



Capital Requirement Disclosures

Basel III _ Pillar III

For the year ended 31 December 2020

Scope of Information Disclosure

According to the Bank of Thailand's guideline in the supervision of capital for commercial banks based on Basel III enforced at full consolidation, The Financial Group is required to maintain the minimum capital requirement corresponding to more complicated risk assessment methods for better risk measurement and embracing other relevant aspects of The Financial Group's encountered risks. The Financial Group is required to disclose both quantitative and qualitative data. Regarding qualitative disclosure, the data as of 31 December 2020 and the latest disclosure of The Financial Group shall be compared. The Financial Group's comprise of:

1. ICBC (Thai) Public Company Limited.
2. ICBC (Thai) Leasing Company Limited

Besides the regulation mentioned above, the Bank of Thailand further requires The Financial Group to disclose other key relevant information regarding the capital to be easily accessible and to engender the transparency of The Financial Group's risks and capital information as follows.

Key Prudential Metrics

The table below provides an overview of The Financial Group's key prudential metrics related to regulatory capital and liquidity standards.

	The Financial Group		The Bank	
	31 December 2020	30 June 2020	31 December 2020	30 June 2020
	<i>Unit : Thousand Baht</i>		<i>Unit : Thousand Baht</i>	
Capital Fund Amount				
Common equity Tier 1	32,426,103	30,791,625	30,701,036	29,596,384
Common equity Tier 1 after deduction of Fully loaded ECL	32,426,103	30,791,625	30,701,036	29,596,384
Tier 1 capital	32,426,103	30,791,625	30,701,036	29,596,384
Tier 1 capital after deduction of Fully loaded ECL	32,426,103	30,791,625	30,701,036	29,596,384
Total Capital fund	40,195,427	38,597,143	37,933,337	36,993,362
Total Capital fund after deduction of Fully loaded ECL	40,195,427	38,597,143	37,933,337	36,993,362
Risk weighted assets				
Total risk – weighted assets	231,501,689	234,211,391	190,008,028	198,309,868

	The Financial Group		The Bank	
	31 December 2020	30 June 2020	31 December 2020	30 June 2020
	<i>Unit : Percent</i>		<i>Unit : Percent</i>	
Capital Ratio				
Common equity Tier 1 ratio	14.0	13.2	16.2	14.9
Fully loaded ECL CET1 Ratio	14.0	13.2	16.2	14.9
Tier 1 ratio	14.0	13.2	16.2	14.9
Fully loaded ECL Tier 1 Ratio	14.0	13.2	16.2	14.9
Total Capital Ratio	17.4	16.5	20.0	18.6
Fully loaded ECL Total Capital Ratio	17.4	16.5	20.0	18.6
Additional capital adequacy ratio				
Conservation buffer Ratio	2.5	2.5	2.5	2.5
Countercyclical buffer Ratio	0.0	0.0	0.0	0.0
D-SIB additional requirements	0.0	0.0	0.0	0.0
Total additional capital adequacy ratio	2.5	2.5	2.5	2.5
CET1 available after meeting the bank's minimum capital requirements	7.0	6.2	9.2	7.9

	The Bank	
	31 December 2020	30 June 2020
	<i>Unit : Million Baht</i>	
Liquidity coverage ratio under liquidity stress scenario		
Total High-quality liquid assets (Total HQLA)	50,676	84,016
Total net cash outflows within the 30-day period	35,999	53,395
LCR	141%	158%

On 1 January 2021, the bank recognized expected credit loss model applies to the following financial instruments that are not measured at FVTPL that complied with TFRS9. The bank estimates of expected cash shortfalls by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD). The forward-looking macro-economic assumptions are incorporate into the model, where relevant and where they have been identified to influence credit risk. In addition, the bank management aware that the model cannot capture the risk, the management overlay principle, covering industry, model and other risks will be applied.

After the bank comply with above principle and strengthen to maintain the existing expected credit loss which has been set before 1 January 2020 as the existing reserve. So the bank has not the surplus of expected credit loss for capital fund adjustment.

Capital structure

The Financial Group and the Bank's capital as of 31 December 2020 and as of 30 June 2020 are composed of the following data.

	The Financial Group	
	31 December 2020	30 June 2020
	<i>Unit: Thousand Baht</i>	
Tier-1 Capital		
Common Equity Tier 1 (CET1)		
Paid-up share capital	20,081,600	20,081,600
Legal reserve	2,015,000	1,600,000
Retained earnings after appropriations	11,084,302	9,963,673
Other comprehensive income	227,070	186,300
Other owner changes items	(24,849)	(24,849)
<u>Less deductible items on Common Equity Tier 1</u>	<u>(957,020)</u>	<u>(1,015,099)</u>
Total Common Equity Tier 1 (CET1)	<u>32,426,103</u>	<u>30,791,625</u>
Tier-2 Capital		
Subordinated debentures	5,000,000	5,000,000
Reserve for assets classified as "Pass"	2,769,324	2,805,518
Total Tier-2 Capital	<u>7,769,324</u>	<u>7,805,518</u>
Total capital fund of The Financial Group	<u>40,195,427</u>	<u>38,597,143</u>
Total risk – weighted assets	<u>231,501,689</u>	<u>234,211,391</u>
	The Bank	
	31 December 2020	30 June 2020
	<i>Unit: Thousand Baht</i>	
Tier-1 Capital		
Common Equity Tier 1 (CET1)		
Paid-up share capital	20,081,600	20,081,600
Legal reserve	2,015,000	1,600,000
Retained earnings after appropriations	8,762,924	8,051,433
Other comprehensive income	215,138	179,396
<u>Less deductible items on Common Equity Tier 1</u>	<u>(373,626)</u>	<u>(316,045)</u>
Total Common Equity Tier 1 (CET1)	<u>30,701,036</u>	<u>29,596,384</u>
Tier-2 Capital		
Subordinated debentures	5,000,000	5,000,000
Reserve for assets classified as "Pass"	2,292,301	2,396,978
Total Tier-2 Capital	<u>7,292,301</u>	<u>7,396,978</u>
Total capital fund of the bank	<u>37,993,337</u>	<u>36,993,362</u>
Total risk – weighted assets	<u>190,008,023</u>	<u>198,309,868</u>

Capital Adequacy

According to the Bank of Thailand's guideline in supervision of capital, commercial banks are required to maintain the capital in proportion to the credit, market and operational risk weighted assets of at least 8.5% and maintain the additional conservation buffer 0.625% per year to 2.50% from 2016 to 2019.

The Financial Group has established the policy to maintain the regulatory capital in compliance with the methodologies and conditions as specified by the Bank of Thailand. To assess the capital adequacy for different types of risk assets, The Financial Group utilizes the approaches corresponding to complexity of transactions and size of The Financial Group as follows.

- Credit Risk Standardized Approach
- Market Risk Standardized Approach
- Operational Risk Basic Indicator Approach

Besides, The Financial Group has the capital adequacy assessment so as to comply with the Bank of Thailand's guideline in supervision of capital for The Financial Group.

The minimum capital requirement

According to the Basel III guideline in supervision of capital, The Financial Group and the Bank have to maintain the minimum capital corresponding to the following type of risk :

1. Credit risk capital requirement

Based on the Standardized Approach, the minimum capital requirements of The Financial Group and The Bank's capital are classified by type of assets with the data as of 31 December 2020 and as of 30 June 2020 were as follows:

	The Financial Group	
	31 December 2020	30 June 2020
	<i>Unit: Thousand Baht</i>	
Minimum Credit Risk Capital Requirement		
Performing Loans		
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank.,	-	-
Claims on Financial Institutions and claims on Non- central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions.	2,375,529	2,688,584
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates.	12,948,373	13,731,182
Claims in the Retails Portfolio	2,754,319	2,339,045
Residential Mortgage Loans	459	537
Other assets	226,566	233,259
Non-performing Loans	526,158	84,914
Total Minimum Credit Risk Capital Requirement	18,831,404	19,077,521

	The Bank	
	31 December 2020	30 June 2020
	<i>Unit: Thousand Baht</i>	
Minimum Credit Risk Capital Requirement		
Performing Loans		
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank	-	-
Claims on Financial Institutions and claims on Non-central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	2,368,846	2,685,263
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates	12,593,126	13,045,900
Claims in the Retails Portfolio	35,829	33,253
Residential Mortgage Loans	459	537
Other assets	484,239	504,520
Non-performing Loans	105,147	29,981
Total Minimum Credit Risk Capital Requirement	15,587,646	16,299,454

2. Market Risk Capital Requirement

For the Trading Book, The Financial Group and the Bank use the Standardized Approach for capital calculation. The market risk capital requirement for The Financial Group and the Bank as of 31 December 2020 and 30 June 2020 as follows.

	The Financial Group		The Bank	
	31 December 2020	30 June 2020	31 December 2020	30 June 2020
Capital Requirement	<i>Unit: Thousand Baht</i>		<i>Unit: Thousand Baht</i>	
Market Risk Capital Requirement	15,558	10,782	22,968	25,106

3. Operational Risk Capital Requirement

The Financial group and the Bank adopt the Basic Indicator Approach for capital requirement calculation of operational risk as of 31 December 2020 and as of 30 June 2020 as follows.

