



Industrial and Commercial Bank of China (Thai)  
Public Company Limited





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# FINANCIAL HIGHLIGHTS

2022 2021 2020 2019

## Consolidated

### Financial position (Million Baht)

Loans to customers and accrued interest receivables, net	156,515	158,744	159,089	149,085
Interbank and money market items, net	42,547	64,219	31,650	26,285
Investments, net	83,811	75,571	73,953	72,119
Total assets	288,704	302,799	270,330	251,731
Deposits	162,982	158,928	147,046	129,820
Total liabilities	248,784	265,959	236,281	219,731
Total equity	39,920	36,840	34,049	32,000

### Performance results (Million Baht)

Net interest income	6,349	5,747	5,195	4,403
Net fees and service income	586	672	910	900
Gain on disposals of equipment, properties foreclosed and other assets	82	340	236	27
Bad debts recovered	276	522	335	273
Losses on properties foreclosed (NPA) and other assets	(325)	(304)	(207)	(512)
Net losses on financial instruments measured at FVTPL	(18)	(207)	(364)	-
Total other operating expenses (excluded losses on NPA)	(2,530)	(2,416)	(2,357)	(2,257)
Expected credit loss, bad debts, doubtful accounts and impairment losses	(715)	(1,075)	(844)	(108)
Net profit after tax	2,979	2,652	2,385	2,145

### Financial ratio (%)

Return on average assets (ROA)	1.01	0.93	0.91	0.89
Return on average equity (ROE)	7.76	7.48	7.22	6.96
Capital adequacy ratio (%)	20.63	18.08	17.36	17.00
Basic earnings per share (baht)	1.32	1.18	1.06	0.95
Book value per share (baht)	17.71	16.34	15.10	14.20

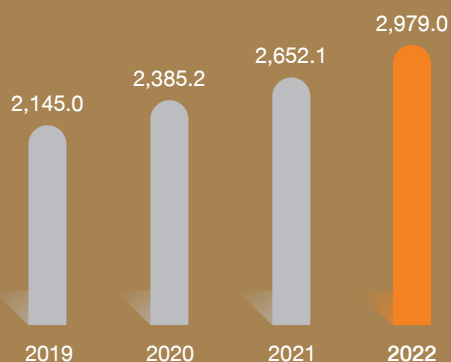


# FINANCIAL HIGHLIGHTS

## (Consolidated)

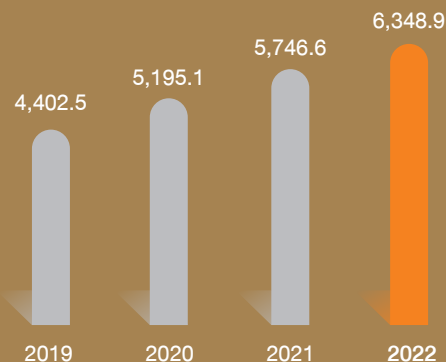
### Net Profit

(Million baht)



### Net Interest Income

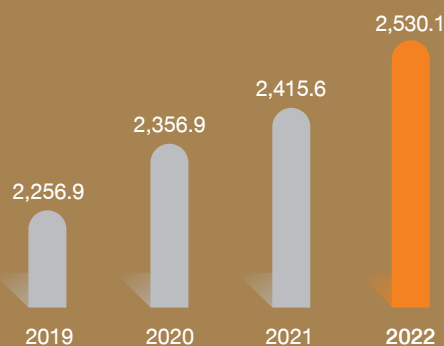
(Million baht)



### Total Other Operating Expenses

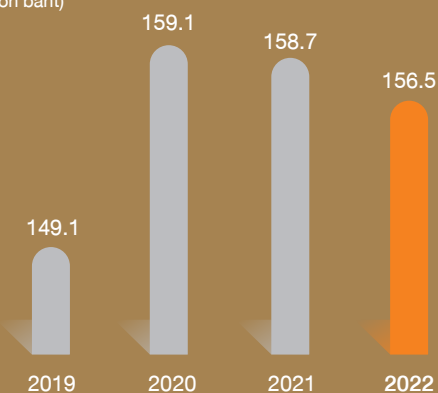
(Excluded Losses on NPA)

(Million baht)



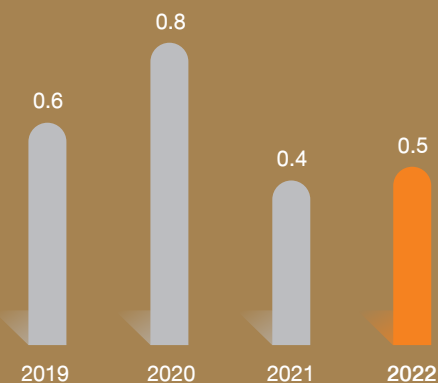
### Loans to customers and accrued Interest receivables, net

(Billion baht)



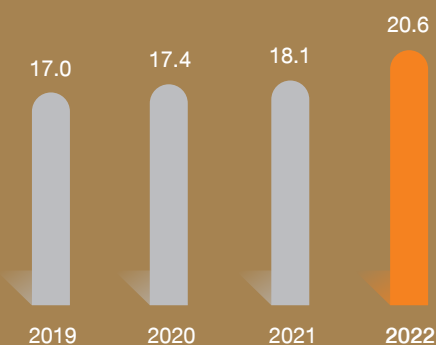
### NPL Ratio

(Percent)



### Capital Adequacy Ratio

(Percent)



## MESSAGE FROM THE CHAIRMAN ON SUSTAINABILITY

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Dear All Shareholders  
and Valued Customers,

During its 13 years of operations in Thailand, ICBC (Thai) Group has been adhering to the principle of good governance, creating value for its stakeholders in accordance with its mission to be a valuable local bank and a bridge connecting the economies of Thailand and China in order to strengthen the economic and societal ties between the two countries. Moreover, the Bank places importance on prudent risk management adopting the Sustainable Development Goals (SDGs) of the United Nations as the guideline for setting the sustainable development of the Bank for the long-term benefit of the stakeholders and sustainable future of all parties.

As the Bank's aim is to grow hand in hand with the Thai society sustainably thus has set its sustainable operations based on 3 main factors: Environment, Society and Governance (ESG) which are the main elements of sustainability.

For the first factor, environment, the Bank aims to be a financial institution that promotes sustainable economic activities and gives importance to green development by determining environment as one of the factors for consideration of loans and investments. The Bank also intends to reduce and avoid engaging in financial transactions that could have adverse effect on the environment to create financial ecosystem that is environmentally friendly and uses innovation and technology to develop financial products and services that answer the needs of its customers. Moreover, the Bank strives to be a green organization by using environmentally friendly materials in its Head Office as well as encouraging staff to participate in various activities aiming to reduce impacts on the environment and sustainable utilization of natural resources.

The second factor, social responsibility, the Bank held many social activities focusing on youth development as youths are the future of the country. In 2022, the Bank granted scholarships to 21 undergraduate students who had good academic records but lacked funds in order to help with their expenses. Moreover, as a financial institution, the Bank provided basic financial literacy to the public through various communication channels of the Bank on a regular basis. It also held knowledge sharing events on savings, investment and financial threats to undergraduate students in order to cultivate financial discipline not only for their own good but ultimately for the public as a whole.

Furthermore, in the past year, ICBC (Thai) Group provided financial assistance to all types of loan customers who were affected by the COVID-19 situation through various measures to help them make it through this difficult time.

For personnel, the Bank recognizes that employees are valuable resources of the Bank, therefore, focuses on personal development and creation of a knowledge-based organization as well as providing employee benefits and welfare that cover the employees and their families. The Bank also offers equitable opportunities for career advancement.

As for governance, the Bank adheres to the principle of good corporate governance, transparent business operations, compliance with law and regulations and fair treatment to all customers. The Bank also has systematic and effective risk management in order to reduce any possible risk while observing the elements of data governance such as the management, protection and safe keeping of personal data in line with the Personal Data Protection Act and guidelines of the Bank of Thailand and ICBC Head Office.

ICBC (Thai) Group recognizes the importance of being a socially responsible organization thus focuses on operating its business with sustainability for the betterment of the Thai society and its stakeholders and for the sustainable future of all.



Mr. Yimin Hu

Chairman of the Board of Directors

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

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Dear All Shareholders  
and Valued Customers,

In 2022, the expansion of Thailand's economy was better than the year before, growing 2.6%, up from 1.5% and -6.1% in 2021 and 2020 respectively. The major factors contributing to the growth were export and tourism which continued to improve after the COVID-19 situation eased and travel restrictions were relaxed thereby increasing the number of tourists to Thailand to more than 11 million in 2022. This helped distributed income to the tourism-related work force and businesses as well as increasing the purchasing power of the private sector towards the end of the year. Moreover, the investment promotion measures of the Eastern Economic Corridor (EEC) was another factor that helped boost the economy in the past year.

For the performance of the ICBC (Thai) Group in 2022, the net profit was Baht 2,979 million, increased Baht 327 million or 12% from the year before. Total assets as of the end of 2022 stood at Baht 288,704 million, reduced Baht 14,095 million or 5% due to the reduction in interbank and money market items in order to manage the Bank's excess liquidity. Net loans to customers and accrued interest

receivables reduced 1% while net investment increased 11% in line with the growth of the bond market in the past year. On the risk side, ICBC (Thai) Group has always been committed to prudent and comprehensive risk management in order to prevent any risk occurring and provide service to the customers under the Market Conduct principles. ICBC (Thai) Group is one of the financial institutions with effective credit risk management, as of the end of 2022, ICBC (Thai) Group's non-performing loans to total gross loans before and after deductions of specific loan-loss provisions stood at 0.46% and 0.34% respectively; while the capital adequacy ratio was at 20.63% resulting in the Bank and ICBC (Thai) Leasing Co., Ltd. maintaining the highest long-term credit rating of AAA(tha) from Fitch Ratings (Thailand) Limited testament to the solid financial position of the ICBC (Thai) Group that is ready to grow soundly in the future.

In 2023, the global COVID-19 situation improved with China, the second largest economy in the world, removing its strict COVID-19 measures earlier in the year, therefore, it is expected that the number of Chinese tourists to Thailand will increased higher than initially anticipated. Moreover, the Thai Government's policy to support the tourism industry including transportation, hotels and other related businesses in order to allow them to continue recovery from the previous years. Furthermore, the ongoing border conflicts of some countries such as Russia and Ukraine has affected the global supply chain forcing many companies to move their production bases to other countries including Thailand thereby opening a window of opportunity for Thailand to become the investment center of the Southeast Asian Region. In particular, the EEC project will be the main conduit of foreign investments to Thailand in order to boost the economic activities that are both advanced and eco-friendly, meanwhile EEC will also help create a network of infrastructures. In addition, the Regional Comprehensive Economic Partnership (RCEP) will significantly enhance the trades and investments between Thailand and China as well as other countries in the region. All these are positive factors that will promote the robust growth of Thailand. However, there are still many risk factors that Thailand has to be ready to tackle. These factors are: volatility of the global financial market due to strict financial policy imposed by each country, raising of interest rates in order to control inflation and maintain financial stability as well as uncertainty due to geographical conflicts in many countries.

As for the performance style 2023, ICBC (Thai) Group will focus on stable growth together with more agile management in order to be able to adjust to the changing financial, economic and social landscapes which ICBC (Thai) Group will focus on 5 main topics as follows: First, promote growth by focusing on providing funds to projects relating to business cooperation between Thailand and China

which is expected to expand under the China-ASEAN Comprehensive Strategic Cooperative Partnership and the Belt and Road Initiative, government sector's investments in infrastructure and various strategic industries with the aim to transform the industrial infrastructure of Thailand into a digital technology age. Moreover, ICBC (Thai) Group will provide loans to investments in industries that support the reduction of impacts to the environment. It will also cooperate with business partners both within and outside of the ICBC Group, to expand the scope of its business and services locally and internationally. Second, optimize income structure which the Bank has always placed importance on and has always sought to expand the channels for generating fee income by focusing on FX and international finance income which are expected to grow from the trades between RCEP countries and the opening of the Chinese borders and will benefit Thailand in terms of tourism. Third, product and service innovation, ICBC (Thai) Group gives importance to technology and innovation that answer the ever changing needs of its customers so that the customers will have good experiences from using its products and services and ultimately enhance the Bank's performance and reduce its cost. Fourth, prudent risk management, even though the outlook for economy is improving but at the same time the banking sector will be facing new risks and challenges especially risks relating to economic uncertainty, digital transformation, technology and rising financial cost, therefore, ICBC (Thai) Group has always placed importance on comprehensive and prudent risk management. In addition, it also focuses on providing fair treatments to its customers and always ready to provide assistance to its debtors through various measures so that they would be able to get through this difficult time and resume normal business. And fifth, enhance driving forces, by focusing on the development of its human resources through upskilling and reskilling as well as organizational restructuring to allow more flexibility and enhance efficiency. Under the current rapidly changing digital financial and economic environments, ICBC (Thai) Group has to be able to make rapid changes according to the Group's short term and long-term plans to keep up with the pace.

Lastly, on behalf of the Board of Directors, management and all ICBC (Thai) Group staff, I would like to offer my appreciation for placing trust in ICBC (Thai) Group and we will continue to operate our business with professionalism, transparency and good governance to ensure sustainable growth.



**Mr. Xiaobo Li**  
Chief Executive Officer

## THE BOARD OF DIRECTORS

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## 01

**Mr. Yimin Hu****Age 56 years****Position**

Chairman of the Board of Directors

**Education**

MBA, Tsinghua University

**Experience**

2021-Present Chairman of the Board of Directors, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2020-Present Director, ICBC (Asia) • 2019-Present Director, ICBC (Wealth Management) • 2018-Present Senior Expert and Accredited Non-Executive Director of Corporate Strategy and Investor Relations Dept., Industrial and Commercial Bank of China Limited, H.O. • 2018-Present Director, Chinese Mercantile Bank • 2018-Present Director, ICBC Asset Management (Global) • 2005-2018 Deputy General Manager of Institutional Banking Dept., Industrial and Commercial Bank of China Limited, H.O.

**Shareholding (%)**

None

## 02

**Mr. Xiaobo Li****Age 48 years****Position**

Authorized Director • Chief Executive Officer • Chairman of the Executive Committee • Member of the Group Risk Supervision and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • Chairman of the Board of Directors of ICBC (Thai) Leasing Company Limited

**Education**

MBA, Huazhong Technology University • Bachelor Degree of Economics, Fudan University

**Experience**

February 2021-Present Chief Executive Officer/Chairman of the Executive Committee/Member of the Group Risk Supervision and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • February 2021-Present Chairman of the Board of Directors of ICBC (Thai) Leasing Company Limited • 2016-2020 General Manager, Executive Director, Chairman of Risk Management Committee, Internal Control & Compliance & AML Committee, Asset & Liability Management Committee, IT Committee, New Product Committee, ICBC Brazil S.A. • January 2016-November 2017 Non-Executive Director, ICBC Peru S.A. • 2011-2016 President ICBC Poland Branch.

**Shareholding (%)**

None

## 03

**Pol.Gen. Werapong Chuenpagdee****Age 65 years****Position**

Independent Director • Chairman of the Nomination, Compensation and Corporate Governance Committee • Member of the Audit Committee

**Education**

Master of Public Administration, Chulalongkorn University • Master of Development Administration, National Institute of Development Administration • Bachelor of Public Administration, Royal Police Cadet Academy • National Defence Course, National Defence Studies Institute (Class 52)

**Experience**

2022-Present Independent Director/Chairman of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-Present Independent Director/Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2014-Present Independent Director, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2019-Present Authorized Director, Triton Holding Plc. • 2018-Present Independent Director/Chairman of the Audit Committee, Tribeca Enterprise Co., Ltd. • 2017-2018 Special Advisor, Royal Thai Police • 2017-2018 Chairman of the Board of Directors, Strega Plc. • 2017-Present Chairman of the Board of Directors, Arinsiri Land Co., Ltd. • 2015-Present Independent Director, Richland Property Development Co., Ltd. • 2016-2017 Assistant Commission-General, Royal Thai Police • 2015-2016 Commissioner of Provincial Police Region 9, Royal Thai Police • 2014-Present Independent Director/Member of Audit Committee/Chairman of the Good Corporate Governance Committee, Country Group Holding Plc. • 2014-2015 Commissioner of Provincial Police Region 7, Royal Thai Police • 2013-2014 Deputy Commissioner of Provincial Police Region 4, Royal Thai Police • 2011-Present Independent Director/Chairman of the Audit Committee, Thai Hua Rubber Plc. • 2011-Present Director, Fusin Mining Industry (Thailand) Co., Ltd. • 2011-Present Consultant, Thai Industries Association • 2010-2016 Director, Country Group Securities Plc. • 2010-Present Independent Director/Chairman of the Audit Committee, The Sing Sian Yee Pao Daily News Co., Ltd. • 2009-Present Independent Director/Member of the Audit Committee, Country Group Development Plc.

**Shareholding (%)**

None

## 04

**Mrs. Unakorn Phruithithada****Age 65 years****Position**

Independent Director • Chairperson of the Audit Committee • Vice Chairperson of the Group Risk Supervision and Internal Control Committee

**Education**

Master Degree (with Distinction), MBA (Computer Application and Information Systems), New York University, New York, USA • Master of Accounting (1<sup>st</sup> Score Level), Thammasat University • U.S. C.P.A., New York City, USA • Thai C.P.A., Federation of Accounting Professions under the Royal Patronage of His Majesty the King • ASEAN C.P.A., Federation of Accounting Professions under the Royal Patronage of His Majesty the King

**Experience**

2022-Present Independent Director/Chairperson of the Audit Committee/Vice Chairperson of the Group Risk Supervision and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2020-Present Independent Director/Chairperson of the Audit Committee, Principal Capital Plc. • 2020-Present Studying and Monitoring of the International Financial Reporting standard Sub-committee, Federation of Accounting Professions under the Royal Patronage of His Majesty the King • 2019-Present Independent Director/Member of the Audit Committee, Sri Trang Gloves (Thailand) Plc. • 1994-2018 Auditor (Partner), Pricewaterhouse Coopers ABAS Limited

**Shareholding (%)**

None

## 05

**Mr. Natdanai Indrasukhsri****Age 68 years****Position**

Independent Director • Chairman of the Group Risk Supervision and Internal Control Committee

**Education**

MBA, Southern New Hampshire University, USA

**Experience**

2022-Present Independent Director/Chairman of the Group Risk Supervision and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2022-Present Independent Director/Member of the Audit Committee, Nextech Asia Co., Ltd. • 2022-Present Independent Director/Member of the Audit Committee, Globlex Holding Management Plc. • 2021-Present Director, FWD General Insurance Plc. • 2017-Present Independent Director/Chairman of the Audit Committee, Triton Holding Plc. • 2014-2019 Director/Member of the Audit Committee, Siam City Insurance Plc. • 2014-2018 Independent Director/Member of the Nomination and Compensation Committee/Chairman of the Audit Committee, The Post Publishing Plc.

**Shareholding (%)**

None



**06**

**Mr. Yong Hu**

**Age 48 years**

**Position**

Director • Member of the Nomination, Compensation and Corporate Governance Committee

**Education**

Master of Quantitative Economics, Shanghai University of Finance Economics

**Experience**

September 2018-Present Director/Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • May 2020-Present Director, ICBC Investment • May 2019-Present Non-Executive Supervisor, ICBC Technology • June 2018-Present Director, ICBC Moscow • January 2018-Present Expert and Accredited Non-Executive Director of Corporate Strategy and Investor Relations Dept., Industrial and Commercial Bank of China Limited, H.O. • June 2015-January 2018 Head of Internal Audit of Department, Audit Responsible Person of ICBC-AXA LIFE, ICBC-AXA LIFE • June 2012-June 2015 Head of Board of Supervisors Office, Industrial and Commercial Bank of China Limited, H.O. • February 2006-June 2012 Deputy Head of Board of Supervisors Office, Industrial and Commercial Bank of China Limited, H.O.

**Shareholding (%)**

None

**07**

**Ms. Jing Jin**

**Age 49 years**

**Position**

Director • Member of the Nomination, Compensation and Corporate Governance Committee

**Education**

Master of Statistics, Renmin University of China

**Experience**

2021-Present Director/Member of the Nomination, Compensation and Corporate Governance Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2023-Present Non-Executive Director of ICBC-AXA Assurance Co., Ltd. • 2021-Present Expert and Accredited Non-Executive Director of Corporate Strategy and Investor Relations Dept., Industrial and Commercial Bank of China Limited, H.O. • 2009-2021 Head of Public Release Div., Management Information Dept., Industrial and Commercial Bank of China Limited, H.O.

**Shareholding (%)**

None

**08**

**Dr. Shuxian Cui**

**Age 55 years**

**Position**

Authorized Director • Member of the Executive Committee • Member of the Group Risk Supervision and Internal Control Committee

**Education**

PhD, Statistics, Renmin University of China

**Experience**

Jan 2022-Present Member of the Executive Committee/Member of the Group Risk Supervision and Internal Control Committee/Senior Executive Vice President, in charge of Finance and Strategy Division, Risk Management Division, Banking Operations Division and Credit Approval Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • Oct 2021-Present Authorized Director, Industrial and Commercial Bank of China (Thai) Public Company Limited • Jan 2013-2021 Deputy Country Head, ICBC Seoul Branch • Jan 2009-Jan 2013 Section Chief, Industrial and Commercial Bank of China Limited, H.O.

**Shareholding (%)**

None

**09**

**Mr. Yang Liu**

**Age 44 years**

**Position**

Authorized Director • Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • Acting President, ICBC (Thai) Leasing Company Limited

**Education**

Master of Economics, Peking University, CFA

**Experience**

2017-Present Authorized Director/Member of the Executive Committee /Senior Executive Vice President, in charge of Branch Banking Division, Information Technology Division and System and Product Innovation Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2023-Present Acting President, ICBC (Thai) Leasing Company Limited • 2018-2020 Director, Finansia Syrus Securities Public Company Limited • 2015-2016 Head of Service & Support Division, E-Banking Dept., Industrial and Commercial Bank of China Limited, H.O. • 2014-2016 Head of Overseas Business Division, E-Banking Dept., Industrial and Commercial Bank of China Limited, H.O. • 2011-2014 Senior Manager (in charge) of Overseas Business Division, E-Banking Dept., Industrial and Commercial Bank of China Limited, H.O. • 2009-2011 Senior Manager of Marketing Division, E-Banking Dept., Industrial and Commercial Bank of China Limited, H.O.

**Shareholding (%)**

None

**10**

**Mr. Apinetr Unakul**

**Age 55 years**

**Position**

Independent Director • Member of the Audit Committee • Member of the Group Risk Supervision and Internal Control Committee

**Education**

Master of Software and System Engineering, Boston University, MA, USA

**Experience**

2022-Present Independent Director/Member of the Group Risk Supervision and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2020-Present, Independent Director/Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2017-Present, Director, Silicon Craft Technology Plc. • 2019-2020 Independent Director, Zane Growth Company Limited • 2014-2020 Independent Director, CAT Telecom Plc. • 1992-2018 Assistant Professor, King Mongkut's University of Technology Ladkrabang

**Shareholding (%)**

None

## SENIOR EXECUTIVES

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**01****Mr. Xiaobo Li****Age 48 years****Position**

Chief Executive Officer, Chairman of the Executive Committee, Member of the Group Risk Supervision and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • Chairman of the Board of Directors of ICBC (Thai) Leasing Company Limited

**Education**

MBA, Huazhong Technology University • Bachelor Degree of Economics, Fudan University

**Experience**

February 2021-Present, Chief Executive Officer/Chairman of the Executive Committee/Member of the Group Risk Supervision and Internal Control Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • February 2021-Present, Chairman of the Board of Directors of ICBC (Thai) Leasing Company Limited • 2016-2020, General Manager, Executive Director, Chairman of Risk Management Committee, Internal Control & Compliance & AML Committee, Asset & Liability Management Committee, IT Committee, New Product Committee, ICBC Brazil S.A. • January 2016-November 2017, Non-Executive Director, ICBC Peru S.A. • 2011-2016, President, ICBC Poland Branch

**Shareholding (%)**

None

**02****Mr. Jian Gong****Age 50 years****Position**

Senior Executive Vice President • Member of the Executive Committee

**Education**

Bachelor Degree of Economics, Finance & Banking Institute of China

**Experience**

January 2023-Present Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • December 2022-Present Senior Executive Vice President, in charge of Chinese Business Center Division, and Financial Markets Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • March 2020-2022 Marketing Expert of Hainan Branch, and Head of Haikou Guomao Sub-branch, ICBC Hainan Branch • November 2018-March 2020 Marketing expert of Hainan Branch, ICBC Hainan Branch • August 2016-November 2018 Chief Customer Manager of Corporate Banking Department, Industrial and Commercial Bank of China Limited, H.O. • April 2009-August 2016 Division Head of Corporate Banking Department, Industrial and Commercial Bank of China Limited, H.O.

**Shareholding (%)**

None

**03****Dr. Shuxian Cui****Age 55 years****Position**

Senior Executive Vice President • Member of the Executive Committee • Member of the Group Risk Supervision and Internal Control Committee

**Education**

PhD, Statistics, Renmin University of China

**Experience**

January 2022-Present Member of the Executive Committee/Member of the Group Risk Supervision and Internal Control Committee/Senior Executive Vice President, in charge of Finance and Strategy Division, Risk Management Division, Banking Operations Division and Credit Approval Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2013-2021 Deputy Country Head, ICBC Seoul Branch • January 2009-January 2013 Section Chief, Industrial and Commercial Bank of China Limited, H.O.

**Shareholding (%)**

None

**04****Mr. Yang Liu****Age 44 years****Position**

Senior Executive Vice President • Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • Acting President, ICBC (Thai) Leasing Company Limited

**Education**

Master of Economics, Peking University, CFA

**Experience**

2017-Present Member of the Executive Committee /Senior Executive Vice President, in charge of Branch Banking Division, Information Technology Division and System and Product Innovation Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2023-Present Acting President, ICBC (Thai) Leasing Company Limited • 2018-2020 Director, Finansia Syrus Securities Public Company Limited • 2015-2016 Head of Service & Support Division, E-Banking Department, Industrial and Commercial Bank of China Limited, H.O. • 2014-2016 Head of Overseas Business Division, E-Banking Department, Industrial and Commercial Bank of China Limited, H.O. • 2011-2014 Senior Manager (in charge) of Overseas Business Division, E-Banking Department, Industrial and Commercial Bank of China Limited, H.O. • 2009-2011 Senior Manager of Marketing Division, E-Banking Department, Industrial and Commercial Bank of China Limited, H.O.

**Shareholding (%)**

None

**05****Ms. Suree Wipatakanok****Age 59 years****Position**

Senior Executive Vice President • Member of the Executive Committee

**Education**

BA, Business Administration, Ramkhamhaeng University

**Experience**

March 2021-Present Senior Executive Vice President, in charge of Corporate Banking Division; Head of Corporate Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2019-2021 Senior Executive Vice President, Head of Corporate Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2012-Present Member of the Executive Committee, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007-2019 Executive Vice President, Corporate Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2006-2007 Executive Vice President, Corporate Banking Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2004-2006 Senior Vice President, Credit & Marketing-Medium Enterprise Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2000-2004 Vice President/Head of Commercial Sales Department, Bank of Asia Public Company Limited • 2006-2012 Director, ICBC (Thai) Leasing Company Limited

**Shareholding (%)**

None

**06****Ms. Chittavadee Sangthong****Age 50 years****Position**

Executive Vice President, Head of Branch Banking Division

**Education**

MBA, Financial Management, National Institute of Development Administration

**Experience**

December 2021-Present Executive Vice President, Head of Branch Banking Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • February 2020-November 2021 Executive Vice President; Head of Consumer Sales and Distribution Department, CIMB Thai Bank Plc. • October 2019-August 2021 Executive Vice President; Head of SME and Head of Credit Center, Commercial Banking Department, CIMB Thai Bank Plc. • June 2018-September 2019 Executive Vice President; Head of Credit Center, Commercial Banking Group, CIMB Thai Bank Plc. • March 2017-May 2018 Executive Vice President; Head of Medium Business, Commercial Banking Group, CIMB Thai Bank Plc. • December 2013-February 2017 Executive Vice President; Head of Credit and Risk Analytics, Wholesale Banking Group, CIMB Thai Bank Plc.

**Shareholding (%)**

None



**07**

**Ms. Suwimol Itthiputh**

**Age 59 years**

**Position**

Executive Vice President, Head of Financial Markets Division

**Education**

MBA, International Business, University of New Haven, Connecticut, USA

**Experience**

December 2022-Present Executive Vice President, Financial Markets Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • March 2019-December 2022 Executive Vice President, Institution Business Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • March 2017-March 2019 Senior Vice President, Institution Business Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2016-March 2017 Senior Vice President, Acting Head of Institution Business Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • September 2007-January 2016 Senior Vice President, Foreign Exchange and Financial Institution Department, Industrial and Commercial Bank of China (Thai) Public Company Limited

**Shareholding (%)**

None

**08**

**Ms. Orapin Sreesangkom**

**Age 59 years**

**Position**

Executive Vice President, Head of Corporate Secretary & Legal Division, Corporate Secretary

**Education**

LL.M., Harvard Law School, USA • LL.M. (International Banking Law), Boston University School of Law, USA

**Experience**

2007-Present Executive Vice President, Corporate Secretary & Legal Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2005-2007 Senior Vice President, General Secretariat Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2004-2005 Vice President, Legal and Compliance Department, ACL Securities Company Limited • 2000-2004 Vice President, Capital Markets Legal, SG Asia Credit Securities., Ltd. • 1997-2000 Consultant, Linklaters (Thailand) Limited • 1988-1997 Associate, International Legal Counsellors Thailand Limited

**Shareholding (%)**

None

**09**

**Mr. Wisit Ausawalaithong**

**Age 55 years**

**Position**

Executive Vice President, Head of Information Technology Division

**Education**

MS, Computer Science, Asian Institute of Technology

**Experience**

2007-Present Executive Vice President, Information Technology Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • 2007 Senior Vice President, Information Technology Department, Industrial and Commercial Bank of

China (Thai) Public Company Limited • 1994-2007 Principal Consultant, Temenos (Thailand) Company Limited

**Shareholding (%)**

None

**10**

**Mr. Seksan Chunseereechai**

**Age 56 years**

**Position**

Executive Vice President, Head of Risk Management Division, Chief Risk Officer

**Education**

MBA, Chulalongkorn University

**Experience**

March 2019-Present Executive Vice President, Chief Risk Officer (CRO) and Head of Risk Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • June 2018-March 2019 Senior Vice President, Head of Risk Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2017-June 2018 Senior Vice President, Acting Head of Risk Management Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2015-January 2017 Senior Vice President, Head of Portfolio Risk Management Dept./Acting Head of Credit Risk Dept., Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2008-December 2014 First Vice President, Head of Portfolio Risk Management Dept., Industrial and Commercial Bank of China (Thai) Public Company Limited • July 2022-Present, Director, ICBC (Thai) Leasing Company Limited • July 2022-Present, Director, Finansia Syrus Securities Plc. • July 2022-Present, Director, Finansia X Plc.

**Shareholding (%)**

None

**11**

**Mr. Yi Guo**

**Age 40 years**

**Position**

Senior Vice President, Head of Chinese Business Center Division

**Education**

Master of Finance and Accounting, Rotterdam University

**Experience**

April 2022-Present Senior Vice President, Chinese Business Center Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • April 2020-April 2022 Senior Vice President, Credit Approval Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • March-April 2020 Senior Vice President, Deputy Head of Risk Management Division and Head of Credit Risk Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • March 2017-March 2020 First Vice President, Head of Credit Risk Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • March 2013-June 2016 Head of Risk Management Department, ICBC Mumbai Branch • September 2011-March 2013 Deputy Head of Risk Management Department, ICBC Mumbai Branch

**Shareholding (%)**

None

**12**

**Ms. Araya Watanakun**

**Age 56 years**

**Position**

Senior Vice President, Acting Head of Banking Operations Division

**Education**

MBA, Finance, National Institute of Development Administration

**Experience**

September 2022-Present Senior Vice President, Acting Head of Banking Operations Division, Industrial and Commercial Bank of China (Thai) Public Company Limited • January-August 2022 Senior Vice President, Acting Head of Banking Operations Division and Head of Central Processing and Operations Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2015-December 2021 Senior Vice President, Head of Central Processing and Operations Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • August 2008-January 2015 Senior Vice President, Head of Funding (Back Office) Department, Industrial and Commercial Bank of China (Thai) Public Company Limited

**Shareholding (%)**

None

**13**

**Mr. Yong Zhang**

**Age 39 years**

**Position**

Senior Vice President, Acting Head of Finance & Strategy Division and Head of Financial Control Department

**Education**

Master of Management, Accounting, Wuhan University of Technology

**Experience**

January 2023-Present Senior Vice President, Acting Head of Finance & Strategy Division and Head of Financial Control Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • December 2022 Senior Vice President, Deputy Head of Finance & Strategy Division and Head of Financial Control Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • June 2021-December 2022 First Vice President/Deputy Head of Finance & Strategy Division and Head of Financial Control Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • March 2020-May 2021 First Vice President, Head of Financial Control Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • September 2016-March 2020 Vice President, Head of Financial Control Department, Industrial and Commercial Bank of China (Thai) Public Company Limited • January 2013-June 2016 Head of Financial Management Department, PT Bank ICBC Indonesia • July 2011-January 2013 Head of Strategy Management and Investor Department, PT Bank ICBC Indonesia

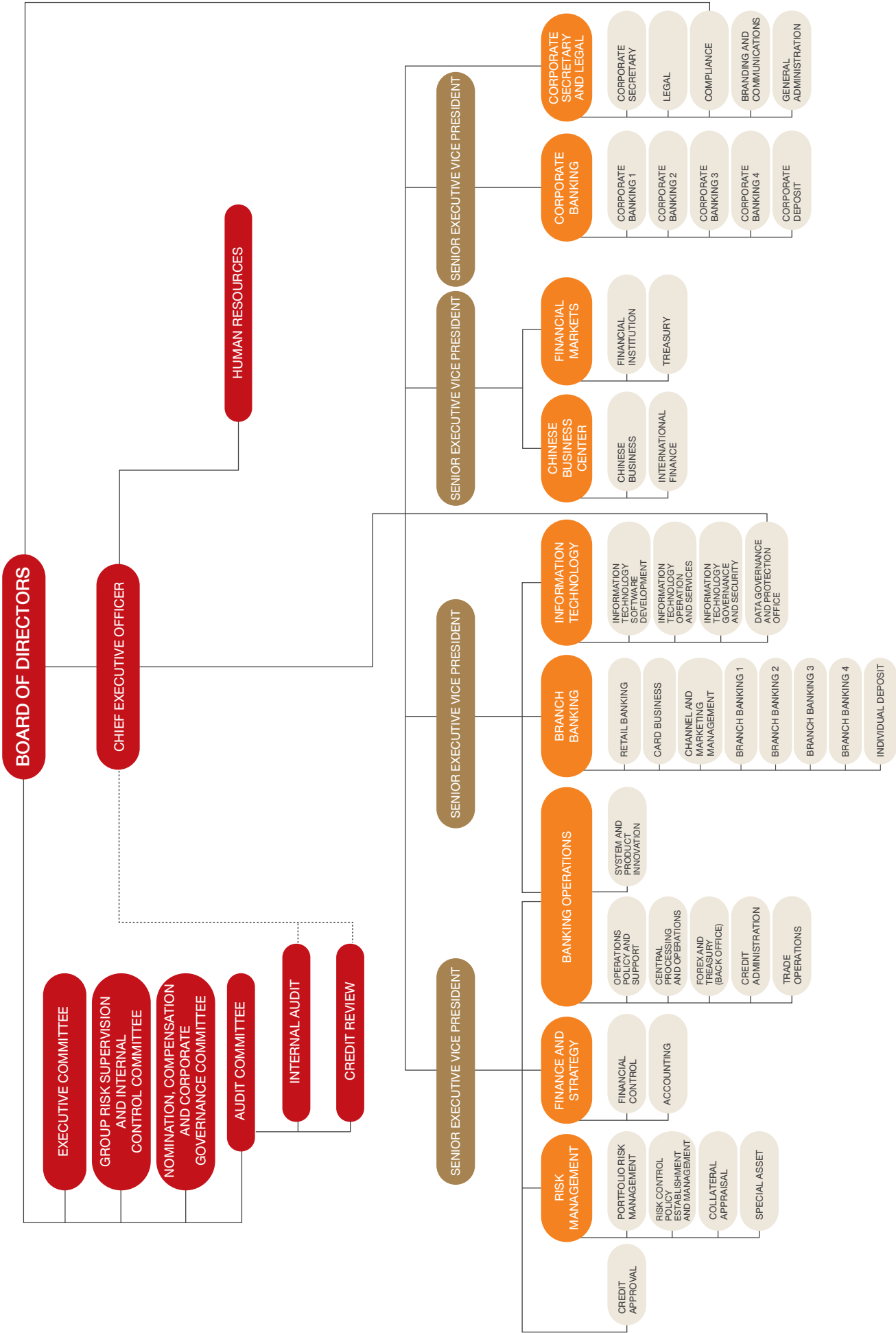
**Shareholding (%)**

None

## EXECUTIVE OFFICERS

No.	Name	Position	Division/Department
1	Mr. Bo Han	Senior Vice President	Branch Banking Division
2	Mr. Ning Ge	Senior Vice President	Financial Markets Division
3	Mr. Dong Jing	Senior Vice President	Corporate Secretary & Legal Division
4	Mr. Xiangxing Zheng	Senior Vice President	Information Technology Division
5	Mr. Baoquan He	Senior Vice President	Banking Operations Division
6	Ms. Chitraporn Saowapa	Senior Vice President	Finance & Strategy Division
7	Mr. Sayarm Lohsawat	Senior Vice President	Corporate Banking 2 Department
8	Mr. Vatcharasit Verayangkura	Senior Vice President	Corporate Banking 3 Department
9	Mrs. Rachanoke Vichitlekarn	Senior Vice President	Corporate Banking 4 Department
10	Ms. Prapa Sakyanan	Senior Vice President	Corporate Deposit Department
11	Ms. Wanpen Yongchayanuntakul	Senior Vice President	Branch Banking 1 Department
12	Mr. Methin Leosirichai	Senior Vice President	Branch Banking 2 Department
13	Mrs. Narissara Chaowarit	Senior Vice President	Branch Banking 4 Department
14	Mrs. Narumol Meksingvee	Senior Vice President	Individual Deposit Department
15	Mr. Yang Yang	Senior Vice President	Credit Approval Department
16	Mr. Chairat Kongkreingrai	Senior Vice President	Special Asset Department
17	Mr. Theerathorn Bhothirungsi	Senior Vice President	Risk Control Policy Establishment & Management Department
18	Mr. Senut Chavana	Senior Vice President	Legal Department
19	Ms. Samerjai Charoensri	Senior Vice President	Compliance Department
20	Mr. Jiantao Yang	Senior Vice President	Human Resources Department
21	Mrs. Suntaree Thummaratchapimon	Senior Vice President	Accounting Department
22	Ms. Naiyana Noibanchong	Senior Vice President	System & Product Innovation Department
23	Mr. Wijit Sriwijitchok	Senior Vice President	Foreign Exchange & Treasury (Back Office) Department
24	Ms. Urai Chatvattananon	Senior Vice President	Internal Audit Department
25	Ms. Hua Ge	First Vice President	Risk Management Division
26	Mr. Ponganan Settacharnwit	First Vice President	Corporate Banking 1 Department
27	Mr. Atikan Chaianupong	First Vice President	Channel and Marketing Management Department
28	Mr. Gonglong Hou	First Vice President	Chinese Business Department
29	Mr. Boya Yu	First Vice President	International Finance Department
30	Ms. Kanokporn Pinsakool	First Vice President	Treasury Department
31	Ms. Panpimon Wattana-Ungkoon	First Vice President	Central Processing and Operations Department
32	Mrs. Yanna Cai	First Vice President	Trade Operations Department
33	Mr. Ayanut Dussadeesimarath	First Vice President	Collateral Appraisal Department
34	Mr. Usa Rodpon	First Vice President	Credit Administration Department
35	Mr. Kornthana Tonnamning	First Vice President	General Administration Department
36	Mr. Xianwei Wang	First Vice President	Information Technology Software Development Department
37	Mr. Supanya Wattanachai	First Vice President	Information Technology Operation & Services Department
38	Ms. Dolrudee Deeppracha	First Vice President	Credit Review Department
39	Mr. Ekkawit Suksamarnwong	First Vice President	Portfolio Risk Management Department
40	Mr. Eakkarat Thankitjanont	Vice President	Branch Banking 3 Department
41	Ms. Ting Pu	Vice President	Retail Banking Department
42	Mrs. Jia Jin	Vice President	Compliance Department
43	Ms. Wanngam Supunnagul	Vice President	Branding & Communications Department

# ORGANIZATION CHART



## DESCRIPTION OF BUSINESS

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Established on 26 August 1969 as a commercial company, the company later obtained a license to undertake finance and securities business from the Ministry of Finance on 26 October 1973 and was listed on the Stock Exchange of Thailand (SET) in 1978. On 23 December 2005, the Bank was granted a commercial bank license from the Ministry of Finance.

On 21 April 2010, the Industrial and Commercial Bank of China Limited (ICBC), the largest commercial bank in the world in terms of market capitalization, acquired 97.24% of the total issued shares of the Bank from a voluntary tender offer of all shares traded on the SET and changed the name of the Bank to “Industrial and Commercial Bank of China (Thai) Public Company Limited” becoming a part of the ICBC Group. On 19 March 2011, the Bank delisted from the SET. At present, the ICBC holds 97.98% of the total shares sold of the Bank.



As a fully licensed commercial bank, the Bank aims to be on the forefront of commercial banks in Thailand on international banking service. Being a part of the ICBC Group means customers of the Bank are able to fully utilize the services provided by the Group's network which is growing at a rapid pace in China as well as around the world. As of the end of June 2022, ICBC Group had 15,733 branches in China and 421 overseas branches in 49 countries. In addition, ICBC had 1,434 correspondent banks in 142 countries worldwide.

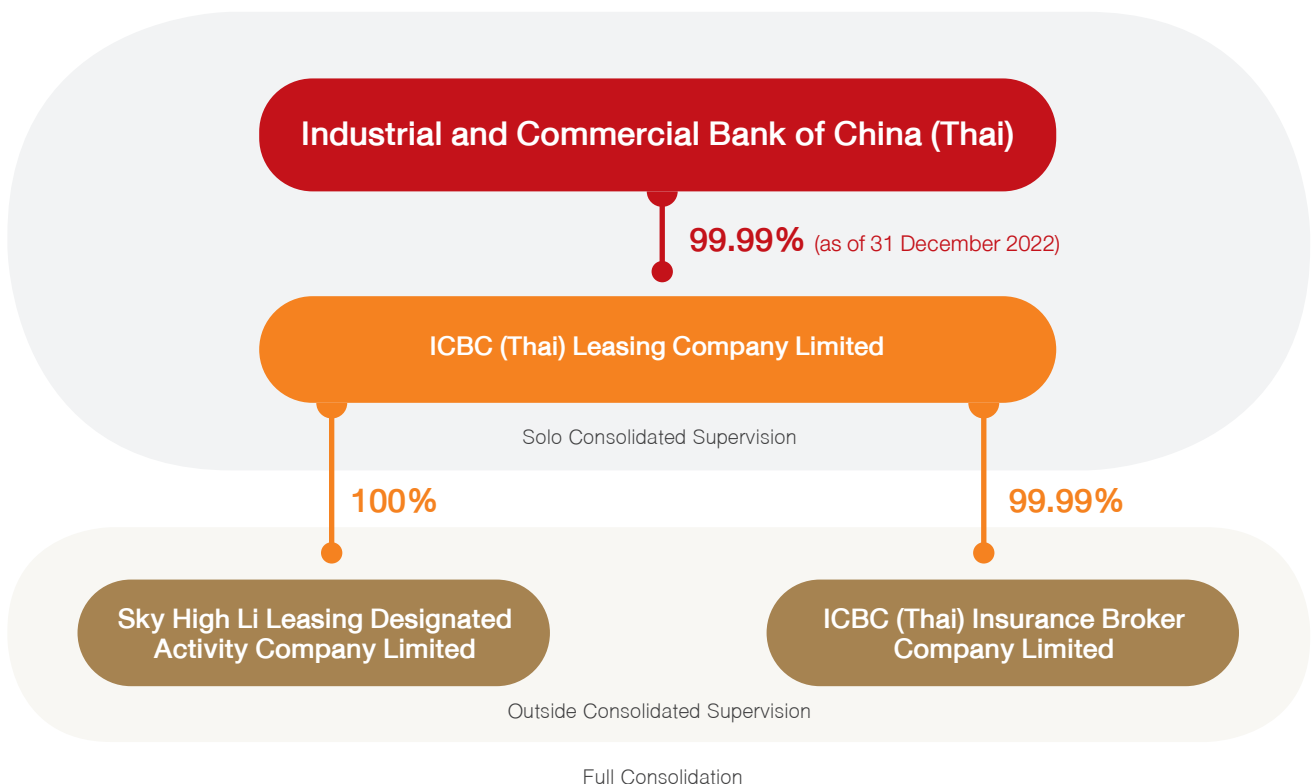
At present, the Bank has 3 subsidiaries, ICBC (Thai) Leasing Company Limited, which the Bank owns 99.99%, the company offers leasing and hire purchase services; Sky High Li Leasing Designated Activity Company Limited; and ICBC (Thai) Insurance Broker Company Limited.

Throughout its operations in Thailand the Bank continues to strive at providing the best financial services to its customers by developing various new and innovative products and services in order to answer the needs of its customers. In particular, the Bank has expanded its products and services to both juristic person customers, to facilitate their business needs, and individual customers, to reflect their lifestyles such as new types of credit cards, debit cards, internet banking, mobile banking POS machines and CNY 1 day remittance. At present, the Bank has a total of 21 branches across Thailand.

ICBC (Thai) has been appointed as the RMB Clearing Bank in Thailand since 2015 and continues to hold its credit rating by Fitch Ratings at the highest attainable rating of AAA(tha) for National Long-Term Rating for the eleventh consecutive year affirming it's sound financial position.

### Shareholders' structure of ICBC (Thai) Group

(as of 31 December 2022)



## Major Shareholders

As of 31 December 2022

No.	Name	Ordinary Shares	Class A Preferred Shares	Class B Preferred Shares	Number of Shares held	Percentage of Shareholding
1	Industrial and Commercial Bank of China Limited	2,208,258,569	-	355,581	2,208,614,150	97.98
2	Ms. Siriwan Panichcheewa	15,407,521	-	-	15,407,521	0.68
3	Mr. Banthorn Lewprasert	8,883,242	-	-	8,883,242	0.39
4	Ms. Sirima Panichcheewa	6,137,254	-	-	6,137,254	0.27
5	Mr. Samrerng Manoonpol	2,998,982	-	-	2,998,982	0.13
6	Mr. Adisak Putikochakorn	2,567,700	-	-	2,567,700	0.11
7	Mr. Boonsithi Chokwatana	2,399,125	-	-	2,399,125	0.11
8	Mr. Lau Ting Fai	1,517,250	-	-	1,517,250	0.07
9	Ms. Manee Jiramongkol	1,053,125	-	-	1,053,125	0.05
10	Mrs. Alice Lai Fong Lee	534,625	-	-	534,625	0.02
	Others	3,959,262	-	86,850	4,046,112	0.18
		2,253,716,655	-	442,431	2,254,159,086	100.00

### Remark:

- In 2006, all Class A preferred shares were converted into ordinary shares.
- Local shareholding = 1.91%
- Foreign shareholding = 98.09%

## Dividend Policy

The Bank may pay dividends only when the Bank has profits, has no accumulated loss and has Tier 1 Capital of at least Baht 40,000 million. When considering whether or not to pay dividends, the Bank shall take into account the liquidity and economic condition as well as the business plan of the Bank. By virtue of a resolution of the shareholders' meeting, dividends shall be divided by number of shares, equally for each share and may be made in full or in part in the form of stock dividends through the issuance of new shares to the shareholders in various types of shares already issued at that time.

# SUSTAINABLE BANKING REPORT



## Overview

### Sustainable Banking Information

ICBC (Thai) Bank prepares and publishes Sustainable Banking Report to be a channel to communicate and present the result of sustainability management of ICBC (Thai) Bank to all stakeholders that cover economic, environmental, social and governance dimensions. This disclosure of Sustainable Banking covers the information of ICBC (Thai) Bank and partial information of the subsidiaries of the Bank for the period of 1 January 2022 to 31 December 2022 which is a part of the ICBC (Thai) Annual Report 2022, which has been approved for publication by the Board of Directors of the Bank on 26 April 2023.

### ICBC (Thai) Bank and Subsidiaries

Industrial and Commercial Bank of China (Thai) Public Company Limited ("the Bank" or "ICBC (Thai) Bank") is a subsidiary that the Industrial and Commercial Bank of China Limited (ICBC) holds 97.98% of the total issued and paid-up shares of the Bank. The Bank has 3 subsidiaries consisting of ICBC (Thai) Leasing Company Limited ("ICBC (Thai) Leasing"), a direct subsidiary, ICBC (Thai) Insurance Broker Company Limited and Sky High Li Leasing Designated Activity Company Limited, indirect subsidiaries of the Bank.

At present, ICBC (Thai) Bank has a registered and issued and paid-up share capital at THB 20,107.10 million with a total of 21 branches across main service areas of each region as well as service provision through banking agents, telephone banking, ATM, internet banking and mobile banking.

### ICBC (Thai) Bank

- Established as a limited company in 1969
- Authorized to establish and operate a commercial bank since 2005
- Renamed to Industrial and Commercial Bank of China (Thai) Public Company Limited in 2010 after the acquisition of ACL Bank Public Company Limited by the Industrial and Commercial Bank of China Limited.
- Provide financial services to meet customers' needs and support the economy, trade and investment between Thailand and China.

### ICBC (Thai) Leasing

- Established as a company limited in 2005
- Provide financial services in the form of hire purchase and leasing.

## ICBC (Thai) Insurance Broker

- Established as a company limited in 2020
- Provide life insurance and non-life insurance brokerage business

## Sky High Li Leasing Designated Activity

- Established and registered in 2014 in Ireland
- Special Purpose Vehicle (SPV) for aircraft leasing business

## Business and service

ICBC (Thai) Bank and its subsidiaries' business operations are as prescribed in the Financial Institutions Business Act as well as other financial related businesses permitted by the Ministry of Finance, the Bank of Thailand and other relevant regulators.

## Scale of the organization

As of 31 December 2022, ICBC (Thai) Bank and its subsidiaries had total assets in amount of THB 288,704 million, total liabilities in amount of THB 248,784 million and total shareholders' equity in amount of THB 39,920 million.

(Unit: Million Baht)

Scale of the organization	2020	2021	2022
Total assets	270,330	302,799	288,704
Total liabilities	236,281	265,959	248,784
Total shareholders' equity	34,049	36,840	39,920

## Employment information

At the end of 2022, ICBC (Thai) Bank and its subsidiaries employed in total 1,107 employees, both full-time and contract employees, comprising of 626 ICBC (Thai) Bank's employees, and 481 ICBC (Thai) Leasing and its subsidiaries' employees.

(Unit: Person)

Numbers of employees	2020	2021	2022
Full-time and Contract employees	1,161	1,151	1,107

## Membership of organizations, associations and clubs

ICBC (Thai) Bank and its subsidiaries are members of various organizations and associations established to support financial economy and society and to be a platform for sharing information, knowledge and promoting good cooperation and relationships among members as well as providing business operation guidelines with accordance which are with international principles for sustainable growth.

- The Thai Bankers' Association and Clubs
- The Association of International Banks
- Association of Investment Management Companies
- Thai Valuers Association
- The Valuers Association of Thailand
- Thailand Leasing Association
- Thai Hire-Purchase Association
- The Institution of Internal Auditors of Thailand
- Personal Management Association of Thailand
- The Thai Institute of Banking and Finance Association
- Thai Private Sector Collective Action Against Corruption
- Federation of accounting Professions under The Royal Patronage of His Majesty The King
- S.W.I.F.T. (Thailand) Association

## A Significant Change in 2022

On 26 April 2022, the Board of Directors' Meeting No. 2/2022 approved to the decrease of the ICBC (Thai) Bank's authorized share capital and change of its issued and paid-up share capital by writing off the treasury shares in the amount of 2,802,112 shares at par value of THB 8.92 per share. On 19 May 2022, the Bank of Thailand approved the decrease of share capital of the Bank by writing off the treasury shares and the Bank has completely registered this decrease in authorized share capital and change in its issued and paid-up share capital with the Ministry of Commerce on 6 June 2022.

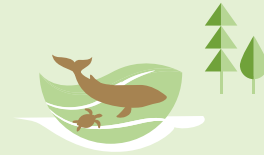
As of 31 December 2022, the Bank's new authorized share capital and issued and paid-up share capital totaled 2,254,159,086 shares, comprising of ordinary shares 2,253,716,655 shares and preferred shares Class B 442,431 shares with no treasury shares remaining.

## Sustainability Strategy

ICBC (Thai) Bank aims to balance between short-term business growth and sustainable growth in long-term by setting its business directions according to its long-term commitment to be “a valuable local bank and a financial bridge between Thailand and China to facilitate trade and investment between countries” in order to promote economic, financial and investment growths of both countries and to open new business opportunities with advanced financial technologies. Moreover, ICBC (Thai) Bank places importance on prudent risk management and adopts the United Nation’s Sustainable Development Goals (“UNSDGs”) as a guideline for setting strategies and goals for sustainable development, strictly complies with all rules and regulations of both local and international regulators as well as market conduct which is considered as a fundamental basis for the Bank, facilitating sustainable development in parallel with the Thai economy and society.



