



BANK OF THAILAND

**BOT Press Release**

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**BOT allows Financial Institutions dividend payment  
considering overall economic stability and impacts on stakeholders**

Mr. Ronadol Numnonda, Deputy Governor, Financial Institutions Stability, the Bank of Thailand (BOT) revealed that the BOT has provided a guideline for 2020 dividend payment by taking into account financial institutions' capital plans and stress test results for the year 2020 – 2022, which showed that financial institutions have adequate levels of capital and loan loss provision to withstand the impact of COVID- 19. Furthermore, financial institutions have enhanced their awareness and readiness to deal with the uncertainty by continuously increasing their loan loss provision. As shown in the figures, the NPL coverage ratio and the BIS ratio of the Thai banking system in the 3rd quarter of the year 2020 are 150% and 19.8%, respectively.

However, due to the high uncertainty in the near future, the BOT supports the preventive measures by allowing financial institutions to pay dividends for the year 2020 not exceeding last year payout ratio and 50% of this year's net profit. This is in line with guidelines of many overseas regulators and will benefit financial institutions' shareholders, depositors, and debtors in the long run.

The aforementioned policy would help ensure the resilience of the Thai financial system, continuously maintain high level of capital as safeguard against the uncertainties and serve as important mechanism to support the economic recovery as the COVID-19 situation improves.

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