

Basel III - Pillar 3 and
Liquidity coverage ratio (LCR) disclosures
As of June 30, 2023

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Part 1: Disclosure of capital adequacy information (Pillar 3 Disclosures)

1. Introduction

Basel Capital Accord in accordance with Basel Framework consists of three pillars:

■ Pillar 1: Minimum Capital Requirement

Pillar 1 defines the minimum levels of capital that commercial banks need to provide for credit, market, and operational risks.

■ Pillar 2: Supervisory Review Process

Pillar 2 requires commercial banks to have sound risk management and processes for assessing overall capital adequacy to cover material risks including risks not captured under Pillar 1.

■ Pillar 3: Market Discipline

Pillar 3 aims to encourage market discipline as commercial banks are required to disclose information on capital adequacy and risk exposures so that market participants can assess and use such information in assessing the risk profile of the commercial banks.

To meet Pillar 3 requirements, Bank of Thailand (BOT) requires commercial banks to disclose a set of specified information relating to capital adequacy, risk management process, key information on risk exposures that reflects the risk profile of the commercial banks to the market participants in form of Pillar 3 report half-yearly and yearly as at 30 June and 31 December within 4 months from the end of each period.

2. Scope of application

This Pillar 3 disclosure report is required by BOT's notification to be disclosed at both Bank (Solo Basis) and Financial Group level (Full Consolidation Basis). For CIMB Thai Financial Group as at 30 June 2023, it consists of the following entities:

1. CIMB Thai Bank Public Company Limited engaged in commercial banking (the parent company)
2. CIMB Thai Auto Co.,Ltd. engaged in leasing/hire-purchase of automobiles
3. World Lease Co.,Ltd. engaged in hire-purchase of motorcycles

3. Key prudential metrics

Bank of Thailand (“BOT”) announced the BOT’s Notification No. SorNorSor. 14/2562 Re: Capital Disclosure Requirements for Commercial Banks (Second Edition) and SorNorSor.15/2562 Re: Disclosure Requirement on Capital Adequacy for a Financial Group (Second Edition), which will come to effect for accounting periods beginning on and from 1 January 2020, requiring commercial banks to disclosure quantitative of key prudential metrics in respect of both capital and liquidity - for capital, commercial banks shall disclose information on capital that reflects the entire impact due to an increase in provisions according to TFRS 9; this framework is based on the BCBS’s Pillar 3 disclosure requirements consolidated and enhanced framework (March 2017).

Table 1 Disclosure of quantitative data for key risk indicators

Items		Consolidated		Bank-Only	
		Jun 30, 2023	Dec 31, 2022	Jun 30, 2023	Dec 31, 2022
Available capital (Unit: Million Baht)					
1	Common Equity Tier 1 capital (CET 1)	43,038	42,830	39,722	39,514
1a	Fully loaded ECL ^{1/} accounting model CET 1	43,038	42,830	39,722	39,514
2	Tier 1 capital (Tier 1)	43,038	42,830	39,722	39,514
2a	Fully loaded ECL accounting model Tier 1	43,038	42,830	39,722	39,514
3	Total capital funds	58,091	57,741	54,840	54,493
3a	Fully loaded ECL accounting model total capital	58,091	57,741	54,840	54,493
Risk-weighted assets (Unit: Million Baht)					
4	Total risk-weighted assets (RWA)	274,209	264,605	271,779	262,232
Risk-based capital ratios as a percentage of RWA (%)					
5	Common Equity Tier 1 ratio (CET 1 ratio)	15.70%	16.19%	14.62%	15.07%
5a	Fully loaded ECL accounting model CET 1 ratio	15.70%	16.19%	14.62%	15.07%
6	Tier 1 ratio	15.70%	16.19%	14.62%	15.07%
6a	Fully loaded ECL accounting model Tier 1 ratio	15.70%	16.19%	14.62%	15.07%
7	Total capital ratio	21.18%	21.82%	20.18%	20.78%
7a	Fully loaded ECL accounting model total capital ratio	21.18%	21.82%	20.18%	20.78%

Items		Consolidated		Bank-Only	
		Jun 30, 2023	Dec 31, 2022	Jun 30, 2023	Dec 31, 2022
Capital buffer ratios as a percentage of RWA (%)					
8	Conservation buffer ratio	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer ratio	-	-	-	-
10	Higher loss absorbency ratio	-	-	-	-
11	Total capital buffer ratio (the sum of Item 8 to Item 10)	2.50%	2.50%	2.50%	2.50%
12	Common Equity Tier 1 ratio available after meeting the bank's minimum capital requirements ^{2/}	9.70%	10.19%	8.62%	9.07%
Liquidity Coverage Ratio (LCR) ^{3/}					
13	Total high-quality liquid assets (Total HQLA) (Unit: Million Baht)	-	-	95,375	100,124
14	Total net cash outflows within 30 Days (Unit: Million Baht)	-	-	67,281	71,798
15	LCR ratio (%) ^{4/}	-	-	142%	143%
	BOT's LCR minimum requirement (%)			100%	100%

^{1/} Expected credit losses (ECL) according to the Thai Financial Reporting Standard No.9 - Financial Instruments (TFRS 9).