ICBC (Thai) Bank sets strategy for sustainability under the 3 dimensions framework that are: Environment, Social and Governance (“ESG”) as follows:



### Environmental Dimension

Strives to be a financial institution that helps drive the country’s sustainable development that supports economic activities for sustainability by taking environmental factor as part of the consideration for lending and investment, promoting innovation and using technology to develop modern products and services to support the customer’s needs as well as setting guidelines for intra-organization operations that encourage employees to participate in various activities to reduce the environmental impact.

#### Promote green finance

Be aware of its responsibilities towards the economy and environment by taking environmental factors as part of loan and investment considerations to support an environmentally friendly financial ecosystem.

#### Go green operation

Promotes innovation and uses advance technology to develop products and services to respond directly to the customers’ needs as well as setting the guidelines for intra-organization operations that encourage employees to participate in activities in order to reduce environmental impact.

#### Contribution to UNSDGs





### Social Dimension

Strives to be a financial institution that places importance on social responsibility by sharing benefits with all groups of stakeholders, promoting and building a culture of learning and equal treatment for the betterment of society.

#### Share benefits with stakeholders

Aims to be a financial institution that places importance on being a socially responsible organization by adhering to the principles of good governance, participation in sharing benefits with stakeholders and being a good member of society.

#### Ensure well-being and gender equality of employees

Significantly develops the potential employees as well as encouraging and giving them the opportunity to be promoted equally under the established rules and policies including encouraging them to participate under the same understanding of the organization.

#### Promote learning culture

Promotes and creates a learning society which every year ICBC (Thai) Bank organizes training and encourages employees to attend seminars that are beneficial to their responsibilities and useful for their daily life of employees under the changing economic and social environment, so that all employees receive suitable, updated and accurate information.

#### Contribution to UNSDGs



### Governance Dimension

Adheres to the principle of good governance, operates business with transparency and treats its customers fairly while observing enterprise risk management.

#### Good governance and transparency

Adheres to the principles of good corporate governance, transparency, fairness, auditability and business ethics as well as strictly adhering to the rules and regulations of all regulatory authorities and related laws.

#### Fair treatment to customers

Fair treatment to customers is fundamental to ICBC (Thai) Bank's business operations aiming to provide customers with fair services in terms of price and conditions as well as convenient access to the services including taking care and solving problems in a timely manner.

#### Promotion of risk management foundation

Places importance on systematic and effective risk control management covering various aspects of risk management as prescribed by the Bank of Thailand as well as the ICBC Group's risk management guidelines to ensure that ICBC (Thai) Bank has guidelines to prevent and reduce any kind of risk appropriately in a timely manner.

#### Contribution to UNSDGs





## Sustainability Management Structure

ICBC (Thai) Bank recognizes the importance of sustainable development by adopting the United Nation's Sustainable Development Goals (UNSDGs) as a guideline for setting strategies and goals for sustainable development under the 3 sustainable frameworks namely: Environment, Social, and Governance. Finance & Strategy Division, Risk Management Division and Corporate Secretary & Legal Division are assigned to be the team leaders in driving sustainable development within the organization and disclose sustainability information to the public by allowing all departments within the organization to participate issues with responsibility to all groups of stakeholders under the overall supervision of the Board of Directors.



## Stakeholder Group

ICBC (Thai) Bank places importance and fair treatment to stakeholders. Stakeholders of ICBC (Thai) Bank consists of shareholders, customers, employees, regulators, business partners, competitors and societies which may directly or indirectly affect or be affected by the operations or activities of the Bank. Stakeholders' opinions or suggestions are valuable to the Bank's operations. Building relationships to all stakeholders, through regularly and timely communicating in order to understand their needs which constantly change under rapidly fluctuating of financial and economic situations, will play an important role to develop and improve products and services of the Bank in line with the change efficiently.

## Customers

Customer group means customers and debtors of ICBC (Thai) Bank both Thai and foreign customers including are inclusive of individual, small and medium sized corporate, large corporate, government, state enterprise, financial institutions as well as other juristic persons. The Bank provides products and services to customers with fair and responsive treatments to maximize the customers' satisfactions under the respects of all rules and regulations. The Bank also provides accurate information of products and services in a timely manner for customers to have sufficient information for decision making which will one of the Bank's key success drivers for sustainable achievements.

### Customers' expectations

- Quality of products and services at fair price
- Access to the Bank's service easily and conveniently
- Fair treatments to the customers
- Strict compliance with the terms and conditions committed to the customers
- Data privacy and business confidential of the customers

### Engagement channels and frequency

Engagement channel	Frequency
Interaction at branches	Regularly
Comment, suggestion and complaint through Call Center, website and Facebook	Regularly
Communication via online channels e.g. Line Official Account, Facebook and WeChat	Regularly
Communication with customers and visits	Regularly
Marketing and advertising campaigns	Regularly
Product and service brochures	Regularly
Seminars to provide knowledge about finance	As and when appropriate



## Shareholders

ICBC (Thai) Bank operates its business under the principles of good corporate governance and sustainable growth of business in order to create fair and steady returns to shareholders which are not only limited to their rights to obtain sufficient and timely information in monitoring the Bank's operations and performance but also the right to participate in decision-making for material matters.

### Shareholders' expectations

- Fair and steady return on investments
- Sustainable growth and increase in the value of the Bank

### Engagement channels and frequency

Engagement channel	Frequency
Annual general meeting of shareholders	Annually
Annual Report	Annually
ICBC (Thai)'s performance on the Bank's website	Regularly



## Employees

ICBC (Thai) Bank recognizes that an efficient and skillful employee is very important in helping the Bank to achieve its business performance and targets for sustainable growth in the future. ICBC (Thai) Bank creates learning cultures by providing upskilled and reskilled training courses to all levels of employees to align with the dynamic financial environment and digitalization. Furthermore, ICBC (Thai) Bank provides fair remuneration, and equal opportunities for career path promotion by taking into consideration of the employee's knowledge, capability and performance based on the ICBC (Thai) Bank's prescribed policy.

### Employees' expectations

- Fair remuneration and stability of employment
- Work-life balance
- Opportunities for career path promotion

### Engagement channels and frequency

Engagement channel	Frequency
Employees orientation	Regularly
Communication from management to staff	Regularly
Internal communication within organization through online channels	Regularly
Employees training at all level	Regularly
Management meeting for policy announcement	Annually
Relationship building activities	Regularly
Town Hall meeting	Annually
Performance Review	Annually





## Regulators

ICBC (Thai) Bank as a financial intermediary which has an important roles in supporting and developing the country's financial and economic growths, ICBC (Thai) Bank and its employees shall strictly comply with all the relevant laws, rules and regulations which will strengthen the ICBC (Thai) Bank's creditworthiness and help the Bank to achieve not only the short-term targets but also to sustain its performance in the long-term. ICBC (Thai) Bank will establish internal policies and guidelines in compliance with all relevant laws, rules and regulations stipulated by all relevant local and international regulators that ICBC (Thai) Bank treats as the fundamental principles of business operations.

### Regulators' expectations

- Sustainability and stability of the Bank and financial system
- Good governance and transparent of business operations
- Fair and transparent treatments to the customers

### Engagement channels and frequency

Engagement Channel	Frequency
Regulator meetings and engagement	Regularly
Audits required by the regulators	Regularly
Submission of reports as requires by the law	Regularly
Financial Report/Auditor Report	Semi-Annually
Annual Report	Annually



## Business Partners

ICBC (Thai) Bank's business partners include banking agents, outsources and other forms of business partners. The Bank treats its business partners equally and fairly based on equality and fairness to both parties and strictly comply with relevant laws and regulations. Having good relationships with the Bank's business partners helps facilitate the Bank's business operations to be more effective and efficient.

### Business partners' expectations

- Mutual benefit and partnerships continuity
- Strict compliance with contractual obligations

### Engagement channels and frequency

Engagement channel	Frequency
Business partner's briefing/meeting	Regularly
Business partner's contacts and visits to strengthen the relationship	Regularly
Listening to the problems and difficulties in order to improve and solve the problems	Regularly
Agreement/contract signing between suppliers and the Bank prior to transaction	Regularly



## Competitors

ICBC (Thai) Bank operates its business with ethics, transparency, and fair competition under relevant regulations and without pursuing confidential information of competitors or creating dishonest or inappropriate competitive advantages, not damaging the reputation of competitors or undertaking actions without truth and unfair.

### Competitors' expectations

- Fair competition
- Business cooperation to promote the strength of the financial institution business

### Engagement channels and frequency

Engagement channel	Frequency
Participate in industry associations	Regularly
Industry-wide meetings in various occasions	As and when appropriate
Forums and conferences	As and when appropriate
Communicating with specific group through social media such as Line	As and when appropriate



## Societies

As a financial bridge between Thailand and China, ICBC (Thai) Bank is committed to facilitate bilateral investments and trades as well as supporting the real economic growth of both countries. In addition to financial and economic growth, the Bank also contributes to the society by incorporating with local community and government organizations to carry out the Corporate and Social Responsibility activities regularly.

### Societies' expectations

- Share benefit with society and community
- Social and environmental responsibility

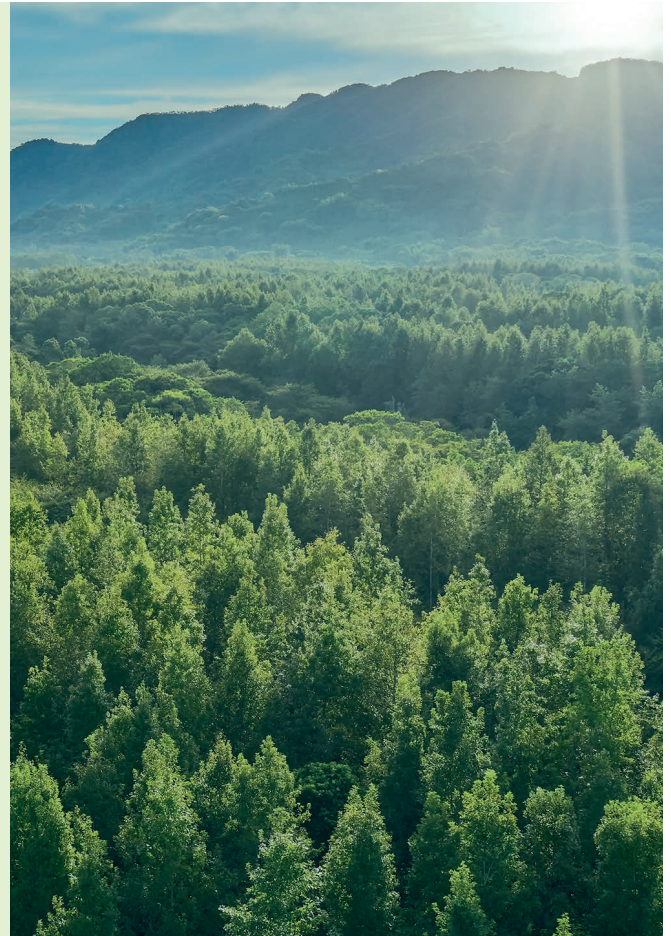
### Engagement channels and frequency

Engagement channel	Frequency
Corporate social responsibly activities	Regularly
Knowledge sharing on finance, investment, savings and cyber threat through online channels such as Line Official Account and Facebook.	Regularly
Knowledge sharing on finance, investment, savings and cyber threat to university student	As and when appropriate
Donations in cash or in kind to support causes related to disaster or pandemic.	As and when appropriate
Staff volunteer activities	As and when appropriate



## Environmental Dimension

To promote the ICBC (Thai) Bank partakes in activities that drive the country's sustainable development and supports economic activities for sustainability by including environmental as a factor for consideration of lending and investment, promoting innovation and using technology to develop modern products and answering the customers' needs as well as setting guidelines for operations within an organization that encourages employees in order to participate in various activities to reduce the environmental impact.



## Promote Green Finance

The Bank is aware of its responsibilities towards the economy and environment by taking environmental factors as part of loan and investment considerations to support an environmentally friendly financial ecosystem.



### Target

To increase the amount of loans for businesses or activities which are environmentally friendly as well as investments in ESG and Sustainability-linked Bonds.

### Green finance development process



ICBC (Thai) Bank had always cooperated with regulators, issued policies related to the development of green finance, and supported environmental friendly finance and investment for sustainability development of financial sector and economy in the country.



2019	2021	2022
Signed the Memorandum of Understanding (MOU) on “the Sustainable Banking Guidelines – Responsible Lending”	Concerned with environmental, social and governance risks in the Internal Capital Adequacy Assessment Process (ICAAP)	Jointed Press Release for The Thai Bankers’ Association’s ESG Declaration
Implemented the “Sustainable Banking Policy” and “Responsible Financing Policy”		Implemented “the Guideline of Green Classification of Financing Business”

## 2019

- The Bank together with Thai Bankers’ Association member banks have signed the Memorandum of Understanding (MOU) on “the Sustainable Banking Guidelines-Responsible Lending”. Its objective is to operate under the principles of “Sustainable Banking” by concerning Environmental, Social, and Governance (ESG) factors for considering in responsible lending policy and strategy as well as developing a process to manage risks and impacts resulting from the Bank’s lending.
- The Bank implemented the “Sustainable Banking Policy” as a guideline for the Bank’s sustainable banking practices.
- In accordance with the intention of Sustainable Banking Policy, the Bank has implemented the “Responsible Financing Policy” to promote a culture and understanding of responsible finance by integrating environmental, social and governance issues into credit approval process, loan-like transaction, investments and obligation. In addition, the Bank requires staffs that take care of debtors to inform the Bank’s debtors to concern about environmental, social and governance issues by notifying debtors to take measures to prevent and reduce risks regarding environment, society and governance that may occur.



## 2021

- The Bank is determined to consider of environmental, social and governance risks in the Internal Capital Adequacy Assessment Process (ICAAP) in order to reduce the impacts that may occur in the future and maintain the stability of the Bank in the long term.

## 2022

- Jointed Press Release for The Thai Bankers' Association's ESG Declaration for driving to 6 sustainable developments as follows:
  1. **Governance:** Ensure good corporate governance and effective oversight at the board level, with clear accountability and responsibility at the management level regarding Environmental, Social, and Governance (ESG) issues.
  2. **Strategy:** Integrate ESG into business strategies and define frameworks for sustainable finance by supporting Thailand's smooth transition towards its Net Zero target.
  3. **ESG Risk Management:** Incorporate ESG issues for consideration into risk management processes.
  4. **Financial Products:** Utilize digital technology to increase financial accessibility, plus green and sustainable financial innovations.
  5. **Communication:** Communicate and collaborate with all stakeholders in raising public awareness on ESG issues.
  6. **Disclosure:** Develop monitoring and reporting systems in line with Thailand's regulatory frameworks and global sustainability disclosure standards.
- Implemented "the Guideline of Green Classification of Financing Business" in order to increase the efficiency of lending, credit-like transactions, investments, obligations and commitments aligned with the Responsible Financial Policy. The Bank classifies customer according to industrial type, customer characteristic, project's type or use of fund from the Bank, and the impact on the environment, and the environmental and social risks.

## Responsible Financing

As ICBC (Thai) Bank's aim is to be a responsible financing bank with strong environmental and social risk management capability in the same way as the ICBC Group, then the Bank intends to increase its support to the environmentally friendly business and to minimize, mitigate or avoid financial activities that cause negative impacts to the environment and society in order to encourage the customers to change the way they operate their businesses to be more towards sustainable development.

### The Bank's approach

The Bank is committed to engage the environmental, social, and governance or "ESG" risk management into its financial activities, no matter new or existing, as it has been incorporated into ICBC (Thai) Bank's Credit Policy. Furthermore, the Bank has then implemented the "Responsible Financing Policy", the secondary level of the policy under the Credit Policy, relating to the ESG risk management that is applied to all financial activities with the business purpose. This Policy is formulated in order to strengthen the ESG risk management through all financial activities, lending, credit-like transactions, investments, obligations and commitments. This Policy is intended to emphasize the importance of the ESG risk management, the scope of ESG issue and the roles and responsibilities of related internal parties, including the Bank's Board of Directors and Executive Committee responsible for the overseeing, monitoring, and, supporting body for the ESG risk management. In practice, the ESG issue is one of the consideration factors at every step during the credit decision-making process and credit life cycle.

**Pre-loan investigation/New customer admittance:** Negative news or incidents relating to ESG issue will be investigated on best-effort basis by the Business Units to ensure that this new customer will not have any negative impact to ESG issue. Such information will then be declared in the Credit Application. Nevertheless, during this pre-loan investigation, such new customer may be additionally required as follows:



- The initiator of the project shall prepare environmental and social risk assessment in order to demonstrate compliance with the relevant host country's laws, regulations and permits that pertain to environmental and social issues.
- Customer must abide by laws and regulations, comply with the applicable standards.
- The resources consumed by the customers or projects shall be met or be superior to relevant governmental standards.
- The standards or requirements of safety production and construction, and employees' health protection shall be met.
- The compliance with national employment and labor laws shall be met, a grievance mechanism needed.  
Use of land shall comply with land and urban development; it shall incur no adverse impacts to environment and affected communities.
- Analysis and planning, disclosure and dissemination of information, consultation and participation and grievance mechanism may be involved.

**Credit Approval:** Corresponding Approval Authority proposes reasonable, effective conditions precedent and management requirements according to the character and severity level of the environmental and social risk for this customer or project.

**Post-lending Monitoring:** During credit life cycle, the Business Units have the responsibility to investigate any negative news or incident relating to ESG issue of such customer together with others credit risk issues and being declared in the post-lending monitoring report. The on-site investigation will be conducted periodically. Any adverse news or incident may lead to the interim review or being classified as the early warning account.

**Credit Annual Review:** In the same measures as the post-lending monitoring, any negative news or incident relating to ESG issue of such customer will be investigated together with others credit risk issues by the Business Units and being declared in the Credit Application.

Both Credit Policy and Responsible Financing Policy are reviewed periodically.

Furthermore, in 2019, ICBC (Thai) Bank has signed the Memorandum of the Understanding on "the Sustainable Banking Guidelines - Responsible Lending" with the Thai Banker's

Association and other commercial banks representing the commitment of ICBC (Thai) Bank on the responsible lending. ICBC (Thai) Bank continues to focus on providing the financial services to clean energy industries in order to increase more ESG business as well.

In 2022, to strengthen our commitment to the ESG risk management, the Bank has implemented the portfolio management for the purpose of identifying the trend of our credit portfolio relating to the ESG risk. Our credit portfolio shall be assessed and classified into 4 levels as;

**1. Friendly Level** refers to the environmentally-friendly industries or businesses that are supported by the government and the customers or projects can comply with the environmental protection law or regulation such as Clean Energy Industry, Ecological Environment Industry, and Green Infrastructure and Green Service etc.

**2. Qualified Level** refers to other industries that are not incorporated into the Friendly Level and are non-sensitive to the environment and can comply with the environmental protection law or regulation.

**3. Observation Level** refers to;

- Any customer or project in the environmentally-sensitive Industry; or
- Any customer or project that has been instructed or punished by a government agency in relation to the environmental and social risk and the correction process has been completed with the approval from the government agency; or
- Any customer or project that has been reported by the public media as likely to damage the ecological environment and have potential environmental and social risk.

**4. Rectification Level** refers to any customer or project that fails to obtain the consent or approval from the government agency in relation to its social and environmental risk evaluation that indicates whether it has reached the government's standard or requirement that is the precondition for its legal and complied operation or has committed an environmental and social risk and it is being instructed or punished by a government agency but the correction plan has not started or it is in the process of correcting the issue but not completed and approval has not been granted by the government agency.

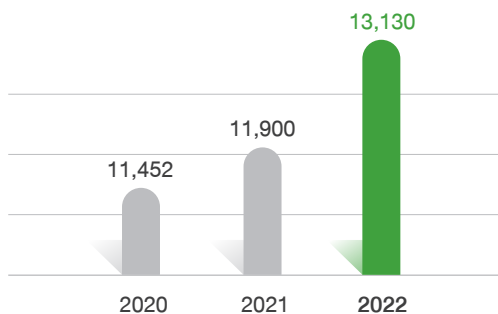
## Performance in 2022

ICBC (Thai) Bank continues to enhance the Responsible Financing Policy and practice as well as support loan and investment to reduce environmental impact.

### Loans

In the past years, the ICBC (Thai) Bank has provided loans to customers for investing in sustainable projects or activities to reduce environmental impact such as renewable energy. At the end of 2022, ICBC (Thai) Bank had outstanding of loans that supporting sustainability in total amount of THB 13,130 million, increased by THB 1,230 million or 10% compared to the previous year.

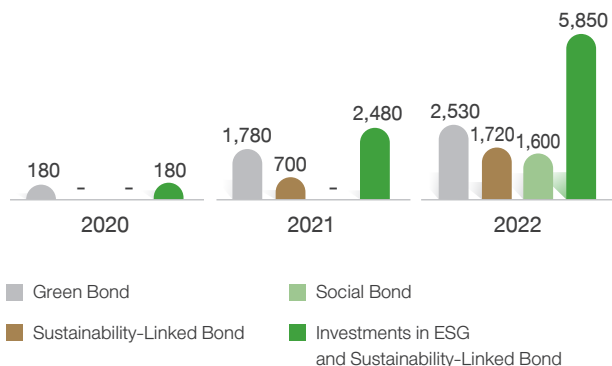
Outstanding of loan related to renewable energy  
(Unit: Million Baht)



### Investments

In 2022, the ICBC (Thai) Bank provided financial support through investments in private debt securities that were sustainability-linked consisting of Green Bonds, Social Bonds and Sustainability-Linked Bonds. The outstanding balance of the investments at the end of 2022 stood at THB 5,850 million, increased by THB 3,370 million or 136% compared to the end of 2021.

Outstanding of Investments in ESG and Sustainability-Linked Bond  
(Unit: Million Baht)



### New environmental friendly products

Rooftop Solar Financing is another ESG products provided by ICBC (Thai) Leasing, which is a subsidiary of the Bank, in order to support the implementation of renewable energy for office buildings or factories which are considered environmentally friendly through the installation of solar panels on rooftops. This Rooftop Solar Financing will help businesses to effectively save electricity expenses in long term as well as promoting the Company's customers to be a part of the development of sustainability.

### RMB Clearing Bank

In addition to supporting loans and investments to reduce the environmental and social impact, ICBC (Thai) Bank, as an authorized RMB Clearing Bank in Thailand since 2015 by the Central Bank of the People's Republic of China, performs as a payment intermediary and provides other financial services related to RMB to strive and support the widespread use of the RMB, also be a mechanism that facilitates access to RMB liquidity in China.

ICBC (Thai) Bank is one of 7 financial institutions authorized by the Central Bank of the People's Republic of China to act as an offshore RMB clearing center. The Bank is the first commercial bank to establish a RMB clearing network covering all 3 major time zones as Europe, America and Asia, which provides RMB clearing services 24 hours per day for serving customers around the world.

### Target

The Bank commits to generate the highest satisfaction in RMB clearing services along with supporting and facilitating customers, as domestic financial institutions, to conduct RMB transactions efficiently in order to be a part of the development and stability of the Thai financial system.

### RMB transaction international payments

In 2022, despite of the volatility of global financial markets, China cross border RMB settlement has increased rapidly. The settlement volume reached all-time high of RMB 812 billion in September 2022 and the figure was reported at RMB 7,920 billion for the whole year of 2022, achieved annual growth of 37.30%. According to data released by the Society for Worldwide Interbank Financial Telecommunication (SWIFT), the share of RMB used in global payments rose to 2.15% in December 2022, remaining the position as the fifth most active currency for global payments by value. IMF increased RMB's share in SDR from 10.92% to 12.28% in May 2022, reflecting a growing recognition worldwide of the improvement in the free use of RMB.

### Trade between Thai and China

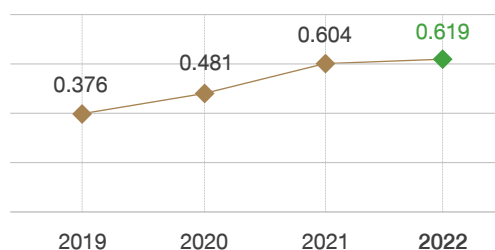
Thailand's cross-border trade volume has accelerating in recent years, trade linkage with China also plays a significant role nowadays as China has been Thailand's largest trading partner. Two-way trade of goods in January to November 2022 was THB 3.4 trillion or 18% of total international trade value of Thailand, growing 3% from the prior year. Furthermore, the Mohan Railway which is an important part of the China-Laos Railway, including the implementation of the Thai high-speed rail system from Thailand, Laos, China, which is a cooperation of all 3 countries. It will facilitate and increase the trade volume between Thailand and China in the future.

The RMB Clearing Bank's services will help business operators to be able to directly choose RMB for receive and payment transactions with less concern on foreign exchange risk and fluctuation which will be easier to manage their operating costs.

### Performance of RMB business during 2019-2022

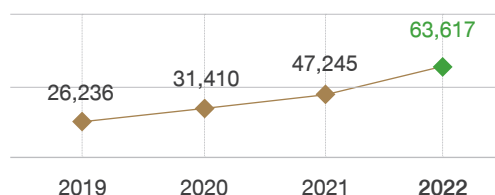
The ICBC (Thai) Bank has developed 2 new clearing accounts in the past years. The RMB deposit outstanding increased from RMB 0.376 billion at the end of 2019 to RMB 0.619 billion at the end of 2022.

RMB deposit outstanding  
(Unit: Billion RMB)

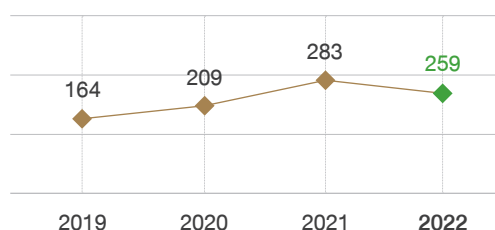


The volume of accumulated receipt and payment business transactions increased from 26,236 transactions to 63,617 transactions from 2019 to 2022, while the value increased from RMB 164 billion to RMB 259 billion from 2019 to 2022, increasing by 58%.

Volume of Accumulated Receipt and Payment Business  
(Unit: No. of transaction)

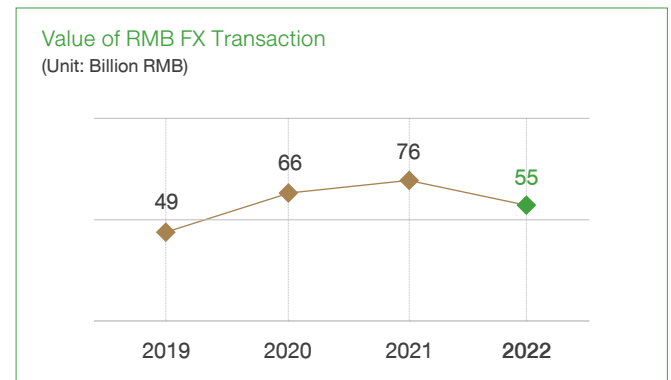
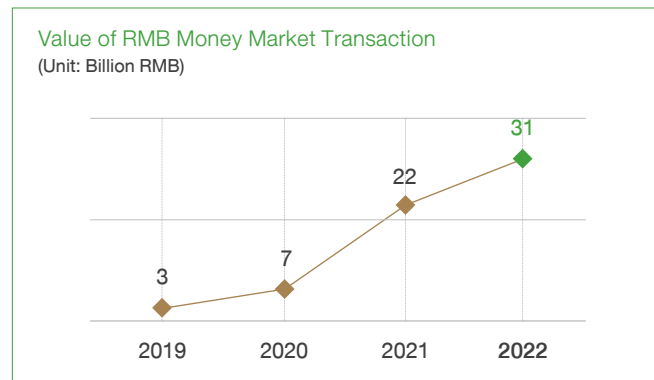


Value of Accumulated Receipt and Payment Business  
(Unit: Billion RMB)





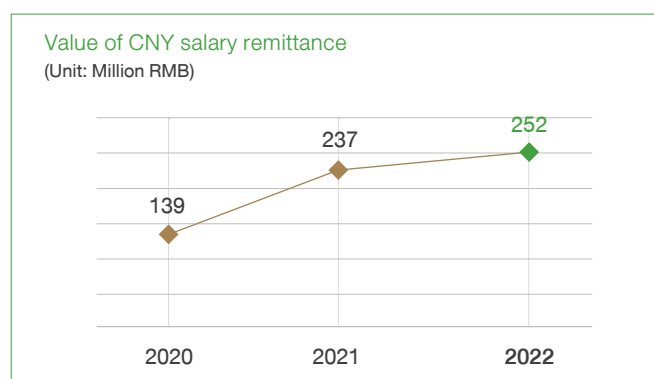
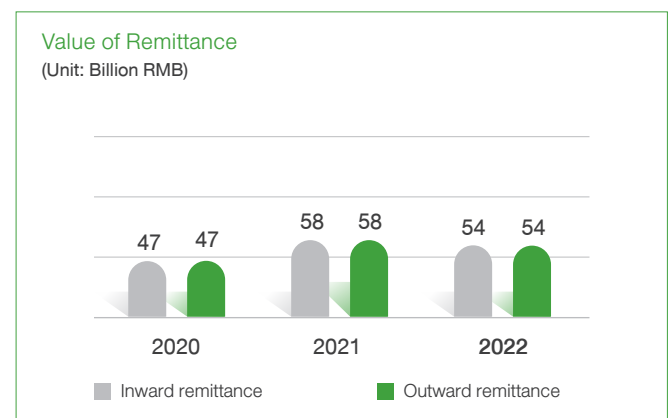
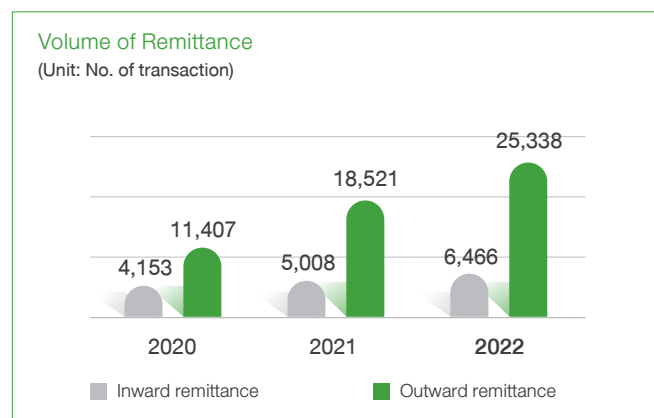
Despite the economic fluctuation since 2019, the RMB money market transaction amount increased by 808% from year 2019 to year 2022, which was from RMB 3 billion to RMB 31 billion. RMB FX transaction amount increased significantly from RMB 49 billion in year 2019 to RMB 55 billion in year 2022, achieved a total increase of 13%.



In the past 3 years, the Bank continuously launched new products and services aiming at corporate and individual customers. With the advancement of measures like RMB cross-border financing and trade settlement facilitation, ICBC (Thai) Bank launched many solid business lines such as the remittance of cross-border RMB capital funds from China to Thailand, the use of RMB for settlement of foreign trade and services as well as the payment of RMB trade settlement funds to China through foreign exchange. In 2022, the volume of inward

and outward remittances increased outstandingly at the rates of 29% and 37% respectively, while the value of inward and outward remittances slightly decreased compared with 2021.

Moreover, the Bank has also launched CNY Salary Remittance Service in order to facilitate and increase convenience for Chinese who works in Thailand which, in 2022, the transaction volume stood at RMB 252 million, increased by 6% and 82%, compared with the years 2021 and 2020, respectively.





## Green Operations

As we all know that nowadays, environmental problems are serious and intense from an imbalanced use of natural resources by focusing only economic growth without recognizing environmental impacts in various aspects. For instance, a waste management problem, air pollution, massive flood and wildfire resulting to a global warming which is now difficult to handle but require corporations from every sectors whether it is public or private sectors, communities, households as well as individuals. ICBC (Thai) Bank realized an important and urgent of this issue therefore has determined an environmental impact as one of the Bank's strategy for environmental sustainability.



### Target

The Bank promotes innovation and uses advance technology to develop products and services, including sets guidelines for operation within organization which encourage employees' participation in activities in order to reduce environmental impact.

## Digital Banking



Currently, digital banking plays important roles in various banking services which make financial transactions simply and conveniently even in crisis period. Especially, with the popularity of mobile banking, which account-holders can conduct transactions by themselves anytime and anywhere, its popularity continued to increase at a fast pace. This is partly as a result of the policy of the Thai Government to transform Thailand into a cashless society efficiently and effectively. Together with the introduction of the "PromptPay" system, a real-time payment and money transfer infrastructure, it makes payments and money transfers more convenient and faster with lower fee aligned with the recent lifestyles of people and entrepreneurs who increases to use technology in their daily lives

Most banks have developed a mobile banking service that is easy and convenient to use and has a variety of functions such as online shopping, deposit, withdrawal, transfer between accounts within the same bank or between other banks as well as and request for account statement with required period which more convenience to mobile phone users or depositors. Therefore,

the popularity of mobile banking has increased significantly and replaced financial transactions at the Bank's branches.



### Performance in 2022

In addition to the abovementioned e-banking transactions that are regularly optimized to satisfy the customers' needs and enhance security, the Bank also offers other digital products and services as follows:

- **ICBC Digital Debit Card**

Digital Debit Card is a virtual debit card, a non-physical card, which is stored in mobile banking and be able to use for payment in many ways including online payment and cardless ATM cash withdrawal. According to the Bank's digitization strategy, Digital Debit Card will support new lifestyle with cashless solution and reduce the usage of plastic and chip for our go-green operation.

Digital Debit Card was officially launched to the market in June 2022 with sound market's response that, within 7 months, the Bank acquired nearly 5,000 cards which doubled the target.

- **Credit Card Electronic Statement (e-Statement)**

The Bank places the importance on paper resources and would like to be a part of environmental awareness cultivation, by providing the credit card electronic statement (e-Statement) to reduce the usage of paper and ink, which helps protect the environment.

In 2022, the Bank constantly encourages employees and customers to apply for credit card electronic statement (e-Statement), resulting in an increase in the number of customers applying for credit card electronic statement (e-Statement) to 15% of total customers.

#### ● Green Savings

In response to the trend of mobile banking, ICBC (Thai) Bank has introduced a green savings product for individual customers which are a savings account without a passbook with no minimum deposit requirement. The depositor can perform various financial transactions through the ICBC (Thai) Bank's application on mobile phones without transaction fees and request for account statement fees. In addition, the cost of the passbook that the Bank can save is shared back to a green saving's depositor in term of higher interest rate than the Bank's regular savings account. At the end of 2022, the number of green savings accounts of the Bank stood at 9,954 accounts.



**ICBC Green Savings**

- Unlimited Withdrawals
- Higher Interest Rate

ICBC 中国工商银行 (中国)  
ธนาคารไทยจีน (ไทย)

บัญชีเงินฝากออมทรัพย์  
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#### Technology Innovation



The Bank has introduced Robotic Process Automation (RPA), a technology programming, to enhance working efficiency and effectiveness. The RPA can link various work processes between platforms enabling the Bank to process data continuously and automatically on computers.

Presently, the Bank continued to apply for the RPA using it for auto report generation or repetitive work process in many departments such as Trade Operations Department, Central Processing and Operations Department, Credit Administration Department to reduce the employees' workload, operational errors which may be caused by the employees as well as time consumption. The RPA is used to generate and directly send information to the customers via emails without having to print papers and sending papers which will help the Bank to reduce the use of paper and enhance the customers' experience with good and responsive services of the Bank. In addition, the RPA can help the Bank's human resources management to reduce the turnover rate of the employees that may cause a high volume of daily operational and repetitive works.

By applying the RPA with 32 processes, the Bank was able to reduce more than 18,000 hours of time consumption.

#### Less Paper-More Digital



The use of office paper for commercial banks is still necessary for documentation preparation to comply with the relevant regulations and rules such as the customer account statements, confirmation of correctness and completeness of information as requested by the customers, important documents that banks must submit to government agencies or other agencies etc. However, for printing documents used within the Bank, the Bank has implemented an Office Automation System (OAS) in 2021 in order to reduce printing documents for meetings and approvals within the Bank as well as requiring employees to manage information throughout the Data Life Cycle that is the creation or acquisition of data, processing, storage, utilization and destruction of data with quality processes to comply with the Data Governance and Personal Data Protection Policy according to the Personal Data Protection Act B.E. 2019, effective from 1 June 2022 onwards.

In addition to implementing an OAS, the Bank has planned to transform to digital organization by implementing tools for software development which enables user to create workflows, business requirements, defect tracking, project reports without the use of paper. The Bank has changed the traditional way of work from paper to paperless by implementing Jira software which is a digital platform to help the team to be more process focused and to reduce paperwork.

Last year, there were approximately 450 requests via Jira software in which 1 request would use an average of 5 sheets of paper (some requests required more than 10 sheets of paper), therefore, in all approximately 2,250 papers will be reduced.

#### Other approaches to reduce the use of paper

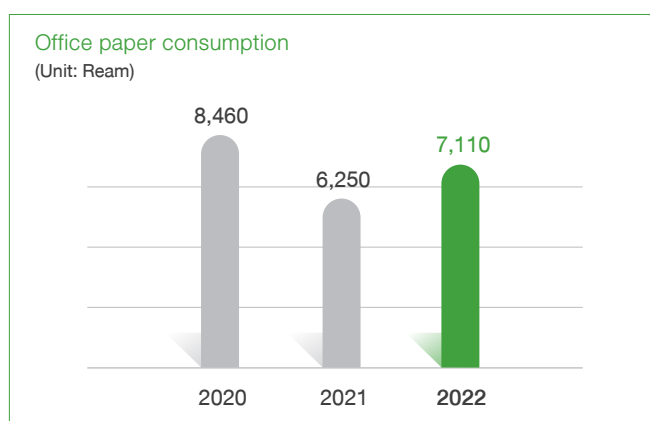
- Organized training for all employees on effective information management practices throughout the Data Life Cycle as well as the importance of data governance and personal data protection of customers, employees, trade partners or business partners, other relevant persons of the Bank.
- Improved operational procedures within the Bank to align with electronic methods as well as stored documents in electronic format instead of paper based.
- Submitted data to regulators and government agencies by electronic tools instead of paper form as much as possible, which would reduce the processes, reduced costs, and was able to check the evidence at all times.
- Validated the completeness of data before printing and reduced printing of single-use documents.
- Campaigned for the use of double-sided papers, reused of one page of used papers for unimportant documents within the office. Besides to maintain the security of information, reusing used papers required consideration of the data classification.
- In case of necessary to print out a document and it could be shared among department members, when finished reading or using, it could be forwarded to colleagues within that department instead of printing multiple copies.

#### Expected results

1. Reduced paper usage and related cost such as the cost of purchasing papers, office equipment, filing cabinets, ink file as well as reduced document storage space. It made the office clean and dust-free which positively affected to the health of employees.
2. Increased work efficiency by applying of information technology in place of using paper based. It also protected the data security of the Bank, customer and who involved with the Bank in various fields.
3. Reduced the risk of loss or documents' destruction, including concise the process and difficulty in searching for reuse such documents.
4. Promptly and fully communicated to people both inside and outside the organization through electronic channels.
5. Changed behavior of employees to be familiar with working with information technology and various electronic media for sustainable in banking operations in the future.
6. Raised employees' consciousness and awareness of importance in reducing environmental impacts.

#### Performance in 2022 (Head office's information only)

In 2022, office paper consumption stood at 7,110 reams, increased by 14% from 2021. The increase of office paper consumption in the previous year was mainly from the growth of banking transactions after the ease of COVID-19 pandemic.



However, the Bank will continue to focus on using of technology and innovation to continuously reduce the paper usage in the Bank's office.



## Renovation of the office using environmentally friendly products



In 2022, ICBC (Thai) Bank has improved the environment in the office area of head office for better working environment and modern look as well as clean, safe, create a good atmosphere in the workplace for supporting prospect business growth and a positive impact on employees' health in the long-run.



### Performance in 2022

ICBC (Thai) Bank selected environmentally friendly office materials such as ceilings, wallpapers and carpets of which every process of such materials starting from the procurement of raw materials, production process and destruction is environmentally friendly.

- Choosing a LEED (Leadership in Energy and Environmental Design) certified ceiling, LEED is a rating system to assess the level of environmental friendliness of a building or structure which is accepted and used widely around the world. It is developed by a US organization called the U.S. Green Building Council (USGBC) aiming to optimize the use of building resources and reducing negative impacts on the environment and building occupants' health.
- Selecting EcoSoft carpets, which created from recycled plastic bottles won the stage "Sustainability Award 2019" Architecture and Design, Australia for innovation reducing waste by utilizing waste materials.

For EcoSoft carpets selection of ICBC (Thai) Bank, 275,500 recycled plastic bottles have been used in the production. In addition, these carpets can be recycled into renewable fuels from waste at the end of their lifecycle which is part of achieving the objective of zero landfill "A Key Solution to Achieve Zero Landfill"

- Choosing certified anti-mold wallpaper with environmentally friendly technology. This will have a positive effect on both nature and inhabitants.

## Energy Saving



The Bank recognizes the importance of sustainable banking which aligns with the core objectives of ICBC Head Office as it moves towards green operations, reduce environmental impacts by campaigning for employees to understand and pay attention to climate change as well as the use of natural resources appropriately which has received good cooperation from all employees in adhering to and supporting the achievement of sustainable development.



### Target

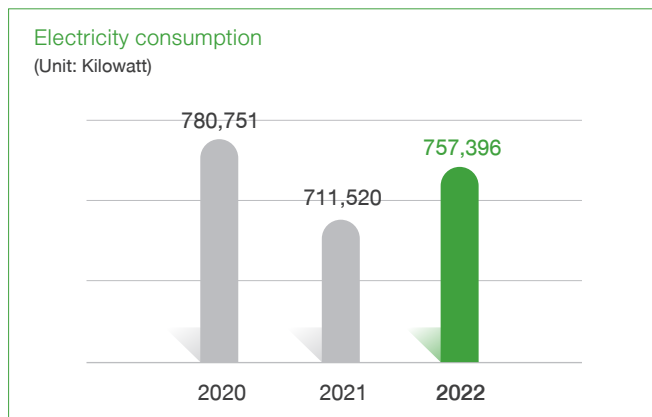
To comply with the mentioned campaigns, the Bank has initiated the green energy utilization and using water efficiency.

## Performance in 2022

### Electricity consumption

The Bank had installed Light Emitting Diode (LED) lamp replaced Fluorescent Lamps at the head office of ICBC (Thai) Bank since 2021, due to the fact that the fluorescent lamp is a cause of environmental impact, changing the LED lamp would help to reduce the impact by LED lamp using power consumption only 40% of Fluorescent Lamp power consumption. In addition, LED lamp does not contain mercury in its production process; as a result light from LED lamp will not contain UV radiation including radiation that is harmful to health which is considered as the key of environmental friendliness.

The Bank plans to use LED lamp for branches nationwide in the future. However, in 2022, the Bank's electricity consumption (Head office's information only) increased by 6% compared to 2021 due mainly to the Bank's business operation started to resume to normal period after the government's measures to control the spread of COVID-19 has been relaxed. Therefore, the Bank changed its Work-from-Home direction by allowing some of the Bank's employees to work in the office as usual resulting to an increase in the electricity consumption. However, the Bank continues to encourage all employees to understand and recognize an importance of energy saving.



### Valuably the use of water

Water is considered as one of the most important resources that the Bank has placed the utmost important and set mutual target to sustainably keep and use of water. "Productive use of water" for the Bank means the use of water that suits the activity without unnecessary use of under the consciousness in the conservation of water resource. The guidelines for using water economically and valuably have been set as follows:

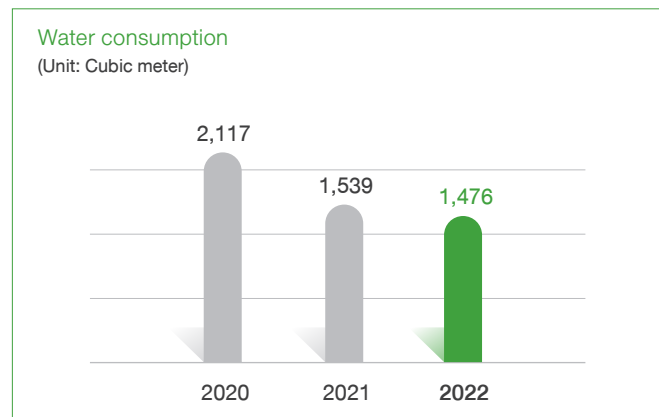
#### Check the equipment to prevent water leakage

Equipment malfunction is one of the causes causing the most waste of water as a result of water leakage within the office and branches. ICBC (Thai) Bank has guidelines to regularly check the equipment for preventive maintenances or if there is sign of leakage, it can be fixed immediately.

#### Change the use of water behavior

During the COVID-19 pandemic, the use of water increased significantly compared to normal situation from launching the campaign for everyone to wash their hands with soap often which is a required measure to reduce the risk of infection by touching various surfaces. Many people may be accustomed to let water run while washing their hands with soap which is considered as to waste of water. Therefore, ICBC (Thai) Bank has campaigned for employees to use water properly by not allowing water to run while washing hands or doing other activities using water. This will help avoid wasting more water than necessary. It also reduces the cost of using water as well.

In 2022, the Bank's water consumption (Head office's information only) reduced by 4% compared to 2021.



Contribution to UNSDGs







## Social Dimension

ICBC (Thai) Bank is committed to be a financial institution that places importance on being a socially responsible organization by sharing benefits with all groups of stakeholders, promoting and creating a culture of learning as well as equality practice for the betterment of society.



## Share Benefits with Stakeholders

The Bank strives to be a financial institution that places importance on being a socially responsible organization through adhering to the principles of good governance, participating in sharing benefits with stakeholders and being a good member of society.

### Fair Lending



Fair lending is part of the Bank's support and assistance to debtors who face financial difficulties, especially during the COVID-19 pandemic, which was more severe and expand than expected. In addition, some debtors could be affected from the Russia's military invaded Ukraine resulted in an increase in the prices of goods and services in most countries including Thailand. In this regard, the Bank has issued fair lending practices in accordance with the guidelines of the Bank of Thailand in order to appropriately take care of debtors, guarantors and individuals or juristic persons acting on behalf of service providers to the current situation as well as inform debtors to recognize their rights and roles in each process.



## Performance in 2022

In 2022, the Bank had set the guideline for fair lending practice which would help alleviate the financial burden on debtors and be more suited to the debtor's repayment ability. This is an end-to-end process of lending that covers 6 procedures as follows:

1. Development and offering of credit products, the Bank sets price conditions that align with the risk, appropriate form of credit by:
  - 1.1 The collection of interest, service charges and penalties from the customers must be appropriate, fair and not redundant.
  - 1.2 The service charge and penalty calculation shall be reasonable and consistent.
  - 1.3 The charging of service charges must be proportionate to the duration that the service has been provided and the unused service part shall be refunded to the customers.
  - 1.4 Burden shall not be passed on or created unreasonably to the debtors who shall be based on their repayment ability.
  - 1.5 The disclosure of interest, service charges, and penalties must be accurate, complete, clear, and present.
  - 1.6 The business partners must be supervised and communicated the intention of the fairness in pricing as well as disclosure of service fee and information completely and currently without pushing the expense burden to the debtor.
2. Credit risk management, the Bank is determined to have an appropriate collateral appraisal, notify the rights of the debtors and guarantors, particularly the guarantors do not need to sign, the act that makes them liable as co-debtors if they are not the direct receivers and are not obliged to the condition to buy an insurance policies that create an unreasonable burden on the debtors.
3. Debt collection and debt collection fee, the Bank oversees the appropriateness of debt collection's behavior and its expenses which are collected at the specified rates.
4. Assistance to debtors who have debt repayment problems, debt restructuring and debt mediation, the Bank provides alternative assistances to the debtors and supports all processes of debt mediation as well as thoroughly explaining the different outcomes in terms of legal from debt mediation.
5. The Bank determines the supervision of fair prosecution.
6. Sale and transformation debt to other creditors, the Bank will completely notify the information of debt transformation by offering the debtor equal or better rights and considering in accordance with debtor's repayment ability.

## Loan for Transformation Activities



Even though the impact from the COVID-19 pandemic to the customers in Thailand has improved but the pandemic still remains with the uncertainty. Furthermore, the consumers and market behaviors have also changed rapidly to new normal practices due to the disruption from the digital technology, the friendly environmental business, and future innovation technology. All these changes have urged the businesses to adapt or transform their businesses to be in line with the changes. Then, the Bank of Thailand has announced the amendment to the Emergency Decree on Giving Assistance for and Reviving Entrepreneurs Affected by the COVID-19 Pandemic B.E.2564 in term of the soft loan to support the business to maintain their competitiveness and transform to the new context. Therefore, the Bank has also participated in this new scheme as well.

## Performance in 2022

The Bank has setup the guideline in order to be the standard and provide the same understanding to the related department undertaking the lending business and in compliance with the Emergency Decree and the Bank of Thailand's notification.

These transformation activities have provided the financing in the form of project loans with credit lines up to THB 150 million to the Corporate and SME customers who are registered and conducting their businesses in Thailand. The transformation activities are as follows:

1. Investment in or improvement of digital technology including the smart operation, data analytic system, online/e-commerce marketing, smart logistics, blockchain technology, smart financial and payment infrastructure for business, e-procurement, internet of things (IoT), automation & network technology, artificial intelligence (AI), staff training on the transformation etc.
2. Investment in or improvement of environmentally friendly businesses including solar roof tops, energy efficiency systems, renewable energy systems, recycle systems, waste management systems, green building constructions, sustainable tourism etc.
3. Investment in or improvement of innovation including smart farming, bringing agricultural products into Thailand to be processed to create added value or exports that have been certified for standards and safety, investing in equipment, investing in equipment or machinery or systems to improve the production process to obtain agricultural products that

are safe for farmers and consumers in line with international standards, producing food products from plant-based foods etc.

The conditions and criteria are in compliance with the Emergency Decree and the Bank of Thailand's notification transformation activities financing is effective from 1 September 2022 to 30 April 2023. ICBC (Thai) Bank has continuously supported this transformation activities financing.

### COVID-19 Impact Financial Assistance Program



According to the continuous of the COVID-19 pandemic from December 2020 onwards, many industry sectors and provinces in Thailand has got the severe impact and the pandemic situation all around the world has not positively improved which directly impact to several industries, especially Tourism industry. ICBC (Thai) Bank then proactively assisted its customers in order to survive in the difficult time.

#### The Bank's Approach

In order to assist the customers financially and control the quality of ICBC (Thai) Bank's lending portfolio, the Bank has implemented the Guideline for Debt Rescheduling/Restructuring to the Customer affected by COVID-19 pandemic offering to all customer type under lending business.

#### Corporates and SMEs customers

Basically, the Bank shall consider one or more of the following actions in order to support any financing customer who has been impacted by the Outbreak on case-by-case basis.

1. Debt reschedule or debt restructuring including providing grace period for principal and/or interest, extending tenor, etc. The support shall be considered starting from:
  - (a) Pay Partial of principal and pay full of interest.
  - (b) Grace Period of principal only and pay full of interest.
  - (c) Grace Period of principal only and pay part of interest.
  - (d) Grace Period of principal and interest.
  - (e) Grace Period of principal and interest plus increase the credit line to support the operating expenses.
- (f) Amending the repayment schedule to be in line with the customer's repayment ability, step-up repayment plan, or restructure from short-term debt to long-term debt.
- (g) Combination of the above supporting (a) - (f)

The financial assistance will be in line with the customer's repayment ability. The grace period is considered from the following factors;

- (1) Impact level based on each industry, areas, Industry outlook including impact period, recovery period and pattern of recovery.
  - (2) Cash Inflow
  - (3) Monthly operating expenses
  - (4) Self-recovery plan
  - (5) Any supports from shareholders and parent companies.
  - (6) Any collateral deterioration.
  - (7) Other banks' support
2. Increasing the credit line; the Bank may consider assisting the customer for operating expense on case-by-case basis.
  3. Decreasing the interest rate; the Bank may consider decreasing the interest rate on case-by-case basis in order to have the incentive for the customer to perform as scheduled. The difference between the existing interest rate and new proposed interest rate shall be deferred and could be waived after the full repayment of the debt restructuring amount.
  4. Asset Warehousing; In case the customer enters into the Asset Warehousing scheme, the criteria and condition shall be in accordance to the Bank of Thailand's notification on the Asset Warehousing scheme.

However, if the impact still continuously exists, the Business Unit may propose to extend the assisting action.

And this financial assistance also provided the benefit to the customer in term of the exempted from the assets reclassification and shall not be considered as Troubled Debt Restructuring (TDR). Then, there shall be no any impact to the credit information of the customer as well.

ICBC (Thai) Bank has continuously assisted the customers through its financial assistance program during 2022. By the end of December 2022, more than THB 24 billion, of both Corporates and SMEs customers, are still under the financial assistance program of the Bank.

#### Credit card holders

ICBC (Thai) Bank has provided the support to the credit card holders who got the impact from COVID-19 as follows:

- (1) The minimum credit card payment decreased to zero percent until 31 December 2022.
- (2) Reduce the credit card interest to the Bank's Minimum Retail Rate 7%.

