

Bank of America, N.A Bangkok Branch
Basel II Pillar III Disclosures
Reported as of December 31, 2020

Bank of America, N.A, Bangkok Branch

Basel II Pillar III Disclosures

Disclosure A: Scope of Application

The Basel II – Pillar III Disclosures contained within this document, relate to the Bangkok Branch of Bank of America, N.A., (hereafter referred to as “BANA – Bangkok” or the “Bank”) for the period ended December 31, 2020. These disclosures are in compliance with the requirements as set forth by the Bank of Thailand (“BOT”) notification no. SorNorSor 4/2556 Re: Information Disclosures Regarding Capital Fund Maintenance, dated May 2, 2013 and the Bank of Thailand (“BOT”) notification no. SorNorSor 14/2562 Re: Capital Disclosure Requirements for Commercial Banks (No.2).

Bank of America Corporation (“BAC” or the “Corporation”) has a subsidiary, Bank of America, N.A. (“BANA”), and BANA - Bangkok is a foreign branch of BANA. Additional disclosures made by BAC that pertain to BANA may be found in the Part II – Item 7 Management’s Discussion and Analysis of Financial Condition and Results of Operations as well as in the Part II – Item 8 Financial Statements and Supplementary Data of the Corporation’s Annual Report on Form 10-K filed on February 24, 2021.

Disclosure AA: Key prudential metrics

Qualitative Disclosure:

From 1 January 2020, the Bank assesses expected credit loss on a forward looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except interbank and money market items, investments in debt instruments measured at fair value through other comprehensive income, other receivables, and employee loans which the Bank applies the simplified approach in determining its expected credit loss. The Bank assesses the simplified approach has no material difference from applying the general approach of those financial assets.

To measure the expected credit losses, interbank and money market items, investments in debt instruments measured at fair value through other comprehensive income, other receivables, and employee loans have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost, FVOCI, loans commitments, and financial guarantees, the Bank applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The Bank measures the surplus reserve on the date of adoption for new financial reporting standards related to financial instruments by comparing the difference between allowance for expected credit losses according to requirement under new financial reporting standards related to financial instruments and total reserves that the Bank had on 31 December 2019. In which, the Bank will amortise the surplus reverse using the straight-line method over 5 years in accordance with notification number TorPorTor ForNorSor (23) Wor 1603/2562 to utilise surplus reserve from Bank of Thailand dated on 6 November 2019.

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AA. Key prudential metrics (Bank of Thailand requirement 14-2562: Table AA)

Table: Disclosure of quantitative data for key risk indicators

Item		31-Dec-20	30-Jun-20
Available capital (unit: THB)			
1	Common equity tier 1 (CET1)	—	—
1A	Fully loaded ECL1/ CET1	—	—
2	Tier 1	—	—
2A	Fully loaded ECL tier 1	—	—
3	Total capital	13,639,765,229.45	13,239,326,159.99
3A	Fully loaded ECL total capital	13,639,765,229.45	13,239,326,159.99
Risk-weighted assets (unit: THB)			
4	Total risk-weighted assets (RWA)	45,523,858,125.29	48,898,355,809.12
Risk-based capital ratios as a percentage of RWA (%)			
5	CET1 ratio	—	—
5A	Fully loaded ECL CET1 ratio	—	—
6	Tier 1 ratio	—	—
6A	Fully loaded ECL tier 1 ratio	—	—
7	Total capital ratio	29.96 %	27.08 %
7A	Fully loaded ECL total capital ratio	29.96 %	27.08 %
Capital buffer ratios a percentage of RWA (%)			
8	Conservation buffer ratio	2.50 %	2.50 %
9	Countercyclical buffer ratio	— %	— %
10	Higher loss absorbency ratio	— %	— %
11	Total capital buffer ratio (the sum of Item 8 to Item 10)	2.50 %	2.50 %
12	Ratio of CET1 available after meeting the commercial	— %	— %
Liquidity coverage ratio (LCR) (%)			
13	Total high-quality liquid assets (Total HQLA) (unit: THB)	36,955,464,835.62	41,021,472,441.88
14	Total net cash outflows (within a 30-day period) (unit: THB)	9,588,994,563.44	6,616,645,949.12
15	LCR ratio (%)	386 %	744 %

Note: Channel for LCR Disclosure <https://www.bofam.com/en-us/content/apac-thailand.html>

Disclosure B: Capital

Item 1: Capital Structure

Qualitative Disclosure:

BANA - Bangkok is a branch of a foreign bank, BANA. Total capital of BANA - Bangkok consists of assets maintained under Section 32 reduced by items deductible from capital as set forth by Bank of Thailand notification no. SorNorSor 8/2562 Re: Capital Components for Foreign Bank Branches, dated May 7, 2019.

As of December 31, 2020, total regulatory capital was THB 13,639.77 million. Total assets maintained under Section 32 of the Financial Institutions Businesses Act B.E. 2551 were THB 14,185.81 million, in which comprised of Central Bank Bonds.

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A. Assets under Section 32 of the Financial Institutions Businesses Act B.E. 2551

Unit : THB

Assets under Section 32	31-Dec-20	30-Jun-20
Treasury Bills	2,198,449,874.00	597,642,012.00
Central Bank Bonds	11,987,361,242.00	13,127,251,154.50
Total Value of Capital Funds as at the Date of Maintenance	14,185,811,116.00	13,724,893,166.50

Quantitative Disclosure:

