

CREATING VALUE

for a Sustainable Future



Annual Registration Statement /
Annual Report 2022 (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.

2022 Highlights



Total Capital Adequacy Ratio

19.13 %



International Geographical Coverage

14 Economies

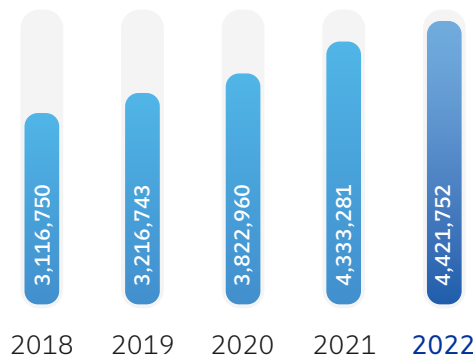
Rating by the Thai Institute of Directors Association in the Corporate Governance Survey of Thai Listed Companies

“Excellent”

Assets

4.42 Trillion Baht

Million Baht



Loans

2.68 Trillion Baht



Deposits

3.21 Trillion Baht



Volunteer Hours

44,302 Hours



Average Training Hours per Employee

37.2 Hours

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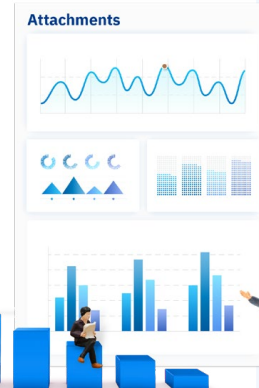
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Message from the Board and Our Business

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





Phornthep Phornprapha
Chairman

Message from the Chairman, the Executive Chairman and the President

The passing of our chairman, Mr. Piti Sithi-Amnuai, in October was an event of great sadness for the Bank's Board of Directors, executives and all Bualuang People, as well as the many customers and other people whose lives he had touched. Mr. Sithi-Amnuai dedicated his life's work to the Bank, serving it for more than 50 years. He was an inspiration to all who knew him. As the embodiment of Bangkok Bank values, he has left an enduring legacy that will help us secure our ongoing success.

Bangkok Bank is built on values and throughout the year we continued to be guided by our determination to stay close to our customers, large and small, as a trusted partner and reliable close friend. Our commitment goes beyond banking to providing advice and support that customers need to overcome economic and business challenges, achieve their aspirations, and face the future with confidence.

The Thai economy began to recover in the second half of 2022 after a prolonged period of downturn, with GDP growing for the full year by 2.6 percent. The business recovery was led by the corporate sector, with registered profit exceeding pre-Covid levels. However, the road to recovery was slower for many small and medium-sized enterprises (SME) and

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”

households. We supported these vulnerable customers with financial assistance in cooperation with the Bank of Thailand and have continued to provide them with the advice and support they need to improve their financial robustness and resilience.

Many Thai companies are looking to international markets for new business opportunities. ASEAN has the vast potential to provide significant opportunities for investors as the region's economies have quickly recovered and returned to growth in the wake of the pandemic. It is expected to be one of the best performing economic regions in the world in 2023 and is on track to become the world's 4th largest economy by 2030.



As Southeast Asia's 6th largest regional bank by assets and Thailand's most international bank, we are uniquely placed to help these customers expand their horizons to facilitate sustainable growth. We continued our focus on building ecosystem partnerships that will provide new services, enhance customer experience and create value to assist our customers to tap into business opportunities in the region.

In particular, we are ready to serve international customers interested in investing in Indonesia with support from our subsidiary, PermataBank, which has around 250 domestic branches, solidifying our strong foothold in ASEAN's two largest economies, Indonesia and Thailand. In 2022, we have worked with PermataBank to expand and to enhance our range of products and services.

Our business is driven by Bualuang People working across our extensive branch network in a total of 15 significant economies around the world. We work together as One Family, One Team dedicated to supporting our customers. By tapping into our international network, customers can gain access to our years of local experience and knowhow, our business partners across the region's diverse markets, and their supply-chain counterparties.

In line with our commitment to Creating Value for a Sustainable Future, we continue to deliver on our strategy by focusing on the following five strategic priorities:

- Quality growth
- Platform partners
- Wealth and wellbeing
- Intelligent organization
- Business remodeling

We strengthened our synergies with PermataBank in areas such as trade finance, cash management, global payments and other technology developments. We continued to focus on enhancing the competitiveness of our international network and supporting regional digital connectivity and financial interoperability with new and expanded services, such as real-time cross-border payments and cash management services, Enterprise Blockchain-enabled letters of credit and supply-chain finance services using blockchain technology.



Deja Tulananda
Executive Chairman



In Thailand, we rolled out new digital capabilities for our transaction banking services, including a new trade finance platform. We added more than 50 new features to our Bangkok Bank Mobile Banking app to serve our customers with greater convenience. The addition of a virtual debit card and the ability to purchase insurance were among the key highlights. We also enhanced our wealth management services through our ongoing strategic partnership with Pictet Group. This included launching a variety of new investment funds and increasing our expert wealth advisors to provide a higher level and more convenient service to customers.

In response to the growing interest in sustainability, we joined the Bank of Thailand and other commercial banks to strengthen our commitment to environmental, social and governance issues (ESG) in six areas, namely governance, strategy, risk management, financial products, communication and disclosure. Throughout our 78-year history, we have aspired to be a trusted partner and reliable close friend, helping our customers and people in the community to have a better life. We shall continue to support all stakeholders and work with customers to help them achieve their sustainability goals.

We were the leading underwriter of green bonds, social bonds, sustainability bonds and sustainability-linked bonds in Thailand for the third consecutive year, in line with the growing investors' demand for ESG-related financial instruments.

We provided loans for the installation of solar panels at businesses and homes across Thailand in 2022. We were one of the leading financiers of renewable energy in ASEAN and elsewhere in Asia and also a major financial partner in electric vehicle and energy efficiency developments. We offered social support by providing necessary funding such as soft loans and normal loans to microenterprises.

On the governance front, Thailand's Personal Data Protection Act (PDPA), a key regulatory change, came into force in 2022. We considered it a high priority to share knowledge about the Act and communicate the provisions clearly to our customers, seeking their permission for the Bank to use their data responsibly and appropriately, and strengthening our data governance and regulatory compliance systems. The Act is an important step on Bangkok Bank's path to becoming a digital bank since this will ensure that customers' privacy and rights are protected. Subject to customer consent, we can collect and analyze their data enabling us to provide selected and personalized services that best cater to each customer's preferences and requirements.



Chartsiri Sophonpanich
President



Operating Environment

In 2022, the Thai economy continued to recover after an improvement in the Covid-19 situation, coupled with the key economic drivers of tourism, private consumption and foreign investment. However, export growth began declining in line with lower demand from trading partners after midyear. Despite challenges such as the global economic slowdown, rising policy interest rates worldwide, and uncertainties from prolonged geopolitical conflicts, Thailand's economy is expected to continue to grow, buoyed by the return of international travelers and the opening up of China as it exited from its Zero Covid policy.

Amid this environment, the Bank retained a healthy financial position, high liquidity and capital positions for strong and sustainable growth under our prudent management approach. Together with our subsidiaries, we reported a net profit of Baht 29,306 million in 2022, an increase of 10.6 percent from 2021. Net interest income rose by 24.4 percent due to higher loan volume and interest rates. The net interest margin increased to 2.42 percent in line with

the rising interest rate trend and the Bank's liquidity management. While fees from loan-related and trade finance services increased, non-interest income declined by 30.0 percent mainly due to lower gains on financial instruments measured at fair value through profit or loss (FVTPL) in line with the market situation, as well as lower net fees and service income from the securities business, bancassurance and mutual funds. The cost to income ratio improved to 49.7 percent. The Bank set aside Baht 32,647 million in expected credit losses, a decrease of 4.4 percent from the previous year. This is consistent with the Bank's prudent management which takes into account global economic volatility which may affect the recovery of the Thai economy going forward.

Looking Ahead

Our prudent approach, quality customer base and long-term business focus will continue to serve us well in the future. The past few years have shown the importance of strengthening local and regional supply chains and this has led to growing investment and trade in Thailand and elsewhere in Southeast Asia. Investors are also being attracted by ASEAN's increasing connectivity in areas such as transport and finance as well as opportunities relating to Thailand's development of its Bio-Circular-Green (BCG) economy. We are well placed to support our customers to tap into these opportunities.

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

(Phornthep Phornprapha)
Chairman

(Deja Tulananda)
Executive Chairman

(Chartsiri Sophonpanich)
President

Remark: Mr. Phornthep Phornprapha was appointed as the Chairman of the Board of Directors on February 23, 2023.



Our Priorities

Creating Value for a Sustainable Future

As a trusted partner and reliable close friend, we seek to be more than a financial services provider by offering advice and long-term support to all stakeholders, supporting the wellbeing and development of our staff, promoting financial inclusion, and taking a responsible approach to environmental, social and governance issues.



“
We seek to be more than
a financial services provider
by offering advice and
long-term support to all
stakeholders.
”



2022 Loan Growth

+3.6 %

1. Quality Growth

Managing our asset quality by developing deep understanding of customers and helping them to identify new opportunities while building our business across regional markets and supporting high-potential industries.



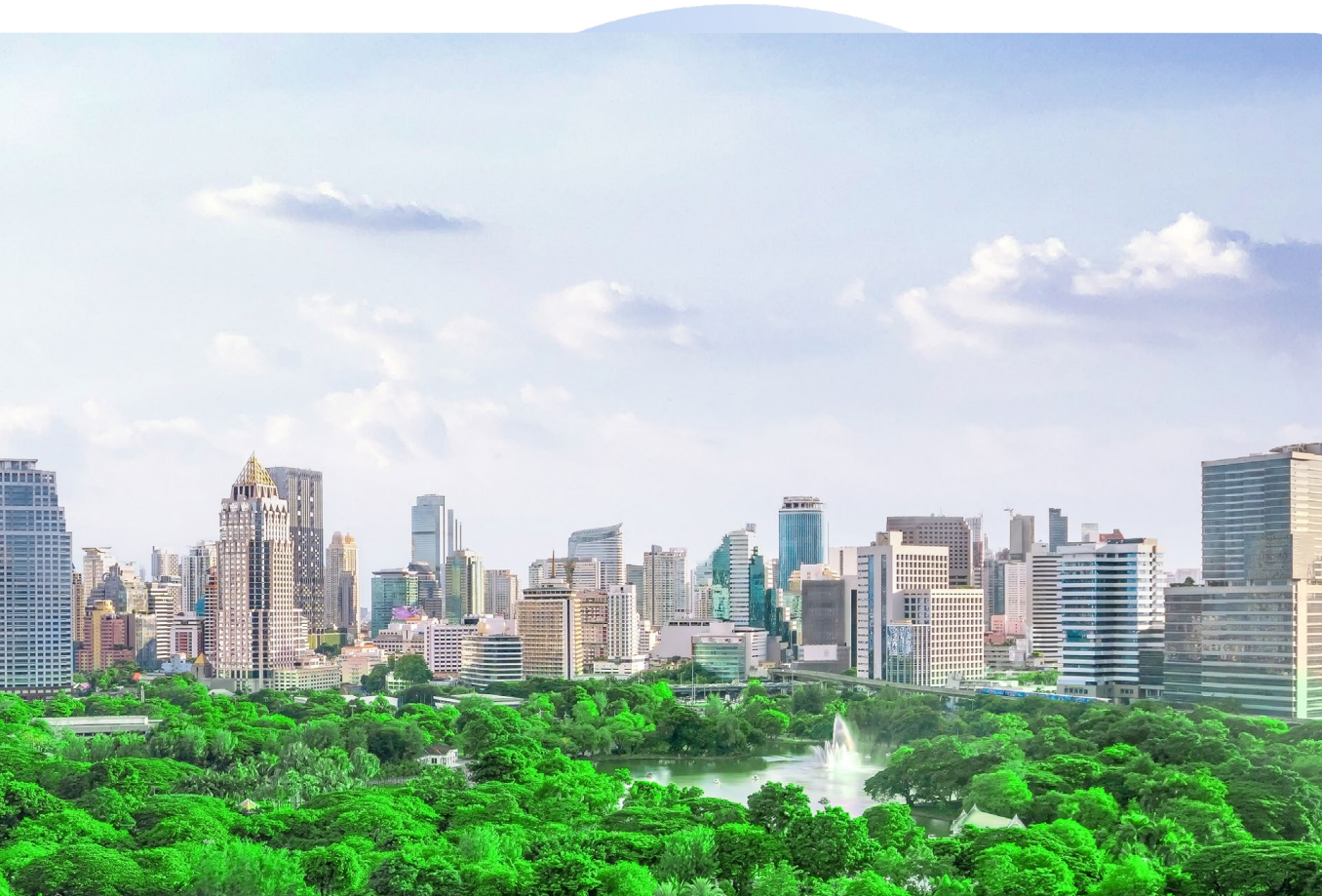
2. Platform Partners

Using innovative technologies to serve our customers, domestically and internationally, by seamlessly connecting our digital platforms with those of our partners.



3. Wealth and Wellbeing

Developing best in class products and services and cultivating our human resources to support our customers in achieving their wealth and financial security needs.



4. Intelligent Organization

Embracing continuous improvements, developing data driven insights and harnessing the power of data with leading edge technology, such as AI and machine learning, to enhance efficiency and drive our decision making.



5. Business Remodeling

Digitalizing and optimizing our operations with agile processes and automation to support banking services anywhere anytime and to conserve resources.



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



- Donated Covid-19 vaccines worth Baht 10 million to Chulabhorn Royal Academy to be distributed to the poor, the underprivileged and vulnerable groups



Be Responsible



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



- Offered Bualuang Green Loans worth Baht 643 million and Bualuang Green Solar Energy Loans worth Baht 168 million



- Provided 6,597 ATM machines nationwide with a functional mode for visually-impaired people



- Undertook the Bualuang Joins Communities to Solve Drought project with 66,688 beneficiaries



Be Customer Centric



Placing customers at the center of our decisions, providing them with innovative, seamless and secure services and building and maintaining strong customer relationships



- Achieved a customer satisfaction score for branch services of 94.7/100



- Achieved a customer satisfaction score for Bangkok Bank Mobile Banking of 82.5/100



- Achieved a customer satisfaction score for Bualuang Phone of 4.8/5



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



- 54.4% of all executives positions are held by women



- 47.4% of all STEM related positions are held by women



- 37.2 hours per employee for training, on average



Be Ethical



Cultivating good governance, complying with laws and regulations and encouraging our suppliers to adhere to good business conduct, while respecting human rights and opposing any form of corruption



- Received an "Excellent" rating, based on the Corporate Governance Report of Thai Listed Companies for 2022, by the Thai Institute of Directors Association (IOD)



- 100% of employees acknowledged the Code of Conduct and Business Ethics



- 100% of major suppliers signed acknowledgement of the Supplier Code of 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 and the 6th largest Southeast Asian bank by assets (Baht 4,421,752 million).

We are a leading diversified regional bank in Southeast Asia with a presence in nine ASEAN countries, including Thailand, as well as branches in 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 4 million customers through a network of around 250 branches.

As Thailand's leader in corporate and SME banking 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 900 branches. Business and retail



customers are served through our branch network and easy-to-use, bilingual and high-function mobile and digital platforms.

Guided by our philosophy of “puan koo kit mit koo baan”, which means aspiring to be a trusted partner and reliable close friend to our customers, we emphasize the importance of partnerships and providing a complete range of services to customers. Our sustainable long-term trusted relationships with customers often extend across multiple generations.



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

4,421,752 Million Baht



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, treasury products 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 support them to 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 provide these customers with services such as business loans, payments, payroll and merchant services, we also run educational programs to help SME be robust, resilient and competitive in the digital economy. Activities include strategic planning seminars and professional workshops to help customers identify business opportunities and new ways to grow their businesses. 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 almost 70 years ago. Today we are the 6th largest Southeast Asian bank by total assets with an international network comprising more than 27 foreign branches and approximately 250 PermataBank branches in Indonesia, a total of 14 economies — Cambodia, China, Hong Kong, Indonesia, Japan, Laos, Malaysia, Myanmar, the Philippines, Singapore, Taiwan, the United Kingdom, the United States and Vietnam. We support Thai corporates to expand across the region as well as foreign companies that

invest in Thailand and Southeast Asia with our deep understanding of the local markets in which they operate and by giving them access to business connections and expertise from across our network and business units.

Consumer Banking

Consumer Banking provides retail banking services to all customers 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, QR Code payments, foreign exchange, fund transfers and bill payment services. Our enhanced wealth management services, supported by our alliance with Pictet Group, include financial planning, mutual funds, bancassurance, fixed income funds, government and corporate bonds, and investment advice.

Investment Banking

Investment Banking works closely with our Business Banking unit and our subsidiaries Bualuang Securities and BBL Asset Management to provide a broad range of financial advisory services. These include raising funds in debt capital markets and issuing financial instruments, as well as facilitating project finance, mergers and acquisitions, joint ventures, and partnerships.

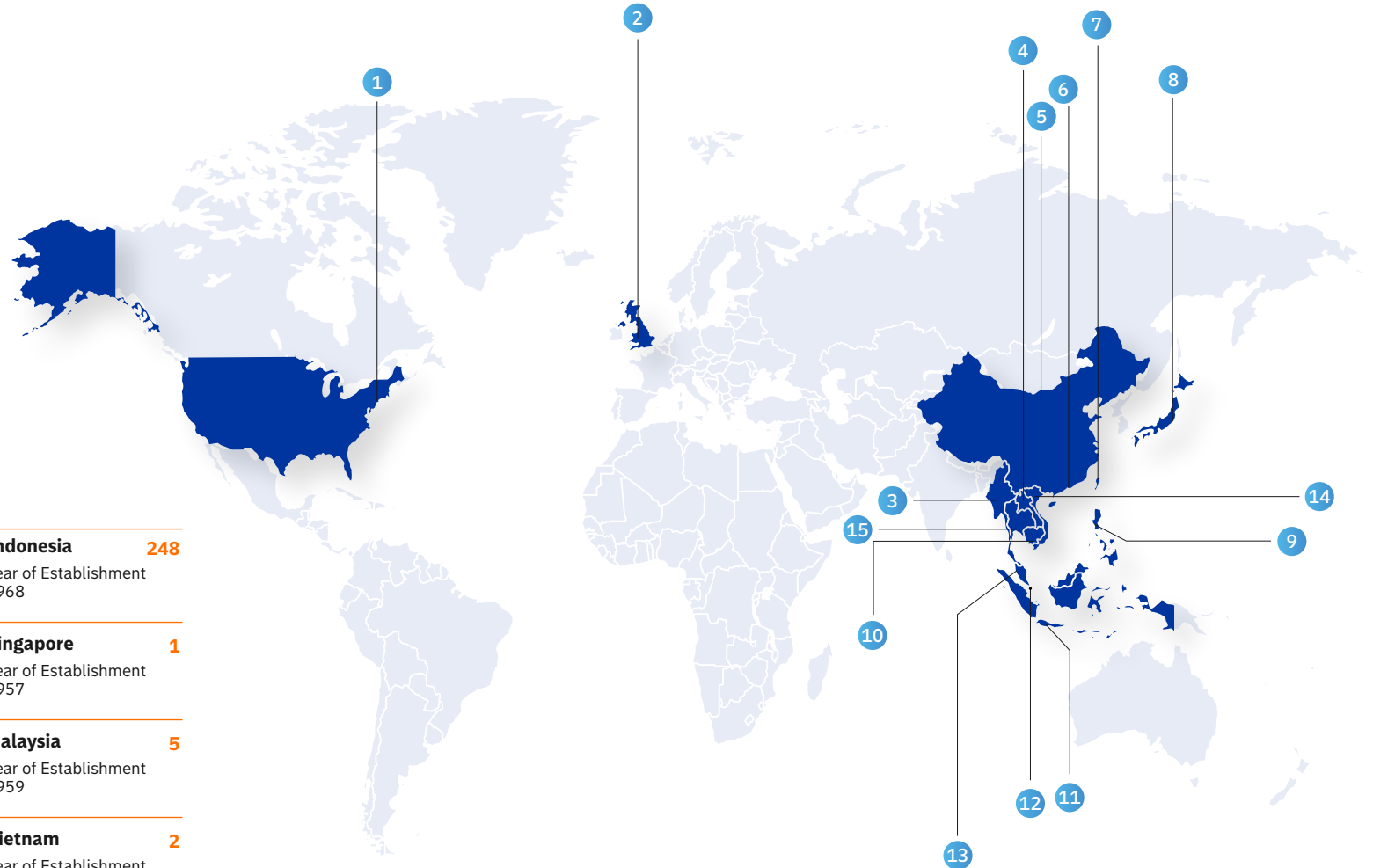


Branch Network

- 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** **2**
Year of Establishment
1993
- 5 China** **5**
Year of Establishment
1986
- 6 Hong Kong** **2**
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** **248**
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** **891**
Year of Establishment
1944

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



International Network
275 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 operational 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.



“

We completed our landmark acquisition of PermataBank in Indonesia in May 2020 and integrated Bangkok Bank Indonesia branches into PermataBank later that year.

”

1.1.2 Material Changes and Development 2020

- **Completed acquisition of PermataBank.** We completed our landmark acquisition of PT Bank Permata Tbk (PermataBank) in Indonesia in May 2020 and integrated Bangkok Bank Indonesia branches into PermataBank. By the end of the year, we had acquired 98.71 percent of the shares in PermataBank.
- **Assisted recovery from the Covid-19 crisis.** We regularly contacted customers to see if they required help and, where needed, provided them with debt relief such as soft loans in cooperation with the Bank of Thailand, rescheduled loan payments and granted incremental new loans or working capital to help them with liquidity to maintain their businesses.



- **Piloted enterprise blockchain transactions for Letters of Credit (L/C).** We joined our partners to launch an enterprise blockchain solution on the Contour platform that allows us to digitalize Letters of Credit (L/C), and we piloted this with customers in Indonesia and Vietnam — the first such transactions in ASEAN.
- **Launched new merchant payment app.** We developed the BeMerchant NextGen app for retailers to receive and manage QR Code payments from their customers via QR Code and manage their receipt positions with added ease and convenience.
- **Initiated cross-border QR Code payments.** We were appointed as the settlement bank for cross-border QR Code payments between Thailand and Indonesia, and Thailand and Vietnam.
- **Launched new mobile banking service.** Bangkok Bank Mobile Banking, a new mobile banking platform was developed with a new design, more features, and a convenient and seamless customer experience.
- **Same day service for trade finance.** Our integrated suite of international trade finance products and services, Asia Trade Fast Track, was rolled out to customers across our Asian network, providing a same day service for cross-border payments.



- **Appointed banking agents.** Customers were provided with more places where they could conveniently deposit or withdraw cash with the appointment of Tesco Lotus (now Lotus's) and 7-Eleven as our banking agents.
- **Introduced facial ID verification.** We commenced online identity verification with the National Digital ID system to enable online services including account opening using facial recognition for identity authentication.
- **Launched virtual banking card for students.** We introduced the TU GREATS app, a virtual card that can be used for many services including digital ID, mobile banking, paying fees, communicating with teachers, marking attendance, managing timetables, and receiving in-app reminders.
- **Introduced ESG bonds.** We developed ESG bonds, a new type of financial instrument for our clients such as green bonds, sustainability bonds and social bonds. During the year, we underwrote the issuance of 90 percent of such bonds in the market.
- **Established Innovation Department.** We established the Innovation Department to enhance our digital potential. It works closely with other departments in areas such as artificial intelligence, machine learning and Data Lake development.
- **Developed chatbot.** In partnership with Pand.ai, one of the startups from our Bangkok Bank InnoHub accelerator program, we built a Thai language chatbot that would initially be used to support our sales teams and which could later be enhanced to provide service to our customers.

2021

- **Extended financial support during Covid-19.** To help customers manage their financial situation during Covid-19, 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 Switzerland-based 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 Bangkok Bank Mobile Banking such as opening online accounts and debit card management, thereby 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 use all the agents for deposits and withdrawals and at 7-Eleven for digital ID verification.



2022

- **Launched new trade finance platform.** We launched a new trade finance platform iTrade with 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 one.
- **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.** Shareholders appointed Ms. Meliza Rusli as President Director of PermataBank with a mandate to leverage Bangkok Bank's network and expertise to support customers' growth, driving best-in-class innovation and technology, and building 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 for Vietnam to service international clients investing in Vietnam's capital markets, 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. Approximately 80-85 percent of personal banking services can now 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, with our digital sales team providing additional support.
- **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 The 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.

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
Fax	0-2231-4890
Website	www.bangkokbank.com

Registered Capital as at December 31, 2022

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 years ended December 31,					
	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
Interest income						
Loans	116,499	83.9	96,929	72.0	95,994	80.9
Interbank and money market items	8,169	5.8	6,250	4.6	5,431	4.6
Investments	14,420	10.4	11,133	8.3	11,098	9.3
Total interest income	139,088	100.1	114,312	84.9	112,523	94.8
Total interest expenses	36,865	26.5	32,156	23.8	35,477	29.9
Net interest income	102,223	73.6	82,156	61.1	77,046	64.9
Non-interest income						
Net fees and service income	27,508	19.8	29,209	21.7	24,711	20.8
Gains on financial instruments measured at fair value through profit and loss	5,155	3.7	17,868	13.3	11,058	9.3
Gains (loss) on investments	(1,454)	(1.1)	1,225	0.9	2,512	2.1
Share of profit (loss) from investments for using equity method	190	0.1	209	0.2	(14)	0.0
Gains on disposal of assets	1,891	1.4	519	0.4	734	0.6
Dividend income	2,307	1.7	2,252	1.6	2,039	1.7
Other operating income	1,075	0.8	1,103	0.8	642	0.6
Total non-interest income	36,672	26.4	52,385	38.9	41,682	35.1
Operating income	138,895	100.0	134,541	100.0	118,728	100.0





conveniently and efficiently through this Digital Procure-to-Pay Platform.

- Launched a new supply chain finance service to one of the country's largest food manufacturers and exporters, providing working capital to its suppliers.
- Developed our corporate billing API solution for companies to conveniently and efficiently connect and conduct system testing with the Bank. Companies can seamlessly link with their customers or merchants and receive real-time online payments via Bangkok Bank Mobile Banking.
- Assisted customers in assessing ESG and climate-related risks arising within their own business, and from their suppliers and customers. We worked with partners to develop a tool to assess physical risks from climate change and transition risks to a low-carbon society.
- Financed renewable energy projects, both in Thailand and internationally, reaching total renewable energy generating capacity of 27 percent of total installed all-type energy generating capacity financed by us.
- Financed other important sustainability projects, such as clean energy development across Asia, EV and EV batteries, as well as electric mass transit system development.
- Received numerous awards including Best Wholesale and Transaction Bank for Thailand from The Digital Banker magazine; Best Customer-Centric Corporate Bank Thailand from Global Business Outlook magazine; Thailand Domestic Trade Finance Bank of the Year for



the 8th consecutive year from Asian Banking and Finance magazine; Best Trade Finance Bank in Thailand and Best Payments Bank in Thailand from The Asian Banker magazine; Best Trade Finance Bank in Thailand for the 16th consecutive year from Alpha Southeast Asia magazine; 1st Market Leader in Trade Finance Thailand in the Euromoney Trade Finance Poll 2022; and 1st Market Leader in Asia Pacific in the Euromoney Cash Management Poll 2022.

Commercial and Business Banking

New challenges emerged as the effects of the Covid-19 pandemic started to ease, such as the rising cost of energy, logistics and materials, which affected our commercial and business customers. We continued to provide our customers with advice and financial support to sustain and develop their businesses.



Digitalization, efficiency and cost management are more important than ever for our customers and we continued to expand our e-Commerce and payment services so they could better serve the needs of the digital marketplace. We have continued to enhance the speed and efficiency of our transaction banking services to our customers which will help them to manage their businesses with greater ease.

Our branch staff, payroll and bancassurance service officers also worked closely with our business customers to provide value-added services to them such as insurance and retirement plans for their employees.

We introduced transformation loans for customers seeking to make their business more sustainable by providing them with access to low-cost funds to invest in digital, innovation or green projects that will help them adapt to the changing business environment.

Bangkok Bank SME social media platforms continued to produce popular content. We offered various educational and online seminars to help customers keep up to date with market trends.

Highlights

- Provided customers with necessary financial support such as the long-term debt restructuring program and special loans to customers who were facing challenges from the recent economic difficulties, continuing our program initiated during the Covid-19 outbreak. We also partnered with the Thai Credit Guarantee Corporation (TCG) to provide

liquidity to qualifying businesses that might otherwise find difficulty in financing their business.

- 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.
- Provided new transformation loans to help customers invest in areas such as solar panels on roof-tops, water treatment projects, and digital transformation, including enterprise resource planning (ERP) systems and automation. We offered Bualuang Green Loans and Bualuang Green Solar Energy loans to support businesses with energy conservation and green projects to reduce energy costs and be more sustainable in the transition to a low-carbon society.
- Grew our customer base for transaction banking services such as cash management, supply chain financing and bill payments. Our Transaction Banking Internal Chatbot and Knowledge Management Portal gives our staff access to the latest product information and related knowledge, enabling them to provide enhanced expert advice catering to specific queries and needs of customers.
- Offered group insurance products for our business customers, developing total solutions for each client with special benefits for their employees. More than 80 companies have adopted group insurance under this plan, providing benefits to more than 5,000 employees.
- Developed content for our social media platforms to build engagement with our customers, covering topics such as digital transformation, family

business and ESG with content supported by partners such as the National Innovation Agency (NIA). Online events were organized with support from our clients on the topic of using solar energy to reduce costs. We continued to support agricultural SME through our Modern Agriculture project.

