



Capital Requirement Disclosures

Basel III _ Pillar III

For the year ended 31 December 2021

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 2021 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 2021	30 June 2021	31 December 2021	30 June 2021
	<i>Unit : Thousand Baht</i>		<i>Unit : Thousand Baht</i>	
Capital Fund Amount				
Common equity Tier 1	34,555,531	33,777,220	31,715,401	31,035,585
Common equity Tier 1 after deduction of Fully loaded ECL	34,555,531	33,777,220	31,715,401	31,035,585
Tier 1 capital	34,555,531	33,777,220	31,715,401	31,035,585
Tier 1 capital after deduction of Fully loaded ECL	34,555,531	33,777,220	31,715,401	31,035,585
Total Capital fund	42,349,479	41,121,518	39,010,802	38,308,376
Total Capital fund after deduction of Fully loaded ECL	42,349,479	41,121,518	39,010,802	38,308,376
Risk weighted assets				
Total risk – weighted assets	234,279,885	230,079,770	190,253,366	188,688,562

	The Financial Group		The Bank	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
	<i>Unit : Percent</i>		<i>Unit : Percent</i>	
Capital Ratio				
Common equity Tier 1 ratio	14.8	14.5	16.7	16.5
Fully loaded ECL CET1 Ratio	14.8	14.5	16.7	16.5
Tier 1 ratio	14.8	14.5	16.7	16.5
Fully loaded ECL Tier 1 Ratio	14.8	14.5	16.7	16.5
Total Capital Ratio	18.1	17.9	20.5	20.3
Fully loaded ECL Total Capital Ratio	18.1	17.9	20.5	20.3
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	7.8	7.5	9.7	9.5

Average value for the fourth quarter ^{1/}

	Year 2021	Year 2020
	<i>Unit : Million Baht</i>	
Liquidity coverage ratio under liquidity stress scenario		
Total High-quality liquid assets (Total HQLA)	88,239	50,676
Total net cash outflows within the 30-day period	59,206	35,999
Liquidity coverage ratio (LCR) ^{2/}	149%	141%

^{1/} Average of month-end value in the quarter

^{2/} The LCR is computed as an average ratio of month-end LCR in the quarter. This may not be equal to an LCR computed with the average value of HQLA and net cash outflows within the 30-day period

	The Bank	
	31 December 2021	31 December 2020
	<i>Unit : Million Baht</i>	
Key Financial Ratio		
Total High-quality liquid assets (Total HQLA)	89,667	75,217
Total net cash outflows within the 30-day period	65,082	46,678
Liquidity coverage ratio (LCR)	142%	148%
Net stable funding ratio (NFSR)	127%	131%

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.

Capital structure

The Financial Group and the Bank's capital as of 31 December 2021 and as of 30 June 2021 are composed of the following data.

	The Financial Group	
	31 December 2021	30 June 2021
	<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	2,015,000
Retained earnings after appropriations	13,163,782	11,899,978
Other comprehensive income	265,581	330,255
Other owner changes items	(24,849)	(24,849)
Less deductible items on Common Equity Tier 1	(945,583)	(924,764)
Total Common Equity Tier 1 (CET1)	34,555,531	33,377,220
Tier-2 Capital		
Subordinated debentures	5,000,000	5,000,000
Reserve for assets classified as "Pass"	2,793,948	2,744,298
Total Tier-2 Capital	7,793,948	7,744,298
Total capital fund of The Financial Group	42,349,479	41,121,518
Total risk – weighted assets	234,279,885	230,079,770

	The Bank	
	31 December 2021	30 June 2021
	<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	2,015,000
Retained earnings after appropriations	9,811,534	8,971,247
Other comprehensive income	316,297	364,097
<u>Less</u> deductible items on Common Equity Tier 1	(509,030)	(396,359)
Total Common Equity Tier 1 (CET1)	31,715,401	31,035,585
Tier-2 Capital		
Subordinated debentures	5,000,000	5,000,000
Reserve for assets classified as “Pass”	2,295,401	2,272,791
Total Tier-2 Capital	7,295,401	7,272,791
Total capital fund of the bank	39,010,802	38,308,376
Total risk – weighted assets	190,253,366	188,688,562

