



Bangkok Bank Public Company Limited

Basel III - Pillar 3 Disclosures

As at June 30, 2020

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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, market risk assessment 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 12 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 in Indonesia
- BBL Asset Management Company Limited engaged in fund management
- Bangkok Capital Asset Management Company Limited engaged in fund management
- Bualuang Securities Public Company Limited engaged in securities business
- Sinsuptawee Asset Management Company Limited engaged in asset management
- BBL Nominees (Tempatan) Sdn. Bhd engaged in supporting business
- BBL (Cayman) Limited engaged in finance business
- Bualuang Ventures Limited engaged in venture capital
- PT Sahabat Finansial Keluarga engaged in finance business in Indonesia

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 2020	31 December 2019	30 June 2020	31 December 2019	
Capital (Unit : Million Baht)					
1	Common Equity Tier 1 Capital (CET1)	383,208	406,463	379,103	399,842
1A	Common Equity Tier 1 Capital (CET1) after ECL ^{1/} (Fully loaded ECL CET1)	383,208	N/A	379,103	N/A
2	Tier 1 Capital	383,284	406,529	379,103	399,842
2A	Tier 1 Capital after ECL (Fully loaded ECL Tier1)	383,284	N/A	379,103	N/A
3	Total Capital	454,249	478,740	449,452	471,262
3A	Total Capital after ECL (Fully loaded ECL total Capital)	454,249	N/A	449,452	N/A
Risk Weighted Assets (Unit : Million Baht)					
4	Total Risk Weighted Assets (RWA)	2,745,380	2,389,369	2,489,336	2,332,689
Capital to Risk Weighted Assets Ratio (%)					
5	Common Equity Tier1 Capital ratio	13.96	17.01	15.23	17.14
5A	Common Equity Tier1 Capital ratio after ECL (Fully loaded ECL CET1 ratio)	13.96	N/A	15.23	N/A
6	Tier 1 Capital ratio	13.96	17.01	15.23	17.14
6A	Tier 1 Capital ratio after ECL (Fully loaded ECL Tier1 ratio)	13.96	N/A	15.23	N/A
7	Total Capital ratio	16.55	20.04	18.06	20.20
7A	Total Capital ratio after ECL (Fully loaded ECL total Capital ratio)	16.55	N/A	18.06	N/A
Capital Buffer Ratio (%)					
8	Conservation buffer ratio	2.50	2.50	2.50	2.50
9	Countercyclical buffer ratio	-	-	-	-
10	High loss absorbency ratio	1.00	0.50	1.00	0.50
11	Total Capital buffer (Total Transaction 8 -10)	3.50	3.00	3.50	3.00
12	Common Equity Tier 1 ratio remaining after minimum requirement ^{2/}	7.96	11.01	9.23	11.14
Liquidity Coverage Ratio (LCR) (%)			Average Value for the second quarter		
			Year 2020	Year 2019	
13	Total High-Quality Liquid Assets (Unit : Million Baht)		927,743	760,090	
14	Total expected net cash outflows within the next 30 days (Unit : Million Baht)		323,834	245,175	
15	LCR (%)		287	311	

^{1/} Expected Credit Loss (ECL) as prescribed in TFRS9 Financial Instruments (TFRS9) of the Federation of Accounting Professions

^{2/} 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 non-controlling interest classified as Additional Tier 1 capital.
- Tier 2 capital consists of
 - 1) Long-term subordinated debt instrument 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 2020	31 December 2019	30 June 2020	31 December 2019
Common Equity Tier 1 Capital	383,208	406,463	379,103	399,842
Tier 1 Capital	383,284	406,529	379,103	399,842
Tier 2 Capital	70,965	72,211	70,349	71,420
Total Capital	454,249	478,740	449,452	471,262

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 which came into effect on January 1, 2019. 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, beginning with a 0.50 percent increase from January 1, 2019 followed by a 1.00 percent increase from January 1, 2020 onwards. Consequently, a Common Equity Tier 1 capital adequacy ratio of more than 7.50 percent, a Tier 1 capital adequacy ratio of more than 9.00 percent, and a total capital adequacy ratio of more than 11.50 percent are required to be maintained from January 1, 2019. And 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.

