Bank of America, N.A
Bangkok Branch

Liquidity Coverage Ratio Disclosures

Reported as of June 30, 2019

Quantitative Disclosure:

1. **Liquidity Coverage Ratio (LCR)**

Unit: Million Baht

		Quarter 2/2019 (average)	Quarter 2/2018 (average)
(1)	**Total high-quality liquid assets (HQLA)**	18,447	28,990
(2)	**Total net cash outflows within the 30-day time horizon**	6,883	8,259
(3)	**LCR (%)**	262	371
	Minimum LCR as specified by the Bank of Thailand (%)	90	80

2. **LCRs of the preceding quarters (for comparison)**

Unit : %

	2019 (average)	2018 (average)
1st quarter	223	276
2nd quarter	262	371

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, of 60% was introduced on 1 January 2016 (B.E.2559), and increased by 10% each year until it reaches 100% in 2020 (B.E.2563).

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

The average LCR for the 2nd quarter of 2019 (B.E.2562) of the “Bank” is 262%, which is 172% higher than the minimum LCR as specified by the Bank of Thailand. This LCR is the average of LCRs as at the end of April – 227%, May – 306% and June – 253%. The average LCR for the 2nd quarter of

2019 was significantly decreased from the same period of prior year 2018 mainly driven from the decrease in high-quality liquid assets.

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 2nd quarter of 2019 (B.E.2562) is 18,447 million Baht compared with the same period of prior year which was 28,990 million Baht (100% of which is Level 1 assets, namely government bonds and cash). On this, 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 2nd quarter of 2019 was decreased from the same period of prior year 2018 mainly driven from the decrease in government securities.

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 2nd quarter of 2019 (B.E.2562) is 6,883 million Baht, which is the average of net cash outflows within the 30-day time horizon as at the end of April – June. The expected cash outflows on which the "Bank" focuses under the severe liquidity stress scenarios are the run-off of unsecured wholesale funding, contractual obligations, others 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 high-quality customers, deposits from high-quality 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 2nd quarter of 2019 was significantly decreased from the same period of prior year 2018 mainly driven from the decrease in Deposits.

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. And, as the "Bank" has developed risk-monitoring tools in accordance with the international standards and business directions so that the "Bank" can better 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