B. Capital of Branches of Foreign Banks (Bank of Thailand requirement 4-2556: Table 2)

Unit : THB

Items	31-Dec-20	30-Jun-20
1. Assets required to be maintained under Section 32	14,185,811,116.00	13,724,893,166.50
2. Sum of net capital for maintenance of assets under Section 32 and net balance of inter-office accounts (2.1+2.2)	26,307,886,833.45	25,308,964,616.33
2.1 Capital for maintenance of assets under Section 32	13,640,000,000.00	13,239,533,750.00
2.2 Net balance of inter-office accounts which the branch is the debtor to the head office and other branches located in other countries	12,667,886,833.45	12,069,430,866.33
3. Total regulatory capital (3.1-3.2)	13,639,765,229.45	13,239,326,159.99
3.1 Total regulatory capital before deductions (The lowest amount among item 1, item 2, and item 2.1)	13,640,000,000.00	13,239,533,750.00
3.2 Deductions	(234,770.55)	(207,590.01)

Item 2: Capital Adequacy

Qualitative Disclosure:

BANA - Bangkok is required to calculate and report its capital adequacy ratio for regulatory reporting purposes to Bank of Thailand ("BOT") on a monthly basis. Per the BOT's requirements, BANA - Bangkok is required to maintain a minimum Capital Adequacy Ratio of 11%, effective January 1, 2019. The Branch has also set an internal threshold above the minimum required by the BOT.

The capital adequacy position of BANA - Bangkok is reviewed and monitored on a monthly basis by the financial controller and the Local Management Team ("LMT"). The Asset and Liability Committee ("ALCO") is also responsible for the ongoing monitoring of capital adequacy. The LMT and ALCO actively monitor the Branch's capital position to ensure capital is maintained at or above the internal threshold.

The LMT is responsible for ensuring branch compliance with the Corporation's policies, procedures and corporate governance practices including those relating to Basel II. The LMT is headed by the BANA Bangkok Country Executive with other members including representatives from the Lines of Business, Treasury, Risk and Operations.

The ALCO is responsible for management oversight of BANA-Bangkok's balance sheet, capital, liquidity management and stress testing activities. The ALCO is chaired by the Branch Treasurer, with members including BANA Bangkok's Country Executive, Finance Officer, Risk Officer as well as representatives from the Lines of Business, Treasury and Risk.

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Quantitative Disclosure:

As of December 31, 2020, BANA - Bangkok had total regulatory capital of THB 13,639.77 million, above the total minimum capital required of THB 5,007.62 million, which equals 11% of total risk weighted assets. The Basel II - Capital Adequacy Ratio (CAR) was 29.96% on total risk weighted assets of THB 45,523.86 million.

C. Total Risk-Weighted Capital Ratio (Bank of Thailand requirement 4-2556: Table 8)

Unit : %

Ratio	31-Dec-20		30-Jun-20	
	Capital ratio of the bank	Minimum capital ratio according to the BOT regulations	Capital ratio of the bank	Minimum capital ratio according to the BOT regulations
Total Capital to Risk-Weighted Assets Ratio	29.96 %	11.00 %	27.08 %	11.00 %

Minimum Capital Requirement for Credit Risk Classified by Type of Assets under Standardized Approach

Credit risk is defined as the potential risk of financial loss arising from the failure of a customer or counterparty to settle its financial and contractual obligations. The extension of commercial credit by BANA - Bangkok includes products and facilities such as loans, due from placements with banks, overdrafts, trade finance, off balance sheet facilities such as guarantees and letters of credit, and FX & OTC Derivatives.

BANA - Bangkok is using the Standardised Approach ("SA") for credit risk as measured according to Basel II. Under the Standardised Approach for credit risk, BANA - Bangkok uses external credit ratings from Standard & Poor's, Moody's, and Thai Rating and Information Services ("TRIS") to assign risk weights for capital adequacy purposes.

As of December 31, 2020, the credit risk capital requirement was THB 2,064.91 million, which was 41.24% of the total capital requirement of THB 5,007.62 million.

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D. Minimum capital requirement for credit risk classified by type of assets under the SA (Bank of Thailand requirement 4-2556: Table 3)

Unit : THB

	31-Dec-20	30-Jun-20
Performing Assets		
1. Claims on Sovereigns and Central Banks, Multilateral Development Banks (MDBs), and Non-Central Government Public Sector Entities (PSEs) treated as Claims on Sovereigns	—	—
2. Claims on Financial Institutions , Non-Central Government Public Sector Entities (PSEs) treated as Claims on Financial Institutions, and Securities Firms	1,352,364,805.03	1,589,623,059.47
3. Claims on Corporate , Non-Central Government Public Sector Entities (PSEs) treated as Claims on Corporate	680,041,056.64	837,744,390.71
4. Claims on Retail Portfolios	—	—
5. Claims on Housing Loans	307,058.75	328,354.26
6. Other Assets	32,195,533.81	35,378,510.28
Non-Performing Assets***	—	—
Total Minimum Capital Requirement for Credit Risk under SA	2,064,908,454.23	2,463,074,314.72

*** Non-Performing Assets were nil as of December 31, 2020 and June 30, 2020.

Minimum Capital Requirement for Market Risk under Standardized Approach

Market risk is the risk that values of assets and liabilities or revenues will be adversely affected by changes in market conditions, such as interest rate movements, currency exchange rates and security prices. BANA - Bangkok is using the Standardized Approach for market risk.

As of December 31, 2020, the market risk capital requirement was THB 2,652.52 million, which was 52.97% of the total capital requirement of THB 5,007.62 million.

E. Minimum capital requirement for market risk for positions in the trading book (Bank of Thailand requirement 4-2556: Table 6)

Unit : THB

	31-Dec-20	30-Jun-20
Standardized Approach	2,652,522,920.86	2,606,288,227.04

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Minimum Capital Requirement for Operational Risk under Basic Indicator Approach

BANA - Bangkok is using the Basic Indicator Approach (“BIA”) for operational risk as measured according to Basel II.

As of December 31, 2020, the operational risk capital requirement was THB 290.19 million, which was 5.80% of the total capital requirement of THB 5,007.62 million.

