional capital for Countercyclical Buffer at maximum 2.50 percent. As at June 30, 2022, the Bank and the Group has adequate capital for such buffers.

**Table 3: Capital Adequacy**

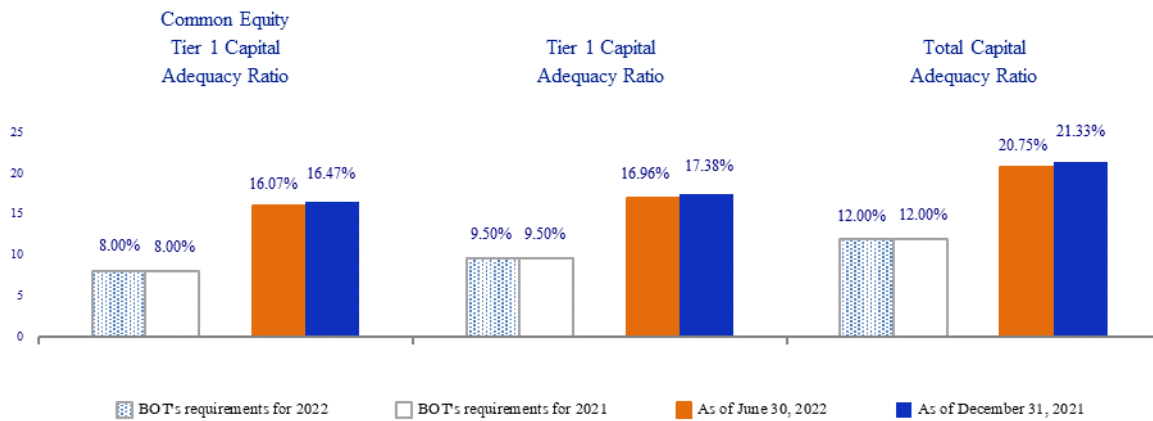
Capital	The Group		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Common Equity Tier 1 Capital	14.64%	15.15%	16.07%	16.47%
Tier 1 Capital	15.44%	15.98%	16.96%	17.38%
Tier 2 Capital	3.49%	3.59%	3.79%	3.95%
Total Capital	18.93%	19.57%	20.75%	21.33%

## Capital Adequacy Ratio

### Group Level (Full Consolidation Basis)



### Bank Level (Solo Basis)



Remark: The BOT requires commercial banks to maintain an additional Capital Conservation Buffer reaches more than 2.5 percent. The BOT also requires commercial banks to have additional capital requirement for Higher Loss Absorbency (HLA) requirement by 1 percent

**Table 4: Component of Capital**

Unit : Million Baht

Component of Capital	The Group		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
<b>Tier 1 Capital</b>	<b>458,464</b>	<b>457,469</b>	<b>446,721</b>	<b>449,350</b>
Common Equity Tier 1 Capital	434,683	433,699	423,129	425,758
Paid-up Share Capital	19,088	19,088	19,088	19,088
Premiums on Share Capital	56,346	56,346	56,346	56,346
Legal Reserves	26,500	26,000	26,500	26,000
Reserves appropriated from net profit	116,500	116,500	116,500	116,500
Net profit after appropriations	203,174	191,060	184,228	174,703
Other comprehensive income	57,174	66,492	48,708	58,136
Non-controlling Interest	402	-	-	-
Deductions from Common Equity Tier 1 Capital	(44,501)	(41,787)	(28,241)	(25,015)
<b>Additional Tier 1 Capital</b>	<b>23,781</b>	<b>23,770</b>	<b>23,592</b>	<b>23,592</b>
Subordinated Debenture	23,592	23,592	23,592	23,592
Non-controlling Interest	189	178	-	-
<b>Tier 2 Capital</b>	<b>103,485</b>	<b>102,957</b>	<b>99,645</b>	<b>101,989</b>
Subordinated Debenture*	70,195	73,149	70,195	73,149
General Provision	33,185	29,765	29,450	28,840
Non-controlling Interest	105	43	-	-
<b>Total Capital</b>	<b>561,949</b>	<b>560,426</b>	<b>546,366</b>	<b>551,339</b>

\*Component of Capital subject to Phasing in (out)

Unit : Million Baht

As at June 30, 2022	The Group		The Bank	
	Classified As Capital	Outstanding Balance for Phasing In (Out)	Classified As Capital	Outstanding Balance for Phasing In (Out)
<b>Phasing in (out) at 10 percent p.a. beginning 2013 - 2022</b>				
Subordinated Debenture	70,195	-	70,195	-