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 2021 and as of 30 June 2021 were as follows:

	The Financial Group	
	31 December 2021	30 June 2021
	<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.	2,291,908	2,342,230
- Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates.	13,449,869	12,734,268
- Claims in the Retails Portfolio	2,961,665	2,881,519
- Residential Mortgage Loans	394	405
- Other assets	221,691	235,225
Non-performing Loans	73,318	467,578
Total Minimum Credit Risk Capital Requirement	18,998,845	18,661,225
	The Bank	
	31 December 2021	30 June 2021
	<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.	2,284,261	2,336,031
- Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates.	12,765,440	12,481,760
- Claims in the Retails Portfolio	37,808	35,290
- Residential Mortgage Loans	394	405
- Other assets	486,483	496,186
Non-performing Loans	34,338	105,303
Total Minimum Credit Risk Capital Requirement	15,608,724	15,454,975

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 2021 and 30 June 2021 as follows.

	The Financial Group		The Bank	
	31 December	30 June	31 December	30 June
Capital Requirement	2021	2021	2021	2021
	<i>Unit: Thousand Baht</i>		<i>Unit: Thousand Baht</i>	
Market Risk Capital Requirement	25,928	33,428	17,111	24,740

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 2021 and as of 30 June 2021 as follows.

	The Financial Group		The Bank	
	31 December	30 June	31 December	30 June
Minimum Capital Requirement	2021	2021	2021	2021
	<i>Unit: Thousand Baht</i>		<i>Unit: Thousand Baht</i>	
Operational Risk Capital Requirement	889,017	862,127	545,701	558,813

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

	The Financial Group		BOT Requirement
	31 December 2021	30 June 2021	
Capital Adequacy Ratio	<i>Unit: Percent</i>		
Tier 1 capital to risk assets	14.8	14.5	8.5
Common Equity Tier 1 to risk assets	14.8	14.5	7
Tier 2 capital to risk assets	3.3	3.4	-
Total capital to risk assets	18.1	17.9	11
The Bank			
	The Bank		BOT Requirement
	31 December 2021	30 June 2021	
Capital Adequacy Ratio	<i>Unit: Percent</i>		
Tier 1 capital to risk assets	16.7	16.5	8.5
Common Equity Tier 1 to risk assets	16.7	16.5	7
Tier 2 capital to risk assets	3.8	3.9	-
Total capital to risk assets	20.5	20.3	11

Reconciliation of Regulatory Capital and Financial Statement under Consolidated Supervision
Capital fund under Consolidated Supervision

Items	31 December	31 June	References base on Statement of financial position under the Consolidated supervision
	2021	2021	
	<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	2,015,000	B
Retained earnings after appropriations	13,163,782	11,899,978	C
Other comprehensive income	265,581	330,255	D
Other owner changes items	(24,849)	(24,849)	E
<u>Less deductible items on Common Equity Tier 1</u>	<u>(945,583)</u>	<u>(924,764)</u>	F
Total Common Equity Tier 1 (CET1)	<u>34,555,531</u>	<u>33,377,220</u>	
Tier-2 Capital			
Subordinated debentures	5,000,000	5,000,000	G
Reserve for assets classified as “Pass”	2,793,948	2,744,298	H
Total Tier-2 Capital	<u>7,793,948</u>	<u>7,744,298</u>	
Total Capital Funds	<u>42,349,479</u>	<u>41,121,518</u>	

Statement of financial position under consolidated supervision

Items	31 December	31 June	References for the Group Capital Items
	2021	2021	
	<i>Unit: Thousand Baht</i>		
Assets			
Cash	339,535	330,349	
Interbank and money market items, net	64,219,082	52,704,654	
Derivative assets	403,530	571,278	
Investments, net	75,570,930	73,766,414	
Loans to customers and accrued interest receivables, net	158,743,828	160,922,939	
<i>Qualified as capital</i>	2,793,948	2,744,298	H
Properties foreclosed, net	144,562	344,309	
Premises and equipment, net	700,126	503,531	
<i>Intangible assets, net</i>	35,542	36,398	F
<i>Deferred tax assets, net</i>	910,041	888,366	F
Accrued income, net	491,394	546,883	
Receivables on credit support for derivative contracts	86,230	154,100	
Other receivables, net	1,102,098	1,203,062	
Other assets, net	51,817	44,761	
Total assets	<u>302,798,715</u>	<u>292,017,044</u>	