^{2/} Common Equity Tier 1 ratio available after meeting the bank's minimum capital requirements: it may not necessarily be the difference between CET 1 ratio (item 5) and the minimum CET 1 ratio requirement of 4.5% because CET 1 ratio may be used to meet the bank's minimum Tier 1 ratio requirement of 6% and/or the minimum total capital ratio requirement of 8.5%.

^{3/} To comply with BOT's notification No.SorNorSor.2/2561 dated January 25, 2018 the Bank disclosure Liquidity Coverage Ratio (LCR) on the Bank's website.

<https://www.cimbthai.com/en/investor-relations/financial-information/pillar-three-disclosures.html>

^{4/} LCR ratio 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 total high-quality liquid assets (Total HQLA) and Total Net Cash Outflow.

4. Capital

4.1 Capital Structure

As at 30 June 2023, CIMB Thai Financial Group's total capital fund under Basel III was THB 58,091 million consisting of Common Equity Tier 1 (CET 1) capital of THB 43,038 million, Tier 1 capital of THB 43,038 million, and Tier 2 capital of THB 15,053 million. For Bank level, consisting of Common Equity Tier 1 capital of THB 39,722 million, Tier 1 capital of THB 39,722 million, and Tier 2 capital of THB 15,118 million and Totaling THB 54,840 million of total capital fund.

The capital components of the Bank and Financial Group comprise of:

Common Equity Tier 1 capital

- Issued and paid-up share capital
- Premium on share capital
- Statutory reserve
- Retained earnings after appropriations
- Accumulated other comprehensive income
 - Revaluation surplus on Land Building and Condominium Appraisal
 - Revaluation surplus (deficit) on change in value of investments
 - Difference from the translation of financial statements
 - Cash flow hedge reserves
 - Gains on financial liabilities designated at fair value relating to own credit risk
- Deducted from CET 1 capital
 - Deferred tax assets
 - Intangible assets
 - Impact on revision of employee benefits based on actuarial calculation

Tier 2 capital

- General provisions mean Expected credit loss for financial assets with an insignificant increase in credit risk (performing) and for financial assets with a significant increase in credit risk (under-performing), not exceeding 1.25% of credit risk-weighted assets.
- On 29 March 2023, the Bank exercised its option to early redeem all subordinated debentures amounting to MYR 390 million (THB 3,158 million), maturing in 2028, which the Bank was able to early redeem (under the specified conditions). This early redemption was approved by BOT notification For Nor Sor1. 2/2566 Re: The approval of early redemption of subordinated debentures that counted as tier 2.

At the same time, the Bank issued MYR 415 million (THB 3,231 million) of subordinated debentures pursuant to tier 2 subordinated debenture programme to overseas investors. The debenture has qualifying capital instruments under Basel III, which could be fully counted as capital. The Bank has an approval from the Bank of Thailand to count the subordinated debenture as tier 2 capital according to the correspondence e-mail sent on 19 April 2023.

- The Bank issued MYR 550 million of subordinated debentures pursuant to Tier 2 subordinated debenture programme to overseas investors. The debenture has qualifying capital instruments under Basel III, which could be fully counted as capital. The Bank has an approval from the Bank of Thailand to count the subordinated debenture as Tier 2 capital according to the correspondence For Kor Kor. 527/2562.
- The Bank issued MYR 660 million of subordinated debentures pursuant to Tier 2 subordinated debenture programme to overseas investors. The debenture has qualifying capital instruments under Basel III, which could be fully counted as capital. The Bank has an approval from the Bank of Thailand to count the subordinated debenture as Tier 2 capital according to the correspondence For Nor Sor1. 81/2564.