F. Minimum capital requirement for operational risk (Bank of Thailand requirement 4-2556: Table 7)

Unit : THB

	31-Dec-20	30-Jun-20
Basic Indicator Approach	290,193,018.69	309,456,597.25

Disclosure C: Other Risk Exposures and Assessment

1. General Qualitative Disclosure

BANA - Bangkok’s largest risk exposures relate to credit risk and market risk. The LMT is accountable for all aspects of governance and oversight involved with the management of risk in BANA - Bangkok. This relates to ensuring that adequate structures are in place for proper oversight, communication, review and understanding of risk and governance issues. The LMT, working with the Lines of Business (“Businesses”) and Risk Groups within BANA-Bangkok, are responsible for ensuring that the risk management processes are being carried out appropriately in light of the risk profile and business plan as defined by the BANA - Bangkok LMT.

Furthermore, the LMT is responsible for understanding the nature and level of risks being taken by BANA - Bangkok and whether these risks are sufficiently covered by its capital resources. A dashboard report is presented in the monthly LMT meetings provides an analysis of the following:

- The level and trend of material risks and their effect on capital levels, especially credit, market and operational risk. Highlight transactions that have affected the direction of the BANA – Bangkok’s CAR. It will also recommend courses of action to minimize significant fluctuations and unexpected events, if any; and
- The sensitivity and reasonableness of the capital requirements and recommend adjustments to BANA - Bangkok’s strategic focus and business plan, if necessary

BANA-Bangkok has established processes for the management of all the risks it faces. It has a robust risk governance framework. The key components within the Bank’s risk management framework include:

- Identification of all risks that are relevant to BANA-Bangkok based on its current activities as well as new products and initiatives;
- Measurement, monitoring and reporting of key risks to the Local Management Team (LMT) on a monthly basis; and
- A robust control environment to monitor whether the various policies and limits are being adequately implemented and aligned to its activities.

Led by Corporate General Auditor, Corporate Audit is a global team responsible for providing independent assessments of business activities throughout Bank of America. The group supports how BAC manages risk by determining whether controls over key risks are in place and functioning properly. Corporate Audit reports directly to the Audit Committee of the Board of Directors to maintain independence.

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II. Qualitative and Quantitative Disclosure for each type of risk

1. Credit Risk Disclosure

Item 1: General disclosures of credit risk exposures*

Qualitative Disclosure:

Credit processes are designed to execute the defined credit strategy (e.g. product-specific underwriting and client selection criteria) and adhere to credit policies, while remaining compliant with laws and regulations. Borrowers' credit risk is assessed through analysis of its financial position, repayment sources, key credit risks, business and industry, management, collateral and other support, and outlook. This analysis drives a forward-looking internal risk rating, which when taken in conjunction with the amount and type of exposure determines the required level of approval. Risk ratings are also used to ensure portfolio asset quality remains within approved credit risk standards and limits.

The Bank manages credit risk utilizing three processes:

- Credit strategy and origination. To align each credit decision with BAC's strategic goals, the Bank has established a comprehensive credit risk strategy and developed credit processes to provide for the efficient execution of that strategy. This strategy enables the setting and enforcement of different limits by business, industry, country or risk type at origination so that actual risk exposures are maintained within approved risk tolerances at the BANA-Bangkok and/or BAC levels.
- Credit portfolio management. Once credit has been extended, processes are in place to monitor credit risk exposures at both the individual and portfolio levels, as well as to actively manage the portfolio to remain within our credit risk appetite and return expectations.
- Loss mitigation. At times, borrowers and counterparties do not fulfill their obligations and steps must be taken to mitigate and manage losses. The Bank has stringent processes to appropriately handle nonperforming loans, collections and loan modifications.

BANA-Bangkok is governed by BOT Regulations and BAC's Global Core Credit Policy which actively manages concentrations in relation to the credit risk it undertakes by placing limits on the amount accepted. Limits are reviewed annually or more frequently when considered necessary. Actual exposures against limits are monitored regularly. In addition, BANA-Bangkok must comply with BOT's single lending limits.

Definition of past due and impairment

As per Bank of Thailand notification no. SorNorSor 5/2559 dated June 10, 2016, which was replaced by SorNorSor 23/2561 dated October 31, 2018, Loans are past due when payment in full has not been received by the due date. Impaired loans include commercial loans that are on nonaccrual status. Loans are generally placed on nonaccrual status when either principal or interest becomes 90 days past due or payment in full of principal or interest is not expected.

Per Bank of Thailand notification no SorNorSor 23/2561, dated October 31, 2018, effective January 1, 2020, the Bank assesses expected credit loss on a forward looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except interbank and money market items, investments in debt instruments measured at fair value through other comprehensive income, other receivables, and employee loans which the Bank applies the simplified approach in determining its expected credit loss.

The Bank measures loss allowances at an amount equal to 12-month ECL for financial instruments on which credit risk has not increased significantly since their initial recognition. Loss allowances for financial instruments where there has been a significant increase in credit risk are measured at lifetime ECL.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

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Quantitative Disclosure:

G. Outstanding amounts of significant on-balance sheet assets and off-balance sheet items before the recognition of credit risk mitigation** (Bank of Thailand requirement 14-2562: Table 9)

Unit: THB

Item	31-Dec-20	31-Dec-19
1. On-balance sheet assets (1.1 + 1.2 + 1.3 + 1.4)	83,529,074,587.24	81,650,144,028.75
1.1 Loans and accrued interest receivable (net) 1/	15,526,980,239.93	29,166,348,480.52
1.2 Net investments in debt securities 2/	30,577,185,836.36	21,511,489,277.26
1.3 Deposits and accrued interest receivable (net) 3/	718,835,511.52	564,263,635.99
1.4 Derivatives	36,706,072,999.43	30,408,042,634.98
2. Off-balance sheet items 4/ (2.1 + 2.2 + 2.3)	2,298,676,149,074.87	3,060,318,436,608.23
2.1 Aval of bills, guarantees, and letters of credit	28,378,881.59	60,313,115.93
2.2 OTC derivatives	2,298,647,770,193.28	3,060,258,123,492.30
2.3 Undrawn committed lines	—	—