Items	31 December 2021	31 June 2021	References for the Group Capital Items
<i>Unit: Thousand Baht</i>			
Liabilities			
Deposits	158,928,480	160,185,853	
Interbank and money market items	53,634,360	43,138,688	
Liabilities payable on demand	227,790	123,927	
Derivative liabilities	752,073	1,216,494	
Debt issued and borrowings	48,644,079	48,057,758	
<i>Qualified as capital</i>	5,000,000	5,000,000	G
Provision for liabilities	614,708	585,105	
Accrued interest payables	511,313	524,144	
Payable on credit support for derivative contracts	46,214	240,474	
Lease liabilities	468,997	253,152	
Other liabilities	2,130,410	2,195,120	
Total liabilities	265,958,424	256,520,715	
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	298,371	339,052	
<i>Qualified as capital</i>	265,581	330,255	D
Retained earnings			
Appropriated - Legal reserve	2,015,000	2,015,000	B
Unappropriated	14,470,169	13,085,526	
<i>Qualified as capital</i>	13,163,782	11,899,978	C
Total equity	36,840,291	35,496,329	
Total liabilities and equity	302,798,715	292,017,044	

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
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

Subject		Description
		<p>3. Instruments that is not to the benefit of the Issuer or.</p> <p>4. If the Subordinate Instruments are fully excluded from Tier 2 capital as a result of the change in the applicable regulations or.</p> <p>Any other event as permitted by the BOT after the Issue Date.</p>
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.
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

Subject		Description
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 2021 and 2020 as follows:

Items	<i>The Financial Group</i>	
	31 December 2021	31 December 2020
	<i>Unit: Thousand Baht</i>	
On- Statements of financial position		
Net loans and accrued interest receivables ^{1/}	217,190,241	187,337,614
Net investment in debt securities ^{2/}	74,933,391	73,052,722
Net deposits and accrued interest receivables ^{3/}	5,783,736	3,401,827
Derivatives assets	403,530	1,347,941

^{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.

Items	<i>The Financial Group</i>	
	31 December 2021	31 December 2020
	<i>Unit: Thousand Baht</i>	
Off- Statements of financial position ^{4/}		
Avals, Guarantee to loans and Letters of Credit	1,010,339	1,566,120
OTC derivatives	71,581,116	83,615,880
Undrawn committed lines	8,066,136	6,989,636

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

Items	The Bank	
	31 December 2021	31 December 2020
	<i>Unit: Thousand Baht</i>	
On- Statements of financial position		
Net loans and accrued interest receivables ^{1/}	165,901,458	140,164,725
Net investment in debt securities ^{2/}	74,933,391	73,052,722
Net deposits and accrued interest receivables ^{3/}	5,333,914	3,160,714
Derivatives assets	403,530	1,347,941
Off- Statements of financial position ^{4/}		
Avals, Guarantee to loans and Letters of Credit	1,010,339	1,566,120
OTC derivatives	71,581,116	83,615,880
Undrawn committed lines	8,096,136	7,019,636

^{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)

^{4/} 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 2021 and 2020 as follows:

The Financial Group

31 December 2021

On- Statements of financial position

Customer's country of residence	Net loans and	Net investment	Net deposits and	Derivative	Total
	accrued interest receivables ^{1/}	in debt securities ^{2/}	accrued interest receivables ^{3/}		
<i>Unit: Thousand Baht</i>					
Thailand	202,581,689	60,592,954	3,137,160	268,377	266,580,180
Asia Pacific Rim excluding Thailand	10,971,950	8,170,276	2,634,478	135,153	21,911,857
North America and Latin America	2,354,221	6,170,161	-	-	8,524,382
Africa and Middle East	611,010	-	-	-	611,010
Europe	671,371	-	12,098	-	683,469
Total	217,190,241	74,933,391	5,783,736	403,530	298,310,898

^{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

On- Statements of financial position

Customer's country of residence	Net loans and	Net investment	Net deposits and	Derivative	Total
	accrued interest receivables ^{1/}	in debt securities ^{2/}	accrued interest receivables ^{3/}		
<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 2021