	The Financial Group		The Bank	
	31 December 2020	30 June 2020	31 December 2020	30 June 2020
Minimum Capital Requirement	<i>Unit: Thousand Baht</i>		<i>Unit: Thousand Baht</i>	
Operational Risk Capital Requirement	830,682	819,664	540,068	531,779

4. Capital Adequacy Ratio

The Financial Group and the Bank calculated risk weight assets under Basel III guideline for 3 types of risk, The Capital Adequacy Ratio were as follows

Capital Adequacy Ratio	The Financial Group		BOT
	31 December 2020	30 June 2020	Requirement
	<i>Unit: Percent</i>		
Tier 1 capital to risk assets	14.0	13.2	8.5
Common Equity Tier 1 to risk assets	14.0	13.2	7.0
Tier 2 capital to risk assets	3.4	3.3	-
Total capital to risk assets	17.4	16.5	11.0

Capital Adequacy Ratio	The Bank		BOT
	31 December 2020	30 June 2020	Requirement
	<i>Unit: Percent</i>		
Tier 1 capital to risk assets	16.2	14.9	8.5
Common Equity Tier 1 to risk assets	16.2	14.9	7.0
Tier 2 capital to risk assets	3.8	3.7	-
Total capital to risk assets	20.0	18.6	11.0

Reconciliation of Regulatory Capital and Financial Statement under Consolidated Supervision

Capital fund under Consolidated Supervision

Items	31 December	30 June	References base on Statement
	2020	2020	of Financial Position under the consolidated supervision
	<i>Unit: Thousand Baht</i>		
Tier-1 Capital			
Common Equity Tier 1 (CET1)			
Paid-up share capital	20,081,600	20,081,600	A
Legal reserve	2,015,000	1,600,000	B
Retained earnings after appropriations	11,084,302	9,963,673	C
Other comprehensive income	227,070	186,300	D
Other owner changes items	(24,849)	(24,849)	E
Less deductible items on Common Equity Tier 1	(957,020)	(1,015,099)	F
Total Common Equity Tier 1 (CET1)	32,426,103	30,791,625	
Tier-2 Capital			
Subordinated debentures	5,000,000	5,000,000	G
Reserve for assets classified as "Pass"	2,769,324	2,805,518	H
Total Tier-2 Capital	7,769,324	7,805,518	
Total Capital Funds	40,195,427	38,597,143	

Statement of financial position under consolidated supervision

Items	30 December	30 June	References base on Statement of Financial Position under the consolidated supervision
	2020	2020	
<i>Unit: Thousand Baht</i>			
Assets			
Cash	441,769	367,094	
Interbank and money market items, net	31,650,250	55,044,407	
Derivative assets	1,347,941	498,320	
Investments, net	73,952,548	80,912,218	
Loans to customers and accrued interest receivables, net	159,089,193	154,647,675	
<i>Qualified as capital</i>	2,769,324	2,805,518	H
Properties foreclosed, net	308,338	288,373	
Premises and equipment, net	565,515	596,433	
<i>Intangible assets, net</i>	36,009	37,403	F
<i>Deferred tax assets, net</i>	924,446	977,696	F
Accrued income, net	546,725	510,199	
Receivables on credit support for derivative contracts	190,760	504,409	
Other receivables, net	1,225,352	999,715	
Other assets, net	50,908	51,884	
Total assets	270,329,754	295,435,826	
Liabilities			
Deposits	147,046,456	167,990,135	
Interbank and money market items	38,952,828	51,692,669	
Liabilities payable on demand	164,879	52,907	
Derivative liabilities	1,561,879	1,884,240	
Debt issued and borrowings	44,550,937	37,085,649	
<i>Qualified as capital</i>	5,000,000	5,000,000	G
Provision for liabilities	664,081	611,097	
Accrued interest payables	718,919	839,341	
Payable on credit support for derivative contracts	338,748	-	
Lease liabilities	294,395	308,379	
Other liabilities	1,987,806	2,204,395	
Total liabilities	236,280,928	262,668,812	

References base on Statement of

Items	30 December 2020	30 June 2020	Financial Position under the consolidated supervision
<i>Unit: Thousand Baht</i>			
Equity			
Issued and paid-up share capital	20,132,094	20,132,094	A
Treasury shares	(50,494)	(50,494)	A
Difference arising from business combination under common control	(24,849)	(24,849)	E
Other components of equity	227,070	186,301	D
Retained earnings			
Appropriated - Legal reserve	2,015,000	1,600,000	B
Unappropriated	11,750,005	10,923,962	
<i>Qualified as capital</i>	11,084,302	9,963,673	C
Total equity	34,048,826	32,767,014	
Total liabilities and equity	270,329,754	295,435,826	

The main features of regulatory capital instruments issued

Subject		Description
1	Issuer	Industrial and Commercial Bank of China (Thai) Public Company Limited.
2	Unique identifier	ICBCT289A
<i>BOT's Treatment</i>		
3	Instrument type (CET 1 / Tier 1/ Tier 2)	Tier 2
4	Qualified as per BOT Basel III rerulations	Qualified
5	If not, specify unqualified feature as per the Basel III regulation	-
6	Recognized as capital partially or full	Fully recognized
7	Eligible as The Bank / The Group / The Bank and Group	The Bank and Group
8	Amount recognized in regulatory capital (unit : million baht)	5,000 (Five thousand million) Baht
9	Par value of instrument (unit : baht)	1,000 (One thousand) Baht / Unit

Subject		Description
10	Accounting classification	Financial Liabilities stated at Amortized Cost
11	Original date of issuance	23 March 2018
12	Perpetual or dated	Dated
13	Original maturity date	23 September 2028
14	Issuer call subject to prior supervisory approval	Issuer call option with BOT's prior approval
15	Optional call date , Contingent call dates and redemption amount	<p>The issuer may early redeem prior to the maturity date, if it falls under any of the following events</p> <ol style="list-style-type: none"> 1. After the lapse of 5 years from the issue date or. 2. If there is a change in tax law after the issue date which results in a change to the tax treatment of the Subordinate Instruments that is not to the benefit of the Issuer or. 3. If the Subordinate Instruments are fully excluded from Tier 2 capital as a result of the change in the applicable regulations or. 4. Any other event as permitted by the BOT after the Issue Date.
16	Subsequent call dates, if applicable	After 23 March 2023, issuer may early withdraw before maturity date.
<i>Coupons / Other returns</i>		
17	Fixed or floating dividend / Coupon	Fixed rate
18	Coupon rate and any related index	Fixed interest rate at 3.5 % p.a until maturity. The interest payment shall be paid every 3 months.

Subject		Description
19	Existence of dividend stopper	-None-
20	Fully discretionary, partially discretionary or mandatory	Discretionary as stated in term and conditions
21	Existence of step up or other incentive to redeem	No step up interest payment.
22	Noncumulative or Cumulative	Non - cumulative
23	Convertible or Non - Convertible	Non - Convertible
24	If convertible, conversion trigger	-
25	If convertible, fully or partially	-
26	If convertible, Conversion rate	-
27	If convertible, specify instrument	-
28	If convertible, specify issuer of instrument it converts into	-
29	Write-down feature	Write-down feature
30	If write-down, write-down trigger	In case of non-viability events of the issuer and the authority decides to grant financial assistance, the subordinate instrument holder shall be forced to write-down. Issuer may write-down (in full or partial amount).
31	If write-down, full or partial	Write-down in full or partial amount
32	If write-down, permanent or temporary	Permanent
33	If temporary write-down, description of write-up mechanism	-
34	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Superior to Additional Tier 1 debt securities (if any) / Preferred share / Common stock.

Credit Risk Policies

The Financial Group has established the credit risk policies and credit policies as the guidelines for credit approvals consideration to be within the portfolio risk tolerance of The Financial Group and the bank. The credit risk management policies comprise the lending to related parties policy, individual and group facility limits, the list of prohibited businesses lending, specific businesses lending and sectorial lending limits including other relevant policies to credit approval processes which are in line with the Bank of Thailand's regulations so that The Financial Group has appropriate control of credit risk and sufficient credit and portfolio risk management. The policies also incorporate the processes of credit risk assessment, monitoring, controlling and capital adequacy assessment as appropriate.

Definition of default and impairment of assets

The Financial Group has established the policy to define the default for the impairment of loan consideration whereby the incurrence of default corresponding to the overdue of either principal or interest of over 90 days after the due date or any loans qualitatively classified as non - performing.

Guideline for setting general and specific provision

The Group recognized expected credit loss which complied with TFRS9 and Bank of Thailand notification: Guideline on Asset Classification and Provisioning of Financial Institutions. An expected credit loss represents the present value of expected cash shortfalls over the residual term 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.

The estimation of expected cash shortfalls on collateralized financial instruments reflects the expected amount and timing of cash flow from foreclosure of the collateral less the costs of obtaining and selling the collateral.