* Commercial banks shall disclose position in banking book and trading book; Assets on balance sheet not including equity exposure, Off-balance sheet items including equity exposures

** If the period-end outstanding amount is not significantly different from the average outstanding amount over the period, commercial banks need not disclose the average outstanding amount over the period

1/ Including accrued interest income, net of deferred interest income, gains or losses due to changes in the conditions, and reserves for expected credit losses; including loans and accrued interest receivable of interbank and money market items

2/ Including investments in receivables but excluding accrued interest receivable and net of reserves for adjustments of security values and reserves for expected credit losses

3/ Including accrued interest income, net of reserves for expected credit losses

4/ Before multiplying credit conversion factor

For Bank of Thailand requirement 4-2556: Table 10-17: Please see Addendum I

Item 2: Credit risk exposures classified by credit risk-weighted assets calculation approach chosen by commercial banks

2.1 Credit risk exposures under the SA

Qualitative Disclosure:

BANA - Bangkok uses external credit ratings from Standard & Poor's, Moody's and TRIS to assign risk weights for capital adequacy purposes according to BOT Notification no. SorNorSor 9/2562 RE: Regulations on the Calculation of Credit Risk-Weighted Assets for Commercial Banks under the Standardized Approach (SA), dated May 7, 2019.

Quantitative Disclosure:

For Bank of Thailand requirement 4-2556: Table 19: Please see Addendum II

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Item 3: Credit risk mitigation under the SA

Qualitative Disclosure:

BANA - Bangkok uses only “financial collateral” to mitigate its credit risk. BANA Bangkok has used financial collateral for its securities financing transactions (SFT) such as reverse repo transaction and uses the Simple Approach for Credit Risk Mitigation for capital calculation.

Quantitative Disclosure:

H. Part of outstanding that is secured by collateral** under the SA classified by type of assets and collateral (Bank of Thailand requirement 4-2556: Table 28)

Unit : THB

	31-Dec-20		31-Dec-19	
	Eligible financial collateral ^{1/}	Guarantee and credit derivatives	Eligible financial collateral ^{1/}	Guarantee and credit derivatives
Performing Assets				
1. Claims on Sovereigns and Central Banks, Multilateral Development Banks (MDBs), and Non-Central Government Public Sector Entities (PSEs) treated as Claims on Sovereigns				
2. Claims on Financial Institutions , Non-Central Government Public Sector Entities (PSEs) treated as Claims on Financial Institutions, and Securities Firms	9,561,032,459.75		13,116,914,002.33	
3. Claims on Corporate , Non-Central Government Public Sector Entities (PSEs) treated as Claims on Corporate				
4. Claims on Retail Portfolios				
5. Claims on Housing Loans				
6. Other Assets				
Non-Performing Assets				
Total	9,561,032,459.75		13,116,914,002.33	

^{1/}Excluding securitization.

^{2/}Values after on-balance sheets and off balance sheets netting.

^{1/}Eligible financial collateral that the Bank of Thailand allows to use for risk mitigation. Commercial banks applying the comprehensive approach shall disclose the value after haircut.

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2. Disclosure on market risk for trading book position

Item 4: Market Risk Exposure

Item 4.1: Market Risk under Standardized Approach

Qualitative Disclosure:

BANA - Bangkok calculates its capital charge for market risk by using the Standardized Approach as per Bank of Thailand notification no. SorNorSor 94/2551 Re: Guideline on Supervision of Market Risk and Capital Requirement for Market Risk of Financial Institutions, dated November 27, 2008.

As per BOT's definition, banks with the average amount of THB-equivalent transactions in a trading book of all currencies over the last 6 months, July to December 2019, of over THB 3,000 million, are considered to have significant positions in the trading book and are required to maintain capital for market risk associated with the following:

- 1) Interest Rate Risk
- 2) Equity Position Risk
- 3) Foreign Exchange Rate Risk
- 4) Commodity Risk

For BANA - Bangkok, market risk is inherent in its operations and arises from both trading and banking positions. Trading exposures represent positions taken in forward exchange contracts, cross currency swaps, interest rate swaps, FX Options, and similar derivatives which expose BANA - Bangkok to interest rate and foreign exchange rate risks. BANA – Bangkok has no equity or commodity positions.

Quantitative Disclosure:

Minimum Capital Requirement of each type of market risk under Standardized Approach

As of December 31, 2020, the market risk capital requirement was THB 2,652.52 million, which was 52.97% of the total capital requirement of THB 5,007.62 million. As of December 31, 2020 and June 30, 2020, capital charged for interest rate risk and foreign exchange rate risks were as follows.

I. Minimum capital requirements for each type of market risk under the Standardized Approach (Bank of Thailand requirement 4-2556: Table 30)

Unit: THB

	31-Dec-20	30-Jun-20
Interest Rate Risk	2,431,308,452.29	2,302,992,669.68
Foreign Exchange Rate Risk	221,214,468.57	303,295,557.36
Total Minimum Capital Requirement for Market Risk	2,652,522,920.86	2,606,288,227.04

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3. Disclosure on operational risk

Item 5: Operational Risk Exposure

Item 5.1: Operational Risk under Basic Indicator Approach

Qualitative Disclosure:

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. BANA - Bangkok calculates its capital charge for operational risk by using the BIA as per BOT notification no. SorNorSor. 95/2551 Re: Guidelines on Minimum Capital Maintenance for Operational Risk. By utilizing the BIA to measure operational risk, BANA - Bangkok utilizes the average of three years adjusted gross income multiplied by a predefined factor resulting in required capital of THB 290.19 million at December 31, 2020.