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	151,431,462	60,592,954	2,778,131	268,377	215,070,924
Asia Pacific Rim excluding Thailand	10,861,400	8,170,276	2,543,685	135,153	21,710,514
North America and Latin America	2,353,451	6,170,161	-	-	8,523,612
Africa and Middle East	603,863	-	-	-	603,863
Europe	651,282	-	12,098	-	663,380
Total	165,901,458	74,933,391	5,333,914	403,530	246,572,293

^{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 2021
Off- Statements of financial position ^{4/}

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	128,192	39,061,913	3,932,917	43,123,022
Asia Pacific Rim excluding Thailand	863,677	32,519,203	2,477,321	35,860,201
North America and Latin America	-	-	275,109	275,109
Africa and Middle East	4,527	-	1,023,406	1,027,933
Europe	13,943	-	357,383	371,326
Total	1,010,339	71,581,116	8,066,136	80,657,591

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

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

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	5,439,898	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 2021

Off- Statements of financial position ^{4/}

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	128,192	39,061,913	3,962,917	43,153,022
Asia Pacific Rim excluding Thailand	863,677	32,519,203	2,477,321	35,860,201
North America and Latin America	-	-	275,109	275,109
Africa and Middle East	4,527	-	1,023,406	1,027,933
Europe	13,943	-	357,383	371,326
Total	1,010,339	71,581,116	8,096,136	80,687,591

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

The Bank
31 December 2020

Off- Statements of financial position ^{4/}

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	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

^{4/} 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 2021 and 2020 as follows:

The Financial Group			
31 December 2021			
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/}	84,963,169	132,227,072	217,190,241
Net investment in debt securities ^{2/}	44,311,970	30,621,421	74,933,391
Net deposits and accrued interest receivables ^{3/}	3,821,204	1,962,532	5,783,736
Derivatives assets	213,086	190,444	403,530
Off- Statements of financial position ^{4/}			
Avals, Guarantee to loans and Letters of Credit	135,740	874,599	1,010,339
OTC derivatives	44,384,846	27,196,270	71,581,116
Undrawn committed lines	4,351,039	3,715,097	8,066,136

^{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 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

^{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.

The Financial Group
31 December 2020

Items	31 December 2020		
	Up to 1 year	Over 1 year	Total
<i>Unit: Thousand Baht</i>			
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

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

The Bank
31 December 2021

Items	31 December 2021		
	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/}	83,864,727	82,036,731	165,901,458
Net investment in debt securities ^{2/}	44,311,970	30,621,421	74,933,391
Net deposits and accrued interest receivables ^{3/}	3,372,188	1,961,726	5,333,914
Derivatives assets	213,086	190,444	403,530

Off- Statements of financial position ^{4/}

Avals, Guarantee to loans and Letters of Credit	135,740	874,599	1,010,339
OTC derivatives	44,384,846	27,196,270	71,581,116
Undrawn committed lines	4,351,039	3,745,097	8,096,136

The Bank
31 December 2020

Items	31 December 2020		
	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

^{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)

Items	The Bank		
	31 December 2020		
	Up to 1 year	Over 1 year	Total
	<i>Unit: Thousand Baht</i>		
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

^{4/} 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 2021 and 2020 as follows:

Items	The Financial Group					
	31 December 2021					
	Outstanding balance			Provision under SA		
	Non		Provision ^{2/}	General		Specific
Performing ^{1/}	Performing ^{1/}	Provision		Provision		
	<i>Unit: Thousand Baht</i>					
Loans and accrued interest receivables ^{4/}	954,424	223,489,574	7,253,757	7,027,328	226,429	217,190,241
Investment in debt securities ^{5/}	-	74,964,329	30,938	30,938	-	74,933,391
Deposits and accrued interest receivables ^{6/}	-	5,784,713	977	977	-	5,783,736
Financial Guarantees ^{7/}	44	343,391,910	260,518	260,496	22	343,131,436
Total	954,468	647,630,526	7,546,190	7,319,739	226,451	641,038,804