Table 2 Capital Structure

Unit: Million Baht

As at	Consolidated		Bank-Only	
	Jun 30, 2023	Dec 31, 2022	Jun 30, 2023	Dec 31, 2022
1. Tier 1 Capital	43,038	42,830	39,722	39,514
1.1 Common Equity Tier 1 capital	43,038	42,830	39,722	39,514
1.1.1 Paid-up share capital (ordinary shares)	17,411	17,411	17,411	17,411
1.1.2 Premium on share capital	10,146	10,146	10,146	10,146
1.1.3 Statutory Reserve	724	684	724	684
1.1.4 Net profit after appropriation	16,332	15,911	12,350	11,908
1.1.5 Other Comprehensive Income	906	771	908	814
1.1.5.1 Accumulated Other Comprehensive Income	949	814	908	814
1.1.5.2 Other owner changes items	(43)	(43)	-	-
1.1.6 Any adjustments that are not allowed to have impacts on capital	305	565	305	565
1.1.6.1 Cash flow hedge reserves	(187)	(74)	(187)	(74)
1.1.6.2 Gains on financial liabilities designated at fair value relating to own credit risk	492	639	492	639
1.1.7 Items to be deducted from CET 1	(2,786)	(2,658)	(2,122)	(2,014)
1.1.7.1 Remeasurements of post-employment benefit obligations	0	-	0	-
1.1.7.2 Intangible assets	(1,005)	(957)	(972)	(921)
1.1.7.3 Deferred tax asset	(1,781)	(1,701)	(1,150)	(1,093)
1.2 Additional Tier 1 capital	-	-	-	-
2. Tier 2 capital	15,053	14,912	15,118	14,979
1. Qualifying Tier 2 capital instruments	12,462	12,388	12,462	12,388
2. General provisions*	2,591	2,524	2,656	2,591
3. Total capital funds	58,091	57,742	54,840	54,493

4.2 Capital Adequacy

Capital adequacy is critical for sound risk management and mitigation. This includes capital adequacy under both normal and stress (“extreme but plausible events”) conditions. Stress test results are used for capital management and to prescribe the action plans to ensure that the Bank will meet the minimum regulatory capital requirements. For the annual capital management plan, Internal Capital Targets shall be set above the minimum regulatory capital requirements and used as early warning indicators to monitor and ensure compliance with the regulatory capital requirements.

The Bank calculates capital charges for credit risk, market risk, and operational risk in accordance with BOT’s notification. The Bank obtained BOT’s approval to adopt the approaches for capital calculation as follows:-

Risk Type	Approach
1. Credit Risk	Standardised Approach (SA)
2. Market Risk	Standardised Approach (SA)
3. Operational Risk	Basic Indicator Approach (BIA)

Table 3 Minimum capital requirements classified by risk types

Unit: Million Baht

As at	Consolidated		Bank-Only	
	Jun 30, 2023	Dec 31, 2022	Jun 30, 2023	Dec 31, 2022
Credit Risk	17,620	17,157	18,061	17,611
1. Performing Assets	17,055	16,579	17,524	17,058
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs) and public sector entities (PSEs) whose risk weight is comparable to that of sovereigns	-	36	-	36
1.2 Claims on financial institutions, and public sector entities (PSEs) whose risk weight is comparable to that of financial institutions and securities companies	1,937	1,830	1,931	1,825
1.3 Claims on corporate and public sector entities (PSEs) whose risk weight is comparable to that of corporate Entities	7,917	7,674	10,478	10,131
1.4 Claims on retail	3,549	3,486	1,280	1,314
1.5 Claims on residential mortgage exposures	3,006	2,799	3,006	2,799
1.6 Other assets	646	754	829	953
2. Non-Performing Assets	565	578	537	553
Market Risk	3,586	3,185	3,586	3,185
1. Interest rate risk	3,409	2,857	3,409	2,857
2. Equity price risk	-	-	-	-
3. Foreign exchange rate risk	177	328	177	328
4. Commodity price risk	-	-	-	-
Operational Risk	2,102	2,149	1,454	1,494
Total minimum capital requirement ^{1/}	23,308	22,491	23,101	22,290
Total minimum capital buffer ^{2/}	6,855	6,615	6,794	6,556
Total minimum capital requirement and capital buffer	30,163	29,106	29,895	28,846
Total Risk Weight Assets	274,209	264,605	271,779	262,232

^{1/} Minimum capital requirement are calculated based on the minimum regulatory requirement at 8.5%

^{2/} Minimum capital buffer under Basel III as accordance to BOT's Notification No. SorNorSor 12/2555 Re: the BOT required the Commercial Banks to increase capital conservation buffer of 2.5%.

As at 30 June 2023, the financial group's CET 1 ratio, Tier 1 ratio, and Total capital ratio were at 15.70%, 15.70% and 21.18%, respectively, while the Bank's ratio were at 14.62%, 14.62% and 20.18%, respectively. All ratios are higher than minimum capital requirement and capital buffer of Bank of Thailand.

Table 4 Total capital adequacy ratio

Unit: %

As at	Consolidated		Bank-Only		Minimum capital requirement ratio ^{1/}	Minimum capital requirement and capital buffer ratio ^{2/}
	Jun 30, 2023	Dec 31, 2022	Jun 30, 2023	Dec 31, 2022		
CET 1 capital to risk-weighted assets	15.70	16.19	14.62	15.07	4.50	7.00
Tier 1 capital to risk-weighted assets	15.70	16.19	14.62	15.07	6.00	8.50
Total capital to risk-weighted assets	21.18	21.82	20.18	20.78	8.50	11.00

^{1/} Minimum capital requirement ratio, according to the BOT's Notification No. SorNorSor 12/2555.

