



# **Bangkok Bank Public Company Limited**

**Management Discussion and Analysis**

for the Quarter Ended March 31, 2022

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## Management Discussion and Analysis

### Overview of the Economy and Banking Industry

#### *Thai Economy in the First Quarter of 2022*

The Thai economy in the first quarter of 2022 faced significant challenges from the conflict between Russia and Ukraine as well as the implementation of strict epidemic control measures in Shanghai, China. These resulted in higher global energy and commodity prices. Meanwhile, global supply disruption that has been protracted in some industries increased production and transportation costs and accelerated inflation which affected private expenditure. Consumption indicators slowed down as consumer purchasing power was pressured by the higher cost of living and high household debt. Despite the fact that the outbreak of the Omicron variant of Covid-19 had little impact on economic activity, private investment indicators tended to slow down. However, exports continued to expand in line with demand from trading partners and tourism revenues recovered after the government eased restrictions on international travel. Against this backdrop, government expenditure continued to play an important role in alleviating people's cost of living and supporting the economy.

Headline inflation in the first quarter of 2022 stood at 4.75 percent, increasing from minus 0.53 percent in the same quarter last year, which was higher than the Bank of Thailand's (BOT) target range of 1-3 percent. Core inflation was 1.43 percent, up from 0.12 percent in the same quarter last year. The average exchange rate was 33.05 THB/USD, depreciating from 30.26 THB/USD in the same quarter last year but appreciating from 33.38 THB/USD in the previous quarter.

The Monetary Policy Committee (MPC) voted unanimously to maintain the policy interest rate at 0.50 percent per annum in their March meeting on the assessment that the Thai economy is likely to continue to recover. Meanwhile, inflation began to accelerate mainly due to energy prices and pass-through costs in the food category. However, it is expected to gradually decrease to the target range in 2023. Government measures and policy coordination are crucial for economic recovery under these conditions of high uncertainty and fiscal measures at the appropriate time should help to support the economic recovery. Meanwhile, monetary policy continued to support overall easing in financial conditions. This included financial and credit measures to help diversify liquidity and reduce debt burdens, especially among those still affected by the crisis, while pushing financial institutions to support sustainable debt restructuring.

The Thai economy in 2022 is likely to recover in line with the BOT's forecast. However, there is a risk of an economic slowdown in trading partners affected by the conflict between Russia and Ukraine, which will affect exports. There will also be a decrease in tourists from Russia and Ukraine. Meanwhile, the monetary policies of the world's major economies are likely to tighten faster than expected, causing volatility in international capital flows and the baht. Rising prices for energy and global commodities affect the cost of production while creating pressure on inflation and the burden of people's cost of living. In addition, there are risks of raw material shortages in some industries due to global supply disruption, high household debt, as well as domestic political instability.

#### *Thai Banking Industry*

In the first quarter of 2022, the business environment for commercial banks in Thailand improved. At the end of March 2022, deposits grew faster than loans so the ratio of loans to deposits decreased from the end of last year. The ratio of non-performing loans (NPL) to total loans decreased from the end of last year.

The BOT's Senior Loan Officer Survey indicated that in the first quarter of 2022, loan demand increased from the previous quarter especially demand from large corporates for working capital to support higher production costs in line with increasing world commodity prices, and export credit, especially for businesses in the agricultural sector that aim to accelerate their exports. Demand for inventory financing increased for both large corporates and small and medium sized enterprises (SME) in line with rising production costs. Meanwhile, large corporates required less credit for fixed asset investment. Consumer loan demand declined in most categories as consumer confidence decreased due to the outbreak of the Omicron variant of Covid-19 and higher cost of living. Demand for auto-leasing declined partly due to the reduction in sales promotions by business owners. Meanwhile, demand for credit card loans increased from households with limited savings for general spending and liquidity management.

Going forward, loan demand from large corporates and SME is expected to increase from all types of businesses, especially in the manufacturing sector, for working capital and exports. In addition, large corporates are likely to need more loans for refinancing as interest rates are expected to rise. Consumer loan demand is expected to increase in all categories following improved consumer confidence, especially demand for other consumer loans and credit card loans for general spending and durable purchases.

Providing assistance and support to customers affected by the Covid-19 outbreak is of paramount importance for commercial banks which have continued to help businesses and individuals in line with the BOT's assistance measures including Rehabilitation Loans, Asset Warehousing, and Debt Consolidation as well as the sustainable debt restructuring in line with the debtor's ability to repay in the long term.