And for the credit card business, in 2022 the Bank provided assistance to 28 credit card debtors affected by COVID-19 with outstanding balance of THB 1.6 million. In other words the Bank provided 100% assistance of the number of ICBC (Thai) credit card customers who were affected and applied for the assistance.

#### ICBC (Thai) Leasing's customers

ICBC (Thai) Leasing carefully analyzes every customer's lending request so that all customers have equal access to loans and are suitable for the repayment abilities of customers which will help to prevent the approved loans become bad debts in the future. In addition, customers have been affected by COVID-19 pandemic and due to the rising cost of living caused by inflation, ICBC (Thai) Leasing has taken measures to help customers to reduce the debt burden in difficult conditions as follows:

- Provided loans to customers in groups that have lower creditworthiness such as farmers, small business owners and employees of small businesses in the private sector etc. in order to create career opportunities and improve the quality of life of customers, stop relying on informal debt borrowing. There is a process for analyzing credit granting that is consistent with the characteristics of customers in each occupation and repayment ability of customers.
- Launched the relief measures including grace period, reduction of monthly payment installment of hire purchase in order to reduce cost burden for customers and support the installment as well as approval to provide a discount to the customer after litigation process to allow customer to repay all debts as soon as possible.

- In addition, according to the new regulation of the Office of the Consumer Protection Board (OCPB) effective January 2023, which was improved in terms and conditions of the contract for more benefits to hire purchase customers. Therefore, the company has applied the new regulation prior to the effective date; the contract has been revised and began implementing the modified contract since November 2022.

#### Scholarships for Students



The Bank has a project to award scholarships to students who have a good academic performance, ability and good behavior but lack of sufficient financial support to help relieve the burden of families and give students the opportunity to study at the university level. It also creates morale and encouragement for students or students who receive such scholarships which contributes to increasing quality human resources and the potential of Thai society in the future.



#### Performance in 2022

In 2022, ICBC (Thai) Bank supported scholarships as follows:

- January 2022, awarded 3 scholarships at THB 20,000 each for students from the Faculty of Business Administration and Accountancy of Khon Kaen University.
- December 2022, awarded 18 scholarships at THB 20,000 each for students from Chulalongkorn University, Kasetsart University and Thammasat University.



## Charity Activities



Charity activities are activities that ICBC (Thai) Bank has organized regularly as a part of sharing benefits for society by donating items to victims of natural disasters.

### Performance in 2022

#### ● Donation to Natural Disaster Victims

The Bank recognizes the importance of creating valuable relations between the Bank and the communities where its branches are located. Moreover, the Bank expresses its concern for the well-being of the people in the surrounding the branches of the Bank.



In 2022, Thailand faced many natural disasters e.g. floods and severe cold weather thus the Bank expressed its concern for the well-being of the people of Ubon Ratchathani province who had to endure devastating floods by donating survival bags to flood victims through the Office of Ubon Ratchathani Municipality. On this occasion, the Bank also encouraged staff to participate in preparing the survival bags so that the Bank's staffs could be a part of a giving back to the society activity. In addition, the Bank also donated blankets to villagers who were affected by severe cold weather in Udon Thani and Chiang Mai provinces through the government sector.



#### ● Donation to Underprivileged Children

The Bank continues to focus on youth development through the promotion of educational opportunity and knowledge sharing as well as promoting healthy living which would help the youths in developing their physical and mental capabilities readying them to be the force of the nation in the future.

In December 2022, the Bank donated some necessity supplies and toys to underprivileged children at Baannokkamin Foundation, Bangkok and Khon Kaen School for the Blind, Khon Kaen province, in order to celebrate and give them the best wishes during New Year Festival.

#### ● Financial Literacy

ICBC (Thai) Bank recognizes the importance providing financial knowledge, planning and good financial discipline to youths who are the main strength of the country, which will encourage youth to have good financial discipline, knowledge of savings and investments and reduce the chance of bad debt in the future. This will benefit the country's economy and society in the long term.

The Bank held activity named **"ICBC (Thai) Promotes Financial Discipline"** to provide basic financial knowledge to 120 freshman undergraduate students at the Faculty of Business Administration and Accountancy, Khon Kaen University which expected that this knowledge will be beneficial to them in the future.







## Ensure well-being and gender equality of Employees

Good health of all employees is a priority that has always been the concern of ICBC (Thai) Bank. It not only affects the creation of good atmosphere in the workplace, enhances efficiency and performance of the Bank but also has positive effects on society and the country as a whole in various aspects such as reducing the burden of the government on the public health budget of the country which in turn allows the government to use this budget to develop other aspects of the country. It also improves the quality of life, families, communities, society and the country leading to effective economic, social and political development.

### Performance in 2022

#### Prepare Sport Equipment for the Well-being of Employees



During the COVID-19 pandemic, employees still had to deliver excellent services to the internal and the external customers in the midst of challenges thus they had to work under constant high pressure. This inevitably affected the health and well-being of the employees. Therefore, in order to improve both the physical and mental well-being of its employees as well as relieving stress from work, ICBC (Thai) Bank and subsidiaries provide sport equipment at its workplace for employees' recreation. These sport equipment can help prevent employees' mental exhaustion and help recharge them to be ready for work.

In early 2022, the Bank distributed smart watches to all employees to inspire them to exercise in different ways especially during the outbreak of the COVID-19, in order to promote employees to have the opportunity to exercise regularly.

#### Sport events between employees of ICBC (Thai) Bank and subsidiaries



Furthermore, to promote good health of employee, ICBC (Thai) Bank organizes sport events between the Bank and subsidiaries every year. This not only promotes employees' health

but also creates cohesion among employees as well as fostering good relationships between the employees of ICBC (Thai) Bank and subsidiaries. In 2022, after the COVID-19 situation in the country improved, ICBC (Thai) Bank organized badminton, table tennis, basketball and football competitions, nevertheless, ICBC (Thai) Bank and subsidiaries continued to strictly maintain a preventive measures to avoid the spread of COVID-19.



### Distribution the Antigen Test Kit (ATK)



In 2022, the COVID-19 situation around the world including Thailand improved with lower number of infection and deaths decreased significantly compared to 2021, while the country's public health system was able to handle patients effectively. Therefore, to reduce the social and economic impacts on people's lives the Center for COVID-19 Situation Administration (CCSA) issued more relaxed guidelines for people to live as a New Normal in order to prevent the spread of COVID-19 while allowing economic activities to grow to its full potential.

However, despite of the ease of COVID-19 in the country, ICBC (Thai) Bank remains aware of employees' safety and strictly follows the guidelines of the CCSA such as issuing newsletters about the current situation of COVID-19 pandemic, issuing guidelines for employees' operation within the ICBC (Thai) Bank complied with the guidelines of the CCSA, including distributing the Antigen Test Kit (ATK) to all employees to self-test initially for the safety of all employees and their families which is one of the work health and safety measures for employees of the ICBC (Thai) Bank.

In addition, ICBC (Thai) Leasing had included the program of checking immune response after COVID-19 vaccination into the annual health check-up programs for employees to be able to prevent from COVID-19. Furthermore, this would help the government to reduce cost on medical expenses, decrease the numbers of deaths from COVID-19 in Thailand.

### Flexible Working Hour



In addition to good physical health, good mental can help increase employees' work and strengthen the potential of the Bank in the long term. In this regard, the Bank has implemented flexible working hours as appropriate and necessary of each employee which will enhance the managing of work time of employee efficiently. Employees, who choose flexible working hours would still have to work full time, maintain performance as specified by the Bank as well as creating better work-life balance, reducing tension from transportation and decreases traffic problems during rush hours and saves energies. Additionally,

flexible working hours to aligned with the needs of existing employees who pay more attention to balance between work and personal life. As a result, the unplanned leave rate and the employee turnover rate are in downward trend, and it also benefits to the Bank to manage human resources more efficiently.

The Bank had implemented the flexible working hour since 2020 with employees applied for flexible working hour of 28 persons and increased to 35 and 51 persons in 2021 and 2022 respectively.

### Chinese Talent Show



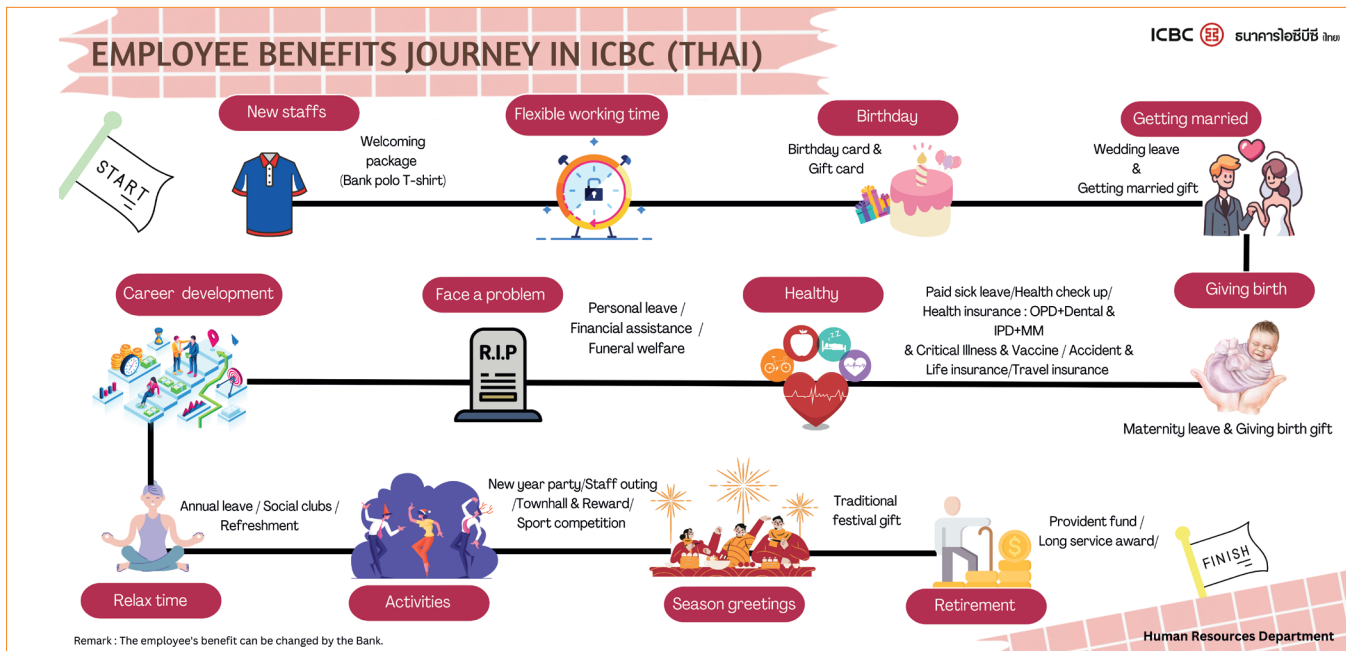
This was the 2<sup>nd</sup> competition to encourage the Bank's employees to express and showcase their abilities and skills in the Chinese language, helping to strengthen the cultural exchange and integration of Chinese and Thai employees.



### Employees' Benefits



Further than salary and bonus, ICBC (Thai) Bank rewards the work of employees with welfare and benefits that cover employees and their families in order to alleviate some costs for the Bank's employees. It also retains employees to stay with the organization in the long run as well as attracts interested applicants to join with the Bank. This results that human resource management of the Bank has continuity and sustainability. The Bank's welfare consists of basic welfare according to law and additional welfare specified by the Bank since the first day of being an employee until retirement called "Employee Benefit Journey in ICBC (Thai)".



The Bank never stops improving and bettering the employee-related policies to ensure the well-being and the good living of not only our employees, but also their family members and loved ones. The revision of all policies is based on a comparison of the banking industry in Thailand and the economic situation at a given time.

In 2022, ICBC (Thai) Bank has additional welfare benefits to congratulate employees for special occasions to show the Bank's cares for employees and their families and aims to promote employee engagement, which are the reasons for establishment

of additional benefits to celebrate special occasions. This includes cash benefit for weddings and for new-born child. To enhance the existing birthday gift benefit, the Bank now provides both a birthday present and card, which will be delivered to employees on their birthday, with good wishes written by their supervisor.

Furthermore, in 2022, the Bank also optimized its financial aid program for disaster relief to employees who are affected by disasters, including natural disasters and human-caused disasters. This aid covers accommodation expenses, minor house repairs, and financial support with zero interest for major house repairs.



## Human Resources Management

The Bank recognizes that effective human resources management is a critical component for its long-term success and sustainability. As such, the Bank has been actively working to review and improve its organizational structure and workforce to maximize both business performance and employee capability.





The Bank considers the appropriation of human resources in order to support the growth according to the short-term and long-term business plans of the Bank, analyze personnel gaps both quantitatively and qualitatively, develop knowledge, increase significant skills and prepare a recruitment plan for replacement personnel for managing human resources at all phases appropriately and efficiently. Moreover, the Bank's human resources management is based on the principle of respect of human rights. In the past period, the Bank has been actively working to review and improve its organizational structure and workforce to maximize both business performance and employee capability and also has taken steps as follows:

## 1. Recruit



- The Bank recruits qualified personnel who encounter with the requirements of each department. The Bank arranges public relations for job vacancies through the Bank's website, social media, trustable and well-known recruitment agencies, and collaboration with leading universities to introduce the Bank and its careers in order to select proper staffs for each department as specified.
- Job openings are made available to both internal and external candidates based on their potential and qualifications. The Bank ensures that new employee hiring is conducted in a fair and neutral manner, taking into account the market rates and internal salary structures.
- Internship Program for studying or new graduated students who are interested in learning and understanding the working process in the commercial banking business in various functions. This will be a part in creating quality resources for the financial institution system in the future by during the internship period. Students will receive remuneration as specified by the Bank.  
The Bank recognizes the importance of sustainable growth and places a strong emphasis on developing young talent and promoting growth from within. This helps us to groom and develop a valuable workforce and future leaders. 19 university students are hired in the internship program to provide them an opportunity to learn the banking knowledge as well as acquire the working experience in banking industry.
- Management Trainee Program by selecting new potential employees who qualified according to the specified job position and has ability to respond to new forms of work, and change in social, environment, economy and technology.

## 2. Retain

- Management of career advancement of employees, performance management, remuneration, welfare and benefits, as well as improvement the quality of life and a good working environment, these are important that the Bank constantly realizes that it will encourage employees to have good confidence as well as to motivate employees to perform at their full potential, satisfaction and commitment to the organization in the long-run.
- Succession Plan by the Human Resources Department together with various departments prepared a succession plan for employees who have good performance and potential to higher position.
- Strengthening various skills to employees comprehensively through internal and external training programs including through electronic media during the COVID-19 pandemic.
- Importance on the health of employees and their families by organizing an annual physical examination, provision of medical welfare, health insurance, providing sufficient Antigen Test Kit (ATK) for employees, including offering travel assistance and other welfare to employees during the COVID-19 pandemic.
- Organization of sports activities through various clubs, namely badminton club, football club, table tennis club and yoga club in order to encourage health and stimulate participation and build a good relationship between executives and employees.
- Flexible working hours so that employees can efficiently manage their work time and family time and reduce the stress of traffic during rush hours.
- Providing a Refreshment Program, so that employees in divisions / departments have the opportunity to strengthen relationships from doing activities or eating together
- Importance of employees' birthdays by giving gifts and birthday greeting cards to all employees. The birthday card was designed and created by the Bank's employee from a birthday card design contest organized by the Bank.
- Organizing regular communication between the Human Resources Department and employees and updating various information related personnel management to employees for recognizing and understanding circumstances thoroughly and rapidly.
- Giving gifts according to important festivals such as New Year, Chinese New Year etc.

### 3. Reward & Recognition



- Rewarding and recognition is an expression of the Bank's appreciation and acknowledgment of the employees' achievements from their efforts. Employees' determination and dedication in their work is considered a morale booster for employees and also a good role model for other colleagues.

On 25 February 2022, the Bank organized the "2022 Town Hall Meeting & Annual Award Ceremony" to acknowledge the Bank's strategies and policies as well as reward employees, who have outstanding performances covering the entire positions and duties, from the Bank's executives in total 95 awards.

- Performance appraisal Management is established with clear, fair, and non-discriminatory guidelines and procedures for employee performance appraisals and compensation and benefits, with a focus on fairness, transparency, and verifiability. All related parties have worked together to ensure that all practices are complied with the set criteria and guideline.

### 4. Retire



- Succession Plan, to prepare qualified employees to be performing duties in the middle and senior management levels in the future including to close the gap of employees who nearly retire. This will make the Bank's operations continuity.
- Resilient Retirement Plan, in case of business necessity, the Bank may considers to extend the employment of retired employee in that year according to the criteria set by the Bank in order to certify of continuity and efficiency of the Bank's operations. However, the renewals of retired employee depended on the intentional basis of the employees.
- Long-service award for retiring employees, the Bank recognizes that all the business achievement and progress cannot be done without employee's contribution. To recognize their loyalty and dedication throughout their years of service, the Bank established long-service awards for retiring employees, which are presented during the retirement and recognition ceremony.



## Human Rights' Action

### Respect for human rights



Human rights are fundamental inherent rights and freedom and equality that are not discriminated against on the basis of race, religion, sex, skin color, language, ethnicity or any other status. Concerning and respecting the human rights of employees is a priority of the Bank and establishing operational guidelines aligned with comprehensive human rights protection principles in accordance with national laws. The Bank will be fully aware of the risks that may affect human rights in all aspects, be responsible and take appropriate action to avoid actions that will cause negative consequences or participate in violations including providing practices to reduce damage and appropriate medications for damage efficiently and effectively which will lead to contribute trust and confidence in society.

#### The Bank's Respect of human rights Approach

1. The Bank complies with relevant laws to align with the entitled rights of employees.
2. The Bank recognizes the importance on human dignity, equality, fairness without discrimination against employees because of differences in personality.
3. The Bank treats employee without discrimination based on race, religion, skin color, nationality, gender, marital status, sexual deviation, etc., which will violate human rights and fundamental freedoms.

4. The Bank treats employee in terms of employment, compensation for work, provision of welfare, development and training, promotion, consideration/position disciplinary action and punishment, termination or retirement based on of ability and working performance.
5. The Bank treats male and female employees with equality, excepted in case of the nature or conditions of work.
6. The Bank has communication the policies related with non-discrimination for all employees in organization, so that all employees have proper knowledge, awareness and ability to comply with the Bank's guidelines.

The Bank has established channel for employee's complaint as stated in the Bank's Work Rules, for consideration and resolution process in case of unfair treatment of employees.

### Employment of Persons with Disabilities (PWDs)

The Bank participated in the "Program for promoting and developing the quality of life of persons with disabilities according to No.35 of Empowerment of Persons with Disabilities Act, B.E.2550 (2007)" by contracting services to work with the Thai Red Cross Society, a non-discriminatory and humanitarian national charitable organization, so that people with disabilities received social opportunities and jobs according to their abilities as well working with others. This will benefit to reduce the burden on family and society aligned with the Bank's social responsibility policy. In 2022, the Bank employed 6 persons with disabilities through this project.



### Promote Learning Culture

A learning social development is one of the corporate cultures of ICBC (Thai) Group that encouraged all employees to receive training in a blended learning style through several channels such as training directly in the room, training through electronic media or information technology, various knowledge, information sharing via newsletters and e-mails. This is to allow employees to have the opportunity to learn at any time and in any place for improving employees' skills (Upskill) and creating new skills that are necessary for work (Reskill) under continual change of the digital financial and economic environment.

The Bank is to promote and create a learning society by every year the ICBC (Thai) Bank organizes training and encourages employees to attend seminars that are beneficial to their duties and useful to daily life of employees under the changing economic and social environment, so that all employees receive suitable, update and accurate information.

### Compliance Training

ICBC (Thai) Bank and subsidiaries concern an importance of corporate governance and compliance with law and regulations related to business operations. In this case, ICBC (Thai) Bank and subsidiaries organize training for sharing information with a representative of each departments who has been appointed as an "In Business Compliance Officer" (IBCO) on monthly basis to ensure that employees are always informed the relevant rules and regulations as well as discussions on various issues in order to working operate with the proper procedures.

In addition, Chief Executive Officer of the Bank places emphasis on comply with regulatory guidelines issued by domestic and international authorities through providing training for employees by himself and sharing information and regulatory issues with other financial institutions around the world as well as suggesting issues that employees of the Bank and subsidiaries should pay attention and prudence specially. In this regard, the Bank and subsidiaries still determine that all employees must attend training and pass the test to the specified period and predetermined criteria.

## Introduction to Central Bank Digital Currency



Currently, central banks around the world including the Bank of Thailand are in process of developing digital currency categorized as cash-equivalent which qualified as an intermediary to legally pay for goods and services, maintaining value, an accounting unit of measurement as well as upgrading the country's payment infrastructure and stepping into the digital financial system efficiently and effectively.

In 2017, the Bank of Thailand launched the Inthanon project for pilot using the Wholesale Central Bank Digital Currency (Wholesale CBDC) between financial institutions in transferring funds between each other and managing liquidity transaction. Afterward, under the project of Inthanon-LionRock, The Bank of Thailand has conducted a cross-border remittance trial with Hong Kong Monetary Authority (HKMA) with good results. In the next phase, the Bank of Thailand has expanded cooperation with the Central Bank of the United Arab Emirates (CBUAE) and the Digital Currency Institute of the People's Bank of China (PBC DCI) conducted to develop a new project called the Multiple Central Bank Digital Currency Bridge Project (mBridge) in order to enhance efficiency of international money transfers under comprehensive and regulatory testing conditions.

At the same time, for the development of the Retail CBDC for using in the public sector, The Bank of Thailand has set the year 2021-2022 as a period of study and system development by understanding and hearing opinions from the public and applying the result to develop the Retail CBDC system to help people access financial services more conveniently and safely, increase efficiency and reduce costs in the financial system. It also helps to promote the development of financial innovations that will create a variety of financial services in the future.

The Bank recognizes the importance of dissemination of information and guidelines for the development of Wholesale and Retail CBDC so that the Bank's employees have a better understanding of CBDC, which will play a greater role in payments in the future as well as the Bank, as one of the financial intermediaries, will take part in the distribution of CBDC to the public sector in the next phase.

## Sustainable Investment



Sustainable investment is an investment by taking environmental social and governance factors into the analysis, selection and management of the investment. Nowadays, sustainable investment has become more popular moderately because of the consciousness of resolving environmental and social problems. As a result, there are many projects with the purpose of raising funds by issuing various types of sustainability debt instrument in order to solve these problems and to invest in many projects that support for a good society and environment.

To afford general information and awareness of the importance of sustainable investment to all the Bank's employees, the Bank has therefore organized a knowledge sharing section on the topic of ESG Bond-Sustainable Investment, which provides up-to-date the information on sustainable investment in Thailand which has grown significantly over the past 2-3 years including the relationship with the products and services of the ICBC Group sustainable investment and the Bank's investment in Sustainability-linked bond and Green bond as well.

## Newsletter related risks



It is known that nowadays financial institutions faces several risks with uncertainty over than traditional financial risks, natural disasters caused by climate change that are becoming more severe and damaging to life, assets and economies across all countries further than measure. In addition, technological advances are like a double-edged sword because the more technology advances, the more risks and damages increase in the shadows. Therefore, every financial institution must have a security system of information technology management including providing knowledge and understanding of the risks and damages that may occur in order to set preventive approach and build confidence for users of the financial institution's services.

For ICBC (Thai) Bank, further than having an Enterprise-Wide Risk Management which covers all aspects of risks, the Bank also publishes newsletters to update information and news about several types of risks in various forms that the Bank's staffs should acknowledge and understand for the benefit to themselves

and the Bank's operations. The Bank considers that providing employees with information and updates on the current situation regularly is one of the protective measures and reducing the severity of damage that may occur in the future.

### Develop a Growth Mindset in the Workplace



The sustainable business growth could not occur without the high competent employees who are well-equipped with the right professional skills; thus, various training courses covering compulsory courses and employees' requirements were arranged all the time. Nevertheless, possessing required skills is not enough to fulfill business requirements as the employees having fixed mindset are not able to accept and cope with volatility, uncertainty, ambiguity, etc. Developing a growth mindset in the workplace is very important. ICBC (Thai) Bank strongly believes that the employees have the right skills and the right mindsets are the valuable assets to the organization and Thai society since they are always eager to learn and improve themselves. Constructive feedback is also acceptable to them.

ICBC (Thai) Leasing organized the growth mindset courses for the employees through classroom together with online training, so the employees were able to apply what they learnt in their jobs with their positive attitude. Furthermore, they built good rapport with other employees beneficial to their future cross-functional collaboration.



### Talent and Leadership Development



The Bank recognizes that developing strong leaders is critical to achieving long-term organizational success and sustainability. As such, the Bank places a high priority on talent and leadership development in order to ensure a continuous pipeline of future leaders and minimize the risk of gaps or loss of institutional knowledge when vacancies occur.

In 2022, the Bank collaborates with all divisions and departments to conduct a talent review program and identified 49 successors at the division and department level. Additionally, we partnered with a leading company in leadership development to launch the "Accelerated Leadership Development Program" for 24 top talents.





## An Annual Event “RMB Chinese Sphere”



ICBC (Thai) Bank has been operating its banking business in Thailand for more than 12 years and strongly committed to facilitate financial services to everyone in a fair manner as well as provide need-to-know financial information to the stakeholders with free of charge. It ultimately aims to promote the cross-border business and economic growth between China and Thailand for better living among citizens.

One of the well-known annual event which organized by ICBC (Thai) Bank is “RMB Chinese Sphere”, for consecutive years since 2019. In 2022, ICBC (Thai) Bank intently continues sharing financial investment knowledge to all clients and the stakeholders while incorporate with ICBC Group as actively encourage and promote the several seminars. The scope of RMB Chinese Sphere webinar includes new update on RMB related cross-border regulations, China’s economic prospects in 2022, and investment channels introduction through QFII/RQFII, CIBM Direct and Bond Connect. The virtual sessions are benefit for investor and interested person in country to know about Chinese economic, products, returns, risks and opportunities through the expert guest speakers from ICBC Group and related parties.

### Performance in 2022

Due to the ongoing COVID-19 situation, ICBC (Thai) Bank continued to organize its seminar in the webinar format for the RMB Chinese Sphere as the virtual session. In 2022, the Bank cordially invited a large number of eligible participants joining this annual event hosted by ICBC Group in several topics; including, 1) Outlook of China Bond Market and ICBC Comprehensive Solution 2) CIBM: 2022H1 Market Review and H2 Outlook 3) China Bond Market-Towards Greater Interconnectivity with the World and 4) Recap and Outlook of Northbound Bond Connect.

In this year, the RMB Chinese Sphere was successfully organized as can be seen by the higher number of financial institution participants including commercial banks, securities companies, asset management companies, insurance and assurance companies as well as the Government entities. However, the event could not be achieved without excellent collaboration from eligible participants and ICBC Group. ICBC (Thai) Bank also highly committed to continually provide financial literacy and investment knowledge to stakeholders through this event in upcoming years.

## Data Security Training



### Branch Visit Activities to place the importance of the Personal Data Protection Act (PDPA) and Data Governance

The Bank aims to make the branch staffs understand and recognize the importance of the Personal Data Protection Act (PDPA) and Data Governance. So, the Bank’s management assigned the Data Governance and Protection Office (DGPO) and the Data Protection Officer (DPO) to have the on-site branch visit to give advices and provide suggestions on matters of the Personal Data Protection Act (PDPA) and Data Governance to the branch staffs. The activities are as follows:

- The workspace is surveyed to see if the data is securely stored according to the confidentiality level or not (including personal information) to prevent data leakage or data loss and to prevent those without authority from accessing the information.
- There is an interview with the branch managers and staff to assess their understanding of the matter of the Personal Data Protection Act (PDPA) and Data Governance as well as recognizing the obstacles relating to the day-to-day operations in order to comply with the Data Governance and PDPA.
- After the work area survey and interview, the DGPO and DPO provide suggestions to the branch managers and staff for further improvement.
- Training on personal data protection and data governance targeted to each field of practice.

### Performance in 2022

In 2022, The DGPO and the DPO visited 2 branches to educate and emphasize the Personal Data Protection Act (PDPA) and Data Governance and plan to visit the remaining 19 branches within 2023.



#### Data and document security activity

The Bank aims to encourage employees to store important documents in a safe place in order to comply with Personal Data Protection Act (PDPA), including turn off electrical equipment to reduce energy consumption in the organization at the end of the work day. The quarterly measurement is scheduled as follows:

- Requirement for the storing of information in terms of paper based on confidentiality level of information properly and safely. This includes personal data.
- Requirements for secure storage of computer, as digital storage devices after work in order to prevent loss and information leakage.
- Requirement to turn off computers and computer screens at the end of each work day to reduce electricity consumption in the organization and the lifecycle of computer units.
- Assign employees to maintain cleanliness and orderliness in their work area.

#### Performance in 2022

In 2022, the Bank initiated Clean Desk activity to engage employees and raise awareness of data security. After starting inspection of important documents on the workbench and in the surrounding area, it found that all employees have applied the rules and regulations put into practice making the organization appearance organized, more clean storage of documents or the eliminating documents aligned with principles and rules of data protection based on confidentiality level of information properly and correctly.

#### Additional Trainings



The Bank always encourages its employees to continuously develop themselves by obtaining more knowledge and upgrading skills to keep up with the ever-changing work requirements and environment. Employees are encouraged to attend both in-house and public training sessions.

In addition to the mandatory training sessions required by the law and regulations set by the Bank of Thailand, the Bank offers additional training opportunities to employees.

#### Contribution to UNSDGs







## Governance Dimension

ICBC (Thai) Bank places importance on good governance, transparency in its business operations and fair treatment to customers under promotion of enterprise risk management.



## Governance and Transparency

The Bank adheres to the principles of good governance, transparency, fairness, auditability and business ethics as well as adhering to rules and regulations of all regulatory authorities as well as related laws.

### Corporate Governance



The Board of Directors of the Bank promotes the culture of good corporate governance along with conducting its normal business operations. Good corporate governance is an important tool for adding to the business's value, ensuring sustainable growth of the business and building confidence to all stakeholders.

The Board of Directors has established the Corporate Governance Policy by adapting the management structure and strategy guidelines set forth by the Bank of Thailand on "Governance of Financial Institutions" placing great emphasis on the benefits of the stakeholders and fairness in conducting business that include as follows:

- **Rights and Equity of Shareholders**

All shareholders shall have equal rights such as the right to attend shareholders' meetings, the right to profit sharing, the right to dividend, the right to receive information on the financial status and operations of the Bank.

- **Treatment to Stakeholders**

The Board of Directors of the Bank shall ensure that the Bank treats all groups of stakeholders and related persons namely shareholders, employees, customers, creditors, business partners, competitors, communities and society equally and fairly, considering the legal rights of the stakeholders and the agreements they have with the Bank. There are channels for the stakeholders to file complaints pertaining to the business conduct of the Bank.

- **Qualifications of Directors and Responsibilities of the Board of Directors and Senior Executives**

Directors and Senior Executives of the Bank shall possess "Fit and Proper" qualifications and shall not possess any prohibited characteristics as per the Financial Institutions Business Act B.E.2551 and prohibited characteristics as additionally prescribed under the Notification of the Bank of Thailand Re: Guidelines on Approval of the Appointment of Directors, Managers, Persons with Power of Management or Advisors of Financial Institutions, Parent Companies of Financial Institutions and Subsidiaries that Operate Financial Business.

- **Business Ethics**

The Bank has a comprehensive directive on Business Ethics so that all stakeholders as well as Directors and employees understand their responsibilities relating to the standard of the Bank's Business Ethics.

- **Disclosure/Transparency**

The Bank shall disclose its financial and other information to the shareholders and the public with accuracy and transparency as required by the Bank of Thailand and supervisory authorities. The information shall be disclosed through various channels such as the Bank's Annual Report and the Bank's official website as well as reporting to the shareholders on the benefits and remuneration received by the Directors and Senior Executives, included in the Bank's Annual Report, at the Annual General Meeting of Shareholders.

- **Prevention of Conflict of Interest**

The Board of Directors of the Bank shall be responsible for overseeing and preventing conflict of interest to be transparent and for the benefits of the Bank and its

shareholders. It shall formulate criteria for conducting transactions with the major shareholders or businesses with common or related interest with the Bank, no special conditions or specifications shall be given to them. Such transactions shall be approved by the Board of Directors of the Bank by unanimous resolution. Directors or Senior Executives with interest in such matters/transactions shall not be a part of the approval process.

For more details on Governance of the Bank, please see the Governance Section.

## Performance in 2022

- In 2022, the Bank revised the Corporate Governance Policy to be more in line with the Notification of the BOT on Corporate Governance of Financial Institutions as well as the Bank's own practice as well as acknowledging the amended Public Limited Company Act, B.E. 2535 relating to Board of Directors' and shareholders' meetings allowing proceedings to be conducted via electronics means which meant that the Bank could send meeting documents and hold meeting electronically.
- Due to COVID-19, the Bank adapted its practice to be in line with the COVID-19 prevention: shareholders were encouraged to send in their votes rather than attend in person but could still cast their votes effectively and share registrar service was improved to service shareholders by mail or e-mail to prevent the spread of COVID-19.
- Proceeded so that the Bank could send annual reports to the shareholders in the form of QR Code replacing CD-ROM within 2023 in order to reduce electronics waste.
- All other practices of the Bank in 2022 were conducted in accordance with the requirements of the Corporate Governance Policy.

## Anti-Corruption



The Bank promotes the Anti-Corruption Policy in order to enhance its corporate governance which is the basis for rectifying the corruption problem as well as building a good organizational culture. The Bank has been certified by the "Thailand's Private Sector Collective Action Coalition Against Corruption" that is given to organizations with clear intention to fight against corruption.

The Bank has been aiming for its Directors, Executives as well as the staff of the company in its financial group to be the role models in complying with the Anti-Corruption requirements.

The controls of measures address in areas of credit approval, credit restructure, Non-performing assets disposal, asset appraisal, large amount of procurement: IT equipment, office leasing and decoration, marketing materials, office supplies.

The contracts or agreements of the Bank cover the clause of prohibiting of corruption activities.

The Bank have adopted a “No Gift Policy” where employees are prohibited from offering, soliciting or accepting any form of gifts or using any form of corporate hospitality to influence business decisions.

The 100% of annual Anti-Corruption training attendance was completion for all executives and employees via on-line training.

## Whistleblowing



The Bank aims to operate its business with transparency, fairness and a strong sense of business ethics and protects Whistleblowers who refuse to be part of fraud or corruption. The channels for employees and the public to report complaint include:

- Website: [www.icbcthai.com](http://www.icbcthai.com) (Anti-Corruption and Whistleblowing)
- E-mail: [corruptionreport@th.icbc.com.cn](mailto:corruptionreport@th.icbc.com.cn)
- Letter addressed to the Chairman of the Board of Directors or the Chief Executive Officer (CEO) or the Audit Committee at ICBC (Thai) Bank Public Company Limited, 622 Emporium Tower, L , 11-13 Fl., Sukhumvit Rd. Khlong Ton, Khlong Toei, Bangkok 10110
- Tel. 0 2629 5588

In addition, in case that the employee witnesses a suspicious cause that is considered to be a fraud corruption or affected by refusal to commit fraud and corruption, further than the abovementioned channels employees can report directly to line management, Internal Audit Executive or submit a complaint letter in the complaint box located in front of the internal audit department.

In 2022, there is no whistleblowing case received through the various reporting channels.

## Anti-Money Laundering



ICBC Group has formulated the Money Laundering (ML) Risk Management Measures measures in order to prevent the use of the ICBC Group's financial system for carrying out illegal and criminal activities such as money laundering. Effective ML risk management is the basis for the safe and stable operations of the ICBC Group. ML risk herein refers to the possibilities that the products and services provided by the ICBC Group during business development and operation management are used for money laundering, terrorist financing, proliferation financing and other predicate offenses of money laundering.

ICBC (Thai) Bank which is subsidiary of ICBC Group adopts the ICBC Group measures to ensure effective identification, assessment, monitoring, control and reporting of ML risks. All executives and employees to firmly establish the awareness of ML risk prevention and control, adhere to value standards, and observe professional ethics.

The Three Lines of Defense organizational structure is established to effective manage and control ML risk.

The annual Anti-Money Laundering, Counter-Terrorism, Proliferation of Weapon of Mass Destruction Financing, and Sanction training program has achieved 100% completion.

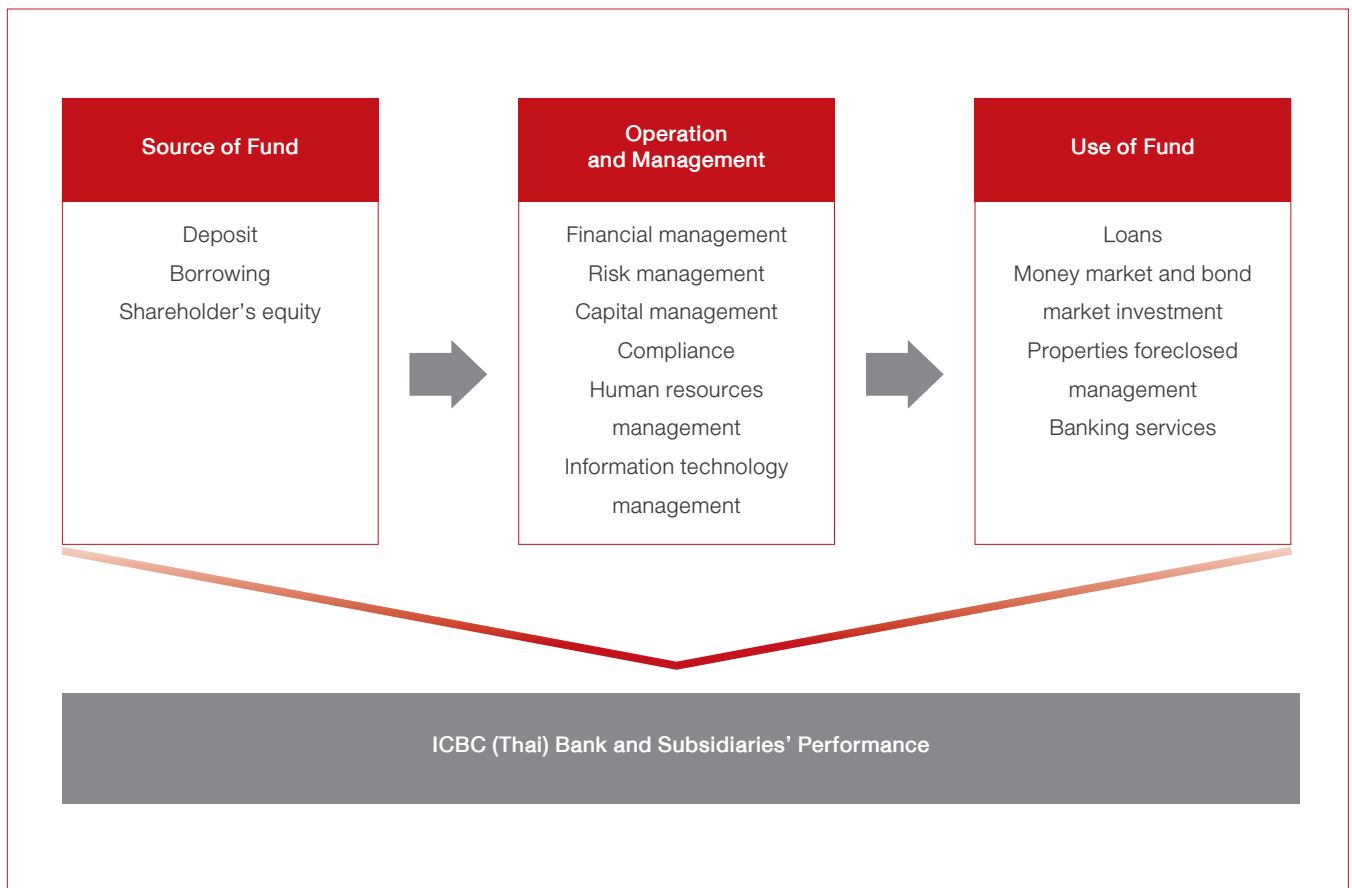
## Value Chain Management



ICBC (Thai) Bank, as a financial intermediary, plays an important role of the country's economy in raising funds in terms of deposits, borrowing also some parts of from the shareholders' equity for offering various kinds of loans and investments to entrepreneurs and people who need funds to use for their business operations such as loan for businesses, trade finance, housing loans, apartment business financing, loan to customers, asset management business, investment in debt and equity markets, interbank lending mutual fund selling agent. In addition, the Bank's subsidiaries also provide various financial services such as hire-purchase and leasing, life and non-life insurance brokerage

services, which result in receiving returns in the form of interest income, dividends, profit from investment and income from fees and services related both from products and services of the Bank and companies in the Bank's financial business group as well business partners who provide services through the Bank's channels.

ICBC (Thai) Bank's operation involves all stakeholders as employees, executives, customers, shareholders, business partners, regulators and societies by strictly adhering to the code of conduct and good governance in conducting its business to steadily grow in the long term and be a part of sustainable economic and social growth in Thailand.



## Business Partner Management



ICBC (Thai) Bank's business partners include financial agents, external service providers and other business partners. Value chain management of business partner can enhance the efficiency of ICBC (Thai) Bank's operations, service capabilities at reasonable costs, helps managing risks and maintains ICBC (Thai) Bank's image in providing good service to its customers.

The Board of Directors of the Bank clearly sets out a policy regarding business partners for transparency in selection and appointment business partners and fairness to all business partners as individuals or juristic persons. The policy is in accordance with the guidelines of the ICBC group, regulations of the Bank of Thailand and other applicable laws required any person or juristic person who is a business partner must be completed risk assessment by the department in charge of considering and decision-making on activities related to business partner. In case business partner is a foreign entity, the department in charge of considering and decision-making on activities related to business partner must be responsible for assessing the risks of that country in terms of economy, society, legal and environment in order to ensure that the Bank's services provided or provided by the Bank's business partners are continual and provide service standards as those of the Bank and financial institution system.

Selection and appointment of business partners are considered based on necessity and appropriateness of services from business partners in accordance with the criteria set by the Bank. It must include 3 important principles for consideration: 1) continuity of operations and services in both normal and special situations; 2) responsibility to customers with appropriate customer protection procedures in both customer data and problem resolve etc.; and 3) comprehensive risk management by before the Bank establishes a relationship with individuals or entities that will be the Bank's business partners, the department in charge of considering and decision-making on activities related to business partner must check the information of the person or representative of the business partner by doing a Name Screening in order to check against the list of persons designated to prevent the risk of fraud, corruption, money laundering or terrorism support in accordance with Anti-Money Laundering and Counter-

Terrorism and Proliferation of Weapon of Mass Destruction Financing Act to avoid leading business with individuals or entities involved in such high risks.

In appointing business partners, the department in charge of considering and decision-making on activities related to business partner will present to the Executive Committee to consider the appropriateness of appointing or terminating the service from business partners.

In addition, the Bank periodically monitors and evaluates the performance of its business partners, so that the Bank's customers can receive services or operation of the Bank continually as well as prevent damage that may occur from using the services of the Bank's business partners in timely. Furthermore, for transparency and verification, the Bank also provides information or reports related to the services from its business partners that may be requested by the Bank of Thailand, external auditor or other regulators.



## Procurement

Over the management of business partners mentioned above, the Bank also recognizes the importance of procurement by establishing a clear, transparent and verifiable procurement policy; also provide equal opportunities to external service providers which will lead to sustainable business cooperation. The department considering procurement must send a written notice to all external service providers to acknowledge and realize the importance of the Bank in anti-corruption and against all forms of bribery. In this regard, the Bank prohibits procurement from outsourcing service providers whose behavior is suspected of corruption. Therefore, before the Bank establishes a relationship with an external service provider, the department in charge of considering on activities related to procurement must verify the information of persons and/or representatives of agencies that will provide outsourced services by doing a Name Screening in order to check against the list of persons designated to prevent the risk of fraud, corruption, money laundering or terrorism support in accordance with Anti-Money Laundering and Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act as process as relationships making of the Bank's business partners.



## Fair Treatment to Customers

Fair treatment to customers is fundamental to ICBC (Thai) Bank's business operations aiming to provide customers with fair services in terms of price and condition as well as convenient access to the services including taking care and solving problems within timely manner.

### Fair Market Conduct Management



The Bank is committed to provide fair financial services to customers. The Board of Directors and senior management promote effective Market Conduct as the ICBC (Thai) Bank's corporate culture. The Chief Executive Officer is responsible for promoting Market Conduct in an effective and concrete way as well as ensuring that all staff are committed to offer financial products to customers in compliance with the Bank of Thailand's regulations consistently. The Bank has put in place policies, operating procedures, communication, training and remuneration to ensure that the Bank achieves fair treatment outcomes to customers. Regular training programs are provided by the top management to all executives and staff to emphasize the importance of market conduct principles.

The sales officers are trained regularly to ensure that they offer products and services with quality and suit the needs of the customers. The relevant and clear information of products and services is informed to the customers for their decision making. In addition, the Bank takes appropriate measures to protect the customers' data security in order to prevent the loss or unauthorized disclosure of customers' personal data.

Market Conduct training achieves 100% completion of management and employees attendance. The process of complaint acceptance and handling is established independently. All customers' complaints had been handling in timely and effective manner.

### Data Governance, Personal Data Protection and Data Security



Due to the fact that the Bank would like to offer the right products to its customers at the right time through all customer touch points, the importance of data has grown tremendously over the past few years. Data management has been and will always be at the very center of the success and with the capability in optimizing the usage of data, the results can be beneficial to all parties. Especially during the COVID-19 period in the past 2 years, ICBC (Thai) Bank has been speeding up its data management capability to become more data driven and digitizes its product offerings and services.

With the dynamic ongoing regulatory requirements to have proper data management which is largely triggered by the growing number of the data entrusted to the Bank and especially the data privacy which has been in effect in Thailand since 2022, data governance which is the backbone of data management must be put in place more than ever.



#### Target

Enhance the Bank's data management capacity, increase the awareness and understanding of the data governance and strengthen protection of data and IT security within the organization and comply with the relevant rules and regulations. The Bank has instituted a proper Data Governance Framework to be in line with the Bank of Thailand Policy statement and ICBC Head Office. After the Data Governance Framework has started, numbers of activities have been put in place to strengthen data management within the bank. The activities are grouped into three areas which are Data Governance, Personal Data Protection and Data Security as shown below.



### Data Governance

- Establish the Data Governance Committee which the committee provides data management direction, supervises the bank's data strategies, processes and operating plans to ensure that the data will be in full use and beneficial to the organization.
- Establish the Data Governance and Protection Office (DGPO) responsible for setting up Data Strategies and Roadmap, Execution Management and, and being the bank Data Steward. Key management areas include:
  - Setting up Data Community with Data Owners and related departments
  - Overseeing the Key Critical Data Quality of the bank and setting up Data Quality Dashboard for tracking
  - Communicating/Building Awareness and Enhancing Capability on data management topics for Data Community and Staff
  - Managing the overall execution of Data Governance Roadmap
- Establishing Policy and Standards related to Data Governance, Data Quality, Metadata and Data Classification

### Personal Data Protection

- Establishing Policy and Standards related to Personal Data Protection Act including Privacy Notice
- Appointing Data Protection Officer to lead and connect with related teams inside the Bank
- Preparing for Personal Data Protection Act (PDPA) readiness including:

- Communicating, Building Awareness and Enhancing Capability on Data Privacy for PDPA Representative and Staff
- Setting up Specific trainings i.e. Legitimate Interest Assessment and Data Classification
- Strengthening Clean Desk Awareness and Activities in the bank to ensure visibility of Physical data storage and disposal in the form of papers and documents.
- Establishing and enhancing the IT systems to be in line with the Data Subject Rights under PDPA which are Consent Management System (to register and record customer's consent) and Data Subject Rights Management System (to record customer's request when he/she exercises his/her right in accordance with the PDPA).
- Updating the Record of Processing Activities to ensure that they reflect current process in the bank.

### Data Security

- Strengthening the information security and cyber security attentiveness through implementation of the Security Awareness program throughout 2022 targeting managements and staffs at all levels, including the Board of Directors.
- Proactively monitoring and preventing cyber-attacks of the front offices by enhancing the third party interfacing zone.
- Leveraging strong security controls and measures from the ICBC Global Network benefiting the Bank's customers with world-class standard protection.



## Promotion of Risk Management Foundation

Places importance on systematic and effective risk control management covering various aspects of risk management as prescribed by the Bank of Thailand as well as the ICBC Group's risk management guidelines to ensure that ICBC (Thai) Bank has guidelines to prevent and reduce any kind of risk appropriately in a timely manner.

### Risk Management Culture and Strategy



The Bank has included the Risk Management Culture and Strategy as part of the "Enterprise-Wide Risk Management Policy of ICBC (Thai) Group". The risk management culture is the value concept integrated with the elements such as the Bank's management thought, risk management idea, risk management behavior, risk moral standards and risk management environment. The risk management culture is important in supporting the comprehensive risk management system, work processes, policies, and the collaboration for Front office, Middle office and Back office to work together and come to reach consensus, form a joint force and achieve results. Risk management culture is a decisive factor that leads to the Bank's core-competitiveness. The Bank has adopted the ICBC Group's enterprise culture framework featured by uniform, transparent, rigorous and steady. The risk management culture has been trained, conveyed with supervise mechanism for staff to understand and implement.

The Bank's core values in corporate culture are "in compliance with the laws and regulations, prudent operation, honesty and integrity, professional collaboration, and perform duties personally", construct the risk management culture in accordance with the Bank's development orientation.

Risk management shall according to the principle of independent balancing. Risk management shall separate front office, middle office and back offices, and strengthen the "Three Lines of Defense" by taking into account the key fundamentals such as risk governance, risk management framework, risk appetite framework, risk tolerance and risk limit.

### Strengthening the Building the Three Lines of Defense Responsibilities



The Three Lines of Defense are an important part of risk governance. In risk management, they shall perform their own functions earnestly, share responsibilities, coordinate with each other through join prevention and control risk.

1. The First Line of Defense; the first business unit of risk management and shall strengthen direct responsibility, they shall persist in both business development and risk management, including risk identification, prevent and control risks.
2. The Second Line of Defense; risk management and compliance, they shall enhance the building of risk management framework, fair, comprehensive and systematic manner. They shall strengthen independent risk monitoring and complement with the first line of defense, sharing information and responsibilities.
3. The Third Line of Defense; they shall emphasize supervision responsibilities, and audit the duty performance of the First and Second Line of Defense to ensure the effectiveness of risk management and internal control.

Top Senior Executives  
(SEVPs and above)

- **Improving the risk governance framework for effective checks and balances:** Clarifying risk management responsibility, improving the three lines of defense in risk management.
- **Transmitting unified risk management culture, appetites and strategies of the Group\*:** Following ERM concept, conveying the risk culture, compliance culture and credit culture. Conveying and implementing risk appetites of the Group, refining risk management plans, promoting subsidiaries to improve the ERM system.
- **Strengthening risk control in important business:** Developing the business development plans. Strengthening the whole procedure management of credit and investment. Incorporating material risk management issues into the highest-level decision making.

Main Responsible Person - CEO (Primary responsibilities)	SEVPs, CRO (Implementation responsibilities)	Group Risk Supervision and Internal Control Committee (Decision-making)
<ul style="list-style-type: none"> <li>• Fulfilling the requirement for development strategies of the Group.</li> <li>• Consolidating the risk management responsibility of management and supporting CRO to perform their duties.</li> <li>• Taking asset quality control as priority project. Exercise "veto power" over credit approval.</li> </ul>	<ul style="list-style-type: none"> <li>• SEVP: Improving policies, procedures, data, and systems for risk management. Carrying out risk identification, assessment, monitoring and early warning. Toughening risk mitigation and treatment, reporting risk profile in fields in their charge.</li> <li>• CRO: Undertaking the responsibility of implementing 9+X risk. Improving ERM system and three lines of defense, risk management plans and conveying risk culture, appetites and strategy. Studying and reviewing risk reports, submitted by the First and Second line of defense on quarterly basis. Submitting risk management report to HO.</li> </ul>	<ul style="list-style-type: none"> <li>• Improving the setting and working mechanisms of the RMC and raising its efficiency. Conveying regular meetings to review important policies and study material risk issues.</li> </ul>
First Line of Defense (Direct responsibilities)	Second Line of Defense (Management responsibilities)	Third Line of Defense (Supervision responsibilities)
<ul style="list-style-type: none"> <li>• <b>Active Prevention:</b> Conducting early prevention of risk, risk monitoring. Improving policies. Fulfilling the requirement of risk management, and managing risk of new products.</li> <li>• <b>Smart Control:</b> Reinforcing data quality, integrating all businesses into the system to ensure comprehensive, timely and accurate of business and customer information.</li> <li>• <b>Comprehensive Management:</b> Performing risk identification, risk assessment, risk monitoring, risk control and mitigation, reporting in a timely manner, Conducting appropriate person training and supervision.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Active Prevention:</b> Perfecting risk policies, risk appetites and limits; establish mechanisms of risk analysis, early risk warning and rigid control. Conducting special study on possible material risk, Promptly response and feedback on early warning. Providing risk management methods, tools, procedures and training for the First Line of Defense.</li> <li>• <b>Smart Control:</b> Performing risk data integration and improving risk monitoring and early warning system.</li> <li>• <b>Comprehensive Management:</b> Managing all types of risks, all types of businesses, subsidiaries and personnel across the Group, Conducting comprehensive assessment of risk indicators, and report all risks.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Active Prevention:</b> Ensuring the monitoring and analysis of business development and conducting early warning and risk alert to the First and the Second line of defense.</li> <li>• <b>Smart Control:</b> Intensifying the application of scientific and technological means in audit activities.</li> <li>• <b>Comprehensive Management:</b> Auditing the effectiveness of risk management and business development. Developing audit plan, releasing audit reports and supervising the remediation of problems.</li> </ul>

\* The Group means ICBC (Thai) Bank and subsidiaries.

