

one
FAMILY
one **TEAM**



Annual Registration Statement /
Annual Report 2023
(Form 56-1 One Report)

Bangkok Bank Public Company Limited

Vision

To be a bank which provides quality financial services in line with customers' requirements, and is well equipped with qualified human resources and world-class technology and working systems, while maintaining its status as a well-established international bank and a leading Asian bank.

2023 Highlights



Total Capital
Adequacy Ratio

19.57 %



International
Geographical Coverage

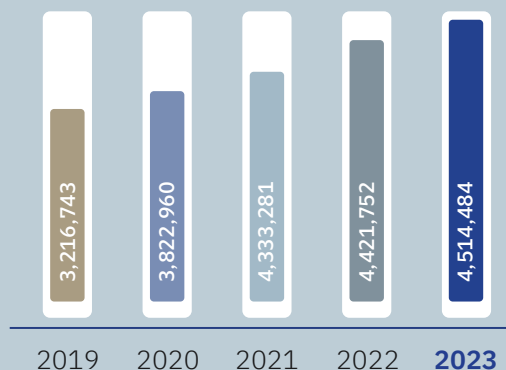
14 Economies

Rating by the Thai Institute
of Directors Association in
the Corporate Governance
Survey of Thai Listed Companies

“EXCELLENT”

Assets

4.51 Trillion Baht
(Million Baht)



Loans

2.67 Trillion Baht



Deposits

3.18 Trillion Baht



Average Volunteer
Hours per Employee

4.57 Hours



Average Training
Hours per Employee

37.74 Hours

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Message from the Board and Our Business

- Message from the Chairman, the Executive Chairman and the President
- Our Priorities
- Sustainability Initiatives



Message from the Chairman, the Executive Chairman and the President

Our One Family, One Team strategy embodies our commitment to staying close to our customers, seeking to truly understand their needs and aspirations

In 2023, we further strengthened Bangkok Bank's position as a leading regional bank and Thailand's largest bank by assets by working together as **One Family, One Team** across our domestic and international networks, while continuing on our digital journey to enhance customer service and efficiency. These strategies, combined with our prudent management approach to maintain a healthy financial position, high liquidity and robust capital positions, enabled us to deliver satisfactory performance in both our domestic and international business.

Phornthep Phornprapha
Chairman

so that we can provide them with the support they need to achieve their potential and goals in line with our commitment to social and environmental sustainability.



Our **One Family, One Team** strategy embodies our commitment to staying close to our customers, seeking to truly understand their needs and aspirations so that we are well placed to provide them with the support they need to achieve their potential and goals. We are also committed to sustainability and being a responsible financial services provider that has a positive impact on the communities and environments in which we operate. Our sustainability approach enables us to deliver good performance across our five strategic priority areas in a responsible way. Key highlights from 2023 include:

- **Quality Growth** – maintained good asset quality across domestic and international loans. Our business units and branches nationwide and overseas, along with our subsidiary banks including PermataBank in Indonesia and others in our international network, worked closely together to help companies and investors expand across ASEAN and beyond.
- **Platform Partner** – launched a long-term strategic partnership with The Mall Group to deliver the Bangkok Bank M credit cards and debit card; upgraded and added new features to the Bangkok Bank Mobile Banking app to offer our partners' products and services on the app; and expanded our real-time payments via API to more partners including financial institutions and fintechs.



Deja Tulananda
Executive Chairman

- **Wealth and Wellbeing** – increased our strategic focus on providing wealth and protection advice, products and services for all segments by drawing on our strategic partnership with the leading Swiss private bank Pictet Group, through which we have also enhanced the high-level services we provide to affluent and high net worth clients.
- **Data Driven Organization** – expanded our deployment of smart technologies and automation, including AI, Machine Learning, and Robotic Process Automation, to increase our capability to process and analyze data. Our new payment services hub which centralizes the processing of all payment transactions and captures data from all transactions in a single platform will enable richer data-driven insights, as well as higher operational efficiencies and better service to customers. Other technologies that we use to support our data-driven capabilities include our data lake and cloud center of excellence.
- **Business Remodeling** – continued to optimize our branch network to support customers’ evolving needs and lifestyles; remodeled and digitalized our transaction banking systems thereby reducing paper-based systems; and adopted AI, Machine Learning and automation to reduce human error, and improve efficiency and operating times. We were able to increase the volume, value and timeliness of our global payments transactions while also reducing costs through our new real-time cross-border payment services, such as PromptPay International, facilitating faster, cheaper and more convenient services to customers.

We have strengthened our position as Thailand’s most international bank and a leading regional bank through our **Connecting ASEAN** strategy which places Thailand as a key bridge connecting the region to Asia and the rest of the world. This strategy has allowed our International Banking Group to deliver sound and stable performance across the network, while diversifying our markets and risks.

We are the only Thai bank with a significant footprint in Southeast Asia’s two largest economies, Indonesia, through our subsidiary PermataBank, and Thailand. Our extensive ASEAN branch network extends across nine of the region’s 10 markets. Up north, our long-term presence in mainland China, through our subsidiary Bangkok Bank (China), and Hong Kong enable us to facilitate trade and investment efficiently between Thailand, ASEAN and China. Overall, our international network comprises 216 PermataBank branches in Indonesia and 25 branches across 13 other economies.



Our **Connecting ASEAN** strategy further strengthens collaboration across all integral constituents of Bangkok Bank group encompassing, for instance, PermataBank, our other subsidiary banks and international branches, as well as our corporate banking group. We are confident that Indonesia's robust economic growth and investment in new industries, such as EV and the related ecosystem, will present good opportunities to capture new growth sectors and deliver sustainable performance. Our strong regional and international position places us in a unique position to support the Thai economy through enabling local corporations to diversify their operations by seeking growth opportunities across ASEAN and beyond, while facilitating inbound investment into Thailand.

Our corporate, consumer and international banking units work closely together as **One Family, One Team** to enhance existing relationships further and provide value-added services across customer segments. We are leveraging our relationships with corporate customers to provide additional benefits to their partners in the supply chain, their employees and their customers.

On the digital front, we have enhanced the user experience for our Bangkok Bank Mobile Banking app with the introduction of a new, more contemporary look and feel, attuned to the lifestyles and needs of our customers.

We continue to develop technological solutions for corporate and international clients, such as the commercial rollout of enterprise blockchain-based supply chain finance (Procure to Pay) solutions, helping to increase regional financial connectivity and interoperability which was further supported by our cross-border payment solutions and cash management.

Just as we are a trusted partner to our customers, we are also a trusted partner to our people, helping them to navigate new opportunities available to them and equipping them with knowledge and skills so they can progress and achieve goals. Our **One Family, One Team** approach helps embed this spirit in the Bangkok Bank DNA. We have a number of initiatives to help our people increase collaboration, adopt new ways of working and achieve their own digital goals as they strive to provide the best service possible to our customers.

We are committed to helping Thailand achieve sustainable growth. We were the leading underwriter of green, social, sustainability and sustainability-linked bonds in Thailand for the fourth year running. We supported our customers to invest in technology and innovation or green business operations through the provision of transition finance and green loans.



Chartsiri Sophonpanich
President



Operating Environment

In 2023 Thailand's economy continued to recover, supported by the tourism sector and the increasing number of foreign tourists as well as increasing private consumption on the back of higher employment and wage growth. However, Thailand's exports weakened in tandem with the subdued demand from trading partners. Looking forward, the Thai economy continues to face external challenges such as an economic slowdown in major economies, the impact from high interest rates as central banks endeavor to control inflation, China's economic slowdown which could affect Thai exports and the manufacturing sector, and prolonged geopolitical tensions. These are important factors to be monitored closely.

Bank Performance

In 2023 Bangkok Bank and its subsidiaries reported a net profit of Baht 41,636 million, an increase of 42.1 percent from the previous year due to an increase of 28.0 percent in net interest income as yields on earning assets rose in line with the interest rate environment. This was offset by a continued rise in the cost of deposits driven by an increase in deposit interest rates and the resumption of the Financial Institutions Development Fund (FIDF) fee to the normal rate since the beginning of 2023. As a result, the net interest margin stood at 3.02 percent. Net fees and service income decreased slightly as fees from bancassurance increased while fees from the securities business decreased in line with lower market transaction volume. Operating expenses rose by 18.5 percent from last year in line with higher economic activities and partly from expenses to improve operational efficiency. The cost to income ratio stood at 48.8 percent. As part of our consistent prudent management, we set aside expected credit losses of Baht 33,667 million, a similar level to last year.

Looking Ahead

We enter a new year united as **One Family, One Team** with the confidence and determination to support our customers, stakeholders and the business to succeed whatever the opportunities and challenges we may face together. We stand ready to change to meet the evolving needs of our customers. These developments also provide the foundation for the introduction of new services in 2024 in areas such as wealth, transaction banking and global payments.

We wish to thank our customers, shareholders and business partners for your continued trust and support, and look forward to working alongside our stakeholders to create value together for a sustainable future.

(Phorntep Phornprapha)
Chairman

(Deja Tulananda)
Executive Chairman

(Chartsiri Sophonpanich)
President



one FAMILY one TEAM

Bangkok Bank people work closely together as One Family, One Team. This enables us to provide excellent and seamless service to customers wherever they are. There are three important elements to this:





Caring

We care for and support each other, our customers, and communities, as reliable close friends whether in good times or bad.



Insightful

We continually develop the knowledge, expertise and insights needed to support each other and our customers.



United

We work together as a team and as trusted partners to our customers, helping them to achieve their goals.





Our Priorities

The Bank is guided by our commitment to sustainability and our philosophy of being a trusted partner and reliable close friend. This emphasizes the value we place on partnership, developing long-term and multi-generational relationships with customers, and being a responsible financial services provider that has a positive impact on the communities and environments in which we operate.



1. Quality Growth

We share knowledge and work together as One Family, One Team so we can know our customers better, seek and take advantage of opportunities, and create value for customers.

2. Platform Partner

We are a trusted partner providing the best solutions to customers, bringing together potential partners and helping to create productive new ecosystems.





3. Wealth and Wellbeing

We support the wealth and wellbeing of our customers throughout their life stages, providing appropriate products and services that suit their needs.



4. Data Driven

We analyze and manage data to improve our service while protecting the privacy and security of our customers' data.

5. Business Remodeling

We collaborate closely and adopt new ways of working to increase the efficiency and effectiveness of our work, provide customers with the digital services they require, and save costs for our business and those of our customers.





Sustainability Initiatives



Be Resilient



Managing risks to safeguard the financial health of customers, protect the Bank's business and ensure we can be resilient amid crises and challenges.



- Incorporated environmental and climate change dimensions into risk management principles and guidelines of the Bank.



Be Responsible



Doing business in a responsible way that helps support sustainable activities, increases financial literacy and financial inclusion, strengthens communities, protects the environment and contributes to a sustainable supply chain.



- Offered Bualuang Green Loans of Baht 720 million and Bualuang Green Solar Energy Loans of Baht 2,000 million.



- Acted as the underwriter for environmental conservation bonds (Green Bonds) with a value of Baht 28,366 million.



- Undertook the Bualuang Joins Communities to Solve Drought project with over 2,000 households or over 7,235 beneficiaries while volume of water for consumption increased by 58,000 cubic meters.



Be Customer Centric



Placing customers at the center of our decisions, providing them with innovative products that meet their demand as well as delivering seamless experience and secure services, and building and maintaining strong customer relationships.



- Achieved customer satisfaction score for Bualuang Phone of 96.90%



- Won 4 awards in cybersecurity from the Prime Minister Awards: Thailand Cybersecurity Excellence Awards 2023 organized by the National Cyber Security Agency.



Be Caring



Creating a safe, fair and supportive working environment where our people can continuously develop their skills and fulfill their personal and professional aspirations.



- 55% of all executives are women.



- 37.74 hours for average training hours per employee.



- 47.20% of STEM related positions are held by women.



Be Ethical



Adhering to business ethics, cultivating good governance, complying with laws and regulations, while respecting human rights and opposing any form of corruption.



- Received an "Excellent" rating from the Corporate Governance Report of Thai Listed Companies for 2023 by the Thai Institute of Directors (IOD).



- 100% of employees enrolled and acknowledged courses including the Code of Conduct and Business Ethics, Anti-corruption, Anti-money Laundering, and Counter Terrorism and Proliferation of Weapons of Mass Destruction, and Market Conduct.



Part 1

Business Operations and Operating Results

1. Organizational Structure and Operations of the Group of Companies
2. Risk Management
3. Business Sustainability Development
4. Management Discussion and Analysis
5. General Information and Other Material Facts



1. Organizational Structure and Operations of the Group of Companies

1.1 Policy and Business Overview

Business Overview

Bangkok Bank, established in 1944, is Thailand's largest bank, Thailand's leading corporate bank, and the 6th largest Southeast Asian bank by assets.

We are a leading diversified regional bank with a presence in nine ASEAN countries, including Thailand, as well as China, Hong Kong, Japan, Taiwan, the United Kingdom and the United States. Our international subsidiaries are Bangkok Bank Berhad, with five branches across Malaysia; Bangkok Bank (China), with five branches covering the major regions in China; and PT Bank Permata Tbk (PermataBank), Indonesia's 8th largest bank by assets, serving more than 6.2 million customers through a network of 216 branches.

We have approximately 17 million accounts, including business and retail customers, more than 240 Business Centers and Business Desks, and a nationwide network of about 850 branches. Business and retail customers are served through our branch network and easy-to-use, bilingual and high-function mobile and digital platforms.



Our philosophy of “puan koo kit mit koo baan”, which means aspiring to be a trusted partner and reliable close friend, is the keystone of our One Family, One Team commitment which unites our 25,000 people across the business as they work together to serve our customers. We emphasize the importance of partnerships and the long-term trusted relationships we build with customers, many of which are sustained across multiple generations.

Scope of Operations

We provide a full range of financial services through six business units: Corporate, Commercial, Business, International, Consumer and Investment banking. Our major subsidiaries are Bangkok Bank Berhad, Bangkok Bank (China), PermataBank, Bualuang Securities, BBL Asset Management and Bualuang Ventures.

Corporate Banking

Our Corporate Banking unit serves large domestic and multinational companies in a wide range of industries, many of them having grown with us from small enterprises into globally competitive companies. We provide these customers with services such as corporate finance, transaction banking, trade finance and investment banking services. Corporate customers are serviced from our head office by specialists in 25 divisions classified by industry and customer groups, such as energy, petrochemical, automotive, telecommunications, construction, services and agribusinesses.

Commercial Banking

Commercial Banking serves medium-sized enterprises. We provide these customers with services such as financing, cash management, trade finance and financial advisory.



Commercial customers are served by dedicated relationship managers assigned to Business Centers located across our domestic network. To further connect with our customers, our social media channels provide educational material about business issues and strategies. We help customers adapt to changing business trends and conditions as well as to expand their businesses to new markets.

Business Banking

Business Banking serves small-sized enterprises such as sole proprietors and small family businesses. In addition to providing these customers with services such as business loans, payments, payroll and merchant services, we also run educational programs to help SME be sustainable, resilient and competitive in the digital economy. To support financial inclusion for micro enterprises we are providing finance through our customers' supply chains and building alternative credit models to suit the needs of small businesses.

International Banking

We are Thailand's leading international bank with a strategic focus on ASEAN and other markets across Asia. We started building our international presence 70 years ago. Today our network comprises 25 foreign branches and 216 domestic branches in Indonesia through our subsidiary PermataBank — Cambodia, China, Hong Kong, Indonesia, Japan, Laos, Malaysia, Myanmar, the Philippines, Singapore, Taiwan, the United Kingdom, the United States and Vietnam. We support Thai companies to expand across the region, as well as foreign companies that invest in Thailand and Southeast Asia, with our deep understanding of local markets and by providing them with access to business connections and expertise from across our network and business units.

Consumer Banking

Consumer Banking provides our customers with a comprehensive range of retail banking services through our extensive nationwide branch network and non-branch channels, such as Bangkok Bank Mobile Banking, ATM and other self-service touchpoints. Our services include mortgage and personal loans, deposits, credit and debit cards, digital and online payments, foreign exchange, fund transfers and bill payment services as well as a variety of investment products such as mutual funds, bancassurance, fixed income funds, government and corporate bonds. In collaboration with our strategic partner Pictet Group, we have developed regional wealth hubs staffed by financial advisors to provide customers with dedicated investment and financial planning advice.

Investment Banking

Investment Banking works closely with our corporate, commercial and business banking units, as well as our subsidiaries Bualuang Securities and BBL Asset Management, to provide a broad range of investment banking services. These include advising about structuring fund-raising in debt capital markets and tailor-made financial instruments such as vanilla bonds; ESG bonds; real estate investment trusts; and infrastructure funds. We have also advised the Thai government on the issuance of government bonds with special features. The Bank also provides financial advisory services covering mergers and acquisitions, joint ventures, and partnerships. Our full range of securities-related services supports both local institutional and corporate clients with investments in domestic and international securities as well as foreign financial institutions with securities investments in Thailand.

Bualuang Securities Public Company

Our subsidiary Bualuang Securities Public Company Limited (BLS), one of Thailand's leading securities companies, was founded in 2001. It provides securities brokerage, investment banking and equity research services. It provides asset management through its wholly owned subsidiary Bangkok Capital Asset Management Company Limited (BCAP). In addition to its comprehensive nationwide network of 28 offices, BLS works closely with us. We refer customers from our branch network to BLS while BLS supports our customers with financial and investment advice and services.

BBL Asset Management Company

BBL Asset Management Company Limited (BBLAM), our subsidiary, is a broadly-diversified investment management company committed to offering investors superior performance. We have a 75 percent stakeholding in the company which was founded in March 1992. BBLAM offers and manages various type of funds across equity, fixed income, asset allocation strategies and real estate for institutional and retail clients.

Bualuang Ventures

Bualuang Ventures Limited (BV) is our investment arm and a wholly owned subsidiary. Its primary objective is to leverage our extensive network to invest in high potential SME and startups in Southeast Asia to create value and generate healthy returns. BV explores opportunities across various sectors such as fintech. Providing equity funding as growth capital to small companies helps them to achieve sustainable growth while supporting advanced economic development across Thailand and the region.

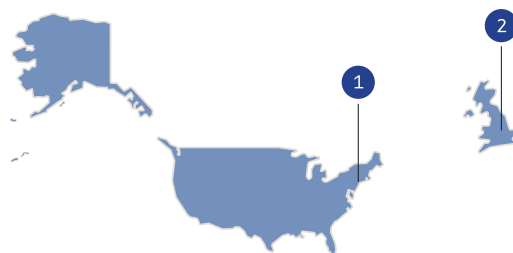


Branch Network

1	United States	1
	Year of Establishment	1984
2	United Kingdom	1
	Year of Establishment	1957
3	Myanmar	1
	Year of Establishment	1995
4	Laos	1
	Year of Establishment	1993
5	China	5
	Year of Establishment	1986
6	Hong Kong	1
	Year of Establishment	1954
7	Taiwan	3
	Year of Establishment	1965
8	Japan	2
	Year of Establishment	1955
9	Philippines	1
	Year of Establishment	1995
10	Cambodia	1
	Year of Establishment	1992

11	Indonesia	216
	Year of Establishment	1968
12	Singapore	1
	Year of Establishment	1957
13	Malaysia	5
	Year of Establishment	1959
14	Vietnam	2
	Year of Establishment	1992
15	Thailand	847
	Year of Establishment	1944

Remark: Number of Branches
(not including
self-service outlets)



International Network
241
Locations



International
Geographical Coverage
14
Economies



1.1.1 Vision, Objectives and Goals

The Board of Directors reviewed and stipulated the vision, mission and core value of the Bank as described below:

Vision

To be a bank which provides quality financial services in line with customers' requirements, and is well equipped with qualified human resources and world-class technology and working systems, while maintaining its status as a well-established international bank and a leading Asian bank.

Mission

The Bank has a financial mission, market and customer mission, quality operations mission, and capability mission, as described below:

Financial Perspective

- To attain stable growth in financial performance.

Market and Customer Perspective

- To maintain business leadership with service excellence.

Quality Operations Perspective

- To have efficient working systems and quality control procedures.
- To set standards for work processes and be able to use data from these processes to support decision making.

Capability Perspective

- To equip the Bank's staff with the ability and potential to support the Bank's business expansion.

**The Bank's core value
is to provide quality
financial services
which satisfy customers in
keeping with the Bank's role
as a trusted partner
and reliable close friend.**

Core Value

The Bank's core value, which enables the Bank to continuously maintain its position as the country's leading bank and which all employees of the Bank are required to recognize and uphold in their individual conduct in all circumstances, is to provide quality financial services which satisfy customers in keeping with the Bank's role as a trusted partner and reliable close friend. The core value embraces the following working philosophies:

- To provide excellent quality service from the customer's point of view.
- To provide quality work.
- To perform duties as ethical and professional bankers.
- To work as a team with shared goals.
- To give importance to personnel development.

The Board of Directors has set a short-term and long-term strategy and business plan as a framework for the Bank's internal operating units by taking into account economic factors, policies of the government sector, and future trends; has coordinated with management in setting an annual strategy and business plan in line with the Bank's objectives by taking into account the economic conditions, business environment, and risk factors, to enable the Bank's business to meet the determined goals; has monitored and supervised the implementation of the Bank's strategy and compared performance reports with the business plan on a regular basis; and has ensured that sufficient resources are allocated for the Bank to follow its business plan.



1.1.2 Material Changes and Developments 2021

- **Extended financial support during Covid-19.**

To help customers manage their financial situation during the Covid-19 pandemic, we provided support tailored to their individual needs such as additional liquidity, debt restructuring, capital raising support via bond issuance and special assistance loans for business customers, as well as flexible mortgage and credit card payments.

- **Developed API Payment Gateway Service.** We developed an Application Programming Interface (API) service, which enables corporate customers to transfer funds on a real-time basis using their own systems to beneficiary accounts within Bangkok Bank or to other banks in Thailand.

- **Extended leadership in ESG bonds.** We remained Thailand's leading provider of green and sustainable bonds for the second year running, underwriting more than half of the green bond issuances in the country.

- **Pioneered blockchain for trade finance in Indonesia.** PermataBank, our subsidiary, became the first Indonesian bank to successfully execute a cross-border trade finance transaction (between Indonesia and Thailand) using blockchain technology.

- **Launched real-time cross-border services.** We launched the PromptPay International payment service between Thailand and Singapore. With the new service, customers in these countries could conveniently make real-time cross-border transfers using the mobile banking app of their banks with a low fee.



- **Extended cash management services internationally.**

We extended cash management services to our clients in Cambodia so they could conveniently manage their businesses there using our online cash management platform.

- **Signed strategic wealth partnership.** We formed a strategic alliance with Pictet Group, a Swiss global wealth and asset manager, to enhance our wealth management services and give our customers access to a greater variety of products and world-class investment opportunities.

- **Expanded mobile banking offerings.**

We added more than 30 new features to the Bangkok Bank Mobile Banking app such as online account opening and debit card management, further extending convenient digital transaction services for customers.

- **Launched mobile ID.** Together with the National Broadcasting and Telecommunications Commission (NBTC) and our telecom partners, we developed a digital ID system using our atta mobile app that can be used to verify customer identity and apply for Bangkok Bank e-Savings accounts.



- **Expanded customer touchpoints.** We expanded the number of our banking agents to 16,000 by adding Thailand Post to our existing network of Lotus's and 7-Eleven agents. Customers could conduct deposits and withdrawals at all agents and digital ID verification at 7-Eleven.

2022

- **Launched new trade finance platform.** We launched a new trade finance platform iTrade featuring an end-to-end experience for a fuller range of import-export services.
- **Pioneered blockchain service for auto finance company and car dealers.** We developed a Procure-to-Pay blockchain service to improve operational efficiency and access to credit, replacing a paper-based documentation process with a seamless, secure and more efficient digital process.
- **Introduced transformation loans.** New transformation loans were launched to support customers seeking to make their businesses more sustainable by providing them with access to low-cost funds to invest in digital, innovation or green projects, such as the installation of rooftop solar panels.
- **Appointed new President Director of PermataBank.** We appointed Ms. Meliza Rusli as President Director of PermataBank with a mandate to leverage Bangkok Bank's network and expertise to support customers' growth, drive best-in-class innovation and technology, and build a leading deposit and wealth franchise.
- **Extended Asia Same Day Payment service.** Our Asia Same Day Payment service was extended to all international branches including approximately 250 PermataBank branches, enabling the same-day completion of import-export transactions.
- **Expanded real-time cross border services.** Our PromptPay International service was extended to Singapore while our Cross-Border QR Payment service was expanded from Vietnam and Indonesia to include Singapore, Malaysia and Cambodia. We are also providing API services to new global listed partners for real-time Thai Baht payments to Thai banks via PromptPay.
- **Expanded custody services internationally.** We received a custody license in Vietnam to service international clients investing in Vietnam's capital market, the second international market after Laos.

- **Added new mobile banking features.** We added 50 more features to our Bangkok Bank Mobile Banking app, including account opening, a virtual debit card and purchasing insurance online, enabling approximately 80-85 percent of personal banking services to be done online.
- **Offered insurance purchasing through mobile app.** We became the first bank in Thailand to offer personalized insurance protection and health insurance to customers through a mobile banking app, complemented by our digital sales team managing relationships.
- **Expanded banking agent network.** We expanded our banking agent network to around 160,000 locations, with the addition of Boonterm kiosks, providing nationwide coverage and 24/7 availability for deposits and withdrawals.
- **Launched award-winning digital debit card.** We launched our Be1st Digital Debit card which enables cashless payments from debit card accounts or e-Wallets. The card won Most Innovative Debit Card Offering Thailand 2022 from World Economic Magazine and Debit Card of the Year from Digital Banker magazine.
- **Led issuance of ESG bonds.** We were Thailand's leading provider of green and sustainable bonds, underwriting more than half of green bond issuance in the country for the third year running.

2023

- **Introduced a new cash management platform** to deliver a significantly more engaging user experience complemented by AI technology with increased functionality and enhanced security features.
- **Launched PromptBiz service,** a business-to-business digital payments platform developed by the Bank of Thailand for e-Payments.
- **Financed major renewable energy projects** both in Thailand and internationally, as well as Thailand's renewable energy development project aiming to develop power from renewable sources including solar, wind and biogas energy to reduce the carbon impact on the environment.
- **Launched our digital lending pilot project** targeting microenterprises and featuring the use of digital data and digital approval process end-to-end.
- **Continued to work closely with our Indonesian subsidiary PermataBank** with collaboration between units such as transaction banking, corporate banking and international banking. PermataBank continued to make a strong contribution to the group.



- **Increased the volume, value and timeliness of global payments transactions** while reducing costs through new real-time services, such as PromptPay International between Thailand and Singapore, and QR Code payments via Bangkok Bank Mobile Banking service which is now available in Vietnam, Indonesia, Cambodia, Malaysia and Hong Kong.
- **Achieved ISO 20022 standards** for our new payment services hub which provides a single processing platform for all payments. It delivers higher operational efficiencies and better service to customers.
- **Launched, in a strategic partnership with The Mall Group, the co-branded Bangkok Bank M Visa credit and debit cards** that combine digital convenience with lifestyle shopping and promotional benefits. Customers can apply for the cards online via Bangkok Bank Mobile Banking and through branches.
- **Upgraded Bangkok Bank Mobile Banking** by improving functionality, user experience and system resilience, resulting in an increase in financial transaction volume by 30 percent.
- **Introduced new security features to Bangkok Bank Mobile Banking** allowing customers to manually lock and unlock transfers, top-ups and payments via the app by themselves and initiating a facial recognition requirement for transfers over Baht 50,000 per transaction or aggregate transfers above Baht 200,000 per day.
- **Continued to be a leading underwriter for long-term corporate bonds in Thailand**, in the Thai Bond Market Association's league table for 2023, amidst intense competition.
- **Maintained our position as the leader in ESG bonds in Thailand** for the fourth consecutive year. We won many awards including Best Bank for Sustainable Finance in Thailand, and Outstanding Leadership in ESG-Related Loans for Asia Pacific from Global Finance magazine's Sustainable Finance Awards 2023.

1.1.3 Name of Company, Head Office Address, Business Type, Registration Number, Phone, Fax, Website, and Number and Type of Shares

Company Information

Name of Company	Bangkok Bank Public Company Limited
Business Type	Commercial Bank
Head Office Address	333 Silom Road, Silom, Bang Rak, Bangkok 10500
Registration Number	0107536000374
Bualuang Phone	1333 or 0-2645-5555
Website	www.bangkokbank.com

Registered Capital as of December 31, 2023

Authorized Share Capital	40,000,000,000	Baht
Common Shares	3,998,345,000	shares of 10 Baht each
Preferred Shares	1,655,000	shares of 10 Baht each
Issued and Paid-up Share Capital	19,088,428,940	Baht
Common Shares	1,908,842,894	shares of 10 Baht each



1.2 Nature of Business

1.2.1 Income Structure

Income Structure of the Bank and its Subsidiaries During the last 3 years:

Unit: Million Baht

Income Structure	For the year ended December 31,					
	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Interest income						
Loans	153,619	91.7	116,499	83.9	96,929	72.0
Interbank and money market items	20,368	12.2	8,169	5.8	6,250	4.6
Investments	20,378	12.2	14,420	10.4	11,133	8.3
Total interest income	194,365	116.1	139,088	100.1	114,312	84.9
Total interest expenses	63,505	37.9	36,865	26.5	32,156	23.8
Net interest income	130,860	78.2	102,223	73.6	82,156	61.1
Non-interest income						
Net fees and service income	27,234	16.3	27,508	19.8	29,209	21.7
Gains on financial instruments						
measured at value through profit and loss	5,544	3.3	5,155	3.7	17,868	13.3
Gains (losses) on investments	(482)	(0.3)	(1,454)	(1.1)	1,225	0.9
Share of profit from investments using equity method	187	0.1	190	0.1	209	0.2
Gains on disposal of assets	864	0.5	1,891	1.4	519	0.4
Dividend income	2,330	1.4	2,307	1.7	2,252	1.6
Other operating income	950	0.5	1,075	0.8	1,103	0.8
Total non-interest income	36,627	21.8	36,672	26.4	52,385	38.9
Operating income	167,487	100.0	138,895	100.0	134,541	100.0



1.2.2 Product Information

1) Products and Business Innovation

Corporate Banking

As Thailand's economic recovery progressed, our corporate clients gradually resumed their business development plans while adapting to changing market conditions. Both we and our customers adopted a cautious approach to expansion in the face of a global economic slowdown, rising interest rates, higher geopolitical risks and domestic political uncertainty, which saw us achieve modest loan growth.

There was also an influx of international investment into Thailand, including that from customers across our international network, as investors sought to diversify their supply chains and minimize business risks. Electric vehicles (EV) and smart electronics were of particular interest, along with infrastructure development, industrial estates, energy and hospitality.

Customers continued to adjust their businesses in response to ongoing trends such as digitalization and ESG, by automating their production lines, transforming their businesses and improving their efficiency. We worked closely with clients and shared with them knowledge and insights on changes in the market, climate risk and adaptation strategies. We continued to actively support and finance renewable energy projects, both in Thailand and abroad.



We continued to develop our transaction banking services as one of the leading players in the market. We achieved a major milestone with the introduction of our innovative cash management platform and continued to onboard more customers to our online trade finance platform launched in 2022. We also worked closely with our customers to support their supply chains and this has resulted in strong growth in transactional and business volume including loans to their suppliers.

Highlights

- Participated in the development of Thailand's Renewable Energy Procurement program which aims to attract interested businesses to implement power generation projects to produce additional renewable energy capacity from renewable sources including solar, wind and biogas energy as well as solar energy combined with a Battery Energy Storage System (BESS). The Bank's total financing of the said program was approximately 32 percent of the awarded projects.



- Grew supply chain finance by double digits in 2023 by providing customers with payment and finance services for their dealers and suppliers while also adding additional features such as supplier finance to our online supply chain platform.
- Added new features to our trade finance platform, resulting in increased client adoption and a continued rise in the number of customers. Customers are now able to manage their trade transactions more efficiently and this has translated into the strong growth of transactions.
- Extended our Procure-to-Pay service as a pilot run to a leading Thai integrated agro-industrial and food producer. The blockchain-based platform fosters trust and transparency and saves time by enabling buyers to efficiently review and process documents within the platform. Suppliers also benefit from real-time payments, detailed payment information and ease of accounts receivable reconciliation.
- Achieved a strategic milestone for our cash management service with the introduction of an innovative cash management platform for external clients and internal stakeholders. This platform affords clients a significantly enhanced user experience complemented by AI technology, increased functionality and enhanced security features. Internally, the platform is accompanied by an advanced back-office system, which alleviates labor-intensive tasks and mitigates operational risks thus helping to enhance productivity and operational efficiency throughout the organization.
- Received numerous awards including Best Cash Management Bank in Thailand from Alpha Southeast Asia magazine; Thailand Domestic Trade Finance Bank



of the Year (9th consecutive year) from Asian Banking & Finance magazine; Best Trade Finance Bank in Thailand (12th year) from The Asian Banker magazine; Best Bank for Transaction Banking Services in Thailand (2nd consecutive year) from The Digital Banker magazine; Best Wholesale/Transaction Bank for Digital CX in Thailand (2nd consecutive year) from The Digital Banker magazine; and Outstanding Supply Chain Finance Solution from The Digital Banker magazine.

Commercial and Business Banking

In the post-Covid era, small and medium-sized enterprises (SME) have been adapting to changing market conditions and trends such as digitalization and ESG. High energy prices and new compliance standards have spurred companies to improve operational efficiency and minimize energy use, as well as to adjust internal operations throughout their value chain to align with ESG requirements and international standards. At the same time, they are optimizing production by increasing automation and upgrading their systems through digitalization.



We have been supporting transformation activities by providing green and transition products such as Bualuang Green loans, Bualuang Green Solar Energy loans, and transformation loans to facilitate clients in areas such as installing solar panels and improving business efficiency.

Our support to help customers adjust to the new environment includes connecting our commercial and business customers to supply chains of our corporate customers and facilitating meaningful relationships that deliver mutually rewarding outcomes for all parties. We have guided SME customers in their operational and business transformation and provided knowledge through seminars and partnerships with corporate customers and government agencies.

Highlights

- Provided ESG-related loans such as Bualuang Green loans and Bualuang Solar Energy loans – with approximately 60-70 percent of these loans used for solar energy installation.
- Launched our digital lending pilot project for microenterprises featuring the use of digital data and an end-to-end digital approval process, enabling them to access finances in a more convenient and speedy way.
- Continued to simplify, digitalize and improve our own processes and systems to enhance the speed and efficiency of our transaction and processing services, including digitalizing many paper-based processes.
- Launched PromptBiz service, as part of a national digital service developed by the Bank of Thailand for e-Payments. This business-to-business service is a digital platform that businesses can use for both payments and obtaining finance.

- Worked with agencies such as the National Innovation Agency, the National Science and Technology Development Agency and international experts such as MIT, Singapore Management University (SMU) and local partners like the Thai-German Institute, to provide resources and initiatives to help our customers grow and adapt to a changing marketplace. We organized knowledge sharing seminars, entrepreneur workshops and networking with partners and other SME that have adopted technology and innovations into their businesses with proven success.
- Assisted customers to adapt their businesses to new ESG compliance standards, such as the EU's Carbon Border Adjustment Mechanism (CBAM) which must be observed by manufacturers in related sectors, especially carbon intensive sectors, when exporting goods into European markets.
- Provided knowledge to SME and connected them with large-sized businesses through online seminars and experience sharing sessions.
- Continued to reach out to more social media communities via various channels, such as Facebook, YouTube, TikTok and Blockdit, to share knowledge and trends on business and business management. We chose 23 customers and developed video clips as case studies on how they run their business successfully and published articles on 106 selected customer success stories across social media channels.
- Awarded Best Bank for SMEs in Thailand (3rd year) by Asiamoney magazine and Outstanding Digital Innovation in SME Banking from The Digital Banker magazine.

International Banking

Despite volatile global conditions, we drew on our strengths as the 6th largest ASEAN regional bank and Thailand's most international bank to assist the increasing number of clients looking to grow and invest regionally. Under the China Plus One strategy, foreign investors with core operations in China have been looking to diversify their investments into overseas countries for alternative supply chains as well as to access new markets. ASEAN has become a key destination for this foreign direct investment, and we have been able to tap into this opportunity with our Indonesian subsidiary PermataBank and our extensive regional network. At the same time Thai companies that have been expanding their businesses to take advantage of regional and international opportunities similarly benefit from our unique strengths.

We maintained our focus on sustainable growth and asset quality and delivered solid earnings in international lending. PermataBank, now Indonesia's 8th largest bank by assets, is making a significant contribution to our group's portfolio and earnings. In the three years since we completed our acquisition of PermataBank, we have been working closely together to build best practices in both banks with cross collaboration between units such as IT, transaction banking, corporate banking and international banking. Together with PermataBank, we are servicing clients from Thailand and across the world who wish to invest in Indonesia as well as customers in Indonesia who wish to expand internationally.

We continue to maintain our leadership in payments, international remittances and treasury services and, as the country's leading clearing/settlement bank, we are a key service provider in Thailand's payments infrastructure.



The development of our new payment services hub, which centrally processes all domestic and international electronic payments, will further strengthen our competitive edge.

Highlights

- Grew lending across our network with a particularly strong performance in ASEAN. PermataBank continued to make a significant contribution to our international lending and experienced another good year in line with the region's growth.
- Capitalized on our industry expertise to expand our ESG lending with green loans to clients in environmentally-friendly businesses such as renewable energy and EV production.
- Achieved ISO 20022 standards for our new payment services hub which provides a single processing platform for all payments. The hub captures data from all transactions, which enhances our data analytics capability, strengthens data-driven insights as well as delivers higher operational efficiencies and better service to customers. We also extended our API-enabled real-time payments platform to more partners including financial institutions and fintechs.
- Increased the volume, value and timeliness of global payments transactions while reducing costs through cross-border real-time services, such as PromptPay International between Thailand and Singapore, and cross-border QR payments via Bangkok Bank Mobile Banking service which are now available in Vietnam, Indonesia, Cambodia, Malaysia and Hong Kong. Bangkok Bank customers can also make UnionPay QR Code payments in China, Hong Kong and Macau using the Bangkok Bank Mobile Banking app.



- Extended Asia Same Day service for outward and inward transfers within the same day to 12 countries. The service is available via our branches in Cambodia, China, Hong Kong, Japan, Laos, Malaysia, Myanmar, the Philippines, Singapore, Taiwan, Vietnam and PermataBank Indonesia.
- Hosted or participated in many events to help investors learn about investment opportunities. These included our sponsorships of Bloomberg's Sustainable Business

Summit in Singapore in July, CNBC Connect: ASEAN and Beyond in Bangkok in September, and our own major event AEC Business Forum in Bangkok in November.

- Received numerous awards including Excellent Trading Institutions for Belt and Road Currency (2nd consecutive year) from China Foreign Exchange Trade System and Best Payments Bank in Thailand (8th consecutive year) from The Asian Banker magazine.



Consumer Banking

We maintained our prudent approach to lending and our focus on quality growth as economic activity slowed in the second half of the year while household debt continued to remain high. Nevertheless, Bangkok Bank continued to be the clear market leader in deposits which provided us with a secure base of funds.

Our corporate and consumer businesses work closely together as **One Family, One Team**, enabling us to leverage corporate relationships to provide value-added services to both of their customer groups. We formed a strategic partnership with The Mall Group to provide credit, debit and digital cards with a wide range of benefits. We are also expanding our customer base by providing services to employees of our corporate, commercial, and business banking customers such as payroll service, debit and credit cards, mortgage and personal loans.

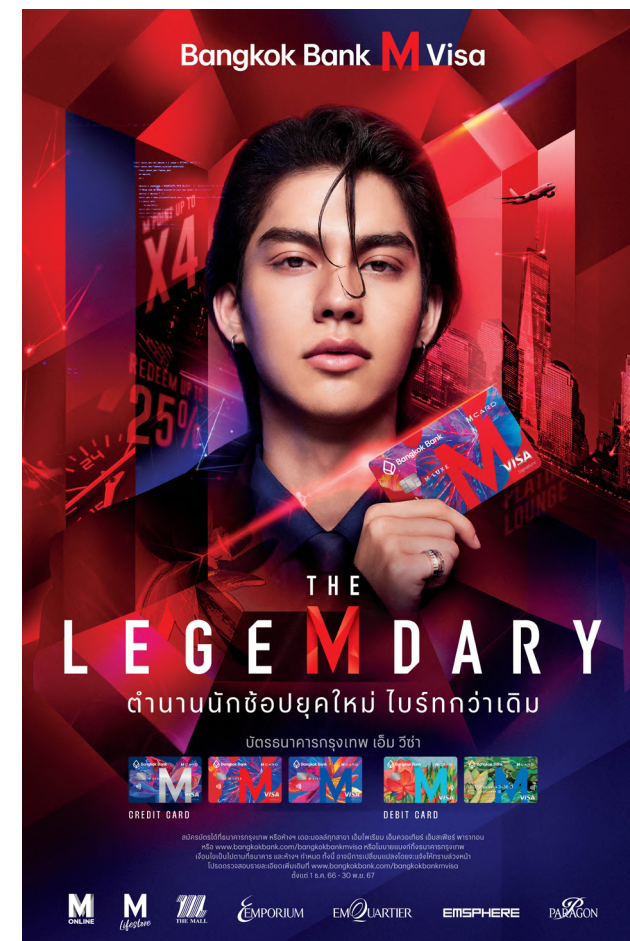
To meet the needs of our customers' digital lifestyles, we are continuing to roll out new services to support their growing needs. With most transaction and banking services now being conducted via smartphones, we are upgrading our mobile banking services and adding new features, while using artificial intelligence (AI) and machine learning to analyze transactional and customer data to better understand and meet our customers' needs. In parallel with this, we have been modernizing our branches as part of a digital branch transformation to improve efficiency and customer service.

Amidst the volatile and high-risk investment environment, our strong emphasis on quality, stability and security

provided reassurance to our wealth customers – and this was further amplified by our relationship with Pictet Group, a leading and respected private bank in Switzerland. We helped customers navigate these uncertain times by providing them with investment options to suit their risk appetites, from fixed income to hedge funds and private equity, supported by our specialist teams and wealth advisors based in hubs providing services in every province.

In response to trends such as an aging society, greater health consciousness, and concerns about the environment, we introduced new bancassurance products and services, Be Together Smart Saving and Smart Health for payroll customers, and green home loans.

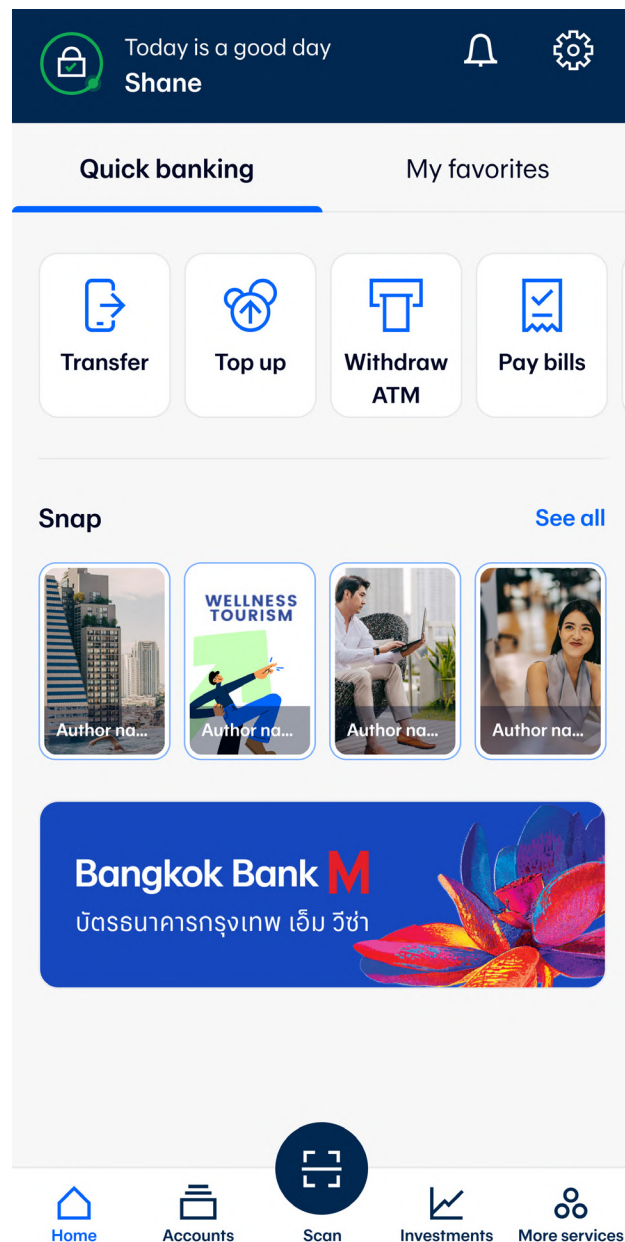
We have a customer-centric approach and foster our relationships with customers of all ages by listening to their points of view and understanding the different needs of each customer segment. We conduct an annual customer satisfaction survey across all service channels to gather comments, suggestions and complaints to help us improve our product and service quality to best address customer needs. In 2023, we received a score of 94.79 points for our branch services, 80.72 points for Bangkok Bank Mobile Banking, 93.80 percent for our automated telephone service and 97.50 percent for our customer service center. We focus on building engagement with our customers and ensuring our product and service information can be easily accessed by different customer groups. We continually improve the information on our website to make it more functional and easy to use and regularly promote information on social media channels.





Highlights

- Formed a strategic partnership with The Mall Group and launched the co-branded Bangkok Bank M Visa credit and debit cards that combine digital convenience with lifestyle, shopping and promotional benefits. Customers can apply for the cards online via Bangkok Bank Mobile Banking as well as through branches.
- Collaborated with partners such as the Provincial Electricity Authority, residential property developers, and solar panel installation companies to provide Bualuang Poonphol Green Loans to their customers for sustainable home improvement purposes such as EV charger installation and solar roof top installation with special promotions for loans for the latter.
- Leveraged many partnerships to enhance our card offerings. These included our co-branded debit card with a telecommunications company, AIS, that provides AIS Points; our co-branded debit and credit card project with Siriraj Hospital, with donations of nearly Baht 73 million collected over a 12 month period and presented to the hospital in 2023; and a collaboration with UnionPay, Ctrip and several domestic commercial banks in China to provide promotions for cross-border payments for Chinese tourists visiting Thailand.
- Improved our Bangkok Bank Mobile Banking app with a new look and feel as well as an enhanced user experience. Transaction volumes in 2023 increased by 30 percent from 2022. New features included direct debit service linked to a partner's app with payments automatically charged to a foreign currency deposit account; and a loyalty program in which our customers can play games to collect points to redeem prizes.



- Introduced new security features to Bangkok Bank Mobile Banking by allowing customers to manually lock and unlock transfers, top-ups and payments by themselves; and triggering a facial recognition requirement for transfers over Baht 50,000 per transaction or aggregate transfers above Baht 200,000 per day.
- Progressed our digital branch transformation project with the roll-out to approximately 300 branches of our Operational Customer Relationship Management (OCRM) system which provides a 360-degree view of the customer, thereby improving our operational efficiency and customer service quality.
- Expanded the number of banking agents to 162,000 service points for deposit, withdrawal and identity verification services to our customers, to ensure that we are providing services both during and after banking service hours in convenient locations around the country.
- Launched new bancassurance products to meet our customers' growing health awareness and need to prepare for their retirement. Be Together Health Saver is a health insurance policy for the general public while Smart Health rider is for payroll customers offering deductible benefits during the period of their employment. This can be converted to an individual policy paying the full amount of premium when the insured person reaches the age of 50, 55, 60, 65 or 99 without a health examination and health questionnaire. We also provide an online life insurance product, Gain 1st Speed Up, for salaried persons or young people who want to plan their finances.
- Awarded Best New Virtual Debit Card – Be1st Digital Debit Card – Thailand 2023 from International Finance magazine.



Investment Banking

Our bond market performance remained strong with a good number of new issuances despite a challenging year in the capital markets due to the higher interest rate environment. We focused on quality growth and maintaining confidence among investors. Our success in facilitating bond issuances for our corporate leveraged customers our competitiveness from our vast depositor base.

Bangkok Bank continued to be a leading underwriter for long-term corporate bonds in Thailand, in the Thai Bond Market Association's league table for 2023, amid intense competition. We were also the leader in ESG bonds issuance for the fourth consecutive year.

Our overall investment banking business, including merger and acquisition advisory services, continued to perform well

even though the rising interest rate environment meant a high level of caution among corporate clients and investors. Our corporate and international banking divisions worked closely together to help customers identify and realize opportunities at home and abroad.

Highlights

- Appointed as lead/co-lead arranger for:
 - o Green debentures of Gulf Energy Development Public Company Limited (GULF) No. 1/2023
 - o Green debentures of Energy Absolute Public Company Limited (EA) No. 2/2023
 - o Green debentures of Xayaburi Power Company Limited (XPCL) No. 1/2023
 - o Green debentures of Electricity Generating Public Company Limited (EGCO) No. 1/2023 and also acted as a Green Structuring Advisor.
- Joined the Securities and Exchange Commission's digital infrastructure sandbox for capital markets which will replace the old system. We were the only bank that comprehensively tested all functions of the system.
- Won many awards including Best Bank for Sustainable Finance Thailand, Outstanding Leadership in ESG-Related Loans Asia-Pacific and Best Sub-Custodian Bank in Thailand (16th consecutive year) from Global Finance magazine, Best Sustainable Bank in Thailand and Best DCM House (Highly commended) from FinanceAsia and Best Custodian Bank in Thailand (9th consecutive year) from The Asian Banker magazine.



Innovation

Investing in innovation is core to driving our digital transformation and evolution into a data-driven organization. Innovation supports a number of our strategic themes, namely Platform Partner, Data Driven and Business Remodeling. To ensure we play a leading role in Thailand's digital financial ecosystem, we are focusing on talent development; digital architecture and digital ecosystem; data governance and protection of personal data; and research and development.

This is supported by five key pillars:

Improving core systems domestically and regionally so they are connected, standardized and scalable across the organization, aiming to achieve an efficient and integrated workflow as well as reduced operational costs.

Building an integrated payment network with regional financial connectivity and seamless services for customers across our domestic and international networks. We are connecting digital platforms, ecosystems and fintech partners to our payment services hub that can accommodate payments that suit all customers, including retail customers, corporates and niche service providers.

Developing a data driven organization through work process digitalization, automation and use of AI including new technologies such as predictive AI and generative AI to improve our organizational competitiveness. We are building our data analytics capability for more efficient and better decision making, and to provide our people with new tools to improve their productivity and quality. Strengthening risk management, improving customer experience to be seamlessly available through a variety of service channels, and providing personalized recommendations for customers are other important aspects of our journey towards becoming a data-driven organization.

Adopting new ways of working to increase agility, accelerate decision making, increase cooperation and collaboration, nurture innovation and develop new products and services effectively and efficiently. Design thinking, agile development, A/B testing, flat organization, multi-disciplinary teams are examples of new ways of working that foster innovation in the organization.

Building ecosystems partnerships on local, regional and international digital platforms to increase our connectivity and interoperability through API architecture to create a seamless and timely customer experience, as well as to facilitate product and service innovation.



Founded in 2001, Bualuang Securities Public Company Limited (BLS) is one of Thailand's leading securities companies and a subsidiary of Bangkok Bank. It provides securities brokerage, investment banking and equity research services, and serves as an asset management arm through its wholly owned subsidiary, Bangkok Capital Asset Management Company Limited (BCAP).

In addition to its comprehensive nationwide network of 26 offices in Bangkok and other major cities, BLS works closely with Bangkok Bank to leverage synergies. The Bank refers customers from its branch network and helps expand BLS' customer base while BLS supports Bank customers with financial and investment advice and services.

Thai Equity Market in 2023

The Stock Exchange of Thailand (SET) had an average daily trading value in 2023 of Baht 53,161.69 million, a decrease of 30.8 percent from 2022 when there was high trading volume due to the pandemic crisis. In 2023, the market remained volatile due to various factors, such as the prolonged war in Ukraine, the Israel-Hamas war, geopolitical conflicts, inflation and interest rate hikes, which directly affected global capital markets. The SET index at the end of 2023 closed at 1,415.85 points, a decline of 15.2 percent from the end of 2022, while the industry-average brokerage commission rate remained the same as in 2022.



The total issuance of Initial Public Offerings (IPO) was Baht 38,259.50 million, a decrease of 60.9 percent from 2022. The IPO covered 40 securities, comprising 20 companies in the SET, with a total issued size of Baht 28,081.47 million, and 20 companies in the Market for Alternative Investment (mai) with a total issued size of Baht 10,178.02 million.

In 2023, the brokerage business accounted for about 49.85 percent of BLS' total revenue, while 19.03 percent was from fees and service income, 17.25 percent from interest income, and 11.49 percent from gains and return on financial instruments.

Highlights

- Ranked in the top 10 brokerages in Thailand with about 720,000 trading accounts representing growth of 4.23 percent from the previous year, and ranking 5th in terms of trading volume.
- Served as a financial advisor for four IPO and raised a total of Baht 10,690 million, including for SCG Decor Public Company Limited's (SCGD) IPO; as an offering agent for a rights offer and raised more than Baht 3,000 million; and as a financial advisor for the relisting of True Corporation (TRUE), an amalgamated company between True Corporation (TRUE) and Total Access Communication (DTAC).



- Introduced the new Global Trade Master platform, an extension of the Global Invest platform. The new platform's features were designed to cater to investors' diverse preferences, including fractional share trading of US stocks, online trading of Vietnamese stocks, fundamental analysis, and BLS Highlights that compiles data on interesting foreign stocks and ETFs. As a result, by the end of 2023, BLS had 12,519 global investing accounts, representing growth of 35 percent from 9,285 accounts in 2022.
- Expanded Depository Receipts (DR) offerings through Direct Listing with four new DR. These included two DR on ETF that track Hong Kong flagship indices: HK01 and HKCE01, and two DR on leading European stocks for the first time in Thailand: LVMH01 and ASML01. This expansion resulted in a total of 10 DR traded on the Stock Exchange of Thailand, covering investments in the US, China, Hong Kong, Vietnam, and Europe. As of the end of 2023, the total market capitalization reached Baht 12,710 million, compared to Baht 12,626 million in 2022.
- Upgraded the Wealth Connex application interface to enhance user experience. The app provides investment knowledge and services using digital technology with a personalized investment experience to support all lifestyles.
- Organized the BLS Stock Master program, a training course on share investment for the 12th consecutive year, with more than 1,000 participants in 2023 under the Investing from Thai to Global theme.
- Launched a new structured note, Equity-Linked Note Plus (ELN Plus) for one week, the shortest note in the market, to offer new investment opportunities to clients.
- Increased AUM for BCAP generated from mutual funds, provident funds and private funds by 8.95 percent from Baht 63,432 million in 2022 to Baht 69,108 million in 2023.
- Continued to educate staff, analysts, and investment consultants about ESG to increase their ability to analyze listed companies' financial reports.
- Supported more than 15 community building programs throughout the year, such as a collaboration with Dee Mee Suk Company to develop local communities in Chachoengsao province, employee activity in sewing breast prostheses for donating to Chonburi Cancer Hospital, and donation of computers to the Juvenile Detention Center. For the environment, BLS continued implementing the 3R (Reduce, Reuse, Recycle) concept via the Bualuang Plastic Separation campaign for employees to properly dispose of plastic waste so that it can be recycled, and through e-Invoicing and e-IPO to reduce paper documentation.
- BLS won Best Capital Markets (6th consecutive year), Best Investment Banking (3rd year), Best Equity House (2nd consecutive year), and Best Securities Brokerage Firm (2nd year) from International Business magazine; Best Equity House and Most Trusted Investment Partner (2nd consecutive year) from World Business Outlook magazine; Best Equity House (2nd consecutive year), Best Capital Markets, and Best Securities Brokerage Firm from Global Business Review magazine; Securities House of the Year (3rd consecutive year) and Corporate & Investment Bank of the Year (2nd year) from Asian Banking & Finance magazine; and Best Securities Brokerage Firm and Best Investment Bank (2nd consecutive year) from World Economic magazine.
- In 2023 BCAP won four awards including Women Managing Director of the Year (BCAP Asset Management), Best Fund Thailand 2023 – BCAP-GMA and BCAP-GMA PLUS from Global Economic magazine. BCAP won Best Asset Manager (Balanced Funds) from Alpha Southeast Asia magazine. For experience and expertise in supporting provident funds, BCAP won Best Pooled Fund from the Association of Provident Funds (AOP) and a royal plaque from Her Royal Highness Princess Maha Chakri Sirindhorn.



BBL Asset Management Company Limited (BBLAM) is a broadly diversified investment management company committed to offering investors superior performance.

BBLAM offers and manages various types of funds across equity, fixed income and real estate for institutional and retail clients. BBLAM's success is based on the core belief that active management delivers the best long-term returns. A distinctive stock selection approach seeking to generate the best returns is central to BBLAM's investment philosophy. The company believes that experienced professionals and a disciplined investment process can consistently add value to a portfolio over the long run.

The Asset Management Industry in 2023

In response to a higher risk of global economic recession due to the trend of rising interest rates and high geopolitical tensions, the prices of major asset classes decreased amid high volatility. Accordingly, the asset management sector was less vibrant than in the past few years, albeit registering slight growth of 6.22 percent YoY (Data as of December 2023 - AIMC), mainly from fixed income funds.

A slew of new regulations also posed challenges to the industry, including regulations related to personal data collection, cybersecurity, liquidity management and audit of risk management effectiveness. Meanwhile the Common Reporting Standard (CRS) came into force.



This requires financial institutions as “reporting entities” to perform due diligence on customers, as well as to collect and report financial information to the Revenue Department for automatic exchange between counterparty countries by June of each year.

Highlights

- Launched a total of 42 funds with a combined IPO value of Baht 232,000 million. In addition to low-risk funds such as Bualuang Dynamic Bond Fund (B-DYNAMIC BOND), there was strong interest in the Technology Equity, Vietnam Equity and Asia Equity funds which experienced good results when compared to peers.

- Attracted continued investment for our tax saving mutual funds: RMF, SSF and Thai ESG Fund and Global Infrastructure Fund which still grew even at times of market volatility. Our Private Fund also grew by 1.5 percent from existing and new customers.
- Upgraded BF Knowledge Centre to the BBLAM Wealth Management Academy which provided training and investment workshops to 9,492 investors and 10,733 PVD clients and members and staff of Student Loan Fund.
- Collaborated with Bangkok Bank to co-organize around 336 staff training sessions throughout the year to further enhance the financial knowledge and skills of investment advisors.



- Signed a Sustainability Partnership Agreement with Wellington Management, a world class global asset manager, and worked on developing our own ESG framework that integrates the sustainability concept into our investment process.
- BKIND Fund has supported 62 social projects since its inception in 2014 for a total amount of Baht 49 million, representing 40 percent of its management fees.
- Received Best Retirement Mutual Fund – Equity from Morningstar for Bualuang ASEAN Equity RMF (B-ASEANRMF), and 2023 Best Mutual Fund under the Foreign Equity Fund category from Money & Banking magazine for Bualuang Bharata Fund (B-BHARATA).



Bualuang Ventures Limited (BV) is our investment arm and a wholly owned subsidiary of Bangkok Bank. BV was founded in 2016 with initial capital of Baht 2,000 million. The primary objective is to seek healthy financial returns and value creation through investment in high-potential SME and startups in Southeast Asia. BV pursues investment opportunities across various sectors, with a focus on the digital consumer sector, such as fintech, e-Commerce, health services and AgriTech. Providing equity funding as growth capital helps small companies to achieve growth and sustainability while supporting advanced economic development in Thailand and the region.

Highlights

- In 2023, BV invested in Stelligence, an expert provider of services and solutions for digital transformation. Stelligence's service integrates data analytics, automation system and other types of technological tools to help improve business process efficiency and the business value of its clients.





Awards 2023



1

**Best Bank in Thailand
(4th year)**

Alpha Southeast
Asia Magazine



2

**Thailand Domestic Trade
Finance Bank of the Year
(9th consecutive year)**

Asian Banking &
Finance Magazine



3

**Best Bank for Sustainable
Finance Thailand
(2nd consecutive year)**

Global Finance Magazine



4

**Cybersecurity Performance
Excellence Awards
2023 - CII**

National Cyber Security Agency



5

**Thailand Corporate
Excellence Awards 2023
- Financial Management
Excellence (2nd year)**

Thailand Management
Association and Sasri
Graduate Institute of
Business Administration of
Chulalongkorn University

**Alpha Southeast Asia Magazine**

- Best Bank in Thailand (4th year)
- Best Cash Management Bank in Thailand

Asiamoney Magazine

- Best Bank for SMEs in Thailand (3rd year)

Asian Banking & Finance Magazine

- Thailand Domestic Trade Finance Bank of the Year (9th consecutive year)

China Foreign Exchange Trade System

- Excellent Trading Institutions for Belt and Road Currency (2nd consecutive year)

FinanceAsia Magazine

- Best DCM House (Highly commended)
- Best Sustainable Bank in Thailand

Global Finance Magazine

- Best Bank for Sustainable Finance Thailand (2nd consecutive year)
- Best Sub-Custodian Bank in Thailand (16th consecutive year)
- Outstanding Leadership in ESG-Related Loans Asia-Pacific

International Finance Magazine

- Best Conventional Bank - Thailand 2023
- Best New Virtual Debit Card - Be 1st Digital Debit Card - Thailand 2023

National Cyber Security Agency

- Best Cybersecurity Performance Awards 2023 - Banking and Finance
- Best Cybersecurity Performance Awards 2023 - Capacity Development
- Best Cybersecurity Performance Awards 2023 - Cooperation
- Cybersecurity Performance Excellence Awards 2023 - CII

Thailand Management Association and Sasin Graduate Institute of Business Administration of Chulalongkorn University

- Thailand Corporate Excellence Awards 2023 - Financial Management Excellence (2nd year)

The Asian Banker Magazine

- Best Custodian Bank in Thailand (9th consecutive year)
- Best Payments Bank in Thailand (8th consecutive year)
- Best Trade Finance Bank in Thailand (12th year)

The Digital Banker Magazine

- Best Bank for Transaction Banking Services in Thailand (2nd consecutive year)
- Best Wholesale/Transaction Bank for Digital CX in Thailand (2nd consecutive year)
- Outstanding Digital Innovation in SME Banking
- Outstanding Supply Chain Finance Solution

World Economic Magazine

- Most Innovative Debit Card Offering Thailand 2023 (2nd consecutive year)

**International Business Magazine**

- Best Securities Brokerage Firm Thailand 2023 (2nd year)

World Business Outlook Magazine

- Most Trusted Investment Partner Thailand 2023 (2nd consecutive year)

Global Business Review Magazine

- Best Equity House Thailand 2023 (2nd consecutive year)

Asian Banking and Finance Magazine

- Corporate & Investment Bank of the Year - Thailand (2nd year)

World Economic Magazine

- Best Securities Brokerage Firm Thailand 2023

**Money & Banking Magazine**

- Best Mutual Fund of the Year 2023 - Foreign Equity Fund

Morningstar Thailand

- Best Retirement Mutual Fund - Equity



2) Marketing and Competition

Thai Economy in 2023

In 2023, the Thai economy continued to expand primarily from the tourism sector and domestic demand. The number of visitors to Thailand reached 28.2 million, up from the previous year, with ASEAN, China, and Europe being key markets. Chinese visitors increased partly due to the implementation of the Thai government's policy to waive visa requirements from September 2023. In terms of domestic demand, private consumption

grew in tandem with continuous improvements in employment and consumer confidence, resulting from government measures to lower the cost of living and support tourism.

Thai export value contracted by 1.7 percent from the previous year mainly from subdued demand from trading partners. Moreover, Thai exports were also adversely affected by other factors, such as drought that caused a decline in agricultural production as well as geopolitical conflicts in different parts of the world.

The average headline and core inflation rates for 2023 were around 1.2 and 1.3 percent, respectively. Headline inflation fell from the previous year primarily due to lower food and energy prices. Food prices declined from a high base of fresh food prices in 2022 and higher food output. Meanwhile, energy prices fell due to decreasing global oil prices and the Thai government's measure for energy price reduction policy.

The Monetary Policy Committee raised interest rates eight times since the beginning of the Covid-19 pandemic before maintaining the policy rate at 2.5 percent at the end of 2023. The central bank had been increasing interest rates since August 2022 in an attempt to normalize interest rates after having kept the policy rate low at 0.5 percent to support the economy during the Covid-19 pandemic.

Economic Outlook for 2024

In 2024, the Thai economy is expected to grow at around 3.0 percent underpinned by the recovery in the global economy and domestic exports amid a lower interest rate environment since the second-half of last year; the continued increase of tourist arrivals; and the potential increase in foreign investment in ASEAN, including Thailand.

Nonetheless, Thailand continues to face several challenges. These include ongoing geopolitical tensions, uncertainty in global financial markets, and a fragile recovery in the economies of some of the country's trading partners who continue to face challenges from the effect of previous interest rate hikes. These are some of the key risks that Thailand should monitor closely.



Thai Banking Industry in 2023

After the challenges posed by the Covid-19 outbreak since the beginning of 2020, Thailand experienced an economic recovery in 2023, driven primarily by the tourism sector. However, the recovery was relatively slow and uneven leading to a potential rise in economic inequality while the increase in the cost of living and high levels of household debt affected people's purchasing power. Meanwhile, private sector investment recovered, partly due to the expansion of foreign direct investment. Government support for economic expansion was limited partly due to the delay in forming the government following the May 14, 2023 election. In terms of monetary policy, the Bank of Thailand normalized monetary policy by gradually raising the policy interest rate as appropriate to the economic situation. This led to a policy interest rate of 2.50 percent at the end of 2023, an increase from 1.25 percent at the end of 2022. External factors included a moderate global economic recovery amid rising uncertainty; the crisis of some financial institutions in the US and Switzerland in early 2023 resulting from sharp increase in interest rates; a slow decrease in inflation which remained higher than the central banks' target, resulted in the central banks of major economies indicating that interest rates would be higher for longer; US federal debt exceeding the debt ceiling which prevented the US government from fully implementing its fiscal policy to stimulate the economy; and, slower growth in the Chinese economy from the real estate crisis and increased trade and technology tensions with the US, resulted in increasing geoeconomic fragmentation. Moreover, the impacts from geopolitical conflicts between Russia and Ukraine, as well as Israel and Hamas, were additional factors affecting the business operations of Thai commercial banks throughout 2023.

Amid these business challenges, the combined net profit of the commercial banking system in 2023 was Baht 251.4 billion, a 5.8 percent increase from the previous year, due to an increase in net interest income in line with rising interest rates and consumer loans expansion. Loans at the end of 2023 marginally contracted by 0.3 percent, compared with growth of 2.1 percent the previous year due to gradual repayments from the business sector especially SME, corporations in the manufacturing sector, and government loans, as well as loan portfolio management. Business loans declined by 1.7 percent, while consumer loans grew by 2.3 percent.

Deposits increased by 0.8 percent from the end of 2022, lower than 4.5 percent in 2022. The ratio of loans to deposits at the end of 2023 was 91.0 percent, decreasing from 92.0 percent at the end of 2022. For liquidity management, commercial banks focused on deposit structure, cost management, and reserve requirements to comply with the Liquidity Coverage Ratio (LCR) guidelines under Basel III. At the end of 2023, LCR remained high at 204.4 percent.

In terms of loan quality at the end of 2023, non-performing loan (NPL) or Stage 3 loan improved slightly and stood at Baht 492.8 billion or a ratio of 2.66 percent to total loans, down from Baht 499.2 billion or a ratio of 2.73 percent to total loans at the end of the previous year. The ratio of Significant Increase in Credit Risk (SICR) or Stage 2 loan to total loans was 5.86 percent, a decrease from 6.22 percent at the end of the previous year. Loan quality reflected the unevenness of the recovery across each economic sector. Therefore, commercial banks focused on managing credit quality and restructuring debt in line with a debtor's ability to repay, especially SME and retail businesses, along with the provision of reserves to preemptively provide as a cushion for overall uneven economic recovery. Moreover, commercial banks maintained relatively high capital to cope with economic uncertainty. At the end of 2023, the Capital Adequacy Ratio (CAR) was 20.1 percent, an increase from 19.4 percent from the end of 2022.