Commercial banks continued to place greater emphasis on liquidity management with a focus on restructuring deposits and appropriately managing costs while maintaining their Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) in line with the BOT's regulations. The adoption of TFRS 9 requires financial institutions to set aside provisions or expected credit losses by considering economic conditions in the past, present, and future under various assumptions and circumstances that might affect the commercial banking system's loan quality. To manage this, commercial banks will continue to focus on appropriately managing loan quality and risk. However, the commercial banking system still has high levels of capital and has regularly increased loan loss reserves. This will allow the commercial banking system to support credit demand and manage economic volatility going forward.

## Overall Picture of the Bank and its Subsidiaries

	Million Baht				
Item	Q1/22	Q4/21	Q1/21	%QoQ	%YoY
Net profit <sup>/1</sup>	<b>7,118</b>	6,318	6,923	12.7%	2.8%
Earnings per share (Baht)	<b>3.73</b>	3.31	3.63	12.7%	2.8%
Net interest margin	<b>2.11%</b>	2.09%	2.17%	0.02%	(0.06)%
Net fees and service income to operating income ratio	<b>22.4%</b>	21.5%	23.8%	0.9%	(1.4)%
Cost to income ratio	<b>49.8%</b>	54.6%	51.1%	(4.8)%	(1.3)%
Return on average assets <sup>/1</sup>	<b>0.67%</b>	0.58%	0.72%	0.09%	(0.05)%
Return on average equity <sup>/1</sup>	<b>5.83%</b>	5.12%	6.18%	0.71%	(0.35)%

<sup>/1</sup> Attributable to owners of the Bank

Million Baht					
Item	Mar'22	Dec'21	Mar'21	%QoQ	%YoY
Loans	<b>2,587,534</b>	2,588,339	2,369,276	(0.0)%	9.2%
Deposits	<b>3,194,460</b>	3,156,940	2,904,276	1.2%	10.0%
Loan to deposit ratio	<b>81.0%</b>	82.0%	81.6%	(1.0)%	(0.6)%
Non-performing loan (Gross NPL) <sup>/1</sup>	<b>102,342</b>	101,103	108,470	1.2%	(5.6)%
Gross NPL to total loans ratio <sup>/1</sup>	<b>3.3%</b>	3.2%	3.7%	0.1%	(0.4)%
Allowance for expected credit losses to NPL ratio <sup>/1</sup>	<b>229.0%</b>	225.8%	187.3%	3.2%	41.7%
Total capital adequacy ratio	<b>19.54%</b>	19.57%	18.43%	(0.03)%	1.11%

<sup>/1</sup> Including interbank and money market lending

The Bank and its subsidiaries reported a net profit of Baht 7,118 million, an increase of 2.8 percent from the first quarter of 2021. Net interest income rose by 10.4 percent contributed from loan growth, while the net interest margin stood at 2.11 percent. Non-interest income declined by 16.1 percent primarily from lower gains on mark to market of financial assets in line with the market environment, and lower net fees and service income from credit card and bancassurance and mutual funds. Operating expenses decreased by 1.6 percent, resulting in a cost to income ratio of 49.8 percent. The Bank set aside expected credit loss of Baht 6,489 million.

At the end of March 2022, the Bank's total loans amounted to Baht 2,587,534 million, the same level as the end of December 2021. There was a net increase in loans to large corporate customers while loans made through the Bank's international network decreased. The non-performing loan to total loans ratio was 3.3 percent. The Bank's prudent management approach achieved a healthy increase in the allowance for expected credit losses to non-performing loans ratio to 229.0 percent.

As of March 31, 2022, the Bank's deposits amounted to Baht 3,194,460 million, an increase of 1.2 percent from the end of December 2021, reflecting customers' desire to maintain their highly liquid assets during a time of uncertainty. The loan to deposit ratio was 81.0 percent. Meanwhile, the total capital adequacy ratio, Tier 1 capital adequacy ratio and Common Equity Tier 1 capital adequacy ratio of the Bank and its subsidiaries were 19.54 percent, 16.02 percent and 15.18 percent respectively, comfortably above the Bank of Thailand's minimum capital requirements.