Unit : Million Baht

As at December 31, 2021	The Group		The Bank	
	Classified As Capital	Outstanding Balance for Phasing In (Out)	Classified As Capital	Outstanding Balance for Phasing In (Out)
<b>Phasing in (out) at 10 percent p.a. beginning 2013 - 2022</b>				
Subordinated Debenture	73,149	(2,953)	73,149	(2,953)



**Table 5: Minimum Capital Requirements for Each Type of Risks**

Unit : Million Baht

Type of Risks	The Group		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
<b>Minimum Capital Requirements for Credit Risk</b>	<b>226,993</b>	<b>217,606</b>	<b>203,225</b>	<b>198,596</b>
Performing	224,688	215,295	201,310	196,559
- Sovereigns and central banks, Multilateral development banks (MDBs <sup>1</sup> ), and Provincial organizations/ Government entities/ State enterprises (PSEs <sup>2</sup> ) which have the same risk weight as Sovereigns	3,926	2,959	2,872	2,970
- Financial institutions, Securities firms, and Provincial organizations/ Government entities/ State enterprises (PSEs) which have the same risk weight as Financial Institutions	10,498	9,236	10,903	9,809
- Corporates, and Provincial organizations/ Government entities/ State enterprises (PSEs) which have the same risk weight as Corporates	162,401	159,482	138,019	134,523
- Retail	15,213	12,387	10,514	10,611
- Residential mortgage loans	11,545	9,954	9,601	9,331
- Other assets	21,105	21,277	29,401	29,315
Non-Performing	2,305	2,311	1,915	2,037
<b>Minimum Capital Requirements for Market Risk</b>	<b>6,276</b>	<b>6,744</b>	<b>5,961</b>	<b>6,306</b>
- Interest Rate Risk	3,790	4,315	3,540	3,963
- Equity Price Risk	70	92	-	-
- Foreign Exchange Risk	2,416	2,337	2,421	2,343
- Commodity Price Risk	-	-	-	-
<b>Minimum Capital Requirements for Operational Risk</b>	<b>19,048</b>	<b>19,042</b>	<b>14,643</b>	<b>14,814</b>
<b>Total Minimum Capital Requirements</b>	<b>252,317</b>	<b>243,392</b>	<b>223,829</b>	<b>219,716</b>

Remark

<sup>1</sup> Multilateral Development Bank

<sup>2</sup> Non-central Government Public Sector Entity

**Table 6: Main Features of Regulatory Capital Instruments**

	Ordinary Share	Subordinated Debenture	Subordinated Debenture	Subordinated Debenture
Issuer	Bangkok Bank Public Company Limited	Bangkok Bank Public Company Limited Hong Kong branch	Bangkok Bank Public Company Limited Hong Kong Branch	Bangkok Bank Public Company Limited Hong Kong Branch
ISIN Code	TH0001010006	USY06072AD75 (Reg S) US06000BAA08 (Rule 144A)	USY0606WCA63 (Reg S) US059895AT92 (Rule 144A)	USY0606WCC20 (Reg S) US059895AV49 (Rule 144A)
<b>Regulatory treatment</b>				
Instrument type	Common Equity Tier 1	Additional Tier 1	Tier 2 Capital	Tier 2 Capital
Qualified Basel III	Qualified	Qualified	Qualified	Qualified
Non-qualified Basel III features	N/A	N/A	N/A	N/A
Phased-out or full-amount	Full-amount	Full-amount	Full-amount (Phrased-out 20% p.a. after year 10)	Full-amount (Phrased-out 20% p.a. after year 10)
Eligible at solo/group level	Group & Solo	Group & Solo	Group & Solo	Group & Solo
Amount recognized in regulatory capital (Net of phasing out) (Unit: THB Million)	19,088	23,592	36,686	33,509
Par value	10 Baht	1,000 U.S. Dollar	1,000 U.S. Dollar	1,000 U.S. Dollar
Accounting classification	Shareholder's equity	Amortized-cost debt	Amortized-cost debt	Amortized-cost debt
Original date of issuance	Multiple	September 23, 2020	September 25, 2019	September 23, 2021
Perpetual or dated	Perpetual	Perpetual	Dated	Dated
Original maturity date	No maturity	No maturity	September 25, 2034	September 23, 2036
Issuer's authority to call subject to prior supervisory approval	No	Issuer call subject to prior supervisory approval	Issuer call subject to prior supervisory approval	Issuer call subject to prior supervisory approval
Optional call date, contingent call date and redemption amount	N/A	The Bank has the option to redeem the subordinated notes: (i) on the First Call Date (being 5 years from the Issue Date) and every Distribution Payment Date thereafter, on the revolving Principal Amount or the Optional Redemption Amount, plus accrued but not cancelled Distribution subject to adjustment following the occurrence of a Trigger Event or Non-Viability Event; and (ii) at any time upon the occurrence of Tax or Regulatory Events, at their Prevailing Principal Amount plus accrued but not cancelled Distribution subject to adjustment following the occurrence of a Trigger Event or Non-Viability Event, in any case, subject to approval from the Bank of Thailand and subject to the Terms and Condition of the Additional Tier 1 Subordinated Notes.	The Bank has the option to redeem the subordinated notes at year 10, or upon certain Tax or Regulatory Events, subject to approval from the Bank of Thailand. The redemption amount of the notes shall be equal to total outstanding principal plus accrued interest subject to adjustment following the occurrence of a Non-Viability Event.	The Bank has the option to redeem the subordinated notes at year 10, or upon certain Tax or Regulatory Events, subject to approval from the Bank of Thailand. The redemption amount of the notes shall be equal to total outstanding principal plus accrued interest subject to adjustment following the occurrence of a Non-Viability Event.