Quantitative Disclosure:

J. Averaged Adjusted Gross Income and Total Operational Risk-Weight Assets

Unit : THB

Year	Adjusted Gross Income	
	31-Dec-20	30-Jun-20
Year 1 (Jan'20 - Dec'20)	1,321,822,721.68	
Year 2 (Jan'19 - Dec'19)	1,722,621,317.51	
Year 3 (Jan'18 - Dec'18)	1,176,545,323.55	
Year 1 (Jul'19 - Jun'20)		1,733,036,979.48
Year 2 (Jul'18 - Jun'19)		1,524,680,232.23
Year 3 (Jul'17 - Jun'18)		1,243,469,657.33
Averaged Adjusted Gross Income	1,406,996,454.25	1,500,395,623.01
Total Operational Risk-Weighted Assets	2,638,118,351.71	2,813,241,793.15

4. Disclosure on equity exposures

Item 6: Equity exposures in the banking book

BANA - Bangkok does not have any equity exposures in its banking book.

5. Disclosure on interest rate risk in banking book

Item 7: Interest rate risk exposure in banking book

Qualitative Disclosure:

BANA – Bangkok’s interest rate risk in Banking Book (“IRRBB”) is effectively managed by the local entity. Any interest rate risk in these positions is measured, together with trading book positions, through the Value-at-Risk (“VaR”) process. The majority of assets lie with overnight placements, funded mainly by clients’ deposits on the liabilities side. The effect of changes showed both increased and decreased in interest rates to net earnings for the next one year.

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Quantitative Disclosure:

K. The effect of changes in interest rates to net earnings (Bank of Thailand requirement 4-2556: Table 33)

Unit : THB

Currency	31-Dec-20		31-Dec-19	
	Effect to net earnings Increased in interest rates of 100 bps	Effect to net earnings Decreased in interest rates of 100 bps	Effect to net earnings Increased in interest rates of 100 bps	Effect to net earnings Decreased in interest rates of 100 bps
Baht	184,121,362	(184,121,362)	99,419,684	(99,419,684)
USD	(121,536,697)	121,536,697	(215,094,600)	215,094,600
EURO	(240,581)	240,581	(214,861)	214,861
JPY	(161,190)	161,190	(525,503)	525,503
Total effect from changes in interest rate	62,182,893	(62,182,893)	(116,415,280)	116,415,280
% of anticipated net interest income for the next one year	9.63 %	(9.63)%	(19.24)%	19.24 %

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Addendum I

L. Outstanding amounts of on-balance sheet assets and off-balance sheet items before the recognition of credit risk mitigation classified by country or geographic area of debtor* as of December 31, 2020. (Bank of Thailand requirement 14-2562: Table 10 (2020))

Unit: THB

31-DEC-20									
Country or geographic area of debtor	On-balance sheet assets					Off-balance sheet items 4/			
	Total	Loans and accrued interest receivable (net) 1/	Net Investment in debt securities 2/	Deposits and accrued interest receivable (net) 3/	Derivatives	Total	Aval of bills, guarantees, and letter of credits	OTC derivatives	Undrawn committed line
1. Thailand	71,007,047,247.80	15,526,980,239.93	26,072,266,634.00	718,158,132.16	28,689,642,241.71	1,815,402,713,016.89	4,349,201.59	1,815,398,363,815.30	—
2. Asia Pacific (exclude Thailand)	3,541,724,822.84	—	—	227,032.54	3,541,497,790.30	65,010,085,738.92	24,029,680.00	64,986,056,058.92	—
3. North America and Latin America	8,943,284,424.25	—	4,504,919,202.36	—	4,438,365,221.89	414,417,300,302.59	—	414,417,300,302.59	—
4. Africa and Middle East	—	—	—	—	—	—	—	—	—
5. Europe	37,018,092.35	—	—	450,346.82	36,567,745.53	3,846,050,016.47	—	3,846,050,016.47	—
Total	83,529,074,587.24	15,526,980,239.93	30,577,185,836.36	718,835,511.52	36,706,072,999.43	2,298,676,149,074.87	28,378,881.59	2,298,647,770,193.28	—

* Commercial banks shall classify countries or geographic areas according to guidelines used in their internal management and shall explain supporting reasons

1/ Including accrued interest income, net of deferred interest income, gains or losses due to changes in the conditions, and reserves for expected credit losses; including loans and accrued interest receivable of interbank and money market items

2/ Including investments in receivables but excluding accrued interest receivable and net of reserves for adjustments of security values and reserves for expected credit losses

3/ Including accrued interest income, net of reserves for expected credit losses

4/ Before multiplying by credit conversion factors

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M. Bank of Thailand requirement 4-2556: Table 10 (2019)

Unit: THB

31-DEC-19									
Country or geographic area of debtor	On-balance sheet assets					Off-balance sheet items 3/			
	Total	Net loans 1/	Net Investment in debt securities 2/	Deposits (including accrued interest receivables)	Derivatives	Total	Aval of bills, guarantees, and letter of credits	OTC derivatives	Undrawn committed line
1. Thailand	68,999,009,177.85	25,914,826,856.00	18,576,577,378.76	563,279,948.93	23,944,324,994.16	2,572,306,167,923.01	30,159,115.93	2,572,276,008,807.08	—
2. Asia Pacific (exclude Thailand)	7,982,905,596.93	3,398,377,285.03	—	467,510.68	4,584,060,801.22	75,728,543,191.24	30,154,000.00	75,698,389,191.24	—
3. North America and Latin America	4,789,140,414.65	—	2,934,911,898.50	—	1,854,228,516.15	400,835,254,339.58	—	400,835,254,339.58	—
4. Africa and Middle East	—	—	—	—	—	—	—	—	—
5. Europe	25,944,499.83	—	—	516,176.38	25,428,323.45	11,448,471,154.40	—	11,448,471,154.40	—
Deduct General Provision	(146,855,660.51)	(146,855,660.51)	—	—	—	—	—	—	—
Total	81,650,144,028.75	29,166,348,480.52	21,511,489,277.26	564,263,635.99	30,408,042,634.98	3,060,318,436,608.23	60,313,115.93	3,060,258,123,492.30	—

* Commercial banks shall classify countries or geographic areas according to guidelines used in their internal management and shall explain supporting reasons

1/ Including accrued interest receivables and net of deferred incomes, allowances for doubtful accounts and allowances for revaluation from debt restructuring and including net loans of interbank and money market.

