

**Basel III - Pillar 3 and
Liquidity coverage ratio (LCR) disclosures
As of June 30, 2021**

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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, 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
4. CT Coll Co.,Ltd. engaged in debt collection service

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, 2021	Dec 31, 2020	Jun 30, 2021	Dec 31, 2020	
Available capital (Unit: Million Baht)					
1	Common Equity Tier 1 capital (CET 1)	38,777	39,620	37,227	38,029
1a	Fully loaded ECL ^{1/} accounting model CET 1	38,777	39,620	37,227	38,029
2	Tier 1 capital (Tier 1)	38,777	39,620	37,227	38,029
2a	Fully loaded ECL accounting model Tier 1	38,777	39,620	37,227	38,029
3	Total capital funds	53,401	54,306	51,949	52,823
3a	Fully loaded ECL accounting model total capital	53,401	54,306	51,949	52,823
Risk-weighted assets (Unit: Million Baht)					
4	Total risk-weighted assets (RWA)	258,684	254,001	258,462	254,584
Risk-based capital ratios as a percentage of RWA (%)					
5	Common Equity Tier 1 ratio (CET 1 ratio)	14.99%	15.60%	14.40%	14.94%
5a	Fully loaded ECL accounting model CET 1 ratio	14.99%	15.60%	14.40%	14.94%
6	Tier 1 ratio	14.99%	15.60%	14.40%	14.94%
6a	Fully loaded ECL accounting model Tier 1 ratio	14.99%	15.60%	14.40%	14.94%
7	Total capital ratio	20.64%	21.38%	20.10%	20.75%
7a	Fully loaded ECL accounting model total capital ratio	20.64%	21.38%	20.10%	20.75%
Capital buffer ratios as a percentage of RWA (%)					
8	Conservation buffer ratio	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer ratio	-	-	-	-

Items	Consolidated		Bank-Only	
	Jun 30, 2021	Dec 31, 2020	Jun 30, 2021	Dec 31, 2020
10 Higher loss absorbency ratio	-	-	-	-
11 Total capital buffer ratio (the sum of Item 8 to Item 10)	2.5%	2.5%	2.5%	2.5%
12 Common Equity Tier 1 ratio available after meeting the bank's minimum capital requirements ^{2/}	8.99%	9.60%	8.40%	8.94%
Liquidity Coverage Ratio (LCR) ^{3/}				
13 Total high-quality liquid assets (Total HQLA) (Unit: Million Baht)	-	-	76,669	82,955
14 Total net cash outflows within 30 Days (Unit: Million Baht)	-	-	51,879	52,419
15 LCR ratio (%)	-	-	148%	159%
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 has disclosed Liquidity Coverage Ratio (LCR) on the Bank's website

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

4. Capital

4.1 Capital Structure

As at 30 June 2021, CIMB Thai Financial Group's total capital fund under Basel III was THB 53,401 million consisting of Common Equity Tier 1 (CET 1) capital of THB 38,777 million, Tier 1 capital of THB 38,777 million, and Tier 2 capital of THB 14,624 million. For Bank level, consisting of Common Equity Tier 1 capital of THB 37,227 million, Tier 1 capital of THB 37,227 million, and Tier 2 capital of THB 14,722 million and Totaling THB 51,949 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.
- The Bank issued MYR 570 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. (02) 414/2559.

- The Bank issued MYR 390 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. 221/2561.
- 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.

Table 2 Capital Structure

Unit: Million Baht

As at	Consolidated		Bank-Only	
	Jun 30, 2021	Dec 31, 2020	Jun 30, 2021	Dec 31, 2020
1. Tier 1 Capital	38,777	39,620	37,227	38,029
1.1 Common Equity Tier 1 capital	38,777	39,620	37,227	38,029
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	536	536	536	536
1.1.4 Net profit after appropriation	11,778	12,011	9,371	9,520
1.1.5 Other Comprehensive Income	998	1,700	1,041	1,743
1.1.5.1 Accumulated Other Comprehensive Income	1,041	1,743	1,041	1,743
1.1.5.2 Other owner changes items	(43)	(43)	-	-
1.1.6 Any adjustments that are not allowed to have impacts on capital	152	(153)	152	(153)
1.1.6.1 Cash flow hedge reserves	(243)	(238)	(243)	(238)
1.1.6.2 Gains on financial liabilities designated at fair value relating to own credit risk	395	85	395	85
1.1.7 Items to be deducted from CET 1	(2,244)	(2,031)	(1,431)	(1,174)
1.1.7.1 Net losses	-	(95)	-	(11)
1.1.7.2 Remeasurements of post-employment benefit obligations	(294)	(294)	(242)	(242)
1.1.7.3 Intangible assets	(891)	(970)	(836)	(921)
1.1.7.4 Deferred tax asset	(1,060)	(672)	(352)	-
1.2 Additional Tier 1 capital	-	-	-	-
2. Tier 2 capital	14,624	14,686	14,722	14,793
1. Qualifying Tier 2 capital instruments	12,262	12,262	12,262	12,262
2. General provisions*	2,361	2,424	2,460	2,531
3. Total capital funds	53,401	54,306	51,949	52,823