## Operating Income and Expenses of the Bank and its Subsidiaries

Million Baht					
Item	Q1/22	Q4/21	Q1/21	%QoQ	%YoY
Net interest income	<b>21,747</b>	21,716	19,707	0.1%	10.4%
Non-interest income	<b>9,363</b>	13,698	11,166	(31.6)%	(16.1)%
Operating expenses	<b>15,507</b>	19,336	15,761	(19.8)%	(1.6)%
Expected credit losses	<b>6,489</b>	8,127	6,326	(20.2)%	2.6%
Operating profit before tax	<b>9,114</b>	7,951	8,786	14.6%	3.7%
Income tax expenses	<b>1,875</b>	1,517	1,747	23.6%	7.3%
Net profit	<b>7,239</b>	6,434	7,039	12.5%	2.8%
Net profit <sup>/1</sup>	<b>7,118</b>	6,318	6,923	12.7%	2.8%
Total comprehensive income <sup>/1</sup>	<b>4,906</b>	5,822	11,195	(15.7)%	(56.2)%

<sup>/1</sup> Attributable to owners of the Bank



### *Non-Interest Income*

Non-interest income for the first quarter of 2022 amounted to Baht 9,363 million, a decrease from the previous quarter due to gains on financial instruments measured at FVTPL, in line with the market environment, and lower net fees and service income from credit card and investment banking.

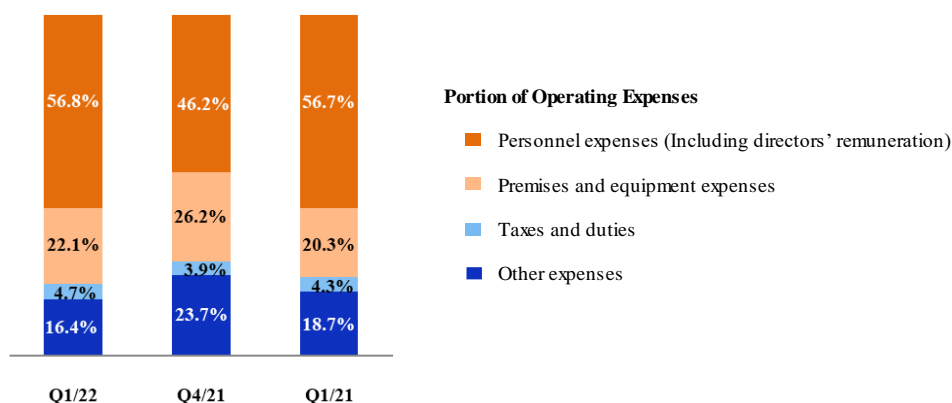
Compared with the first quarter of 2021, non-interest income decreased due to gains on financial instruments measured at FVTPL and lower net fees and service income of credit card and bancassurance and mutual funds.

	Million Baht				
Item	Q1/22	Q4/21	Q1/21	%QoQ	%YoY
Fees and service income	10,089	10,441	9,637	(3.4)%	4.7%
<u>Less</u> fees and service expenses	3,132	2,834	2,303	10.5%	36.0%
<b>Net fees and service income</b>	<b>6,957</b>	<b>7,607</b>	<b>7,334</b>	<b>(8.5)%</b>	<b>(5.1)%</b>
Gains on financial instruments measured at FVTPL	1,346	4,796	2,088	(71.9)%	(35.5)%
Gains on investments	71	459	841	(84.5)%	(91.6)%
Share of profit from investment for using equity method	50	35	32	42.9%	56.3%
Gains on disposal of assets	64	257	79	(75.1)%	(19.0)%
Dividend income	611	280	525	118.2%	16.4%
Other operating income	264	264	267	-	(1.1)%
<b>Total other operating income</b>	<b>2,406</b>	<b>6,091</b>	<b>3,832</b>	<b>(60.5)%</b>	<b>(37.2)%</b>
<b>Total non-interest income</b>	<b>9,363</b>	<b>13,698</b>	<b>11,166</b>	<b>(31.6)%</b>	<b>(16.1)%</b>
Net fees and service income to operating income ratio	<b>22.4%</b>	21.5%	23.8%	0.9%	(1.4)%

### *Operating Expenses*

Operating expenses for the first quarter of 2022 amounted to Baht 15,507 million, decreasing by Baht 3,829 million, or 19.8 percent from the previous quarter, due to expenses to develop and improve working systems, which was partly completed, and higher seasonality of operating expenses in the previous quarter. Compared with the first quarter of 2021, total operating expenses were at a similar level. The cost to income ratio decreased to 49.8 percent.