**Table 6: Main Features of Regulatory Capital Instruments (Continued)**

	Ordinary Share	Subordinated Debenture	Subordinated Debenture	Subordinated Debenture
Subsequent call dates, if applicable	N/A	First Call Date and every Distribution Payment Date thereafter (or any time upon the occurrence of Tax or Regulatory Events), subject to approval from the Bank of Thailand	N/A	N/A
<b>Coupons / dividends</b>				
Fixed or floating dividend/coupon	Discretionary dividend amount	Fixed rate until the First Call Date and thereafter reset to Reset Distribution Rate every five-year according to the Terms and Condition of the Additional Tier 1 Subordinated Notes	Fixed rate	Fixed rate
Coupon rate and any related index	Distributable profit that has been declared as dividend	5,000% p.a. until the First Call Date and thereafter reset to Reset Distribution Rate according to the Terms and Condition of the Additional Tier 1 Subordinated Notes	3,733 % p.a.	3,466 % p.a.
Existence of a dividend stopper	No	Yes	No	No
Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Mandatory by BOT	Mandatory by BOT
Existence of step up or other incentive to redeem	No	No	No	No
Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
Write-down feature	No	Yes	Yes	Yes
Position in subordination hierarchy in liquidation	The ordinary shareholders shall of the return of capital in a winding-up at the last position.	The subordinated noteholders' rights to payment of principal and Distribution (if any) on the Additional Tier 1 Subordinated Notes rank senior to rights of claims in respect of the Issuer's shares and obligations which by their terms or by operation of law rank junior to the Additional Tier 1 Subordinated Notes and junior to rights of claims in respect of all other types of the Issuer's creditors.	The Subordinated Noteholders' rights to receive their debt payments in a winding-up rank behind depositors and all creditors in respect of debts/ liabilities which by their terms rank senior to the Subordinated Notes.	The Subordinated Noteholders' rights to receive their debt payments in a winding-up rank behind depositors and all creditors in respect of debts/ liabilities which by their terms rank senior to the Subordinated Notes.