2/ Excluding accrued interest receivables and net of allowances for revaluation of securities and allowances for impairment of securities

3/ Before multiplying credit conversion factor

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N. Outstanding amounts of on-balance sheet assets and off balance sheet items before the recognition of credit risk mitigation; classified by residual maturity as of December 31, 2020. (Bank of Thailand requirement 14-2562: Table 11)

Unit: THB

Items	31-DEC-20			31-DEC-19		
	Maturity not exceeding	Maturity exceeding	Total	Maturity not exceeding	Maturity exceeding	Total
	1 year	1 year		1 year	1 year	
1. On-balance sheet assets (1.1 + 1.2 + 1.3 + 1.4)	60,730,615,119.03	22,798,459,468.21	83,529,074,587.24	62,066,488,350.31	19,583,655,678.45	81,650,144,028.76
1.1 Loans and accrued interest receivable (net) 1/	14,779,065,116.12	747,915,123.81	15,526,980,239.93	28,410,717,975.41	755,630,505.12	29,166,348,480.53
1.2 Net investments in debt securities 2/	30,577,185,836.36	—	30,577,185,836.36	21,511,489,277.26	—	21,511,489,277.26
1.3 Deposits and accrued interest receivable (net) 3/	718,835,511.52	—	718,835,511.52	564,263,635.99	—	564,263,635.99
1.4 Derivatives	14,655,528,655.03	22,050,544,344.40	36,706,072,999.43	11,580,017,461.65	18,828,025,173.33	30,408,042,634.98
2. Off-balance sheet items 4/ (2.1 + 2.2 + 2.3)	1,296,069,296,983.43	1,002,606,852,091.44	2,298,676,149,074.87	1,788,307,081,476.29	1,272,011,355,131.94	3,060,318,436,608.23
2.1 Aval of bills, guarantees, and letters of credit	28,378,881.59	—	28,378,881.59	60,313,115.93	—	60,313,115.93
2.2 OTC derivatives	1,296,040,918,101.84	1,002,606,852,091.44	2,298,647,770,193.28	1,788,246,768,360.36	1,272,011,355,131.94	3,060,258,123,492.30
2.3 Undrawn committed lines	—	—	—	—	—	—

1/ Including accrued interest income, net of deferred interest income, gains or losses due to changes in the conditions, and reserves for expected credit losses; including loans and accrued interest receivable of interbank and money market items

2/ Including investments in receivables but excluding accrued interest receivable and net of reserves for adjustments of security values and reserves for expected credit losses

3/ Including accrued interest income, net of reserves for expected credit losses

4/ Before multiplying by credit conversion factors

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Basel II Pillar III Disclosures

O: Outstanding amounts of financial instruments* before the recognition of credit risk mitigation and provisions (General provision and specific provisions)
(Bank of Thailand requirement 14-2562: Table 12) (2020)

Unit: THB

Item	Outstanding amount		Amount of provisions 2/	Provisions 2/ for exposures under the SA		Net amount 3/
	Defaulted exposures 1/	Non-defaulted exposures 1/		General provisions	Specific provisions	
1. Loans and accrued interest receivable 3/	—	15,564,905,589.97	37,925,350.04	14,263,889.37	23,661,460.67	15,526,980,239.93
2. Investments in debt securities 4/	—	30,577,505,949.81	320,113.45	—	320,113.45	30,577,185,836.36
3. Deposits and accrued interest receivable 5/	—	718,835,511.52	—	—	—	718,835,511.52
4. Committed lines and financial guarantees 6/	—	764,776,970.51	3,962,893.51	—	3,962,893.51	760,814,077.00
Total	—	47,626,024,021.81	42,208,357.00	14,263,889.37	27,944,467.63	47,583,815,664.81

* Only financial instruments subject to impairment requirements according to the Thai Financial Reporting Standard No.9 - Financial Instruments (TFRS 9)

** For the first year that this Notification comes into effect, commercial banks shall disclose only the data of the current year (the comparison with the previous year data is not required)

1/ Depending on the approach used by the reporting bank, namely (1) SA: Non-performing claims and performing claims; and (2) IRB: Defaulted exposures and non-defaulted exposures. In determining if any exposure is a "defaulted" exposure, commercial banks shall refer to the definition of credit-impaired assets (non-performing) as specified in the Bank of Thailand Notification Re: Asset Classification and Provisioning of Financial Institutions.

2/ means reserves for expected credit losses according to TFRS 9. For financial instruments designated at fair value through other comprehensive income, the amount of provisions may not be disclosed according to the Thai Financial Reporting Standard No.7 - Disclosure Requirements for Financial Instruments (TFRS 7). And, the outstanding amounts of those instruments will be the amounts net of provisions.

3/ Net amount = Outstanding amount - Provisions

4/ Including accrued interest income, net of deferred income and gains or losses due to changes in the conditions, and including loans and accrued interest receivable of interbank and money market items

5/ Excluding accrued interest receivable, net of reserves for adjustments of security values, and excluding investments in receivables

6/ Including accrued interest income

7/ Before multiplying by credit conversion factors

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P. Outstanding amounts of loans including accrued interest receivables and investment in debt securities before the recognition of credit risk mitigation classified by country or geographical area of debtor* and asset classification as specified by the Bank of Thailand as of December 31, 2020. (Bank of Thailand requirement 14-2562: Table 13 (2020))

Unit: THB

31-Dec-20							
Country or geographic area of debtor	Loans including accrued interest receivables ^{1/}				Investments in debt securities ^{2/}		
	With an insignificant increase in credit risk	With a significant change in credit risk	Credit-impaired	Purchased and originated credit-impaired	Total	General Provision	Specific Provision
1. Thailand	15,564,905,589.97	—	—	—	15,564,905,589.97	—	237,665.82
2. Asia Pacific (exclude	—	—	—	—	—	—	—
3. North America and Latin	—	—	—	—	—	—	82,447.63
4. Africa and Middle East	—	—	—	—	—	—	—
5. Europe	—	—	—	—	—	—	—
Total	15,564,905,589.97	—	—	—	15,564,905,589.97	—	320,113.45

* Commercial banks shall classify countries or geographic areas according to their internal guidelines and shall explain supporting reasons.