^{1/} The Standardised Approach

^{3/} Net = Outstanding balance – Provision

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

^{6/} Including accrued interest receivables

^{2/} The allowance for expected credit loss

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

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

The Financial Group
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/}	4,572,324	189,331,377	6,566,087	6,276,945	289,142	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/}	644	352,948,635	293,719	293,697	22	352,655,560
Total	4,572,968	618,764,152	6,889,397	6,600,233	289,164	616,447,723

^{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 2021

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/}	274,864	169,437,267	3,810,673	3,805,223	5,450	165,901,458
Investment in debt securities ^{5/}	-	74,964,329	30,938	30,938	-	74,933,391
Deposits and accrued interest receivables ^{6/}	-	5,334,891	977	977	-	5,333,914
Financial Guarantees ^{7/}	44	374,343,910	260,518	260,496	22	374,083,436
Total	274,908	624,080,397	4,103,106	4,097,634	5,472	620,252,199

^{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 Provision	Specific Provision	
	Performing ^{1/}	Performing ^{1/}				
<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/}	644	382,342,964	293,719	293,697	22	382,049,889
Total	827,115	601,009,529	3,408,594	3,407,153	1,441	598,428,050

^{1/} The Standardised Approach

^{3/} Net = Outstanding balance – Provision

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

^{6/} Including accrued interest receivables

^{2/} The allowance for expected credit loss

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

^{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 follow :

The Financial Group
31 December 2021

Customer's country of residence	Loans and accrued interest receivables ^{1/}			
	Performing	Under - Performing	Non-Performing	Total
<i>Unit: Thousand Baht</i>				
Thailand	198,996,223	9,699,083	954,150	209,649,456
Asia Pacific Rim excluding Thailand	11,105,523	1,848	274	11,107,645
North America and Latin America	2,393,337	-	-	2,393,337
Africa and Middle East	611,377	802	-	612,179
Europe	680,892	489	-	681,381
Total	213,787,352	9,702,222	954,424	224,443,998

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

The Financial Group
31 December 2020
Loans and accrued interest receivables ^{1/}

Customer's country of residence	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 2021
Investment in debt securities ^{2/}

Customer's country of residence	Performing	Under-Performing	Non-Performing	Total
<i>Unit: Thousand Baht</i>				
Thailand	60,616,681	-	-	60,616,681
Asia Pacific Rim excluding Thailand	8,175,188	-	-	8,175,188
North America and Latin America	6,172,460	-	-	6,172,460
Africa and Middle East	-	-	-	-
Europe	-	-	-	-
Total	74,964,329	-	-	74,964,329

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

The Financial Group
31 December 2020
Investment in debt securities ^{2/}

Customer's country of residence	Performing	Under-Performing	Non-Performing	Total
<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

The Bank
31 December 2021

Customer's country of residence	Loans and accrued interest receivables ^{1/}			
	Performing	Under- Performing	Non-Performing	Total
	<i>Unit: Thousand Baht</i>			
Thailand	149,843,866	1,542,744	274,760	151,661,370
Asia Pacific Rim excluding Thailand	10,994,531	505	104	10,995,140
North America and Latin America	2,392,548	-	-	2,392,548
Africa and Middle East	604,712	-	-	604,712
Europe	659,845	3,398,516	-	4,058,361
Total	164,495,502	4,941,765	274,864	169,712,131

^{1/} 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	Loans and accrued interest receivables ^{1/}			
	Performing	Under -Performing	Non-Performing	Total
	<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

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

The Bank
31 December 2021

Customer's country of residence	Investment in debt securities ^{2/}			
	Performing	Under-Performing	Non-Performing	Total
	<i>Unit: Thousand Baht</i>			
Thailand	60,616,681	-	-	60,616,681
Asia Pacific Rim excluding Thailand	8,175,188	-	-	8,175,188
North America and Latin America	6,172,460	-	-	6,172,460
Africa and Middle East	-	-	-	-
Europe	-	-	-	-
Total	74,964,329	-	-	74,964,329

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

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 2021 and 2020 are classified by country of borrowers as follows.