The following table shows the financial position of the six major commercial banks as of December 31, 2023

Unit: Million Baht				
	Assets	Loans	Deposits	Capital
Bangkok Bank	4,514,484	2,671,964	3,184,283	591,729
KASIKORNBANK	4,283,556	2,490,398	2,699,562	537,775
Krung Thai Bank	3,677,685	2,576,516	2,646,872	441,420
SCBX	3,438,722	2,426,563	2,442,860	443,680
Bank of Ayudhya	2,768,295	2,017,204	1,839,601	396,848
TMBThanachart Bank	1,824,434	1,327,964	1,386,581	235,844



Thai Banking Industry in 2024

The foreign and Thai economies are expected to face high uncertainty from significant factors such as slower global economic growth, foreign interest rates which are expected to remain at high levels in the first-half of the year before gradually declining in the second-half, geopolitical conflicts and geoeconomic fragmentation leading to the continued relocation of global supply chains, US debt exceeding the debt ceiling, China's real estate sector problem and the sluggish Chinese economy, economic impact from extreme weather events and new decarbonization policies. Meanwhile, the advancement of Generative Artificial Intelligence (Gen AI) will play a more significant role in the economic system going forward.

The Bank of Thailand's policy direction will continue to focus on the transition to a more sustainable economy with the issuance of sustainable banking guidelines for financial institutions to take environmental, social and governance (ESG) considerations into their business operations and the issuance of the Policy Statement: Internalizing Environmental and Climate Change Aspects into Financial Institution Business for financial institutions to appropriately incorporate environmental factors as part of their business processes and offer financial products and services that support the environmental transformation of the business sector. Moreover, the Bank of Thailand issued the Thailand Taxonomy as a standard reference tool to classify economic activities deemed as environmentally sustainable and to create a shared understanding for achieving a green economy. Going forward, the public sector will play a greater role in establishing a transitional path and timeframe for all sectors of the Thai economy to achieve carbon neutrality within 2050 and net-zero greenhouse gas emissions within 2065.

The Bank of Thailand has established the new Thai financial landscape for the digital economy and sustainable growth with three directions: Digital – leveraging on technology and data to drive innovation which consists of open competition to allow service providers to access open infrastructure and benefit from open data; Sustainable – supporting a sustainable economic transition by enabling the financial sector to incorporate environmental considerations into their risk assessments, facilitating businesses and households to adapt without causing wide-ranging negative impacts, reducing inequality in society and sustainably solving household debt problems; Resilient – shifting regulatory framework to ensure the financial sector could timely respond to new type of significant risks, especially those from the use of digital technology.

Given the current business environment, commercial banks placed importance on providing assistance and support to all customer groups. This includes providing financial support and advisory services, responsible lending, and developing products and services to meet customer needs by focusing on sustainable growth and social responsibility. Banks also need to remodel their own businesses in line with the changing business environment, collaborate with partners to create opportunities for new revenue streams, increase risk management capabilities and continuously improve internal operations to control costs as well as enhance operational efficiency.



Competitive Strengths

We are the 6th largest bank in Southeast Asia and the largest bank in Thailand by assets. We have been giving business and individual customers the confidence and support they need to make effective financial decisions in a changing world since our founding in 1944.

In Thailand, we are a leading provider of corporate finance and SME lending with 243 business centers and business desks. Our large and loyal customer base has been one of the key drivers of our success, allowing us to expand our business to support our customers' increasing financial needs.

We are a pioneer in international banking. We were the first Southeast Asian bank to open a foreign branch when we opened our Hong Kong branch in 1954 to provide international trade services for business customers. We are currently one of the largest regional banks in Southeast Asia providing comprehensive financial services with an extensive network of international branches in 14 economies – Cambodia, China, Hong Kong, Indonesia, Japan, Laos, Malaysia, Myanmar, Philippines, Singapore, Taiwan, the United Kingdom, the United States and Vietnam.

Extensive Network and Comprehensive Financial Services

Bangkok Bank has one of the strongest and most well-recognized business names in Thailand. Our philosophy of aspiring to be a trusted partner and reliable close friend has helped us to build trust and develop good relationships with customers.

We are a leader in corporate and business banking in Thailand. Our strong, longstanding corporate lending relationships and extensive regional network enable us to provide financial services to corporate customers which need credit for investment or major projects. Approximately two-thirds of our branches are located in provincial areas of Thailand, enabling us to provide financial services to customers who can gain business opportunities from increasing urbanization.

Our leading international banking platform strategically focuses on ASEAN and other markets across Asia. Our international network spans 14 economies to support business customers wanting to expand their regional and global operations as well as foreign companies investing in Thailand and across Southeast Asia. Our international network has played an important role in strengthening our competitiveness. It has enabled us to develop deep knowledge and experience in the local markets where we operate, enhancing our ability to serve the needs of customers. Our international expansion also helps to diversify our revenue base and improve our risk profile.

Regarding the capital market business, we continue to be one of the leading underwriters for long-term corporate bonds in Thailand. Our strong placement capabilities, diverse products and services, strong relationships with long-established clients and deep understanding of both the requirements of issuers and risk appetites of investors enables us to maintain our market leadership.

Our consumer and corporate businesses work closely together as One Family, One Team, enabling us to leverage corporate relationships to provide value-added services to their respective customer groups. We formed a strategic partnership with The Mall Group to provide credit, debit and digital cards that offer a wide range of benefits. We are also expanding our customer base by providing services to the employees of our corporate, commercial, and business banking customers such as payroll, debit and credit cards, mortgage and personal loans.

To meet the needs of our customers' digital lifestyles we are continuing to roll out new services to support their evolving requirements. With most transactions and banking services now being conducted via smartphones, we are upgrading our mobile banking services and adding new features while analyzing this data with AI and machine learning to better understand and meet the needs of customers. In parallel with this, we have been modernizing our branches as part of a digital branch transformation to improve efficiency and customer service.

Amid this volatile and high-risk investment environment our strong emphasis on quality, stability and security reassured our wealth customers – this was amplified by our relationship with Pictet Group, a leading and respected Swiss private bank. We helped customers navigate these uncertain times by providing them with investment options ranging from fixed income to hedge funds and private equity to suit their risk appetites. This was supported by our specialist teams and wealth advisors based in hubs that service every province.



We introduced new bancassurance products and services, such as Be Together Smart Saving and Smart Health for payroll customers, as well as green home loans, to respond to growing customer interest in trends such as an aging society, health consciousness, and concerns about the environment.

Stable Financial Position and Sustainable Growth

Bangkok Bank continues to maintain a stable financial position supported by sustainable operating performance through different business cycles. We can maintain net profit growth because of our stable and diversified sources of income and the growing proportion of non-interest income from fees and other income which helps to reduce the risk from changing interest rates. Our prudent approach to loan expansion and credit distribution, along with our determination to maintain appropriate provisions for doubtful debts, will help us to deliver sustainable growth and profit even during challenging and volatile economic times.

Our rigorous risk management policy is supported by a strict credit approval policy and process as well as maintaining adequate allowances for doubtful debts which enable us to achieve our long-term business goals while withstanding the effects of various crises (see more details in no. 2 Risk Management).

We maintain adequate capital to support our strategy and business expansion within acceptable risk limits and in accordance with the Bank of Thailand's regulations. Our capital strength not only helps us to weather volatility amid changing business cycles, it enables us to gain a competitive

advantage from business opportunities that may arise while providing flexibility in managing capital requirements and liquidity in changing circumstances. This prudent approach will facilitate our business in the long run.

Large Deposit Base in Thailand

Our extensive and comprehensive branch network, close relationships with business and retail customers, as well as our positive reputation, have enabled us to maintain one of the largest deposit bases in Thailand. Retail customers account for the majority of our deposits, providing the main source of funding to support our future growth.

Service Channels

We have one of the most extensive distribution networks in Thailand in terms of the number of branches and physical touchpoints for customers. Our other distribution channels include mobile banking (Bangkok Bank Mobile Banking), internet banking (Bualuang iBanking), ATM, cash deposit machines and phone banking (Bualuang Phone). Our Business Centers and Business Desks also form part of our distribution channels and exclusively focus on business banking customers.

Branch and Business Center Network

As of December 31, 2023, we had an extensive network of branches and business centers throughout the country. We had a total of 847 branches in Thailand comprising 238 in Bangkok and 609 in the provincial area, with 117 business centers and 126 business desks.

International Services

Our international network is the largest of all Thai banks with 241 branches in 14 economies: Cambodia, China, Hong Kong, Indonesia, Japan, Laos, Malaysia, Myanmar, Philippines, Singapore, Taiwan, United Kingdom, United States and Vietnam (further details are provided in Attachment 7).

Foreign Exchange Booths

Customers can exchange foreign currencies at any Bank branch or one of our 37 exchange booths across the country.

Electronic and Digital Channel Services

We have more than 8,100 ATM, CDM and CDM/ATM touchpoints serving customers any day, any time. The ATM network serves our domestic and international card network and accepts other cards from other domestic banks and non-banks, as well as a large number of international cards. We added new features to our ATM and CDM/ATM, supporting customers' evolving needs and the trend towards digital banking. These include:

- Improving the UX/UI design on CDM/ATM screens to make the touchpoints more modern, convenient, and user-friendly.
- Adding a cash card withdrawal service for Ngern Tid Lor Public Company Limited.
- Adding a cardless withdrawal service for AEON Thana Sinsap (Thailand) Public Company Limited.
- Improving the CRM system via ATM through personalized cross-selling and happy birthday promotions offering exclusive offers and special discounts from leading hotels, restaurants, and service providers.



Digital financial services are playing an increasingly important role in the daily lives of customers as demonstrated by the continuous growth in transaction volume and number of users for Bangkok Bank Mobile Banking. In 2023, there were 13 million mobile banking users and the volume of financial transactions rose by 30 percent from the previous year. The significant increase in mobile banking growth came from scan to pay for products and services which grew by 76 percent year-on-year.

Throughout 2023 we continued on our digital banking journey to support future business operations and respond to changes in consumer behavior. New services and features included:

- Adding online channels to conveniently apply for financial products such as:
 - Applying for co-branded credit cards with The Mall Group. We launched Bangkok Bank M Visa credit cards, M LIVE and M LUXE, to provide the best customer experience.
 - Applying for a co-branded AIS debit card. We introduced the Be1st Digital AIS Points card where spending via the card yields AIS Points. Customers can exchange AIS Points nationwide to receive special privileges including food, drinks, and discounts from leading stores. Real-time AIS Points data can also be viewed via mobile banking.
 - Applying for a co-branded Rabbit LINE Pay and BTS debit card. We rolled out the Be1st Digital Rabbit LINE Pay (UnionPay) card to meet the needs of younger people by offering a new card design with LINE Character (Beat & Play Collection). The card suits online and digital lifestyle users and BTS commuters.

- Expanding online investment channels that can be conveniently and securely accessed anywhere, anytime for investors in the digital era such as:
 - Providing additional sales channels for Thai ESG Fund, a tax-saving fund that invests in Thai stocks and Thai debt instruments that meet sustainability standards according to ESG principles. This covers sustainable Thai stocks (SET ESG Ratings) or sustainability debt instruments (ESG bonds). By making it easy to invest in the funds we both promote ESG and support businesses with good ESG ratings on environmental issues in a shared mission to care for the planet.
 - Opening a government bond account for e-Savings customers who have passed digital identity verification or National Digital ID (NDID).
 - Offering a complex high-risk fund, the Ultra Accredited Investor Mutual Fund (UI Fund), for ultra-high net worth customers to increase investors' opportunities to invest in a wider variety of investment products.
- Expanding cross-border QR payments into Hong Kong to enable customers to pay for goods and services via QR Code without having to exchange to Hong Kong dollars.
- Expanding online personal loan service channels enabling customers to secure loans without having to visit a branch and meet customers' credit needs.
- Adding services for credit and debit cards including:
 - Sending a notification before the debit card expires, requesting a debit card renewal, or replacing a debit card in case of loss or damage.

- Adding a credit card to the mobile banking app as soon as the card is approved and also viewing credit card information.
- Enabling new credit cardholders to make 0% installments while providing them with greater convenience and speed.
- Building engagement through a loyalty platform in collaboration with our partners to offer privileges to different customer segments, using a gamification and reward platform where Plankton points can be collected and redeemed for prizes and other rewards.
- Improving the design and user interface (UI) to be modern and appealing while improving the user experience (UX) to provide greater convenience and ease of use.

We also prioritized mobile banking security by enhancing security requirements and application development to align with the Bank of Thailand's principles on managing fraud risks from financial transactions such as:

- Enhancing transaction security by requiring facial scans (biometrics) for transfers over Baht 50,000 or daily allowances above Baht 200,000 as well as to change credit limits.
- Displaying a message when customers make transfers to another person or make PromptPay transfers to an e-Wallet to warn customers to check recipients before confirming such transactions.
- Providing an awareness test to raise awareness of fraud risks by prompting customers to do the test periodically and testing their understanding of how to use a mobile phone securely.



In addition, we prioritized the confidence and safety of our customers by developing new features such as:

- Controlling transfers / top ups / payments via the app (Lock & Unlock Account) for customers who are concerned about the safety of their bank accounts that are linked to mobile banking. Customers can choose the account they wish to lock or unlock by themselves. Once the account is locked, customers can still view the outstanding balance or monitor the account movement. The locked account can receive transfers from other channels and can still be used as normal via other channels.
- Providing an identity verification checking service. This service allows customers to check the level of identity verification provided to the Bank either through branches or via mobile banking. The objective of this is not only to allow customers to check their identity verification level by themselves but also how to raise their identity verification to the highest level recommended by the Bank.
- Adding verification with a One Time Password (OTP) sent to a mobile phone when customers apply for the mobile banking service, change to a new mobile phone, or change their mobile number via the app, to enhance security and reduce the risk of being scammed when confirming transactions.
- Modifying 'daily credit limit change' to enable customers to choose the daily credit limit as close as possible to their transactions made.

Although the use of our internet banking service Bualuang iBanking is likely to decline, we are still focused on providing our customers with a reliable, efficient and flexible service.

We offer a variety of convenient and reliable online platforms for businesses operating in Thailand. Corporate, commercial and business banking customers can use our cash management and trade finance online platforms to monitor and manage their accounts, apply for loans, make cross border payments and conduct their import-export business.

Our website www.bangkokbank.com focuses on providing customers with service information. We continue to support the connection and integration of the website with Bangkok Bank Mobile Banking and other digital platforms to deliver a better customer experience and encourage site visits as well as enhance the opportunity to generate lead conversion. We also added more features to the website, such as:

- Developing a festive website with a new animated background design with seasonal and occasion themed visuals.
- Improving the Locate Us web application with enhanced design and functionality to help customers find our branches and service touchpoints near them, including Be My ID service points, to apply for an e-Savings account.
- Providing a link to the AIA insurance web pages for customers looking to purchase insurance through Bangkok Bank Mobile Banking.
- Developing Board Rate, a secondary market government bond price board which displays Bid/Offer prices for interested investors.
- Integrating the online registration form for AIA's Be Together Save+ Linked insurance with our branch's outbound lead management system, enabling branch

staff to provide a better service to customers who are interested in applying for insurance. This enables staff to efficiently manage the sales process, from contacting the customers, to tracking the status, and closing the deal conveniently.

In addition, we plan to develop Web Chat (Chatbot and Live Chat) to answer questions and assist customers using the website. In 2023, access to our website via computer, tablet and mobile phone averaged 3.9 million visits per month. We have continuously developed our Contact Center to support a greater number of financial transactions. Customers can make transactions or inquiries through an automated telephone system or by speaking to staff. They can enquire about account activities, account balances including fixed deposits and Sinmathaya Subthawee, and money transfers between their own accounts and from government assistance schemes, as well as conduct bill and tax payments, top-up mobile phone accounts, order a check book, buy-sell open-end funds, suspend ATM/ credit cards, report a passbook loss, change their ATM withdrawal limit, and apply for the SMS Account Alert service. We also added an authentication service using Citizen ID and Telephone PIN and extended the service to include non-debit card customers. In 2022, we enhanced our authentication services using mobile phone number (Caller ANI) and mobile SMS OTP to make it simpler for customers to manage their finances, including providing Contact Center staff to advise customers on how to use our digital channels. Demand for our Contact Center is increasing due to the growing number of customers using Bangkok Bank Mobile Banking and the current trend whereby people are being more active on email or social media channels such as Facebook,



as well as engaging on Pantip and leaving app reviews. In addition, we have established a team of specialists to provide a new service to Bualuang Exclusive customers.

Banking Agent services provide deposits, withdrawals, and identity verification by ID card to open an account (Be My ID). In 2021, we appointed three Banking Agents, namely Ek-Chai Distribution System Co., Ltd. (Lotus's), Counter Service Co., Ltd. (7-Eleven) and Thailand Post Co., Ltd. covering 17,970 branches nationwide. We appointed Forth Smart Service Public Company Limited in 2022 to provide deposit services through 93,000 Boonterm kiosks nationwide. Using the BOT's selection criteria for potential agents, we focus on agents that have nationwide service points and operate with a variety of service hours. Some agents can provide services 24 hours a day, a factor which has helped deliver relatively high growth in the usage of banking agents.

In 2023, we expanded the range of services provided by banking agents to include account opening across our network of more than 163,000 service points nationwide which will help increase financial inclusion.

Credit Card Services

We have been providing Credit Card Acquiring services since 1989 for merchants who would like to increase their card payment channels. We are now one of the largest acquiring banks in Thailand. We have set a clear goal to be a one-stop service to assist merchants to grow the volume of business by accepting card payments in addition to cash.

To achieve the one-stop service target, we have focused on expanding our ability to accept all credit and debit cards including Visa, Mastercard, JCB, UnionPay, Diners Club, TPN, PromptCard, WeChat Pay, Alipay, Rabbit Card, Rabbit LINE Pay, Discover and American Express, the last four of which are exclusive to Bangkok Bank. We continue to expand our capabilities to cover new cards and non-cards such as Fitbit Pay, Garmin Pay and Google Pay.

In addition to accepting payments via Electronic Data Capture (EDC), we are also committed to expanding our payment channels and services to include digital payments, scheduled payments and others. We have our own internet payment gateway called Merchant iPay. We also utilize the services of trusted partners such as CyberSource and Mastercard Payment Gateway Services (MPGS). Moreover, we have continuously developed our services to accept card payments via Mobile Point-of-Sale (mPOS), Application Programming Interface (API) services, telephone and email as well as recurring payments.

We developed the BeMerchant NextGen application, a QR Code payment system under the Thai QR Code standard that accepts both PromptPay and credit card QR, which is similar to WeChat Pay and Alipay.

Our payment services for merchants, which range from large enterprises to SME and small shops, include a wide range of channels covering all types of payments from around the world. We have continually improved our payment acceptance system to deliver a seamless service in a rapidly changing business environment.

We partnered with The Mall Group to introduce co-branded Bangkok Bank M Visa credit and debit cards to provide a new shopping and living experience for customers of both parties. The card offers many privileges for purchases made at The Mall Group department stores, Emporium, EmQuartier, Emsphere, Paragon and MOnline.com such as receiving up to 10% discount, earning up to 4X M Points (One M Point is normally earned for every 25 baht spent), receiving an additional 25% discount when redeeming 2X M Points of the purchase amount, and 0% installments for up to 10 months at The Mall Group department stores. Additional privileges include special parking service, extra two hours of free parking, up to 2X M Points when the spending is made in a foreign currency, special airport lounge, airport limousine transfers, etc. The product was launched on December 1, 2023. Customers can apply for the cards at Bangkok Bank's branches, Bangkok Bank M Booths inside The Mall Group department stores, and online via Bangkok Bank Mobile Banking and Bangkok Bank website.

Debit Card Services

We have been a leader in developing new and innovative card services. In 2009 we launched Be1st Smart Debit Card, the first Thai debit card to feature Europay Mastercard Visa Chip (EMV Chip) technology. In 2016, we joined Thai Payment Network Co., Ltd. (TPN) and UnionPay International Co., Ltd. to launch Be1st Smart TPN UnionPay Card, Thailand's first smart debit card, on the local card scheme network that increases security for customers with chip technology and a 6-digit code. In 2018, we joined TPN and Mastercard Asia/Pacific to launch Be1st Smart TPN Mastercard to meet the needs of new generations who like to pay for goods and



services without using cash while supporting contactless payments. Cardholders can use the tap and pay service with all vendors participating in the system.

We are committed to continuously developing innovative financial products to meet the needs of customers in the digital age by issuing various types of Be1st Smart cards, including: Be1st Smart TPN Rabbit card, jointly issued with Bangkok Smartcard System Company Limited, a subsidiary of Bangkok Mass Transit System Public Company Limited, an all-in-one card that combines a debit card with a Rabbit Card to enable cardholders to travel on BTS, BRT and other mass transit systems as well as to buy products and services from various partner shops. Be1st Smart TPN Rabbit Siriraj, jointly issued with the Faculty of Medicine Siriraj Hospital, Mahidol University, combines the features of the Be1st Smart Rabbit card with social contributions. We donate part of the annual fees for new cards and card renewals as well as 0.2 percent of card spending (excluding card spending through Rabbit merchants) to the Faculty of Medicine Siriraj Hospital. In addition to receiving convenience and security similar to that of Be1st Smart TPN Rabbit card, Be1st Smart TPN Rabbit Siriraj cardholders also receive additional benefits from Siriraj Hospital including personal accident insurance. Be1st Smart Rabbit LINE Pay card was jointly developed with Rabbit LINE Pay, a leading mobile payment operator in Thailand, to develop products and services that meet the digital lifestyles of new generations who appreciate convenience, speed and ease of use. Through our cooperation with Rabbit Line Pay, Be1st Smart Rabbit LINE Pay cardholders can use the card together with Rabbit Line Pay Wallet for payment of goods and services

and making various financial transactions through mobile payments, which supports Thailand's move to a cashless society. In addition, cardholders also receive additional benefits from Rabbit LINE Pay for spending via Rabbit LINE Pay Wallet.

To help our customers through the Covid-19 situation, we focused on providing digital channels to accommodate debit card applications via Bangkok Bank Mobile Banking in addition to features such as a spending alert service and setting purchasing limits via the app.

We continued to provide greater value through digital debit card products. In March 2023, we announced a collaboration with AIS, a leading Thailand telecommunications company, to issue the new co-branded card Be 1st Digital AIS Points with attractive offers for AIS customers to earn AIS points more quickly and easily by spending via this card. In June 2023, we issued another virtual co-branded card Be 1st Digital Rabbit Line Pay with a new design of LINE Characters together with promotions from LINE Man, the popular food delivery platform in Thailand.

For business customers, we offer Purchasing Card, a debit card issued by the Bank in partnership with government organizations as well as wholesale and retail companies, for various payments such as Purchasing Card for gold buyers which can be used instead of cash, and Tax Smart Card jointly issued by the Bank and the Revenue Department for tax payments. These cards aim to reduce the use of cash while providing convenient, secure payments for business and individual customers.

Transaction Banking Service

Transaction Banking is a group of financial services for business customers and financial institutions covering both domestic and international transactions. It comprises cash management, trade finance, supply chain finance, and securities services. In addition, Transaction Banking provides digital banking channels for business customers.

- **Cash Management**

Cash Management comprises Payment Services, Collection Services, and Liquidity Management Services. Cash Management customers can conduct transactions through digital channels conveniently, quickly and securely, enabling them to efficiently manage transactions while reducing the cost of transactions.

- **Trade Finance**

Trade Finance comprises services for customers who trade services internationally, including services such as funds transfer, payment and collection according to import and export documents, and loans for international trade. Customers can conveniently and quickly make international transactions and view reports online which increases the efficiency and agility of their business.

- **Supply Chain Finance**

Supply Chain Finance is a comprehensive financial service for sellers and buyers in the supply chain covering payment services, short-term revolving loans for supply chain trading and an e-Guarantee service to increase convenience and speed for customers so they can run their business smoothly and flexibly. The service enables customers to conduct transactions online with international security standards and helps reduce the cost of paper-based transactions.



- **Securities Services**

Securities Services provides a full range of supervision and management services for customers in the securities business covering both domestic and international financial institutions. The services comprise Custody & Mutual Fund Supervisor Services, Provident Fund Registrar, and Mutual Fund Registrar Services and Debenture Holders' Representative Service. Customers can conveniently, quickly and securely view online reports of their investments in both domestic and foreign securities covering a variety of funds, monitor the net asset value of their funds, check provident fund balance, change investment options, browse data and download reports from fund committees.

Digital Banking Services for Business Customers

Under the Transaction Banking service, the Bank develops and offers efficient and secure online banking services to fully support business customers.

- **BIZ iBanking** is an online channel for SME customers comprising payments, collection, account movement verification and account services. Customers can make transactions on a daily basis such as funds transfer, payments for goods and services, salary payments, mutual fund trading and e-Withholding Tax services.
- **Corporate iCash** is an online channel for corporate customers providing corporate cash management services domestically and internationally. The services include payments and collection, liquidity management, and account services. Corporate businesses can send instructions directly to the Bank via their Enterprise Resource Planning (ERP) systems through the host-to-host connectivity, enhancing security and operational efficiency.
- **Bualuang iSupply** is an online financial service covering payments and loan support for sellers and buyers in the supply chain. It helps optimize the business process by offering online payments, credit approval and flexible payment terms to enhance liquidity within the trading process, helping to facilitate the business expansion of clients.

- **iTrade** is an online platform for export and import customers. Customers can quickly and conveniently conduct online international trade transactions in an end-to-end digital process. They can attach transaction-related documents digitally and view transaction reports in an easy-to-use dashboard that can be used for business planning.
- **Bualuang iCustody** is an online service for customers in asset management, the securities business and domestic and international financial institutions to conveniently and quickly view account reports, status reports of their investments in securities, and deposit accounts used as the settlement account for their investments.
- **Bualuang iFunds** is an online service for provident fund members and provident fund committees to keep track of their provident fund balances, make online switching orders for a new investment for fund members, and view and download reports for fund committees.



Back-office Process Operations

Back-up processing is conducted at our 12 operations centers. We adjusted branch areas to focus on marketing and providing services to customers while performing operational work at a lower cost. This optimizes the use of facilities as well as providing quality control to ensure accuracy and speed. Staff have specialized expertise which supports the management's planning and risk management.

The details of 12 operations centers are as follows:

- Corporate Business Loan Center — provides documentation and processing functions associated with non-revolving and revolving credit for corporate customers.
- Business Loan Center — provides documentation and processing functions associated with non-revolving credit for Commercial and Business customers.
- Revolving Credit Center — provides documentation and processing associated with the use of revolving credit for Commercial and Business customers.
- Trade Finance Center — provides back-office processing for all services relating to trade financing.
- Troubled Debt Restructuring Processing Center — provides documentation and processing functions associated with troubled debt customers.
- Consumer Loan Center — provides credit approval as well as documentation and processing functions for Consumer loans.
- Appraisal and Mortgage Center — provides collateral appraisal services, execution of mortgages and oversees the collateral information system.
- Document Logistics Center — provides logistical service for documents, financial instruments, postal services and parcels domestically and internationally.

- Cheque Processing Center — provides payment services for all cheques drawn on the Bank, as well as clearing services for inbound and outbound cheques via the Imaged Cheque Clearing and Archive System (ICAS) system.
- Cash Processing Center — provides custody and management services related to physical cash including allocation and transportation of physical cash.
- Phone Banking Center — provides informational and transactional services to customers by telephone using human and automated systems and other channels.
- Account Maintenance and Service Center — provides back-office processing to support branches and other units.

Investing in innovation is core to driving our own digital transformation and evolution into a data-driven organization. To ensure we play a leading role in strengthening Thailand's digital financial ecosystem, we are focusing on talent development, digital architecture and digital ecosystems, data governance and the protection of personal data, and research and development. This is supported by five key pillars: improving core systems, building an integrated payment network, developing a data driven organization (digitalization), adopting new ways of working and building ecosystem partnerships.



(3) Procurement of Products or Services

Sources and Utilization of Funds

The primary sources of funds as of December 31, 2023, were Baht 3,184,283 million or 70.5 percent in deposits, Baht 530,830 million or 11.8 percent in shareholders' equity, Baht 334,219 million or 7.4 percent in interbank and money market liabilities, and Baht 230,889 million or 5.1 percent in debt issued and borrowings including financial liabilities measured at Fair Value Through Profit or Loss (FVTPL).

The utilization of funds comprised Baht 2,671,964 million or 59.2 percent in loans, Baht 1,062,668 million or 23.5 percent in net investments including financial assets measured at FVTPL and net investments in associates, and Baht 757,120 million or 16.8 percent in net interbank and money market assets.

Unit: Million Baht

	As of December 31,					
	2023		2022		2021	
	Amount	Portion	Amount	Portion	Amount	Portion
Deposits	3,184,283	70.5	3,210,896	72.6	3,156,940	72.9
Interbank and money market items	334,219	7.4	262,522	5.9	288,709	6.7
Financial liabilities measured at FVTPL	18,384	0.4	17,960	0.4	20,833	0.5
Debt issued and borrowings	212,505	4.7	188,302	4.3	183,239	4.2
Others	234,263	5.2	234,930	5.3	188,967	4.3
Total liabilities	3,983,654	88.2	3,914,610	88.5	3,838,688	88.6
Shareholders' equity	530,830	11.8	507,142	11.5	494,593	11.4
Total funding	4,514,484	100.0	4,421,752	100.0	4,333,281	100.0

The Bank offers several types of deposit accounts, including current, savings, fixed (seven days, 14 days, one month and from three months to five years), and special fixed accounts. The Bank set deposit interest rates according to market conditions and strategies to promote deposit growth rates.



The following table shows details of deposits of the Bank and its subsidiaries separated by maturity period:

Unit: Million Baht

	As of December 31,					
	2023		2022		2021	
	Amount	Portion	Amount	Portion	Amount	Portion
Within one year	3,154,615	99.1	3,191,712	99.4	3,136,827	99.4
More than one year but not over five years	29,668	0.9	19,184	0.6	20,113	0.6
Total	3,184,283	100.0	3,210,896	100.0	3,156,940	100.0

As of December 31, 2023, the Bank had deposits with maturity within one year of Baht 3,154,615 million or 99.1 percent of total deposits, and deposits with maturity of more than one year but not over five years of Baht 29,668 million or 0.9 percent of total deposits.

Determination of Interest Rates on Deposits

In determining the Bank's deposit interest rate, the Assets and Liabilities Management Committee (ALCO) considered various factors, including external factors such as market interest rate, competitive situation, economic conditions, and future interest rate trends, as well as internal factors such as business expansion plans and the Bank's liquidity. The deposit interest rate has a direct impact on the Bank's deposit level and a significant effect on the Bank's performance.

At present, the Bank sets deposit interest rates differently depending on types of deposits and customers. In terms of deposit type, the Bank sets interest rates according to deposit products comprising current, savings, fixed (seven days, 14 days, one month, three months, six months, 12 months, 24 months, 36 months), and special fixed accounts. In terms of customer type, the Bank divides customers of savings and fixed deposits into individuals, general juristic persons, government agencies, insurance companies, life insurance companies, non-profit juristic persons and financial institutions. The interest rates for each group of customers varied depending on market conditions, competitive situation and the Bank's asset and liability management strategy. For fixed deposits which have certain

deposit term periods, the Bank pays fixed interest throughout the life of the contract based on the interest rate announced on the account opening date. For savings deposits, the Bank pays interest according to the announced interest rate, which means that if the Bank adjusts the interest rate, such change will be effective immediately.

The following table illustrates average interest rates for certain types of deposits, average loan interest rates and average interbank interest rates:

(Yearly Average)

	2023	2022	2021
Average Deposit Interest Rate			
Savings	0.37%	0.30%	0.25%
3-month Fixed	0.93%	0.42%	0.38%
6-month Fixed	1.02%	0.54%	0.50%
12-month Fixed	1.33%	0.59%	0.50%
Average Loan Interest Rate			
MOR	7.21%	5.98%	5.88%
MLR	6.76%	5.36%	5.25%
MRR	7.00%	6.03%	5.86%
Average Interbank Interest Rate	2.19%	0.87%	0.63%

Credit Provision

Credit provision is our core business. The Bank sets a policy by considering the risks of providing credit to specific customers as well as the risks of the business sector, ESG and overall portfolio. We select customers with good financial standing and reliability by taking into account their ability to cope with changes in the respective sectors. In addition, we have a policy to diversify credit risk to various industries by focusing on expanding credit in S-Curve industries and have a process to control the concentration of credit provision to a particular customer group in line with the BOT's supervisory guidelines.



With the aim of ensuring effective credit risk management, we have established a Credit Management Division, which is independent from the Bank's other divisions, comprising the Credit Policy Unit, Credit Acceptance Unit, Portfolio Management Unit, Risk Asset Review Unit, Special Asset Management Unit and Loan Recovery and Legal Unit, to manage risks related to credit extension by supervising and monitoring credit extensions in accordance with the Bank's credit policies as well as managing problematic debts. (See more details under 2. Risk Management.)

Credit Approval Process

We have a credit approval process according to the size of loan which can be divided into three levels – Business Unit, Banking Operation, and Executives. A higher credit line must be approved at a higher level and the highest level is the Board of Directors. The authority to approve credit depends on the credit limit and/or outstanding debt of that particular debtor or group of debtors as well as related collaterals whether they are partially secured or unsecured.

We have two customer classifications, business and consumer. Business is divided into Corporate Banking, Commercial Banking, Business Banking and International Banking. Relationship managers, business relations officers, and branch managers take care of and advise customers on how to use credit services from the Bank. Credit requests of business customers must be considered by the Credit Acceptance Unit before being presented to the authorized person for approval. Meanwhile, credit requests of consumers are submitted by the branch to the Consumer Loan Center for approval.

- **Individual Credit Decision**

In the process of considering loans to be given to borrowers, we consider various factors such as the purpose of applying for the loan, the ability to pay off debt from operating cash flows, business potential, executives' or owners' competence, technology used, and securities pledged as collateral. Customers applying for the loan must present a business plan and financial statements. We will consider information obtained from various sources such as customer visits, due diligence and credit bureau information as well as the status of lawsuits including civil, criminal and bankruptcy cases. In addition, we will also study economic conditions and assess the risks arising in the industry after

the loan has been approved. In general, we require credit assessment covering reviews at least once a year to determine the quality of loans. We also require the Risk Asset Review Unit to review the credit management process and credit quality as well as evaluate compliance with relevant policies, standards and regulations.

Loan Interest Rate Determination

Net interest income has a significant impact on our performance. The main factors affecting net interest income are Return on Assets (ROA), number of assets, cost of debt and amount of debt. The Bank's returns and costs are criteria for loan and deposit interest rates determination, which have a significant impact on interest rates in general. Our general loan interest rate is calculated by using the difference that increases or decreases from the Minimum Overdraft Rate (MOR), interest rate for the overdraft loan agreements, or the Minimum Loan Rate (MLR) interest rate for short-term loans and other types of loans. The interest rate for personal loans is based on the Minimum Retail Rate (MRR) interest rate by using the difference between the interest charged to the customer and the underlying interest depending on customer quality, type of loans, as well as other factors, such as repayment period and collateral. We adjust the benchmark interest rates (MRR, MOR and MLR) periodically according to the money market conditions, changes to our costs, and competition among commercial banks in Thailand.

Loan Information

All loan information on this topic shows only the principal net of deferred income excluding accrued interest unless otherwise stated.

As of December 31, 2023, loans of the Bank and its subsidiaries were Baht 2,671,964 million, representing approximately 59.2 percent of total assets.

- **Loan Concentration**

The BOT has specified regulations for supervising large debtors by limiting the scope of our transactions and those of our financial business group in providing credit, investing, creating contingent liabilities, or conducting credit-like transactions with any person or several people in one project or used for the same purpose not to exceed 25 percent of the capital. Providing credit, investing, creating contingent liabilities, or conducting a credit-like transaction in



the situation of a juristic person will include the parent company, subsidiaries, and associated companies of such a juristic person. In the case of an individual, this will include a person related to that person, for example, a company in which that person has the power to manage or hold shares of 20 percent or more of all sold shares, whether directly or indirectly. As of December 31, 2023, the maximum amount that the Bank and its financial business group can provide credit to, invest, create contingent liabilities or conduct credit-like transactions to any of the above customers was 147,932 million baht.

• Industry Concentration

The following table shows the loan information of the Bank and its subsidiaries categorized by industry groups:

Unit: Million Baht

	As of December 31,					
	2023		2022		2021	
	Amount	Portion	Amount	Portion	Amount	Portion
Manufacturing and commercial	766,783	28.7	825,508	30.8	839,469	32.4
Utilities and services	495,808	18.5	527,351	19.7	574,485	22.2
Housing loans	338,489	12.7	336,256	12.5	324,546	12.5
Real estate and construction	196,673	7.4	196,482	7.3	211,647	8.2
Agriculture and mining	92,721	3.5	88,014	3.3	101,487	3.9
Others	781,490	29.2	709,080	26.4	536,705	20.8
Total	2,671,964	100.0	2,628,691	100.0	2,588,339	100.0

Most of the Bank's loans were in the manufacturing and commercial and utilities and services sectors. As of December 31, 2023, they accounted for 47.2 percent of total loans.

o Manufacturing and Commercial Sector

As of December 31, 2023, manufacturing and commercial loans accounted for 28.7 percent which was the highest proportion. Customers in this sector were diversified into a variety of businesses, including manufacturing, wholesale and retail businesses, as well as import and export businesses. There were various products such as beverages, food, tobacco, wood, wood products, pulp and papermaking, chemicals, pharmaceuticals, rubber, metals, cement, automotive and parts, machinery and equipment, electrical appliances and textiles.

o Utilities and Services Sector

As of December 31, 2023, utilities and services loans accounted for 18.5 percent of total loans. Utilities loans consisted of supporting loans for power plants and infrastructure projects in the form of loans with future cash flows from the project's operations or, in some cases, the project's tangible assets may be used for collateral. In terms of service loans, most of the loans were used as working capital for hotel, hospital, restaurant, cinema and telecommunications businesses.

o Housing Loans Sector

As of December 31, 2023, housing loans accounted for 12.7 percent of total loans. Housing loans were given to persons who wanted to buy a home with the average credit line per person in the range of Baht 1,000,000 to Baht 5,000,000 with a maximum loan term not more than 30 years with the residence as collateral. Mostly the loan amount did not exceed 70-95 percent of the purchase price or did not exceed 100 percent of the appraised value of the collateral, whichever was lower.

o Real Estate and Construction Sector

As of December 31, 2023, real estate and construction loans accounted for 7.4 percent of total loans. Most of them were loans for various types of real estate development projects, including houses, condominiums, office buildings, shopping centers, agricultural lands, industrial estates, real estate leasing and others, as well as loans for construction contractors.



- o **Agriculture and Mining Sector**

The Bank's agriculture and mining loans were provided to farmers and agricultural cooperatives, fishing and livestock business, and mining businesses.

- o **Others**

Most of the Bank's loans for other businesses consisted of loans to holdings in subsidiaries operating in a variety of industries, loans to other financial institutions such as life insurance, securities, credit card, and consumer loan businesses and companies engaged in car and motorcycle leasing businesses as well as loans to state-owned enterprises. Loans in this sector also included those to be used for working capital and term loans.

- **Loans Categorized by Maturity Profile**

As of December 31, 2023, the Bank and its subsidiaries had loans with one year or less to maturity of Baht 1,009,195 million or 37.8 percent of total loans, loans with more than one year to five years to maturity of Baht 1,044,007 million or 39.1 percent of total loans, loans with over five years to maturity of Baht 532,936 million or 19.9 percent of total loans and non-performing loan of Baht 85,826 million or 3.2 percent of total loans.

The following table shows loans categorized by maturity profile:

Unit: Million Baht						
	As of December 31,					
	2023		2022		2021	
	Amount	Portion	Amount	Portion	Amount	Portion
Overdrafts	1,009,195	37.8	989,370	36.9	966,297	37.3
Between one and five years	1,044,007	39.1	1,086,701	40.5	898,564	34.7
Over five years	532,936	19.9	509,561	19.0	622,303	24.1
Non-performing loan	85,826	3.2	97,059	3.6	101,175	3.9
Total	2,671,964	100.0	2,682,691	100.0	2,588,339	100.0

- **Loans Classified by Product Type**

The Bank and its subsidiaries have a wide range of loan products to serve their customers, which can be classified as in the following table:

Unit: Million Baht						
	As of December 31,					
	2023		2022		2021	
	Amount	Portion	Amount	Portion	Amount	Portion
Overdrafts	111,283	4.2	107,245	4.0	103,294	4.0
Bills	352,627	13.2	372,399	13.9	417,906	16.1
Loans	2,202,850	82.4	2,197,983	81.9	2,062,138	79.7
Hire purchase receivable	4,247	0.2	4,129	0.1	4,067	0.1
Finance lease receivable	957	0.0	935	0.1	934	0.1
Total	2,671,964	100.0	2,682,691	100.0	2,588,339	100.0

- **Secured Loans**

For the Bank's secured loans, collateral mainly consists of land, buildings, inventory and machinery. In some cases, we may ask the parent company, or executive or major shareholder to be a guarantor. However, in the case of collateral for land and buildings, we will allow business customers to borrow approximately 50-80 percent of the appraised value dependent on the customer's ability to pay off debt and the type of collateral. In the case of housing loans in 2023, we offered a credit line not exceeding 75-100 percent of the purchase price, or not more than 100 percent of the appraised value of the collateral, whichever is lower. We review the collateral valuation according to the collateral appraisal criteria.

- **Classified Loans**

The BOT requires all commercial banks to classify loans into three levels: loans with no significant increase in credit risk (Performing or Stage 1), loans with significant increase in credit risk (Under-Performing or Stage 2) and credit impaired loans (Non-Performing or Stage 3) to comply with the promulgation of Thai Financial Reporting Standard No. 9



on Financial Instruments (TFRS 9) of the Federation of Accounting Professions which was effective from January 1, 2020 onwards. Such classification is intended to be used in determining loan quality and expected losses based on the degree of risk or likelihood of damage. This is an important measure that the Bank adheres to. The provision of expected credit losses is provided in the Bank's performance reports.

To be in line with the International Financial Reporting Standard (IFRS), the provision of expected losses under the TFRS 9 guidelines is based on the concept which considers the damage that is expected to occur or may occur, even if the overdue payment of the loans has not yet occurred. If there is any indication that credit risk has increased significantly, the stage of loan status will be classified with consideration of the provision of expected credit losses.

Loan classification is based on both the aging period and the quality criteria, taking into account various factors such as the status of account receivables, status of debtors, debtor's risk level and recoverable amount of assets according to the rules, procedures and methods prescribed by the Bank.

We consider the aging criteria for loan classification as follows:

- o Loans with no significant increase in credit risk (Performing or Stage 1) means loans with no signs of default or loans with accumulated principal or interest payment overdue less than 30 days from the due date, including an overdraft facility that has not fully drawn down the credit line and the credit line has not been revoked, or the contract has not reached maturity, or an overdraft with accrued interest of less than 30 days.
- o Loans with a significant increase in credit risk (Under-Performing or Stage 2) means loans with accumulated principal or interest payment overdue by more than 30 days but less than 90 days from the due date. This also includes an overdraft facility with no credit line, or the credit line has been revoked, or the loan outstanding has exceeded the credit line, or the contract has expired and no funds have been transferred to the account for the repayment of the principal and interest for more than 30 days but less than 90 days, starting from the date on which the account is first overdrawn with no credit line, or the date on which the credit line is revoked, or the date on which the loan outstanding exceeds the credit line, or the maturity date of the contract, whichever is earlier.

- o Credit impaired loans (Non-Performing or Stage 3) means loans with accumulated principal or interest payment over 90 days from the due date. This also includes an overdraft facility with no credit line or where the credit line has been revoked, or the loan outstanding has exceeded the credit line, or the contract has expired, and no funds have been transferred to the account for the repayment of principal and interest for more than 90 days, starting from the date on which the account is first overdrawn with no credit line, or the date on which the credit line is revoked, or the date on which the loan outstanding exceeds the credit line, or the maturity date of the contract, whichever is earlier.

- **Allowance for Expected Credit Losses**

We consider the allowance for expected credit losses (ECL) every month and record it as an item in the Bank's statement of comprehensive income. We consider setting aside the allowance for credit losses in accordance with the regulations prescribed by the BOT regarding Regulations on Asset Classification and Provisioning of Financial Institutions. Setting aside provisions to cover the expected losses which may incur from the debtor if they default at any time during the remaining term of the loan is in line with the principles of the TFRS 9 effective from January 1, 2020. It also requires consideration of economic factors in the past, present and future under various assumptions and situations, and other factors that may affect the loan repayment ability.

The amount to be set aside as an allowance for expected credit losses for credit impaired loans (Non-Performing or Stage 3) and credit with a significant increase in credit risk (Under-Performing or Stage 2) is equal to the expected credit losses, taking into account the possibility that the debtor will not fulfill the contract over the lifetime of the expected credit losses (Lifetime ECL); or equal to the result; or equal to the difference between the book value of the outstanding loan and the present value of estimated future cash flows from the debtor. The amount of provision for expected credit losses for loans with no significant increase in credit risk (Performing or Stage 1) is equal to the expected credit losses that take into account the possibility that the debtor will not fulfill the contract over the next 12 months (12-month Expected Credit Losses: 12-month ECL).



In addition, we set aside additional reserves based on the value of expected credit losses calculated from the statistical model. This takes into account the potential additional losses from economic and legal changes, uncertainty in the overall economic outlook, or in a particular industry, and other factors that may affect the debtor's ability to comply with the loan agreement, so the Bank can set aside sufficient provisions for expected credit losses.

As for write-offs, debts that are determined to be irrecoverable are written off in the period in which the decision is taken. Bad debts recovered are recorded as an increase in allowance for doubtful accounts.

In the event of a loss on debt restructuring, the Bank will reduce bad debts and doubtful accounts and allowance for doubtful accounts by either noting the loss on debt restructuring or the allowance for doubtful accounts for that debtor, whichever is lower.

Provisioning or Reserves of Expected Credit Losses Required Under the BOT's Regulations

Item	Regulation
Performing (Stage 1)	100 percent reserves of the 12-month expected credit losses
Under-performing (Stage 2)	100 percent reserves of lifetime expected credit losses
Non-performing (Stage 3)	100 percent reserves of lifetime expected credit losses

As of December 31, 2023, the Bank and its subsidiaries' ratio of expected credit losses to total NPL stood at 314.7 percent compared with 260.8 percent at the end of 2022.

- **The Recognition of Interest Income**

The Bank has changed the recognition of interest income on loans by using the effective interest rate (EIR) method, where the effective interest rate on related fees such as front-end fees is recognized as interest income over the expected life of the loans. This applies to financial statements for accounting periods beginning on or after January 1, 2020, onwards in accordance with the TFRS 9 announced by the Federation of Accounting Professions.

- **Restructuring of Troubled Debt and Progress**

We have a policy to expedite problematic debt restructuring to achieve results quickly with supervision from the Special Credit Management Unit.

We have established guidelines for debt restructuring that take into account the economic conditions, industry, and customer capabilities in terms of business and financial feasibility. This is to ensure that customers have the ability and willingness to repay their debts. We also consider options to determine the most suitable solution for all parties to make debt restructuring successful.

There are several approaches to debt restructuring. The recovery ability of the customer's business is assessed and, in some cases, if the repayment period is extended for a certain period, customers will be able to continue their business and repay their debts to the Bank. In some cases, we may cut interest rates or suspend or reduce accrued interest. If the debtor's financial position is very weak, we may consider ways to reduce the debt burden of the business, such as selling some of the debtor's assets or seeking new co-investors. Meanwhile, we may also consider reducing the debt of customers, or transferring assets, or converting debt to equity, together with setting a new repayment schedule. In the event that the customer does not cooperate, the Bank will take legal action in order to obtain the rights to the customer's secured assets as required by law.

The consolidated financial statements as of December 31, 2023, had remaining restructured non-performing loans of Baht 43,530 million.



Investments

As of December 31, 2023, the Bank and its subsidiaries had net investments and financial assets measured at FVTPL and net investments in associated companies of Baht 1,062,668 million or 23.5 percent of total assets. Government and state enterprise securities accounted for the highest proportion at 58.6 percent. Other investments in securities consisted of debt securities issued by governments and foreign state enterprises, private debt securities, and marketable and non-marketable equity securities.

Unit: Million Baht

	As of December 31,					
	2023		2022		2021	
	Amount	Portion	Amount	Portion	Amount	Portion
Debt						
Government and state enterprises	622,652	58.6	518,587	56.0	482,201	54.2
Non-government and state enterprises	332,623	31.3	302,900	32.7	298,672	33.6
<u>Less</u> allowance for expected credit losses	285	0.0	91	0.0	11	0.0
Total debt	954,990	89.9	821,396	88.7	780,862	87.8
Equities	106,275	10.0	103,791	11.2	107,116	12.0
Net investments in associates	1,403	0.1	1,421	0.1	1,329	0.2
Total	1,062,668	100.0	926,608	100.0	889,307	100.0



Capital Reserves

Our policy is to maintain our capital fund at a rate suitable for our business operations and sufficient for future business expansion, including not less than the minimum ratio required by law (see more details under 2. Risk Management).

(4) Assets Used in Business Undertaking

Land, Premises and Equipment

The Bank and subsidiaries had assets consisting of land, premises and equipment, without any mortgage or pledge obligations as follows:

Type	Unit: Million Baht	
	As of December 31,	
	2023	2022
Land	41,873	41,016
Premises	12,022	12,468
Equipment	3,376	3,201
Right-of-use assets	3,970	4,256
Leasehold improvement	151	149
Others	533	803
Total	61,925	61,893

Investment Policy for Subsidiaries and Associated Companies

We have a policy to invest in businesses related to the operation of commercial banks and businesses that support the Bank's services. The business must have good business prospects and acceptable risks. In terms of managing debt exposure, in some business cases that require debt restructuring, we will make a consideration to approve a debt-to-equity conversion from the business to solve problematic debts. However, the Bank's investment must be in accordance with regulations set by the authorities. Section 34 of the Financial Institution Business Act B.E. 2551 (2008) states that commercial banks can invest in a limited company to an amount not exceeding 10 percent of the company's paid-up capital. A bank must be authorized by the BOT to invest more than this.

Regarding shareholdings in other businesses, the BOT has measures in place to reduce the risks due to the lack of adequate supervision, aiming to strengthen the stability and security of the financial system and maintain the confidence of depositors in financial institutions. The BOT has therefore issued regulations on supervision of financial business groups by restricting financial institutions to investing in companies that operate financial and supporting businesses only, and to allow the Bank to hold 50 percent or more of the shares in a company in the group and to control the company. The BOT will have collective supervision of the companies under the group in terms of maintaining the group's capital and credit control, as well as its investment and contingencies. If the Bank invests in a financial business without including said business in the group, the Bank's capital will be deducted according to the amount invested due to higher costs of shareholding. The collective supervision will give the Bank an opportunity to expand the scope of the financial services it provides to its customers by creating a financial business group. However, the Bank is responsible for formulating policies and strategies and must have measures to control and manage risks of its financial business group.

1.3 Shareholding Structure

1.3.1 Shareholding Structure of the Group of Companies

Bangkok Bank's financial business group focuses on being a universal bank that is a trusted partner and reliable close friend by expanding products and services to cover various customer groups and using the Bank's regional network to support customers.

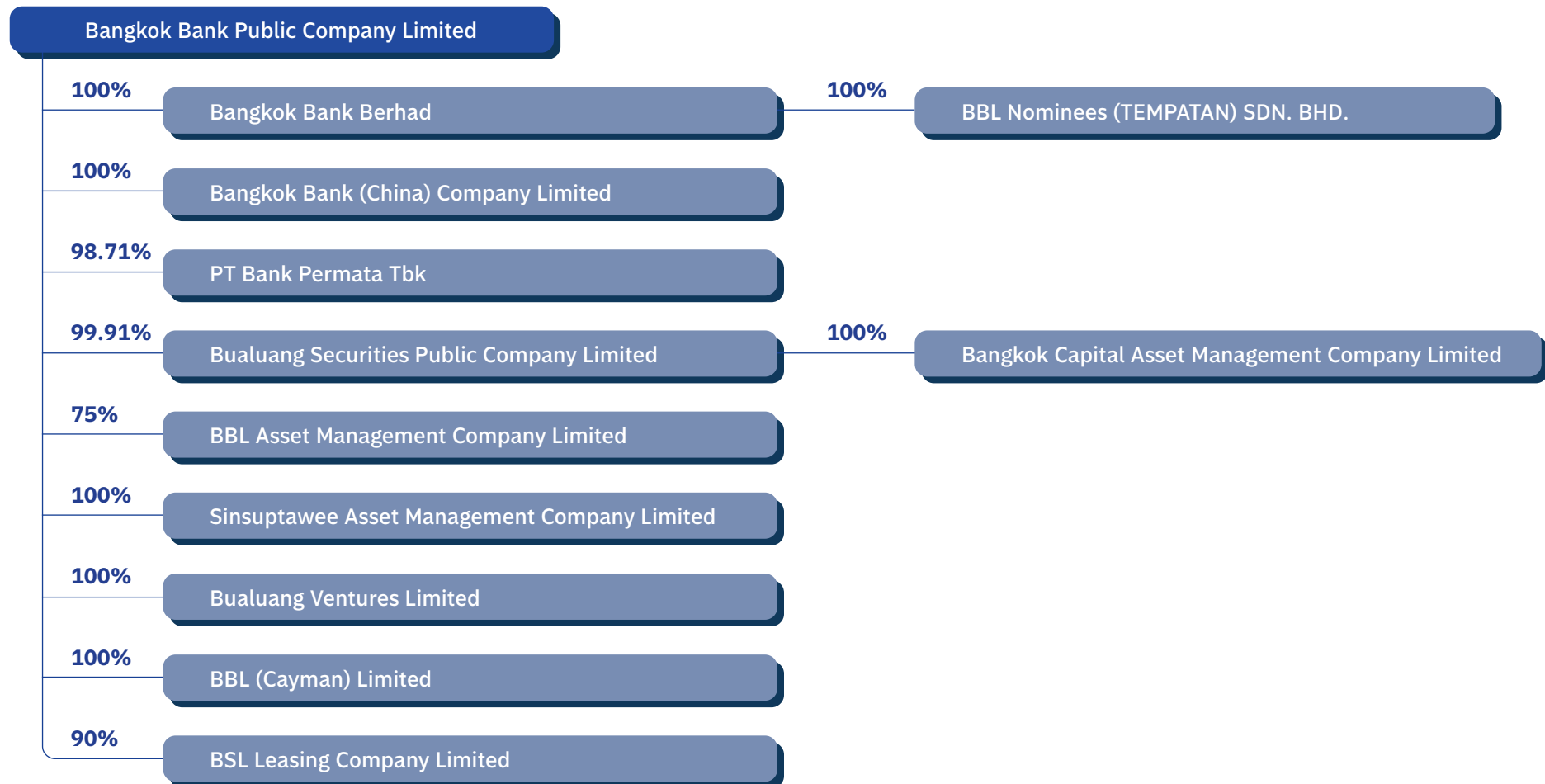
The value proposition of businesses under Bangkok Bank's financial business group is to support and enhance the group's outlook by increasing product and service capability and expanding our geographic reach. This is done by capitalizing on our customer base and infrastructure which is the foundation of the financial business group.

Currently, businesses in the group include the securities business, fund management, asset management, venture capital, leasing and foreign commercial banks.



Bangkok Bank financial business group comprises 12 companies as follows: Bangkok Bank Public Company Limited (the parent company), Bangkok Bank Berhad (BBB), Bangkok Bank (China) Company Limited (BBC), PT Bank Permata Tbk (PermataBank), Bualuang Securities Public Company Limited (BLS), BBL Asset Management Company Limited (BBLAM), Sinsuptawee Asset Management Company Limited (STAM), Bualuang Ventures Limited, BBL (Cayman) Limited, BSL Leasing Company Limited, BBL Nominees (TEMPATAN) Sdn. Bhd, and Bangkok Capital Asset Management Company Limited. The overall shareholder structure is as follows:

Bangkok Bank Financial Business Group





Scope of Bangkok Bank Financial Business Group:

Company	Type of Business	Scope of Business
Bangkok Bank Public Company Limited	Bank	Provides financial transaction services within the scope of Thai commercial banks.
Companies in Bangkok Bank Financial Business Group		
Bangkok Bank Berhad	Bank	Operates a commercial bank business as a registered company in Malaysia.
Bangkok Bank (China) Company Limited	Bank	Operates a commercial bank business as a registered company in China.
PT Bank Permata Tbk	Bank	Operates a commercial bank business as a registered company in Indonesia.
Bualuang Securities Public Company Limited	Securities business	Operates a securities business in various aspects such as: <ul style="list-style-type: none"> - Brokerage - Investment banking as a financial advisor and securities underwriter - Private fund management - Selling agent - Bond trading - Futures broker
BBL Asset Management Company Limited	Asset and private fund management	Operates a mutual fund management business consisting of mutual fund management, private fund management and provident fund management.
Sinsuptawee Asset Management Company Limited	Asset management	Operates a classified asset management business and manages problematic debts that have been transferred from Bangkok Bank. The company may be further strengthened by adding value to those assets before distribution.
Bualuang Ventures Limited	Venture capital	Operates an investment business in partnership with high growth potential business enterprises by providing financial support and advice so that the businesses can grow quickly.
BBL (Cayman) Limited	Investment company	Provides procurement of funding sources to support the Bank's business operations and invest in various financial instruments.
BSL Leasing Company Limited	Leasing and hire purchase	Provides leasing property, hire purchase, car rental, factoring and other related services.
BBL Nominees (TEMPATAN) Sdn. Bhd.	Supporting business	Supports the operations of Bangkok Bank Berhad by acting as a nominee, trustee and agent in holding shares used by customers as collateral for credit.
Bangkok Capital Asset Management Company Limited	Asset management	Operates a mutual fund management business consisting of mutual fund management, private fund management and provident fund management as well as being a fund manager and derivatives advisor.



In addition, the Bank has also invested in other businesses that support the Bank's business operations by holding shares in various associated companies as follows:

Company		Type of Business	Registered Capital (Million Baht)	Paid-Up Capital (Million Baht)	Bank Shareholding (Portion)
Thai Payment Network Company Limited	Associated company	Payment card network and inter-institution fund transfer system between users	786	786	33.33
PCC Capital Company Limited	The Bank indirectly holds the shares via Processing Center Company Limited	Information services	50	50	30.82
Thai Digital ID Company Limited	The Bank indirectly holds the shares via PCC Capital Company Limited	Information services	50	50	30.82
Processing Center Company Limited	Associated company	Computer service	50	50	30.00
PT Honest Financial Technologies	The Bank indirectly holds the shares via PT Bank Permata Tbk Capital	Finance company	635	635	28.79
BCI (Thailand) Company Limited	Associated company	Computer programming activities (except webpages and network programming activities)	530	530	22.17
National ITMX Company Limited	Associated company	Electronic transactions between financial institutions	50	50	11.07



Bangkok Bank Public Company Limited investment in companies at 10 percent or more of paid-up capital as at December 31, 2023

No.	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
1	BANGKOK BANK BERHAD 1-45-01 Menara Bangkok Bank Laman Sentral Berjaya No.105, Jalan Ampang 50450 Kuala Lumpur Malaysia Tel. (60) 32-174-6888 Fax. (60) 32-174-6800	Bank	Common	1,000,000,000	100.00
2	BBL (CAYMAN) LTD. c/o Maples Corporate Services Limited PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands Tel. 1(345) 949-8066 Fax. 1(345) 949-8080	Investment company	Common	100,000	100.00
3	BANGKOK BANK (CHINA) CO., LTD.¹ Bangkok Bank Building, 2 nd Floor (Zone B&C), 3 rd -4 th Floor No.7, Zhongshan East-1 Road, Huangpu District, Shanghai 200002, People's Republic of China Tel. (86-21) 2329-0100 Fax. (86-21) 2329-0168	Bank	-	-	100.00
4	SINSUPTAWEE ASSET MANAGEMENT CO., LTD. 325, 1 st Floor, Silom Road, Silom, Bang Rak, Bangkok 10500 Tel. 0-2635-5001-3 Fax. 0-2635-5004	Asset management	Common	24,999,997	100.00
5	BUALUANG VENTURES LTD. 173/10 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2011-8730 Fax. 0-2058-9807	Venture capital	Common	199,999,997	100.00
6	BUALUANG SECURITIES PCL. 191 Silom Complex Office Building, 10 th , 12 th , 19 th , 23 rd , 29 th - 32 nd Floor, Silom Road, Silom, Bang Rak, Bangkok 10500 Tel. 0-2618-1000, 0-2231-3777 Fax. 0-2231-3951, 0-2618-1001	Securities business	Common	1,079,057,700	99.91



No.	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
7	PT BANK PERMATA TBK. Gedung World Trade Center II (WTC II), 21 st - 30 th Floor, Jl.Jend. Sudirman Kav.29-31, Jakarta 12920, Indonesia Tel. (021) 523-7788 Fax. (021) 523-7244	Bank	Common	35,715,192,701	98.71
8	BSL LEASING CO., LTD. 175 Sathorn City Tower, 19 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2670-4700 Fax. 0-2679-6160	Leasing and hire purchase	Common	899,999	90.00
9	BBL ASSET MANAGEMENT CO., LTD. 175 Sathorn City Tower, 7 th , 21 st , and 26 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2674-6400 Fax. 0-2679-6401	Asset management and private fund	Common	749,996	75.00
10	THAI PRECISION MANUFACTURING CO., LTD./² 226 Moo 3, Thungsukhla, Sriracha, Chonburi 20230	Electronics components manufacturing	Common	2,401,522	59.77
11	THAI PAYMENT NETWORK CO., LTD. 173/19 Asia Center Building, 18 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2017-9900 Fax. 0-2017-9929	Payment card network and inter-institution fund transfer system	Common	2,620,000	33.33
12	PROCESSING CENTER CO., LTD. 319 Chamchuri Square Building, 25 th Floor, Unit 9 -12, Phayathai Road, Pathumwan, Pathumwan, Bangkok 10330 Tel. 0-2029-0290 Fax. 0-2029-0291	Computer services	Common	149,985	30.00
13	BCI (THAILAND) CO., LTD. 5/13 Moo 3, 4 th Floor, Chaengwattana Road, Klongkluea, Pakkret, Nonthaburi 11120 Tel. 0-2029-0200	Computer programming activities (except webpages and network programming activities)	Common	11,750,000	22.17



No.	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
14	PATKOL PCL. 348 Chalermpraiat Rama 9 Road, Nongbon, Prawet, Bangkok 10250 Tel. 0-2328-1032 Fax. 0-2328-1245, 0-2328-1058	Chiller manufacturing	Common	119,951,500	19.98
15	HIGH PRESSURE STEEL PIPE INDUSTRY CO., LTD./² 36/4 Moo 2, Soi Wat Mahawong, Poochao Samingphrai Road, Samrong, Phra Pradaeng, Samutprakan 10130	Steel pipe manufacturing	Common	95,603	19.12
16	ALPHATEC ELECTRONICS PCL./³ 179/74-80 Bangkok City Tower 15 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120	Electronics components manufacturing	Common	326	12.34
17	NATIONAL ITMX CO., LTD. 5/13 Moo 3, Chaengwattana Road, Klongkluea, Pakkret, Nonthaburi 11120 Tel. 0-2558-7555 Fax. 0-2558-7566	Electronic transactions between financial institutions	Common	55,362	11.07
18	SEACON DEVELOPMENT PCL. 55 Srinakarin Road, Nongbon, Prawet, Bangkok 10250 Tel. 0-2721-8888 Fax. 0-2721-9444	Shopping center	Common	574,000	10.00
19	TOYOTA LEASING (THAILAND) CO., LTD. 990 Abdulrahim Place, 18 th - 19 th Floor, Rama IV Road, Silom, Bang Rak, Bangkok 10500 Tel. 0-2634-6400, 0-2634-6390-6 Fax. 0-2636-1410	Leasing	Common	6,340,000	10.00
20	THAI NAMSIRI INTERTEX CO., LTD. 44 Srijulsup Tower, 17 th Floor, Rama 1 Road, Rongmuang, Pathumwan, Bangkok 10330 Tel. 0-2613-7429 Fax. 0-2613-7422	Textiles	Common	1,000,000	100.00



No.	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
21	THANATHEP PRINTING CO., LTD. 1017/5 Pracha Phathana Road, Thap Yao, Lat Krabang, Bangkok 10520 Tel. 0-2360-7914-7 Fax. 0-2360-7918	Printing	Common	30,000	10.00
22	THAI OBAYASHI CORPORATION LTD. No.6, Soi Sukhumvit 6, Klongtoey, Klongtoey, Bangkok 10110 Tel. 0-2252-5200 Fax. 0-2252-5381	Construction	Common	2,000	10.00
23	BANGKOK MITSUBISHI HC CAPITAL CO., LTD. 173/35 Asia Centre Tower, 26 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2163-6400 Fax. 0-2163-6411	Leasing	Common	60,000	10.00
24	BANGKOK MUFG LTD. 898 Ploenchit Tower, 9 th Floor, Zone B1, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. 0-2263-0856 Fax. 0-2263-0860	Consultant and investment	Common	200,000	10.00
25	BANGKOK SMBC CONSULTING CO., LTD. No.1 Q House Lumpini Building, 10 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2677-7270-5 Fax. 0-2677-7279	Investment consulting	Common	2,000	10.00
26	UNITED SILO & SERVICE CO., LTD. 177, 9 th Floor, Rajawongse Road, Chakrawad, Samphanthawong, Bangkok 10100 Tel. 0-2226-9140 Fax. 0-2224-5670	Services	Common	200,000	10.00
27	ASIA INSURANCE (PHILIPPINES) CORPORATION 15 th Floor, Tytana Plaza Building, Plaza Lorenzo Ruiz, Binondo, Manila, Philippines Tel. (632) 8241-5201 Loc. 131 Fax. (632) 8241-6257	Non-life insurance	Common	350,000	10.00



No.	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
28	ASIA LAMP INDUSTRY CO., LTD. 199 Moo 2, Soi Phraek Sa, Putharaksa Road, Taiban, Muang Samuthprakarn, Samuthprakarn 10280 Tel. 0-2702-9467-8 Fax. 0-2702-9470	Electric bulb manufacturing	Common	700,000	10.00
29	ASPAC CO., LTD. 1000/28 Liberty Plaza, 9 th Floor, Zone B No. 7, Soi Sukhumvit 55, Sukhumvit Road, Khlong Tan Nuea, Watthana, Bangkok 10110 Tel. 0-8191-19259	Chemicals import and export	Common	26,000	10.00
30	U M C METALS LTD. 32/40 Sino-Thai Tower, 16 th Floor, Sukhumvit 21 Road (Asoke), North Klongtoey, Wattana, Bangkok 10110 Tel. 0-2259-2942-5 Fax. 0-2259-2946	Steel manufacturing	Common	14,500,000	10.00
31	WONGPAITON GROUP PCL.^{/2} 686 Ekkachai Road, Bangbon, Bangbon, Bangkok 10150	Sports products manufacturing and export	Common	86,826,816	10.00
32	BANGKOK SMARTCARD SYSTEM CO., LTD. 21 TST Tower, 19 th Floor and 24 th Floor, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel. 0-2617-8338 Fax. 0-2617-8339	e-Money and e-Payment	Common	400,000	10.00
33	FUCHS CAPITAL PARTNERS PTE. LTD. 80 Robinson Road, #02-00, Singapore 068898 Tel. (65) 6576-5555 Fax. (65) 6576-5592	Alternative investment management	Class B Shares	400,000	10.00
34	BANGKOK CONSULTING PARTNERS CO., LTD. 942/43 Charn Issara Tower, 1 st Floor, Rama 4 Road, Suriyawongse, Bang Rak, Bangkok 10500 Tel. 0-2632-9179 Fax. 0-2632-9354-5	Investment consulting	Common	200	10.00



No	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
35	QUALITY INN CO., LTD. 137/10 Sukhumvit 9 (Soi Ruenchit), Sukhumvit Road, North Klongtoey, Wattana, Bangkok 10110 Tel. 0-2255-4661-4 Fax. 0-2255-4660	Hotel and restaurant	Common	200,000	10.00
36	BSS HOLDINGS CO., LTD. 21 TST Tower, 19 th Floor, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel. 0-2617-8338 Fax. 0-2617-8339	Holding company	Common	1,816,000	10.00
37	PERENNIAL HC HOLDINGS PTE. LTD. 28 Biopolis Road, #02-01, Singapore 138568 Tel. (65) 6602-6800 Fax. (65) 6602-6801	Real estate development	Common	23,148,000	10.00
38	SIAM SOLAR GENERATION PCL. 89 Moo 11, Ban Tan, Bamnet Narong, Chaiyaphum 36220 Tel. 0-2934-6200	Solar farm and electricity production and distribution	Common	1,111,111	10.00
39	THAI DIGITAL PLATFORM SOCIAL ENTERPRISE 150 Rajbophit Road, Ratchabophit Temple, Phra Nakhon, Bangkok 10200 Tel.0-2018-6902	Social enterprise	Common	100	10.00
40	Perennial Hangzhou HSR Cloud Gate (Shanghai) Enterprise Development Co., LTD.¹ Block C, 888 Huanhu Xi Er Road, Lingang New Area, China (Shanghai) Pilot Free Trade Zone, Shanghai, China Tel. (86) 021-3182-2212	Real estate development	-	-	10.00

Remarks: ¹ The authorities of the People's Republic of China did not specify the type of shares and the number of shares.

