

**Basel III - Pillar 3 and
Liquidity coverage ratio (LCR) disclosures
As of June 30, 2019**

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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 minimum levels of capital for 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. Capital

3.1 Capital Structure

As at 30 June 2019, CIMB Thai Financial Group's total capital fund under Basel III was THB 48,379 million consisting of Common Equity Tier 1 (CET 1) capital of THB 35,340 million, Tier 1 capital of THB 35,340 million and Tier 2 capital of THB 13,039 million. For Bank level, consisting of Common Equity Tier 1 capital of THB 33,248 million, Tier 1 capital of THB 33,248 million and Tier 2 capital of THB 13,275 million and Totaling THB 46,523 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 available for sale investment
 - Foreign currency translating
 - Surplus (deficit) from measuring fair value of hedging instrument for cash flow hedge
- Deducted from CET 1 capital
 - Net loss
 - Deferred tax assets
 - Intangible assets
 - Impact on revision of employee benefits based on actuarial calculation

Tier 2 capital

- General provision for loan classified as pass (not exceeding 1.25% of credit risk-weighted assets)
- The Bank issued MYR 400 million of subordinated debentures pursuant to Tier 2 subordinated debenture programme to overseas investors. The debenture has qualifying capital instruments under Basel III 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) 453/2557

- 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 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 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

Table 1 Capital Structure

Unit: Million Baht

As at	Consolidated		Bank-Only	
	Jun 30, 2019	Dec 31, 2018	Jun 30, 2019	Dec 31, 2018
1. Tier 1 Capital	35,340	34,876	33,248	32,797
1.1 Common Equity Tier 1 capital	35,340	34,876	33,248	32,797
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	404	404	404	404
1.1.4 Net profit after appropriation	7,603	7,619	4,997	5,825
1.1.5 Other Comprehensive Income	1,611	1,361	1,654	1,404
1.1.5.1 Accumulated Other Comprehensive Income	1,654	1,404	1,654	1,404
1.1.5.2 Other owner changes items	(43)	(43)	-	-
1.1.6 Any adjustments that are not allowed to have impacts on capital ^{1/}	(63)	(66)	(63)	(66)
1.1.7 Items to be deducted from CET 1	(1,772)	(1,999)	(1,301)	(2,327)
1.1.7.1 Net loss	-	(35)	-	(847)
1.1.7.2 Remeasurements of post-employment benefit obligations	(83)	(82)	(60)	(61)
1.1.7.3 Intangible assets	(506)	(489)	(499)	(481)
1.1.7.4 Deferred tax asset	(1,183)	(1,393)	(742)	(938)
1.2 Additional Tier 1 capital	-	-	-	-
2. Tier 2 capital	13,039	13,010	13,275	13,219
1. Qualifying Tier 2 capital instruments	12,244	12,244	12,244	12,244
2. General provision for loan classifies as pass	795	766	1,031	975
3. Total capital funds	48,379	47,886	46,523	46,016

^{1/} Surplus (deficit) from measuring fair value of hedging instrument for cash flow hedge

3.2 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 2 Minimum capital requirements classified by risk types

Unit: Million Baht

As at	Consolidated		Bank-Only	
	Jun 30, 2019	Dec 31, 2018	Jun 30, 2019	Dec 31, 2018
Credit Risk	16,633	16,217	17,078	16,634
1. Performing Assets	16,132	15,759	16,580	16,179
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	26	19	26	19
1.2 Claims on financial institutions, and public sector entities (PSEs) whose risk weight is comparable to that of financial institutions and securities companies	972	976	970	974
1.3 Claims on corporate and public sector entities (PSEs) whose risk weight is comparable to that of corporate Entities	8,418	8,341	11,075	10,693
1.4 Claims on retail	4,005	3,800	1,653	1,724
1.5 Claims on residential mortgage exposures	2,229	2,124	2,229	2,124
1.6 Other assets	482	499	627	645
2. Non-Performing Assets	501	458	498	455
Market Risk [*]	3,328	2,837	3,328	2,837
1. Interest rate risk	3,190	2,722	3,190	2,722
2. Equity price risk	-	-	-	-
3. Foreign exchange rate risk	138	115	138	115
4. Commodity price risk	-	-	-	-
Operational Risk	2,026	1,992	1,436	1,459
Total minimum capital requirement ^{1/}	21,987	21,046	21,842	20,930
Total minimum capital buffer ^{2/}	6,467	4,642	6,424	4,617
Total minimum capital requirement and capital buffer	28,454	25,688	28,266	25,547
Total Risk Weight Assets	258,673	247,596	256,968	246,238