International Banking

Our international operations continued to post growth in 2022 thanks to our high-quality customer base, despite a volatile, uncertain environment. We drew on our strengths as Thailand's most international bank — an extensive regional network, deep local experience and insights, and business matching with local partners — to assist the growing number of clients looking to invest internationally. Our Indonesian business performed especially well, as did markets such as Vietnam and China.

Our subsidiary PermataBank, now Indonesia's 8th largest bank by assets, is making an increasing contribution to the group's earnings. We are also developing synergies across our international network with international branches providing customer referrals to PermataBank, and vice versa. Many international customers are interested in major projects in Indonesia, such as infrastructure development, and PermataBank has established an International and Advisory unit to support them. We also enhanced our trade finance, cash management and global payments services for Indonesian customers.



We aim to provide a seamless service to all our international customers with integrated platforms so they can effectively manage their operations across different markets. To this end, we are improving capabilities and services across our network, focusing on core banking, trade finance, cash management, global payments and treasury, as well as centralizing our processing systems.

Highlights

- Grew profit for the Bank, especially from the contribution of our major subsidiary, PermataBank, with its profit increasing by 64 percent year-on-year.
- Appointed by shareholders as President Director of PermataBank, Ms. Meliza Rusli will focus on leveraging Bangkok Bank's scale and expertise to grow the business, driving best-in-class innovation and technology, and building a leading deposit and wealth franchise.
- Expanded our Asia Same Day Payment service through PermataBank's network of approximately 250 branches, providing significant benefits to customers who are able to transfer funds quickly and conveniently at a highly competitive rate.
- Increased the volume, value and timeliness of global payments transactions while reducing costs through our new real-time services, such as PromptPay International which is now available in Singapore; Cross-Border QR Payment which has been expanded from Vietnam and Indonesia to include Singapore, Malaysia and Cambodia; and providing API services to new global listed partners for real-time Thai Baht disbursements to Bangkok Bank and other Thai banks via PromptPay.



These options meant a significant increase in the volume of payments as they are low cost and fast.

- Continued building a seamless global platform for customers covering core banking, global payments, trade finance, treasury and cash management systems. We have already rolled out our new trade finance operating system in Thailand and will implement this in all branches across our international network in the coming years.
- Appointed by the Thailand Futures Exchange (TFEX) as a market maker in Baht/USD Futures in recognition of the Bank's continuous leadership in conducting transactions to buy/sell foreign currencies in exchange for Thai Baht for both

customers in Thailand and in the foreign exchange market. The appointment enables us to provide increased liquidity to the market, while at the same time promoting the Bank's leadership in services for foreign exchange transactions.

- Received a custody license for our Vietnamese branch to provide an international custody service for institutional international clients wishing to invest in Vietnam's capital markets. Vietnam is our second international market after Laos where we are the only bank to have been granted a custody license, which we received in 2016. We expect high investor interest in Vietnam, not only with Thai customers and will commercialize the service in 2023.



Consumer Banking

As Thailand's economy recovered in the latter half of the year, consumer confidence improved although it remained well below pre-Covid levels with subdued consumer borrowing. Thai people continued to be enthusiastic adopters of digital payments, digital banking and e-Commerce. About 98 percent of consumer service transactions at our bank are now conducted via electronic channels, with most made via mobile banking.

We continued developing our Bangkok Bank Mobile Banking app as the main touchpoint for our customers. In 2022 we added new features and now approximately 80-85 percent of personal banking services can be done online. We are also using data-driven insights to continually improve the customer experience and journey.

To meet the changing needs of our customers, our branch services are shifting away from a focus on transactions to value-added advisory and wealth services. To support our customers, we have expanded our financial planning and investment teams by setting up a Wealth Advisor team to help take care of Bualuang Exclusive clients in every region to provide more advanced and convenient services to customers.

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 in 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 2021, we received a score of 94.71 percent for our branch services, 82.50 percent for Bangkok Bank Mobile Banking, 4.71/5 for our automated telephone service and 4.85/5 for our customer service center. We focus on building engagement with our customers and enabling our product and service information to be easily accessed by different customer groups by improving how we display product and service information on the website to be more modern and aesthetic with easy-to-use functional features as well as regularly promoting information on social media channels.

Highlights

- Added 50 new features to Bangkok Bank Mobile Banking which now provides 120 features, with a virtual debit card and purchasing insurance online among the many highlights.
- Expanded the availability of online account opening products such as e-Savings account, FCD account, mutual funds, government bond account, trading account and more, using an e-KYC process and facial recognition technology. Other new e-Services include dStatement and pre-approved top-up loans for existing housing loan customers seeking additional finance.
- Offered a full suite of wealth products via the app, namely mutual funds, government bonds and corporate bonds, including complex bonds such as subordinated perpetual bonds, making us the first bank in Thailand to offer this service. Customers can easily and quickly create a subscriber profile, check product features, perform risk assessment, and complete the transaction to purchase perpetual bonds through the app.



- Introduced the Home for Cash loan for green financing purposes using clean or renewable energy such as solar rooftop financing, and home improvement financing for disabled and elderly people, in line with the Bank's policy on business conduct regarding environmental and social goals.
- Became the first bank in Thailand to offer personalized insurance protection and health insurance to customers through a mobile banking app, with our digital sales team providing additional support such as information about the products and assistance with the process.



- Increased our range of exclusive unit-linked products where customers set their savings target plans for the next 20 years and then calculate how much they need to save to achieve their goal, with a distinctive premium payment period of eight years for life protection (Save+ Linked). We now offer three options: single premium, regular premium, and Save+ Linked.
- Expanded our banking agent network to around 160,000 locations with the addition of Boonterm kiosks, helping to increase financial inclusion through nationwide coverage and 24/7 availability for deposits and withdrawals. Banking agent transactions grew by around 65 percent in 2022.
- Expanded and enhanced our services for wealth customers through our alliance with Pictet Group, including launching new funds in the market exclusive to Bangkok Bank such as private equity funds, and establishing wealth advisors in every region.
- Introduced a new digital platform for our wealth advisors to help high-net-worth clients with their investment planning and portfolio construction. This platform illustrates the investment portfolio to clients and is supported by the BeWealth application that has been pilot launched to a selected client group. Using the BeWealth application, clients can monitor their total wealth, manage their investment portfolio, and receive notifications about deposit and term fund maturities.
- Introduced new products such as the Pinnacle Card for ultra-high net-worth customers which provides them with best-in-class privileges. We also launched our Be1st Digital Rabbit LINE Pay debit card, a convenient mass market card that can be used for cashless spending with various benefits and discounts.



- Broadened our card payment service to accept a wider range of cards and non-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 will continue to expand our capabilities to cover new cards and non-cards such as Fitbit Pay, Garmin Pay and Google Pay.
- Awarded the Best Mobile Banking App for Money Transfer Thailand and Most Innovative Debit Card Offering Thailand from World Economic magazine, Best Bank for Digital Solutions 2022 from Asiamoney magazine and Debit Card of the Year from The Digital Banker magazine.



Investment Banking

Thailand achieved a record year with long-term corporate bond issuance of Baht 1.24 trillion in 2022, an increase of 24 percent. Bangkok Bank continued to be one of the leading underwriters for long-term corporate bonds in Thailand, ranking in the top three in the Thai Bond Market Association's league table for 2022, amidst intense competition. In 2022, we were the top underwriter of ESG (environment, social and governance) bonds in the country for the third year running.

Rising interest rates dampened fund managers' investment sentiment, however the appetite for fixed income instruments from domestic investors remained high, given the historically low deposit rates and volatile performance of equities. We successfully

placed all issuances for our large customers, leveraging our vast depositor base.

Our overall investment banking business, including merger and acquisition advisory services, performed well as many of our corporate and international customers looked to expand their businesses overseas.

Highlights

- Appointed as joint Lead Arranger for Sustainability-Linked Bonds (SLB) for BTS Group Holdings totaling Baht 31,000 million with two issuances in 2022. The second issuance was the largest SLB volume in Thailand and the first SLB offered to the general public.

- Appointed as joint Lead Arranger of Green Baht Bonds for Xayaburi Power Company Limited (XPCL) in Lao PDR, the largest hydro-power Green Bond issuance in ASEAN with the issue size of Baht 8,395 million (approximately USD 220 million). XPCL's Green Bond was the first Green "Baht" Bond issued under the Thai Ministry of Finance Baht Bond Permission, as well as SEC's Green Bond Regulation.
- Acted as joint selling agent for Sustainability Bonds of Baht 65,000 million for the Ministry of Finance with two issuances in 2022; both had a bid-to-coverage ratio (BCR) of two to three times.
- Worked with other market participants and regulators to develop Digital Infrastructure for Capital Market platform in order to improve the accuracy and efficiency of Capital Market transactions.
- Acted as financial advisor for Tanulux, which is part of Sahapat Group, for its business expansion through a new alliance. In 2022, Tanulux offered newly issued ordinary shares of the company by a Private Placement and Rights Offering as a source of funds for acquiring assets in the finance and property sectors to generate higher returns and provide new business opportunities for the company.
- Acted as financial advisor for EGCO Cogeneration, which is part of EGCO Group, for project finance debt fundraising to finance the development of a small power producer replacement project.



- Won many prestigious awards, including:
 - o Sustainable Finance Awards Thailand 2022, from Global Finance magazine, which recognized Bangkok Bank's commitment to developing sustainable financing solutions, such as Green Bonds and Sustainability-Linked Bonds, in the Thai Debt Capital Market.
 - o Renewable Energy Deal of the Year – Solar Vietnam from The Asset magazine, as Financial Advisor to the Dau Tieng Tay Ninh Energy in Vietnam, a solar farm supporting sustainable development and security for Vietnam's energy system.
 - o Transport Deal of the Year Thailand from The Asset magazine, as Joint Lead Arranger for the issuance of Baht 10.2 billion in Green Bonds to finance Bangkok's mass transit system. The electric train projects will help facilitate mass transit within Bangkok and surrounding areas, while reducing traffic and greenhouse gas emissions.
 - o Project Finance Advisory House of the Year Thailand from The Asset magazine.
 - o Best Custodian Bank in Thailand for the 8th consecutive year from The Asian Banker magazine and Best Sub-Custodian Bank in Thailand for the 15th consecutive year from Global Finance magazine.

Innovation

Our Creating Value for a Sustainable Future strategy includes investing in innovation to drive our digital transformation and our evolution into a data-driven organization. Innovation supports a number of our strategic themes, namely Platform Partners, Intelligent Organization 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, with an efficient and integrated workflow, and reduced operational costs.

Building a regional payment network with regional financial connectivity and seamless services for our customers across our international network using digital platforms, ecosystems and blockchain services that can accommodate payments to suit all customers – from corporates to niche service providers.

Remodeling and digitalizing transaction banking systems by reducing paper-based systems; and adopting AI, machine learning and automation to reduce human error, improve efficiency and operating times, support large amounts of documents, free up staff for value-added work, reduce costs and energy usage and be more sustainable.

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.

Building ecosystem partnerships on local, regional and international digital platforms to increase our connectivity and interoperability through API architecture to create a seamless and prompt 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 as well 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 27 offices in Bangkok and other major cities, BLS works closely with Bangkok Bank. 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 2022

The Stock Exchange of Thailand (SET) had an average daily trading value in 2022 of Baht 76,773.22 million, a decrease of 18.19 percent from 2021 when there was record high trading volume due to the pandemic crisis. In 2022, the market remained as volatile as 2021 due to various factors, starting with the war in Ukraine which caused hikes in energy prices, led to rising inflation and interest rates and directly affected global capital markets. The SET index at the end of 2022 closed at 1,668.66 points, an increase of 0.7 percent from the end of 2021, while the average industry commission rate remained the same as in 2021.



The total issuance of Initial Public Offerings (IPO) was Baht 97,852.5 million, a decrease of 0.28 percent from 2021. The IPOs covered 42 securities and funds, comprising 22 companies in the SET, with a total issued size of Baht 76,074.47 million; two real estate investment trusts (REIT), with a total issued size of Baht 12,407.20 million; and 18 companies in the Market for Alternative Investment (MAI) with a total issued size of Baht 9,370.83 million.

In 2022, the brokerage business accounted for about 46 percent of BLS' total revenue, while 16 percent was from fees and service income, 17 percent from interest income, and 4 percent from gains on securities trading.



Highlights

- Maintained BLS' position as the top ranked brokerage in Thailand, with about 700,000 trading accounts representing growth of 7 percent from the previous year, and ranking 6th in terms of trading volume.
- As a financial advisor, facilitated a few sizeable fund raisings, namely two IPOs, raising Baht 20,920 million, with Betagro being one of the issuers; two rights offerings, raising Baht 28,000 million; and one Private Placement, raising Baht 11,000 million.
- Continued to grow BLS Global Investing, a foreign investment service, with 9,285 foreign securities accounts, increasing by 14 percent from 8,184 accounts in 2021. BLS clients can use this service to trade stocks listed in the US, Hong Kong and Vietnam. Stocks can be traded using Global Trade Master, an investment platform which comes with an easy-to-use design and meets the needs of customers wanting to invest in foreign securities.
- Issued five more Depository Receipts (DR), totaling six DR's now altogether. As of December 2022, the value of assets under management (AUM) grew by 72 percent, increasing from Baht 7,329 million in 2021 to Baht 12,626 million. These instruments help people to invest overseas more easily as investors can trade via the SET.
- Launched Wealth Connex, a new application that connects investment knowledge and services using digital technology to provide services through online platforms, create personalized investment experience and support all lifestyles.
- Organized the BLS Stock Master program, a training course on share investment, for the 11th consecutive year. More than 1,000 people participated in the virtual event in 2022. Built a more modern image through a viral marketing campaign that attracted more than 1.1 million views of "I'm Rich", a song which BLS commissioned and co-created for the concept. It was composed by The Toys, a famous young singer who is popular among the new generation.
- Increased AUM for Bangkok Capital Asset Management Company (BCAP) by 4.75 percent from Baht 60,857 million in 2021 to Baht 63,432 million in 2022, with Baht 16,394 million generated from mutual funds, Baht 28,674 million from provident funds, and Baht 18,364 million from private funds. BCAP also launched two new funds focusing on globally diversified investments as well as future industries.
- Continued to support more than 10 community building programs throughout the year, such as a collaboration with Dee Mee Suk Company to develop local communities in Chachoengsao province to improve quality of life and income through the development of local products and farming without chemicals. In addition, BLS also donated expenses for food to the Foundation for Slum Child Care and Homeless Children. For the environment, BLS has implemented the Bualuang Plastic Separation campaign for employees to properly dispose of plastic waste so that it can be recycled.
- Won Best ECM House in Thailand from Finance Asia magazine for the second consecutive year, Mergers and Acquisitions Deal of the Year Thailand, Securities House of the Year Thailand and Equity Deal of the Year Thailand from Asian Banking & Finance magazine. BLS also won Best Capital Markets Thailand 2022, Best Investment Banking Thailand 2022 and Best Equity House Thailand 2022 from International Business magazine and Fastest Growing Security Brokerage Company from Global Business Outlook magazine. Furthermore, BLS has been recognized for its excellence in the equity business and financial advisory at the SET Awards, organized by SET and Money and Banking magazine, by winning four accolades: IPO Deal of the Year Award, Mergers and Acquisitions Deal of the Year Award, Outstanding Innovative Company Award and Outstanding Securities Company Award. BCAP also won three awards in 2022: CEO of the Year, Fund Launch of the Year from Asia Asset Management magazine, and Best Fund Manager for Pension Mandates & Private Retirement Schemes from Alpha Southeast Asia magazine.



For more than 30 years since its establishment, BBL Asset Management's (BBLAM) vision has been to be a financial institution trusted by investors to manage their investments with the view to continually enhance benefits for them as a priority. Under the organizational values of Prudence – Integrity – Excellence and the mission to lead Thai households toward financial stability, BBLAM offers investment products which suit investors of all ages, covering all investment opportunities, while promoting financial knowledge and investment with a team of experienced experts under the BF Knowledge Center. Both online and on-site training seminars have been continually organized at the Center for more than five years to enhance skills and emphasize the importance of financial and investment management to the public.

BBLAM recognizes the importance of instilling a corporate culture of sustainable practices, conducting business which is socially responsible, and creating the best investment value for customers. Its house-branded mutual fund products are distributed through Bangkok Bank's nationwide branch network and digital banking services, as well as through other agents such as Bangkok Life Assurance and Bualuang Securities. BBLAM also manages provident funds, private funds, infrastructure funds, property funds and real estate investment trusts (REIT).



The BBLAM investment philosophy is to seek long-term and steady returns from prudent and optimal risk investments. The active investment philosophy is supported by its in-house research and investment capabilities which have been important factors in its outstanding performance.

The Asset Management Industry in 2022

In response to a higher risk of global economic recession due to the trend of rising interest rates and high geopolitical tension, the prices of major asset classes decreased amid high volatility. Investors became concerned about their existing portfolio and were highly cautious about new investments.

The asset management business in Thailand recorded a decrease of 6.0 percent in total AUM from Baht 8.75 trillion in 2021 to Baht 8.23 trillion at the end of 2022.

Thailand officially became an aged society in 2022 with those aged 60 and over accounting for more than 20 percent of the population. It is on track to become a super aged society by 2031 when more than 28 percent of the population will be aged over 60. These demographics present both a challenge and opportunity for asset management companies as the pool of working-age savers shrinks while demand for certain types of products grows.



The trend towards digital investing continued apace as investors moved to buy and trade funds via mobile and online channels. Competition for funds intensified as banks and FinTechs leveraged open architecture platforms to offer a greater variety of mutual funds and provide personalized portfolio recommendations via digital platforms.

Highlights

- Outperformed key asset management companies in terms of growth and achieved a ranking among the top performers in the market, gaining the highest proportion of funds ranked within the top two quartiles according to Morningstar. The company continued to lead in tax saving and retirement products with more than 132 new companies engaging it as their provident fund manager.
- Launched a new mobile application for Mutual Fund Trading called Bualuang Fund Trading while the mobile application for Provident Fund Clients called PVD Connex became ready to launch.
- Extended distribution arms and formed partnerships with FinTech firms – including appointing Pine Wealth Solution Securities as a new selling agent, which will enable BBLAM to expand its investment offerings and client base.
- Offered a new line of low-risk products such as Term Funds, with 33 funds launched with a combined value of Baht 150,000 million. In addition, BBLAM launched a further 13 funds ranging from general mutual funds to RMF and SSF, including the BMAP series (Asset Allocation

Fund) and Global Infrastructure Fund which can provide some resistance to market volatility.

- Strengthened investor knowledge and education by conducting more than 66 virtual investment workshops with around 7,000 participants, and producing more than 153 episodes of the popular BF Podcasts covering topics such as investing knowledge, pre- and post-retirement planning, and financial planning. BBLAM collaborated with Bangkok Bank to co-organize around 292 staff training sessions throughout the year to further enhance the financial knowledge and skills of advisory staff.
- Continued to grow assets focused on ESG and sustainable investing. BBLAM plans to work with experts to create a sustainability partnership for developing and refining ESG investment processes, integration, and knowledge transfer.
- BBLAM recorded total AUM of Baht 855,343 million at the end of 2022, down by 3.7 percent or Baht 33,345 million from the previous year. Mutual fund business's AUM accounted for Baht 748,506 million, down by Baht 18,426 million – a market share of 15.3 percent, placing BBLAM in the top three mutual fund businesses. BBLAM's provident fund business recorded total AUM of Baht 86,284 million, while its private fund business' AUM reached Baht 20,553 million.
- Received Best Mutual Fund of The Year 2022 - Foreign Equity Fund award from Money & Banking magazine for Bualuang Future Generation Equity (B-FUTURE) fund.



Bualuang Ventures Limited (BV) is the 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 invest in high potential SME and startups in Southeast Asia generating a healthy financial return and value creation via the extensive network of Bangkok Bank. BV explores opportunities across various sectors, with a focus on the digital consumer sector, such as FinTech, e-Commerce, Automation & AI, Smart Living, HealthTech, 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 2022, BV invested in Star Money, a business selling electrical appliances along with credit facilities such as hire-purchase financing to individuals. The company was established in Rayong and has expanded into 10 provinces with 86 branches covering Eastern and North-Eastern Thailand, mainly smaller outlets operating a lending business. The company is introducing financial technology to enhance its operations and efficiently scale the business by providing digital lending. This will increase the reach and convenience for borrowers who can apply for loans online and help the borrowers to manage and track their finances through the platform.



Awards 2022

- 1 Best Bank in Thailand (3rd year)**
Alpha Southeast Asia Magazine
- 2 Sustainable Finance Awards Thailand 2022**
Global Finance Magazine
- 3 ASEAN Business Awards 2022 Cambodia**
ASEAN Business and Investment Summit 2022
ASEAN-BAC Nomination
- 4 Best Payments Bank in Thailand (7th consecutive year)**
The Asian Banker Magazine
- 5 Best Wholesale/Transaction Bank for Digital CX - Thailand**
The Digital Banker Magazine



Alpha Southeast Asia Magazine

- Best Bank in Thailand (3rd year)
- Best Trade Finance Bank in Thailand (16th consecutive year)

ASEAN Business and Investment Summit 2022 ASEAN-BAC Nomination

- ASEAN Business Awards 2022 Cambodia

Asiamoney Magazine

- Best Bank for Digital Solutions Thailand

Asian Banking & Finance Magazine

- Thailand Domestic Trade Finance Bank of the Year (8th consecutive year)

BrandAge Magazine

- 2022 Thailand's Most Admired Brand (21st consecutive year)

Euromoney Magazine

- 1st Market Leader in Asia Pacific (2022 Euromoney Cash Management Financial Institutions Survey)

Global Business Outlook Magazine

- Most Customer Centric Corporate Bank - Thailand 2022

Global Finance Magazine

- Best Bank in Thailand (5th consecutive year)
- Best Sub-Custodian Bank in Thailand (15th consecutive year)
- Sustainable Finance Awards Thailand 2022

International Business Magazine

- Best Corporate Bank Thailand 2022 (2nd consecutive year)
- Best Banking Chairman/CEO Thailand 2022 (3rd consecutive year)

The Asian Banker Magazine

- CEO Leadership Achievement for Thailand Award (3rd year)
- Best Managed Bank in Thailand (3rd year)
- Best Custodian Bank in Thailand (8th consecutive year)
- Best Payments Bank in Thailand (7th consecutive year)
- Best Trade Finance Bank in Thailand (11th year)

The Asset Magazine

- Renewable Energy Deal of the Year - Solar Vietnam
- Transport Deal of the Year Thailand
- Project Finance Advisory House of the Year Thailand

The Digital Banker Magazine

- Debit Card of the Year
- Best Wholesale/Transaction Bank for Digital CX - Thailand
- Best Bank for Transaction Banking Services - Thailand

World Economic Magazine

- Most Innovative Debit Card Offering Thailand 2022
- Best Mobile Banking App for Money Transfer Thailand 2022



FinanceAsia Magazine

- Best ECM House in Thailand (2nd consecutive year)

Asian Banking & Finance Magazine

- Securities House of the Year - Thailand

Global Business Outlook Magazine

- Fastest Growing Security Brokerage Company - Thailand

The Stock Exchange of Thailand and Money and Banking Magazine

- IPO Deal of the Year Awards
- Mergers and Acquisitions Deal of the Year Awards



Money & Banking Magazine

- Best Mutual Fund of the Year 2022 - Foreign Equity Fund



(2) Marketing and Competition

Thai Economy in 2022

The Thai economy continued to improve throughout 2022 due to the success of the government's nationwide vaccination program, the easing of Covid restrictions which enabled life around the country to return to normal with people coming out, living and spending normally, and measures to reopen the country and encourage the return of foreign tourists to Thailand. International tourist arrivals increased from about 130,000 per month at the beginning of the year to more than 2 million per month by the year-end. This supported a steady recovery in the tourism sector, which normally contributes about 15 percent of Thai GDP, including related industries and employment.

Exports, which continued to expand from the beginning of the year, were another significant driver of the recovery. As a result, the Thai economy grew by 2.6 percent in 2022 compared with 1.5 percent the previous year.

Rising global inflation presented constant economic challenges throughout 2022. Inflation in the United States, European Union, United Kingdom and many other countries reached its highest level in 40 years causing many central banks to increase interest rates in order to help curb inflation. However, this resulted in high volatility across financial markets — namely, stocks, bonds and foreign exchange. Moreover, Russia's conflict with Ukraine and the resulting geopolitical tensions with NATO members increased

inflationary pressures on global oil, food, and commodities prices, all of which rose sharply in the six months following the start of the war.

Headline inflation in 2022 increased by 6.08 percent from 1.23 percent in the previous year due to higher energy and food prices, exceeding the Bank of Thailand's (BOT) inflation target of 1-3 percent. Meanwhile, annual average core inflation, excluding the cost of fresh food and energy, peaked at 3.23 percent in December 2022. As a result, the BOT gradually raised the interest rate by 0.25 percent on three occasions, 0.75 percent in total, during 2022 which increased the policy rate from 0.5 percent to 1.25 percent by year-end to curb rising inflation and to normalize policy rates after keeping the interest rate low during the Covid-19 situation to facilitate a long-term and sustainable recovery in the Thai economy.



Economic Outlook for 2023

The Thai economy is expected to recover continuously throughout 2023 with economic growth forecast at about 3 percent supported by the recovery of the tourism sector. International tourist arrivals are expected to exceed 20 million throughout the year. Thailand is already benefiting from China's decision to open up the country and to allow Chinese tourists to once again start traveling overseas from the beginning of 2023. However, a number of critical risks remain which could affect the recovery of the global and Thai economies. Many countries entered a period of stagnation or recession after central banks raised interest rates to manage inflation which significantly affected the export sector.

The BOT is expected to gradually increase the policy interest rate this year in order to bring the rate back to normal levels as well as to reinstate regulatory policies that were relaxed during the pandemic.

Thai Banking Industry in 2022

In 2022, the Thai banking system faced challenges from the Covid-19 situation for the third consecutive year. However, the situation started to improve due to the high vaccination rate and the decreasing severity of symptoms of infected people. This led the government in the third quarter to relax containment measures and lift restrictions for foreign tourists traveling to Thailand which helped spur a recovery in domestic economic activities, particularly in the service sector. Nevertheless, the BOT and financial institutions have continued to assist people affected by Covid-19 by providing liquidity and debt restructuring along with easing regulations to increase the flexibility of commercial banks to support debtors. Another challenge was the rapid increase in inflation rates around the world caused by rising energy prices as a result of the Russia-Ukraine war, global supply chain issues and the recovery in demand from the reopening of countries after the Covid-19 situation had improved. These prompted central banks of major countries to accelerate the increase of interest rates to control inflation which had affected global financial markets and asset prices and put countries with weaker economies at risk of economic crisis. The Thai economy also faced rising inflation. However, inflationary pressures were primarily supply related and as such the BOT did not increase the policy interest rate to the same level as other central banks.

Among the aforementioned business challenges, the combined net profit of the commercial banking system in 2022 was Baht 236.5 billion, a 30.7 percent increase from the previous year, due to an increase in net interest income in line with increasing loan volume and upward interest rates and a decrease in reserves. Loan growth at the end of 2022 was 2.1 percent, down from 6.5 percent the previous year due to corporate repayments, government loans and soft loans, as well as the transfer of retail credit portfolios to a subsidiary of a commercial bank and debt quality management. Business loans and consumer loans grew by 2.3 and 1.7 percent, respectively.

Deposits increased by 4.5 percent from the end of 2021. The ratio of loans to deposits at the end of 2022 was 92.0 percent, lower than 94.2 percent at the end of 2021. The Liquidity Coverage Ratio (LCR) stood at 197.3 percent. For liquidity management, commercial banks focused on deposit restructuring, cost management and reserve requirements to comply with LCR guidelines under Basel III.

In terms of loan quality at the end of 2022, non-performing loans (NPL), or Stage 3 loans, stood at Baht 499.2 billion or a ratio of 2.73 percent of gross NPL to total loans, down from Baht 530.7 billion or a ratio of 2.98 percent of gross NPL at the end of the previous year. The ratio of Significant Increase in Credit Risk (SICR), or Stage 2, loans to total loans was 6.22 percent, a decrease from 6.39 percent at the end of the previous year. Commercial banks set aside capital reserves and loan loss reserves to build stability. Total capital remained relatively high, enabling banks to accommodate NPL resulting from the economic impact of the pandemic. Loan quality reflected the unevenness of the recovery across each economic sector. Therefore, commercial banks focused on sustainably restructuring debt in line with a debtor's ability to repay in the long term, especially SME and retail businesses. At the end of 2022, the Capital Adequacy Ratio (CAR) was 19.4 percent. Commercial banks also placed great emphasis on managing credit quality in line with Thai Financial Reporting Standard No.9 (TFRS 9), which came into effect in January 2020.



The following table shows the financial position of the six major commercial banks as of December 31, 2022.

Unit: Million Baht

	Assets	Loans	Deposits	Capital
Bangkok Bank	4,421,752	2,682,691	3,210,896	575,474
KASIKORNBANK	4,246,369	2,495,077	2,748,685	516,588
Krung Thai Bank	3,592,419	2,592,838	2,590,236	422,094
SCBX	3,454,452	2,377,215	2,555,800	434,907
Bank of Ayudhya	2,636,951	1,949,409	1,804,692	383,739
TMBThanachart Bank	1,826,279	1,376,118	1,399,247	236,522

Thai Banking Industry in 2023

The foreign and Thai economies will continue to face high uncertainty from significant factors such as muted global economic growth, high inflation, rising interest rates, geopolitical and geoeconomic tensions between powerful countries, global supply chain issues, China's real estate sector, high public debt and foreign debt in some countries, volatile international capital flows, and the economic impact from climate change and technology disruption.