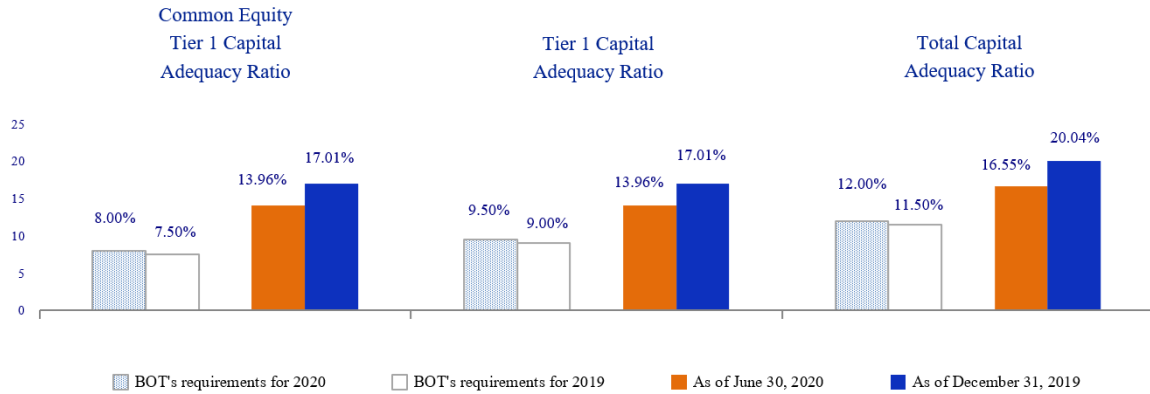
Moreover, the BOT may require banks to maintain additional capital for Countercyclical Buffer at maximum 2.50 percent. As at June 30, 2020, the Bank and the Group has adequate capital for such buffers.

Table 3: Capital Adequacy

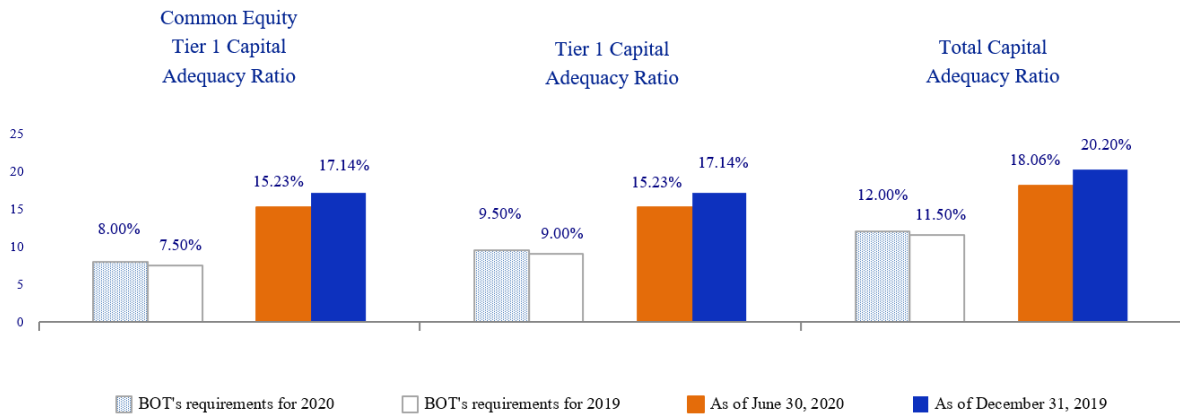
Capital	The Group		The Bank	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Common Equity Tier 1 Capital	13.96%	17.01%	15.23%	17.14%
Tier 1 Capital	13.96%	17.01%	15.23%	17.14%
Tier 2 Capital	2.59%	3.03%	2.83%	3.06%
Total Capital	16.55%	20.04%	18.06%	20.20%

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. The buffer will gradually increase by more than 0.625 percent each year from January 1, 2016 until it reaches more than 2.5 percent in January 1, 2019. And the BOT also requires commercial banks to have additional capital requirement for Higher Loss Absorbency (HLA) requirement by increasing the Common Equity Tier 1 capital adequacy ratio at 1 percent, beginning at 0.50 percent from January 1, 2019 and increasing to be 1.00 percent from January 1, 2020 onwards.