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, 2021	Dec 31, 2020	Jun 30, 2021	Dec 31, 2020
Credit Risk	16,058	16,483	16,728	17,210
1. Performing Assets	15,430	15,740	16,122	16,487
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	48	46	48	46
1.2 Claims on financial institutions, and public sector entities (PSEs) whose risk weight is comparable to that of financial institutions and securities companies	1,544	1,377	1,541	1,374
1.3 Claims on corporate and public sector entities (PSEs) whose risk weight is comparable to that of corporate Entities	7,335	7,447	9,994	10,449
1.4 Claims on retail	3,674	4,084	1,511	1,632
1.5 Claims on residential mortgage exposures	2,289	2,271	2,289	2,271
1.6 Other assets	540	515	739	715
2. Non-Performing Assets	628	743	606	723
Market Risk	3,822	2,997	3,822	2,997
1. Interest rate risk	3,589	2,787	3,589	2,787
2. Equity price risk	-	-	-	-
3. Foreign exchange rate risk	233	210	233	210
4. Commodity price risk	-	-	-	-
Operational Risk	2,108	2,110	1,419	1,433
Total minimum capital requirement ^{1/}	21,988	21,590	21,969	21,640
Total minimum capital buffer ^{2/}	6,467	6,350	6,462	6,364
Total minimum capital requirement and capital buffer	28,455	27,940	28,431	28,004
Total Risk Weight Assets	258,684	254,001	258,462	254,584

^{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 2021, the financial group's CET 1 ratio, Tier 1 ratio, and Total capital ratio were at 14.99%, 14.99% and 20.64%, respectively, while the Bank's ratio were at 14.40%, 14.40% and 20.10%, 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, 2021	Dec 31, 2020	Jun 30, 2021	Dec 31, 2020		
CET 1 capital to risk-weighted assets	14.99	15.60	14.40	14.94	4.50	7.00
Tier 1 capital to risk-weighted assets	14.99	15.60	14.40	14.94	6.00	8.50
Total capital to risk-weighted assets	20.64	21.38	20.10	20.75	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: MYBPN1600096	ISIN code: MYBPN1800035	ISIN code: MYBPN1900082
<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
8	Amount recognized in regulatory capital (unit : Million Baht)	5,016 Million Baht	3,158 Million Baht	4,088 Million Baht

Subject		Details	Details	Details
9	Par value of instrument – (unit : Malaysia Ringgit (MYR))	MYR 100	MYR100	MYR100
10	Accounting classification	Liabilities - amortised cost	Liabilities - amortised cost	Liabilities - amortised cost
11	Original date of issuance	July 11, 2016	March 29, 2018	July 8, 2019
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	July 11, 2026	March 29, 2028	July 8, 2029
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
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	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	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

Subject		Details	Details	Details
		July 10, 2021 / redeem amount of MYR 570 million.	March 29, 2023 / redeem amount of MYR 390 million.	July 8, 2024 / redeem amount of MYR 550 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	5.35% per annum	5.20% per annum	4.15% per annum
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)	Contractual write-down upon the occurrence of the following trigger events: <u>Trigger events for CIMB Thai</u> 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, and 2) The BOT and/or any other empowered government agency decide to grant financial assistance to the	Contractual write-down upon the occurrence of the following trigger events: <u>Trigger events for CIMB Thai</u> 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, and 2) The BOT and/or any other empowered government agency decide to grant financial assistance to the	Contractual write-down upon the occurrence of the following trigger events: <u>Trigger events for CIMB Thai</u> 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, and 2) The BOT and/or any other empowered government agency decide to grant financial assistance to the