The BOT's policy direction will evolve to normalize monetary policy in line with the economic context and focus on resolving household debt to strengthen economic stability and growth. Furthermore, the BOT will use financial measures to support the transition to a more sustainable economy and improve financial sector infrastructure, especially digital infrastructure, to support future economic growth.

Economic uncertainty will affect the recovery of customers and their ability to repay debt. Consequently, commercial banks will focus on continuously increasing revenues while controlling expenses by adjusting the deposit structure, managing costs, maintaining the LCR and Net Stable Funding Ratio (NSFR), and managing credit quality in line with TFRS 9.

Changes in the economy, business operations, customer behavior, and technology, as well as new regulations and measures from authorities, are prompting commercial banks to place greater emphasis on gaining insights into customer needs to drive the development of products and services. By collaborating with partners, banks can create new revenue opportunities and improve internal operations to better control costs and increase operational efficiency.

Going forward, Thai commercial banks will need to adapt to the new Thai financial landscape consisting of:

- (1) Leveraging technology and data to drive innovation and better financial services through the 3 Opens: Open Competition to allow financial institutions to expand business scope or increase flexibility while also allowing non-bank financial institutions and new players to enter the market; Open Infrastructure to allow more players to access key infrastructure in order to efficiently develop financial innovation to support the transition to a digital economy and to lower costs; Open Data to allow financial service providers to connect to one another's databases to increase efficiency, support risk management, develop products which better suit the needs of customers, access shared data more conveniently, and utilize more data from digital transactions (digital footprint). The 3 Opens aim to improve competitive efficiency, financial innovation development and the creation of a financial infrastructure to enable the transition to a digital and network economy, including the development of a central bank digital currency for citizens (Retail CBDC).
- (2) Managing the transition towards sustainability in which the financial sector must incorporate environmental risk assessments into their business operations, support the transition of business away from environmentally unsustainable activities without causing a wide impact, and supporting the households and vulnerable groups to survive and adapt in a sustainable manner.
- (3) Shifting from stability to resilience to better address emerging risks which will help financial service providers to adapt, develop innovation and cope with significant emerging risks in a timely manner.



Moreover, commercial banks will need to increasingly prioritize operating their businesses in line with sustainable banking principles, especially the integration of environmental, social, and governance (ESG) measures into their business processes and promoting ESG culture and values while developing green finance taxonomy. The BOT has issued the directional paper on “Transitioning towards environmental sustainability under the new Thai financial landscape” to enable the financial sector to better assist other sectors. Going forward, the public sector will play a greater role in establishing directions and timeframes to enable other sectors of the Thai economy to achieve carbon neutrality within 2050.

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 approximately 240 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 alongside 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 countries and 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 has a strategic focus on ASEAN and other markets across Asia. Currently, our international network, with approximately 270 branches in 14 economies, supports business customers wanting to expand their regional and global operations as well as foreign companies investing in Thailand and across 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.

In terms of 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 issuers’ requirements and investors’ risk appetites enables us to maintain our market leadership.

We work with our financial business group to offer investment and non-life insurance products with our partner AIA Group Limited, Asia’s largest life insurance group. Together with AIA we have developed a new unit linked life insurance product called Be Together Save+ Linked with which customers set their financial goals and have an opportunity to receive an increased return on investment. Our Be Together Smart Care insurance, also developed with AIA, covers critical illnesses and can be bought via Bangkok Bank Mobile Banking. Furthermore, we have formed a strategic alliance with Pictet Group, a Switzerland-based global wealth, asset, and investment manager, to enhance service solutions, support customers to succeed and secure financial stability for the future. The synergies between our subsidiaries and business partners will enable us to rapidly and sustainably respond to changing customer needs.



For consumer banking, we launched Bangkok Bank Pinnacle Card, our highest credit card tier and the first metal credit card from a Thai commercial bank, for ultra-high net worth customers. Our team of wealth advisors provide a superior service focused on managing and maximizing clients' assets and investment portfolios, providing up-to-date news and information, and recommending strategies to manage risk and adjust portfolios to suit market conditions and risk appetites.

Stable Financial Position and Sustainable Growth

Bangkok Bank continues to maintain a stable financial position and is 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 help to reduce the risk from changing interest rates. Our prudent approach to loan expansion and credit distribution, along with our determination to maintaining appropriate provisions for doubtful debts, will help us to deliver sustainable growth and profits even during times of economic volatility and challenge.

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 (BOT) 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, 2022, we had an extensive network of branches and business centers throughout the country. We had a total of 891 branches in Thailand comprising 245 in Bangkok and 646 in the provincial area, with 117 business centers and 126 business desks.

International Services

Our international branch network spans more than 270 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 39 exchange booths across the country.

Electronic and Digital Channel Services

We have more than 8,899 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 ATMs and CDM/ATMs, 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 growing transaction volume and number of users for Bangkok Bank Mobile Banking. In 2022, there were 11.2 million mobile banking users and the volume of financial transactions rose by 30 percent from the previous year. There was a significant increase in mobile banking growth after we introduced an e-Savings account opening service via Bangkok Bank Mobile Banking. The number of e-Savings accounts has increased five-fold since 2021.

In addition, Bangkok Bank Mobile Banking received the Best Mobile Banking App for Money Transfer Thailand 2022 award from the World Economic magazine and the Best Bank for Digital Solutions, Thailand Best Bank Awards 2022 from Asiamoney, Asia's leading financial magazine.

In 2022 we continued to develop Bangkok Bank Mobile Banking as a platform that is friendly, accessible, and truly meets user needs under the

concept of “Change, not the same...understand you better than before” by expanding services and features to support customers’ financial needs. These developments included:

- Adding channels to apply for online financial products that are convenient and safe, such as:
 - Introducing Be1st Digital Virtual & Buddy Card products under the concept of “safety and confidence in every online shopping” which have received excellent feedback from the target group of young working people who like to keep up to date with trends and lifestyle through social media.
 - Partnering with AIA Thailand to launch Be Together For You, a life and health insurance product designed to meet the personalized individual needs of customers (Personalized Cross Selling) which can easily be bought through the app. Customers will receive the policy documents via email immediately after the transaction is complete.
 - Launching Be Together Smart Care Critical Illness Insurance which provides protection for customers and loved ones so they can continue their lives without interruption if sick with a serious illness.
 - Offering Gain1st Simple and Gain1st 424 (Par) savings life insurance which provides both savings in the form of life insurance and life protection.

- Expanding online investment channels that can be conveniently and securely used anywhere, anytime for investors in the digital era such as:
 - Increasing subscription channels for all five types of high-risk complex instruments, namely Non-Investment Grade Bonds, Unrated Bonds, Perpetual Bonds, Hybrid Bonds, and Subordinated Debt Instruments for redemption upon dissolution whereby the issuer has the right to defer interest payments on an unlimited number of Basel III instruments via Bangkok Bank Mobile Banking. This was the first time investors could subscribe for subordinated bonds via a mobile phone application.
 - Redeeming government bonds (Secondary Market) via mobile banking app. Customers are able to sell government bonds before the maturity date.
- Establishing new online channels for safe and convenient international fund transfers by:
 - Expanding Western Union express money transfer service local currency payments in five destination countries: China, India, Philippines, Myanmar, and the United States.
 - Conducting payments in foreign countries using QR Cross-Border (C Scan B) service. Bangkok Bank Mobile Banking customers can now make payments using a QR Code in Vietnam, Indonesia, Malaysia, and Singapore. Customers can also set transaction limits for QR Code payments per transaction and per day.



- Providing international money transfer service for Foreign Currency Deposit (FCD) accounts in 14 currencies through the SWIFT network.
- Increasing the efficiency of financial transactions. For example:
 - Conducting repeat transactions from the transaction history without having to fill in details again.
 - Scheduling recurring transfers on a one-time, weekly, or monthly basis via mobile banking.
- Expanding online lending services so there is no need to visit a branch. Such as:
 - Changing credit card spending to Be Smart on Mobile installments.
 - Submitting an application for a Bualuang home loan.
 - Providing a pre-approved credit limit to customers who already have a home loan. Customers can adjust the amount and submit a request for an additional loan via Bangkok Bank Mobile Banking. The Bank can reduce working hours by contacting only those customers who are interested in applying.
- Offering auto direct debit services connecting with partners' application (App to App) such as Hua Seng Heng's GOLD NOW application to buy, sell and save gold or with partners' websites (Web to App). As partners' details are auto filled, customers just need to choose which savings or current account to link with the service.

In addition to improving the efficiency of Bangkok Bank Mobile Banking, we are also creating an engaging user experience with greater convenience and safety with features such as:

- Changing mobile phone number and email via the app without the need to visit a branch.
- Canceling PromptPay registration with Citizen ID via mobile banking.
- Enabling customers to temporarily suspend credit cards 24/7 without having to visit a branch.
- Requesting a deposit account statement in both Thai Baht (THB) and a foreign currency (FCD) via mobile banking 24/7.
- Viewing AIA policy via mobile banking.

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 daily.

Our website www.bangkokbank.com focuses on providing customers with our 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 app with enhanced design and functionality to help customers find our branches and ATM 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 mobile banking.
- Developing Board Rate, a secondary market government bond price board which displays Bid / Offer prices with customizable filters, making purchasing the bonds more convenient for interested investors.
- Integrating the basic web form registration 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, to 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 2022, total page visits — access to our website via computer, tablet and mobile phone, increased by 89 percent from 2021.

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 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 in discussions 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 17,092 branches nationwide. Forth Smart Service Public Company Limited was appointed in 2022 to provide deposit services through 130,000 Boonterm kiosks nationwide. Using the Bank of Thailand's selection criteria for potential agents, we focused 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 plan to expand the range of services provided by banking agents to include account opening across our network of more than 250,000 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 payment 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 to 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 seamless service in a rapidly changing business environment.



Debit Card Services

We launched Be1st Smart Debit Card, the first Thai debit card to feature Europay Mastercard Visa Chip (EMV Chip) technology, in 2009. 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 products with financial innovations 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, which is jointly issued with Rabbit LINE Pay, a leading mobile payment operator in Thailand, to develop products and services that meet the digital lifestyles of the 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 is an important option for the cashless society that is emerging in Thailand. In addition, cardholders also receive additional benefits from Rabbit LINE Pay for spending via Rabbit LINE Pay Wallet.

To help our customers throughout 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.

Bangkok Bank launched the Be1st Digital debit card (Virtual Debit Card) in May 2022. Customers can use Bangkok Bank Mobile Banking to apply for the digital debit card via the app and be granted immediate access to make online purchases at local and international merchants. The digital debit card can be linked conveniently to e-Wallets to offer a seamless payment experience across channels that allow customers to enjoy a variety of promotions. Be1st Digital debit card is targeted at younger customers such as Gen Z and Millennials. In September 2022, Bangkok Bank won the Most Innovative Debit Card Offering Thailand 2022 award from World Economic Magazine and Debit Card of The Year at The Digital Banker's Global Retail Banking Innovation Awards 2022 in November 2022.

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 increasing convenient, secure payments for business and individual customers.



Transaction Banking Service

Transactional 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**

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**

Comprises services for customers who trade internationally, providing services and short-term loans for both exporters and importers. Customers can conveniently and quickly make international transactions and view reports online which increases the efficiency and agility of their businesses.

- **Supply Chain Finance**

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 help reduce the cost of paper-based transactions.

- **Securities Service**

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 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. These consist of:

- **BIZ iBanking** is an online channel for SME customers comprising payments and collection. Customers can verify account movements and self-manage their accounts on a daily basis such as fund transfer, payment 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.
- **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 payment, credit approval and flexible payment terms to enhance liquidity within the trading process helping to facilitate the business expansion of clients.
- **iTrade** is a new 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.

Back-office Process Operations

Back-up processing is done at our 12 operations centers and 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 equipment as well as providing quality control to ensure accuracy and speed. Staff have expert knowledge which helps with the planning and risk management system.



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 logistics services for documents, financial instruments, postal services and parcels domestically and internationally.
- Cheque Processing Center — provides payment services for all checks drawn on the Bank, as well as clearing services for inbound and outbound checks via the 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 manned and automated systems and other channels.
- Account Maintenance and Service Center -provides back-office processing to support branches and other units.

Our Creating Value for a Sustainable Future strategy includes investing in innovation to drive our digital transformation and our evolution into a data-driven organization. This is supported by five key pillars: improving core systems, building a regional payment network, remodeling and digitalizing transaction banking systems, adopting new ways of working, and building ecosystem partnerships. 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.



(3) Procurement of Products and Services

Sources and Utilization of Funds

The primary sources of funds as of December 31, 2022, were Baht 3,210,896 million or 72.6 percent in deposits, Baht 507,142 million or 11.5 percent in shareholders' equity, Baht 262,522 million or 5.9 percent in interbank and money market liabilities, and Baht 206,262 million or 4.7 percent in debt issued and borrowings including financial liabilities measured at Fair Value Through Profit or Loss (FVTPL).

The utilization of funds comprised Baht 2,682,691 million or 60.7 percent in loans, Baht 926,608 million or 21.0 percent in net investments including financial assets measured at FVTPL and net investments in associates, and Baht 766,074 million or 17.3 percent in net interbank and money market assets.

Unit: Million Baht

	As of December 31,					
	2022		2021		2020	
	Amount	Portion	Amount	Portion	Amount	Portion
Deposits	3,210,896	72.6	3,156,940	72.9	2,810,863	73.5
Interbank and money market items	262,522	5.9	288,709	6.7	219,149	5.7
Financial liabilities measured at FVTPL	17,960	0.4	20,833	0.5	19,257	0.5
Debt issued and borrowings	188,302	4.3	183,239	4.2	136,177	3.6
Others	234,930	5.3	188,967	4.3	187,267	4.9
Total liabilities	3,914,610	88.5	3,838,688	88.6	3,372,713	88.2
Shareholders' equity	507,142	11.5	494,593	11.4	450,247	11.8
Total funding	4,421,752	100.0	4,333,281	100.0	3,822,960	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,					
	2022		2021		2020	
	Amount	Portion	Amount	Portion	Amount	Portion
Within one year	3,191,712	99.4	3,136,827	99.4	2,786,155	99.1
More than one year but not over five years	19,184	0.6	20,113	0.6	24,708	0.9
Total	3,210,896	100.0	3,156,940	100.0	2,810,863	100.0

As of December 31, 2022, the Bank had deposits with maturity within one year of Baht 3,191,712 million or 99.4 percent of total deposits, and deposits with maturity of more than one year but not over five years of Baht 19,184 million or 0.6 percent of total deposits.

Determination of Interest Rates on Deposits

In determining the Bank's deposit interest rate, the Asset and Liability 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)

	2022	2021	2020
Average Deposit Interest Rate			
Savings	0.30%	0.25%	0.33%
3-month Fixed	0.42%	0.38%	0.49%
6-month Fixed	0.54%	0.50%	0.60%
12-month Fixed	0.59%	0.50%	0.69%
Average Loan Interest Rate			
MOR	5.98%	5.88%	6.14%
MLR	5.36%	5.25%	5.45%
MRR	6.03%	5.86%	6.05%
Average Interbank Interest Rate	0.87%	0.63%	0.81%

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, environment-social-governance 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 Bank of Thailand (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. (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 criteria such as the purpose of applying for the loan, the ability to pay off debt from existing cash flows, business potential, the competence of owners and executives, technology used and securities pledged as the 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 rate (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, 2022, loans of the Bank and its subsidiaries were Baht 2,682,691 million, representing approximately 60.7 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 to be 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 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, 2022, the maximum amount that the Bank and its financial business group can provide credit, invest, create contingent liabilities or conduct credit-like transactions to any of the above customers was Baht 143,869 million.

- **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,					
	2022		2021		2020	
	Amount	Portion	Amount	Portion	Amount	Portion
Manufacturing and commercial	825,508	30.8	839,469	32.4	791,828	33.4
Utilities and services	527,351	19.7	574,485	22.2	539,151	22.8
Housing	336,256	12.5	324,546	12.5	302,142	12.8
Real estate and construction	196,482	7.3	211,647	8.2	211,510	8.9
Agriculture and mining	88,014	3.3	101,487	3.9	78,175	3.3
Others	709,080	26.4	536,705	20.8	445,432	18.8
Total	2,682,691	100.0	2,588,339	100.0	2,368,238	100.0

Most of the Bank's loans were in the manufacturing and commercial and utilities and services sectors. As of December 31, 2022, they accounted for 50.5 percent of total loans. Most of the loans in the manufacturing and commercial sector were secured for real estate which may be affected by changes in the real estate market.

- o **Manufacturing and Commercial Sector**

As of December 31, 2022, manufacturing and commercial loans accounted for 30.8 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, machinery parts and equipment, electrical appliances and textiles.

- o **Utilities and Services Sector**

As of December 31, 2022, utilities and services loans accounted for 19.7 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 Sector**

As of December 31, 2022, housing loans accounted for 12.5 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, 2022, real estate and construction loans accounted for 7.3 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 land, 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 as well as 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, 2022, the Bank and its subsidiaries had loans with one year or less to maturity of Baht 989,370 million or 36.9 percent of total loans, loans with more than one year to five years to maturity of Baht 1,086,701 million or 40.5 percent of total loans, loans with over five years to maturity of Baht 509,561 million or 19.0 percent of total loans and non-performing loan of Baht 97,059 million or 3.6 percent of total loans.

The following table shows loans categorized by maturity profile:

Unit: Million Baht

	As of December 31,					
	2022		2021		2020	
	Amount	Portion	Amount	Portion	Amount	Portion
Up to one year	989,370	36.9	966,297	37.3	858,828	36.3
Between one and five years	1,086,701	40.5	898,564	34.7	859,882	36.3
Over five years	509,561	19.0	622,303	24.1	545,029	23.0
Non-performing loan	97,059	3.6	101,175	3.9	104,499	4.4
Total	2,682,691	100.0	2,588,339	100.0	2,368,238	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 divided into three main types: overdrafts, bills and loans.

Unit: Million Baht

	As of December 31,					
	2022		2021		2020	
	Amount	Portion	Amount	Portion	Amount	Portion
Overdrafts	107,245	4.0	103,294	4.0	105,064	4.4
Bills	372,399	13.9	417,906	16.1	384,482	16.2
Loans	2,197,983	81.9	2,062,138	79.7	1,873,679	79.1
Hire purchase receivable	4,129	0.1	4,067	0.1	4,000	0.2
Finance lease receivable	935	0.1	934	0.1	1,013	0.1
Total	2,682,691	100.0	2,588,339	100.0	2,368,238	100.0



- **Secured Loans**

For the Bank's secured loans, collaterals mainly consist 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. It depends on the customer's ability to pay off debt and the type of collateral. In the case of housing loans in 2022, 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 started. If there is any indication that credit risk has increased significantly, the stage of loans 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 overdraft 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 if 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 overdraft 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, which will be recorded 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. This is in line with the principles of the TFRS 9 effective from January 1, 2020, by 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. 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 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 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 to 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 debt and doubtful accounts and allowance for doubtful accounts by either 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, 2022, the Bank and its subsidiaries' ratio of expected credit losses to total NPL stood at 260.8 percent compared with 225.8 percent at the end of 2021.

- **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 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 the 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 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 customer's property rights as required by law.

The consolidated financial statements as of December 31, 2022, had the remaining restructured non-performing loans of Baht 52,164 million.

Investments

As of December 31, 2022, the Bank and its subsidiaries had net investments and financial assets measured at FVTPL and net investments in associated companies of Baht 926,608 million or 21.0 percent of total assets. Government and state enterprise securities accounted for the highest proportion at 56.0 percent. Other investments in securities consisted of debt securities issued by governments and foreign state enterprises, private debt securities, marketable and non-marketable equity securities.

Government securities are held as part of the Bank's liquidity risk management and can be counted as liquidity assets under the Liquidity Coverage Ratio (LCR) guidelines set by the BOT. It can also be used as collateral for borrowing money from the BOT and used to meet obligations with government agencies, civil service agencies and selling of securities transactions with repurchase agreements.

The Bank and subsidiaries invested in equity and debt securities according to the following details:

Unit: Million Baht

	As of December 31,					
	2022		2021		2020	
	Amount	Portion	Amount	Portion	Amount	Portion
Debt:						
Government and state enterprises	518,587	56.0	482,201	54.2	486,889	59.6
Non-government and state enterprises	302,900	32.7	298,672	33.6	236,325	28.9
<u>Less</u> allowance for expected credit losses	91	0.0	11	0.0	7	0.0
Total debt	821,396	88.7	780,862	87.8	723,207	88.5
Equities	103,791	11.2	107,116	12.0	93,205	11.4
Net investments in associates	1,421	0.1	1,329	0.2	911	0.1
Total	926,608	100.0	889,307	100.0	817,323	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 but 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:

Unit: Million Baht

Type	As of December 31,	
	2022	2021
Land	41,016	41,429
Premises	12,468	14,100
Equipment	3,201	3,784
Right-of-use assets	4,256	4,947
Leasehold improvement	149	239
Others	803	481
Total	61,893	64,980

Investment Policy in 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 the problematic debts. However, the Bank's investment must be in accordance with the 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 a financial business 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	Provide financial transaction services within the scope of Thai commercial banks.
Companies in Bangkok Bank Financial Business Group		
Bangkok Bank Berhad	Bank	Operate a commercial bank business as a registered company in Malaysia.
Bangkok Bank (China) Company Limited	Bank	Operate a commercial bank business as a registered company in China.
PT Bank Permata Tbk	Bank	Operate a commercial bank business as a registered company in Indonesia.
Bualuang Securities Public Company Limited	Securities	Operate securities business in various fields 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	Operate a mutual fund management business consisting of mutual fund management, private fund management and provident fund management.
Sinsuptawee Asset Management Company Limited	Asset management	Operate a classified asset management business and manage problematic debts that have been transferred from Bangkok Bank. The company may be further developed by adding value to those assets before distribution.
Bualuang Ventures Limited	Venture capital	Operate an investment business in partnership with high growth potential business owners by providing financial support and advice so that the business can grow quickly.
BBL (Cayman) Limited	Investment company	Provide 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	Provide leasing property, hire purchase, car rental, factoring and other related services.
BBL Nominees (TEMPATAN) SDN. BHD.	Supporting business	Support 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	Operate 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		Computer service	50	50	30
PT Honest Financial Technologies	Associated company	Finance company	635	635	28.41
BCI (Thailand) Company Limited	The Bank indirectly holds the shares via PT Bank Permata Tbk Capital	Computer programming activities (except webpages and networks programming activities)	530	530	22.17
National ITMX Company Limited	Associated company	Electronic transactions between financial institutions	50	50	12.55



Bangkok Bank Public Company Limited Investment in companies at 10 percent or more of paid-up capital as at December 31, 2022

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
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
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, The People's Republic of China Tel. (86-21) 2329-0100 Fax. (86-21) 2329-0168	Bank	-	-	100
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
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
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 1 st , 2 nd , 21 st -30 th Floor, Jl.Jend. Sudirman Kav.29-31, Jakarta 12920, Indonesia Tel. (021) 7728-9928 Fax. (021) 7728-9928	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
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. 0-2674-6488 Fax. 0-2679-5995-6	Asset management and private fund	Common	749,996	75
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 Centre 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 10300 Tel. 0-2029-0290 Fax. 0-2029-0291	Computer services	Common	149,985	30
13	BCI (THAILAND) CO., LTD. 5/13 Moo 3, 4th Floor, Chaengwattana Road, Khlongkluea, Pakkret, Nonthaburi 11120 Tel. 0-2029-0200	Computer programming activities (except webpages and networks 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 Chelermprakiat Rama 9 Road, Nogbon, Prawet, Bangkok 10250 Tel. 0-2328-1032 Loc. 49 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	NATIONAL ITMX CO., LTD. NATIONAL ITMX CO., LTD. 5/13 Moo 3, Chaengwattana Road, Khlongkluea, Pakkret, Nonthaburi 11120 Tel. 0-2558-7555 Fax. 0-2558-7566	Electronic transactions between financial institutions	Common	62,733	12.55
17	ALPHATEC ELECTRONICS PCL.^{/3} 179/74-80 Bangkok City Tower 15 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2210-0593-6 Fax. 0-2210-0597	Electronics components manufacturing	Common	326	12.34
18	CONTOUR PTE. LTD. 138 Market Street, #05-01 CapitaGreen, Singapore 048946 Tel. (65) 8299-2305	Business services	Preference Series A	16,252	11.68
19	SEACON DEVELOPMENT PCL. 55 Srinakarin Road, Nongbon, Prawet, Bangkok 10250 Tel. 0-2721-8888 Fax. 0-2721-8976	Rental space, building and shop	Common	574,000	10.00
20	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, 0-2634-6763 Fax. 0-2636-1406	Leasing	Common	6,340,000	10.00



No	Company	Type of Business	Type of Shares	No. of shares held	% of Company's Paid-up Capital
21	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	10.00
22	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
23	THAI ODAYASHI 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
24	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, 0-2163-6422	Leasing	Common	60,000	10.00
25	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	Consulting and investment	Common	200,000	10.00
26	BANGKOK SMBC CONSULTING CO., LTD. No.1 Q House Lumpini Building, 16 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
27	UNITED SILO & SERVICE CO., LTD. 177, 9 th Floor, Rajawongse Road, Chakrawad, Samphanthawong, Bangkok 10100 Tel. 0-2225-0200 Fax. 0-2224-5670	Services	Common	200,000	10.00
28	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
29	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
30	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
31	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
32	WONGPAITON GROUP PCL./² 686 Ekkachai Road, Bangbon, Bangbon, Bangkok 10150	Sport products manufacturing and export	Common	86,826,816	10.00
33	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 business	Common	400,000	10.00
34	FUCHS CAPITAL PARTNERS PTE. LTD. 112 Robinson Road, #14-04, Singapore 068902 Tel. (65) 6576-5555 Fax. (65) 6576-5592	Alternative investment management company	Class B Shares	400,000	10.00
35	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
36	QUALITY INN CO., LTD. 137/10 Sukhumvit 9 (Soi Ruanchit), Sukhumvit Road, North Klongtaey, Wattana, Bangkok 10110 Tel. 0-2255-4661-4 Fax. 0-2255-4660	Hotel and restaurant	Common	200,000	10.00
37	BSS HOLDINGS CO., LTD. 21 TST Tower, 19th 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
38	PERENNIAL HC HOLDINGS PTE. LTD. 8 Shenton Way, #36-01, AXA Tower, Singapore 068811 Tel. (65) 6602-6800 Fax. (65) 6602-6801	Real estate development	Common	18,748,000	10.00
39	CSIAM SOLAR GENERATION PCL. 89 Moo 11, Ban Tan, Bamnet Narong, Chaiyaphum 36220	Solar farm and electricity production and distribution	Common	1,111,111	10.00
40	THAI DIGITAL PLATFORM SOCIAL ENTERPRISE 150 Rajbophit Road, Ratchabophit Temple, Phra Nakhon, Bangkok 10200 Tel.0-2018-6902	Web hosting	Common	100	10.00
41	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

Remark: ^{/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 8, 2022 (Record date)

No	Name of Shareholder	Number of Shares	Percentage of Total Shares
1	THAI NVDR COMPANY LIMITED	410,824,402	21.52
2	SOCIAL SECURITY OFFICE	75,559,600	3.96
3	CITY REALTY CO., LTD.	48,330,900	2.53
4	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	42,429,700	2.22
5	THE BANK OF NEW YORK MELLON	37,251,089	1.95
6	BANGKOK INSURANCE PUBLIC COMPANY LIMITED	34,287,030	1.80
7	STATE STREET EUROPE LIMITED	34,079,780	1.79
8	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	30,623,737	1.60
9	MORGAN STANLEY & CO. INTERNATIONAL PLC	26,051,323	1.36
10	STATE STREET BANK AND TRUST COMPANY	25,690,400	1.35
	OTHERS	1,143,714,933	59.92
	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, 2022

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, 2022

Type of Bonds	Interest Rates	Maturity	Amount (Million)	Credit Rating Moody's/S&P/Fitch Ratings
Senior unsecured notes	5.000%	October 3, 2023	USD 500	Baa1/BBB+/BBB
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
Subordinated notes	9.025%	March 15, 2029	USD 449.825	Baa2/BBB/BB+
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 payment 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' meetings.



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 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, 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

In the past year, the lives of people around the world started to return to normal and the borders of many countries began to open once a large proportion of their populations had been vaccinated. However, the global economy still faced a new challenge – the rise in prices of goods due to the acceleration of purchase orders after the business sector and the tourism



sector began to recover. This resulted in various central banks starting to prioritize stabilizing inflation by gradually increasing policy interest rates and reducing excess liquidity in the global financial system. This created volatility in the global capital and financial markets.

The war between Russia and Ukraine made it more difficult for central banks to resolve the inflation problem. This war resulted in sharp increases in oil, energy, food, and commodity prices in early 2022, exacerbating inflationary pressures which were the highest in 40 years. It was necessary for central banks to accelerate policy interest rate rises which created further fluctuations in the global capital and financial markets leading to a rapid decline in asset prices in 2022.

By the end of 2022 goods prices had started to decline to the same level as at the beginning of the year. However, high inflation took root in economies around the world. This could lead central banks to raise policy rates further in 2023 and maintain policy rates at high levels for extended periods of time which could cause various economies to stagnate or enter recession. This will affect global trade and Thai exports going forward.