² Bankrupted.

³ The company has ceased its operation and is in the liquidation process.



1.3.2 Persons with a Potential Conflict of Interest Holding Shares of a Subsidiary or Associated Company Exceeding 10 Percent of the Voting Shares of Such Company

The Bank does not have any persons who may have conflicts of interest holding shares of a subsidiary or associated company.

1.3.3 Shareholders

Shareholding Structure as at September 7, 2023 (Record date)

No.	Name of Shareholder	Number of Shares	Percentage of Total Shares
1	Thai NVDR Company Limited	457,222,507	23.95
2	The Bank of New York Mellon	50,952,034	2.67
3	State Street Europe Limited	48,420,597	2.54
4	City Reality Company Limited	46,830,900	2.45
5	UOB Kay Hian (Hong Kong) Limited - Client Account	43,660,370	2.29
6	Social Security Office	43,192,100	2.26
7	Bangkok Insurance Public Company Limited	34,502,130	1.81
8	South East Asia UK (Type C) Nominees Limited	32,326,037	1.69
9	State Street Bank and Trust Company	25,690,400	1.35
10	State Street Bank and Trust Company	21,540,870	1.13
Others		1,104,504,949	57.86
Total Paid-up Capital		1,908,842,894	100.00



1.4 Amount of Registered Capital and Paid-up Capital

1.4.1 Registered Capital

Registered Capital as of December 31, 2023.

The Bank has Authorized Share Capital of Baht 40,000,000,000 which is divided into:

- Common Shares of Baht 39,983,450,000
(3,998,345,000 shares of Baht 10 each)
- Class A Preferred Shares of Baht 6,550,000
(655,000 shares of Baht 10 each)
- Class B Preferred Shares of Baht 10,000,000
(1,000,000 shares of Baht 10 each)

The Bank's Issued and Paid-up Share Capital amounted to Baht 19,088,428,940 or 1,908,842,894 Common Shares.

1.4.2 Other Types of Shares

Details of the Bank's Preferred Shares are as follows:

- Allocation of 655,000 Class A preferred shares to offer for sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds, according to the resolutions of the ordinary shareholders' meeting.
- Allocation of 1,000,000 Class B preferred shares to offer for sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds and/or unsubordinated bonds and/or subordinated convertible bonds and/or convertible bonds, according to the resolutions of the ordinary shareholders' meeting.
- Both types of preferred shareholders have different rights and conditions from ordinary shareholders as follows:
 - Upon liquidation, preferred shareholders will have the first claim of any money or assets remaining after the Bank has repaid all debts to its creditors or after any money or assets have been set aside to repay all debts to its creditors prior to common shareholders.
 - The Bank shall pay dividends to preferred shareholders at a set amount in full prior to common shareholders.

The details of the allocation of 2,039,502,106 unissued common shares are as follows:

- Allocation of 500,000,000 common shares to be reserved for the exercise of the conversion rights attached to the subordinated convertible bonds and/or convertible bonds that may further be issued in the future by the Bank.
- Allocation of 200,000,000 common shares to be reserved for the exercise of the right to purchase common shares by warrant holders that may further be issued in the future by the Bank.
- Allocation of 459,502,106 common shares to offer for sale to the general public, including existing shareholders and beneficial owners of the shares held by the custodian or by any other similar arrangements.
- Allocation of 440,000,000 common shares to offer for sale to institutional investors or investors with specific characteristics prescribed in the Notification of the Securities and Exchange Commission.
- Allocation of 440,000,000 common shares to offer for sale to existing shareholders and beneficial owners of the shares in proportion to their holdings.



1.5 Issuance of Other Securities

Issuance of Bonds as at December 31, 2023

Type of Bonds	Interest Rates	Maturity	Amount (Million)	Credit Rating Moody's/S&P/Fitch Ratings
Senior unsecured notes	4.050%	March 19, 2024	USD 600	Baa1/BBB+/BBB
Senior unsecured notes	4.300%	June 15, 2027	USD 750	Baa1/BBB+/ -
Senior unsecured notes	4.450%	September 19, 2028	USD 600	Baa1/BBB+/BBB
Senior unsecured notes	5.300%	September 21, 2028	USD 500	Baa1/BBB+/ -
Subordinated notes	9.025%	March 15, 2029	USD 449.825	Baa2/BBB/BB+
Senior unsecured notes	5.500%	September 21, 2033	USD 750	Baa1/BBB+/ -
Subordinated notes for Tier 2 capital of Bangkok Bank ¹	3.733%	September 25, 2034	USD 1,200	Baa3/ - /BB+
Subordinated notes for Tier 2 capital of Bangkok Bank ²	3.466%	September 23, 2036	USD 1,000	Baa3/ - / -
Subordinated notes for Tier 1 capital of Bangkok Bank ³	5.000%	-	USD 750	Ba1/ - / -

Remark: ¹ Call option date: September 25, 2029

² Call option date: September 23, 2031

³ Call option date: September 23, 2025

1.6 Dividend Policy

(1) The Bank's policy

The Bank will pay dividends to shareholders when it has profitable performance results, taking into consideration long-term returns for shareholders and the capital adequacy of the Bank's business operations. The remaining profit after dividend payments may be allocated as reserves for various purposes as deemed appropriate.

(2) Subsidiaries' Policies

Dividend payments policies of the Bank's subsidiaries depend on each company's performance and in accordance with the resolution of each company's Board of Directors and the resolution of the shareholders' meeting.



2. Risk Management

2.1 Overall Risk Management

Bangkok Bank recognizes that effective risk management is fundamental to good banking practice. Accordingly, the Bank has established a framework and policies as guidelines for managing risk in each area of our business to ensure that proper risk management mechanisms are in place. Over the past few years, the Bank has been proactively identifying, monitoring, and analyzing major risk factors which could affect our financial operations and, where necessary, adjusted our organizational structure and risk management processes accordingly. This is to ensure that our risk management system is effective, in line with international standards and in accordance with the principles of the Basel III framework.

The Risk Oversight Committee, the Board of Executive Directors and senior management all play significant roles in prescribing and reviewing the efficacy of the risk management policy and system. They also define the risk management strategy and monitor and control the Bank's risk to be at an appropriate level, in compliance with the risk management policy approved by the Board of Directors.

The Bank's risk management process comprises the identification of significant risks which may potentially impact the Bank's business operations including setting an acceptable risk limit, the assessment of each type of risk, the monitoring and control of risks to an appropriate level, and the reporting of the status of each type of risk



to the relevant parties so as to enable them to manage and/or handle the risks in a timely manner.

The key principle of risk management is based on each business unit being responsible for continuously managing its relevant risk exposures and ensuring each risk remains within the approved limits and is in compliance with the overall risk management policy approved by the Board of Directors, while the Risk Management Division is responsible for monitoring and controlling the overall risks on a regular basis.

2.2 Risk Factors for Operations

1) Uncertainties over the Global and Domestic Economic Outlook

Inflation-related problems in various countries began to improve throughout 2023 from the previous year where inflation had rapidly risen to its highest level in 40 years driven by the post-pandemic sharp increase in product prices that followed the recovery in business and tourism and accelerated product orders. In addition, the war between Russia and Ukraine had a significant impact on the prices of oil, energy, food and commodities. However, once the inflationary problems started to dissipate, central banks in key countries started to reduce then eventually stopped



increasing interest rates. This gradually reduced volatility within the global capital and financial markets.

However, the anti-inflationary measures taken by those central banks impacted the economy and public spending in 2023, especially in the EU, the US, Japan, and Latin America. This resulting decline in demand for products and imports within those countries dampened global exports. Meanwhile, China began reopening the country and allowing Chinese people to resume traveling abroad in the first quarter of 2023, which enabled people's lives to start to return to normal and helped consumer spending in China to pick up. China's resumption in travel and trade enabled developing countries in Asia to continue expanding, thus mitigating the impact of slowdowns in other regions.

Geopolitical uncertainty is another important risk affecting the global economy. In Europe the war between Russia and Ukraine continued for a second year. In the Middle East, the war between Israel and Hamas in Palestine which started toward the end of the year emerged as a significant global issue with a wider impact that affected the cost and time of transporting goods that previously had to pass through that area. Moreover, ongoing tensions between the US and China must be closely monitored and evaluated in terms of their potential impacts on Thailand and other countries.

In Thailand, the manufacturing and export sectors were affected by geoeconomic factors throughout 2023 as well as the Bank of Thailand's gradual increase in policy interest rates to normal levels. However, the satisfactory improvement in the tourism sector, which saw foreign tourist arrivals increase to 28.2 million from 11.1 million

the previous year, enabled tourism and related business sectors to start to recover from the effects of the country's lockdown during the Covid-19 pandemic. This return to normal was an important factor that helped the Thai economy to continue to expand throughout the year.

To manage potential risks to our business operations and those of our customers, the Bank implemented processes to ensure the efficiency of risk management such as monitoring the situation, keeping in touch with clients, evaluating debtors' loan qualities and avoiding the concentration of credit risks on a regular basis. This includes forecasting macroeconomic conditions to assess impacts from the uncertainties, setting an allowance for Expected Credit Losses and conducting an Internal Capital Adequacy Assessment Process (ICAAP) to ensure sufficient levels of capital to counter negative impacts arising from said risks. Furthermore, the Bank has established a recovery plan to systematically prepare for future difficulties in line with prudent accounting principles.

2) Regulatory Changes

- Principles of the Basel III Framework

The Bank of Thailand (BOT) has enforced its regulatory capital requirements for commercial banks according to the Basel III framework, which has covered regulatory capital requirements and liquidity risk management standards since 2013.

Under this framework the BOT requires banks to preserve additional capital, in both quantitative and qualitative terms, to support losses that may occur in normal times as well as under stressed scenarios, to support and maintain the

stability of the financial system. Significant recent revisions to the requirements include: a new minimum capital ratio, an increase in the quality of capital to an appropriate level, and an expansion of coverage of risk-weighted assets so they are more comprehensive and reflect real risks. The BOT has required commercial banks to set aside additional capital as part of the Capital Conservation Buffer of more than 2.50 percent and requires the Bank, which is classified as a domestic systemically important bank (D-SIB), to have additional Common Equity Tier 1 capital to meet the Higher Loss Absorbency (HLA) requirement by 1.00 percent. As at December 31, 2023, the Bank and its financial business group had adequate capital for such buffers.

The Leverage Ratio guidelines aim to control on- and off-balance sheet transaction volumes by ensuring that Tier 1 capital as a percentage of total exposures is no lower than 3 percent. The Bank has already prepared for compliance with the guidelines.

With regard to the Basel III Liquidity Framework, the BOT has imposed guidelines for the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The minimum requirement for both LCR and NSFR was set at 100 percent. The Bank and the Group have maintained both ratios above the minimum requirements.

Apart from the aforementioned guidelines, the Bank has also closely monitored the other risk management guidelines, including guidelines already announced in many countries by the Basel Committee on Banking Supervision (BCBS) and/or any other regulators which the BOT is considering



adopting in Thailand, such as Basel III Reforms which covers Calculation of RWA for credit risk, Calculation of RWA for market risk and Calculation of RWA for operational risk. The guideline may impact the Bank's capital requirements and business strategy. The Bank has therefore continuously monitored these revisions and the enforcement schedule from the BOT, and has studied and assessed their impacts, in order to properly prepare for the new guidelines.

- New or Revised Financial Reporting Standards

The Bank's financial statements have been prepared under the Thai Financial Reporting Standards (TFRS) which are currently adopted according to International Financial Reporting Standards (IFRS) with a one-year delay from the equivalent IFRS. Effective from January 1, 2024, TFRS was revised to align with IFRS (Bound Volume 2023). The Bank has continuously monitored new or revised financial reporting standards, and has studied and assessed their impacts, in order to properly prepare for the new practices.

New or revised financial reporting standards relating to the Bank are presented in the note to financial statement no. 2.2.

3) Credit Risk

Credit risk is the risk that arises from the inability of borrowers or counterparties to perform their obligations under contractual agreements in relation to the Bank's lending, investment, and other contractual commitments – for example, the borrower's failure to repay principal

and/or interest as agreed with the Bank. In addition, there are other related risks under credit risk such as credit concentration risk, reflecting large borrower concentration, industry concentration risk, and country risk. The Portfolio Management unit is responsible for managing these risks.

Credit risk factors are those which may affect the ability of borrowers to fully repay loans and include factors which may affect the Bank's ability to resolve non-performing loans.

Economic Risk Factors for 2022-2023: Despite the gradual recovery from Covid-19, the global economy continues to expand at a pace below historical norms, mainly due to the slow rebound in global demand. Concurrently, global inflation rates have been persistently rising, prompting several countries, notably the United States, to raise interest rates in a bid to combat inflation. These actions have reverberated across the global economy, resulting in financial turmoil for some financial institutions and impacting real economies in some countries. Moreover, the global economic landscape is grappling with the fragility of the Chinese economy, disruptions in international trade, trade disputes, and challenges concerning major real-estate developers.

Credit Risks for the Thai Economy: Thailand's economic landscape remains beset by substantial challenges. Export-oriented sectors face headwinds due to sluggish global demand, a political transition has hindered the efficiency of government budget spending, and consumer spending is constrained by elevated levels of household debt. Although the vital tourism sector exhibits signs of improvement,

average spending per tourist remains below pre-Covid levels.

Economic Outlook for 2024: The global economy is likely to continue in its gradual expansion, primarily driven by delayed global trade and geopolitical tensions. The vulnerabilities of key economies, notably China, and the expected persistence of elevated global interest rates to counter inflation will serve as pivotal factors influencing global economic growth in the foreseeable future.

For the Thai economy, the outlook suggests a continued sluggishness due to export constraints stemming from global demand dynamics. This is expected to have ramifications for private sector production and investments. While foreign tourist numbers are returning to pre-Covid levels, individual spending is being impacted by inflation and the global economic deceleration, especially with regard to Chinese tourists, who play a significant role in Thailand's tourism sector. Domestic consumer spending will be constrained by inflation and high levels of household debt. Additionally, El Niño, with the prospect of higher temperatures and reduced rainfall in Thailand, poses a risk to agricultural production.

Given all of the above factors, the Bank must closely monitor the risks of our debtors or counterparties, while providing assistance and risk mitigation to debtors or counterparties that have been affected by this crisis.

In managing credit risk, the Bank has established credit underwriting processes which include the formulation of



credit policy, credit risk ratings for customers, and the establishment of different levels of delegation of authority for credit approval, depending on the type of business and/or the size of the credit line. In considering the approval of loans in general, the Bank considers the purpose of the loan and assesses the repayment ability of the applicant, taking into account the applicant's operating cash flow, business feasibility, management capability and collateral coverage. The Bank's credit reviews include reviewing credit risk ratings on a regular basis. In order to effectively monitor and manage its credit risks, the Bank has set up the following divisions:

- **Risk Management Division** is responsible for analyzing and reporting to management the status of various risks to the Bank, as well as proposing recommendations for the review of the overall risk policy of the Bank in anticipation of, and in compliance with, new rules, regulations, and international standards. The division is also responsible for overseeing the management of each type of risk to comply with the Bank's risk management policy.
- **Credit Management Division** is responsible for managing risks related to credit extension by supervising and monitoring credit extensions in accordance with the Bank's credit policies. The Credit Management Division comprises the Credit Policy Unit, Credit Acceptance Unit, Portfolio Management Unit, Risk Asset Review Unit, Special Asset Management Unit, Loan Recovery and Legal Unit, and Bank Property Unit. The functions of each unit are summarized below:

- **Credit Policy Unit** oversees the credit policy framework and coordinates the improvement and adjustment of the credit policy. It is also responsible for disseminating the credit policy, credit standards and credit processes; for monitoring and overseeing exceptional cases which are inconsistent with the credit policy; and for gathering various inputs which may be used for improving the credit policy.
- **Credit Acceptance Unit** oversees the quality of credit extensions to ensure they are in line with the credit policy and credit underwriting standards; reviews the appropriateness of loan structures as well as the result of customers' credit risk ratings; promotes the development of a good credit culture; and maintains a systematic and reliable credit extension process.
- **Portfolio Management Unit** is responsible for analyzing and making recommendations for adjustments to the portfolio structure; recommending the appropriate portfolio composition and the provision of reserves for loan losses at the portfolio level; developing and overseeing credit risk management tools and methodologies; constructing credit databases; and overseeing related management standards.
- **Risk Asset Review Unit** is charged with reviewing credit quality and credit management processes; assessing the adequacy of loan loss reserves; and evaluating compliance with credit policy, regulations, and credit underwriting standards.
- **Special Asset Management Unit** is responsible for managing non-performing loans; and for determining and executing strategies for the resolution and restructuring of troubled loans.

- **Loan Recovery and Legal Unit** is responsible for taking legal actions; negotiating loan settlements; and seizing collateral for sale by public auction.
- **Bank Property Unit** is responsible for managing and selling foreclosed assets obtained from loan recovery processes and from legal actions.

For the credit process, credit applications are first considered by the business units and then submitted to the Credit Acceptance Unit. The unit conducts additional analysis to help mitigate credit risk by ensuring that the proposals comply with the Bank's credit policies in areas such as credit underwriting standards, credit risk rating and collateral appraisal. A specific unit has been set up to manage and resolve non-performing loans. The Bank also has an independent unit to review credit quality and credit management processes; assess the adequacy of loan loss reserves for non-performing loans; evaluate the effectiveness in complying with credit policy, regulations, and credit underwriting standards; and assess the appropriateness of portfolio composition, the adequacy of capital and the Stress Test which is annually operated both in Individual and Portfolio assessments as specified by the Bank and the BOT. All the above units report on a regular basis to senior management, the Board of Executive Directors and the Risk Oversight Committee.



The Bank has established different measures to control credit risk. For example, the Bank has instituted limits on the amount of total credit extended, contingent liabilities and investment in a group of borrowers, an industry and a country. All of this will limit the loss of capital due to an economic downturn. Moreover, the Bank monitors and reports on these aspects to senior management, the Board of Executive Directors and the Risk Oversight Committee at least on a quarterly basis to ensure that there will be adequate capital to safeguard the continuity of business operations in difficult times.

The Bank has established a risk management policy for intra-group¹ transactions, in accordance with the consolidated supervision principles of the BOT, which covers guidelines and limitations for intra-group transactions and their risk management. The intra-group transaction policy stipulates that companies in the Bank's financial business group shall manage, control and monitor the transaction volumes to be within the intra-group transaction policy of the Bank (as a parent company) and consistent with the guidelines of the BOT and/or other relevant regulators. The companies in the Bank's financial group shall report intra-group transactions to the Risk Oversight Committee and the Board of Directors of the Bank on a regular basis so that potential problems can be monitored and pre-empted before serious damage occurs.

The ratios of the Group's asset quality show the Bank's stability compared to the industry, with adequate reserves for losses from credit risk, and are disclosed in the Management Discussion and Analysis section of this report.

In addition, Thai Financial Reporting Standard No. 9 "Financial Instruments" (TFRS 9) has been adopted since January 1, 2020, replacing the incurred loss model or provisions reserved for damages that have occurred, with an expected loss model or provisions reserved for expected damage that may occur. This new model means that although payments from a debtor may not yet be overdue, if there are signs that credit risk has increased significantly the Bank is required to have provisions or allowance for Expected Credit Loss (ECL) to accommodate the expected damage if the debtor misses any payment during the remaining term of the loan agreement. It also requires the Bank to consider past, present and future economic factors under various assumptions and situations, as well as other factors that may affect the debtor's repayment that may result in changes to the Bank's provisioning during any period of time, even though the overall asset quality of the Bank is unchanged.

This classification from 2020 onwards has been amended to cover three stages according to TFRS 9. Stage 1 (Performing) covers loans with no significant increase

in credit risk. Stage 2 (Under-Performing) covers loans where credit risk has increased significantly. Stage 3 (Non-Performing) covers loans considered to be impaired or non-performing loans. The more stringent rules result in the definition of loans in Stage 2 (Under-Performing) having a wider scope than Special Mention (SM) loans, which cover debtors who have not yet become overdue. It is therefore possible to see how changes in classification resulting from the amendment of the standard will affect the asset quality ratio. The Bank continuously and closely monitors risks of debtors and counterparties in accordance with the Bank's credit risk management principles.

The current economic situation has become more fragile due to the geopolitical risk from the Russia-Ukraine and Israel-Hamas conflicts which is affecting international trade and global supply chains. Furthermore, global interest rates are remaining higher for longer than expected which means funding costs are higher and there is lower demand for goods and services which may lead to an economic downturn in Thailand and affect the overall credit quality of the commercial banking system. The Bank continues to keep tight control of credit underwriting and risk management and sets aside the appropriate level of provisioning against expected credit loss. This enables it to manage credit demand amid economic volatility while supporting the recovery in economic activity going forward.

¹ The Group comprises 12 companies as follows: 1) BANGKOK BANK PUBLIC COMPANY LIMITED (as the parent company) 2) BANGKOK BANK BERHAD (BBB) 3) BANGKOK BANK (CHINA) COMPANY LIMITED (BBC) 4) PT BANK PERMATA TBK 5) BUALUANG SECURITIES PUBLIC COMPANY LIMITED (BLS) 6) BBL ASSET MANAGEMENT COMPANY LIMITED (BBLAM) 7) BANGKOK CAPITAL ASSET MANAGEMENT COMPANY LIMITED 8) SINSUPTAWEE ASSET MANAGEMENT COMPANY LIMITED (STAM) 9) BUALUANG VENTURES LIMITED 10) BSL LEASING COMPANY LIMITED 11) BBL (CAYMAN) LIMITED and 12) BBL NOMINEES (TEMPATAN) SDN. BHD.



Credit Concentration Risk

Credit concentration risk is the risk of the Bank making lending, investment and other contractual commitments to any borrower or sector at very high volumes. If losses occur, this will significantly affect the status and operations of the Bank. There are three types of concentration risks: large borrower concentration, industry concentration, and country risk.

Large borrower concentration is controlled by limiting the lending, investment, and other contractual commitments to any one borrower or project to no more than 25 percent of the Bank's total capital. The Bank also sets a limit of three times its total capital on the total sum of lending, investment, and other contractual commitments to any group of borrowers that exceeds 10 percent of the Bank's total capital. These two limits are required by the BOT and the Bank complies with these.

To control industry concentration risk, the Bank aggregates exposures into industry and sub-industry categories based on economic factors, determines the worst-case scenario level of loss in each industry and then calculates the lending limit to any industry to be at an acceptable level to limit damages to the Bank's capital in the event of a serious situation with major implications for certain sectors. The Bank also monitors, reviews and reports exposures and business conditions of each industry once a year to ensure that the diversification in the portfolio will support the Bank's solid business growth.

For country risk, the Bank evaluates the riskiness of a counterparty's country with an assumption that their economic, social, and political issues are worse than usual conditions. Then, together with business requirements, the Bank determines the country limit to limit damages to the Bank's capital in cases where events in a foreign country may adversely affect the Bank's financial interests. The Bank also regularly monitors, reviews and reports exposures and business conditions of every major country on a quarterly basis to ensure the Bank has optimal exposure allocations.

4) Market Risk

Market risk is the risk of losses in on- and off-balance sheet positions of the Bank arising from movements in market prices such as interest rates, foreign exchange rates, equity prices and commodity prices.

The Bank's market risk arises from financial services activities provided to customers and/or financial institutions. These involve buying and selling foreign exchange and debt securities, as well as financial derivative transactions, such as foreign exchange forward contracts, cross currency swaps and interest rate swaps. The Bank manages market risk arising from customer-driven transactions to be at acceptable levels by hedging or reducing the risk exposure. Market risk exposures also arise from the Bank's own asset and liability positions.

The primary objective of market risk management is to manage the risks resulting from changes in market factors

to be at acceptable levels and in line with the overall risk management policy of the Bank. The Bank has established a market risk management policy and specified market risk measurement metrics and limits, taking into consideration the nature and complexities of various financial activities. The following committee and units are mainly responsible for managing, monitoring, and controlling market risks:

- **Asset-Liability Management Committee (ALCO)** is responsible for establishing and reviewing policies and guidelines for asset and liability management and market risk management, as well as monitoring and controlling these risks to be at acceptable levels and in compliance with the risk management policy set by the Risk Oversight Committee.
- **Treasury Division** is responsible for executing the trading strategy for the Bank through buying and selling financial products such as foreign exchange, bonds, and derivatives instruments, as well as managing the Bank's foreign exchange risk, interest rate risk and liquidity risk to be within the limits set by ALCO's guidelines and at levels acceptable to the Bank.
- **Market Risk Unit**, which is part of the Risk Management Division, is accountable for identifying, assessing, monitoring, reporting, and controlling risk positions against specified limits. The Market Risk Unit reports to ALCO on a regular basis and is responsible for proposing the enhancement of market risk policies, measurement metrics and limits in response to changes in the operating environment, the Bank's business plans and the complexities of financial activities.



The global economy recovered gradually in 2023 amidst easing inflationary pressures but still remained too high in some countries. Economic growth this year lost momentum due to continued policy rate hikes by most major central banks such as the Federal Reserve System (Fed), the Bank of England (BOE), and the European Central Bank (ECB) to bring inflation down to their target ranges. During the latter half of the year, these central banks raised interest rates at a slower pace and signaled they would hold rates steady although inflation remained above the targets. Consequently, interest rates may remain high for longer than anticipated. Moreover, the Chinese economy has not recovered as expected, after facing growing headwinds from the real-estate crisis which adversely affects the economies of trading counterparts and the global economy. All these factors are creating uncertainty about the economic outlook and raising the risk of recession, resulting in high volatility in the financial markets this year.

Risk factors which need to be monitored going forward include: 1) persistent inflation which may be rekindled due to other risk factors 2) protracted Russia-Ukraine tensions and an ongoing war between Israel and Hamas 3) higher government debt and worsened fiscal positions in many countries resulting from higher borrowing costs 4) slowdown in China's economic growth and 5) extreme weather events caused by climate change which could impact the price of food and commodities. These factors affect the recovery of the Thai economy and increase the volatility

of international fund flows and financial markets, causing higher volatility in exchange rates, interest rates, securities and commodity prices.

The Bank segregates market risk management into two parts: the trading book and the banking book, which are classified according to the purpose of entering into the transaction.

(4.1) Market Risk in the Trading Book

The trading book position includes positions of financial instruments that the Bank holds for a short period with an intention to trade, resell and benefit from the difference between the buying and selling prices; to benefit from arbitrage opportunities; or to hedge other positions in the trading book. The Bank's main traded market risks are interest rate risk and foreign exchange risk.

Interest rate risk in the trading book arises when the Bank holds interest rate-related financial instruments with an intention to trade, speculate for a short-term profit or hedge other positions in the trading book. These trading exposures include debt securities, foreign exchange forward contracts, interest rate swaps and currency swaps, etc. Changes in interest rates affect the fair value of these positions and may result in gains or losses for the Bank.

Foreign exchange risk arises when the Bank executes a foreign currency transaction which may lead to an overbought or oversold position in a particular currency. These transactions include foreign currency exchange, investments, loans, borrowings, financial commitments, and foreign exchange-related derivatives. The Bank may incur gains or losses as a result of movements in foreign exchange rates.

Traded market risk is controlled primarily through a series of limits, such as VaR Limit, PV01 Limit, and Maximum Loss Limit. These limits are specified by ALCO, and approved by the Board of Executive Directors, the Risk Oversight Committee and the Board of Directors. They are reviewed and updated at least once a year, or more frequently when warranted by material changes in circumstances.

The Bank also performs market risk stress testing on our trading book position on at least a quarterly basis to determine the potential losses from extreme market movements or crisis events. This stress testing enhances the Bank's understanding of our risk exposures and vulnerabilities as well as facilitating proactive risk management.

By using the historical simulation approach, VaR of the Group's trading book position for a one-day holding period at 99 percent confidence level was Baht 401 million as of December 31, 2023.



(4.2) Market Risk in the Banking Book

The Bank's banking book is subject to interest rate risk and equity price risk which can be described as follows:

(1) Interest Rate Risk in the Banking Book

Interest rate risk in the banking book normally arises when the repricing and/or maturity schedule of assets, liabilities and off-balance sheet positions are not matched, or when the movements of reference interest rates on assets and liabilities are not correlated, negatively affecting Net Interest Income (NII) and/or Economic Value of Equity (EVE).

To control interest rate risk in the banking book, the Bank has established a NII Impact Limit (being the Cumulative NII Impact within one year) and an EVE Impact Limit, assuming interest rates rise and decrease immediately by 1.00 percent. These limits are reviewed by ALCO and approved by the Board of Executive Directors, the Risk Oversight Committee and the Board of Directors at least annually or more frequently when warranted by material change in circumstances.

The Bank manages interest rate risk by adjusting our asset and liability structure in line with forecast interest rate trends, taking into consideration the changes in NII and EVE. The Bank may deploy plain vanilla derivatives, such as interest rate swaps and cross currency interest rate swaps,

to hedge or mitigate interest rate risks to be within the risk tolerance limit based on ALCO's risk management guidelines. The Bank also performs stress testing for interest rate risk in the banking book on a quarterly basis in order to understand its vulnerabilities and potential negative impact on NII under various stress scenarios. Results of the stress testing are used to determine alternative balance sheet strategies more suited to the business environment in order to achieve the business return target under an acceptable level of risk.

The impact of a 1.00 percent interest rate increase on the Group's NII as at December 31, 2023 and December 31, 2022 was as follows:

Unit: Million Baht		
Currency	Dec 31, 23	Dec 31, 22
THB	-2,338	-805
USD	1,749	2,330
OTHER	977	739
Total NII Impact	389	2,264

(2) Equity Exposure in the Banking Book

Equity price risk is the risk associated with equity price changes resulting in the deterioration of investment value affecting the Bank's capital.

Objectives of the Bank's equity investment in the banking book are to enhance income in terms of dividends and capital gains under a medium- to long-term investment horizon, and to support our core banking business by establishing good relationships with customers and creating networks of strategic investment partners, as well as using securities for debt repayment under debt restructuring agreements. The Bank's equity price risk arises from various types of investments in both domestic and overseas markets in order to diversify risk, to enhance returns, and to support the development of the Thai capital market, such as investments in property funds and infrastructure funds.



The Bank has established an equity investment and risk management policy as a guideline for assessing, monitoring and controlling equity price risk. Risk measurement techniques for the assessment of equity price risk are categorized by equity type. The Bank performs equity price risk stress testing on at least a quarterly basis in order to assess maximum potential losses from extreme market movements or crisis situations, as well as controlling the ratio of equity investment exposures to total capital in accordance with BOT regulations and the Bank's internal guidelines.

5) Liquidity Risk

Liquidity risk is the risk that the Bank is not able to meet financial obligations when they fall due. The purpose of the Bank's liquidity risk management is to maintain sufficient funds to meet present and future financial obligations while managing the use of the funds to generate an appropriate return in line with prevailing market conditions.

The Bank's liquidity risk factors mainly comprise the structure of the sources and use of funds, procurement of funding for the expansion of foreign currency assets, competition among financial service providers including banks and non-bank businesses to increase the deposit base, especially low-cost deposits and retail deposits, and provision of digital deposits via e-Savings accounts. In addition, the shift of customers' investment behavior towards searching for yields higher than deposit rates, as well as corporate customers reserving less cash at the Bank following the economic recovery, has led to declines in banking system deposits.

The Bank manages liquidity risk in accordance with policies and principles established internally by ALCO and with relevant regulatory requirements. The Treasury Division is in charge of managing the Bank's day-to-day cash flow and liquidity position, monitoring money market conditions and interest and exchange rate movements and forecasting rate trends, as well as executing liquidity management strategies in accordance with ALCO guidelines. The Market Risk Unit of the Risk Management Division is responsible for identifying, assessing, monitoring, reporting and controlling liquidity risks against specified limits. The Market Risk Unit reports to ALCO regularly, at least once a month.

The Bank has diversified funding sources. Its major funding source is customer deposits which are well diversified in terms of customer type, deposit type and maturity. Moreover, the Bank manages liquidity in major currencies such as the Thai baht and US dollar by using domestic and international money and capital markets, including swap and repurchase markets. The Bank aims to balance the cost of liquidity against liquidity risks as deemed appropriate, based on market conditions and acceptable risk levels. The Bank also closely manages short-term and long-term liquidity positions, including the consideration of foreign short-term and long-term borrowings to meet customers' foreign currency loan demands in both domestic and overseas operations, as well as planning for capital fundraising as market conditions permit.

In addition to funding diversification, the Bank maintains high-quality liquid assets which can be liquidated or realized as needed in order to meet its financial obligations under

both business-as-usual and crisis situations. The Bank maintains a liquidity reserve ratio in accordance with the requirements of the BOT and other regulatory authorities in the countries where it has an international presence, as well as in accordance with ALCO guidelines.

The Bank assesses, monitors and controls liquidity risk through a variety of measurements such as the loan-to-deposit ratio, cumulative cash flow positions under business-as-usual and crisis scenarios, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The Bank's average LCR in the fourth quarter of 2023, which was computed from month-end LCR in the quarter, was 277 percent. The Bank's LCR level is well above the regulatory minimum requirement of 100 percent.

The Bank also has in place an early warning system which provides alerts of any looming liquidity crisis, from either internal and external factors, that will allow for the prevention of liquidity risk crises and/or for proactive liquidity risk management. The Bank conducts liquidity-risk stress tests at least on a quarterly basis whereby the stress scenarios incorporate both internal and external liquidity risk factors. Liquidity-risk stress scenarios can be classified into three categories: 1) bank-specific crisis, 2) market-wide crisis, and 3) a combination of both. Under each stress scenario, the assumptions of cash inflows and outflows are specified differently from those under the business-as-usual scenario, such as abnormal customer deposit withdrawals and overdraft drawdowns, inaccessibility to the money market, sales of the Bank's liquid assets at below-market prices due to the decrease in market liquidity of such assets,



and contingent support for companies in the financial group. The results of liquidity-risk stress tests performed in 2023 showed that the Bank has continued to maintain a sufficient amount of excess liquidity under all three crisis scenarios.

The Bank has a liquidity contingency plan that outlines the roles and responsibilities of management and relevant departments, as well as having early-warning indicators and an action plan that enables the Bank to promptly cope with crisis events and successfully restore the situation to normal. In addition, the Bank has its Global Medium Term Notes (GMTN) Program which enables the Bank to access medium- and long-term funding from the capital market in a timely and flexible manner.

6) Operational Risk

Operational risk is the risk of loss from inadequate or failed internal processes, people and systems, or from external events. This includes legal risks, but does not include strategic risks and reputation risks.

Operational risk factors are primarily composed of internal factors and external factors.

Internal factors

- The efficiency of the Bank's internal processes and internal control systems, including operational processes supporting business operations and processes for taking care of its personnel.

- The adequacy, qualifications and efficiency of the Bank's personnel, including efficiency in the quality of customer service and customer care, understanding of the Bank's products and services that tend to become more complex, and the suitability of products and services sold to customers.
- The Bank's operating systems, in terms of their capability to support the Bank's business operations; and their complexity which may inflict risks.

External factors

- Actions by outsiders such as theft or embezzlement of assets or data, money laundering, etc.
- Catastrophes, natural disasters and civil disorders that might cause damage to the Bank's assets. Emerging diseases, epidemics or pandemics that might cause a business interruption or disruption or alter the Bank's normal business operations.
- New laws and regulations, or changes to laws and regulations, in Thailand and overseas, which are likely to become more demanding requiring significant changes to internal processes and operations to comply with the new laws and regulations.

The Bank understands that good operational risk management is vital to sustainable business success, particularly in the current environment where uncertainties, both domestic and international, prevail. The Bank therefore places great importance on effective operational risk management that covers all aspects of its operations and

enables the Bank to deal promptly with any unpredictable event, including compliance with more demanding regulations in Thailand and overseas.

Furthermore, the Bank pays close attention to operating its businesses in accordance with the principles of market conduct covering the quality of customer service and customer care, suitability of products and services sold, reinforcements of system security, information systems, and all electronic/digital channels as well as risk management regarding fraud related to bank products and services such as credit cards, ATM cards and electronic services to ensure customer confidence. In relation to new product and service launches, the product and service risks must be well analyzed, assessed and controlled to be at an acceptable level, and the appropriate risk control procedures must be in place.

The Bank's operational risk management includes defining, assessing, monitoring, mitigating and controlling risk. Each unit in the Bank is directly responsible for managing its operational risk and for establishing measures to mitigate, monitor and control the risk to the designated level by allocating appropriate resources and establishing an organizational culture for managing operational risk.

A key principle underlying the Bank's operational risk management is education of staff throughout the Bank by providing them with a consistent understanding of operational risk, and cultivation of a sustainable operational



risk culture as part of day-to-day business activities across the Bank through Operational Risk Management Tools, namely Risk Taxonomy, which covers data risks, to be used as the bank-wide risk identification standard, Risk Control Self-assessment (RCSA), so that they are able to accurately and completely identify the operational risks, assess the risks, analyze details of the risks, assess the effectiveness of controls, find appropriate solutions to mitigate risks, and implement the selected solutions to minimize risks. This is accompanied by the systematic monitoring of progress, the measurement of potential risks, through Risk Monitoring Information (RMI) and Loss Data Collection, and the use of reporting systems as key elements in compiling and analyzing preventive and control measurements, and/or effectively diminishing the Bank's operational risk, plus regular reviews of the entire process.

The Bank has the Operational Risk Management Committee (ORMC), comprising senior executives from various business and support units, which is responsible for supporting and overseeing the functioning of the Bank's operational risk management, Information Technology risk management and business continuity management to comply with the Bank's policy.

The Bank has a dedicated unit for operational risk management under its Risk Management Division, which is responsible for the operational risk management system, such as monitoring and supporting every unit in implementing the operational risk management framework at the unit level, managing operational risk at the

organization level, reviewing operational risk management in the process of product and service development, calculating the capital required for operational risk under the Basel framework, and maintaining and analyzing data on the operational risk loss data system. The Operational Risk Unit coordinates with the Compliance and Audit and Control Division, by information sharing, and by analyzing and setting controls to enhance the efficiency of operational risk management and the Bank's internal controls.

The Bank has implemented Business Continuity Management (BCM) to enhance resilience and capability in responding to unexpected interruptions. The Bank has adopted a BCM Policy which has been approved by the Board of Directors and has also defined standards and a BCM framework for developing a Business Continuity Plan which is reviewed and updated in accordance with potential threats, and tested on an annual basis.

7) Information Technology Risk

Information technology (IT) risk is the potential risk from using technology which will have an impact on a system or operation, and the risk from cyber threats.

Key IT risk factors of the Bank are composed of internal and external factors. Internal factors are the capability and complexity of the Bank's systems and the adoption of technology for the Bank's business operations, system security, data security especially personal data, the integrity of system processing, the development of the Bank's personnel knowledge and capability regarding the use of

new technologies and associated IT and cyber risks. External factors are more diversified, rapid and complex forms of IT risk and cyber threats. There are also risks from changes in the business supply chain as the interconnectivity of information and technology may have a business impact, as well as risks due to the transformation of the business landscape in the era of digitalization.

The Bank is aware of the risks arising from the use of IT and the importance of information security and cybersecurity. The Bank has continually updated its IT Risk Management Policy and the Information Security and Cybersecurity Policy. Moreover, the Bank has enhanced the readiness of its IT governance and IT risk management throughout the Bank by putting in place a framework for the following areas: strengthening cybersecurity to meet the most up-to-date standards and covering new technology adoption processes; assessing cyber risk and making appropriate adjustments to the assessment framework according to each situation and review the Bank's IT risks at least once a year; regularly building awareness and understanding of cybersecurity with staff and customers; developing cyber incident response plans to rapidly and effectively handle different forms of cyber risk to reduce its impact; and collaborating with external organizations to further strengthen the Bank's readiness to both effectively prevent and handle cyber risks.



8) Capital Adequacy Risk

Capital is an important source of funding for any financial business. Therefore, effective capital management reflects the financial strength and reliability of financial institutions.

Capital structure, according to the regulations on capital requirements under the principles of the BOT's adoption of Basel III, is revised into Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital.

- Common Equity Tier 1 capital comprises:
 - (1) Paid-up share capital
 - (2) Premium (discount) on common shares
 - (3) Legal reserves
 - (4) Reserves appropriated from net profit
 - (5) Retained earnings after appropriations
 - (6) Non-controlling interest classified as Common Equity Tier 1 capital
 - (7) Other reserves
 - (8) Deductions such as goodwill, intangible assets and deferred tax assets
- Additional Tier 1 capital consists of
 - (1) Long-term subordinated debt instrument with claims subordinated to depositors, general creditors and other subordinated debts, including debt instruments qualified as Tier 2 capital.
 - (2) Non-controlling Interest classified as Additional Tier 1 capital

- Tier 2 capital consists of:
 - (1) Long-term subordinated debt instruments subordinated to depositors and general creditors
 - (2) General provisions for normal assets not exceeding 1.25 percent of credit risk-weighted assets
 - (3) Non-controlling Interest classified as Tier 2 capital

In adopting Basel III, the BOT has relaxed the new requirements for subordinated debt instruments classified as Tier 2 which do not meet the criteria for qualification under Basel III regarding capability for loss absorbency of the Bank at the point of non-viability, i.e. they are not convertible to common shares and cannot be written off upon the authority's decision to provide financial support to the Bank. The BOT requires capital to be phased out at 10 percent per annum from 2013 to 2022.

The Group's capital positions as at December 31, 2023 and December 31, 2022 were as follows:

	Unit: Million Baht	
	Dec 31, 23	Dec 31, 22
Tier 1 capital	487,845	471,366
Common Equity Tier 1 capital	464,060	447,590
Additional Tier 1 capital	23,785	23,776
Tier 2 capital	103,884	104,108
Total capital	591,729	575,474

Capital adequacy risk factors cover the type, quantity and quality of the Bank's risk assets as well as the Bank's earnings' capacity. In times of severe economic and financial difficulties, the quality of the Bank's assets, including its investments, may deteriorate. The value of the Bank's assets and/or investments and/or collateral may also decline, thereby increasing the Bank's risk weighted assets. As a consequence, the Bank's earnings may also be affected, resulting in a reduction of capital and leading to a corresponding decline in its capital adequacy ratio.

The objective of the Bank's capital management policy is to maintain an adequate level of capital to support growth strategies, in line with the Bank's risk appetite level, as well as to meet regulatory requirements and market expectations.

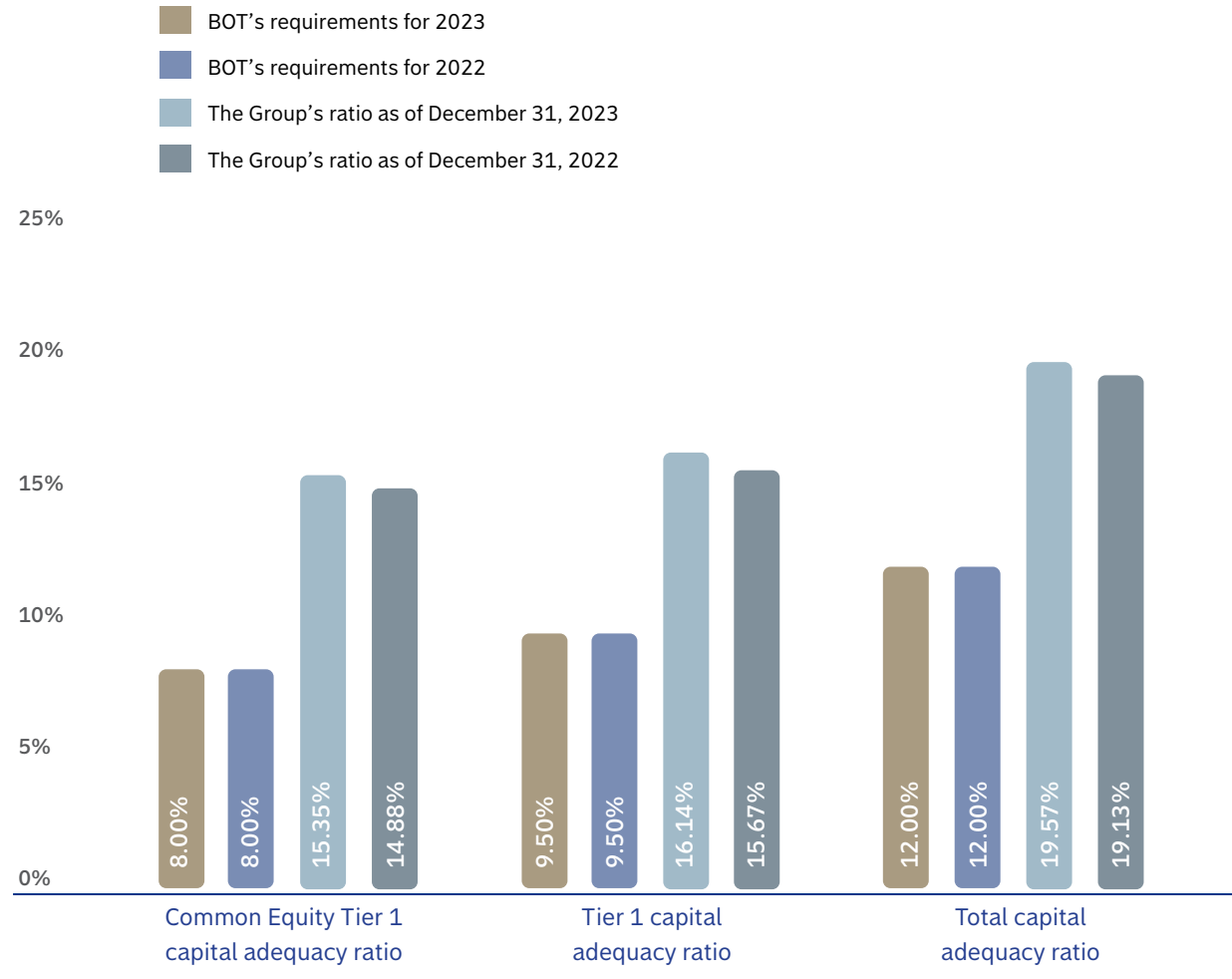


In compliance with the BOT's supervisory review process guidelines, the Bank's capital management process assesses the overall risk and capital adequacy under the Internal Capital Adequacy Assessment Process (ICAAP). The process covers projected assessments of all substantial risks to the Bank's operations, so that the Bank can effectively manage its risks and have a sound capital base for business operations under normal and stress scenarios.

The Standardised Approach (SA) is currently used to measure credit risk, market risk and operational risk for computing regulatory capital requirements under the BOT's Basel III guidelines.

Under the principles of Basel III, the BOT requires that commercial banks registered in Thailand and their groups must maintain three minimum capital adequacy ratios: A Common Equity Tier 1 capital adequacy ratio of no less than 4.50 percent; a Tier 1 capital adequacy ratio of no less than 6.00 percent; and a total capital adequacy ratio of no less than 8.50 percent. The aforementioned minimum ratios have yet to include the Capital Conservation Buffer of more than 2.50 percent. Moreover, the BOT requires the Bank, which is classified as a domestic systemically important bank (D-SIB), to have additional capital to meet the Higher Loss Absorbency (HLA) requirement by 1.00 percent. Consequently, from January 1, 2020, Common Equity Tier 1 ratio, Tier 1 ratio and total capital ratio must be more than 8.00, 9.50 and 12.00 percent, respectively, of the total risk-weighted assets.

As at December 31, 2023, the Group's Common Equity Tier 1 capital adequacy ratio, its Tier 1 capital adequacy ratio and its total capital adequacy ratio were 15.35 percent, 16.14 percent and 19.57 percent, respectively, whereas at December 31, 2022 the ratios were 14.88 percent, 15.67 percent and 19.13 percent, respectively. Consequently, the Bank's capital is at a level that provides such additional buffers.





9) Strategic Risk

Strategic risk means the risk arising from formulating, conducting, and implementing strategic plans that are inappropriate or inconsistent with critical internal and external environments which may affect the income, capital and survival of the business.

The Bank has prepared a systematic business plan by taking into account the internal and external business environments, risk factors, trends, and business opportunities covering the economic, financial, social, and general environments. This is used as a foundation for planning and assessing the Bank's key opportunities and obstacles, strengths and weaknesses, to guide its business strategies. Furthermore, the Bank has assessed any risks that may affect its operating results and capital adequacy.

The Bank has established a process to regularly monitor, evaluate, and review the implementation of the plan so that it will be completed in a timely manner with efficiency and effectiveness according to its objectives. This enables the Bank to adjust its strategic plans in an appropriate and timely manner. The Bank's Board of Directors and senior management regularly receive reports on the progress of, and adjustments made to, strategic plans.

The Bank attaches great importance in having risk management systems that run in parallel to its business operations. These systems are managed by the Risk Oversight Committee, Risk Management Division, Audit and Control Division, and Compliance Unit as well as senior

executives responsible for risk management. The Bank also implements policies, prepares operational manuals and regularly reports issues to the Board of Directors.

10) Compliance Risk

Compliance risk refers to the risk arising from non-compliance with laws, rules, regulations, standards and guidelines that are applicable to banking transactions, including providing fair treatment to customers. Failure to comply may result in fines, penalties, or damages from complaints, litigation or other legal action.

Compliance risk management is fundamental to the Bank's business operations as the Bank currently operates more diverse and complex business operations so it can effectively respond to the needs of its customers under changing market conditions. At the same time, the Bank must comply with the rules and regulations of Thailand and other countries.

The Bank has established a Compliance Mandate with appropriate policies and procedures to limit possible damages that may occur from non-compliance with rules and laws within the Compliance Risk Appetite. The Bank has also established a vision and mission for compliance risk management.

To ensure the management of compliance risk without intervention, the Bank has established its Compliance Unit which is independent from business units and internal audits. The Compliance Unit acts as a compliance center,

giving advice and providing consultation about regulations, prepares compliance guidelines, monitors any rules and regulations that may affect the Bank's operations, and reports to department managers, senior management and the Board of Directors on any important issues arising from the Bank's operations.

Furthermore, the Bank has established the Compliance Framework which establishes the key elements of its compliance risk management, such as governance structure, internal policies and plans, compliance risk management process, external relations, reporting, data and technology, people and skills, and interaction with other control functions, to assure this delivers the maximum benefit to the Bank. In the past year, the Bank has monitored the changes in regulations and laws related to the Bank's business operations and assessed the risk level and impact on the Bank, in order to consider how to improve operations to be in line with the changed regulations and laws in an accurate and timely fashion.

11) Reputation Risk

Reputation risk is a major risk that has significant implications for an organization. It is a knock-on consequence of other risks inherent in conducting business and effectively increases the severity of the risk for the general public including customers, business partners, investors, regulators and so on as it can lead to a negative perception or lack of confidence in the Bank, which may affect the Bank's income and/or capital funds, both in the present and in the future.



Reputation risk management is directly linked to other risk management processes, including risk control, risk monitoring and risk mitigation. The Bank manages the reputation risk by conducting an annual reputation risk assessment which it reports to senior management and the Bank's Committees. The assessment covers the key factors linked to the reputation of the organization ranging

from the financial position and strength, business conduct in accordance with good governance principles and in compliance with laws and regulations, as well as the management of market conduct, etc. To monitor and control reputation risk effectively, if the assessment results reveal significant risk issues, the implementation of additional control or corrective measures will be considered to mitigate

the impact of possible reputation risk. Important measures include the communication contingency plan, which is very important to reduce the impact from internal and external factors. In addition, timely and efficient detection and speed of response, as well as appropriate communication channels are also important factors in reputation risk management.

Emerging Risks

Over the next few years, the Bank will face many challenges in its business operations. Therefore, the Bank needs to monitor emerging risks, which may affect long-term business operations, to be ready to handle and manage them effectively. The main emerging risks are:

Emerging Risks	Importance	Impact	Mitigation
1) China's Fragile Economy	The Chinese economy began to recover after the country started to reopen and people were allowed to travel enabling people's lives and spending to return to normal. This saw Chinese economic growth increase from the second quarter of 2023. However, the impacts from weaknesses and problems that had accumulated in the real estate sector increased, affecting all companies in the Chinese real estate sector and leading to defaults on debt payments. Some companies' bonds were from foreign sources thus affecting related industries more broadly and posing an impact on house prices, the main asset of Chinese people, which began to decline in some cities.	Problems in China's real estate sector may escalate and affect its economic growth in the future leading to an increase in non-performing loans. At the same time, Chinese manufacturers may accelerate their exports to try to compensate for weakening domestic demand which could affect Thai exporters who must compete with Chinese products in various markets, as well as Thai businesses who have to compete with Chinese products entering the domestic market. Problems in the Chinese economy may create periodic volatility within the global financial system and exchange rates going forward.	The Bank will closely monitor the situation in China, especially the impact on customers in China and Thailand. The Bank will take care of and help customers adapt and cope with challenges and risks that may arise in both the financial market and the foreign exchange market. In addition, the Bank will help increase the efficiency and competitiveness of customers going forward.



Emerging Risks	Importance	Impact	Mitigation
2) Signs of Pressure from the Household Debt Situation	<p>Returning to a normal economic recovery after Covid took longer than expected as the tourism and export sector lagged expectations while geopolitical tensions and higher energy prices added to the economic pressures, leading to a high and rising ratio of household debt to GDP. The National Credit Bureau's household loan database indicates that more than one-third of Thais are in debt, mostly from personal and credit card loans. These are consumer loans for everyday expenses that will not generate any future income. These non-productive loans are higher risk compared to other types of loans. Problems from prolonged high levels of household debt, including those accumulated during Covid, together with the new debts, impact the Bank's asset quality, and can be a drain on economic growth and financial stability in the future.</p>	<p>The lower-than-expected economic growth has inhibited the recovery of household income. By contrast, personal and credit card borrowing accelerated after the pandemic. Neglect of this situation could lead to bad debt or chronic indebtedness, which would have an adverse impact on the Bank's future financial performance. The Bank of Thailand (BOT) has reiterated that banks should help to resolve Thailand's household debt problem by assisting loan customers and preventing negative impacts on the asset quality. Other measures being implemented by the BOT to alleviate household debt problems are providing guidelines for responsible lending that take into account debt affordability, measures to take care of chronic indebtedness, and risk-based pricing measures for retail loans.</p>	<p>The Bank understands the importance of managing risk arising from personal and credit card loans. It cooperates fully with regulators to adopt measures to help customers, such as debt restructuring, debt consolidation between housing loans and other retail loans, as well as debt clinics. These enable the Bank to manage personal loan risk within the Bank's risk appetite level. Going forward, the level of personal loan risk is expected to escalate so the Bank will continue its prudent approach to credit allocation by taking into account the ability to repay debts in accordance with fair and responsible lending guidelines. This includes regularly monitoring and assessing risks, resolving customers' debt problems, as well as planning to adopt risk-based pricing principles to reduce the interest burden for retail customers in a low-risk category, or customers with a good repayment record. This will enable the Bank's personal loan portfolio to withstand increasing risks.</p>



Emerging Risks	Importance	Impact	Mitigation
3) Cyber Crime	<p>Economic shifts, business competition, and new technologies have led to a digital transformation of the business environment. The situation has been exploited by increasingly sophisticated cyber attacks and cyber crime. This, together with uneven levels of understanding, has created risks for businesses and customers which has affected their finances, reputation, confidence, data, and the stability of service systems.</p> <p>The digital transformation of organizations requires not only technology but the training of personnel, adjustment of organizational culture, and education of customers. All this requires time and determination. However sophisticated and difficult-to-understand attacks require an urgent response. The effective management of cyber attacks is crucial to build customer confidence and employees need to be encouraged to adjust to an organizational culture that uses digital technology to increase competitiveness and capability.</p>	<p>The consequence of cyber attacks and cyber crime not only directly impacts an organization's confidence, but can also inhibit organizational transformation, while the need to restore trust among customers and personnel within the organization adds to business costs.</p>	<p>Fighting cyber attacks and cyber crime is one of the top priorities that concerns senior management. Integrated and proactive management focuses on customer centricity, process modification to connect with both internal and external organizations and the timely development of responses.</p>



2.3 Risk to Shareholders

Investment in the Bank's shares can pose a risk to shareholders as the return on investment may not be as expected. The Bank's share price may fluctuate from factors other than the Bank's fundamentals and operating results, for instance due to factors such as domestic and international economic conditions, the political situation, capital outflows, government agencies' policy changes, as well as unpredictable events and stock liquidity which depends on the share distribution of shareholders.

Returns in the form of dividends depend on the Bank's performance at any one time and the Bank's dividend payment policy. However, the Bank must also comply with relevant government agencies' regulations, for example in the event that the Bank is required by the authorities to limit or refrain from paying dividends in order to strengthen capital funds to accommodate risks from crisis situations.

The Bank has identified key risk factors from its current operations as well as emerging risks and has identified risk management guidelines to accommodate these risks in this report. However, the Bank may face risks other than expected and other than those specified. Therefore, shareholders should study the risk information and carefully use their discretion in making investment decisions.





3. Business Sustainability Development

Banking and financial businesses face opportunities and challenges from uncertain and fast-changing economic, social and environmental issues, as well as increasingly stringent regulations that require companies to conduct their businesses in a more socially and environmentally-responsible way as well as to support Thailand's targets for achieving carbon neutrality by 2050 and net zero by 2065. We have prepared ourselves to manage such events by continually working with relevant parties to move towards social and environmental targets. In 2023, we supported the effort towards Bangkok Goals on Bio-Circular-Green (BCG) Economy which was endorsed at the 2022 APEC Summit in Thailand by announcing the goal of zero waste to landfill at the Rama 3 building by 2025. We joined with the Thai Bankers' Association to publish the Industry Handbook: Internalizing Environmental and Climate Change Aspects into Financial Institution Business for Banks to respond to the Bank of Thailand's policy guidelines for financial institutions to manage environmental and climate change risks and opportunities as well as to establish our own appropriate strategies. In addition, we participated in setting sustainability targets and indicators for the banking sector to support sustainable banking in a concrete way following our participation in the Thai Bankers' Association's ESG



Declaration in 2022. These collaborations reflect our commitment to be a sustainable bank and our support of a low carbon society.

3.1 Sustainability Management and Policy

We have established a sustainability policy that is appropriate to our business to ensure our undertakings are systematic with a clear direction while aligning with our sustainability strategies that cover materiality issues in all aspects covering the economy, society, environment and governance. We have established clear commitments, key performance indicators (KPIs) and short-term and long-term targets for each materiality issue. We have appointed the Corporate Governance Committee to develop our sustainability practices, ensure that our business operations are in line with the sustainability policy and strategies, to monitor the progress of overall operations, and report them periodically to the Board of Directors. In addition, we have assigned the Sustainability Team, under the Office of the President, to develop plans and drive sustainability practices to achieve our sustainable development goals by communicating, supporting and collaborating with relevant parties inside and outside the organization.



Our sustainability policy is based on four key pillars:

1. Efficient and effective risk management which covers short-term and long-term materiality issues and focuses on the monitoring and assessment of business opportunities resulting from change;
2. Human resources management;
3. Good corporate governance; and
4. Creating sustainable value for society and the environment, which requires supporting factors such as sustainable corporate governance, communications and engagement with stakeholders, and capacity building for directors, executives and employees at all levels, to deliver concrete actions.

We are confident that the adoption of the sustainability policy will help us to effectively cope with challenges and changes and create long-term value for all stakeholder groups.



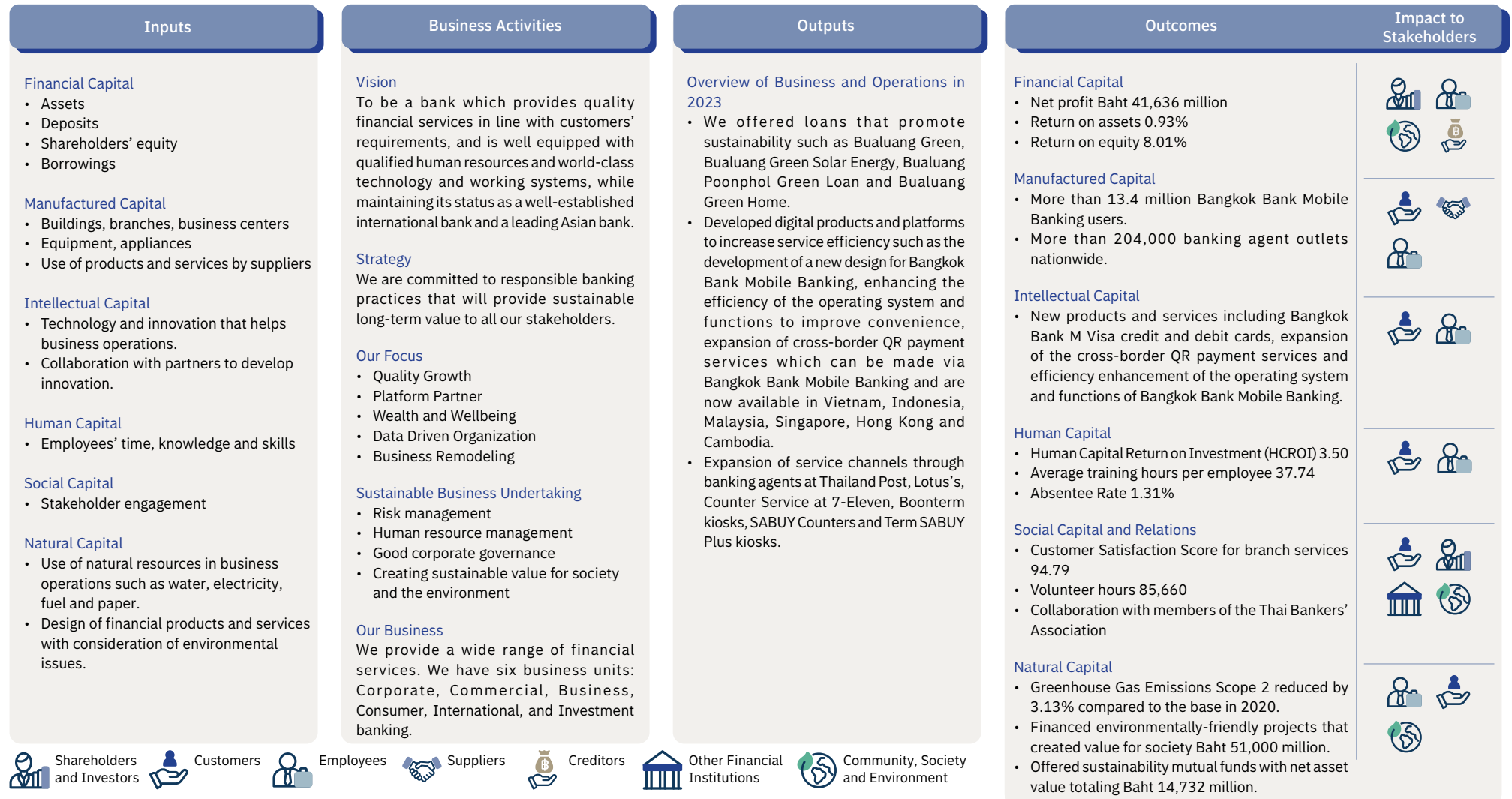
In 2023, we reviewed our materiality assessment to ensure alignment with our business direction, local and global environmental and social issues, and current stakeholder expectations. In this assessment, we adopted the double materiality approach whereby each materiality was assessed based on how the Bank was impacted by sustainability issues (outside-in) and how the Bank's operations and business relationship impacted the economy, the environment, society and human rights (inside-out). We asked our stakeholders to provide their opinions through various channels such as in-depth interviews and surveys to enable us to identify materiality issues appropriate and consistent with the expectations of all stakeholder groups. The Bank's 12 materiality issues are:

Sustainability Guidelines	Materiality Issues	UN Sustainability Development Goals
BE RESILIENT	Risk and Crisis Management	
BE RESPONSIBLE	Sustainable Finance	
	Inclusive Finance	
	Social Responsibility and Value Creation	
	Environmental and Carbon Footprint	
BE CUSTOMER CENTRIC	Innovation and Digitalization	
	Customer Relations	
	Cybersecurity and Data Privacy Protection	
BE CARING	Talent Attraction and Development	
	Employee Welfare and Wellbeing	
BE ETHICAL	Corporate Governance	
	Business Ethics	



3.2 Managing the Impact on Stakeholders in the Business Value Chain

The Bank has identified six types of capital, namely financial capital, manufactured capital, intellectual capital, human capital, social capital, and natural capital, and adopted them in our business operations by considering potential impacts on stakeholders throughout the business value chain to ensure that we can respond to the needs of and create sustainable value for our stakeholders.

Shareholders
and Investors

Customers



Employees



Suppliers



Creditors

Other Financial
InstitutionsCommunity, Society
and Environment



The Bank places a great emphasis on promoting stakeholder engagement across the value chain. We respect and value all stakeholders without discrimination. Our stakeholders consist of: 1) Shareholders and investors; 2) Employees; 3) Customers (business and individuals); 4) Counterparties (suppliers, service providers and contractors); 5) Creditors, 6) Financial institutions; and 7) Community, society and environment including regulators, civil society and mass media. We promote stakeholder engagement by providing opportunities for stakeholders to share their opinions and suggestions through our communications channels and activities. Their feedback helps us to improve our product and service quality as well as other aspects of our operations. In addition, we work with our stakeholders to help support Thailand in achieving its sustainable development and GHG emissions reduction goals by continuously supporting sustainability projects and activities, organizing educational seminars for our employees, customers, counterparties and interested individuals, and providing information about sustainability via the Bank's public channels.

3.3 Sustainability Management for the Environmental Dimension

Our environmental and energy conservation policy provides guidelines for responsible environmental management and energy use across the organization. It is aligned with relevant laws and regulations while prioritizing energy conservation, reduction of greenhouse gas emissions, and

waste management. To build environmental consciousness and encourage the responsible use of energy and natural resources, we promote awareness and understanding among our employees about these issues through internal communications and activities. In addition, we collaborate with other organizations to help communities tackle environmental issues and cope with climate change.

After the easing of the Covid-19 situation which saw people's lives return to normal, we continued to focus on reducing our direct and indirect greenhouse gas emissions (Scope 1 and 2) and have established medium-term goals for 2021-2023 to be consistent with the Paris Agreement goal of limiting the rise in global temperatures to well below 2 degrees Celsius and to prepare ourselves to be part of the efforts to enable Thailand to deliver on the pledges it made during the Climate Change Conference of the Parties (COP 26) to achieve carbon neutrality within 2050 and net zero emissions within 2065. In addition, we remain committed to reducing environmental problems, particularly waste management from its inception to its final disposal, through the implementation of key projects, namely Bualuang Save the Earth: 3R+, Bualuang Save the Earth: Love Tha Chin and Bualuang Save the Earth: Give New Life to Used Paper.

You can find details of our environmental and energy conservation policy at <https://www.bangkokbank.com/en/About-Us/Corporate-Governance/Environment-Energy-Conservation-Policy>.