	Million Baht				
Item	Q1/22	Q4/21	Q1/21	%QoQ	%YoY
Personnel expenses	8,735	8,841	8,902	(1.2)%	(1.9)%
Directors' remuneration	81	86	42	(5.8)%	92.9%
Premises and equipment expenses	3,420	5,068	3,198	(32.5)%	6.9%
Taxes and duties	731	759	679	(3.7)%	7.7%
Other expenses	2,540	4,582	2,940	(44.6)%	(13.6)%
<b>Total operating expenses</b>	<b>15,507</b>	<b>19,336</b>	<b>15,761</b>	<b>(19.8)%</b>	<b>(1.6)%</b>
Cost to income ratio	<b>49.8%</b>	54.6%	51.1%	(4.8)%	(1.3)%



### *Expected Credit Losses*

The Bank set aside Baht 6,489 million in expected credit losses in the first quarter of 2022, lower than the previous quarter. The Bank continues its prudent approach by assessing the impact from the Covid-19 pandemic as well as the pace of the Thai economic recovery which is expected to be slow and uneven. Expected credit losses cover loans, interbank and money market items, and debt securities, which are not measured at FVTPL, as well as loan commitments and financial guarantee contracts.

### **Significant Items in the Financial Position**

#### *Assets*

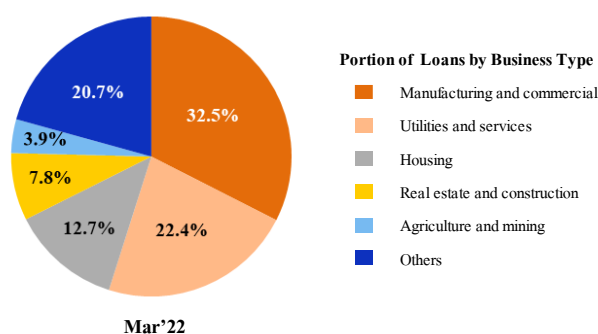
As of March 31, 2022, total assets amounted to Baht 4,343,930 million, increasing slightly from the end of December 2021 from net investments.

	Million Baht				
Item	Mar'22	Dec'21	Mar'21	%QoQ	%YoY
Net interbank and money market items	768,421	801,212	758,200	(4.1)%	1.3%
Financial assets measured at FVTPL	88,150	84,341	64,660	4.5%	36.3%
Net investments	875,378	803,637	680,784	8.9%	28.6%
Net investments in associates	1,378	1,329	944	3.7%	46.0%
Loans	2,587,534	2,588,339	2,369,276	(0.0)%	9.2%
Net properties for sale	9,749	9,496	9,579	2.7%	1.8%
<b>Total assets</b>	<b>4,343,930</b>	<b>4,333,281</b>	<b>3,952,809</b>	<b>0.2%</b>	<b>9.9%</b>

## Loans

As of March 31, 2022, loans amounted to Baht 2,587,534 million, the same level as the end of December, 2021. There was a net increase in loans to large corporate customers while loans made through the Bank's international network decreased.

	Million Baht				
Loans by Business Type	Mar'22	Dec'21	Mar'21	%QoQ	%YoY
Manufacturing and commercial	839,754	839,469	805,112	0.0%	4.3%
Utilities and services	579,940	574,485	558,694	0.9%	3.8%
Housing	327,432	324,546	304,299	0.9%	7.6%
Real estate and construction	203,091	211,647	204,797	(4.0)%	(0.8)%
Agriculture and mining	101,726	101,487	77,577	0.2%	31.1%
Others	535,591	536,705	418,797	(0.2)%	27.9%
<b>Total loans</b>	<b>2,587,534</b>	<b>2,588,339</b>	<b>2,369,276</b>	<b>(0.0)%</b>	<b>9.2%</b>



The Bank and its subsidiaries had loans distributed across business sectors, with 32.5 percent in the manufacturing and commercial sector, 22.4 percent in the utilities and services sector, 12.7 percent in the housing sector, and 7.8 percent in the real estate and construction sector. Loans at the end of March 2022 were at the same level as the end of December 2021.

## Classified Loans and Allowance for Expected Credit Losses

Non-performing loan (Gross NPL) at the end of March 2022 was Baht 102,342 million. The gross NPL to total loans ratio was 3.3 percent.