^{2/} Minimum capital requirement and capital buffer ratio as accordance to BOT's Notification No. SorNorSor 12/2555 Re: the BOT required the Commercial Banks to increase capital conservation buffer of 2.5%.

5. Composition of capital disclosure requirements under BCBS

Table 5 Disclosure information for main features of regulatory capital instruments

Subject		Details	Details	Details
1	Issuer	CIMB Thai Bank PCL.	CIMB Thai Bank PCL.	CIMB Thai Bank PCL.
2	Unique identifier	ISIN code: MYBPN1900082	ISIN code: MYBPN2100039	ISIN code: MYBPN2300068
<i>BOT's regulatory treatment</i>				
3	Instrument type (Common Equity Tier 1 / Additional Tier 1 / Tier 2 capital)	Tier 2 capital	Tier 2 capital	Tier 2 capital
4	Qualified in accordance with Basel III requirements	Yes	Yes	Yes
5	If not qualified in accordance with Basel III requirements (please specify)	-	-	-
6	Transitional phase out or fully countable	Fully countable but gradual reduction on capital calculation and amortised reduction 20% in the last five years before maturity	Fully countable but gradual reduction on capital calculation and amortised reduction 20% in the last five years before maturity	Fully countable but gradual reduction on capital calculation and amortised reduction 20% in the last five years before maturity
7	Eligible at Bank only (Solo) /Group (Full conso) /Group & Bank only	Group & Bank only	Group & Bank only	Group & Bank only

Subject		Details	Details	Details
8	Amount recognized in regulatory capital (unit : Million Baht)	4,088 Million Baht	5,142 Million Baht	3,231 Million Baht
9	Par value of instrument – (unit : Malaysia Ringgit (MYR))	MYR100	MYR100	MYR100
10	Accounting classification	Liabilities - amortised cost	Liabilities - amortised cost	Liabilities - amortised cost
11	Original date of issuance	July 8, 2019	July 12, 2021	March 29, 2023
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	July 6, 2029	July 12, 2031	March 29, 2033
14	Issuer call subject to prior supervisory approval	Issuer call subject to prior supervisory approval	Issuer call subject to prior supervisory approval	Issuer call subject to prior supervisory approval

Subject		Details	Details	Details
15	Optional call date, contingent call dates and redemption amount	subordinated debentures pursuant to tier 2 subordinated debenture programme to overseas investors / The debenture has a tenor of 10 years and the Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand / first date of the redemption rights is on July 8, 2024 / redeem amount of MYR 550 million.	subordinated debentures pursuant to tier 2 subordinated debenture programme to overseas investors / The debenture has a tenor of 10 years and the Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand / first date the redemption rights is on July 12, 2026 / redeem amount of MYR 660 million.	subordinated debentures pursuant to tier 2 subordinated debenture programme to overseas investors / The debenture has a tenor of 10 years and the Bank may exercise its right to early redeem the debenture after 5 years subject to approval by the Bank of Thailand / first date the redemption rights is on March 29, 2028 / redeem amount of MYR 415 million.
16	Subsequent call dates, if applicable	-	-	-
<i>Coupons / dividends</i>				
17	Fixed or floating dividend/coupon	Fixed rate	Fixed rate	Fixed rate
18	Coupon rate and any related index	4.15% per annum	3.90% per annum	4.70% per annum

Subject		Details	Details	Details
19	Existence of a dividend stopper	No dividend stopper	No dividend stopper	No dividend stopper
20	Fully discretionary, partially discretionary or mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No incentive to redeem	No incentive to redeem	No incentive to redeem
22	Noncumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger	-	-	-
25	If convertible, fully or partially	-	-	-
26	If convertible, conversion rate	-	-	-
27	If convertible, specify instrument type convertible into	-	-	-
28	If convertible, specify issuer of instrument it converts into	-	-	-
29	Write-down feature	Yes	Yes	Yes