Our significant activities are as follows:

1. Providing Financial Services to Mitigate Environmental and Climate Change Impacts

- Developed electronic and digital banking products and services, including Bangkok Bank Mobile Banking, Bualuang iBanking, ATM, self-service machines and Bualuang Phone 1333, to reduce energy consumption that was required to conduct transactions at branches. These convenient, easy-to-use services were developed to meet the needs of diverse customer segments anywhere and anytime.
- Provided green loans to support the move towards a low carbon society covering the needs of individuals and businesses. These included: **Bualuang Poonphol Green Loan** for green and energy-efficient home improvements by using technology and clean or renewable energy and by using universal designs for the elderly or disabled; **Bualuang Green Home Loan** for purchasing a new home with solar roof panels from our residential project partners; **Bualuang Green Loan for SME** investing in renewable energy to reduce pollution, reuse and recycling of waste, production of organic produce to cut the use of chemicals that may affect the environment and improvement of machinery, equipment and systems or processes to reduce greenhouse gas emissions and protect the environment; **Bualuang Green Solar Energy Loan** for SME wishing to use clean energy and reduce energy costs by installing solar cell systems on buildings; and **Project Finance** for investments in mega projects which are environmentally-friendly and reduce carbon



emissions such as renewable energy power plants and electric mass transit systems.

- Offered investment products that protect the environment such as the **BCAP CLEAN Innovation Fund (BCAP-CLEAN)** which invests in securities and financial instruments of businesses that sustainably conserve the environment such as clean energy, electric vehicles, energy storage, circular economy and waste management; and **Bualuang Top-Ten Thailand ESG Fund (B-TOP-THAIESG)** which invests in Thai stocks of companies with outstanding ESG and particularly environmental credentials.
- Provided fundraising to support green finance projects in Thailand and the region and underwrote the majority of green bonds and sustainability-linked bonds issued in Thailand.

2. Reducing Energy and Resources Usage and Greenhouse Gas Emissions

- Replaced or upgraded equipment to increase energy efficiency at our offices and branches nationwide and used environmentally-friendly equipment such as replacing air conditioners with highly energy efficient ones, replacing lighting with LED light bulbs, upgrading sanitaryware with water-saving features, upgrading bathroom accessories to be operated by automatic sensors, installing air conditioner timers and temperature controllers and using office furniture with environmental certification.
- Upgraded our working processes in line with the concept of Digital Way of Work and Digital Workplace by adopting applications that reduce the use of resources, particularly paper.

3. Building Awareness and Supporting Environmental Projects

- Organized Bualuang Save the Earth: 3R+ (Reduce, Reuse, Recycle) campaign to increase the engagement of employees at all levels with waste management, including waste reduction, awareness building about daily waste segregation, and promoting efficient use of resources by reusing or recycling.
- Organized the Bualuang Save the Earth: Rak Tha Chin project to acknowledge the importance and severity of how marine waste affects marine animals and humans. The Bank signed a Memorandum of Understanding to participate in marine waste management near river mouths with the Ministry of Natural Resources and Environment, Office of the Public Sector Development Commission, the Securities and Exchange Commission and the Thai Listed Companies Association. The Bank took responsibility for operations in the Tha Chin River by installing litter traps and managing related issues in the pilot area along Luang Sahakorn Canal and Pittayalongkorn Canal in Khok Kham subdistrict, Mueang Samut Sakhon District, Samut Sakhon province. This was done in collaboration with various parties such as the Governor of Samut Sakhon province, the Local Administrative body, local government agencies and communities.
- Promoted employee awareness of energy and environmental conservation through online training courses such as energy management in buildings and waste separation at the Bank. This is to build employee understanding which they can adopt in their daily lives to promote the efficient use of resources and the reduction of waste volume at home and at work.

- Supported the Utokapat Foundation Under Royal Patronage of H.M. the King to continue King Bhumibol Adulyadej the Great's initiatives to manage water resources to increase water availability for communities and mitigate flood and drought problems. We joined the Bualuang Foundation and the Utokapat Foundation to run the Bualuang Joins the Community to Solve Drought project to support communities to sustainably manage their water for consumption by building and improving weirs, ponds, reservoirs, solar powered water pumping systems, gravity water supply systems, filter systems for drinking water, and knowledge transfer to communities.
- Joined the Carbon Offsetting Program organized by the Thailand Greenhouse Gas Management Organization for the voluntary reduction of greenhouse gas emissions. We were certified for offsetting total carbon emissions from our Silom Head Office building by purchasing carbon credits from the 133.6 MW biomass thermal generation at Mitr Phol Bio-Power, Phu Khiao (block 2) project totaling 10,604 tons CO₂ equivalent.






4. Development of Data Storage System and Verification of Environmental Data

We systematically collect environmental data and energy and resource consumption data across the Bank to ensure that the quality and completeness of data is sufficient for analyzing and planning the reduction of energy and resource consumption. A registered verifier with the Thailand Greenhouse Gas Management Organization (Public Organization) conducted an audit of the environmental data and GHG emissions data which are disclosed in our Sustainability Report 2023 to



ensure our data performance is reported accurately and in accordance with local and international standards.

Sustainability Performance for the Environmental Dimension

	Greenhouse Gas Emissions (Scope 1)	20,844.94 Tons of Carbon Equivalent (CO ₂ e)
	Greenhouse Gas Emissions (Scope 2)	59,278.56 Tons of Carbon Equivalent (CO ₂ e)
	Energy Consumption	152,839.60 Megawatt-Hours
	Water Consumption	0.49 Million Cubic Meters
	Greenhouse Gas Emissions from Air Travel for Business Purposes	634.40 Tons of Carbon Equivalent (CO ₂ e)

3.4 Sustainability Management for the Social Dimension

We are committed to creating value for society, promoting equal opportunities and supporting a good quality of life for Thai people to continuously create positive impacts. We focus on sustainability management for the social dimension by promoting financial inclusion and literacy, caring for our customers and employees, engaging with communities and society and respecting the human rights of all stakeholder groups. We believe that the wellbeing of people will help the country and the Bank to grow sustainably.

Our initiatives to create value for society include:

1. Financial Inclusion and Financial Literacy

We recognize the importance of promoting financial inclusion and financial literacy among all groups in society, including business customers, SME, individuals and vulnerable groups such as the young generation, people with limited financial knowledge, people living in remote areas, and retirees. Our initiatives help to reduce inequality gaps while creating business opportunities for the Bank.

We promote access to basic financial services by adopting technology to develop infrastructure, improve financial service efficiency, introduce products and services that are tailored to fit different lifestyles, such as our Bangkok Bank Mobile Banking app which increases access and convenience of financial services for all customer groups, banking agents across Thailand which benefit people in remote areas and people who are unable to access online banking services, special functions on Bualuang ATM to provide convenient and safe transactions for visually impaired people, basic banking accounts for state welfare cardholders or those aged over 65, Sinmathaya Subthawee – Bualuang Kids fixed savings account for children, loans for SME, loans for retired state servants and loans for agricultural purposes.

We are committed to continually providing financial knowledge through various channels to raise awareness and understanding of the importance of financial planning and spending that is appropriate to the income, debt management and prioritizing debt payments, effective saving methods, online financial fraud, investments and

risks and benefits of financial products and services. We believe that providing widespread financial literacy will help to reduce the household debt problems that are negatively affecting people who are in debt and their families. If such problems persist, it could affect the Bank's asset quality while having an impact on the stability of the financial system or even the economic growth potential of the country in the long run.

2. Responsibility Towards Customers

We adhere to responsible banking practices and focus on providing financial inclusion to all customer groups. We have established guidelines for market conduct which include introducing financial products and services to customers in a comprehensive, accurate and clear manner which is aligned to their needs without distortion, exploitation or coercion while regularly monitoring the compliance of employees with market conduct guidelines. In addition, we have established guidelines for treating vulnerable groups such as the elderly, visually or hearing-impaired people. We adhere to the Bank of Thailand's responsible lending guidelines to solve the household debt problem which has become a key issue for Thailand. In addition, we prioritize the protection of our customer data privacy while strictly following relevant rules and regulations to ensure that data does not leak out or is used for an unlawful purpose which could cause damage to data owners as well as the image and trustworthiness of the Bank.

3. Employee Support and Development

We care for the physical and mental wellbeing of our employees, provide them with suitable and fair



remuneration, sufficient welfare, occupational health and a safe work environment. We promote diversity and employee engagement and we don't support discrimination and harassment in any form. In addition, we support employee empowerment by providing training and educational courses to ensure our employees are happy with their work and have stability in their lives.



4. Human Rights

Respecting human rights is an important responsibility of businesses, particularly for the banking business which directly and indirectly connects with various groups of people. We uphold human rights and adhere to local human rights laws and international standards such as the Universal Declaration of Human Rights (UDHR), the International Labour Organization (ILO) Conventions and the United Nations Guiding Principles on Business and Human Rights (UNGPs). We have established a human rights policy that covers treatment of all stakeholders, conduct human rights risk assessments that cover vulnerable groups, including workers who are underage, female, migrant, pregnant, senior and disabled, provide equal and fair treatment of our employees as well as provide fair financial services for our customers. In addition, we do not support lending to activities that involve illegal workers, child labor or forced labor, while supporting our customers and suppliers to respect labor rights and conform to labor laws.

5. Value Creation for Communities and Society

Communities and societies play a significant role in driving sustainable economic and social prosperity. We place great emphasis on organizing various community and social development initiatives and activities on the basis of engagement with the community and other stakeholders including partner organizations to jointly create positive changes leading to wellbeing and other concrete benefits for communities and society. This includes the blood donation for the Thai Red Cross 8 Million cc for 80 Years of Bangkok Bank project, the Modern Agriculture project, wheelchair donation for disabled people, the project to support access to health services for vulnerable groups, medical development, and youth development and promotion of educational opportunities.

For more information relating to our sustainability operations, please see our Sustainability Report 2023.



4. Management Discussion and Analysis

4.1 Operating Results and Financial Position

Overall Picture of the Bank and its Subsidiaries

	Unit: Million Baht		
	2023	2022	Change (%)
Net profit ^{/1}	41,636	29,306	42.1%
Earnings per share (Baht)	21.81	15.35	42.1%
Net interest margin	3.02%	2.42%	0.60%
Net fees and service income to operating income ratio	16.3%	19.8%	(3.5)%
Cost to income ratio	48.8%	49.7%	(0.9)%
Return on average assets ^{/1}	0.93%	0.67%	0.26%
Return on average equity ^{/1}	8.01%	5.86%	2.15%

^{/1} Attributable to owners of the Bank

	Unit: Million Baht		
	December 2023	December 2022	Change (%)
Loans	2,671,964	2,682,691	(0.4)%
Deposits	3,184,283	3,210,896	(0.8)%
Loan to deposit ratio	83.9%	83.5%	0.4%
Non-performing loan (Gross NPL) ^{/1}	85,955	97,188	(11.6)%
Gross NPL to total loans ratio ^{/1}	2.7%	3.1%	(0.4)%
Allowance for expected credit losses to NPL ratio ^{/1}	314.7%	260.8%	53.9%
Total capital adequacy ratio	19.57%	19.13%	0.44%

^{/1} Including interbank and money market lending

In 2023, Bangkok Bank and its subsidiaries reported a net profit of Baht 41,636 million, an increase of 42.1 percent from the previous year due to an increase of 28.0 percent in net interest income as yields on earning assets rose in line with the interest rate environments. This was offset by a continued rise in the cost of deposits driven by an increase in deposit interest rates and the resumption of the Financial Institutions Development Fund (FIDF) fee to the normal rate since the beginning of 2023. As a result, the net interest margin stood at 3.02 percent. Net fees and service income slightly decreased from lower trading volume in the stock market, while fees from bancassurance and mutual fund services, and credit card business performed better than last year. Operating expenses rose by 18.5 percent from last year following higher economic activities and partly from expenses to improve operational efficiency. The cost to income ratio stood at 48.8 percent. The Bank continued to set aside expected credit losses with its prudent approach, resulting in the expected credit losses for 2023 of Baht 33,666 million, a similar level to the previous year.

At the end of December 2023, the Bank's total loans amounted to Baht 2,671,964 million, a similar level to the end of last year. Corporate loans increased while commercial and business loans declined. The non-performing loan to total loans ratio remained manageable at 2.7 percent. Under the Bank's continuous prudent management approach, the ratio of the allowance for expected credit losses to non-performing loans remained strong at 314.7 percent.

As of December 31, 2023, the Bank's deposits amounted to Baht 3,184,283 million, a slight decrease from the end of December 2022, while the loan to deposit ratio stood at 83.9 percent. The total capital adequacy ratio, Tier 1 capital adequacy ratio, and Common Equity Tier 1 capital adequacy ratio of the Bank and its subsidiaries stood at 19.57 percent, 16.14 percent and 15.35 percent respectively, comfortably above the Bank of Thailand's minimum capital requirements.



Operating Income and Expenses of the Bank and its Subsidiaries

Unit: Million Baht

	2023	2022	Change (%)
Net interest income	130,860	102,223	28.0%
Non-interest income	36,627	36,672	(0.1)%
Operating expenses	81,775	69,019	18.5%
Expected credit losses	33,666	32,647	3.1%
Operating profit before tax	52,046	37,229	39.8%
Income tax expenses	9,993	7,484	33.5%
Net profit	42,053	29,745	41.4%
Net profit ^{/1}	41,636	29,306	42.1%
Total comprehensive income ^{/1}	33,172	20,251	63.8%

^{/1} Attributable to owners of the Bank

In 2023, net profit attributable to owners of the Bank was Baht 41,636 million, an increase of 42.1 percent from the previous year, primarily from an increase in net interest income as yields on earning assets rose following the interest rate trend. This was offset by the cost of deposits which has gradually increased in line with rising deposit interest rates, and the resumption of the Financial Institutions Development Fund (FIDF) fee to the normal rate since the beginning of 2023. Operating expenses increased in line with economic activities and partly from higher expenses for operational efficiency improvement. The Bank set aside the expected credit losses at a similar level to the previous year by maintaining its prudent approach.

Net Interest Income

Net interest income for 2023 amounted to Baht 130,860 million, an increase of 28.0 percent from the previous year from the rise in yields on earning assets following the interest rates trend. This was offset by a gradual increase in the cost of deposits from rising deposit interest rates and the resumption of the FIDF fee to the normal rate of 0.46 percent at the beginning of 2023. The net interest margin stood at 3.02 percent.

Unit: Million Baht

	2023	2022	Change (%)
Interest income			
Loans	153,619	116,499	31.9%
Interbank and money market items	20,368	8,169	149.3%
Investments	20,378	14,420	41.3%
Total interest income	194,365	139,088	39.7%
Interest expenses			
Deposits	35,263	19,708	78.9%
Interbank and money market items	6,813	2,163	215.0%
Contributions to Financial Institutions			
Development Fund and Deposit			
Protection Agency	12,432	6,800	82.8%
Debt issued and borrowings	8,997	8,194	9.8%
Total interest expenses	63,505	36,865	72.3%
Net interest income	130,860	102,223	28.0%
Yield on earning assets	4.48%	3.30%	1.18%
Cost of funds	1.71%	1.02%	0.69%
Net interest margin	3.02%	2.42%	0.60%



Bangkok Bank Interest Rate	Dec'23	Sep'23	Jun'23	Mar'23	Dec'22	Sep'22	Jun'22	Mar'22	Dec'21
Loans (%)									
MOR	7.550	7.550	7.300	6.900	6.350	6.250	5.875	5.875	5.875
MRR	7.300	7.300	7.050	6.800	6.250	6.250	5.950	5.950	5.950
MLR	7.100	7.100	6.850	6.450	5.850	5.650	5.250	5.250	5.250
Deposits (%)									
Savings	0.450	0.450	0.350	0.500	0.450	0.450	0.250	0.250	0.250
3-month Fixed	1.200	1.200	0.950	0.750	0.600	0.550	0.375	0.375	0.375
6-month Fixed	1.250	1.250	1.050	0.850	0.700	0.650	0.500	0.500	0.500
12-month Fixed	1.600	1.600	1.350	1.150	1.000	0.800	0.500	0.500	0.500
Bank of Thailand Policy Rate (%)	2.500	2.500	2.000	1.750	1.250	1.000	0.500	0.500	0.500

Unit: Million Baht

Non-Interest Income

In 2023, non-interest income amounted to Baht 36,627 million, a similar level to the previous year. Net fees and service income slightly decreased from the securities business in line with lower trading volume in the stock market while fees from bancassurance and mutual fund services and the credit card business performed better than the previous year.

	2023	2022	Change (%)
Fees and service income	42,899	41,132	4.3%
Less fees and service expenses	15,665	13,624	15.0%
Net fees and service income	27,234	27,508	(1.0)%
Gains on financial instruments measured at FVTPL	5,544	5,155	7.5%
Losses on investments	(482)	(1,454)	66.9%
Share of profit from investment for using equity method	187	190	(1.6)%
Gains on disposal of assets	864	1,891	(54.3)%
Dividend income	2,330	2,307	1.0%
Other operating income	950	1,075	(11.6)%
Total other operating income	9,393	9,164	2.5%
Total non-interest income	36,627	36,672	(0.1)%
Net fees and service income to operating income ratio	16.3%	19.8%	(3.5)%

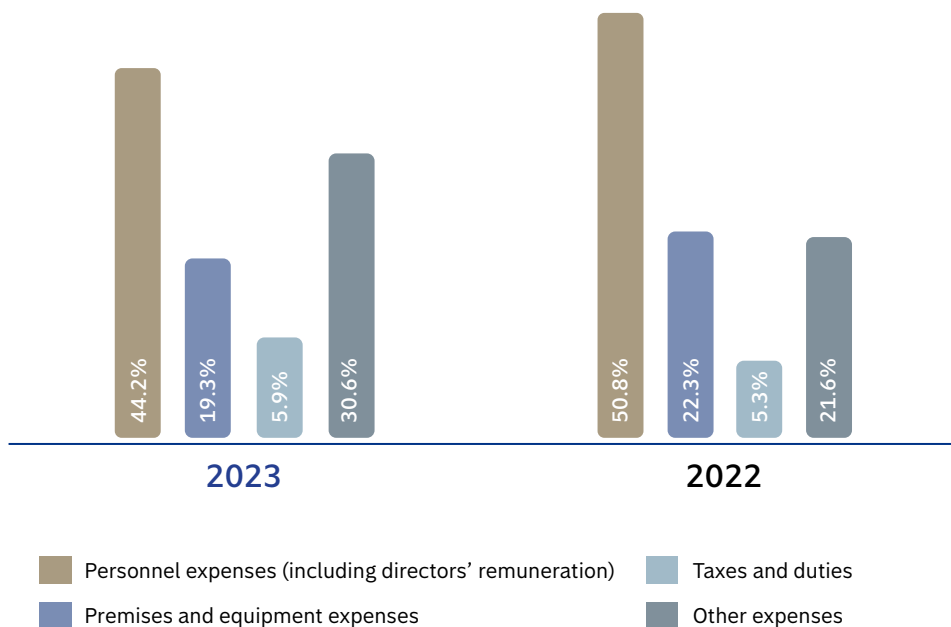


Operating Expenses

Operating expenses for 2023 amounted to Baht 81,775 million, an increase of 18.5 percent from the previous year, in line with an increase in economic activities and partly from expenses for operational efficiency improvement. The cost to income ratio declined to 48.8 percent.

Unit: Million Baht

	2023	2022	Change (%)
Personnel expenses	35,921	34,794	3.2%
Directors' remuneration	246	259	(5.0)%
Premises and equipment expenses	15,738	15,371	2.4%
Taxes and duties	4,834	3,643	32.7%
Other expenses	25,036	14,952	67.4%
Total operating expenses	81,775	69,019	18.5%
Cost to income ratio	48.8%	49.7%	(0.9)%



Expected Credit Losses

In 2023, the Bank set aside Baht 33,666 million in expected credit losses under its prudent approach. Although the overall Thai economy continues to recover, there are external risk factors that need to be monitored, including uncertainties from the global economic recovery and geopolitical conflicts.





Significant Items in the Financial Position

Assets

As of December 31, 2023, total assets amounted to Baht 4,514,484 million, a similar level to the end of December 2022.

	Unit: Million Baht		
	December 2023	December 2022	Change (%)
Net interbank and money market items	757,120	766,074	(1.2)%
Financial assets measured at FVTPL	88,978	75,036	18.6%
Net investments	972,287	850,151	14.4%
Net investments in associates	1,403	1,421	(1.3)%
Loans	2,671,964	2,682,691	(0.4)%
Net properties for sale	10,929	12,017	(9.1)%
Total assets	4,514,484	4,421,752	2.1%

Loans

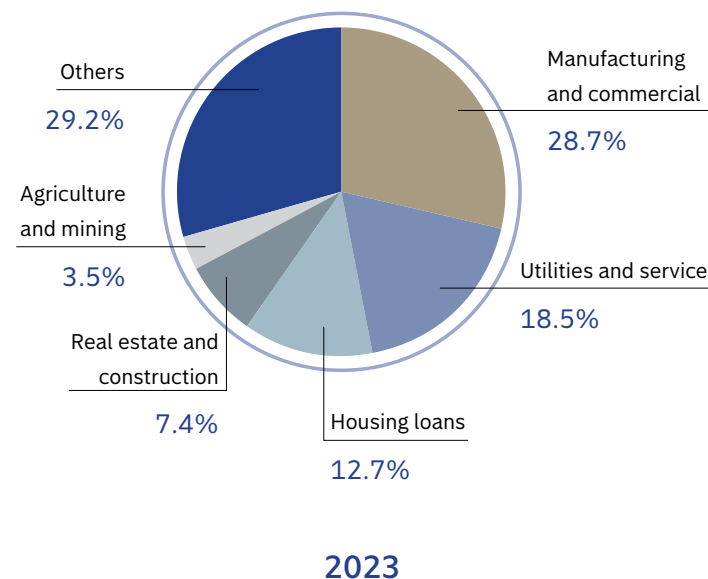
As of December 31, 2023, loans amounted to Baht 2,671,964 million, a similar level to the end of 2022 as corporate loans increased while commercial and business loans declined.

Loan by Business Type

The Bank and its subsidiaries had loans distributed across business sectors, with 28.7 percent in the manufacturing and commercial sector, 18.5 percent in the utilities and services sector, 12.7 percent in the housing loans sector, and 7.4 percent in the real estate and construction sector. The decrease in loans from the end of December 2022 was mainly driven by the manufacturing and commercial sector and the utilities and services sector, while the others sector increased.

Unit: Million Baht

	December 2023	December 2022	Change (%)
Manufacturing and commercial	766,783	825,508	(7.1)%
Utilities and services	495,808	527,351	(6.0)%
Housing loans	338,489	336,256	0.7%
Real estate and construction	196,673	196,482	0.1%
Agriculture and mining	92,721	88,014	5.3%
Others	781,490	709,080	10.2%
Total loans	2,671,964	2,682,691	(0.4)%





Classified Loans and Allowance for Expected Credit Losses

Non-performing loan (Gross NPL) at the end of December 2023 was Baht 85,955 million, while the gross NPL to total loans ratio stood at 2.7 percent.

The allowance for expected credit losses was Baht 270,539 million. The allowance for expected credit losses to NPL ratio was 314.7 percent.

Unit: Million Baht

	December 2023	December 2022	Change (%)
Consolidated			
Non-performing loan (Gross NPL) ^{/1}	85,955	97,188	(11.6)%
Gross NPL to total loans ratio ^{/1}	2.7%	3.1%	(0.4)%
Net NPL to net total loans ratio ^{/1}	0.7%	0.9%	(0.2)%
Allowance for expected credit losses to NPL ratio	314.7%	260.8%	53.9%
The Bank			
Non-performing loan (Gross NPL) ^{/1}	71,162	80,991	(12.1)%
Gross NPL to total loans ratio ^{/1}	2.6%	2.9%	(0.3)%

^{/1} Including interbank and money market lending

Unit: Million Baht

	Loans and Interbank & Money Market		Allowance for Expected Credit Losses ^{/1}	
	December 2023	December 2022	December 2023	December 2022
Non credit-impaired	3,343,700	3,351,508	202,486	179,648
Credit-impaired	85,955	97,188	68,053	73,811
Total	3,429,655	3,448,696	270,539	253,459

^{/1} Including allowance for expected credit losses of loans, interbank and money market items, loan commitments and financial guarantee contracts



Investments

As of December 31, 2023, investments amounted to Baht 1,061,265 million, increasing by 14.7 percent from the end of December 2022 from investments in Thai government and state enterprise securities.

The Bank and its subsidiaries had Baht 622,652 million in investments in Thai government and state enterprise securities, accounting for 58.7 percent of total investments. Foreign debt securities amounted to Baht 230,850 million and net investment in equity securities amounted to Baht 106,275 million.

Unit: Million Baht			
Investments by Investment Holding	December 2023	December 2022	Change (%)
Trading securities	14,479	5,141	181.6%
Securities measured at FVTPL	74,499	69,895	6.6%
Debt securities measured at amortized cost	119,464	88,212	35.4%
Debt securities measured at FVOCI	757,846	672,065	12.8%
Equity securities measured at FVOCI	94,977	89,874	5.7%
Total investments	1,061,265	925,187	14.7%

Liabilities and Shareholders' Equity

Total liabilities as of December 31, 2023, amounted to Baht 3,983,654 million, increasing by 1.8 percent from the end of December 2022 due mainly to an increase in interbank and money market items.

Unit: Million Baht			
	December 2023	December 2022	Change (%)
Deposits	3,184,283	3,210,896	(0.8)%
Interbank and money market items	334,219	262,522	27.3%
Financial liabilities measured at FVTPL	18,384	17,960	2.4%
Debt issued and borrowings	212,505	188,302	12.9%
Total liabilities	3,983,654	3,914,610	1.8%
Shareholders' equity ^{/1}	528,975	505,346	4.7%

^{/1} Attributable to owners of the Bank



Deposits

Total deposits as of December 31, 2023, amounted to Baht 3,184,283 million, slightly decreasing from the end of the previous year due to decreases in savings and current deposits. The loan to deposit ratio was 83.9 percent.

Unit: Million Baht

Deposits Classified by Product Type	December 2023		December 2022		Change (%)
	Amount	Portion	Amount	Portion	
Current	283,678	8.9%	302,855	9.4%	(6.3)%
Savings	1,680,979	52.8%	1,708,362	53.2%	(1.6)%
Fixed	1,219,626	38.3%	1,199,679	37.4%	1.7%
Total deposits	3,184,283	100.0%	3,210,896	100.0%	(0.8)%
Loan to deposit ratio		83.9%		83.5%	0.4%

Debt Issued and Borrowings

Total debt issued and borrowings as of December 31, 2023, amounted to Baht 212,505 million, increasing by 12.9 percent from the end of 2022 due to the issuance of senior unsecured notes in September 2023 of USD 1,250 million, divided into USD 500 million worth of 5-year notes and USD 750 million worth of 10-year notes offset by the maturity of the senior unsecured notes worth USD 500 million in October 2023.

Unit: Million Baht

Debt Issued and Borrowings Classified by Type of Instruments	December 2023		December 2022		Change (%)
	Amount	Portion	Amount	Portion	
Senior unsecured notes	110,761	52.1%	85,045	45.2%	30.2%
Subordinated notes	100,970	47.4%	101,998	54.1%	(1.0)%
Bills of exchange	-	-	413	0.2%	(100.0)%
Others	1,018	0.5%	915	0.5%	11.3%
Total (before less discount on borrowings)	212,749	100.0%	188,371	100.0%	12.9%
<u>Less</u> Discount on borrowings	244		69		253.6%
Total debt issued and borrowings	212,505		188,302		12.9%



Shareholders' Equity

Shareholders' equity attributable to owners of the Bank as of December 31, 2023, amounted to Baht 528,975 million, an increase of Baht 23,629 million or 4.7 percent from the end of 2022. This was due to net profit attributable to owners of the Bank in 2023 of Baht 41,636 million, offset by a dividend payment during 2023 of Baht 9,543 million which consisted of the final dividend payment for the operating performance in 2022 of Baht 5,726 million (3.00 baht per share) according to the resolution of the shareholders' meeting on April 12, 2023 and the interim dividend payment from the net profit from operations in the first half of 2023 of Baht 3,817 million (2.00 baht per share).

Sources and Utilization of Funds

As of December 31, 2023, the Bank and its subsidiaries' primary sources of funds consisted of deposits of Baht 3,184,283 million or 70.5 percent, equity attributable to owners of the Bank of Baht 528,975 million or 11.7 percent, interbank and money market items on liabilities of Baht 334,219 million or 7.4 percent and debt securities issued and borrowing including financial liabilities measured at FVTPL amounting to Baht 230,889 million or 5.1 percent.

The utilization of funds comprised loans of Baht 2,671,964 million or 59.2 percent, net investments including financial assets measured at FVTPL and net investments in associates of Baht 1,062,668 million or 23.5 percent, and net interbank and money market assets of Baht 757,120 million or 16.8 percent.

Capital Reserves and Capital Adequacy Ratio

Under the principles of Basel III, the Bank of Thailand currently requires commercial banks registered in Thailand and members of their financial groups to maintain minimum levels of capital adequacy as measured by three ratios: the Common Equity Tier 1 capital adequacy ratio at no less than 4.50 percent, the Tier 1 capital adequacy ratio at no less than 6.00 percent, and the Total Capital Adequacy ratio at no less than 8.50 percent – measured as a percentage of total risk-weighted assets. The Bank of Thailand also requires a capital conservation buffer of more than 2.50 percent. Since the Bank is classified by the Bank of Thailand as a Domestic Systemically Important Bank (D-SIB), it must have an additional Common Equity Tier 1 ratio at 1.00 percent for Higher Loss Absorbency (HLA). Consequently, the Bank is required to maintain the Common Equity Tier 1 capital adequacy ratio at more than 8.00 percent, the Tier 1 capital adequacy ratio at more than 9.50 percent, and the total capital adequacy ratio at more than 12.00 percent – measured as percentages of total risk-weighted assets.

As of December 31, 2023, the Bank's Common Equity Tier 1 capital adequacy ratio was 15.35 percent, the Tier 1 capital adequacy ratio was 16.14 percent, and the total capital adequacy ratio was 19.57 percent, which was above the Bank of Thailand's minimum capital requirements.

**Consolidated**

Unit: Million Baht

	December 2023		December 2022		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	464,060	15.35%	447,590	14.88%	> 8.00%
Tier 1 capital	487,845	16.14%	471,366	15.67%	> 9.50%
Tier 2 capital	103,884	3.43%	104,108	3.46%	
Total capital	591,729	19.57%	575,474	19.13%	> 12.00%

The Bank

Unit: Million Baht

	December 2023		December 2022		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	458,235	16.87%	444,882	16.51%	> 8.00%
Tier 1 capital	481,827	17.74%	468,474	17.38%	> 9.50%
Tier 2 capital	100,500	3.70%	100,807	3.74%	
Total capital	582,327	21.44%	569,281	21.12%	> 12.00%

Liquid Assets

Liquid assets consisted of cash, net interbank and money market items, debt securities, and marketable equity securities. As of December 31, 2023, the ratio of liquid assets to total assets and liquid assets to deposits was 39.5 percent and 56.0 percent, respectively.

	December 2023	December 2022
Liquid assets/Total assets (%)	39.5	37.7
Liquid assets/Deposits (%)	56.0	51.9



Credit Ratings

Details of the Bank's credit ratings are as follows:

Credit Rating Agency	December 2023	December 2022
Moody's Investors Service		
Long-term Deposit	Baa1	Baa1
Short-term Deposit	P-2	P-2
Senior Unsecured Debt Instrument	Baa1	Baa1
Subordinated Debt Instrument	Baa2	Baa2
Subordinated Debt (Basel III-compliant Tier 2 securities)	Baa3	Baa3
Subordinated Debt (Basel III-compliant Tier 1 securities)	Ba1	Ba1
Financial Strength (BCA)	baa1	baa1
Outlook	Stable	Stable
S&P Global Ratings		
Long-term Issuer Credit Rating	BBB+	BBB+
Short-term Issuer Credit Rating	A-2	A-2
Senior Unsecured Debt Instrument	BBB+	BBB+
Subordinated Debt Instrument	BBB	BBB
Financial Strength (SACP)	bbb-	bbb-
Outlook	Stable	Stable

Credit Rating Agency	December 2023	December 2022
Fitch Ratings		
International Rating		
Long-term Issuer Default Rating	BBB	BBB
Short-term Issuer Default Rating	F2	F2
Senior Unsecured Debt Instrument	BBB	BBB
Subordinated Debt Instrument	BB+	BB+
Subordinated Debt (Basel III-compliant Tier 2 securities)	BB+	BB+
Financial Strength (VR)	bbb	bbb
Outlook	Stable	Stable
National Rating		
Long-term	AA+(tha)	AA+(tha)
Short-term	F1+(tha)	F1+(tha)
Outlook	Stable	Stable



4.2 Factors Affecting Banking Industry Performance

The business environment changed rapidly following the Covid-19 pandemic and remains highly uncertain. This current environment, which can be described as BANI (Brittle, Anxious, Nonlinear and Incomprehensible), is the result of many factors such as technological change, social change, environmental change, and changes from government policies and regulations that create challenges for commercial banks. Major factors that may affect our operations in the future are:

1. **Economic uncertainty** – Going forward, the global economy will face a number of negative risk factors that may cause it to slow down and be more volatile than expected. Significant risk factors are:
 - (1) Geopolitical conflicts and geoeconomics fragmentation – Conflicts between the traditional global powers led by the US and new powers led by China and Russia have caused divisions in economics, international politics, technology, and security. Examples of significant impacts include global supply chain relocation; the transfer of capital and production bases from China to other areas, which may have a positive effect on ASEAN countries; and the war between Russia and Ukraine which is considered a major turning point in the intensification of geopolitical problems and is a catalyst for global decoupling. These geopolitical factors are amplified by other conflicts, such as the war between Israel and Hamas, tensions between China and Taiwan, and tensions on Korean peninsula. In addition,

there will be elections taking place in many countries in 2024 such as the US, Russia, the UK, India, and Taiwan. The outcomes of these elections may significantly affect the geopolitical situation going forward.

- (2) Problems in real estate sector in China and the ongoing economic slowdown - Increasing demand for real estate significantly increased property prices prior to the Covid-19 pandemic. As a result, the Chinese government issued the measures to control speculation in the real estate market. The measures were introduced during the Covid-19 pandemic when the authorities had implemented a strict nationwide lockdown. The lockdown also caused project development to be delayed affecting sales and liquidity for developers. In addition, the economic slowdown has greatly reduced demand for home purchases. The severe liquidity shortages which many real estate businesses faced a result of these combined issues became a major factor slowing China's economic recovery in 2023. It is likely that this problem will spread to financial intermediaries that provide "shadow banking" services as well as to local government financing vehicles (LGFV) therefore increasing the risk that the Chinese economy will slow down for longer than expected.
 - (3) High global debt - According to the Institute of International Finance (IIF), global debt reached a record high of US \$307.4 trillion, accounting for 333.1 percent of global GDP, at the end of September 2023. Global debt and interest rates are high while economic growth is low. This puts the global economy at risk from problems with

national economies, financial institutions, and the business and household sectors. Significant risks that must be monitored include US public debt hitting the ceiling, foreign debt in developing countries and emerging markets, zombie firms, and credit card debt. If the government sector deploys ineffective measures to manage these issues, they may inadvertently cause the problem to escalate into a significant economic crisis.

2. **The new financial landscape to support Thailand's sustainable digital economy** – The Bank of Thailand has issued guidelines to reposition Thailand's financial sector as key part of the country's sustainable digital economy, with the following three key directions:
 - (1) Leveraging technology and data to drive innovation with focuses on: **Open Competition** by expanding the business scope or increasing flexibility in providing services to existing players while allowing new player such as Virtual Bank to compete; **Open Infrastructure** by developing payment infrastructure that can be jointly used by and connect with various groups of service providers under good governance and with reasonable price structures; and **Open Data** by promoting connectivity and exchange of information between service providers to make full use of digital payment data in developing innovations and financial services.
 - (2) Managing transition towards sustainability by increasing financial institutions' ability to assess environmental risks in their business operations, supporting businesses and households to adapt without causing widespread negative impacts,



reducing inequality in society, and developing sustainable solutions to household debt problems.

- (3) Adopting a more flexible supervision approach that will enable financial institutions to timely manage new types of significant risks, especially those from the use of digital technology.

3. Environment, Social and Governance (ESG) plays an increasingly significant role in commercial banks' business operations

– Throughout the years, commercial banks have played an increasingly significant role in supporting sustainable development including providing responsible lending, promoting access to financial services for customers, especially grassroots customers, and integrating ESG factors into business processes as well as promoting them as part of the culture and values of the organization. Meanwhile, the government sector is also paying more attention to ESG issues by launching a plan for the Bank of Thailand to prepare the Directional Paper on Transitioning towards Environmental Sustainability under the new Thai Financial Landscape as a guideline for driving the financial sector to be ready to cope with environmental changes while encouraging the business sector and general people to gradually adapt to an environment-friendly economy, for which the action plan must lay an important foundation. One important initiative was the launch of the Thailand Taxonomy for each sector to use as a reference tool and to help them assess the status of their environmental performance. The country will develop an environment-related data platform so that the data is standardized, comparable, and consistent with international standards. It will also

support environmental opportunity analysis and risk management for the financial and business sectors, encourage financial institutions to design financial products and services that take into account the environment, and enhance the knowledge and expertise of personnel in the financial sector to enable them to assess environmental opportunities and risks and to provide appropriate advice to businesses. In addition, the Bank of Thailand has issued the Internalizing Environmental and Climate Change Aspects into Financial Institution Business policy to encourage financial institutions to accelerate and standardize the integration of environmental concepts into their operations. Incentive measures will also be launched to encourage financial institutions, the business sector, and consumers to recognize the urgency of making environment-related transitions going forward.

4. Ongoing digital technology and financial innovation

– Digital technology has continuously and rapidly played an increasingly important role in commercial banks' operations, enabling them to offer a variety of products and services that better meet the needs of their customers. Going forward, important technologies that will play a greater role in the banking sector include:

- (1) Blockchain, which will become an integral part of the infrastructure for conducting financial transactions. It has the potential to further develop financial transactions that will help reduce service costs while increasing service efficiency and transparency as well as preventing corruption.
- (2) Artificial Intelligence (AI), especially Generative AI, will help reduce operating costs while increasing

the efficiency of services and work throughout commercial banks' value chain and improving their competitiveness.

- (3) Cloud Computing plays an important role in storing, processing, and analyzing data via the internet. It helps organizations streamline their work while increasing work efficiency and improving customer service.
- (4) Robotic Process Automation (RPA) will help streamline tasks related to document and data management especially those that are often repetitive, or tasks such as processing transactions, converting data, and storing data files. RPA can also monitor overall work processes in real time, which is useful in operational supervision and risk management.

In addition, there are other technologies that are likely to play a greater role in the banking sector in the future, such as Internet of Things (IoT), Immersive Technology, and Zero Trust.

However, the use of financial technology is vulnerable to cybercrime such as fraud through online channels, websites, social media platforms, and mobile applications; embezzlement from bank accounts through digital banking system; and data fraud. These cybercrimes can cause severe financial losses and may lead to a lack of confidence in the country's financial system. Therefore, cybersecurity is very essential for the Thai financial sector. The Bank of Thailand has issued regulations on the information technology risk supervision of financial institutions



and specialized financial institutions which cover important matters such as IT Governance, IT Security Management, and IT Risk Management so that the Thai financial sector can grow and develop in a sustainable manner and play a part in creating a stable and safe digital society.

5. Structural transformation and business competitiveness enhancement – These are very important and necessary for Thailand’s economic development to keep up with changes in the global economy. The National Economic and Social Development Plan No. 13 (2023 - 2027), has proposed policy guidelines for this matter which can be summarized as follows:

- (1) Restructuring the manufacturing and service sectors towards an innovation-based economy by leveraging the competitiveness of key manufacturing and service sectors to meet the developments of technology and modern society, be environmental-friendly, and connect the local economy with the value chains of target manufacturing and service sectors.
- (2) Creating strong SME businesses with high business capability and adaptability to new competition by promoting the use of technology and innovation in the development of SME products and services to increase value and competitiveness, supporting access to capital and investment for business expansion and sustainable development, and developing skills and training for SME entrepreneurs to increase their competitiveness and adaptability to changes, to enter new markets as well as to build business networks to expand market opportunities.

- (3) Developing human resources for the new global era by equipping Thai people with skills and traits that fit the modern world in terms of knowledge, behavioral skills and manners according to the norm of society in order to prepare the Thai workforce for the needs of labor market.
- (4) Moving towards a society of opportunity and fairness by reducing spatial inequality and competitive opportunities for the business sector as well as supporting those vulnerable and underprivileged groups to have better opportunities towards socioeconomic mobility.
- (5) Transitioning to sustainability to enable Thailand to meet the long-term goal of carbon neutrality by 2050 and achieve Net-Zero greenhouse gas emissions by 2065 by improving the use of natural resources in manufacturing and consumption to be more efficient, solving pollution problems with sustainable approaches, and reducing greenhouse gas emissions in energy and transportation within the industrial sector and waste management.
- (6) Strengthening Thailand’s ability to cope with changes and risks in the new global context by preparing for an aging society, climate change, epidemic and cyber threats, while developing infrastructure and institutional mechanisms to be conducive to society and the digital economy.

6. Government sector places importance on solving household debt problems in a sustainable way – Thai household debt has remained high therefore the government and the Bank of Thailand are placing great emphasis on alleviating household debt problems.

The Bank of Thailand has continued to solve problems by adhering to the principle of adopting a comprehensive and correct approach to adjusting measures to help debtors in accordance with the situation, such as issuing measures to help debtors on a widespread basis during the Covid-19 pandemic and adjusting them on a targeted basis when the economic situation improved. In addition, at the end of 2023, the Bank of Thailand released a directional paper on “Sustainable Solutions to Thailand’s Household Debt” that will come into effect in 2024. This is a continuation of its approach to mitigate household debt through existing measures that take care of vulnerable debtors and additional new measures. The Bank of Thailand will implement new regulations, including the Responsible Lending regulation which will move from asking for cooperation from financial institutions to requiring them to assist debtors by granting loans responsibly, taking care of debtors who have debt repayment problems through debt restructuring, helping debtors who are in persistent debt to close their debts, protecting debtors’ rights, and providing financial knowledge to the public by focusing on youth and working age groups. This will help sustainably reduce the problem of household debt.

The above changing environment are important factors in driving the Thai economy forward through the implementation of government policies, and changes in business models and consumer behavior. Thai commercial banks therefore need to prepare appropriate support to be able to adapt to such changes and move forward to a sustainable future.



4.3 Information from the Financial Statements and Significant Financial Ratios

Financial Statement

- Auditor**

The auditor is Deloitte Touche Tohmatsu Jaiyos Audit Company Limited who has audited the financial statements for the years 2023, 2022 and 2021.

- Summary of Independent Auditor's Report 2023, 2022 and 2021**

The auditor expressed an unqualified opinion on the consolidated and the Bank's financial statements for the years ended December 31, 2023, 2022 and 2021.

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

Baht: '000

	CONSOLIDATED			THE BANK		
	AS AT DECEMBER 31,			AS AT DECEMBER 31,		
	2023	2022	2021	2023	2022	2021
ASSETS						
CASH	45,517,980	52,432,699	62,551,767	41,470,071	48,169,322	57,854,239
INTERBANK AND MONEY MARKET ITEMS, NET	757,119,567	766,074,475	801,212,497	580,067,592	587,553,969	626,065,197
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	88,978,361	75,036,089	84,341,349	96,737,951	90,801,828	96,497,917
DERIVATIVES ASSETS	70,602,763	84,839,352	42,359,296	70,108,976	83,582,630	41,749,252
INVESTMENTS, NET	972,286,851	850,150,825	803,636,528	839,496,234	706,876,633	663,088,369
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	1,403,051	1,420,693	1,328,586	144,815,695	144,816,959	144,316,959
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	2,425,661,014	2,449,355,263	2,376,026,685	2,067,703,354	2,096,756,258	2,025,671,183
PROPERTIES FOR SALE, NET	10,929,438	12,016,841	9,495,944	9,976,778	11,129,554	8,498,534
PREMISES AND EQUIPMENT, NET	61,925,187	61,892,520	64,980,166	51,524,650	51,648,845	54,181,783
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	33,218,132	33,697,374	36,808,534	1,760,082	1,450,492	1,579,427
DEFERRED TAX ASSETS	10,294,925	6,891,668	6,336,519	5,136,759	2,474,561	2,532,787
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES	2,620,786	1,497,501	12,906,449	2,588,927	1,454,302	12,779,785
OTHER ASSETS, NET	33,926,329	26,446,787	31,296,588	19,218,930	13,360,986	19,016,792
TOTAL ASSETS	4,514,484,384	4,421,752,087	4,333,280,908	3,930,605,999	3,840,076,339	3,753,832,224



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Baht: '000

	CONSOLIDATED			THE BANK		
	AS AT DECEMBER 31,			AS AT DECEMBER 31,		
	2023	2022	2021	2023	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY						
DEPOSITS	3,184,283,391	3,210,895,555	3,156,939,789	2,699,887,528	2,716,152,436	2,665,646,333
INTERBANK AND MONEY MARKET ITEMS	334,219,180	262,521,534	288,708,547	309,526,062	251,029,467	280,748,435
LIABILITY PAYABLE ON DEMAND	9,155,613	7,769,885	8,112,863	9,154,297	7,767,403	8,112,243
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE						
THROUGH PROFIT OR LOSS	18,383,683	17,959,739	20,833,104	17,858,498	17,412,480	20,566,545
DERIVATIVES LIABILITIES	63,461,975	70,981,448	50,264,330	62,712,103	69,648,650	49,716,357
DEBT ISSUED AND BORROWINGS	212,504,715	188,301,568	183,239,266	211,509,881	187,056,618	182,379,356
PROVISIONS	34,426,203	27,177,164	25,814,558	31,081,236	24,176,399	23,595,568
DEFERRED TAX LIABILITIES	29,637	578,896	1,358,026	-	279,989	984,178
OTHER LIABILITIES	127,189,954	128,424,347	103,417,868	84,619,386	81,902,964	57,310,822
TOTAL LIABILITIES	3,983,654,351	3,914,610,136	3,838,688,351	3,426,348,991	3,355,426,406	3,289,059,837



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Baht: '000

	CONSOLIDATED			THE BANK		
	AS AT DECEMBER 31,			AS AT DECEMBER 31,		
	2023	2022	2021	2023	2022	2021
SHAREHOLDERS' EQUITY						
SHARE CAPITAL						
Registered share capital						
1,655,000 preferred shares of Baht 10 each	16,550	16,550	16,550	16,550	16,550	16,550
3,998,345,000 common shares of Baht 10 each	39,983,450	39,983,450	39,983,450	39,983,450	39,983,450	39,983,450
Issued and paid-up share capital						
1,908,842,894 common shares of Baht 10 each	19,088,429	19,088,429	19,088,429	19,088,429	19,088,429	19,088,429
PREMIUM ON COMMON SHARES	56,346,232	56,346,232	56,346,232	56,346,232	56,346,232	56,346,232
OTHER RESERVES	44,270,288	54,243,425	66,348,614	45,594,835	55,480,947	57,340,405
RETAINED EARNINGS						
Appropriated						
Legal reserve	28,000,000	27,000,000	26,000,000	28,000,000	27,000,000	26,000,000
Others	126,500,000	121,500,000	116,500,000	126,500,000	121,500,000	116,500,000
Unappropriated	254,769,825	227,167,894	208,443,791	228,727,512	205,234,325	189,497,321
TOTAL BANK'S EQUITY	528,974,774	505,345,980	492,727,066	504,257,008	484,649,933	464,772,387
NON-CONTROLLING INTEREST	1,855,259	1,795,971	1,865,491	-	-	-
TOTAL SHAREHOLDERS' EQUITY	530,830,033	507,141,951	494,592,557	504,257,008	484,649,933	464,772,387
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,514,484,384	4,421,752,087	4,333,280,908	3,930,605,999	3,840,076,339	3,753,832,224



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Baht: '000

	CONSOLIDATED			THE BANK		
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2023	2022	2021	2023	2022	2021
INTEREST INCOME	194,364,804	139,087,978	114,312,544	152,284,404	104,069,787	83,284,576
INTEREST EXPENSES	63,504,492	36,864,713	32,156,484	46,956,176	25,866,046	21,273,916
NET INTEREST INCOME	130,860,312	102,223,265	82,156,060	105,328,228	78,203,741	62,010,660
FEES AND SERVICE INCOME	42,899,184	41,132,239	39,127,387	32,726,876	30,188,400	27,404,183
FEES AND SERVICE EXPENSES	15,665,103	13,624,400	9,918,176	13,777,532	11,711,504	8,206,221
NET FEES AND SERVICE INCOME	27,234,081	27,507,839	29,209,211	18,949,344	18,476,896	19,197,962
GAINS ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	5,544,043	5,155,163	17,867,820	4,446,068	4,063,912	15,649,215
GAINS (LOSSES) ON INVESTMENTS	(482,228)	(1,453,669)	1,225,150	(309,670)	(1,500,499)	156,139
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD	187,382	189,560	208,855	-	-	-
GAINS ON DISPOSAL OF ASSETS	863,646	1,890,956	519,198	282,006	1,781,586	401,504
DIVIDEND INCOME	2,330,329	2,306,493	2,251,676	5,876,483	6,367,289	4,236,874
OTHER OPERATING INCOME	949,920	1,075,232	1,102,693	415,568	360,705	371,690
TOTAL OPERATING INCOME	167,487,485	138,894,839	134,540,663	134,988,027	107,753,630	102,024,044



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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

Baht: '000

	CONSOLIDATED			THE BANK		
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2023	2022	2021	2023	2022	2021
OTHER OPERATING EXPENSES						
Employee's expenses	35,921,047	34,793,722	35,003,148	25,277,886	24,621,887	24,813,000
Directors' remuneration	245,873	259,045	263,448	141,205	136,714	134,148
Premises and equipment expenses	15,738,129	15,371,271	14,764,803	11,758,687	11,295,149	11,423,141
Taxes and duties	4,833,703	3,643,182	2,949,196	4,759,072	3,537,370	2,868,153
Others	25,036,254	14,951,314	14,285,122	20,603,132	9,749,690	9,291,684
TOTAL OTHER OPERATING EXPENSES	81,775,006	69,018,534	67,265,717	62,539,982	49,340,810	48,530,126
EXPECTED CREDIT LOSS	33,666,570	32,647,105	34,133,611	26,995,355	26,556,303	26,011,719
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	52,045,909	37,229,200	33,141,335	45,452,690	31,856,517	27,482,199
INCOME TAX EXPENSES	9,993,277	7,483,684	6,189,220	7,920,380	5,466,446	4,831,735
NET PROFIT	42,052,632	29,745,516	26,952,115	37,532,310	26,390,071	22,650,464



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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

Baht: '000

	CONSOLIDATED			THE BANK		
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2023	2022	2021	2023	2022	2021
OTHER COMPREHENSIVE INCOME (LOSSES)						
Items that will be reclassified subsequently to profit or loss						
Losses on investments in debt instruments at fair value through other comprehensive income	(1,991,160)	(4,329,124)	(6,742,229)	(2,784,738)	(2,031,767)	(6,608,454)
Losses on cash flow hedges	(118,000)	(609,214)	(506,394)	(118,000)	(609,214)	(506,394)
Gains (losses) arising from translating the financial statements of foreign operations	(1,262,023)	(8,101,942)	20,196,245	(366,932)	464,804	6,033,617
Share of other comprehensive income of associate	1,459	1,141	-	-	-	-
Income tax relating to components of other comprehensive income (losses)	(853,290)	1,523,965	1,671,185	(679,520)	1,016,960	1,648,107
Items that will not be reclassified subsequently to profit or loss						
Changes in revaluation surplus	168,771	(4,916)	643,545	(127,900)	(4,916)	-
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income	(5,157,446)	161,610	10,599,899	(5,114,928)	128,683	10,539,297
Gains (losses) on financial liabilities designated at fair value through profit or loss	(719,230)	1,451,042	(567,419)	(719,230)	1,451,042	(567,419)
Actuarial gains on defined benefit plans	331,956	1,251,377	986,754	424,888	1,282,236	935,437
Share of other comprehensive income (losses) of associate	479	(989)	(2,466)	-	-	-
Income tax relating to components of other comprehensive income (losses)	1,155,020	(490,378)	(2,279,082)	1,104,713	(577,797)	(2,155,609)
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)	(8,443,464)	(9,147,428)	24,000,038	(8,381,647)	1,120,031	9,318,582
TOTAL COMPREHENSIVE INCOME	33,609,168	20,598,088	50,952,153	29,150,663	27,510,102	31,969,046



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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

Baht: '000

	CONSOLIDATED			THE BANK		
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2023	2022	2021	2023	2022	2021
NET PROFIT ATTRIBUTABLE						
Owners of the Bank	41,635,521	29,305,591	26,507,040	37,532,310	26,390,071	22,650,464
Non-controlling interest	417,111	439,925	445,075	-	-	-
	42,052,632	29,745,516	26,952,115	37,532,310	26,390,071	22,650,464
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE						
Owners of the Bank	33,172,382	20,251,470	50,393,641	29,150,663	27,510,102	31,969,046
Non-controlling interest	436,786	346,618	558,512	-	-	-
	33,609,168	20,598,088	50,952,153	29,150,663	27,510,102	31,969,046
BASIC EARNINGS PER SHARE (BAHT)	21.81	15.35	13.89	19.66	13.83	11.87
WEIGHTED AVERAGE NUMBER OF COMMON SHARES (THOUSAND SHARES)	1,908,843	1,908,843	1,908,843	1,908,843	1,908,843	1,908,843



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

Baht: '000

	CONSOLIDATED			THE BANK		
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2023	2022	2021	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit from operating before income tax expenses	52,045,909	37,229,200	33,141,335	45,452,690	31,856,517	27,482,199
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities						
Depreciation and amortization expenses	4,938,617	5,473,032	6,225,102	3,454,912	3,792,520	4,631,946
Expected credit loss	33,666,570	32,647,105	34,133,611	26,995,355	26,556,303	26,011,719
Amortization of premium (discount) on investment in debt securities	(243,684)	264,481	1,435,037	17,941	290,962	1,400,517
Unrealized loss on measurement of financial instruments	6,583,425	12,568,508	7,131,959	5,990,392	12,046,604	7,572,115
(Gain) loss on investments	482,228	1,453,669	(1,225,150)	309,670	1,500,499	(156,139)
Share of profit from investment using equity method	(187,382)	(189,560)	(208,855)	-	-	-
Loss on impairment of properties for sale	3,962,429	498,402	611,745	3,910,069	485,591	311,298
Gain on disposal of premises and equipment	(30,115)	(35,203)	(11,521)	(20,623)	(24,401)	(4,107)
Loss on impairment of other assets (reversal)	(122,992)	(28,516)	256,080	(123,990)	(38,440)	265,558
Provision expenses	6,875,009	1,309,533	935,403	6,831,142	1,162,933	899,593
Net interest income	(130,860,312)	(102,223,265)	(82,156,060)	(105,328,228)	(78,203,741)	(62,010,660)



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

Baht: '000

	CONSOLIDATED			THE BANK		
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2023	2022	2021	2023	2022	2021
Dividend income	(2,330,329)	(2,306,493)	(2,251,676)	(5,876,483)	(6,367,289)	(4,236,874)
Proceeds from interest income	190,841,933	136,038,720	114,987,412	149,199,080	100,762,505	82,580,136
Interest expenses paid	(56,929,438)	(36,090,935)	(31,988,705)	(40,520,758)	(25,095,437)	(21,715,629)
Proceeds from dividend income	2,328,756	2,306,518	2,251,677	2,226,338	2,208,296	2,177,630
Income tax paid	(11,920,588)	(6,815,009)	(7,561,485)	(9,246,556)	(5,688,661)	(6,775,973)
(Increase) decrease in other accrued receivables	(416,049)	315,005	(380,735)	(284,204)	107,606	(225,408)
Increase (decrease) in other accrued expenses	1,747,157	(545,371)	1,007,799	1,413,435	836,272	(359,452)
Profit from operating before changes in operating assets and liabilities	100,431,144	81,869,821	76,332,973	84,400,182	66,188,639	57,848,469
(Increase) decrease in operating assets						
Interbank and money market items	8,306,425	35,825,661	(284,587,885)	6,781,624	39,174,862	(251,601,772)
Financial assets measured at fair value through profit or loss	(23,455,797)	5,699,224	(18,571,329)	(14,856,617)	2,612,007	(19,902,342)
Loans to customers	(6,730,714)	(99,894,874)	(231,969,593)	4,525,626	(93,872,459)	(158,776,479)
Properties for sale	924,148	1,217,168	2,134,269	666,914	813,991	741,890
Other assets	7,012,612	(24,690,723)	16,213,260	6,976,935	(25,752,541)	17,184,559



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

Baht: '000

	CONSOLIDATED			THE BANK		
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2023	2022	2021	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)						
Increase (decrease) in operating liabilities						
Deposits	(26,612,164)	53,955,766	346,077,165	(16,264,908)	50,506,103	180,049,535
Interbank and money market items	71,697,646	(26,187,013)	69,559,354	58,496,595	(29,718,968)	118,249,255
Liability payable on demand	1,385,728	(342,978)	855,503	1,386,894	(344,840)	1,409,475
Short-term borrowings	(250,115)	385,040	(53,824)	-	-	-
Other liabilities	(20,634,629)	44,416,830	24,550,144	(12,658,439)	46,379,715	3,815,459
Net cash from operating activities	112,074,284	72,253,922	540,037	119,454,806	55,986,509	(50,981,951)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities measured at fair value through other comprehensive income	(459,852,944)	(318,213,842)	(471,115,594)	(401,365,293)	(283,499,613)	(384,578,512)
Proceeds from disposal of investment securities measured at fair value through other comprehensive income	354,123,496	293,604,280	452,401,696	289,090,120	254,654,050	394,980,371
Purchase of investment securities measured at amortized cost	(156,403,918)	(122,957,541)	(75,342,523)	(39,919,108)	(46,731,239)	(836,973)
Proceeds from redemption of investment securities measured at amortized cost	128,477,768	80,155,354	58,977,765	6,324,807	19,312,442	1,593,558
Purchase of investments in subsidiary	-	-	-	-	(500,000)	-
Proceeds from disposal of investments in subsidiaries and associates	59,198	-	622,985	59,198	-	56,212



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

Baht: '000

	CONSOLIDATED			THE BANK		
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2023	2022	2021	2023	2022	2021
Proceeds from dividend income from subsidiaries and associates	150,342	90,295	62,180	3,648,572	4,159,018	2,059,245
Purchase of premises and equipment	(2,015,285)	(1,467,792)	(3,153,421)	(1,232,631)	(577,132)	(635,279)
Proceeds from disposal of premises and equipment	324,511	140,384	1,791,934	20,672	25,773	7,925
Net cash from investing activities	(135,136,832)	(68,648,862)	(35,754,978)	(143,373,663)	(53,156,701)	12,646,547
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash received from issuance of subordinated notes	-	-	33,930,916	-	-	33,930,916
Cash received from issuance of senior unsecured notes	45,498,887	26,441,778	-	45,498,887	26,441,778	-
Cash paid for senior unsecured notes extinguishment	(18,005,889)	(30,343,245)	(1,414,830)	(18,005,889)	(30,343,245)	-
Decrease in long-term borrowings	(59,804)	(122,343)	(202,865)	(59,804)	(122,343)	(159,865)
Cash paid for lease liabilities	(1,325,033)	(1,658,633)	(1,475,819)	(660,605)	(833,918)	(1,017,228)
Dividend paid	(9,543,588)	(7,632,556)	(6,680,264)	(9,543,588)	(7,632,556)	(6,680,264)
Dividend paid to non-controlling interest	(377,498)	(416,138)	(381,968)	-	-	-
Net cash from financing activities	16,187,075	(13,731,137)	23,775,170	17,229,001	(12,490,284)	26,073,559
Effect on cash due to changes in the exchange rates	(39,246)	7,009	105,229	(9,395)	(24,441)	102,569
Net decrease in cash	(6,914,719)	(10,119,068)	(11,334,542)	(6,699,251)	(9,684,917)	(12,159,276)
Cash as at January 1,	52,432,699	62,551,767	73,886,309	48,169,322	57,854,239	70,013,515
Cash as at December 31,	45,517,980	52,432,699	62,551,767	41,470,071	48,169,322	57,854,239



Financial Ratios	2023	2022	2021
Liquidity Ratio			
Liquid assets to deposits ^{/1}	55.95%	51.89%	52.97%
Profitability Ratio			
Net profit ratio ^{/2}	16.88%	15.47%	15.01%
Return on average equity ^{/2}	8.01%	5.86%	5.62%
Yield on investment	2.69%	2.18%	2.65%
Yield on earning assets ^{/3}	4.48%	3.30%	2.92%
Cost of funds ^{/4}	1.71%	1.02%	0.94%
Spread ^{/5}	2.77%	2.28%	1.98%
Efficiency Ratio			
Net interest income to assets	2.92%	2.33%	2.00%
Non-interest income to assets	0.82%	0.84%	1.28%
Return on average assets ^{/2}	0.93%	0.67%	0.65%
Asset turnover ratio (times)	0.05	0.04	0.04

Financial Ratios	2023	2022	2021
Financial Policy Ratio			
Debt to equity ratio (times)	7.50	7.72	7.76
Loan to borrowing ratio	78.45%	78.74%	77.30%
Loan to deposit ratio	83.91%	83.55%	81.99%
Deposit to liability ratio	79.93%	82.02%	82.24%
Dividend payout ratio ^{/6} (Bank only)	35.60%	32.54%	29.49%
Total capital adequacy ratio	19.57%	19.13%	19.57%
Asset Quality Ratio			
Allowance for expected credit losses to non-performing loan ratio ^{/7 /8}	314.75%	260.79%	225.79%
Allowance for expected credit losses of loans to loans and accrued interest receivables	9.64%	9.04%	8.47%
Written off to loans and accrued interest receivables	0.63%	0.20%	0.29%
Non-performing loan to total loans ^{/8}	2.72%	3.06%	3.22%
Accrued interest receivables to loans and accrued interest receivables	0.46%	0.38%	0.29%

^{/1} Liquid assets consist of cash, net interbank and money market items, debt securities, and marketable equity securities.

^{/2} Attributable to owners of the Bank

^{/3} Yield on earning assets = Interest income / Loans + Net interbank and money market items (assets) + Debt investment securities

^{/4} Cost of funds = Interest expense (included contributions to the Deposit Protection Agency) / Deposits + Interbank and money market items (liabilities) + Debt issued and borrowing

^{/5} Spread = Yield on earning assets - Cost of funds

^{/6} The dividend payout ratio for 2023 was calculated from the dividend of Baht 7.00 per share, which is pending approval by the Annual Ordinary Meeting of Shareholders.

^{/7} Allowance for expected credit losses consists of allowance for expected credit loss of loans, interbank and money market items, loan commitments and financial guarantees.

^{/8} Included interbank and money market lending.



5. General Information and Other Material Facts

5.1 General Information

Securities Registrar

Thailand Securities Depository Company Limited
93 Ratchadaphisek Road, Dindaeng, Bangkok 10400
Tel. 0-2009-9000
SET Contact Center: www.set.or.th/contactcenter
Tel. 0-2009-9999

Trustee as at December 31, 2023

Type of Bonds	Interest Rates	Maturity	Trustee
Senior unsecured notes	4.050%	March 19, 2024	The Bank of New York Mellon 240 Greenwich Street, New York, NY 10286, USA
Senior unsecured notes	4.300%	June 15, 2027	
Senior unsecured notes	4.450%	September 19, 2028	
Senior unsecured notes	5.300%	September 21, 2028	
Senior unsecured notes	5.500%	September 21, 2033	
Subordinated notes for Tier 2 capital of Bangkok Bank	3.733%	September 25, 2034	
Subordinated notes for Tier 2 capital of Bangkok Bank	3.466%	September 23, 2036	
Subordinated notes for Tier 1 capital of Bangkok Bank	5.000%	-	



Auditor

Mrs. Nisakorn Songmanee

Certified Public Accountant (Thailand) Registration No. 5035

Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.

AIA Sathorn Tower, 23rd - 27th Floor

11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120

Tel. 0-2034-0000 Fax. 0-2034-0100

Legal Advisers

Mr. Wasan Soypisudh

333 Silom Road, Silom, Bang Rak, Bangkok 10500

Tel. 0-2230-2643 Fax. 0-2231-5448

Mr. Somchai Julniti

333 Silom Road, Silom, Bang Rak, Bangkok 10500

Tel. 0-2626-4492 Fax. 0-2231-5448

Pol.Lt.Gen. Theerasak Nguanbanchong

333 Silom Road, Silom, Bang Rak, Bangkok 10500

Tel. 0-2230-2731 Fax. 0-2231-5448

5.2 Legal Disputes

As of December 31, 2023, the Bank has no ongoing disputes or any disputes that may have negative impacts on the Bank's assets with capital greater than 5 percent of net shareholder's equity according to the financial statements.

5.3 Financial Institutions with Regular Contact

A Financial Institution that regularly contacts us in the case of debt securities offerings is Morgan Stanley & Co. International PLC.



Part 2 Corporate Governance

- 6. Corporate Governance Policy
- 7. Corporate Governance Structure and Material Facts Related to the Board, Subcommittees, Executives, Employees and Others
- 8. Report on Key Operating Results Related to Corporate Governance
- 9. Internal Control and Related Party Transactions



6. Corporate Governance Policy

The Bank believes that its Corporate Governance Policy, Code of Conduct and Business Ethics provide an essential foundation for reinforcing and improving business governance. Therefore, the Bank has prepared a written Corporate Governance Policy, Code of Conduct and Business Ethics for the Bank's directors, executives and staff to follow. It is approved by the Board of Directors and posted on the Bank's website.



Persons acting on behalf of the Bank are expected to understand, recognize, adhere to, accept the value of, and put into practice this Corporate Governance Policy as part of their everyday life so that it becomes part of our organizational culture.

This Corporate Governance report reflects the Bank's commitment to promoting, supporting, implementing and monitoring the Bank's Corporate Governance Policy, Code of Conduct and Business Ethics, which has been carefully developed to ensure it is appropriate for the Bank's environment and situation. It is regularly reviewed.

6.1 Overview of the Policy and Guidelines

The Bank recognizes the importance of good corporate governance which underpins the efficiency of an organization and plays a role in sustainability development. The Bank is determined to operate our business prudently and honestly to build confidence among all stakeholders by providing an adequate and appropriate internal control and risk management system that meets the principles of good corporate governance. This will help the Bank to maintain a stable financial position, deliver consistently good performance and enhance our reputation for sustainability.

The Bank recognizes the importance of good corporate governance.

It underpins the efficiency of an organization and plays a role in sustainability development.



6.1.1 Policy and Guidelines Related to the Board of Directors Nomination of the Bank's Directors

The Nomination and Remuneration Committee is responsible for nominating suitable persons to serve as directors by giving shareholders, directors and executives the opportunity to nominate persons for consideration. The Nomination and Remuneration Committee will consider and screen the nominees according to the process and criteria prescribed by the Board of Directors. The consideration will be based on the required knowledge, ability and specific professional qualifications of a nominee using the Board Skill Matrix, as well as the nominee's experience in businesses that can provide a useful perspective for the Bank. In addition, consideration will also include qualifications in terms of integrity, accountability and ethics, qualifications in compliance with banking regulatory requirements, and dedication to the responsibilities of a director. The Nomination and Remuneration Committee also considers the structure, size and composition of the Board of Directors to ensure that the Board of Directors has a structure, size and composition suitable for the business of the Bank with independent directors comprising at least one-third of the total number of directors. The Board of Directors must also have directors with diverse knowledge, skills, experience and expertise in specific fields in line with the Bank's business strategy without restrictions on gender, age, race or religion. When considering a nomination to re-elect a director who must retire by rotation, the Nomination and Remuneration Committee will consider the qualifications and appropriateness of said director by taking into account said director's duties and past performance.