^{*} CIMB Thai obtained BOT approval to use "Duration Method" for calculating minimum market risk capital charges General Interest Rate Risk Capital calculation with effective from July 2018 onwards

^{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 gradually increase capital conservation buffer of 0.625% per annum, starting from January 1, 2016 – January 1, 2019.

As at 30 June 2019, the financial group's CET 1 ratio, Tier 1 ratio and Total capital ratio were at 13.7%, 13.7% and 18.7%, respectively, while the Bank's ratio were at 12.9%, 12.9% and 18.1%, respectively. All ratios are higher than minimum capital requirement and capital buffer of Bank of Thailand.

Table 3 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, 2019	Dec 31, 2018	Jun 30, 2019	Dec 31, 2018		
CET 1 capital to risk-weighted assets	13.66	14.09	12.94	13.32	4.50	7.00
Tier 1 capital to risk-weighted assets	13.66	14.09	12.94	13.32	6.00	8.50
Total capital to risk-weighted assets	18.70	19.34	18.10	18.69	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 gradually increase capital conservation buffer of 0.625% per annum, starting from January 1, 2016 until it reaches 2.5% in January 1, 2019.

4. Composition of capital disclosure requirements under BCBS

Table 4 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: MYBPN1400414	ISIN code: MYBPN1600096	ISIN code: MYBPN1800035
<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)	4,070 Million Baht	5,016 Million Baht	3,158 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 7, 2014	July 11, 2016	March 29, 2018
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	July 5, 2024	July 11, 2026	March 29, 2028
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 8, 2019 / redeem amount of MYR 400 million.	July 10, 2021 / redeem amount of MYR 570 million.	March 29, 2023 / redeem amount of MYR 390 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	5.60% per annum	5.35% per annum	5.20% 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 5 Disclosure of capital to be used during the transitional period under Basel III

Unit: Million Baht

Items	Consolidated		Net balance of items to be included in or deducted ^{1/}
	Value of capital		
	Jun 30, 2019	Dec 31, 2018	
Tier 1 capital	35,340	34,876	
1. Common Equity Tier 1 capital (CET 1)	35,340	34,876	
1.1 Paid-up share capital (ordinary shares)	17,411	17,411	
1.2 Premium on share capital	10,146	10,146	
1.3 Statutory reserve	404	404	
1.4 Net profit after appropriation	7,603	7,619	
1.5 Accumulated other comprehensive income	1,591	1,295	
1.5.1 Revaluation surplus on land, building or condominium appraisal	1,478	1,498	
1.5.2 Revaluation surplus (deficit) on change in value of available for sale investments	124	(160)	
1.5.3 Gains (losses) arising from translating the financial statement of a foreign operation	(11)	-	
1.5.4 Other items of owner changes	(43)	(43)	
1.6 Regulatory deductions to CET 1 capital	(1,772)	(1,999)	
1.6.1 Net loss	-	(35)	
1.6.2 Remeasurements of post-employment benefit obligations	(83)	(82)	
1.6.3 Intangible assets	(506)	(489)	
1.6.4 Deferred tax assets	(1,183)	(1,393)	
2. Additional Tier 1 capital	-	-	
Tier 2 capital	13,039	13,010	
1. Qualifying Tier 2 capital instruments	12,244	12,244	
2. General provision for loan classified as pass	795	766	
Total Capital	48,379	47,886	

^{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.