Subject		Details	Details	Details
30	If write-down, write-down trigger(s)	<p>Contractual write-down upon the occurrence of the following trigger events:</p> <p><u>Trigger events for CIMB Thai</u></p> <p>1) the Bank cannot continue its business in any manner such as having insufficient assets to make repayment to its depositors and creditors, its capital funds having dropped to the extent that its depositors and creditors will be adversely affected, or not being able to increase capital by themselves, etc, <u>and</u></p> <p>2) The BOT and/or any other empowered government agency decide to grant financial</p>	<p>Contractual write-down upon the occurrence of the following trigger events:</p> <p><u>Trigger events for CIMB Thai</u></p> <p>1) the Bank cannot continue its business in any manner such as having insufficient assets to make repayment to its depositors and creditors, its capital funds having dropped to the extent that its depositors and creditors will be adversely affected, or not being able to increase capital by themselves, etc, <u>and</u></p> <p>2) The BOT and/or any other empowered government agency decide to grant financial</p>	<p>Contractual write-down upon the occurrence of the following trigger events:</p> <p><u>Trigger events for CIMB Thai</u></p> <p>1) the Bank cannot continue its business in any manner such as having insufficient assets to make repayment to its depositors and creditors, its capital funds having dropped to the extent that its depositors and creditors will be adversely affected, or not being able to increase capital by themselves, etc, <u>and</u></p> <p>2) The BOT and/or any other empowered government agency decide to grant financial</p>

Subject		Details	Details	Details
		<p>assistance to the Bank such as in the form of capital injection</p> <p><u>Trigger events of CIMB Bank Berhad ("CIMB Bank"),</u></p> <p>whichever is earlier:</p> <p>1) Bank Negara Malaysia ("BNM") and the Malaysia Deposit Insurance Corporation ("PIDM") have notified CIMB Bank in writing that they are of the view that the principal write off of the Subordinated Debt is an essential requirement to prevent CIMB Bank from becoming non-viable; <u>or</u></p> <p>2) BNM and PIDM publicly announces that a decision has been made by BNM, PIDM or</p>	<p>assistance to the Bank such as in the form of capital injection</p> <p><u>Trigger events of CIMB Bank Berhad ("CIMB Bank"),</u></p> <p>whichever is earlier:</p> <p>1) Bank Negara Malaysia ("BNM") and the Malaysia Deposit Insurance Corporation ("PIDM") have notified CIMB Bank in writing that they are of the view that the principal write off of the Subordinated Debt is an essential requirement to prevent CIMB Bank from becoming non-viable; <u>or</u></p> <p>2) BNM and PIDM publicly announces that a decision has been made by BNM, PIDM or</p>	<p>assistance to the Bank such as in the form of capital injection</p> <p><u>Trigger events of CIMB Bank Berhad ("CIMB Bank"),</u></p> <p>whichever is earlier:</p> <p>1) Bank Negara Malaysia ("BNM") and the Malaysia Deposit Insurance Corporation ("PIDM") have notified CIMB Bank in writing that they are of the view that the principal write off of the Subordinated Debt is an essential requirement to prevent CIMB Bank from becoming non-viable; <u>or</u></p> <p>2) BNM and PIDM publicly announces that a decision has been made by BNM, PIDM or</p>

Subject		Details	Details	Details
		any other federal or state government in Malaysia, to provide a capital injection or equivalent support to CIMB Bank, without which CIMB Bank would cease to be viable	any other federal or state government in Malaysia, to provide a capital injection or equivalent support to CIMB Bank, without which CIMB Bank would cease to be viable	any other federal or state government in Malaysia, to provide a capital injection or equivalent support to CIMB Bank, without which CIMB Bank would cease to be viable
31	If write-down, full or partial	fully or partially	fully or partially	fully or partially
32	If write-down, permanent or temporary	Permanent	Permanent	Permanent
33	If temporary write-down, description of write-up mechanism	-	-	-
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Immediately senior to (1) All classes of equity securities of the Issuer, including holders of preference shares, if any; (2) Tier 1 Instruments; (3) such instruments which by their terms rank junior to the Subordinated	Immediately senior to (1) All classes of equity securities of the Issuer, including holders of preference shares, if any; (2) Tier 1 Instruments; (3) such instruments which by their terms rank junior to the Subordinated	Immediately senior to (1) All classes of equity securities of the Issuer, including holders of preference shares, if any; (2) Tier 1 Instruments; (3) such instruments which by their terms rank junior to the Subordinated

Subject		Details	Details	Details
		Debt, and will rank pari passu without any preference among themselves and with all other outstanding unsecured and subordinated debt issued by the Issuer that qualifies as Tier 2 capital, present and future.	Debt, and will rank pari passu without any preference among themselves and with all other outstanding unsecured and subordinated debt issued by the Issuer that qualifies as Tier 2 capital, present and future.	Debt, and will rank pari passu without any preference among themselves and with all other outstanding unsecured and subordinated debt issued by the Issuer that qualifies as Tier 2 capital, present and future.