Geopolitical uncertainty is another risk affecting the global economy. In Europe, the war between Russia and Ukraine has been going on for a year and the situation could decline further. In Asia, the trade war between the United States and China, which began in 2018 under former US President Donald Trump's administration and continued under President Joe Biden, escalated after a trip by US political leaders to Taiwan in mid-2022. In the coming quarters, the Bank will continue to closely monitor the US-China relationship and assess the potential impact on Thailand and elsewhere.

Climate change is another major concern that could destabilize the world economy. As scientists express more serious warnings about global warming, corporations have begun to evaluate the potential impacts on their business outlook and their existing operations. Extreme weather events can potentially affect a firm's assets; for example, storm damage to a warehouse could halt production and leave the company unable to generate income. The United Nations climate change conference, COP27, was held in November 2022 to discuss the threat of climate change and find solutions. During the discussions, which involved over 200 nations, governments

pledged they would seek to phase out coal usage (the most polluting source of energy) and aim to keep the rise in temperatures since the industrial revolution under 2 degrees Celsius. In addition, China aims to reach carbon neutrality by 2060. Nevertheless, coal remains China's primary source of energy, and China was one of the parties supporting a change to the Glasgow Climate Pact that stated we should limit rather than abolish our use of coal. Meanwhile, Thailand has set a carbon neutrality goal of 2065 – 2070 but has made no commitments to reduce coal usage, limit methane emissions, nor reduce the use of internal combustion engines.

To manage risks stemming from 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, 2022, the Bank and its financial business group had adequate capital for such buffers.

The Leverage Ratio guidelines, which will take effect in 2023, 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 by the Basel Committee on Banking Supervision (BCBS) and/or any other regulators which the BOT is considering adopting in Thailand, such as Counterparty Credit Risk and the Countercyclical Buffer, and guidelines expected to be enacted by the BCBS in the future such as Basel III: Finalizing Post-crisis Reforms. These guidelines 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, 2023, TFRS was revised to align with IFRS (Bound Volume 2022). 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 and transfer 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 loan.

A major risk factor in 2021-2022 was the Covid-19 crisis. Even though major economies have provided adequate levels of vaccines and there have been reports of effective drugs to treat Covid-19, the global economy and the Thai economy remain sensitive to the risk of pandemics and virus mutations, which will affect people's daily lives and economic activities, such as tourism and export sectors. As a result, the world economy and the Thai economy in the next phase may not be able to fully recover and return to full expansion.

The Thai economy remains at high risk because it still depends on the tourism and export sectors that were severely impacted by the Covid-19 crisis. Alongside global economic and social factors, lifestyles have changed. For instance, the increasing reliance on digital technology has resulted in a decline in Thailand's competitiveness, as Thailand is in the digital technology development period and has a shortage of people skilled in technology. Furthermore, the Covid-19 pandemic has continued to pressure private consumption, due to high household debt and low purchasing power. Therefore, the Thai economy in the next phase will depend primarily on government consumption and investment.



The **2023 global economy** is at risk of entering a recession and the global trade situation is likely to slow down from the impact of rising inflation, the Covid-19 crisis, and geopolitical conflicts. Moreover, many governments have begun to withdraw the stimulus measures which were used to support the economy during the Covid-19 pandemic, and to raise interest rates to deal with inflation.

The Thai economy is likely to recover from the pandemic crisis, underpinned by the export sector that benefited from Thai Baht depreciation, as well as the tourism sector that is likely to improve. However, the export sector in 2023 is also under pressure from semiconductor shortages, which is an important component in the automotive industry, and the electrical and electronics industries. The tourism sector is also pressured by inflation that can affect tourist travel.

In addition, inflation levels above normal will require central banks around the globe to maintain high policy interest rates or increase them. This will affect vulnerable debtors, especially those affected by the Covid-19 crisis and which have not yet recovered to normal. The export sector, an important sector for the Thai economy faces, risks from the slowdown in global trade volumes, due to global economic conditions despite the positive effects of the baht's depreciation. Furthermore, the withdrawal of government stimulus measures is a risk to the Thai economy in 2023.

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 effectiveness of stress testing 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 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 of the Bank's financial group and to the Bank's Board of Directors 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, are disclosed in the Management Discussion and Analysis section of this report.

In addition, Thai Financial Reporting Standard No. 9 "Financial Instruments" (TFRS 9) was adopted from January 1, 2020, replacing the incurred loss model or provision reserved for damages that have occurred, with an expected loss model or provision reserved for expected damage that may occur. This new model means that although a debtor may not yet become 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 and may result in changes to the Bank's provisioning in any period of time even though the overall asset quality of the Bank is unchanged.

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.



This classification from 2020 onwards has been amended to 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 started to 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 conflict which is disrupting the global supply chain and causing higher inflation. Furthermore, Covid-19 infections still continue to be around and may delay the recovery of the economy. Ultimately, the uncertainty may lead to an economic downturn in Thailand and affect the overall credit quality of the commercial banking system. The Bank continues to maintain close control of credit underwriting and risk management and sets aside the appropriate level of provisioning against expected credit loss. This will enable the Bank to handle credit demand and economic volatility while supporting the recovery of economic activities going forward.

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 and transfer 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 to ensure that the diversification in the portfolio will support the Bank's solid business growth.

For country and transfer 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 monitors, reviews and reports exposures and business conditions of every major country regularly 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 has been recovering at a slower pace in 2022, due to persistent high inflation triggered by high energy prices. It started with supply chain disruptions since late 2021 which inflated the cost of goods at a time when several economies began to recover from pandemic recession. Then the Russia-Ukraine war and sanction measures that emerged since early year disrupted gas and food supplies and sent those prices sharply higher. Inflation rates started to accelerate in many countries and surged to levels not seen in decades. Central banks tightened their monetary policies by raising interest rates continuously to combat inflation. The central banks from the advanced economies led by the Fed, ECB and BOE, chose to raise their interest rates aggressively several times this year, causing concerns about derailing the economic growth. The global economic recovery was also hampered by China's economic weakness caused by a series of lockdown in major cities on the back of the Zero-Covid policy and the real estate sector struggling from the liquidity crunch. All these factors caused high volatility in the financial markets this year.

Risk factors which need to be monitored going forward include (1) Russia-Ukraine tension being further prolonged (2) persistent high inflation rates in many countries across the globe (3) higher government debt and a worsened fiscal position in many countries on account of higher borrowing costs (4) slowdown in China's economic growth and (5) global economic recessions due to aggressive rate hikes by major central banks. These factors will affect the recovery of Thai economy and increase the volatility of international fund flows and the financial markets, which could subsequently cause higher volatility in exchange rates, interest rates, security prices 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.

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. VaR is a statistical technique for estimating the 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 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 339 million as of December 31, 2021.

(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 one percent.

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 percent interest rate increase on the Group's NII as at December 31, 2022 and December 31, 2021 was as follows:

Currency	Unit: Million Baht	
	Dec 31, 22	Dec 31, 21
THB	-805	-1,658
USD	2,330	1,122
OTHER	739	665
Total NII Impact	2,264	129

(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 deposit base especially low-cost deposits and retail deposits, and provision of digital deposits via e-Savings account. In addition, the shift of customers' investment behavior towards searching for yields, supplemented by the growth of corporate bond issuance, has absorbed some money from the banking system.

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 2022 was 271 percent, which was computed from month-end LCR in the quarter. The Bank's LCR is 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 whereby the stress scenarios incorporate both internal and external liquidity risk factors. Liquidity-risk stress scenarios can be classified into three categories: (i) bank-specific crisis, (ii) market-wide crisis, and (iii) 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 2022 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 are:

- 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 are:

- 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 Bank's systems, in terms of their capability, their complexity and the adoption of technology for the Bank's business operations; the issue of system and data security, especially personal data; the accuracy and completeness of data processing; personnel knowledge of new technologies and development of competency in using new technologies; and the adequacy of the Bank's personnel regarding IT risk awareness and understanding, including malicious and inadvertent insiders. 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; regularly building awareness and understanding of cybersecurity with staff and customers; developing contingency 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, 2022 and December 31, 2021 were as follows:

	Unit: Million Baht	
	Dec 31, 22	Dec 31, 21
Tier 1 capital	471,366	457,469
Common Equity Tier 1 capital	447,590	433,699
Additional Tier 1 capital	23,776	23,770
Tier 2 capital	104,108	102,957
Total capital	575,474	560,426

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 within an acceptable risk framework, as well as to meet regulatory requirements and market expectations.

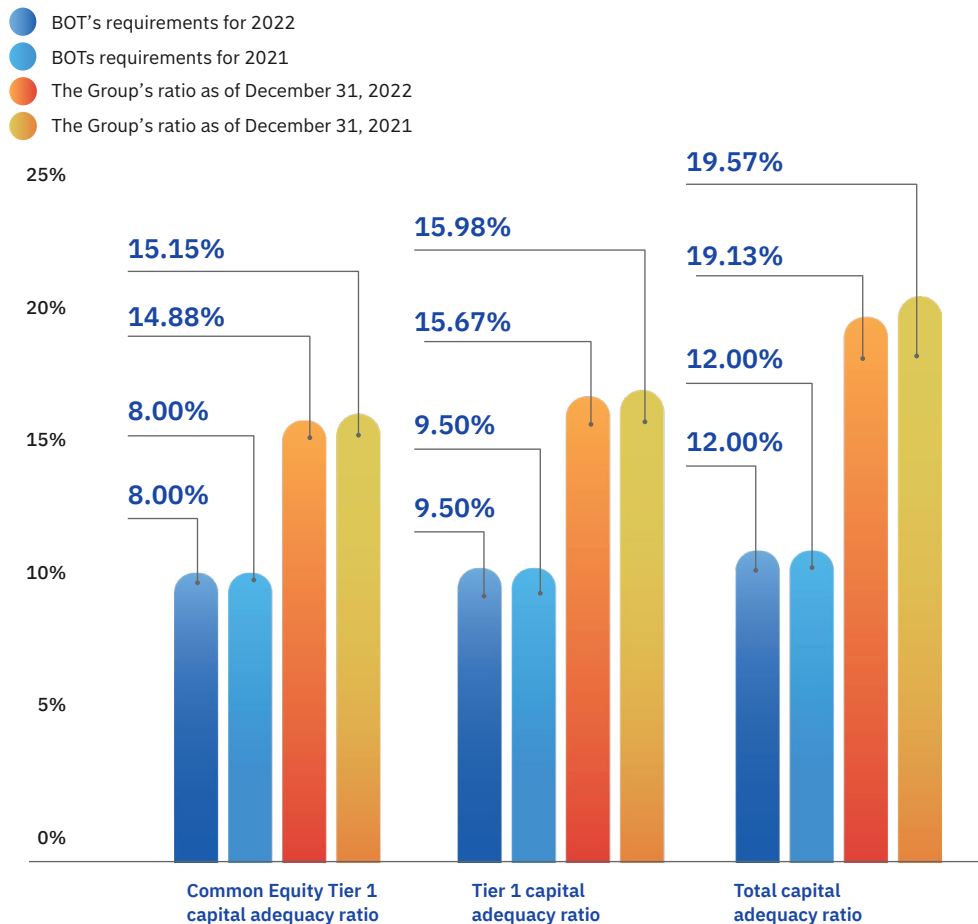
In compliance with the BOT's supervisory review process guidelines, the Bank's capital management process assesses the overall risk and capital adequacy under the Internal Capital Adequacy Assessment Process (ICAAP). The process covers projected assessments of all substantial risks to the Bank's operations, 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, 2022, the Group's Common Equity Tier 1 capital adequacy ratio, its Tier 1 capital adequacy ratio and its total capital adequacy ratio were 14.88 percent, 15.67 percent and 19.13 percent, respectively, whereas at December 31, 2021 the ratios were 15.15 percent, 15.98 percent and 19.57 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 Audit. 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:

1) Global Economic Concerns

The global economic slowdown is one of the main risk factors. In 2022, central banks rapidly increased interest rates to control inflation which affected countries' domestic private spending and investment and led to stagnation or recession in many regions, notably the European Union, the United States and Central and South America, which impacted the Thai export sector from mid-2022. Although inflation in those regions has slightly reduced, it remained high at the beginning of 2023, causing central banks in the US and EU to raise policy interest rates to higher-than-expected levels and maintain these high rates for a long period of time. This may affect spending and demand for goods in the global economy while causing recession in various countries going forward.

Another key risk affecting the Bank's business prospects is advances in digital technology that may change the Bank's core business model in many aspects, such as payment and financial advisory. Banks may face increased competition from a growing number of financial technology providers and have to deal with challenges after the Covid-19 crisis as well as from technological changes caused by increased competition from FinTechs and online platforms.

In the past few years, most people have been able to access financial technology. Customers want innovative financial services that are transparent and easy to use. Such financial technology has the potential to improve the banking business through the development of more efficient services which could lead to the penetration of larger markets while enabling people equal access to financial services.

The Bank is aware that uncertainty from global economic conditions could affect its business and that of its customers. Therefore, the Bank is closely monitoring the situation and keeping in touch with clients. This includes taking several measures to manage the risks such as forecasting economic conditions to assess the impacts from such uncertainties, assessing the Internal Capital Adequacy Assessment Process (ICAAP) activities, and setting up a business recovery plan in advance to systematically support the stability of business and prepare for any circumstances going forward.

2) EU Carbon Border Adjustment Mechanism

In order to achieve the Paris Agreement's greenhouse gas reduction targets, the European Union (EU) has stepped up its greenhouse gas reduction measures to cover emissions generated outside the EU. It plans to introduce a Carbon Border Adjustment Mechanism (CBAM) to reduce carbon emissions in countries that do not have carbon containment measures as extensive as the EU, to prevent so-called carbon leakage. The EU believes such measures will reduce the production cost disadvantage between internal and external producers of the EU in relation to carbon emissions while creating fairness in international trade and competition.

During the transition period to full implementation (January 1, 2023 – December 31, 2025), EU importers will be required to report their import volume and Scope 1 emissions of goods that emit high carbon, including cement, iron and steel, aluminum, fertilizers and electricity without paying a carbon fee. However, from January 1, 2026, onwards, importers will be required to purchase CBAM certificates to compensate for the difference between the price of carbon emissions in the



exporting country and the price in the EU carbon market (EU ETS Allowances). In the next phase, the EU may expand the scope of greenhouse gases to cover indirect emissions, Scope 2 and 3, and expand the categories of imported goods that come under such measures. It is also likely that other countries, such as the United States, may adopt similar measures in the future, and there may also be a push for carbon border adjustment to become the global norm.

The future adoption of CBAM will put significant pressure on Thai manufacturers to strictly reduce carbon emissions to maintain their ability to export goods to the EU and other major trading partners. As such, preparation is needed for Thai businesses to be able to compete in the long run. These include measuring the carbon content in production according to international standards, making investment plans to reduce carbon emissions, as well as having measures to reduce carbon in the supply chain. Businesses that adjust slowly or that do not adapt to this trend may have a lower level of competitiveness in the export market, become less attractive to foreign importers, and make less revenue and profit. Without proper precautions, these effects can increase the Bank's credit risk.

The Bank will closely monitor the development of carbon border adjustment measures; assess the risks and impacts of its loan customers, both in the short and long term; develop loan products that support the transition to low-carbon production; educate and advise clients on carbon reduction methods, including carbon trading credits; and continue to study and develop its climate change risk assessment framework. These will help the Bank and its customers to cope with the changes that are taking place, turn challenges into business opportunities, reduce the risk of climate change, and strengthen good relations between the Bank and its customers.

3) Building Capabilities to Address Emerging Technology Risks

Rapid technological advancements along with the adoption of emerging technologies in the development of products and services are creating changes for both service providers and users. It creates convenience of use, more efficient operations, access to appropriate information tailored to customer needs, and creates a competitive advantage in business as well. Capability building for an in-depth understanding of technology is an important factor along with enabling the efficient use of technology. Capability building also reduces the risks to users or organizations from failures in implementing the technology, misuse of technology, or misunderstanding of technology. Service providers play an important role in educating users to prevent identity theft or fraud from threat actors which take advantage of gaps in their understanding of technology, putting their services and users at risk.

Not updating technology in time is another risk factor that creates potential risk from threat actors which adopt advanced technology and develop their capabilities to attack an organization. The organization may not have the ability to detect or prevent the threat in a timely manner. On the other hand, data plays an important role and is used to analyze, model, and make complex and personalized decisions in implementing new technologies. This must be done in conjunction with data security management to ensure efficient use of technology and protection for the data owner, which will lead to the utmost benefit to customers and society.

Another risk comes with the expansion of the current ecosystem, or business ecosystem, due to connections and supply chains with external parties in both the business and technology areas. When there is a risk to another entity in the supply chain, there is an impact on the service provision as well as cyber risks. Such impacts will be conveyed through inter-agency linkages, which will require additional cross-agency risk management reviews.



The Bank is developing approaches and tools to assess the risks associated with such emerging technologies. It will continue to regularly monitor and assess the materiality of emerging threats from technology and will proactively enhance technology risk management capabilities to mitigate these risks. The Bank invests in strong IT risk management capabilities. Cybersecurity and IT Systems Integrity aims to ensure IT systems and networks remain true to their intended function, prevent intrusion by unauthorized actors, minimize human vulnerabilities in systems security, and actively searches for threats inside and outside the Bank's systems; IT Continuity and Resiliency aims to detect and contain IT system failures or breaches, while backup and recovery systems aim to reduce the data stolen, manipulated or lost regardless of the underlying causes, and accelerates the recovery of operations and data. Furthermore, the Bank makes continuous efforts to maintain the security of personal information and protect it from manipulation, forgery, and irresponsible access and disclosure. The Bank has likewise stepped up measures to protect its customers' personal information as well as the Bank's own information. With these capabilities in place, the Bank can continue to operate safely and securely in an evolving digital environment.

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

In 2022, the Covid-19 situation in Thailand and around the world began to ease with economic and social activities gradually returning to normal. However, global and local economic challenges remained, particularly those related to geopolitics, global supply chain issues, the high inflation rate level and tight monetary policy – all of which may affect economic growth, business operations, and people's livelihoods. Additional challenges were posed by ESG-related factors, such as climate change, pollution, inequality, increasing household debt, which has been accelerating since the Covid outbreak and lasting up until now, while regulations and measures imposed by the government to encourage the business sector to be socially and environmentally responsible may present business risks and opportunities. Given that these factors may affect us and our clients, we are placing great emphasis on good governance, comprehensive risk management, and identifying new business opportunities by developing products and services which meet the needs of our customers. This will enable us to respond more effectively to changes in the business landscape in an appropriate, timely manner and help our customers, society and the country to sustainably grow with us.



We are committed to creating value for a sustainable future alongside our stakeholders. We demonstrated our commitment to sustainability by signing the Thai Bankers' Association's ESG Declaration which sets a clear direction for how the banking industry can address key ESG challenges, raise awareness about sustainability among stakeholders and help to facilitate Thailand's transition toward more sustainable economic growth. Therefore we also take into account ESG risks and opportunities such as climate change, diversity and human rights, financial inclusion, and inequality. We also showcased our sustainability-related projects at the Sustainability

Expo 2022 and APEC 2022. These collaborations with our stakeholders reflect our commitment to be a sustainable bank and our support of Thailand's sustainable development.

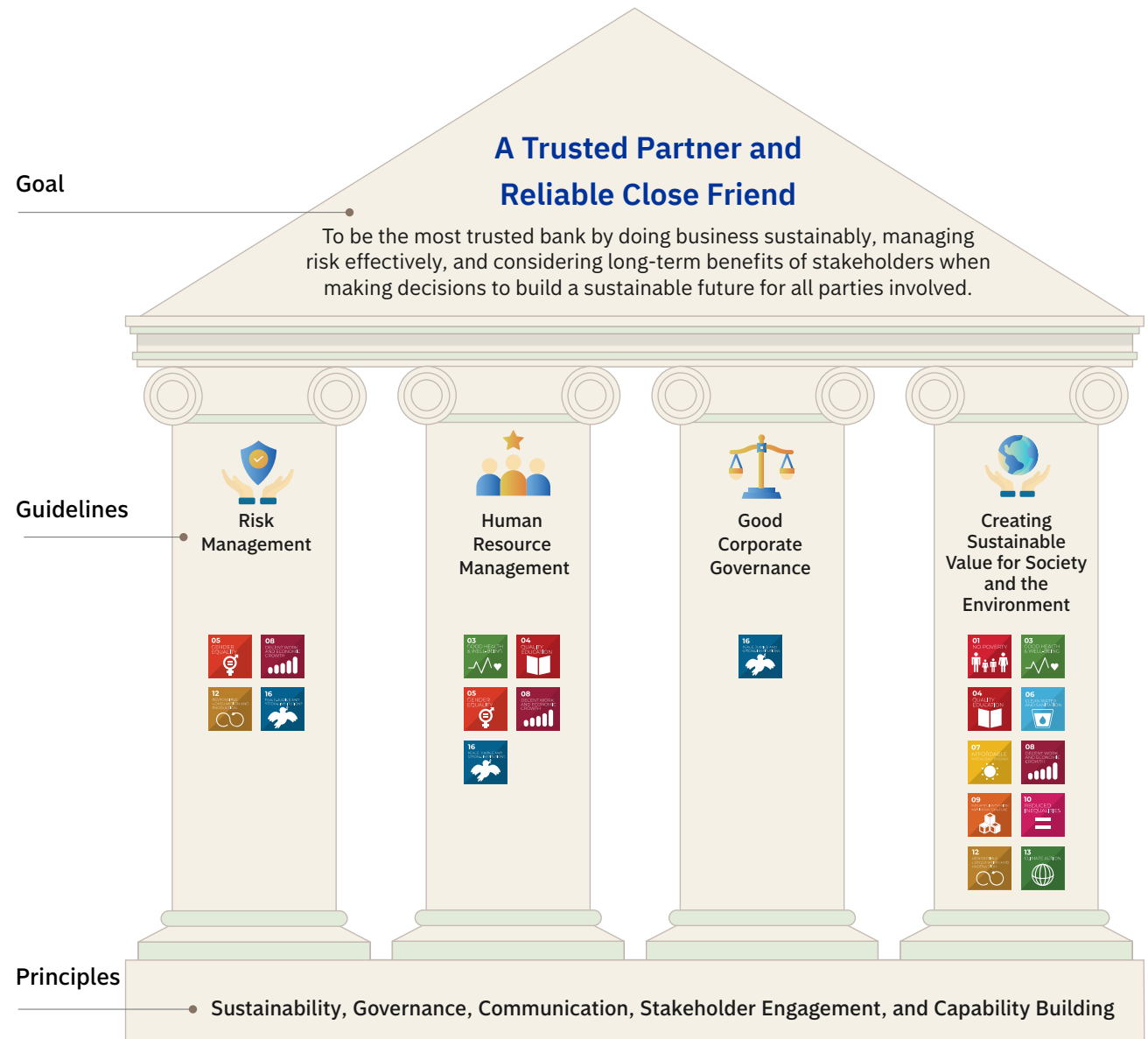




3.1 Sustainability Management and Policy

On our journey to be a sustainable bank, we have established a sustainability policy that is appropriate to our business, aligned with our sustainability strategies, and that covers materiality issues identified through our stakeholder engagement process. We have established clear commitments, key performance indicators (KPIs) and short-term and long-term targets for each materiality issue to ensure our undertakings are systemetic, ongoing with a clear direction.

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 and the monitoring and the assessment of business opportunities resulting from economic, social and environmental changes, 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 capability 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 the Bank to effectively cope with challenges and changes and create long-term value for all stakeholder groups.





To achieve our sustainability goals, the Bank established a clear sustainability governance structure by delegating the Corporate Governance Committee to develop our sustainability practices, ensure that our business operations are in line with the sustainability policy and strategies, monitor the progress of overall operations, and report them periodically to the Board of Directors. In addition, the Bank has assigned the sustainability team, under the Office of the President, to develop plans and drive sustainability practices to achieve its sustainable development goals by communicating, supporting and collaborating with relevant parties inside and outside the organization.

Sustainability Guidelines	Materiality Issues		UN Sustainability Development Goals
BE RESILIENT	Risk and Crisis Management		
BE RESPONSIBLE	Sustainable Finance		
	Financial Inclusion		
	Financial Literacy		
	Community Development		
	Mitigation of Environmental Footprint and Climate Impact		
BE CUSTOMER CENTRIC	Digitalization and Innovation		
	Customer Relationship Management		
	Cybersecurity and Customer Data Privacy Protection		
BE CARING	Talent Attraction and Development		
	Employee Welfare and Well-Being		
BE ETHICAL	Corporate Governance		
	Code of Conduct		
	Human Rights		
	Supply Chain Management		



Economic



Social

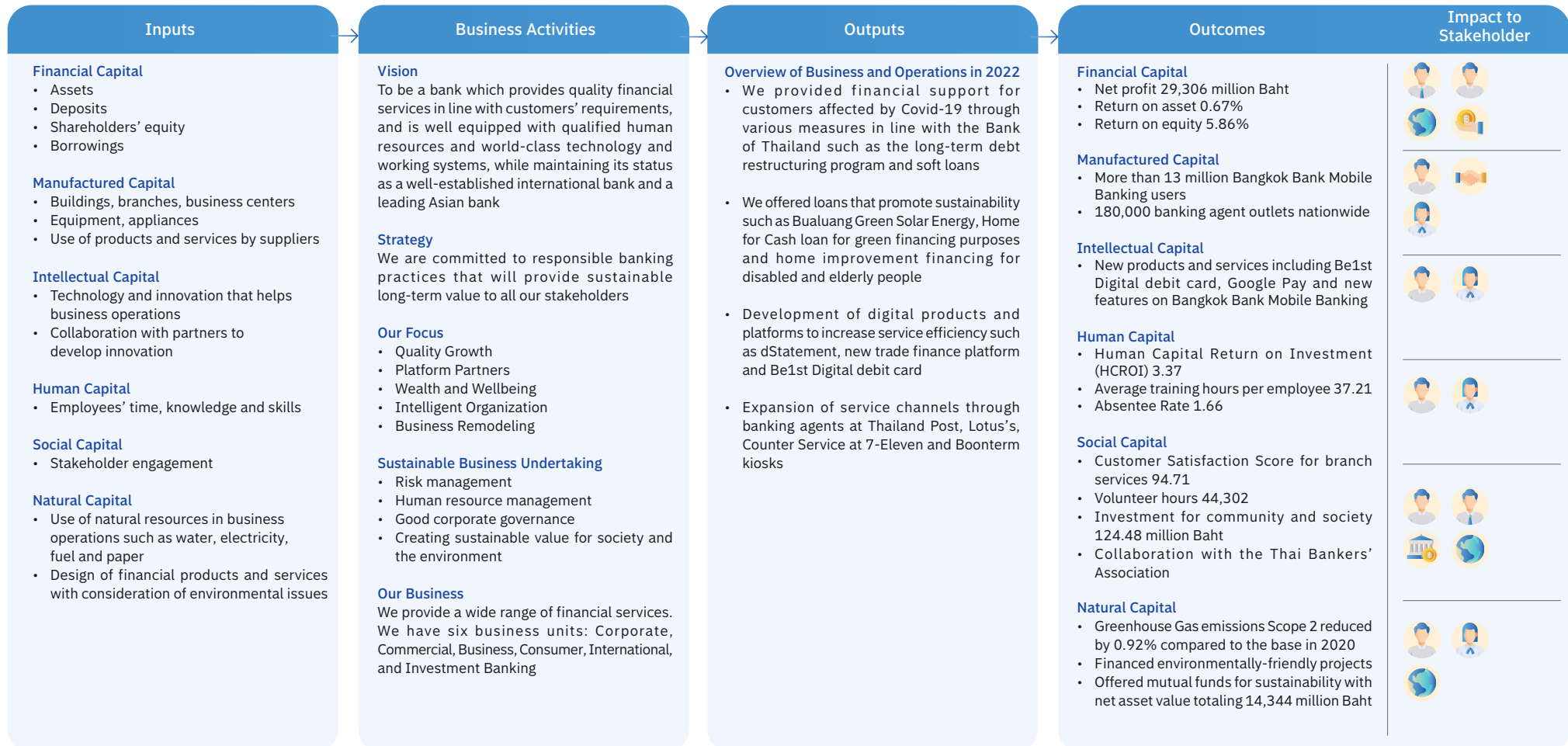


Environment



3.2 Managing the Impact on Stakeholders in the Business Value Chain

We have identified six types of capital, namely financial capital, manufactured capital, intellectual capital, human capital, social capital, and natural capital to deliver our sustainable performance. By considering both positive and negative impacts that may affect stakeholders across the value chain, we ensure that the Bank responds to the needs and creates sustainable value for all stakeholder groups.

Shareholders
and Investors

Customers



Employees



Suppliers



Creditors

Other Financial
InstitutionsCommunity, Society
and Environment



We prioritize stakeholder engagement across the value chain by providing opportunities for stakeholders to share their opinions and suggestions through our communication channels and activities. Their feedback helps us to improve our product and service quality as well as other aspects of our operations. Moreover, without discrimination, we prioritize the voice and rights of all stakeholder groups consisting of: 1) Shareholders and investors, 2) Employees, 3) Customers (business and individual), 4) Suppliers (suppliers, outsourced service providers and contractors), 5) Creditors, 6) Financial institutions, and 7) Community, society and environment, including regulatory authorities, civil society and mass media. In addition, we promote and support our stakeholders to help drive Thailand to achieve its sustainable development goals by continuously organizing educational training and providing information about sustainability via the Bank's public channels. This is in line with our commitment to creating value across economic, social and environmental dimensions in a balanced and sustainable way.

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 giving priority to energy conservation, reduction of greenhouse gas emission 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 our partners and experts to help communities tackle environmental issues and cope with climate change.