The Financial Group
31 December 2021

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		226,272	353,736		-
Asia Pacific Rim excluding Thailand		157	476		-
North America and Latin America		-	-		-
Africa and Middle East		-	-		-
Europe		-	369		-
Total	7,027,328	226,429	354,581	30,938	-

^{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 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 2021

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		5,362	57,221		-
Asia Pacific Rim excluding Thailand		88	476		-
North America and Latin America		-	-		-
Africa and Middle East		-	-		-
Europe		-	370		-
Total	3,805,223	5,450	58,067	30,938	-

^{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					
	Loans and accrued interest receivables ^{1/}			Investment in debt securities	
	Provision under SA ^{2/}			Provision under SA ^{2/}	
Customer's country of residence	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 and the Bank have the total outstanding loans and interest receivable^{1/} 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 2021 and 2020 as follows:

The Financial Group				
31 December 2021				
Type of business	Performing	Under - Performing	Non-Performing	Total
	<i>Unit: Thousand Baht</i>			
Agriculture and mining	3,914,173	128,725	27,033	4,069,931
Manufacturing and commercial	51,560,243	973,750	235,302	52,769,295
Real estate and construction	15,408,212	176,865	189,467	15,774,544
Public utility and services	49,366,398	7,196,809	215,060	56,778,267
Housing loans	12,197	1,579	-	13,776
Others	93,526,129	1,224,494	287,562	95,038,185
Total^{1/}	213,787,352	9,702,222	954,424	224,443,998

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

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^{1/}	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 Bank
31 December 2021

Type of business	Performing	Under - Performing	Non-Performing	Total
<i>Unit: Thousand Baht</i>				
Agriculture and mining	1,750,794	1,418	-	1,752,212
Manufacturing and commercial	35,000,147	173,290	19,320	35,192,757
Real estate and construction	12,941,238	19,231	147,130	13,107,599
Public utility and services	37,365,334	1,345,531	107,266	38,818,131
Housing loans	12,197	1,579	-	13,776
Others	77,425,792	3,400,716	1,148	80,827,656
Total^{1/}	164,495,502	4,941,765	274,864	169,712,131

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

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^{1/}	138,985,086	3,438,452	826,471	143,250,009

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

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 2021 and 2020 as follows:

The Financial Group			
31 December 2021			
Type of business	Provision under SA ^{1/}		
	General Provision	Specific Provision	Bad debt written –off
<i>Unit: Thousand Baht</i>			
Agriculture and mining		8,510	14,246
Manufacturing and commercial		75,913	224,656
Real estate and construction		16,390	46,787
Public utility and services		41,713	60,109
Housing loans		-	-
Others		83,903	8,783
Total	7,027,328	226,429	354,581

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

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 2021			
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		1,251	47,695
Public utility and services		3,225	3,702
Housing loans		-	-
Others		974	6,670
Total	3,805,223	5,450	58,067

^{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.

Changes in the general provision and specific provision for the loans including the accrued interest receivable as of 31 December 2021 and 2020 were as follows:

Items	The Financial Group					
	31 December 2021			31 December 2020		
	Provision under SA ^{1/}			Provision under SA ^{1/}		
	General provision ^{2/}	Specific provision	Total	General provision ^{2/}	Specific provision	Total
	<i>Unit: Thousand Baht</i>			<i>Unit: Thousand Baht</i>		
Beginning balance	6,276,945	289,142	6,566,087	6,191,301	346,496	6,537,797
Increase (decrease) in provision during the period	750,383	291,868	1,042,251	85,644	1,038,464	1,124,108
Bad debt written off	-	(354,581)	(354,581)	-	(1,095,818)	(1,095,818)
Ending balance	7,027,328	226,429	7,253,757	6,276,945	289,142	6,566,087

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

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

Items ^{2/}	The Bank					
	31 December 2021			31 December 2020		
	Provision under SA ^{1/}			Provision under SA ^{1/}		
	General provision ^{2/}	Specific provision	Total	General provision ^{2/}	Specific provision	Total
	<i>Unit: Thousand Baht</i>			<i>Unit: Thousand Baht</i>		
Beginning balance	3,083,865	1,419	3,085,284	2,665,753	73,224	2,738,977
Increase (decrease) in provision during the period	721,358	62,098	783,456	418,112	580,572	998,684
Bad debt written off	-	(58,067)	(58,067)	-	(652,377)	(652,377)
Ending balance	3,805,223	5,450	3,810,673	3,083,865	1,419	3,085,284