## Target

Aligned risk culture within the ICBC (Thai) Bank's culture

## Performance in 2022

Raised awareness of risk culture to align with the Bank's culture, there are a number of risk policies encouraging stakeholders to be aware of risk appetite, risk management, consequence and loss. For example, risk knowledge/management in orientation for new joiners, Credit scoring, loss and incident report, approver performance, and lessons learn from NPL.

Key factors in enhancing the Bank's strong risk culture include:

- Initiated and driven by the Bank's leaders (Tone from the Top), the Board of Directors and Senior Management have the important roles in driving the Bank's risk culture by setting the expectations of risk culture, balancing the risk and return, promote and oversee the implementation and oversee the implementation, monitor and assess the effectiveness, and address gaps or identify deficiencies of significant risk.
- Accountability of risk, the Bank shall have a mechanism to promote the management and staffs at every level to be aware of their own risks and manage it to be within the risk tolerance and risk limit. The Bank shall build awareness of ownership of risk, set KPIs by balancing risk and return, set up the mechanism and process of monitoring and reporting risk, set up whistleblowing channels and procedures of incompliance with clear punishment.
- Effective communication and challenges, the Bank shall have the transparency and open communication to consider the comprehensive risk and effective balancing.

## Fraud Risk Management



The Bank gives high importance to fraud risk management. The Fraud Risk Management Policy is formulated to raise awareness of fraud in the workspace and provide the operational guideline to combat against fraudulent activities which potentially expose adverse impacts on the Bank either financial or reputation damage. The purpose of the Policy is to manage fraud risk covering identification, assessment of existing controls and to determine whether additional fraud counter-measures are required.

The Bank has divided the Fraud Risk Management Policy into 4 sections comprising of: 1) Fraud Risk Governance, 2) Fraud Risk Management Process, 3) Fraud Prevention and Detection, and 4) Investigation and Corrective Actions.

### 1. Fraud Risk Governance Structure

The Board of Directors and senior management have established the policy and establishing guidelines for operations in accordance with the Three Lines of Defense principle. The First Line of Defense shall perform the duty of preventing and controlling fraud risks. The Second Line of Defense shall work with relevant departments to strengthen the post separation, balances and forward-looking control. As the Third Line of Defense, the Internal Audit Department shall independently perform the duty of examining and ensuring that the risk management is properly implemented. In addition, the Code of Conduct is an important tool for communicating with employees. For example, if employees know or suspect, in good faith, of a fraud and corruption practices whether they are harmed or not, as well as employees who have been unfairly treated due to Whistleblowing or refusal to take part in fraud or corruption, they shall report the wrongdoing through the channels specified in the Whistleblowing Procedure.

### 2. Fraud Risk Management Process

It is a process of identifying risks, assessing impacts, prioritizing actions to response risk, implementing and monitoring the effectiveness of the control and finally reviewing and refining the process to correspond to the current condition of the Bank on a regular basis.

### 3. Fraud Prevention and Detection

Fraud prevention process encompasses policies, procedures, training and communication while fraud detection involves activities designed to identify fraud or misconduct event that is occurring or has occurred.

### 4. Investigation and Corrective Actions

When any violation, deviation or any other breach of the code of conduct is suspected to be fraudulent activity, it shall be reported and dealt with in a timely manner.

## Business Continuity Management



ICBC (Thai) Bank has placed an important of Business Continuity Management in order to ensure that all Critical Business Functions which, if disrupted, may have significant impacts on the business operations, reputation, status and performance shall be operated continuously or be able to restore performance within a suitable amount of time in case where normal operations has been under disruptive event order to reduce the risk of potential damages. The disruptive event may be an event that would be harmful to body, life, property or reputation of employee or of the Bank which shall include the pandemic spread of decrease during the past couple years.

For the Business Continuity Management, the Bank has set up the Business Continuity Plan or BCP that has been regularly updated in correspondence with and is suitable to the present circumstances and aligns with the Bank of Thailand's guidelines. The Bank set the BCP by writing plan of procedures and work processes to return operations to normal and to facilitate business continuity when incidents have occurred and business operations have been disrupted.

### BCP Purposes

1. To ensure that if any disruption to critical business functions occurs, the Bank can continue to operate or can recover the operation within appropriate period

2. To ensure that the continuity of customer services can be timely provided
3. To limit or prevent physical damage to equipment and other assets
4. To mitigate business impact to the Bank's financial system, legal standing

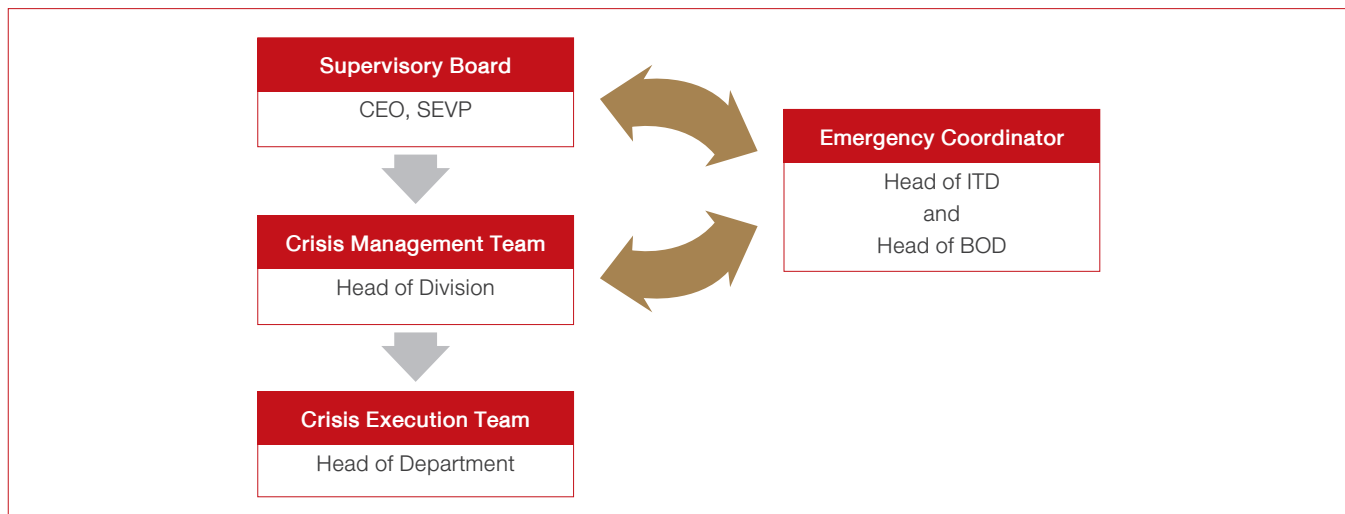
### Disruptive Events taken into Account in the BCP Guideline

Disruptive events can cause man-made disasters, natural disasters, economy situation or physical damages. For example, fire, explosion, acts of mob, floods, labor unrest, damage to IT systems/facilities and cyber threats which may affect normal operations of the Bank, incite negative rumors leading to adverse publicity against the Bank, unauthorized data access, etc.

To ensure readiness with the nature and complexity of the Bank's operations, the Bank's BCP Guideline includes the five decisive ending outcomes from whatever the disruptive event causes:

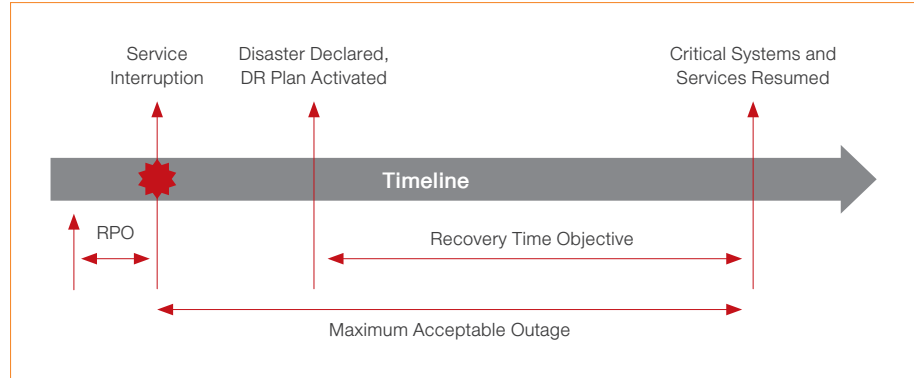
1. Core Banking System Failure
  - Disaster occurs to the data center located in China
  - Disaster occurs to the leased lines between ICBC (Thai) Bank and data center in China
2. Local Data Center Failure
3. Head Office (Emporium Tower)/Branch Building not Accessible
4. Cyber Security Incident Attack
5. Pandemic

### BCP Organization Structure and Area of Responsibility



## Area of Responsibility

Roles	Area of Responsibilities
Supervisory Board	<ul style="list-style-type: none"> <li>• Approve the decision which proposed by Emergency Coordinator and Crisis Management Team</li> <li>• Make decision about evacuation</li> <li>• Make decision about return to the Bank's premises</li> <li>• Make decision about operational activity continuation in the Disaster Recovery center.</li> </ul>
Emergency Coordinator	<ul style="list-style-type: none"> <li>• Coordination of the procedure for property protection and evacuation</li> <li>• Coordination of the procedure for IT systems recovery</li> <li>• Propose the decision for approval to Supervisory Board</li> </ul>
Crisis Management Team	<ul style="list-style-type: none"> <li>• Follow directions of Supervisory Board</li> <li>• Ensure business continuity in case of evacuation to Disaster Recovery center or other emergency situations</li> </ul>
Crisis Execution Team	<ul style="list-style-type: none"> <li>• Communicate with Crisis Management Team to follow directions of Supervisory Board</li> <li>• Arrange the BCP to be in line with current environment.</li> <li>• Appoint the proper staff to participate in the BCP.</li> <li>• Assess the need for resources required for the Critical Business Functions (CBF).</li> <li>• Establish the Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO)</li> </ul>



## Contribution to UNSDGs





## Sustainability Statistics

### ICBC (Thai) Bank and Subsidiaries' Sustainability Statistics

Economic performance		2020	2021	2022
Revenue <sup>1</sup>	Million Baht	10,098	9,853	10,478
Operating Expenses <sup>2</sup>	Million Baht	815	897	1,022
Employee's wages and benefits	Million Baht	1,530	1,630	1,642
Payment to providers of capital <sup>3</sup>	Million Baht	3,797	2,712	3,143
Tax payment to movement <sup>4</sup>	Million Baht	590	893	1,136
Expenses for social activities & donation	Million Baht	1	2	2
Economic value retained <sup>5</sup>	Million Baht	3,365	3,720	3,532
Total assets	Million Baht	270,330	302,799	288,704
Loan to large corporate customer	Million Baht	118,053	116,029	112,225
Loan to medium and small corporate customer	Million Baht	4,117	3,407	2,705
Loan to individual customer	Million Baht	43,495	46,732	49,340
Total liabilities	Million Baht	236,281	265,959	248,784
Total shareholders' equity	Million Baht	34,049	36,840	39,920
<b>Environment performance (ICBC (Thai) Bank only)</b>				
Loan related to renewable energy	Million Baht	11,452	11,900	13,130
Investment in ESG and sustainability-Linked bonds	Million Baht	180	2,480	5,850
Green Bond	Million Baht	180	1,780	2,530
Sustainability-Linked Bond	Million Baht	-	700	1,720
Social Bond	Million Baht	-	-	1,600
Electric consumption	Kilowatt	780,751	711,520	757,396
Water consumption	Cubic meter	2,117	1,539	1,476
Paper consumption	Ream	8,460	6,250	7,110
Fuel consumption	Liter	101,077	77,678	91,266

#### Remarks:

<sup>1</sup> Revenue refers to net operating income, exclusive of interest expenses.

<sup>2</sup> Operating Expenses exclude expense associated with employees, tax, charitable donations and donations to support public services and education.

<sup>3</sup> Payment to providers of capital refers to interest expenses.

<sup>4</sup> Tax payment to movement e.g. corporate income tax, land and building tax, and special business tax etc., exclude Deferred Income Tax.

<sup>5</sup> Economic value retained refers to Revenue minus Operating Expenses, Employee's wages and benefits, Payment to providers of capital, Tax payment to movement and Expenses for social activities & donation.

Social performance		2020	2021	2022
Employee's wages and benefits	Million Baht	1,530	1,630	1,642
Expenses for social activities & donation	Million Baht	1	2	2
Tax payment to government	Million Baht	590	893	1,136
Employee data				
Total number of employee	Person	1,161	1,151	1,107
Employee by nationality				
Thai	Person	1,113	1,107	1,061
Others	Person	48	44	46
Employee by gender				
Male	Person	443	428	408
Female	Person	718	723	699
Employee by type of employment				
Full-time employee	Person	1,154	1,146	1,103
Contract employee	Person	7	5	4
Employee by type of workplace				
Head office	Person	817	806	798
Branch	Person	344	345	309
Training				
Total number of employees	Person	1,161	1,151	1,107
Total training hours	Hour	19,239	9,808	9,580
Average training hours per person	Hour/Person	17	9	9
Total training expense	Baht	1,789,878	2,802,381	1,751,742
Average training expense per person	Baht/Person	1,542	2,453	1,582
Numbers of customers				
Juristic customers	Person	9,421	9,942	10,247
Non-juristic customers	Person	192,605	203,464	220,847
Total numbers of customers	Person	202,026	213,406	231,094
Access to services				
Number of branches	Branch	21	21	21
Number of ATMs	Machine	50	38	37

# REPORT OF THE AUDIT COMMITTEE

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The Audit Committee comprises three qualified independent directors who fully met the qualifications under the rules and sound practices stipulated by the Bank's supervisory authorities. They are Mrs.Unakorn Phruithithada, Pol.Gen. Werapong Chuenpagdee and Mr. Apinetr Unakul.

The Audit Committee performed its duties and responsibilities according to the scope and authority assigned by the Board of Directors as defined in the Audit Committee Charter. In the year 2022, the Audit Committee held seven meetings and reported the significance of its performed duties in each quarter to the Board of Directors with a summary as follows:

## 1. Financial Statements

The Audit Committee reviewed the action plan and scope of the external auditors to ensure that the audit scope covered all significant risks and reviewed the accuracy and reliability of the semi-annual and annual financial statements of the Bank itself and the consolidated financial statements as well as the adequacy of disclosure of information supplementary to the financial statements and considered the issues noted from the audit of the financial statements conducted by the external auditors. The review was made along with the management from the Accounting Department and always with the external auditors in attendance by considering the accounting information, compliance with accounting standards and regulatory requirements. Furthermore, the Audit Committee held one meeting with the external auditors without the participation of the Bank's management to discuss the independence of the auditors and restrictions or limitations in performing their duties and expressing opinions and any points of concern arising from their audits.

Considering the auditor's opinion expressed in the financial statements as well as the issues raised from examination of the external auditors, the Audit Committee opined that the Bank has maintained an adequate control system for preparing the financial statements. The Audit Committee considered and opined in line with the opinion of the external auditors that the financial statements fairly presented and adequately disclosed reliable information in conformity with the Thai Financial Reporting Standards (TFRS). The Audit Committee presented the results of the consideration on the financial statements to the Board of Directors for endorsement and acknowledgement. Meanwhile, the noticeable issues raised by the external auditors in the management letter were also brought into the consideration and acknowledgement of the Board of Directors as well. In the course of the external auditors' duties, they have independently performed their duties without limitation. The points of concern raised by the external auditors had been brought to the attention of the Audit Committee. It was reported that such concerns have been made well aware of and been well managed by the Bank's responsible executives.

## 2. Internal Control and Information Technology Control

The Audit Committee considered the results of control assessment and the efficiency of the Bank and its subsidiary's management in relation to both operations and information technology through the reports of Internal Audit Department and those of external auditors. Appropriate discussion with relevant executives would be taken as the case may be for ensuring the implementation of sound and adequate internal control system. In the year 2022, the Audit Committee discussed with the executive of the Information Technology Division in regard to Cyber Security and IT Risk Management for ensuring that management is ready to mitigate the cyber risk and aware of management on IT risk in order to continue our services to the valued customers. The Audit Committee has been reported and discussed with the Director of the Bank's subsidiary who is responsible for the Internal Audit Function for ensuring that fraud protection and detection is covered in audit scopes as well as the effectiveness of internal control system.

As for the Bank's audit system, the Audit Committee considered and approved the annual audit plan as well as the revision of the approved plan to be in line with the current situation and ensured that the audit scope covered the significant banking operations and any areas or processes which expose high risk to the Bank based upon the result of risk assessment. The Audit Committee also reviewed the audit performance against the approved audit plan on a quarterly basis. Further, the Audit Committee has acknowledged the Quality Assurance and Improvement Program (QAIP) Report for the year 2021 with the objective of evaluating the standardized operations of the Internal Audit Department in conformance with the International Professional Practices Framework (IPPF).

The Audit Committee was of the opinion that the Bank and its subsidiary maintained an appropriate and sufficient control system with sound management and remedial implementation. In addition, the audit systems have been sufficient, appropriate and capable to support business undertaking with sound supervision.

### 3. Regulatory Compliance

The Audit Committee supervised the Bank's compliance monitoring system through the operation audit. In addition, the Audit Committee regularly acknowledged reports on regulatory changes affecting the banking operations through the report of the Compliance Department.

As for business operation undertakings in the year 2022 based upon the supervision through the whole year audit functions, there was no significant incompliance with the regulations of the Bank's supervisory authorities, nor any issues regarding conflict of interest. The Audit Committee opined that the Bank maintained the appropriate compliance functions to ascertain compliance with requirements and laws relevant to the banking business.

### 4. Statutory Auditors

Reference is made to the policy of the Industrial and Commercial Bank of China Limited ("ICBC"), the Bank's parent company which requests all subsidiaries to maintain the identical statutory auditors in order to be in compliance with the same standards. From the year 2022 onwards, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd was recommended by ICBC to be the statutory auditors of the Bank and its subsidiary and the Audit Committee considered the performance, audit standards, experiences, independency and qualifications of the statutory auditors and recommended to propose Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. to be the statutory auditors of the Bank and its subsidiary for the year of 2023 with their proposed remuneration to the Board of Directors for consideration and further submission to the 2023 shareholders' meeting for approval.

### 5. Supervision of Credit Review Function

For the year 2022, the Audit Committee considered and approved the annual Credit Review Plan and reviewed the credit review performance to be in accordance with the Policy Statement of the Bank of Thailand related to reviewing of credit, loan, contingent liabilities and credit-like transactions through the Head of Credit Review Department to ensure that the Credit Review Department performed the credit review function as planned and performed duties independently without restrictions or limitations. Credit Review Department could perform their function with good cooperation from related business units and also monitored the completeness of the reviewed business units' corrective actions for their issues found. The Audit Committee proposed the annual review plan and the quarterly credit review results to the Board of Directors for ratification and acknowledgement respectively.

For new non-performing loans, the Credit Review Department conducted Credit Risk Events Identification Responsibility reports to identify root cause of NPL and the performance of the relevant business units who dealt with such new NPL accounts and provide some opinions. Then they were reported to the Audit Committee for consideration and suggestions (if any) and then to the Risk Event Responsibility Identification Committee (RERIC), previously reported to the Executive Committee, for final decision making.

Apart from the above-mentioned credit related functions, the Audit Committee consulted with the Head of Credit Review Department in reviewing the appropriateness and adequacy of resources as well as provided recommendations when any problems or any significant issues were encountered. The Audit Committee also performed the annual performance evaluation of the Credit Review Department.

### 6. Performance Assessment

The Audit Committee has annually reviewed the Audit Committee Charter and assessed its performance to ensure that it completely and effectively conducted its roles and responsibilities as assigned by the Board of Directors and fully addressed the defined objectives. For the year 2022, the Audit Committee has conducted self-evaluation for the performance of the Audit Committee and confirmed that all responsibilities outlined in the Audit Committee Charter have been carried out.

Overall, the Audit Committee has performed its duties carefully, independently and expressed opinions straightforwardly with the intent to optimize benefits for the Bank.



**Ms. Unakorn Phruithithada**

Chairperson of the Audit Committee

# REPORT OF THE NOMINATION, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

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The Nomination, Compensation and Corporate Governance Committee (NCC) of Industrial and Commercial Bank of China (Thai) Public Company Limited (the Bank) comprises of three Non-executive Directors with the Chairman being an Independent Director.

In 2022, the NCC conducted its duties as assigned by the Board of Directors in accordance with the amended NCC Charter. The roles of the NCC are to nominate persons who possess the appropriate abilities, experience and qualifications to be appointed as Directors and Members of Committees and Senior Executives, propose appropriate compensations for Directors and Senior Executives to the Board of Directors and oversee that the Bank is in compliance with the principles of good corporate governance. Moreover, the NCC is responsible for ensuring that the policies, conditions and methods for the nomination and compensation of the Directors and Managing Director or equivalent position of the company(ies) in the Bank's financial business group are clearly stated, transparent and appropriate to the significant risks of the company(ies) in the Bank's financial business group.

In the year 2022, the NCC held 6 meetings, in total, to conduct the following matters:

- Considered the nomination of qualified persons who were not prohibited by law and the regulations of the Bank of Thailand to be the Directors of the Bank as well as Directors who were retiring by rotation and to be reappointed for another term, to the Board of Directors and/or the Shareholders' Meeting for appointment, as the case may be.
- Considered the hiring and/or appointments of 2 new Senior Executives and 1 acting Head of Division and recommended them to the Board of Directors for approval.
- Considered and approved the NCC Reports for the 1<sup>st</sup> half year 2022 and full year 2021.
- Considered the extension of staff retirement of Senior Executives and recommended it to the Board of Directors for approval.
- Considered the appointment of the Chairman of the NCC and recommended it to the Board of Directors for approval.
- Considered the appointment of the Chairperson of the Audit Committee and recommended it to the Board of Directors for approval.
- Considered the appointment of the Chairman and Vice Chairperson of the Group Risk Supervision and Internal Control Committee and recommended them to the Board of Directors for approval.
- Considered the amendments to the NCC Charter and recommended them to the Board of Directors for approval.
- Considered the amendments to the Policy on Director Positions Held in other Companies by the Directors and Senior Executives of the Bank and proposed to the Board of Directors for approval.

- Considered the amendments to the Process for Accepting and Considering Complaints and proposed to the Board of Directors for approval.
- Considered the amendments to the Corporate Governance Policy and proposed to the Board of Directors for approval.
- Considered the appointment of the Bank's Senior Executives to be directors of other companies including a director and Acting President of its subsidiary.
- Reviewed the positions held in other companies by the Directors and Senior Executives of the Bank to ensure that they are able to fully devote time to perform their duties to the Bank effectively.
- Acknowledged the resignation of Independent Directors.
- Acknowledged the results of the Board of Directors Assessment 2021.
- Acknowledged the NCC Self-Assessment for the year 2021.
- Acknowledged the revised Public Limited Companies Act pertaining to the holding of Board of Directors' and shareholders' meetings.
- Acknowledged the CSR report in 2021.

The principles of good corporate governance are important for ensuring accountability, transparency and proper functioning of financial institutions in accordance with the principle of sustainable banking in which governance is an integral part of ESG (Environment, Social and Governance).

In addition to the requirements of the Bank's Corporate Governance related policies, the Bank also adheres to the measures of other guidelines and measures of the relevant supervisory authorities. Thus the Bank and its subsidiary strictly operate under the corporate governance guidelines, the anti-corruption measures of the Institute of Directors as well as the Corporate Governance for Financial Institutions and Handbook of Directors of Financial Institutions of the Bank of Thailand. Operating the Bank's business under the principle of good corporate governance not only helps ensure the fiduciary duty and enhance reputation of the Bank but also helps build a stronger foundation so that the Bank would be able to operate responsibly and grow sustainably.



**Pol. Gen. Werapong Chuenpagdee**  
Chairman of the Nomination, Compensation  
and Corporate Governance Committee



## RISK MANAGEMENT RELATED TO INTER-COMPANY TRANSACTIONS WITHIN THE GROUP

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The Bank has the consolidated risk policy to manage the risk of all companies in its Financial Business Group. In terms of risk management related to inter-company transactions including lending, investments, obligations or transactions similar to loan, any transactions shall be based on good governance. Transactions within the group shall be made in contractual documents enforceable by law and conditions or ordinary contents resembling business transactions with ordinary persons of the same risk level.

The risks of the Group may occur both directly and indirectly. Risks may be incurred by the actions of the Bank or any company in the Group, therefore, it is necessary to set the amounts for transactions within the group and to be approved under Credit Approval Process. Transactions within the Group between companies in the solo consolidation group and outside the solo consolidation group shall be carried out in line with the same process as transactions with ordinary persons. For transactions involving loans, investments, obligations or transactions similar to loans between companies in the solo consolidation group and companies outside the solo consolidation group, the Bank's Board of Directors must approve or ratify in the next meeting every case in order to confirm transactions. In cases involving transactions in the Group under conditions or specifications differing from ordinary transactions or the transactions failing to comply with the set policies, the Bank's Board of Directors shall be responsible for the approval of all the aforementioned transactions.

Loans, investments, obligations, or business transactions similar to loans by all companies in the solo consolidation group with outside parties shall not exceed 25% of the solo consolidation group capital unless it is approved by BOT.

# ANALYSIS OF OPERATING RESULTS AND FINANCIAL POSITION

## Operating Results

Based on consolidated performance for the year ended 31 December 2022, the Bank and the subsidiaries' net profit was THB 2,979 million, increased by THB 327 million or 12% compared to 2021.

Net Interest income was THB 6,349 million, increased by THB 602 million or 10% compared to 2021 mainly due to an increase in interest income on investments in debt instruments and loans to customers and hire purchase loans.

Net fees and service income was THB 586 million, decreased by THB 87 million or 13% compared to 2021 mainly due to a decrease in fee income from the performance bond guarantee to a customer.

Gains on disposals of equipment, properties foreclosed and other assets was THB 82 million, decreased by THB 257 million or 76 % compared to 2021 mainly due to the Bank's gain on disposal of assets for sale and gains on disposal of non-performing loans of THB 292 million in 2021.

Bad debts recovered was THB 276 million, decreased by THB 246 million or 47% compared to 2021 mainly due to the Bank's bad debts recovered from the disposal of non-performing loans of THB 243 million in 2021.

Losses on properties foreclosed (Non-Performing Assets or NPA) and other assets in 2022 was THB 325 million, increased by THB 21 million or 7% from 2021.

Net losses on financial instruments measured at FVTPL in 2022 was THB 18 million, decreased by THB 189 million or 92% compared to 2021. In the future, when the banking transaction which is tied to each derivative transaction matures, the gain or loss from the matured transaction will offset against the previously recognized gain or loss in the fair value measurement. The net result will not have a significant effect on profit or loss.

Total operating expense excluding provision for the assets for sale (NPA) was THB 2,530 million, increased by THB 114 million or 5% from 2021.

In 2022, the Bank and its subsidiaries recorded expected credit loss, bad debts, doubtful accounts and impairment losses of THB 715 million, decreased by THB 360 million or 33% from 2021 mainly due to the decrease in the setting of allowance for doubtful accounts from the leasing company. The amount is set higher than the regulatory requirements in light of the uncertainties in the Thai and world economic situations.

(Unit: Million Baht)

Key statement of profit items	2022	2021	% change
Net interest income	6,349	5,747	10%
Net fees and service income	586	672	(13)%
Gains on disposals of equipments, properties foreclosed and other assets	82	340	(76)%
Bad debts recovered	276	522	(47)%
Losses on properties foreclosed (NPA) and other assets	325	304	7%
Net losses on financial instruments measured at FVTPL	18	207	(92)%
Total other operating expenses (excluded losses on NPA)	2,530	2,416	5%
Expected credit loss, bad debts, doubtful accounts and impairment losses	715	1,075	(33)%
Net profit after tax	2,979	2,652	12%

## Financial Position

The total assets of the Bank and its subsidiaries as of 31 December 2022 stood at THB 288,704 million, decreased by THB 14,095 million or 5% from the end of last year mainly due to a decrease of interbank and money market items by THB 21,672 million or 34% while investments increased by THB 8,240 million or 11%.

Loans to customers and accrued interest receivables net was THB 156,515 million, decreased by THB 2,229 million or 1%.

Total net investment was THB 83,811 million, increased by THB 8,240 million or 11%.

Interbank and money market items were THB 42,547 million, decreased by THB 21,672 million or 34%.

Total liabilities of the Bank and its subsidiaries as of 31 December 2022 stood at THB 248,784 million, decreased by THB 17,175 million or 6% from the end of last year. This is in accordance with the decrease in the Bank's total assets.

Deposits as of 31 December 2022 stood at THB 162,982 million, increased by THB 4,054 million or 3%. Debt issued and borrowing was THB 45,535 million, decreased by THB 3,109 million or 6% and interbank and money market items was THB 35,651 million, decreased by THB 17,984 million or 34%.

Shareholder's equity of the Bank and its subsidiaries as of 31 December 2022 stood at THB 39,920 million, increased by THB 3,080 million or 8% from the end of 2021 due to an increase in net profit for 2022, which was fully allocated to retained earnings.

(Unit: Million Baht)

Key financial position items	31 Dec 2022	31 Dec 2021	% change
Loans to customers and accrued interest receivables, net	156,515	158,744	(1)%
Investments, net	83,811	75,571	11%
Interbank and money market items, net	42,547	64,219	(34)%
Total assets	288,704	302,799	(5)%
Deposits	162,982	158,928	3%
Total liabilities	248,784	265,959	(6)%
Total equity	39,920	36,840	8%

## Asset Quality

At the end of December 2022, the consolidated NPL amount was THB 912 million, decreased by THB 27 million from the end of 2021 and gross NPL ratio of the Bank and its subsidiaries was 0.46% higher than 0.42% at the end of 2021.

Consolidated	31 Dec 2022		31 Dec 2021	
	Million Baht	%	Million Baht	%
NPLs to total loans ratio (before deduct allowance for expected credit loss)	912	0.46%	939	0.42%

At the end of December 2022, the consolidated coverage ratio was 808.74% which was higher than 772.18% at the end of 2021.

Consolidated	31 Dec 2022	31 Dec 2021
Coverage Ratio	808.74%	772.18%

## Capital Adequacy Ratio

As at 31 December 2022, the capital fund of the Bank and its subsidiaries before deducting capital add-on arising from the Single Lending Limit (SLL) was THB 44,405 million.

The BIS ratio stood at 20.63% of capital funds to total risk weighted assets, which was higher than the Bank of Thailand's minimum requirement of 11%.

(Unit: Million Baht)

Capital funds	31 Dec 2022	31 Dec 2021
Tier 1 capital	36,864	34,556
Tier 2 capital	7,541	7,794
<b>Total capital funds</b>	<b>44,405</b>	<b>42,350</b>

(Unit: Percentage)

Capital ratios	31 Dec 2022	31 Dec 2021
Ratio of tier 1 capital to risk assets	17.13%	14.75%
Ratio of tier 2 capital to risk assets	3.50%	3.33%
<b>Ratio of total capital to risk assets</b>	<b>20.63%</b>	<b>18.08%</b>

# REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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TO THE SHAREHOLDERS AND BOARD OF DIRECTORS  
INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED

## Opinion

We have audited the consolidated financial statements of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiaries (the “Bank and subsidiaries”) and the Bank’s financial statements of Industrial and Commercial Bank of China (Thai) Public Company Limited (the “Bank”), which comprise the consolidated and Bank’s statements of financial position as at December 31, 2022, and the related consolidated and Bank’s statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and Bank’s financial statements present fairly, in all material respects, the financial position of Industrial and Commercial Bank of China (Thai) Public Company Limited and its subsidiaries and of Industrial and Commercial Bank of China (Thai) Public Company Limited as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”) and the Bank of Thailand’s regulations.

## Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Bank’s Financial Statements section of our report. We are independent of the Bank and subsidiaries in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the consolidated and Bank’s financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and Bank's financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and Bank's financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and Bank's financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Bank's Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated and Bank's financial statements in accordance with TFRSs and the Bank of Thailand's regulations, and for such internal control as management determines is necessary to enable the preparation of consolidated and Bank's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and Bank's financial statements, management is responsible for assessing the Bank and subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank and subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank and subsidiaries' financial reporting process.



## **Auditor's Responsibilities for the Audit of the Consolidated and Bank's Financial Statements**

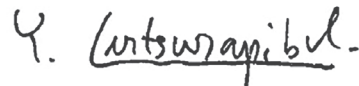
Our objectives are to obtain reasonable assurance about whether the consolidated and Bank's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and Bank's financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and Bank's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and subsidiaries' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and Bank's financial statements, including the disclosures, and whether the consolidated and Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Yongyuth Lertsurapibul  
Certified Public Accountant (Thailand)  
Registration No. 6770

**BANGKOK**  
March 17, 2023

**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2022

UNIT : THOUSAND BAHT					
	Notes	CONSOLIDATED		THE BANK	
		December 31,	December 31,	December 31,	December 31,
		2022	2021	2022	2021
ASSETS					
Cash		335,295	339,535	334,699	338,924
Interbank and money market items, net	8.3	42,546,784	64,219,082	41,968,886	63,769,260
Derivative assets	8.4	1,715,948	403,530	1,715,948	403,530
Investments, net	8.5	83,810,598	75,570,930	83,810,598	75,570,930
Investments in subsidiaries, net	8.6	-	-	4,250,000	4,250,000
Loans to customers and accrued interest receivables, net	8.7	156,515,271	158,743,828	106,111,475	107,455,045
Properties foreclosed, net	8.10	156,380	144,562	42,120	63,324
Premises and equipment, net	8.11	694,686	700,126	393,864	406,695
Intangible assets, net	8.12	49,121	35,542	31,937	17,473
Deferred tax assets, net	8.13	1,114,966	910,041	845,539	491,557
Accrued income, net		598,289	491,394	552,270	446,982
Receivables on credit support for derivative contracts		-	86,230	-	86,230
Other receivables, net		1,103,660	1,102,098	536,483	405,023
Other assets, net	8.14	63,106	51,817	48,625	26,730
TOTAL ASSETS		288,704,104	302,798,715	240,642,444	253,731,703

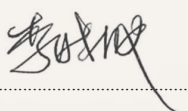
The accompanying notes are an integral part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

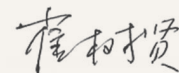
AS AT DECEMBER 31, 2022

UNIT : THOUSAND BAHT					
	Notes	CONSOLIDATED		THE BANK	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
LIABILITIES AND EQUITY					
Liabilities					
Deposits	8.15	162,981,600	158,928,480	162,989,599	158,931,273
Interbank and money market items	8.16	35,650,745	53,634,360	34,360,745	53,384,360
Liabilities payable on demand		129,228	227,790	129,228	227,790
Derivative liabilities	8.4	230,149	752,073	230,149	752,073
Debt issued and borrowings	8.17	45,534,998	48,644,079	4,991,646	4,990,190
Provisions for employee benefits	8.18	364,797	354,190	294,910	280,991
Provisions for other liabilities		242,369	260,518	230,836	260,518
Accrued interest payables		698,807	511,313	589,779	430,309
Payable on credit support for derivative contracts		363,333	46,214	363,333	46,214
Lease liabilities		436,304	468,997	199,704	210,132
Other liabilities	8.19	2,152,167	2,130,410	1,515,735	1,364,884
TOTAL LIABILITIES		248,784,497	265,958,424	205,895,664	220,878,734
Equity					
Share capital	8.21				
Authorised share capital					
442,431 non-cumulative preference shares of Baht 8.92 each		3,946	4,024	3,946	4,024
(December 31, 2021 : 451,081 non-cumulative preference shares of Baht 8.92 each)					
2,253,716,655 ordinary shares of Baht 8.92 each		20,103,153	20,128,070	20,103,153	20,128,070
(December 31, 2021 : 2,256,510,117 ordinary shares of Baht 8.92 each)					
Issued and paid-up share capital					
442,431 non-cumulative preference shares of Baht 8.92 each		3,946	4,024	3,946	4,024
(December 31, 2021 : 451,081 non-cumulative preference shares of Baht 8.92 each)					
2,253,716,655 ordinary shares of Baht 8.92 each		20,103,153	20,128,070	20,103,153	20,128,070
(December 31, 2021 : 2,256,510,117 ordinary shares of Baht 8.92 each)					
Less Treasury shares - preference shares		-	(156)	-	(156)
Less Treasury shares - ordinary shares		-	(50,338)	-	(50,338)
Difference arising from business combination under common control		(24,849)	(24,849)	-	-
Other components of equity	8.22	185,146	298,371	260,311	349,087
Retained earnings					
Appropriated					
Legal reserve	8.22	2,015,000	2,015,000	2,015,000	2,015,000
Unappropriated		17,637,211	14,470,169	12,364,370	10,407,282
Equity attributable to the Bank's shareholders		39,919,607	36,840,291	34,746,780	32,852,969
Non-controlling interests		-	-	-	-
TOTAL EQUITY		39,919,607	36,840,291	34,746,780	32,852,969
TOTAL LIABILITIES AND EQUITY		288,704,104	302,798,715	240,642,444	253,731,703



(Mr. Xiaobo Li)

Director



(Mr. Shuxian Cui)

Director

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2022

UNIT : THOUSAND BAHT					
	Notes	CONSOLIDATED		THE BANK	
		2022	2021	2022	2021
Interest income	8.26	9,492,273	8,458,311	6,877,685	5,951,675
Interest expenses	8.27	3,143,348	2,711,747	2,425,099	1,934,478
<b>Net interest income</b>		<b>6,348,925</b>	<b>5,746,564</b>	<b>4,452,586</b>	<b>4,017,197</b>
Fees and service income		756,104	806,479	321,293	391,820
Fees and service expenses		170,481	134,323	125,532	102,123
<b>Net fees and service income</b>	8.28	<b>585,623</b>	<b>672,156</b>	<b>195,761</b>	<b>289,697</b>
Net losses on financial instruments measured at FVTPL	8.29	(17,512)	(206,640)	(17,401)	(206,459)
Net gains on investments	8.30	-	7,197	-	7,197
Gains on disposals of equipment, properties foreclosed and other assets		82,171	339,634	75,767	298,614
Bad debts recovered		276,476	522,125	4,653	5,152
Dividend income		10,970	6,966	10,970	6,966
Other operating income		47,959	53,596	7,553	8,223
<b>Total operating income</b>		<b>7,334,612</b>	<b>7,141,598</b>	<b>4,729,889</b>	<b>4,426,587</b>
<b>Other operating expenses</b>					
Employee expenses		1,642,351	1,630,194	1,166,552	1,173,573
Directors' remuneration	8.31	5,375	6,000	5,375	6,000
Premises and equipment expenses		274,714	248,771	170,609	165,579
Taxes and duties		188,680	189,981	163,583	166,117
Amortisation expense on intangible assets		9,269	7,675	6,854	5,905
Losses on properties foreclosed and other assets		325,126	303,644	20,546	122,067
Others		409,752	333,026	168,909	156,905
<b>Total other operating expenses</b>		<b>2,855,267</b>	<b>2,719,291</b>	<b>1,702,428</b>	<b>1,796,146</b>
Expected credit loss	8.32	715,168	1,075,190	749,413	751,649
<b>Profit from operations before income tax</b>		<b>3,764,177</b>	<b>3,347,117</b>	<b>2,278,048</b>	<b>1,878,792</b>
Income taxes	8.33	785,216	694,982	499,362	360,812
<b>PROFIT FOR THE YEARS</b>		<b>2,978,961</b>	<b>2,652,135</b>	<b>1,778,686</b>	<b>1,517,980</b>

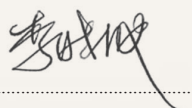
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INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

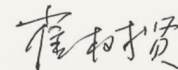
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2022

		UNIT : THOUSAND BAHT			
		CONSOLIDATED		THE BANK	
	Notes	2022	2021	2022	2021
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	8.33				
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains on cash flow hedges		116,923	45,280	116,923	45,280
Gains (losses) on investment in debt instruments measured at fair value through other comprehensive income		21,184	(95,094)	21,184	(95,094)
Exchange differences on translating financial statements		(24,449)	(62,648)	-	-
Income tax relating to components of other comprehensive income (loss) that will be reclassified to profit or loss		(27,744)	9,698	(27,744)	9,698
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>85,914</b>	<b>(102,764)</b>	<b>110,363</b>	<b>(40,116)</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gains (losses) on investment in equity designated at fair value through other comprehensive income		(248,924)	217,581	(248,924)	217,581
Gains on re-measurements of defined benefit plans		20,156	42,811	8,058	45,791
Income tax relating to components of other comprehensive income (loss) that will not be reclassified to profit or loss		45,754	(56,608)	48,173	(57,204)
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>(183,014)</b>	<b>203,784</b>	<b>(192,693)</b>	<b>206,168</b>
<b>Total other comprehensive income (loss), net</b>		<b>(97,100)</b>	<b>101,020</b>	<b>(82,330)</b>	<b>166,052</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>2,881,861</b>	<b>2,753,155</b>	<b>1,696,356</b>	<b>1,684,032</b>
<b>Basic earnings per share (Baht)</b>					
Basic earnings per share	8.34	1.32	1.18	0.79	0.67



(Mr. Xiaobo Li)  
Director



(Mr. Shuxian Cui )  
Director

The accompanying notes are an integral part of these financial statements.



## INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CHANGES IN EQUITY

AS AT DECEMBER 31, 2022

Note	CONSOLIDATED											UNIT : THOUSAND BAHT			
	Issued and paid-up share capital		Treasury shares		Difference arising from business combinations under common control		Other components of equity						Total equity attributable to the Bank's shareholders	Non controlling interest	Total equity
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	Exchange differences on translating foreign operations	Gain (loss) in fair value of investment in debt instruments	Gain (loss) in fair value of investment in equity instruments	Cash flow hedge reserve	Retained earnings						
									Appropriated Legal reserve	Unappropriated					
Balance as at January 1, 2021	4,024	20,128,070	(156)	(50,338)	(24,849)	11,932	96,895	121,677	(3,434)	2,015,000	11,750,005	34,048,826	-	34,048,826	
Fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	38,310	38,310	-	38,310	
Total comprehensive income (loss)	-	-	-	-	-	(62,648)	(76,340)	174,065	36,224	-	2,681,854	2,753,155	-	2,753,155	
Balance as at December 31, 2021	4,024	20,128,070	(156)	(50,338)	(24,849)	(50,716)	20,555	295,742	32,790	2,015,000	14,470,169	36,840,291	-	36,840,291	
Balance as at January 1, 2022	4,024	20,128,070	(156)	(50,338)	(24,849)	(50,716)	20,555	295,742	32,790	2,015,000	14,470,169	36,840,291	-	36,840,291	
Transferration Treasury share to Issued and paid-up share capital	(78)	(24,917)	156	50,338	-	-	-	-	-	-	(25,499)	-	-	-	
Fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	197,455	197,455	-	197,455	
Total comprehensive income (loss)	-	-	-	-	-	(24,449)	16,825	(199,139)	93,538	-	2,995,086	2,881,861	-	2,881,861	
Balance as at December 31, 2022	3,946	20,103,153	-	-	(24,849)	(75,165)	37,380	96,603	126,328	2,015,000	17,637,212	39,919,607	-	39,919,607	

The accompanying notes are an integral part of these financial statements.

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## STATEMENT OF CASH FLOWS

AS AT DECEMBER 31, 2022

UNIT : THOUSAND BAHT					
		CONSOLIDATED		THE BANK	
	Note	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operations before income tax		3,764,177	3,347,117	2,278,048	1,878,792
Adjustments to reconcile profit from operations before income tax to cash received (paid) from operating activities					
Depreciation and amortisation		186,087	182,887	118,161	123,091
Amortisation of deferred interest		11,720	-	5,501	-
Expected credit loss		715,168	1,075,190	749,413	751,649
Gains on disposals of properties foreclosed and other assets		(80,651)	(339,520)	(74,758)	(298,580)
Net gains on investments		-	(7,197)	-	(7,197)
Amortisation of discount on promissory notes		(1,893)	-	(1,893)	-
Losses on properties foreclosed and other assets		325,126	303,644	20,546	122,067
Gains on sales of equipment		(798)	(114)	(1,668)	(34)
Net trading loss		17,512	206,640	17,401	206,459
Provisions for employee benefits		51,309	48,727	37,889	34,614
Amortisation of underwriting fee		131,346	-	-	-
Net interest income		(6,348,925)	(5,746,564)	(4,452,586)	(4,017,197)
Dividend income		(10,970)	(6,966)	(10,970)	(6,966)
Proceeds from interest		7,103,603	6,465,235	4,494,087	3,966,781
Interest paid		(2,103,521)	(1,983,708)	(2,088,889)	(1,959,325)
Proceeds from dividend		10,970	6,966	10,970	6,966
Income tax paid		(933,062)	(664,421)	(757,832)	(476,746)
Profit from operations before changes in operating assets and liabilities		2,837,198	2,887,916	343,420	324,374
Decrease (increase) in operating assets					
Interbank and money market items		21,784,817	(32,566,571)	21,912,870	(32,357,867)
Derivative assets		2,080,594	2,045,067	2,080,705	2,045,249
Loans to customers		1,588,486	(577,391)	672,722	3,861,963
Properties foreclosed		33,071	128,727	86,429	332,660
Receivables on credit support for derivative contracts		86,230	104,529	86,230	104,529
Fee receivable		(2,661)	4,774	-	-
Other receivables		(232)	156,020	(129,567)	(158,933)
Other assets		(299,037)	86,594	(33,188)	6,541

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

AS AT DECEMBER 31, 2022

		UNIT : THOUSAND BAHT			
		CONSOLIDATED		THE BANK	
	Note	2022	2021	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUES)</b>					
<i>Increase (decrease) in operating liabilities</i>					
Deposits		4,053,120	11,882,025	4,058,326	11,877,931
Interbank and money market items		(16,183,615)	14,681,531	(19,023,615)	15,931,531
Liabilities payable on demand		(98,561)	62,911	(98,561)	62,911
Derivative liabilities		(3,815,525)	(2,071,822)	(3,815,525)	(2,071,822)
Employee benefit paid		(20,585)	(22,089)	(15,913)	(13,779)
Payable on credit support for derivative contracts		317,119	(292,534)	317,119	(292,533)
Other liabilities		(15,211)	44,531	67,266	104,005
<b>Net cash from operating activities</b>		<b>12,345,208</b>	<b>(3,445,782)</b>	<b>6,508,718</b>	<b>(243,240)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from interest		2,118,137	1,841,234	2,118,137	1,841,234
Proceeds from selling equity investments		197,455	38,310	197,455	38,310
(Increase) decrease in long-term investments		(8,527,980)	(1,482,323)	(8,527,981)	(1,482,323)
Proceeds from equipment disposal		1,740	119	1,014	37
Cash paid from purchases of equipment		(106,346)	(39,372)	(57,746)	(18,986)
Cash paid from purchases of intangible assets		(22,847)	(7,209)	(21,318)	-
<b>Net cash from investing activities</b>		<b>(6,339,841)</b>	<b>350,759</b>	<b>(6,290,439)</b>	<b>378,272</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from debt issued and borrowings	8.1.2	30,514,000	36,202,001	-	-
Cash paid for repayment of debt issued and borrowings	8.1.2	(35,560,000)	(31,925,717)	-	-
Amortisation of underwriting fee		-	(183,142)	-	-
Cash paid for interest from debt issued and borrowings	8.1.2	(846,761)	(935,645)	(175,002)	(173,259)
Repayment of lease liabilities	8.1.2	(90,695)	(98,364)	(47,502)	(63,942)
<b>Net cash from financing activities</b>		<b>(5,983,456)</b>	<b>3,059,133</b>	<b>(222,504)</b>	<b>(237,201)</b>
Exchange arising from translating the financial statement of foreign operations		(26,151)	(66,344)	-	-
<b>Net decrease in cash</b>		<b>(4,240)</b>	<b>(102,234)</b>	<b>(4,225)</b>	<b>(102,169)</b>
Cash at January 1,		339,535	441,769	338,924	441,093
<b>Cash at December 31,</b>		<b>335,295</b>	<b>339,535</b>	<b>334,699</b>	<b>338,924</b>

The accompanying notes are an integral part of these financial statements.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED DECEMBER 31, 2022

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### 1. GENERAL INFORMATION

Industrial and Commercial Bank of China (Thai) Public Company Limited, (the “Bank”), is incorporated in Thailand and has its registered office at No. 622, Sukhumvit Road, Klongton Sub-district, Klongtoey District, Bangkok. The principal activities of the Bank are the provision of financial products and services through its branch network in Thailand. The parent company is Industrial and Commercial Bank of China Limited (97.98% shareholding), which is incorporated in the People’s Republic of China. As at December 31, 2022 and 2021, the Bank has 3 subsidiaries which are disclosed in Note 8.6. In addition of Head Office as mentioned above, the Bank has 20 branches.

### 2. BASIS OF PREPARATION OF THE CONSOLIDATED AND THE BANK’S FINANCIAL STATEMENTS

2.1 The consolidated and Bank’s financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRSs”); guidelines promulgated by the Federation of Accounting Professions; and the Bank of Thailand (“BOT”)’s requirement, where the form of financial statements is based on Thai Accounting Statndard No.1 “Presentation of Financial Statement”, including the Procedures, Policies and Presentation in accordance with BOT Notification Number Sor Nor Sor 21/2561, directive dated October 31, 2018, regarding “The preparation and announcement of the financial statements of commercial banks and holding companies which are the parent company of a group of companies offering financial services”.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies (see Note 3).

The financial statements are presented in Thai Baht, which is the Bank’s functional currency. All financial information presented in Thai Baht has been rounded in the financial statements and in the Notes to financial statements to the nearest thousand unless otherwise stated.

The Bank prepared its financial statements in Thai language in conformity with Thai Financial Reporting Standards and the Notifications noted above. However, for convenience of readers, the Bank also prepares its financial statements in English language, by translating from the Thai version.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

## 2.2 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

2.2.1 During the year, the Bank and its subsidiaries have adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and accounting requirements for interest rate reform - Phrase 2. The adoption of these financial reporting standards does not have any significant impact on the Bank and its subsidiaries' financial statements

2.2.2 The Bank and its subsidiaries have adopted Accounting Treatment Guidance on "Guidelines regarding the provision of financial assistance to the debtors who are impacted by the COVID-19", which the objective is to grant the temporary relief measures for entities helping their debtors who are impacted by the COVID-19 with the supporting period during January 1, 2022 to December 31, 2023 or until any changes announced from the Bank of Thailand. The Bank and its subsidiaries who elect to apply these temporary relief measures should disclose such fact in the financial statements (see Note 8.35).

## 2.3 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

On September 26, 2022, the revised TFRSs have been announced in the Royal Gazette which will be effective for the financial statements for the period beginning on or after January 1, 2023, onwards. TFRSs which have been amended and relevant to the Bank and its subsidiaries are as follows:

Thai Accounting Standard No.37 "Provisions, Contingent Liabilities and Contingent Assets"

The amendments specify that the "cost of fulfilling a contract" comprises the "costs that relate directly to the contract". Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be costs of direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### Thai Financial Reporting Standard No.9 “Financial Instruments”

The amendment clarifies that in applying the “10 percent” test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The Bank and its subsidiaries management will adopt such TFRSs in the preparation of the Bank and its subsidiaries financial statements when it becomes effective. The Bank and its subsidiaries management are in the process to assess the impact of these TFRSs on the financial statements of the Bank and its subsidiaries in the period of initial application.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of consolidation

The Consolidated financial statements comprise the Bank and its subsidiaries’ financial statements.

#### *Business combinations under common control*

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method, the acquirer recognises assets and liabilities of the acquired businesses at their carrying amount in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

#### *Subsidiaries*

Subsidiaries are entities controlled by the Bank. The Bank controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the Bank and its subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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*Non-controlling interests*

At the acquisition date, the Bank measures any non-controlling interests at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Bank's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

*Loss of control*

When the Bank loses control over subsidiaries, it derecognises the assets and liabilities of the subsidiaries, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiaries is measured at fair value when control is lost.

*Interests in equity-accounted investees*

The Bank's interests in an equity-accounted investee comprises interests in an associate.

An associate is the entity in which the Bank has significant influence, but not control, over the financial and operating policies.

Interests in an associate is accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Bank's share of the profit or loss and other comprehensive income of an equity-accounted investee, until the date on which significant influence ceases.

*Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with an equity-accounted investee are eliminated against the investment to the extent of Bank's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**3.2 Cash**

Cash and cash equivalents comprise cash balances, all deposits at financial institutions with the original maturities of three months or less and highly liquid short-term investments, excluding cash at banks used as collateral.