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 above pre-industrial levels to prepare ourselves to be part of the efforts to drive Thailand toward carbon neutrality within 2050 and net zero emissions within 2065 as the Prime Minister had pledged during the Climate Change Conference of the Parties (COP 26). 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 Products and Services to Mitigate Environmental and Climate Change Impacts

- Provided green loans to support the use of renewable energy innovation to reduce negative environmental impacts and conserve resources. These included: **Bualuang Poonphol Loan** for green and sustainable home improvements such as the installation of

solar rooftop systems; **Bualuang Green Loan** for SME investing in renewable energy systems, reuse and recycling of waste and the use of biomaterials to replace chemicals; **Bualuang Green Solar Energy Loan** for SME investing in the installation of solar cell systems on buildings; and **Project Finance** for investments in 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 businesses and innovations that sustainably conserve the environment such as clean energy, electric vehicles, circular economy, waste management, and energy storage. We also provided fundraising to support green finance projects in Thailand and the region and we underwrote the majority of green bonds and sustainability-linked bonds issued in Thailand.
- Developed products and services such as investments, bill payments and opening e-Savings accounts via Bangkok Bank Mobile Banking app to reduce environmental resources that were required to conduct transactions at branches.

2. Reducing Energy and Resources Usage and Greenhouse Gas Emissions from the Bank's Operations

- Replaced and upgraded equipment to increase energy efficiency and to more effectively use resources at our offices and branches nationwide. For example, we replaced old air conditioners, replaced lighting with LED light bulbs, upgraded sanitaryware with water-saving features and



upgraded bathroom accessories to be operated by automatic sensor.

- Strengthened our digital workplace by adopting digital technology that enables employees to work remotely and flexibly while reducing paper use and travel.

3. Building Awareness and Supporting Environmental Projects

- Developed training courses to build employee awareness and understanding of energy and environmental conservation and waste separation at the Bank which they can adopt in their daily lives to promote the efficient use of resources and the reduction of waste volume both at home and at work.
- Organized Bualuang Save the Earth: Reduce, Reuse, Recycle campaign which focuses on systematic waste management from the beginning to the end of the process. The objectives are: 1) Preserve the environment, reduce waste generation and promote the efficient use of resources by reusing or recycling, 2) Raise awareness about the efficient use of resources and waste separation in daily lives, and 3) Promote cooperation among employees.
- Supported the Utokapat Foundation Under Royal Patronage of H.M. the King to promote the management of water resources to increase the wellbeing of communities. As part of this we founded the Natural Museum of Community Water Management, a center that teaches about King Rama 9's sustainable management policies and

shares experiences from successful communities with others. In addition, we continued the Bualuang Joins the Community to Solve Drought Project to build a cooperative network and develop knowledge on sustainable water management in drought-prone areas, improve existing water sources, find new water storage facilities, and provide water for villagers' consumption and agriculture.

- Joined the Carbon Offsetting Program organized by the Thailand Greenhouse Gas Management Organization for the voluntary reduction of greenhouse gas. To offset total carbon emissions from our Silom Head Office Building, we purchased carbon credits from BCPG renewable energy development project to generate renewable energy from solar cells totaling 10,038 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 and we continuously improve our database to ensure that the quality and completeness of data is sufficient for analyzing, planning and managing our environmental impact and energy use. 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 the Sustainability Report to ensure our data performance is reported accurately and in accordance with local and international standards.

Sustainability Performance in the Environmental Dimension

	Greenhouse Gas Emissions (Scope 1)	21,771.02 Tons of Carbon Equivalent (CO ₂ e)
	Greenhouse Gas Emissions (Scope 2)	60,632.55 Tons of Carbon Equivalent (CO ₂ e)
	Energy Consumption	163,610.82 Megawatt-Hours
	Water Consumption	0.50 Million Cubic Meters
	Greenhouse Gas Emissions from Air Travel for Business Purposes	247.36 Tons of Carbon Equivalent (CO ₂ e)
	Participation of Employees in Energy Management in Buildings Courses on BBLearn	14,776 Employees

3.4 Sustainability Management for the Social Dimension

We are committed to creating value for communities and society, promoting equal opportunities and supporting a good life for people in Thai society to continuously create positive impacts. This includes 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 strongly and 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, 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. The goal is to reduce inequality gaps and build wellbeing for everyone in society while creating business opportunities for the Bank.

We consistently provide financial knowledge to build awareness and understanding about financial planning, effective savings methods, debt management, forms of financial fraud, investment and risk, and the benefits of financial products. To encourage financial inclusion, we introduce products and services that are tailored to fit different lifestyles and usage such as banking agents across Thailand which benefit people in remote areas and people who are not able 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, personal loans for SME, and loans for retired state servants and farmers.

We promote debt management for sustainable savings by collaborating with Noburo, a social startup, to organize the Unlocking Debt - Happy Retirement event for employees of participating companies. This teaches about personal finance, including financial planning, to foster good financial habits, develop sustainable savings habits, and help them get out of debt. We expect the program to lead to a better and more sustainable

lifestyle for employees and to inspire people in debt to overcome their problems and start accumulating sufficient savings for a healthy retirement.

2. Responsibility towards Customers

We adhere to responsible banking practices by respecting the basic rights of our customers. We have established guidelines for market conduct which includes introducing financial products and services to customers in a comprehensive, accurate, clear and appropriate manner which is in line with their needs without distortions, exploitation or coercion. In addition, we regularly monitor the compliance of employees with market conduct guidelines. To ensure customer data privacy is protected and the rights of data owners are respected, we strictly follow relevant rules and regulations and clearly communicate these so that employees at all levels can fully comply with the law in their daily operations.

3. Employee Support and Development

Employees play a significant role in our business operations and success. We are committed to providing them with a safe and happy workplace for their own physical and mental wellbeing and a healthy retirement by treating all employees equally, providing suitable and fair remuneration and providing welfare that supports their own wellbeing and the relationship with their family. We continuously organize activities that promote good health, provide occupational health and safety and support career advancement, skill development and employee empowerment.

4. Community and Social Development

We believe that sustainable development starts with strong communities and societies where people are

willing to help each other and conserve local wisdom, cultures and arts. We conduct various community and society development activities that are grounded in strong collaboration and engagement with communities, stakeholders and partners which lead to positive changes and the improved wellbeing of communities and society. Highlights include a sustainable water management project with the Utokapat Foundation, the CONNEXT ED school project, the Bualuang Korkankru project, the Modern Agriculture Project, BBL x Blood Challenge program, and Sangkeet Saranrom Performances.

5. Human Rights

We operate our business with respect for human rights. We promote best practices among stakeholders 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 endeavor to follow best practices in upholding human rights by providing equal and fair treatment of employees, complying with market conduct, not lending to activities involving child labor or forced labor, helping our suppliers to conform to labor laws, and supporting careers for disabled people. We have established a human rights policy and conduct human rights risk assessments that cover vulnerable groups, including workers who are female, underage, migrant, disabled, pregnant and senior, to ensure appropriate prevention, mitigation and remediation measures.

For more information relating to our sustainability operations, please see our Sustainability Report 2022.



4. Management Discussion and Analysis

4.1 Operating Results and Financial Position

Overall Picture of the Bank and its Subsidiaries

Unit: Million Baht

	2022	2021	Change (%)
Net profit ^{/1}	29,306	26,507	10.6%
Earnings per share (Baht)	15.35	13.89	10.6%
Net interest margin	2.42%	2.10%	0.32%
Net fees and service income to operating income ratio	19.8%	21.7%	(1.9)%
Cost to income ratio	49.7%	50.0%	(0.3)%
Return on average assets ^{/1}	0.67%	0.65%	0.02%
Return on average equity ^{/1}	5.86%	5.62%	0.24%

^{/1} Attributable to owners of the Bank

Unit: Million Baht

	December 2022	December 2021	Change (%)
Loans	2,682,691	2,588,339	3.6%
Deposits	3,210,896	3,156,940	1.7%
Loan to deposit ratio	83.5%	82.0%	1.5%
Non-performing loan (Gross NPL) ^{/1}	97,188	101,103	(3.9)%
Gross NPL to total loans ratio ^{/1}	3.1%	3.2%	(0.1)%
Allowance for expected credit losses to NPL ratio ^{/1}	260.8%	225.8%	35.0%
Total capital adequacy ratio	19.13%	19.57%	(0.44)%

^{/1} Including interbank and money market lending

In 2022, Bangkok Bank and its subsidiaries reported a net profit of Baht 29,306 million, an increase of 10.6 percent from 2021. Net interest income rose by 24.4 percent due to higher loan volume and interest rates. The net interest margin increased to 2.42 percent in line with the rising interest rate trend and the Bank's liquidity management. Non-interest income declined by 30.0 percent mainly due to lower gains on financial instruments measured at FVTPL in line with the market situation, as well as lower net fees and service income from the securities business, bancassurance and mutual funds, while fees from loan related and trade finance services increased. The cost-to-income ratio stood at 49.7 percent. The Bank set aside Baht 32,647 million in expected credit losses, a decrease of 4.4 percent from last year. This is consistent with the Bank's prudent management by taking into account global economic volatility which may affect the recovery of the Thai economy going forward.

At the end of December 2022, the Bank's total loans amounted to Baht 2,682,691 million, an increase of 3.6 percent from the end of last year, due mainly to increase in loans to large corporate customers and loans made through the international network. The non-performing loan to total loans ratio remained manageable at 3.1 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 260.8 percent.

As of December 31, 2022, the Bank's deposits amounted to Baht 3,210,896 million, an increase of 1.7 percent from the end of December 2021. While the loan to deposit ratio stood at 83.5 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 19.13 percent, 15.67 percent and 14.88 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

	2022	2021	Change (%)
Net interest income	102,223	82,156	24.4%
Non-interest income	36,672	52,385	(30.0)%
Operating expenses	69,019	67,266	2.6%
Expected credit losses	32,647	34,134	(4.4)%
Operating profit before tax	37,229	33,141	12.3%
Income tax expenses	7,484	6,189	20.9%
Net profit	29,745	26,952	10.4%
Net profit ^{/1}	29,306	26,507	10.6%
Total comprehensive income ^{/1}	20,251	50,394	(59.8)%

^{/1} Attributable to owners of the Bank

In 2022, net profit attributable to owners of the Bank amounted to Baht 29,306 million or an increase of 10.6 percent from the previous year. Net interest income increased on higher loan volume and the rise in interest rates. Non-interest income declined mainly due to lower gains on financial instruments measured at FVTPL in line with the market situation. The Bank set aside lower expected credit losses compared to the previous year. This is consistent with the Bank's prudent management approach by maintaining its reserves at an appropriate level.

Net Interest Income

Net interest income for 2022 amounted to Baht 102,223 million, an increase of 24.4 percent from the previous year, due to higher business loan volume, interest rate increase and the Bank's liquidity management.

Unit: Million Baht

	2022	2021	Change (%)
Interest income			
Loans	116,499	96,929	20.2%
Interbank and money market items	8,169	6,250	30.7%
Investments	14,420	11,133	29.5%
Total interest income	139,088	114,312	21.7%
Interest expenses			
Deposits	19,708	18,195	8.3%
Interbank and money market items	2,163	891	142.8%
Contributions to the Deposit Protection Agency and Financial Institutions Development Fund	6,800	6,500	4.6%
Debt issued and borrowings	8,194	6,570	24.7%
Total interest expenses	36,865	32,156	14.6%
Net interest income	102,223	82,156	24.4%
Yield on earning assets	3.30%	2.92%	0.38%
Cost of funds	1.02%	0.94%	0.08%
Net interest margin	2.42%	2.10%	0.32%



Bangkok Bank Interest Rate	Dec'22	Sep'22	Jun'22	Mar'22	Dec'21	Sep'21	Jun'21	Mar'21	Dec'20
Loans (%)									
MOR	6.350	6.250	5.875	5.875	5.875	5.875	5.875	5.875	5.875
MRR	6.250	6.250	5.950	5.950	5.950	5.950	5.950	5.750	5.750
MLR	5.850	5.650	5.250	5.250	5.250	5.250	5.250	5.250	5.250
Deposits (%)									
Savings	0.450	0.450	0.250	0.250	0.250	0.250	0.250	0.250	0.250
3-month Fixed	0.600	0.550	0.375	0.375	0.375	0.375	0.375	0.375	0.375
6-month Fixed	0.700	0.650	0.500	0.500	0.500	0.500	0.500	0.500	0.500
12-month Fixed	1.000	0.800	0.500	0.500	0.500	0.500	0.500	0.500	0.500
Bank of Thailand Policy Rate (%)	1.250	1.000	0.500	0.500	0.500	0.500	0.500	0.500	0.500

Non-Interest Income

In 2022, non-interest income amounted to Baht 36,672 million, a decrease of 30.0 percent, mainly from a decline in gains on financial instruments measured at FVTPL and lower net fees and service income from securities business, bancassurance and mutual funds. Meanwhile, fees income from loan-related services rose from higher business volume and fees from trade finance services increased in line with the recovery of the Thai economy from last year.

Unit: Million Baht

	2022	2021	Change (%)
Fees and service income	41,132	39,127	5.1%
<u>Less</u> fees and service expenses	13,624	9,918	37.4%
Net fees and service income	27,508	29,209	(5.8)%
Gains on financial instruments measured at FVTPL	5,155	17,868	(71.1)%
Gains (losses) on investments	(1,454)	1,225	(218.7)%
Share of profit from investment for using equity method	190	209	(9.1)%
Gains on disposal of assets	1,891	519	264.4%
Dividend income	2,307	2,252	2.4%
Other operating income	1,075	1,103	(2.5)%
Total other operating income	9,164	23,176	(60.5)%
Total non-interest income	36,672	52,385	(30.0)%
Net fees and service income to operating income ratio	19.8%	21.7%	(1.9)%

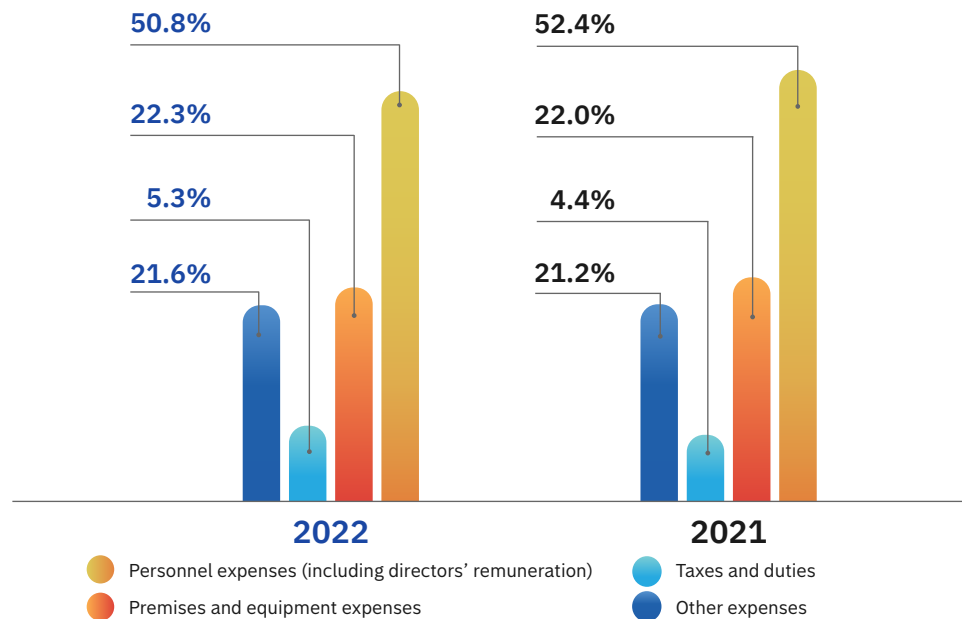


Operating Expenses

Operating expenses for 2022 amounted to Baht 69,019 million, an increase of 2.6 percent from the previous year, partly due to higher expenses for working stream development and improvement. The cost to income ratio for 2022 stood at 49.7 percent.

Unit: Million Baht

	2022	2021	Change (%)
Personnel expenses	34,794	35,003	(0.6)%
Directors' remuneration	259	264	(1.9)%
Premises and equipment expenses	15,371	14,765	4.1%
Taxes and duties	3,643	2,949	23.5%
Other expenses	14,952	14,285	4.7%
Total operating expenses	69,019	67,266	2.6%
Cost to income ratio	49.7%	50.0%	(0.3)%



Expected Credit Losses

In 2022, the Bank set aside Baht 32,647 million in expected credit losses. This is consistent with the Bank's prudent management approach by taking into account global economic volatility which may affect the recovery of the Thai economy going forward. Expected credit losses covered loans, interbank and money market items, and debt securities, which are not measured at FVTPL, as well as loan commitments and financial guarantee contracts.





Significant Items in the Financial Position

Assets

As of December 31, 2022, total assets amounted to Baht 4,421,752 million, increasing by 2.0 percent from the end of December 2021, mainly from an increase in loans.

	Unit: Million Baht		
	December 2022	December 2021	Change (%)
Net interbank and money market items	766,074	801,212	(4.4)%
Financial assets measured at FVTPL	75,036	84,341	(11.0)%
Net investments	850,151	803,637	5.8%
Net investments in associates	1,421	1,329	6.9%
Loans	2,682,691	2,588,339	3.6%
Net properties for sale	12,017	9,496	26.5%
Total assets	4,421,752	4,333,281	2.0%

Loans

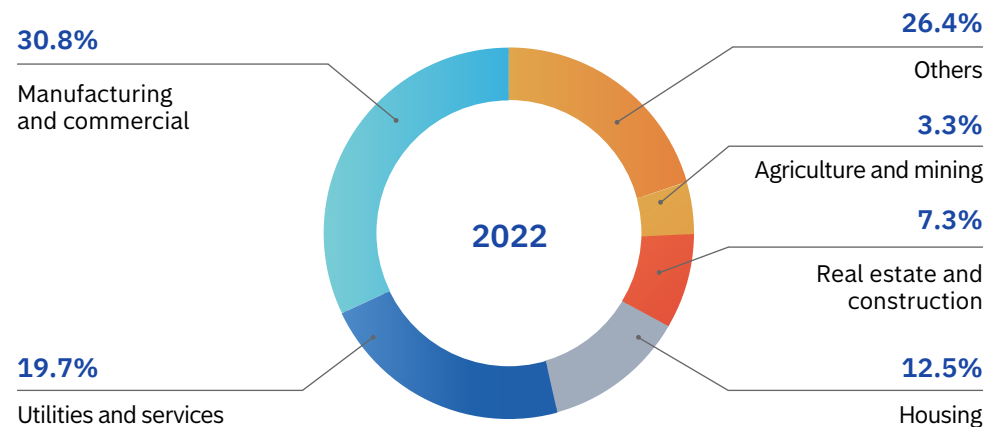
As of December 31, 2022, loans amounted to Baht 2,682,691 million, increasing by 3.6 percent from the end of December 2021, mainly from increases in loans to large corporate customers and loans made through the Bank's international network.

Loan by Business Type

The Bank and its subsidiaries had loans distributed across business sectors, with 30.8 percent in the manufacturing and commercial sector, 19.7 percent in the utilities and services sector, 12.5 percent in the housing sector, and 7.3 percent in the real estate and construction sector. The increase in loans from December 2021 was mainly driven by the others sector.

Unit: Million Baht

	December 2022	December 2021	Change (%)
Manufacturing and commercial	825,508	839,469	(1.7)%
Utilities and services	527,351	574,485	(8.2)%
Housing	336,256	324,546	3.6%
Real estate and construction	196,482	211,647	(7.2)%
Agriculture and mining	88,014	101,487	(13.3)%
Others	709,080	536,705	32.1%
Total loans	2,682,691	2,588,339	3.6%





Classified Loans and Allowance for Expected Credit Losses

Non-performing loan (Gross NPL) at the end of December 2022 was Baht 97,188 million, while the gross NPL to total loans ratio stood at 3.1 percent.

The allowance for expected credit losses was Baht 253,459 million. The allowance for expected credit losses to NPL ratio was 260.8 percent.

Unit: Million Baht

	December 2022	December 2021	Change (%)
Consolidated			
Non-performing loan (Gross NPL) ^{/1}	97,188	101,103	(3.9)%
Gross NPL to total loans ratio ^{/1}	3.1%	3.2%	(0.1)%
Net NPL to net total loans ratio ^{/1}	0.9%	1.0%	(0.1)%
Allowance for expected credit losses to NPL ratio	260.8%	225.8%	35.0%
The Bank			
Non-performing loan (Gross NPL) ^{/1}	80,991	82,820	(2.2)%
Gross NPL to total loans ratio ^{/1}	2.9%	3.0%	(0.1)%

^{/1}Including interbank and money market lending

Unit: Million Baht

	Loans and Interbank & Money Market		Allowance for Expected Credit Losses ^{/1}	
	December 2022	December 2021	December 2022	December 2021
Non credit-impaired	3,351,508	3,289,055	179,648	153,342
Credit-impaired	97,188	101,103	73,811	74,943
Total	3,448,696	3,390,158	253,459	228,285

^{/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, 2022, investments amounted to Baht 925,187 million, increasing by 4.2 percent from the end of December 2021 mostly from investments in Thai government and state enterprise securities.

The Bank and its subsidiaries had Baht 518,587 million in investments in government securities and Thai state enterprises, accounting for 56.1 percent of total investments. Foreign debt securities amounted to Baht 217,537 million, private enterprise debt securities to Baht 19,892 million, and net investment in equity securities to Baht 103,791 million.

Unit: Million Baht

Investments by Investment Holding	December 2022	December 2021	Change (%)
Trading securities	5,141	13,104	(60.8)%
Securities measured at FVTPL	69,895	71,237	(1.9)%
Debt securities measured at amortized cost	88,212	46,053	91.5%
Debt securities measured at FVOCI	672,065	667,473	0.7%
Equity securities measured at FVOCI	89,874	90,111	(0.3)%
Total investments	925,187	887,978	4.2%

Liabilities and Shareholders' Equity

Total liabilities as of December 31, 2022, amounted to Baht 3,914,610 million, increasing by 2.0 percent from the end of December 2021 due mainly to an increase in deposits.

Unit: Million Baht

	December 2022	December 2021	Change (%)
Deposits	3,210,896	3,156,940	1.7%
Interbank and money market items	262,522	288,709	(9.1)%
Financial liabilities measured at FVTPL	17,960	20,833	(13.8)%
Debt issued and borrowings	188,302	183,239	2.8%
Total liabilities	3,914,610	3,838,688	2.0%
Shareholders' equity ^{/1}	505,346	492,727	2.6%

^{/1} Attributable to owners of the Bank



Deposits

Total deposits as of December 31, 2022, amounted to Baht 3,210,896 million, increasing by 1.7 percent from the end of last year due to increases in savings and current deposits.

Unit: Million Baht

Deposits Classified by Product Type	December 2022		December 2021		Change (%)
	Amount	Portion	Amount	Portion	
Current	302,855	9.4%	273,597	8.7%	10.7%
Savings	1,708,362	53.2%	1,613,777	51.1%	5.9%
Fixed	1,199,679	37.4%	1,269,566	40.2%	(5.5)%
Total deposits	3,210,896	100.0%	3,156,940	100.0%	1.7%
Loan to deposit ratio		83.5%		82.0%	1.5%

Debt Issued and Borrowings

Total debt issued and borrowings as of December 31, 2022, amounted to Baht 188,302 million, increasing by Baht 5,063 million from the end of December 2021 due to an increase in the value of foreign-denominated debentures following the depreciation of the baht, together with the issuance of 5-year senior unsecured debentures of USD 750 million in June 2022 net of the maturity of the senior unsecured debentures of USD 800 million in September 2022.

Unit: Million Baht

Debt Issued and Borrowings Classified by Type of Instruments	December 2022		December 2021		Change (%)
	Amount	Portion	Amount	Portion	
Senior unsecured notes	85,045	45.2%	83,594	45.6%	1.7%
Subordinated notes	101,998	54.1%	98,640	53.8%	3.4%
Bills of exchange	413	0.2%	516	0.3%	(20.0)%
Others	915	0.5%	549	0.3%	66.7%
Total (before less discount on borrowings)	188,371	100.0%	183,299	100.0%	2.8%
<u>Less</u> Discount on borrowings	69		60		15.0%
Total debt issued and borrowings	188,302		183,239		2.8%



Shareholders' Equity

Shareholders' equity attributable to owners of the Bank as of December 31, 2022, amounted to Baht 505,346 million, an increase of Baht 12,619 million or 2.6 percent from the end of 2021. This was due to net profit attributable to owners of the Bank for 2022 of Baht 29,306 million, net of a dividend payment during 2022 of Baht 7,632 million which consisted of a final dividend payment for the operating performance in 2021 of Baht 4,769 million (2.50 baht per share) according to the resolution of the shareholders' meeting on April 12, 2022, and the interim dividend payment from net profit from operations in the first half of 2022 of Baht 2,863 million (1.50 baht per share), combined with a decrease in gains on translation of the financial statements of foreign operations.

Sources and Utilization of Funds

As of December 31, 2022, the Bank and its subsidiaries' primary sources of funds consisted of deposits amounted to Baht 3,210,896 million or 72.6 percent, equity attributable to owners of the Bank amounted to Baht 505,346 million or 11.4 percent, interbank and money market items on liabilities amounted to Baht 262,522 million or 5.9 percent and debt securities issued and borrowing including financial liabilities measured at FVTPL amounted to Baht 206,262 million or 4.7 percent.

The utilization of funds comprised of loans amounted to Baht 2,682,691 million or 60.7 percent, net investments including financial assets measured at FVTPL and net investments in associates amounted to Baht 926,608 million or 21.0 percent and net interbank and money market assets amounted to Baht 766,074 million or 17.3 percent.

Capital Reserves and Capital Adequacy Ratio

Under the principles of Basel III, the Bank of Thailand (BOT) 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 BOT also requires a capital conservation buffer of more than 2.50 percent. As the Bank is classified by BOT as a Domestic Systemically Important Bank (D-SIB), it must have 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, 2022, the Bank's Common Equity Tier 1 capital adequacy ratio was 14.88 percent, the Tier 1 capital adequacy ratio was 15.67 percent, and the total capital adequacy ratio was 19.13 percent, which were above the Bank of Thailand's minimum capital requirements.

**Consolidated**

Unit: Million Baht

	December 2022		December 2021		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	447,590	14.88%	433,699	15.15%	> 8.00%
Tier 1 capital	471,366	15.67%	457,469	15.98%	> 9.50%
Tier 2 capital	104,108	3.46%	102,957	3.59%	
Total capital	575,474	19.13%	560,426	19.57%	> 12.00%

The Bank

Unit: Million Baht

	December 2022		December 2021		BOT's requirements
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Common Equity Tier 1 capital	444,882	16.51%	425,758	16.47%	> 8.00%
Tier 1 capital	468,474	17.38%	449,350	17.38%	> 9.50%
Tier 2 capital	100,807	3.74%	101,989	3.95%	
Total capital	569,281	21.12%	551,339	21.33%	> 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, 2022, the ratio of liquid assets to total assets and liquid assets to deposits was 37.7 percent and 51.9 percent, respectively.

	December 2022	December 2021
Liquid assets/Total assets (%)	37.7	38.6
Liquid assets/Deposits (%)	51.9	53.0



Credit Ratings

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

Credit Rating Agency	December 2022	December 2021
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 2022	December 2021
Fitch Ratings		
International Rating	BBB	BBB
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 Industrial Performance

The business environment in the New Normal era can be described as BANI (Brittle, Anxious, Nonlinear and Incomprehensible). Over the past three-to-four years, many events with BANI characteristics occurred such as Covid-19, which caused the business sector to accelerate the adoption of technology and digital strategy in order to remodel their businesses, and geopolitical conflicts in many parts of the world. As such, all sectors of the Thai economy will face greater challenges in their business operations. Major factors that may affect the operations of commercial banks in the future are:

1. Uncertainties in economic conditions - Conditions causing the global economy to slow more than expected and increase volatility are:

- (1) The acceleration of interest rate rising made by major central banks to curb inflationary pressures. This could result in a tight financial market where the cost of borrowing increases which could cause the economics slow down. In addition, there is a risk that some economies will enter a recession and default on debt payments which could escalate into an economic crisis.
- (2) Protracted geopolitical conflicts, especially between Western powers led by the US and the European Union with China and Russia, which could deepen the polarization surrounding disputes. This would have implications for global trade and investment. For example, the US friend-shoring policy to limit trade, investment and

supply chain networks to allies and friendly countries. Meanwhile, China has adopted a more self-reliant Dual Circulation strategy to prioritize domestic consumption (internal circulation) while remaining open to international trade and investment (external circulation). This has caused shifts in the global supply chain relocation. In addition, the polarization between superpowers may hinder global cooperation in solving the world's major problems, such as climate change, cyber threats and food security.

- (3) Despite China's relaxation of its Zero Covid policy and the reopening of the country, which will support the local and global economic recoveries, global inflation could continue to increase due to pent-up demand from Chinese consumers. However, the Chinese economy is likely to grow below pre-Covid levels due to problems in its real estate sector, which are more severe than expected, and its trade, technology and security conflicts with the US which are likely to intensify.
- (4) Greater market dysfunction resulting from certain economic policies, such as the use of accommodative monetary policy for too long, might cause accumulated risks to the economy but it was not observed due to high liquidity. Consequently central banks accelerating interest rate hikes could cause unintended severe consequence to a country, market, or product.