In addition to considering the above qualifications, independent directors must have qualifications according to the definition specified by the Bank and equivalent to those required of an independent director as defined by the Capital Market Supervisory Board as follows:

1. Holds shares in an amount not exceeding 1 percent of the total number of shares with voting rights of the Bank or the parent company, subsidiary, affiliate, major shareholder, or controlling person of the Bank, provided that shares held by said independent director shall also include shares held by any person related to the said independent director.
2. Is not or has not been a director who participates in the management of the business, an employee, officer or advisor who receives a salary from the Bank, or the controlling person of the Bank or the parent company, subsidiary, affiliate or same-level subsidiary company, a major shareholder, or controlling person of the Bank, except in the case where such status has ended for not less than two years.
3. Is not related to any other director, executive, major shareholder, controlling person, or any person nominated to be a director, executive or controlling person of the Bank or any subsidiary, either as parent, spouse, sibling, child or spouse of a child, whether such a relationship is by blood or legal registration.
4. Does not have nor used to have a business relationship with the Bank or the parent company, subsidiary, affiliate, major shareholder, or controlling person of the Bank, such that it may interfere with the independent judgment of such an independent director, nor can they be a significant shareholder or controlling person of

any person with a business relationship with the Bank or the parent company, subsidiary, affiliate, major shareholder, or controlling person of the Bank, unless said status has ended for not less than two years. The above term "business relationship" shall include normal business transactions, rental or lease of immovable property, transactions relating to assets or services, providing or receiving financial assistance through loans, guarantees, or providing assets as collateral, or any other similar actions which result in the Bank or the counterparty becoming indebted to the other party in the amount equal to 3 percent or more of the net tangible assets of the Bank or Baht 20 million, whichever is lower. The method for the calculation of the value of connected transactions under the Notification of the Capital Market Supervisory Board shall apply to the calculation of said indebtedness, mutatis mutandis, provided that all indebtedness incurred during the period of one year prior to the date of said business relationship shall also be included.

5. Is not or has not been an auditor of the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, and is not a significant shareholder, controlling person or partner of the audit firm employing the external auditor of the Bank or the parent company, subsidiary, affiliate, major shareholder, or controlling person of the Bank, except in the case where said status has ended for not less than two years.
6. Is not or has not been a provider of any professional services which include being a legal or financial advisor and receiving service fees exceeding Baht 2 million per year from the Bank or the parent company,



subsidiary, affiliate, major shareholder or controlling person of the Bank, and is not a significant shareholder, controlling person or partner of the firm providing such professional services, except in the case where said status has ended for not less than two years.

7. Is not a director appointed to be a representative of any other director of the Bank or a major shareholder, or a shareholder related to a major shareholder of the Bank.
8. Does not carry out business of the same nature and in competition with the business of the Bank or its subsidiary and is not a significant partner in a partnership or a director who participates in the management of the business, or an employee, officer or advisor who receives a salary, or holds shares in the amount exceeding 1 percent of the total number of shares with voting rights of another company engaging in business of the same nature and in significant competition with the business of the Bank or its subsidiary.
9. Does not have any other characteristics which would impact the ability to express independent opinions regarding the Bank's business operations.

An independent director may serve as such for a total cumulative tenure not exceeding nine years. To be re-appointed as an independent director, he/she must not have served as one of the Bank's directors for no less than two years.

Appointment of the Bank's Directors

According to the Bank's Articles of Association, at every annual ordinary meeting of shareholders, one-third of

the total number of directors of the Bank shall retire. If the number of directors is not a multiple of three, the number of directors nearest to one-third shall retire. The directors who have been in office the longest shall retire first. Retired directors may be re-elected. At the shareholders' meeting to consider appointing directors.

The voting criteria are as provided below:

1. One shareholder shall have one vote for each share.
2. Vote casting shall be for each person individually. In casting votes, each shareholder shall exercise all his/her votes for election but shall not allot any or all votes to any person.
3. Persons receiving the most votes are those who are elected to be directors, in descending order, to the number of directors who are to be elected. If there is a tie in the last to be elected and this exceeds the said number of directors, the presiding Chairman shall have an additional casting vote.

In the case of a vacancy on the Board of Directors other than by rotation – such as death, resignation, being removed by court order, lack of qualifications or being subject to prohibition under the law – the Board of Directors can appoint a qualified person as a replacement director at the next meeting of the Board of Directors unless the remaining duration of the director's term of office is less than two months. The person who has been appointed as a replacement director will be in that position only for the remainder of the term of the director that they are replacing. The appointed director must receive votes of not less than three-quarters of the number of remaining directors.

Independence of the Board of Directors from the Management

The Bank clearly separates the duties and responsibilities of the Board of Directors and the Management and separates the positions and authorities of the Chairman, the Executive Chairman, and the President so that these three positions are not the same person for reasons of efficiency and transparency of governance and operations within the Bank. The Management is responsible for managing and driving business in accordance with the policy, strategies and goals set by the Board of Directors, as well as determining operational guidelines and action plans, work systems, work processes, appropriately managing human resources and other resources, and achieving established goals as well as carrying out various activities under the scope of powers assigned by the Board of Directors.

Remuneration of Directors and Executives

The Nomination and Remuneration Committee is responsible for considering the remuneration of directors in accordance with the policies, rules and remuneration procedures to suit the duties and responsibilities of the directors by taking into account various factors. These factors include the level of remuneration provided by leading financial institutions in Thailand; the level of remuneration provided by leading listed companies in Thailand which are similar in size to the Bank; related risks undertaken; the performance of the directors; the Bank's operating results; the business environment; and other factors that may affect the Bank's business or the overall economy.



The Nomination and Remuneration Committee is responsible for considering the remuneration of management including Executive Vice President, Senior Executive Vice President, the President and the Chairman of the Board of Executive Directors and presenting it to the Bank's Board of Directors for consideration in connection with the Bank's short-term and long-term performance indicators and reflecting the performance of each executive. These include financial, customer, workflow improvement and personnel development indicators such as net profit per asset, revenue growth, credit growth, asset quality, customer satisfaction, expense management, as well as indicators of the Bank's competitiveness compared to other leading financial institutions and companies in Thailand, such as overall return on equity.

Development of Directors and Executives

The Bank places great importance on promoting and supporting knowledge development for directors on a regular and continuous basis by encouraging directors to attend training courses organized by external agencies that are useful in assisting them to perform their duties as directors as well as to develop their knowledge of other topics. In addition, the Bank also invites experts from outside the Bank on a regular basis to give lectures on topics that enhance the skills and knowledge of directors and executives.

Assessment of the Directors

The Board of Directors and all committees will conduct performance assessments on a yearly basis to review and analyze any problems and obstacles that may have arisen during the performance of their duties in the past year

and use the assessment results to further improve the directors' performance to increase the efficiency of the Bank's Board of Directors.

Directorship in Other Companies of Directors

In terms of directorships of other companies of directors and executives, the Bank specifies that directors, the Executive Chairman, President and executives from the level of Executive Vice President may assume positions as the Chairman of a Board of Directors or Executive Director of other companies in not more than three business groups, excluding the directorship in the Bank and that they may serve as directors of other listed companies, either on local and international stock exchanges, provided these are limited to not more than five listed companies, excluding listed companies that the Bank has acquired from debt restructuring, according to the Bank of Thailand's (BOT) regulations on Corporate Governance of Financial Institutions. However, before taking a position in other companies, directors and executives must notify the name of the company and the position to the Bank and seek approval from the Board of Executive Directors.

6.1.2 Policy and Guidelines Related to Shareholders and Stakeholders

Guidelines Related to Shareholders

The Bank treats all groups of shareholders as being of equal importance. All groups of shareholders are entitled to basic rights such as the right to attend meetings and vote, the right to receive dividends, the right to receive sufficient and timely information, the right to elect and remove directors, the right to appoint auditors and set wages, etc. In addition, prior to the Annual General Meeting of Shareholders,

the Bank provides shareholders with the opportunity to propose meeting agendas and nominate suitable persons to be appointed as the Bank's directors in compliance with the rules prescribed by the Bank and posted on the Bank's website. In addition, shareholders can send questions about the meeting agenda prior to the meeting date.

The Bank holds the Annual General Meeting of Shareholders once a year within four months of the end of the Bank's fiscal year and encourages all groups of shareholders to attend the meeting to consider significant matters affecting the Bank and to express their opinions and ask questions on various matters, by organizing the shareholders' meeting at a convenient date, time, and place. In the event that shareholders are unable to attend the meeting in person, the Bank prepares proxy forms so that shareholders can appoint other people to attend the meeting on their behalf. The Bank held the 30th Annual General Meeting of Shareholders on April 12, 2023, at the Head Office on Silom Road, Bangkok. The Bank posted the invitation letter, supporting documents and proxy forms in both Thai and English versions on the Bank's website at least 30 days prior to the meeting (posted on the Bank's website on March 10, 2023). The Bank also informed shareholders through the SET Portal system that the Bank had already posted such documents and assigned Thailand Securities Depository Co., Ltd., which is the Bank's registrar, to send the invitation letter together with supporting documents and proxy form B to shareholders by postal mail at least 21 days prior to the meeting (sent on March 22, 2023) and it was announced in Thai and English-language newspapers for three consecutive days (March 29-31, 2023). The invitation letter sent to the shareholders contained details of the meeting agenda and sufficient supporting



information for the consideration of shareholders and opinion of directors for each agenda item. Additionally, shareholders were able to send questions relating to the meeting agenda by e-mail or postal mail to the Corporate Secretary prior to the shareholders' meeting. For the safety of attendees, the Bank required attendees to wear masks at all times and refrained from providing food and beverages, as well as shared microphones, for attendees during the meeting. The Bank provided shareholders with paper to submit questions and express their opinions.

In addition, the Bank implemented a barcode system for registration and prepared duty stamps for shareholders who wanted to appoint a proxy.

On the meeting date, the Chairman of the Board of Directors was unable to attend the meeting, so the Vice Chairman acted as the chairman of the meeting instead. Before beginning the meeting agenda, the chairman of the meeting assigned the Corporate Secretary to explain the rules and procedures of the meeting by explaining the methods for voting and vote counting as well as procedures for asking and expressing opinions at the meeting. In addition, representatives of the shareholders were selected to witness the vote counting with representatives from the Bank's auditors.

The chairman of the meeting conducted the meeting in accordance with the agenda specified in the invitation letter without adding, editing, or switching any agenda item. The chairman of the meeting allowed shareholders to ask questions and express opinions on each agenda item by writing questions or opinions on the paper provided and allowing relevant directors to answer questions and provide complete clarifications.

For meeting agenda items which involve consideration and voting, one shareholder shall have one vote for each share. The voting and vote counting processes were conducted openly and the Bank provided ballots for shareholders. In voting, the Bank would collect the ballots only for the shareholders who voted against or abstained and used the barcode system to process the vote count for speed. When the meeting was finished, the Bank asked shareholders to return all remaining ballots to collect as evidence.

After the shareholders' meeting was completed, the Bank notified the resolutions of the shareholders' meeting through the SET Portal system and posted them on the Bank's website within the meeting date. The Bank also prepared meeting reports in Thai and English containing information about the number of shareholders who attended the meeting; names of directors, executives and auditors who attended the meeting; voting procedures and methods of vote counting; shareholders' significant questions and clarifications from the Board of Directors; as well as the voting results for each agenda item (divided into votes for agreeing, disagreeing, abstaining, and voiding ballots). The Bank sent the minutes of the shareholders' meeting to the relevant authorities within 14 days after the meeting and posted the minutes of the shareholders' meeting in both Thai and English on the Bank's website.

At the 2023 Annual General Meeting of Shareholders, the Bank gave the opportunity to shareholders to propose changes to the agenda and to nominate persons deemed appropriate to be considered for election as directors by posting the rules and guidelines for the agenda of the meeting and the nomination on the Bank's website and

informing shareholders through the SET Portal system from September 30, 2022, onwards. The period for proposing changes to the agenda for the meeting was from October 1 - December 30, 2022, and the period for nomination of persons to be elected as directors was from October 1 - November 30, 2022. However, at the end of the said period, there were no shareholders proposing changes to the agenda for the meeting or nominating any person to be elected as a director.

Guidelines Related to Stakeholders

The Bank recognizes and gives importance to the rights of diverse groups of stakeholders (staff, counterparties, community, competitors and creditors, etc). The good relationship and cooperation between the Bank and its stakeholders will help the Bank to grow sustainably. The Bank has formulated policies and guidelines regarding responsibility to stakeholders, anti-corruption, whistleblowing and corporate governance. The details are shown in Attachment 5.

Information Disclosure and Transparency

1. The Bank recognizes the importance of disclosing significant information necessary for shareholders and investors to make accurate and timely decisions.
2. The Bank prepares accurate financial reports in accordance with generally accepted accounting principles and independent auditors examine and give an opinion on the financial reports in accordance with the auditing standards.
3. The Bank disseminates information about its business through appropriate channels for shareholders and investors.



Maintaining Financial Credibility and Disclosure

The Bank recognizes the importance of the disclosure of information as it affects the decisions of investors and stakeholders. The Board of Directors adheres to guidelines on information disclosure by supervising the system of financial reporting and disclosure of information to be accurate, adequate, reliable and timely in accordance with relevant laws and regulations so that all users equally receive financial information. The Bank selects persons with knowledge and abilities as well as appropriate experience to be responsible for maintaining financial credibility and the disclosure of up-to-date financial information such as 56-1 One Report (Annual Information Disclosure Form/Annual Report), financial statements, Management Discussion and Analysis (MD&A) through the SET Portal system and on the Bank's website (www.bangkokbank.com) on a regular basis. Disclosure of information that may affect investment decisions and benefits of shareholders or investors will be disclosed once such information has been officially disclosed to the SET. The Bank has specified the people who have the right to disclose information to the public, divided into financial and non-financial information, to ensure that the Bank's communication is clear, accurate, transparent and timely.

The Board of Directors has approved the disclosure of financial information by taking into account the results of the assessment of the sufficiency of the internal control system, the auditor's opinion on financial reports and the auditor's observations, opinion of the audit committee as well as the consistency with the Bank's strategy and policies. In addition, the Bank has established a disclosure system for information related to directors in order to properly disclose personal information in accordance with the rules of the Securities and Exchange Commission (SEC).

6.2 Business Code of Conduct

The Board of Directors has the responsibility to review the Code of Conduct and Business Ethics to ensure that they are appropriate and in line with business environments as well as changes in official regulations and standards, including the 2017 Banking Industrial Code of Conduct.

A proper Code of Conduct and Business Ethics provides a vital foundation to reinforce and improve business governance, and the development of sustainability practices, while safeguarding the reputation and trustworthiness of the financial institution. Therefore, the Bank supports and encourages all stakeholders to operate their businesses according to this Code of Conduct and Business Ethics. Details of the Code of Conduct and Business Ethics are posted on the Bank's website (www.bangkokbank.com) under "About Bangkok Bank" in the "Code of Conduct and Business Ethics" section under the sub-topic "Corporate Governance".

The Bank encourages the subsidiary companies under its financial business group to implement this Code of Conduct and Business Ethics as suited to the situation of each company.

The Bank promotes understanding, awareness, commitment, and recognition of values among our stakeholders to foster a responsible organizational culture. All internal stakeholders of the Bank are integral parts of the implementation, with the Bank's directors and executives as the role models.

The Board of Directors promotes and supports communication, training and education to build understanding among all stakeholders of the Bank. Policies, rules and

regulations, and procedures are also established, along with the monitoring and assessment of the Bank's performance in line with the Code of Conduct and Business Ethics. The details are shown in Attachment 5.

6.3 Material Changes and Developments Regarding Policy, Guidelines and Corporate Governance System in the Past Year

The Board of Directors has reviewed and adopted the Corporate Governance Code for Listed Companies 2017 prepared by the SEC as appropriate to the Bank's business context.

In 2023, the Bank took these actions with regard to corporate governance and sustainability development:

Corporate Governance

- The Audit Committee held a meeting in 2023 to exchange views with the Risk Oversight Committee regarding new forms of financial risk, in which fraudsters use bank accounts as part of defrauding victims, as well as to discuss the Bank's operations in accordance with the Royal Decree on Measures for Protection and Suppression of Technology Crimes B.E. 2566 (2023)
- The Bank established a non-discrimination and anti-harassment policy as well as occupational health and safety policy, and working environment. In addition, the Bank improved its whistleblowing policy.
- Training and activities were organized to create knowledge and understanding of work practices for executives and employees as follows:



- o Training to provide knowledge and understanding on anti-corruption by experts from outside the Bank.
- o Training on Personal Data Protection Act B.E. 2562 (2019) (PDPA) to provide knowledge and understanding on appropriate operations under the PDPA.
- o Training to review cybersecurity and phishing knowledge related to information security and cybersecurity through e-Learning and cybersecurity forum activities.
- o Training to review Anti-Money Laundering and Counterterrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) knowledge.
- o Training to review market conduct knowledge.
- Assessed corporate governance performance and the organizing of the Annual Ordinary Meeting of Shareholders as follows:
 - o Assessed corporate governance performance and the organizing of the Annual Ordinary Meeting of Shareholders as follows:
 - o The Bank was rated “Excellent” in the Corporate Governance Report of Thai Listed Companies (CGR) in 2023 organized by the Thai Institute of Directors (IOD).
 - o The Bank was rated “Excellent” in the quality assessment of the 2023 Annual Ordinary Meeting of Shareholders by the IOD, the SEC and Thai Listed Companies Association (TLCA).

Sustainability Development

- In 2022, the Bank together with other members of the Thai Bankers’ Association (TBA) announced the ESG Declaration in order to guide the banking sector in addressing key ESG issues. In 2023, the Bank joined other members of the TBA to set sustainability indicators and targets to monitor the compliance with the ESG Declaration. In addition, the Bank also announced its intention to join the Bangkok Goals on Bio-Circular-Green Economy by setting a target of Zero Waste to Landfill at the Rama 3 office by 2025.
- The Bank cooperated with other agencies to support and drive business operations in line with sustainable banking guidelines. In 2023, the Bank joined other members of the TBA in selecting and setting sustainability indicators to be able to concretely follow up on operations. In addition, the Bank collaborated with the TBA on the preparation of an Industry Handbook to provide guidelines on Governance, Strategy, Risk Management and Disclosure in order to determine the direction of operations of the Bank and the banking sector in solving important ESG issues, building awareness among stakeholders and driving the Thai economy towards sustainability.
- The Bank cooperated with the SEC, TLCA, local government organizations and units, and the governor in carrying out the Bualuang Save the Earth: Rak Tha Chin project to solve the marine waste problem in the Tha Chin River estuary, Samut Sakhon province.

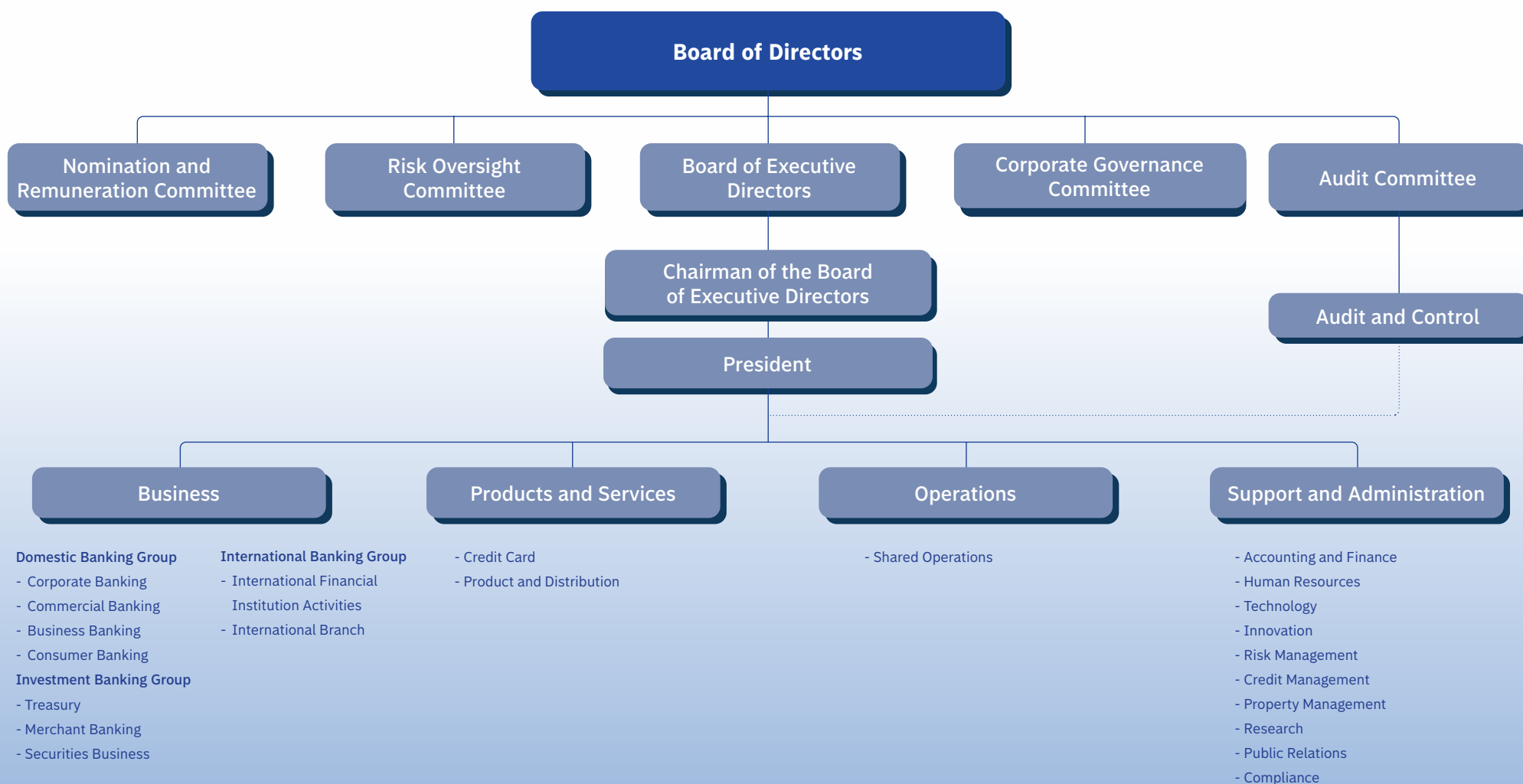
- The Bank is committed to developing the organization so that it can grow steadily, sustainably, is ready to cope with social and environmental changes, places importance on the participation of all stakeholders, and demonstrates significant developments in the disclosure of environmental and social information, such as environmental management policies, goals and performance, as well as the developments in operations and business processes that involved employees, communities, and society. In addition, the Bank placed importance on climate management by assessing and managing risks and participating in reducing greenhouse gas emissions. The Bank was selected as a member of The Sustainability Yearbook 2023 published by S&P Global and was selected as a listed company in the Sustainable Stocks list of Thailand Sustainability Investment (THSI) 2023, as well as being selected as a member of the SET THSI index 2023 by the SET. The Bank received an ESG rating of AA from the 2023 sustainability assessment by the SET.

The IOD published the Bank’s corporate governance assessment results in the 2023 Corporate Governance Survey of Listed Companies in which the Bank received a score of 107 percent. In addition, the Bank received a score of 94.5 out of 100 (“Excellent”) in the quality assessment of the 2023 Annual Ordinary Meeting of Shareholders by the IOD.



7. Corporate Governance Structure and Material Facts Related to the Board, Subcommittees, Executives, Employees and Others

7.1 Corporate Governance Structure





7.2 Information on the Board of Directors



1. **Mr. Phornthep Phornprapha**
- Chairman of the Board of Directors

2. **Mr. Deja Tulananda**
- Vice Chairman of the Board of Directors
 - Chairman of the Board of Executive Directors

3. **Mr. Siri Jirapongphan**
- Independent Director
 - Chairman of the Audit Committee

4. **Mr. Chatchawin Charoen-Rajapark**
- Independent Director
 - Chairman of the Nomination and Remuneration Committee

5. **Mr. Arun Chirachavala¹**
- Independent Director
 - Chairman of the Risk Oversight Committee
 - Member of the Audit Committee

Remark: ¹ Mr. Arun Chirachavala was Non-executive Director on February 2, 2024.



- 6. Mr. Chokechai Niljianskul**
- Independent Director
 - Chairman of the Corporate Governance Committee
 - Member of the Risk Oversight Committee

- 7. Mr. Bundhit Eua-arporn**
- Independent Director
 - Member of the Audit Committee
 - Member of the Nomination and Remuneration Committee

- 8. Ms. Parnsiree Amatayakul**
- Independent Director
 - Member of the Corporate Governance Committee

- 9. Mr. Predee Daochai^{/2}**
- Independent Director
 - Member of the Nomination and Remuneration Committee

- 10. Mr. Amorn Chandarasomboon**
- Member of the Board of Executive Directors
 - Member of the Risk Oversight Committee

Remark: ^{/2} Mr. Predee Daochai was appointed as a Member of the Audit Committee replacing Mr. Arun Chirachavala on February 2, 2024.



11. Mr. Singh Tangtatswas

- Vice Chairman of the Board of Executive Directors
- Member of the Corporate Governance Committee

12. Mr. Pichet Durongkaveroj

- Member of the Board of Executive Directors

13. Mr. Charamporn Jotikasthira

- Member of the Board of Executive Directors

14. Mr. Chartsiri Sophonpanich

- President
- Member of the Board of Executive Directors

15. Mr. Suvarn Thansathit

- Director and Senior Executive Vice President
- Member of the Board of Executive Directors
- Member of the Risk Oversight Committee



16. Mr. Chansak Fuangfu

- Director and Senior Executive Vice President
- Member of the Board of Executive Directors

17. Mr. Boonsong Bunyasaranand

- Director and Senior Executive Vice President

18. Mr. Chong Toh

- Director and Senior Executive Vice President

19. Mr. Kobsak Pootrakool

- Director and Senior Executive Vice President
- Member of the Board of Executive Directors
- Member of the Corporate Governance Committee
- Corporate Secretary

20. Ms. Niramarn Laisathit

- Director and Senior Executive Vice President
- Member of the Board of Executive Directors



7.2.1 The Composition of the Board of Directors

On January 26, 2023, the Board of Directors appointed Mr. Predee Daochai as an independent director replacing Mr. Piti Sithi-Amnuai, who passed away on October 1, 2022, and Ms. Niraman Laisathit, Senior Executive Vice President, as a director replacing Dr. Thaweelap Rittapirom, who resigned from the position of director on October 31, 2022.

On February 23, 2023, the Board of Directors appointed Mr. Phornthep Phornprapha, non-executive director, as Chairman of the Board of Directors and Mr. Predee Daochai as a member of the Nomination and Remuneration Committee.

On March 28, 2023, the Board of Directors appointed Mr. Deja Tulananda, Chairman of the Board of Executive Directors, as Vice Chairman of the Board of Directors.

As of December 31, 2023, the Bank's Board of Directors had 20 members, who have diverse knowledge and experience with expertise in specific areas that are beneficial to the Bank's operations such as finance, banking, accounting, business administration, law and information technology. The Board of Directors consisted of:

1. Seven independent directors, representing 35.00 percent of the total number of directors.
2. One non-executive director, representing 5.00 percent of the total number of directors.
3. Twelve executive directors, representing 60.00 percent of the total number of directors.

7.2.2 Information on the Board of Directors

Directors			Position	Type of Director
1.	Mr. Phornthep	Phornprapha ^{/1}	Chairman of the Board of Directors	Non-executive Director
2.	Mr. Deja	Tulananda ^{/2}	Vice Chairman of the Board of Directors, and Chairman of the Board of Executive Directors	Executive Director
3.	Mr. Siri	Jiraponghan	Chairman of the Audit Committee	Independent Director
4.	Mr. Chatchawin	Charoen-Rajapark	Chairman of the Nomination and Remuneration Committee	Independent Director
5.	Mr. Arun	Chirachavala	Chairman of the Risk Oversight Committee, and Member of the Audit Committee	Independent Director
6.	Mr. Chokechai	Niljianskul	Chairman of the Corporate Governance Committee, and Member of the Risk Oversight Committee	Independent Director
7.	Mr. Bundhit	Eua-arporn	Member of the Audit Committee, and Member of the Nomination and Remuneration Committee	Independent Director
8.	Ms. Parnsiree	Amatayakul	Member of the Corporate Governance Committee	Independent Director
9.	Mr. Predee	Daochai ^{/3}	Member of the Nomination and Remuneration Committee	Independent Director
10.	Mr. Amorn	Chandarasomboon*	Member of the Board of Executive Directors, and Member of the Risk Oversight Committee	Executive Director
11.	Mr. Singh	Tangtatswas ^{/4*}	Vice Chairman of the Board of Executive Directors, and Member of the Corporate Governance Committee	Executive Director
12.	Mr. Pichet	Durongkaverroj*	Member of the Board of Executive Directors	Executive Director
13.	Mr. Charamporn	Jotikasthira	Member of the Board of Executive Directors	Executive Director
14.	Mr. Chartsiri	Sophonpanich	President, and Member of the Board of Executive Directors	Executive Director
15.	Mr. Suvarn	Thansathit	Director and Senior Executive Vice President, Member of the Board of Executive Directors, and Member of the Risk Oversight Committee	Executive Director
16.	Mr. Chansak	Fuangfu	Director and Senior Executive Vice President, and Member of the Board of Executive Directors	Executive Director
17.	Mr. Boonsong	Bunyasaranand	Director and Senior Executive Vice President	Executive Director
18.	Mr. Chong	Toh	Director and Senior Executive Vice President	Executive Director
19.	Mr. Kobsak	Pootrakool	Director and Senior Executive Vice President, Member of the Board of Executive Directors, Member of the Corporate Governance Committee, and Corporate Secretary	Executive Director
20.	Ms. Niramarn	Laisathit ^{/5}	Director and Senior Executive Vice President, and Member of the Board of Executive Directors	Executive Director



Remark: * The person is an Executive Director but not an employee of the Bank.

^{/1} Mr. Phornthep Phornprapha was appointed as the Chairman of the Board of Directors on February 23, 2023, and resigned from the Member of the Nomination and Remuneration Committee on March 20, 2023.

^{/2} Mr. Deja Tulananda was appointed as the Vice Chairman of the Board of Directors on March 23, 2023.

^{/3} Mr. Predee Daochai was appointed as an Independent Director on January 26, 2023, and a Member of the Nomination and Remuneration Committee on March 23, 2023.

^{/4} Mr. Singh Tangtatswas was appointed as Vice Chairman of the Board of Executive Directors on October 26, 2023.

^{/5} Ms. Niramarn Laisathit was appointed as Director and Senior Executive Vice President on January 26, 2023, and a Member of the Board of Executive Directors on February 23, 2023.

7.2.3 Information Related to the Roles and Duties of the Board of Directors

Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has a responsibility to shareholders to manage the business of the Bank so that it creates value for shareholders and to supervise operations to be in accordance with the law, the Bank's objectives and regulations, and the resolutions of the Board of Directors and the shareholders' meeting.

The Board of Directors has duties to define the Bank's vision, goals and business direction as well as strategies and business plans for both the short-term and long-term to serve as a framework for the operation of the Bank's internal work units by taking into consideration the economic situation, business environment and risk factors for the Bank's operations to achieve these goals. The Board of Directors has duties to ensure appropriate and sufficient internal control of the Bank's business and that there is an organizational structure with effective control, supervision and audit functions which cover risk management policies, methods and procedures, significant risks to the Bank's business operations by defining policies related to various risks, and ensuring that the Bank has sufficient capital to operate the Bank's business.

The Board of Directors has the authority to approve strategies and business plans, policies, business ethics, and the employee code of conduct; to appoint and change senior management; and manage any matters that are subject to laws, Bank regulations, including the Bank's internal regulations that require approval from the Board of Directors, and resolutions of the shareholders' meeting.

Roles and Duties of the Chairman of the Board of Directors

The Chairman of the Board of Directors, as the head of the Board of Directors, is responsible for ensuring the efficient performance of the Board of Directors as follows:

1. To determine the Board of Directors' meeting agendas.
2. To call meetings of the Board of Directors and supervise the delivery of the notices of meetings and documents related to the meetings to the directors prior to the meetings.
3. To chair the Board of Directors meetings, conduct the meetings according to the agenda, allocate adequate time for the presentation of each agenda item, and give opportunities to and encourage directors to freely express their opinions on issues presented at the meeting.
4. To encourage good relationships between the directors.

In addition, the Chairman of the Board of Directors also chairs the shareholders' meetings and conducts

the meetings according to the agenda and the Bank's regulations by allocating appropriate time to each agenda item and giving shareholders equal opportunities to ask questions and express their opinions as well as managing responses to shareholders' questions.

The Board of Directors' Meetings

To enable the directors to allocate their time to attend meetings together, the Board of Directors will set the meeting schedules for the year in advance and the Corporate Secretary will notify the directors of the meeting dates for the year. In 2023, the Board of Directors scheduled a meeting every Thursday on the fourth week of the month in the hybrid format to provide convenience to directors who could join either physical meetings at the meeting room or online meetings via Microsoft Teams.

In 2023, the Board of Directors held 12 meetings, in which directors (excluding directors appointed or leaving during the year) attended more than 75 percent of the total number of meetings, with a quorum of the Board of Directors to consider and vote on various matters of more than two-thirds of the total number of directors. For each meeting of the Board of Directors, the Corporate Secretary will send a notice of the meeting, together with the meeting agenda and supporting documents, for each agenda item to directors to study seven days in advance of the meeting, except in the case of urgent situations.



The Chairman of the Board of Directors will preside over the Board of Directors meeting and, as the chairman of the meeting, allocate appropriate time for the presentation of each agenda item and for the directors who attend the meeting to discuss and freely express their opinions on the presented agenda items. In the consideration of any matter in which a director has a conflict of interest, said director will not participate in the consideration of decision-making on that matter.

In order to allow the Independent Directors to exchange opinions on issues regarding the management of the Bank in addition to matters presented in the Board of Directors meeting, the Chairman of the Board of Directors held a meeting with the Independent Directors on April 27, 2023, where the Independent Directors freely expressed their ideas about issues of interest and reported the results of the meeting to the President.

Performance of the Board of Directors in the Past Year Committees

The Board of Directors has appointed committees to screen, give comments, and monitor and oversee the Bank's business operations as assigned by the Board of Directors in order to facilitate the efficient performance of the Board of Directors. The committees report their performance to the Board of Directors on a regular basis. The committees appointed by the Board of Directors are the Board of Executive Directors, the Audit Committee, the Nomination and Remuneration Committee, the Risk Oversight Committee, and the Corporate Governance Committee.

7.3 Information about Subcommittees

(a) The Board of Executive Directors Objectives

To support and relieve the burden of the Board of Directors, the Board of Executive Directors has duties and responsibilities for daily administration within the approval authority specified by the Board of Directors. This is to manage the Bank and companies in its financial business group in accordance with the policies, goals and plans set by the Board of Directors and in line with the law, as well as the rules and regulations of the Bank's Compliance Unit.

Composition and Qualifications

As of December 31, 2023, the Board of Executive Directors comprised seven directors who are employees and three non-employee directors. The members of the Board of Executive Directors are as follows:

1.	Mr. Deja Tulananda	Chairman of the Board of Executive Directors
2.	Mr. Amorn Chandarasomboon*	Executive Director
3.	Mr. Singh Tangtatswas*	Executive Director
4.	Mr. Chartsiri Sophonpanich	Executive Director
5.	Mr. Suvarn Thansathit	Executive Director
6.	Mr. Charamporn Jotikasthira	Executive Director
7.	Mr. Chansak Fuangfu	Executive Director
8.	Mr. Pichet Durongkaveroj*	Executive Director
9.	Mr. Kobsak Pootrakool	Executive Director
10.	Ms. Niraman Laisathit	Executive Director

Remark: * Non-employee directors

Authority and Responsibility

The Board of Executive Directors has duties and responsibilities for daily administration within the approval authority specified by the Board of Directors. The authorities and duties of the Board of Executive Directors are summarized as follows:

1. To consider policies, goals, organizational structure, business plans and annual budgets to propose to the Board of Directors for approval.
2. To scrutinize matters that must be proposed to the Board of Directors for approval as well as to report on the Bank's internal operations that are important to the Board of Directors for acknowledgment.
3. To control and ensure compliance with the policies, strategy and business plans approved by the Board of Directors.
4. To consider loan approvals, debt restructuring and investment, as well as to conduct any other normal businesses or activities related to the Bank's operations within the scope of authority granted by the Board of Directors.

Meetings

The Board of Executive Directors schedules meetings on Tuesday and Thursday every week and may hold additional meetings as necessary. In 2023, the Board of Executive Directors held a total of 98 meetings.

(b) The Audit Committee Objective

To supervise and monitor the compliance of the Bank and the companies under its financial business group with the policies of the financial business group, and to review the accuracy and adequacy of financial reports of the financial business group.



The Audit Committee Composition and Qualifications

As of December 31, 2023, the Audit Committee comprised three independent directors as follows:

- | | | |
|----|------------------------|---------------------------------|
| 1. | Mr. Siri Jirapongphan | Chairman of the Audit Committee |
| 2. | Mr. Arun Chirachavala | Member of the Audit Committee |
| 3. | Mr. Bundhit Eua-arporn | Member of the Audit Committee |

Mr. Siri Jirapongphan and Mr. Arun Chirachavala have sufficient knowledge and expertise in accounting and finance to review the reliability of the financial statements.

The Audit Committee has a tenure of two years.

Authority and Responsibility

- To ensure correct and sufficient financial reporting, and to work in coordination with the external auditors and the executive in charge of preparing financial reports.
- To ensure that the Bank has adequate and effective internal control and audit systems by reviewing and assessing those systems with external auditors and the Audit and Control Division, and to consider the independence of the Audit and Control Division as well as to approve the appointment, transfer, remuneration, assessment and termination of employment of the manager of the Audit and Control Division.
- To approve the audit plan and any significant changes to the plan and ensure that the Audit and Control Division has appropriate resources, including human resources, to perform and meet the objectives of

the duties assigned, as well as access to any information and documents needed for the performance of such duties without limitation or restriction.

- To consider, select and nominate independent individuals as external auditors and propose their remuneration for approval, as well as to attend non-management meetings with external auditors without the participation of the management at least once a year.
- To ensure that the Bank complies with all relevant regulations and laws on securities and the Stock Exchange of Thailand (SET), regulations of the SET or any laws pertaining to the business of financial institutions.
- To review compliance with relevant laws and regulations with respect to connected transactions or transactions with potential conflicts of interest, to ensure such transactions are reasonable, that they provide optimal benefit to the Bank, and that the disclosure of related information is accurate and complete.
- To request documents and data, or to summon the management and personnel from various operating units of the Bank, in order to provide clarification on relevant matters within the scope of the Audit Committee's duties.
- To produce and publish the Audit Committee's report, which shall be signed by the Chairman of the Audit Committee, as part of the Bank's Annual Report.
- To report to the Board of Directors any findings or suspicious transactions found by the Audit Committee which may have a material impact on the Bank's financial status and/or operational results in order for them to be rectified within a stipulated time frame.

- To hire specialists in specific areas to provide expert advice as the Audit Committee deems appropriate.

- To perform any other tasks as assigned by the Board of Directors with the consent of the Audit Committee.

Meetings

The Audit Committee schedules meetings at least once every three months to scrutinize matters within its scope of responsibility and may hold additional meetings as necessary and appropriate. In addition, the Audit Committee's charter is reviewed at least once a year. In 2023, the Audit Committee held a total of 17 meetings.

(c) The Nomination and Remuneration Committee

Objectives

To select and nominate suitable persons for appointment as directors, members of committees, and top-level executives, as well as considering appropriate remuneration for directors, members of committees and top-level executives.

Composition and Qualifications

As of December 31, 2023, the Nomination and Remuneration Committee comprised three directors as follows:



- | | | |
|----|---------------------------------|---|
| 1. | Mr. Chatchawin Charoen-Rajapark | Chairman of the Nomination and Remuneration Committee |
| 2. | Mr. Bundhit Eua-arporn | Member of the Nomination and Remuneration Committee |
| 3. | Mr. Predee Daochai | Member of the Nomination and Remuneration Committee |

Mr. Chatchawin Charoen-Rajapark is an independent director and does not serve on other committees. Mr. Bundhit Eua-arporn and Mr. Predee Daochai are independent directors.

The Nomination and Remuneration Committee has a tenure of two years.

Authority and Responsibility

1. Nomination

- 1.1 To determine the policy, criteria, and methodology for selecting persons to be appointed to the following positions:
 - (1) Directors.
 - (2) Members of the committees other than the Nomination and Remuneration Committee.
 - (3) Top-level executives from Executive Vice President upwards.
- 1.2 To select, nominate, and submit for approval by the Board of Directors, persons with appropriate

qualifications to be appointed to the abovementioned positions.

- 1.3 To review the size and structure of the Board of Directors to ensure that it is suitable for the organization and its business strategy and is aligned with the changing environment, as well as to ensure that the Board of Directors is comprised of persons with a range of knowledge, ability, and experience in different areas.

2. Remuneration

- 2.1 To determine the policy and criteria for providing remuneration and other benefits including the amount of remuneration and other benefits to directors, members of the committees and top-level executives from Executive Vice President upwards.
- 2.2 To ensure that directors, members of the committees and top-level executives from the level of Executive Vice President upwards, obtain remuneration commensurate with their duties and responsibilities.
- 2.3 To establish performance appraisal guidelines for determining annual remuneration for directors, members of the committees and top-level executives from the level of Executive Vice President upwards. The guidelines take into account the individual's duties and responsibilities, and associated risks as well as their contribution to the long-term growth of shareholders' equity.

Meetings

The Nomination and Remuneration Committee schedules meetings at least twice a year and may hold additional meetings as necessary and appropriate. In 2023, the Nomination and Remuneration Committee held a total of 13 meetings.

Reports

The Nomination and Remuneration Committee is responsible for reporting to the Board of Directors on its operations and all of its meetings and disclosing the performance report of the Nomination and Remuneration Committee in the Bank's 2023 Annual Report (56-1 One Report).

(d) The Risk Oversight Committee Objectives

To oversee and ensure that the risk management of the Bank and its financial business group is systematic, comprehensive, efficient and effective and in line with the Bank's strategic plan and overall risk management policy.

Composition and Qualifications

As of December 31, 2023, the Risk Oversight Committee comprised two independent directors and two executive directors as follows:

- | | | |
|----|---------------------------|--|
| 1. | Mr. Arun Chirachavala | Chairman of the Risk Oversight Committee |
| 2. | Mr. Chokechai Niljianskul | Member of the Risk Oversight Committee |
| 3. | Mr. Amorn Chandarasomboon | Member of the Risk Oversight Committee |
| 4. | Mr. Suvarn Thansathit | Member of the Risk Oversight Committee |

Mr. Arun Chirachavala and Mr. Chokechai Niljianskul are independent directors. Mr. Amorn Chandarasomboon and Mr. Suvarn Thansathit are executive directors.



Authority and Responsibility

- To establish risk management policies for the Bank and its financial business group and to propose to the Board of Directors for consideration where the elements of the policy cover:
 - Type of major risks.
 - Risk management for inter-business transactions within the financial business group.
 - Processes and methods for assessing and measuring risks.
 - Controlling and managing risks such as determining risk appetite, etc.
 - Business Continuity Management (BCM) and Business Continuity Plan (BCP).
- To ensure top-level executives adhere to risk management policies and strategies and manage the business of the financial business group to have an acceptable level of risk.
- To consider capital management and liquidity management strategies to support the financial business group's risks and to be in line with the risk appetite as approved by the Board of Directors.
- To review the adequacy and effectiveness of the risk management policy and strategy, including risk appetite, at least once a year or when there are significant changes.
- To control, monitor, inspect and ensure that companies within the financial business group comply with the established risk management policy. This also includes reviewing the adequacy and effectiveness of the policy at least once a year, which is reported to the Board of Directors.

- To report to the Board of Directors on the risk status, risk management efficiency and status of compliance with the corporate culture, as well as significant factors, problems and issues that need to be revised to be in line with the risk management policies and strategies of the financial business group.
- To participate in the assessment of the efficiency and effectiveness of the performance of the persons responsible for risk management.
- To perform any other matters related to risk oversight as assigned by the Board of Directors.

Meetings

The Risk Oversight Committee schedules meetings at least once every quarter and may hold additional meetings as necessary and appropriate. In 2023, the Risk Oversight Committee held a total of 13 meetings, one of which was a joint session with the Audit Committee.

(e) The Corporate Governance Committee Objectives

To support the Board of Directors in performing duties regarding the Bank's corporate governance under the principles of good corporate governance and sustainability to ensure that the Bank's business operations are sustainable, transparent, in line with good governance principles, and trusted by shareholders, investors and all stakeholders in the long run.

Composition and Qualifications

As of December 31, 2023, the Corporate Governance Committee comprised two independent directors and two executive directors as follows:

- | | | |
|----|---------------------------|--|
| 1. | Mr. Chokechai Niljianskul | Chairman of the Corporate Governance Committee |
| 2. | Mr. Singh Tangtatswas | Member of the Corporate Governance Committee |
| 3. | Mr. Kobsak Pootrakool | Member of the Corporate Governance Committee |
| 4. | Ms. Parnsiree Amatayakul | Member of the Corporate Governance Committee |

The Corporate Governance Committee has a tenure of three years.

Authority and Responsibility

1. Corporate Governance

- To determine the policy, criteria, and methodology for selecting persons to be appointed to the following positions:
- To define and review corporate governance best practices, including the preparation and review of the business code of conduct, employee code of conduct and supplier code of conduct.
- To propose best practices for the Board of Directors and propose the Board of Directors' Charter for all committees appointed by the Bank.
- To propose requirements on Business Ethics as well as the ethics of employees and suppliers.
- To review and publicize the Bank's good corporate governance announcements.
- To ensure that the principles of good corporate governance are effective in practice.



- 1.7 To review and report corporate governance performance to the Board of Directors, as well as to provide comments and recommendations for improvement as appropriate.

2. Sustainability Development

- 2.1 To establish principles of sustainability development that are effective and suitable for the Bank.

- 2.2 To propose the sustainability strategy appropriate for the Bank's business operations that are in line with social and environmental contexts covering:

- 2.2.1 Managing risks and impacts on the environment, society and corporate governance.
- 2.2.2 Supporting financial inclusion and financial literacy.
- 2.2.3 Adapting to changes and seeking business opportunities from social and environmental challenges.
- 2.2.4 Community and social development.
- 2.2.5 Other sustainability issues.

- 2.3 To give opinions to the Board of Directors or the Risk Oversight Committee on issues related to risk management and the impact on the environment, society and corporate governance including the integration of social, environment and corporate governance issues into various operations of the Bank.

- 2.4 To review and propose messages on the Bank's announcements on sustainability performance that are to be made public.

- 2.5 To ensure that the principles of sustainability development under the sustainability strategy are effective in practice and operation.

- 2.6 To review and report sustainability performance to the Board of Directors, as well as to provide comments and recommendations for improvement as appropriate.

Meetings

The Corporate Governance Committee schedules meetings at least once every quarter to scrutinize any matters and may hold additional meetings as necessary and appropriate. In 2023, the Corporate Governance Committee held a total of four meetings.

7.4 Information about Executives

7.4.1 Names and Positions of Executives

As of December 31, 2023, the Bank's executives identified by the Notification of the Securities and Exchange Commission, regarding the Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Debt Securities, are as follows:

- | | | |
|------------------|---------------|--|
| 1. Mr. Deja | Tulananda | Vice Chairman of the Board of Directors and Chairman of the Board of Executive Directors |
| 2. Mr. Chartsiri | Sophonpanich | President |
| 3. Mr. Suvarn | Thansathit | Director and Senior Executive Vice President |
| 4. Mr. Chansak | Fuangfu | Director and Senior Executive Vice President |
| 5. Mr. Charnporn | Jotikasthira | Executive Director |
| 6. Mr. Boonsong | Bunyasaranand | Director and Senior Executive Vice President |

- | | | |
|-------------------|------------------|--|
| 7. Mr. Chong | Toh | Director and Senior Executive Vice President |
| 8. Mr. Kobsak | Pootrakool | Director and Senior Executive Vice President |
| 9. Ms. Niramarn | Laisathit | Director and Senior Executive Vice President |
| 10. Ms. Suteera | Sripaibulya | Senior Executive Vice President |
| 11. Ms. Rushda | Theeratharathorn | Senior Executive Vice President |
| 12. Mr. Siridej | Aungudomsin | Senior Executive Vice President |
| 13. Mr. Chaiyarit | Anuchitworawong | Senior Executive Vice President |
| 14. Mr. Kanit | Si ¹ | Senior Executive Vice President |
| 15. Mr. Kukkong | Ruckphaopunt | Senior Executive Vice President |
| 16. Mr. Ian Guy | Gillard | Senior Executive Vice President |
| 17. Mr. Thawat | Treewannakul | Senior Executive Vice President |
| 18. Mr. Sa-ard | Theerarojanawong | Senior Executive Vice President |
| 19. Mrs. Oranuch | Nampoolsuksan | Executive Vice President, Manager, Accounting and Finance Division |

Remark: ¹ Retired on January 1, 2024.



7.4.2 Remuneration Policy for Executive Directors and Executives

The Bank has established policies, criteria and methods for determining the remuneration of directors commensurate with their individual assigned duties and responsibilities by taking into account relevant factors. These factors include the level of remuneration provided by leading financial institutions in Thailand; the level of remuneration provided by leading listed companies in Thailand of a similar size to the Bank; the duties, responsibilities and related risks undertaken; the performance of the Bank's Board of Directors; the Bank's operating results; the business environment; and other factors that may affect the Bank's business or the overall economy.

Remuneration of Top-level Executives

The Nomination and Remuneration Committee is responsible for considering suitable remuneration of the management including the Chairman of the Board of Executive Directors, the President and top-level executives from the level of Executive Vice President upwards and presenting recommendations to the Bank's Board of Directors for consideration in connection with the Bank's short-term and long-term performance indicators and reflecting the performance of each executive. These include financial, customers, workflow improvement and personnel development indicators such as net profit per asset, revenue growth, credit growth, asset quality, customer satisfaction, expense management, as well as indicators of the Bank's competitiveness compared to other leading financial institutions and companies in Thailand, such as overall return on equity to achieve sustainable success in line with its commitment to being a "trusted partner and reliable close friend".

7.4.3 Total Remuneration for Executive Directors and Executives

Total remuneration paid to directors and executives in 2023 is as follows:

1. The remuneration paid to the members of the Board of Directors, consisting of monthly remuneration and bonuses, amounted to Baht 141.205 million in 2023, for 20 persons, compared with Baht 136.714 million in 2022, for 21 persons.
2. The remuneration (consisting of salary, bonuses and contributions to provident funds) paid to the first four levels of top-level executives from Senior Executive Vice President upwards, amounted to Baht 1,070.74 million in 2023, for 18 persons, compared with Baht 993.09 million in 2022, for 18 persons.
3. The remuneration (consisting of salary, bonuses and contributions to provident funds) paid to executives from Executive Vice President upwards amounted to Baht 1,668.59 million in 2023, for 62 persons.

7.5 Information about Employees

The Bank values its employees and their contributions, and the Bank has established a foundation of good relationships and cooperation which helps them to advance in their careers and supports the sustainable growth of the Bank's business operations. To provide for the livelihood and wellbeing of its employees, the Bank does the following:

1. Compensation and Welfare

Employees are a valuable resource that provides the organization with stability and sustainable growth. Therefore, the Bank aims to continuously create a good employee experience in various aspects, including

compensation, welfare, and benefits. The Bank does this by providing fair and equitable treatment of its employees that supports their wellbeing and provides a good working environment with occupational health and safety so that employees can work happily and efficiently, have good relationships, and grow together with the Bank.

The compensation paid to employees is based on their duties, responsibilities, and performance along with bonuses depending on the Bank's performance, performance appraisals and the economic outlook to motivate employees to perform better in terms of both quantity and quality and work with full knowledge and ability. The Bank also provides welfare in various fields such as medical care and fitness, etc. To ensure employees can have a good quality of life, the Bank also provides employee loans with low interest rates and a provident fund so that they can have sufficient funds for their retirement.

In addition, the Bank takes good care of its employees. In 2023, the Bank approved a special relief payment for employees to ease the burden of expenses and mitigate the impact of the cost-of-living, inflation, and rising prices of consumer goods.

2. Knowledge and Potential Development

Although the Covid-19 pandemic started to ease in 2023, the Bank continued to face economic, social and environmental challenges. This also included increasing competition in both the banking sector and from non-bank service providers. As a result, the Bank needs



to continuously adapt and develop to increase its competitiveness and become more sustainable.

Therefore, the Bank places importance on continuously developing the knowledge and skill of its employees to build their business and technology capabilities and to create resilient leaders who have the requisite skills to manage the business in the future and to work effectively, make decisions and be able to adapt in a fast-changing business environment.

3. Potential Development

The Bank is committed to continuously developing the potential of employees at all levels so they will be able to grow and advance to drive the Bank to become a bank of the future. In 2023, the Bank focused on developing knowledge and skill in two dimensions in parallel, namely Business as Usual (BAU) which is necessary for current work operations, and Lifelong Learning which is future skills. The details are as follows:

3.1 Business as Usual: BAU focuses on the development of the Bank's business operation skills in three areas:

3.1.1 Loans

To develop credit and financial skills for loan officers, in terms of related principles and practices. The development is divided into three levels: Basic, Intermediate and Advanced Levels so that loan officers can analyze customer information correctly, appropriately, and ethically which will lead to sustainable business operations. In addition, employees have been developed to have knowledge and understanding of the new work system for creating customer information, financial data analysis, customer risk assessment as well as submitting loan documents for approval and following up on credit usage to be in accordance with the Bank's criteria and conditions, with practice exercises and examinations to evaluate their learning outcomes.

3.1.2 Business Partnership

To prepare loan officers and products and services related work units to be professional advisors through cultivating a business mindset that emphasizes three important skills: 1. Selling skills, focusing on sales that can meet the true needs of customers and present a total solution that appropriately meets their needs; 2. Product skills, presenting products and services with an emphasis on delivering value, offering useful products and services, and answering the needs of customers; and 3. Business skills, focusing on increasing knowledge

and understanding of business in various industries so employees can be expert advisors and help customers' businesses grow sustainably. The results are evaluated in the form of knowledge and understanding with pre- and post-assessment.

3.1.3 Leadership

To strengthen leadership skills to be able to drive the organization towards sustainable goals by focusing on five areas, namely 1. Communication Excellence, 2. Integrity, 3. Driving for Success, 4. Teamwork, and 5. Customer Obsession.

3.2 Future Skills

The Bank fosters its lifelong learning community by providing development courses covering topics such as work process, self-discipline, analytical thinking development, hard skills and soft skills to help prepare employees for working in the future through various learning formats, such as the BBLearn digital platform, virtual classes and project-based workshops.

In addition, the Bank collaborated with internal and external experts to design courses and guidelines for developing learning processes and logical thinking to meet the Bank's business needs. Emphasis is placed on learning by doing and creating concrete results. This new approach has already been used in some of the Bank's training projects such as the Tech Adoption Challenge Season 3, the use of a coaching culture to enable changes in behavior and mindset, and the focus on sustainable development in line with the Bank's sustainability policy. In 2023, the Bank continued to provide knowledge and raise awareness among its employees about the importance of sustainability development in the ESG dimensions by providing ESG and climate change training for employees and executives. In addition, the Bank also offered business and credit advice that supports the transition to a low-carbon society, such as providing responsible lending in order to add value to customers' business in managing ESG risks in support of the Bank's commitment to sustainable banking.

4. Occupational Health and Safety

Our buildings have standard security systems and equipment and appropriate security personnel. The workplace has been arranged appropriately to provide efficiency and effectiveness in the working environment by taking into account the occupational health and safety of employees and collecting information on leave related to accidents or illnesses due to work.



As of December 31, 2023, the Bank and our subsidiaries had a total of 28,286 employees, categorized by their main line of work as follows:

	Number of Employees
1. Top-level Executives	18
2. Business Units	12,073
3. Supporting Units	7,334
4. Subsidiaries	8,861
Total	28,286

7.6 Other Significant Information

7.6.1 Persons Assigned to be in Charge of Accounting and Finance, Company Secretary, Head of Internal Audit and Head of Compliance Unit

Accounting and Finance	: Mrs. Oranuch Nampoolsuksan, Executive Vice President, Manager, Accounting and Finance Division
Company Secretary	: Mr. Kobsak Pootrakool Senior Executive Vice President, Member of the Board of Executive Directors and Corporate Secretary
Head of Internal Audit	: Mrs. Wilawan Sutthibutr Executive Vice President, Manager, Audit and Control Division
Head of the Compliance Unit	: Ms. Sriyuda Ekjitphant Executive Vice President, in charge of Compliance

7.6.2 Head of Investor Relations and Contact Information

The Bank established the Investor Relations Unit to be responsible for disclosing useful financial and non-financial information to shareholders, investors, securities analysts and credit rating agencies, both domestic and international, and to be the primary point of contact for shareholders, investors, securities analysts, and credit rating agencies, in accordance with related information disclosure guidelines which are also in line with the Bank's principles and official requirements. This is to ensure that the Bank has disclosed the information appropriately, in a timely and equitable manner through the channel of the Stock Exchange of Thailand (SET Link), the Bank's website (www.bangkokbank.com) and investor relations activities such as meetings with analysts and investors and attending investor conferences. The President, Senior Executive Vice Presidents and other senior executives of the Bank have prioritized their participation in various regular Investor Relations activities. Mrs. Sumataya Pholvaddhana, Vice President and Investor Relations Manager, is assigned by the Bank to be in charge of the Investor Relations Unit.

Investor Relations activities in 2023 were as follows:

Type of Meeting	Number of Meetings	Number of Companies	Number of Participants
One-on-One Meetings	125	135	194
Group Meetings	5	169	199
Investor Conferences	9	212	267

Investor Relations Contact:

Investor Relations: Bangkok Bank Public Company Limited

333 Silom Road, Silom, Bang Rak, Bangkok 10500

Tel: 0-2626-4982

Fax: 0-2231-4890

Email: ir@bangkokbank.com

Website: www.bangkokbank.com



7.6.3 Remuneration of Auditors

The auditor of Bangkok Bank is Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. In 2023, the Bank and its subsidiaries engaged Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. and its affiliates, as well as audit firms in other countries that are affiliated with Deloitte Touche Tohmatsu, to provide audit services and other services and incurred the following expenses in connection therewith:

1. Audit Fees

The Bank and its subsidiaries engaged Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. to provide audit services and incurred fees relating thereto amounting to Baht 26,554,500.

The Bank also incurred fees amounting to Baht 13,771,736 in the engagement of audit firms in other countries that are affiliated with Deloitte Touche Tohmatsu to provide audit services for international branches and subsidiaries.

2. Fees for other services

The Bank and its subsidiaries incurred fees for the engagement of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. and its affiliates to provide other services for special purpose audits and consulting services amounting to Baht 2,465,000 and a further amount of Baht 785,000 to be paid in the future upon completion of the services agreed upon.

Furthermore, the Bank and its subsidiaries also incurred fees for the engagement of audit firms in other countries that are affiliated with Deloitte Touche Tohmatsu to provide services for special purpose audits related to legal and tax matters amounting to Baht 1,395,796 and a further amount of Baht 1,067,911 to be paid in the future upon completion of the services agreed upon.





8. Report on Key Operating Results Related to Corporate Governance

8.1 Summary of the Performance of Duties by the Board of Directors in the Past Year

In 2023 the Board of Directors reviewed the Bank's operational goals regarding vision and mission by taking into account various factors, including changes in the business environment, future trends, and market competition; approved the Bank's strategy and the annual business plan proposed by the management to be in line with the Bank's operational goals; monitored the implementation of the Bank's strategy by requiring the management to regularly report on operating results against plans; assessed the Bank's capital to be adequate in normal and crisis situations; ensured that there is effective internal control by requiring there be an adequacy assessment of the audit and control system; ensured that the Bank and its financial business group have a risk management policy to cover the management of various risks; and determined the overall risk management policy and strategy of the Bank's financial business group. Meanwhile, the Board of Directors placed importance on the development of information technology to increase the Bank's competitiveness, support the changing needs of customers, and manage risks arising from information technology.



8.1.1 Selection, Development and Evaluation of the Performance of Duties of the Board of Directors

Nomination Guidelines for Directors

The Nomination and Remuneration Committee will nominate and select appropriate persons to serve as directors and top-level executives by taking into account the Bank's operational strategies as well as the knowledge and professional skills that are lacking in the Bank's operations by using the Board Skill Matrix. The Nomination and Remuneration Committee will screen the qualifications of persons nominated as directors and top-level executives in accordance with the processes and guidelines set by the Board of Directors by taking

into account the qualifications of such persons in terms of honesty, responsibility and ethics, the ability to fully devote time to the duties of a director and the eligibility requirements of the Bank of Thailand, the Capital Market Supervisory Board, the Securities and Exchange Commission and other related official agencies. In addition, they also consider knowledge, abilities, specific professional skills which are beneficial to the Bank's business operations, past expertise, and experience as well as past performance. They also consider the structure, and composition of the Board of Directors to ensure that it will have a variety in terms of knowledge, skills, expertise, and experience that are suitable for the Bank's business regardless of gender, age, race or religion. The Bank will nominate candidates for consideration by the Nomination



and Remuneration Committee to seek approval from the BOT before proposing for approval to be appointed as directors.

Before the Annual Ordinary Meeting of Shareholders, shareholders have the right to nominate candidates for directorship to the Nomination and Remuneration Committee for consideration. The shareholders must proceed in accordance with the rules prescribed by the Bank of which the shareholders have been informed via the Bank's website and must nominate candidates in advance within the specified time frame.

Orientation for New Directors

The Bank hosts an orientation program for newly appointed directors which introduces them to directors, provides information related to the operations of the Bank and its vision, strategies, business goals, Articles of Association, as well as the roles and responsibilities of directors according to the relevant rules and regulations in order for the newly appointed directors to understand the Bank's business and the roles of directors.

Development of Directors

The Bank recognizes the importance of regularly and continuously supporting its directors to attend training courses that are useful in assisting them to perform their duties as directors. In addition, the Bank regularly supports activities for the development of directors and executives at various levels – for example, seminars and lectures from knowledgeable external speakers.

The directors who have passed the Director Certification Program run by the Thai Institute of Directors Association are Mr. Singh Tangtatswas, Mr. Amorn Chandarasomboon, Mr. Arun Chirachavala, Mr. Charnporn Jotikasthira, Mr. Chokechai Niljianskul, Mr. Chartsiri Sophonpanich, Mr. Suvarn Thansathit, Mr. Pichet Durongkaverroj, Mr. Siri Jirapongphan, Mr. Bundhit Eua-arporn, Mr. Chatchawin Charoen-Rajapark, Ms. Parnsiri Amatayakul and Ms. Niramarn Laisathit. The directors who have attended the Director Accreditation Program include Mr. Amorn Chandarasomboon, Mr. Phornthep Phornprapha, Mr. Arun Chirachavala, Mr. Chartsiri Sophonpanich, Mr. Chansak Fuangfu, Mr. Chatchawin Charoen-Rajapark, Mr. Kobsak Pootrakool and Mr. Chong Toh.

The Bank has encouraged directors to participate in training courses or seminars related to their duties that will enable them to continuously learn and develop themselves in various areas.

In 2023, major training or seminars attended by directors included:

Date	Topic	Name of Director who Attended
October 7, 2022 – June 24, 2023	Certificate in Medical Governance for Senior Executives, King Prajadhipok's Institute and Medical Council	Mr. Chokechai Niljianskul
April 26, 2023	Economic Seminar 1/2023	Mr. Siri Jirapongphan
August 21, 2023	Director's Role in Cybersecurity Risk Management, the Securities and Exchange Commission and the Stock Exchange of Thailand	Ms. Parnsiree Amatayakul
October 6, 2023	Director Accreditation Program (DAP) Class 209, Thai Institute of Directors (IOD)	Ms. Niramarn Laisathit
October 27, 2023	Webinar Refreshment Risk Management "Accelerating Inclusive Digital Economy Transformation and Sustainability Economic Growth (and impact on Risk Based Bank Rating and Risk Appetite)"	Ms. Niramarn Laisathit
October 27, 2023	Accelerating the Inclusive Digital Economy and the Sustainable Economy Transformations, Indonesia	Mr. Chong Toh
November 2, 2023	AEC Business Forum 2023 seminar under the topic of "ASEAN RISING: Capture New Growth", Bangkok Bank Public Company Limited	Mr. Arun Chirachavala Mr. Siri Jirapongphan
November 2, 2023	Workshop on Cyber Security of the Financial Sector, Bank of Thailand, the Securities and Exchange Commission and Office of the Insurance Commission	Mr. Chokechai Niljianskul Mr. Siri Jirapongphan
November 9, 2023	Director's Briefing: Sustainability Trends in Business across Industries, Thai Institute of Directors Association	Mr. Chatchawin Charoen-Rajapark
November 30, 2023	AML/CFT Forum, Anti-Money Laundering Office	Mr. Chartsiri Sophonpanich Mr. Arun Chirachavala Mr. Siri Jirapongphan



Assessment of the Performance of the Board of Directors

The Board of Directors assesses the performance of its duties on an annual basis to review its performance for the past year, including problems and obstacles that arose, and uses the assessment results to improve and develop its performance of its duties.

There are two methods of assessment of performance of the Board of Directors:

1. Self-Assessment on both a collective and individual basis.
 2. Cross-Assessment for assessing the performance of other directors.
- Both assessment methods use assessment forms approved by the Board of Directors.

Main Topics in the Self-assessment Form of the Board of Directors on a Collective Basis:

1. Structure and qualifications of the Board of Directors
2. Roles, duties and responsibilities
3. Meetings
4. Performance of the duties of directors
5. Relationship with management
6. Self-development of directors and development of executives

Main Topics in the Self-assessment Form of the Board of Directors on an Individual Basis:

1. Structure and qualifications of the Board of Directors
2. Meetings
3. Roles, duties and responsibilities

Main Topics in the Assessment Form for Cross-assessment:

1. Consistency of meeting attendance
2. Preparation for meeting attendance
3. Provision of comments at meetings
4. Collaboration
5. Representing the Bank in presenting the image of the Bank to third parties

For the assessment of the performance of the Board of Directors, the Corporate Secretary submits the three assessment forms for directors to conduct the assessments and provides the forms to the Nomination and Remuneration Committee to process, summarize, and report the assessment results to the Board of Directors. The results of the performance assessment of the Bank's Board of Directors in 2023 were at a satisfactory level.

Assessment of the Performance of the Committees

In 2023, all committees conducted their performance assessments to review their performance over the year according to the scope of duties and responsibilities as assigned by the Board of Directors and used the results of the assessment as a guideline for further improvement of the performance of their duties.

All committees conducted their performance assessments based on the self-assessment method on a collective basis by using the assessment form prepared within the framework of duties and responsibilities for each committee and agreed upon by the Board of Directors. In assessing performance, the secretary of each committee provided the self-assessment forms to each respective committee to conduct the assessment, then collected, processed, summarized, and presented the assessment results to a meeting of each committee. The committees reported the assessment results to the Board of Directors.

The results of performance assessments of all committees in 2023 were at a satisfactory level showing that all committees performed their duties in accordance with the scope of duties and responsibilities as assigned by the Board of Directors.

Assessment of the Performance of the Chairman of the Board of Executive Directors and the President

The performance of the Chairman of the Board of Executive Directors and the President were assessed using the assessment form prepared in accordance with the CEO appraisal guidelines of the Stock Exchange of Thailand and agreed by the Board of Directors. The main topics in the performance assessment of the Chairman of the Executive Directors and the President were leadership, strategy, implementation of strategies, planning and results of the financial operations, and relationships with directors. In this regard, the Chairman of the Nomination and Remuneration Committee presented the assessment results to the Chairman of the Board of Executive Directors and the President.



Remuneration and Development of Executives and People Management

In selecting persons to be appointed as executives, from Executive Vice President upwards, the Board of Executive Directors will conduct the initial screening by taking into consideration the knowledge, capabilities, and expertise which are beneficial to the Bank's business, as well as leadership, management skills, potential, and readiness to assume the assigned duties. Then, the Board of Executive Directors will propose candidates to the Nomination and Remuneration Committee to conduct qualification screening. The Board of Directors will submit applications for appointment of the qualified candidates to the Bank of Thailand for approval, before proposing the appointments to the Board of Directors for approval.

Succession of Top-level Executive Positions

The Bank recognizes the importance of the selection and development of personnel for succession to top-level executive positions. In selecting persons with suitable qualifications, consideration will be based on their knowledge, skills, mindset, and ideas in terms of strategy, leadership, accountability as well as their decision-making and problem-solving abilities. A preparation and development program will be offered to persons under consideration. This includes management and leadership courses, internally and externally. They will also be assigned to perform duties which will facilitate their learning experience and enhance particular job skills and expertise, including skills in cooperation with other operating units in the Bank.