**3.3 Financial instruments**

Financial instruments in statement of financial position comprises of cash, interbank and money market items (both assets and liabilities), derivatives, investment in debt instruments, investment in equity instruments, loans to customers, deposit, liabilities payable on demand, debt issued and borrowings, other financial assets and other financial liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### 3.3.1 Recognition and initial measurement

The Bank and its subsidiaries initially recognised all financial instruments (including regular way purchases and sales of financial assets) on the trade date, which is the date on which the Bank and its subsidiaries become a party to the contractual provisions of the instrument, except for investments in debt instruments which are recognised on the settlement date. Under regular way purchases and sales with the delivery within time period established by regulation or market convention which account for changes in the fair value and interest calculation of financial asset or financial liability on the trade date and derivative is recognised on trade date.

A financial asset or financial liability that are not measured at FVTPL are measured initially at fair value plus, transaction costs that are directly attributable to its acquisition or issuance.

### 3.3.2. Derecognition

#### *Derecognition of financial assets*

The Bank and its subsidiaries derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank and its subsidiaries neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Any cumulative gain or loss recognised in other comprehensive income in respect of investments in equity instruments designated at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualifies for derecognition that is created or retained by the Bank and its subsidiaries is recognised as a separate asset or liability.

The Bank and its subsidiaries enter into transactions whereby it transfers assets recognised on its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, because the Bank and its subsidiaries retain all or substantially all of the risks and rewards of ownership of such assets.

## NOTES TO THE FINANCIAL STATEMENTS

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If the Bank and its subsidiaries remain right for servicing of financial assets which received the fee. The Bank and its subsidiaries will recognise the assets or liabilities which occur from those services of the Bank and its subsidiaries. If the Bank and its subsidiaries expect that the service fee is not enough for service of the Bank and its subsidiaries, the Bank and its subsidiaries need to recognise the liabilities from providing service for service commitment at fair value. If the service fee are received more than the compensation of service, the Bank and its subsidiaries will recognise the assets from the providing service rights.

In the event of the transfer that causes the Bank and its subsidiaries to derecognise the entire financial asset while receiving new financial assets, the Bank and its subsidiaries will recognise new financial assets at fair value.

In the event that the Bank and its subsidiaries receive cash inflow from written off financial assets. The Bank and its subsidiaries will recognise the cash flow as bad debt recovery with the same amount that have been written off and the remaining will be recorded in interest income in profit or loss.

*Derecognition of financial liabilities*

The Bank and its subsidiaries derecognise a financial liability when its contractual obligations are discharged or cancelled or expired.

## 3.3.3. Classification and measurement

*Financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost ("AMC"), fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

*Financial assets - debt instruments*

Classification of debt instruments depends on business model assessment and assessment of whether contractual cash flows are solely payments of principle and interest.

*Business model assessment*

The Bank and its subsidiaries make an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

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- how the performance of the portfolio is evaluated and reported to the Bank and its subsidiaries' management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how investment managers are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank and its subsidiaries' stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flow nor held both to collect contractual cash flows and to sell financial assets.

### *Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (i.e. liquidity risk and administrative costs), including different in profit.

In assessing whether the contractual cash flows are SPPI, the Bank and its subsidiaries consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment the Bank and its subsidiaries considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- terms that limit the Bank and its subsidiaries' claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).



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*Measurement at amortised cost*

A debt instrument that is not designated at FVTPL will be measured at AMC if it meets both of the following conditions:

- the debt instrument is held within a business model whose objective is to hold assets to collect contractual cash flows;
- the contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Measurement at fair value through other comprehensive income*

A debt instrument that is not designated at FVTPL will be measured at FVOCI only if it meets both of the following conditions:

- the debt instrument is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Measurement at fair value through profit or loss*

Unless debt instruments are classified as measured at AMC or FVOCI, debt instruments are classified as measured at FVTPL.

On initial recognition, the Bank and its subsidiaries may designate a financial asset that otherwise meets the requirements to be measured at AMC, or at FVOCI, or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. When they are elected, it will be irrevocable.

*Financial assets - equity instruments*

On initial recognition of an equity investment that is not held for trading, the Bank and its subsidiaries may irrevocably elect to present subsequent changes in fair value in OCI.

Unless equity investments are elected to present subsequent changes in fair value in OCI, other equity instruments are classified as measured at FVTPL.

*Reclassification*

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank and its subsidiaries change its business model for managing financial assets.

*Financial liabilities*

The Bank and its subsidiaries classify its financial liabilities, other than financial guarantees and loan commitments, as measured at AMC or FVTPL.

## NOTES TO THE FINANCIAL STATEMENTS

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### 3.4 Modifications of financial assets

If the terms of a financial asset are modified, then the Bank and its subsidiaries evaluate whether the cash flows of the modified asset are significantly different.

If the cash flows are significantly different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value included any eligible transaction costs.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with significantly different terms. If the Bank and its subsidiaries plan to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at AMC or FVOCI does not result in derecognition of the financial asset, then the Bank and its subsidiaries first recalculate the gross carrying amount of the financial asset using the original effective interest rate or reasonable reference rate of the asset at that time occurred of transaction and recognise the resulting adjustment as a modification gain or loss in profit or loss through the revaluation accounts. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining terms of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

### 3.5 Impairment of financial assets

The Bank and its subsidiaries recognised expected credit loss model applies to the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- contract assets;
- financial guarantee contracts issued; and
- loan commitments.

The Bank and its subsidiaries do not recognise impairment losses on investment in equity instruments.

## NOTES TO THE FINANCIAL STATEMENTS

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*Measurement of ECL*

An expected credit loss represents the present value of expected cash shortfalls over the residual terms of a financial asset, undrawn commitment or financial guarantee. A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that are expected to be received over the contractual life of the instrument.

Estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

Forward-looking macro-economic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk, such as GDP, interest rates and housing price index. These assumptions are determined using all reasonable and supportable information, which includes both available internal and external information and are consistent with those used for financial and capital planning.

The period over which cash shortfalls are determined is generally limited to the maximum contractual period for which the Bank and its subsidiaries are exposed to credit risk, except in the case of certain revolving facilities for which a behavioral life is estimated.

The estimation of expected cash shortfalls on collateralised financial instruments reflects the expected amount and timing of cash flows from foreclosure of the collateral less the costs of obtaining and selling the collateral, regardless of whether the foreclosure is deemed probable or not.

*Cash shortfalls are discounted using the initial effective interest rate.*

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the customers in accordance with the contract and the cash flows that the Bank and its subsidiaries expect to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank and its subsidiaries if the commitment is drawn down and the cash flows that the Bank and its subsidiaries expect to receive; and
- financial guarantee contracts the expected payments to reimburse the holder less any amounts that the Bank and its subsidiaries expects to recover.

## NOTES TO THE FINANCIAL STATEMENTS

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### *Staging*

For ECL recognition, financial assets are classified in any of the below 3 stages at each reporting date. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

**Performing (Stage 1):** Financial assets that have not had a significant increase in credit risk

Financial assets that have not had a significant increase in credit risk (SICR) since initial recognition (i.e. no Stage 2 or 3 triggers apply) or debt investment that considered to have low credit risk at each reporting date with the exception of purchased or originated credit impaired (POCI) assets. The provision for ECL is 12-month ECL. 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Bank and its subsidiaries consider debt instruments to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade’. The Bank and its subsidiaries do not apply the low credit risk exemption to any other financial instruments.

**Under-performing (Stage 2):** Financial assets that have a significant increase in credit risk

When financial assets have a SICR since initial recognition, expected credit losses are recognised for possible default events over the lifetime of the financial assets. SICR is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk. Financial assets that are past due more than 30 days and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Quantitative factors include an assessment of whether there has been a significant increase in the probability of default (PD) since origination. Increase in PD is determined from economic conditions that are relating to changes in credit risk such as internal credit rating downgrade. If the changes exceed the thresholds, the financial assets are considered to have experienced a significant increase in credit risk.

Qualitative factor assessments are part of current credit risk management processes, such as an assessment of significant deterioration in the customers’ ability to repay. Qualitative indicators includes operating results, financial liquidity and other reliable indicators.

**Non-performing (Stage 3):** Lifetime ECL credit impaired

Financial assets that are credit-impaired or in default represent those that are past due more than 90 days in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the customers are unlikely to repay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets.

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Evidence that financial assets are credit impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for the applicable financial asset due to financial difficulties of the borrower; or
- Purchase or origination of a financial asset at a significant discount that reflects incurred credit losses.

Expected credit losses of credit-impaired financial assets are determined based on the difference between the present value of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, discounted with the financial assets' original effective interest rate, and the gross carrying value of the financial assets prior to any credit impairments.

*Financial assets that are credit-impaired require a lifetime provision.*

In order to assess the expected credit losses, models are developed based on historical repayment, default information and other information indicating default risk behavior.

In case that the models cannot captured the risk, the management overlay principle, covering industry, model and other risks, will be applied.

*Improvement in credit risk*

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the financial assets will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where financial assets were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the financial assets can be reclassified to stage 1. This includes instances where required the action to be resolved before loans are reclassified to stage 1.

A period may elapse from the point at which instruments enter stage 2 or stage 3 and are reclassified back to stage 1.

For financial assets that are credit-impaired (stage 3), and have not been subject to restructuring, a transfer to stage 2 or stage 1 is only permitted where the instrument is no longer considered to be credit-impaired. An instrument will no longer be considered credit-impaired when there is no shortfall of cash flows compared to the original contractual terms.

## NOTES TO THE FINANCIAL STATEMENTS

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For troubled debt restructuring (TDR) customers, exposures under stage 3 can transfer to stage 2 when the customer performs under the revised terms of the contract for three consecutive payments. A further 9-month monitoring period is required for such customers to be transferred to stage 1 on the basis that there is no overdue balance on the account and the customer is expected to repay its remaining obligations in full. On transfer to stage 1, the origination rating will be reset to that applicable on that date.

For troubled debt restructuring (TDR) customers, exposures under stage 2 that were not previously credit impaired can be transferred to stage 1 when the customer performs under the revised terms of the contract for three consecutive payments and the customer is expected to repay its remaining obligations in full. On transfer to stage 1, the origination rating will be reset to that applicable on that date.

### *Loss provisions on purchased or originated credit impaired instruments (POCI)*

The Bank and its subsidiaries measure expected credit loss on a lifetime basis for POCI instruments throughout the life of the instrument. However, expected credit loss is not recognised in a separate loss provision on initial recognition for POCI instruments as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. The Bank and its subsidiaries recognise the change in lifetime expected credit losses arising subsequent to initial recognition in profit or loss and the cumulative change as a loss provision. Where lifetime expected credit losses on POCI instruments are less than those at initial recognition, then the favourable differences are recognised as impairment gains in profit or loss and as impairment loss where the expected credit losses are greater.

### *Loss allowances for ECL are presented in the statement of financial position*

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Bank and its subsidiaries cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank and its subsidiaries present a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve.



## NOTES TO THE FINANCIAL STATEMENTS

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*Write-off of credit impaired instruments and reversal of impairment*

To the extent a financial debt instrument is considered irrecoverable, the applicable portion of the gross carrying value is written off against the related loan provision. Such loans are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment in profit or loss.

If, in a subsequent period, the amount of the credit impairment loss decreases and the decrease can be related objectively to an event occurring after the credit impairment was recognised, such as an improvement in the debtor's credit rating, the previously recognised credit impairment loss is reversed by adjusting the provision account. The amount of the reversal is recognised in profit or loss.

*Financial guarantee contracts held*

The Bank and its subsidiaries assess whether a financial guarantee contract held is an integral element of a financial asset that is accounted for separately. The factors that the Bank and its subsidiaries considers when making this assessment include whether:

- the guarantee is implicitly part of the contractual terms of the debt instrument;
- the guarantee is required by laws and regulations that govern the contract of the debt instrument;
- the guarantee is entered into at the same time as and in contemplation of the debt instrument; and
- the guarantee is given by the parent of the borrower or another company within the borrower's group.

If the Bank and its subsidiaries determine that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The Bank and its subsidiaries consider the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

If the Bank and its subsidiaries determine that the guarantee is not an integral element of the financial asset, then it recognises an asset representing any prepayment of guarantee premium and a right to compensation for credit losses. A prepaid premium asset is recognised only if the guaranteed exposure neither is credit-impaired nor has undergone a significant increase in credit risk when the guarantee is acquired. These assets are recognised in "other assets". The Bank and its subsidiaries present gains or losses on a compensation right in profit or loss in the line item "impairment losses on financial instruments".

## NOTES TO THE FINANCIAL STATEMENTS

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### 3.6 Derivatives held for risk management purposes and hedge accounting

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position.

The Bank and its subsidiaries designate certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Bank and its subsidiaries formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Bank and its subsidiaries make an assessment, both on inception of the hedging relationship and on an ongoing basis, of whether the hedging instrument(s) is (are) expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item(s) during the period for which the hedge is designated, and whether the actual results of each hedge are within a specific range. For a cash flow hedge of a forecast transaction, the Bank and its subsidiaries make an assessment of whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

The Bank and its subsidiaries have the hedging relationships as discussed below:

#### *Fair value hedge*

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or the Bank and its subsidiaries commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in profit or loss. The change in fair value of the hedged item attributable to the hedged risk is recognised in profit or loss. If the hedged item would otherwise be measured at cost or amortised cost, then its carrying amount is adjusted accordingly.

If the hedging derivative is expired or sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

Any adjustment up to the point of discontinuation to a hedged item for which the effective interest method is used to amortise to profit or loss as an adjustment to the recalculated effective interest rate of the item over its remaining life.

On hedge discontinuation, any hedging adjustment made previously to a hedged financial instrument for which the effective interest method is used to amortise to profit or loss by adjusting the effective interest rate of the hedged item from the date on which amortisation begins. If the hedged item is derecognised, then the adjustment is recognised immediately in profit or loss when the item is derecognised.

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*Cash flow hedge*

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in OCI and presented in the hedging reserve within equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in the hedging reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and other comprehensive income.

If the hedging derivative is expired, sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

If the hedged cash flows are no longer expected to occur, then the Bank and its subsidiaries immediately reclassify the amount in the hedging reserve from OCI to profit or loss. For terminated hedging relationships, if the hedged cash flows are still expected to occur, then the amount accumulated in the hedging reserve is not reclassified until the hedged cash flows affect profit or loss; if the hedged cash flows are expected to affect profit or loss in multiple reporting periods, then the Bank and its subsidiaries reclassify the amount in the hedging reserve from OCI to profit or loss on a straight line basis.

*Other non-trading derivatives*

Other non-trading derivatives are recognised on balance sheet at fair value on initial recognition. If a derivative is not held for trading, and is not designated in a qualifying hedge relationship, then all changes in its fair value are recognised immediately in profit or loss as a component of net income from other financial instruments measured at FVTPL.

**3.7 Hire purchase and finance lease receivables**

Hire purchase and finance lease receivables are stated at the outstanding debt balance net of unearned hire purchase and finance lease income, residual commissions and direct expenses incurred at the inception of the contracts less allowance for expected credit loss.

Accounting policy regarding hire purchase receivables and finance lease receivables, derecognition, contract modification, and allowance for expected credit loss are disclosed in Note 3.3 Financial instruments.

## NOTES TO THE FINANCIAL STATEMENTS

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### 3.8 Properties foreclosed

Properties foreclosed are stated at the lower of cost at the acquisition date or net realisable value. Net realisable value is determined with reference to the appraisal value less estimated selling expenses.

Gains or losses on disposals of properties foreclosed are recorded as revenue or expenses in profit or loss when significant risk and rewards have been transferred to the buyer. Impairment loss is recognised as expenses in profit or loss.

The management uses the BOT's regulation and judgment to estimate impairment losses, taking into consideration the latest appraisal values, types and characteristics of assets, the period of time for which to be recouped from disposals and changes in the economic conditions.

### 3.9 Investments in subsidiaries

Subsidiaries are entities over which the Bank has the power to control the financial and operating policy in order to manage the relevant activities so as to obtain return on the Bank's interest.

Investments in subsidiaries in the separate financial statements of Bank are presented under the cost method, net of valuation allowance for impairment.

#### *Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised as profit or loss in the statement of profit or loss and other comprehensive income.

If the Bank and its subsidiaries dispose of a partial of its holding investment, the deemed cost of the sold investment is determined using the weighted-average method applied to the carrying value of the total holding of the investment.

### 3.10 Premises and equipment

#### *Recognition and measurement*

Land is stated at cost less allowance for impairment losses, if any.

Premises and equipment are measured at cost less accumulated depreciation and impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use. The cost also includes the costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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When parts of an item of property, plant and equipment have different useful lives, they are accounted for separately by major components.

Gains or losses on disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net as profit or loss in the statement of profit or loss and other comprehensive income.

*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its subsidiaries, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised as an expense in statement of profit or loss and other comprehensive income as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged as an expense to the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each component of an item of premises and equipment. The estimated useful lives are as follows:

Buildings and buildings improvement	34 years
Furniture, fixtures and office equipment	3 - 5 and 10 years
Motor vehicles	5 and 8 years

No depreciation is provided on freehold land.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

*Disposal*

The Bank and its subsidiaries derecognised an item of premises and equipment upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal of an item of premises and equipment are determined by comparing the proceeds from disposal with the carrying amount of premises and equipment and are recognised in profit or loss from operations when the Bank and its subsidiaries derecognised that assets.

**3.11 Intangible assets**

Intangible assets that are acquired by the Bank and its subsidiaries and have finite useful lives are measured at cost less accumulated amortisation and allowance for impairment losses, if any.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

### *Amortisation*

Amortisation is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised as an expense in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of intangible asset, other than goodwill, from the date that they are available for use.

The estimated useful lives are as follows

Computer software	5 - 10 years
Deferred license fee	10 years

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

### 3.12 Impairment of non-financial assets

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated. For goodwill, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised as an expense in the statement of profit or loss and other comprehensive income unless it reverses a previous revaluation credited to equity and it subsequently impairs in which case it is charged to other comprehensive income.

### *Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the higher of the asset's value in use or fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

*Reversals of impairment*

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised as an expense in the statement of profit or loss and other comprehensive income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications of impairment the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, as if no impairment loss had been recognised.

**3.13 Provision**

Provisions are recognised when the Bank and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

*Litigation*

The Bank and its subsidiaries have contingent liabilities as a result of litigation being made against them for claims of compensation. The management uses judgment to assess the results of the litigation and would record provisions as at the end of the reporting period (if any).

**3.14 Employee benefits***Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (provident fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit or loss and other comprehensive income in the periods during which services are rendered by employees.

*Defined benefit plans*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Bank and its subsidiaries' net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value based on salary, mortality rate, service period and other factors. The discount rate used in determining post-employment benefit obligation is the yield of the government bond.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense immediately in the statement of profit or loss and other comprehensive income on a straight-line basis until the benefits become vested.

The Bank and its subsidiaries recognise all actuarial gains and losses arising from defined benefit plans in other comprehensive income and all expenses related to defined benefit plans in the statement of profit or loss and other comprehensive income.

Past service cost related to the plan amendment is recognised as an expense in the profit or loss and other comprehensive income when the plan amendment is effective.

### *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted cash flow basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Bank and its subsidiaries have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

### 3.15 Foreign currencies transactions

#### *Translation of foreign currency transactions*

Transactions in foreign currencies are translated to the respective functional currencies of the Bank and its subsidiaries at exchange rates at the date of the transactions.

Outstanding of monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

- an investment in equity securities designated as at FVOCI except on impairment, in which case foreign currency differences that have been recognised in other comprehensive income are reclassified to profit or loss;
- qualifying cash flow hedges to the extent the hedge is effective.

#### *Translation of financial statements of foreign entity*

The assets and liabilities of foreign entities are translated to Thai Baht at the foreign exchange rates ruling at the reporting date.

The revenues and expenses of foreign entities are translated to Thai Baht at rates approximating the foreign exchange rates ruling at the dates of the transactions.

The financial statements of foreign entity are translated into Thai Baht at the reference rates announced by the Bank of Thailand at the reporting dates. Foreign exchange differences arising on translation is recognised in other comprehensive income until dissolution of the foreign entity's business.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

## 3.16 Measurement of fair values

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using valuation technique. In estimating the fair value of an asset or a liability, the Bank and its subsidiaries take into account the characteristics of the asset or liability as market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorised into Level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

## 3.17 Revenue recognition

*Effective interest rate*

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank and its subsidiaries estimate future cash flows considering all contractual terms of the financial instrument, but not ECL. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any allowance for expected credit loss.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### *Calculation of interest income and expense*

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, the interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

### 3.18 Dividend received

The Bank and its subsidiaries recognise dividend received as income in profit or loss on the date that the Bank and its subsidiaries has right to receive dividend. Dividend income is shown in other operating income.

### 3.19 Other income

Other income is recognised in the statement of profit or loss and other comprehensive income on an accrual basis.

### 3.20 Fee and commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the calculation of effective interest rate.

Other fee and service income are recognised when a customer obtains control of the services in an amount that reflects the consideration to which the Bank and its subsidiaries expect to be entitled to. In addition, judgment is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time.

The Bank and its subsidiaries act in the capacity of an agent and recognise the net amount of consideration as commission revenue.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

## 3.21 Lease

*The Bank and its subsidiaries as a lessee*

The Bank and its subsidiaries assess whether a contract is or contains a lease, at inception of the contract. The Bank and its subsidiaries recognise a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Bank and its subsidiaries recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Bank and its subsidiaries use its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options

Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and Bank's statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Bank and its subsidiaries remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a yield interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Bank and its subsidiaries did not make any such adjustments during the years presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Bank and its subsidiaries incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Bank and its subsidiaries expect exercise a purchase option, the related right-of-use is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented in the consolidated and Banks’ statement of financial position.

The Bank and its subsidiaries apply TAS 36 “Impairment of Assets” to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, Plant and Equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss.

As a practical expedient, TFRS 16 “Lease” permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Bank and its subsidiaries have used this practical expedient.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

## 3.22 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction in the consolidated financial statement that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are enacted at the reporting date.

In determining the amount of current and deferred tax, the Bank and its subsidiaries take into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Bank and its subsidiaries believe that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Bank and its subsidiaries to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the year that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. The Bank and its subsidiaries recognise all temporary difference of deferred tax liabilities in the consolidated and Bank's financial statement.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### 3.23 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit attributable to ordinary shareholders and preference shareholders which are equivalent the ordinary shareholders of the Bank by the weighted average number of ordinary shares and preference shares which are equivalent to the ordinary shares outstanding during the year, adjusted for own shares held.

### 3.24 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Bank and its subsidiaries; a person or entity that are under common control or under the same significant influence as the Bank and its subsidiaries and the Bank; or and its subsidiaries have direct or indirect control or joint control or have significant influence over the financial and managerial decision-making of a person or entity.

### 3.25 Segment reporting

Segment results that are reported to the Bank's Executive Committee (the Chief Operating Decision Maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

### 3.26 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when the Bank and its subsidiaries have a legal, enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

### 3.27 Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

**4. RISK MANAGEMENT****4.1 Risk management approach**

The Bank and its subsidiaries have set up its risk management structure in order to efficiently manage its core risks, as follows strategic risk, credit risk, market risk, operational risk, liquidity risk, reputation risk and information technology risks. Appropriate risk policies and risk management procedures have been established to provide common guidelines and standards to be consistently applied across the Bank and its subsidiaries.

The Bank and its subsidiaries manage its risks under the following key principles: core risks must be identified, measured, monitored, reported, analysed and controlled; and business activities are managed under a risk-return framework to ensure that risks undertaken are commensurate with an appropriate return.

The Bank and its subsidiaries' risk governance structure consist of the Board of Directors (BOD), which holds the ultimate responsibility for the Bank and its subsidiaries' overall risk management, Group Risk Supervision and Internal Control Committee, which has been delegated by the BOD with the authority to review and oversee the management of all risks across the Bank and its subsidiaries and formulate risk management strategies, policies, frameworks and standards, as well as risk appetite and submit to the Board of Directors for approval. Additionally, Audit Committee is overseeing for the Internal Audit Department and Credit Review Department.

To strengthen Enterprise-Wide Risk Management, the Bank forms a risk governance where the three lines of defense work together to prevent and control risk. To follow three lines of defenses in which the Bank has set risk ownership, formulate segregation of duties, and form check and balance in the monitoring of risk management. The risk management related functions are under the stewardship of the Chief Executive Officer (CEO) are responsible for establishing Enterprise-Wide risk management policies and guidelines, and take care of the following roles: developing tools for managing risks; proposing risk management strategies and recommending risk appetite for approval in order to be used for monitoring, controlling and managing risk levels of the Bank and its subsidiaries.

**4.2 Credit risk**

Credit risk is the risk that a debtor and/or counterparty to a financial agreement fails to honour an obligation and consequently causes The Bank and its subsidiaries to incur a financial loss. The Bank and its subsidiaries have disclosed significant concentrations of credit risk occurred from loans to customer, loan commitments and financial guarantee.

The maximum amount of credit risk exposure is the carrying amount of the financial assets and provision on loans commitment and financial guarantee less provision for losses as stated in the statements of financial position.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### *Credit policies/Framework*

The Board of Director and Group Risk Supervision and Internal Control Committee are responsible for strategy approval and credit risk appetite in order to manage credit risk properly. The Bank and its subsidiaries have put in place the Credit Risk Policy and other related risk policy including the frameworks to ensure that credit decisions are prudently made and make credit risk management an integral part of all credit-related business processes. All other relevant business units and support units are required to formulate their own specific policies follow the main policy. The Bank and its subsidiaries have also established policies to ensure diversification of its credit portfolio to address various concentration risks covering single exposure concentration risk or a group basis that is economically interdependent, industry/business sector concentration risk and country exposure concentration risk. Additionally, the Bank and its subsidiaries' Stress Testing Policy ensure a consistent framework to assess the Bank and its subsidiaries' ability to withstand extreme but plausible adverse changes to economic conditions.

### *Credit Approval Process*

In managing credit risk, the Bank and its subsidiaries segregate the roles and responsibilities of the credit marketing function from the credit approval function to ensure proper checks and balance. Individual credit risk is analysed and assessed by experienced credit officers and approved by an appropriate authority depending on the size and risk levels of credit requested.

Where appropriate, the Bank and its subsidiaries demand the placement of adequate collateral by customers in various forms including, for example, land and building, deposits, securities, and personal/corporate guarantees, etc.

The Bank and its subsidiaries have contingent liabilities by issuing loan payment and other forms of guarantees, as well as issuing letters of credit and endorsing aval on commercial bills and Notes for its customers. Such contingent transaction activities require assessment on financial condition of customers in the same manner as done for direct lending. The Bank and its subsidiaries also make a standard practice to set conditions to mitigate the elements of risk in the same manner as for direct lending procedures.

### *Credit Review*

The Internal Audit Department, independent unit, is responsible for performing the assessments and making recommendations to improve the adequacy and effectiveness of credit-related processes and the risk management processes. Moreover, the Credit Review Department, independent unit, performs individual credit reviews to ensure that the credit process and account administration are effectively conducted in accordance with policies and procedures, and in compliance with the regulatory requirements.

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

*Credit rating*

Credit ratings are typically based on credit analysis factors and/or market condition indicators, considering both the quantitative and qualitative information. The Bank developed internal credit risk models as a tool for management and for supporting any activities relating to the Bank and its subsidiaries' credit risk. The model covered credit process such as the determination of risk appetite, credit approval process, measuring quality and effectiveness of portfolio. In addition, it can be used to predict changes in portfolio quality and early warning sign for deterioration trend and is useful for determining credit interest rate and measuring performance of credit portfolio. It also can be used as a communication tool within the Bank and its subsidiaries.

Credit risk models have been developed for expected credit loss (ECL) to determine probability of default (PD), exposure at default (EAD), and loss given default (LGD). All models comprise both quantitative and qualitative factors/information. For the quantitative aspect, the data is collected from historical or from service providers. In addition to the wide range of activities described above, the Bank and its subsidiaries also use credit risk models in the process to determine loan loss provisioning, regulatory capital, and economic capital.

The Bank and its subsidiaries set up credit rating guideline to provide the logic and use of creating and verifying model-based credit ratings. Currently, the Bank and its subsidiaries use different credit rating models according to different borrower segment.

Credit risk grade is based on risk rating (or PD models). The Bank and its subsidiaries apply different types of internal rating models as 2 categories (1) Rating models for Commercial portfolio - based on most recent available financial position and qualitative assessment on the profile of the borrowers; and, (2) Rating models for small SME and retail portfolios are based on behavioral and/or credit performance proved by statistical methods to measure an appropriate credit risk grade or determining the appropriate probability of default based on borrowers' risk level.

Exposures and the corresponding credit risk grades are subject to review at a frequency stipulated in the policy. Model for evaluation and risk rating are subject to review and monitor regularly. This is a process to keep both risk grade and models up to date and healthiest.

A credit risk grade is ranked from lowest to highest by lower the number in the rank, the lower the probability of default. The highest rating represents Non-performing loans with probability of default of 100%. In relation to Note 4.2.1 credit quality, the Bank and its subsidiaries segregate risk level according to the ability for customers to meet financial obligation into five level; Low, Medium, Rather high, High, and Defaults.

In addition to the internal rating, the Bank and its subsidiaries also use external ratings from an international rating agency as references for credit risk grade of investment in debt securities.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### *Information related to ECL Significant increase in credit risk*

SICR is assessed by comparing the risk of default of an exposure at the reporting date to the risk of default at origination, the significance of which being determined by using a number of quantitative and qualitative factors. Financial assets that are more than 30 days past due and not credit-impaired will be considered to have experienced a significant increase in credit risk.

Qualitative factors assessed include those linked to current credit risk management processes. Indicators could include weak operating results or observed liquidity issues among a number of other factors.

### *Definition of default*

Financial assets are assessed for credit-impairment at each reporting date and more frequently when circumstances warrant further assessment. Evidence of credit-impairment includes arrears of over 90 days on any material credit obligation, indications that the borrower is experiencing significant financial difficulty, bankruptcy or distressed restructuring.

### *ECL model*

The Bank and its subsidiaries have recognised loss allowances based on the expected credit loss (ECL) model of TFRS 9 “Financial Instruments”, which is designed to be forward-looking. The TFRS 9 impairment requirements are applicable to on-balance sheet financial assets measured at amortised cost (AMC) or fair value through other comprehensive income (FVOCI), such as loans and debt securities, as well as off-balance sheet items such as undrawn loan commitments, certain financial guarantees, and undrawn committed revolving credit facilities. These financial instruments are divided into three groups, depending on the stage of credit quality deterioration (“Staging”). The ECL model parameters are estimated based on statistical techniques and supported by expert judgment.

### *Incorporation of forward-looking information*

TFRS9 requires that expected credit loss should consider the effect from the economic movement or so-called forward-looking factor. Modelling newly regulated credit risk should also incorporate the state of economy.

The Bank and its subsidiaries apply forward-looking factor into the ECL models. For macroeconomic input/projections, the Bank and its subsidiaries leverage on information from external sources. Then, statistical techniques are applied to transform the data into a multiple scenario analysis. Finally, the scenarios are used to derive lifetime parameters, which are applied in the calculation of expected credit losses and in the identification of significant deterioration in credit quality of financial assets as described previously.

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The Bank and its subsidiaries apply macroeconomic factors or any factor expected to occur as a part of formulated scenario for developing ECL. The Bank and its subsidiaries formulate three forward-looking economic scenarios; a normal case scenario, which is the normal case scenario, best case scenario and worst case scenario which is put different weighted average amount. Examples of the macro economic variables used in the forward-looking information are Gross Domestic Product (GDP), interest rate, and unemployment rate, etc.

*Management Overlay*

The Bank and its subsidiaries calculated the ECL based on the model. However, management overlay was considered when underlying assumptions or data used to estimate ECL do not reflect current circumstances, events or conditions of the Bank and its subsidiaries at the reporting date as post-model adjustments.

## 4.2.1 Credit quality

Credit quality is ranked from credit grades that are grouped as low to defaults. This quality is used to reflect the ability for customers to meet financial obligation. The following tables set out information about the credit quality as at December 31, 2022 and 2021 of investment and loans to customers without taking into account collateral or other credit enhancement. The Bank and its subsidiaries classified a risk level based on most recent financial position, behaviors and qualitative factors.

Unit : Million Baht				
Consolidated 2022				
Risk level	Stage 1	Stage 2	Stage 3	Total
<i>Investments in debt instruments measured at AMC</i>				
Low	43,456	-	-	43,456
Gross carrying amount	43,456	-	-	43,456
Less Allowance for expected credit loss	(44)	-	-	(44)
<b>Carrying amount</b>	<b>43,412</b>	<b>-</b>	<b>-</b>	<b>43,412</b>
<i>Investments in debt instruments measured at FVOCI</i>				
Low	40,177	-	-	40,177
<b>Carrying amount</b>	<b>40,177</b>	<b>-</b>	<b>-</b>	<b>40,177</b>
Allowance for expected credit loss	(3)	-	-	(3)
<i>Loans to customers and accrued interest receivables - net</i>				
Low	74,174	-	-	74,174
Medium	58,519	853	-	59,372
Rather high/High	17,342	12,043	-	29,385
Defaults	-	-	928	928
Gross carrying amount	150,035	12,896	928	163,859
Less Allowance for expected credit loss	(4,366)	(2,738)	(240)	(7,344)
<b>Carrying amount</b>	<b>145,669</b>	<b>10,158</b>	<b>688</b>	<b>156,515</b>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

Unit : Million Baht

Risk level	Consolidated 2021			Total
	Stage 1	Stage 2	Stage 3	
<i>Investments in debt instruments measured at AMC</i>				
Low	34,186	2,657	-	36,843
Gross carrying amount	34,186	2,657	-	36,843
Less Allowance for expected credit loss	(30)	(1)	-	(31)
<b>Carrying amount</b>	<b>34,156</b>	<b>2,656</b>	<b>-</b>	<b>36,812</b>
<i>Investments in debt instruments measured at FVOCI</i>				
Low	38,262	-	-	38,262
<b>Carrying amount</b>	<b>38,262</b>	<b>-</b>	<b>-</b>	<b>38,262</b>
Allowance for expected credit loss	(3)	-	-	(3)
<i>Loans to customers and accrued interest receivables - net</i>				
Low	69,735	-	-	69,735
Medium	77,010	34	-	77,044
Rather high/High	8,449	9,707	-	18,156
Defaults	-	-	954	954
Gross carrying amount	155,194	9,741	954	165,889
Less Allowance for expected credit loss	(4,074)	(2,835)	(236)	(7,145)
<b>Carrying amount</b>	<b>151,120</b>	<b>6,906</b>	<b>718</b>	<b>158,744</b>

Unit : Million Baht

	The Bank 2022			
Risk level	Stage 1	Stage 2	Stage 3	Total
<i>Investments in debt instruments measured at AMC</i>				
Low	43,456	-	-	43,456
Gross carrying amount	43,456	-	-	43,456
<u>Less</u> Allowance for expected credit loss	(44)	-	-	(44)
<b>Carrying amount</b>	<b>43,412</b>	<b>-</b>	<b>-</b>	<b>43,412</b>
<i>Investments in debt instruments measured at FVOCI</i>				
Low	40,177	-	-	40,177
<b>Carrying amount</b>	<b>40,177</b>	<b>-</b>	<b>-</b>	<b>40,177</b>
Allowance for expected credit loss	(3)	-	-	(3)
<i>Loans to customers and accrued interest receivables - net</i>				
Low	33,765	-	-	33,765
Medium	52,269	853	-	53,122
Rather high/High	17,342	6,185	-	23,527
Defaults	-	-	231	231
Gross carrying amount	103,376	7,038	231	110,645
<u>Less</u> Allowance for expected credit loss	(3,774)	(745)	(14)	(4,533)
<b>Carrying amount</b>	<b>99,602</b>	<b>6,293</b>	<b>217</b>	<b>106,112</b>

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

Unit : Million Baht				
	The Bank 2021			
Risk level	Stage 1	Stage 2	Stage 3	Total
<i>Investments in debt instruments measured at AMC</i>				
Low	34,186	2,657	-	36,843
Gross carrying amount	34,186	2,657	-	36,843
<u>Less</u> Allowance for expected credit loss	(30)	(1)	-	(31)
<b>Carrying amount</b>	<b>34,156</b>	<b>2,656</b>	<b>-</b>	<b>36,812</b>
<i>Investments in debt instruments measured at FVOCI</i>				
Low	38,262	-	-	38,262
<b>Carrying amount</b>	<b>38,262</b>	<b>-</b>	<b>-</b>	<b>38,262</b>
Allowance for expected credit loss	(3)	-	-	(3)
<i>Loans to customers and accrued interest receivables - net</i>				
Low	29,584	-	-	29,584
Medium	67,909	34	-	67,943
Rather high/High	8,449	4,907	-	13,356
Defaults	-	-	274	274
Gross carrying amount	105,942	4,941	274	111,157
<u>Less</u> Allowance for expected credit loss	(2,897)	(800)	(5)	(3,702)
<b>Carrying amount</b>	<b>103,045</b>	<b>4,141</b>	<b>269</b>	<b>107,455</b>

## 4.2.2 Collateral held and other credit enhancements

In addition to determining counterparty credit quality through risk rating, the Bank and its subsidiaries also use collateral as one type of credit risk mitigation to reduce potential credit losses to the Bank and its subsidiaries. The type of eligible collateral consists of financial and non-financial collaterals which valued primarily based on their quality and liquidity. The value of collateral is primarily assessed on a prudent basis to ensure that the value assigned to the collateral remains current.

The assessment of the suitability of collateral for a specific credit transaction is part of the credit decision making which undertaken in a conservative way, including collateral haircuts that are applied. The Bank and its subsidiaries strive to avoid “wrong-way” risk characteristics where the borrower’s counterparty risk is positively correlated with the risk of deterioration in the collateral value.

For “guarantee”, the process for the analysis of the guarantor’s creditworthiness is aligned to the credit assessment process for borrowers as well as Loan-to-Value (LTV) ratio for credit processes.

Loan-to-Value (LTV) ratio is used in entire credit processes, including

- Credit evaluation process
- Different risk levels require different LTVs



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### Collateral Appraisal Approach:

Asset being used for provisioning calculation and LTV calculation guidance has to be pass through an appraisal process. The appraisal shall be conducted according to the codes of professional ethics and standards of appraisal practice stipulated by the Office of the Securities and Exchange Commission (SEC) and is under responsibility of Asset Appraisal Department.

The following are example of collateral appraisal approach:

- Immovable property for commercial purpose shall be appraised by the cost approach, or the direct sales comparison approach, or the income approach.
- Immovable property for residential purpose shall be appraised by the direct sales comparison approach, or the cost approach.
- Other immovable properties shall be appraised by the cost approach, or the direct sales comparison approach, or the income approach.
- Machinery and vehicle shall be appraised by the direct sales comparison approach, or the cost approach.
- Criteria for appraising marketable equity securities and debt securities collateral shall be established in writing and agreed among the Appraisal Committee members.

The following table sets out the principal types of collateral held against different types of financial assets as at December 31, 2022 and 2021.

Type of credit exposures	Notes	Consolidated		Unit : Million Baht Principal type of collateral held
		2022	2021	
Interbank and money market items	8.3	42,500	64,285	Debt securities
Derivative assets	8.4	1,716	404	Cash
Investments in debt securities	8.5	83,633	75,105	None
Loans to customers	8.7			
- Loans to corporate customers		101,090	104,337	Properties, plant, equipment and guarantee by another banks
- Retail mortgage lending		10	13	Properties
- Hire purchase and finance lease receivables		58,760	56,571	Vehicle
- Others		3,363	4,497	None

Type of credit exposures	Notes	The Bank		Unit : Million Baht Principal type of collateral held
		2022	2021	
Interbank and money market items	8.3	41,922	63,835	Debt securities
Derivative assets	8.4	1,716	404	Cash
Investments in debt securities	8.5	83,633	75,105	None
Loans to customers	8.7			
- Loans to corporate customers		106,575	106,120	Properties, plant, equipment and guarantee by another banks
- Retail mortgage lending		10	13	Properties
- Others		3,363	4,497	None

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

## 4.2.3 Concentrations of credit risk

The Bank and its subsidiaries monitor concentration in different dimensions including sector. Concentrations of credit risk from loans to customers (including loans to financial institutions, which are presented as a part of “interbank and money market items” (assets)), loan commitments and financial guarantees as at December 31, 2022 and 2021 are shown below:

	Unit : Million Baht		
	Loans to customers	Consolidated Loan commitments	Financial guarantees
<b>As at December 31, 2022</b>			
Gross carrying amount	199,867	-	-
Amount committed/guaranteed	-	295,120	27,580
<i>Concentration by sector</i>			
Financial institutions	36,645	252,438	12,713
Agricultural and mining	79	55	-
Manufacturing and commerce	53,336	27,177	989
Real estate and construction	8,941	2,754	830
Public utilities and services	45,159	10,391	12,284
Retail mortgage lending	10	-	764
Hire purchase and finance lease	55,258	-	-
Others	439	2,305	-
<b>Total</b>	<b>199,867</b>	<b>295,120</b>	<b>27,580</b>

	Unit : Million Baht		
	Loans to customers	Consolidated Loan commitments	Financial guarantees
<b>As at December 31, 2021</b>			
Gross carrying amount	223,918	-	-
Amount committed/guaranteed	-	313,211	30,180
<i>Concentration by sector</i>			
Financial institutions	58,501	260,804	11,519
Agricultural and mining	1,751	56	-
Manufacturing and commerce	52,747	34,910	1,068
Real estate and construction	13,065	2,841	751
Public utilities and services	44,272	12,426	15,960
Retail mortgage lending	13	-	882
Hire purchase and finance lease	53,186	-	-
Others	383	2,174	-
<b>Total</b>	<b>223,918</b>	<b>313,211</b>	<b>30,180</b>

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Unit : Million Baht		
	<b>Loans to customers</b>	<b>The Bank Loan commitments</b>	<b>Financial guarantees</b>
<b>As at December 31, 2022</b>			
Gross carrying amount	146,592	-	-
Amount committed/guaranteed	-	322,785	27,580
<i>Concentration by sector</i>			
Financial institutions	36,645	252,438	12,713
Agricultural and mining	79	55	-
Manufacturing and commerce	58,821	54,842	989
Real estate and construction	8,941	2,754	830
Public utilities and services	41,656	10,391	12,284
Retail mortgage lending	10	-	764
Others	440	2,305	-
<b>Total</b>	<b>146,592</b>	<b>322,785</b>	<b>27,580</b>

	Unit : Million Baht		
	<b>Loans to customers</b>	<b>The Bank Loan commitments</b>	<b>Financial guarantees</b>
<b>As at December 31, 2021</b>			
Gross carrying amount	169,130	-	-
Amount committed/guaranteed	-	344,163	30,180
<i>Concentration by sector</i>			
Financial institutions	58,501	260,804	11,519
Agricultural and mining	1,751	56	-
Manufacturing and commerce	54,530	65,862	1,068
Real estate and construction	13,065	2,841	751
Public utilities and services	40,887	12,426	15,960
Retail mortgage lending	13	-	882
Others	383	2,174	-
<b>Total</b>	<b>169,130</b>	<b>344,163</b>	<b>30,180</b>

### 4.3 Liquidity risk

Liquidity risk is the risk that the Bank and its subsidiaries will be unable to liquidate its financial assets or procure sufficient funds to discharge its obligations in a timely manner, resulting to occur a financial loss.

The Bank and its subsidiaries have established a liquidity management policy, to ensure that the Bank and its subsidiaries has sufficient liquidity to meet debt and other obligations when due in normal circumstances, and has liquidity contingency plans in place to handle crisis situations, as well as to ensure that management of liquidity strikes an appropriate balance between costs and benefits. The liquidity management policy is approved by the Bank and its subsidiaries Risk Supervision and Internal Control Committee under Financial Group, the Executive Committee and the Board of Directors, respectively.

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

To manage the Bank's liquidity, the Financial Markets Division projects funding demand and identifies appropriate sources of funds consistent with the Bank's business and strategic plans. For the purpose of liquidity risk management, the Bank has set risk limits, required liquidity ratios, liquidity control procedures, the liquidity gap and liquidity management's performance are reported to the Asset and Liability Committee (ALCO) on a monthly basis. Moreover, the Risk Management Division closely monitors risk to ensure it remains within the limits set, and reports to the Bank and its subsidiaries Risk Supervision and Internal Control Committee on a regular basis.

Moreover, the Bank has prepared the Early Warning System Indicator to monitor daily and monthly risk level and also set the trigger point in order to be prepared in case of any increasing of any risk factors and be used for liquidity risk management. The Portfolio Risk Management Department will inform the related party daily and submit to ALCO Meeting monthly. The Bank has also formulated the liquidity contingency plans to handle any potential liquidity problems. These plans designate working procedures and explicitly assign roles and responsibilities to the relevant parties.

The Asset and Liability Committee has the following roles and responsibilities:

1. Formulate strategies relating to the regular and daily liquidity management.
2. Ensure that liquidity management is efficient and appropriate policies and procedures for liquidity risk are established.
3. Ensure that the Bank has adequate information systems to measure, monitor, control and report liquidity risk.
4. Consider the liquidity risk limit and propose to the Executive Committee (EXCOM) for approval.
5. Review all assumptions which related to liquidity risk.

The Bank and its subsidiaries liquidity management is decentralised, with the subsidiaries, ICBC (Thai) Leasing Company Limited independently managing its own liquidity. ICBC (Thai) Leasing Company Limited's sources funds mainly from issuing debentures and loans from financial institutions, the Bank will provide liquidity support with the amount of funds based on Limited of Authority via the Board of Directors. Nevertheless, the Bank and its subsidiaries perform regular controlling and monitoring of the liquidity risk of its subsidiaries and the subsidiaries' liquidity gap is reported to the Asset and Liability Committee on a monthly basis.

The major uses of funds by the Bank are lending to corporate customers and investments in debt securities with an acceptable and low level of risk, but the Bank also designates limits to diversify the use of funds, such as limits on individual industries and lending limits for each individual. The Bank and its subsidiaries' main sources of funds are public deposits and borrowings. The Bank has set guidelines to reduce deposit concentrations, such as limits of the amount deposited per customer and limits of the amount deposited per corporate customer and per state enterprise.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

The Bank and its subsidiaries generate reports and set limits in liquidity management as follows:

1. Daily and monthly reports of Early Warning Indicator together with trigger points in order to monitor the liquidity risk such as three days consecutive withdrawal, Liquidity Coverage Ratio (LCR), High Quality of Liquid Assets (HQLA) and available of committed facility amount, Loan to Deposit, Credit Rating of the Bank and ICBC group, etc.
2. Daily reports on amounts and types of liquid assets and their returns.
3. Liquidity gap report, indicating expected cash inflows and outflows in different tenors, and cumulative net liquidity excess or shortfall, which reflects the period to maturity both on the basis of the contract and after behavioral adjustment. The Bank and its subsidiaries prepare liquidity gap reports on a monthly basis for normal circumstances and on a quarterly basis for crisis situations.
4. Monthly reports on liquidity ratios, to be used to provide indications of the Bank's liquidity and early warnings, including loan to deposit ratio, loan to asset ratio, investment to asset ratio, liquid asset to total asset ratio, liquid asset to short-term to 1 month deposit ratio, borrowing to total asset ratio, deposit to total asset ratio, proportion of large depositors to total deposits, maximum deposit withdrawal per day and rollover rate, etc.
5. Annual liquidity risk self-assessment report.
6. Monthly reports on any transactions or facilities exceeding approved limits.

The Bank also conducts stress tests on a quarterly basis, and regularly reviews the assumptions used to ensure they reflect current economic conditions, business strategies, and other relevant current and future factors. Stress test scenarios include a bank-specific crisis, a general market crisis and a combination of both scenarios that it is thought would have a severely adverse impact, and the Bank has prepared action plans to respond to the occurrence of such events. In addition, the Bank has prepared reports on its Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), in accordance with the BOT's guideline.

According to BOT Notification Number Sor Nor Sor. 2/2561, dated January 25, 2018, the Bank is required to disclose Liquidity Coverage Ratio (LCR) in The Bank's website. The Bank will disclose the LCR of the Bank as at December 31, 2022 in the Bank's website, [www.icbcthai.com](http://www.icbcthai.com), under Financial Report section/ Basel III Pillar III Disclosure, within April 2023.

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

As at December 31, 2022 and 2021, significant financial assets and financial liabilities are classified according to their remaining maturity as follows:

Unit : Million Baht

	Consolidated 2022 Maturity						
	At call	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>							
Cash	-	-	-	-	-	335	335
Interbank and money market items	5,888	34,851	257	-	1,504	-	42,500
Investments	-	13,254	16,469	46,872	7,038	222	83,855
Loans to customers	8	23,625	31,602	84,229	22,416	1,343 <sup>(1)</sup>	163,223
<b>Total financial assets</b>	<b>5,896</b>	<b>71,730</b>	<b>48,328</b>	<b>131,101</b>	<b>30,958</b>	<b>1,900</b>	<b>289,913</b>
<b>Financial liabilities</b>							
Deposits	47,561	74,521	39,187	1,713	-	-	162,982
Interbank and money market items	1,058	15,071	14,842	4,680	-	-	35,651
Liabilities payable on demand	129	-	-	-	-	-	129
Debt issued and borrowings	-	9,814	14,140	16,589	4,992	-	45,535
<b>Total financial liabilities</b>	<b>48,748</b>	<b>99,406</b>	<b>68,169</b>	<b>22,982</b>	<b>4,992</b>	<b>-</b>	<b>244,297</b>

<sup>(1)</sup> The total amount included non-performing loans amounting to Baht 912 million.

Unit : Million Baht

	Consolidated 2021 Maturity						
	At call	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>							
Cash	-	-	-	-	-	340	340
Interbank and money market items	5,785	51,740	688	4,516	1,556	-	64,285
Investments	-	18,275	26,108	24,623	6,099	496	75,601
Loans to customers	7	27,442	28,333	88,799	19,434	1,403 <sup>(1)</sup>	165,418
<b>Total financial assets</b>	<b>5,792</b>	<b>97,457</b>	<b>55,129</b>	<b>117,938</b>	<b>27,089</b>	<b>2,239</b>	<b>305,644</b>
<b>Financial liabilities</b>							
Deposits	39,700	62,936	54,223	2,069	-	-	158,928
Interbank and money market items	641	32,102	12,135	8,756	-	-	53,634
Liabilities payable on demand	228	-	-	-	-	-	228
Debt issued and borrowings	-	6,294	12,726	24,634	4,990	-	48,644
<b>Total financial liabilities</b>	<b>40,569</b>	<b>101,332</b>	<b>79,084</b>	<b>35,459</b>	<b>4,990</b>	<b>-</b>	<b>261,434</b>

<sup>(1)</sup> The total amount included non-performing loans amounting to Baht 939 million.

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Unit : Million Baht							
				The Bank 2022 Maturity			
	At call	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	No maturity	Total
<i>Financial assets</i>							
Cash	-	-	-	-	-	335	335
Interbank and money market items	5,310	34,851	257	-	1,504	-	41,922
Investments	-	13,254	16,469	46,872	7,038	222	83,855
Loans to customers	344	23,506	21,006	48,610	15,837	645 <sup>(1)</sup>	109,948
<b>Total financial assets</b>	<b>5,654</b>	<b>71,611</b>	<b>37,732</b>	<b>95,482</b>	<b>24,379</b>	<b>1,202</b>	<b>236,060</b>
<i>Financial liabilities</i>							
Deposits	47,569	74,521	39,187	1,713	-	-	162,990
Interbank and money market items	1,058	13,781	14,842	4,680	-	-	34,361
Liabilities payable on demand	129	-	-	-	-	-	129
Debt issued and borrowings	-	-	-	-	4,992	-	4,992
<b>Total financial liabilities</b>	<b>48,756</b>	<b>88,302</b>	<b>54,029</b>	<b>6,393</b>	<b>4,992</b>	<b>-</b>	<b>202,472</b>

<sup>(1)</sup> The total amount included non-performing loans amounting to Baht 214 million.

Unit : Million Baht							
				The Bank 2021 Maturity			
	At call	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	No maturity	Total
<i>Financial assets</i>							
Cash	-	-	-	-	-	339	339
Interbank and money market items	5,335	51,740	688	4,516	1,556	-	63,835
Investments	-	18,275	26,108	24,623	6,099	496	75,601
Loans to customers	55	24,076	18,811	51,711	15,253	724 <sup>(1)</sup>	110,630
<b>Total financial assets</b>	<b>5,390</b>	<b>94,091</b>	<b>45,607</b>	<b>80,850</b>	<b>22,908</b>	<b>1,559</b>	<b>250,405</b>
<i>Financial liabilities</i>							
Deposits	39,703	62,936	54,223	2,069	-	-	158,931
Interbank and money market items	641	31,852	12,135	8,756	-	-	53,384
Liabilities payable on demand	228	-	-	-	-	-	228
Debt issued and borrowings	-	-	-	-	4,990	-	4,990
<b>Total financial liabilities</b>	<b>40,572</b>	<b>94,788</b>	<b>66,358</b>	<b>10,825</b>	<b>4,990</b>	<b>-</b>	<b>217,533</b>

<sup>(1)</sup> The total amount included non-performing loans amounting to Baht 260 million.

### 4.4 Market risk

Market risk refers to losses that may happen due to the fluctuations of foreign exchange rates, interest rates, and prices of equity securities, all of which may impact the value of the Bank's assets and liabilities including financial commitment.