2. The future landscape of the Thai financial system

- The Bank of Thailand has issued guidelines to reposition Thailand's financial sector as a key part of the country's sustainable digital economy, with the following key directions:

- (1) Leveraging technology and data to drive innovation and develop financial services that meet the changing needs of people through: **Open Competition** to allow financial institutions and non-bank financial institutions to expand their business scope or increase flexibility while also allowing new entrants to the market under appropriate supervision and audit mechanisms, including measures to ensure fairness in business operations; **Open Infrastructure** to allow more players to access key infrastructure at an appropriate and fair cost in order to increase competitive efficiency and to develop financial innovation and financial infrastructure to support the transition to a digital economy and interoperable payment infrastructure, including the development of a retail Central Bank Digital Currency (CBDC); and **Open Data** to allow financial service providers to connect to one another's databases to support policy making and risk management which enables financial service providers to develop and scale their services and to develop products which better suit the needs of customers with regard to data security and privacy of service users.
- (2) Support sustainable economic transition by requiring the financial sector to seriously assess environmental risks in business operations and support the business sector to transition without causing widespread negative impacts, as well as helping households and vulnerable groups to survive and adapt to the changing world in a sustainable manner.
- (3) Flexible governance that can manage new forms of risk by adjusting regulatory flexibility to enable



financial service providers to adapt, innovate and deal with significant new risks in a timely manner.

3. The requirement for the financial sector to play an increasing role in sustainable development

- The transition to a sustainable economy requires large investments. While the market is still unable to create sufficient incentives for each sector to accelerate their timely transition, the financial sector, especially commercial banks, play an important role in supporting the transition of all sectors in the economy through the provision of financing to enable the business sector to invest in technology and develop business models to cope with the changing environmental regulations and requirements. In the past, commercial banks played an increasingly important role in supporting sustainable development including offering responsible lending, promoting access to financial services for customers, especially grassroots customers, and incorporating ESG factors into business processes as well as promoting them as part of the culture and values of the organization. For the future direction, the BOT has issued the Repositioning Thailand's Financial Sector for a Sustainable Digital Economy paper to support the role of the financial sector in order to better meet the needs of all sectors. The plan consists of the following five key building blocks:

- (1) Developing "Thailand Taxonomy" to define what economic activities are considered "green" or "intransition" to create a common understanding and reduce ambiguity in the preparation process for each sector.

- (2) Developing data platforms for environment-related data to provide sufficient information for the preparation of Thailand Taxonomy, including the design of financial products and services that are environmentally conscious. This should solve the Information Asymmetry problem of the financial sector.
- (3) Issuing policy guidelines for how financial institutions can conduct business with regards to environmental and climate change dimensions to encourage financial institutions to accelerate and standardize the integration of environmental concepts into their operations. This will help to sufficiently and appropriately allocate capital and provide products and services to support environmental transition for the business sector.
- (4) Promoting incentive measurements to encourage financial institutions, the business sector, and consumers to recognize the urgency of making environment-related transitions, as well as to alleviate any cost burden that may be incurred in terms of operating costs and risk costs.
- (5) Enhancing the knowledge and expertise of financial sector personnel through learning courses in order to create awareness and understanding, and improve their capability in assessing environment-related opportunities and risks as well as in providing advisory support to businesses.

4. The Bank of Thailand's 3-year (2022 - 2024) directions for development of payment systems under the new financial sector landscape of Thailand

- Electronic payment systems are a key driver of the country's financial transformation into a digital

economy and its sustainable development. The BOT together with related agencies have successfully developed and implemented electronic payment services that connect and streamline economic activities, facilitate innovation development and enable more efficient, flexible financial transactions between Thailand and other countries. The BOT plans to further develop and modernize the payment system infrastructure to effectively connect service providers, businesses, government and people and to increase accessibility, competitiveness and innovation in order to increase the range of services and public adoption. For the business sector, the BOT plans to develop a fully digitalized payment infrastructure for businesses that is flexible, timely and effectively governed without creating a systemic risk for the financial system. To this end, the BOT launched the 3-year (2022 - 2024) directions for development of payment systems under the new financial sector landscape of Thailand to provide guidance for all relevant sectors under the principles of Openness, Inclusivity and Resiliency. The goal is to increase the use of digital payments by 2.5 times to 800 times per person per year while reducing the use of cash and checks.

5. The role of non-bank service providers is likely to increase

- Non-bank service providers operate independently or in partnership with banks and new service providers from other industries, such as FinTech groups, who provide services that fill the gap in services provided by commercial banks. For example, a peer-to-peer lending platform that directly connects borrowers and lenders, or a Big



Tech platform that provides a full range of services from buying and selling products to delivering goods, investing, and providing financial services. There is also emerging business related to digital assets for which the Securities and Exchange Commission (SEC) has issued digital asset business licenses and maintains continuous oversight as well as decentralized finance (DeFi) that reduces the role of financial intermediaries. In the future, there will be commercial banks that are digital-only or virtual banks to compete in the Thai financial system. Therefore, the BOT is studying the suitability, impact, and risks of establishing a virtual bank for these new players. It will bring more intense competition in the financial sector, so banks need to accelerate their adaptation to timely compete with the new players.

6. Progress of digital technology and financial innovation

- The exponential development of digital technology affects commercial banks in many aspects. These include infrastructure development to increase operational efficiency, conduct big data analyses of the changing behavior of each customer group and develop financial products and services that can respond to customer needs in terms of speed and providing more comprehensive financial product and services offering. For example, the development of e-Payment systems and the L/C issuance via blockchain technology to corporate customers. This will greatly increase efficiency and reduce costs for businesses. Going forward, the development of financial services via decentralized finance (DeFi) based on blockchain technology will replace the role of intermediaries such as financial institutions, banks or various exchange centers in recording and

processing transactions as every transaction will be executed according to the conditions specified through smart contracts.

7. Central bank digital currencies (CBDC) will play a role within the financial system

- Once alternative digital currencies, especially cryptocurrencies and the development of financial services through DeFi, start to play a greater role in the financial system and are able to meet the needs of certain groups of users, in terms of convenience and reduction of financial costs, fiat money controlled by central banks is at risk of having its role diminished. Many central banks have developed CBDCs, such as China's e-CNY, India's e-Rupee, Europe's Digital Euro, and the US's Digital Dollar, among others, which are in trial phase. In Thailand, the BOT is in the process of developing a retail CBDC that can be applied to a wide range of financial services. In addition, a wholesale CBDC which has been tested in conjunction with the Hong Kong Monetary Authority, Central Bank of the United Arab Emirates and the Institute for Digital Currency Studies of the Central Bank of the People's Republic of China (Multiple Central Bank Digital Currency Bridge Project: mBridge), and the BOT will consider expanding the scope of development and testing in terms of actual use in the future.

8. The problem regarding SME's competitiveness

- Thai SME continued to be challenged by poor access to financial services, especially loans, from formal financial institutions. This limits the ability of SME to develop their competitiveness and adapt to disruption and market changes, especially in terms of innovation development, to differentiate themselves and continue to add value to their

products and services. During the pandemic, some SME adopted more digital technology, such as selling food and products through online platforms, but in general the level of digital transformation of small businesses has been insufficient. As a result, the competitiveness of small SME is falling further behind that of large corporates and SME that have adopted technology, and they may not be able to continue doing business. This will lead to more serious problems relating to economic inequality. The BOT seeks to address this issue by altering the financial landscape to allow existing and new players to compete to provide services and develop financial innovations. At the same time the BOT also allows them to capitalize on the use of data from multiple sources to develop innovation and deliver financial services, such as credit analysis based on borrower behavior and potential, and using risk-based pricing to determine loan interest rates. In addition, the BOT introduced transformation loans to reduce risks and costs which are a significant obstacle for businesses in the initial phase of the transformation process. The transformation loans are soft loans offered to SME looking to adapt their business to new trends and movements. This will help SME to access credit in more systematic, thorough and in appropriate way, develop their competitiveness and adapt to digital transformation which will support the sustainable development of the Thai economy.

The above changes in the 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 sustainably.



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 2022, 2021 and 2020.

- Summary of Independent Auditor's Report 2022, 2021 and 2020**

The auditor expressed an unqualified opinion on the consolidated and the Bank's financial statements for the years ended December 31, 2022, 2021 and 2020.

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENT OF FINANCIAL POSITION

Baht: '000

	CONSOLIDATED			THE BANK		
	AS AT DECEMBER 31,			AS AT DECEMBER 31,		
	2022	2021	2020	2022	2021	2020
ASSETS						
CASH	52,432,699	62,551,767	73,886,309	48,169,322	57,854,239	70,013,515
INTERBANK AND MONEY MARKET ITEMS, NET	766,074,475	801,212,497	519,036,028	587,553,969	626,065,197	374,778,755
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	75,036,089	84,341,349	57,936,242	90,801,828	96,497,917	69,359,414
DERIVATIVES ASSETS	84,839,352	42,359,296	67,560,232	83,582,630	41,749,252	66,143,443
INVESTMENTS, NET	850,150,825	803,636,528	758,482,179	706,876,633	663,088,369	670,444,629
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	1,420,693	1,328,586	911,321	144,816,959	144,316,959	144,589,329
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	2,449,355,263	2,376,026,685	2,189,102,088	2,096,756,258	2,025,671,183	1,896,205,127
PROPERTIES FOR SALE, NET	12,016,841	9,495,944	9,753,914	11,129,554	8,498,534	7,754,245
PREMISES AND EQUIPMENT, NET	61,892,520	64,980,166	65,049,861	51,648,845	54,181,783	55,460,373
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	33,697,374	36,808,534	32,307,811	1,450,492	1,579,427	1,451,391
DEFERRED TAX ASSETS	6,891,668	6,336,519	7,939,617	2,474,561	2,532,787	2,082,884
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES	1,497,501	12,906,449	12,833,047	1,454,302	12,779,785	12,699,962
OTHER ASSETS, NET	26,446,787	31,296,588	28,161,036	13,360,986	19,016,792	13,977,916
TOTAL ASSETS	4,421,752,087	4,333,280,908	3,822,959,685	3,840,076,339	3,753,832,224	3,384,960,983



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,		
	2022	2021	2020	2022	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY						
DEPOSITS	3,210,895,555	3,156,939,789	2,810,862,624	2,716,152,436	2,665,646,333	2,485,596,798
INTERBANK AND MONEY MARKET ITEMS	262,521,534	288,708,547	219,149,193	251,029,467	280,748,435	162,499,180
LIABILITY PAYABLE ON DEMAND	7,769,885	8,112,863	7,257,360	7,767,403	8,112,243	6,702,768
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	17,959,739	20,833,104	19,256,663	17,412,480	20,566,545	19,056,520
DERIVATIVES LIABILITIES	70,981,448	50,264,330	57,127,821	69,648,650	49,716,357	56,212,287
DEBT ISSUED AND BORROWINGS	188,301,568	183,239,266	136,176,779	187,056,618	182,379,356	133,963,539
PROVISIONS	27,177,164	25,814,558	27,305,660	24,176,399	23,595,568	25,065,453
DEFERRED TAX LIABILITIES	578,896	1,358,026	2,447,583	279,989	984,178	2,588,682
OTHER LIABILITIES	128,424,347	103,417,868	93,128,867	81,902,964	57,310,822	53,792,151
TOTAL LIABILITIES	3,914,610,136	3,838,688,351	3,372,712,550	3,355,426,406	3,289,059,837	2,945,477,378

**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,		
	2022	2021	2020	2022	2021	2020
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	54,243,425	66,348,614	47,256,838	55,480,947	57,340,405	52,849,874
RETAINED EARNINGS						
Appropriated						
Legal reserve	27,000,000	26,000,000	25,000,000	27,000,000	26,000,000	25,000,000
Others	121,500,000	116,500,000	111,500,000	121,500,000	116,500,000	111,500,000
Unappropriated	227,167,894	208,443,791	189,822,190	205,234,325	189,497,321	174,699,070
TOTAL BANKS' EQUITY	505,345,980	492,727,066	449,013,689	484,649,933	464,772,387	439,483,605
NON-CONTROLLING INTEREST	1,795,971	1,865,491	1,233,446	-	-	-
TOTAL SHAREHOLDERS' EQUITY	507,141,951	494,592,557	450,247,135	484,649,933	464,772,387	439,483,605
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,421,752,087	4,333,280,908	3,822,959,685	3,840,076,339	3,753,832,224	3,384,960,983



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,		
	2022	2021	2020	2022	2021	2020
INTEREST INCOME	139,087,978	114,312,544	112,523,517	104,069,787	83,284,576	94,695,292
INTEREST EXPENSES	36,864,713	32,156,484	35,477,057	25,866,046	21,273,916	27,805,781
NET INTEREST INCOME	102,223,265	82,156,060	77,046,460	78,203,741	62,010,660	66,889,511
FEES AND SERVICE INCOME	41,132,239	39,127,387	34,167,918	30,188,400	27,404,183	26,795,044
FEES AND SERVICE EXPENSES	13,624,400	9,918,176	9,456,915	11,711,504	8,206,221	8,800,699
NET FEES AND SERVICE INCOME	27,507,839	29,209,211	24,711,003	18,476,896	19,197,962	17,994,345
GAIN ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	5,155,163	17,867,820	11,057,904	4,063,912	15,649,215	9,651,307
GAINS (LOSSES) ON INVESTMENTS	(1,453,669)	1,225,150	2,512,154	(1,500,499)	156,139	2,177,491
SHARE OF PROFIT (LOSS) FROM INVESTMENT USING EQUITY METHOD	189,560	208,855	(14,492)	-	-	-
GAINS ON DISPOSAL OF ASSETS	1,890,956	519,198	734,126	1,781,586	401,504	721,912
DIVIDEND INCOME	2,306,493	2,251,676	2,039,396	6,367,289	4,236,874	3,597,669
OTHER OPERATING INCOME	1,075,232	1,102,693	641,626	360,705	371,690	382,131
TOTAL OPERATING INCOME	138,894,839	134,540,663	118,728,177	107,753,630	102,024,044	101,414,366



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,		
	2022	2021	2020	2022	2021	2020
OTHER OPERATING EXPENSES						
Employee's expenses	34,793,722	35,003,148	30,959,431	24,621,887	24,813,000	24,848,414
Directors' remuneration	259,045	263,448	186,931	136,714	134,148	128,220
Premises and equipment expenses	15,371,271	14,764,803	14,165,327	11,295,149	11,423,141	12,034,242
Taxes and duties	3,643,182	2,949,196	2,928,889	3,537,370	2,868,153	2,880,048
Others	14,951,314	14,285,122	17,733,376	9,749,690	9,291,684	14,578,533
TOTAL OTHER OPERATING EXPENSES	69,018,534	67,265,717	65,973,954	49,340,810	48,530,126	54,469,457
EXPECTED CREDIT LOSS	32,647,105	34,133,611	31,195,868	26,556,303	26,011,719	27,888,515
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	37,229,200	33,141,335	21,558,355	31,856,517	27,482,199	19,056,394
INCOME TAX EXPENSES	7,483,684	6,189,220	4,013,619	5,466,446	4,831,735	3,418,355
NET PROFIT	29,745,516	26,952,115	17,544,736	26,390,071	22,650,464	15,638,039



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,		
	2022	2021	2020	2022	2021	2020
OTHER COMPREHENSIVE INCOME (LOSSES)						
Items that will be reclassified subsequently to profit or loss						
Gains (losses) on investments in debt instruments at fair value through other comprehensive income	(4,329,124)	(6,742,229)	2,964,758	(2,031,767)	(6,608,454)	1,839,100
Gains (losses) on cash flow hedges	(609,214)	(506,394)	260,583	(609,214)	(506,394)	260,583
Gains (losses) arising from translating the financial statements of foreign operations	(8,101,942)	20,196,245	4,115,474	464,804	6,033,617	4,671,025
Share of other comprehensive income of associate	1,141	-	-	-	-	-
Income tax relating to components of other comprehensive income (losses)	1,523,965	1,671,185	(231,478)	1,016,960	1,648,107	15,270
Items that ` will not be reclassified subsequently to profit or loss						
Changes in revaluation surplus	(4,916)	643,545	14,524,289	(4,916)	-	13,987,474
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income	161,610	10,599,899	(6,067,116)	128,683	10,539,297	(5,340,383)
Gains (losses) on financial liabilities designated at fair value through profit or loss	1,451,042	(567,419)	958,884	1,451,042	(567,419)	958,884
Actuarial gains (losses) on defined benefit plans	1,251,377	986,754	(428,401)	1,282,236	935,437	(284,680)
Share of other comprehensive income (losses) of associate	(989)	(2,466)	1,962	-	-	-
Income tax relating to component of other comprehensive income (losses)	(490,378)	(2,279,082)	(3,233,984)	(577,797)	(2,155,609)	(3,324,295)
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)	(9,147,428)	24,000,038	12,864,971	1,120,031	9,318,582	12,782,978
TOTAL COMPREHENSIVE INCOME	20,598,088	50,952,153	30,409,707	27,510,102	31,969,046	28,421,017



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,		
	2022	2021	2020	2022	2021	2020
NET PROFIT ATTRIBUTABLE						
Owners of the Bank	29,305,591	26,507,040	17,180,582	26,390,071	22,650,464	15,638,039
Non-controlling interest	439,925	445,075	364,154	-	-	-
	29,745,516	26,952,115	17,544,736	26,390,071	22,650,464	15,638,039
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE						
Owners of the Bank	20,251,470	50,393,641	30,056,376	27,510,102	31,969,046	28,421,017
Non-controlling interest	346,618	558,512	353,331	-	-	-
	20,598,088	50,952,153	30,409,707	27,510,102	31,969,046	28,421,017
BASIC EARNING PER SHARE (BAHT)	15.35	13.89	9.00	13.83	11.87	8.19
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,		
	2022	2021	2020	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit from operating before income tax expenses	37,229,200	33,141,335	21,558,355	31,856,517	27,482,199	19,056,394
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities						
Depreciation and amortization expenses	5,473,032	6,225,102	5,545,356	3,792,520	4,631,946	4,494,384
Expected credit loss	32,647,105	34,133,611	31,195,868	26,556,303	26,011,719	27,888,515
(Gain) loss on foreign exchange of long-term borrowings	8,672,489	14,775,566	(830,663)	8,672,489	14,618,074	(830,663)
Amortization of premium on investment in debt securities	264,481	1,435,037	1,199,165	290,962	1,400,517	1,140,896
Unrealized (gain) loss on financial instruments measured at fair value through profit or loss	3,896,019	(7,643,607)	4,938,476	3,374,115	(7,045,959)	6,242,749
(Gain) loss on investments	1,453,669	(1,225,150)	(2,512,154)	1,500,499	(156,139)	(2,177,491)
Share of (profit) loss from investment using equity method	(189,560)	(208,855)	14,492	-	-	-
Loss on impairment of properties for sale	498,402	611,745	1,124,720	485,591	311,298	1,061,250
Gain on disposal of premises and equipment	(35,203)	(11,521)	(356,255)	(24,401)	(4,107)	(356,493)
Gain on revaluation of land and premises	-	-	(196,180)	-	-	(196,180)
Loss on impairment of other assets (reversal)	(28,516)	256,080	368,892	(38,440)	265,558	254,704
Provision expenses	1,309,533	935,403	1,392,950	1,162,933	899,593	752,667
Net interest income	(102,223,265)	(82,156,060)	(77,046,460)	(78,203,741)	(62,010,660)	(66,889,511)

**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,		
	2022	2021	2020	2022	2021	2020
Dividend income	(2,306,493)	(2,251,676)	(2,039,396)	(6,367,289)	(4,236,874)	(3,597,669)
Proceeds from interest income	136,038,720	114,987,412	111,778,327	100,762,505	82,580,136	93,345,665
Interest expenses paid	(36,090,935)	(31,988,705)	(40,860,836)	(25,095,437)	(21,715,629)	(33,042,463)
Proceeds from dividend income	2,306,518	2,251,677	2,039,396	2,208,296	2,177,630	1,899,134
Income tax paid	(6,815,009)	(7,561,485)	(6,566,399)	(5,688,661)	(6,775,973)	(5,638,459)
(Increase) decrease in other accrued receivables	315,005	(380,735)	(4,054)	107,606	(225,408)	31,380
Increase (decrease) in other accrued expenses	(545,371)	1,007,799	1,289,301	836,272	(359,452)	417,606
Profit from operating before changes in operating assets and liabilities	81,869,821	76,332,973	52,032,901	66,188,639	57,848,469	43,856,415
(Increase) decrease in operating assets						
Interbank and money market items	35,825,661	(284,587,885)	21,975,455	39,174,862	(251,601,772)	68,282,173
Financial assets measured at fair value through profit or loss	5,699,224	(18,571,329)	(6,058,883)	2,612,007	(19,902,342)	(25,396,647)
Loans to customers	(99,894,874)	(231,969,593)	(91,771,656)	(93,872,459)	(158,776,479)	(76,751,199)
Properties for sale	1,217,168	2,134,269	642,208	813,991	741,890	719,896
Other assets	(24,690,723)	16,213,260	(16,147,080)	(25,752,541)	17,184,559	(9,835,598)



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,		
	2022	2021	2020	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)						
Increase (decrease) in operating liabilities						
Deposits	53,955,766	346,077,165	193,025,477	50,506,103	180,049,535	169,562,191
Interbank and money market items	(26,187,013)	69,559,354	32,197,568	(29,718,968)	118,249,255	33,221,906
Liability payable on demand	(342,978)	855,503	1,168,013	(344,840)	1,409,475	1,214,364
Short-term borrowings	385,040	(53,824)	(677,549)	-	-	(8,086)
Other liabilities	44,416,830	24,550,144	30,075,396	46,379,715	3,815,459	17,747,643
Net cash from operating activities	72,253,922	540,037	216,461,850	55,986,509	(50,981,951)	222,613,058
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities measured at fair value through other comprehensive income	(318,213,842)	(471,115,594)	(473,224,079)	(283,499,613)	(384,578,512)	(445,490,013)
Proceeds from disposal of investment securities measured at fair value through other comprehensive income	293,604,280	452,401,696	369,398,464	254,654,050	394,980,371	343,276,461
Purchase of investment securities measured at amortized cost	(122,957,541)	(75,342,523)	(108,871,614)	(46,731,239)	(836,973)	(20,846,462)
Proceeds from redemption of investment securities measured at amortized cost	80,155,354	58,977,765	105,105,900	19,312,442	1,593,558	28,323,094
Purchase of investments in subsidiaries	-	-	(77,195,676)	(500,000)	-	(105,263,739)
Proceeds from disposal of investments in subsidiaries and associates	-	622,985	-	-	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,		
	2022	2021	2020	2022	2021	2020
Proceeds from dividend income from subsidiaries and associates	90,295	62,180	41,512	4,159,018	2,059,245	1,698,535
Purchase of premises and equipment	(1,467,792)	(3,153,421)	(2,308,393)	(577,132)	(635,279)	(925,775)
Proceeds from disposal of premises and equipment	140,384	1,791,934	753,477	25,773	7,925	537,155
Net cash from investing activities	(68,648,862)	(35,754,978)	(186,300,409)	(53,156,701)	12,646,547	(198,690,744)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash received from issuance of subordinated notes	-	33,930,916	23,755,703	-	33,930,916	23,755,703
Cash received from issuance of senior unsecured notes	26,441,778	-	-	26,441,778	-	-
Cash paid for senior unsecured notes extinguishment	(30,343,245)	(1,414,830)	(25,620,963)	(30,343,245)	-	(24,964,624)
Decrease in long-term borrowings	(122,343)	(202,865)	(1,363,569)	(122,343)	(159,865)	(107,063)
Cash paid for lease liabilities	(1,658,633)	(1,475,819)	(1,275,888)	(833,918)	(1,017,228)	(1,106,844)
Dividend paid	(7,632,556)	(6,680,264)	(9,544,214)	(7,632,556)	(6,680,264)	(9,544,214)
Dividend paid to non-controlling interest	(416,138)	(381,968)	(362,972)	-	-	-
Net cash from financing activities	(13,731,137)	23,775,170	(14,411,903)	(12,490,284)	26,073,559	(11,967,042)
Effect on cash due to changes in the exchange rates	7,009	105,229	46,659	(24,441)	102,569	45,682
Net increase (decrease) in cash	(10,119,068)	(11,334,542)	15,796,197	(9,684,917)	(12,159,276)	12,000,954
Cash as at January 1,	62,551,767	73,886,309	58,090,112	57,854,239	70,013,515	58,012,561
Cash as at December 31,	52,432,699	62,551,767	73,886,309	48,169,322	57,854,239	70,013,515



Financial Ratios	2022	2021	2020
Liquidity Ratio			
Liquid assets to deposits ^{/1}	51.89%	52.97%	48.07%
Profitability Ratio			
Net profit ratio ^{/2}	15.47%	15.01%	10.50%
Return on average equity ^{/2}	5.86%	5.62%	3.96%
Yield on investment	2.18%	2.65%	3.36%
Yield on earning assets ^{/3}	3.30%	2.92%	3.28%
Cost of funds ^{/4}	1.02%	0.94%	1.19%
Spread ^{/5}	2.28%	1.98%	2.09%
Efficiency Ratio			
Net interest income to assets	2.33%	2.00%	2.13%
Non-interest income to assets	0.84%	1.28%	1.15%
Return on average assets ^{/2}	0.67%	0.65%	0.48%
Asset turnover ratio (times)	0.04	0.04	0.05

Financial Ratios	2022	2021	2020
Financial Policy Ratio			
Debt to equity ratio (times)	7.72	7.76	7.49
Loan to borrowing ratio	78.74%	77.30%	80.16%
Loan to deposit ratio	83.55%	81.99%	84.25%
Deposit to liability ratio	82.02%	82.24%	83.34%
Dividend payout ratio ^{/6} (Bank only)	32.54%	29.49%	30.53%
Total capital adequacy ratio	19.13%	19.57%	18.34%
Asset Quality Ratio			
Allowance for expected credit losses to non-performing loan ratio ^{/7/8}	260.79%	225.79%	186.75%
Allowance for expected credit losses of loans to loans and accrued interest receivables	9.04%	8.47%	7.81%
Written off to loans and accrued interest receivables	0.20%	0.29%	0.91%
Non-performing loan to total loans ^{/8}	3.06%	3.22%	3.91%
Accrued interest receivables to loans and accrued interest receivables	0.38%	0.29%	0.27%

^{/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 2022 was calculated from the dividend of Baht 4.50 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, 2022

Type of Bonds	Interest Rates	Maturity	Trustee
Senior unsecured notes	5.000%	October 3, 2023	The Bank of New York Mellon 240 Greenwich Street, New York, NY 10286, USA
Senior unsecured notes	4.050%	March 19, 2024	
Senior unsecured notes	4.300%	June 15, 2027	
Senior unsecured notes	4.450%	September 19, 2028	
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.
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Mr. Wongsakul Kittipromwong

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Tel. 0-2626-3055 Fax. 0-2231-5448

5.2 Legal Disputes

As of December 31, 2022, 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 Practices 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.

“

The Bank is determined to operate our business with prudence and honesty 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 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 Practices, 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 with prudence and honesty 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 have a stable financial position, consistently good performance and enhance our reputation for sustainability.



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 such 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 under the definition of an independent director 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 such an independent director shall also include shares held by any person related to the said independent director.
2. Is not nor 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, nor 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 such 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 such indebtedness, mutatis mutandis, provided that all indebtedness incurred during the period of one year prior to the date of such 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 such 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 such 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.

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 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. 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 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 and Senior 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 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 according to the BOT's 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 29th Annual General Meeting of Shareholders on April 12, 2022, 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, 2022). 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, 2022) and it was announced in Thai and English-language newspapers for three consecutive days. 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 email or postal mail to the Corporate Secretary prior to the shareholders' meeting. The Corporate Secretary collected the questions and presented them to the Board of Directors for consideration and clarification at the shareholders' meeting as appropriate.



As the 2022 Annual General Meeting of Shareholders was held during the Covid-19 outbreak, the Bank requested cooperation from shareholders to authorize the Chairman of the Board of Executive Directors or Chairman of the Nomination and Remuneration Committee or President to attend the meeting as their proxy instead of the shareholders attending the meeting themselves in person to reduce the risk from Covid-19 by using Proxy Form B in which shareholders can vote on each agenda item according to their intentions in advance. The Bank also prepared duty stamps to facilitate the appointment of proxies by shareholders. In addition, for the safety of attendees, the Bank established measures and guidelines to help prevent the spread of Covid-19 in accordance with official requirements such as screening and checking the temperature of attendees, performing testing for Covid-19 by using Antigen Test Kits (ATK) for shareholders who did not present a valid Covid test result or for those who exhibited symptoms related to the respiratory system, limiting the number of seats in the meeting room, upholding social distancing with seats spaced at least 1.5 meters apart, numbering seats for tracing purposes if an infected person was found, requiring attendees to wear masks at all times, providing alcohol gel, and refraining from providing food and beverages as well as avoiding using shared microphones during the meeting and providing shareholders with paper to asking questions and express their opinions, etc.

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

At the shareholders' meeting, 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, who was also the Chairman of the meeting, conducted the meeting in accordance with the agenda specified in the invitation letter without adding, editing, or switching the agenda. 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 2022 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 29, 2021, onward. The period for proposing changes to the agenda for the meeting was from October 1 - December 30, 2021, and the period for nomination of persons to be elected as directors was from November 1-30, 2021. 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 financial and non-financial information to the public, 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.

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 Coverage 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.

Corporate Governance

In 2022 we took these actions with regard to corporate governance and sustainability development:

- The Audit Committee held a meeting in 2022 to discuss and exchange views with the Risk Oversight Committee regarding the Bank's technology risk management strategy.
- Training and activities were organized to create knowledge and understanding of work practices for executives and employees as follows:
 - Training to provide knowledge and understanding on anti-corruption provided by experts from outside the Bank.
 - Establishing the PDPA Awareness Campaign to create knowledge and understanding about correct practices under the Personal Data Protection Act B.E. 2562 through the dissemination of knowledge in the form of articles, infographics, and videos as well as providing a channel for consulting with experts.