Table 4: Component of Capital

Unit : Million Baht

Component of Capital	The Group		The Bank	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Tier 1 Capital	383,284	406,529	379,103	399,842
Common Equity Tier 1 Capital	383,208	406,463	379,103	399,842
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	24,500	24,000	24,500	24,000
Reserves appropriated from net profit	106,500	106,500	106,500	106,500
Net profit after appropriations	177,301	170,789	162,101	157,182
Other comprehensive income	39,789	33,678	45,542	39,600
Deductions from Common Equity Tier 1 Capital	(40,316)	(3,938)	(34,974)	(2,874)
Additional Tier 1 Capital	76	66	-	-
Non-controlling interest	76	66	-	-
Tier 2 Capital	70,965	72,211	70,349	71,420
Subordinated debenture*	42,593	45,546	42,593	45,546
General provision	28,353	26,648	27,756	25,874
Non-controlling interest	19	17	-	-
Total Capital	454,249	478,740	449,452	471,262

*Component of Capital subject to Phasing in (out)

Unit : Million Baht

As at June 30, 2020	The Group		The Bank	
	Classified As Capital	Outstanding Balance for Phasing In (Out)	Classified As Capital	Outstanding Balance for Phasing In (Out)

Phasing in (out) at 10 percent p.a. beginning 2013 - 2022

Subordinated debenture	42,593	(5,907)	42,593	(5,907)
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Unit : Million Baht

As at December 31, 2019	The Group		The Bank	
	Classified As Capital	Outstanding Balance for Phasing In (Out)	Classified As Capital	Outstanding Balance for Phasing In (Out)

Phasing in (out) at 10 percent p.a. beginning 2013 - 2022

Subordinated debenture	45,546	(8,860)	45,546	(8,860)
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Table 5: Minimum Capital Requirements for Each Type of Risks

Unit : Million Baht

Type of Risks	The Group		The Bank	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Minimum capital requirements for credit risk	206,338	181,211	188,747	177,762
Performing	202,591	178,917	185,508	175,481
- Sovereigns and central banks, Multilateral development banks (MDBs ¹), and Provincial organizations/ Government entities/ State enterprises (PSEs ²) which have the same risk weight as Sovereigns	3,789	3,268	3,787	3,266
- Financial institutions, Securities firms, and Provincial organizations/ Government entities/ State enterprises (PSEs) which have the same risk weight as Financial Institutions	10,549	10,611	9,179	9,947
- Corporates, and Provincial organizations/ Government entities/ State enterprises (PSEs) which have the same risk weight as Corporates	147,083	130,842	129,713	125,651
- Retail	13,132	11,868	10,703	11,795
- Residential mortgage loans	9,234	8,526	8,708	8,525
- Other assets	18,804	13,802	23,418	16,297
Non-Performing	3,747	2,294	3,239	2,281
Minimum capital requirements for market risk	7,550	5,306	6,603	4,569
- Interest Rate Risk	4,791	3,421	4,476	3,417
- Equity Price Risk	550	754	-	-
- Foreign Exchange Risk	2,209	1,131	2,127	1,152
- Commodity Price Risk	-	-	-	-
Minimum capital requirements for operational risk	19,469	16,579	16,244	15,947
Total minimum capital requirements	233,357	203,096	211,594	198,278