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

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

The outstanding balance On Statement and Off Statement under financial position classified by Standardized Approach as of 31 December 2021 and 2020 were as follows:

The Financial Group			
31 December 2021			
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	28,484,368	-	28,484,368
- Claims on Financial Institutions and claims on Non- central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	70,691,496	6,147,789	76,839,285
- Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates	159,895,791	21,031,822	180,927,613
- Claims in the Retails Portfolio	46,003,854	454,244	46,458,098
- Residential Mortgage Loans	13,240	-	13,240
- Other assets	4,444,366	-	4,444,366
Non-performing loans	727,995	11	728,006
Total	310,261,110	27,633,866	337,894,976

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

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

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

The Bank			
31 December 2021			
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	28,484,367	-	28,484,367
- Claims on Financial Institutions and claims on Non- central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	69,783,390	6,197,909	75,981,299
- Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates	151,712,910	21,031,822	172,744,732
- Claims in the Retails Portfolio	139,440	454,244	593,684
- Residential Mortgage Loans	13,240	-	13,240
- Other assets	7,115,958	-	7,115,958
Non-performing loans	269,414	11	269,425
Total	257,518,719	27,683,986	285,202,705

^{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

^{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 2021 and 2020 as follows:

Type of Assets ^{1/}	The Financial Group										
	31 December 2021										
	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	71,550,635										
Claims on Financial Institutions and claims on Non-central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	859,844	16,014,653	27,352,215	10,084,589							

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

Type of Assets ^{1/}	The Financial Group										
	31 December 2021										
	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										158,233,757	
Claims in the Retails Portfolio									46,457,483		
Residential Mortgage Loans						13,240			-	-	
Other assets					3,992,419	-				2,608,135	
Non-performing loans								159		458,581	269,266

^{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>										
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							
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 Bank										
	31 December 2021										
	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	71,550,635										
Claims on Financial Institutions and claims on Non-central Government Public Sector Entities (PSEs) which are treated as Claims on Financial Institutions	859,844	15,564,831	27,352,215	10,084,589							
Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates										150,181,648	
Claims in the Retails Portfolio								593,069		-	
Residential Mortgage Loans							13,240		-	-	
Other assets					3,423,037	-				5,723,325	
Non-performing loans								159		-	269,266

^{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)

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. Polycs 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 2021 and 2020 as follows:

The Financial Group		
31 December 2021		
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	38,785,047	4,206,676
- Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates	3,201,212	19,492,644
- Claims in the Retails Portfolio	615	-
- Residential Mortgage Loans	-	-
- Other assets	-	-
Non-performing loans	-	-
Total	41,986,874	23,699,320

The Financial Group		
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
- 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

		The Financial Group	
		31 December 2020	
Type of Assets	Eligible financial	Guarantees and	
	collaterals	Credit derivatives	
		<i>Unit: Thousand Baht</i>	
- Claims in the Retails Portfolio	1,595	-	
- Residential Mortgage Loans	-	-	
- Other assets	-	-	
Non-performing loans	-	-	
Total	17,799,018	28,474,420	

		The Bank	
		31 December 2021	
Type of Assets	Eligible financial	Guarantees and	
	collaterals	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	38,785,047	4,206,676	
- Claims on Corporates and claims on Non-Central Government Public Sector Entities (PSEs) which are treated as Claims on Corporates	3,075,427	19,492,644	
- Claims in the Retails Portfolio	615	-	
- Residential Mortgage Loans	-	-	
- Other assets	-	-	
Non-performing loans	-	-	
Total	41,861,089	23,699,320	

		The Bank	
		31 December 2020	
Type of Assets	Eligible financial	Guarantees and	
	collaterals	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	2,119,085	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	

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 2021 and 2020 were as follows:

	The Financial Group		The Bank	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Market Risk Capital Requirement	Unit: Thousand Baht		Unit: Thousand Baht	
Interest Rate Risk	2,365	1,627	2,365	1,627
Equity Price Risk	-	-	-	-
Foreign Exchange Risk	22,038	13,016	13,739	19,990
Commodity Price Risk	-	-	-	-
Market risk capital requirement (BIS 8%)	24,403	14,643	16,104	21,617
Market risk capital requirement (BIS 8.5%)	25,928	15,558	17,111	22,968