- Organizing the Annual Information Security and Cybersecurity Awareness Forum to provide knowledge about information security and cybersecurity on the topic of Preparing for Security, Privacy and Emerging Technology Adoption in which the Bank's Information Technology Security Manager shared information and experience about cyber threat and how to deal with these threats.
- Assessed corporate governance performance and the organizing of the Annual Ordinary Meeting of Shareholders as follows:
 - The Bank was rated as "Excellent" in the Corporate Governance Report of Thai Listed Companies (CGR) in 2022 organized by the Thai Institute of Directors (IOD).
 - The Bank was rated "Excellent" and received a full score of 100 in the quality assessment of the 2022 Annual Ordinary Meeting of Shareholders by the Thai Investors Association in collaboration with the SEC and the Thai Listed Companies Association.

Sustainability Development

- The Bank cooperated with other agencies to support and drive business operations in line with sustainable banking guidelines. In 2022, the Bank together with other members of the Thai Bankers' Association announced the ESG Declaration in order to guide the banking sector in addressing key ESG issues, raising awareness among stakeholders, and driving the Thai economy towards sustainability. The ESG

Declaration marked an important step for the banking sector in supporting Thailand to meet the United Nations Sustainable Development Goals and greenhouse gas emissions reduction targets under the Paris Agreement.

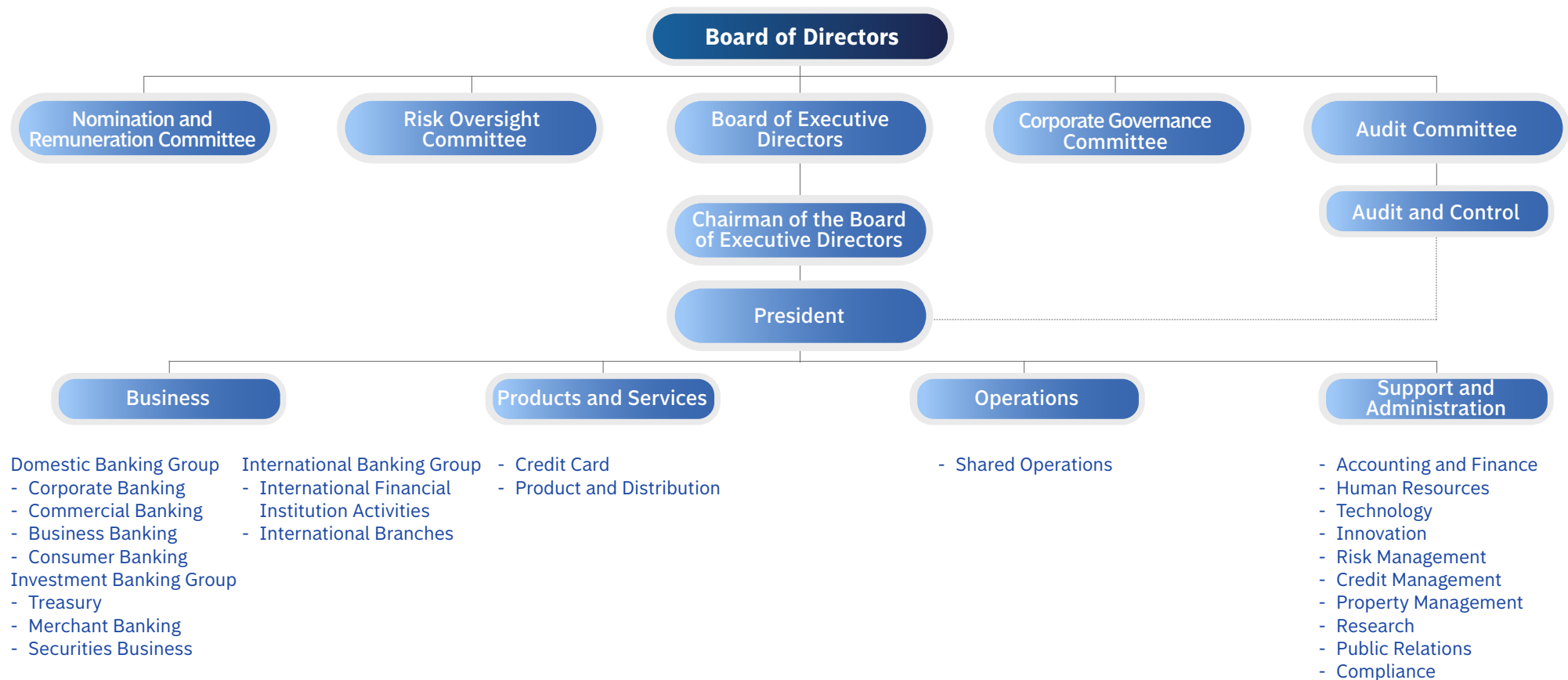
- The Bank is committed to developing the organization so that it can grow steadily, is ready to cope with social and environmental changes, places importance on the participation of all stakeholders, and demonstrates significant developments in environmental and social disclosures, such as environmental management policies, goals and performance, as well as the developments in operations and business processes that benefit 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 Report published by S&P Global and was selected as a listed company in the Sustainable Stocks list of Thailand Sustainability Investment (THSI) 2022 as well as being selected as a member of the SET THSI index 2022 by the Stock Exchange of Thailand.

The Thai Institute of Directors (IOD) published the Bank's corporate governance assessment results in the 2022 Corporate Governance Survey of Listed Companies in which the Bank received a score of 93 out of 100. In addition, the Bank received a full score of 100 in the quality assessment of the 2022 Annual Ordinary Meeting of Shareholders by the Thai Investors Association.



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. Deja Tulananda

- Chairman of the Board of Executive Directors



2. Mr. Siri Jirapongphan

- Independent Director
- Chairman of the Audit Committee



3. Mr. Chatchawin Charoen-Rajapark

- Independent Director
- Chairman of the Nomination and Remuneration Committee



4. Mr. Arun Chirachavala

- Independent Director
- Chairman of the Risk Oversight Committee
- Member of the Audit Committee



5. Mr. Chokechai Niljianskul

- Independent Director
- Chairman of the Corporate Governance Committee
- Member of the Risk Oversight Committee



6. Mr. Phornthep Phornprapha^{1/}

- Member of the Nomination and Remuneration 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



10. Mr. Amorn Chandarasomboon

- Member of the Board of Executive Directors
- Member of the Risk Oversight Committee

Remark: ^{1/} Appointed as a Non-executive Director on April 12, 2022 and as the Chairman of the Board of Directors on February 23, 2023

^{2/} Appointed as an Independent Director on January 26, 2023



7.2 Information on the Board of Directors



11. Mr. Singh Tangtatswas

- Member 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. Chatsiri 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^{/3}

- Director and Senior Executive Vice President

Remark: ^{/3} Appointed as Director and Senior Executive Vice President on January 26, 2023 , and as a Member of the Board of Executive Directors on February 23, 2023



7.2.1 The Composition of the Board of Directors

During the year, Chairman of the Board of Directors, Mr. Piti Sithi-Amnuai, passed away on October 1, 2022, and Director, Mr. Thaweelap Rittapirom, resigned on October 31, 2022. As of December 31, 2022, the Bank's Board of Directors had 18 members, who have a diverse mix of 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. Six independent directors, representing 33.33 percent of the total number of directors.
2. One non-executive director, representing 5.56 percent of the total number of directors.
3. Eleven executive directors, representing 61.11 percent of the total number of directors.

7.2.2 Information on the Board of Directors

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



Remark: * The person is an executive director but not an employee of the Bank.

¹¹ Mr. Siri Jirapongphan was appointed as the Chairman of the Audit Committee on April 28, 2022.

¹² Mr. Chatchawin Charoen-Rajapark was appointed as the Chairman of the Nomination and Remuneration Committee on April 28, 2022.

¹³ Mr. Chokechai Niljianskul was appointed as the Chairman of the Corporate Governance Committee on November 24, 2022.

¹⁴ Mr. Phornthep Phornprapha, was appointed as a Non - Executive Director on April 12, 2022, and was appointed as the Chairman of the Board of Directors on February 23, 2023.

¹⁵ Mr. Bundhit Eua-arporn was appointed as a member of the Audit Committee, and a member of the Nomination and Remuneration Committee on April 28, 2022.

¹⁶ Ms. Parnsiree Amatayakul was appointed as a member of the Corporate Governance Committee on April 28, 2022.

¹⁷ Mr. Singh Tangtatswas was appointed as a member of the Corporate Governance Committee on November 24, 2022.

¹⁸ Mr. Chong Toh was appointed as Director and Senior Executive Vice President on April 12, 2022.

¹⁹ Mr. Kobsak Pootrakool was appointed as the Corporate Secretary on March 25, 2022, was appointed as Director and Senior Executive Vice President on April 12, 2022, was appointed as a member of the Board of Executive Directors on April 28, 2022, and was appointed as a member of the Corporate Governance Committee on November 24, 2022.

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 laws, 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 operation 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, that pose 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, employee code of conduct; 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 notice of meeting and documents related to the meeting to the directors prior to the meeting.
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.

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 2022, the Board of Directors scheduled a meeting every Thursday on the fourth week of the month. Due to the severe outbreak of Covid-19, the Board of Directors and the committees held meetings via MS Teams, in order to reduce the risk of infection.

In 2022, 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 being 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 addition, on December 22, 2022, the Independent Directors held a meeting to discuss issues of interest without the participation of the management and reported the results of 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, and the Risk Oversight 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 laws, rules and regulations of the Bank's Compliance Unit.

Composition and Qualifications

As of December 31, 2022, the Board of Executive Directors comprised six directors who are employees and three non-employee directors. The members of the Board of Executive Directors are required:

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

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 2022, the Board of Executive Directors held a total of 101 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, 2022, 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

1. 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.
2. 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 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.
3. 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.

4. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. 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.

10. To hire specialists in specific areas to provide expert advice as the Audit Committee deems appropriate.
11. 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 the 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 2022, 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, 2022, the Nomination and Remuneration Committee comprised three directors as follows:



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

Mr. Chatchawin Charoen-Rajapark is an independent director and does not serve on other committees. Mr. Phornthep Phornprapha is a non-executive director and Mr. Bandit Eua-arporn is an independent director.

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 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 2022, the Nomination and Remuneration Committee held a total of 12 meetings.

Reports

The Nomination and Remuneration Committee is responsible for reporting its operations to the Board of Directors in all of its meetings and disclosing the performance report of the Nomination and Remuneration Committee in the Bank's 2022 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, 2022, 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 Management Committee |



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

Authority and Responsibility

1. To establish risk management policies for the Bank and its financial business group and 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).
2. 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.
3. 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.
4. 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.
5. 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.

6. 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.
7. To participate in the assessment of the efficiency and effectiveness of the performance of the persons responsible for risk management.
8. 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 three months and may hold additional meetings as necessary and appropriate. In 2022, the Risk Oversight Committee held a total of 14 meetings, one of which was a joint session with the Audit Committee.

(e) The Corporate Governance Committee Composition and Qualifications

As of December 31, 2022, 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

The Corporate Governance Committee has authorities and responsibilities as follows:

1. Corporate Governance
 - 1.1 To establish principles of good corporate governance that are effective and suitable for the Bank.
 - 1.2 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.
 - 1.3 To propose best practices for the Board of Directors and propose the Board of Directors Charter for all committees appointed by the Bank.
 - 1.4 To propose requirements on Business Ethics as well as the ethics of employees and suppliers.
 - 1.5 To review and publicize the Bank's good corporate governance announcements.
 - 1.6 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 a sustainability strategy appropriate for the Bank's business operations that is 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 operations.

- 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 2021, the Corporate Governance Committee held a total of three meetings.

7.4 Information about Executives

7.4.1 Names and Positions of Executives

As of December 31, 2022, 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 | Executive Chairman |
| 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 ¹ | 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. Mrs. Ruchanee | Nopmuang ² | Senior Executive Vice President |
| 14. Mr. Chaiyarit | Anuchitworawong | Senior Executive Vice President |
| 15. Mr. Kanit | Si | Senior Executive Vice President |
| 16. Mr. Kukkong | Ruckphaopunt | Senior Executive Vice President |
| 17. Mr. Ian | Guy Gillard | Senior Executive Vice President |
| 18. Mr. Thawat | Treewannakul | Senior Executive Vice President |
| 19. Mrs. Oranuch | Nampoolsuksan | Executive Vice President, Manager, Accounting and Finance Division |

Remark: ¹ Ms. Niramarn Laisathit was appointed as Director and Senior Executive Vice President on January 26, 2023.

² Mrs. Ruchanee Nopmuang retired on January 1, 2023.



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 the suitable remuneration of the management including 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, 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 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 2022 is as follows:

1. The remuneration paid to the members of the Board of Directors, consisting of monthly remuneration and bonuses, amounted to Baht 136.714 million in 2022, for 21 persons, compared with Baht 134.148 million in 2021, 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 993.09 million in 2022, for 18 persons, compared with Baht 830.17 million in 2021, for 19 persons.
3. The remuneration (consisting of salary, bonuses and contributions to provident funds) paid to directors who are employees and executives from Executive Vice President upwards amounted to Baht 1,608.60 million in 2022, for 65 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 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 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, occupational health and safety so 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, 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 2022, the Bank approved a special relief payment for employees to ease the burden of expenses during the Covid-19 outbreak and mitigate the impact of the cost-of-living and rising prices of consumer goods as a result of the effects of the Russia-Ukraine war and the effect from the monsoon causing employees to be affected by the flood. The Bank also approved loans without interest to alleviate the suffering of employees affected by these issues.

2. Knowledge and Potential Development

The Bank recognizes the importance of the development of employees' capabilities at all levels to prepare them



to cope with rapid changes in the business world and technology so that they can compete in the market and grow sustainably. As such, the Bank continued to develop its employees through the development of a variety of modern learning channels and forms that employees can access quickly, anytime, anywhere. The aim is to upskill and reskill employees of all levels so that they can lead the Bank's digital transformation to create sustainable business value for customers, the Bank and society.

In terms of upskilling and reskilling employees, the Bank is committed to providing its employees with future skills through the development of a variety of modern learning channels and forms that are relevant to employees across generations by designing and developing learning processes that are customized to meet the needs of each unit and employee of the Bank as appropriate. In addition, the Bank developed learning solutions in various forms such as online learning platforms, virtual class seminars, project-based workshops, career development, job rotation, the assignment of special projects as well as the promotion of a learning society and lifelong learning for employees to select according to their passion, whether they are selective courses or mandatory courses through the creation of a learning community to promote the exchange and cross functional collaboration. The Bank has enhanced knowledge management to increase learning opportunities across the organization and also encourages employees to share the new knowledge and skills they have acquired with their colleagues to amplify the learnings.

Furthermore, the Bank places great importance on the self-development of employees that matches their strengths and interests. The Bank also offered opportunities for job rotation and created opportunities for employees to show their potential through participating in project-based learning projects that focus on managing real world issues to encourage them to think, try and present new skills to develop themselves. The Bank designed solutions to enhance work process efficiency and solve problems while transforming itself to become the bank of the future and create positive changes across the organization.

In 2022, the Bank placed great emphasis on the development of skills for both business as usual and core banking such as business acumen, product knowledge, cross selling, influencing skills and negotiation, in parallel with the preparation of

future skills to meet the needs of new businesses and business strategies of the Bank in the digital era and to deal with the changes in transition to the next normal. In addition, the Bank launched a new approach to learning and development to deliver business outcomes that meet the needs of the Bank through the design of training courses in collaboration with outside experts and the Bank's units to adjust and develop the learning process and produce results that meet the needs of each unit through the concept of learning by doing. The Bank also continuously placed importance on introducing and nurturing a good organizational culture and sustainability development by providing training on the topic of Accountability Collaboration and Project Management, which forms the core of teamwork, in order to meet the needs of customers in today's fast changing world.

Throughout 2022 the Bank's human resource development activities focused on adjusting the learning process and adopting learning by doing to create a learning journey beyond the classroom that delivered business results, such as with the Tech Adoption Challenge and Data Influencer, and enabled changes in behavior and mindset, such as TxB Coaching Culture, and to support the Bank's policy on sustainability development. The Bank remains committed to educating employees and demonstrating the importance of sustainability development in terms of social, economic and environmental dimensions. The Bank also continued to support business operations with social responsibility and good governance and offered business and credit advice that supports the transition to a low-carbon society, such as providing credit with responsibility, in order to add value to customers' business in managing environmental, social and governance risks (ESG).

3. 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, 2022, the Bank and our subsidiaries had a total of 29,167 employees, categorized by their main line of work as follows:



	Number of Employees
1. Top-level executives	18
2. Business units	12,505
3. Supporting Units	7,267
4. Subsidiaries	9,377
Total	29,167

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 Senior Vice President, Manager, Audit and Control Division Head of the Compliance Unit
Head of Compliance	: 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 2022 as follows:

Type of Meeting	Number of Meetings	Number of Companies	Number of Participants
One-on-One Meeting	92	94	148
Group Meeting	6	246	404
Investor Conference	10	161	216

Investor Relations Contact:

Investor Relations unit: 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 2022, 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 23,719,500.

The Bank also incurred fees amounting to Baht 17,918,512 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 audit and consulting services amounting to Baht 8,180,000 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 audit and related to legal and tax matters amounting to Baht 597,261 and a further amount of Baht 1,031,091 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 2022 the Board of Directors reviewed the Bank's operational goals regarding its 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 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; ensured that there is effective internal control by requiring that 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 and to 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.

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 Durongkaveroj, Mr. Siri Jirapongphan, Mr. Bundhit Eua-arporn, Mr. Chatchawin Charoen-Rajapark, Ms. Parnsiri Amatayakul. 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 and Mr. Kobsak Pootrakool.

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 2022, major training or seminars attended by directors included:

Date	Topic	Name of Director who Attended
October 2021 – August 2022	The Program for Senior Executives on Justice Administration, Class 26, Judicial Training Institute, National Justice Academy, Office of the Judiciary	Mr. Chokechai Niljianskul
January 18, 2022	IT and Cyber Security Risk Management, Bangkok Bank and Oliver Wyman Consultant	Ms. Parnsiree Amatayakul
October 27-29, 2022	BOT Digital Finance Conference 2022, Bank of Thailand	Mr. Siri Jirapongphan Ms. Parnsiree Amatayakul Mr. Pichet Durongkaveroj Mr. Suvarn Thansathit Mr. Chansak Fuangfu Mr. Kobsak Pootrakool
November 11, 2022	Hot Issue for Directors: What Directors Need to Know about Digital Assets Class 4/2022, Thai Institute of Directors	Mr. Chatchawin Charoen-Rajapark Mr. Pichet Durongkaveroj



Date	Topic	Name of Director who Attended
November 22, 2022	IT and Cyber Security Risk Management, Bangkok Bank and Oliver Wyman Consultant	Mr. Deja Tulananda Mr. Chartsiri Sophonpanich Mr. Chatchawin Charoen-Rajapark Mr. Siri Jirapongphan Mr. Arun Chirachavala Mr. Chokechai Niljianskul Ms. Parnsiree Amatayakul Mr. Amorn Chandarasomboon Mr. Singh Tangtatswas Mr. Pichet Durongkaveroj Mr. Chansak Fuangfu Mr. Charamporn Jotikasthira Mr. Boonsong Bunyasaranand Mr. Kobsak Pootrakool
November 30, 2022	Cyber Resilience Leadership: SMART Goal, Bank of Thailand	Mr. Chatchawin Charoen-Rajapark Mr. Siri Jirapongphan Mr. Bundhit Eua-arporn

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

The Corporate Secretary submits the three assessment forms for directors to conduct the assessments and the Nomination and Remuneration Committee processes, summarizes, and reports the assessment results to the Board of Directors.

Assessment of the Performance of the Committees

In 2022, 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 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 had reported the assessment results to 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 the Executive Vice President upwards, the Board of Executive Directors will conduct initial screenings 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 2022 was as follows:

			No. of meetings attended	
Name			Board of Directors Total:	2022 Annual General Meeting
1.	Mr. Piti	Sithi-Amnuai ¹	6/9	1/1
2.	Mr. Deja	Tulananda	12/12	1/1
3.	Mrs. Gasinee	Witoonchart ²	3/3	1/1
4.	Mr. Siri	Jirapongphan	12/12	1/1
5.	Mr. Arun	Chirachavala	12/12	1/1
6.	Mr. Chatchawin	Charoen-Rajapark	12/12	1/1
7.	Mr. Chokechai	Niljianskul	12/12	1/1
8.	Mr. Phornthep	Phornprapha	11/12	0/1
9.	Mr. Bundhit	Eua-arporn	12/12	1/1
10.	Ms. Parnsiree	Amatayakul	12/12	1/1
11.	Mr. Amorn	Chandarasomboon	12/12	1/1
12.	Mr. Singh	Tangtatswas	12/12	1/1
13.	Mr. Pichet	Durongkaveroj	12/12	1/1
14.	Mr. Charamporn	Jotikasthira	12/12	1/1
15.	Mr. Chartsiri	Sophonpanich	12/12	1/1
16.	Mr. Suvarn	Thansathit	12/12	1/1
17.	Mr. Chansak	Fuangfu	12/12	1/1
18.	Mr. Boonsong	Bunyasaranand	12/12	1/1
19.	Mr. Chong	Toh ³	9/9	-
20.	Mr. Kobsak	Pootrakool ³	9/9	-
21.	Mr. Thaweelap	Rittapirom ⁴	9/10	1/1

Remarks: ¹ Mr. Piti Sithi-Amnuai passed away on October 1, 2022.

² Mrs. Gasinee Witoonchart retired by rotation on April 12, 2022.

³ Mr. Chong Toh and Mr. Kobsak Pootrakool were appointed as directors effective from April 12, 2022.

⁴ Mr. Thaweelap Rittapirom resigned from The Board of Directors effective on October 31, 2022.



The remuneration of directors in 2022 consisted of three categories as follows:

Remuneration (per month)

	Unit: Baht
The Board of Directors	
Chairman of the Board of Directors	450,000
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
Chairman of the Audit Committee	4,000,000
Director	3,520,000

Remuneration of the Board of Directors for 2022 and 2021

			Unit: Baht	
Directors			2022	2021
1.	Mr. Piti	Sithi-Amnuai ^{/1}	8,625,000	11,500,000
2.	Mr. Deja	Tulananda	6,520,000	6,520,000
3.	Mrs. Gasinee	Witoonchart ^{/2}	2,534,000	7,600,000
4.	Mr. Siri	Jirapongphan ^{/3}	7,441,000	6,970,000
5.	Mr. Arun	Chirachavala	7,120,000	7,120,000
6.	Mr. Chatchawin	Charoen-Rajapark ^{/4}	7,120,000	5,340,000
7.	Mr. Chokechai	Niljianskul	7,120,000	7,120,000
8.	Mr. Phornthep	Phornprapha ^{/5}	7,120,000	7,120,000
9.	Mr. Bundhit	Eua-arporn ^{/6}	6,970,000	4,890,000
10.	Ms. Parnsiree	Amatayakul ^{/7}	6,970,000	4,890,000
11.	Mr. Amorn	Chandarasomboon	7,120,000	7,120,000
12.	Mr. Singh	Tangtatswas	7,120,000	7,120,000
13.	Mr. Pichet	Durongkaveroj	7,120,000	6,970,000
14.	Mr. Charnporn	Jotikasthira	6,520,000	6,520,000
15.	Mr. Chartsiri	Sophonpanich	6,520,000	6,520,000
16.	Mr. Suvarn	Thansathit	6,520,000	6,520,000
17.	Mr. Chansak	Fuangfu	6,520,000	6,520,000
18.	Mr. Boonsong	Bunyasaranand	6,520,000	6,520,000
19.	Mr. Chong	Toh ^{/8}	4,890,000	-
20.	Mr. Kobsak	Pootrakool ^{/9}	4,890,000	-
21.	Mr. Thaweelap	Rittapirom ^{/10}	5,434,000	6,520,000

As at December 31, 2022



Remark : ^{/1} Mr. Piti Sithi-Amnuai passed away on October 1, 2022
^{/2} Mrs. Gasinee Witoonchart retired from Directorship by rotation on April 12, 2022
^{/3} Mr. Siri Jirapongphan was appointed as the Chairman of the Audit Committee on April 28, 2022
^{/4} Mr. Chatchawin Charoen-Rajapark was appointed as the Chairman of the Nomination and Remuneration Committee on April 28, 2022
^{/5} Mr. Phornthep Phornprapah was appointed as the Chairman of the board of Directors on February 23, 2023
^{/6} Mr. Bundhit Eua-arporn was appointed as a member of the Audit Committee, and a member of the Nomination and Remuneration Committee on April 28, 2022
^{/7} Ms. Parnsiree Amatayakul was appointed as a member of the Corporate Governance Committee on April 28, 2022
^{/8} Mr. Chong Toh was appointed as a Director and Senior Executive Vice President on April 12, 2022
^{/9} Mr. Kobsak Pootrakool was appointed as a Director and Senior Executive Vice President on April 12, 2022, as a member of the Board of Executive Directors on April 28, 2022 and as a member of the Risk Oversight Committee on November 24, 2022.
^{/10} Mr. Thaweelap Rittapirom resigned from Directorship of the Bank on October 31, 2022

8.1.3 Supervision of Subsidiaries and Associated Companies

The Bank has assigned its executives to serve as directors of subsidiaries and associated companies. The work unit that oversees investment in the Bank's financial business groups will nominate persons to be directors of subsidiaries and associated companies to be approved by the Bank's Board of Executive Directors. The approval must be appropriate and consistent with the strategic direction as well as company policies and relevant rules. Following the appointment of executives as directors of subsidiaries and associated companies, the Bank will audit the operations of its subsidiaries and associated companies through annual performance reports and submit them to the Board of Directors.

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 and 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). 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-level 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 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 encourage 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 anti-corruption programs. 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 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 in 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 in 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 sustainability 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 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.	Mrs. Gasinee ^{/1}	Witoonchart	4/4
2.	Mr. Siri ^{/2}	Jirapongphan	17/17
3.	Mr. Arun	Chirachavala	17/17
4.	Mr. Bundhit ^{/3}	Eua-arporn	10/13



Remark: ^{/1} Mrs. Gasinee Witoonchart retired from Directorship by rotation on April 12, 2022.
^{/2} Mr. Siri Jirapongphan was appointed as the Chairman of the Audit Committee during the Board of Directors Meeting 4/2022 on April 28, 2022.
^{/3} Mr. Bundhit Eua-arporn was appointed as a member of the Audit Committee, and a member of the Nomination and Remuneration Committee during the Board of Directors Meeting 4/2022 on April 28, 2022.

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 2022 is as follows:

		No. of meetings attended			
Name		The Board of Executive Directors Total: 101 meetings	The Nomination and Remuneration Committee Total: 12 meetings	The Risk Oversight Committee Total: 14 meetings*	The Corporate Governance Committee Total: 3 meetings
1.	Mr. Piti Sithi-Amnuai ^{/1}				2/3
2.	Mr. Deja Tulananda	98/101			
3.	Mr. Siri Jirapongphan ^{/2}		4/4		
4.	Mr. Arun Chirachavala			14/14	
5.	Mr. Chatchawin Charoen-Rajapark ^{/3}		12/12		
6.	Mr. Chokechai Niljianskul			14/14	3/3
7.	Mr. Phornthep Phornprapha		11/12		
8.	Mr. Bundhit Eua-arporn ^{/5}		8/8		
9.	Ms. Parnsiree Amatayakul ^{/6}				2/2
10.	Mr. Amorn Chandarasomboon	101/101		14/14	
11.	Mr. Singh Tangtatswas ^{/7}	100/101			

12.	Mr. Pichet Durongkaveroj	92/101		
13.	Mr. Charamporn Jotikasthira	95/101		
14.	Mr. Chartsiri Sophonpanich	86/101		
15.	Mr. Suvarn Thansathit	93/101	11/14	
16.	Mr. Chansak Fuangfu	87/101		
17.	Mr. Kobsak Pootrakool ^{/8}	55/68		
18.	Mr. Thaweelap Rittapirom ^{/9}	67/83		2/3

Remarks: * One additional meeting joined with the Audit Committee Meeting.

^{/1} Mr. Piti Sithi-Amnuai passed away on October 1, 2022.

^{/2} Mr. Siri Jirapongphan was appointed as the Chairman of the Audit Committee on April 28, 2022.

^{/3} Mr. Chatchawin Charoen-Rajapark was appointed as the Chairman of the Nomination and Remuneration Committee on April 28, 2022.

^{/4} Mr. Chokechai Niljianskul was appointed as the Chairman of the Corporate Governance Committee on November 24, 2022.

^{/5} Mr. Bundhit Eua-arporn was appointed as a member of the Audit Committee, and a member of the Nomination and Remuneration Committee on April 28, 2022.

^{/6} Ms. Parnsiree Amatayakul was appointed as a member of the Corporate Governance Committee on April 28, 2022.

^{/7} Mr. Singh Tangtatswas was appointed as a member of the Corporate Governance Committee on November 24, 2022.

^{/8} Mr. Kobsak Pootrakool was appointed as a member of the Board of Executive Directors on April 28, 2022 and as a member of the Corporate Governance Committee on November 24, 2022.

^{/9} Mr. Thaweelap Rittapirom resigned from a director on October 31, 2022.

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 the basis of prudence, thoroughness, independence and honesty in making suggestions for the best interests of the Bank, without limitations in obtaining information, resources, and cooperation from the Bank.