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The Bank and its subsidiaries have established various market risk policies, which set standards and guidelines for market risk management. The sub-committee holds the responsibility to assist the BOD and the Bank and its subsidiaries Risk Supervision and Internal Control Committee to ensure that bank-wide market risk management complies with the relevant risk policies and defined levels of risk appetite. The Bank and its subsidiaries classify the overall market risk management into two parts: trading book and banking book. The Bank and its subsidiaries have developed a policy to set standards on the book definitions and transaction classification criteria as well as the treatment of each book.

*Market risk in the trading book*

Market risk in the trading book consists of market risk from exposures of financial instruments and derivatives that are held with trading intent or for hedging other positions in the trading book. The Bank and its subsidiaries has established the market risk policies for trading book to ensure the proper management of market risks in the trading book as well as impose limits to control the risks to be within the Bank and its subsidiaries' risk appetite.

*Market risk in the Banking book*

Market risk in the Banking book consists of market risks incurred from items on statement of financial position, off-balance sheet items and derivatives designated to hedge other banking book items.

The Bank and its subsidiaries have established the market risk policies for banking book, which outlines the approach for managing market risks in the Banking book and setting the relevant limits appropriate to the positions of the risks in the book and in line with the Bank and its subsidiaries' risk appetite.

The Bank and its subsidiaries also analyse risks and regularly assesses the impact, the results of which are used as tools to manage the Bank's assets and liabilities structure to be in line with the changing market environment.

**4.4.1 Interest rate risk**

Interest rate risk is the risk from future movements in market interest rates including changes in interest rates of rate sensitive assets and liabilities that will have negative impact to the Bank and its subsidiaries' operating results, cash flows and economic value.

The Bank and its subsidiaries manage interest rate risk by means of an appropriate structuring of holdings in assets and liabilities with different repricing dates, taking into account the direction of market interest rates, in order to generate a suitable yield while maintaining risk at acceptable levels.

As at December 31, 2022 and 2021, significant financial assets and financial liabilities classified according to the earlier between their remaining maturity and interest repricing periods were as follows:

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Unit : Million Baht								
Consolidated 2022								
	At call	Interest repricing/ Within 3 months	maturity Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non- Interest Bearing	Non- performing assets	Total
<i>Financial assets</i>								
Cash	-	-	-	-	-	335	-	335
Interbank and money market items	450	35,091	1,554	-	-	5,405	-	42,500
Investments	-	13,254	16,472	46,905	7,002	222	-	83,855
Loans to customers	431	79,640	25,049	52,861	4,330	-	912	163,223
<b>Total financial assets</b>	<b>881</b>	<b>127,985</b>	<b>43,075</b>	<b>99,766</b>	<b>11,332</b>	<b>5,962</b>	<b>912</b>	<b>289,913</b>
<i>Financial liabilities</i>								
Deposits	46,981	74,521	39,187	1,714	-	579	-	162,982
Interbank and money market items	432	19,142	14,227	1,224	-	626	-	35,651
Liabilities payable on Demand	-	-	-	-	-	129	-	129
Debt issued and borrowings	-	9,814	14,140	16,589	4,992	-	-	45,535
<b>Total financial liabilities</b>	<b>47,413</b>	<b>103,477</b>	<b>67,554</b>	<b>19,527</b>	<b>4,992</b>	<b>1,334</b>	<b>-</b>	<b>244,297</b>

Unit : Million Baht								
Consolidated 2021								
	At call	Interest repricing/ Within 3 months	maturity Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non- Interest bearing	Non- performing assets	Total
<i>Financial assets</i>								
Cash	-	-	-	-	-	340	-	340
Interbank and money market items	245	56,763	181	-	1,556	5,540	-	64,285
Investments	-	18,509	25,874	24,623	6,099	496	-	75,601
Loans to customers	464	87,578	19,144	52,306	4,987	-	939	165,418
<b>Total financial assets</b>	<b>709</b>	<b>162,850</b>	<b>45,199</b>	<b>76,929</b>	<b>12,642</b>	<b>6,376</b>	<b>939</b>	<b>305,644</b>
<i>Financial liabilities</i>								
Deposits	39,183	62,936	54,223	2,069	-	517	-	158,928
Interbank and money market items	343	39,512	12,659	114	-	1,006	-	53,634
Liabilities payable on demand	-	-	-	-	-	228	-	228
Debt issued and borrowings	-	6,294	12,726	24,634	4,990	-	-	48,644
<b>Total financial liabilities</b>	<b>39,526</b>	<b>108,742</b>	<b>79,608</b>	<b>26,817</b>	<b>4,990</b>	<b>1,751</b>	<b>-</b>	<b>261,434</b>

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

Unit : Million Baht

**The Bank  
2022**

	At call	Interest repricing/ Within 3 months	maturity Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non- Interest bearing	Non- performing assets	Total
<b>Financial assets</b>								
Cash	-	-	-	-	-	335	-	335
Interbank and money market items	2	35,091	1,554	-	-	5,275	-	41,922
Investments	-	13,254	16,472	46,905	7,002	222	-	83,855
Loans to customers	766	75,994	14,513	17,773	688	-	214	109,948
<b>Total financial assets</b>	<b>768</b>	<b>124,339</b>	<b>32,539</b>	<b>64,678</b>	<b>7,690</b>	<b>5,832</b>	<b>214</b>	<b>236,060</b>
<b>Financial liabilities</b>								
Deposits	46,985	74,521	39,187	1,714	-	583	-	162,990
Interbank and money market items	432	17,852	14,227	1,224	-	626	-	34,361
Liabilities payable on demand	-	-	-	-	-	129	-	129
Debt issued and borrowings	-	-	-	-	4,992	-	-	4,992
<b>Total financial liabilities</b>	<b>47,417</b>	<b>92,373</b>	<b>53,414</b>	<b>2,938</b>	<b>4,992</b>	<b>1,338</b>	<b>-</b>	<b>202,472</b>

Unit : Million Baht

**The Bank  
2021**

	At call	Interest repricing/ Within 3 months	maturity Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non- Interest bearing	Non- performing assets	Total
<b>Financial assets</b>								
Cash	-	-	-	-	-	339	-	339
Interbank and money market items	2	56,763	181	-	1,556	5,333	-	63,835
Investments	-	18,509	25,874	24,623	6,099	496	-	75,601
Loans to customers	512	84,377	9,562	15,150	769	-	260	110,630
<b>Total financial assets</b>	<b>514</b>	<b>159,649</b>	<b>35,617</b>	<b>39,773</b>	<b>8,424</b>	<b>6,168</b>	<b>260</b>	<b>250,405</b>
<b>Financial liabilities</b>								
Deposits	39,186	62,936	54,223	2,069	-	517	-	158,931
Interbank and money market items	343	39,262	12,659	114	-	1,006	-	53,384
Liabilities payable on demand	-	-	-	-	-	228	-	228
Debt issued and borrowings	-	-	-	-	4,990	-	-	4,990
<b>Total financial liabilities</b>	<b>39,529</b>	<b>102,198</b>	<b>66,882</b>	<b>2,183</b>	<b>4,990</b>	<b>1,751</b>	<b>-</b>	<b>217,533</b>

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The average balances of the significant financial assets and financial liabilities generating revenues and incurring expenses, calculated based on the average balances outstanding during the years, and the average interest rates for the years ended December 31, 2022 and 2021 can be summarised as follows:

	Consolidated					
	2022		2021			
	Average Balances <sup>(1)</sup>	Interest	Average interest rate	Average Balances <sup>(1)</sup>	Interest	Average interest rate
	(million Baht)		(%)	(million Baht)		(%)
<b>Financial assets</b>						
Interbank and money market items	51,284	629	1.23	52,703	457	0.87
Investments	82,092	2,175	2.65	73,913	1,798	2.43
Loans to customers	175,241	4,026	2.30	172,946	3,764	2.18

### Financial liabilities

Deposits	166,779	1,065 <sup>(2)</sup>	0.64	159,731	1,107 <sup>(2)</sup>	0.69
Interbank and money market items	42,967	812	1.89	44,761	288	0.64
Debts issued and borrowings	46,797	861 <sup>(3)</sup>	1.84	46,699	928 <sup>(3)</sup>	1.99

<sup>(1)</sup> Calculated by average of month end balance

<sup>(2)</sup> Excluding contributions to Deposit Protection Agency and Bank of Thailand

<sup>(3)</sup> Including debentures fee expense

	The Bank					
	2022		2021			
	Average Balances <sup>(1)</sup>	Interest	Average interest rate	Average Balances <sup>(1)</sup>	Interest	Average interest rate
	(million Baht)		(%)	(million Baht)		(%)
<b>Financial assets</b>						
Interbank and money market items	50,756	628	1.24	48,450	456	0.94
Investments	82,092	2,175	2.65	73,913	1,798	2.43
Loans to customers	113,721	4,075	3.58	113,566	3,696	3.25

### Financial liabilities

Deposits	166,783	1,065 <sup>(2)</sup>	0.64	159,741	1,108 <sup>(2)</sup>	0.69
Interbank and money market items	41,795	797	1.91	43,980	281	0.64
Debts issued and borrowings	4,991	175 <sup>(3)</sup>	3.51	4,989	175 <sup>(3)</sup>	3.54

<sup>(1)</sup> Calculated by average of month end balance

<sup>(2)</sup> Excluding contributions to Deposit Protection Agency and Bank of Thailand

<sup>(3)</sup> Including debentures fee expense

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

## 4.4.2 Sensitivity analysis

*Market risk in the Banking book*

The Bank and its subsidiaries employ Repricing Gap Report in measuring and monitoring the interest rate in the Banking book in which the control limit has been set at the acceptable level.

In addition, the Bank and its subsidiaries conduct the stress test on the interest rate risk in the Banking book based on the assumptions in line with the principle of extreme but plausible scenarios and divided into individual currencies in a quarterly basis in order to report to the Bank and its subsidiaries Risk Committee for consideration and revision of risk management strategy and backup plan.

At present, the Bank and its subsidiaries do not have the behavioral adjustments on both assets and liabilities, e.g. behavioral adjustment on prepayment schedule and the rollover of the deposit.

The Repricing Gap report in Banking Book by currency is reported to the Asset and Liabilities Committee on a monthly basis, and a report on interest rate risk to The Bank of Thailand on a quarterly basis.

The impacts of a change in interest rate on earnings of the consolidated and the Bank as at December 31, 2022 and 2021 are as follows:

Unit : Million Baht				
Consolidated				
Currency	2022		2021	
	Upward 100 bps	Downward 100 bps	Upward 100 bps	Downward 100 bps
Thai Baht	(16)	16	297	(297)
US Dollar	(42)	42	(91)	91
Renminbi	(12)	12	(12)	12
Euro	2	(2)	25	(25)
<b>Total impact of the change in interest rate</b>	<b>(68)</b>	<b>68</b>	<b>219</b>	<b>(219)</b>

Unit : Million Baht				
The Bank				
Currency	2022		2021	
	Upward 100 bps	Downward 100 bps	Upward 100 bps	Downward 100 bps
Thai Baht	53	(53)	328	(328)
US Dollar	(42)	42	(95)	95
Renminbi	(12)	12	(12)	12
Euro	2	(2)	25	(25)
<b>Total impact of the change in interest rate</b>	<b>1</b>	<b>(1)</b>	<b>246</b>	<b>(246)</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

### 4.4.3 Foreign exchange risk

Foreign exchange risk is the risk that the value of the financial instruments will be affected by changes in foreign exchange rates.

In addition to the financial assets and financial liabilities denominated in foreign currencies already disclosed in related Note to the financial statements. As at December 31, 2022 and 2021, the Bank and its subsidiaries' net foreign currency positions categorised by major foreign currencies were as follows:

Unit : USD Million						
Consolidated						
	US Dollar	2022 Euro <sup>(1)</sup>	Other currencies <sup>(1)</sup>	US Dollar	2021 Euro <sup>(1)</sup>	Other currencies <sup>(1)</sup>
Spot	414	9	(152)	496	(338)	(72)
Forward	(407)	(8)	155	(492)	339	75
Net position	7	1	3	4	1	3

<sup>(1)</sup> Balance denominated in Euro and other currencies are stated in US Dollar equivalents.

Unit: USD Million						
The Bank						
	US Dollar	2022 Euro <sup>(1)</sup>	Other currencies <sup>(1)</sup>	US Dollar	2021 Euro <sup>(1)</sup>	Other currencies <sup>(1)</sup>
Spot	412	9	(152)	493	(338)	(72)
Forward	(407)	(8)	155	(492)	339	75
Net position	5	1	3	1	1	3

<sup>(1)</sup> Balance denominated in Euro and other currencies are stated in US Dollar equivalents.

### 4.4.4 Equity price risk

Equity price risk is the risk arising from changes in the price of equity instruments or equity securities. This causes fluctuations in the income or financial assets of the Bank and its subsidiaries.

The Bank and its subsidiaries have a policy to manage market risks. The ceiling risk limit is set in order to control the risk to be at the Bank and its subsidiaries' acceptable level. There is a Risk Control Unit, separated from the front office and the back office to control risks and report the status of limits to relevant departments or related management in order to manage risks promptly.

As at December 31, 2022 and 2021, the Bank has equity investments listed on Stock Exchange of Thailand at Baht 99 million and Baht 125 million with the mark to market value at Baht 215 and Baht 489 million, respectively.

## 5. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for the financial instruments measured at fair value as at December 31, 2022 and 2021. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

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FOR THE YEAR ENDED DECEMBER 31, 2022

		Unit : Million Baht			
		Consolidated			
		2022			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Derivatives assets</b>					
- Foreign exchange rate	275	-	275	-	275
- Interest rate	1,441	-	1,441	-	1,441
	<b>1,716</b>	<b>-</b>	<b>1,716</b>	<b>-</b>	<b>1,716</b>
<b>Investments</b>					
- Investments in debt instruments measured at AMC	43,456	-	43,448	-	43,448
- Investments in debt instruments measured at FVOCI	40,177	-	40,177	-	40,177
- Investments in equity instruments designated at FVOCI	222	215	-	8	223
	<b>83,855</b>	<b>215</b>	<b>83,625</b>	<b>8</b>	<b>83,848</b>
<b>Loans to customers <sup>(1)</sup></b>	<b>104,463</b>	<b>-</b>	<b>29,838</b>	<b>74,510</b>	<b>104,348</b>
<b>Total financial assets</b>	<b>190,034</b>	<b>215</b>	<b>115,179</b>	<b>74,518</b>	<b>189,912</b>
<b>Financial liabilities</b>					
<b>Deposits</b>					
	<b>162,982</b>	<b>-</b>	<b>162,981</b>	<b>-</b>	<b>162,981</b>
<b>Derivatives liabilities</b>					
- Foreign exchange rate	161	-	161	-	161
- Interest rate	69	-	69	-	69
	<b>230</b>	<b>-</b>	<b>230</b>	<b>-</b>	<b>230</b>
<b>Debts issued and borrowings</b>	<b>45,535</b>	<b>-</b>	<b>45,442</b>	<b>-</b>	<b>45,442</b>
<b>Total financial liabilities</b>	<b>208,747</b>	<b>-</b>	<b>208,653</b>	<b>-</b>	<b>208,653</b>

<sup>(1)</sup> The amount excludes hire purchase and finance lease of subsidiaries

		Unit : Million Baht			
		Consolidated			
		2021			
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b>Derivatives assets</b>					
- Foreign exchange rate	164	-	164	-	164
- Interest rate	200	-	200	-	200
- Foreign exchange and interest rate	40	-	40	-	40
	<b>404</b>	<b>-</b>	<b>404</b>	<b>-</b>	<b>404</b>
<b>Investments</b>					
- Investments in debt instruments measured at AMC	36,843	-	36,816	-	36,816
- Investments in debt instruments measured at FVOCI	38,262	-	38,262	-	38,262
- Investments in equity instruments designated at FVOCI	496	489	-	7	496
	<b>75,601</b>	<b>489</b>	<b>75,078</b>	<b>7</b>	<b>75,574</b>
<b>Loans to customers <sup>(1)</sup></b>	<b>108,847</b>	<b>-</b>	<b>19,573</b>	<b>89,200</b>	<b>108,773</b>
<b>Total financial assets</b>	<b>184,852</b>	<b>489</b>	<b>95,055</b>	<b>89,207</b>	<b>184,751</b>
<b>Financial liabilities</b>					
<b>Deposits</b>					
	<b>158,928</b>	<b>-</b>	<b>158,933</b>	<b>-</b>	<b>158,933</b>
<b>Derivatives liabilities</b>					
- Foreign exchange rate	165	-	165	-	165
- Interest rate	453	-	453	-	453
- Foreign exchange and interest rate	134	-	134	-	134
	<b>752</b>	<b>-</b>	<b>752</b>	<b>-</b>	<b>752</b>
<b>Debts issued and borrowings</b>	<b>48,644</b>	<b>-</b>	<b>49,106</b>	<b>-</b>	<b>49,106</b>
<b>Total financial liabilities</b>	<b>208,324</b>	<b>-</b>	<b>208,791</b>	<b>-</b>	<b>208,791</b>

<sup>(1)</sup> The amount excludes hire purchase and finance lease of subsidiaries



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Unit : Million Baht				
<b>The Bank</b>				
<b>2022</b>				
Carrying amount	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Derivatives assets</b>				
- Foreign exchange rate	-	275	-	275
- Interest rate	-	1,441	-	1,441
	-	<b>1,716</b>	-	<b>1,716</b>
<b>Investments</b>				
- Investments in debt instruments measured at AMC	-	43,448	-	43,448
- Investments in debt instruments measured at FVOCI	-	40,177	-	40,177
- Investments in equity instruments designated at FVOCI	215	-	8	223
	<b>215</b>	<b>83,625</b>	<b>8</b>	<b>83,848</b>
<b>Loans to customers <sup>(1)</sup></b>	-	<b>32,610</b>	<b>77,277</b>	<b>109,887</b>
<b>Total financial assets</b>	<b>215</b>	<b>117,951</b>	<b>77,285</b>	<b>195,451</b>
<b>Financial liabilities</b>				
<b>Deposits</b>	-	<b>162,989</b>	-	<b>162,989</b>
<b>Derivatives liabilities</b>				
- Foreign exchange rate	-	161	-	161
- Interest rate	-	69	-	69
	-	<b>230</b>	-	<b>230</b>
<b>Debts issued and borrowings</b>	-	<b>4,991</b>	-	<b>4,991</b>
<b>Total financial liabilities</b>	-	<b>168,210</b>	-	<b>168,210</b>

<sup>(1)</sup> The amount excludes hire purchase and finance lease of subsidiaries

Unit : Million Baht				
<b>The Bank</b>				
<b>2021</b>				
Carrying amount	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Derivatives assets</b>				
- Foreign exchange rate	-	164	-	164
- Interest rate	-	200	-	200
- Foreign exchange and interest rate	-	40	-	40
	-	<b>404</b>	-	<b>404</b>
<b>Investments</b>				
- Investments in debt instruments measured at AMC	-	36,816	-	36,816
- Investments in debt instruments measured at FVOCI	-	38,262	-	38,262
- Investments in equity instruments designated at FVOCI	489	-	7	496
	<b>489</b>	<b>75,078</b>	<b>7</b>	<b>75,574</b>
<b>Loans to customers <sup>(1)</sup></b>	-	<b>21,376</b>	<b>89,247</b>	<b>110,623</b>
<b>Total financial assets</b>	<b>489</b>	<b>96,858</b>	<b>89,254</b>	<b>186,601</b>
<b>Financial liabilities</b>				
<b>Deposits</b>	-	<b>158,936</b>	-	<b>158,936</b>
<b>Derivatives liabilities</b>				
- Foreign exchange rate	-	165	-	165
- Interest rate	-	453	-	453
- Foreign exchange and interest rate	-	134	-	134
	-	<b>752</b>	-	<b>752</b>
<b>Debts issued and borrowings</b>	-	<b>5,044</b>	-	<b>5,044</b>
<b>Total financial liabilities</b>	-	<b>164,732</b>	-	<b>164,732</b>

<sup>(1)</sup> The amount excludes hire purchase and finance lease of subsidiaries

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

**Methods and assumptions in estimating fair values of financial assets and financial liabilities***Investments in debt instruments and other equity instruments*

The fair value of government and state enterprise and private debt securities is calculated by using the yield curve of the Thai Bond Market Association and reliable market data sources at the end of reporting period.

The fair value of marketable equity securities is determined at the last bid price quoted on the last working day of the reporting period by the Stock Exchange of Thailand. The fair value of non-marketable equity securities is determined mainly based on common valuation techniques such as the market approach, cost approach or income approach, as well as book value or adjusted book value.

*Loans to customers and significant unobservable inputs used*

For variable floating-rate loans to customers that have no significant change in credit risk, fair value is based on carrying value. The fair value of fixed rate loans to customers that have remaining maturity within 1 year of the reporting date is approximated using the carrying value at the reporting date. Fair value for fixed interest loans to customers which the remaining maturity more than 1 year is estimated using discounted cash flow analysis, using interest rates currently being offered on loans to customers with similar characteristics and terms.

For level 3, the Bank uses internal reference rate as significant unobservable inputs with the range of estimates between 1.74% to 5.20%. This fair value measurement would be significantly sensitive for the increasing in volatilities and would result in a change fair value.

*Deposits*

The fair value disclosed for deposits which are payable on demand by the depositor is equal to the carrying value of such deposits. The carrying amounts of variable-rate, fixed-term money market accounts, certificates of deposit and fixed rate deposits which have remaining maturity within 1 year are approximated using their market value at the reporting date. Fair value for other fixed interest deposits is estimated using a discounted cash flow calculation that applies interest rates currently being offered on similar deposit and terms.

*Interbank and money market items (liabilities) and debts issued and borrowings*

The fair value of interbank and money market items and debts issued and borrowings and/or items which bear variable rates of interest approximates their carrying amount at the reporting date. Fair value for fixed rate instruments with remaining maturities greater than 1 year is estimated by using a discounted cash flow calculation applying interest rates currently being offered on similar instruments. The fair value of debentures is based on quoted market prices announced by the Thai Bond Market Association.

*Derivatives*

Fair values are based on inputs which are observable from independent and reliable market data sources. Those inputs are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values of over-the-counter derivative reflect the credit risk of the instrument and include adjustments to take account of the counter party and own entity credit risk when appropriate.

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### 6. MAINTAIN OF CAPITAL FUND

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by The Bank of Thailand. As announced by the BOT in its circulars dated November 8, 2012 and May 7, 2019, the Bank is required to calculate its Capital Fund in accordance with Basel III. The Bank and financial group comply with the regulatory capital according to Basel III.

As at December 31, 2022 and 2021, the consolidated supervision and the Bank's total capital funds could be categorised as follows:

	Unit : Thousand Baht	
	Consolidated supervision	
	2022	2021
<b>Tier 1 capital</b>		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	20,107,099	20,081,600
Legal reserve	2,015,000	2,015,000
Retained earnings after appropriations	15,871,540	13,163,782
Other comprehensive income	58,817	265,582
Other owner changes items	(24,849)	(24,849)
Less Capital deduction items on CET1	(1,164,087)	(945,584)
<b>Total Tier 1 capital</b>	<b>36,863,520</b>	<b>34,555,531</b>
<b>Tier 2 capital</b>		
Subordinated debentures	5,000,000	5,000,000
Allowance for classified assets of "pass" category	2,541,677	2,793,948
<b>Total Tier 2 capital</b>	<b>7,541,677</b>	<b>7,793,948</b>
<b>Total capital funds</b>	<b>44,405,197</b>	<b>42,349,479</b>
<b>Total risk-weighted assets</b>	<b>215,199,705</b>	<b>234,279,885</b>

		Consolidated supervision	
	BOT's minimum requirement <sup>(1)</sup>	2022	2021
			BOT's minimum requirement <sup>(1)</sup>
			(%)
<b>Capital ratio</b>			
Total capital to total risk-weighted assets	11	20.63	18.08
Tier 1 capital to total risk-weighted assets	8.5	17.13	14.75
Tier 1 common equity to total risk-weighted assets	7	17.13	14.75
Tier 2 capital to total risk-weighted assets	-	3.50	3.33

<sup>(1)</sup> Includes capital conservation buffer as required by BOT commencing January 1, 2016

	Unit : Thousand Baht	
	The Bank	
	2022	2021
<b>Tier 1 capital</b>		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	20,107,099	20,081,600
Legal reserve	2,015,000	2,015,000
Retained earnings after appropriations	11,188,210	9,811,534
Other comprehensive income	133,983	316,297
Less Capital deduction items on CET1	(877,476)	(509,030)
<b>Total Tier 1 capital</b>	<b>32,566,816</b>	<b>31,715,401</b>

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	Unit : Thousand Baht The Bank	
	2022	2021
<b>Tier 2 capital</b>		
Subordinated debentures	5,000,000	5,000,000
Allowance for classified assets of “pass” category	2,036,704	2,295,401
<b>Total Tier 2 capital</b>	<b>7,036,704</b>	<b>7,295,401</b>
<b>Total capital funds</b>	<b>39,603,520</b>	<b>39,010,802</b>
<b>Total risk-weighted assets</b>	<b>170,403,066</b>	<b>190,253,366</b>

	BOT's minimum requirement <sup>(1)</sup>	The Bank		BOT's minimum requirement <sup>(1)</sup>	2021
		2022	(%)		
<b>Capital ratio</b>					
Total capital to total risk-weighted assets	11	23.24		11	20.50
Tier 1 capital to total risk-weighted assets	8.5	19.11		8.5	16.67
Tier 1 common equity to total risk-weighted assets	7	19.11		7	16.67
Tier 2 capital to total risk-weighted assets	-	4.13		-	3.83

<sup>(1)</sup> Includes capital conservation buffer as required by BOT commencing January 1, 2016

As disclosures of capital maintenance information under the Notification of The Bank of Thailand, the Public Disclosures of Capital Maintenance for Commercial Banks in accordance with the BOT's directive number Sor Nor Sor 14/2562 and the BOT's directive number Sor Nor Sor 15/2562, dated May 7, 2019, the Bank has made the Disclosures of Capital Maintenance and Information security risks for the Bank and financial group as at December 31, 2021 in the Bank's website, [www.icbcthai.com](http://www.icbcthai.com), under Financial Report section on April 30, 2022. The Bank will disclose the Capital Maintenance and Information security risks for the Bank and financial group as at December 31, 2022 within April 2023.

According to Bank of Thailand notification number For Gor Gor (12) Wor 1030/2562 dated July 10, 2019, the Bank is required to disclose regulatory capital and capital ratio after deducting capital add-on arising from Single Lending Limit. As at December 31, 2022 and 2021, the financial group and the Bank do not require to have capital add-on arising from Single Lending Limit.

*Capital management*

The primary objectives of the Bank's capital management are to support business growth and to maintain the capital adequacy ratio in accordance with Laws and the credit rating.

**7. ESTIMATE AND ASSUMPTION**

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the Bank and its subsidiaries' management to exercise various judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

## NOTES TO THE FINANCIAL STATEMENTS

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### 7.1 Impairment

The Bank and its subsidiaries' balance assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. The asset balances with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired (if any).

### 7.2 Recognition of deferred tax assets associated with tax losses carried forward

A deferred tax asset is recognised to the extent that it is probable that it will be utilised in the future and the Bank and its subsidiaries have assessed it to be probable that the Bank and its subsidiaries will generate taxable income sufficient to fully utilize the tax losses that exist.

### 7.3 Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions, including the discount rate. Any changes in these assumptions will have an impact on the carrying amount of such obligations.

The Bank and its subsidiaries determine the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the employee benefit obligations. In determining the appropriate discount rate, the Bank and its subsidiaries' considers the market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related obligations. Additional information is disclosed in Note 8.18.

Past service cost related to the plan amendment is recognised as an expense in the statement of profit or loss and other comprehensive income when the plan amendment is effective.

### 7.4 Significant increase in credit risk

As explained in Note 3.5, expected credit losses are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Bank and its subsidiaries take into account qualitative and quantitative reasonable and supportable forward-looking information.

### 7.5 Fair value measurements

Some of the Bank and its subsidiaries' assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Bank and its subsidiaries use market-observable data to the extent it is available. Where Level 1 inputs are not available, the Bank and its subsidiaries use other observable information either directly or indirectly.

Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 5.

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## 8. ADDITIONAL INFORMATION

## 8.1 Addition information of cash flows

8.1.1 Non-cash transactions for the years ended December 31, 2022 and 2021 are as follows:

	Consolidated		Unit : Million Baht The Bank	
	2022	2021	2022	2021
Properties for sale from debt repayment	831	669	-	-
Amortisation of deferred interest	841	936	175	175

8.1.2 Changes in liabilities arising from financing activities for the years ended December 31, 2022 and 2021 are as follows:

	Unit : Million Baht			
	Consolidated			
	Balance as at January 1, 2022	Financing cash flows <sup>(1)</sup>	Other changes <sup>(2)</sup>	Balance as at December 31, 2022
Debt issued and borrowings	48,644	(5,893)	2,784	45,535
Lease liabilities	469	(91)	58	436
<b>Total</b>	<b>49,113</b>	<b>(5,984)</b>	<b>2,842</b>	<b>45,971</b>

	Unit : Million Baht			
	Consolidated			
	Balance as at January 1, 2021	Financing cash flows <sup>(1)</sup>	Other changes <sup>(2)</sup>	Balance as at December 31, 2021
Debt issued and borrowings	44,551	3,341	752	48,644
Lease liabilities	294	(98)	273	469
<b>Total</b>	<b>44,845</b>	<b>3,243</b>	<b>1,025</b>	<b>49,113</b>

	Unit : Million Baht			
	The Bank			
	Balance as at January 1, 2022	Financing cash flows <sup>(1)</sup>	Other changes <sup>(2)</sup>	Balance as at December 31, 2022
Debt issued and borrowings	4,990	(175)	177	4,992
Lease liabilities	210	(48)	38	200
<b>Total</b>	<b>5,200</b>	<b>(223)</b>	<b>215</b>	<b>5,192</b>

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Unit : Million Baht				
	The Bank			
	Balance as at January 1, 2021	Financing cash flows <sup>(1)</sup>	Other changes <sup>(2)</sup>	Balance as at December 31, 2021
Debt issued and borrowings	4,988	(173)	175	4,990
Lease liabilities	241	(64)	33	210
<b>Total</b>	<b>5,229</b>	<b>(237)</b>	<b>208</b>	<b>5,200</b>

(1) Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

(2) Other changes were arisen from deferred interest expenses and accumulated amortisation of transaction costs relating to debentures.

### 8.1.3 Realised and unrealised gains (losses) on foreign exchange

In the preparation of cash flows statements, realised gains (losses) on foreign exchange are based on a cash basis. Unrealised gains (losses) on foreign exchange are based on the translation difference of assets and liabilities in foreign currencies as described in the accounting policies. It is presented as an adjustment to reconcile income before tax to cash received (paid) from operating activities.

## 8.2 Classification of financial assets and financial liabilities

Classification of financial assets and financial liabilities as at December 31, 2022 and 2021 consists of the following:

Unit : Million Baht					
	Consolidated 2022				
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Investments in equity instruments designated at FVOCI	Financial instruments measured at AMC	Total
<b>Financial assets</b>					
Cash	-	-	-	335	335
Interbank and money market items, net	-	-	-	42,547	42,547
Derivative assets	1,716	-	-	-	1,716
Investments, net	-	40,177	222	43,412	83,811
Loans to customers and accrued interest receivables, net	-	-	-	156,515	156,515
<b>Total</b>	<b>1,716</b>	<b>40,177</b>	<b>222</b>	<b>242,809</b>	<b>284,924</b>
<b>Financial liabilities</b>					
Deposit	-	-	-	162,982	162,982
Interbank and money market items	-	-	-	35,651	35,651
Liability payables on demand	-	-	-	129	129
Derivative liabilities	230	-	-	-	230
Debts issued and borrowings	-	-	-	45,535	45,535
Payables on credit support for derivative contracts	-	-	-	363	363
<b>Total</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>244,660</b>	<b>244,890</b>



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FOR THE YEAR ENDED DECEMBER 31, 2022

	Unit : Million Baht				
	Consolidated				
	2021				
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Investments in equity instruments designated at FVOCI	Financial instruments measured at AMC	Total
<i>Financial assets</i>					
Cash	-	-	-	340	340
Interbank and money market items, net	-	-	-	64,219	64,219
Derivative assets	404	-	-	-	404
Investments, net	-	38,262	496	36,812	75,570
Loans to customers and accrued interest receivables, net	-	-	-	158,744	158,744
Receivables on credit support for derivative contracts	-	-	-	86	86
<b>Total</b>	<b>404</b>	<b>38,262</b>	<b>496</b>	<b>260,201</b>	<b>299,363</b>
<i>Financial liabilities</i>					
Deposit	-	-	-	158,928	158,928
Interbank and money market items	-	-	-	53,634	53,634
Liability payables on demand	-	-	-	228	228
Derivative liabilities	752	-	-	-	752
Debts issued and borrowings	-	-	-	48,644	48,644
Payables on credit support for derivative contracts	-	-	-	46	46
<b>Total</b>	<b>752</b>	<b>-</b>	<b>-</b>	<b>261,480</b>	<b>262,232</b>
	Unit : Million Baht				
	The Bank				
	2022				
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Investments in equity instruments designated at FVOCI	Financial instruments measured at AMC	Total
<i>Financial assets</i>					
Cash	-	-	-	335	335
Interbank and money market items, net	-	-	-	41,969	41,969
Derivative assets	1,716	-	-	-	1,716
Investments, net	-	40,177	222	43,412	83,811
Loans to customers and accrued interest receivables, net	-	-	-	106,111	106,111
<b>Total</b>	<b>1,716</b>	<b>40,177</b>	<b>222</b>	<b>191,827</b>	<b>233,942</b>

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	Unit : Million Baht				
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	The Bank 2022 Investments in equity instruments designated at FVOCI	Financial instruments measured at AMC	Total
<b>Financial liabilities</b>					
Deposits	-	-	-	162,990	162,990
Interbank and money market items	-	-	-	34,361	34,361
Liability payables on demand	-	-	-	129	129
Derivative liabilities	230	-	-	-	230
Debts issued and borrowings	-	-	-	4,992	4,992
Payables on credit support for derivative contracts	-	-	-	363	363
<b>Total</b>	<b>230</b>	<b>-</b>	<b>-</b>	<b>202,835</b>	<b>203,065</b>

	Unit : Million Baht				
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	The Bank 2021 Investments in equity instruments designated at FVOCI	Financial instruments measured at AMC	Total
<b>Financial assets</b>					
Cash	-	-	-	339	339
Interbank and money market items, net	-	-	-	63,769	63,769
Derivative assets	404	-	-	-	404
Investments, net	-	38,262	496	36,812	75,570
Loans to customers and accrued interest receivables, net	-	-	-	107,455	107,455
Receivables on credit support for derivative contracts	-	-	-	86	86
<b>Total</b>	<b>404</b>	<b>38,262</b>	<b>496</b>	<b>208,461</b>	<b>247,623</b>

<b>Financial liabilities</b>					
Deposits	-	-	-	158,931	158,931
Interbank and money market items	-	-	-	53,384	53,384
Liability payables on demand	-	-	-	228	228
Derivative liabilities	752	-	-	-	752
Debts issued and borrowings	-	-	-	4,990	4,990
Payables on credit support for derivative contracts	-	-	-	46	46
<b>Total</b>	<b>752</b>	<b>-</b>	<b>-</b>	<b>217,579</b>	<b>218,331</b>

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## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

## 8.3 Interbank and money market items, net (assets)

Interbank and money market items, net (assets) as at December 31, 2022 and 2021 consists of the following:

	Consolidated		Unit : Thousand Baht The Bank	
	2022	2021	2022	2021
<b>Domestic items</b>				
Bank of Thailand	2,273,519	2,630,169	2,273,519	2,630,169
Commercial banks	13,270,723	34,300,806	12,784,557	33,942,416
Specialized financial institutions	13,482,267	14,680,635	13,480,000	14,680,000
Other financial institutions	4,829,062	3,473,850	4,829,062	3,473,850
<b>Total</b>	<b>33,855,571</b>	<b>55,085,460</b>	<b>33,367,138</b>	<b>54,726,435</b>
<u>Add</u> Accrued interest receivables and undue interest receivables	6,124	4,399	6,097	4,394
<u>Less</u> Allowance for expected credit loss	(1,547)	(13,328)	(1,547)	(13,328)
<b>Total domestic items, net</b>	<b>33,860,148</b>	<b>55,076,531</b>	<b>33,371,688</b>	<b>54,717,501</b>
<b>Foreign items</b>				
US Dollar	6,670,634	7,414,981	6,581,196	7,324,189
Renminbi	1,877,134	1,548,378	1,877,134	1,548,378
Euro	32,846	141,303	32,846	141,303
Hong Kong Dollar	5,464	29,569	5,464	29,569
Other currencies	58,679	65,453	58,679	65,453
<b>Total</b>	<b>8,644,757</b>	<b>9,199,684</b>	<b>8,555,319</b>	<b>9,108,892</b>
<u>Add</u> Accrued interest receivables and undue interest receivables	74,686	38,146	74,686	38,146
<u>Less</u> Allowance for expected credit loss	(32,807)	(95,279)	(32,807)	(95,279)
<b>Total foreign items, net</b>	<b>8,686,636</b>	<b>9,142,551</b>	<b>8,597,198</b>	<b>9,051,759</b>
<b>Total domestic and foreign items, net</b>	<b>42,546,784</b>	<b>64,219,082</b>	<b>41,968,886</b>	<b>63,769,260</b>

## 8.4. Derivatives

## 8.4.1 Derivatives held for trading

The fair value and the notional amount classified by types of risks as at December 31, 2022 and 2021 are as follows:

Types of risks	Unit : Thousand Baht					
	Consolidated			and the Bank		
	2022		Notional amount <sup>(1)</sup>	2021		Notional amount <sup>(1)</sup>
	Fair value Assets	Liabilities		Fair value Assets	Liabilities	
Foreign exchange	274,781	161,220	26,415,493	163,706	164,686	27,732,085
Interest rate	189,584	9,542	3,128,723	32,784	14,668	3,210,419
Foreign exchange and interest rate	-	-	-	39,758	134,070	6,642,546
<b>Total</b>	<b>464,365</b>	<b>170,762</b>	<b>29,544,216</b>	<b>236,248</b>	<b>313,424</b>	<b>37,585,050</b>

<sup>(1)</sup> Disclosed only in case that the Bank has the commitment on the payment side.

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Proportion of derivative trading transactions classified by types of counterparties are determined on the basis of the notional amount.

	Unit : Thousand Baht Consolidated and the Bank	
	2022	2021
Counterparties	(%)	
Financial institutions	98.62	98.10
Corporations	1.38	1.90
<b>Total</b>	<b>100.00</b>	<b>100.00</b>

### 8.4.2 Derivatives held for hedging

As at December 31, 2022 and 2021, fair value and notional amounts classified by type of risk are as follows:

Types of risks	Unit : Thousand Baht Consolidated and the Bank		
	2022		
	Fair value Assets	Fair value Liabilities	Notional Amount <sup>(1)</sup>
Interest rate			
- Fair value hedge	1,085,790	59,387	31,526,318
- Cash flow hedge	165,793	-	3,456,240
<b>Total</b>	<b>1,251,583</b>	<b>59,387</b>	<b>34,982,558</b>

(1) The value based on the contractual amount

Types of risks	Unit : Thousand Baht Consolidated and the Bank		
	2021		
	Fair value Assets	Fair value Liabilities	Notional Amount <sup>(1)</sup>
Interest rate			
- Fair value hedge	126,386	438,649	29,578,665
- Cash flow hedge	40,896	-	3,341,990
<b>Total</b>	<b>167,282</b>	<b>438,649</b>	<b>32,920,655</b>

(1) The value based on the contractual amount

### Hedge accounting methodology

#### Fair value hedge

The Bank uses interest rate swaps to hedge its exposure to changes in the fair values of fixed-rate investments in debt securities. The designated risk being hedged is the risk of changes in interest rate risk from fixed rate to floating rate. Hedged items are investments in debt securities and loans receivables where their fair value amount, attributable to the hedged risk as at December 31, 2022 and 2021 are Baht 30,878 million and Baht 29,789 million, respectively. These arose ineffectiveness which recognised loss in the profit or loss for the years ended December 31, 2022 and 2021 in amounted of Baht 0.62 million and Baht 0.10 million, respectively.

#### Cash flow hedge

The Bank uses interest rate swaps to hedge its exposure to variability in future cash flows attributable to movements in interest rates of USD borrowings. The designated risk being hedged is the risk of changes in interest rate risk from floating rate to fixed rate. Cash flow hedge reserve is cumulative amount of effective portion of fair value of hedging instruments for the consolidated and the Bank which is recognised as gain in other component of equity as at December 31, 2022 and 2021 in amount of Baht 158 million and Baht 41 million, respectively.

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Hedge accounting is applied where economic hedging relationships meet the hedge accounting criteria. In these hedging relationships, hedge effectiveness is assessed based on the following factors:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from the economic relationship.
- The hedge ratio of the hedging relationship is the same in the quantity.

The Bank establishes a hedge ratio by aligning the par amount of the fixed-rate investments in debt securities and the notional amount of the interest rate swap designated as a hedging instrument. The Bank applies the hedge ratio of 1:1.

## 8.5 Investments, net

8.5.1 Classified by types of investments as at December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht			
	Consolidated and the Bank		Consolidated and the Bank	
	2022		2021	
	AMC		AMC	
<i>Investments in debt instruments measured at AMC</i>				
Domestic private debt securities	27,662,943		12,169,770	
Foreign private debt securities	15,792,987		24,673,360	
	43,455,930		36,843,130	
<u>Less</u> Allowance for expected credit loss	(44,387)		(30,938)	
<b>Total</b>	<b>43,411,543</b>		<b>36,812,192</b>	
<i>Investments in debt instruments measured at FVOCI</i>				
	Fair value		Fair value	
Government and state enterprise securities	37,368,891		33,945,340	
Domestic private debt securities	2,120,375		2,177,005	
Foreign private debt securities	687,792		2,139,974	
<b>Total</b>	<b>40,177,058</b>		<b>38,262,319</b>	
<b>Allowance for expected credit loss</b>	<b>(2,785)</b>		<b>(3,397)</b>	

	Unit : Thousand Baht			
	Consolidated and the Bank		Consolidated and the Bank	
	2022		2021	
	Fair value	Dividend	Fair value	Dividend
<i>Investments in equity instruments designated at FVOCI</i>				
Domestic marketable equity instruments	214,655	9,796	488,969	6,626
Domestic non-marketable equity instruments	7,342	1,174	7,450	340
<b>Total</b>	<b>221,997</b>	<b>10,970</b>	<b>496,419</b>	<b>6,966</b>
<b>Total investment, net</b>	<b>83,810,598</b>		<b>75,570,930</b>	

As at December 31, 2022 and 2021, the investments in debt instruments measured at AMC are pledged as security on a contract for repurchase agreements in amount of Baht 4,784 million and Baht 7,583 million, respectively.

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### 8.6 Investments in subsidiaries, net

Investments in subsidiaries as at December 31, 2022 and 2021 are as follows:

Name of subsidiaries	Type of business	Ownership interest		Paid-up capital		Cost		Dividend income	
		2022	2021	2022	2021	2022	2021	2022	2021
		(%)		(in million Baht)		(in million Baht)		(in million Baht)	
<b>Direct subsidiary</b>									
ICBC (Thai) Leasing Company Limited <sup>(1)</sup>	Hire purchase, finance lease and factoring business	99.99	99.99	4,250	4,250	4,250	4,250	-	-
<b>Indirect subsidiaries</b>									
Sky High LI Leasing Designated Activity Company Limited <sup>(2)</sup>	Hire purchase business	99.99	99.99	-	-	-	-	-	-
ICBC (Thai) Insurance Broker Company Limited <sup>(1)</sup>	Life and non-life insurance brokers	99.99	99.99	6	6	-	-	-	-
<b>Total</b>						<b>4,250</b>	<b>4,250</b>	<b>-</b>	<b>-</b>

<sup>(1)</sup> The subsidiaries are incorporated in Thailand

<sup>(2)</sup> The subsidiary is incorporated in Ireland

### 8.7 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at December 31, 2022 and 2021 are as follows:

#### 8.7.1 Classified by types of loans

	Consolidated		Unit : Thousand Baht The Bank	
	2022	2021	2022	2021
Overdrafts	400,110	464,134	400,110	464,134
Loans	73,730,416	81,188,382	77,186,692	84,530,407
Notes receivables	20,892,738	19,012,314	24,227,738	19,060,314
Factoring receivables	9,439,449	8,181,862	8,132,916	6,574,855
Hire purchase receivables	54,655,469	51,856,176	-	-
Finance lease receivables	4,104,525	4,715,202	-	-
<b>Total loans to customers</b>	<b>163,222,707</b>	<b>165,418,070</b>	<b>109,947,456</b>	<b>110,629,710</b>
<b>Add</b> Accrued interest receivables and undue interest income	636,813	470,620	696,776	527,113
<b>Total loans to customers and accrued interest receivables</b>	<b>163,859,520</b>	<b>165,888,690</b>	<b>110,644,232</b>	<b>111,156,823</b>
<b>Less</b> Allowance for expected credit loss	(7,344,249)	(7,144,862)	(4,532,757)	(3,701,778)
<b>Loans to customers and accrued interest receivables, net</b>	<b>156,515,271</b>	<b>158,743,828</b>	<b>106,111,475</b>	<b>107,455,045</b>

As at December 31, 2022 and 2021, the Bank and its subsidiaries have hire purchase receivable as a corporate customer which operates in the infrastructure and services industry relating to transportation amounting to Baht 3,502 million and Baht 3,385 million, respectively. The Bank and its subsidiaries provide financial assistance to the customer in accordance with the relief measures of the Bank of Thailand. The customer has an aircraft which is a leased asset as a collateral under hire purchase contract. Moreover, the Bank and its subsidiaries record the allowance for expected credit loss of Baht 591 million and Baht 735 million, respectively and classified the customer in stage 2, in order to reflect credit risk of the customer according to current situation. The Amendment of rehabilitation plan of the such hire purchase receivable has already been approved in year 2022. The Bank and its subsidiaries are closely monitoring on such customer's performance.



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### 8.7.4 Classified by business types and stages

Unit : Thousand Baht				
Consolidated 2022				
	Stage 1 (Performing)	Stage 2 (Under- performing)	Stage 3 (Non- performing)	Total
Agriculture and mining	77,671	1,260	-	78,931
Manufacturing and commerce	51,244,053	2,066,110	26,144	53,336,307
Property development and construction	8,795,092	64,542	81,348	8,940,982
Infrastructure and services	40,249,847	4,803,736	105,152	45,158,735
Housing loans	8,452	1,520	-	9,972
Others <sup>(1)</sup>	49,123,349	5,874,853	699,578	55,697,780
<b>Total<sup>(2)</sup></b>	<b>149,498,464</b>	<b>12,812,021</b>	<b>912,222</b>	<b>163,222,707</b>

<sup>(1)</sup> Others consist of hire purchase and finance lease of subsidiaries.

<sup>(2)</sup> Total loans to customers refer to Note 8.7.1

Unit : Thousand Baht				
Consolidated 2021				
	Stage 1 (Performing)	Stage 2 (Under- performing)	Stage 3 (Non- performing)	Total
Agriculture and mining	1,750,213	1,260	-	1,751,473
Manufacturing and commerce	52,555,576	172,365	19,091	52,747,032
Property development and construction	12,910,484	17,961	136,996	13,065,441
Infrastructure and services	39,466,519	4,702,381	102,659	44,271,559
Housing loans	11,484	1,564	-	13,048
Others <sup>(1)</sup>	48,073,941	4,814,958	680,618	53,569,517
<b>Total<sup>(2)</sup></b>	<b>154,768,217</b>	<b>9,710,489</b>	<b>939,364</b>	<b>165,418,070</b>

<sup>(1)</sup> Others consist of hire purchase and finance lease of subsidiaries.

<sup>(2)</sup> Total loans to customers refer to Note 8.7.1

Unit : Thousand Baht				
The Bank 2022				
	Stage 1 (Performing)	Stage 2 (Under- performing)	Stage 3 (Non- performing)	Total
Agriculture and mining	77,671	1,260	-	78,931
Manufacturing and commerce	53,272,520	5,522,386	26,144	58,821,050
Property development and construction	8,795,092	64,542	81,348	8,940,982
Infrastructure and services	40,249,847	1,301,332	105,152	41,656,331
Housing loans	8,452	1,520	-	9,972
Others	436,059	2,552	1,579	440,190
<b>Total<sup>(1)</sup></b>	<b>102,839,641</b>	<b>6,893,592</b>	<b>214,223</b>	<b>109,947,456</b>

<sup>(1)</sup> Total loans to customers refer to Note 8.7.1

Unit : Thousand Baht				
The Bank 2021				
	Stage 1 (Performing)	Stage 2 (Under- performing)	Stage 3 (Non- performing)	Total
Agriculture and mining	1,750,213	1,260	-	1,751,473
Manufacturing and commerce	50,996,569	3,514,390	19,091	54,530,050
Property development and construction	12,910,484	17,961	136,996	13,065,441
Infrastructure and services	39,466,519	1,317,427	102,659	40,886,605
Housing loans	11,484	1,564	-	13,048
Others	379,835	2,200	1,058	383,093
<b>Total<sup>(1)</sup></b>	<b>105,515,104</b>	<b>4,854,802</b>	<b>259,804</b>	<b>110,629,710</b>

<sup>(1)</sup> Total loans to customers refer to Note 8.7.1

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## 8.7.5 Non-performing loans

As at December 31, 2022 and 2021, the Bank and its subsidiaries have non-performing loans (NPLs) in accordance with the BOT's Notification Sor.Nor.Sor. 23/2561, regarding the "Classification and provision criteria of financial institution", dated October 31, 2018 as follows:

	Consolidated		Unit : Thousand Baht The Bank	
	2022	2021	2022	2021
Non-performing loans (net of allowance for expected credit loss)	672,085	703,802	201,060	255,221
% of non-performing loans to total loans (net of allowance for expected credit loss) <sup>(1)</sup>	0.34	0.31	0.14	0.15
Non-performing loans (before deducting allowance for expected credit loss)	912,221	939,364	214,223	259,804
% of non-performing loans to total loans (before deducting allowance for expected credit loss) <sup>(1)</sup>	0.46	0.42	0.15	0.15

<sup>(1)</sup> The denominator includes loans to interbank and money market items.

## 8.7.6 Loans to subsidiaries

Company's name	Types of loans	Maturity	Interest rate		Amounts principal outstanding	
			2022	2021	2022	2021
			(% per annum)		(in million Baht)	
ICBC (Thai) Leasing Company Limited	Revolving loan	At call	1.40	1.10	335	48
	Term loan	2024	2.34 - 2.41	-	3,000	-
Sky High LI Leasing Designated Activity Company Limited	Term loan	2038	1 year USD Cost of fund+0.10	3-month LIBOR + 1.70	3,456	3,342
<b>Total</b>					<b>6,791</b>	<b>3,390</b>
<b>Less</b> Allowance for expected credit loss					(646)	(735)
<b>Net</b>					<b>6,145</b>	<b>2,655</b>

## 8.7.7 Modified loans to customers

During the years ended December 31, 2022 and 2021, the Bank and its subsidiaries have loans to customers that were modified while they had a loss allowance measured at an amount equal to lifetime ECL as follows:

	Unit: Million Baht Consolidated and the Bank	
	2022	2021
<b>Loans to customers modified during the years<sup>(1)</sup></b>		
Amortised cost before modification	1	1
Net modification loss	2	-

<sup>(1)</sup> This excluded loans to customers modified under relief program to customers who were affected from COVID-19 as mentioned in Note 8.35. There is no modification gain (loss) on these groups of customers.

As at December 31, 2022 and 2021, the Bank and its subsidiaries have no commitment to addition lending to customers after troubled debt restructurings.