The allowance for expected credit losses was Baht 234,411 million. The allowance for expected credit losses to NPL ratio was 229.0 percent.

	Million Baht				
Item	Mar'22	Dec'21	Mar'21	%QoQ	%YoY
<b>Consolidated</b>					
Non-performing loan (Gross NPL) <sup>/1</sup>	102,342	101,103	108,470	1.2%	(5.6)%
Gross NPL to total loans ratio <sup>/1</sup>	3.3%	3.2%	3.7%	0.1%	(0.4)%
Net NPL to net total loans ratio <sup>/1</sup>	0.9%	1.0%	1.2%	(0.1)%	(0.3)%
Allowance for expected credit losses to NPL ratio	229.0%	225.8%	187.3%	3.2%	41.7%
<b>The Bank</b>					
Non-performing loan (Gross NPL) <sup>/1</sup>	83,441	82,820	95,048	0.7%	(12.2)%
Gross NPL to total loans ratio <sup>/1</sup>	3.1%	3.0%	3.7%	0.1%	(0.6)%

<sup>/1</sup> Including interbank and money market lending



Million Baht

Item	Loans and Interbank & Money Market			Allowance for Expected Credit Losses <sup>/1</sup>		
	Mar'22	Dec'21	Mar'21	Mar'22	Dec'21	Mar'21
	Non-credit-impaired	3,254,160	3,289,055	3,019,462	156,247	153,342
Credit-impaired	102,342	101,103	108,470	78,164	74,943	78,149
<b>Total</b>	<b>3,356,502</b>	<b>3,390,158</b>	<b>3,127,932</b>	<b>234,411</b>	<b>228,285</b>	<b>203,125</b>

<sup>/1</sup> Including allowance for expected credit losses of loans, interbank and money market items, loan commitments and financial guarantee contracts

### Investments

As of March 31, 2022, investments amounted to Baht 963,528 million, increasing by Baht 75,550 million or 8.5 percent from the end of December 2021 mostly from investments in Thai government and state enterprise securities.

A significant proportion of investments was in Thai government and state enterprise securities. As of March 31, 2022, these amounted to Baht 532,418 million, accounting for 55.3 percent of total investments. Foreign debt securities amounted to Baht 232,350 million, private enterprise debt securities to Baht 21,745 million, and net investment in equity securities to Baht 111,879 million.

Million Baht

Investments by Investment Holding	Mar'22	Dec'21	Mar'21	%QoQ	%YoY
Trading securities	16,698	13,104	10,237	27.4%	63.1%
Securities measured at FVTPL	71,452	71,237	54,423	0.3%	31.3%
Debt securities measured at amortized cost	45,637	46,053	37,549	(0.9)%	21.5%
Debt securities measured at FVOCI	734,269	667,473	555,176	10.0%	32.3%
Equity securities measured at FVOCI	95,472	90,111	88,059	5.9%	8.4%
<b>Total investments</b>	<b>963,528</b>	<b>887,978</b>	<b>745,444</b>	<b>8.5%</b>	<b>29.3%</b>

### Liabilities and Shareholders' Equity

Total liabilities as of March 31, 2022, amounted to Baht 3,844,329 million, an increase of 0.1 percent from the end of December 2021, mainly due to an increase in deposits.

Million Baht

Item	Mar'22	Dec'21	Mar'21	%QoQ	%YoY
Deposits	3,194,460	3,156,940	2,904,276	1.2%	10.0%
Interbank and money market items	265,243	288,709	249,830	(8.1)%	6.2%
Financial liabilities measured at FVTPL	19,299	20,833	19,503	(7.4)%	(1.0)%
Debt issued and borrowings	182,843	183,239	142,151	(0.2)%	28.6%
<b>Total liabilities</b>	<b>3,844,329</b>	<b>3,838,688</b>	<b>3,491,106</b>	<b>0.1%</b>	<b>10.1%</b>
<b>Shareholders' equity <sup>/1</sup></b>	<b>497,633</b>	<b>492,727</b>	<b>460,209</b>	<b>1.0%</b>	<b>8.1%</b>

<sup>/1</sup> Attributable to owners of the Bank

### Deposits

Total deposits as of March 31, 2022, amounted to Baht 3,194,460 million, rising by 1.2 percent from the end of December 2021 from increases in savings and current deposits from cost management.