**Table 7: Reconciliation of Regulatory Capital and Financial Statement under Consolidated Supervision**

The Group Capital	Unit : Million Baht		
Item	30 June 2022	31 December 2021	References Based on Balance Sheet under the Consolidated Supervision
	Amount	Amount	
<b>Tier 1 Capital</b>			
<b>Common Equity Tier 1 Capital</b>			
Paid-up Common Shares	19,088	19,088	A
Premiums on Share Capital	56,346	56,346	B
Legal Reserves	26,500	26,000	C
Reserves Appropriated from Net Profit	116,500	116,500	D
Net Profit after Appropriation	203,174	191,060	E
Other Comprehensive Income			
Revaluation Surplus on Land Building and Condominium Appraisal	30,245	30,740	F
Revaluation Surplus on Investments	17,226	27,454	G
Foreign Currency Translation	11,469	8,136	H
Cash flow hedges reserve	(1,766)	160	I
Other Owner Changes Items	-	2	J
Non-controlling Interest	402	-	K
<b>Total CET1 Capital before Regulatory Adjustments and Deduction</b>	<b>479,184</b>	<b>475,486</b>	
Regulatory Adjustments on CET1	-	-	
Regulatory Deduction on CET1			
Goodwill	(22,152)	(21,887)	L
Intangible Assets	(14,500)	(14,922)	M
Deferred Tax Assets	(7,849)	(4,978)	N
<b>Total Regulatory Deduction on CET1</b>	<b>(44,501)</b>	<b>(41,787)</b>	
<b>Total CET1</b>	<b>434,683</b>	<b>433,699</b>	
<b>Additional Tier 1 Capital</b>			
Subordinated Debenture	23,592	23,592	O
Non-controlling Interest	189	178	P
<b>Total Tier 1 Capital</b>	<b>458,464</b>	<b>457,469</b>	
<b>Tier 2 Capital</b>			
Subordinated Debenture	70,195	73,149	Q
General Provision	33,185	29,765	R
Non-controlling Interest	105	43	S
<b>Total Tier 2 Capital</b>	<b>103,485</b>	<b>102,957</b>	
<b>Total Regulatory Capital</b>	<b>561,949</b>	<b>560,426</b>	

**Table 7: Reconciliation of Regulatory Capital and Financial Statement under Consolidated Supervision (Continued)**
**Balance Sheet under the Consolidated Supervision <sup>1</sup>**

Unit : Million Baht

Items	30 June 2022	31 December 2021	References for the Group Capital Items
	Amount	Amount	
<b>Assets</b>			
Cash	48,512	62,552	
Interbank and Money Market Items, net	729,943	801,212	
Financial Assets Measured at Fair Value Through Profit or Loss	84,339	84,341	
Derivatives Assets	69,631	42,359	
Investments, net	846,117	803,637	
Investments in Subsidiaries and Associates, net	1,329	1,329	
Loans to Customers and Accrued Interest Receivables, net	2,425,276	2,376,027	
Qualified as Capital	33,185	29,765	R
Properties for Sale, net	11,168	9,496	
Premises and Equipment, net	63,634	64,980	
Goodwill and Other Intangible Assets, net	36,652	36,809	
Deduction from Capital	(36,652)	(36,809)	L, M
Deferred Tax Assets	8,053	6,336	
Deduction from Capital	(7,849)	(4,978)	N
Collateral Placed with Financial Counterparties	6,969	12,906	
Other assets, net	24,395	31,297	
<b>Total Assets</b>	<b>4,356,018</b>	<b>4,333,281</b>	
<b>Liabilities</b>			
Deposits	3,147,149	3,156,940	
Interbank and Money Market Items	250,539	288,708	
Liability Payable on Demand	8,275	8,113	
Financial Liabilities Measured at Fair Value Through Profit or Loss	19,846	20,833	
Debt Instruments that are qualified as capital	-	2,953	Q
Derivatives Liabilities	77,140	50,264	
Debt Issued and Borrowings	220,396	183,239	
Qualified as Additional Tier 1 Capital	23,592	23,592	O
Qualified as Tier 2 Capital	70,195	70,196	Q
Provisions	25,818	25,815	
Deferred Tax Liabilities	203	1,358	
Other Liabilities	110,225	103,418	
<b>Total Liabilities</b>	<b>3,859,591</b>	<b>3,838,688</b>	

**Table 7: Reconciliation of Regulatory Capital and Financial Statement under Consolidated Supervision (Continued)**

<b>Balance Sheet under the Consolidated Supervision<sup>1</sup></b>				Unit : Million Baht
<b>Items</b>	<b>30 June 2021</b>	<b>31 December 2020</b>	<b>References for the Group Capital Items</b>	
	<b>Amount</b>	<b>Amount</b>		
<b>Owner' Equity</b>				
Share Capital				
Registered Share Capital				
Preferred Shares	17	17		
Common Shares	39,983	39,983		
Issued and Paid-up Share Capital				
Common Shares	19,088	19,088	A	
Premium on Common Shares	56,346	56,346	B	
Other Reserves				
Qualified as Capital	57,174	66,492	F, G, H, I, J	
Retained Earnings				
Appropriated				
Legal Reserve	26,500	26,000	C	
Others	116,500	116,500	D	
Unappropriated				
Qualified as Capital	203,174	191,060	E	
<b>Total Bank's Equity</b>	<b>494,535</b>	<b>492,727</b>		
Non-controlling Interest				
Qualified as Common Equity Tier 1 Capital	402	-	K	
Qualified as Additional Tier 1 Capital	189	178	P	
Qualified as Tier 2 Capital	105	43	S	
<b>Total Shareholders' Equity</b>	<b>496,427</b>	<b>494,593</b>		
<b>Total Liabilities and Shareholders' Equity</b>	<b>4,356,018</b>	<b>4,333,281</b>		