In addition, the Group also recognized the specific an expected credit loss by individual as follows:

1. The Financial Group has set the additional allowance by considering the Expected loss for "Stage 1" and "Stage 2".
2. In case that The Financial Group has considered the credit approval, extension of facility or restructuring and found that it is possible that the loans cannot be repaid in both principal and interest according to the contract, the credit risk department will consider classification and propose the additional specific allowance for each individual loan.

3. For some industry sectors, countries or portfolios which have higher risk profiles, the Credit Risk Department may recommend increases in the allowances for debtors in those sectors, countries or portfolios.
4. The Financial Group may set additional allowances upon the recommendations of Industrial and Commercial Bank of China Limited, the parent company, the BOT or the Bank's management, internal auditors, and external auditors.
5. Since the difficulties to receive recovery from enforcement of machinery, the Bank shall not use the machinery placed as collateral as a deductible.

The Financial Group and the Bank have the outstanding balance of financial statement before considering the credit risk mitigation as of 31 December 2020 and 2019 as follows:

Items	31 December 2020	
	The Financial Group	The Bank
<i>Unit: Thousand Baht</i>		
On- Statements of financial position		
Net loans and accrued interest receivables ^{1/}	187,337,614	140,164,725
Net investment in debt securities ^{2/}	73,052,722	73,052,722
Net deposits and accrued interest receivables ^{3/}	3,401,827	3,160,714
Derivatives assets	1,347,941	1,347,941
Off- Statements of financial position ^{4/}		
Avals, Guarantee to loans and Letters of Credit	1,566,120	1,566,120
OTC derivatives	83,615,880	83,615,880
Undrawn committed lines	6,989,636	7,019,636

^{1/} Including accrued interest receivables and net deferred income allowance for expected credit loss and net loans to interbank and money market.

^{2/} Excluding accrued interest receivables and net revaluation surplus and allowance for expected credit loss.

^{3/} Including accrued interest receivables and net allowance for expected credit loss.

^{4/} Before multiplying by the credit conversion factors (CCF).

Items	31 December 2019	
	The Financial Group	The Bank
	<i>Unit: Thousand Baht</i>	
On- Statements of financial position		
Total Net loans ^{1/}	178,088,496	137,654,773
Net investment in debt securities ^{2/}	71,820,724	71,820,724
Deposits (including accrued interest receivables)	2,358,175	2,171,251
Off- Statements of financial position ^{3/}		
Avals, Guarantee to loans and Letters of Credit	1,283,722	1,283,722
OTC derivatives	74,972,921	74,972,921
Undrawn committed lines	4,228,042	4,228,042

^{1/} Including accrued interest receivables and net deferred income, allowances for doubtful account, allowances for restructuring and net loans to interbank and money market

^{2/} Excluding accrued interest receivables and net the revaluation surplus and allowances for impairment.

^{3/} Before multiplying by the credit conversion factors (CCF)

The Financial Group and the Bank have the outstanding balance of financial statement before considering the credit risk mitigation classified by country as of 31 December 2020 and 2019 as follows:

The Financial Group					
31 December 2020					
On- Statements of financial position					
Customer's country of residence	Net loans and	Net investment	Net deposits and		
	accrued interest	in debt	accrued interest	Derivative	
	receivables ^{1/}	securities ^{2/}	receivables ^{3/}	assets	Total
	<i>Unit: Thousand Baht</i>				
Thailand	167,944,066	51,468,123	2,096,746	829,608	222,338,543
Asia Pacific Rim excluding Thailand	14,602,970	8,296,867	1,169,025	518,333	24,587,195
North America and Latin America	1,829,503	13,287,732	-	-	15,117,235
Africa and Middle East	1,905,808	-	-	-	1,905,808
Europe	1,055,267	-	136,056	-	1,191,323
Total	187,337,614	73,052,722	3,401,827	1,347,941	265,140,104

^{1/} Including accrued interest receivables and net deferred income, allowance for expected credit loss and net loans to interbank and money market.

^{2/} Excluding accrued interest receivables and net revaluation surplus and allowance for expected credit loss.

^{3/} Including accrued interest receivables and net allowance for expected credit loss.

The Bank
31 December 2020
On- Statements of financial position

Customer's country of residence	Net loans and accrued interest receivables ^{1/}	Net investment in debt securities ^{2/}	Net deposits and accrued interest receivables ^{3/}	Derivative Assets	Total
<i>Unit: Thousand Baht</i>					
Thailand	119,241,015	51,468,123	1,956,976	829,608	173,495,722
Asia Pacific Rim excluding Thailand	14,520,224	8,296,867	1,169,025	518,333	24,504,449
North America and Latin America	1,829,503	13,287,732	-	-	15,117,235
Africa and Middle East	1,901,683	-	-	-	1,901,683
Europe	2,672,300	-	34,713	-	2,707,013
Total	140,164,725	73,052,722	3,160,714	1,347,941	217,726,102

^{1/} Including accrued interest receivables and net deferred income allowance for expected credit loss and net loans to interbank and money market.

^{2/} Excluding accrued interest receivables and net revaluation surplus and allowance for expected credit loss.

^{3/} Including accrued interest receivables and net allowance for expected credit loss.

The Financial Group
31 December 2020
Off- Statements of financial position ^{4/}

Customer's country of residence	Avals, Guarantees to loans and Letter of Credit ^{3/}	Over-the-counter derivatives	Undrawn Committed Line	Total
<i>Unit: Thousand Baht</i>				
Thailand	696,984	50,483,366	5,439,898	56,620,248
Asia Pacific Rim excluding Thailand	852,213	33,132,514	564,297	34,549,024
North America and Latin America	-	-	319,400	319,400
Africa and Middle East	4,147	-	662,325	666,472
Europe	12,776	-	3,716	16,492
Total	1,566,120	83,615,880	6,989,636	92,171,636

^{4/} Before multiplying by the credit conversion factors (CCF)

The Bank
31 December 2020
Off- Statements of financial position ^{1/}

Customer's country of residence	Avals, Guarantees to loans	Over-the-counter	Undrawn	Total
	and Letter of Credit	derivatives	Committed Line	
<i>Unit: Thousand Baht</i>				
Thailand	696,984	50,483,366	5,469,898	56,650,248
Asia Pacific Rim excluding Thailand	852,213	33,132,514	564,297	34,549,024
North America and Latin America	-	-	319,400	319,400
Africa and Middle East	4,147	-	662,325	666,472
Europe	12,776	-	3,716	16,492
Total	1,566,120	83,615,880	7,019,636	92,201,636

^{1/} Before multiplying by the credit conversion factors (CCF)

The Financial Group
31 December 2019
On- Statements of financial position

Customer's country of residence	Total	Net investment in	Deposits (Including accrued	Total
	Net Loans ^{1/}	debt securities ^{2/}	interest receivables)	
<i>Unit: Thousand Baht</i>				
Thailand	150,955,972	49,400,695	1,262,920	201,619,587
Asia Pacific Rim excluding Thailand	20,100,888	11,705,544	1,082,209	32,888,641
North America and Latin America	2,925,865	10,714,485	-	13,640,350
Africa and Middle East	2,781,156	-	-	2,781,156
Europe	1,324,615	-	13,046	1,337,661
Total	178,088,496	71,820,724	2,358,175	252,267,395

^{1/} Including accrued interest receivables and net deferred income , allowances for doubtful account , allowances for restructuring and net loans to interbank and money market.

^{2/} Excluding accrued interest receivables and net revaluation surplus and allowance for impairment.

The Bank
31 December 2019

On- Statements of financial position

Customer's country of residence	Total Net Loans ^{1/}	Net investment in debt securities ^{2/}	Deposits(Including accrued interest receivables)	Total
<i>Unit: Thousand Baht</i>				
Thailand	107,467,405	49,400,695	1,180,027	158,048,127
Asia Pacific Rim excluding Thailand	20,025,214	11,705,544	978,179	32,708,937
North America and Latin America	2,925,865	10,714,485	-	13,640,350
Africa and Middle East	2,777,109	-	-	2,777,109
Europe	4,459,100	-	13,045	4,472,145
Total	137,654,693	71,820,724	2,171,251	211,646,668

^{1/} Including accrued interest receivables and net deferred income , allowances for doubtful account ,allowances for restructuring and net loans to interbank and money market

^{2/} Excluding accrued interest receivables and net revaluation surplus and allowance for impairment.