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### 8.8 Allowance for expected credit losses

Movements of allowance for expected credit loss as at December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht			
	Consolidated			
	2022			
	Stage 1 (Performing)	Stage 2 (Under- performing)	Stage 3 (Non- performing)	Total
<b>Interbank and money market items</b>				
As at January 1, 2022	108,607	-	-	108,607
Changes from remeasurement of ECL	(11,203)	-	-	(11,203)
Purchased or acquired	6,548	-	-	6,548
Derecognition during the year	(69,598)	-	-	(69,598)
<b>As at December 31, 2022</b>	<b>34,354</b>	<b>-</b>	<b>-</b>	<b>34,354</b>
<b>Investments in debt instruments</b>				
As at January 1, 2022	33,321	1,014	-	34,335
Changes from remeasurement of ECL	(5,616)	-	-	(5,616)
Purchased or acquired	22,326	-	-	22,326
Derecognition during the year	(2,859)	(1,014)	-	(3,873)
<b>As at December 31, 2022</b>	<b>47,172</b>	<b>-</b>	<b>-</b>	<b>47,172</b>
<b>Loans to customers</b>				
As at January 1, 2022	4,074,006	2,835,294	235,562	7,144,862
Changes from stage reclassification	58,124	(116,313)	58,189	-
Changes from remeasurement of ECL	80,038	547	608,593	689,178
Acquired during the year	356,412	90,411	21,969	468,792
Derecognition	(202,146)	(72,259)	(40,208)	(314,613)
Write-off allowance for expected credit loss	-	-	(643,970)	(643,970)
<b>As at December 31, 2022</b>	<b>4,366,434</b>	<b>2,737,680</b>	<b>240,135</b>	<b>7,344,249</b>
<b>Loan commitments and financial guarantee contracts</b>				
As at January 1, 2022	256,537	3,958	22	260,517
Changes from stage reclassification	(592)	592	-	-
Changes from remeasurement of ECL	(51,025)	3,725	-	(47,300)
New loan commitments and financial guarantee contracts issued	43,755	4	-	43,759
Derecognition during the year	(25,228)	(912)	-	(26,140)
<b>As at December 31, 2022</b>	<b>223,447</b>	<b>7,367</b>	<b>22</b>	<b>230,836</b>

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FOR THE YEAR ENDED DECEMBER 31, 2022

	Unit : Thousand Baht			
	Consolidated			
	2021			
	Stage 1 (Performing)	Stage 2 (Under- performing)	Stage 3 (Non- performing)	Total
<b>Interbank and money market items</b>				
As at January 1, 2021	101,001	-	-	101,001
Changes from remeasurement of ECL	(6,151)	-	-	(6,151)
Purchased or acquired	34,083	-	-	34,083
Derecognition during the year	(20,326)	-	-	(20,326)
<b>As at December 31, 2021</b>	<b>108,607</b>	<b>-</b>	<b>-</b>	<b>108,607</b>
<b>Investments in debt instruments</b>				
As at January 1, 2021	33,774	-	-	33,774
Changes from stage reclassification	(2,023)	2,023	-	-
Changes from remeasurement of ECL	(510)	(1,009)	-	(1,519)
Purchased or acquired	11,117	-	-	11,117
Derecognition during the year	(9,037)	-	-	(9,037)
<b>As at December 31, 2021</b>	<b>33,321</b>	<b>1,014</b>	<b>-</b>	<b>34,335</b>
<b>Loans to customers</b>				
As at January 1, 2021	3,557,671	2,669,286	237,351	6,464,308
Changes from stage reclassification	117,389	(143,780)	26,391	-
Changes from remeasurement of ECL	126,908	323,887	511,175	961,970
Acquired during the year	571,427	58,083	13,492	643,002
Derecognition during the year	(299,389)	(72,182)	(50,593)	(422,164)
Write-off allowance for expected credit loss	-	-	(502,254)	(502,254)
<b>As at December 31, 2021</b>	<b>4,074,006</b>	<b>2,835,294</b>	<b>235,562</b>	<b>7,144,862</b>
<b>Loan commitments and financial guarantee contracts</b>				
As at January 1, 2021	287,656	6,041	22	293,719
Changes from stage reclassification	(30)	(3,139)	3,169	-
Changes from remeasurement of ECL	(86,015)	1,161	(3,169)	(88,023)
New loan commitments and financial guarantee contracts issued	114,354	22	-	114,376
Derecognition during the year	(59,428)	(127)	-	(59,555)
<b>As at December 31, 2021</b>	<b>256,537</b>	<b>3,958</b>	<b>22</b>	<b>260,517</b>

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	Unit : Thousand Baht			
	The Bank			
	2022			
	Stage 1 (Performing)	Stage 2 (Under- performing)	Stage 3 (Non- performing)	Total
<b>Interbank and money market items</b>				
As at January 1, 2022	108,607	-	-	108,607
Changes from remeasurement of ECL	(11,203)	-	-	(11,203)
Purchased or acquired	6,548	-	-	6,548
Derecognition during the year	(69,598)	-	-	(69,598)
<b>As at December 31, 2022</b>	<b>34,354</b>	<b>-</b>	<b>-</b>	<b>34,354</b>
<b>Investments in debt instruments</b>				
As at January 1, 2022	33,321	1,014	-	34,335
Changes from remeasurement of ECL	(5,616)	-	-	(5,616)
Purchased or acquired	22,326	-	-	22,326
Derecognition during the year	(2,859)	(1,014)	-	(3,873)
<b>As at December 31, 2022</b>	<b>47,172</b>	<b>-</b>	<b>-</b>	<b>47,172</b>
<b>Loans to customers</b>				
As at January 1, 2022	2,897,056	800,140	4,582	3,701,778
Changes from stage reclassification	(29,744)	26,282	3,462	-
Changes from remeasurement of ECL	781,038	(86,670)	14,288	708,656
Acquired during the period	296,772	21,730	614	319,116
Derecognition during the year	(170,662)	(16,349)	(2,167)	(189,178)
Write-off allowance for expected credit loss	-	-	(7,615)	(7,615)
<b>As at December 31, 2022</b>	<b>3,774,460</b>	<b>745,133</b>	<b>13,164</b>	<b>4,532,757</b>
<b>Loan commitments and financial guarantee contracts</b>				
As at January 1, 2022	256,537	3,958	22	260,517
Changes from stage reclassification	(592)	592	-	-
Changes from remeasurement of ECL	(51,025)	3,725	-	(47,300)
New loan commitments and financial guarantee contracts issued	43,755	4	-	43,759
Derecognition during the year	(25,228)	(912)	-	(26,140)
<b>As at December 31, 2022</b>	<b>223,447</b>	<b>7,367</b>	<b>22</b>	<b>230,836</b>

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FOR THE YEAR ENDED DECEMBER 31, 2022

Unit : Thousand Baht				
The Bank				
2021				
	Stage 1 (Performing)	Stage 2 (Under- performing)	Stage 3 (Non- performing)	Total
<b>Interbank and money market items</b>				
As at January 1, 2021	101,001	-	-	101,001
Changes from remeasurement of ECL	(6,151)	-	-	(6,151)
Purchased or acquired	34,083	-	-	34,083
Derecognition during the year	(20,326)	-	-	(20,326)
<b>As at December 31, 2022</b>	<b>108,607</b>	<b>-</b>	<b>-</b>	<b>108,607</b>
<b>Investments in debt instruments</b>				
As at January 1, 2021	33,774	-	-	33,774
Changes from stage reclassification	(2,023)	2,023	-	-
Changes from remeasurement of ECL	(510)	(1,009)	-	(1,519)
Purchased or acquired	11,117	-	-	11,117
Derecognition during the year	(9,037)	-	-	(9,037)
<b>As at December 31, 2021</b>	<b>33,321</b>	<b>1,014</b>	<b>-</b>	<b>34,335</b>
<b>Loans to customers</b>				
As at January 1, 2021	2,317,049	660,394	6,061	2,983,504
Changes from stage reclassification	(772)	(754)	1,526	-
Changes from remeasurement of ECL	337,386	147,488	55,474	540,348
Acquired during the year	504,321	15,236	318	519,875
Derecognition during the year	(260,928)	(22,224)	(730)	(283,882)
Write-off allowance for expected credit loss	-	-	(58,067)	(58,067)
<b>As at December 31, 2021</b>	<b>2,897,056</b>	<b>800,140</b>	<b>4,582</b>	<b>3,701,778</b>
<b>Loan commitments and financial guarantee contracts</b>				
As at January 1, 2021	287,656	6,041	22	293,719
Changes from stage reclassification	(30)	(3,139)	3,169	-
Changes from remeasurement of ECL	(86,015)	1,161	(3,169)	(88,023)
New loan commitments and financial guarantee contracts issued	114,354	22	-	114,376
Derecognition during the year	(59,428)	(127)	-	(59,555)
<b>As at December 31, 2021</b>	<b>256,537</b>	<b>3,958</b>	<b>22</b>	<b>260,517</b>

## 8.9 Hire purchase and financial lease receivables

As at December 31, 2022 and 2021, the subsidiaries had net hire purchase and finance lease receivables, which are hire purchase or finance lease contracts for motor vehicles, aircrafts, machinery and equipment for businesses. The terms of the contracts are between 1 to 21 years and the interest is charged at floating or fixed rates as specified in the contracts.

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Unit : Million Baht				
Consolidated				
2022				
	Periods due for payments			Total
	Less than 1 year	1 - 5 years	Over 5 years	
Total of gross investments in the lease	16,393	42,676	7,685	66,754
<u>Less</u> Deferred revenue <sup>(1)</sup>	(2,491)	(4,422)	(1,081)	(7,994)
Present value of the minimum lease payments	13,902	38,254	6,604	58,760
<u>Less</u> Allowance for expected credit loss				(2,807)
<b>Hire purchase and finance lease receivables, net</b>				<b>55,953</b>

<sup>(1)</sup> Net of commission and initial direct expense incurred at the inception of contracts.

Unit : Million Baht				
Consolidated				
2021				
	Periods due for payments			Total
	Less than 1 year	1 - 5 years	Over 5 years	
Total of gross investments in the lease	14,537	41,173	7,493	63,203
<u>Less</u> Deferred revenue <sup>(1)</sup>	(2,275)	(4,108)	(248)	(6,631)
Present value of the minimum lease payments	12,262	37,065	7,245	56,572
<u>Less</u> Allowance for expected credit loss				(3,407)
<b>Hire purchase and finance lease receivables, net</b>				<b>53,165</b>

<sup>(1)</sup> Net of commission and initial direct expense incurred at the inception of contracts.

### 8.10 Properties foreclosed, net

The majority of properties foreclosed are from auction bidding and settlement of debts by the restructured debtors.

The details of properties foreclosed as at December 31, 2022 and 2021 are as follows:

Unit : Thousand Baht					
Consolidated					
2022					
Types of properties foreclosed	Beginning balance	Additions	Disposals	Ending balance	Portion subject to disposal restrictions, buy-back rights or first refusal rights
<b>Assets transferred in settlement of debts</b>					
-Immovable properties	361,637	-	(54,342)	307,295 <sup>(1)</sup>	-
-Movable assets	110,714	830,846	(771,033)	170,527	-
<b>Total</b>	<b>472,351</b>	<b>830,846</b>	<b>(825,375)</b>	<b>477,822</b>	<b>-</b>
<b>Assets from auction bidding</b>					
-Immovable properties	78,710	-	(29,800)	48,910	-
-Movable assets	8,540	-	-	8,540	-
<b>Total</b>	<b>87,250</b>	<b>-</b>	<b>(29,800)</b>	<b>57,450</b>	<b>-</b>
<b>Total properties foreclosed</b>	<b>559,601</b>	<b>830,846</b>	<b>(855,175)</b>	<b>535,272</b>	<b>-</b>
<u>Less</u> Allowance for impairment	(415,039)	(240,547)	276,694	(378,892)	-
<b>Total properties foreclosed, net</b>	<b>144,562</b>	<b>590,299</b>	<b>(578,481)</b>	<b>156,380</b>	<b>-</b>

<sup>(1)</sup> As at December 31, 2022 the value of immovable assets acquired from debt settlement was appraised by external appraisers and internal appraisers in the amount of Baht 217 million and Baht 90 million, respectively.



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					Unit : Thousand Baht
Types of properties foreclosed	Beginning balance	Additions	Consolidated 2021		Portion subject to disposal restrictions, buy-back rights or first refusal rights
			Disposals	Ending balance	
Assets transferred in settlement of debts					
- Immovable properties	661,484	-	(299,847)	361,637 <sup>(1)</sup>	29,146
- Movable assets	135,653	668,823	(693,762)	110,714	-
Total	797,137	668,823	(993,609)	472,351	29,146
Assets from auction bidding					
- Immovable properties	83,320	-	(4,610)	78,710	-
- Movable assets	8,540	-	-	8,540	-
Total	91,860	-	(4,610)	87,250	-
Total properties foreclosed	888,997	668,823	(998,219)	559,601	29,146
Less Allowance for impairment	(580,659)	(340,090)	505,710	(415,039)	(29,146)
Total properties foreclosed, net	308,338	328,733	(492,509)	144,562	-

<sup>(1)</sup> As at December 31, 2021 the value of immovable assets acquired from debt settlement was appraised by external appraisers and internal appraisers in the amount of Baht 223 million and Baht 139 million, respectively.

					Unit : Thousand Baht
Types of properties foreclosed	Beginning balance	Additions	The Bank 2022		Portion subject to disposal restrictions, buy-back rights or first refusal rights
			Disposals	Ending balance	
Assets transferred in settlement of debts					
- Immovable properties	361,636	-	(54,342)	307,294 <sup>(1)</sup>	-
Total	361,636	-	(54,342)	307,294	-
Assets from auction bidding					
- Immovable properties	78,710	-	(29,800)	48,910	-
- Movable assets	8,540	-	-	8,540	-
Total	87,250	-	(29,800)	57,450	-
Total properties foreclosed	448,886	-	(84,142)	364,744	-
Less Allowance for impairment	(385,562)	(9,533)	72,471	(322,624)	-
Total properties foreclosed, net	63,324	(9,533)	(11,671)	42,120	-

<sup>(1)</sup> As at December 31, 2022 the value of immovable assets acquired from debt settlement was appraised by external appraisers and internal appraisers in the amount of Baht 217 million and Baht 90 million, respectively.

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FOR THE YEAR ENDED DECEMBER 31, 2022

The Bank 2021					Unit : Thousand Baht
Types of properties foreclosed	Beginning balance	Additions	Disposals	Ending balance	Portion subject to disposal restrictions, buy-back rights or first refusal rights
Assets transferred in settlement of debts					
- Immovable properties	661,483	-	(299,847)	361,636 <sup>(1)</sup>	29,146
Total	661,483	-	(299,847)	361,636	29,146
Assets from auction bidding					
- Immovable properties	83,320	-	(4,610)	78,710	-
- Movable assets	8,540	-	-	8,540	-
Total	91,860	-	(4,610)	87,250	-
Total properties foreclosed	753,343	-	(304,457)	448,886	29,146
Less Allowance for impairment	(533,888)	(122,052)	270,378	(385,562)	(29,146)
Total properties foreclosed, net	219,455	(122,052)	(34,079)	63,324	-

<sup>(1)</sup> As at December 31, 2021 the value of immovable assets acquired from debt settlement was appraised by external appraisers and internal appraisers in the amount of Baht 223 million and Baht 139 million, respectively.

### 8.11 Premised and equipment, net

Premised and equipment, net as at December 31, 2022 and 2021 are as follows:

Unit: Thousand Baht					
	Balance as at January 1, 2022	Additions	Consolidated Disposals/ decrease	Transfer in/ (Transfer out) adjustment	Balance as at December 31, 2022
<b>Cost</b>					
Land	8,500	-	-	-	8,500
Buildings and buildings improvement	6,892	-	-	-	6,892
Right-of-use assets	735,295	82,763	(136,057)	-	682,001
Furniture, fixtures and office equipment	664,952	35,518	(86,581)	76,095	689,984
Motor vehicles	88,002	5,144	(8,376)	-	84,770
<b>Total cost</b>	<b>1,503,641</b>	<b>123,425</b>	<b>(231,014)</b>	<b>76,095</b>	<b>1,472,147</b>
<b>Accumulated depreciation</b>					
Buildings and buildings improvement	(2,513)	(201)	-	-	(2,714)
Right-of-use assets	(183,542)	(111,277)	122,758	-	(172,061)
Furniture, fixtures and office equipment	(563,874)	(57,468)	83,915	-	(537,427)
Motor vehicles	(72,905)	(7,871)	8,376	-	(72,400)
<b>Total accumulated depreciation</b>	<b>(822,834)</b>	<b>(176,817)</b>	<b>215,049</b>	<b>-</b>	<b>(784,602)</b>
<b>Total premised and Equipment</b>	<b>680,807</b>	<b>(53,392)</b>	<b>(15,965)</b>	<b>76,095</b>	<b>687,545</b>
Furniture fixture and office equipment under installation	19,319	63,917	-	(76,095)	7,141
<b>Total premised and equipment, net</b>	<b>700,126</b>	<b>10,525</b>	<b>(15,965)</b>	<b>-</b>	<b>694,686</b>

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Unit: Thousand Baht					
	Balance as at January 1, 2021	Additions	Consolidated Disposals/ Decrease	Transfer in (Transfer out) adjustment	Balance as at December 31, 2021
<b>Cost</b>					
Land	8,500	-	-	-	8,500
Buildings and buildings improvement	6,892	-	-	-	6,892
Right-of-use assets	487,492	267,611	(19,808)	-	735,295
Furniture, fixtures and office equipment	656,418	21,419	(18,070)	5,185	664,952
Motor vehicles	88,002	-	-	-	88,002
<b>Total cost</b>	<b>1,247,304</b>	<b>289,030</b>	<b>(37,878)</b>	<b>5,185</b>	<b>1,503,641</b>
<b>Accumulated depreciation</b>					
Buildings and buildings improvement	(2,310)	(203)	-	-	(2,513)
Right-of-use assets	(97,342)	(102,301)	16,101	-	(183,542)
Furniture, fixtures and office equipment	(518,713)	(63,227)	18,066	-	(563,874)
Motor vehicles	(63,424)	(9,481)	-	-	(72,905)
<b>Total accumulated depreciation</b>	<b>(681,789)</b>	<b>(175,212)</b>	<b>34,167</b>	<b>-</b>	<b>(822,834)</b>
<b>Total premised and Equipment</b>	<b>565,515</b>	<b>113,818</b>	<b>(3,711)</b>	<b>5,185</b>	<b>680,807</b>
Furniture fixture and office equipment under installation	-	24,504	-	(5,185)	19,319
<b>Total premised and equipment, net</b>	<b>565,515</b>	<b>138,322</b>	<b>(3,711)</b>	<b>-</b>	<b>700,126</b>
<b>Depreciation for the years ended December 31,</b>					
2022				Thousand Baht	<b>176,817</b>
2021				Thousand Baht	<b>175,212</b>

As at December 31, 2022 and 2021, the Bank and its subsidiaries had no motor vehicles under financial leases agreement. The gross amount of the Bank and its subsidiaries fully depreciated equipment that was still in use as at December 31, 2022 and 2021 amounting to Baht 460 million and Baht 482 million, respectively.

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Unit: Thousand Baht					
	Balance as at January 1, 2022	Additions	The Bank Disposals/ decrease	Transfer in/ (Transfer out) adjustment	Balance as at December 31, 2022
<b>Cost</b>					
Land	8,500	-	-	-	8,500
Buildings and buildings improvement	6,892	-	-	-	6,892
Right-of-use assets	413,243	56,900	(69,222)	-	400,921
Furniture, fixtures and office equipment	506,518	22,740	(9,224)	30,333	550,367
Motor vehicles	67,438	5,144	(6,878)	-	65,704
<b>Total cost</b>	<b>1,002,591</b>	<b>84,784</b>	<b>(85,324)</b>	<b>30,333</b>	<b>1,032,384</b>
<b>Accumulated depreciation</b>					
Buildings and buildings improvement	(2,513)	(203)	-	-	(2,716)
Right-of-use assets	(118,853)	(66,781)	57,029	-	(128,605)
Furniture, fixtures and office equipment	(430,158)	(37,060)	9,220	-	(457,998)
Motor vehicles	(54,088)	(7,264)	6,878	-	(54,474)
<b>Total accumulated depreciation</b>	<b>(605,612)</b>	<b>(111,308)</b>	<b>73,127</b>	<b>-</b>	<b>(643,793)</b>
<b>Total premised and Equipment</b>	<b>396,979</b>	<b>(26,524)</b>	<b>(12,197)</b>	<b>30,333</b>	<b>388,591</b>
Furniture fixture and office equipment under installation	9,716	25,890	-	(30,333)	5,273
<b>Total premised and equipment, net</b>	<b>406,695</b>	<b>(634)</b>	<b>(12,197)</b>	<b>-</b>	<b>393,864</b>

Unit: Thousand Baht					
	Balance as at January 1, 2021	Additions	The Bank Disposals/ decrease	Transfer in (Transfer out) adjustment	Balance as at December 31, 2021
<b>Cost</b>					
Land	8,500	-	-	-	8,500
Buildings and buildings improvement	6,892	-	-	-	6,892
Right-of-use assets	402,483	26,107	(15,347)	-	413,243
Furniture, fixtures and office equipment	504,023	10,274	(12,488)	4,709	506,518
Motor vehicles	67,438	-	-	-	67,438
<b>Total cost</b>	<b>989,336</b>	<b>36,381</b>	<b>(27,835)</b>	<b>4,709</b>	<b>1,002,591</b>
<b>Accumulated depreciation</b>					
Buildings and buildings improvement	(2,310)	(203)	-	-	(2,513)
Right-of-use assets	(63,832)	(70,111)	15,090	-	(118,853)
Furniture, fixtures and office equipment	(404,645)	(37,997)	12,484	-	(430,158)
Motor vehicles	(45,213)	(8,875)	-	-	(54,088)
<b>Total accumulated depreciation</b>	<b>(516,000)</b>	<b>(117,186)</b>	<b>27,574</b>	<b>-</b>	<b>(605,612)</b>
<b>Total premised and Equipment</b>	<b>473,336</b>	<b>(80,805)</b>	<b>(261)</b>	<b>4,709</b>	<b>396,979</b>
Furniture fixture and office equipment under installation	-	14,425	-	(4,709)	9,716
<b>Total premised and equipment, net</b>	<b>473,336</b>	<b>(66,380)</b>	<b>(261)</b>	<b>-</b>	<b>406,695</b>

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**Depreciation for the years ended December 31,**

2022	Thousand Baht	<b>111,308</b>
2021	Thousand Baht	<b>117,186</b>

As at December 31, 2022 and 2021, the Bank had no motor vehicles acquired under financial leases. The gross amount of the Bank's fully depreciated equipment that was still in use as at December 31, 2022 and 2021 amounting to Baht 406 million and Baht 366 million, respectively.

**8.12 Intangible assets, net**

Intangible assets, net as at December 31, 2022 and 2021 are as follows:

Unit: Thousand Baht					
	Balance as at January 1, 2022	Additions	Consolidated Disposals/ decrease	Transfer in/ (transfer out)/ adjustment	Balance as at December 31, 2022
<b>Cost</b>					
Computer software	106,667	9,572	(1,968)	21,221	135,492
Related customer relationship fee	26,750	-	-	-	26,750
<b>Total cost</b>	<b>133,417</b>	<b>9,572</b>	<b>(1,968)</b>	<b>21,221</b>	<b>162,242</b>
<b>Accumulated amortisation</b>					
Computer software	(80,008)	(6,749)	-	-	(86,757)
Related customer relationship fee	(23,994)	(2,520)	-	-	(26,514)
<b>Total accumulated amortization</b>	<b>(104,002)</b>	<b>(9,269)</b>	<b>-</b>	<b>-</b>	<b>(113,271)</b>
<b>Total intangible assets</b>	<b>29,415</b>	<b>303</b>	<b>(1,968)</b>	<b>21,221</b>	<b>48,971</b>
Computer software under installation	6,127	15,328	-	(21,305)	150
<b>Total intangible assets, net</b>	<b>35,542</b>	<b>15,631</b>	<b>(1,968)</b>	<b>(84)</b>	<b>49,121</b>

Unit : Thousand Baht					
	Balance as at January 1, 2021	Additions	Consolidated Disposals/ decrease	Transfer in/ (Transfer out)/ adjustment	Balance as at December 31, 2021
<b>Cost</b>					
Computer software	100,866	5,243	-	558	106,667
Related customer relationship fee	26,750	-	-	-	26,750
<b>Total cost</b>	<b>127,616</b>	<b>5,243</b>	<b>-</b>	<b>558</b>	<b>133,417</b>
<b>Accumulated amortisation</b>					
Computer software	(75,006)	(5,002)	-	-	(80,008)
Related customer relationship fee	(21,321)	(2,673)	-	-	(23,994)
<b>Total accumulated amortization</b>	<b>(96,327)</b>	<b>(7,675)</b>	<b>-</b>	<b>-</b>	<b>(104,002)</b>
<b>Total intangible assets</b>	<b>31,289</b>	<b>(2,432)</b>	<b>-</b>	<b>558</b>	<b>29,415</b>
Computer software under installation	4,720	1,965	-	(558)	6,127
<b>Total intangible assets, net</b>	<b>36,009</b>	<b>(467)</b>	<b>-</b>	<b>-</b>	<b>35,542</b>

**Amortization for the years ended December 31,**

2022	Thousand Baht	<b>9,269</b>
2021	Thousand Baht	<b>7,675</b>

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Unit : Thousand Baht					
	Balance as at January 1, 2022	Additions	The Bank Disposals/ decrease	Transfer in/ (transfer out)/ adjustment	Balance as at December 31, 2022
<b>Cost</b>					
Computer software	55,492	9,522	-	11,796	76,810
Related customer relationship fee	26,750	-	-	-	26,750
<b>Total cost</b>	<b>82,242</b>	<b>9,522</b>	<b>-</b>	<b>11,796</b>	<b>103,560</b>
<b>Accumulated amortisation</b>					
Computer software	(40,775)	(4,334)	-	-	(45,109)
Related customer relationship fee	(23,994)	(2,520)	-	-	(26,514)
<b>Total accumulated amortization</b>	<b>(64,769)</b>	<b>(6,854)</b>	<b>-</b>	<b>-</b>	<b>(71,623)</b>
<b>Total intangible assets</b>	<b>17,473</b>	<b>2,668</b>	<b>-</b>	<b>11,796</b>	<b>31,937</b>
Computer software under installation	-	11,796	-	(11,796)	-
<b>Total intangible assets, net</b>	<b>17,473</b>	<b>14,464</b>	<b>-</b>	<b>-</b>	<b>31,937</b>

Unit : Thousand Baht					
	Balance as at January 1, 2021	Additions	The Bank Disposals/ decrease	Transfer in/ (transfer out)/ adjustment	Balance as at December 31, 2021
<b>Cost</b>					
Computer software	55,492	-	-	-	55,492
Related customer relationship fee	26,750	-	-	-	26,750
<b>Total cost</b>	<b>82,242</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,242</b>
<b>Accumulated amortisation</b>					
Computer software	(37,543)	(3,232)	-	-	(40,775)
Related customer relationship fee	(21,321)	(2,673)	-	-	(23,994)
<b>Total accumulated amortization</b>	<b>(58,864)</b>	<b>(5,905)</b>	<b>-</b>	<b>-</b>	<b>(64,769)</b>
<b>Total intangible assets, net</b>	<b>23,378</b>	<b>(5,905)</b>	<b>-</b>	<b>-</b>	<b>17,473</b>

### Amortization for the years ended December 31,

2022

Thousand Baht 6,854

2021

Thousand Baht 5,905

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## 8.13 Deferred tax

Deferred tax assets and liabilities as at December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht	
	Consolidated	
	2022	2021
Deferred tax assets	1,820,467	1,735,072
Deferred tax liabilities	(705,501)	(825,031)
<b>Net</b>	<b>1,114,966</b>	<b>910,041</b>

	Unit : Thousand Baht	
	The Bank	
	2022	2021
Deferred tax assets	908,737	622,162
Deferred tax liabilities	(63,198)	(130,605)
<b>Net</b>	<b>845,539</b>	<b>491,557</b>

Movements in total deferred tax assets and liabilities during the years are as follows:

Unit : Thousand Baht					
	As at January 1, 2022	Consolidated (Charged) / Credited to:		Exchange differences	As at December 31, 2022
		Profit or loss	Other comprehensive income		
<i>Deferred tax assets</i>					
Interbank and money market items	195	17	-		212
Derivative assets	104,155	(47,790)	-	-	56,365
Investments	14,011	231,821	(45,243)	-	200,589
Loans to customers and accrued interest receivables	402,699	(80,833)	-	-	321,866
Allowance for expected credit loss	457,219	156,775	-	-	613,994
Properties foreclosed	83,007	(7,230)	-	-	75,777
Other assets	475,250	(105,537)	-	-	369,713
Provisions	123,206	216	(4,032)	-	119,390
Other liabilities	41,076	6,154	-	89	47,319
Loss carry forward	34,254	(20,625)	-	1,613	15,242
<b>Total</b>	<b>1,735,072</b>	<b>132,968</b>	<b>(49,275)</b>	<b>1,702</b>	<b>1,820,467</b>
<i>Deferred tax liabilities</i>					
Investments	(122,408)	122	90,670	-	(31,616)
Loans to customers and accrued interest receivables	(690,119)	51,356	-	-	(638,763)
Deferred direct costs of debentures	(4,307)	767	-	-	(3,540)
Others	(8,197)	-	(23,385)	-	(31,582)
<b>Total</b>	<b>(825,031)</b>	<b>52,245</b>	<b>67,285</b>	<b>-</b>	<b>(705,501)</b>
<b>Net</b>	<b>910,041</b>	<b>185,213</b>	<b>18,010</b>	<b>1,702</b>	<b>1,114,966</b>



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## NOTES TO THE FINANCIAL STATEMENTS

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Unit : Thousand Baht					
	Consolidated (Charged) / Credited to:				
	As at January 1, 2021	Profit or loss	Other comprehensive income	Exchange differences	As at December 31, 2021
<b>Deferred tax assets</b>					
Interbank and money market items	107	88	-	-	195
Derivative assets	131,600	(27,445)	-	-	104,155
Investments	12,690	1,321	-	-	14,011
Loans to customers and accrued interest receivables	525,210	(122,511)	-	-	402,699
Allowance for expected credit loss	285,608	171,611	-	-	457,219
Properties foreclosed	116,132	(33,125)	-	-	83,007
Other assets	605,174	(129,924)	-	-	475,250
Provisions	132,825	3,209	(13,092)	264	123,206
Other liabilities	40,448	628	-	-	41,076
Loss carry forward	64	30,758	-	3,432	34,254
Others	859	-	(859)	-	-
<b>Total</b>	<b>1,850,717</b>	<b>(105,390)</b>	<b>(13,951)</b>	<b>3,696</b>	<b>1,735,072</b>
<b>Deferred tax liabilities</b>					
Investments	(208,323)	110,677	(24,762)	-	(122,408)
Loans to customers and accrued interest receivables	(712,796)	22,677	-	-	(690,119)
Deferred direct costs of debentures	(5,152)	845	-	-	(4,307)
Others	-	-	(8,197)	-	(8,197)
<b>Total</b>	<b>(926,271)</b>	<b>134,199</b>	<b>(32,959)</b>	<b>-</b>	<b>(825,031)</b>
<b>Net</b>	<b>924,446</b>	<b>28,809</b>	<b>(46,910)</b>	<b>3,696</b>	<b>910,041</b>

Unit : Thousand Baht				
	The Bank (Charged) / Credited to:			
	As at January 1, 2022	Profit or loss	Other comprehensive income	As at December 31, 2022
<b>Deferred tax assets</b>				
Interbank and money market items	195	17	-	212
Derivative assets	104,155	(47,790)	-	56,365
Investments	14,011	231,821	(45,243)	200,589
Loans to customers and accrued interest receivables	17,816	8,102	-	25,918
Allowance for expected credit loss	295,626	151,606	-	447,232
Properties foreclosed	77,112	(12,588)	-	64,524
Other assets	1,119	1,469	-	2,588
Provisions	108,302	(1,541)	(1,612)	105,149
Other liabilities	3,826	2,334	-	6,160
<b>Total</b>	<b>622,162</b>	<b>333,430</b>	<b>(46,855)</b>	<b>908,737</b>
<b>Deferred tax liabilities</b>				
Investments	(122,408)	123	90,669	(31,616)
Others	(8,197)	-	(23,385)	(31,582)
<b>Total</b>	<b>(130,605)</b>	<b>123</b>	<b>67,284</b>	<b>(63,198)</b>
<b>Net</b>	<b>491,557</b>	<b>333,553</b>	<b>20,429</b>	<b>845,539</b>

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Unit : Thousand Baht				
		The Bank		
	As at January 1, 2021	(Charged) / Credited to:		As at December 31, 2021
		Profit or loss	Other comprehensive income	
<i>Deferred tax assets</i>				
Interbank and money market items	107	88	-	195
Derivative assets	131,600	(27,445)	-	104,155
Investments	12,690	1,321	-	14,011
Loans to customers and accrued interest receivables	15,607	2,209	-	17,816
Allowance for expected credit loss	170,605	125,021	-	295,626
Properties foreclosed	106,778	(29,666)	-	77,112
Other assets	445	674	-	1,119
Provisions	119,942	2,048	(13,688)	108,302
Other liabilities	3,372	454	-	3,826
Others	859	-	(859)	-
<b>Total</b>	<b>562,005</b>	<b>74,704</b>	<b>(14,547)</b>	<b>622,162</b>
<i>Deferred tax liabilities</i>				
Investments	(208,323)	110,677	(24,762)	(122,408)
Others	-	-	(8,197)	(8,197)
<b>Total</b>	<b>(208,323)</b>	<b>110,677</b>	<b>(32,959)</b>	<b>(130,605)</b>
<b>Net</b>	<b>353,682</b>	<b>185,381</b>	<b>(47,506)</b>	<b>491,557</b>

## 8.14 Other assets, net

Other assets, net as at December 31, 2022 and 2021 are as follows:

	Consolidated		Unit : Thousand Baht The Bank	
	2022	2021	2022	2021
Prepaid expenses	31,939	17,529	29,212	11,096
Deposit	28,585	31,348	17,462	13,255
Advance payment	523	551	512	519
Others	2,059	2,389	1,439	1,860
<b>Total</b>	<b>63,106</b>	<b>51,817</b>	<b>48,625</b>	<b>26,730</b>

## 8.15 Deposits

Deposit as at December 31, 2022 and 2021 are as follows:

## 8.15.1 Classified by types of deposits

	Consolidated		Unit : Thousand Baht The Bank	
	2022	2021	2022	2021
Demand	17,427,998	13,718,351	17,427,998	13,718,574
Savings	29,888,961	25,674,935	29,896,960	25,677,504
Fixed				
- Less than 6 months	60,653,121	34,154,392	60,653,121	34,154,392
- 6 months and less than 1 year	27,798,931	40,249,050	27,798,931	40,249,050
- 1 year and over	27,212,589	45,131,752	27,212,589	45,131,753
<b>Total</b>	<b>162,981,600</b>	<b>158,928,480</b>	<b>162,989,599</b>	<b>158,931,273</b>

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### 8.15.2 Classified by currencies and residences of depositors

		<b>Consolidated</b>			<b>Unit : Thousand Baht</b>	
	<b>Domestic</b>	<b>2022 Foreign</b>	<b>Total</b>	<b>Domestic</b>	<b>2021 Foreign</b>	<b>Total</b>
Baht	149,062,134	4,335,342	153,397,476	145,867,118	4,593,579	150,460,697
US Dollar	5,993,721	231,349	6,225,070	4,825,757	266,991	5,092,748
Renminbi	2,411,807	660,208	3,072,015	2,481,968	690,192	3,172,160
Other currencies	281,848	5,191	287,039	198,178	4,697	202,875
<b>Total</b>	<b>157,749,510</b>	<b>5,232,090</b>	<b>162,981,600</b>	<b>153,373,021</b>	<b>5,555,459</b>	<b>158,928,480</b>

		<b>The Bank</b>			<b>Unit : Thousand Baht</b>	
	<b>Domestic</b>	<b>2022 Foreign</b>	<b>Total</b>	<b>Domestic</b>	<b>2021 Foreign</b>	<b>Total</b>
Baht	149,070,133	4,335,342	153,405,475	145,869,911	4,593,579	150,463,490
US Dollar	5,993,721	231,349	6,225,070	4,825,757	266,991	5,092,748
Renminbi	2,411,807	660,208	3,072,015	2,481,968	690,192	3,172,160
Other currencies	281,848	5,191	287,039	198,178	4,697	202,875
<b>Total</b>	<b>157,757,509</b>	<b>5,232,090</b>	<b>162,989,599</b>	<b>153,375,814</b>	<b>5,555,459</b>	<b>158,931,273</b>

### 8.16 Interbank and money market items (liabilities)

Interbank and money market items (liabilities) as at December 31, 2022 and 2021 are as follows:

		<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
		<b>2022</b>	<b>2021</b>	<b>The Bank</b>	<b>2021</b>
<b>Domestic items</b>					
Bank of Thailand		101,200	470,100	101,200	470,100
Commercial banks		4,507,858	916,849	3,217,857	666,849
Specialised financial institutions		60,182	215,131	60,182	215,131
Other financial institutions		1,001,323	1,375,880	1,001,323	1,375,880
<b>Total domestic items</b>		<b>5,670,563</b>	<b>2,977,960</b>	<b>4,380,562</b>	<b>2,727,960</b>
<b>Foreign items</b>					
US Dollar		24,586,842	33,355,436	24,586,842	33,355,435
Renminbi		3,732,691	2,215,671	3,732,691	2,215,671
Euro		1,228,562	14,299,982	1,228,562	14,299,982
Japan Yen		-	639,405	-	639,405
Thai Baht		432,087	145,906	432,088	145,907
<b>Total foreign items</b>		<b>29,980,182</b>	<b>50,656,400</b>	<b>29,980,183</b>	<b>50,656,400</b>
<b>Total domestic and foreign items</b>		<b>35,650,745</b>	<b>53,634,360</b>	<b>34,360,745</b>	<b>53,384,360</b>

### 8.17 Debt issued and borrowings

Debt issued and borrowings as at December 31, 2022 and 2021 are as follows:

		<b>Consolidated</b>			<b>2021</b>		
	<b>Maturity</b>	<b>Interest rate</b>	<b>Amount</b>	<b>Maturity</b>	<b>Interest rate</b>	<b>Amount</b>	
		<b>(%)</b>	<b>(Thousand Baht)</b>		<b>(%)</b>	<b>(Thousand Baht)</b>	
Unsecured debentures	2023 - 2026	0.86 - 3.00	40,543,352	2022 - 2026	0.66 - 2.74	43,653,889	
Subordinated debentures <sup>(1)</sup>	2028	3.50	4,991,646	2028	3.50	4,990,190	
<b>Total</b>			<b>45,534,998</b>			<b>48,644,079</b>	

<sup>(1)</sup> Counted as of Tier 2 capital under Bank of Thailand's criteria for inclusion of financial instruments in Tier 2 Capital (Note 6).

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The Bank						
	Maturity	2022 Interest rate (%)	Amount (Thousand Baht)	Maturity	2021 Interest rate (%)	Amount (Thousand Baht)
Subordinated debentures <sup>(1)</sup>	2028	3.50	4,991,646	2028	3.50	4,990,190
<b>Total</b>			<b>4,991,646</b>			<b>4,990,190</b>

<sup>(1)</sup> Counted as of Tier 2 capital under Bank of Thailand's criteria for inclusion of financial instruments in Tier 2 Capital (Note 6).*Subordinated debentures*

On March 23, 2018, the Bank issued the Subordinated Debenture with no collateral No.1/2561 to be counted as Tier 2 capital under Based III requirement, amounting to Baht 5,000 million, with a 10 years and 6 months maturity period and carrying a fixed interest rate of 3.50% per annum, payable quarterly. The Bank can early redeem the Subordinated Debenture No.1/2561 after 5 years from the issue date or according to certain specified conditions. The Bank has the right for early redemption and the ability to write-off (fully or partially) when the authorities decide to give financial assistance to the Bank or under agreed condition. The Bank has to get the Bank of Thailand's approval before early redemption of the Subordinated Debenture.

## 8.18 Provision for employee benefits

Provisions for employee benefits as at December 31, 2022 and 2021 are as follows:

	Consolidated		Unit : Million Baht The Bank	
	2022	2021	2022	2021
<b>Statement of financial position</b>				
Statement of financial position obligations for:				
Post-employment benefits				
Defined benefit plan	365	354	295	281

*Defined benefit plan*

The Bank and its subsidiaries operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2562 to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

	Consolidated		Unit : Million Baht The Bank	
	2022	2021	2022	2021
<b>Present value of the defined benefit obligations</b>				
Beginning	354	370	281	306
<b>Included in profit or loss:</b>				
Current service cost	43	45	31	32
Interest on obligation	9	4	7	3
	<b>52</b>	<b>49</b>	<b>38</b>	<b>35</b>
<b>Included in other comprehensive income</b>				
Actuarial losses (gains)				
- Demographic assumptions	7	7	7	7
- Financial assumptions	(12)	(26)	(6)	(24)
- Experience adjustment	(15)	(24)	(9)	(29)
	<b>(20)</b>	<b>(43)</b>	<b>(8)</b>	<b>(46)</b>
<b>Benefit paid</b>	<b>(21)</b>	<b>(22)</b>	<b>(16)</b>	<b>(14)</b>
<b>Ending</b>	<b>365</b>	<b>354</b>	<b>295</b>	<b>281</b>

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	<b>Consolidated</b>		<b>Unit : Percentage The Bank</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<i><b>Principal actuarial assumptions</b></i>				
Discount rate	1.10 - 2.57	1.09 - 1.42	2.53	1.10
Future salary growth	5.00 - 5.50	4.00 - 5.50	5.00	4.00
Employee turnover (depends on age bands)	0 - 20	0 - 18	0 - 20	0 - 18

*Assumptions regarding future mortality have been based on published statistics and mortality tables.*

As at December 31, 2022 and 2021, the weighted-average duration of the defined benefit obligation was 5.57 - 7.80 years and 5.60 - 7.42 years, respectively.

### *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	<b>Consolidated</b>		<b>Unit : Million Baht</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<i><b>Effect to the defined benefit obligation</b></i>	<b>1% increase in assumption</b>	<b>1% decrease in assumption</b>	<b>1% increase in assumption</b>	<b>1% decrease in assumption</b>
Discount rate	(17.37)	(17.45)	19.48	19.61
Future salary growth	18.75	18.73	(17.08)	(17.04)
Employee turnover	(18.59)	(18.53)	10.06	10.00
Future mortality	0.65	0.67	(0.65)	(0.67)

	<b>The Bank</b>		<b>Unit : Million Baht</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<i><b>Effect to the defined benefit obligation</b></i>	<b>1% increase in assumption</b>	<b>1% decrease in assumption</b>	<b>1% increase in assumption</b>	<b>1% decrease in assumption</b>
Discount rate	(12.83)	(12.59)	14.33	14.08
Future salary growth	13.83	13.52	(12.65)	(12.36)
Employee turnover	(13.62)	(13.26)	6.99	6.69
Future mortality	0.47	0.48	(0.47)	(0.48)

### 8.19 Other liabilities

Other liabilities as at December 31, 2022 and 2021 are as follows:

	<b>Consolidated</b>		<b>Unit : Thousand Baht The Bank</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Other payables	328,478	561,401	118,853	210,249
Advance received from finance lease	119,408	147,286	-	-
Advance received from electronic payment <sup>(1)</sup>	46,361	10,426	46,361	10,426
Accrued expenses	647,838	622,617	528,828	512,244
Withholding tax payable	43,448	35,502	37,408	29,266
Special business tax payable	44,049	30,915	44,049	30,915
Corporate income tax payable	431,119	332,413	328,859	253,777
Others	491,466	389,850	411,377	318,007
<b>Total</b>	<b>2,152,167</b>	<b>2,130,410</b>	<b>1,515,735</b>	<b>1,364,884</b>

<sup>(1)</sup> Disclosed according to the BOT Notification number Sor Nor Chor 2/2562 dated December 20, 2019, regarding "Regulations on Service Business relating to Electronic Fund Transfer (EFT)"

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## 8.20 Offsetting of financial assets and financial liabilities

Offsetting of financial assets and financial liabilities as at December 31, 2022 and 2021 are as follows:

and 2021 are as follows:

Unit : Million Baht

Consolidated and the Bank					
	2022				
	Gross amount	Amount offset in statement of financial position	Amount presented in statement of financial position	Amounts not offset in statement of financial position eligible for offsetting per contracts	Net amount
<b>Financial assets</b>					
Reverse sale-and-repurchase	26,180	-	26,180	(26,180)	-
Derivative assets	564	-	564	(363)	201
<b>Total</b>	<b>26,744</b>	<b>-</b>	<b>26,744</b>	<b>(26,543)</b>	<b>201</b>
<b>Financial liabilities</b>					
Sale-and-repurchase	4,385	-	4,385	(4,385)	-
Derivative liabilities	97	-	97	-	97
<b>Total</b>	<b>4,482</b>	<b>-</b>	<b>4,482</b>	<b>(4,385)</b>	<b>97</b>

					Unit : Million Baht
Consolidated and the Bank					
			2021		
	Gross amount	Amount offset in statement of financial position	Amount presented in statement of financial position	Amounts not offset in statements of financial position eligible for offsetting per contracts	Net amount
<b>Financial assets</b>					
Reverse sale-and-repurchase	48,480	-	48,480	(48,480)	-
Derivative assets	232	-	232	(46)	186
<b>Total</b>	<b>48,712</b>	<b>-</b>	<b>48,712</b>	<b>(48,526)</b>	<b>186</b>
<b>Financial liabilities</b>					
Sale-and-repurchase	7,295	-	7,295	(7,295)	-
Derivative liabilities	177	-	177	(86)	91
<b>Total</b>	<b>7,472</b>	<b>-</b>	<b>7,472</b>	<b>(7,381)</b>	<b>91</b>

Reconciliation to the net amounts of financial assets and financial liabilities presented in the statement of financial position as at December 31, 2022 and 2021 are as follows:

Unit : Million Baht					
Consolidated					
	2022				
Type of financial instruments	Amount presented in statement of financial position	Items in statement of financial position	Notes	Carrying amount in statement of financial position	Carrying amount in statement of financial position that are not qualify for offsetting
<b>Financial assets</b>					
Reverse sale-and-repurchase	26,180	Interbank and money market items	8.3	42,547	16,367
Derivative assets	564	Derivative assets	8.4	1,716	1,152
<b>Total</b>	<b>26,744</b>			<b>44,263</b>	<b>17,519</b>

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					Unit : Million Baht	
Type of financial instruments	Amount presented in statement of financial position	Consolidated 2022		Notes	Carrying amount in statement of financial position	Carrying amount in statement of financial position that are not qualify for offsetting
		Items in statement of financial position				
<i>Financial liabilities</i>						
Sale-and-repurchase	4,385	Interbank and money market items	8.16	35,642	31,257	
Derivative liabilities	97	Derivative liabilities	8.4	230	133	
<b>Total</b>	<b>4,482</b>			<b>35,872</b>	<b>31,390</b>	

					Unit : Million Baht	
Type of financial instruments	Amount presented in statement of financial position	Consolidated 2021		Carrying amount in statement of financial position	Carrying amount in statement of financial position that are not qualify for offsetting	
		Items in statement of financial position	Notes			
<i>Financial assets</i>						
Reverse sale-and-repurchase	48,480	Interbank and money market items	8.3	64,219	15,739	
Derivative assets	232	Derivative assets	8.4	404	172	
<b>Total</b>	<b>48,712</b>			<b>64,623</b>	<b>15,911</b>	
<i>Financial liabilities</i>						
Sale-and-repurchase	7,295	Interbank and money market items	8.16	53,634	46,339	
Derivative liabilities	177	Derivative liabilities	8.4	752	575	
<b>Total</b>	<b>7,472</b>			<b>54,386</b>	<b>46,914</b>	

					Unit : Million Baht
Type of financial instruments	Amount presented in statement of financial position	The Bank 2022	Notes	Carrying amount in statement of financial position	Carrying amount in statement of financial position that are not qualify for offsetting
		Items in statement of financial position			
<i>Financial assets</i>					
Reverse sale-and-repurchase	26,180	Interbank and money market items	8.3	41,969	15,789
Derivative assets	564	Derivative assets	8.4	1,716	1,152
<b>Total</b>	<b>26,744</b>			<b>43,685</b>	<b>16,941</b>
<i>Financial liabilities</i>					
Sale-and-repurchase	4,385	Interbank and money market items	8.16	34,361	29,976
Derivative liabilities	97	Derivative liabilities	8.4	230	133
<b>Total</b>	<b>4,482</b>			<b>34,591</b>	<b>30,109</b>



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		Unit : Million Baht			
Type of financial instruments	Amount presented in statement of financial position	The Bank 2021 Items in statement of financial position	Notes	Carrying amount in statement of financial position	Carrying amount in statement of financial position that are not qualify for offsetting
<b>Financial assets</b>					
Reverse sale-and-repurchase	48,480	Interbank and money market items	8.3	63,769	15,289
Derivative assets	232	Derivative assets	8.4	404	172
<b>Total</b>	<b>48,712</b>			<b>64,173</b>	<b>15,461</b>
<b>Financial liabilities</b>					
Sale-and-repurchase	7,295	Interbank and money market items	8.16	53,384	46,089
Derivative liabilities	177	Derivative liabilities	8.4	752	575
<b>Total</b>	<b>7,472</b>			<b>54,136</b>	<b>46,664</b>

The rights to call are agreed between both parties with specific call frequency and threshold. The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the statement of financial position on the assets and liabilities resulting from sale-and-repurchase agreements and reverse sale-and-repurchase agreements measured at amortised cost.

## 8.21 Share capital

## 8.21.1 Share capital

	Par Value (in Baht)	Consolidated and the Bank			
		2022	2021	2022	2021
		Amount	Number	Amount	Number
		(thousand shares/thousand Baht)			
<b>Authorised</b>					
<b>At the beginning of the years</b>					
- preference shares	8.92	451	4,024	451	4,024
- ordinary shares	8.92	2,256,510	20,128,070	2,256,510	20,128,070
- reduction of authorised shares	8.92	(2,802)	(24,995)	-	-
<b>At the end of the years</b>					
- preference shares	8.92	442	3,946	451	4,024
- ordinary shares	8.92	2,253,717	20,103,153	2,256,510	20,128,070
<b>Issued and paid-up</b>					
<b>At the beginning of the years</b>					
- preference shares	8.92	451	4,024	451	4,024
- ordinary shares	8.92	2,256,510	20,128,070	2,256,510	20,128,070
- reduction of Issued and paid- up shares	8.92	(2,802)	(24,995)	-	-
<b>At the end of the years</b>					
- preference shares	8.92	442	3,946	451	4,024
- ordinary shares	8.92	2,253,717	20,103,153	2,256,510	20,128,070

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Preference shares of the Bank are divided into Class A and Class B shares, both of which are non-cumulative dividend-paying shares. Holders of Class B preference shares are entitled to preferential receipt of dividends and return of capital over holders of Class A preference shares and ordinary shares.

If the Bank reduces its capital as a result of operating losses on assets held prior to the injection of capital funds by the Ministry of Finance, the Bank is to reduce the capital of the ordinary shares and the Class A preference shares first, to the extent that this does not exceed the accumulated loss as at the date that the Ministry of Finance injected funds plus any subsequent losses on the assets held prior to that date. If the Bank reduces capital as a result of operating losses on assets acquired after the Ministry of Finance injected funds, the Bank is to reduce the capital of the ordinary shares first and then the Class A preference shares and Class B preference shares proportionately. All preference shares have a period of 10 years, which expired in November 2009. Hence, rights of preference shareholders have been the same as those of the ordinary shareholders since then.

Holders of both classes of preference shares are entitled to convert the shares they hold into ordinary shares, with the conversion ratio of 1:1. All Class A preference shares were already converted into ordinary shares before the year 2010 and the Class B preference shareholders are still entitled to convert the remaining Class B preference shares into ordinary shares.

The holders of ordinary shares and preference shares are entitled to receive dividends in accordance with the Articles of Association of the Bank and are entitled to one vote per share at the shareholders' meeting of the Bank.

### 8.21.2 Treasury shares

The treasury shares account within equity comprises the cost of the Bank's own shares.

On March 22, 2019, the Board of Directors of the Bank approved the Bank to buyback to its shares from shareholders who disagreed with the amendment of the articles of association of the Bank relating to the dividend payment policy at the price of Baht 18.02 per share. The Bank purchased the shares during May 11-30, 2019 amounted to 2,802,112 shares accounted for 0.12 percent of issued and paid-up shares capital comprising of ordinary share 2,793,462 shares and preferred share Class B 8,650 shares ("Treasury shares").

As at December 31, 2021, the Bank held the treasury shares amounted to 2,802,112 shares accounted for 0.12 percent of issued and paid-up share capital comprising of ordinary share 2,793,462 shares and preferred share Class B 8,650 shares, at total cost of Baht 50.49 million.

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On April 26, 2022, the meeting Board of Directors of the Bank No.2/2022 approved the decrease in the Bank's authorised share capital and change in its issued and paid-up share capital by written off the treasury shares in the amount of 2,802,112 shares comprising of ordinary share 2,793,462 shares and preferred share Class B 8,650 shares at par value of Baht 8.92 per share. On May 19, 2022, the Bank of Thailand has approved the decrease in share capital of the Bank by written off the treasury shares and the Bank has completely registered this decrease in authorised share capital and change in its issued and paid-up share capital with the Ministry of Commerce on June 6, 2022.

As at December 31, 2022, the Bank's new authorized share capital and issued and paid-up share capital was 2,254,159,086 shares comprising of ordinary share 2,253,716,655 shares and preferred share Class B 442,431 shares and no the treasury shares.

## 8.22 Reserve and other components of equity

*Legal reserve*

Pursuant to Section 116 of the Public Companies Act B.E. 2535, the Bank is required to allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("Legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

On April 27, 2021, the Annual General Meeting of Shareholder No.28 of year 2021 resolved to approve the appropriation of Baht 415 million to legal reserve from profit for the year 2020. The total legal reserve of the Bank is Baht 2,015 million.

*Other components of equity**Fair value changes in investment measured at FVOCI*

The fair value changes in investment measured at FVOCI comprises the cumulative net change in the fair value of investment until the investments are derecognised or impaired.

*Cash flow hedge reserve*

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or directly included in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

*Currency translation differences*

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

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### 8.23 Contingent liabilities and commitments

Contingent liabilities and commitments as at December 31, 2022 and 2021 are as follows:

#### 8.23.1 Commitments

	<b>Consolidated</b>		<b>Unit : Million Baht The Bank</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Avals to bills and guarantees of loans	764	882	764	882
Letter of credit	44	128	44	128
Other contingencies				
- Overdraft undrawn committed line	836	1,037	866	1,067
- Other guarantees	26,583	28,733	26,583	28,733
- Others	2,942	8,533	2,942	8,533
<b>Total</b>	<b>31,169</b>	<b>39,313</b>	<b>31,199</b>	<b>39,343</b>

#### 8.23.2 Contingent liabilities from litigations

As at December 31, 2022 and 2021, there was no contingent liabilities in connection with court cases which the Bank and its subsidiaries have been sued as a defendant in the Court.