Table 6 Disclosure of capital during a transitional period according to the Basel III guidelines

Unit: Million Baht

Value of Capital, Inclusions, Adjustments and Deductions for the Period of	Consolidated		Bank-only		Net balance of items to be phased out from capital in the future ^{1/}
	Jun 30, 2023	Dec 31, 2022	Jun 30, 2023	Dec 31, 2022	
Tier 1 capital	43,038	42,830	39,722	39,514	
1. Common Equity Tier 1 capital (CET 1)	43,038	42,830	39,722	39,514	
1.1 Paid-up share capital (ordinary shares)	17,411	17,411	17,411	17,411	
1.2 Premium on share capital	10,146	10,146	10,146	10,146	
1.3 Statutory reserve	724	684	724	684	
1.4 Net profit after appropriation	16,332	15,911	12,350	11,908	
1.5 Other comprehensive income	906	771	908	814	
1.5.1 Revaluation surplus on assets	1,802	1,844	1,761	1,844	
1.5.2 Revaluation surplus (deficit) on change in value of investments	(548)	(410)	(548)	(410)	
1.5.3 Profit (loss) arising from translating the financial statement of a foreign operation	-	(55)	-	(55)	
1.5.4 Hedging reserve – cash flow hedge	187	74	187	74	
1.5.5 Financial liabilities at FVTPL reserve - own credit risk	(492)	(639)	(492)	(639)	
1.5.6 Other Comprehensive Income	(43)	(43)	-	-	
1.6 Any adjustments that are not allowed to have impacts on capital	305	565	305	565	
1.6.1 Cash flow hedge reserves	(187)	(74)	(187)	(74)	
1.6.2 Gains on financial liabilities designated at fair value relating to own credit risk	492	639	492	639	
1.7 Items to be deducted from CET 1	(2,786)	(2,658)	(2,122)	(2,014)	
1.7.1 Remeasurements of post-employment benefit obligations	0	-	0	-	
1.7.2 Intangible assets	(1,005)	(957)	(972)	(921)	
1.7.3 Deferred tax asset	(1,781)	(1,701)	(1,150)	(1,093)	

Value of Capital, Inclusions, Adjustments and Deductions for the Period of	Consolidated		Bank-only		Net balance of items to be phased out from capital in the future ^{1/}
	Jun 30, 2023	Dec 31, 2022	Jun 30, 2023	Dec 31, 2022	
2. Additional Tier 1 capital		-		-	
Tier 2 capital	15,053	14,912	15,118	14,979	
1. Qualifying Tier 2 capital instruments	12,462	12,388	12,462	12,388	
2. General provisions	2,591	2,524	2,656	2,591	
Total Capital	58,091	57,742	54,840	54,493	

^{1/} starting from 1 January 2018 onwards, no remaining net balance of items to be included in or deducted from capital under Basel III guideline because all items are 100% included in or deducted.

Table 7 Disclosure information for reconciliation of composition of capital (Full consolidation only)

Table 7.1 Balance sheet as in published financial statements with under the regulatory scope of consolidation *

Unit: Million Baht

Items related to the capital fund for the period June 2023	Balance sheet as in published financial statements	Balance sheet under the regulatory scope of consolidation	Reference
Assets			
1. Cash	877	877	
2. Interbank and money market items, net	15,941	15,941	
3. Financial assets measured at fair value through profit or loss	28,417	28,417	
4. Derivative assets	82,305	82,305	
5. Investment, net	88,760	88,760	
6. Loans and accrued interest receivables			
6.1 Loans to customers	254,046	254,046	
6.2 <u>Less</u> Deferred revenue	(11,182)	(11,182)	
6.3 <u>Add</u> Accrued interest receivable and undue interest receivable	5,237	5,237	
Total loans and accrued interest receivables	248,101	248,101	
6.4 <u>Less</u> Allowance for expected credit losses	(8,681)	(8,681)	
○ Qualified as Capital		(2,591)	A ^{1/}
○ Non-qualified as Capital		(6,090)	
Loans and accrued interest receivables, net	239,420	239,420	
7. Customers' liability under acceptance	-	-	
8. Properties for sale, net	1,342	1,342	
9. Premises, equipment and right of use assets, net	3,500	3,500	
10. Right of use assets, net	169	169	
11. Intangible assets, net	1,005	1,005	B
12. Deferred tax assets	1,781	1,781	C
13. Credit support assets on derivatives	21,452	21,452	

Items related to the capital fund for the period June 2023	Balance sheet as in published financial statements	Balance sheet under the regulatory scope of consolidation	Reference
14. Accounts receivables from sell of financial assets measured at fair value through profit or loss and investments	8,853	8,853	
15. Other assets, net	1,690	1,690	
Total assets	495,512	495,512	
Liabilities			
16. Deposits	235,210	235,210	
17. Interbank and money market items, net	55,658	55,658	
18. Liability payable on demand	442	442	
19. Financial liabilities measured at fair value through profit or loss	19,732	19,732	
20. Derivative liabilities	82,231	82,231	
21. Debt issued and borrowings	22,580	22,580	
○ Qualified as Capital		12,462	D ^{2/}
○ Non-qualified as Capital		10,118	
22. Bank's liability under acceptance	-	-	
23. Lease liabilities	173	173	
24. Provisions	2,322	2,322	
25. Deferred tax liabilities	-	-	
26. Credit support liabilities on derivatives	20,199	20,199	
27. Accounts payable from purchase of financial assets measured at fair value through profit or loss and investments	6,419	6,419	
28. Other liabilities	3,550	3,550	
Total liabilities	448,516	448,516	
Equity			
29. Share capital			
29.1 Registered - ordinary shares	17,411	17,411	
29.2 Issued and paid-up share capital - ordinary shares	17,411	17,411	E