** For the first year that this Notification comes into effect, commercial banks shall disclose only the data of the current year (the comparison with the previous year data is not required)

^{1/} Including accrued interest income, net of deferred income and gains or losses due to changes in the conditions, and including loans and accrued interest receivable of interbank and money market items

^{2/} Excluding accrued interest receivable, net of reserves for adjustments of security values, and excluding investments in receivables

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Q. Bank of Thailand requirement 4-2556: Table 12 (2019)

Unit : THB

31-DEC-19							
Country or geographic area of debtor	Loans including accrued interest receivables ^{1/}						Specific provision for Investment in debt securities
	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total	
1. Thailand	25,914,826,856.00	—	—	—	—	25,914,826,856.00	207,509.03
2. Asia Pacific (exclude Thailand)	3,398,377,285.03	—	—	—	—	3,398,377,285.03	
3. North America and Latin America	—	—	—	—	—	—	
4. Africa and Middle East	—	—	—	—	—	—	
5. Europe	—	—	—	—	—	—	
Total	29,313,204,141.03	—	—	—	—	29,313,204,141.03	207,509.03

* Commercial banks shall classify countries or geographic areas according to guidelines used in their internal management and shall explain supporting reasons
^{1/} Including outstanding amounts of loans and interest receivable receivables of interbank and money market

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R. Provisions (General provision and Specific provision) and write-offs during the period for loans including accrued interest receivable and investments in debt securities classified by country or geographic area of debtors* as of December 31, 2020. (Bank of Thailand requirement 14-2562: Table 13a (2020))

Unit: THB

31-Dec-20					
Country or geographic area of debtor	Loans including accrued interest receivables ^{1/}			Investments in debt securities ^{2/}	
	General provision ^{3/}	Specific provision	Bad debt written-off during period	General provision ^{3/}	Specific provision
1. Thailand		23,661,460.67			237,665.82
2. Asia Pacific (exclude Thailand)					
3. North America and Latin America					82,447.63
4. Africa and Middle East					
5. Europe					
Total	14,263,889.37	23,661,460.67	—	—	320,113.45

* Commercial banks shall classify countries or geographic areas according to their internal guidelines and shall explain supporting reasons.

^{1/} Including the amounts of provisions and write-offs during the period for loans including accrued interest receivable of interbank and money market items

^{2/} Excluding investments in receivables

^{3/} Total amount will be disclosed

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S. Bank of Thailand requirement 4-2556: Table 13 (2019)

Unit : THB

31-Dec-19				
Country or geographic area of debtor	Loans including accrued interest receivables ^{1/}			Specific provision for Investment in debt securities
	General provision ^{2/}	Specific provision	Bad debt written-off during period	
1. Thailand				207,509.03
2. Asia Pacific (exclude Thailand)				
3. North America and Latin America				
4. Africa and Middle East				
5. Europe				
Total	146,855,660.51			207,509.03

* Commercial banks shall classify countries or geographic areas according to guidelines used in their internal management and shall explain supporting reasons.

^{1/} Including provision and bad debt written-off during period of loans including accrued interest receivables of interbank and money market

^{2/} Disclosed in total amount

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T. Outstanding amount of loans including accrued interests* before the recognition of credit risk mitigation classified by type of business and by asset classification specified by the Bank of Thailand as of December 31, 2020. (Bank of Thailand requirement 14-2562: Table 14 (2020))

Unit: THB

Type of business	31-Dec-20				Total
	With an insignificant increase in credit risk	With a significant change in credit risk	Credit-impaired	Purchased and originated credit-impaired	
- Agriculture and mining	—				—
- Manufacturing and commerce	3,002,473,534.91				3,002,473,534.91
- Real estate business and	—				—
- Public utilities and services	—				—
- Housing loans	7,975,552.02				7,975,552.02
- Others	—				—
- Bank	11,800,309,722.22				11,800,309,722.22
- Leasing	754,146,780.82				754,146,780.82
- Consumer Loan	—				—
Total	15,564,905,589.97	—	—	—	15,564,905,589.97

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U. Bank of Thailand requirement 4-2556: Table 14 (2019)

Unit : THB

31-Dec-19						
Type of business	Normal	Special mentioned	Substandard	Doubtful	Doubtful loss	Total
- Agriculture and mining						—
- Manufacturing and commerce	6,014,272,114.33					6,014,272,114.33
- Real estate business and construction						—
- Public utilities and services	—					—
- Housing loans	9,074,389.32					9,074,389.32
- Others						
- Bank	19,517,990,308.61					19,517,990,308.61
- Leasing	3,771,867,328.77					3,771,867,328.77
- Consumer Loan	—					—
Total	29,313,204,141.03	—	—	—	—	29,313,204,141.03

* Including outstanding amount of loans including accrued interest receivables of interbank and money market

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V. General provisions and specific provisions and write-offs during the period for loans and accrued interest receivable * classified by type of business of debtors as of December 31, 2020. (Bank of Thailand requirement 4-2556: Table 15)