	Subject	Details	Details	Details
		<p>Bank such as in the form of capital injection</p> <p><u>Trigger events of CIMB Bank Berhad (“CIMB Bank”),</u> 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; or</p> <p>2) BNM and PIDM publicly announces that a decision has been made by BNM,</p>	<p>Bank such as in the form of capital injection</p> <p><u>Trigger events of CIMB Bank Berhad (“CIMB Bank”),</u> 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; or</p> <p>2) BNM and PIDM publicly announces that a decision has been made by BNM,</p>	<p>Bank such as in the form of capital injection</p> <p><u>Trigger events of CIMB Bank Berhad (“CIMB Bank”),</u> 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; or</p> <p>2) BNM and PIDM publicly announces that a decision has been made by BNM,</p>

Subject		Details	Details	Details
		PIDM or 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	PIDM or 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	PIDM or 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 Debt, and will rank pari passu without	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 Debt, and will rank pari passu without	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 Debt, and will rank pari passu without

	Subject	Details	Details	Details
		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.	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.	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, 2021	Dec 31, 2020	Jun 30, 2021	Dec 31, 2020	
Tier 1 capital	38,777	39,620	37,227	38,029	
1. Common Equity Tier 1 capital (CET 1)	38,777	39,620	37,227	38,029	
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	536	536	536	536	
1.4 Net profit after appropriation	11,778	12,011	9,371	9,520	
1.5 Accumulated other comprehensive income	1,150	1,547	1,193	1,590	
1.5.1 Revaluation surplus on land, building or condominium appraisal	1,341	1,393	1,341	1,393	
1.5.2 Revaluation surplus (deficit) on change in value of investments	(131)	219	(131)	219	
1.5.3 Difference from the translation of financial statements	(17)	(22)	(17)	(22)	
1.5.4 Other items of owner changes	(43)	(43)	-	-	
1.6 Regulatory deductions to CET 1 capital	(2,244)	(2,031)	(1,431)	(1,174)	
1.6.1 Net losses	-	(95)	-	(11)	
1.6.2 Remeasurements of post-employment benefit obligations	(294)	(294)	(242)	(242)	
1.6.3 Intangible assets	(891)	(970)	(836)	(921)	
1.6.4 Deferred tax assets	(1,060)	(672)	(352)	-	
2. Additional Tier 1 capital	-	-	-	-	
Tier 2 capital	14,624	14,686	14,722	14,793	
1. Qualifying Tier 2 capital instruments	12,262	12,262	12,262	12,262	
2. General provisions	2,361	2,424	2,460	2,531	
Total Capital	53,401	54,306	51,949	52,822	

^{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 2021	Balance sheet as in published financial statements	Balance sheet under the regulatory scope of consolidation	Reference
Assets			
1. Cash	803	803	
2. Interbank and money market items, net	8,175	8,175	
3. Financial assets measured at fair value through profit or loss	29,397	29,397	
4. Derivative assets	55,023	55,023	
5. Investment, net	61,015	61,015	
6. Loans and accrued interest receivables			
6.1 Loans to customers	225,993	225,993	
6.2 <u>Less</u> Deferred revenue	(8,228)	(8,228)	
6.3 <u>Add</u> Accrued interest receivable and undue interest receivable	4,132	4,132	
Total loans and accrued interest receivables	221,898	221,898	
6.4 <u>Less</u> Allowance for expected credit losses	(9,942)	(9,942)	
○ Qualified as Capital		(2,361)	A ^{1/}
○ Non-qualified as Capital		(7,581)	
Loans and accrued interest receivables, net	211,955	211,955	
7. Customers' liability under acceptance	-	-	
8. Properties for sale, net	1,261	1,261	
9. Premises, equipment and right of use assets, net	3,320	3,320	
10. Right of use assets, net	891	891	
11. Intangible assets, net	1,060	1,060	B
12. Deferred tax assets	16,804	16,804	C
13. Credit support assets on derivatives	4,386	4,386	
14. Other assets, net	1,611	1,611	
Total assets	395,700	395,700	
Liabilities			
15. Deposits	187,907	187,907	