The Financial Group

31 December 2019

Off- Statements of financial position ^{3/}

Customer's country of residence	Avals, Guarantees to loans and Letter of Credit	Over-the-counter derivatives	Undrawn Committed Line	Total
<i>Unit: Thousand Baht</i>				
Thailand	375,188	43,344,567	2,601,733	46,321,488
Asia Pacific Rim excluding Thailand	886,531	31,628,354	351,696	32,866,581
North America and Latin America	-	-	966,239	966,239
Africa and Middle East	4,085	-	308,374	312,459
Europe	17,918	-	-	17,918
Total	1,283,722	74,972,921	4,228,042	80,484,685

^{3/} Before multiplying by the credit conversion factors (CCF)

The Bank
31 December 2019
Off- Statements of financial position ^{1/}

Customer's country of residence	Avals, Guarantees to	Over-the-counter	Undrawn	Total
	loans and Letter of Credit	derivatives	Committed Line	
		<i>Unit: Thousand Baht</i>		
Thailand	375,188	43,344,567	2,601,733	46,321,488
Asia Pacific Rim excluding Thailand	886,531	31,628,354	351,696	32,866,581
North America and Latin America	-	-	966,239	966,239
Africa and Middle East	4,085	-	308,374	312,459
Europe	17,918	-	-	17,918
Total	1,283,722	74,972,921	4,228,042	80,484,685

^{1/} Before multiplying by the credit conversion factors (CCF)

The Financial Group and the Bank have the outstanding balance of financial statement before considering the credit risk mitigation classified by remaining maturities as of 31 December 2020 and 2019 as follows:

The Financial Group
31 December 2020

Items	Up to 1 year	Over 1 year	Total
	<i>Unit: Thousand Baht</i>		
On- Statements of financial position			
Net loans and accrued interest receivables ^{1/}	64,623,837	122,713,777	187,337,614
Net investment in debt securities ^{2/}	43,414,493	29,638,229	73,052,722
Net deposits and accrued interest receivables ^{3/}	2,690,348	711,479	3,401,827
Derivatives assets	987,320	360,621	1,347,941
Off- Statements of financial position ^{4/}			
Avals, Guarantee to loans and Letters of Credit	194,965	1,371,155	1,566,120
OTC derivatives	58,862,875	24,753,005	83,615,880
Undrawn committed lines	4,027,210	2,962,426	6,989,636

^{1/} Including accrued interest receivables and net deferred income, allowance for expected credit loss and net loans to interbank and money market

^{2/} Excluding accrued interest receivables and net revaluation surplus and allowance for expected credit loss

^{3/} Including accrued interest receivables net revaluation surplus and allowance for expected credit loss.

^{4/} Before multiplying by the credit conversion factors (CCF)

The Bank
31 December 2020

Items	The Bank		
	Up to 1 year	Over 1 year	Total
<i>Unit: Thousand Baht</i>			
On- Statements of financial position			
Net loans and accrued interest receivables ^{1/}	62,898,937	77,265,788	140,164,725
Net investment in debt securities ^{2/}	43,414,492	29,638,230	73,052,722
Net deposits and accrued interest receivables ^{3/}	2,449,234	711,480	3,160,714
Derivatives assets	987,320	360,621	1,347,941

Off- Statements of financial position ^{4/}

Avals, Guarantee to loans and Letters of Credit	194,965	1,371,155	1,566,120
OTC derivatives	58,862,875	24,753,005	83,615,880
Undrawn committed lines	4,027,210	2,992,426	7,019,636

^{1/} Including accrued interest receivables and net deferred income, allowance for expected credit loss and net loans to interbank and money market

^{2/} Excluding accrued interest receivables and net revaluation surplus and allowance for expected credit loss.

^{3/} Including accrued interest receivables and net allowance for expected credit loss.

^{4/} Before multiplying by the credit conversion factors (CCF)

The Financial Group
31 December 2019

Items	The Financial Group		
	Up to 1 year	Over 1 year	Total
<i>Unit: Thousand Baht</i>			
On- Statements of financial position			
Total Net loans ^{1/}	56,096,887	121,991,609	178,088,496
Net investment in debt securities ^{2/}	36,526,763	35,293,961	71,820,724
Deposit (including accrued interest receivables)	2,358,175	-	2,358,175
Off- Statements of financial position ^{3/}			
Avals, Guarantees to loans and Letters of Credit	293,713	990,009	1,283,722
Over-the-counter derivatives	38,425,077	36,547,844	74,972,921
Undrawn committed line	300,000	3,928,042	4,228,042

^{1/} Including accrued interest receivables and net deferred income, allowances for doubtful account, allowances for restructuring and net loans to interbank and money market

^{2/} Excluding the interest receivables and net revaluation surplus and allowance for impairment.

^{3/} Before multiplying by the credit conversion factors (CCF)

The Bank
31 December 2019

Items	The Bank		
	Up to 1 year	Over 1 year	Total
<i>Unit: Thousand Baht</i>			
On- Statements of financial position			
Total Net loans ^{1/}	56,052,028	81,602,745	137,654,773
Net investment in debt securities ^{2/}	36,526,763	35,293,961	71,820,724
Deposit (including accrued interest receivables)	2,171,251	-	2,171,251
Off- Statements of financial position ^{3/}			
Avals, Guarantees to loans and Letters of Credit	293,713	990,009	1,283,722
Over-the-counter derivatives	38,425,077	36,547,844	74,972,921
Undrawn committed line	300,000	3,928,042	4,228,042

^{1/} Including accrued interest receivables and net deferred income, allowances for doubtful account, allowances for restructuring and net loans to interbank and money market

^{2/} Excluding the interest receivables and net revaluation surplus and allowance for impairment.

^{3/} Before multiplying by the credit conversion factors (CCF)

The Financial Group and the Bank have the financial instruments outstanding before considering the credit risk mitigation and General provision, Specific provision according to the Bank of Thailand's guideline as of 31 December 2020 as follows:

The Financial Group
31 December 2020

Items	Outstanding balance		Provision ^{2/}	Provision under SA		Net ^{3/}
	Non Performing ^{1/}	Performing ^{1/}		General Provision	Specific Provision	
	<i>Unit: Thousand Baht</i>					
Loans and accrued interest receivables ^{4/}	4,572,324	189,331,377	6,566,087	3,572,203	2,993,884	187,337,614
Investment in debt securities ^{5/}	-	73,081,776	29,054	29,054	-	73,052,722
Deposits and accrued interest receivables ^{6/}	-	3,402,364	537	537	-	3,401,827
Financial Guarantees ^{7/}	474	10,390,420	293,719	293,719	-	10,097,175
Total	4,572,798	276,205,937	6,889,397	3,895,513	2,993,884	273,889,338

^{1/} The Standardised Approach

^{2/} The allowance for expected credit loss

^{3/} Net = Outstanding balance – Provision

^{4/} Including accrued interest receivables and net deferred income and net loans to interbank and money market

^{5/} Excluding accrued interest receivables and net revaluation surplus

^{6/} Including accrued interest receivables

^{7/} Before multiplying by the credit conversion factors (CCF)

The Bank
31 December 2020

Items	Outstanding balance		Provision ^{2/}	Provision under SA		Net ^{3/}
	Non			General	Specific	
	Performing ^{1/}	Performing ^{1/}		Provision	Provision	
<i>Unit: Thousand Baht</i>						
Loans and accrued interest receivables ^{4/}	826,471	142,423,538	3,085,284	3,083,865	1,419	140,164,725
Investment in debt securities ^{5/}	-	73,081,776	29,054	29,054	-	73,052,722
Deposits and accrued interest receivables ^{6/}	-	3,161,251	537	537	-	3,160,714
Financial Guarantees ^{7/}	474	10,420,720	293,719	293,719	-	10,127,475
Total	826,945	229,087,285	3,408,594	3,407,175	1,419	226,505,636

^{1/} The Standardised Approach

^{2/} The allowance for expected credit loss

^{3/} Net = Outstanding balance – Provision

^{4/} Including accrued interest receivables and net deferred income and net loans to interbank and money market

^{5/} Excluding accrued interest receivables and net revaluation surplus

^{6/} Including accrued interest receivables

^{7/} Before multiplying by the credit conversion factors (CCF)

The outstanding balance of loans and interest receivable and Investment in debt securities before considering credit risk mitigation classified by Customer's country of residence and by the Bank of Thailand's guideline for loan classification as of 31 December 2020 and 2019 as follows :

The Financial Group
31 December 2020

Customer's country of residence	Loans and accrued interest receivables ^{1/}			
	Performing	Under - Performing	Non-Performing	Total
<i>Unit: Thousand Baht</i>				
Thailand	164,517,071	5,198,738	4,572,252	174,288,061
Asia Pacific Rim excluding Thailand	14,751,474	4,116	72	14,755,662
North America and Latin America	1,853,044	-	-	1,853,044
Africa and Middle East	1,937,686	527	-	1,938,213
Europe	1,068,721	-	-	1,068,721
Total	184,127,996	5,203,381	4,572,324	193,903,701

^{1/} Including accrued interest receivables and net deferred income and net loans to interbank and money market

The Financial Group
31 December 2020
Investment in debt securities ^{1/}

Customer's country of residence	Investment in debt securities ^{1/}			Total
	Performing	Under-Performing	Non-Performing	
	<i>Unit: Thousand Baht</i>			
Thailand	51,485,431	-	-	51,485,431
Asia Pacific Rim excluding Thailand	8,301,351	-	-	8,301,351
North America and Latin America	13,294,994	-	-	13,294,994
Africa and Middle East	-	-	-	-
Europe	-	-	-	-
Total	73,081,776	-	-	73,081,776

^{1/} Excluding accrued interest receivables and net revaluation surplus and allowance for expected credit loss

The Bank
31 December 2020

Customer's country of residence	Loans and accrued interest receivables ^{2/}			Total
	Performing	Under - Performing	Non-Performing	
	<i>Unit: Thousand Baht</i>			
Thailand	119,477,688	349,041	826,399	120,653,128
Asia Pacific Rim excluding Thailand	14,671,336	-	72	14,671,408
North America and Latin America	1,853,044	-	-	1,853,044
Africa and Middle East	1,934,006	-	-	1,934,006
Europe	1,049,012	3,089,411	-	4,138,423
Total	138,985,086	3,438,452	826,471	143,250,009

^{2/} Including accrued interest receivables and net deferred income and net loans to interbank and money market

The Bank
31 December 2020

Customer's country of residence	Investment in debt securities ^{2/}			Total
	Performing	Under-Performing	Non-Performing	
	<i>Unit: Thousand Baht</i>			
Thailand	51,485,431	-	-	51,485,431
Asia Pacific Rim excluding Thailand	8,301,351	-	-	8,301,351
North America and Latin America	13,294,994	-	-	13,294,994
Africa and Middle East	-	-	-	-
Europe	-	-	-	-
Total	73,081,776	-	-	73,081,776

^{2/} Excluding accrued interest receivables and net revaluation surplus and allowance for expected credit loss

General provision and Specific provision and bad debt write-off relate to loans and interest receivable and investments in debt securities as of 31 December 2020 and 2019 are classified by country of borrowers as follows.