Unit: Million Baht

Items	Bank-only		Net balance of items to be included in or deducted ^{1/}
	Value of capital		
	Jun 30, 2019	Dec 31, 2018	
Tier 1 capital	33,248	32,797	
1. Common Equity Tier 1 capital (CET 1)	33,248	32,797	
1.1 Paid-up share capital (ordinary shares)	17,411	17,411	
1.2 Premium on share capital	10,146	10,146	
1.3 Statutory reserve	404	404	
1.4 Net profit after appropriation	4,997	5,825	
1.5 Accumulated other comprehensive income	1,591	1,338	
1.5.1 Revaluation surplus on land, building or condominium appraisal	1,478	1,498	
1.5.2 Revaluation surplus (deficit) on change in value of available for sale investments	124	(160)	
1.5.3 Gains (losses) arising from translating the financial statement of a foreign operation	(11)	-	
1.5.4 Other items of owner changes	-	-	
1.6 Regulatory deductions to CET 1 capital	(1,301)	(2,327)	
1.6.1 Net loss	-	(847)	
1.6.2 Remeasurements of post-employment benefit obligations	(60)	(61)	
1.6.3 Intangible assets	(499)	(481)	
1.6.4 Deferred tax assets	(742)	(938)	
2. Additional Tier 1 capital	-	-	
Tier 2 capital	13,275	13,219	
1. Qualifying Tier 2 capital instruments	12,244	12,244	
2. General provision for loan classified as pass	1,031	975	
Total Capital	46,523	46,016	

^{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 6 Disclosure information for reconciliation of composition of capital (Full consolidation only)
Table 6.1 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 2019	Balance sheet as in published financial statements	Balance sheet under the regulatory scope of consolidation	Reference
<u>Assets</u>			
1. Cash	1,626	1,626	
2. Interbank and money market items, net	6,685	6,685	
3. Derivative assets	44,215	44,215	
4. Investment, net	80,566	80,566	
5. Loans and accrued interest receivables			
5.1 Loans	245,197	245,197	
5.2 Accrued interest receivables	589	589	
Total loans and accrued interest receivables	245,786	245,786	
5.3 <u>Less</u> Deferred revenue	(9,488)	(9,488)	
5.4 <u>Less</u> Allowance for doubtful debts	(11,302)	(11,302)	
○ Qualified as Capital		(795)	A ^{1/}
○ Non-qualified as Capital		(10,507)	
5.5 <u>Less</u> Revaluation allowance for debt restructuring	(51)	(51)	
Loans and accrued interest receivables, net	224,945	224,945	
6. Customers' liability under acceptance	98	98	
7. Properties for sale, net	1,009	1,009	
8. Premises and equipment, net	3,515	3,515	
9. Intangible assets, net	506	506	B
10. Deferred tax assets	1,183	1,183	C
11. Other assets, net	16,810	16,810	
Total assets	381,158	381,158	
<u>Liabilities</u>			
12. Deposits	187,237	187,237	
13. Interbank and money market items, net	39,083	39,083	
14. Liability payable on demand	457	457	

Items related to the capital fund for the period June 2019	Balance sheet as in published financial statements	Balance sheet under the regulatory scope of consolidation	Reference
15. Financial liabilities designated at fair value through profit or loss	34,767	34,767	
16. Derivative liabilities	45,585	45,585	
17. Debt issued and borrowings	18,984	18,984	
○ Qualified as Capital		12,244	D ^{2/}
○ Non-qualified as Capital		6,740	
18. Bank's liability under acceptance	98	98	
19. Provisions	2,045	2,045	
20. Other liabilities	15,281	15,281	
Total liabilities	343,537	343,537	
Equity			
21. Share capital			
21.1 Registered - ordinary shares	17,411	17,411	
21.2 Issued and paid-up share capital - ordinary shares	17,411	17,411	E
22. Premium on share capital	10,146	10,146	F
23. Accumulated other comprehensive income	1,663	1,663	
23.1 Revaluation surplus on assets	1,570	1,570	
○ Qualified as Capital		1,478	G ^{3/}
○ Non-qualified as Capital		92	
23.2 Revaluation surplus (deficit) on change in value of investments	124	124	H
23.2.1 Debt securities		127	
23.2.2 Equity securities		(3)	
23.3 Remeasurements of post-employment benefit obligations	(83)	(83)	I
23.4 Profit (loss) arising from translating the financial statement of a foreign operation	(11)	(11)	J
23.5 Gains and losses on derivatives held as cash flow hedge reserve	63	63	K
24. Accretion of equity interest in subsidiary	(43)	(43)	L
25. Retained earnings			
25.1 Appropriated – statutory reserve	404	404	M