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 2021 and 2020 as follows:

Equity position	The Financial Group	
	31 December 2021	31 December 2020
	<i>Unit: Thousand Baht</i>	
1. Equity related position		
1.1 Equity listed in the Stock Exchange of Thailand	488,969	278,270
1.2 Other equity values	7,450	7,532
2. Gain (Loss) from selling of the equity in this period	54,896	16,586
3. Gain (Loss) from marking to market of FVOCI	295,743	121,678
4. Minimum capital requirement under Standardized Approach	42,196	24,293

Equity position	The Bank	
	31 December 2021	31 December 2020
	<i>Unit: Thousand Baht</i>	
1. Equity related position		
1.1 Equity listed in the Stock Exchange of Thailand	488,969	278,270
1.2 Other equity values	8,244,590	7,175,732
2. Gain(Loss) from selling of the equity in this period	54,896	16,586
3. Gain (Loss) from marking to market of FVOCI	295,743	121,678
4. Minimum capital requirement under Standardized Approach	742,353	633,590

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 2021 and 2020 were as follows:

Currency	The Financial Group			
	Year end 2021		Year end 2020	
	<i>Unit : Thousand Baht</i>			
	+1.00%	-1.00%	+1.00%	-1.00%
Thai Baht	296,869	-296,869	236,434	-236,434
US Dollar	-90,944	90,944	-55,356	55,356
CNY	-12,121	12,121	-5,480	5,480
EUR	25,308	-25,308	35,012	-35,012
OTHER	-130	130	76	-76
Total impact of the change in interest rate	218,982	-218,982	210,686	-210,686
Expected net interest income in the next year	5,961,836		4,559,320	

Currency	The Bank			
	Year end 2021		Year end 2020	
	<i>Unit : Thousand Baht</i>			
	+1.00%	-1.00%	+1.00%	-1.00%
Thai Baht	328,402	-328,402	332,560	-332,560
US Dollar	-95,616	95,616	-48,446	48,446
CNY	-12,341	12,341	-5,104	5,104
EUR	25,241	-25,241	27,630	-27,630
OTHER	-130	130	72	-72
Total impact of the change in interest rate	245,556	-245,556	306,712	-306,712
Expected net interest income in the next year	3,892,306		3,031,866	



Liquidity Coverage Ratio Disclosure

For the year ended 31 December 2021

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. Banks are required to have HQLA not less than 60% of net cash outflows within 30 days period) since January 1, 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 enhance transparency in the disclosure of risk information in accordance with internal standards.

However, the bank shall disclose the information at the bank level on a quarterly basis, minimum LCR as specified by the Bank of Thailand, including LCR comparison with the previous quarters.

1. Liquidity Coverage Ratio: LCR

Unit: Million Baht

	Quarter	Quarter
	4/2021	4/2020
	<i>(average)</i>	
(1) Total high-quality liquid assets (HQLA)	88,239	50,676
(2) Total net cash outflows within the 30-day period	59,206	35,999
(3) LCR (%)	149%	141%
<i>Minimum LCR as specified by the Bank of Thailand (%)</i>	100%	100%

2. LCR of the preceding quarters (for comparison)

	Unit : %
Quarter 1/2021	164%
Quarter 2/2021	168%
Quarter 3/2021	154%
Quarter 4/2021	149%

As of Quarter 4, 2021, the average LCR was 149% which was higher than the minimum requirement set by the Bank of Thailand at 100%. It was calculated from the average LCR of end of October, November and December 2021 at 161%, 145% and 142% 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, 2021, the average HQLA was 88,239 million Baht (or 94% of Level 1 assets such as Government bond and cash) by calculating from average HQLA as of end of October, November and December 2021.

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, 2021, the average net cash outflows within the 30-day period was 59,206 million Baht by calculating from average cash outflows as of end of October, November and December 2021. Average cash outflows under the severe liquidity stress scenarios are 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 are from the loan repayments from high-quality customers and from the maturing debenture 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 Indicator to monitor liquidity risk daily and monthly and also set the Trigger Point in case there are some factors that may cause the increasing in risk level and report 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 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.