The Financial Group
31 December 2020

Customer's country of residence	Loans and accrued interest receivables ^{1/}			Investment in debt securities	
	Provision under SA ^{2/}			Provision under SA ^{2/}	
	General Provision	Specific Provision	Bad debt written-off	General provisio	Specific Provision
	<i>Unit: Thousand Baht</i>			<i>Unit: Thousand Baht</i>	
Thailand		287,306	1,095,791		-
Asia Pacific Rim excluding Thailand		1,558	27		-
North America and Latin America		-	-		-
Africa and Middle East		83	-		-
Europe		195	-		-
Total	6,276,945	289,142	1,095,818	29,054	-

^{1/} Including provision and Bad debt written-off and loans to interbank and money market.

^{2/} Allowance for expected credit loss base on credit risk assets calculation using the Standardized Approach.

The Bank
31 December 2020

Customer's country of residence	Loans and accrued interest receivables ^{1/}			Investment in debt securities	
	Provision under SA ^{2/}			Provision under SA ^{2/}	
	General Provision	Specific Provision	Bad debt written-off	General provisio	Specific Provision
	<i>Unit: Thousand Baht</i>			<i>Unit: Thousand Baht</i>	
Thailand		1,370	652,350		-
Asia Pacific Rim excluding Thailand		49	27		-
North America and Latin America		-	-		-
Africa and Middle East		-	-		-
Europe		-	-		-
Total	3,083,865	1,419	652,377	29,054	-

^{1/} Including provision and Bad debt written-off and loans to interbank and money market.

^{2/} Allowance for expected credit loss base on credit risk assets calculation using The Standardized Approach.

The Financial Group
31 December 2019

Customer's country of residence	Loans and accrued interest receivables ^{1/}			Specific provision for investment in debt securities
	General provision	Specific provision	Bad debt written-off	
	<i>Unit: Thousand Baht</i>			
Thailand		4,490,594	1,051,552	18,104
Asia Pacific Rim excluding Thailand		722	304	-
North America and Latin America		-	-	-
Africa and Middle East		76	-	-
Europe		-	-	-
Total	2,656,076	4,491,392	1,051,856	18,104

^{1/} Total provision and during the period write-off for loans and accrued interest receivable to interbank and money market

The Bank
31 December 2019

Customer's country of residence	Loans and accrued interest receivables ^{1/}			Specific provision for investment in debt securities
	General provision	Specific provision	Bad debt written-off	
	<i>Unit: Thousand Baht</i>			
Thailand		1,052,992	364,594	18,104
Asia Pacific Rim excluding Thailand		34	304	-
North America and Latin America		-	-	-
Africa and Middle East		-	-	-
Europe		-	-	-
Total	2,295,622	1,053,026	364,898	18,104

^{1/} Total provision and during the period write-off for loans and accrued interest receivable to interbank and money market

The Financial Group and the Bank have the total outstanding loans and interest receivable before considering credit risk mitigation classified by type of businesses of borrowers and by the Bank of Thailand's guideline for loan classification as of 31 December 2020 and 2019 as follows:

The Financial Group
31 December 2020

Type of business	Performing	Under - Performing	Non-Performing	Total
	<i>Unit: Thousand Baht</i>			
Agriculture and mining	3,334,433	108,040	27,614	3,470,087
Manufacturing and commercial	51,440,136	1,115,920	264,460	52,820,516
Real estate and construction	16,823,819	200,794	137,070	17,161,683
Public utility and services	48,479,258	2,625,474	3,860,117	54,964,849
Housing loans	14,138	1,494	523	16,155
Others	64,036,212	1,151,659	282,540	65,470,411
Total	184,127,996	5,203,381	4,572,324	193,903,701

The Bank

31 December 2020

Type of business	Performing	Under - Performing	Non-Performing	Total
<i>Unit: Thousand Baht</i>				
Agriculture and mining	1,581,002	1,337	-	1,582,339
Manufacturing and commercial	36,127,790	256,190	26,894	36,410,874
Real estate and construction	14,634,542	49,439	90,581	14,774,562
Public utility and services	36,033,705	39,703	707,390	36,780,798
Housing loans	14,138	1,494	523	16,155
Others	50,593,909	3,090,289	1,083	53,685,281
Total	138,985,086	3,438,452	826,471	143,250,009

General provision, Specific provision and bad debt write-off of loan and accrued interest receivable are classified by the type of businesses of the borrowers as of 31 December 2020 and 2019 as follows:

The Financial Group

31 December 2020

Type of business	Provision under SA ^{1/}		
	General Provision	Specific Provision	Bad debt written –off
<i>Unit: Thousand Baht</i>			
Agriculture and mining		7,959	103,513
Manufacturing and commercial		79,298	213,093
Real estate and construction		16,996	54,350
Public utility and services		98,593	702,718
Housing loans		-	-
Others		86,296	22,144
Total	6,276,945	289,142	1,095,818

^{1/} Allowance for expected credit loss base on credit risk assets calculation using the Standardized Approach.

The Bank
31 December 2020

Type of business	Provision under SA ^{1/}		
	General Provision	Specific Provision	Bad debt written –off
	<i>Unit: Thousand Baht</i>		
Agriculture and mining		-	-
Manufacturing and commercial		-	-
Real estate and construction		557	12,231
Public utility and services		119	635,263
Housing loans		-	-
Others		743	4,883
Total	3,083,865	1,419	652,377

^{1/} Allowance for expected credit loss base on credit risk assets calculation using the Standardized Approach.

The Financial Group
31 December 2019

Type of business	General Provision ^{2/}	Specific provision	Bad debt written –off
		<i>Unit: Thousand Baht</i>	
Agriculture and mining		21,225	7,509
Manufacturing and commercial		290,147	223,991
Real estate and construction		52,565	14,828
Public utility and services		1,466,545	790,892
Housing loans		788	-
Others		2,660,122	14,636
Total	2,656,076	4,491,392	1,051,856

^{2/} Including loans and accrued interest receivables to interbank and money market

Type of business	The Bank		
	31 December 2019		
	General provision ^{1/}	Specific provision	Bad debt written –off
	<i>Unit: Thousand Baht</i>		
Agriculture and mining		393	-
Manufacturing and commercial		70,820	140,828
Real estate and construction		19,903	-
Public utility and services		111,757	219,884
Housing loans		788	-
Others		849,365	4,186
Total	2,295,622	1,053,026	364,898

^{1/} Including loans and accrued interest receivables to interbank and money market

Changes in the general provision and specific provision for the loans including the accrued interest receivable as of 31 December 2020 and 2019 were as follows:

Table 16

The Financial Group

The Bank

31 December 2020

31 December 2020

Items	Provision under SA ^{2/}			Provision under SA ^{2/}		
	General provision	Specific provision	Total	General provision	Specific provision	Total
	<i>Unit: Thousand Baht</i>			<i>Unit: Thousand Baht</i>		
Beginning balance as of 1 January 2020	6,191,301	346,496	6,537,797	2,665,753	73,224	2,738,977
Increase (decrease) in provision during the period	85,644	1,038,464	1,124,108	418,112	580,572	998,684
Bad debt written off	-	(1,095,818)	(1,095,818)	-	(652,377)	(652,377)
Ending balance as of 31 December 2020	6,276,945	289,142	6,566,087	3,083,865	1,419	3,085,284

^{2/} Allowance for expected credit loss base on credit risk assets calculation using the Standardized Approach.

The Financial Group

The Bank

31 December 2019

31 December 2019

Items ^{2/}	Provision			Provision		
	General provision	Specific provision	Total	General provision	Specific provision	Total
	<i>Unit: Thousand Baht</i>			<i>Unit: Thousand Baht</i>		
Beginning balance as of 1 January 2019	2,504,452	5,637,996	8,142,448	2,263,281	1,924,433	4,187,714
Increase (decrease) in provision during the period	151,624	(94,748)	56,876	32,341	(506,509)	(474,168)
Bad debt written off	-	(1,051,856)	(1,051,856)	-	(364,898)	(364,898)
Ending balance as of 31 December 2019	2,656,076	4,491,392	7,147,468	2,295,622	1,053,026	3,348,648

^{2/} Allowance for expected credit loss base on credit risk assets calculation using the Standardized Approach.