Items related to the capital fund for the period June 2023	Balance sheet as in published financial statements	Balance sheet under the regulatory scope of consolidation	Reference
30. Premium on share capital	10,146	10,146	F
31. Accumulated other comprehensive income	1,062	1,062	
31.1 Revaluation surplus on assets	1,871	1,871	
○ Qualified as Capital		1,802	G ^{3/}
○ Non-qualified as Capital		69	
31.2 Revaluation surplus (deficit) on change in value of investments	(548)	(548)	H
31.3 Remeasurements of post-employment benefit obligations	44	44	
○ Qualified as Capital		44	O, I
○ Non-qualified as Capital		-	
31.4 Profit (loss) arising from translating the financial statement of a foreign operation	-	-	J
31.5 Gains (losses) on fair value of hedging instruments for cash flow hedges	187	187	K
31.6 Gains on financial liabilities designated at fair value relating to own credit risk	(492)	(492)	L
32. Accretion of equity interest in subsidiary	(43)	(43)	M
33. Retained earnings			
33.1 Appropriated - Statutory reserve	724	724	N
33.2 Unappropriated	17,696	17,696	
○ Net profit after appropriation to capital		16,288	O
○ Non-qualified as Capital		1,408	
Total equity	46,996	46,996	
Total liabilities and equity	495,512	495,512	

* Balance sheet as in published financial statements and under the regulatory scope of consolidation has no difference

^{1/} Expected credit losses from performing and under-performing loan under TFRS 9 can be counted as Tier 2 but not exceeding 1.25% of credit risk-weighted assets.

^{2/} Long-term subordinated debt instruments has qualified under Basel III can be fully countable as Tier 2 capital subject to prior BOT approval

^{3/} Surplus on assets revaluation can be counted as capital only for items that the BOT has approved

Table 7.2 Disclosure of the reconciliation of capital funds

Unit: Million Baht

Items related to the capital fund for the period June 2023	Composition of regulatory capital guidelines reported by the financial group	Source of reference in financial statements under the consolidated supervision
Tier 1 capital	43,038	
1. Common Equity Tier 1 capital	43,038	
1.1 Paid-up share capital (ordinary shares)	17,411	E
1.2 Share premium	10,146	F
1.3 Statutory reserve	724	N
1.4 Net profit after appropriation	16,332	O
1.5 Accumulated other comprehensive income	949	
1.5.1 Revaluation surplus on land, building or condominium appraisal	1,802	G
1.5.2 Revaluation surplus (deficit) on change in value of investments	(548)	H
1.5.3 Difference from the translation of financial statements	-	J
1.5.4 Cash flow hedge reserves	187	K
1.5.5 Gains on financial liabilities designated at fair value relating to own credit risk	(492)	L
1.6 Other items of owner changes	(43)	M
1.7 Regulatory adjustments to Common Equity Tier 1 capital	305	K & L
1.8 Regulatory deductions to Common Equity Tier 1 capital	(2,786)	
1.8.1 Remeasurements of post-employment benefit obligations	0	I
1.8.2 Intangible assets	(1,005)	B
1.8.3 Deferred tax assets	(1,781)	C
2. Additional Tier 1 capital	-	
Tier 2 capital	15,053	
1. Qualifying Tier 2 capital instruments	12,462	D
2. General provisions	2,591	A
Total capital fund	58,091	

Part 2: Liquidity coverage ratio disclosure standards

According to the Bank of Thailand releases of the BOT's Notification no. Sor.Nor.Sor. 9/2558 re: Liquidity Coverage Ratio: LCR which refers to Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools: January 2013 by Basel Committee on Banking Supervision (BCBS). The LCR requirement aims for commercial banks to have adequate liquidity to support short-term severe liquidity stress scenarios by requiring commercial banks to maintain unencumbered High-Quality Liquid Assets (HQLA) to cover total net cash outflows over the next 30 calendar days under severe liquidity stress scenarios prescribed by the Bank of Thailand. The minimum requirement of LCR was set at 60% on 1 January 2016 and rise in equal annual steps to reach 100% on 1 January 2020, in addition to the compliance of the liquidity risk management guideline.