Items related to the capital fund for the period June 2021	Balance sheet as in published financial statements	Balance sheet under the regulatory scope of consolidation	Reference
16. Interbank and money market items, net	48,235	48,235	
17. Liability payable on demand	389	389	
18. Financial liabilities measured at fair value through profit or loss	25,850	25,850	
19. Derivative liabilities	52,863	52,863	
20. Debt issued and borrowings	20,422	20,422	
○ Qualified as Capital		12,262	D ^{2/}
○ Non-qualified as Capital		8,160	
21. Bank's liability under acceptance	-	-	
22. Lease liabilities	-	-	
23. Provisions	2,692	2,692	
24. Deferred tax liabilities	-	-	
25. Credit support liabilities on derivatives	9,549	9,549	
26. Other liabilities	6,119	6,119	
Total liabilities	354,026	354,026	
Equity			
27. Share capital			
27.1 Registered - ordinary shares	17,411	17,411	
27.2 Issued and paid-up share capital - ordinary shares	17,411	17,411	E
28. Premium on share capital	10,146	10,146	F
29. Accumulated other comprehensive income	886	886	
29.1 Revaluation surplus on assets	1,480	1,480	
○ Qualified as Capital		1,341	G ^{3/}
○ Non-qualified as Capital		139	
29.2 Revaluation surplus (deficit) on change in value of investments	(131)	(131)	H
29.3 Remeasurements of post-employment benefit obligations	(294)	(294)	I
29.4 Profit (loss) arising from translating the financial statement of a foreign operation	(17)	(17)	J
29.5 Gains (losses) on fair value of hedging instruments for cash flow hedges	243	243	K

Items related to the capital fund for the period June 2021	Balance sheet as in published financial statements	Balance sheet under the regulatory scope of consolidation	Reference
29.6 Gains on financial liabilities designated at fair value relating to own credit risk	(395)	(395)	L
30. Accretion of equity interest in subsidiary	(43)	(43)	M
31. Retained earnings			
31.1 Appropriated			
○ Statutory reserve	536	536	N
○ Net profit after appropriation to capital	11,778	11,778	O
31.2 Unappropriated	960	960	
Total equity	41,674	41,674	
Total liabilities and equity	395,700	395,700	

* 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 amount of Baht 2,361 million 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 2020	Composition of regulatory capital guidelines reported by the financial group	Source of reference in financial statements under the consolidated supervision
Tier 1 capital	38,777	
1. Common Equity Tier 1 capital	38,777	
1.1 Paid-up share capital (ordinary shares)	17,411	E
1.2 Share premium	10,146	F
1.3 Statutory reserve	536	N
1.4 Net profit after appropriation	11,778	O
1.5 Accumulated other comprehensive income	1,041	
1.5.1 Revaluation surplus on land, building or condominium appraisal	1,341	G
1.5.2 Revaluation surplus (deficit) on change in value of investments	(131)	H
1.5.3 Difference from the translation of financial statements	(17)	J
1.5.4 Cash flow hedge reserves	243	K
1.5.5 Gains on financial liabilities designated at fair value relating to own credit risk	(395)	L
1.5.6 Other items of owner changes	(43)	M
1.6 Regulatory adjustments to Common Equity Tier 1 capital	(318)	K & L
1.7 Regulatory deductions to Common Equity Tier 1 capital	(2,244)	
1.7.1 Remeasurements of post-employment benefit obligations	(294)	I
1.7.2 Intangible assets	(891)	B
1.7.3 Deferred tax assets	(1,060)	C
2. Additional Tier 1 capital	-	
Tier 2 capital	14,624	
1. Qualifying Tier 2 capital instruments	12,262	D
2. General provisions	2,361	A
Total capital fund	53,401	

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 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: Million Baht

	2Q/2021 [*] (average)	2Q/2020 [*] (average)
(1) Total High Quality Liquid Assets (Total HQLA)	76,669	78,823
(2) Total Net Cash Outflow within 30 Days (Total net cash outflows)	51,879	52,900
(3) LCR (%)	148	150
BOT's LCR minimum requirement (%)	100	100

^{*} computation by simple average based on average data of each quarter

2. LCR figures comparison

Unit:%

	2021 [*] (average)	2020 [*] (average)
1 st Quarter	157	153
2 nd Quarter	148	150

^{*} computation by simple average based on average data of each quarter

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.

$$\text{LCR} = \frac{\text{Stock of High-Quality Liquid Assets (HQLA)}}{\text{Total Net cash outflows over the next 30 calendar days}}$$

Average LCR of the 2nd Quarter 2021 was 148% which was higher than the minimum requirement of Bank of Thailand at 100%. The computation was from average LCR at month-end of April 2021 at 163.3%, May 2021 at 149.9% and June 2021 at 132.0%. 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 2021 was THB 76,669 million (94% 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 2021.

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 calendar days	=	Total expected cash outflows	-	Min {total expected cash inflows; 75% of total expected cash outflows}
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Average expected net cash outflows of the 2nd quarter 2021 was THB 51,879 million which was to average the balances of net cash outflows for subsequent 30 calendar days during April to June 2021. 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.