The outstanding balance On Statement and Off Statement under financial position classified by Standardized Approach as of 31 December 2020 and 2019 were as follows:

The Financial Group			
31 December 2020			
Type of assets	On-Statement of financial position	Off- Statement of financial position ^{1/}	Total
<i>Unit: Thousand Baht</i>			
Performing loans			
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank	30,031,684	-	30,031,684
Claims on Financial Institutions and claims on Non- central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	35,807,159	4,683,036	40,490,195
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates	157,695,191	22,593,983	180,289,174
Claims in the Retails Portfolio	42,763,577	443,028	43,206,605
Residential Mortgage Loans	15,435	-	15,435
Other assets	6,085,815	-	6,085,815
Non-performing loans	4,283,182	11	4,283,193
Total	276,682,043	27,720,058	304,402,101

The Financial Group			
31 December 2019			
Type of assets	On-Statement of financial position	Off- Statement of financial position ^{1/}	Total
<i>Unit: Thousand Baht</i>			
Performing loans			
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank	23,960,251	-	23,960,251
Claims on Financial Institutions and claims on Non- central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	35,891,659	4,457,908	40,349,567
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates	160,176,390	34,501,718	194,678,108
Claims in the Retails Portfolio	32,142,291	291,921	32,434,212
Residential Mortgage Loans	15,677	-	15,677
Other assets	3,993,503	-	3,993,503
Non-performing loans	628,270	-	628,270
Total	256,808,041	39,251,547	296,059,588

^{1/} After multiplying by the credit conversion factor (CCF) and deducting specific provision

The Bank			
31 December 2020			
Type of assets	On-Statement of financial position	Off- Statement of financial position ^{1/}	Total
<i>Unit: Thousand Baht</i>			
Performing loans			
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank	30,031,684	-	30,031,684
Claims on Financial Institutions and claims on Non- central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	35,566,045	4,683,036	40,249,081
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates	153,365,901	22,593,983	175,959,884
Claims in the Retails Portfolio	120,596	443,028	563,624
Residential Mortgage Loans	15,435	-	15,435
Other assets	8,524,854	-	8,524,854
Non-performing loans	825,052	11	825,063
Total	228,449,567	27,720,058	256,169,625

The Bank			
31 December 2019			
Type of assets	On-Statement of financial position	Off- Statement of financial position ^{1/}	Total
<i>Unit: Thousand Baht</i>			
Performing loans			
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank	23,960,251	-	23,960,251
Claims on Financial Institutions and claims on Non- central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	35,704,736	4,457,908	40,162,644
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates	152,253,828	34,501,718	186,755,546
Claims in the Retails Portfolio	118,178	291,921	410,099
Residential Mortgage Loans	15,677	-	15,677
Other assets	6,745,221	-	6,745,221
Non-performing loans	141,222	-	141,222
Total	218,939,113	39,251,547	258,190,660

^{1/} After multiplying by the credit conversion factor (CCF) and deducting specific provision

Credit Risk Exposures Classified by Credit Risk Weighted Asset Calculation Methods

- The list of the External Credit Rating Institutions (ECAI) that The Financial Group chooses to determine the risk weight for the borrowers in each type of the assets is as follows:
 - Sovereigns, provincial organizations, governmental entities, state enterprises, securities companies which the Bank of Thailand assigns the rating equal to loans to financial institutions are based on 3 ECAIs including Fitch Ratings, Moody's Investor Services and Standard and Poor's Rating Services.
 - Corporate borrowers, The Financial Group assigns the risk weight of 100% for every corporate borrower without considering its credit rating from the ECAI since the number of the Bank's current customers rated by the ECAI is not high and most of them have the risk weight of 100%, therefore, assigning all corporate borrowers at the risk weight of 100% for the credit risk capital calculation would not much different from the method of using the credit rating from ECAI.
- The process of assigning the ECAI credit rating to the borrowers.
 - For sovereigns, provincial organizations, governmental entities, state enterprises, securities companies that the Bank of Thailand treats their risk weight as the financial institutions. The Financial Group designates the risk weights in compliance with the Bank of Thailand's guidelines corresponding to the type of borrowers.

The outstanding balance of financial statement equivalence items ^{1/} after considering the credit risk mitigation for each type of asset categorized by the risk weight through Standardized Approach as of 31 December 2020 and 2019 as follows:

Type of Assets ^{1/}	The Financial Group										
	31 December 2020										
	Rating				No Rating						
Risk weight (%)	0 %	20 %	50%	100 %	0%	20 %	35 %	50 %	75 %	100 %	150%
	<i>Unit: Thousand Baht</i>										
Performing loans											
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank	48,357,495										
Claims on Financial Institutions and claims on Non-central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	909,760	6,346,768	29,875,614	11,740,236							

^{1/} After multiplying by the credit conversion factor (CCF)

Type of Assets ^{1/}	The Financial Group										
	31 December 2020										
	Rating				No Rating						
Risk weight (%)	0 %	20 %	50%	100 %	0%	20 %	35 %	50 %	75 %	100 %	150%
	<i>Unit: Thousand Baht</i>										
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates										152,333,796	
Claims in the Retails Portfolio									43,205,010		
Residential Mortgage Loans							15,435				
Other assets					4,619,394	62,400				2,653,000	
Non-performing loans								300		468,796	3,814,097

^{1/} After multiplying by the credit conversion factor (CCF)

Type of Assets ^{1/}	The Financial Group										
	31 December 2019										
	Rating				No Rating						
Risk weight (%)	0 %	20 %	50%	100 %	0%	20 %	35 %	50 %	75 %	100 %	150%
	<i>Unit: Thousand Baht</i>										
Performing loans											
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank	41,659,790	-	-								
Claims on Financial Institutions and claims on Non-central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	1,548,620	16,799,881	33,237,875	14,058,463							
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates.										151,339,937	
Claims in the Retails Portfolio									32,431,937		
Residential Mortgage Loans							15,632		-	45	
Other assets					2,240,292	1,527				2,097,319	
Non-performing loans								188		521,050	107,032

^{1/} After multiplying by the credit conversion factor (CCF)

Type of Assets ^{1/}	The Bank										
	31 December 2020										
	Rating				No Rating						
Risk weight (%)	0 %	20 %	50 %	100 %	0 %	20 %	35 %	50 %	75 %	100 %	150 %
<i>Unit: Thousand Baht</i>											
Performing loans											
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank	48,357,495	-	-								
Claims on Financial Institutions and claims on Non-central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	909,760	6,206,998	29,774,270	11,740,236							
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates										148,154,422	
Claims in the Retails Portfolio									562,029	-	
Residential Mortgage Loans							15,435		-	-	
Other assets					3,877,067	62,400				5,684,450	
Non-performing loans								300		550	824,213

^{1/} After multiplying by the credit conversion factor (CCF)

Type of Assets ^{1/}	The Bank										
	31 December 2019										
	Rating				No Rating						
Risk weight (%)	0 %	20 %	50 %	100 %	0 %	20 %	35 %	50 %	75 %	100 %	150 %
<i>Unit: Thousand Baht</i>											
Performing loans											
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank	41,659,790	-	-								
Claims on Financial Institutions and claims on Non-central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	1,548,620	16,716,988	33,133,844	14,058,463							
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates										143,588,736	
Claims in the Retails Portfolio									407,824	-	
Residential Mortgage Loans							15,632		-	45	
Other assets					1,332,134	1,527				5,585,835	
Non-performing loans								-		34,190	107,032

^{1/} After multiplying by the credit conversion factor (CCF)

1. Credit Risk Mitigation by Standardized Approach

The Financial Group has established the policy in mitigating the credit risk of financial statement items for the purposes of capital maintenance and credit risk reduction in accordance with the Bank of Thailand's guidelines in the credit risk mitigation by Standardized Approach where The Financial Group has formulated the guidelines and working process on the document, contracts, or legal terms relating to the credit risk mitigation as follows:

- Shall maintain the document or contract relating to such credit risk mitigation obligating to and enforceable to all relevant parties.
- Shall have the processes and systems in considering the legal terms.
- Shall revise all relevant documents and contracts to be continuously enforceable
- Shall have the processes in controlling other potential risks that are caused by employing the credit risk mitigation.
- Shall comply with the Bank of Thailand's guideline in information disclosure according to Pillar III
- Shall consider the contractual maturities and remaining maturities in the credit risk mitigation process to ensure that there would be no maturity mismatch between the exposures and the credit risk mitigation .

The credit risk mitigation by Simple Approach consists of:

- Risk mitigation by the eligible financial collaterals
- Risk mitigation by the on-balance sheet netting
- Risk mitigation by guarantee and credit derivatives

The Financial Group has formulated the policy for the credit risk mitigation by means of on-balance sheet netting as follows.

- Shall have legal consideration regarding the enforceable on-balance netting contract in specifying which assets and liabilities are eligible in netting at any time.
- Shall be capable of monitoring and controlling the risks from maturity mismatch between the assets and liabilities for netting or roll-off risk.
- Shall be capable of monitoring and controlling the exposures on the netting basis.