Remark

¹ Multilateral Development Bank

² Non-central Government Public Sector Entity

Table 6: Main Features of Regulatory Capital Instruments

	Ordinary share	Subordinated debt 1	Subordinated debt 2
Issuer	Bangkok Bank Public Company Limited	Bangkok Bank Public Company Limited Hong Kong Branch	Bangkok Bank Public Company Limited Hong Kong Branch
ISIN Code	TH0001010006	USY0606WBQ25 (Reg S) US059895AH54 (144A)	USY0606WCA63 (Reg S) US059895AT92 (Rule 144A)
Regulatory treatment			
Instrument type	Common Equity Tier 1 capital	Tier 2 capital	Tier 2 capital
Qualified Basel III	Qualified	Non-qualified	Qualified
Non-qualified Basel III features	N/A	No loss absorption features	N/A
Phased-out or full-amount	Full-amount	Phased-out at 10% p.a.	Full-amount (Phrased-out 20% p.a. after year 10)
Eligible at solo/group level	Group & solo	Group & solo	Group & solo
Amount recognized in regulatory capital (Net of phasing out) (Unit: THB Million)	19,088	5,907	36,686
Par value	10 Baht	1,000 U.S. Dollar	1,000 U.S. Dollar
Accounting classification	Shareholder's equity	Financial liabilities Measured at Fair Value Through Profit or Loss	Amortized-cost debt
Original date of issuance	Multiple	January 28, 1999	September 25, 2019
Perpetual or dated	Perpetual	Dated	Dated
Original maturity date	No maturity	March 15, 2029	September 25, 2034
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
Optional call date, contingent call date and redemption amount	N/A	The Bank has the option to redeem the subordinated notes if there are changes in or amendments to the tax laws or regulations of Thailand and/or Hong Kong resulted that the Bank has additional amount to pay in respect to the withholding tax. The redemption amount of the notes shall be equal to total outstanding principal plus accrued interest.	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 BOT. 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.
Subsequent call dates, if applicable	N/A	Any date after original date of issuance	N/A

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

	Ordinary share	Subordinated debt 1	Subordinated debt 2
Coupons / dividends			
Fixed or floating dividend/coupon	Discretionary dividend amount	Fixed rate	Fixed rate
Coupon rate and any related index	Distributable profit that has been declared as dividend	9.025 % p.a.	3.733 % p.a.
Existence of a dividend stopper	No	No	No
Fully discretionary, partially discretionary or mandatory	Fully discretionary	Mandatory by the BOT	Mandatory by the BOT
Existence of step up or other incentive to redeem	No	No	No
Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
Write-down feature	No	No	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 shall of the return of capital in a winding-up after preferred shareholders, depositors and general 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.

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

Unit : Million Baht

Item	30 June 2020	31 December 2019	References Based on Balance Sheet under the Consolidated Supervision
	Amount	Amount	
Tier 1 Capital			
Common Equity Tier 1 Capital			
Paid-up Common Shares	19,088	19,088	A
Premiums on Share Capital	56,346	56,346	B
Legal Reserves	24,500	24,000	C
Reserves Appropriated from Net Profit	106,500	106,500	D
Net Profit after Appropriation	177,301	170,789	E
Other Comprehensive Income			
Revaluation Surplus on Land Building and Condominium Appraisal	32,238	21,631	F
Revaluation Surplus on Investments	22,787	28,135	G
Foreign Currency Translation	(15,779)	(16,090)	H
Cash flow hedges reserve	540	-	I
Other Owner Changes Items	3	2	J
Total CET1 Capital before Regulatory Adjustments and Deduction	423,524	410,401	
Regulatory Adjustments on CET1	-	-	
Regulatory Deduction on CET1			
Goodwill	(31,207)	-	K
Intangible Assets	(2,787)	(1,760)	L
Deferred Tax Assets	(6,322)	(2,178)	M
Total Regulatory Deduction on CET1	(40,316)	(3,938)	
Total CET1	383,208	406,463	
Additional Tier 1 Capital			
Non-controlling Interest	76	66	N
Total Tier 1 Capital	383,284	406,529	
Tier 2 Capital			
Proceeds from Issuing Subordinated Debt Securities	42,593	45,546	O
General Provision	28,353	26,648	P
Non-controlling Interest	19	17	Q
Total Tier 2 Capital	70,965	72,211	
Total Regulatory Capital	454,249	478,740	

