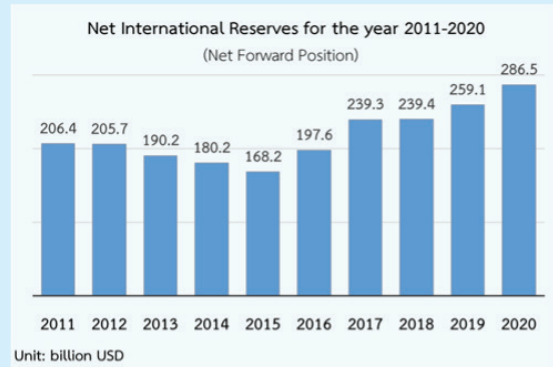


BOX
17

BOT's 2020 Financial Statements

In 2020, the COVID-19 pandemic caused a severe impact on global economy, and Thai economy has the lowest economic contraction in the last 22 years. Therefore, the Monetary Policy Committee cut the policy rate to a record low of 0.50% per annum to maintain economic and financial stability. Thailand however has managed

the situation reliably and investor sentiment about US economy has been renewed after the general election. These factors have driven more capital inflow to emerging markets, including Thailand. The Bank of Thailand (BOT) has continued to maintain stability of the Thai baht's fluctuation which has the impact to economic recovery (the external stability mission). This mission lead to an increase in international reserves to 286.5 billion USD at the end of 2020.



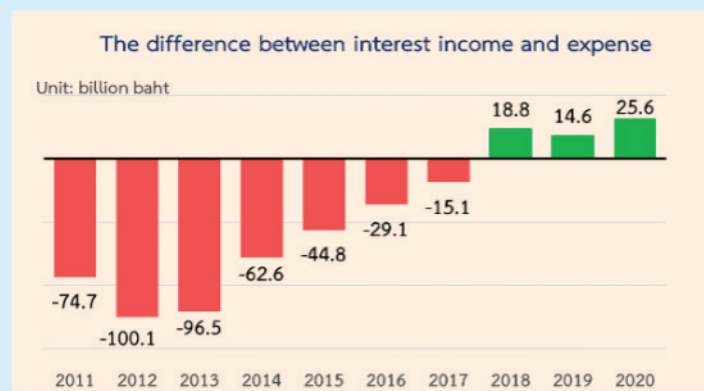
The BOT manages international reserves with an aim to maintain their value in foreign currencies to ensure the availability and adequacy to cushion the Thai economy from the global financial market volatilities. The BOT hence invests in safe and high liquidity assets and diversifies the portfolio in terms of asset classes and currencies suitable for global economic and financial outlook, as well as a reasonable return. In 2020, The Bank of Thailand Account and The Currency Reserve Account both had positive operating results, which were mostly driven by the valuation of foreign assets into Thai baht.

Unit: billion baht

Items	Bank of Thailand Account	Currency Reserve Account
Annual profit and loss in 2020	+273.2	+220.0
1. Operations according to the mission (Maintaining economic stability or printing and issuing banknotes)	+25.6	+26.7
2. International reserves management and others	-45.3	+10.7
3. Valuation	+292.9	+182.6

Details of Financial Statements are as follows

1. Operations according to the mission



1.1 Maintaining economic stability – The Bank of Thailand Account

The Bank of Thailand Account earned net interest income of 25.6 billion baht which represented positive carry for the third consecutive year, driven by the interest income from foreign assets management was higher than the interest expense from monetary

policy operation. During the year, the Monetary Policy Committee cut the policy rate to ease overall monetary situation which in turn lessen the COVID-19 impact to the economy.

1.2 Printing and issuing banknotes – The Currency Reserve Account

The Currency Reserve Account earned net interest income of 26.7 billion baht since the return from international reserve management in the account was higher than the cost of banknotes printing.

2. International reserves management and others

The BOT had bought and sold its investments to reallocate the portfolio in line with changes in the global economic outlook, to diversify risks, and to enhance return. The loss occurred in the Bank of Thailand Account was mainly caused by the prolonged appreciation of the Thai baht. The cost of foreign assets acquired several years ago translated to Thai baht, is often higher than the selling price during the current period. Nevertheless, the return in terms of foreign currencies remained positive and higher than the benchmark.

3. Valuation of foreign assets

A valuation gain or loss occurs from the valuation of foreign assets into Thai baht. Due to the depreciation of Thai baht against major currencies except USD and the higher price of foreign assets (bond, equity and gold) at the end of 2020, the financial statements showed gain on valuation.