2. Policies and processes for collateral management and assessment

Under the credit risk mitigation policy, the eligible financial collateral including those traded in the exchange and over-the-counter markets are subject to valuation.

3. Major types of collaterals of The Financial Group

The main eligible financial collateral is deposit at bank; however, other eligible financial collaterals for credit risk mitigation before risk weighted assets and credit risk capital calculation include:

1. Cash, deposits at bank or deposit receipts issued by banks
2. Gold bullions
3. Debt instrument issued by the issuers rated by the ECAs as follows:
 - Short-term debt instruments with the rating better or equal to A-3/P-3, sovereigns, central banks, provincial organizations, governmental entities, and state enterprises which the supervisory authority treats the risk weight as that of sovereigns and the rating of equivalent to BB- or higher.
 - Other issuers, e.g. financial institutions, securities companies, corporate, provincial organizations, governmental entities, and state enterprises which the supervisory authority treats the risk weight as that of financial institutions and the rating of equivalent to BBB- or higher.
 - Short-term debt instrument with rating better or equivalent to A-3/P-3
4. Non-rated by ECAs debt instruments with all characteristics as follows:
 - Issuers are financial institutions and
 - Listed in acceptable exchange bond market and
 - Senior debt and other debt instruments issued by The Financial Group with rating better or equivalent to BBB- or A-3/P-3 and the same seniority as that with no rating
 - No objective evidence for The Financial Group to revise the rating to below BBB-or A-3/P-3
5. Equity instruments including the convertible bonds listed in the main stock exchange.
6. Unit trust invested in the eligible financial collaterals and marked to market on a daily basis

4. Main types of guarantors and protection sellers of credit derivative

The major current guarantors of The Financial Group are the Ministry of Finance mainly guaranteeing the state enterprise bond. Other guarantors and the protection sellers can be reckoned in the credit risk mitigation before risk weighted assets and credit risk capital calculations under the Credit Risk Mitigation Policy are:

- Sovereign, Multilateral Development Banks (MDBs), provincial organizations, and governmental entities
- State enterprises, financial institutions, and securities companies with the risk weight below that of the guaranteed counterparties Corporate including the parent and subsidiary companies and

the joint guarantee of credit risk must be rated higher or assigned with the risk weight lower than the guaranteed counterparties. The credit guarantors must be rated higher or equal to A- or A3.

5. Concentration of credit and market risk in each type of collaterals, guarantors, protection sellers of the credit derivative for the credit risk mitigation

Most credit risk mitigation by the eligible financial collaterals method is in forms of deposits at bank for reducing the credit risk in general loans, while the credit risk mitigation by guarantee of loan method is in forms of guarantee by the Ministry of Finance on the investment in debt instruments.

The Financial Group and the bank have the outstanding collateralized exposures in each type of asset by Standardized Approach classified by the types of collaterals as of 31 December 2020 and 2019 as follows:

Type of Assets	The Financial Group	
	31 December 2020	
	Eligible financial collaterals	Guarantees and Credit derivatives
	<i>Unit: Thousand Baht</i>	
Performing loans		
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank	-	-
Claims on Financial Institutions and claims on Non- central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	15,528,422	2,788,043
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates	2,269,001	25,686,377
Claims in the Retails Portfolio	1,595	-
Residential Mortgage Loans	-	-
Other assets	-	-
Non-performing loans	-	-
Total	17,799,018	28,474,420

The Financial Group
31 December 2019

Type of Assets	Eligible financial collaterals	Guarantees and Credit derivatives
<i>Unit: Thousand Baht</i>		
Performing loans		
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank	-	-
Claims on Financial Institutions and claims on Non- central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	11,752,802	5,937,438
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates	14,653,509	28,684,661
Claims in the Retails Portfolio	2,275	-
Residential Mortgage Loans	-	-
Other assets	-	-
Non-performing loans	-	-
Total	26,408,586	34,622,099

The Bank
31 December 2020

Type of Assets	Eligible financial collaterals	Guarantees and Credit derivatives
<i>Unit: Thousand Baht</i>		
Performing loans		
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank	-	-
Claims on Financial Institutions and claims on Non- central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	15,528,422	2,788,043

The Bank		
31 December 2020		
Type of Assets	Eligible financial collaterals	Guarantees and Credit derivatives
<i>Unit: Thousand Baht</i>		
Claims on Corporates and claims on Non-Central Government Public Sector		
Entities (PSEs) which are treated as Claims on Corporates	2,119,085	25,686,377
Claims in the Retails Portfolio	1,595	-
Residential Mortgage Loans	-	-
Other assets	-	-
Non-performing loans	-	-
Total	17,649,102	28,474,420

The Bank		
31 December 2019		
Type of Assets	Eligible financial collaterals	Guarantees and Credit derivatives
<i>Unit: Thousand Baht</i>		
Performing loans		
Claims on Sovereigns and Central Bank and claims on non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Sovereigns and Central Bank		
	-	-
Claims on Financial Institutions and claims on Non- central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions		
	11,752,802	5,937,438
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates		
	14,482,148	28,684,661
Claims in the Retails Portfolio	2,275	-
Residential Mortgage Loans	-	-
Other assets	-	-
Non-performing loans	-	-
Total	26,237,225	34,622,099

Market risk in Trading Book

Market risk means the risks potentially from the changes in market prices or values caused by interest rates, exchange rates, equity and commodity price movements impacting net interest income and capital of financial institutions. Such changes have an impact through both general market risk and specific risk.

The transactions with the market risk can be categorized as follows:

- 1. Transactions in the Trading Book** include the positions of financial instruments and commodities with the intents of trading or hedging of other positions in the trading book and all types of financial derivatives with non-hedging intents for Banking Book positions. The transactions must be non-obligated in buying, selling or hedging with the holding period of no longer than 6 months.
- 2. Transactions in the Banking Book** include the positions of financial instruments or other types of transactions with the intents of not for trading or the financial instrument with the initial intention to hold for long period of time or hold to maturity. The holding period must be at least 1 month.

The Financial Group has the Market Risk Management Policy to identify, measure, control and monitor the market risk both in Trading Book and the interest rate in Banking Book so as to efficiently manage the risk and comply with the Bank of Thailand's guideline in market risk management. The relevant market risks include:

1. Interest Rate Risk is the risk stemming from changes in interest rates resulting in the changes of values of assets, liabilities and off-balance sheet items especially in the medium- to long-term.
2. FX Risk is the risk stemming from negative impact caused by the changes of FX aggregate positions which may incur from the FX transactions for trading, partly hedging for Trade Finance customers, partly hedging for investment in FCY debentures, etc.
3. Price Risk is the risk stemming from the change in prices of equity or equity derivatives in the Proprietary Portfolio.

In managing market risk, the Portfolio Risk Management Department under Risk Management Division is responsible for monitoring and controlling any potential market risk incurred by the operation of Treasury Division where the Asset and Liability Committee (ALCO) determines the market risk limits which are approved by the Executive Committee (EXCOM). ALCO meeting is organized at least once a month to review the market risk and formulate the risk management strategies under changes in financial market environment. For the Market Risk Management Policy, the Portfolio

Risk Management Department shall propose through the Group Risk Committee while the policy shall be approved by the Board of Directors (BOD).

The measurement of market risk in the Trading Book embraces all types of market risk including interest rate risk, FX risk, and price risk. Besides, The Financial Group assesses the risk and capital adequacy on a regular basis both in normal and crisis situations by means of assessing the Trading Book position at least on a daily basis based on marking to market, marking to model or other appropriate prices. The gain/loss from each transaction in the Trading Book is subject to the stop loss limits. Moreover, The Financial Group conducts the stress test on the Trading book for all relevant risks while stress test assumptions shall be revised to be in line with economic and financial market condition and to encompass the possibility of negative impacts on the net interest income and The Financial Group's capital on a regular basis.

The risk management tools include control limits, which curb the maximum amounts that the Treasury Division can invest, and stop loss limits, restraining the maximum loss acceptable to The Financial Group in consistent with the Business plan, strategies of The Financial Group and economic, political, financial market conditions domestically and internationally.

The Financial Group has calculated the market risk capital by using the Standardized Approach which is appropriate to the characteristics of investment portfolio of The Financial Group. The market risk capital requirements as of 31 December 2020 and 2019 were as follows:

	The Financial Group		The Bank	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Market Risk Capital Requirement	Unit: Thousand Baht		Unit: Thousand Baht	
Interest Rate Risk	1,627	4,892	1,627	4,892
Equity Price Risk	-	-	-	-
Foreign Exchange Risk	13,016	16,073	19,990	16,073
Commodity Price Risk	-	-	-	-
Market risk capital requirement (BIS 8%)	14,643	20,965	21,617	20,965
Market risk capital requirement (BIS 8.5%)	15,558	20,965	22,968	22,275

Operational Risk

Operational risk is the risks from damages caused by the lack of good corporate governance in the organization and the appropriate controls. It may relate to the internal processes, human, working systems, or external events and have the negative impact on the interest income and The Financial Group's capital.

