

BANK OF AMERICA, N.A., BANGKOK BRANCH

Bank of America, N.A. Bangkok Branch

Liquidity Coverage Ratio Disclosures

Reported as of December 31, 2023

Quantitative Disclosure:

1. Liquidity Coverage Ratio (LCR)

Unit: Million
Baht

	Quarter 4/2023 (average)	Quarter 4/2022 (average)
Total high-quality liquid assets (HQLA)	50,434	52,198
Total net cash outflows within the 30-day time horizon	15,371	13,011
LCR (%)	329 %	405 %
Minimum LCR as specified by the Bank of Thailand (%)	100 %	100 %

2. LCRs of the preceding quarters (for comparison)

Unit : %

	2023 (Average)	2022 (Average)
3rd quarter	281	344
4th quarter	329	405

Commercial banks are required to maintain the liquidity coverage ratio in accordance with the guidelines as specified by the Bank of Thailand. The LCR is expected to encourage commercial banks to have robust and adequate liquidity position so that they can survive short-term severe liquidity stress. The minimum LCR, which is the ratio of high-quality liquid assets to total net cash outflows within the 30-day time horizon, is at 100% from January 2020 (B.E.2563).

$$\text{LCR} = \frac{\text{High - quality liquid assets (HQLA)}}{\text{Total net cash outflows within the 30 - day time horizon under liquidity stress scenarios}}$$

The average LCR for the 4th quarter of 2023 (B.E.2566) of the “Bank” is 329%, which is 229% higher than the minimum LCR as specified by the Bank of Thailand. This LCR is the average of LCRs as at the end of October – 331%, November – 320% and December – 334%. The average LCR for the 4th quarter of 2023 was decreased from the same period of prior year 2022 mainly driven from the increase in net cash outflow.

The LCR consists of 2 main components, namely:

1. High-quality liquid assets (HQLA) include unencumbered high-quality assets with low risk and low volatility that can be easily monetized without any significant changes to their values, even in times of liquidity stress. The value of each type of HQLA is after the application of both haircuts and any applicable caps as specified by the Bank of Thailand.

The average HQLA of the “Bank” for the 4th quarter of 2023 (B.E.2566) is 50,434 million Baht compared with the same period of prior year which was 52,198 million Baht (100% of which is Level 1 assets, namely government bonds and cash). The “Bank” holds several types of high-quality liquid assets to ensure the diversification of the stock of HQLA. The average high-quality liquid assets for the 4th quarter of 2023 were decreased from the same period of prior year 2022 mainly driven from the decrease in reverse repo.

2. The amount of net cash outflows (net COF) is equal to expected cash outflows within the 30-day time horizon minus expected cash inflows within the 30-day time horizon under liquidity stress scenarios; but the expected cash inflows must not exceed 75% of the expected cash outflows.

The average net COF of the “Bank” for the 4th quarter of 2023 (B.E.2566) is 15,371 million Baht, which is the average of net cash outflows within the 30-day time horizon as at the end of October – December. The expected cash outflows on which the “Bank” focuses under the liquidity stress scenarios are the run-off of unsecured wholesale funding, contractual obligations, other contractual obligations to which the run-off rates as specified by the Bank of Thailand have been assigned. On the other hand, expected cash inflows are mostly from loan repayments from customers, interbank and intragroup placements from counterparties, and maturing debt securities, to which the inflow rates as specified by the Bank of Thailand have been assigned. The average net COF for the 4th quarter of 2023 was significantly increased from the same period of prior year 2022 mainly driven from corporate loan, bond sales pending settlement and derivative inflow offset with the decrease in cash outflow from Deposits and bond purchase pending settlement. .

In addition, the “Bank” also regularly examines its “liquidity risk framework”, “liquidity reporting”, and “liquidity metrics and indicators”, which is part of the assessment and analysis of liquidity risk, to ensure that it has adequate liquidity to support the business. The “Bank” has developed risk-monitoring tools in accordance with local and international standards so that the “Bank” can effectively monitor and manage its liquidity positions.

Overall Bank Position Disclosure:

The Bank of America overall position is disclosed via Investor Relation website as <http://investor.bankofamerica.com/phoenix.zhtml?c=71595&p=irol-irhome#fbid=5D9pKc9f8VO>