### 8.24 Related parties

Relationship with key management and related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Industrial and Commercial Bank of China Limited	China	The ultimate parent company of the Bank
ICBC (Thai) Leasing Company Limited	Thailand	A direct subsidiaries of the Bank
Sky High LI Leasing Designated Activity Company Limited	Ireland	An indirect subsidiaries of the Bank
ICBC (Thai) Insurance Broker Company Limited	Thailand	An indirect subsidiaries of the Bank
Industrial and Commercial Bank of China (Asia) Limited	Hong Kong	The Company that is related with the ultimate parent company
Industrial and Commercial Bank of China (Macau) Limited	Macau	The Company that is related with the ultimate parent company
Industrial and Commercial Bank of China Limited – Guangdong	China	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited – Guangxi	China	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited – Hubei	China	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited – Henan	China	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited – Jiangsu	China	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Shanghai (FTU)	China	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited – Shenzhen	China	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited – Xiamen	China	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited – Sydney	Australia	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited – Frankfurt	Germany	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Hong Kong	Hong Kong	The Branch of the ultimate parent company

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Name of entities	Country of incorporation/ nationality	Nature of relationships
Industrial and Commercial Bank of China Limited – Tokyo	Japan	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Kuwait	Kuwait	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Vientiane	Laos	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Luxembourg	Luxembourg	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Singapore	Singapore	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Dubai (DIFC)	UAE	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - London	United Kingdom	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - New York	United States	The Branch of the ultimate parent company
Industrial and Commercial Bank of China Limited - Doha	Qatar	The Branch of the ultimate parent company
Key management personnel	Thai/ Chinese	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiaries

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Interest income	With reference to the terms and prices as offered to other customers
Interest expense	Market rates and/or charged in compliance with the criteria specified by the Bank of Thailand
Dividend income	As announced by the investee company
Fee income	With reference to the terms and prices as offered to other customers
Derivatives	Market price

Significant balances with related parties as at December 31, 2022 and 2021 were as follows:

	Consolidated		Unit : Million Baht The Bank	
	2022	2021	2022	2021
<b>Interbank and money market items (assets)</b>				
Parent company	2,912	2,128	2,827	2,372
Other related parties	25	135	25	135
<b>Derivative assets (fair value)</b>				
Parent company	386	63	386	63
Other related parties	531	82	531	82
<b>Investments in subsidiaries</b>				
Subsidiaries	-	-	4,250	4,250
<b>Loans to customers and accrued interest receivables, net</b>				
Subsidiaries	-	-	6,205	2,711
Key management personnel	1	-	1	-
<b>Other assets</b>				
Parent company	18	28	18	28
<b>Deposits</b>				
Subsidiaries	-	-	8	3
Key management personnel	55	104	55	104
Other related parties	100	-	100	-
<b>Interbank and money market items (liabilities)</b>				
Parent company	23,583	33,832	23,583	33,832
Other related parties	121	31	121	31
<b>Derivative liabilities (fair value)</b>				
Parent company	1	346	1	346
Other related parties	15	206	15	206
<b>Accrued interest payables</b>				
Parent company	216	84	216	84

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	<b>Consolidated</b>		<b>Unit : Million Baht</b>	
	<b>2022</b>	<b>2021</b>	<b>The Bank</b>	<b>2021</b>
<b>Off-financial reporting items</b>				
<b>Other guarantees</b>				
Parent company	11,932	10,766	11,932	10,766
Subsidiaries	-	-	30	30
Other related parties	184	63	184	63
<b>Forward exchange contracts-bought (notional amounts)</b>				
Parent company	2,652	6,776	2,652	6,776
Other related parties	4,854	5,448	4,854	5,448
<b>Forward exchange and interest rate contracts (notional amounts)</b>				
Parent company	-	2,804	-	2,804
<b>Interest rate swap contracts (notional amounts)</b>				
Parent company	5,610	8,313	5,610	8,313
Other related parties	8,147	8,945	8,147	8,945

Industrial and Commercial Bank of China Limited - Hong Kong had issued a Standby L/C as the Bank' required to be a collateral against the issuance of Letter of Guarantee for a Telecommunication Company. As a result, the Bank has to pay a fee for the Standby L/C on an annual basis until the end of the contract. The obligation is under Standby L/C as December 31, 2022 by amounting to US Dollar 372 million (equivalent to Baht 12,857 million) and as at December 31, 2021 by amounting to US Dollar 498 million (equivalent to Baht 16,643 million).

Significant balances with related parties as at December 31, 2022 and 2021 were as follows:

	<b>Consolidated</b>		<b>Unit : Million Baht</b>	
	<b>2022</b>	<b>2021</b>	<b>The Bank</b>	<b>2021</b>
<b>Parent company</b>				
Interest income	24	12	24	12
Interest expense	645	221	645	221
Fee income	10	8	10	8
Fee expense	28	30	28	30
<b>Related parties</b>				
Interest income	-	4	-	4
Fee income	-	13	-	13
<b>Subsidiaries</b>				
Interest income	-	-	126	22
Fee income	-	-	2	3
Other income	-	-	2	4
<b>Related persons</b>				
Interest expense	1	1	1	1
<b>Key management personnel</b>				
Key management personnel compensation				
- Short-term employee benefit	173	149	133	116
- Post-employment benefit	2	2	2	2

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*Directors and management's remuneration*

The Bank's directors and executives from the Bank of Executive Vice President upwards do not receive benefits, either in monetary or non-monetary terms, other than the normal benefits such as monthly directors' remuneration, meeting allowances, salaries and bonuses, as the case may be. Directors who are executives of the Bank do not receive director's remuneration, in accordance with the Bank's policy, and the representative directors who are executives of Industrial and Commercial Bank of China Limited do not receive director's remuneration, in accordance with Industrial and Commercial Bank of China Limited's policies, except for those benefits granted in accordance with employment agreements such as housing allowances, medical expenses, life and accident insurance and home trip expenses, in accordance with the established criteria. Nevertheless, directors with permanent residence abroad can reimburse expenses of travelling and accommodation incurred in connection with the operation of the Bank's business, at the amount actually incurred.

## 8.25 Operating segment

Operating segment is presented in respect of the Bank and its subsidiaries' business segments. The primary format in segment information report is based on the Bank and its subsidiaries' management and internal reporting structure.

8.25.1 The Bank and its subsidiaries' business operations involve 2 principal segments: (1) Banking business which includes factoring business and (2) Hire purchase, finance lease, factoring business that form the basis of how information is presented to the Chief Operating Decision Maker. Respective business segments serve both corporate and retail customers; however, retail represents an insignificant portion of the total at the Bank level. These operations are carried mainly in Thailand. The Bank has determined that the Chief Operating Decision Maker is the Executive Committee.

Operating segment by businesses for the years ended December 31, 2022 and 2021 are as follows:

	Unit : Million Baht				
	Consolidated		2022		
	Banking business	Hire purchase, finance lease and factoring business	Total	Elimination entries	Total
Net interest income	4,453	1,896	6,349	-	6,349
Net fees and service income	196	392	588	(2)	586
Net losses on financial instrument measured at FVTPL	(18)	-	(18)	-	(18)
Other operating income	99	319	418	-	418
Other operating expenses	(1,703)	(1,155)	(2,858)	2	(2,856)
Profit before expected credit loss	3,027	1,452	4,479	-	4,479
Expected credit loss	(749)	34	(715)	-	(715)
Profit from operation before income tax	2,278	1,486	3,764	-	3,764
Income tax	(499)	(286)	(785)	-	(785)
<b>Profit for the year</b>	<b>1,779</b>	<b>1,200</b>	<b>2,979</b>	<b>-</b>	<b>2,979</b>

**Financial position as at December 31, 2022**

Total assets	240,642	59,172	299,814	(11,110)	288,704
Total liabilities	205,896	49,749	255,645	(6,860)	248,785



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	Unit : Million Baht				
	Consolidated		Elimination entries	Total	
	Banking business	Hire purchase, finance lease and factoring business			
			2021		
Net interest income	4,017	1,729	5,746	-	5,746
Net fees and service income	290	385	675	(3)	672
Net losses on financial instrument measured at FVTPL	(207)	-	(207)	-	(207)
Other operating income	327	603	930	-	930
Other operating expenses	(1,796)	(926)	(2,722)	3	(2,719)
Profit before expected credit loss	2,631	1,791	4,422	-	4,422
Expected credit loss	(752)	(323)	(1,075)	-	(1,075)
Profit from operation before income tax	1,879	1,468	3,347	-	3,347
Income tax	(361)	(334)	(695)	-	(695)
<b>Profit for the year</b>	<b>1,518</b>	<b>1,134</b>	<b>2,652</b>	<b>-</b>	<b>2,652</b>
<b>Financial position as at December 31, 2021</b>					
Total assets	253,732	56,769	310,501	(7,702)	302,799
Total liabilities	220,878	48,532	269,410	(3,452)	265,958

### 8.25.2 The financial position and results of operations classified by domestic and foreign business

As at December 31, 2022 and 2021, the consolidated financial position classified by domestic and foreign business were as follows:

	Unit : Million Baht			
	Consolidated		Elimination entries	Total
	Domestic business	Foreign Business		
			2022	
Total assets	296,796	3,018	(11,110)	288,704
Interbank and money market items, net (Assets)	42,458	89	-	42,547
Investments, net <sup>(1)</sup>	83,811	-	-	83,811
Loans to customers and accrued interest receivables, net	157,060	2,911	(3,456)	156,515
Deposits	162,982	-	-	162,982
Interbank and money market items (Liabilities)	35,651	3,456	(3,456)	35,651
Debt issued and borrowings	45,535	-	-	45,535

<sup>(1)</sup> The amount excludes investments in subsidiaries and an associate, net

	Unit : Million Baht			
	Consolidated		Elimination entries	Total
	Domestic business	Foreign Business		
			2021	
Total assets	307,719	2,782	(7,702)	302,799
Interbank and money market items, net (Assets)	64,128	91	-	64,219
Investments, net <sup>(1)</sup>	75,571	-	-	75,571
Loans to customers and accrued interest receivables, net	159,493	2,650	(3,399)	158,744
Deposits	158,928	-	-	158,928
Interbank and money market items (Liabilities)	53,634	3,399	(3,399)	53,634
Debt issued and borrowings	48,644	-	-	48,644

<sup>(1)</sup> The amount excludes investments in subsidiaries, net

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The results of the consolidated operations classified by domestic and foreign business for the years ended December 31, 2022 and 2021 were as follows:

Unit : Million Baht

	Consolidated							
	2022				2021			
	Domestic business	Foreign business	Elimination entries	Total	Domestic business	Foreign Business	Elimination entries	Total
Interest income	9,497	77	(82)	9,492	8,451	15	(8)	8,458
Interest expenses	(3,143)	(82)	82	(3,143)	(2,712)	(8)	8	(2,712)
Net interest income	6,354	(5)	-	6,349	5,739	7	-	5,746
Net fees and service income	586	-	-	586	672	-	-	672
Net losses on financial instrument at FVTPL	(18)	-	-	(18)	(207)	-	-	(207)
Other operating income	418	-	-	418	930	-	-	930
Other operating expenses	(2,853)	(3)	-	(2,856)	(2,719)	-	-	(2,719)
Expected credit loss	(887)	172	-	(715)	(821)	(254)	-	(1,075)
<b>Profit from operations before income tax</b>	<b>3,600</b>	<b>164</b>	<b>-</b>	<b>3,764</b>	<b>3,594</b>	<b>(247)</b>	<b>-</b>	<b>3,347</b>

The Bank does not present the Bank financial position and results of operations classified by domestic and foreign business since the Bank is engaged only domestic business in Thailand.

## 8.26 Interest income

Interest income for the years ended December 31, 2022 and 2021 are as follows:

	Consolidated		Unit : Thousand Baht The Bank	
	2022	2021	2022	2021
Interbank and money market items	628,658	456,589	628,033	456,448
Investments in debt instruments	2,174,638	1,797,622	2,174,638	1,797,622
Loans to customers and factoring	4,026,173	3,764,489	4,074,620	3,696,347
Hire purchase and finance leases receivables	2,662,410	2,438,445	-	92
Others	394	1,166	394	1,166
<b>Total</b>	<b>9,492,273</b>	<b>8,458,311</b>	<b>6,877,685</b>	<b>5,951,675</b>

## 8.27 Interest expenses

Interest expenses for the years ended December 31, 2022 and 2021 are as follows:

	Consolidated		Unit : Thousand Baht The Bank	
	2022	2021	2022	2021
Deposits	1,064,965	1,107,458	1,064,981	1,107,505
Interbank and money market items	811,586	287,752	796,903	281,450
Contributions to Deposit Protection Agency and Bank of Thailand	386,476	368,783	386,476	368,783
Debt issued - debentures	860,889	927,940	175,002	175,000
Debentures fee expense	19,432	19,814	1,737	1,740
<b>Total</b>	<b>3,143,348</b>	<b>2,711,747</b>	<b>2,425,099</b>	<b>1,934,478</b>

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### 8.28 Net fees and service income

Net fees and service income for the years ended December 31, 2022 and 2021 are as follows:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>2022</b>	<b>2021</b>	<b>The Bank</b>	<b>2021</b>
<b><i>Fees and service income</i></b>				
Acceptances, avals and guarantees	185,832	258,304	185,832	258,304
Letter of credit fee	11,227	15,349	11,227	15,349
Hire purchase and finance leases	63,138	77,029	-	-
Life and non-life insurance	365,622	333,829	1,582	1,877
Others	130,285	121,968	122,652	116,290
<b>Total fees and service income</b>	<b>756,104</b>	<b>806,479</b>	<b>321,293</b>	<b>391,820</b>
Fees and service expense	(170,481)	(134,323)	(125,532)	(102,123)
<b>Net fees and service income</b>	<b>585,623</b>	<b>672,156</b>	<b>195,761</b>	<b>289,697</b>

### 8.29 Net losses on financial instruments measured at FVPL

Net losses on financial instruments measured at FVPL for the years ended December 31, 2022 and 2021 are as follows:

	<b>Consolidated</b>		<b>Unit : Thousand Baht</b>	
	<b>2022</b>	<b>2021</b>	<b>The Bank</b>	<b>2021</b>
Foreign currencies and foreign currency related derivatives	(18,129)	(206,655)	(18,018)	(206,474)
Gains on hedge accounting	617	15	617	15
<b>Total</b>	<b>(17,512)</b>	<b>(206,640)</b>	<b>(17,401)</b>	<b>(206,459)</b>

### 8.30 Net gains on investments

Net gains on investments for the years ended December 31, 2022 and 2021 are as follows:

	<b>Unit : Thousand Baht</b>	
	<b>Consolidated and the Bank</b>	<b>2021</b>
	<b>2022</b>	<b>2021</b>
Investments measured at FVOCI	-	2
Investments measured at AMC	-	7,195
<b>Total</b>	<b>-</b>	<b>7,197</b>

### 8.31 Directors' remuneration

Directors' remuneration represents the benefits (exclusive of salaries and related benefits payable to directors who are executives of the Bank and its subsidiaries) paid to the Bank and its subsidiaries' directors in accordance with Section 90 of the Public Limited Companies Act.

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## 8.32 Expected credit loss

Expected credit loss for the years ended December 31, 2022 and 2021 are as follows:

		Unit : Thousand Baht	
		Consolidated	
	2022	2021	
Interbank and money market items (reversal)	(74,253)	7,606	
Investment in debt instruments measured at FVOCI	(612)	(1,323)	
Investment in debt instruments measured at AMC	13,449	1,884	
Loans to customers and accrued interest receivables	804,349	1,099,881	
Loan commitments and financial guarantee contracts (reversal)	(29,681)	(33,202)	
Loss on modification	1,916	344	
<b>Total</b>	<b>715,168</b>	<b>1,075,190</b>	

		Unit : Thousand Baht	
		The Bank	
	2022	2021	
Interbank and money market items (reversal)	(74,253)	7,606	
Investment in debt instruments measured at FVOCI	(612)	(1,323)	
Investment in debt instruments measured at AMC	13,449	1,884	
Loans to customers and accrued interest receivables	838,594	776,340	
Loan commitments and financial guarantee contracts (reversal)	(29,681)	(33,202)	
Loss on modification	1,916	344	
<b>Total</b>	<b>749,413</b>	<b>751,649</b>	

## 8.33 Income taxes

Income taxes for the years ended December 31, 2022 and 2021 are as follows:

## 8.33.1 Income tax recognised in profit or loss

		Unit : Thousand Baht	
		Consolidated	
	2022	2021	
<b>Current tax expense</b>			
Current years	1,096,730	769,818	833,007
Under (over) provided in prior years	(126,301)	(46,027)	(92)
	<b>970,429</b>	<b>723,791</b>	<b>832,915</b>
<b>Deferred tax expense</b>			
Movements in temporary differences	(185,213)	(28,809)	(333,553)
	<b>(185,213)</b>	<b>(28,809)</b>	<b>(333,553)</b>
<b>Total income tax expense</b>	<b>785,216</b>	<b>694,982</b>	<b>499,362</b>

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### Reconciliation of effective tax rate

	Rate	Consolidated		Rate	2021 (in thousand Baht)
		2022 (in thousand Baht)			
Profit before income tax expense		3,764,177			3,347,117
Income tax using the Thai corporation tax rate	20	752,835	20		669,423
Non - taxable income		-			(15,085)
Expense not deductible for tax purpose		171,041			67,485
Additional deductible expense for tax purposes <sup>(2)</sup>		-			(668)
Over provided in prior years		(126,301)			(46,027)
Income tax of the indirect subsidiaries that is not taxable		(12,359)			19,854
<b>Total</b>	21 <sup>(1)</sup>	<b>785,216</b>	21 <sup>(1)</sup>		<b>694,982</b>

<sup>(1)</sup> Effective tax rate

<sup>(2)</sup> Additional deductible expense for tax purposes of subsidiaries company are complied with Royal Decree No.604 B.E. 2559 and Royal Decree No.642 B.E. 2560.

	Rate	The Bank		Rate	2021 (in thousand Baht)
		2022 (in thousand Baht)			
Profit before income tax expense		2,278,048			1,878,792
Income tax using the Thai corporation tax rate	20	455,610	20		375,758
Non-taxable income		-			(15,049)
Non-taxable expense		43,844			-
Under (over) provided in prior years		(92)			103
<b>Total</b>	22 <sup>(1)</sup>	<b>499,362</b>	19 <sup>(1)</sup>		<b>360,812</b>

<sup>(1)</sup> Effective tax rate

### 8.33.2 Income tax recognised in other comprehensive income

Income tax recognised in other comprehensive income for the years ended December 31, 2022 and 2021 are as follows:

	Unit : Thousand Baht					
	Before tax	2022 Tax expense	Consolidated Net of tax	Before Tax	2021 Tax income	Net of tax
<b>Other comprehensive income</b>						
Investment in equity instruments measured at FVOCI	(248,924)	49,785	(199,139)	217,581	(43,516)	174,065
Investment in debt instruments measured at FVOCI	21,184	(4,359)	16,825	(95,094)	18,754	(76,340)
Cash flow hedge reserve	116,923	(23,385)	93,538	45,280	(9,056)	36,224
Actuarial gains on defined employee benefit plans	20,156	(4,031)	16,125	42,811	(13,092)	29,719
Exchange differences on translating foreign Operations	(24,449)	-	(24,449)	(62,648)	-	(62,648)
<b>Total</b>	<b>(115,110)</b>	<b>18,010</b>	<b>(97,100)</b>	<b>147,930</b>	<b>(46,910)</b>	<b>101,020</b>

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Unit : Thousand Baht						
	The Bank					
	Before tax	2022 Tax expense	Net of tax	Before tax	2021 Tax income	Net of tax
<b>Other comprehensive income</b>						
Investment in equity instruments measured at FVOCI	(248,924)	49,785	(199,139)	217,581	(43,516)	174,065
Investment in debt instruments measured at FVOCI	21,184	(4,359)	16,825	(95,094)	18,754	(76,340)
Cash flow hedge reserve	116,923	(23,385)	93,538	45,280	(9,056)	36,224
Actuarial gains on defined employee benefit plans	8,058	(1,612)	6,446	45,791	(13,688)	32,103
<b>Total</b>	<b>(102,759)</b>	<b>20,429</b>	<b>(82,330)</b>	<b>213,558</b>	<b>(47,506)</b>	<b>166,052</b>

## 8.34 Basic earnings per share

The calculations of basic earnings per share for the years ended December 31, 2022 and 2021 were based on the profit for the years attributable to shareholders of the Bank and the number of ordinary shares and preference shares which are equivalent to the ordinary shares outstanding during the years as follows:

	Consolidated		The Bank	
	2022	2021	2022	2021
<b>Profit for the years attributable to shareholders of the Bank</b>				
<i>(in million Baht)</i>	<b>2,979</b>	<b>2,652</b>	<b>1,779</b>	<b>1,518</b>
Number of ordinary shares and preference shares which are equivalent to the ordinary shares outstanding <i>(in million shares)</i>	2,254	2,257	2,254	2,257
Effect of ordinary shares and preference shares held by the Bank <i>(in million shares)</i>	-	(2)	-	(2)
<b>Weighted average number of ordinary shares and preference shares which are equivalent to the ordinary shares outstanding <i>(in million shares)</i></b>	<b>2,254</b>	<b>2,255</b>	<b>2,254</b>	<b>2,255</b>
<b>Earnings per share (basic) (Baht)</b>	<b>1.32</b>	<b>1.18</b>	<b>0.79</b>	<b>0.67</b>

## 8.35 Impact of COVID-19 pandemic

As a result of the COVID-19 having a widespread impact on all business sectors and customer segments across Thailand. Bank of Thailand (BOT) collaboration with Federation of Accounting Professions (TFAC) issued the series guideline of loan classification and provision for enterprises that support the relief measures to customers who were affected from COVID-19. The guidelines for debt restructuring for customer who get impact from COVID-19 includes BOT circular no. 802/2564 dated September 3, 2021 and Federal of Accountant Professions guideline on accounting treatment no. 37/2564 dated December 22, 2021.

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During the year ended December 31, 2022, the Bank and its subsidiaries perform loan classification and provisioning based on the aforementioned guideline, which has details as follows:

1. For debt restructuring that help reduce the debt burden to customers other than term extension.
  - Non-NPL modified loans (Pre-emptive restructures) can be classified as stage 1 (Performing) immediately once they are identified via analysing on customers' performance and business and found that the customers are able to comply with restructuring conditions, or else they remain at the stage before entering into relief programs;
  - NPL modified loans (Trouble Debt Restructures) can be classified as stage 1 (Performing) only if they can repay 3 months or 3 periods consecutives dues;
  - Revision of effective interest rate (EIR) at the date of modification
2. For debt restructuring that are given only term extension, the classification and provisioning will follow the normal treatment as per BOT notification on debt classification and provisioning.

As at December 31, 2022, the Bank and its subsidiaries provided the relief programs to existing customers approximately 15.42% (The Bank: approximately 16.71%) of portfolio, in various segments for loan payment holiday and approximately 0.16% (The Bank: approximately 0.24 %) of portfolio are under soft loans programs.

As at December 31, 2021, the Bank and its subsidiaries provided the relief programs to existing customers approximately 20.51% (The Bank: approximately 19.68%) of portfolio, in various segments for loan payment holiday and approximately 0.35% (The Bank: approximately 0.52%) of portfolio are under soft loans programs.

During the years ended December 31, 2022 and 2021, management considered additional ECL provided as management overlay for future uncertain events including the impact of the COVID-19 based on available information for individual customers and portfolios, especially for the customers under relief programs.

However, as at December 31, 2022, the Bank has not transferred collateral assets for debt repayment which in accordance with Notification of the Bank of Thailand number Sor Nor Sor 4/2564, dated April 19, 2021, on measures to support the rehabilitation of business operation by transferring of collateral assets for debt repayment.

### 8.36 Significant agreements

In November 2021, the subsidiary entered into the non-performing asset sale and purchase agreements with 3 companies which there is the condition that the buyers can request a refund within 90 days on assets that have incomplete documents in accordance with agreed terms, or information provided by the subsidiary is found inaccurate or changed so that management of such non-performing assets are significantly affected. The maturity date was due in February 2022. The subsidiary received cash from sale of such non-performing assets in the total amount of Baht 275 million, divided into assets sold as follows:



INDUSTRIAL AND COMMERCIAL BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

- 1) Impaired assets with carrying amount of Baht 319 million, which the subsidiary has recognised a full allowance for impairment loss of these assets. The subsidiary received cash from sold such assets of Baht 32 million. The Bank has already recognised as gains on disposal of other assets in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2021.
- 2) Bad debt from hire purchase receivables, which the subsidiary received cash from sold such bad debt of Baht 243 million. The Bank has already recognised as bad debt recovery in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2021.

However, on March 8, 2022, the subsidiary entered into the amendment agreements with 2 companies to extend the period of return of non-performing assets for another 90 days, which will be due on May 17, 2022.

As at May 17, 2022, the amount requested by the buyers to cancel due to incomplete documents according to the agreed terms is Baht 10.12 million.

#### 8.37 Events after the reporting period

During January 2023 to March 17, 2023, the subsidiary issued 5 short-term debentures, which are registered and unsubordinated, with total face value of Baht 6,660 million offered to institutional investors with the maturity dates 96 - 217 days which interest rate was discount rate or interest rate according to market rate at issue date.

Moreover, short-term debentures with face value of Baht 2,200 million had already been settled on their maturity dates during such period.

#### 8.38 Approval of the financial statements

These financial statements have been approved for issuance by the Board of Directors on March 17, 2023.

# AUDITORS

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## Statutory auditor names and their engaged office

There are 4 auditors which have been nominated as the list below;

- |                              |                                      |
|------------------------------|--------------------------------------|
| ● Mr. Yongyuth Lertsurapibul | Certified Public Accountant No. 6770 |
| ● Mrs. Nisakorn Songmanee    | Certified Public Accountant No. 5035 |
| ● Mrs. Wilasinee Krishnamra  | Certified Public Accountant No. 7098 |
| ● Ms. Kornthong Luangvilai   | Certified Public Accountant No. 7210 |

## Engaged Office

Deloitte Touche Tohmatsu Jaiyos Audit Company Limited

AIA Sathorn Tower, 23-27 Floors, 11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Thailand

Tel 0 2034 0000

Fax 0 2034 0100

## The auditor of the subsidiary of the bank

The auditors of ICBC (Thai) Leasing Co., Ltd (the Bank' subsidiary) are the auditors who are under the same office of the Bank's. The proposed auditors have no relationship with or interests in the Bank/Subsidies/executives/major shareholder or related parties thereof.

## Remuneration of auditors

The audit fee of Bank and Bank's subsidiary for the year 2022 was Baht 6,404,000 the audit fee of the Bank was Baht 4,000,000, ICBC (Thai) Leasing Co., Ltd (Bank's subsidiary) was Baht 1,940,000 and Insurance Broker Company (Leasing Company's subsidiary) was Baht 464,000.

# MANAGEMENT STRUCTURE

## 1. Board of Directors

The Board of Directors comprises of 10 members including qualified Directors, Directors who are ICBC representatives and 4 Independent Directors as follows:

Mr. Yimin Hu	Chairman
Mr. Xiaobo Li	Director
Pol. Gen. Werapong Chuenpagdee	Independent Director
Ms. Unakorn Phruithithada	Independent Director*
Mr. Natdanai Indrasukhsri	Independent Director**
Mr. Yong Hu	Director
Ms. Jing Jin	Director
Dr. Shuxian Cui	Director
Mr. Yang Liu	Director
Mr. Apinetr Unakul	Independent Director

\* Appointed on 26 April 2022

\*\* Appointed on 1 November 2022

Resigned Director	Date of Resignation
Ms. Ladda Siri Wattanakosol	Independent Director 26 April 2022
Dr. Prasit Damrongchai	Independent Director 1 May 2022
Dr. Verapong Chaiperm	Independent Director 20 June 2022

According to the Bank's Articles of Association, the Board of Directors' meeting shall be held at least once every three months. At least one half of the total number of Directors must be present to form a quorum.

The Board of Directors has the duties and responsibilities to set the overall direction, strategic objectives and policies of the Bank and to supervise and oversee the efficient management of the Bank. It also has a responsibility to ensure that the Bank has appropriate risk management systems in place and sufficient capital funds to cover current and future risks. In addition, it has the responsibility to monitor the Bank's business operations to ensure that the Bank has effective internal control and audit systems in place and that the Bank's operations are in compliance with the laws, the Bank's policies, resolutions of the shareholders' meetings, and principles of good corporate governance so that the stakeholders and customers will have confidence in the Bank. Moreover, it is responsible for assigning one or several Directors or other persons to perform actions on its behalf.

### Attendance in 2022

Name of Director	Attendance	Percentage of Attendance
Mr. Yimin Hu	5/5	100%
Mr. Xiaobo Li	5/5	100%
Dr. Prasit Damrongchai	2/2	100%
Ms. Ladda Siri Wattanakosol	2/2	100%
Pol. Gen. Werapong Chuenpagdee	5/5	100%
Ms. Unakorn Phruithithada	3/3	100%
Dr. Verapong Chaiperm*	0/3	0%
Mr. Natdanai Indrasukhsri	1/1	100%
Mr. Yong Hu	5/5	100%
Ms. Jing Jin	5/5	100%
Dr. Shuxian Cui	5/5	100%
Mr. Yang Liu	5/5	100%
Mr. Apinetr Unakul	5/5	100%

\* Could not attend the meetings due to illness

## 2. Independent Directors

The Board of Directors has determined the qualifications of the Bank's Independent Directors to be in compliance with the qualifications of Independent Directors specified by the Bank of Thailand (BOT) under the Principles of Corporate Governance for Financial Institutions and by the Capital Market Supervisory Board. The qualifications stipulates that an Independent Director must be a Director who does not have any business relationship with or participate in the management of or have any interest in the Bank which may affect his or her independent decision.

## 3. Committees under the Board of Directors' Direct Supervision

The Board of Directors has appointed four committees to oversee and ensure an efficient management system which is in compliance with the Bank's policies. Each committee's responsibilities have been clearly specified. In addition, in accordance with the Handbook for the Directors of Financial Institutions of the Bank of Thailand, the Board of Directors is responsible for overseeing the performance of the committees under the direct supervision of the Board of Directors and requires

that these committees report their performance to the Board of Directors on a regular basis. The four committees which are under the direct supervision of the Board of Directors are the Executive Committee; Audit Committee; Nomination, Compensation and Corporate Governance Committee; and Group Risk Supervision and Internal Control Committee. Details are as follows:

### 3.1 The Executive Committee

Comprises 5 Directors and Senior Executives as follows:

Mr. Xiaobo Li	Chairman
Mr. Jian Gong	Member*
Dr. Shuxian Cui	Member
Mr. Yang Liu	Member
Ms. Suree Wipatakanok	Member

\* Appointed as member on 3 January 2023

Resigned Member	Date of Resignation
Mr. Yongmin Tang	1 August 2022
Mr. Som Pisarnsopon	31 December 2022

The Executive Committee has the responsibility to perform duties as delegated by the Board of Directors including the formulation of criteria and procedures for consideration and approval of credit facilities, debt restructuring, securities investments, acquisition or disposal of immovable properties resulting from debt restructuring or mortgage of properties of the Bank and any other normal businesses of the Bank. It also has the responsibilities to appoint sub-committees as well as amend, revise and alter the authorities and responsibilities of sub-committees. In addition, the Executive Committee is responsible for considering all matters which are to be proposed to the Board of Directors. It must also monitor the Bank's operations and report findings to the Board of Directors on a regular basis.

#### Attendance in 2022

Name of Member	Attendance	Percentage of Attendance
Mr. Xiaobo Li	52/53	98%
Dr. Shuxian Cui	52/53	98%
Mr. Yang Liu	48/53	91%
Mr. Yongmin Tang	27/30	90%
Ms. Suree Wipatakanok	48/53	91%
Mr. Som Pisarnsopon	49/53	92%

### 3.2 The Audit Committee

Comprises 3 Independent Directors as follows:

Ms. Unakorn Phruithithada	Chairperson*
Pol. Gen. Werapong Chuenpagdee	Member
Mr. Apinetr Unakul	Member

\* Appointed as Chairperson on 26 April 2022

Resigned Member	Date of Resignation
Ms. Ladda Siri Wattanakosol	26 April 2022

The Audit Committee has responsibilities to review and ensure that the Bank and the companies in its financial business group have accurate and adequate financial reports as well as suitable and efficient internal control and internal audit systems. It must ensure that the operations of the Bank and the companies in its financial business group are in compliance with the relevant laws and regulations in relation to the business of the Bank and its financial business group. It also has the responsibilities to consider, select and nominate an independent person to be the Bank's statutory auditor and to propose such person's remuneration; and meet the independent auditor at least once a year without the presence of the management. Moreover, the Audit Committee has a duty to review transactions which may lead to conflicts of interest to ensure that they are conducted in compliance with relevant laws and regulations which are proceeded in a reasonable manner for the utmost benefits to the Bank. The meetings for review of credit transactions and Credit Review performance are held separately for the Audit Committee by the Credit Review Department.

#### Attendance of the Audit Committee Meetings in 2022

Name of Director	Attendance	Percentage of Attendance
Ms. Ladda Siri Wattanakosol	1/1	100%
Ms. Unakorn Phruithithada	4/4	100%
Pol. Gen. Werapong Chuenpagdee	5/5	100%
Mr. Apinetr Unakul	5/5	100%

### Attendance of the Audit Committee for Credit Review Meetings in 2022

Name of Director	Attendance	Percentage of Attendance
Ms. Ladda Siri Wattanakosol	1/1	100%
Ms. Unakorn Phruithithada	3/3	100%
Pol. Gen. Werapong Chuenpagdee	4/4	100%
Mr. Apinetr Unakul	4/4	100%

### 3.3 The Nomination, Compensation and Corporate Governance Committee

Comprises 3 Non-executive Members with the Chairman being an Independent Director as follows:

Pol. Gen. Werapong Chuenpagdee	Chairman*
Mr. Yong Hu	Member
Ms. Jing Jin	Member

\* Appointed Chairman on 1 May 2022

Resigned Member	Date of Resignation
Dr. Prasit Damrongchai	1 May 2022

The Nomination, Compensation and Corporate Governance Committee has the duties and responsibilities as follows:

#### (1) Nomination

The Nomination, Compensation and Corporate Governance Committee has the responsibilities to establish policies, criteria and procedures for the selection of Directors, Members of Committees and Senior Executives for the Board of Directors' approval. It also has the responsibility to recommend to the Board of Directors the appropriateness of the size and composition of the Board of Directors, as well as any other adjustment required in order to adapt to changes in the business environment. The Committee shall consist of members with knowledge, skill and experience in various fields which are beneficial to the business of the Bank.

The Committee is responsible for the nomination of Directors, Members of Committees and Senior Executives by selecting qualified candidates according to the Bank's criteria to be appointed as Directors, Members of Committees and Senior Executives. The candidates shall not possess prohibited characteristics specified in the Financial Institutions Businesses

Act B.E. 2551, the BOT's criteria and other relevant laws. For the position of Independent Director, a candidate shall possess all qualifications as set by the Bank's criteria, which are in line with the criteria of the supervisory authorities. It is also responsible for overseeing that there is a mechanism or tool to support the nomination of Directors. The most suitable candidates will be recommended to the Board of Directors for appointment or for proposing to the shareholders' meeting for approval, as the case may be.

Moreover, the Committee is to ensure that the policies, conditions and methods for the nomination of the Directors and Managing Director or equivalent position of the company(ies) in the Bank's financial business group are clearly stated, transparent and appropriate to the significant risks of the company(ies) in the Bank's financial business group.

In the case of election of the Directors to replace those who are scheduled to retire by rotation, the Committee will consider the qualifications and past performance of the Directors to ensure that such Directors have proper qualifications to be the Bank's Director before proposing to the Board of Directors' and shareholders' meetings for re-appointment.

#### (2) Compensation

The Nomination, Compensation and Corporate Governance Committee has the responsibility to establish policies regarding compensation and benefits granted to the Directors, Members of Committees and Senior Executives for the Board of Directors' approval as well as overseeing that the Directors and Managing Director or equivalent position of the company(ies) in the Bank's financial business group are appropriately compensated backed by appropriate policies, conditions and methods for such compensation. The policies shall be based on clear and transparent criteria.

The Committee shall ensure that compensation is reasonable, comparable to the rates of other comparable financial institutions, compatible with the Bank's performance and commensurate with the Directors' Members of Committees' or senior executives' duties, responsibilities and experience. Directors assigned with additional duties and responsibilities as members of Committees should receive additional compensations that commensurate such additional assignments. It is also responsible for overseeing that there is a mechanism or tool to support the nomination of Directors by discussing with the Group Risk Supervision and Internal Control Committee the nomination and remuneration policy can reflect the significant risks of the Bank.

In addition, the Committee has the responsibility to formulate guidelines on the assessment of the performances of the Board of Directors and Senior Executives to be used to determine their annual compensations.

### (3) Corporate Governance

The Nomination, Compensation and Corporate Governance Committee has the responsibilities to develop and review the Bank's Corporate Governance Policy and procedures to ensure that they are in line with the Principles of Good Corporate Governance of the Bank of Thailand. The Committee also has a responsibility to advise the Board of Directors, the management and staff regarding corporate governance best practices and business ethics, while maintaining efficient management.

In addition, the Nomination, Compensation and Corporate Governance Committee is responsible for overseeing the CG Policy of the and practice of the company(ies) in the financial business group of the Bank and consider the nomination and compensation of the directors and Managing Director of company(ies) in the Bank's financial business group.

#### Attendance in 2022

Name of Director	Attendance	Percentage of Attendance
Dr. Prasit Damrongchai	2/2	100%
Pol. Gen. Werapong Chuenpagdee	4/4	100%
Mr. Yong Hu	6/6	100%
Ms. Jing Jin	6/6	100%

### 3.4 The Group Risk Supervision and Internal Control Committee

Comprises 5 Members as follows:

Mr. Natdanai Indrasukhsri	Chairman*
Ms. Unakorn Phruithithada	Vice Chairperson**
Mr. Xiaobo Li	Member
Dr. Shuxian Cui	Member
Mr. Apinetr Unakul	Member**

\* Appointed as Chairman on 1 November 2022

\*\* Appointed as Vice Chairperson/members on 26 April 2022

Resigned Members	Date of Resignation
Ms. Ladda Siri Wattanakosol	26 April 2022
Dr. Verapong Chaiperm	20 June 2022

The Group Risk Supervision and Internal Control Committee has 2 main responsibilities risk oversight and internal control of the Bank and company(ies) in its financial business group as follows:

#### 1) Risk Oversight

The Group Risk Supervision and Internal Control Committee is responsible for providing recommendations to the Board of Directors regarding the risk management framework as well as ensuring that the Chief Risk Officer (CRO) complies with the risk management policies, strategies and risk appetite of the Bank and evaluate the performance of the CRO. It shall oversee that the strategies on capital and liquidity management are in line with the approved risk appetite as well as monitoring and controlling of the risk management policies by the financial group to ensure that such policies are implemented as defined and are in compliance with the Bank of Thailand's regulations. The Committee shall also report significant risk related issues to the Bank's Board of Directors.

#### 2) Internal Control

The Group Risk Supervision and Internal Control Committee is responsible for defining internal control policy and objective of the financial group and organize the formulation of the internal control programs to ensure the efficiency and sufficiency of monitoring system. The Committee shall ensure that there is an effective Three Lines of Defense structure and clear segregation of duties. It shall also promote the financial group to perform internal control, analyze material control deficiencies and review the assessment reports and results.

#### Attendance in 2022

Name of Director	Attendance	Percentage of Attendance
Dr. Verapong Chaiperm*	0/2	0%
Ms. Ladda Siri Wattanakosol	1/1	100%
Mr. Natdanai Indrasukhsri	1/1	100%
Ms. Unakorn Phruithithada	3/3	100%
Mr. Xiaobo Li	4/4	100%
Dr. Shuxian Cui	4/4	100%
Mr. Apinetr Unakul	3/3	100%

\* Could not attend the meetings due to illness

In addition to the four abovementioned committees, the Bank also has other important committees reporting directly to the Executive Committee such as the Management Committee, the Credit Committee, the Asset Management Committee and the Technology Committee.

# REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES IN 2022

## 1. Remuneration of Directors

Remuneration of Directors		
No.	Name	Amount (Baht)
1	Dr. Prasit Damrongchai	220,000
2	Ms. Ladda Siri wattanakosol	220,000
3	Dr. Verapong Chaiperm	226,667
4	Pol. Gen. Werapong Chuenpagdee	630,000
5	Ms. Unakorn Phruithithada	416,667
6	Mr. Natdanai Indrasukhsri	110,000
7	Mr. Apinetr Unakul	630,000
<b>Total</b>		<b>2,453,334</b>

### Remuneration of Members of the Audit Committee

1	Ms. Ladda Siri wattanakosol	200,000
2	Ms. Unakorn Phruithithada	408,334
3	Pol. Gen. Werapong Chuenpagdee	360,000
4	Mr. Apinetr Unakul	360,000
<b>Total</b>		<b>1,328,334</b>

### Remuneration of Members of the Nomination, Compensation and Corporate Governance Committee

1	Dr. Prasit Damrongchai	200,000
2	Pol. Gen. Werapong Chuenpagdee	400,000
<b>Total</b>		<b>600,000</b>

### Remuneration of Members of the Group Risk Supervision and Internal Control Committee

1	Dr. Verapong Chaiperm	283,334
2	Ms. Ladda Siri wattanakosol	120,000
3	Mr. Natdanai Indrasukhsri	100,000
4	Ms. Unakorn Phruithithada	245,000
5	Mr. Apinetr Unakul	245,000
<b>Total</b>		<b>993,334</b>

**Grand Total** **5,375,002**

## 2. Remuneration of Senior Executives

Executives		Year 2022
	No. of Person	Total Amount (Baht)
<b>Total</b>	<b>16</b>	<b>133,050,683</b>



## Directors' and Senior Executives' holding of Positions in other Companies as of 31 December 2022

Name	ICBC (Thai)	The Bank's Financial Business Group		Position	Other Companies
		Directors			
1. Mr. Xiaobo Li	Authorized Director	Authorized Director/ Chairman of the Board of Directors	ICBC (Thai) Leasing Co., Ltd.	-	-
2. Mr. Yong Hu	Non-Executive Director	-	-	Director	ICBC Moscow
				Non-Executive Supervisor	ICBC Technology Company Limited
				Director	ICBC Investment
3. Pol. Gen. Werapong Chuenpagdee	Independent Director	-	-	Independent Director/ Member of Audit Committee	Country Group Development PLC.
				Independent Director/ Member of Audit Committee/ Chairman of Good Corporate Governance Committee	Country Group Holding PLC.
				Independent Director/ Chairman of Audit Committee	Thai Hua Rubber PLC.
				Independent Director/ Chairman of the Audit Committee	Sinsianyerpao Co., Ltd.
				Director	Fusin Mining Industry (Thailand) Co., Ltd.
				Independent Director	Richland Property Development Co., Ltd.
				Director	Boonyachinda Foundation for Thai Royal Police and Family
				Advisor	Thai Industrial Association
				Chairman of Board of Directors	Arinsiri Land Co., Ltd.
				Authorized Director	Triton Holding PLC.
				Independent Director/ Chairman of Audit Committee	Tribeca Enterprise Co., Ltd.
				Authorized Director	Cannasiam Co., Ltd.

## Position

Name		ICBC (Thai)		The Bank's Financial Business Group		Other Companies	
4. Mr. Apinetr Unakul		Independent Director		-		Authorized Director	Vuduranadda Company Limited
						Authorized Director	Kaew Manee Netr Company Limited
						Authorized Director	Nanthanakul Company Limited
						Director	Silicon Craft Technology Public Company Limited
5. Mr. Yimin Hu		Director		-		Director	ICBC (Asia) Limited
						Director	ICBC Wealth Management Company Limited
						Director	Chinese Mercantile Bank
						Director	ICBC Asset Management (Global) Company Limited
6. Ms. Unakorn Phruithithada		Independent Director		-		Independent Director	Principal Capital PLC
						Independent Director	Sri Trang Gloves Thailand PLC
7. Mr. Natdanai Indrasuksri		Independent Director		-		Authorized Director	FWD General Insurance PLC
						Independent Director/ Chairman of Audit Committee	Triton Holding PLC
Senior Executives							
8. Mr. Seksan Chunserreechai	Senior Executive Vice President, Risk Management Division	Director	ICBC (Thai) Leasing Co., Ltd.			Director	Finansia Syrus Securities PLC
						Director	Finansia X PLC

# CORPORATE GOVERNANCE

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Corporate governance is an important practice and mechanism to ensure accountability, fairness and transparency to all shareholders and stakeholders of a company as well as the society at large. The Board of Directors of the Bank recognizes the importance of the principles of good corporate governance in setting its strategies and its daily operations thus has prescribed a written Corporate Governance Policy of the Bank which is based on the Bank of Thailand's Notification on Corporate Governance for Financial Institutions. In addition to the Corporate Governance Policy, the Bank also complies with other corporate governance-related policies such as business ethics, CSR policy and anti-corruption policy. In setting up the organization structure, operational guidelines and duties based on corporate governance, the Bank places high priority to accountability, equitable treatment and transparency to ensure that the Bank's business operations are in accordance with the relevant laws and regulations.

The Board of Directors oversees that the Bank operates under the scope of good corporate governance which means conducting business with integrity and ethics. It ensures that all executives and employees understand the ethical standard of the Bank and comply with such standard so that the Bank could continue to operate as an institution with a high standard of corporate governance.

The Board of Directors recognizes the importance of sound management and control systems based on the principle of checks and balances, therefore, it has delegated the management to establish adequate and appropriate internal control systems to help mitigate risks as well as to mitigate any adverse impact that could occur in accordance with the new notification of the Bank of Thailand Re: Corporate Governance of Financial Institutions. In addition, the Bank oversees its corporate governance as well as the risk and remuneration of directors and persons with managerial power of the company in its financial business group.

The Bank has designated sustainability as an important issue in operating its business thus it has included a Sustainability Report in the Annual Report since the Annual Report 2021. Sustainability or Sustainable Banking is based on the Environment, Social and Governance (ESG) Framework, therefore, NCC plays a large role in Sustainable Banking as it oversees corporate governance. Details on Sustainable Banking can be found in the Sustainability Report.

The Bank's Board of Directors has determined the control activities to be an important part of operational processes for every working section of the Bank, therefore, has assigned several committees to oversee the control system. These committees are the Audit Committee, the Nomination, Compensation and Corporate Governance Committee and the Group Risk Supervision and Internal Control Committee. These committees help ensure that a proper corporate governance system is in place and in compliance with the Corporate Governance Policy in various aspects.

The Audit Committee has the responsibilities to review and assess, through the Internal Audit Department, the efficiency and sufficiency of the internal control systems and make certain that operations are continuously performed in compliance with the policies and regulations of the Bank's supervisory authorities. The Internal Audit Department is an independent department which reports directly to the Audit Committee.

Moreover, in accordance with the Bank's Corporate Governance Policy, every year the Board of Directors is required to conduct its self-assessment for the performance of the Board of Directors as a whole according to the requirement of the Bank of Thailand. The Board of Directors self-assessment forms are divided into 4 forms as follows:

- 1) Assessment of the performance of the Board of Directors as a whole;
- 2) Assessment of the performance of individual performance;
- 3) Cross-evaluation of the performance of individual Directors; and
- 4) Cross-evaluation of the performance of the Chairman of the Board of Directors.

The assessments covered various topics such as qualifications of Directors, Board composition and Board meetings. The result of the 2022 Board of Directors' Assessment for the Board as a whole had a score of 99.00%, the result of the overall average for individual performance was 99.50% while the cross-evaluations resulted in an average of 100% for individual performance of each Director and 98.50% for the performance of the Chairman.

Furthermore, as a member, the Bank must comply with the Anti-Corruption Policy requirements in order for its Directors, Senior Executives and all staff including companies in its financial business group to recognize the importance of Anti-Corruption as well as the procedures to prevent bribery and corruption.

Lastly, the Bank gives high priority on Market Conduct based on the best interest of its customers. The Bank is committed to providing services with transparency and fairness to its customers as well as willing to offer advices on the various products of the Bank appropriately and clearly. Moreover, the Bank will be ready to take responsibility in handling and rectifying complaints when launched by the customers.

The Bank has policies and strategies which reflect its business operations that place importance on creating instilling fair service. The Bank's Directors and Senior Executives are an integral part in driving effective fair services provision with transparency by considering the impacts to the environment and society with corporate governance.

In 2022, the Bank accepted and paid the fine imposed by the Settlement Committee totaling Baht 296,000 in accordance with Section 317 of the Securities and Exchange Act B.E. 2535 ("the Act") due to its failure to prepare and submit Key Financial Ratio for the year 2020 within the specified period which resulted in a violation of Section 56(4) of the Act. The case is now settled by means of Section 317.

# CAPITAL STRUCTURE

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## Registered Capital

As at 31 December 2022 the Bank had a registered capital of 20,107,099,047.12 Baht divided into 2,253,716,655 ordinary shares at par value of 8.92 Baht and 442,431 Class B preferred shares at par value of 8.92 Baht with paid-up capital of 20,107,099,047.12 Baht divided into 2,253,716,655 ordinary shares at par value of 8.92 Baht and 442,431 Class B preferred shares at par value of 8.92 Baht.

## Preferred Shares

The Bank's preferred shares were previously divided into Class A and Class B preferred shares. Currently, all Class A preferred shares have been converted into ordinary shares. Class B preferred shares have rights and benefits equal to ordinary shares with the exception that the holders of Class B preferred shares are entitled to convert their shares into ordinary shares at a ratio of 1:1. The holders of Class B preferred shares are able to exercise the conversion of Class B preferred shares into ordinary shares four times a year. The exercise dates for the conversion of Class B preferred shares into ordinary shares are 22 February, 22 May, 22 August and 22 November. The holder of Class B preferred shares must lodge the application for the conversion together with the share certificates to the Bank (Head Office Branch) as the Share Registrar during business hours on the specified dates. Consequently, the Bank has become its own Share Registrar since 1 September 2013.

## GENERAL INFORMATION

### Industrial and Commercial Bank of China (Thai) Public Company Limited

Type of business	Commercial bank
Address of Head Office	L, 11 <sup>th</sup> - 13 <sup>th</sup> Floors, Emporium Tower, 622 Sukhumvit Road, Khlong Ton, Khlong Toei, Bangkok 10110 Thailand
Registration No.	0107536000251
Website	www.icbcthai.com
Telephone	+66 2663 9999
Facsimile	+66 2663 9888
Call Center	+66 2629 5588
Registered capital	Baht 20,107,099,047.12 (as of 31 December 2022)
Paid — up capital	Baht 20,107,099,047.12 (as of 31 December 2022)
Par value	Baht 8.92

### Entities in which the Bank has a stake of 10% or more of their paid-up capital

#### ICBC (Thai) Leasing Company Limited

Address	87/2 CRC Tower, All Seasons Place, Wireless Road Lumpini, Pathumwan, Bangkok 10330 Thailand
Type of business	Leasing Business
Telephone	+66 2676 8100
Facsimile	+66 2626 8191-6
Registered capital	Baht 8,000,000,000.00 (as of 31 December 2022)
Paid — up capital	Baht 4,250,000,000.00 (as of 31 December 2022)
Par value	Baht 10
Percentage of shareholding	99.99%

#### ICBC (Thai) Insurance Broker Company Limited

Address	87/2 CRC Tower All Seasons Place, Wireless Road Lumpini, Pathumwan, Bangkok 10330 Thailand
Type of business	Insurance Broker
Telephone	0 2253 1588
Facsimile	0 2253 1589
Registered capital	Baht 6,000,000.00 (as of 31 December 2022)
Paid-up capital	Baht 6,000,000.00 (as of 31 December 2022)
Par value	Baht 10
Percentage of shareholding	Indirect holding 99.99%

**Sky High Li Leasing Designated Activity Company**

Registered Office	2 <sup>nd</sup> Floor, Block 5, Irish Life Centre, Lower Abbey Street, Dublin, Ireland DO1P767
Business Type	Leasing of commercial jet aircraft
Telephone No.	+66 2676 8100
Share Registered	1 EURO (as at 31 December 2022)
Paid Up share	1 EURO (as at 31 December 2022)
Share price	1 EURO
Percentage of Holding	Indirect holding 99.99%

**Reference Information**

<b>Registrar</b>	Industrial and Commercial Bank of China (Thai) Public Company Limited 13 <sup>th</sup> Floor, Emporium Tower, 622 Sukhumvit Road, Khlong Ton, Khlong Toei, Bangkok 10110 Thailand
Telephone	+66 2663 9999
Fax	+66 2663 9768
<b>Auditors</b>	Deloitte Touche Tohmatsu Jaiyos Audit Company Limited 23 <sup>rd</sup> -27 <sup>th</sup> Floor, AIA Sathorn Tower, 11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok, 10120 Thailand
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