Deposits Classified by Product Type	Million Baht							
	Mar'22		Dec'21		Mar'21		%QoQ	%YoY
	Amount	Portion	Amount	Portion	Amount	Portion		
Current	284,322	8.9%	273,597	8.7%	228,605	7.9%	3.9%	24.4%
Savings	1,672,825	52.4%	1,613,777	51.1%	1,450,648	49.9%	3.7%	15.3%
Fixed	1,237,313	38.7%	1,269,566	40.2%	1,225,023	42.2%	(2.5)%	1.0%
<b>Total deposits</b>	<b>3,194,460</b>	<b>100.0%</b>	<b>3,156,940</b>	<b>100.0%</b>	<b>2,904,276</b>	<b>100.0%</b>	<b>1.2%</b>	<b>10.0%</b>
Loan to deposit ratio		<b>81.0%</b>		82.0%		81.6%	(1.0)%	(0.6)%

### Debt Issued and Borrowings

Total debt issued and borrowings as of March 31, 2022, amounted to Baht 182,843 million, decreasing by Baht 396 million from the end of December 2021 due to a decrease in the value of foreign-denominated debentures following the appreciation of the baht.

Debt Issued and Borrowings Classified by Type of Instruments	Million Baht							
	Mar'22		Dec'21		Mar'21		%QoQ	%YoY
	Amount	Portion	Amount	Portion	Amount	Portion		
Senior unsecured notes	83,280	45.5%	83,594	45.6%	78,364	55.1%	(0.4)%	6.3%
Subordinated notes	98,271	53.7%	98,640	53.8%	62,418	43.9%	(0.4)%	57.4%
Bills of exchange	519	0.3%	516	0.3%	916	0.6%	0.6%	(43.3)%
Others	826	0.5%	549	0.3%	529	0.4%	50.5%	56.1%
Total (before less discount on borrowings)	182,896	100.0%	183,299	100.0%	142,227	100.0%	(0.2)%	28.6%
Less discount on borrowings	53		60		76		(11.7)%	(30.3)%
<b>Total debt issued and borrowings</b>	<b>182,843</b>		<b>183,239</b>		<b>142,151</b>		<b>(0.2)%</b>	<b>28.6%</b>

### Shareholders' Equity

Shareholders' equity attributable to owners of the Bank as of March 31, 2022, amounted to Baht 497,633 million, an increase of Baht 4,906 million or 1.0 percent from the end of 2021. Net profit attributable to owners of the Bank in the first quarter of 2022 was Baht 7,118 million, net of a decrease in gains on translating the financial statements of foreign operations.

### Sources and Utilization of Funds

As of March 31, 2022, the primary sources of funds were Baht 3,194,460 million or 73.5 percent in deposits, Baht 497,633 million or 11.5 percent in shareholders' equity attributable to owners of the Bank, Baht 265,243 million or 6.1 percent in interbank and money market liabilities, and Baht 202,142 million or 4.7 percent in debt issued and borrowings including financial liabilities measured at FVTPL.

The utilization of funds comprised Baht 2,587,534 million or 59.6 percent in loans, Baht 964,906 million or 22.2 percent in net investments including financial assets measured at FVTPL and net investments in associates and Baht 768,421 million or 17.7 percent in net interbank and money market assets.

### Capital Reserves and Capital Adequacy Ratio

Under the principles of Basel III, the Bank of Thailand (BOT) currently requires commercial banks registered in Thailand and members of their financial groups to maintain minimum levels of capital adequacy as measured by three ratios: the Common Equity Tier 1 capital adequacy ratio at no less than 4.50 percent, the Tier 1 capital adequacy ratio at no less than 6.00 percent, and the Total Capital Adequacy ratio at no less than 8.50 percent – measured as a percentage of total risk-weighted assets. The BOT also requires a capital conservation buffer of more than 2.50 percent. It requires the Bank, which is identified as a Domestic Systemically Important Bank (D-SIB), to have additional capital to meet the Higher Loss Absorbency (HLA) requirement, which gradually raised the Common Equity Tier 1 ratio by 1.00 percent. Consequently, the Bank is required to maintain the Common Equity Tier 1 capital adequacy ratio at more than 8.00 percent, the Tier 1 capital adequacy ratio at more than 9.50 percent, and the total capital adequacy ratio at more than 12.00 percent – measured as percentages of total risk-weighted assets.