Items related to the capital fund for the period June 2019	Balance sheet as in published financial statements	Balance sheet under the regulatory scope of consolidation	Reference
25.2 Unappropriated	8,040	8,040	
○ Net profit after appropriation to capital		7,603	N
○ Unappropriated		437	
Total equity	37,621	37,621	
Total liabilities and equity	381,158	381,158	

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

^{1/} General provision for loan classified as pass can be counted as Tier 2 amount of Baht 795 million, 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 6.2 Disclosure of the reconciliation of capital funds

Unit: Million Baht

Items related to the capital fund for the period June 2019	Composition of regulatory capital guidelines reported by the financial group	Source of reference in financial statements under the consolidated supervision
Tier 1 capital	35,340	
1. Common Equity Tier 1 capital	35,340	
1.1 Paid-up share capital (ordinary shares)	17,411	E
1.2 Share premium	10,146	F
1.3 Statutory reserve	404	M
1.4 Net profit after appropriation	7,603	N
1.5 Accumulated other comprehensive income	1,611	
1.5.1 Revaluation surplus on land, building or condominium appraisal	1,478	G
1.5.2 Revaluation surplus (deficit) on change in value of available for sale investments	124	H
1.5.3 Gains (losses) arising from translating the financial statement of a foreign operation	(11)	J
1.5.4 Other items of owner changes	(43)	L
1.5.5 Gains and losses on derivatives held as cash flow hedge reserve	63	K
1.6 Regulatory adjustments to Common Equity Tier 1 capital		
1.6.1 Gains and losses on derivatives held as cash flow hedge reserve	(63)	K
1.7 Regulatory deductions to Common Equity Tier 1 capital	(1,772)	
1.7.1 Remeasurements of post-employment benefit obligations	(83)	I
1.7.2 Intangible assets	(506)	B
1.7.3 Deferred tax assets	(1,183)	C
2. Additional Tier 1 capital	-	
Tier 2 capital	13,039	
1. Qualifying Tier 2 capital instruments	12,244	D
2. General provision for loan classified as pass	795	A
Total capital fund	48,379	

Part 2: Liquidity coverage ratio disclosure standards

According to the Bank of Thailand release 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.

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 to 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/2019 [*] (average)	2Q/2018 [*] (average)
(1) Total High Quality Liquid Assets (Total HQLA)	49,327	56,116
(2) Total Net Cash Outflow within 30 Days (Total net cash outflows)	41,095	44,606
(3) LCR (percentage)	120	126
BOT's LCR minimum requirement (percentage)	90	80

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

2. LCR figures comparison

Unit: %

	2019 [*] (average)	2018 [*] (average)
1 st Quarter	137	130
2 nd Quarter	120	126

^{*} 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 2019 was 120.1% which was higher than the minimum requirement of Bank of Thailand at 90%. The computation was from average LCR at month-end of April 2019 at 117.6%, May 2019 at 119.2% and June 2019 at 123.7%. The compositions of LCR are:

1. **High-quality liquid assets (HQLA)** refer to the good quality assets which are high liquid, low risk, unencumber 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 2019 was THB 49,327 million (90.6% 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 2019.

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 2019 was THB 41,095 million which was to average the balances of net cash outflows for subsequent 30 calendar days during April to June 2019. 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 measurement to align with the international standards and the business strategies as well.