Unit: THB

Type of business	31-Dec-20			31-Dec-19		
	General provision1/	Specific provision	Bad debt written-off during period	General provision1/	Specific provision	Bad debt written-off during period
- Agriculture and mining						
- Manufacturing and commerce		20,151,434.41				
- Real estate business and construction						
- Public utilities and services						
- Housing loans		20,420.28				
- Other						
- Bank		734.24				
- Leasing		3,488,871.74				
- Consumer Loan						
Total	14,263,889.37	23,661,460.67	—	146,855,660.51	—	—

* Including outstanding amount of loans including accrued interest receivables of interbank and money market
1/ Disclosed in total amount

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W. Reconciliation of changes in available provisions (General provisions and specific provisions) for loans including accrued interest receivable *. (Bank of Thailand requirement 14-2562: Table 16)

Unit : THB

Item	31-Dec-20			31-Dec-19		
	General provision1/	Specific provision3/	Total	General provision	Specific provision	Total
Provisions at the beginning of the period	146,855,660.51	—	146,855,660.51	45,161,209.56	—	45,161,209.56
Increases or decreases in provisions during the period 2/	(132,591,771.14)	23,661,460.67	(108,930,310.47)	101,694,450.95	—	101,694,450.95
Other provisions (provisions for FX losses, provisions for mergers and sales of businesses)	—	—	—	—	—	—
Write-offs during the period	—	—	—	—	—	—
Provisions at the end of the period	14,263,889.37	23,661,460.67	37,925,350.04	146,855,660.51	—	146,855,660.51

* Including the amount of provisions for loans and accrued interest receivable of interbank and money market items

1/ Reserves for expected credit losses

2/ Excluding expected credit losses of financial instruments designated at fair value through other comprehensive income

3/ Provision set up as per IFRS9 in 2020 was reported under specific provision, as opposed to general provision in prior year.

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X. Outstanding amounts of on-balance sheet assets and off-balance sheet items* classified by type of assets under the SA. (Bank of Thailand requirement 4-2556: Table 17)

Unit : THB

Type of assets	31-Dec-20			31-Dec-19		
	On balance sheet assets	Off balance sheet item **	Total	On balance sheet assets	Off balance sheet item **	Total
1. Performing claims						
1.1 Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	31,115,157,474.70	719,990,570.29	31,835,148,044.99	21,942,834,779.53	1,413,246,396.57	23,356,081,176.10
1.2 Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	11,981,173,595.40	24,716,601,954.95	36,697,775,550.35	19,650,908,442.33	25,129,151,423.53	44,780,059,865.86
1.3 Claims on corporates, non-central government public sector entities (PSEs) treated as claims on corporate	3,756,620,315.73	2,425,571,108.27	6,182,191,424.00	9,786,139,443.10	2,412,334,913.31	12,198,474,356.41
1.4 Claims on retail portfolios						—
1.5 Housing loans	7,975,552.02		7,975,552.02	9,074,389.32		9,074,389.32
1.6 Other assets	37,044,079,901.86		37,044,079,901.86	30,766,515,892.31		30,766,515,892.31
2. Non-performing claims						
3. First-to-default credit derivatives and Securitization						
Total	83,905,006,839.71	27,862,163,633.51	111,767,170,473.22	82,155,472,946.59	28,954,732,733.41	111,110,205,680.00

* After multiplying with credit conversion factor and specific provision

** Including all Repo-style transactions (including Reverse repo transactions)

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Addendum II

Y. Outstanding amount of net on-balance sheet assets and off-balance sheet items** after adjusted by credit risk mitigation for each type of asset, classified by risk weight under the SA. (Bank of Thailand requirement 4-2556: Table 19 (2020))

Unit: THB

Type of asset		31-Dec-20								
		Rated outstanding amount					Unrated outstanding amount			
Risk weight (%)		—	20.00	50.00	100.00	150.00	—	35.00	75.00	100.00
Performing claims										
1.	Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	31,835,148,044.99	—	—	—	—	—	—	—	—
2.	Claims on financial institutions, non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	—	25,211,263,145.88	4,644,666,082.92	6,841,846,321.55	—	—	—	—	—
3.	Claims on corporates, non-central government public sector entities (PSEs) treated as claims on corporate	—	—	4,887.30	535,522.55	—	—	—	—	6,181,651,014.15
4.	Claims on retail portfolios									
5.	Claims on housing loans							7,975,552.02	—	—
6.	Other assets						36,751,393,230.85			292,686,671.01
	Risk weight (%)			50.00	100.00	150.00				
Non-performing claims1/				—	—	—				
Capital deduction items prescribed by the Bank of										

** After multiplying credit conversion factor

1/ For the portion claims with no credit risk mitigation of which risk weight are determined by the proportion of provision to total amount of claims

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Z. Bank of Thailand requirement 4-2556: Table 19 (2019)

Unit: THB

Type of asset		31-Dec-19								
		Rated outstanding amount				Unrated outstanding amount				
Risk weight (%)		—	20.00	50.00	100.00	150.00	—	35.00	75.00	100.00
Performing claims										
1.	Claims on sovereigns and central banks, multilateral development banks (MDBs), and non-central government public sector entities (PSEs) treated as claims on sovereigns	23,356,081,176.11	—	—	—	—	—	—	—	—
2.	Claims on financial institutions , non-central government public sector entities (PSEs) treated as claims on financial institutions, and securities firms	—	29,709,616,598.76	5,462,007,642.15	9,608,435,624.95	—	—	—	—	—
3.	Claims on corporates , non-central government public sector entities (PSEs) treated as claims on corporate	—	—	14,459,438.68	—	—	—	—	—	12,184,014,917.73
4.	Claims on retail portfolios								—	—
5.	Claims on housing loans							9,074,389.32	—	—
6.	Other assets						30,451,837,108.32			314,678,783.99
	Risk weight (%)			50.00	100.00	150.00				
Non-performing claims1/				—	—	—				
Capital deduction items prescribed by the Bank of Thailand										

** After multiplying credit conversion factor

1/ For the portion claims with no credit risk mitigation of which risk weight are determined by the proportion of provision to total amount of claims