**Remark**
<sup>1</sup>The scope of consolidation for accounting and regulatory purposes has no difference.

### 3. Liquidity Coverage Ratio (LCR)

According to the Basel III guideline, the Bank is subject to the Liquidity Coverage Ratio (LCR) requirement imposed by the BOT. This guideline aims to ensure that a bank has adequate liquidity to support short-term severe liquidity stress scenarios by requiring a bank to maintain High-Quality Liquid Asset (HQLA) to cover Total Net Cash Outflows over the next 30 calendar days under severe liquidity stress scenarios (Net COF). The BOT has required commercial banks to maintain LCR at the end of each month not less 100% since January 1, 2020. The LCR calculation is as follow.

$$\text{LCR} = \frac{\text{Stock of High-Quality Liquid Assets}}{\text{Total Net Cash Outflows over the next 30 days estimated under severe liquidity stress scenarios}}$$

HQLA is unencumbered high-quality liquid asset that can be easily and immediately converted into cash at little or no loss of value even under severe liquidity stress scenarios. All high-quality liquid assets must also meet the minimum standard as stipulated by the BOT. When calculating the amount of HQLA, the value of all qualified assets must be combined and deducted by the haircut value as specified by the BOT. The caps of each class of HQLA must be considered.

Net COF is calculated by deducting the total expected cash inflow from the total expected cash outflow within the period of 30 days during the severe liquidity stress scenario. The total expected cash inflow cannot exceed 75% of the total expected cash outflow and cannot include those assets that are already qualified as HQLA. In calculating expected cash inflow and outflow, the Bank estimates the flows by applying the inflow rates and the run-off rates specified by the BOT.

The Bank's quarterly LCR which is an average of month-end value in each quarter is shown below.

**Table 8: Liquidity Coverage Ratio**

Items	Unit: Million Baht	
	Average Value for the second quarter <sup>2</sup>	
	Year 2022	Year 2021
Total High-Quality Liquid Assets	1,067,914	1,062,464
Total expected net cash outflows within the next 30 days	368,000	375,517
LCR <sup>1</sup>	292%	283%
Minimum LCR required by the Bank of Thailand	100%	100%

Note

<sup>1</sup> The LCR is computed as an average ratio of month-end LCR in the quarter. This may not be equal to an LCR computed with the average values of HQLA and Net COF.

<sup>2</sup> Average of month-end value in the quarter.

The Bank's average LCR for the first quarter and the second quarter of 2022 in comparison with those of 2021 are shown below.

**Table 9: Comparison of Liquidity Coverage Ratio**

	Average LCR	Year 2022	Year 2021
The first quarter		270%	269%
The second quarter		292%	283%

For the second quarter of 2022, the Bank's average LCR was 292 percent, well above the regulatory minimum requirement of 100 percent.

The Bank's average HQLA was 1,067,914 million Baht for the second quarter of 2022. Of this amount, 93 percent was Level 1 HQLA, which included cash and qualifying debt securities issued or guaranteed by governments, central banks and state enterprises. The remaining was Level 2 HQLA, which were mainly qualifying corporate debt securities rated at least A or equivalent and promissory notes issued by Thailand's Ministry of Finance.

The Bank's average Net COF was 368,000 million Baht for the second quarter of 2022. The expected net cash outflows of the Bank were mainly driven by deposits and borrowings from retails and corporates, as well as contingent bond bought. The main drivers of the Bank's inflows were fully-performing loans, interbank placement and contingent bond sold.

The Bank assesses, monitors and controls liquidity risk through a variety of measurements, along with the LCR, such as loan-to-deposit ratio, cumulative net cash flow positions, funding concentration and Net Stable Funding Ratio. The Bank also regularly monitors the early warning indicators to detect any potential liquidity crisis. This is to ensure that the Bank has sufficient liquidity for business operation as usual and can proactively manage liquidity risk.