In 2020, the Bank of Thailand has an amendment LCR guideline according to BOT's Notification No. SorNorSor. 4/2563 Re: Liquidity Coverage Ratio: LCR (Second Edition) to comply with the credit counterparty types, assets types and financial obligations under the classification and provisioning criteria that have been improved.

According to the BCBS's LCR disclosure standards: January 2014 (revised version: March 2014), the LCR Disclosure is to improve the transparency of regulatory liquidity requirements, reinforce the sound principles, enhance market discipline besides internal control and supervision by the Bank of Thailand, and reduce uncertainty in the markets as the LCR is implemented.

Bank of Thailand ("BOT") announced the BOT's Notification No. Sor.Nor.Sor. 2/2561 re: Liquidity Coverage Ratio disclosure standards dated 25 January 2018 which requires disclose information at "Bank" level on a half-yearly and yearly basis. The first disclosure is based on data as of 30 June 2018 for the first half of 2018 results which need to be published on the Bank's website within 4 months from the end of each period.

CIMB Thai Bank Public Company Limited performs the LCR disclosure which comprises of:

- (1) Liquidity Coverage Ratio (LCR)
- (2) Total high-quality liquid assets (Total HQLA)
- (3) Total net cash outflows over the next 30 calendar days (Total net cash outflows)

1. Liquidity Coverage Ratio: LCR

Unit: THB Mil.

	2Q/2023 (average) ^{1/}	2Q/2022 (average) ^{1/ 4/}
(1) Total High Quality Liquid Assets (Total HQLA)	95,375	111,460
(2) Total Net Cash Outflow within 30 Days (Total Net Cash Outflows)	67,281	66,822
(3) LCR (percentage)^{2/}	142	167
BOT's LCR minimum requirement (percentage)	100	100

2. LCR figures comparison^{3/}

Unit: %

	2023 (average) ^{1/}	2022 (average) ^{1/ 4/}
1st Quarter	142	131
2nd Quarter	142	167

^{1/} Calculation based on a simple average using month-end data for each quarter. For example, Q2 were calculated by taking a simple average of month-end data in April, May and June.

^{2/} Data of item 3 (LCR) might not be equal to item 1 (Total HQLA) divided by item 2 (Total net cash outflows).

^{3/} LCR data will show Q1-Q2 for first half period and Q3-Q4 for the second half period.

^{4/} The bank has reclassified the classification of data as of 2022, therefore, the simple average during quarter 1 and 2 changed from the previous disclosure.

3. Guideline and detail information of Liquidity Coverage Ratio

The bank maintains LCR according to Bank of Thailand's standard to ensure that the bank has sufficient HQLA to survive a significant stress scenario lasting for 30 days. The bank set LCR at 60% on 1 January 2016 and rise in equal annual steps to reach 100% on 1 January 2020.

$$\text{LCR} = \frac{\text{Stock of High-Quality Liquid Assets (HQLA)}}{\text{Total Net cash outflows over the next 30 days estimated under severe liquidity stress scenario}}$$

Average LCR of the 2nd Quarter 2023 was 142% which was higher than the minimum requirement of Bank of Thailand at 100%. The compositions of LCR are:

1. **High-quality liquid assets (HQLA)** refer to the good quality assets which are high liquid, low risk, unencumbered and can be easily and immediately converted into cash at little or no significant loss of value under stress scenario. However, each of HQLA has hair cut rate to adjust and cap the limit of holding based on Bank of Thailand.

Average HQLA of the 2nd quarter of 2023 was THB 95,375 million (91% was HQLA level 1 including cash and balance at BOT and Government Bond). The computation was to average the balances of HQLA during April to June 2023.

2. **Net Cash Outflow (Net COF)** means the total expected cash outflows minus total expected cash inflows in the specified stress scenario for the subsequent 30 calendar days. Total expected cash inflows are expected to flow in under the scenario up to an aggregated cap of 75% of total expected cash outflows.

Total net cash outflows over the next 30 days under severe liquidity stress scenarios	=	Expected cash outflows over the next 30 days under severe liquidity scenarios	–	Expected cash inflows over the next 30 days under severe liquidity scenarios
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Average expected net cash outflows of the 2nd quarter 2023 was THB 67,281 million which was to average the balances of net cash outflows for subsequent 30 calendar days during April to June 2023. Total expected cash outflows are mostly from deposit withdrawal and borrowing which calculated by the run-off rate as BOT's definitions while total expected cash inflows are majored from

performing loan repayment and maturing in deposit placement and debt instrument which calculated by the inflow rates as BOT's definitions as well.

Moreover, the bank assesses and analyses the liquidity gap and funding concentration on regularly basis. This is to ensure that is the bank has sufficient liquidity for business operation and also continuously develops the analytical measurements to align with the international standards and the business strategies as well.