The policy of The Financial Group specifies the guideline to prevent and manage the relevant risks and includes the definitions, objectives, sources of risk, operational risk management principles and operational risk working procedures which encompasses risk identification, assessment, analysis, designation of risk control processes, application of risk controlling and monitoring.

At present, The Financial Group use Basic Indicator Approach (BIA) corresponding to the characteristics and complexity of The Financial Group's business operation.

Equity related exposures

Most of the equities in the Banking Book were obtained from debt restructuring. The Group classified the equity into fair value to OCI and recognized the different amount of fair value into the other comprehensive income and will no longer recognize the profit or loss on selling into profit or loss statement.

The equity in the Banking Book of which were held in the portfolio for long time and shall be at least 1 month, according to The Financial Group's policy in Banking Book. The effect on the financial statement is not strongly affected. Thus, equity risk management in Banking Book has no need to set the investment limit and stop loss limit.

The Financial Group and the Bank have the outstanding equity related exposures in the Banking Book as of 31 December 2020 and 2019 as follows:

Equity position	31 December 2020	
	The Financial Group	The Bank
	<i>Unit: Thousand Baht</i>	
1. Equity related position		
1.1 Equity listed in the Stock Exchange of Thailand	138,126	138,126
1.2 Other equity values	7,532	7,175,732
2. Gain (Loss) from selling of the equity in this period	16,586	16,586
3. Gain (Loss) from marking to market of FVOCI	121,678	121,678
4. Minimum capital requirement under Standardized Approach	24,293	633,590

31 December 2019

Equity position	The Financial Group	The Bank
	<i>Unit: Thousand Baht</i>	
1. Equity related position		
1.1 Equity listed in the Stock Exchange of Thailand :-		
• Historical Cost	185,080	185,080
• Market Values	296,715	296,715
1.2 Other equity values	2,025	6,139,369
2. Gain(Loss) from selling of the equity in this period	(299,760)	(48,530)
3. Gain(Loss) from marking to market of the Available-for-Sale equity	125,174	125,174
4. Minimum capital requirement under Standardized Approach	25,393	547,067

Interest rate risk in the Banking Book

The interest rate risk on The Financial Group's balance sheet items are from the mismatch of the repricing periods of assets and liabilities both of the financial statement. Such a difference indicates the level of risk or the magnitude of impact of the change in an interest rate that The Financial Group encounters.

Owing to no trading position in debt instrument, the interest rate risk of The Financial Group mainly comes from the Banking Book where The Financial Group assesses the impact of the interest rates of assets and liabilities through both Net Interest Income (NII), measuring the impact of a change in interest rate on the net interest income in the next 12 months, and Economic Value of Equity (EVE), measuring the impact of a change in interest rate on all assets and liabilities to perceive the impact on the overall portfolio of The Financial Group.

However, The Financial Group has engaged in the interest rate swaps, comprising the swap transactions that receive floating rate and pay fixed and some of the swap transactions that receive fixed and pay floating rates in order to partly hedge the interest rate risk.

The financial group employs repricing Gap Report in measuring and managing the interest rate in the Banking Book in which the control limit has been set at the acceptable level. The Portfolio Risk Management Department is responsible for arranging the gap report and reporting to the relevant sub-committees/committees as well as the Bank of Thailand on a regular basis.

In addition, The Financial Group conducts 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 Group Risk Committee for consideration and revision of risk management strategy and the action plans to handle any adverse outcomes of the stress tests.

At present, The Financial Group does 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 Financial Group and the bank for the years ended 31 December 2020 and 2019 were as follows:

Currency	The Financial Group			
	Year end 2020		Year end 2019	
	<i>Unit : Thousand Baht</i>			
	+1.00%	-1.00%	+1.00%	-1.00%
Thai Baht	236,434	-236,434	190,997	-190,997
US Dollar	-55,356	55,356	-78,256	78,256
CNY	-5,480	5,480	-6,487	6,487
EUR	35,012	-35,012	38,676	-38,676
JPY	89	-89	86	-86
GBP	-9.6	9.6	-10	10
OTHER	-3.2	3.2	8	-8
Total impact of the change in interest rate	210,686	-210,686	150,014	-150,014
Expected net interest income in the next year	4,559,320		5,017,827	
% of the expected net interest income in the next year	4.62%	-4.62%	3.26%	-3.26%
% of current capital funds	11.73%	-11.73%	0.39%	-0.39%

Currency	The Bank			
	Year end 2020		Year end 2019	
	<i>Unit : Thousand Baht</i>			
	+1.00%	-1.00%	+1.00%	-1.00%
Thai Baht	332,560	-332,560	218,357	-218,357
US Dollar	-48,446	48,446	-58,314	58,314
CNY	-5,104	5,104	-6,153	6,153
EUR	27,630	-27,630	34,915	-34,915
JPY	85	-85	82	-82
GBP	-10	10	-10	10
OTHER	-3	3	7	-7
Total impact of the change in interest rate	306,712	-306,712	188,884	-188,884
Expected net interest income in the next year	3,031,866		3,340,039	
% of the expected net interest income in the next year	10.12%	-10.12%	6.16%	-6.16%
% of current capital funds	8.19%	-8.19%	0.51%	-0.51%



Liquidity Coverage Ratio Disclosure

For the semi-annually basis

ended 31 December 2020

Scope of Information Disclosure

Industrial and Commercial Bank of China (Thai) Public Company Limited has maintained the liquidity coverage ratio (LCR ratio) to be in line with BOT regulations. The purpose is to assure that the Bank has adequate liquidity position on hand to handle any short-term severe liquidity stress. Commercial banks are required to have LCR ratio not less than 60% of net cash outflows within 30 days period) since 1 January 2016 and continue to increase 10% each year to be 100% in year 2020.

$$\text{Liquidity Coverage Ratio (LCR)} = \frac{\text{High-quality liquid assets (HQLA)}}{\text{Total net cash outflows within the 30-day period Under liquidity stress scenario}}$$

Liquidity coverage ratio disclosure (LCR disclosure) is provided the information to shareholder to assess the liquidity risk of the bank and to promote the market discipline. Moreover it would also promote transparency in the disclosure of risk information in accordance with internal standards.

The Bank shall disclose the information on a quarterly basis and maintain minimum LCR ratio according to the guidelines as specified by the Bank of Thailand including to disclose the LCR ratio by comparing the previous quarters.

1. Liquidity Coverage Ratio: LCR

	Quarter 4/2020 <i>(Average)</i>	Quarter 2/2020 <i>(Average)</i>
	<i>Unit : million Baht</i>	
(1) Total high-quality liquid assets (HQLA)	50,676	84,016
(2) Total net cash outflows within the 30-day period	35,999	53,395
	<i>Unit : Percent</i>	
(3) LCR (%)	141%	158%
<i>Minimum LCR as specified by the Bank of Thailand (%)</i>	100%	100%

2. LCR of the preceding quarters (for comparison)

	<i>Unit : Percent</i>
Quarter 1/2020	139%
Quarter 2/2020	158%
Quarter 3/2020	150%
Quarter 4/2020	141%

As of Quarter 4, 2020, the average LCR was 141% which was higher than the minimum requirement set by the Bank of Thailand at 100%. It was calculated from the average of LCR at the end of October, November and December 2020 at 132%, 141% and 148% respectively. The LCR is calculated by using 2 factors.

1. High Quality Liquid Assets (HQLA) includes unencumbered high-quality assets with low risk and low volatility which can be converted into cash easily and quickly. These assets should also be liquid in markets during in time of liquidity stress. The value of each type of HQLA is subjected to a range of haircuts and any applicable caps according to the criteria from the Bank of Thailand.

As of Quarter 4, 2020, the average HQLA was THB 50,676 mil (or 90% of Level 1 assets such as Government bond and cash) by calculating from the average of HQLA at the end of October, November and December 2020.

2. Net Cash Outflow is defined as expected cash outflows within the 30-day period, minus expected cash inflows within the 30-day period under liquidity stress scenarios. The expected cash inflows must not exceed 75% of the expected cash outflows.

As of Quarter 4, 2020, the average net cash outflows within the 30-day period was THB 35,999 mil by calculating from the average of cash outflows at the end of October, November and December 2020. The average of cash outflows under the severe liquidity stress scenario was the deposits and borrowings run-off of customers by using the run-off rates set by the Bank of Thailand, meanwhile, most of the average cash inflows were from the loan repayments from high-quality customers and from matured debentures by using the inflow rate set by the Bank of Thailand.

In addition, the Bank also has the monitoring and control processes by setting the liquidity risk limits which have been approved by the Executive Committee. The Bank has set Early Warning Indicators to monitor liquidity risk on daily and monthly and also set the Trigger Point in case that there are some factors that may cause the increasing in risk level and shall be reported to the related departments. Moreover, the Bank prepares Liquidity Gap report and presents to the Asset and Liability Committee (ALCO) on a monthly basis and also prepares the Liquidity Risk report to the Group Risk Supervision and Internal Control Committee on a quarterly basis. From the aforementioned reason, it can be concluded that the Bank can manage the liquidity risk and believe that the liquidity is sufficient to cover any future crisis.