As of March 31, 2022, the Bank's Common Equity Tier 1 capital adequacy ratio was 15.18 percent, the Tier 1 capital adequacy ratio was 16.02 percent, and the total capital adequacy ratio was 19.54 percent. Consequently, the Bank's capital is at a level that provides such additional buffers.

#### Consolidated

Million Baht

Item	Mar'22		Dec'21		Mar'21		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	430,538	15.18%	433,699	15.15%	410,911	15.06%	> 8.00%
Tier 1 capital	454,319	16.02%	457,469	15.98%	434,679	15.93%	> 9.50%
Tier 2 capital	99,812	3.52%	102,957	3.59%	68,097	2.50%	
<b>Total capital</b>	<b>554,131</b>	<b>19.54%</b>	<b>560,426</b>	<b>19.57%</b>	<b>502,776</b>	<b>18.43%</b>	<b>&gt; 12.00%</b>

#### The Bank

Million Baht

Item	Mar'22		Dec'21		Mar'21		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	423,793	16.64%	425,758	16.47%	415,731	16.63%	> 8.00%
Tier 1 capital	447,385	17.57%	449,350	17.38%	439,323	17.57%	> 9.50%
Tier 2 capital	98,873	3.88%	101,989	3.95%	67,364	2.70%	
<b>Total capital</b>	<b>546,258</b>	<b>21.45%</b>	<b>551,339</b>	<b>21.33%</b>	<b>506,687</b>	<b>20.27%</b>	<b>&gt; 12.00%</b>

#### Liquid Assets

Liquid assets consisted of cash, net interbank and money market items, debt securities, and marketable equity securities. As of March 31, 2022, the ratio of liquid assets to total assets and liquid assets to deposits were 39.2 percent and 53.3 percent respectively.

Item	Mar'22	Dec'21	Mar'21
Liquid assets/Total assets (%)	39.2	38.6	38.1
Liquid assets/Deposits (%)	53.3	53.0	51.8

## Credit Ratings

Details of the Bank's credit ratings are as follows:

Credit Rating Agency	Mar'22	Dec'21	Mar'21
<b>Moody's Investors Service</b>			
Long-term Deposit	<b>Baa1</b>	Baa1	Baa1
Short-term Deposit	<b>P-2</b>	P-2	P-2
Senior Unsecured Debt Instrument	<b>Baa1</b>	Baa1	Baa1
Subordinated Debt Instrument	<b>Baa2</b>	Baa2	Baa2
Subordinated Debt (Basel III-compliant Tier 2 securities)	<b>Baa3</b>	Baa3	Baa3
Subordinated Debt (Basel III-compliant Tier 1 securities)	<b>Ba1</b>	Ba1	Ba1
Financial Strength (BCA)	<b>baa1</b>	baa1	baa1
Outlook	<b>Stable</b>	Stable	Stable
<b>S&amp;P Global Ratings</b>			
Long-term Issuer Credit Rating	<b>BBB+</b>	BBB+	BBB+
Short-term Issuer Credit Rating	<b>A-2</b>	A-2	A-2
Senior Unsecured Debt Instrument	<b>BBB+</b>	BBB+	BBB+
Subordinated Debt Instrument	<b>BBB</b>	BBB	BBB
Financial Strength (SACP)	<b>bbb-</b>	bbb	bbb
Outlook	<b>Stable</b>	Stable	Stable
<b>Fitch Ratings</b>			
<b>International Rating</b>			
Long-term Issuer Default Rating	<b>BBB</b>	BBB	BBB
Short-term Issuer Default Rating	<b>F2</b>	F2	F2
Senior Unsecured Debt Instrument	<b>BBB</b>	BBB	BBB
Subordinated Debt Instrument	<b>BB+</b>	BB+	BB+
Subordinated Debt (Basel III-compliant Tier 2 securities)	<b>BB+</b>	BB+	BB+
Financial Strength (VR)	<b>bbb</b>	bbb	bbb
Outlook	<b>Stable</b>	Stable	Stable
<b>National Rating</b>			
Long-term	<b>AA+(tha)</b>	AA+(tha)	AA+(tha)
Short-term	<b>F1+(tha)</b>	F1+(tha)	F1+(tha)
Outlook	<b>Stable</b>	Stable	Stable