8.1.2 Meeting Attendance and Remuneration for Each Board Member

The summary of the Board of Directors' meetings in 2023 was as follows:

			No. of meetings attended	
	Name	Total: 12 Meetings	General Meeting	
1.	Mr. Phornthep Phornprapha ^{/1}	11/12	0/1	
2.	Mr. Deja Tulananda ^{/2}	11/12	1/1	
3.	Mr. Siri Jirapongphan	12/12	1/1	
4.	Mr. Chatchawin Charoen-Rajapark	12/12	1/1	
5.	Mr. Arun Chirachavala	12/12	0/1	
6.	Mr. Chokechai Niljianskul	12/12	1/1	
7.	Mr. Bundhit Eua-arporn	11/12	1/1	
8.	Ms. Parnsiree Amatayakul	12/12	1/1	
9.	Mr. Predee Daochai ^{/3}	11/11	1/1	
10.	Mr. Amorn Chandarasomboon	12/12	1/1	
11.	Mr. Singh Tangtatswas ^{/4}	12/12	0/1	
12.	Mr. Pichet Durongkaveroj	12/12	1/1	
13.	Mr. Charnporn Jotikasthira	12/12	1/1	
14.	Mr. Chartsiri Sophonpanich	12/12	1/1	
15.	Mr. Suvarn Thansathit	11/12	1/1	
16.	Mr. Chansak Fuangfu	12/12	1/1	
17.	Mr. Boonsong Bunyasaranand	12/12	1/1	
18.	Mr. Chong Toh	11/12	1/1	
19.	Mr. Kobsak Pootrakool	12/12	1/1	
20.	Ms. Niramarn Laisathit ^{/5}	11/11	1/1	

Remark : ^{/1} Mr. Phornthep Phornprapha was appointed as the Chairman of the Board of Directors on February 23, 2023, and resigned from the Member of the Nomination and Remuneration Committee on March 20, 2023.

^{/2} Mr. Deja Tulananda was appointed as the Vice Chairman of the Board of Directors on March 23, 2023.

^{/3} Mr. Predee Daochai was appointed as an Independent Director on January 26, 2023, and a Member of the Nomination and Remuneration Committee on March 23, 2023.

^{/4} Mr. Singh Tangtatswas was appointed as Vice Chairman of the Board of Executive Directors on October 26, 2023.

^{/5} Ms. Niramarn Laisathit was appointed as Director and Senior Executive Vice President on January 26, 2023, and a Member of the Board of Executive Directors on February 23, 2023.



The remuneration of directors in 2023 consisted of three categories as follows:

Remuneration (per month)

	Unit: Baht
The Board of Directors	
Chairman of the Board of Directors	450,000
Vice Chairman of the Board of Directors	300,000
Director	250,000
Committees	
Executive Director	50,000
Member of the Audit Committee	50,000
Member of the Nomination and Remuneration Committee	50,000
Member of the Risk Oversight Committee	50,000
Member of the Corporate Governance Committee	50,000

The directors who are members of many committees will receive remuneration for only one committee. The directors who are the employees of the Bank will not receive remuneration for their membership in committees.

Bonus (per year)

	Unit: Baht
Chairman of the Board of Directors	5,500,000
Vice Chairman of the Board of Directors	4,000,000
Chairman of the Audit Committee	4,000,000
Director	3,520,000

Remuneration of the Board of Directors for 2023 and 2022

Unit: Baht

Directors	2023	2022
1. Mr. Phornthep Phornprapha ^{/1}	10,771,000	7,120,000
2. Mr. Deja Tulananda ^{/2}	7,330,000	6,520,000
3. Mr. Siri Jirapongphan	7,600,000	7,441,000
4. Mr. Chatchawin Charoen-Rajapark	7,120,000	7,120,000
5. Mr. Arun Chirachavala	7,120,000	7,120,000
6. Mr. Choekchai Niljianskul	7,120,000	7,120,000
7. Mr. Bundhit Eua-arporn	7,120,000	6,970,000
8. Ms. Parnsiree Amatayakul	7,120,000	6,970,000
9. Mr. Predee Daochai ^{/3}	7,120,000	-
10. Mr. Amorn Chandarasomboon	6,677,000	7,120,000
11. Mr. Singh Tangtatswas ^{/4}	7,120,000	7,120,000
12. Mr. Pichet Durongkaveroj	7,120,000	7,120,000
13. Mr. Charnporn Jotikasthira	6,520,000	6,520,000
14. Mr. Chartsiri Sophonpanich	6,520,000	6,520,000
15. Mr. Suvarn Thansathit	6,520,000	6,520,000
16. Mr. Chansak Fuangfu	6,520,000	6,520,000
17. Mr. Boonsong Bunyasaranand	6,520,000	6,520,000
18. Mr. Chong Toh	6,520,000	4,890,000
19. Mr. Kobsak Pootrakool	6,520,000	4,890,000
20. Ms. Niramarn Laisathit ^{/5}	6,227,000	-

Remark : ^{/1} Mr. Phornthep Phornprapha was appointed as the Chairman of the Board of Directors on February 23, 2023, and resigned from the Member of the Nomination and Remuneration Committee on March 20, 2023.

^{/2} Mr. Deja Tulananda was appointed as the Vice Chairman of the Board of Directors on March 23, 2023.

^{/3} Mr. Predee Daochai was appointed as an Independent Director on January 26, 2023, and a Member of the Nomination and Remuneration Committee on March 23, 2023.

^{/4} Mr. Singh Tangtatswas was appointed as Vice Chairman of the Board of Executive Directors on October 26, 2023.

^{/5} Ms. Niramarn Laisathit was appointed as Director and Senior Executive Vice President on January 26, 2023, and a Member of the Board of Executive Directors on February 23, 2023.



8.1.3 Supervision of Subsidiaries and Associated Companies

The Bank has a mechanism for supervising subsidiaries and associated companies by sending the Bank's representatives to be directors in proportion to their shareholding in the said company to monitor and supervise the management of subsidiaries and associated companies and participate in decision-making on important matters of the subsidiaries. This also includes monitoring and overseeing that directors and executives of subsidiaries perform their duties and responsibilities as required by law. The nomination of persons to be directors of subsidiaries and associated companies must be appropriately considered and be consistent with the strategic direction of the Bank as well company policies and relevant rules. In addition, the Bank has a process for monitoring the operations of subsidiaries and associated companies by requiring them to present annual business plans and report their operating results to the Bank on a yearly basis.

8.1.4 Monitoring of Compliance with the Corporate Governance Policy and Guidelines

(1) Prevention of Conflicts of Interest

The Bank stresses the importance of practices to control and manage conflicts of interest in accordance with rules set by the authorities.

The Bank also requires directors and top-level executives to prepare reports of their personal interests, by providing information on their own shareholdings, those of their spouses and their children who have not yet come of age, as well as providing information on their and their spouses' directorships in their own businesses as well as other information pertaining to their interests. The Bank uses such information in controlling transactions between the Bank and persons with whom the directors and top-level executives have interests or involvement, and in reporting related-party transactions in the annual registration statement. The connected transactions of directors and top-level executives must be in accordance with the rules prescribed by the Securities and Exchange Commission (SEC) and notify the Corporate Secretary. In the event that the Board of Directors is required to scrutinize matters where there exist, or potentially exist, conflicts of interest, connected transactions, or related-party transactions, the directors who are related persons will not participate in the scrutiny and approval of such transactions. In addition, the Bank will not prescribe special conditions for such transactions in favor of the directors involved.

(2) The Use of Inside Information for Personal Gain

The Board of Directors has set criteria on the supervision and protection of the wrongful use of inside information for their own benefit or that of third parties and has disseminated the criteria to the Bank's directors, executives and employees for their information and observance. The criteria includes prohibiting the use of information affecting changes in the price of securities of listed companies, which is known to them but not yet disclosed to the public, to buy or sell securities before such information is generally disclosed to the public, and prohibiting directors, executives and personnel involved with the preparation of financial statements from buying, selling, offering to buy or sell, or advising others to buy or sell the Bank's securities during a period of one month prior to, and three days after, the disclosure of the Bank's quarterly financial statements.

In addition, directors and top executives from the level of Executive Vice President upwards, including Accounting and Finance Managers, are required to report any changes in holdings of the Bank's securities and derivatives by them, their spouses and their children who have not yet come of age, to the SEC, in line with the reporting format and within the period specified by the SEC and to notify the Corporate Secretary within three working days from the date of such changes. The Corporate Secretary will report the changes in directors' and executives' holdings of securities and derivatives to the Board of Directors.

(3) Anti-Corruption Measures

The Bank is determined to be an organization which operates in a transparent manner, is corruption-free and will not accept any form of corruption. Accordingly, the Bank has established an anti-corruption policy which prohibits its directors, executives and staff from offering, demanding, arranging, or accepting bribes or any form of benefits for personal gain or the gain of others.

The Bank promotes the values of honesty and accountability in fulfilling one's duty, and also encourages concerned parties to be aware of, understand, and cooperate in any way as required to oppose and prevent corruption.

The Bank has established practical guidelines for its anti-corruption program. In addition, relevant units in the Bank have taken steps to assess risks from corruption and established



practical guidelines for compliance and control measures to prevent and monitor risks from corruption. The relevant units also assess their anti-corruption undertakings using compliance assessment checklists. The good practice guidelines established by the Bank are suited to risks as well as relevant situations and laws.

The Bank has disseminated the anti-corruption policy on its website and through other internal communication channels including the intranet, as well as directing staff to be intimately familiar with it. Penalties will be applied to personnel violating or failing to comply with the anti-corruption guidelines.

The Bank provides secure channels for staff to confidentially report information about, or suspicions of, corruption without risk to their security. Staff can report information or their concerns to their superior, or Head of Compliance, and the Bank will receive the information and use it with equitability, transparency, due care, and fairness to all concerned parties. The Bank will investigate issues within a reasonable period of time, maintain confidentiality, and protect complainants from persecution during and after the investigation.

Counterparties and the public can report information or signs of misconduct or breaches of the Bank's anti-corruption measures to the Corporate Secretary or Compliance Unit, and the Bank will receive the information and use it with equitability, transparency, due care, and fairness to all concerned parties. The Bank will investigate issues within a reasonable period of time, maintain confidentiality, and protect complainants from persecution during and after the investigation.

The Bank believes that its anti-corruption policy provides a framework and direction for sustainable development, while practical guidelines for its anti-corruption program reflect the determination and dedication of a transparent and corruption-free organization, as well as its determination not to be involved with any corruption. The Bank expects all concerned parties to cooperate and support its undertakings in these matters.

In this regard, the Bank has been certified by the Private Sector Collective Action Coalition Against Corruption Council to be a member of the Private Sector Collective Action Against Corruption, which shows the Bank's intention to conduct business honestly while rejecting corruption in any form.

(4) Whistleblowing

The Bank welcomes whistleblowing and complaints from stakeholders with equitability, transparency, care and fairness. Stakeholders can report any evidence of illegal acts, concerns about the correctness of financial reports, defectiveness of internal control systems or violations of ethics and morals through contact channels provided by the Bank. The Bank has a defined operating process on reporting whistleblowing which includes processes and channels for receiving and managing reports from stakeholders, and providing rights protection for whistleblowers and related parties from any kind of unfair action or harassment with the Compliance Unit acting as the center of action. Stakeholders can see more details on the Bank's website.

8.2 Report on the Performance of Duties by the Audit Committee in the Past Year

8.2.1 Total Number of Audit Committee Meetings and Each Member's Attendance

		No. of meetings attended
Name		Audit Committee
		Total: 17 meetings
1.	Mr. Siri Jirapongphan	17/17
2.	Mr. Arun Chirachavala	17/17
3.	Mr. Bundhit Eua-arporn	17/17

8.2.2 Report on the Performance of Duties by the Audit Committee

Performance results of the Audit Committee are shown in Attachment 6.



8.3 Report on the Performance of Duties by the Subcommittees in the Past Year

8.3.1 Total Number of Subcommittee Meetings and Each Member's Attendance

The summary of the Board of Directors' meetings in 2023 is as follows:

Name		No. of meetings attended			
		The Board of Executive Directors Total: 98 meetings	The Nomination and Remuneration Committee Total: 13 meetings	The Risk Oversight Committee Total: 13 meetings*	The Corporate Governance Committee Total: 4 meetings
1.	Mr. Phornthep Phornprapha ^{/1}		2/3		
2.	Mr. Deja Tulananda ^{/2}	26/98			
3.	Mr. Chatchawin Charoen-Rajapark		13/13		
4.	Mr. Arun Chirachavala			13/13	
5.	Mr. Chokechai Niljianskul			13/13	4/4
6.	Mr. Bundhit Eua-arporn		13/13		
7.	Ms. Parnsiree Amatayakul				4/4
8.	Mr. Predee Daochai ^{/3}		9/9		
9.	Mr. Amorn Chandarasomboon	95/98		12/13	
10.	Mr. Singh Tangtatswas ^{/4}	89/98			4/4
11.	Mr. Pichet Durongkaveroj	89/98			
12.	Mr. Charamporn Jotikasthira	89/98			
13.	Mr. Chartsiri Sophonpanich	77/98			
14.	Mr. Suvarn Thansathit	91/98		11/13	
15.	Mr. Chansak Fuangfu	92/98			
16.	Mr. Kobsak Pootrakool	70/98			2/4
17.	Ms. Niramarn Laisathit ^{/5}	68/82			

Remark : * One additional meeting of the Risk Oversight Committee with the Audit Committee.

^{/1} Mr. Phornthep Phornprapha was appointed as the Chairman of the Board of Directors on February 23, 2023, and resigned from the Member of the Nomination and Remuneration Committee on March 20, 2023.

^{/2} Mr. Deja Tulananda was appointed as the Vice Chairman of the Board of Directors on March 23, 2023.

^{/3} Mr. Predee Daochai was appointed as an Independent Director on January 26, 2023, and a Member of the Nomination and Remuneration Committee on March 23, 2023.

^{/4} Mr. Singh Tangtatswas was appointed as Vice Chairman of the Board of Executive Directors on October 26, 2023.

^{/5} Ms. Niramarn Laisathit was appointed as Director and Senior Executive Vice President on January 26, 2023, and a Member of the Board of Executive Directors on February 23, 2023.

All committees, namely the Board of Executive Directors, the Audit Committee, the Nomination and Remuneration Committee, the Risk Oversight Committee and the Corporate Governance Committee have thoroughly performed all assigned responsibilities by applying knowledge and skill, with prudence, thoroughness, independence and honesty in making suggestions in the best interests of the Bank by obtaining information, resources, and cooperation from the Bank's related units.

8.3.2 Report on the Performance of Duties by the Subcommittees

Performance results of the Board of Executive Directors, the Nomination and Remuneration Committee, the Risk Oversight Committee, and the Corporate Governance Committee are shown in Attachment 6.



9. Internal Control and Related Party Transactions

9.1 Internal Control and Risk Management

Internal Control

The Board of Directors recognizes the importance of having an internal control system to ensure that the Bank operates its business transparently, and that the Bank's directors, executives and employees perform their duties with care, honesty and accountability for the optimal benefit of the Bank. In this regard, the Board of Directors has assigned the Audit Committee to review and assess the adequacy of the Bank and its financial business group's internal control system on a yearly basis, as well as proposing the assessment results to the Board of Directors. Five elements are considered in assessing the internal control system: 1) Control Environment; 2) Risk Assessment; 3) Control Activities; 4) Information Technology and Communications; and 5) Monitoring Activities.

With regard to the 2023 assessment of the adequacy of internal control, the Board of Directors opines that the Bank and its financial business group's internal control system is adequate and appropriate and has been continually improved, with a sufficient number of personnel to operate efficiently.



The duties subject to internal control by the Audit Committee were considering and approving the 2023 audit plan of the Audit and Control Division to cover important operations and units exposed to high levels of risk; developing and improving the audit procedures so that they are efficient and sufficiently resourced with personnel and funds; reviewing the performance of the Audit and Control Division against the plan on a monthly basis; and, approving the performance appraisal and remuneration of the Manager of

the Audit and Control Division. In addition, the Audit Committee was considering the audit results of the Bank of Thailand, independent auditors, and local authorities where the Bank's branches are located, to assess the status of the internal controls, and follow up on the results of corrective measures taken each quarter.



Risk Management

The Bank places importance on managing significant risks in both the short and long term, as well as following up on the current situation and evaluating business opportunities arising from changes in the business environment and the rules related to operations and economic, social, and environmental conditions on a regular basis. The Bank has established a risk management policy and risk appetite for the Bank's financial business group which is approved by the Board of Directors and reviewed on a yearly basis. The Bank has established a risk management framework and risk oversight structure for overseeing core risks such as strategic risk, credit risk, market risk, liquidity risk, operational risk, and information technology risk. Meanwhile, the Bank also assesses connected climate change risks in both physical and transitional aspects under the climate scenario with the core risks through the Internal Capital Adequacy Assessment Process and Stress Test to ensure that the Bank has appropriate risk management procedures and capital adequacy in place for operating its business under normal and crisis situations.

The Bank cultivates a risk culture in the organization by encouraging all employees to be aware of the importance of risk management and to participate in care and control according to the three lines of defense for its risk management to effectively oversee its risk and to promote appropriate inspection and counterbalance mechanisms. For the first line of defense, business and support functions that may pose a risk must have a good understanding of existing risks and are responsible for managing these risks to be within specified levels and consistent with the overall risk management policy. The second line of defense consists of risk management and supervision units responsible for evaluating, monitoring and controlling risks, and reporting relevant risks on a regular basis, as well as improving risk management to be suitable for the nature and complexity of business structures and operations. At the same time, they are also responsible for ensuring that business is conducted in accordance with laws, regulations and regulatory requirements. The third line of defense consists of internal work units responsible for reviewing and auditing the Bank's business operations to ensure that the internal control systems are prudent, adequate and appropriate, and are able to resolve any faults within a reasonable time frame.

In addition, the Bank has prepared a Recovery Plan to systematically solve capital and liquidity problems that may occur in the future. This plan provides an integrated framework to manage the risks in each area to be more consistent in order to help it cope with a crisis in an efficient and timely manner.

Division of Duties Relating to Internal Control and Risk Management:

The Compliance Unit is responsible for giving opinions and clarifications regarding the rules and regulations issued by relevant authorities; supervising and reviewing the operations of the division and ensuring the Bank's policies are in accordance with the rules and regulations issued by relevant authorities; and reporting to top-level executives and the Audit Committee or the Board of Directors.

The Audit and Control Division is responsible for assessing the adequacy and appropriateness of the Bank's corporate governance, risk management and internal controls which cover the inspection of work systems, data and operations of each department to be in accordance with the rules and regulations issued by relevant authorities and the Bank including inspection and investigation in the case of fraud or complaints. In addition, the Audit and Control Division is also responsible for supporting the work of the Audit Committee and working under supervision of the Audit Committee.

The Risk Management Division is responsible for establishing and reviewing the overall risk management guidelines of the Bank. The Risk Management Division also collaborates with relevant work units in assessing, monitoring and overseeing the risk appetite as well as the management of risks to be in accordance with the established risk management policy. The division also reports the risk status to top-level executives and the Board of Directors on a regular basis. In addition, it is responsible for supporting the work of the Risk Oversight Committee in overseeing the Bank's and its financial business group's risk management.



9.2 Related Party Transactions

9.2.1 Assets, Liabilities, Commitments and Other Related Party Transactions

As at December 31, 2023 and 2022, related parties of the Bank consisted of subsidiaries, associates, key management personnel that are directors, executives at the level of Executive Vice President and higher or equal, and any parties related to key management personnel, including the entities in which key management personnel and related parties have control or significant influence.

The Bank and subsidiaries had significant assets, liabilities and commitments with related parties as at December 31, 2023 and 2022 as follows :

Million Baht

Company	CONSOLIDATED										Director / Executive
	December 31, 2023					December 31, 2022					
	Loans ^{/1}	Other assets	Deposits	Borrowings and other liabilities	Commitments	Loans ^{/1}	Other assets	Deposits	Borrowings and other liabilities	Commitments	
Associates											
Processing Center Co., Ltd.	-	38	205	3	-	-	24	192	2	-	Ms. Suteera Sripaibulya
National ITMX Co., Ltd.	-	-	337	32	1	-	-	274	28	1	Ms. Suteera Sripaibulya
Thai Payment Network Co., Ltd.	-	11	1	-	-	-	10	2	-	-	Mr. Kukkong Ruckphaopunt Mr. Shoke Na Ranong
BCI (Thailand) Co., Ltd.	-	-	40	4	-	-	-	47	3	-	Mr. Kukkong Ruckphaopunt Mrs. Yaowadee Nakhata
PT Honest Financial Technologies ^{/2}	-	-	20	-	7	-	-	131	-	7	
Total associates	-	49	603	39	8	-	34	646	33	8	
Other related parties	282	10	5,640	13	-	263	9	5,415	18	-	
Total	282	59	6,243	52	8	263	43	6,061	51	8	

¹ Net allowance for expected credit loss.

² Holding by PT Bank Permata Tbk.



Million Baht

Company	THE BANK															Director / Executive
	December 31, 2023							December 31, 2022								
	Place ments	Invest ments	Loans/ ¹	Other assets	Deposits	Borrowings and other liabilities	Commit ments	Place ments	Invest ments	Loans/ ¹	Other assets	Deposits	Borrowings and other liabilities	Commit ments		
Subsidiaries																
BBL (Cayman) Limited	-	-	-	-	196	1	-	-	-	-	-	304	1	-	-	Mr. Boonsong Bunyasaranand Mrs. Pornnit Dunnvatanachit ¹⁴ Mr. Chaiyarit Anuchitworawong Mr. Sa-ard Theerarajanawong Mrs. Nutthaporn Luangsuwan
Bangkok Bank Berhad	324	-	-	13	103	-	3,560	1,393	-	-	15	118	-	2,075	-	Ms. Rushda Theeratharathorn Mr. Chaiyarit Anuchitworawong
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	-	4	329	133	-	-	-	-	173	328	-	-	Mr. Suvarn Thansathit Ms. Piyada Sucharitkul ¹⁵ Ms. Rushda Theeratharathorn
BBL Asset Management Co., Ltd.	-	-	-	346	119	-	-	-	-	-	369	99	-	-	-	Ms. Suyanee Puripanyawanich Mr. Paisarn Lertkowitz
Bualuang Securities PCL.	-	-	1	37	173	1	111	-	-	-	14	124	1	1,148	-	Mr. Chong Toh Mrs. Yaowadee Nakhata
Bangkok Bank (China) Co., Ltd.	5	-	-	-	36	70	-	14	-	-	-	26	2,319	1,286	-	Mr. Chartsiri Sophonpanich Mr. Chong Toh Ms. Niramarn Laisathit Mr. Chaiyarit Anuchitworawong Mr. Lin Cheng Leo, Kung Ms. Rushda Theeratharathorn Mr. Charoenlarp Thammanichanond ¹⁶
Bualuang Ventures Limited	-	-	-	-	124	-	-	-	-	-	-	221	-	-	-	Mr. Suvarn Thansathit Ms. Rushda Theeratharathorn Mr. Thawat Treewannakul Mr. Siridej Aungudomsin
Bangkok Capital Asset Management Co., Ltd. ¹³	-	-	-	-	282	-	-	-	-	-	-	245	-	-	-	Mr. Chong Toh
PT Bank Permata Tbk	76	23,956	-	1	250	5	616	34	24,194	-	-	261	25	162	-	Mr. Chartsiri Sophonpanich Mr. Chong Toh Ms. Niramarn Laisathit
BSL Leasing Co., Ltd.	-	-	1,891	3	87	-	30	-	-	597	-	73	-	30	-	Mr. Thawat Treewannakul Mr. Rachot Sektrakul
Total subsidiaries	405	23,956	1,892	400	1,374	406	4,450	1,441	24,194	597	398	1,644	2,674	4,701		

^{1/} Net allowance for expected credit loss.^{1/3} Holding by Bualuang Securities PCL.^{1/4} Mrs. Pornnit Dunnvatanachit retired on January 1, 2023.^{1/5} Ms. Piyada Sucharitkul retired on January 1, 2024.^{1/6} Mr. Charoenlarp Thammanichanond was appointed as the Executive on May 1, 2023.



Million Baht

Company	THE BANK															Director / Executive
	December 31, 2023							December 31, 2022								
	Place ments	Invest ments	Loans ^{/1}	Other assets	Deposits	Borrowings and other liabilities	Commit ments	Place ments	Invest ments	Loans ^{/1}	Other assets	Deposits	Borrowings and other liabilities	Commit ments		
Associates																
Processing Center Co., Ltd.	-	-	-	38	205	3	-	-	-	-	24	192	2	-	Ms. Suteera Sripaibulya	
National ITMX Co., Ltd.	-	-	-	-	337	32	1	-	-	-	-	274	28	1	Ms. Suteera Sripaibulya	
Thai Payment Network Co., Ltd.	-	-	-	11	1	-	-	-	-	-	10	2	-	-	Mr. Kukkong Ruckphaopunt Mr. Shoke Na Ranong	
BCI (Thailand) Co., Ltd.	-	-	-	-	40	4	-	-	-	-	-	47	3	-	Mr. Kukkong Ruckphaopunt Mrs. Yaowadee Nakhata	
Total associates	-	-	-	49	583	39	1	-	-	-	34	515	33	1		
Other related parties	-	-	282	2	5,640	5	-	-	-	263	1	5,415	2	-		
Total	405	23,956	2,174	451	7,597	450	4,451	1,441	24,194	860	433	7,574	2,709	4,702		

¹ Net allowance for expected credit loss.

For the year ended December 31, 2023, the Bank and subsidiaries charged interest at rates between 1.98% and 7.55% on loans to these related parties depending on the types of loans and collateral.

For the year ended December 31, 2022, the Bank and subsidiaries charged interest at rates between 1.25% and 6.35% on loans to these related parties depending on the types of loans and collateral.



Investments in consolidated and the Bank's financial statements with subsidiaries and associates are as follows :

Company	Type of Business	Type of Shares	CONSOLIDATED					
			Direct and Indirect Shareholding (%)		Investment			
					Cost Method (Million Baht)		Equity Method (Million Baht)	
			2023	2022	2023	2022	2023	2022
Associates								
Thai Payment Network Co., Ltd.	Service	Common share	33.33	33.33	262	262	44	62
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15	513	488
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118	58	70
National ITMX Co., Ltd.	Service	Common share	11.07	12.55	11	12	556	511
PT Honest Financial Technologies ^{/2}	Finance	Common share	28.79	28.79	314	314	232	290
Total					720	721	1,403	1,421
Less Allowance for impairment					(172)	(172)	-	-
Investments in associates, net					548	549	1,403	1,421

^{/2} Holding by PT Bank Permata Tbk.



Company	Type of Business	Type of Shares	THE BANK			
			Direct and Indirect Shareholding (%)		Investment Cost Method (Million Baht)	
			2023	2022	2023	2022
Subsidiaries						
BBL (Cayman) Limited	Finance	Common share	100.00	100.00	2	2
Bangkok Bank Berhad	Banking	Common share	100.00	100.00	9,261	9,261
Sinnsuptawee Asset Management Co., Ltd.	Asset Management	Common share	100.00	100.00	2,500	2,500
Bangkok Bank (China) Co., Ltd.	Banking	Common share	100.00	100.00	19,585	19,585
Bualuang Ventures Limited	Venture Capital Company	Common share	100.00	100.00	2,000	2,000
PT Bank Permata Tbk	Banking	Common share	98.71	98.71	105,010	105,010
Bualuang Securities PCL.	Securities	Common share	99.91	99.91	4,772	4,772
BSL Leasing Co., Ltd.	Finance	Common share	90.00	90.00	1,365	1,365
BBL Asset Management Co., Ltd.	Finance	Common share	75.00	75.00	183	183
Associates						
Thai Payment Network Co.,Ltd.	Service	Common share	33.33	33.33	262	262
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118
National ITMX Co., Ltd.	Service	Common share	11.07	12.55	11	12
Total					145,084	145,085
Less Allowance for impairment					(268)	(268)
Investments in subsidiaries and associates, net					144,816	144,817



Significant accounting transactions between the Bank and subsidiaries, associates and other related parties were transacted under normal business practices. The prices, interest rates, commission charges, terms and conditions are determined on an arm's length basis.

The Bank and subsidiaries had significant income and expenses with related parties for the years ended December 31, 2023 and 2022 as follows :

Million Baht

Company	CONSOLIDATED							
	FOR THE YEAR ENDED DECEMBER 31, 2023				FOR THE YEAR ENDED DECEMBER 31, 2022			
	Interest income	Non-interest income	Interest expenses	Other expenses	Interest income	Non-interest income	Interest expenses	Other expenses
Associates								
Processing Center Co., Ltd.	-	14	1	15	-	11	1	9
National ITMX Co., Ltd.	-	147	2	328	-	87	-	266
Thai Payment Network Co., Ltd.	-	11	-	2	-	10	-	2
BCI (Thailand) Co., Ltd.	-	-	-	3	-	-	-	3
Total associates	-	172	3	348	-	108	1	280
Other related parties	8	36	32	81	31	88	17	191
Total	8	208	35	429	31	196	18	417



Million Baht

Company	THE BANK							
	FOR THE YEAR ENDED DECEMBER 31, 2023				FOR THE YEAR ENDED DECEMBER 31, 2022			
	Interest income	Non-interest income	Interest expenses	Other expenses	Interest income	Non-interest income	Interest expenses	Other expenses
Subsidiaries								
BBL (Cayman) Limited	-	-	14	-	-	-	8	-
Bangkok Bank Berhad	38	15	6	-	40	2	2	-
Sinnsuptawee Asset Management Co., Ltd.	-	2	-	1	-	1	-	-
BBL Asset Management Co., Ltd.	-	3,059	3	-	-	3,217	1	-
Bualuang Securities PCL.	-	1,229	3	9	-	2,143	2	3
Bangkok Bank (China) Co., Ltd.	5	156	6	-	-	171	11	-
Bualuang Ventures Limited	-	-	1	-	-	-	1	-
Bangkok Capital Asset Management Co., Ltd.	-	11	1	-	-	73	-	-
PT Bank Permata Tbk	-	1,244	1	-	-	713	1	-
BSL Leasing Co., Ltd.	44	45	-	6	12	45	-	-
Total subsidiaries	87	5,761	35	16	52	6,365	26	3
Associates								
Processing Center Co., Ltd.	-	14	1	15	-	11	1	9
National ITMX Co., Ltd.	-	147	2	328	-	87	-	266
Thai Payment Network Co., Ltd.	-	11	-	2	-	10	-	2
BCI (Thailand) Co., Ltd.	-	-	-	3	-	-	-	3
Total associates	-	172	3	348	-	108	1	280
Other related parties	8	-	32	11	31	-	17	84
Total	95	5,933	70	375	83	6,473	44	367



Compensation of key management personnel for the years ended December 31, 2023 and 2022 consisted of the following :

				Million Baht
	CONSOLIDATED		THE BANK	
	FOR THE YEARS ENDED DECEMBER 31,		FOR THE YEARS ENDED DECEMBER 31,	
	2023	2022	2023	2022
Short-term employee benefits	3,048	2,988	1,714	1,654
Post-employment benefits	140	142	96	91
Total	3,188	3,130	1,810	1,745

9.2.2 Policy and Future Trends of Related Party Transactions

The Bank may conduct future-related party transactions in line with general business operations for which the Bank has established clear approval procedures and processes that comply with the official guidelines the authorities have set for banks.



Part 3 Financial Statements

- Report on the Board of Directors' Responsibilities for the Financial Statements
- Report of the Independent Certified Public Accountants
- Financial Statements
- Notes to the Financial Statements



Report on the Board of Directors' Responsibilities for the Financial Statements

To Shareholders,

The Board of Directors is responsible for the consolidated financial statements of the Bank and its subsidiaries, the separate financial statements of the Bank, and the financial information in the Annual Registration Statement / Annual Report (Form 56-1 One Report). The said financial statements for the year ended December 31, 2023 have been prepared in accordance with Thai Financial Reporting Standards, with appropriate accounting policies applied on a consistent basis, exercising due discretion and estimate as may be necessary and justifiable. Adequate disclosures have also been made in the notes to the financial statements. These financial statements were audited by certified independent auditors who have given their unqualified opinions.

The Board of Directors has performed its governance duties in accordance with the objectives, goals, strategies and policies of the Bank and has overseen that the effective internal control system and the risk management system have been established to reasonably ensure that financial records are accurate in all material respects. The Board of Directors has appointed an Audit Committee which comprises three independent directors who are responsible for reviewing the financial reports and for maintaining the adequacy of the internal control and audit systems of the Bank. The Audit Committee has expressed its opinion with regard to the stated matters in the Report of the Audit Committee which are presented in the Annual Registration Statement / Annual Report (Form 56-1 One Report).

The Board of Directors is of the opinion that the Bank's overall internal control system is adequate and appropriate and can assure the creditability of the consolidated financial statements of the Bank and its subsidiaries as well as the separate financial statements of the Bank for the year ended December 31, 2023.

(Phornthep Phornprapha)

Chairman

February 22, 2024



Report of the Independent Certified Public Accountants

To The Shareholders and Board of Directors Bangkok Bank Public Company Limited

Opinion

We have audited the consolidated financial statements of Bangkok Bank Public Company Limited and subsidiaries (the “Bank and subsidiaries”) and the Bank’s financial statements of Bangkok Bank Public Company Limited (the “Bank”), which comprise the consolidated and Bank’s statements of financial position as at December 31, 2023, and the related consolidated and Bank’s statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and Bank’s financial statements present fairly, in all material respects, the financial position of Bangkok Bank Public Company Limited and subsidiaries and of Bangkok Bank Public Company Limited as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”) and the Bank of Thailand’s regulations.

Basis for Opinion

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



Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated and Bank's financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and Bank's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter

Allowance for expected credit loss

The allowance for expected credit loss for loans to customers is considered to be the key audit matter as it requires the use of various assumptions and judgment including forward economic looking and post model adjustments and it is recognized in accordance with Thai Financial Reporting Standard No. 9 - Financial Instruments ("TFRS 9") and the relevant regulations of the Bank of Thailand. TFRS 9 requires the Bank and subsidiaries to recognize impairment based on expected credit loss ("ECL"). We focused our audit on the following areas of allowance for expected credit loss for loans to customers specifically relating to:

- Accounting interpretations and modelling assumptions used to build the models that the Bank used to calculate the ECL which involves determining Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD);
- Inputs and assumptions used to estimate the impact of multiple economic scenarios
- Classification of loans to customers to stage 1, 2 and 3 using criteria in accordance with TFRS 9 and the relevant regulations of the Bank of Thailand;
- Indicators that will significantly reduce the ability to pay the debt or the increase in credit risk including quantitative and qualitative information and also forward-looking analysis both events that have already occurred and may occur in the future; and
- Completeness and valuation of post model adjustments.

Accounting policy for allowance for expected credit loss and detail of allowance for expected credit loss were disclosed in Note 3.5 and Note 6.9, respectively.

Audit Responses

Key audit procedures included

- Reviewing management written policies, which were collaborated from the Bank's management's experts, and procedures to derive the allowance for expected credit loss estimate. Determining whether the policies and procedures for the estimation are incorporated with the requirements of TFRS 9 and properly approved by the appropriate level of management.
- Understanding and testing design and operating effectiveness of key controls across the processes relevant to the ECL. This included the classification of assets into stages, credit monitoring, multiple economic scenarios, and individual provisions.
- Involvement of our internal specialists to assess the model documentation and model validation reports. This included assessing the appropriateness of model design, assumptions, inputs, formulas used and post model adjustments. We tested the data used in the ECL calculation by reconciling to source systems and recalculating the allowance for expected credit loss for a sample of models.
- Evaluating relevant inputs and assumptions used by management in each stage of the expected credit loss calculation by considering whether the inputs and assumption appear reasonable, considering the historical loss experience and adjust this for current observable data and considering the relationship between those assumptions and forecast of reasonable and supportable future economic conditions.
- Performing an overall assessment of the ECL provision levels to determine if they were reasonable considering the Bank and subsidiaries' portfolio, risk profile, credit risk management practices and the macroeconomic factors. We considered trends in the economy and industries to which the Bank and subsidiaries are exposed.



Key Audit Matter

Audit Responses

- Considering the criteria used to classify an asset to stage 1, 2 and 3 in accordance with TFRS 9 and the relevant regulations of the Bank of Thailand. Testing sample of assets in stage 1, 2 and 3 to verify that they were classified to the appropriate stage. This also included considering the internal credit risk rating system of the Bank and also external credit risk grading.
- Assessing the adequacy and appropriateness of the disclosure in accordance with Group of Financial Instruments Standards and the BOT's Notification.

Other Information

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

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

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

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

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

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



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

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

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

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

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

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



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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and Bank's financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BANGKOK
February 20, 2024

(Nisakorn Songmanee)
Certified Public Accountant (Thailand)
Registration No. 5035

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.



Statement of Financial Position

Bangkok Bank Public Company Limited and Subsidiaries

As at December 31, 2023

Baht : '000					
		CONSOLIDATED		THE BANK	
	Notes	2023	2022	2023	2022
ASSETS					
CASH	6.2	45,517,980	52,432,699	41,470,071	48,169,322
INTERBANK AND MONEY MARKET ITEMS, NET	6.4	757,119,567	766,074,475	580,067,592	587,553,969
FINANCIAL ASSETS MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	6.5	88,978,361	75,036,089	96,737,951	90,801,828
DERIVATIVES ASSETS	6.6	70,602,763	84,839,352	70,108,976	83,582,630
INVESTMENTS, NET	6.7	972,286,851	850,150,825	839,496,234	706,876,633
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.8	1,403,051	1,420,693	144,815,695	144,816,959
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	6.9	2,425,661,014	2,449,355,263	2,067,703,354	2,096,756,258
PROPERTIES FOR SALE, NET	6.10	10,929,438	12,016,841	9,976,778	11,129,554
PREMISES AND EQUIPMENT, NET	6.11	61,925,187	61,892,520	51,524,650	51,648,845
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	6.12	33,218,132	33,697,374	1,760,082	1,450,492
DEFERRED TAX ASSETS	6.13	10,294,925	6,891,668	5,136,759	2,474,561
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES		2,620,786	1,497,501	2,588,927	1,454,302
OTHER ASSETS, NET		33,926,329	26,446,787	19,218,930	13,360,986
TOTAL ASSETS		4,514,484,384	4,421,752,087	3,930,605,999	3,840,076,339

Notes to the financial statements form an integral part of these financial statements.

Statement of Financial Position (Continued)

Bangkok Bank Public Company Limited and Subsidiaries

As at December 31, 2023

Baht : '000					
		CONSOLIDATED		THE BANK	
	Notes	2023	2022	2023	2022
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS	6.14	3,184,283,391	3,210,895,555	2,699,887,528	2,716,152,436
INTERBANK AND MONEY MARKET ITEMS	6.15	334,219,180	262,521,534	309,526,062	251,029,467
LIABILITY PAYABLE ON DEMAND		9,155,613	7,769,885	9,154,297	7,767,403
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	6.16	18,383,683	17,959,739	17,858,498	17,412,480
DERIVATIVES LIABILITIES	6.6	63,461,975	70,981,448	62,712,103	69,648,650
DEBT ISSUED AND BORROWINGS	6.17	212,504,715	188,301,568	211,509,881	187,056,618
PROVISIONS	6.21	34,426,203	27,177,164	31,081,236	24,176,399
DEFERRED TAX LIABILITIES	6.13	29,637	578,896	-	279,989
OTHER LIABILITIES	6.23	127,189,954	128,424,347	84,619,386	81,902,964
TOTAL LIABILITIES		3,983,654,351	3,914,610,136	3,426,348,991	3,355,426,406
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	6.24				
Registered share capital					
1,655,000 preferred shares of Baht 10 each		16,550	16,550	16,550	16,550
3,998,345,000 common shares of Baht 10 each		39,983,450	39,983,450	39,983,450	39,983,450
Issued and paid-up share capital					
1,908,842,894 common shares of Baht 10 each		19,088,429	19,088,429	19,088,429	19,088,429
PREMIUM ON COMMON SHARES		56,346,232	56,346,232	56,346,232	56,346,232
OTHER RESERVES		44,270,288	54,243,425	45,594,835	55,480,947
RETAINED EARNINGS					
Appropriated	6.26 , 6.27				
Legal reserve		28,000,000	27,000,000	28,000,000	27,000,000
Others		126,500,000	121,500,000	126,500,000	121,500,000
Unappropriated		254,769,825	227,167,894	228,727,512	205,234,325
TOTAL BANK'S EQUITY		528,974,774	505,345,980	504,257,008	484,649,933
NON-CONTROLLING INTEREST					
TOTAL SHAREHOLDERS' EQUITY		530,830,033	507,141,951	504,257,008	484,649,933
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,514,484,384	4,421,752,087	3,930,605,999	3,840,076,339

Notes to the financial statements form an integral part of these financial statements.

(Mr. Chartsiri Soponpanich)
President

(Mr. Suvarn Thansathit)
Director and Senior Executive Vice President



Statement of Profit or Loss and Other Comprehensive Income

Bangkok Bank Public Company Limited and Subsidiaries

For the year ended December 31, 2023

		Baht : '000			
	Notes	CONSOLIDATED		THE BANK	
		2023	2022	2023	2022
INTEREST INCOME	6.35	194,364,804	139,087,978	152,284,404	104,069,787
INTEREST EXPENSES	6.36	63,504,492	36,864,713	46,956,176	25,866,046
NET INTEREST INCOME		130,860,312	102,223,265	105,328,228	78,203,741
FEES AND SERVICE INCOME	6.37	42,899,184	41,132,239	32,726,876	30,188,400
FEES AND SERVICE EXPENSES	6.37	15,665,103	13,624,400	13,777,532	11,711,504
NET FEES AND SERVICE INCOME		27,234,081	27,507,839	18,949,344	18,476,896
GAINS ON FINANCIAL INSTRUMENTS					
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	6.38	5,544,043	5,155,163	4,446,068	4,063,912
LOSSES ON INVESTMENTS	6.39	(482,228)	(1,453,669)	(309,670)	(1,500,499)
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		187,382	189,560	-	-
GAINS ON DISPOSAL OF ASSETS		863,646	1,890,956	282,006	1,781,586
DIVIDEND INCOME		2,330,329	2,306,493	5,876,483	6,367,289
OTHER OPERATING INCOME		949,920	1,075,232	415,568	360,705
TOTAL OPERATING INCOME		167,487,485	138,894,839	134,988,027	107,753,630
OTHER OPERATING EXPENSES					
Employee's expenses		35,921,047	34,793,722	25,277,886	24,621,887
Directors' remuneration		245,873	259,045	141,205	136,714
Premises and equipment expenses		15,738,129	15,371,271	11,758,687	11,295,149
Taxes and duties		4,833,703	3,643,182	4,759,072	3,537,370
Others		25,036,254	14,951,314	20,603,132	9,749,690
TOTAL OTHER OPERATING EXPENSES		81,775,006	69,018,534	62,539,982	49,340,810
EXPECTED CREDIT LOSS	6.40	33,666,570	32,647,105	26,995,355	26,556,303
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		52,045,909	37,229,200	45,452,690	31,856,517
INCOME TAX EXPENSES	6.41	9,993,277	7,483,684	7,920,380	5,466,446
NET PROFIT		42,052,632	29,745,516	37,532,310	26,390,071

Notes to the financial statements form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income (Continued)

Bangkok Bank Public Company Limited and Subsidiaries

For the year ended December 31, 2023

		Baht : '000			
	Notes	CONSOLIDATED		THE BANK	
		2023	2022	2023	2022
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Losses on investments in debt instruments at fair value					
through other comprehensive income		(1,991,160)	(4,329,124)	(2,784,738)	(2,031,767)
Losses on cash flow hedges		(118,000)	(609,214)	(118,000)	(609,214)
Gains (losses) arising from translating the financial statements of foreign operations		(1,262,023)	(8,101,942)	(366,932)	464,804
Share of other comprehensive income of associate		1,459	1,141	-	-
Income tax relating to components of other comprehensive income (losses)		(853,290)	1,523,965	(679,520)	1,016,960
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus		168,771	(4,916)	(127,900)	(4,916)
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income		(5,157,446)	161,610	(5,114,928)	128,683
Gains (losses) on financial liabilities designated at fair value through profit or loss		(719,230)	1,451,042	(719,230)	1,451,042
Actuarial gains on defined benefit plans		331,956	1,251,377	424,888	1,282,236
Share of other comprehensive income (losses) of associate		479	(989)	-	-
Income tax relating to components of other comprehensive income (losses)		1,155,020	(490,378)	1,104,713	(577,797)
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)		(8,443,464)	(9,147,428)	(8,381,647)	1,120,031
TOTAL COMPREHENSIVE INCOME		33,609,168	20,598,088	29,150,663	27,510,102
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		41,635,521	29,305,591	37,532,310	26,390,071
Non-controlling interest		417,111	439,925	-	-
		42,052,632	29,745,516	37,532,310	26,390,071
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		33,172,382	20,251,470	29,150,663	27,510,102
Non-controlling interest		436,786	346,618	-	-
		33,609,168	20,598,088	29,150,663	27,510,102
BASIC EARNINGS PER SHARE (BAHT)		21.81	15.35	19.66	13.83
WEIGHTED AVERAGE NUMBER OF COMMON SHARES (THOUSAND SHARES)		1,908,843	1,908,843	1,908,843	1,908,843

Notes to the financial statements form an integral part of these financial statements.

(Mr. Chartsiri Sophonpanich)

President

(Mr. Suvarn Thansathit)

Director and Senior Executive Vice President



Statement of Changes in Shareholders' Equity

Bangkok Bank Public Company Limited and Subsidiaries

For the year ended December 31, 2023

Baht : '000

	Notes	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	CONSOLIDATED									Total Equity Attributable to the Bank's Shareholders	Non-controlling Interest	Total
				Other Reserves						Retained Earnings					
				Appraisal Surplus	Revaluation Surplus on Investments	Cash Flow Hedge Reserve	Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Others	Appropriated		Unappropriated			
										Legal Reserve	Others				
Balance as at January 1, 2022		19,088,429	56,346,232	32,479,760	27,454,401	159,735	(1,883,113)	8,136,189	1,642	26,000,000	116,500,000	208,443,791	492,727,066	1,865,491	494,592,557
Appropriation for previous year															
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	(4,769,445)	(4,769,445)	(216,135)	(4,985,580)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Appropriation for current year															
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	(2,863,111)	(2,863,111)	(200,003)	(3,063,114)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Total comprehensive income		-	-	82,064	(2,781,683)	(487,371)	1,160,834	(8,029,104)	87	-	-	30,306,643	20,251,470	346,618	20,598,088
Transfer to retained earnings		-	-	(1,095,037)	(954,979)	-	-	-	-	-	-	2,050,016	-	-	-
Balance as at December 31, 2022		19,088,429	56,346,232	31,466,787	23,717,739	(327,636)	(722,279)	107,085	1,729	27,000,000	121,500,000	227,167,894	505,345,980	1,795,971	507,141,951
Balance as at January 1, 2023		19,088,429	56,346,232	31,466,787	23,717,739	(327,636)	(722,279)	107,085	1,729	27,000,000	121,500,000	227,167,894	505,345,980	1,795,971	507,141,951
Appropriation for previous year															
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	(5,726,118)	(5,726,118)	(202,495)	(5,928,613)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Appropriation for current year															
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	(3,817,470)	(3,817,470)	(175,003)	(3,992,473)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Total comprehensive income		-	-	190,529	(6,978,163)	(94,400)	(575,384)	(1,266,739)	1,506	-	-	41,895,033	33,172,382	436,786	33,609,168
Transfer to retained earnings		-	-	(1,079,781)	(170,705)	-	-	-	-	-	-	1,250,486	-	-	-
Balance as at December 31, 2023		19,088,429	56,346,232	30,577,535	16,568,871	(422,036)	(1,297,663)	(1,159,654)	3,235	28,000,000	126,500,000	254,769,825	528,974,774	1,855,259	530,830,033

Notes to the financial statements form an integral part of these financial statements.



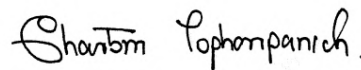
Statement of Changes in Shareholders' Equity (Continued)

Bangkok Bank Public Company Limited and Subsidiaries

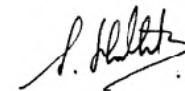
For the year ended December 31, 2023

Baht : '000												
	Notes	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	THE BANK					Retained Earnings		Total	
				Appraisal Surplus	Revaluation Surplus on Investments	Cash Flow Hedge Reserve	Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Appropriated			Unappropriated
									Legal Reserve	Others		
Balance as at January 1, 2022		19,088,429	56,346,232	31,547,571	26,799,115	159,735	(1,883,113)	717,097	26,000,000	116,500,000	189,497,321	464,772,387
Appropriation for previous year												
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(4,769,445)	(4,769,445)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Appropriation for current year												
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(2,863,111)	(2,863,111)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-
Total comprehensive income		-	-	(3,933)	(1,039,740)	(487,371)	1,160,834	464,804	-	-	27,415,508	27,510,102
Transfer to retained earnings		-	-	(999,073)	(954,979)	-	-	-	-	-	1,954,052	-
Balance as at December 31, 2022		19,088,429	56,346,232	30,544,565	24,804,396	(327,636)	(722,279)	1,181,901	27,000,000	121,500,000	205,234,325	484,649,933
Balance as at January 1, 2023		19,088,429	56,346,232	30,544,565	24,804,396	(327,636)	(722,279)	1,181,901	27,000,000	121,500,000	205,234,325	484,649,933
Appropriation for previous year												
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(5,726,118)	(5,726,118)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Appropriation for current year												
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(3,817,470)	(3,817,470)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-
Total comprehensive income		-	-	(102,320)	(7,578,374)	(94,400)	(575,384)	(366,932)	-	-	37,868,073	29,150,663
Transfer to retained earnings		-	-	(997,997)	(170,705)	-	-	-	-	-	1,168,702	-
Balance as at December 31, 2023		19,088,429	56,346,232	29,444,248	17,055,317	(422,036)	(1,297,663)	814,969	28,000,000	126,500,000	228,727,512	504,257,008

Notes to the financial statements form an integral part of these financial statements.



(Mr. Chatsiri Sophonpanich)
President



(Mr. Suvarn Thansathit)
Director and Senior Executive Vice President



Statement of Cash Flows

Bangkok Bank Public Company Limited and Subsidiaries

For the year ended December 31, 2023

Baht : '000					
	Note	CONSOLIDATED	THE BANK		
		2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		52,045,909	37,229,200	45,452,690	31,856,517
Items to reconcile profit from operating before income tax expenses					
to cash received (paid) from operating activities					
Depreciation and amortization expenses		4,938,617	5,473,032	3,454,912	3,792,520
Expected credit loss		33,666,570	32,647,105	26,995,355	26,556,303
Amortization of premium (discount) on investment in debt securities		(243,684)	264,481	17,941	290,962
Unrealized loss on measurement of financial instruments		6,583,425	12,568,508	5,990,392	12,046,604
Loss on investments		482,228	1,453,669	309,670	1,500,499
Share of profit from investment using equity method		(187,382)	(189,560)	-	-
Loss on impairment of properties for sale		3,962,429	498,402	3,910,069	485,591
Gain on disposal of premises and equipment		(30,115)	(35,203)	(20,623)	(24,401)
Loss on impairment of other assets (reversal)		(122,992)	(28,516)	(123,990)	(38,440)
Provision expenses		6,875,009	1,309,533	6,831,142	1,162,933
Net interest income		(130,860,312)	(102,223,265)	(105,328,228)	(78,203,741)
Dividend income		(2,330,329)	(2,306,493)	(5,876,483)	(6,367,289)
Proceeds from interest income		190,841,933	136,038,720	149,199,080	100,762,505
Interest expenses paid		(56,929,438)	(36,090,935)	(40,520,758)	(25,095,437)
Proceeds from dividend income		2,328,756	2,306,518	2,226,338	2,208,296
Income tax paid		(11,920,588)	(6,815,009)	(9,246,556)	(5,688,661)
(Increase) decrease in other accrued receivables		(416,049)	315,005	(284,204)	107,606
Increase (decrease) in other accrued expenses		1,747,157	(545,371)	1,413,435	836,272
Profit from operating before changes in					
operating assets and liabilities		100,431,144	81,869,821	84,400,182	66,188,639
(Increase) decrease in operating assets					
Interbank and money market items		8,306,425	35,825,661	6,781,624	39,174,862
Financial assets measured at fair value through profit or loss		(23,455,797)	5,699,224	(14,856,617)	2,612,007
Loans to customers		(6,730,714)	(99,894,874)	4,525,626	(93,872,459)
Properties for sale		924,148	1,217,168	666,914	813,991
Other assets		7,012,612	(24,690,723)	6,976,935	(25,752,541)

Notes to the financial statements form an integral part of these financial statements.

Statement of Cash Flows (Continued)

Bangkok Bank Public Company Limited and Subsidiaries

For the year ended December 31, 2023

Baht : '000					
	Note	CONSOLIDATED	THE BANK		
		2023	2022	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Increase (decrease) in operating liabilities					
Deposits		(26,612,164)	53,955,766	(16,264,908)	50,506,103
Interbank and money market items		71,697,646	(26,187,013)	58,496,595	(29,718,968)
Liability payable on demand		1,385,728	(342,978)	1,386,894	(344,840)
Short-term borrowings		(250,115)	385,040	-	-
Other liabilities		(20,634,629)	44,416,830	(12,658,439)	46,379,715
Net cash from operating activities		112,074,284	72,253,922	119,454,806	55,986,509
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities measured at fair value					
through other comprehensive income		(459,852,944)	(318,213,842)	(401,365,293)	(283,499,613)
Proceeds from disposal of investment securities					
measured at fair value through other comprehensive income		354,123,496	293,604,280	289,090,120	254,654,050
Purchase of investment securities measured at amortized cost		(156,403,918)	(122,957,541)	(39,919,108)	(46,731,239)
Proceeds from redemption of investment securities					
measured at amortized cost		128,477,768	80,155,354	6,324,807	19,312,442
Purchase of investments in subsidiary		-	-	-	(500,000)
Proceeds from disposal of investments in associate		59,198	-	59,198	-
Proceeds from dividend income					
from subsidiaries and associates		150,342	90,295	3,648,572	4,159,018
Purchase of premises and equipment		(2,015,285)	(1,467,792)	(1,232,631)	(577,132)
Proceeds from disposal of premises and equipment		324,511	140,384	20,672	25,773
Net cash from investing activities		(135,136,832)	(68,648,862)	(143,373,663)	(53,156,701)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from issuance of senior unsecured notes	6.3	45,498,887	26,441,778	45,498,887	26,441,778
Cash paid for senior unsecured notes extinguishment	6.3	(18,005,889)	(30,343,245)	(18,005,889)	(30,343,245)
Decrease in long-term borrowings	6.3	(59,804)	(122,343)	(59,804)	(122,343)
Cash paid for lease liabilities		(1,325,033)	(1,658,633)	(660,605)	(833,918)
Dividend paid		(9,543,588)	(7,632,556)	(9,543,588)	(7,632,556)
Dividend paid to non-controlling interest		(377,498)	(416,138)	-	-
Net cash from financing activities		16,187,075	(13,731,137)	17,229,001	(12,490,284)
Effect on cash due to changes in the exchange rates		(39,246)	7,009	(9,395)	(24,441)
Net decrease in cash		(6,914,719)	(10,119,068)	(6,699,251)	(9,684,917)
Cash as at January 1,		52,432,699	62,551,767	48,169,322	57,854,239
Cash as at December 31,		45,517,980	52,432,699	41,470,071	48,169,322

Notes to the financial statements form an integral part of these financial statements.

(Mr. Chartsiri Sophonpanich)
President(Mr. Suvarn Thansathit)
Director and Senior Executive Vice President



Notes to the Financial Statements

Bangkok Bank Public Company Limited and Subsidiaries

For the year ended December 31, 2023

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Notes to the Financial Statements

Bangkok Bank Public Company Limited and Subsidiaries

For the year ended December 31, 2023

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Notes to the Financial Statements

Bangkok Bank Public Company Limited and Subsidiaries

For the year ended December 31, 2023

1. General Information and Regulatory Requirements

Bangkok Bank Public Company Limited (the "Bank") is a public company limited registered in the Kingdom of Thailand and registered in the Stock Exchange of Thailand with its head office located at 333 Silom Road, Bangrak, Bangkok. The Bank's main business is commercial banking and the Bank conducts its businesses through a network of branches covering all parts of Thailand and some major parts of the world.

The Bank is subject to various capital and regulatory requirements administered by the Bank of Thailand ("BOT"). Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must satisfy specific capital guidelines that involve quantitative measurements of the Bank's assets, liabilities and certain off-balance sheet items calculated in accordance with regulatory requirements. The Bank's capital amounts and classification are also subject to qualitative judgment by the BOT about components, risk weightings and other factors. As at December 31, 2023 and 2022, the Bank complied with all capital adequacy requirements. However, these capital and regulatory requirements are subject to change by the BOT.

2. Basis for Preparation of the Consolidated and the Bank's Financial Statements

2.1 The consolidated and the Bank's statutory financial statements are in the Thai language and prepared in accordance with Thai Financial Reporting Standards, accounting treatment guidance promulgated by the Federation of Accounting Professions ("TFAC"), accounting practices generally accepted in Thailand including the Regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and relevant BOT's regulations.

The consolidated and the Bank's financial statements are prepared in accordance with Thai Accounting Standard No. 1 regarding Presentation of Financial Statements; and relevant official regulations, and presented in accordance with the BOT's Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups dated October 31, 2018.

The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards also requires the Bank to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. The actual results may differ from those estimates. The use of accounting judgments and estimates that are of significance are disclosed in Note 5. Further information about methods and key assumptions are set out in the relevant notes.

2.2 New or Revised Thai Financial Reporting Standards

2.2.1 The Bank and subsidiaries have adopted the new or revised Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and Thai Financial Reporting Interpretations, issued by the TFAC and announced in the Royal Gazette, applying for the financial statements of the periods beginning on or after January 1, 2023 onwards, with no material impact on the Bank and subsidiaries' financial statements.

2.2.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective
The Federation of Accounting Professions has issued the Notifications regarding Thai Accounting Standards and Thai Financial Reporting Standards, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2024 onwards. These financial reporting standards were amended at alignment with the corresponding International Accounting Standards and Financial Reporting Standards. Such amendments do not have a significant impact on the Bank and subsidiaries' financial statements.

2.3 The consolidated financial statements for the years ended December 31, 2023 and 2022, included the accounts of the head office and all branches of the Bank and its subsidiaries, by eliminating significant business transactions and outstanding balances between the Bank and its subsidiaries, and included equity interest in associates. The subsidiaries consist of BBL (Cayman) Limited, Bangkok Bank Berhad, Sinnsuptawee Asset Management Company Limited, BBL Asset Management Company Limited, Bualuang Securities Public Company Limited, Bangkok Bank (China) Company Limited, Bualuang Ventures Limited, PT Bank Permata Tbk and BSL Leasing Company Limited.

In addition, the consolidated financial statements for the years ended December 31, 2023 and 2022, included BBL Nominees (Tempatan) Sdn. Bhd, the 100% owned subsidiary of Bangkok Bank Berhad and Bangkok Capital Asset Management Company Limited, the 100% owned subsidiary of Bualuang Securities Public Company Limited.



All subsidiaries of the Bank were incorporated in the Kingdom of Thailand except for BBL (Cayman) Limited which was incorporated in the Cayman Islands British West Indies, Bangkok Bank Berhad which was incorporated in Malaysia, Bangkok Bank (China) Company Limited which was incorporated in the People's Republic of China and PT Bank Permata Tbk which was incorporated in Indonesia. For associates, all were incorporated in the Kingdom of Thailand except for PT Honest Financial Technologies which was incorporated in Indonesia.

- 2.4 The Bank's financial statements for the years ended December 31, 2023 and 2022, included the accounts of the head office and all branches of the Bank. Investments in subsidiaries and associates were accounted for using the cost method, net of valuation allowance for impairment.

3. Significant Accounting Policies

3.1 Recognition of income

The Bank recognizes interest income by using the Effective Interest Rate (EIR) method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments or, when appropriate, a shorter period, to the carrying amount of the financial assets. The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR.

The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets except for credit-impaired financial assets. When a financial asset becomes credit-impaired, the Bank calculates interest income by applying the effective interest rate to the net carrying amount after allowance for expected credit loss of the financial assets. If the asset is no longer credit-impaired, the Bank reverts to calculating interest income on a gross carrying amount.

For Purchased or Originated Credit-Impaired (POCI) financial assets, the Bank calculates interest income by calculating the credit-adjusted EIR and applying that rate to the net carrying amount of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the net carrying amount of the POCI financial assets.

Fee income

Unless included in the EIR calculation, the Bank recognizes fee income on an accrual basis when the service has been provided or upon satisfaction of performance obligations.

3.2 Recognition of expenses

The Bank recognizes interest expenses by using the effective interest method. Unless included in the effective interest calculation, fee expenses are recognized on an accrual basis.

3.3 Cash

Cash consists of cash on hand and cash in transit.

3.4 Financial instruments

1) Recognition of financial instruments

The Bank recognizes financial assets or financial liabilities when the Bank becomes a party to the contractual provisions of the instrument, which is generally on settlement date. Loans and receivables are recognized when cash is advanced (or settled) to the borrowers.

2) Classification of financial assets

Financial assets - Debt instruments

The Bank has classified its financial assets - debt instruments as financial assets subsequently measured at either amortized cost or fair value in accordance with the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows :

- Financial assets measured at amortized cost only if both following conditions are met : the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and subsequently measured at amortized cost. The measurement of credit impairment is based on the expected credit loss model described in Impairment of financial assets paragraph.

- Financial assets measured at Fair Value through Other Comprehensive Income (FVOCI) if both following conditions are met : the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and subsequently measured at fair value. The unrealized gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realized, after which such gains or losses on disposal of the instruments will be recognized in profit or loss. The measurement of credit impairment is based on the expected credit loss model.



- Financial assets measured at Fair Value through Profit or Loss (FVTPL) unless the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and are subsequently measured at fair value. Unrealized gains and losses from change in fair value, and gains and losses on disposal of instruments are recognized as gains (losses) on financial instruments measured at fair value through profit or loss.

Investments in equity instruments

All equity investments are measured at fair value in the statement of financial position. The Bank has classified equity investments not held for trading but held for strategic purposes or for securities with potential for high market volatility as the financial asset measured at FVOCI, where an irrevocable election has been made by the management. Such classification is determined on an instrument-by-instrument basis. Amounts presented in other comprehensive income are not reclassified subsequently to profit or loss except for dividends.

3) Classification of financial liabilities

The Bank measures financial liabilities, other than loan commitments and financial guarantees, at amortized cost or at FVTPL when they are held for trading or the fair value designation is applied.

Financial liabilities measured at amortized cost are initially recognized at fair value and subsequently measured at amortized cost.

The Bank classifies financial liabilities as held for trading when they have been issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading liabilities are initially recognized at fair value, with transaction costs recognized in profit or loss as incurred. Subsequently, they are measured at fair value and any gains and losses are recognized in profit or loss as they arise.

Financial liabilities may be designated as FVTPL under of the following criteria :

- The designation eliminates or significantly reduces an accounting mismatch.
- A group of financial liabilities or financial assets and liabilities is managed and its performance is evaluated on a fair value basis.
- The liabilities contain one or more embedded derivatives.

Change in the liability's own credit risk is presented separately in other comprehensive income as an own credit reserve except it would create or enlarge an accounting mismatch in profit or loss, in which case the entire change in fair value on that liability, including the effects of changes in the credit risk are presented in "Gains (losses) on financial instruments measured at fair value through profit or loss".

The change in the fair value of the financial liability that is attributable to changes in own credit risk is the difference between the fair value basing on the current and initial credit risk.

Amounts presented in the own credit reserve will not be subsequently transferred to profit or loss. When these instruments are derecognized, the related cumulative amount in the own credit reserve is transferred to retained earnings.

4) Financial derivatives

Derivatives are initially recorded at fair value at the date on which a derivative contract is entered into (Trade Date) and are classified as trading except where they are designated as a part of an effective hedge relationship and classified as hedging derivatives. Derivatives are subsequently measured at fair value. The changes in fair value are recognized as gains (losses) on financial instruments measured at fair value through profit or loss unless hedge accounting is applied.

Embedded derivatives

Embedded derivatives are component of hybrid or combined instruments that consist of non-derivative host contracts.

For derivatives embedded in financial asset host contracts, the entire hybrid contract, including all embedded features, is classified in accordance with the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For derivatives embedded in financial liability host contracts, embedded derivatives will be separated from the host contract and accounted for as derivatives if all of the following criteria are met :

- Their economic characteristics and risks are not closely related to those of the host contract
- When separated from the host contract, it would still meet the definition of derivative and
- The hybrid or combined instruments are not recognized and measured at fair value through profit or loss.



5) Modifications of financial instruments

a) Financial assets

When the terms of a financial asset are modified and from the evaluation of the Bank, the cash flows of the modified asset are different from those at the original financial asset significantly. The original financial asset is derecognized and a new financial asset is recognized at fair value. The difference between the carrying amount of the financial asset extinguished and the new financial asset is recognized in profit or loss as a part of expected credit loss.

If the cash flows of the modified asset are not substantially different, the Bank recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss which is presented as expected credit loss.

b) Financial liabilities

The Bank derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. A new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability is recognized in profit or loss.

If the cash flows of the modified liability are not substantially different, the carrying amount of the liability is adjusted to reflect the net present value of the revised cash flows discounted at the original effective interest rate and recognizes the amount arising from adjusting the carrying amount as a modification gain or loss.

6) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when the Bank has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

7) Derecognition of financial instruments

The Bank derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Bank, is recognized separately as asset or liability.

A financial liability is derecognized from the statement of financial position when the Bank has discharged its obligation or the contract is cancelled or expires.

3.5 Impairment of financial assets

For impairment of financial assets, the Bank applies Expected Credit Loss (ECL) model and management overlay for the factors which are not captured by the model for financial assets-debt instruments measured at amortized cost and FVOCI, together with loan commitments and financial guarantee contracts, by classifying into three stages based on the change in credit risk since initial recognition, as follows :

a) Stage 1 : Performing

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the Bank recognizes portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.

b) Stage 2 : Under-performing

For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL is recognized.

c) Stage 3 : Non-performing

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognized.

Determining the stage for impairment

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Bank considers reasonable and supportable information. The Bank gives importance to the consideration of indicator that will significantly reduce the ability to pay the debt or the increase in credit risk. This includes quantitative and qualitative information and also, forward-looking analysis covering both events that have already occurred and may occur in the future. The Bank uses its internal credit risk rating system, external credit risk grading and forecast information to assess deterioration in credit quality of a financial asset.

The Bank assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk rating, the date of initial recognition, industry, geographical location of the borrower and other relevant factors.



An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, the Bank will classify it as performing assets.

Measurement of ECL

The expected credit loss is the present value of the entire amount that is not expected to be received throughout the expected life of the financial asset, weighted with a probability, discounted using at the original effective interest rate at the starting date. The expected amount not to be received is calculated from the estimation of risk positions in the event of default, multiplied by the probability of default and the percentage of damage that may occur when there is a default under each possible situation.

- Probability of Default (PD) : Estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.
- Loss Given Default (LGD) : Estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Bank would expect to receive, including from the realization of any collateral.
- Exposure at Default (EAD) : Estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments or the amount that is expected to be drawdowns on the remaining of committed facilities.

In measuring of ECL, the Bank considers its historical loss experience and adjusts this for current observable data. In addition, the Bank uses reasonable and supportable forecasts of future economic conditions together with experienced judgment to estimate the amount of an expected credit loss, use of macroeconomic factors including mainly, but not limited to, gross domestic product, unemployment rate and property price index.

In the case of debt instruments measured at FVOCI, the Bank recognizes impairment charge in profit and loss as expected credit loss and the allowance for expected credit loss with the corresponding amount in other comprehensive income, whereas the carrying amount of the investment in debt securities in the statement of financial position still present at fair value.