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

Balance Sheet under the Consolidated Supervision ¹

Unit : Million Baht

Items	30 June 2020	31 December 2019	References for the Group Capital Items
	Amount	Amount	
Assets			
Cash	65,818	58,090	
Interbank and Money Market Items, net	586,911	472,349	
Financial Assets Measured at Fair Value Through Profit or Loss	65,168	-	
Derivatives Assets	59,789	49,807	
Investments, net	683,587	647,697	
Investments in Subsidiaries and Associates, net	1,745	1,737	
Loans to Customers and Accrued Interest Receivables, net	2,182,458	1,891,046	
Qualified as Capital	28,353	26,648	P
Customers' Liabilities under Acceptances	-	1,627	
Properties for Sale, net	10,314	9,363	
Premises and Equipment, net	65,083	40,754	
Goodwill and Other Intangible Assets, net	33,994	1,760	
Deduction from Capital	(33,994)	(1,760)	K, L
Deferred Tax Assets	10,256	4,542	
Deduction from Capital	(6,322)	(2,178)	M
Collateral Placed with Financial Counterparties	13,499	17,507	
Other Assets, net	27,741	20,464	
Total Assets	3,806,363	3,216,743	
Liabilities			
Deposits	2,852,295	2,370,792	
Interbank and Money Market Items	167,336	134,346	
Liability Payable on Demand	6,410	5,523	
Financial Liabilities Measured at Fair Value Through Profit or Loss	19,204	-	
Debt Instruments that are qualified as capital	5,907	-	O
Derivatives Liabilities	56,036	37,837	
Debt Issued and Borrowings	142,657	144,681	
Debt Instruments that are qualified as capital	36,686	45,546	O
Bank's Liabilities under Acceptances	-	1,627	
Provisions	24,279	18,702	
Deferred Tax Liabilities	3,933	2,364	
Other Liabilities	95,500	72,755	
Total Liabilities	3,367,650	2,788,627	

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

Balance Sheet under the Consolidated Supervision¹		Unit : Million Baht	
Items	30 June 2020	31 December 2019	References for the Group Capital Items
	Amount	Amount	
Owner' Equity			
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	39,789	33,678	F, G, H, I, J
Retained Earnings			
Appropriated			
Legal Reserve	24,500	24,000	C
Others	106,500	106,500	D
Unappropriated			
Qualified as Capital	177,301	170,789	E
Total Bank's Equity	438,340	427,751	
Non-controlling Interest			
Qualified as Tier 1 Capital	76	66	N
Qualified as Tier 2 Capital	19	17	Q
Total Shareholders' Equity	438,713	428,116	
Total Liabilities and Shareholders' Equity	3,806,363	3,216,743	

Remark
¹ 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 Assets (HQLA) to cover total Net Cash Outflows over the next 30 calendar days under severe liquidity stress scenarios (Net COF). The BOT requires commercial banks to maintain LCR at the end of each month not less than 60%, starting from January 1, 2016. The LCR requirement is to increase by 10% yearly until it reaches 100% on 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 ²	
	Year 2020	Year 2019
Total High-Quality Liquid Assets	927,743	760,090
Total expected net cash outflows within the next 30 days	323,834	245,175
LCR ¹	287%	311%
Minimum LCR required by the Bank of Thailand	100%	90%

Note

¹ 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.

² Average of month-end value in the quarter.

The Bank's average LCR for the first quarter and the second quarter of 2020 in comparison with those of 2019 are shown below.

Table 9: Comparison of Liquidity Coverage Ratio

Average LCR	Year 2020	Year 2019
The first quarter	279%	286%
The second quarter	287%	311%

For the second quarter of 2020, the Bank's average LCR was 287 percent, well above the regulatory minimum requirement of 100 percent.

The Bank's average HQLA was 927,743 million Baht for the second quarter of 2020. Of this amount, 91 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 323,834 million Baht for the second quarter of 2020. 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.