The measurement of ECL for financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

The ECL for loan commitments is the present value difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive.

Write-off

The Bank writes off financial assets that are determined to be irrecoverable either partially or in full in the period in which the decision is taken. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Bank's procedures for recovery of amount due.

3.6 Hedge accounting

The Bank makes use of derivatives to manage exposures arising from assets, liabilities, off-balance sheet items, net position or cash flow. Upon meeting specified criteria for hedge accounting, the Bank applies hedge accounting for the aforementioned derivatives. The Bank designates certain derivatives as :

- Hedges of the fair value of recognized assets or liabilities or firm commitments.
- Hedges of highly probable future cash flows attributable to a recognized asset or liability, or a highly probable forecast transaction.
- Hedges of net investments in foreign operations.

In hedging, the Bank takes into consideration the relationship between derivatives and the hedged item, including the nature of the risk, the objective and strategy for undertaking the hedge as well as the effectiveness of the hedging relationship.

1) Fair value hedges

The cumulative changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in profit or loss, together with any cumulative changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The movement in fair value of the hedged item attributable to the hedged risk is made as an adjustment to the carrying value of the hedged asset or liability.

When a hedging instrument expires or is sold, terminated or exercised, or when a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortized to profit or loss on an effective yield basis. Where the hedged item is derecognized from the statement of financial position, the unamortized fair value adjustment is immediately recognized in profit or loss.



2) Cash flow hedges

The effective portion of the cumulative changes in the fair value of derivatives that are designated and qualified as cash flow hedges are directly recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. The reserve for cash flow hedges in equity are transferred to profit or loss in the period(s) in which the hedged item affects profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or when a hedge no longer meets the criteria for hedge accounting, the reserve for cash flow hedges in equity at that time remains in equity and is recognized in profit or loss when the hedged item is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss existing in equity at that time is immediately transferred to profit or loss.

3) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in the foreign currency translation in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. Gains and losses accumulated in equity are transferred to profit or loss when the foreign operation is disposed.

The Bank applies an accrual basis for open portfolio hedge.

3.7 Investments in subsidiaries and associates, net

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

Associates are entities over which the Bank has, directly or indirectly, the voting power of the entity which the Bank has significant influence, but not control, over the financial and operating policy decisions.

Investments in subsidiaries and associates in the Bank's financial statements are presented under the cost method, net of valuation allowance for impairment. Investments in associates in the consolidated financial statements are presented under the equity method, net of valuation allowance for impairment.

3.8 Properties for sale

Properties for sale consist of immovable and movable properties which are stated at the lower of cost or market value at the date of acquisition. In the event where the Bank considers that there is a decline in net realizable value, the impairment is recognized as other operating expense.

Net realizable value is estimated based on the appraised value together with other factors which can affect the realizable value such as related selling expenses, future discounts expenses and holding period.

Gains or losses on disposal of such properties for sale are recognized as other operating income or expense on the date of disposal.

The Bank had complied with the BOT's Notification regarding the Immovable Properties for Sale, and the Rules of the Purchase and Holding of Immovable Properties to be used as Premises for Business of Commercial Banks or as Facilities for its Officers and Employees and the Accounting Rules for Financial Institutions in relation to the Sales of Properties for Sale.

3.9 Premises, equipment and depreciation

Land is stated at the new appraised value. Premises are stated at the new appraised value net of accumulated depreciation and allowance for impairment (if any). Equipment is stated at cost net of accumulated depreciation and allowance for impairment (if any).

The land and premises reappraisal is done by independent appraisers according to the guidelines established by the BOT based on the market value method for land and the replacement cost method net of accumulated depreciation for premises, and such value is subject to review by price-approval committee. The increment resulting from the appraisal is recognized as part of shareholders' equity as appraisal surplus. Depreciation of the premises appraisal surplus is recognized as other operating expense and the appraisal surplus in equity is amortized by transferring directly to retained earnings in an amount equal to such depreciation. Decrease of appraisal surplus is charged directly against prior appraisal surplus for the particular asset. The residual appraisal decrease is recognized as other operating expense. Upon disposal, any remaining related appraisal surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets, as follows :

Premises-reappraised	20 - 30 years
Premises-newly constructed	20 years
Equipment	3 - 5 years

Depreciation of premises and equipment in foreign countries is at the legal rates applicable in each locality.

When land, premises and equipment become impaired, the allowance for impairment is recorded to recognize loss on impairment as other operating expenses.

Gains or losses on disposal of land, premises and equipment are recognized as other operating income or expenses upon disposal.



3.10 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets and contingent liabilities acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets and contingent liabilities acquired, the difference is recognized directly in profit or loss. Acquisition-related costs are expensed as incurred and included in other operating expenses. Non-controlling interests are measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets on each business combination basis.

3.11 Goodwill and intangible assets and amortization

Goodwill is stated at cost less allowance for impairment (if any). Impairment test is carried out annually, or when there is indication that the goodwill may be impaired.

Intangible assets with finite useful lives are stated at cost net of accumulated amortization and allowance for impairment (if any).

Intangible assets are amortized by the straight-line method over their estimated useful lives between 3 - 13 years.

Amortization of intangible assets in foreign countries is at the legal rates applicable in each locality.

When intangible assets become impaired, the allowance for impairment is recorded to recognize loss on impairment as other operating expenses.

Gains or losses on disposal of intangible assets are recognized as other operating income or expenses upon disposal.

3.12 Leases

The Bank as a tenant recognizes liabilities under rental contracts at the present value of the obligations under the lease agreements, and recognizes right-of-use assets with the value of lease liabilities plus the initial direct costs and the right-of-use is amortized over the straight-line method throughout the lease term.

3.13 Provisions

The Bank recognizes provisions in the statement of financial position when the Bank has obligations as a result of a past event and where it is probable that there will be an outflow of economic benefits to settle such obligations. The provisions, such as the provisions for off-balance sheet contingencies, the provision for the post-employment benefits (See Note 6.22), the probable loss on legal indemnity, and other provisions, have been recognized in the statements of financial position.

The Bank reviews the provisions on a regular basis, and recognizes the changes in the provisions as increase or decrease in other operating expenses.

3.14 Assets and liabilities in foreign currencies

3.14.1 Functional currency and presentation currency

Items in the financial statements of foreign operations are recorded at their functional currency.

The consolidated and the Bank's financial statements are presented in Baht as the presentation currency.

3.14.2 Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the transaction dates.

At the reporting date, balances of monetary assets and liabilities are translated at the exchange rate as of the reporting date. Balances of non-monetary assets and liabilities are translated at the exchange rate prevailing at the transaction dates or exchange rate at the date when the fair value was determined.

Gains and losses on foreign currency trading and foreign currency translation are presented as gains (losses) on tradings and foreign exchange transactions.

3.14.3 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank's financial statements, the Bank translates the items in the statement of financial position of the foreign operation which its functional currency is other than Baht by using the reference rates of BOT as of the reporting date and translates the items in the statement of profit or loss and other comprehensive income by using the reference rates of BOT at the end of each month.

Gains or losses on translation of the financial statements of foreign operations are recognized as a component of shareholders' equity through other comprehensive income.

3.15 Post-employment benefits

3.15.1 Defined contribution plans

The Bank and its domestic subsidiaries have the provident funds, which are managed by external fund managers, for their employees in accordance with the Provident Fund Act. The Bank, its domestic subsidiaries and their employees contribute to the funds at the determined rates. The employees are entitled to benefits according to the fund regulations.



The provident funds for overseas branches and overseas subsidiaries are established in accordance with each country's legal requirement and any withdrawal is made in compliance therewith.

The provident funds are considered defined contribution plans. The Bank and subsidiaries recognize their contributions to the provident funds as personnel expenses upon receiving the service from employees.

3.15.2 Defined benefit plans

The Bank and its subsidiaries provide the defined benefit plans for their employees under the employment agreements. The provision for the employee benefits is assessed by an actuary using the actuarial techniques called the Projected Unit Credit Method to determine the present value of cash flows of employee benefits to be paid in the future. Under this method, the determination is based on actuarial calculations which include the employee's salaries, turnover rate, mortality rate, years of service and other factors.

Provision for defined benefit plans recognized by the Bank and its subsidiaries in the statement of financial position represents total present value of defined benefits obligation net of the fair value plan assets. The actuarial gains (losses) are recognized in other comprehensive income.

3.16 Income taxes

Income taxes comprise of current tax and deferred tax.

Current tax is recognized at the amount expected to be paid or recovered from the tax authorities by calculating from taxable profit or loss for the period and using tax rates enacted or substantively enacted by the reporting date.

Deferred tax is recognized on temporary differences arising between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss (tax base). The Bank recognizes deferred tax assets and liabilities arising from such temporary differences at the amount of expected benefit to be received from the assets or paid for the liabilities in profit or loss except to the extent that it relates to items recognized in equity, which it is recognized directly in equity.

Deferred tax assets and liabilities are offset, if the Bank has a legally enforceable right to offset current tax assets and current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be sufficiently available to allow the temporary differences to be utilized. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that the related tax benefit will be realized.

3.17 Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to the Bank by the average number of common shares outstanding and issued during the period, weighted by the time and amount paid.

4. Risk Management

4.1 Risk management information of the Bank

The Bank's Risk Oversight Committee, the Board of Executive Directors and senior management plays a significant role in prescribing the risk management policy, reviewing the sufficiency of the risk management policy and system, defining the strategy for risk management, and monitoring the Bank's risk to an appropriate level, in compliance with the Bank's risk management policy which has been approved by the Board of Directors based on the Risk Oversight Committee's recommendation. The objectives are to manage the relevant risks within designated boundaries, in particular the maintenance of capital in accordance with the revised capital adequacy requirements under the Basel guidelines.

The Bank's risk management process comprises the identification of significant risks which may potentially impact the Bank's business operations including setting an acceptable risk limit, the assessment of each type of risk, the monitoring of risks to be at an appropriate level under the Bank's policy, and the reporting of the status of each type of risk to relevant parties so as to enable them to manage and/or handle the risks in a timely manner.

The key principle of the risk management is that business units shall be responsible for continuously managing their risk exposures in order to ensure that the risk is within the specified limits and in compliance with the overall risk management policy approved by the Board of Directors, while the Risk Management Division is responsible for monitoring and controlling the risks on a regular basis.

4.2 Credit risk

4.2.1 Credit risk management

Credit risk is the risk that borrowers or counterparties fail to fulfill their obligations under contractual agreements arising from lending, investment and other contractual activities, such as the borrowers' failure to repay principal or interest as agreed in the contract, etc. The Bank's maximum exposure to credit risk is the net carrying amount of the financial assets or the amount which the Bank could have to pay if counterparties cannot meet such contractual obligations.



The Bank has established comprehensive credit underwriting processes which include the formulation of the credit policy, procedures for the assessment of credit risk ratings for customers, and the establishment of various levels of credit approval authority, based on the type of business and/or the size of the credit facilities. In general, credit facilities are extended based on the capacity to repay, which is assessed by evaluating the purpose of the loan, the projected operating cash flows, business feasibility and the capability of management. Collateral coverage is also taken into consideration as a contingency measure. Credit reviews including reviews of the credit risk ratings are undertaken on a regular basis. Furthermore, the Bank also has established limits to be used as a tool to monitor and control credit risk.

4.2.2 Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for any financial instrument before deducting collateral as at December 31, 2023 and 2022.

The maximum exposure to credit risk of a financial asset is equal to the net book value. The maximum exposure to credit risk of a financial guarantee is the maximum amount the Bank will pay up to the guarantee obligation. For loan commitments the maximum exposure to credit risk is full value of credit limit.

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Financial assets				
Interbank and money market items, net	757,120	766,074	580,068	587,554
Derivatives assets	70,603	84,839	70,109	83,583
Investments	880,782	762,729	748,363	620,065
Loan to customers	2,425,661	2,449,355	2,067,703	2,096,756
Total	<u>4,134,166</u>	<u>4,062,997</u>	<u>3,466,243</u>	<u>3,387,958</u>
Off balance sheet				
Financial guarantees	197,448	216,755	148,817	162,888
Loan commitments	386,915	380,122	352,922	345,535
Total	<u>584,363</u>	<u>596,877</u>	<u>501,739</u>	<u>508,423</u>
Total credit risk exposure	<u><u>4,718,529</u></u>	<u><u>4,659,874</u></u>	<u><u>3,967,982</u></u>	<u><u>3,896,381</u></u>

4.2.3 Collateral obtained

The maximum exposure to credit risk arises from loans and advances to customers and financial guarantees and loan commitments. The Bank receives a sufficient amount of collateral and of an appropriate type. The main types are land, land with buildings, bonds, debentures, apartments, etc. including deposits, leasehold rights and various movable properties, etc.



4.2.4 Offsetting financial assets and liabilities

The table below shows the amount of financial instruments that have not been offset in the statement of financial position but is subject to other applicable netting agreements or similar arrangements such as standard contracts and other applicable financial collateral as at December 31, 2023 and 2022.

										Million Baht
Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	CONSOLIDATED 2023		Net amounts	Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
				Amounts not offset on the statement of financial position						
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	524	-	524	-	(524)	-	Interbank and money market items (assets), net	6.4	757,120	756,596
Derivatives assets	64,312	-	64,312	(43,655)	(13,928)	6,729	Derivative assets	6.6	70,603	6,291
Total	<u>64,836</u>	<u>-</u>	<u>64,836</u>	<u>(43,655)</u>	<u>(14,452)</u>	<u>6,729</u>			<u>827,723</u>	<u>762,887</u>
Financial liabilities										
Repurchase agreements	145,350	-	145,350	-	(145,350)	-	Interbank and money market items (liabilities), net	6.15	334,219	188,869
Derivatives liabilities	47,810	-	47,810	(43,655)	(2,510)	1,645	Derivative liabilities	6.6	63,462	15,652
Total	<u>193,160</u>	<u>-</u>	<u>193,160</u>	<u>(43,655)</u>	<u>(147,860)</u>	<u>1,645</u>			<u>397,681</u>	<u>204,521</u>



Million Baht

CONSOLIDATED
2022

Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	Amounts not offset on the statement of financial position		Net amounts	Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	303	-	303	-	(303)	-	Interbank and money market items (assets), net	6.4	766,074	765,771
Derivatives assets	74,980	-	74,980	(44,693)	(26,529)	3,758	Derivative assets	6.6	84,839	9,859
Total	<u>75,283</u>	<u>-</u>	<u>75,283</u>	<u>(44,693)</u>	<u>(26,832)</u>	<u>3,758</u>			<u>850,913</u>	<u>775,630</u>
Financial liabilities										
Repurchase agreements	94,350	-	94,350	-	(94,350)	-	Interbank and money market items (liabilities), net	6.15	262,522	168,172
Derivatives liabilities	50,317	-	50,317	(44,693)	(1,407)	4,217	Derivative liabilities	6.6	70,981	20,664
Total	<u>144,667</u>	<u>-</u>	<u>144,667</u>	<u>(44,693)</u>	<u>(95,757)</u>	<u>4,217</u>			<u>333,503</u>	<u>188,836</u>



Million Baht

THE BANK
2023

Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	Amounts not offset on the statement of financial position		Net amounts	Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	524	-	524	-	(524)	-	Interbank and money market items (assets), net	6.4	580,068	579,544
Derivatives assets	64,312	-	64,312	(43,655)	(13,928)	6,729	Derivative assets	6.6	70,109	5,797
Total	<u>64,836</u>	<u>-</u>	<u>64,836</u>	<u>(43,655)</u>	<u>(14,452)</u>	<u>6,729</u>			<u>650,177</u>	<u>585,341</u>
Financial liabilities										
Repurchase agreements	145,350	-	145,350	-	(145,350)	-	Interbank and money market items (liabilities), net	6.15	309,526	164,176
Derivatives liabilities	47,810	-	47,810	(43,655)	(2,510)	1,645	Derivative liabilities	6.6	62,712	14,902
Total	<u>193,160</u>	<u>-</u>	<u>193,160</u>	<u>(43,655)</u>	<u>(147,860)</u>	<u>1,645</u>			<u>372,238</u>	<u>179,078</u>



Million Baht

Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	THE BANK 2022		Net amounts	Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
				Amounts not offset on the statement of financial position						
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	303	-	303	-	(303)	-	Interbank and money market items (assets), net	6.4	587,554	587,251
Derivatives assets	74,980	-	74,980	(44,693)	(26,529)	3,758	Derivative assets	6.6	83,583	8,603
Total	<u>75,283</u>	<u>-</u>	<u>75,283</u>	<u>(44,693)</u>	<u>(26,832)</u>	<u>3,758</u>			<u>671,137</u>	<u>595,854</u>
Financial liabilities										
Repurchase agreements	94,350	-	94,350	-	(94,350)	-	Interbank and money market items (liabilities), net	6.15	251,029	156,679
Derivatives liabilities	50,317	-	50,317	(44,693)	(1,407)	4,217	Derivative liabilities	6.6	69,649	19,332
Total	<u>144,667</u>	<u>-</u>	<u>144,667</u>	<u>(44,693)</u>	<u>(95,757)</u>	<u>4,217</u>			<u>320,678</u>	<u>176,011</u>



4.2.5 Credit quality of financial assets including loan commitments and financial guarantee contracts as at December 31, 2023 and 2022.

	CONSOLIDATED 2023			Million Baht
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	938,674	890	-	939,564
Satisfactory	1,709,799	6,695	-	1,716,494
High-risk	359,245	163,508	-	522,753
Credit impaired	-	-	89,878	89,878
Total	<u>3,007,718</u>	<u>171,093</u>	<u>89,878</u>	<u>3,268,689</u>
Interbank and money market items and investments in debt securities				
Strong	1,610,922	67	-	1,610,989
Satisfactory	13,070	6,349	-	19,419
High-risk	1,988	6,983	-	8,971
Credit impaired	-	-	129	129
Total	<u>1,625,980</u>	<u>13,399</u>	<u>129</u>	<u>1,639,508</u>
Grand total	<u>4,633,698</u>	<u>184,492</u>	<u>90,007</u>	<u>4,908,197</u>

	CONSOLIDATED 2022			Million Baht
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	918,535	1,365	-	919,900
Satisfactory	1,765,158	6,109	-	1,771,267
High-risk	356,748	140,928	-	497,676
Credit impaired	-	-	100,863	100,863
Total	<u>3,040,441</u>	<u>148,402</u>	<u>100,863</u>	<u>3,289,706</u>
Interbank and money market items and investments in debt securities				
Strong	1,491,771	6,384	-	1,498,155
Satisfactory	22,038	-	-	22,038
High-risk	2,959	6,039	-	8,998
Credit impaired	-	-	129	129
Total	<u>1,516,768</u>	<u>12,423</u>	<u>129</u>	<u>1,529,320</u>
Grand total	<u>4,557,209</u>	<u>160,825</u>	<u>100,992</u>	<u>4,819,026</u>

	THE BANK 2023			Million Baht
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	701,975	451	-	702,426
Satisfactory	1,564,166	6,532	-	1,570,698
High-risk	300,327	146,758	-	447,085
Credit impaired	-	-	74,852	74,852
Total	<u>2,566,468</u>	<u>153,741</u>	<u>74,852</u>	<u>2,795,061</u>
Interbank and money market items and investments in debt securities				
Strong	1,303,557	67	-	1,303,624
Satisfactory	10,910	6,349	-	17,259
High-risk	1,972	6,983	-	8,955
Credit impaired	-	-	117	117
Total	<u>1,316,439</u>	<u>13,399</u>	<u>117</u>	<u>1,329,955</u>
Grand total	<u>3,882,907</u>	<u>167,140</u>	<u>74,969</u>	<u>4,125,016</u>



	THE BANK 2022			Million Baht
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	693,060	467	-	693,527
Satisfactory	1,612,213	5,995	-	1,618,208
High-risk	298,121	125,200	-	423,321
Credit impaired	-	-	84,213	84,213
Total	<u>2,603,394</u>	<u>131,662</u>	<u>84,213</u>	<u>2,819,269</u>
Interbank and money market items and investments in debt securities				
Strong	1,173,221	6,384	-	1,179,605
Satisfactory	19,409	-	-	19,409
High-risk	2,915	6,039	-	8,954
Credit impaired	-	-	117	117
Total	<u>1,195,545</u>	<u>12,423</u>	<u>117</u>	<u>1,208,085</u>
Grand total	<u>3,798,939</u>	<u>144,085</u>	<u>84,330</u>	<u>4,027,354</u>

Allowance for expected credit loss of financial instruments that requires credit impairment consideration according to relevant financial reporting standard consisted of the following as at December 31, 2023 and 2022 :

	CONSOLIDATED		THE BANK		Million Baht
	2023	2022	2023	2022	
Allowance for expected credit loss for					
Interbank and money market items	1,324	429	1,241	377	
Investment in debt securities	8,882	6,422	8,797	6,372	
Loans to customers	258,666	243,474	225,619	214,089	
Off-balance sheet items	10,549	9,556	8,577	7,579	
Total	<u>279,421</u>	<u>259,881</u>	<u>244,234</u>	<u>228,417</u>	

	CONSOLIDATED 2023			Million Baht
	Performing	Under-performing	Non-performing	Total
Beginning balances	105,088	80,982	73,811	259,881
Changes due to re-measurement of loss allowance	35,290	33,291	18,750	87,331
De-recognition	(25,541)	(17,352)	(28,468)	(71,361)
Others	(396)	6	3,960	3,570
Ending balances	<u>114,441</u>	<u>96,927</u>	<u>68,053</u>	<u>279,421</u>

	CONSOLIDATED 2022			Million Baht
	Performing	Under-performing	Non-performing	Total
Beginning balances	86,829	70,390	74,943	232,162
Changes due to re-measurement of loss allowance	37,829	28,962	21,222	88,013
De-recognition	(19,900)	(18,625)	(25,682)	(64,207)
Others	330	255	3,328	3,913
Ending balances	<u>105,088</u>	<u>80,982</u>	<u>73,811</u>	<u>259,881</u>



	THE BANK 2023			Million Baht
	Performing	Allowance for expected credit loss Under-performing	Non-performing	Total
Beginning balances	93,641	74,809	59,967	228,417
Changes due to re-measurement of loss allowance	20,554	27,193	11,545	59,292
De-recognition	(15,582)	(11,435)	(19,541)	(46,558)
Others	(74)	15	3,142	3,083
Ending balances	98,539	90,582	55,113	244,234

	THE BANK 2022			Million Baht
		Allowance for expected credit loss		
	Performing	Under-performing	Non-performing	Total
Beginning balances	78,047	64,957	60,485	203,489
Changes due to re-measurement of loss allowance	28,273	25,927	10,898	65,098
De-recognition	(12,996)	(16,183)	(12,823)	(42,002)
Others	317	108	1,407	1,832
Ending balances	93,641	74,809	59,967	228,417

4.3 Market risk

Market risk is the risk of losses in on and off-balance sheet positions of the Bank arising from movements in market prices of assets, liabilities and contingent liabilities such as interest rates, foreign exchange rates, equity prices and commodity prices.

4.3.1 Market risk in the trading book

Trading book position includes positions of financial instruments that the Bank holds for a short period with an intention to trade, resell, and benefit from the difference between the buying and selling prices; to benefit from arbitrage opportunities; or to hedge other positions in the trading book.

Interest rate risk in the trading book arises when the Bank holds interest rate-related financial instruments with an intention to trade, speculates for a short-term profit, or hedges other positions in the trading book. Changes in interest rates affect the fair value of these positions and may result in gains or losses for the Bank.

Foreign exchange risk arises when the Bank executes a foreign currency transaction which may lead to an overbought or oversold position in a particular currency. The Bank may incur gains or losses as a result of movements in foreign exchange rates.

The Bank manages traded market risk primarily through a series of limits, such as Value-at-Risk (VaR) Limit, Present Value of a Basis Point Change (PV01) Limit and Maximum Loss Limit. Risk exposures are monitored and reported to senior management, the Board of Executive Directors and the Risk Oversight Committee on a regular basis.

Value-at-Risk (VaR)

Value at Risk or "VaR" is a statistical technique that estimates the maximum potential losses on risk exposures as a result of movements in market rates and prices over a specified time horizon and at a given level of confidence. The Bank uses a historical simulation approach at a 99% confidence level over a one-day holding period to measure VaR for our trading book positions. Historical Simulation VaR estimates the maximum potential losses assuming plausible future scenarios from the observed historical market movements.



1-Day VaR at 99% confidence level of the Bank's and the Group's trading book position as of December 31, 2023 and 2022 are as follows :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
	Million Baht			
Value-at-Risk	401	339	398	344

In addition to the above-mentioned monitoring and controlling of risk, the Bank also performs market risk stress testing on its trading book position on at least a quarterly basis to determine the potential losses from extreme market movements or crisis events. This stress testing enhances the Bank's understanding of its risk exposures and vulnerability as well as facilitating proactive risk management.

4.3.2 Market risk in the banking book

4.3.2.1 Interest rate risk in the banking book

Interest rate risk in the banking book normally arises when the repricing and/or maturity schedule of assets, liabilities and off-balance sheet positions are not matched, or when the movements of reference interest rates on assets and liabilities are not correlated, affecting net interest income (NII) and/or economic value of equity (EVE).

To control interest rate risk in the banking book, the Bank has established a NII Impact Limit (being the Cumulative NII Impact within one year) and an EVE Impact Limit, assuming interest rates rise and decrease immediately by 1%.

The impact of a 1% point increase in interest rate to NII of the Bank's and the Group's as at December 31, 2023 and 2022 are as follows :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
	Million Baht			
NII Impact	389	2,264	466	1,814

The Bank has significant financial assets and financial liabilities categorized by the earlier of contractual repricing or maturity dates as at December 31, 2023 and 2022 as follows :

	CONSOLIDATED						THE BANK	
	2023						2023	2022
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - performing Loans	Total
Financial Assets								
Interbank and money market items*	597,378	30,739	36,232	305	-	92,908	129	757,691
Financial assets measured at fair value through profit or loss	319	7,810	1,597	19,339	26,299	33,614	-	88,978
Investments in debt securities	44,749	32,254	124,842	438,466	237,285	-	-	877,596
Loans to customers*	1,693,593	568,550	158,374	149,414	16,207	-	85,826	2,671,964
Financial Liabilities								
Deposits	2,145,151	355,652	514,902	27,772	-	140,806	-	3,184,283
Interbank and money market items	178,067	87,025	14,673	28,885	-	25,569	-	334,219
Liabilities payable on demand	-	-	-	-	-	9,156	-	9,156
Financial liabilities measured at fair value through profit or loss	526	-	-	-	17,858	-	-	18,384
Debt issued and borrowings	-	21,827	17	89,252	101,409	-	-	212,505

* Excluding allowance for expected credit loss, accrued interest receivables and undue interest receivables.



	CONSOLIDATED 2022								Million Baht
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - performing Loans	Total	
Financial Assets									
Interbank and money market items *	610,890	30,930	21,558	881	-	101,629	117	766,005	
Financial assets measured at fair value through profit or loss	335	630	1,919	8,135	1,062	62,955	-	75,036	
Investments in debt securities	18,944	37,849	158,825	370,688	174,062	-	-	760,368	
Loans to customers *	1,665,324	572,259	193,339	133,032	21,678	-	97,059	2,682,691	
Financial Liabilities									
Deposits	2,217,162	347,488	485,046	16,819	-	144,381	-	3,210,896	
Interbank and money market items	172,503	35,587	10,785	27,349	56	16,242	-	262,522	
Liabilities payable on demand	-	-	-	-	-	7,770	-	7,770	
Financial liabilities measured at fair value through profit or loss	548	-	-	-	17,412	-	-	17,960	
Debt issued and borrowings	100	1,146	17,297	72,643	97,116	-	-	188,302	

* Excluding allowance for expected credit loss, accrued interest receivables and undue interest receivables.

	THE BANK 2023								Million Baht
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - performing Loans	Total	
Financial Assets									
Interbank and money market items *	497,878	10,841	7,089	-	-	64,774	117	580,699	
Financial assets measured at fair value through profit or loss	308	2,382	959	18,102	24,873	50,114	-	96,738	
Investments in debt securities	12,387	10,686	101,652	387,085	234,858	-	-	746,668	
Loans to customers *	1,476,771	496,801	133,454	89,042	14,968	-	71,045	2,282,081	
Financial Liabilities									
Deposits	1,772,120	306,634	467,179	15,908	-	138,047	-	2,699,888	
Interbank and money market items	158,090	85,390	11,185	28,885	-	25,976	-	309,526	
Liabilities payable on demand	-	-	-	-	-	9,154	-	9,154	
Financial liabilities measured at fair value through profit or loss	-	-	-	-	17,858	-	-	17,858	
Debt issued and borrowings	-	20,832	17	89,252	101,409	-	-	211,510	

* Excluding allowance for expected credit loss, accrued interest receivables and undue interest receivables.



	THE BANK 2022							Million Baht
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - performing Loans	Total
Financial Assets								
Interbank and money								
market items *	511,824	20,537	9,049	518	-	45,442	117	587,487
Financial assets measured								
at fair value through								
profit or loss	325	590	1,883	7,867	753	79,384	-	90,802
Investments in debt securities	18,648	16,535	117,057	294,231	172,526	-	-	618,997
Loans to customers *	1,455,380	504,986	166,110	73,928	20,416	-	80,875	2,301,695
Financial Liabilities								
Deposits	1,812,725	307,482	443,546	11,158	-	141,241	-	2,716,152
Interbank and money								
market items	160,120	34,487	10,129	27,349	56	18,888	-	251,029
Liabilities payable								
on demand	-	-	-	-	-	7,767	-	7,767
Financial liabilities measured								
at fair value through								
profit or loss	-	-	-	-	17,412	-	-	17,412
Debt issued and borrowings	-	1	17,297	72,643	97,116	-	-	187,057

4.3.2.2 Foreign exchange in the banking book

Exchange rate risk in the banking book relates to the net investment position of foreign branches and subsidiaries. It is a risk arising from changes in exchange rates to investments and the net operating results of foreign entities whose functional currency is not Thai Baht. Foreign exchange risk is recognized through other comprehensive income as gain or loss on translation of the financial statements from foreign operations.

The Bank manages foreign exchange risk in its banking book to ensure that the impact of exchange rate changes on the Bank's total capital ratios is at acceptable levels. As at December 31, 2023 and 2022, the impact on the Group's total capital ratio assuming a 5% change of all foreign currency exchange rates against Thai Baht, was approximately 0.06% and 0.07%, respectively

4.4 Liquidity risk

Liquidity risk is the risk that the Bank is not able to meet financial obligations when they fall due. The purpose of the Bank's liquidity risk management is to maintain sufficient funds to meet present and future financial obligations while managing the use of the funds to generate an appropriate return in line with prevailing market conditions.

The Bank manages liquidity risk in accordance with policies and principles established internally by ALCO and with relevant regulatory requirements. The Treasury Division is in charge of managing the Bank's day-to-day cash flow and liquidity position, monitoring money market conditions and interest and exchange rate movements and forecasting rate trends, as well as executing liquidity management strategies in accordance with ALCO guidelines. The Market Risk unit of the Risk Management Division is responsible for identifying, assessing, monitoring, reporting and controlling liquidity risks against specified limits. The Market Risk unit reports to ALCO regularly, at least once a month.

The Bank has diversified funding sources. Its major funding source is customer deposits which are well diversified in terms of customer type, deposit type and maturity. Moreover, the Bank manages liquidity in major currencies such as the Thai Baht and US dollar by using domestic and international money and capital markets, including swap and repurchase markets. The Bank aims to balance the cost of liquidity against liquidity risks as deemed appropriate, based on market conditions and acceptable risk levels. The Bank also closely manages short-term and long-term liquidity positions, including the consideration of foreign short-term and long-term borrowings to meet customers' foreign currency loan demands in both domestic and overseas operations, as well as planning for capital fundraising as market conditions permit. In addition to funding diversification, the Bank maintains high-quality liquid assets which can be liquidated or realized as needed in order to meet its financial obligations under both business-as-usual and crisis situations. The Bank maintains a liquidity reserve ratio in accordance with the requirements of the BOT and other regulatory authorities in the countries where it has an international presence, as well as in accordance with the ALCO guidelines.

* Excluding allowance for expected credit loss, accrued interest receivables and undue interest receivables.



The following tables show financial assets and financial liabilities categorized by remaining maturity profile as at December 31, 2023 and 2022 :

	CONSOLIDATED 2023					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	Total
Financial Assets						
Interbank and money market items *	704,071	2,007	234	51,250	129	757,691
Financial assets measured at						
fair value through profit or loss	11,879	18,272	25,213	33,614	-	88,978
Derivatives assets	20,655	26,139	23,809	-	-	70,603
Investments	208,021	424,692	246,672	94,590	-	973,975
Loans to customers *	1,009,194	1,044,008	532,936	-	85,826	2,671,964
Financial Liabilities						
Deposits	1,189,742	29,668	-	1,964,873	-	3,184,283
Interbank and money market items	258,485	32,307	-	43,427	-	334,219
Liabilities payable on demand	9,156	-	-	-	-	9,156
Financial liabilities measured at						
fair value through profit or loss	526	-	17,858	-	-	18,384
Derivatives liabilities	20,309	20,877	22,276	-	-	63,462
Debt issued and borrowings	21,844	89,252	67,182	34,227	-	212,505

* Excluding allowance for expected credit loss, accrued interest receivables and undue interest receivables.

	CONSOLIDATED 2022					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	Total
Financial Assets						
Interbank and money market items *	730,375	1,635	93	33,785	117	766,005
Financial assets measured at						
fair value through profit or loss	6,131	8,067	25,327	35,511	-	75,036
Derivatives assets	31,824	22,532	30,483	-	-	84,839
Investments	227,445	358,202	177,089	88,927	-	851,663
Loans to customers *	989,370	1,086,701	509,561	-	97,059	2,682,691
Financial Liabilities						
Deposits	1,179,968	19,184	-	2,011,744	-	3,210,896
Interbank and money market items	190,905	34,261	56	37,300	-	262,522
Liabilities payable on demand	7,770	-	-	-	-	7,770
Financial liabilities measured at						
fair value through profit or loss	548	-	17,412	-	-	17,960
Derivatives liabilities	20,350	22,589	28,042	-	-	70,981
Debt issued and borrowings	18,543	72,643	71,184	25,932	-	188,302

* Excluding allowance for expected credit loss, accrued interest receivables and undue interest receivables.



	THE BANK 2023					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	Total
Financial Assets						
Interbank and money market items *	535,387	462	-	44,733	117	580,699
Financial assets measured at						
fair value through profit or loss	3,649	18,102	24,873	50,114	-	96,738
Derivatives assets	20,268	26,033	23,808	-	-	70,109
Investments	121,887	387,524	237,257	238,197	-	984,865
Loans to customers *	861,468	911,536	438,032	-	71,045	2,282,081
Financial Liabilities						
Deposits	962,730	17,804	-	1,719,354	-	2,699,888
Interbank and money market items	239,543	32,307	-	37,676	-	309,526
Liabilities payable on demand	9,154	-	-	-	-	9,154
Financial liabilities measured at						
fair value through profit or loss	-	-	17,858	-	-	17,858
Derivatives liabilities	19,831	20,618	22,263	-	-	62,712
Debt issued and borrowings	20,849	89,252	67,182	34,227	-	211,510

	THE BANK 2022					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	Total
Financial Assets						
Interbank and money market items *	558,527	518	-	28,325	117	587,487
Financial assets measured at						
fair value through profit or loss	2,798	7,867	24,947	55,190	-	90,802
Derivatives assets	30,747	22,353	30,483	-	-	83,583
Investments	151,589	292,976	174,803	232,685	-	852,053
Loans to customers *	850,287	954,222	416,311	-	80,875	2,301,695
Financial Liabilities						
Deposits	956,774	13,520	-	1,745,858	-	2,716,152
Interbank and money market items	184,155	34,261	56	32,557	-	251,029
Liabilities payable on demand	7,767	-	-	-	-	7,767
Financial liabilities measured at						
fair value through profit or loss	-	-	17,412	-	-	17,412
Derivatives liabilities	19,640	21,973	28,036	-	-	69,649
Debt issued and borrowings	17,298	72,643	71,184	25,932	-	187,057

* Excluding allowance for expected credit loss, accrued interest receivables and undue interest receivables.

* Excluding allowance for expected credit loss, accrued interest receivables and undue interest receivables.



4.5 Fair value of financial instruments

The following table presents the carrying amount and estimated fair value of financial instruments as at December 31, 2023 and 2022 :

	CONSOLIDATED				Million Baht
	2023		2022		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
Financial Assets					
Cash	45,518	45,518	52,433	52,433	
Interbank and money market items, net	757,120	757,120	766,074	766,074	
Financial assets measured at fair value					
through profit or loss	88,978	88,978	75,036	75,036	
Derivatives assets	70,603	70,147	84,839	85,805	
Investments, net	973,690	975,265	851,572	853,063	
Loans to customers and accrued interest receivables, net	2,425,661	2,425,661	2,449,355	2,449,355	
Total	4,361,570	4,362,689	4,279,309	4,281,766	
Financial Liabilities					
Deposits	3,184,283	3,184,283	3,210,896	3,210,896	
Interbank and money market items	334,219	334,219	262,522	262,522	
Liabilities payable on demand	9,156	9,156	7,770	7,770	
Financial liabilities measured at fair value					
through profit or loss	18,384	18,384	17,960	17,960	
Derivatives liabilities	63,462	63,434	70,981	71,757	
Debt issued	212,482	200,939	188,219	171,456	
Borrowings	23	23	83	83	
Total	3,822,009	3,810,438	3,758,431	3,742,444	

Million Baht

	THE BANK			
	2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	41,470	41,470	48,169	48,169
Interbank and money market items, net	580,068	580,068	587,554	587,554
Financial assets measured at fair value				
through profit or loss	96,738	96,738	90,802	90,802
Derivatives assets	70,109	69,653	83,583	83,621
Investments, net	984,312	1,011,686	851,694	875,748
Loans to customers and accrued interest receivables, net	2,067,703	2,067,703	2,096,756	2,096,756
Total	3,840,400	3,867,318	3,758,558	3,782,650
Financial Liabilities				
Deposits	2,699,888	2,699,888	2,716,152	2,716,152
Interbank and money market items	309,526	309,526	251,029	251,029
Liabilities payable on demand	9,154	9,154	7,767	7,767
Financial liabilities measured at fair value				
through profit or loss	17,858	17,859	17,412	17,412
Derivatives liabilities	62,712	62,684	69,649	69,543
Debt issued	211,487	199,944	186,974	170,211
Borrowings	23	23	83	83
Total	3,310,648	3,299,078	3,249,066	3,232,197

For cash, deposits, interbank and money market items (liabilities), liabilities payable on demand, and borrowings, the carrying amounts in the statement of financial position approximate the fair value of the items.

The fair value for loans to customers and interest receivables, net and interbank and money market items, net (assets) is based on the carrying value of the loans to customers and interest receivables, net of the allowance for expected credit loss as presented in the statement of financial position.

The following methods and assumptions were used by the Bank in estimating the fair value of financial instruments as disclosed herein :

The fair values of interbank and money market items, net (assets), loans to customers and interest receivables, net, deposits, interbank and money market items (liabilities), liabilities payable on demand, and borrowings are determined by discounting cash flows using the relevant market interest rates.

The fair value of derivatives is derived from market price or valuation techniques which are based on the market prices of instruments with similar characteristics and maturities or the valuation quoted by reliable institutions.

The fair value determination of investments in debt securities

- For domestic debt securities listed in the Thai Bond Market Association, the fair value is determined by using the market yield of debt securities published by the Thai Bond Market Association. For such debt securities that are not listed in the Thai Bond Market Association, the average bid yield from three reliable financial institutions will be used.
- For foreign debt securities, the value quoted by reliable international financial institutions will be used.

The fair value determination of investments in equity securities

- For marketable equity securities with readily determinable market values, the fair value is determined by the last bid price on the Stock Exchange of Thailand on the last business day of the reporting date. If the last bid price is not available, the last closing price will be used.
- Investments in unit trusts are stated at fair value based on redemption value at the reporting date.
- For other non-marketable investments, the fair value is determined by using appropriate valuation techniques with price and/or variables from the market and consideration to limitation of sale, liquidation, and discount rate to adjust such fair value. The valuation techniques include the use of recent arm's length transactions, reference to current fair value of other investments that have similar characteristics, discounted cash flows, and market multiples.

The fair value for debt issued is based on the market value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market, or in the absence, the most advantageous market, where is accessible to by the Bank. The fair value of instruments that are quoted in active markets is determined using the quoted prices. A market is regarded as active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If the market is not active, or an asset or a liability is not traded in an active market, the Bank uses valuation techniques to determine fair value by using the assumptions that market participants would use when pricing the asset or liability. Where applicable, a valuation adjustment is applied to derive at the fair value.

The following table shows an analysis of financial assets and financial liabilities by level of the fair value hierarchy as at December 31, 2023 and 2022.

	CONSOLIDATED								Million Baht
	2023			2022					
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Items measured at fair value									
Financial assets									
Financial assets measured at fair value through profit or loss	13,494	6,630	68,854	88,978	7,301	6,290	61,445	75,036	
Derivatives assets	104	70,043	-	70,147	437	85,368	-	85,805	
Investments, net	142,905	704,203	5,714	852,822	180,939	575,478	5,522	761,939	
Financial liabilities									
Financial liabilities measured at fair value through profit or loss	525	17,859	-	18,384	548	17,412	-	17,960	
Derivatives liabilities	46	63,388	-	63,434	46	71,711	-	71,757	
Items not measured at fair value									
Financial assets									
Investments, net	2,709	101,448	18,286	122,443	4,173	68,187	18,764	91,124	
Financial liabilities									
Debt issued	-	200,939	-	200,939	-	171,456	-	171,456	

	THE BANK								Million Baht
	2023			2022					
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Items measured at fair value									
Financial assets									
Financial assets measured at fair value through profit or loss	2,163	3,878	90,697	96,738	3,527	2,448	84,827	90,802	
Derivatives assets	25	69,628	-	69,653	421	83,200	-	83,621	
Investments, net	74,575	676,232	5,624	756,431	103,831	549,809	5,434	659,074	
Financial liabilities									
Financial liabilities measured at fair value through profit or loss	-	17,859	-	17,859	-	17,412	-	17,412	
Derivatives liabilities	-	62,684	-	62,684	-	69,543	-	69,543	
Items not measured at fair value									
Financial assets									
Investments, net	2,709	82,142	170,404	255,255	897	49,064	166,713	216,674	
Financial liabilities									
Debt issued	-	199,944	-	199,944	-	170,211	-	170,211	



Fair values are determined according to the following hierarchy :

- Level 1 - quoted prices in active market for identical assets or liabilities
- Level 2 - value derived from valuation techniques for which the significant input used for the fair value measurement is directly or indirectly observable in the market
- Level 3 - value derived from valuation techniques for which the significant input used for the fair value measurement is unobservable in the market

When using valuation techniques, the valuation adjustments are adopted, when the Bank considers that there are additional factors that would be considered by a market participant but are not incorporated within the valuation measurements. The considering factors are such as bid-offer spread, counterparty credit and liquidity, etc.

4.6 Capital fund

It is the Bank's policy to maintain an adequate level of capital to support growth strategies under an acceptable risk framework taking into consideration regulatory requirements and market expectations. The Bank regularly assesses its capital adequacy under various scenarios in order to anticipate capital requirements for the purpose of its capital planning and management process.

The guideline on capital fund based on the Basel III guidelines of the BOT requires the Bank to set out additional capital ratio of more than 2.50 percent which maintains a capital conservation buffer in addition to minimum capital adequacy ratios. The BOT has announced the guideline to identify and regulate Domestic Systemically Important Bank (D-SIB). The BOT requires the Bank, classified as D-SIB, must have additional capital requirement for Higher Loss Absorbency (HLA) requirement by increasing the Common Equity Tier 1 ratio at 1 percent. The minimum capital adequacy and a capital conservation buffer ratios to risk-weighted assets is as follows :

Capital Fund Ratio	Percentage	
	2023	2022
Common Equity Tier 1 ratio	More than 8.0	More than 8.0
Tier 1 capital ratio	More than 9.5	More than 9.5
Total capital fund ratio	More than 12.0	More than 12.0

Moreover, the BOT may require to maintain additional capital for countercyclical buffer at maximum of 2.50 percent.

As at December 31, 2023 and 2022, the Bank maintained capital adequacy ratios to risk assets and capital fund in accordance with the BOT's Notification relating to the Basel III guidelines as follows :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Common Equity Tier 1 capital to risk assets ratio	15.35	14.88	16.87	16.51
Tier 1 capital to risk assets ratio	16.14	15.67	17.74	17.38
Total capital to risk assets ratio	19.57	19.13	21.44	21.12

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Tier 1 capital	487,845	471,366	481,827	468,474
Common Equity Tier 1 capital	464,060	447,590	458,235	444,882
Paid-up share capital	19,088	19,088	19,088	19,088
Premium on share capital	56,346	56,346	56,346	56,346
Legal reserve	28,000	27,000	28,000	27,000
Reserves appropriated from net profit	126,500	121,500	126,500	121,500
Net profit after appropriation	233,581	210,038	210,144	190,120
Other comprehensive income	43,629	53,237	45,819	55,123
Items of the subsidiary undertaking				
commercial bank business only for the portion of non-controlling shareholders that can be counted as tier 1 capital of the financial group	399	391	-	-
Deductions from Common Equity Tier 1 capital	(43,483)	(40,010)	(27,662)	(24,295)
Additional Tier 1 capital	23,785	23,776	23,592	23,592
Tier 2 capital	103,884	104,108	100,500	100,807
Total capital fund	591,729	575,474	582,327	569,281

As at December 31, 2023 and 2022, the Bank has no capital add-on arising from Single Lending Limit.

Disclosure of capital maintenance information of the Bank and the Financial Holding Group under the BOT's Notification regarding the disclosure of the capital requirement of commercial banks, regarding the disclosure of the capital requirement of the Financial Holding Group and regarding liquidity coverage ratio disclosure standards.

Location of disclosure [www.bangkokbank.com/Investor Relations/Financial Information/Basel III - Pillar 3](http://www.bangkokbank.com/Investor%20Relations/Financial%20Information/Basel%20III%20-%20Pillar%203)
Date of disclosure October 31, 2023
Information as of June 30, 2023



5. Significant Use of Accounting Judgments and Estimates

5.1 Impairment losses on financial assets

The measurement of impairment losses under Thai Financial Reporting Standard No. 9 regarding Financial Instruments across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values and the assessment of significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowance.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include :

- The Bank's internal credit grading model, which assigns probability of default to the individual grades
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowance for financial assets should be measured on a lifetime ECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs and collateral values, and the effect on probability of defaults, exposure at defaults and loss given defaults
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models

There has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

5.2 Provisions

The determination of the provisions on the statement of financial position requires the use of various assumptions and judgments by the Bank, taking into consideration the nature of transactions and the circumstances requiring the provisions, the probability of the outflow of economic benefits to settle such obligations and the estimate of the net future cash outflows. The consideration is based on the experience and information that is available at the time that the financial statements are being prepared. The provisions are reviewed regularly. However, the actual results may differ from the estimates.

For the estimation of the provision for the defined benefit plans under the post-employment benefits, the estimation is calculated by an actuary by using the actuarial techniques which require actuarial assumptions on financial variables such as discount rate, future salaries and benefits, etc., and demographic variables such as employee mortality and turnover, etc.

5.3 Fair value of financial instruments

Where assets and liabilities are not traded in active markets, the Bank determines fair value by using valuation techniques commonly used by market participants including the reference to the fair value of another instrument with a similar nature, the discounted cash flow analysis and pricing models.

The Bank uses its best judgment in estimating the fair values of financial instruments. However, estimation methodologies and assumptions used to estimate fair values are inherently subjective. Accordingly, the use of different estimation methodologies and/or market assumptions may have a significant effect on the estimated fair values.

5.4 Impairment of goodwill

Performing the impairment test on the carrying amount of goodwill against the recoverable amount is carried out on an annual basis, or when there is indication that the goodwill may be impaired. The recoverable amount is determined based on the present value of estimated future cash flows expected to arise from the continuing operations. In estimating the future cash flows, growth rates and discount rates used in computing the recoverable amount is exercised by the Bank's best judgment which is inherently uncertain and subject to potential change over time. However, the Bank reviews these estimates on a regular basis.



6. Additional Information

6.1 Classification of Financial Assets and Financial Liabilities

Classification of financial assets and financial liabilities as at December 31, 2023 and 2022 are as follows :

	CONSOLIDATED 2023					Million Baht
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Investments in equity securities designated at FVOCI	Financial instruments measured at amortized cost	Total
Financial assets						
Cash	-	-	-	-	45,518	45,518
Interbank and money market items, net	-	-	-	-	757,120	757,120
Financial assets measured at FVTPL	88,978	-	-	-	-	88,978
Derivatives assets	70,603	-	-	-	-	70,603
Investments, net	-	-	757,846	94,977	119,464	972,287
Loans to customers and accrued interest receivables, net	-	-	-	-	2,425,661	2,425,661
Total	159,581	-	757,846	94,977	3,347,763	4,360,167
Financial liabilities						
Deposits	-	-	-	-	3,184,283	3,184,283
Interbank and money market item	-	-	-	-	334,219	334,219
Liability payable on demand	-	-	-	-	9,156	9,156
Financial liabilities measured at FVTPL	526	17,858	-	-	-	18,384
Derivatives liabilities	63,462	-	-	-	-	63,462
Debt issued and borrowings	-	-	-	-	212,505	212,505
Total	63,988	17,858	-	-	3,740,163	3,822,009

	CONSOLIDATED 2022					Million Baht
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Investments in equity securities designated at FVOCI	Financial instruments measured at amortized cost	Total
Financial assets						
Cash	-	-	-	-	52,433	52,433
Interbank and money market items, net	-	-	-	-	766,074	766,074
Financial assets measured at FVTPL	75,036	-	-	-	-	75,036
Derivatives assets	84,839	-	-	-	-	84,839
Investments, net	-	-	672,065	89,874	88,212	850,151
Loans to customers and accrued interest receivables, net	-	-	-	-	2,449,355	2,449,355
Total	159,875	-	672,065	89,874	3,356,074	4,277,888
Financial liabilities						
Deposits	-	-	-	-	3,210,896	3,210,896
Interbank and money market item	-	-	-	-	262,522	262,522
Liability payable on demand	-	-	-	-	7,770	7,770
Financial liabilities measured at FVTPL	548	17,412	-	-	-	17,960
Derivatives liabilities	70,981	-	-	-	-	70,981
Debt issued and borrowings	-	-	-	-	188,302	188,302
Total	71,529	17,412	-	-	3,669,490	3,758,431



	THE BANK 2023					Million Baht
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Investments in equity securities designated at FVOCI	Financial instruments measured at amortized cost	Total
Financial assets						
Cash	-	-	-	-	41,470	41,470
Interbank and money market items, net	-	-	-	-	580,068	580,068
Financial assets measured at FVTPL	96,738	-	-	-	-	96,738
Derivatives assets	70,109	-	-	-	-	70,109
Investments, net	-	-	663,318	93,114	83,064	839,496
Loans to customers and accrued interest receivables, net	-	-	-	-	2,067,703	2,067,703
Total	166,847	-	663,318	93,114	2,772,305	3,695,584
Financial liabilities						
Deposits	-	-	-	-	2,699,888	2,699,888
Interbank and money market item	-	-	-	-	309,526	309,526
Liability payable on demand	-	-	-	-	9,154	9,154
Financial liabilities measured at FVTPL	-	17,858	-	-	-	17,858
Derivatives liabilities	62,712	-	-	-	-	62,712
Debt issued and borrowings	-	-	-	-	211,510	211,510
Total	62,712	17,858	-	-	3,230,078	3,310,648

	THE BANK 2022					Million Baht
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Investments in equity securities designated at FVOCI	Financial instruments measured at amortized cost	Total
Financial assets						
Cash	-	-	-	-	48,169	48,169
Interbank and money market items, net	-	-	-	-	587,554	587,554
Financial assets measured at FVTPL	90,802	-	-	-	-	90,802
Derivatives assets	83,583	-	-	-	-	83,583
Investments, net	-	-	571,103	87,971	47,803	706,877
Loans to customers and accrued interest receivables, net	-	-	-	-	2,096,756	2,096,756
Total	174,385	-	571,103	87,971	2,780,282	3,613,741
Financial liabilities						
Deposits	-	-	-	-	2,716,152	2,716,152
Interbank and money market item	-	-	-	-	251,029	251,029
Liability payable on demand	-	-	-	-	7,767	7,767
Financial liabilities measured at FVTPL	-	17,412	-	-	-	17,412
Derivatives liabilities	69,649	-	-	-	-	69,649
Debt issued and borrowings	-	-	-	-	187,057	187,057
Total	69,649	17,412	-	-	3,162,005	3,249,066



6.2 Cash

Cash as at December 31, 2023 and 2022 are as follows :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Cash	45,470	52,384	41,422	48,120
Cash received in advance from e-Money and electronic money transfer service	<u>48</u>	<u>49</u>	<u>48</u>	<u>49</u>
Total	<u>45,518</u>	<u>52,433</u>	<u>41,470</u>	<u>48,169</u>

6.3 Supplementary Disclosures of Cash Flow Information

Significant non-cash items for the years ended December 31, 2023 and 2022 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2023	2022	2023	2022
Unrealized gains on investments in shareholders' equity decrease	(6,978)	(2,782)	(7,578)	(1,040)
Appraisal surplus decrease	(889)	(1,013)	(1,100)	(1,003)
Debt issued and borrowings increase (decrease)	(2,980)	8,701	(2,980)	8,701

6.4 Interbank and Money Market Items, net (Assets)

Interbank and money market items, net (assets) as at December 31, 2023 and 2022 consisted of the following :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Domestic items				
Bank of Thailand and Financial Institutions				
Development Fund	432,565	451,420	432,565	451,420
Commercial banks	16,640	22,911	5,531	10,101
Other financial institutions	<u>4,240</u>	<u>15,370</u>	<u>4,240</u>	<u>15,370</u>
Total	453,445	489,701	442,336	476,891
<u>Add</u> Accrued interest receivables and undue interest receivables	216	83	178	68
<u>Less</u> Allowance for expected credit loss	<u>(128)</u>	<u>(74)</u>	<u>(128)</u>	<u>(74)</u>
Total domestic items	<u>453,533</u>	<u>489,710</u>	<u>442,386</u>	<u>476,885</u>
Foreign items				
USD	128,902	129,183	93,886	70,949
JPY	20,871	10,140	20,012	9,210
EUR	641	5,899	542	5,809
Others	<u>153,832</u>	<u>131,082</u>	<u>23,923</u>	<u>24,628</u>
Total	304,246	276,304	138,363	110,596
<u>Add</u> Accrued interest receivables and undue interest receivables	533	412	431	374
<u>Less</u> Allowance for expected credit loss	<u>(1,192)</u>	<u>(352)</u>	<u>(1,112)</u>	<u>(301)</u>
Total foreign items	<u>303,587</u>	<u>276,364</u>	<u>137,682</u>	<u>110,669</u>
Total domestic and foreign items	<u>757,120</u>	<u>766,074</u>	<u>580,068</u>	<u>587,554</u>

6.5 Financial Assets Measured at Fair Value through Profit or Loss

6.5.1 Trading financial assets as at December 31, 2023 and 2022 consisted of the following :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
	Fair Value	Fair Value	Fair Value	Fair Value
Thai government and state enterprise securities	3,039	1,261	3,039	1,261
Foreign debt securities	8,730	629	-	-
Domestic marketable equity securities	2,601	3,145	-	-
Others	<u>109</u>	<u>106</u>	<u>-</u>	<u>-</u>
Total	<u>14,479</u>	<u>5,141</u>	<u>3,039</u>	<u>1,261</u>



6.5.2 Others as at December 31, 2023 and 2022 consisted of the following :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
	Fair Value	Fair Value	Fair Value	Fair Value
Investments in debt securities	65,802	59,123	86,065	80,338
Investments in equity securities	8,697	10,772	7,634	9,203
Total	74,499	69,895	93,699	89,541
Financial assets measured at fair value through profit or loss	88,978	75,036	96,738	90,802

6.6 Derivatives Assets and Liabilities

The fair values and the notional amounts derivatives classified by type of risk as at December 31, 2023 and 2022 are as follows :

Type of risk	CONSOLIDATED		THE BANK		Million Baht
	2023	2022	2023	2022	
	Fair Value	Fair Value	Fair Value	Fair Value	
	Assets	Liabilities	Assets	Liabilities	
Foreign exchange rate	44,125	37,201	1,986,065	53,826	1,920,063
Interest rate	26,412	26,226	1,427,083	30,546	1,277,265
Others	66	35	6,619	467	6,600
Total	70,603	63,462	3,419,767	84,839	3,203,928

Type of risk	THE BANK		THE BANK		Million Baht
	2023	2022	2023	2022	
	Fair Value	Fair Value	Fair Value	Fair Value	
	Assets	Liabilities	Assets	Liabilities	
Foreign exchange rate	43,741	36,488	1,905,739	52,720	1,837,245
Interest rate	26,343	26,224	1,423,824	30,442	1,274,682
Others	25	-	841	421	2,263
Total	70,109	62,712	3,330,404	83,583	3,114,190

Derivative is a financial instrument whose value changes in response to the change in an underlying variable such as interest rate, foreign exchange rate, index of prices or rates, or underlying asset price etc. Notional amounts of derivatives reflect the extent of the Bank's involvement in particular classes of derivatives but do not reflect market risk and credit risk. The Bank's derivatives are as follows :

Foreign exchange derivatives

- Forward foreign exchange contracts are contracts that effectively fix a future foreign exchange rate. The contract provides that, at a predetermined future date, a cash delivery will be made between the parties at a specified contract rate.
- Currency swaps are contracts which involve the exchange of principal and interest in two different currencies with counterparty for a specified period.

Interest rate derivatives

Interest rate swaps are contracts which involve the exchange of interest with counterparties for a specified period in the same currency of principal without the exchange of the underlying principal.

Hedge accounting

The Bank uses currency swaps and interest rate swaps to hedge its exposure to changes in the fair value of fixed rate instruments and its foreign currency risk exposure. As at December 31, 2023 and 2022, the carrying amount of derivatives designated as hedging instruments in the consolidated and the Bank's financial statements for derivatives assets are amounting to Baht 1,746 million and Baht 1,378 million and derivatives liabilities Baht 277 million and Baht 179 million, respectively.

The Bank uses currency swaps to hedge the variability in cash flows that is related to a variable or fixed rate asset resulting from changes in interest rate and its foreign currency risk exposure. As at December 31, 2023 and 2022, the carrying amount of derivatives designated as hedging instruments in the consolidated and the Bank's financial statements for derivatives assets are amounting to Baht 6,150 million and Baht 4,479 million and derivatives liabilities Baht 410 million and Baht 602 million, respectively.



6.7 Investments, net

6.7.1 Investments as at December 31, 2023 and 2022 consisted of the following :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
	Amortized Cost	Amortized Cost	Amortized Cost	Amortized Cost
Debt investment securities				
measured at amortized cost				
Thai government and				
state enterprise securities	97,165	66,489	80,608	46,962
Foreign debt securities	22,584	21,814	2,741	932
Total	119,749	88,303	83,349	47,894
Less Allowance for expected credit loss	(285)	(91)	(285)	(91)
Total	119,464	88,212	83,064	47,803

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
	Fair Value	Fair Value	Fair Value	Fair Value
Debt investment securities				
measured at FVOCI				
Thai government and				
state enterprise securities	522,448	450,837	522,448	450,837
Private enterprise debt securities	29,552	19,892	29,552	19,892
Foreign debt securities	199,536	195,094	105,008	94,132
Others	6,310	6,242	6,310	6,242
Total	757,846	672,065	663,318	571,103
Allowance for expected credit loss	8,597	6,331	8,512	6,281

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
	Fair Value	Fair Value	Fair Value	Fair Value
Equity investment securities				
designated at FVOCI				
Domestic marketable equity				
securities	55,510	63,718	53,953	62,012
Foreign marketable equity securities	31,797	18,726	31,797	18,726
Others	7,670	7,430	7,364	7,233
Total	94,977	89,874	93,114	87,971
Investments, net	972,287	850,151	839,496	706,877

For the years ended December 31, 2023 and 2022, the Bank received dividends from equity investment securities designated at FVOCI that the Bank maintains in the consolidated financial statements, amounting to Baht 2,330 million and Baht 2,257 million and the Bank's financial statements amounting to Baht 2,228 million and Baht 2,159 million, respectively.

The Bank had investments in companies whose prospects as a going concern are uncertain, comprising of companies listed in the SET that fall under the SET delisting criteria and non-listed companies that their financial performance and financial position fall under the SET delisting criteria. As at December 31, 2023 and 2022, there were 32 companies with investment cost of Baht 806 million and fair value of Baht 0 million.

6.7.2 As at December 31, 2023 and 2022, the Bank and subsidiaries had investments in other companies of 10% and upwards of the paid-up capital of the respective companies but which are not considered to be investments in subsidiaries and associates. The classification is as follows :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
	Fair Value	Fair Value	Fair Value	Fair Value
Manufacturing and commercial	115	217	115	217
Real estate and construction	1,297	997	1,297	997
Utilities and services	1	19	1	19
Others	1,939	2,198	1,939	2,198
Total	3,352	3,431	3,352	3,431



6.8 Investments in Subsidiaries and Associates, net

As at December 31, 2023 and 2022, the Bank had investments in subsidiaries and associates, net as follows :

		CONSOLIDATED						Million Baht	
Company	Type of Business	Type of Shares	Direct and Indirect Shareholding (%)		Investment (Cost Method)		Investment (Equity Method)		
			2023	2022	2023	2022	2023	2022	
Associates									
Thai Payment Network Co., Ltd.	Service	Common share	33.33	33.33	262	262	44	62	
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15	513	488	
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118	58	70	
National ITMX Co., Ltd.	Service	Common share	11.07	12.55	11	12	556	511	
PT Honest Financial Technologies *	Finance	Common share	28.79	28.79	314	314	232	290	
Total					720	721	1,403	1,421	
<u>Less</u> Allowance for impairment					(172)	(172)	-	-	
Investments in associates, net					<u>548</u>	<u>549</u>	<u>1,403</u>	<u>1,421</u>	

* Holding by PT Bank Permata Tbk.

		THE BANK				Million Baht	
Company	Type of Business	Type of Shares	Direct and Indirect Shareholding (%)		Investment (Cost Method)		
			2023	2022	2023	2022	
Subsidiaries							
BBL (Cayman) Limited	Finance	Common share	100.00	100.00	2	2	
Bangkok Bank Berhad	Banking	Common share	100.00	100.00	9,261	9,261	
Sinnsuptawee Asset Management Co., Ltd.	Asset Management	Common share	100.00	100.00	2,500	2,500	
Bangkok Bank (China) Co., Ltd.	Banking	Common share	100.00	100.00	19,585	19,585	
Bualuang Ventures Limited	Venture Capital Company	Common share	100.00	100.00	2,000	2,000	
PT Bank Permata Tbk	Banking	Common share	98.71	98.71	105,010	105,010	
Bualuang Securities PCL.	Securities	Common share	99.91	99.91	4,772	4,772	
BSL Leasing Co., Ltd.	Finance	Common share	90.00	90.00	1,365	1,365	
BBL Asset Management Co., Ltd.	Finance	Common share	75.00	75.00	183	183	
Associates							
Thai Payment Network Co., Ltd.	Service	Common share	33.33	33.33	262	262	
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15	
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118	
National ITMX Co., Ltd.	Service	Common share	11.07	12.55	11	12	
Total					145,084	145,085	
<u>Less</u> Allowance for impairment					(268)	(268)	
Investments in subsidiaries and associates, net					<u>144,816</u>	<u>144,817</u>	

The aggregated financial information of associates that are not individually material is as follows :

		Million Baht	
		FOR THE YEARS	
		ENDED DECEMBER 31,	
		2023	2022
Net profit		1,925	1,589
Total comprehensive income		1,931	1,590



6.9 Loans to Customers and Accrued Interest Receivables, net

6.9.1 Classified by product type as at December 31, 2023 and 2022 :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Overdrafts	111,283	107,245	88,537	87,251
Loans	2,197,590	2,192,996	1,845,198	1,847,327
Bills	352,627	372,399	346,799	365,668
Hire purchase receivables	4,247	4,129	-	-
Finance lease receivables	957	935	-	-
Others	5,260	4,987	1,547	1,449
Loans to customers	2,671,964	2,682,691	2,282,081	2,301,695
<u>Add</u> Accrued interest receivables and				
undue interest receivables	12,363	10,138	11,241	9,150
Loans to customers and accrued				
interest receivables	2,684,327	2,692,829	2,293,322	2,310,845
<u>Less</u> Allowance for expected credit loss	(258,666)	(243,474)	(225,619)	(214,089)
Total loans to customers and				
accrued interest receivables, net	2,425,661	2,449,355	2,067,703	2,096,756

6.9.2 Classified by type of classification as at December 31, 2023 and 2022 :

	Loans and Interbank and Money Market items			
	2023	2022	2023	2022
Performing and Under-performing	3,343,700	3,351,508	2,791,618	2,808,191
Non-performing	85,955	97,188	71,162	80,991
Total	3,429,655	3,448,696	2,862,780	2,889,182

The consolidated and the Bank's financial statements as at December 31, 2023, non-performing loans with restructured loans amounted to Baht 43,530 million and Baht 36,883 million, respectively.

The consolidated and the Bank's financial statements as at December 31, 2022, non-performing loans with restructured loans amounted to Baht 52,164 million and Baht 41,485 million, respectively.

6.9.3 As at December 31, 2023 and 2022, the Bank and subsidiaries had non-performing loans (NPLs), including interbank and money market items but excluding accrued interest receivables, as follows :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
NPLs before allowance for expected credit loss	85,955	97,188	71,162	80,991
NPLs as percentage of total loans	2.72	3.06	2.63	2.93
Net NPLs after allowance for expected credit loss	21,857	26,834	19,877	24,369
Net NPLs as percentage of net total loans	0.70	0.86	0.75	0.90

6.9.4 Classified by customer's residence as at December 31, 2023 and 2022 :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Domestic	1,615,575	1,629,972	1,606,711	1,620,533
Foreign	1,056,389	1,052,719	675,370	681,162
Total	2,671,964	2,682,691	2,282,081	2,301,695

6.9.5 Classified by business type as at December 31, 2023 and 2022 :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Agriculture and mining	92,721	88,014	49,159	53,047
Manufacturing and commercial	766,783	825,508	644,121	688,956
Real estate and construction	196,673	196,482	170,120	165,304
Utilities and services	495,808	527,351	426,294	451,734
Housing loans	338,489	336,256	274,753	273,913
Others	781,490	709,080	717,634	668,741
Total	2,671,964	2,682,691	2,282,081	2,301,695



6.9.6 Classified by type of classification and allowance for expected credit loss as at December 31, 2023 and 2022 :

	CONSOLIDATED				Million Baht
	2023		2022		
	Loans and accrued interest receivables	Allowance for expected credit loss	Loans and accrued interest receivables	Allowance for expected credit loss	
Performing	2,431,228	103,844	2,450,031	96,662	
Under-performing	163,588	87,057	142,485	73,258	
Non-performing	89,511	67,765	100,313	73,554	
Total	<u>2,684,327</u>	<u>258,666</u>	<u>2,692,829</u>	<u>243,474</u>	

	THE BANK				Million Baht
	2023		2022		
	Loans and accrued interest receivables	Allowance for expected credit loss	Loans and accrued interest receivables	Allowance for expected credit loss	
Performing	2,069,950	89,453	2,100,434	86,850	
Under-performing	148,720	81,240	126,453	67,441	
Non-performing	74,652	54,926	83,958	59,798	
Total	<u>2,293,322</u>	<u>225,619</u>	<u>2,310,845</u>	<u>214,089</u>	

6.10 Properties for Sale, net

Properties for sale consisted of the following as at December 31, 2023 and 2022 :

CONSOLIDATED					Million Baht
2023					
Type of Properties for Sale	Beginning Balance	Increase	Decrease	Others	Ending Balance
Assets from debt repayment					
Immovable assets	19,493	4,942	(4,332)	1	20,104
Movable assets	95	500	-	-	595
Total	19,588	5,442	(4,332)	1	20,699
Others	16	207	(54)	-	169
Total properties for sale	19,604	5,649	(4,386)	1	20,868
<u>Less</u> Allowance for impairment	(7,587)	(3,962)	1,615	(5)	(9,939)
Total properties for sale, net	12,017	1,687	(2,771)	(4)	10,929

CONSOLIDATED					Million Baht
2022					
Type of Properties for Sale	Beginning Balance	Increase	Decrease	Others	Ending Balance
Assets from debt repayment					
Immovable assets	17,408	4,192	(2,085)	(22)	19,493
Movable assets	76	53	(31)	(3)	95
Total	17,484	4,245	(2,116)	(25)	19,588
Others	4	60	(48)	-	16
Total properties for sale	17,488	4,305	(2,164)	(25)	19,604
<u>Less</u> Allowance for impairment	(7,992)	(485)	880	10	(7,587)
Total properties for sale, net	9,496	3,820	(1,284)	(15)	12,017

As at December 31, 2023, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 20,104 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 13,392 million and appraised by internal appraisers in the amount of Baht 6,712 million.

As at December 31, 2022, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 19,493 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 13,471 million and appraised by internal appraisers in the amount of Baht 6,022 million.



Type of Properties for Sale	THE BANK 2023			Million Baht
	Beginning Balance	Increase	Decrease	Ending Balance
Assets from debt repayment				
Immovable assets	16,363	4,766	(3,298)	17,831
Movable assets	62	361	-	423
Total	16,425	5,127	(3,298)	18,254
Others	12	143	(1)	154
Total properties for sale	16,437	5,270	(3,299)	18,408
<u>Less</u> Allowance for impairment	(5,307)	(3,910)	786	(8,431)
Total properties for sale, net	11,130	1,360	(2,513)	9,977

Type of Properties for Sale	THE BANK 2022			Million Baht
	Beginning Balance	Increase	Decrease	Ending Balance
Assets from debt repayment				
Immovable assets	14,073	3,952	(1,662)	16,363
Movable assets	30	32	-	62
Total	14,103	3,984	(1,662)	16,425
Others	-	12	-	12
Total properties for sale	14,103	3,996	(1,662)	16,437
<u>Less</u> Allowance for impairment	(5,604)	(486)	783	(5,307)
Total properties for sale, net	8,499	3,510	(879)	11,130

As at December 31, 2023, the Bank had immovable assets from debt repayment in the amount of Baht 17,831 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 11,503 million and appraised by internal appraisers in the amount of Baht 6,328 million.

As at December 31, 2022, the Bank had immovable assets from debt repayment in the amount of Baht 16,363 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 10,778 million and appraised by internal appraisers in the amount of Baht 5,585 million.

The Bank had disclosed transactions according to the BOT's Notification regarding the Accounting Rules for Financial Institutions in relations to the Sale of Properties for Sale. The transactions of the Bank and subsidiaries are as follows :

CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,								Million Baht
Type of Sale of Properties for Sale	Income Recognition Method	2023			2022			
		Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	
Sale to public	Per installment	160	28	-	7	-	-	
Sale to public	Per cost recovery	-	829	(24)	-	1,779	(35)	

THE BANK FOR THE YEARS ENDED DECEMBER 31,								Million Baht
Type of Sale of Properties for Sale	Income Recognition Method	2023			2022			
		Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	
Sale to public	Per installment	160	28	-	7	-	-	
Sale to public	Per cost recovery	-	235	(2)	-	1,670	(25)	



6.11 Premises and Equipment, net

Premises and equipment consisted of the following as at December 31, 2023 and 2022 :

	CONSOLIDATED 2023										Million Baht
	Beginning Balance	Additions/ Transfer in	Cost Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Accumulated Depreciation Depre- ciation	Disposal/ Transfer out	Others	Ending Balance	Premises and Equipment (Net)
Land											
Cost	8,330	1,220	(591)	(73)	8,886	-	-	-	-	-	8,886
Appraisal increase (year 2020)	32,025	-	(62)	27	31,990	-	-	-	-	-	31,990
Appraisal decrease (year 2020)	(480)	-	9	16	(455)	-	-	-	-	-	(455)
Appraisal increase (year 2021)	1,141	-	-	6	1,147	-	-	-	-	-	1,147
Appraisal increase (year 2023)	-	305	-	-	305	-	-	-	-	-	305
Premises											
Cost	2,909	1,311	(82)	(64)	4,074	693	317	(21)	(21)	968	3,106
Appraisal increase (year 2020)	13,373	-	(100)	(8)	13,265	3,438	1,285	(34)	(5)	4,684	8,581
Appraisal decrease (year 2020)	(161)	-	2	7	(152)	(22)	(8)	1	1	(28)	(124)
Appraisal increase (year 2021)	526	-	-	3	529	70	-	-	-	70	459
Equipment	24,705	1,737	(1,005)	(228)	25,209	21,504	1,275	(921)	(25)	21,833	3,376
Right-of-use assets	6,792	1,336	(1,534)	(73)	6,521	2,536	1,321	(1,287)	(19)	2,551	3,970
Leasehold improvement	3,237	84	(74)	(21)	3,226	3,088	76	(71)	(18)	3,075	151
Others	803	563	(835)	2	533	-	-	-	-	-	533
Total	<u>93,200</u>	<u>6,556</u>	<u>(4,272)</u>	<u>(406)</u>	<u>95,078</u>	<u>31,307</u>	<u>4,266</u>	<u>(2,333)</u>	<u>(87)</u>	<u>33,153</u>	<u>61,925</u>



	CONSOLIDATED 2022										Million Baht
	Beginning Balance	Additions/ Transfer in	Cost Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Accumulated Depreciation Depre- ciation	Disposal/ Transfer out	Others	Ending Balance	Premises and Equipment (Net)
Land											
Cost	8,556	7	(9)	(224)	8,330	-	-	-	-	-	8,330
Appraisal increase (year 2020)	32,182	-	(4)	(153)	32,025	-	-	-	-	-	32,025
Appraisal decrease (year 2020)	(513)	-	-	33	(480)	-	-	-	-	-	(480)
Appraisal increase (year 2021)	1,204	-	-	(63)	1,141	-	-	-	-	-	1,141
Premises											
Cost	2,993	10	(9)	(85)	2,909	490	215	(1)	(11)	693	2,216
Appraisal increase (year 2020)	13,356	-	(2)	19	13,373	2,152	1,287	-	(1)	3,438	9,935
Appraisal decrease (year 2020)	(175)	-	-	14	(161)	(15)	(8)	-	1	(22)	(139)
Appraisal increase (year 2021)	556	-	-	(30)	526	3	67	-	-	70	456
Equipment	25,385	999	(1,626)	(53)	24,705	21,601	1,537	(1,581)	(53)	21,504	3,201
Right-of-use assets	8,010	1,108	(2,051)	(275)	6,792	3,063	1,563	(1,974)	(116)	2,536	4,256
Leasehold improvement	3,451	36	(262)	12	3,237	3,212	106	(253)	23	3,088	149
Others	481	577	(242)	(13)	803	-	-	-	-	-	803
Total	<u>95,486</u>	<u>2,737</u>	<u>(4,205)</u>	<u>(818)</u>	<u>93,200</u>	<u>30,506</u>	<u>4,767</u>	<u>(3,809)</u>	<u>(157)</u>	<u>31,307</u>	<u>61,893</u>



Million Baht

						THE BANK 2023					Premises and Equipment (Net)
	Beginning Balance	Additions/ Transfer in	Cost Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Accumulated Depreciation Depre- ciation	Disposal/ Transfer out	Others	Ending Balance	
Land											
Cost	7,551	1,220	(473)	(77)	8,221	-	-	-	-	-	8,221
Appraisal increase (year 2020)	28,621	-	(62)	16	28,575	-	-	-	-	-	28,575
Appraisal decrease (year 2020)	(480)	-	9	16	(455)	-	-	-	-	-	(455)
Premises											
Cost	1,550	924	(50)	(15)	2,409	387	130	(17)	(3)	497	1,912
Appraisal increase (year 2020)	13,016	-	(100)	11	12,927	3,335	1,247	(34)	2	4,550	8,377
Appraisal decrease (year 2020)	(161)	-	2	7	(152)	(22)	(8)	1	1	(28)	(124)
Equipment	21,253	1,181	(646)	(215)	21,573	19,589	834	(644)	(13)	19,766	1,807
Right-of-use assets	4,545	699	(999)	(63)	4,182	1,423	786	(773)	(3)	1,433	2,749
Leasehold improvement	2,560	21	(26)	(23)	2,532	2,469	41	(22)	(21)	2,467	65
Others	375	399	(376)	-	398	-	-	-	-	-	398
Total	<u>78,830</u>	<u>4,444</u>	<u>(2,721)</u>	<u>(343)</u>	<u>80,210</u>	<u>27,181</u>	<u>3,030</u>	<u>(1,489)</u>	<u>(37)</u>	<u>28,685</u>	<u>51,525</u>



Million Baht

	THE BANK 2022										
	Beginning Balance	Additions/ Transfer in	Cost Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Accumulated Depreciation			Ending Balance	Premises and Equipment (Net)
							Depre- ciation	Disposal/ Transfer out	Others		
Land											
Cost	7,735	-	(9)	(175)	7,551	-	-	-	-	-	7,551
Appraisal increase (year 2020)	28,577	-	(4)	48	28,621	-	-	-	-	-	28,621
Appraisal decrease (year 2020)	(513)	-	-	33	(480)	-	-	-	-	-	(480)
Premises											
Cost	1,594	3	(4)	(43)	1,550	283	110	(1)	(5)	387	1,163
Appraisal increase (year 2020)	12,991	-	(2)	27	13,016	2,086	1,249	(1)	1	3,335	9,681
Appraisal decrease (year 2020)	(174)	-	-	13	(161)	(14)	(9)	-	1	(22)	(139)
Equipment	21,973	519	(1,234)	(5)	21,253	19,743	1,081	(1,229)	(6)	19,589	1,664
Right-of-use assets	4,916	611	(864)	(118)	4,545	1,289	950	(811)	(5)	1,423	3,122
Leasehold improvement	2,633	25	(147)	49	2,560	2,508	44	(139)	56	2,469	91
Others	345	239	(209)	-	375	-	-	-	-	-	375
Total	<u>80,077</u>	<u>1,397</u>	<u>(2,473)</u>	<u>(171)</u>	<u>78,830</u>	<u>25,895</u>	<u>3,425</u>	<u>(2,181)</u>	<u>42</u>	<u>27,181</u>	<u>51,649</u>

For the consolidated and the Bank's financial statements, the Bank has the land and premises appraised. The appraisal value defined by independent appraisers is categorized as Level 3 in the fair value hierarchy (Determination of level of the fair value hierarchy are shown in Note 4.5).

For the consolidated financial statements, as at December 31, 2023 and 2022, the Bank and subsidiaries had equipment which are fully depreciated but still in use at the original costs amounting to Baht 19,561 million and Baht 19,096 million, respectively.

For the Bank's financial statements, as at December 31, 2023 and 2022, the Bank had equipment which is fully depreciated but still in use at the original costs amounting to Baht 17,849 million and Baht 17,264 million, respectively.



6.12 Goodwill and Other Intangible Assets, net

Goodwill and Other intangible assets consisted of the following as at December 31, 2023 and 2022 :

	CONSOLIDATED 2023											Million Baht
	Cost				Accumulated Amortization						Goodwill and Other Intangible Assets (Net)	
	Beginning Balance	Additions/ Transfer in	Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Amorti- zation	Disposal/ Transfer out	Others	Ending Balance		
Goodwill	20,650	-	-	116	20,766	-	-	-	-	-	20,766	
Other intangible assets												
from business												
combination	13,573	-	-	76	13,649	3,704	1,459	-	(21)	5,142	8,507	
Software	5,728	1,586	(339)	(153)	6,822	4,501	609	(333)	(4)	4,773	2,049	
Others	2,002	58	(238)	158	1,980	50	34	-	-	84	1,896	
Total	41,953	1,644	(577)	197	43,217	8,255	2,102	(333)	(25)	9,999	33,218	

	CONSOLIDATED 2022											Million Baht
	Cost				Accumulated Amortization						Goodwill and Other Intangible Assets (Net)	
	Beginning Balance	Additions/ Transfer in	Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Amorti- zation	Disposal/ Transfer out	Others	Ending Balance		
Goodwill	21,887	-	-	(1,237)	20,650	-	-	-	-	-	20,650	
Other intangible assets												
from business												
combination	14,386	-	-	(813)	13,573	2,425	1,511	-	(232)	3,704	9,869	
Software	5,568	1,092	(321)	(611)	5,728	4,246	549	(265)	(29)	4,501	1,227	
Others	1,655	88	(251)	510	2,002	16	34	-	-	50	1,952	
Total	43,496	1,180	(572)	(2,151)	41,953	6,687	2,094	(265)	(261)	8,255	33,698	

	THE BANK 2023									Million Baht
	Cost				Accumulated Amortization				Other Intangible Assets (Net)	
	Beginning Balance	Additions/ Transfer in	Disposal/ Transfer out	Ending Balance	Beginning Balance	Amorti- zation	Disposal/ Transfer out	Ending Balance		
Software	4,215	904	(69)	5,050	3,698	378	(69)	4,007	1,043	
Others	983	50	(232)	801	50	34	-	84	717	
Total	5,198	954	(301)	5,851	3,748	412	(69)	4,091	1,760	

	THE BANK 2022									Million Baht
	Cost				Accumulated Amortization				Other Intangible Assets (Net)	
	Beginning Balance	Additions/ Transfer in	Disposal/ Transfer out	Ending Balance	Beginning Balance	Amorti- zation	Disposal/ Transfer out	Others	Ending Balance	
Software	3,963	364	(115)	4,215	3,513	298	(115)	2	3,698	517
Others	1,146	83	(246)	983	17	33	-	-	50	933
Total	5,109	447	(361)	5,198	3,530	331	(115)	2	3,748	1,450

6.13 Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities as at December 31, 2023 and 2022 are as follows :

	CONSOLIDATED		THE BANK		Million Baht
	2023	2022	2023	2022	
Deferred tax assets	10,295	6,892	5,137	2,475	
Deferred tax liabilities	30	579	-	280	
Deferred tax assets, net	10,265	6,313	5,137	2,195	



Movements in total deferred tax assets and liabilities during the years are as follows :

	Million Baht				
	CONSOLIDATED 2023				
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	11,084	1,553	(794)	43	11,886
Financial liabilities measured at fair value through profit or loss	372	(23)	144	-	493
Loans to customers and accrued interest receivables	8,255	93	-	(87)	8,261
Properties for sale	1,504	468	-	-	1,972
Premises and equipment	252	71	-	(29)	294
Provisions	5,481	1,697	(68)	(210)	6,900
Others	13,768	(907)	82	216	13,159
Total	40,716	2,952	(636)	(67)	42,965
Deferred tax liabilities					
Investments	13,022	(91)	(914)	-	12,017
Loans to customers and accrued interest receivables	187	5	-	-	192
Premises and equipment	7,791	(256)	(25)	(1)	7,509
Others	13,403	(445)	2	22	12,982
Total	34,403	(787)	(937)	21	32,700
Net	6,313	3,739	301	(88)	10,265

	Million Baht				
	CONSOLIDATED 2022				
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	7,186	1,401	2,258	239	11,084
Financial liabilities measured at fair value through profit or loss	1,105	(443)	(290)	-	372
Loans to customers and accrued interest receivables	8,413	493	-	(651)	8,255
Properties for sale	1,564	(60)	-	-	1,504
Premises and equipment	192	(93)	87	66	252
Provisions	5,235	510	(250)	(14)	5,481
Others	10,901	2,691	(95)	271	13,768
Total	34,596	4,499	1,710	(89)	40,716
Deferred tax liabilities					
Investments	12,266	78	676	2	13,022
Loans to customers and accrued interest receivables	146	41	-	-	187
Premises and equipment	8,052	(268)	(1)	8	7,791
Others	9,154	4,137	1	111	13,403
Total	29,618	3,988	676	121	34,403
Net	4,978	511	1,034	(210)	6,313



	Million Baht				
	THE BANK 2023				
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	10,555	1,357	(663)	43	11,292
Financial liabilities measured at fair value through profit or loss	372	(23)	144	-	493
Loans to customers and accrued interest receivables	3,706	(617)	-	(31)	3,058
Properties for sale	1,061	625	-	-	1,686
Premises and equipment	127	2	-	(6)	123
Provisions	5,076	1,486	(89)	5	6,478
Others	12,712	(866)	82	(2)	11,926
Total	33,609	1,964	(526)	9	35,056
Deferred tax liabilities					
Investments	12,495	(170)	(927)	-	11,398
Premises and equipment	7,688	(252)	(26)	4	7,414
Others	11,231	(126)	2	-	11,107
Total	31,414	(548)	(951)	4	29,919
Net	2,195	2,512	425	5	5,137

	Million Baht				
	THE BANK 2022				
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	7,095	1,258	1,963	239	10,555
Financial liabilities measured at fair value through profit or loss	1,105	(443)	(290)	-	372
Loans to customers and accrued interest receivables	4,285	(607)	-	28	3,706
Properties for sale	1,121	(60)	-	-	1,061
Premises and equipment	142	(1)	-	(14)	127
Provisions	5,061	301	(257)	(29)	5,076
Others	9,022	3,781	(94)	3	12,712
Total	27,831	4,229	1,322	227	33,609
Deferred tax liabilities					
Investments	11,593	19	883	-	12,495
Premises and equipment	7,931	(253)	(1)	11	7,688
Others	6,758	4,472	1	-	11,231
Total	26,282	4,238	883	11	31,414
Net	1,549	(9)	439	216	2,195



6.14 Deposits

6.14.1 Classified by product type as at December 31, 2023 and 2022 :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Demand	283,678	302,855	138,055	141,242
Savings	1,680,979	1,708,362	1,581,326	1,604,628
Fixed	1,219,114	1,199,144	979,995	969,747
Negotiable certificates of deposit	512	535	512	535
Total	3,184,283	3,210,896	2,699,888	2,716,152

6.14.2 Classified by currency and customer's residence as at December 31, 2023 and 2022 :

	CONSOLIDATED					
	2023			2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	2,209,596	218,971	2,428,567	2,259,748	196,726	2,456,474
USD	45,769	162,549	208,318	46,940	168,395	215,335
Others	24,729	522,669	547,398	22,932	516,155	539,087
Total	2,280,094	904,189	3,184,283	2,329,620	881,276	3,210,896

	THE BANK					
	2023			2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	2,209,805	218,749	2,428,554	2,260,204	196,646	2,456,850
USD	45,746	94,462	140,208	46,923	87,958	134,881
Others	16,945	114,181	131,126	14,768	109,653	124,421
Total	2,272,496	427,392	2,699,888	2,321,895	394,257	2,716,152

6.15 Interbank and Money Market Items (Liabilities)

Interbank and money market items (liabilities) consisted of the following as at December 31, 2023 and 2022 :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Domestic items				
Bank of Thailand and Financial Institutions				
Development Fund	28,145	31,774	28,145	31,774
Commercial banks	166,879	112,548	162,935	108,902
Special purpose financial institutions	5,315	4,092	5,315	4,092
Other financial institutions	14,063	14,874	14,637	15,342
Total domestic items	214,402	163,288	211,032	160,110
Foreign items				
USD	55,197	58,862	54,149	58,483
JPY	14,855	15,119	14,900	15,160
EUR	3,154	1,046	3,155	1,047
Others	46,611	24,207	26,290	16,229
Total foreign items	119,817	99,234	98,494	90,919
Total domestic and foreign items	334,219	262,522	309,526	251,029

6.16 Financial Liabilities Measured at Fair Value through Profit or Loss

As at December 31, 2023, the Bank had financial liabilities measured at fair value through profit or loss. There are financial liabilities that is determined to be measured at fair value through profit or loss amounting to Baht 17,858 million. The cumulative effect of changes in fair value resulting from changes in credit risk recognized in other comprehensive income of amounting to Baht 1,622 million, and the difference between the book value and the contract value that must be paid when due amounting to Baht 2,462 million.

As at December 31, 2022, the Bank had financial liabilities measured at fair value through profit or loss. There are financial liabilities that is determined to be measured at fair value through profit or loss amounting to Baht 17,412 million. The cumulative effect of changes in fair value resulting from changes in credit risk recognized in other comprehensive income of amounting to Baht 903 million, and the difference between the book value and the contract value that must be paid when due amounting to Baht 1,860 million.

As at December 31, 2023 and 2022, a subsidiary had financial liabilities measured at fair value through profit or loss which are trading financial liabilities amounting to Baht 526 million and Baht 548 million, respectively.



6.17 Debt Issued and Borrowings

6.17.1 Classified by type of instruments and source of fund as at December 31, 2023 and 2022 :

	CONSOLIDATED						Million Baht
	Domestic	2023 Foreign	Total	Domestic	2022 Foreign	Total	
Senior unsecured notes	-	110,761	110,761	-	85,045	85,045	
Subordinated notes	-	100,970	100,970	-	101,998	101,998	
Bills of exchange	-	-	-	413	-	413	
Others	1,018	-	1,018	915	-	915	
<u>Less</u> Discount on borrowings	-	(244)	(244)	-	(69)	(69)	
Total	1,018	211,487	212,505	1,328	186,974	188,302	

	THE BANK						Million Baht
	2023			2022			
	Domestic	Foreign	Total	Domestic	Foreign	Total	
Senior unsecured notes	-	110,761	110,761	-	85,045	85,045	
Subordinated notes	-	100,970	100,970	-	101,998	101,998	
Others	23	-	23	83	-	83	
<u>Less</u> Discount on borrowings	-	(244)	(244)	-	(69)	(69)	
Total	23	211,487	211,510	83	186,974	187,057	

6.17.2 Classified by type of instruments, currency, maturity and interest rate as at December 31, 2023 and 2022 :

					Million Baht	
Type	Currency	Maturity	Interest Rate	CONSOLIDATED		
				Amount		
				2023	2022	
Senior unsecured notes	USD	2023 - 2033	4.05% - 5.50%	110,761	85,045	
Subordinated notes	USD	2034 - 2036	3.466% - 3.733%	75,300	76,066	
Subordinated notes	USD	- *	5.00%*	25,670	25,932	
Bills of exchange	THB	2023	1.90% - 2.05%	-	413	
Others	THB	2023 - 2024	0.00% - 2.50%	1,018	915	
<u>Less</u> Discount on borrowings				(244)	(69)	
Total				212,505	188,302	

* The Bank may redeem after 5 years from the issue date pursuant to its early redemption rights, at initial distribution rate of 5.00% p.a. until the first call date and subject to change to reference rate every 5 years.

Million Baht

Type	Currency	Maturity	Interest Rate	THE BANK	
				2023	2022
Senior unsecured notes	USD	2023 - 2033	4.05% - 5.50%	110,761	85,045
Subordinated notes	USD	2034 - 2036	3.466% - 3.733%	75,300	76,066
Subordinated notes	USD	- *	5.00%*	25,670	25,932
Others	THB	2023 - 2024	0.00%	23	83
<u>Less</u> Discount on borrowings				(244)	(69)
Total				211,510	187,057

6.18 Subordinated Notes

On January 28, 1999, the Bank issued and offered USD 450 million of subordinated notes with a maturity of 30 years, to be due in 2029, at a coupon rate of 9.025% p.a. for sale to foreign investors in exchange for the Bank's existing USD 150 million of subordinated notes to be due in 2016 at a coupon rate of 8.25% p.a. and USD 300 million of subordinated notes to be due in 2027 at a coupon rate of 8.375% p.a., which were redeemed before their maturities and already obtained the approval from the BOT. As this transaction was a redemption of the existing notes at their market values, which were lower than the par values, the Bank recorded the book value of the subordinated notes to be due in 2029 at the amount of USD 259 million (Baht 9,535 million). The difference between the book value and the redemption value of the notes will be amortized on a monthly basis throughout the life of the notes.

On September 25, 2019, the Bank issued and offered USD 1,200 million of subordinated notes qualified to be included in Tier 2 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof, with a maturity of 15 years, at a coupon rate of 3.733% p.a. for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007. The Bank received net proceeds from the sale of subordinated notes amounting to USD 1,200 million, which the BOT had approved to include in Tier 2 capital on September 25, 2019.

On September 23, 2020, the Bank issued and offered USD 750 million of subordinated notes qualified to be included in Additional Tier 1 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007, perpetual securities and have no fixed redemption date, provided that the Bank may redeem after 5 years from the issue date pursuant to its early redemption rights, at initial distribution rate of 5% p.a. until the first call date and subject to change to reference rate every 5 years. The Bank received net proceeds from the sale of subordinated notes amounting to USD 750 million, which the BOT had approved to include in Additional Tier 1 capital on September 23, 2020. The Bank classified such

* The Bank may redeem after 5 years from the issue date pursuant to its early redemption rights, at initial distribution rate of 5.00% p.a. until the first call date and subject to change to reference rate every 5 years.



instrument as a financial liability by taking into consideration both contractual obligation and legal rights as stating in the offering of the Notes.

On September 23, 2021, the Bank issued and offered USD 1,000 million of subordinated notes qualified to be included in Tier 2 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof, with a maturity of 15 years, at a coupon rate of 3.466% p.a. to the optional redemption date and thereafter be reset according the reference rates as specified in the terms and conditions for sale to foreign investors according to the resolution of the 20th Annual Ordinary Meeting of Shareholders convened on April 12, 2013. The Bank received net proceeds from the sale of subordinated notes amounting to USD 1,000 million, which the BOT had approved to include in Tier 2 capital on September 23, 2021.

6.19 Bonds

On April 12, 2005, the shareholders reconsidered the resolutions of the shareholders' meeting, convened on April 9, 2004, approving to issue bonds of the Bank and passed a resolution for the Bank to issue and offer subordinated bonds and/or unsubordinated bonds and/or perpetual bonds, both subordinated and unsubordinated, and/or subordinated convertible bonds and/or convertible bonds (together the "Bonds") in an amount not exceeding USD 3,000 million or its equivalent in other currencies, offered and sold in foreign markets and/or domestic markets to general public and/or institutional investors or investors with specific characteristics defined in the Notification of the Securities and Exchange Commission. The Bank may issue different types of Bonds in one issue simultaneously or in several issues at different times. The non-perpetual bonds shall have a maturity of not exceeding 100 years. The subordinated convertible bonds and/or convertible bonds shall have a maturity of not exceeding 30 years, and the amount of not exceeding USD 1,000 million or its equivalent in other currencies. The Board of Directors or the Executive Board of Directors shall be empowered to consider terms and conditions and other details for the issue and offering of the bonds. The shareholders also approved the allocation of 500 million common shares to accommodate the conversion right of the subordinated convertible bonds and/or convertible bonds (See Note 6.24).

On April 12, 2007, the shareholders passed a resolution for the issuance of bonds, whether subordinated or unsubordinated and/or secured or unsecured, including but not limited to short-term bonds, derivative bonds and non-cumulative hybrid debt instruments with non-payment of interest in the years where the Bank does not report any profit (together the "Bonds") in the amount not exceeding Baht 150,000 million or its equivalent in other currencies to be offered for sale in domestic markets and/or in foreign markets to the general public, and/or institutional investors or investors with specific characteristics as defined in the Notification of the Securities and Exchange Commission. At any point in time, the Bank may offer for sale Bonds in an amount within such limit less the amount of Bonds already issued under such limit but not yet redeemed at that point in time. The Bank may issue and offer for sale different types of Bonds simultaneously in one issue at the same time or in several issues at different times and/or as a program and/or on a revolving basis and may issue and offer for sale Bonds in conjunction with or at the same time with other securities, provided that the Bonds, other than perpetual bonds, shall have a maturity of not exceeding 100 years. The Bank may be granted the right to redeem the Bonds prior to their maturities, and/or the bondholders may be granted the right to call the Bank to redeem the Bonds prior to their maturities, in accordance with the condition of the Bonds. The Board of Directors or the Board of Executive Directors shall be empowered to consider terms and conditions and other details for the issue and offering of the bonds.

On September 27, 2012, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 12th Annual Ordinary Meeting of Shareholders convened on April 12, 2005 consisting of senior unsecured notes with a maturity of 5.5 years at a coupon of 2.75% p.a., amounting to USD 400 million and senior unsecured notes with a maturity of 10 years at a coupon of 3.875% p.a., amounting to USD 800 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 1,194 million. On March 27, 2018, the Bank redeemed senior unsecured notes with a maturity of 5.5 years at a coupon of 2.75% p.a., amounting to USD 400 million and on September 27, 2022, the Bank redeemed senior unsecured notes with a maturity of 10 years at a coupon of 3.875% p.a., amounting to USD 800 million.



On April 12, 2013, the shareholders passed a resolution for the issuance of bonds, whether subordinated or unsubordinated and/or secured or unsecured, including but not limited to short-term bonds, derivative bonds, perpetual bonds and non-cumulative hybrid debt instruments with non-payment of interest in the years where the Bank does not report any profit (together the "Bonds") in the amount not exceeding Baht 150,000 million or its equivalent in other currencies to be offered for sale in domestic markets and/or in foreign markets to the general public, and/or institutional investors or investors with specific characteristics as defined in the Notification of the Securities and Exchange Commission. At any point in time, the Bank may offer for sale Bonds in an amount within such limit less the amount of Bonds already issued under such limit but not yet redeemed at that point in time. The Bank may issue and offer for sale different types of Bonds simultaneously in one issue at the same time or in several issues at different times and/or as a program and/or on a revolving basis and may issue and offer for sale Bonds in conjunction with or at the same time with other securities, provided that the Bonds, other than perpetual bonds, shall have a maturity of not exceeding 100 years. The Bank may be granted the right to redeem the Bonds prior to their maturities, and/or the bondholders may be granted the right to call the Bank to redeem the Bonds prior to their maturities, in accordance with the terms and conditions of the Bonds. The Board of Directors or the Board of Executive Directors shall be empowered to consider conditions and other details for the issue and offering of the bonds.

On October 3, 2013, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007 consisting of senior unsecured notes with a maturity of 5 years at a coupon of 3.30% p.a., amounting to USD 500 million and senior unsecured notes with a maturity of 10 years at a coupon of 5.00% p.a., amounting to USD 500 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 999 million. On October 3, 2018, the Bank redeemed senior unsecured notes with a maturity of 5 years at a coupon of 3.30% p.a., amounting to USD 500 million and on October 3, 2023, the Bank redeemed senior unsecured notes with a maturity of 10 years at a coupon of 5.00% p.a., amounting to USD 500 million.

On September 19, 2018, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007 consisting of senior unsecured notes with a maturity of 5.5 years at a coupon of 4.05% p.a., amounting to USD 600 million and senior unsecured notes with a maturity of 10 years at a coupon of 4.45% p.a., amounting to USD 600 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 1,198 million.

On June 15, 2022, the Bank issued and offered senior unsecured notes with a trustee to offshore investors for sale to foreign investors according to the resolution of the 20th Annual Ordinary Meeting of Shareholders convened on April 12, 2013 with a maturity of 5 years at a coupon of 4.30% p.a., amounting to USD 750 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 749 million.

On September 21, 2023, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 20th Annual Ordinary Meeting of Shareholders convened on April 12, 2013 consisting of senior unsecured notes with a maturity of 5 years at a coupon of 5.30% p.a., amounting to USD 500 million and senior unsecured notes with a maturity of 10 years at a coupon of 5.50% p.a., amounting to USD 750 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 1,244 million.

6.20 The Issuance of Bonds under the Medium Term Note Program

On March 26, 1997, the shareholders passed a resolution for the Bank to issue and offer bonds including subordinated bonds and unsubordinated bonds under the Medium Term Note Program in an amount of not exceeding USD 1,500 million or its equivalent in other currencies. The bonds shall have a maturity of not exceeding 30 years and be offered and sold in foreign markets and/or domestic markets. The Bank may be given the right to redeem the bonds prior to their maturity and/or the bondholders may be given the right to call the Bank to redeem the bonds prior to their maturity in accordance with the condition of the bonds. The Board of Directors was authorized to proceed with the issue. As at December 31, 2023, the Bank had not yet issued bonds according to the aforementioned resolution.

6.21 Provisions

Provisions as at December 31, 2023 and 2022 are as follows :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Defined benefit obligations	14,444	13,930	13,126	12,964
Allowance for expected credit loss on loan commitments and financial guarantee contracts	10,549	9,556	8,577	7,579
Others	9,433	3,691	9,378	3,633
Total	34,426	27,177	31,081	24,176

Movements in total provisions for the years ended December 31, 2023 and 2022 are as follows :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Beginning balances	27,177	25,815	24,176	23,596
Increase during the years	11,372	5,805	10,223	4,617
Written off/reversal during the years	(4,123)	(4,443)	(3,318)	(4,037)
Ending balances	34,426	27,177	31,081	24,176



6.22 Post-employment Benefits

6.22.1 Defined contribution plans

For the years ended December 31, 2023 and 2022, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements, amounting to Baht 1,635 million and Baht 1,580 million, and in the Bank's financial statements amounting to Baht 1,144 million and Baht 1,103 million, respectively.

6.22.2 Defined benefit plans

As at December 31, 2023 and 2022, the Bank and its local subsidiaries have unfunded defined benefit plans but some overseas branches and subsidiary have funded defined benefit plans. The reconciliation of the defined benefit obligations, both funded and unfunded, and plan assets to the amounts recognized in the financial statements are as follows :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
The present value of the funded defined benefit plans	2,732	2,588	905	879
The fair value of plan assets	(1,693)	(1,854)	(744)	(678)
	1,039	734	161	201
The present value of the unfunded defined benefit plans	13,405	13,196	12,965	12,763
Liabilities, net	14,444	13,930	13,126	12,964

The following table presents the reconciliations of the present value of defined benefit obligations, both funded and unfunded, under the post-employment benefits as at December 31, 2023 and 2022 :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Beginning balances	15,784	16,609	13,642	14,350
Current service costs	1,045	998	809	888
Interest costs	393	349	280	241
Benefit paid during the years	(765)	(634)	(475)	(478)
Actuarial losses (gains) on obligations				
from changes in financial assumptions	(21)	(719)	-	(641)
from changes in demographic assumptions	16	1	4	-
from experience	(335)	(637)	(412)	(639)
Unrealized losses (gains) on exchanges	20	(183)	22	(79)
Ending balances	16,137	15,784	13,870	13,642

The following table presents the reconciliations of the fair value of plan assets related to the funded defined benefit plans as at December 31, 2023 and 2022 :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Beginning balances	1,854	2,137	678	705
Interest income	88	89	19	18
Contributions	20	20	20	20
Benefit paid during the years	(295)	(156)	(15)	(14)
Actuarial gains (losses) on plan assets	(8)	(104)	17	2
Unrealized gains (losses) on exchanges	34	(132)	25	(53)
Ending balances	1,693	1,854	744	678



Significant actuarial assumptions used to calculate the defined benefit obligations and plan assets, average per each plan, and the sensitivity analysis for each significant actuarial assumptions which reflect increasing in the obligations if the assumptions change by 1% as at December 31, 2023 and 2022 are as follows :

	Percentage			
	CONSOLIDATED		Increase in defined benefit obligations	
	Significant actuarial assumptions 2023	2022	2023	2022
Discount rate	0.20 - 7.10	0.20 - 5.75	12.20	12.64
Average future salary increases	2.00 - 15.00	2.00 - 15.00	11.00	11.69

	Percentage			
	THE BANK		Increase in defined benefit obligations	
	Significant actuarial assumptions 2023	2022	2023	2022
Discount rate	0.20 - 7.10	0.20 - 4.98	13.23	13.70
Average future salary increases	2.00 - 15.00	2.00 - 15.00	11.58	12.08

6.23 Other Liabilities

Other liabilities as at December 31, 2023 and 2022 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Deposit received and margin payable	41,481	58,699	14,848	27,687
Other payables	39,360	32,943	32,223	24,869
Accrued expenses	26,898	20,506	20,386	14,954
Advance received from electronic service	48	49	48	49
Other liabilities	19,403	16,227	17,114	14,344
Total	127,190	128,424	84,619	81,903

6.24 Share Capital

The Bank's share capital consists of :

- Common shares
- Class A and Class B preferred shares, the holders of which have rights according to Article 3 of the Bank's Articles of Association.

As at December 31, 2023 and 2022, the Bank had registered share capital of Baht 40,000,000,000 divided into common shares and preferred shares totaling 4,000,000,000 shares, with par value of Baht 10 each, details of which are as follows :

Type	Number of Registered Shares	
	2023	2022
Common shares	3,998,345,000	3,998,345,000
Class A preferred shares	655,000	655,000
Class B preferred shares	1,000,000	1,000,000
Total	4,000,000,000	4,000,000,000

As at December 31, 2023 and 2022, the Bank had 1,908,842,894 issued common shares and 2,039,502,106 unissued common shares and 655,000 Class A unissued preferred shares and 1,000,000 Class B unissued preferred shares. In relation to the allocation of the unissued common shares, the Bank will follow the resolutions of the 12th ordinary shareholders' meeting convened on April 12, 2005, as per the following details :

1. Allocation of 1,339,502,106 common shares as follows :
 - 1.1) Allocation of 459,502,106 common shares for offer and sale to the general public, including the existing shareholders and the beneficial owners of the shares held by custodian or by any other similar arrangements.
 - 1.2) Allocation of 440,000,000 common shares for offer and sale to institutional investors or investors with specific characteristics prescribed in the Notification of the Securities and Exchange Commission.
 - 1.3) Allocation of 440,000,000 common shares for offer and sale to the existing shareholders and the beneficial owners of the common shares in proportion to their shareholdings.
2. Allocation of 50,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds issued by the Bank and offered for sale in 1999 as part of the Capital Augmented Preferred Securities (CAPS).
3. Allocation of 500,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds and/or convertible bonds that may further be issued in the future by the Bank.



4. Allocation of 200,000,000 common shares to be reserved for the exercise of right to purchase common shares by holders of warrants that may further be issued in the future by the Bank.
5. Allocation of 655,000 Class A preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds.
6. Allocation of 1,000,000 Class B preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds and/or unsubordinated bonds and/or subordinated convertible bonds and/or convertible bonds.

The offer and sale of the Bank's securities shall comply with the regulations prescribed by the Securities and Exchange Commission.

6.25 The Establishment of Special Purpose Vehicle to Issue Capital Securities

On April 21, 1998, the shareholders passed a resolution for the Bank to establish Special Purpose Vehicle (SPV) to issue capital securities in the amount not exceeding USD 1,000 million or its equivalent in other currencies, to be offered in private placement and/or to institutional investors in accordance with the rules and guidelines of the Securities and Exchange Commission. The Bank may issue capital securities in whole amount or in lots. The Board of Directors was authorized to proceed with the establishment of the SPV.

Such capital securities may be perpetual, non-cumulative, and redeemable by the SPV or may be guaranteed by the Bank. The terms and conditions in the offering of the capital securities may state that upon specific conditions, the Bank must or may issue other securities in exchange for the capital securities.

Upon the issuance of capital securities by the SPV, the Bank may issue securities which may be subordinated; secured; convertible into common shares or other securities of the Bank; or any other securities in the amount not exceeding USD 1,100 million or its equivalent in other currencies to the SPV. The Board of Directors has been authorized to proceed with the issuance of the capital securities by the SPV and those securities that the Bank may have to issue to the SPV. The terms and conditions of the offering of the capital securities by the SPV may include dividend payment or other kind of payment as determined by the Board of Directors and such payment may be related to payment of dividend or other payment on other securities of the Bank.

On March 18, 1999, the shareholders passed a resolution for the Bank to establish or to invest in a subsidiary or SPV for the purpose of raising fund of the Bank, by issuing preferred shares and/or bonds to the subsidiary or SPV, or the Bank may issue the preferred shares and/or bonds to a mutual fund or a juristic entity that is established for investing mainly in the Bank's preferred shares and/or bonds; and the Bank is authorized to enter into Trust Agreement or Master Investment Agreement between the Bank and the subsidiary or SPV or mutual fund or any other juristic entity. As at December 31, 2023, the Bank had not yet established the SPV as it had not issued the instrument for fund raising via SPV according to the above-mentioned resolution.

6.26 Legal Reserve and Other Reserves

6.26.1 Under the Public Limited Companies Act, the Bank is required to allocate to a reserve fund at least 5% of its net profit after accumulated losses brought forward (if any) until the reserve fund is not less than 10% of the registered capital. However, the Bank's Articles of Association require that the Bank shall allocate to the reserve fund at least 10% of its net profit after accumulated losses brought forward (if any) until the reserve fund is not less than 25% of the registered capital. The reserve fund is not available for dividend distribution.

6.26.2 The Bank appropriated annual profit as other reserves, which are treated as general reserve with no specific purpose.

6.27 The Appropriation of the Profit and the Dividend Payments

On April 12, 2022, the 29th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2021 as follows :

- The appropriation as legal reserve and as other reserves amounting to Baht 1,000 million and Baht 5,000 million, respectively, with the amount to be appropriated for the period of January - June 2021 amounting to Baht 500 million as legal reserve and Baht 5,000 million as other reserves (all of which had already been appropriated as stated in the financial statements for the year ended December 31, 2021), and the amount to be appropriated for the period of July - December 2021 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 2.50 per common share amounting to Baht 4,769 million had been paid on May 12, 2022.

The Bank already paid dividend according to the aforementioned resolution.

On August 25, 2022, the meeting of the Board of Directors of the Bank No. 8/2022 approved the resolutions regarding the appropriation of the profit and the payment of interim dividend as follows :

- The appropriation as legal reserve and as other reserves for the period of January - June 2022 amounting to Baht 500 million and Baht 5,000 million, respectively.
- The payment of interim dividend at the rate of Baht 1.50 per common share amounting to Baht 2,863 million had been paid on September 23, 2022.

The Bank already paid dividend according to the aforementioned resolution.



On April 12, 2023, the 30th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2022 as follows :

- The appropriation as legal reserve and as other reserves amounting to Baht 1,000 million and Baht 5,000 million, respectively, with the amount to be appropriated for the period of January - June 2022 amounting to Baht 500 million as legal reserve and Baht 5,000 million as other reserves (all of which had already been appropriated as stated in the financial statements for the year ended December 31, 2022), and the amount to be appropriated for the period of July - December 2022 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 3.00 per common share amounting to Baht 5,726 million had been paid on May 12, 2023.

The Bank already paid dividend according to the aforementioned resolution.

On August 24, 2023, the meeting of the Board of Directors of the Bank No. 8/2023 approved the resolutions regarding the appropriation of the profit and the payment of interim dividend as follows :

- The appropriation as legal reserve and as other reserves for the period of January - June 2023 amounting to Baht 500 million and Baht 5,000 million, respectively.
- The payment of interim dividend at the rate of Baht 2.00 per common share amounting to Baht 3,817 million had been paid on September 22, 2023.

The Bank already paid dividend according to the aforementioned resolution.

6.28 Assets Pledged as Collateral and under Restriction

The Bank had investments in government securities and state enterprise securities which had been pledged as collateral for repurchase agreements and for commitments with government agencies. The book values of such securities, net of valuation allowance for expected credit loss, as at December 31, 2023 and 2022 amounted to Baht 146,105 million and Baht 94,900 million, respectively.

6.29 Contingent Liabilities

As at December 31, 2023 and 2022, the Bank and subsidiaries had contingent liabilities as follows :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Avals to bills	5,275	4,901	5,275	4,901
Guarantees of loans	30,750	49,719	23,248	35,174
Liability under unmatured import bills	30,000	32,570	15,553	18,137
Letters of credit	32,762	29,401	24,104	22,685
Other commitments				
Amount of unused bank overdraft	157,915	159,868	157,204	159,108
Other guarantees	247,014	247,722	232,761	232,496
Others	<u>168,547</u>	<u>146,245</u>	<u>129,641</u>	<u>108,290</u>
Total	<u>672,263</u>	<u>670,426</u>	<u>587,786</u>	<u>580,791</u>

6.30 Litigation

As at December 31, 2023 and 2022, a number of civil proceedings have been brought against the Bank and subsidiaries in the ordinary course of business. The Bank and subsidiaries believe that such proceedings, when resolved, will not materially affect the Bank and subsidiaries' financial position and result of operations.

6.31 Related Party Transactions

As at December 31, 2023 and 2022, related parties of the Bank consisted of subsidiaries, associates, key management personnel that are directors, executives at the level of executive vice president and higher or equal, any parties related to key management personnel, including the entities in which key management personnel and any parties related which are controlled or significantly influenced.



The Bank and subsidiaries had significant assets, liabilities and commitments with related parties as at December 31, 2023 and 2022 as follows :

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Placements				
Subsidiaries				
Bangkok Bank Berhad	-	-	324	1,393
Bangkok Bank (China) Co., Ltd.	-	-	5	14
PT Bank Permata Tbk	-	-	76	34
Total	-	-	405	1,441
Investments				
Subsidiary				
PT Bank Permata Tbk	-	-	23,956	24,194
Total	-	-	23,956	24,194
Loans				
Subsidiaries				
BSL Leasing Co., Ltd.	-	-	1,900	600
Bualuang Securities PCL.	-	-	1	-
Other related parties	292	295	292	295
Total	292	295	2,193	895
Allowance for expected credit loss				
Subsidiary				
BSL Leasing Co., Ltd.	-	-	9	3
Other related parties	10	32	10	32
Total	10	32	19	35
Other assets				
Subsidiaries				
Bangkok Bank Berhad	-	-	13	15
BSL Leasing Co., Ltd.	-	-	3	-
BBL Asset Management Co., Ltd.	-	-	346	369
Bualuang Securities PCL.	-	-	37	14
PT Bank Permata Tbk	-	-	1	-
Associates				
Processing Center Co., Ltd.	38	24	38	24
Thai Payment Network Co., Ltd.	11	10	11	10
Other related parties	10	9	2	1
Total	59	43	451	433

	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Deposits				
Subsidiaries				
BBL (Cayman) Limited	-	-	196	304
Bangkok Bank Berhad	-	-	103	118
Sinnsuptawee Asset Management Co., Ltd.	-	-	4	173
BBL Asset Management Co., Ltd.	-	-	119	99
Bualuang Securities PCL.	-	-	173	124
Bangkok Bank (China) Co., Ltd.	-	-	36	26
Bualuang Ventures Limited	-	-	124	221
Bangkok Capital Asset Management Co., Ltd.*	-	-	282	245
PT Bank Permata Tbk	-	-	250	261
BSL Leasing Co., Ltd.	-	-	87	73
Associates				
Processing Center Co., Ltd.	205	192	205	192
National ITMX Co., Ltd.	337	274	337	274
Thai Payment Network Co., Ltd.	1	2	1	2
BCI (Thailand) Co., Ltd.	40	47	40	47
PT Honest Financial Technologies**	20	131	-	-
Other related parties	5,640	5,415	5,640	5,415
Total	6,243	6,061	7,597	7,574
Borrowings				
Subsidiary				
Bangkok Bank (China) Co., Ltd.	-	-	-	2,247
Total	-	-	-	2,247

* Holding by Bualuang Securities PCL.

** Holding by PT Bank Permata Tbk.



	CONSOLIDATED		THE BANK	
	2023	2022	2023	2022
Million Baht				
Other liabilities				
Subsidiaries				
BBL (Cayman) Limited	-	-	1	1
Sinnsuptawee Asset Management Co., Ltd.	-	-	329	328
Bualuang Securities PCL.	-	-	1	1
Bangkok Bank (China) Co., Ltd.	-	-	70	72
PT Bank Permata Tbk	-	-	5	25
Associates				
Processing Center Co., Ltd.	3	2	3	2
National ITMX Co., Ltd.	32	28	32	28
BCI (Thailand) Co., Ltd.	4	3	4	3
Other related parties	13	18	5	2
Total	52	51	450	462
Commitments				
Subsidiaries				
Bangkok Bank Berhad	-	-	3,560	2,075
Sinnsuptawee Asset Management Co., Ltd.	-	-	133	-
Bualuang Securities PCL.	-	-	111	1,148
Bangkok Bank (China) Co., Ltd.	-	-	-	1,286
PT Bank Permata Tbk	-	-	616	162
BSL Leasing Co., Ltd.	-	-	30	30
Associates				
National ITMX Co., Ltd.	1	1	1	1
PT Honest Financial Technologies *	7	7	-	-
Total	8	8	4,451	4,702

For the year ended December 31, 2023, the Bank and subsidiaries charged interest at rates between 1.98% and 7.55% on loans to these related parties depending on the types of loans and collateral.

For the year ended December 31, 2022, the Bank and subsidiaries charged interest at rates between 1.25% and 6.35% on loans to these related parties depending on the types of loans and collateral.

In the consolidated and the Bank's financial statements, investments in subsidiaries and associates as at December 31, 2023 and 2022 are shown in Note 6.8.

Significant accounting transactions between the Bank and subsidiaries, associates and other related parties were transacted under normal business practices. The prices, interest rates, commission charges, terms and conditions are determined on an arm's length basis.

* Holding by PT Bank Permata Tbk.

The Bank and subsidiaries had significant income and expenses with related parties for the years ended December 31, 2023 and 2022 as follows :

	CONSOLIDATED		THE BANK	
	FOR THE YEARS ENDED DECEMBER 31, 2023	2022	FOR THE YEARS ENDED DECEMBER 31, 2023	2022
Million Baht				
Interest and discount received				
Subsidiaries				
Bangkok Bank Berhad	-	-	38	40
BSL Leasing Co., Ltd.	-	-	44	12
Bangkok Bank (China) Co., Ltd.	-	-	5	-
Other related parties	8	31	8	31
Total	8	31	95	83
Fees and service income				
Subsidiaries				
Bangkok Bank Berhad	-	-	2	2
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	-
BBL Asset Management Co., Ltd.	-	-	1,987	2,017
Bualuang Securities PCL.	-	-	88	28
Bangkok Capital Asset Management Co., Ltd. *	-	-	11	73
Associate				
Processing Center Co., Ltd.	5	2	5	2
Other related parties	36	88	-	-
Total	41	90	2,094	2,122
Dividend income				
Subsidiaries				
BBL Asset Management Co., Ltd.	-	-	1,072	1,200
Bualuang Securities PCL.	-	-	1,137	2,111
PT Bank Permata Tbk	-	-	1,244	713
BSL Leasing Co., Ltd.	-	-	45	45
Associates				
Processing Center Co., Ltd.	9	9	9	9
National ITMX Co., Ltd.	141	81	141	81
Total	150	90	3,648	4,159
Other income				
Subsidiaries				
Bangkok Bank Berhad	-	-	13	-
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	1
Bualuang Securities PCL.	-	-	4	4
Bangkok Bank (China) Co., Ltd.	-	-	156	171
Associates				
National ITMX Co., Ltd.	6	6	6	6
Thai Payment Network Co., Ltd.	11	10	11	10
Total	17	16	191	192

* Holding by Bualuang Securities PCL.



	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2023	2022	2023	2022
Interest paid				
Subsidiaries				
BBL (Cayman) Limited	-	-	14	8
Bangkok Bank Berhad	-	-	6	2
BBL Asset Management Co., Ltd.	-	-	3	1
Bualuang Securities PCL.	-	-	3	2
Bangkok Capital Asset Management Co., Ltd.*	-	-	1	-
Bangkok Bank (China) Co., Ltd.	-	-	6	11
Bualuang Ventures Limited.	-	-	1	1
PT Bank Permata Tbk	-	-	1	1
Associates				
Processing Center Co., Ltd.	1	1	1	1
National ITMX Co., Ltd.	2	-	2	-
Other related parties	32	17	32	17
Total	35	18	70	44
Commission paid				
Subsidiary				
Bualuang Securities PCL.	-	-	9	3
Other related parties	58	63	-	-
Total	58	63	9	3
Other expenses				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	-
Associates				
Processing Center Co., Ltd.	15	9	15	9
National ITMX Co., Ltd.	328	266	328	266
Thai Payment Network Co., Ltd.	2	2	2	2
BCI (Thailand) Co., Ltd.	3	3	3	3
Other related parties	45	100	33	84
Total	393	380	382	364
Expected credit loss (Reversal)				
Subsidiary				
BSL Leasing Co., Ltd.	-	-	6	(5)
Other related parties	(22)	28	(22)	28
Total	(22)	28	(16)	23

Compensation of key management personnel for the years ended December 31, 2023 and 2022 consisted of the following :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2023	2022	2023	2022
Short-term employee benefits	3,048	2,988	1,714	1,654
Post-employment benefits	140	142	96	91
Total	3,188	3,130	1,810	1,745

6.32 Other Benefits to Directors and Persons with Managing Authority

The Bank has not extended the extraordinary monetary and/or non-monetary benefits to the Banks' directors, executives at the level of executive vice president and higher, other than the ordinary benefits.

6.33 Disclosure of the Statement of Cash Flows of the Asset Management Company (AMC)

In accordance with the BOT's regulations, the Bank is required to disclose the statement of cash flows of the AMC of the Bank in the notes to the financial statements. The statement of cash flows of Sinnsuptawee Asset Management Co., Ltd. is as follows :

SINNSUPTAWEE ASSET MANAGEMENT COMPANY LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	Million Baht	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from operating before income tax expenses	598	34
Items to reconcile profit (loss) from operating before income tax expenses to cash receive (paid) from operating activities		
Depreciation and amortization	1	1
Unrealized gain on financial instruments measured at fair value through profit or loss	(33)	(3)
Loss on impairment of properties for sale	12	-
Dividend income	(44)	(46)
Proceeds from dividend income	44	46
Income tax paid	(13)	(3)
Profit from operating before changes in operating assets and liabilities	565	29
(Increase) decrease in operating assets		
Financial assets measured at fair value through profit or loss	(715)	-
Properties for sale	40	18
Increase (decrease) in operating liabilities		
Deposits	(59)	110
Net cash from operating activities	(169)	157
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for lease liabilities	(1)	(1)
Net cash from financing activities	(1)	(1)
Net increase (decrease) in cash and cash equivalents	(170)	156
Cash and cash equivalents as at January 1,	173	17
Cash and cash equivalents as at December 31,	3	173

* Holding by Bualuang Securities PCL.



6.34 Operating Segments

6.34.1 Operating segments

Operating segments are reported measured on a basis that is consistent with internal reporting. Amounts for each operating segment are shown after the allocation of centralized costs and transfer pricing.

Transactions between operating segments are recorded within the segment as if they were third party transactions and are eliminated on consolidated financial statements.

The Bank is organized into segments based on products and services as follows :

Domestic banking

Domestic banking provides financial services in domestic. The main products and services are loans, deposits, trade finance, remittances and payments, electronic services, credit cards, debit cards and related other financial services.

International banking

International banking provides financial services through overseas branches and subsidiaries. The main products and services are loans, deposits, foreign exchange services, international fund transfers and payments, and export and import services.

Investment banking

Investment banking provides project services, corporate finance services, financial advisory services, securities business services, business strategic management by trading financial instruments including liquidity management of the Bank.

Others

Segments other than banking and investment banking business provide fund management services, securities services, assets management services and others, including operating expenses not allocated to operating segments.

The operating results of operating segments for the years ended December 31, 2023 and 2022 are as follows :

	CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2023					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	87,821	42,500	20,437	16,737	(8)	167,487
Total operating expenses before expected credit loss	(32,575)	(18,725)	(7,824)	(22,659)	8	(81,775)
Profit from operating before expected credit loss and income tax expenses	<u>55,246</u>	<u>23,775</u>	<u>12,613</u>	<u>(5,922)</u>	<u>-</u>	<u>85,712</u>

	CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2022					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	76,131	39,877	6,203	16,688	(4)	138,895
Total operating expenses before expected credit loss	(32,258)	(18,911)	(2,816)	(15,038)	4	(69,019)
Profit from operating before expected credit loss and income tax expenses	<u>43,873</u>	<u>20,966</u>	<u>3,387</u>	<u>1,650</u>	<u>-</u>	<u>69,876</u>

The financial position of operating segments as at December 31, 2023 and 2022 are as follows :

	CONSOLIDATED					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total assets						
As at December 31, 2023	1,849,017	1,329,195	1,483,821	493,026	(640,575)	4,514,484
As at December 31, 2022	1,872,313	1,298,553	1,400,723	492,878	(642,715)	4,421,752



6.34.2 Geographical segments

The operating results classified by geographical areas for the years ended December 31, 2023 and 2022 are as follows :

	Million Baht					
	CONSOLIDATED					
	FOR THE YEARS ENDED DECEMBER 31,					
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Operations	Operations		Operations	Operations	
Total operating income	122,243	45,244	167,487	97,145	41,750	138,895
Total operating expenses *	(88,693)	(26,748)	(115,441)	(76,319)	(25,347)	(101,666)
Profit from operating						
before income tax expenses	33,550	18,496	52,046	20,826	16,403	37,229
Income tax	(6,566)	(3,427)	(9,993)	(4,325)	(3,159)	(7,484)

The financial position classified by geographical areas as at December 31, 2023 and 2022 are as follows :

	Million Baht					
	CONSOLIDATED					
	FOR THE YEARS					
	Domestic	Foreign	Total	Domestic	Foreign	Total
	Operations	Operations		Operations	Operations	
Non-current assets **	64,024	31,119	95,143	64,875	30,715	95,590
Total assets	3,665,784	848,700	4,514,484	3,581,934	839,818	4,421,752

6.35 Interest Income

Interest income for the years ended December 31, 2023 and 2022 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE YEARS		FOR THE YEARS	
	ENDED DECEMBER 31,	ENDED DECEMBER 31,	ENDED DECEMBER 31,	ENDED DECEMBER 31,
	2023	2022	2023	2022
Interbank and money market items	20,028	8,034	12,580	4,963
Investments and trading transactions	451	388	264	148
Investment in debt securities	19,927	14,032	14,116	8,647
Loans	153,619	116,499	124,985	90,177
Others	340	135	339	135
Total interest income	<u>194,365</u>	<u>139,088</u>	<u>152,284</u>	<u>104,070</u>

* Including expected credit loss.

** Consisting of premises and equipment, net, goodwill and other intangible assets, net.

For the year ended December 31, 2023, the Bank and subsidiaries have total interest income on financial assets that are measured at amortized cost and at FVOCI for the consolidated financial statements amounting to Baht 177,704 million and Baht 16,209 million, respectively and for the Bank's financial statements amounting to Baht 139,810 million and amounting to Baht 12,211 million, respectively.

For the year ended December 31, 2022, the Bank and subsidiaries have total interest income on financial assets that are measured at amortized cost and at FVOCI for the consolidated financial statements amounting to Baht 126,459 million and Baht 12,240 million, respectively and for the Bank's financial statements amounting to Baht 96,155 million and amounting to Baht 7,767 million, respectively.

6.36 Interest Expenses

Interest expenses for the years ended December 31, 2023 and 2022 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE YEARS		FOR THE YEARS	
	ENDED DECEMBER 31,	ENDED DECEMBER 31,	ENDED DECEMBER 31,	ENDED DECEMBER 31,
	2023	2022	2023	2022
Deposits	35,263	19,708	20,321	9,872
Interbank and money market items	5,889	1,856	5,218	1,579
Contributions to Financial Institutions Development				
Fund and Deposit Protection Agency	12,432	6,800	11,549	5,925
Debt issued				
Bonds and subordinated notes	8,997	8,194	8,944	8,183
Others	924	307	924	307
Total interest expenses	<u>63,505</u>	<u>36,865</u>	<u>46,956</u>	<u>25,866</u>

6.37 Net Fees and Service Income

Net fees and service income for the years ended December 31, 2023 and 2022 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE YEARS		FOR THE YEARS	
	ENDED DECEMBER 31,	ENDED DECEMBER 31,	ENDED DECEMBER 31,	ENDED DECEMBER 31,
	2023	2022	2023	2022
Fees and service income				
Acceptances, aval and guarantees of loans	325	317	246	253
Debit card, credit card and electronic services	21,762	19,088	19,923	17,349
Others	20,812	21,727	12,558	12,586
Total fees and service income	42,899	41,132	32,727	30,188
Fees and service expenses	15,665	13,624	13,778	11,711
Net fees and service income	<u>27,234</u>	<u>27,508</u>	<u>18,949</u>	<u>18,477</u>



6.38 Gains (Losses) on Financial Instruments Measured at Fair Value Through Profit or Loss

Gains (losses) on financial instruments measured at fair value through profit or loss for the years ended December 31, 2023 and 2022 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2023	2022	2023	2022
Gains (losses) from trading and foreign exchange transactions				
Foreign exchange and currency derivatives	10,530	8,506	9,801	7,694
Interest rate derivatives	(55)	(815)	(85)	(929)
Debt securities	618	123	59	(55)
Equity securities	(121)	318	(387)	67
Others	(7)	(57)	-	(100)
Total	<u>10,965</u>	<u>8,075</u>	<u>9,388</u>	<u>6,677</u>
Gains (losses) from financial instrument designed at FVTPL				
Change in fair value, net	550	325	550	325
Interest expense, net	(2,055)	(1,449)	(2,055)	(1,449)
Total	<u>(1,505)</u>	<u>(1,124)</u>	<u>(1,505)</u>	<u>(1,124)</u>
Others	<u>(3,916)</u>	<u>(1,796)</u>	<u>(3,437)</u>	<u>(1,489)</u>
Total gains on financial instruments measured at fair value through profit or loss	<u>5,544</u>	<u>5,155</u>	<u>4,446</u>	<u>4,064</u>

6.39 Gains (Losses) on Investments

Gains (losses) on investments for the years ended December 31, 2023 and 2022 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2023	2022	2023	2022
Gains (losses) from disposal				
Investment securities - measured at FVOCI				
(Debt investment)	(482)	(1,483)	(368)	(1,500)
Investment securities - measured at amortized cost	-	29	-	-
Investments in subsidiaries and associates	-	-	58	-
Total losses on investments	<u>(482)</u>	<u>(1,454)</u>	<u>(310)</u>	<u>(1,500)</u>

6.40 Expected Credit Loss

Expected credit loss for the years ended December 31, 2023 and 2022 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2023	2022	2023	2022
Expected credit loss				
Loans to customers and accrued interest receivables	29,310	28,575	22,709	23,160
Others	<u>4,356</u>	<u>4,072</u>	<u>4,286</u>	<u>3,396</u>
Total expected credit loss	<u>33,666</u>	<u>32,647</u>	<u>26,995</u>	<u>26,556</u>

6.41 Income Tax Expenses

6.41.1 Income tax recognized in profit or loss for the years ended December 31, 2023 and 2022 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2023	2022	2023	2022
Current tax	13,732	7,995	10,432	5,457
Deferred tax	<u>(3,739)</u>	<u>(511)</u>	<u>(2,512)</u>	<u>9</u>
Total income tax expenses	<u>9,993</u>	<u>7,484</u>	<u>7,920</u>	<u>5,466</u>



6.41.2 Income tax recognized in component of other comprehensive income for the years ended December 31, 2023 and 2022 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,						Million Baht
	2023			2022			
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	
Items that will be reclassified subsequently to profit or loss							
Losses on investments in debt instruments at fair value through other comprehensive income	(1,991)	(877)	(2,868)	(4,329)	1,402	(2,927)	
Losses on cash flow hedges	(118)	24	(94)	(609)	122	(487)	
Losses arising from translating the financial statements of foreign operations	(1,262)	-	(1,262)	(8,102)	-	(8,102)	
Share of other comprehensive income of associate	1	-	1	1	-	1	
Items that will not be reclassified subsequently to profit or loss							
Changes in revaluation surplus	169	25	194	(5)	88	83	
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income	(5,157)	1,054	(4,103)	162	(38)	124	
Gains (losses) on financial liabilities designated at fair value through profit or loss	(719)	144	(575)	1,451	(290)	1,161	
Actuarial gains on defined benefit plans	332	(68)	264	1,251	(250)	1,001	
Share of other comprehensive income (loss) of associate	-	-	-	(1)	-	(1)	
Total	(8,745)	302	(8,443)	(10,181)	1,034	(9,147)	

	THE BANK FOR THE YEARS ENDED DECEMBER 31,						Million Baht
	2023			2022			
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	
Items that will be reclassified subsequently to profit or loss							
Losses on investments in debt instruments at fair value through other comprehensive income	(2,785)	(703)	(3,488)	(2,032)	895	(1,137)	
Losses on cash flow hedges	(118)	24	(94)	(609)	122	(487)	
Gains (losses) arising from translating the financial statements of foreign operations	(367)	-	(367)	465	-	465	
Items that will not be reclassified subsequently to profit or loss							
Changes in revaluation surplus	(128)	25	(103)	(5)	1	(4)	
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income	(5,115)	1,024	(4,091)	129	(32)	97	
Gains (losses) on financial liabilities designated at fair value through profit or loss	(719)	144	(575)	1,451	(290)	1,161	
Actuarial gains on defined benefit plans	425	(89)	336	1,282	(257)	1,025	
Total	(8,807)	425	(8,382)	681	439	1,120	



6.41.3 Reconciliation of effective tax rates for the years ended December 31, 2023 and 2022 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,				Million Baht
	2023		2022		
	Amount	Percentage	Amount	Percentage	
Profit from operating before income tax expense	52,046		37,229		
Income tax calculated at statutory tax rate	10,409	20.00	7,446	20.00	
Overseas tax	1,847		1,571		
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(1,174)		(1,247)		
Others	(1,089)		(286)		
Total income tax expenses	9,993	19.20	7,484	20.10	

	THE BANK				Million Baht
	FOR THE YEARS ENDED DECEMBER 31,				
	2023		2022		
	Amount	Percentage	Amount	Percentage	
Profit from operating before income tax expense	45,453		31,857		
Income tax calculated at statutory tax rate	9,090	20.00	6,371	20.00	
Overseas tax	1,675		1,374		
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(1,178)		(1,189)		
Others	(1,667)		(1,090)		
Total income tax expenses	7,920	17.42	5,466	17.16	

6.42 The Coronavirus Disease 2019 Pandemic (Covid-19)

The Coronavirus Disease 2019 Pandemic (Covid-19) has resulted in the economic slowdown and impacted most businesses and industries since 2020. This situation may bring uncertainties and have an impact on the environment in which the Bank operates.

In the classification, the Bank adheres to Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who are affected from the situations that affected Thailand's economy” by providing assistance to the debtor during January 1, 2020 to December 31, 2021. The debt classification which has no credit impairment is a class that does not have a significant increase in credit risk (Stage 1 Performing) immediately after analyzing the status and business of the debtor that the debtor is able to comply with the debt restructuring agreement. As for debt that has credit impairment but still has the potential to operate business, the Bank can classify the debt as a class that does not have a significant increase in credit risk (Stage 1 Performing) if the debtor has made a payment under the new debt restructuring agreement for 3 consecutive months or 3 payment periods, whichever is longer. In this regard, the BOT extends the period of the relief measures, in case the Bank provides the additional assistance to its debtors in addition to the extension of repayment period, arising from January 1, 2022 to December 31, 2023, the Bank can apply the debt classification as mentioned in the above accounting guidance.

As for the reserve, the Bank adheres to the Thai Financial Reporting Standard No. 9 regarding Financial Instruments, which specifies the expected credit loss by considering the past, present and future economic conditions under various assumptions and situations due to the transmission problem of Covid-19 being transmitted impact on the Thai economy and the broad global economy causing the economic activity to have a severe slowdown especially the tourism, service and industry sectors that may lead to economic recession. Therefore, in estimating the credit losses that are expected to occur the Bank considers future economic factors that reflect the effects of the pandemic of Covid-19, both in the short and long term, including considering the management's discretion to reserve more management overlay from the values obtained from the model to another level so that the Bank's reserves are able to sufficiently cope with the increase in default payments of loan receivables affected by this situation.

6.43 Approval of the Financial Statements

The Audit Committee and the Board of Executive Directors have authorized to issue these financial statements on February 20, 2024.

Attachments

- Attachment 1
Details of Directors, Executives,
the Person Assigned to Take the Highest Responsibility in
Accounting and Finance, the Person Assigned to Take Direct
Responsibility for Accounting Supervision,
and the Corporate Secretary
- Attachment 2
Details about the Directors of Subsidiaries
- Attachment 3
Details about the Heads of the Internal Audit
and Compliance Units
- Attachment 4
Assets for Business Undertaking and Details of Asset
Appraisal
- Attachment 5
Unabridged Policy and Guidelines on Corporate Governance
and Unabridged Code of Business Conduct
- Attachment 6
Report of the Subcommittees
- Attachment 7
List of Branches



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