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 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's internal control system on a yearly basis, as well as proposing the assessment results to the Board of Directors. Five elements are considered for 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 2022 assessment of the adequacy of internal control, the Board of Directors opines that the Bank'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 2022 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; approving the performance appraisal and remuneration of the Manager of the Audit and Control Division; receiving reports on the annual audits from the Audit and Control Division and Bank executives and setting guidelines for appropriate internal control systems; considering 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 Board of Directors has established a risk management policy and risk appetite for the Bank's financial business group and reviews these 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, information technology risk and other types of risks, through the Internal Capital Adequacy Assessment Process 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 has adopted 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 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 internal work units responsible for measuring, monitoring and controlling risks, evaluating 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 solve capital and liquidity problems that may occur in the future and to strengthen the Bank's business. This plan provides an integrated framework for risk management in each area of the Bank that will help it to cope with the 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 the Group's risk management.



9.2 Related Party Transactions

9.2.1 Assets, Liabilities, Commitments and Other Related Party Transactions

As at December 31, 2022 and 2021, 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, 2022 and 2021 as follows :

Million Baht

Company	CONSOLIDATED										Director / Executive
	December 31, 2022					December 31, 2021					
	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commitments	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commitments	
Associates											
Processing Center Co., Ltd.	-	24	192	2	-	-	3	171	6	-	Mr. Kajornvut Tayanukorn** Ms. Suteera Sripaibulya
National ITMX Co., Ltd.	-	-	274	28	1	-	-	135	22	1	Ms. Suteera Sripaibulya
Thai Payment Network Co., Ltd.	-	10	2	-	-	-	28	1	-	-	Mr. Kukkong Ruckphaopunt Mr. Shoke Na Ranong
BCI (Thailand) Co., Ltd.	-	-	47	3	-	-	-	48	3	-	Mr. Kukkong Ruckphaopunt Mrs. Yaowadee Nakhata
PT Honest Financial Technologies Technologies (formerly PT Sahabat Finansial Keluarga)**	-	-	131	-	7	-	-	219	-	7	
Total associates	-	34	646	33	8	-	31	574	31	8	
Other related parties	277	9	5,415	18	-	639	8	7,761	14	4	
Total	277	43	6,061	51	8	639	39	8,335	45	12	

* Net allowance for expected credit loss.

** Holding by PT Bank Permata Tbk.

*** Mr. Kajornvut Tayanukorn retired on January 1, 2022.



Million Baht

Company	THE BANK														Director / Executive
	December 31, 2022							December 31, 2021							
	Place ments	Invest ments	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commit ments	Place ments	Invest ments	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commit ments	
Subsidiaries															
BBL (Cayman) Limited	-	-	-	-	304	1	-	-	-	-	-	-	817	-	- Mr. Boonsong Bunyasaranand Mrs.Pornnit Dunnvatanachit Mr. Chaifarit Anuchitworawong Mr. Sa-ard Theerarojanawong Mrs.Nutthaporn Luangsuwan
Bangkok Bank Berhad	1,393	-	-	15	118	-	2,075	2,220	-	-	11	134	134	2,968	Ms. Rushda Theeratharathorn Mr. Chaifarit Anuchitworawong
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	-	173	328	-	-	-	-	-	17	328	-	- Mr. Suvarn Thansathit Ms. Piyada Sucharitkul Ms. Rushda Theeratharathorn
BBL Asset Management Co., Ltd	-	-	-	369	99	-	-	-	-	-	392	84	-	-	- Ms. Suyanee Puripanyawanich Mr. Paisarn Lertkowitz
Bualuang Securities PCL.	-	-	-	14	124	1	1,148	-	-	-	2	741	1	1,095	Mr. Chong Toh Mrs.Yaowadee Nakhata
Bangkok Bank (China) Co., Ltd.	14	-	-	-	26	2,319	1,286	4	-	-	-	59	2,916	662	Mr. Chartsiri Sophonpanich Mr. Chong Toh Ms. Niramarn Laisathit Mr. Chaifarit Anuchitworawong Mr. Lin Cheng Leo, Kung Ms. Rushda Theeratharathorn
Bualuang Ventures Limited	-	-	-	-	221	-	-	-	-	-	-	236	-	-	- Mr. Suvarn Thansathit Ms. Rushda Theeratharathorn Mr. Thawat Treewannakul Mr. Siridej Aungudomsin
Bangkok Capital Asset Management Co., Ltd.**	-	-	-	-	245	-	-	-	-	-	-	264	-	-	- Mr. Chong Toh

* Net allowance for expected credit loss.

** Holding by Bualuang Securities PCL.



Million Baht

Company	THE BANK														Director / Executive
	December 31, 2022							December 31, 2021							
	Place ments	Invest ments	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commit ments	Place ments	Invest ments	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commit ments	
Subsidiaries															
PT Bank Permata Tbk	34	24,194	-	-	261	25	162	5	23,394	-	9	72	2,005	571	Mr. Chartsiri Sophonpanich Mr. Chong Toh Ms. Niramarn Laisathit Mr. Suwatchai Songwanich**
BSL Leasing Co., Ltd.	-	-	597	-	73	-	30	-	-	672	-	41	-	62	Mr. Thawat Treewannakul Mr. Rachot Sektrakul
Total subsidiaries	1,441	24,194	597	398	1,644	2,674	4,701	2,229	23,394	672	414	2,465	5,384	5,358	
Associates															
Processing Center Co., Ltd.	-	-	-	24	192	2	-	-	-	-	3	171	6	-	Mr. Kajornvut Tayanukorn** Ms. Suteera Sripaibulya
National ITMX Co., Ltd.	-	-	-	-	274	28	1	-	-	-	-	135	22	1	Ms. Suteera Sripaibulya
Thai Payment Network Co., Ltd.	-	-	-	10	2	-	-	-	-	-	28	1	-	-	Mr. Kukkong Ruckphaopunt Mr. Shoke Na Ranong
BCI (Thailand) Co., Ltd.	-	-	-	-	47	3	-	-	-	-	-	48	3	-	Mr. Kukkong Ruckphaopunt Mrs. Yaowadee Nakhata
Total associates	-	-	-	34	515	33	1	-	-	-	31	355	31	1	
Other related parties	-	-	277	1	5,415	2	-	-	-	639	1	7,761	5	4	
Total	1,441	24,194	874	433	7,574	2,709	4,702	2,229	23,394	1,311	446	10,581	5,420	5,363	

* Net allowance for expected credit loss.

** Mr. Kajornvut Tayanukorn retired on January 1, 2022.

*** Mr. Suwatchai Songwanich resigned as a member of the Board of Directors on May 20, 2022.



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.

For the year ended December 31, 2021, the Bank and subsidiaries charged interest at rates between 0.75% and 5.88% 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 Share	CONSOLIDATED					
			Direct and Indirect Shareholding (%)		Investment			
					Cost Method (Million Baht)		Equity Method (Million Baht)	
			2022	2021	2022	2021	2022	2021
Associates								
Thai Payment Network Co., Ltd.	Service	Common share	33.33	33.33	262	262	62	81
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15	488	470
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118	70	82
National ITMX Co., Ltd.	Service	Common share	12.55	12.55	12	12	511	382
PT Honest Financial Technologies (formerly PT Sahabat Finansial Keluarga) *	Finance	Common share	28.79	28.79	314	314	290	314
Total					721	721	1,421	1,329
Less Allowance for impairment					(172)	(172)	-	-
Investments in associates, net					549	549	1,421	1,329

* Holding by PT Bank Permata Tbk.



Company	Type of Business	Type of Shares	THE BANK			
			Direct and Indirect Shareholding (%)		Investment Cost Method (Million Baht)	
			2022	2021	2022	2021
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	1,500
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	12.55	12.55	12	12
Total					145,085	144,585
Less Allowance for impairment					(268)	(268)
Investments in subsidiaries and associates, net					144,817	144,317



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, 2022 and 2021 as follows:

Million Baht

Company	CONSOLIDATED							
	FOR THE YEAR ENDED DECEMBER 31, 2022				FOR THE YEAR ENDED DECEMBER 31, 2021			
	Interest income	Non-interest income	Interest expenses	Other expenses	Interest income	Non-interest income	Interest expenses	Other expenses
Associates								
Processing Center Co., Ltd.	-	11	1	9	-	9	1	8
National ITMX Co., Ltd.	-	87	-	266	-	56	-	207
Thai Payment Network Co., Ltd.	-	10	-	2	-	10	-	2
BCI (Thailand) Co., Ltd.	-	-	-	3	-	-	-	2
Total associates	-	108	1	280	-	75	1	219
Other related parties	31	88	17	163	15	97	24	187
Total	31	196	18	443	15	172	25	406



Million Baht

Company	THE BANK							
	FOR THE YEAR ENDED DECEMBER 31, 2022				FOR THE YEAR ENDED DECEMBER 31, 2021			
	Interest income	Non-interest income	Interest expenses	Other expenses	Interest income	Non-interest income	Interest expenses	Other expenses
Subsidiaries								
BBL (Cayman) Limited	-	-	8	-	-	-	1	-
Bangkok Bank Berhad	40	2	2	-	4	2	-	-
Sinnsuptawee Asset Management Co., Ltd.	-	1	-	-	-	1	-	-
BBL Asset Management Co., Ltd.	-	3,217	1	-	-	3,361	1	-
Bualuang Securities PCL.	-	2,216	2	3	-	979	2	27
Bangkok Bank (China) Co., Ltd.	-	171	11	-	-	167	5	-
Bualuang Ventures Limited	-	-	1	-	-	-	-	-
PT Bank Permata Tbk	-	713	1	-	22	-	26	-
BSL Leasing Co., Ltd.	12	45	-	-	8	45	-	-
Total subsidiaries	52	6,365	26	3	34	4,555	35	27
Associates								
Processing Center Co., Ltd.	-	11	1	9	-	9	1	8
National ITMX Co., Ltd.	-	87	-	266	-	56	-	207
Thai Payment Network Co., Ltd.	-	10	-	2	-	10	-	2
BCI (Thailand) Co., Ltd.	-	-	-	3	-	-	-	2
Total associates	-	108	1	280	-	75	1	219
Other related parties	31	-	17	84	15	1	24	112
Total	83	6,473	44	367	49	4,631	60	358



Compensation of key management personnel for the years ended December 31, 2022 and 2021 consisted of the following :

Million Baht

Company	CONSOLIDATED		THE BANK	
	FOR THE YEARS ENDED DECEMBER 31,		FOR THE YEARS ENDED DECEMBER 31,	
	2022	2021	2022	2021
Short-term employee benefits	2,988	2,673	1,654	1,482
Post-employment benefits	142	127	91	87
Total	3,130	2,800	1,745	1,569

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, 2022 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, 2022.

(Phornthep Phornprapha)

Chairman

February 23, 2023



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, 2022, 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, 2022, 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



Key Audit Matter

Audit Responses

considered trends in the economy and industries to which the Bank and subsidiaries are exposed.

- 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.

(Nisakorn Songmanee)

Certified Public Accountant (Thailand)

Registration No. 5035

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

Bangkok
February 21, 2023



Statement of Financial Position

Bangkok Bank Public Company Limited and Subsidiaries
As at December 31, 2022

Baht : '000					
		CONSOLIDATED		THE BANK	
	Notes	2022	2021	2022	2021
ASSETS					
CASH	6.2	52,432,699	62,551,767	48,169,322	57,854,239
INTERBANK AND MONEY MARKET ITEMS, NET	6.4	766,074,475	801,212,497	587,553,969	626,065,197
FINANCIAL ASSETS MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	6.5	75,036,089	84,341,349	90,801,828	96,497,917
DERIVATIVES ASSETS	6.6	84,839,352	42,359,296	83,582,630	41,749,252
INVESTMENTS, NET	6.7	850,150,825	803,636,528	706,876,633	663,088,369
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.8	1,420,693	1,328,586	144,816,959	144,316,959
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	6.9	2,449,355,263	2,376,026,685	2,096,756,258	2,025,671,183
PROPERTIES FOR SALE, NET	6.10	12,016,841	9,495,944	11,129,554	8,498,534
PREMISES AND EQUIPMENT, NET	6.11	61,892,520	64,980,166	51,648,845	54,181,783
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	6.12	33,697,374	36,808,534	1,450,492	1,579,427
DEFERRED TAX ASSETS	6.13	6,891,668	6,336,519	2,474,561	2,532,787
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES		1,497,501	12,906,449	1,454,302	12,779,785
OTHER ASSETS, NET		26,446,787	31,296,588	13,360,986	19,016,792
TOTAL ASSETS		4,421,752,087	4,333,280,908	3,840,076,339	3,753,832,224

Statement of Financial Position (Continued)

Bangkok Bank Public Company Limited and Subsidiaries
As at December 31, 2022

Baht : '000					
		CONSOLIDATED		THE BANK	
	Notes	2022	2021	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS	6.14	3,210,895,555	3,156,939,789	2,716,152,436	2,665,646,333
INTERBANK AND MONEY MARKET ITEMS	6.15	262,521,534	288,708,547	251,029,467	280,748,435
LIABILITY PAYABLE ON DEMAND		7,769,885	8,112,863	7,767,403	8,112,243
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	6.16	17,959,739	20,833,104	17,412,480	20,566,545
DERIVATIVES LIABILITIES	6.6	70,981,448	50,264,330	69,648,650	49,716,357
DEBT ISSUED AND BORROWINGS	6.17	188,301,568	183,239,266	187,056,618	182,379,356
PROVISIONS	6.21	27,177,164	25,814,558	24,176,399	23,595,568
DEFERRED TAX LIABILITIES	6.13	578,896	1,358,026	279,989	984,178
OTHER LIABILITIES	6.23	128,424,347	103,417,868	81,902,964	57,310,822
TOTAL LIABILITIES		3,914,610,136	3,838,688,351	3,355,426,406	3,289,059,837
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		54,243,425	66,348,614	55,480,947	57,340,405
RETAINED EARNINGS					
Appropriated	6.26 , 6.27				
Legal reserve		27,000,000	26,000,000	27,000,000	26,000,000
Others		121,500,000	116,500,000	121,500,000	116,500,000
Unappropriated		227,167,894	208,443,791	205,234,325	189,497,321
TOTAL BANK'S EQUITY		505,345,980	492,727,066	484,649,933	464,772,387
NON-CONTROLLING INTEREST		1,795,971	1,865,491	-	-
TOTAL SHAREHOLDERS' EQUITY		507,141,951	494,592,557	484,649,933	464,772,387
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,421,752,087	4,333,280,908	3,840,076,339	3,753,832,224

Notes to the financial statements form an integral part of these financial statements.

Shantorn Sophonpanich

(Mr. Chartsiri Sophonpanich)

President

S. Suvann Thansathit

(Mr. Suvann Thansathit)

Senior Executive Vice President

Notes to the financial statements form an integral part of these financial statements.



Statement of Profit or Loss and Other Comprehensive Income

Bangkok Bank Public Company Limited and Subsidiaries
For the year ended December 31, 2022

Baht : '000					
		CONSOLIDATED		THE BANK	
	Notes	2022	2021	2022	2021
INTEREST INCOME	6.35	139,087,978	114,312,544	104,069,787	83,284,576
INTEREST EXPENSES	6.36	36,864,713	32,156,484	25,866,046	21,273,916
NET INTEREST INCOME		102,223,265	82,156,060	78,203,741	62,010,660
FEES AND SERVICE INCOME	6.37	41,132,239	39,127,387	30,188,400	27,404,183
FEES AND SERVICE EXPENSES	6.37	13,624,400	9,918,176	11,711,504	8,206,221
NET FEES AND SERVICE INCOME		27,507,839	29,209,211	18,476,896	19,197,962
GAINS ON FINANCIAL INSTRUMENTS					
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	6.38	5,155,163	17,867,820	4,063,912	15,649,215
GAINS (LOSSES) ON INVESTMENTS	6.39	(1,453,669)	1,225,150	(1,500,499)	156,139
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		189,560	208,855	-	-
GAINS ON DISPOSAL OF ASSETS		1,890,956	519,198	1,781,586	401,504
DIVIDEND INCOME		2,306,493	2,251,676	6,367,289	4,236,874
OTHER OPERATING INCOME		1,075,232	1,102,693	360,705	371,690
TOTAL OPERATING INCOME		138,894,839	134,540,663	107,753,630	102,024,044
OTHER OPERATING EXPENSES					
Employee's expenses		34,793,722	35,003,148	24,621,887	24,813,000
Directors' remuneration		259,045	263,448	136,714	134,148
Premises and equipment expenses		15,371,271	14,764,803	11,295,149	11,423,141
Taxes and duties		3,643,182	2,949,196	3,537,370	2,868,153
Others		14,951,314	14,285,122	9,749,690	9,291,684
TOTAL OTHER OPERATING EXPENSES		69,018,534	67,265,717	49,340,810	48,530,126
EXPECTED CREDIT LOSS	6.40	32,647,105	34,133,611	26,556,303	26,011,719
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		37,229,200	33,141,335	31,856,517	27,482,199
INCOME TAX EXPENSES	6.41	7,483,684	6,189,220	5,466,446	4,831,735
NET PROFIT		29,745,516	26,952,115	26,390,071	22,650,464

Notes to the financial statements form an integral part of these financial statements.

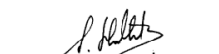
Statement of Profit or Loss and Other Comprehensive Income (Continued)

Bangkok Bank Public Company Limited and Subsidiaries
For the year ended December 31, 2022

Baht : '000					
		CONSOLIDATED		THE BANK	
	Notes	2022	2021	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		(4,329,124)	(6,742,229)	(2,031,767)	(6,608,454)
Losses on cash flow hedges		(609,214)	(506,394)	(609,214)	(506,394)
Gains (losses) arising from translating the financial statements of foreign operations		(8,101,942)	20,196,245	464,804	6,033,617
Share of other comprehensive income of associate		1,141	-	-	-
Income tax relating to components of other comprehensive income (losses)		1,523,965	1,671,185	1,016,960	1,648,107
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus		(4,916)	643,545	(4,916)	-
Gains on investment in equity instruments designated at fair value through other comprehensive income		161,610	10,599,899	128,683	10,539,297
Gains (losses) on financial liabilities designated at fair value through profit or loss		1,451,042	(567,419)	1,451,042	(567,419)
Actuarial gains on defined benefit plans		1,251,377	986,754	1,282,236	935,437
Share of other comprehensive income (losses) of associate		(989)	(2,466)	-	-
Income tax relating to components of other comprehensive income (losses)		(490,378)	(2,279,082)	(577,797)	(2,155,609)
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)		(9,147,428)	24,000,038	1,120,031	9,318,582
TOTAL COMPREHENSIVE INCOME		20,598,088	50,952,153	27,510,102	31,969,046
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		29,305,591	26,507,040	26,390,071	22,650,464
Non-controlling interest		439,925	445,075	-	-
		29,745,516	26,952,115	26,390,071	22,650,464
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		20,251,470	50,393,641	27,510,102	31,969,046
Non-controlling interest		346,618	558,512	-	-
		20,598,088	50,952,153	27,510,102	31,969,046
BASIC EARNINGS PER SHARE (BAHT)		15.35	13.89	13.83	11.87
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. Suvam Thansathit)
Senior Executive Vice President



Statement of Changes in Shareholders' Equity

Bangkok Bank Public Company Limited and Subsidiaries

For the year ended December 31, 2022

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, 2021		19,088,429	56,346,232	33,036,778	27,035,092	564,850	(1,429,178)	(11,954,319)	3,615	25,000,000	111,500,000	189,822,190	449,013,689	1,233,446	450,247,135
Appropriation for previous year															
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	(4,771,811)	(4,771,811)	(181,964)	(4,953,775)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Appropriation for current year															
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	(1,908,453)	(1,908,453)	(200,004)	(2,108,457)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Total comprehensive income		-	-	533,526	3,314,168	(405,115)	(453,935)	20,090,508	(1,973)	-	-	27,316,462	50,393,641	558,512	50,952,153
Transfer to retained earnings		-	-	(1,090,544)	(2,894,859)	-	-	-	-	-	-	3,985,403	-	-	-
Others		-	-	-	-	-	-	-	-	-	-	-	-	455,501	455,501
Balance as at December 31, 2021		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
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

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, 2022

Baht : '000

	Notes	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	THE BANK							Total	
				Other Reserves					Retained Earnings			
				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, 2021		19,088,429	56,346,232	32,545,249	26,485,473	564,850	(1,429,178)	(5,316,520)	25,000,000	111,500,000	174,699,070	439,483,605
Appropriation for previous year												
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(4,771,811)	(4,771,811)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Appropriation for current year												
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(1,908,453)	(1,908,453)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-
Total comprehensive income		-	-	-	3,374,117	(405,115)	(453,935)	6,033,617	-	-	23,420,362	31,969,046
Transfer to retained earnings		-	-	(997,678)	(3,060,475)	-	-	-	-	-	4,058,153	-
Balance as at December 31, 2021		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
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

Notes to the financial statements form an integral part of these financial statements.

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvam Thansathit)
Senior Executive Vice President



Statement of Cash Flows

Bangkok Bank Public Company Limited and Subsidiaries
For the year ended December 31, 2022

Baht : '000					
		CONSOLIDATED		THE BANK	
	Note	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		37,229,200	33,141,335	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		5,473,032	6,225,102	3,792,520	4,631,946
Expected credit loss		32,647,105	34,133,611	26,556,303	26,011,719
Loss on foreign exchange of long-term borrowings		8,672,489	14,775,566	8,672,489	14,618,074
Amortization of premium on investment in debt securities		264,481	1,435,037	290,962	1,400,517
Unrealized (gain) loss on financial instruments					
measured at fair value through profit or loss		3,896,019	(7,643,607)	3,374,115	(7,045,959)
(Gain) loss on investments		1,453,669	(1,225,150)	1,500,499	(156,139)
Share of profit from investment using equity method		(189,560)	(208,855)	-	-
Loss on impairment of properties for sale		498,402	611,745	485,591	311,298
Gain on disposal of premises and equipment		(35,203)	(11,521)	(24,401)	(4,107)
Loss on impairment of other assets (reversal)		(28,516)	256,080	(38,440)	265,558
Provision expenses		1,309,533	935,403	1,162,933	899,593
Net interest income		(102,223,265)	(82,156,060)	(78,203,741)	(62,010,660)
Dividend income		(2,306,493)	(2,251,676)	(6,367,289)	(4,236,874)
Proceeds from interest income		136,038,720	114,987,412	100,762,505	82,580,136
Interest expenses paid		(36,090,935)	(31,988,705)	(25,095,437)	(21,715,629)
Proceeds from dividend income		2,306,518	2,251,677	2,208,296	2,177,630
Income tax paid		(6,815,009)	(7,561,485)	(5,688,661)	(6,775,973)
(Increase) decrease in other accrued receivables		315,005	(380,735)	107,606	(225,408)
Increase (decrease) in other accrued expenses		(545,371)	1,007,799	836,272	(359,452)
Profit from operating before changes in					
operating assets and liabilities		81,869,821	76,332,973	66,188,639	57,848,469
(Increase) decrease in operating assets					
Interbank and money market items		35,825,661	(284,587,885)	39,174,862	(251,601,772)
Financial assets measured at fair value through profit or loss		5,699,224	(18,571,329)	2,612,007	(19,902,342)
Loans to customers		(99,894,874)	(231,969,593)	(93,872,459)	(158,776,479)
Properties for sale		1,217,168	2,134,269	813,991	741,890
Other assets		(24,690,723)	16,213,260	(25,752,541)	17,184,559

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, 2022

Baht : '000					
		CONSOLIDATED		THE BANK	
	Note	2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Increase (decrease) in operating liabilities					
Deposits		53,955,766	346,077,165	50,506,103	180,049,535
Interbank and money market items		(26,187,013)	69,559,354	(29,718,968)	118,249,255
Liability payable on demand		(342,978)	855,503	(344,840)	1,409,475
Short-term borrowings		385,040	(53,824)	-	-
Other liabilities		44,416,830	24,550,144	46,379,715	3,815,459
Net cash from operating activities		72,253,922	540,037	55,986,509	(50,981,951)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities measured at fair value					
through other comprehensive income		(318,213,842)	(471,115,594)	(283,499,613)	(384,578,512)
Proceeds from disposal of investment securities					
measured at fair value through other comprehensive income		293,604,280	452,401,696	254,654,050	394,980,371
Purchase of investment securities measured at amortized cost		(122,957,541)	(75,342,523)	(46,731,239)	(836,973)
Proceeds from redemption of investment securities					
measured at amortized cost		80,155,354	58,977,765	19,312,442	1,593,558
Purchase of investments in subsidiary		-	-	(500,000)	-
Proceeds from disposal of investments					
in subsidiaries and associate		-	622,985	-	56,212
Proceeds from dividend income					
from subsidiaries and associates		90,295	62,180	4,159,018	2,059,245
Purchase of premises and equipment		(1,467,792)	(3,153,421)	(577,132)	(635,279)
Purchase from disposal of premises and equipment		140,384	1,791,934	25,773	7,925
Net cash from investing activities		(68,648,862)	(35,754,978)	(53,156,701)	12,646,547
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from issuance of subordinated notes	6.3	-	33,930,916	-	33,930,916
Cash received from issuance of senior unsecured notes	6.3	26,441,778	-	26,441,778	-
Cash paid for senior unsecured notes extinguishment	6.3	(30,343,245)	(1,414,830)	(30,343,245)	-
Decrease in long-term borrowings	6.3	(122,343)	(202,865)	(122,343)	(159,865)
Cash paid for lease liabilities		(1,658,633)	(1,475,819)	(833,918)	(1,017,228)
Dividend paid		(7,632,556)	(6,680,264)	(7,632,556)	(6,680,264)
Dividend paid to non-controlling interest		(416,138)	(381,968)	-	-
Net cash from financing activities		(13,731,137)	23,775,170	(12,490,284)	26,073,559
Effect on cash due to changes in the exchange rates		7,009	105,229	(24,441)	102,569
Net decrease in cash		(10,119,068)	(11,334,542)	(9,684,917)	(12,159,276)
Cash as at January 1,		62,551,767	73,886,309	57,854,239	70,013,515
Cash as at December 31,		52,432,699	62,551,767	48,169,322	57,854,239

Notes to the financial statements form an integral part of these financial statements.


(Mr. Chartsiri Sophonpanich)
President


(Mr. Suvarn Thansathit)
Senior Executive Vice President



Notes to The Financial Statements

Bangkok Bank Public Company Limited and Subsidiaries
For the year ended December 31, 2022

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Notes to The Financial Statements

Bangkok Bank Public Company Limited and Subsidiaries
For the year ended December 31, 2022

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Notes to The Financial Statements

Bangkok Bank Public Company Limited and Subsidiaries
For the year ended December 31, 2022

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, 2022 and 2021, 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 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, 2022 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, 2023 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, 2022 and 2021, 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, 2022 and 2021, 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 (formerly PT Sahabat Finansial Keluarga) which was incorporated in Indonesia.

- 2.4 The Bank's financial statements for the years ended December 31, 2022 and 2021, 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 debt financial assets 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 that 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, which 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, discounted by the original effective interest rate at the start date, calculated 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.

The Bank applies an accrual basis for open portfolio hedge.

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.

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 and future discounts expenses.

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.

The Bank and its subsidiaries recognize the provision for defined benefit plans in the statement of financial position with the net total of the present value of defined benefits obligations minus the fair value of plan assets. The expense for defined benefit plans is recognized as personnel expenses. 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.

Diluted earnings per share are computed from adjusting the net income attributable to common shares and adjusting the number of common shares by the effect of dilutive potential common shares.

4. Risk Management

4.1 Risk management information of the Bank

The Bank's Risk Management 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 Management 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 III guidelines and to achieve an appropriate rate of return.

Important processes in the risk management system comprise the identification of significant risks which may potentially impact the Bank's business operations, 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 system 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 unit 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, 2022 and 2021.

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	
	2022	2021	2022	2021
Financial assets				
Interbank and money market items, net	766,074	801,212	587,554	626,065
Derivatives assets	84,839	42,359	83,583	41,749
Investments	762,729	715,942	620,065	575,916
Loan to customers	2,449,355	2,376,027	2,096,756	2,025,671
Total	<u>4,062,997</u>	<u>3,935,540</u>	<u>3,387,958</u>	<u>3,269,401</u>
Off Balance sheet				
Financial guarantees	216,755	214,723	162,888	171,451
Loan commitments	380,122	405,658	345,535	357,333
Total	<u>596,877</u>	<u>620,381</u>	<u>508,423</u>	<u>528,784</u>
Total credit risk exposure	<u><u>4,659,874</u></u>	<u><u>4,555,921</u></u>	<u><u>3,896,381</u></u>	<u><u>3,798,185</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, 2022 and 2021.

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 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	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

Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	CONSOLIDATED 2021		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	11,472	-	11,472	-	(11,472)	-	Interbank and money market items (assets), net	6.4	801,212	789,740
Derivatives assets	30,823	-	30,823	(24,937)	(3,314)	2,572	Derivative assets	6.6	42,359	11,536
Total	<u>42,295</u>	<u>-</u>	<u>42,295</u>	<u>(24,937)</u>	<u>(14,786)</u>	<u>2,572</u>			<u>843,571</u>	<u>801,276</u>
Financial liabilities										
Repurchase agreements	61,400	-	61,400	-	(61,400)	-	Interbank and money market items (liabilities), net	6.15	288,709	227,309
Derivatives liabilities	33,312	-	33,312	(24,937)	(8,375)	-	Derivative liabilities	6.6	50,264	16,952
Total	<u>94,712</u>	<u>-</u>	<u>94,712</u>	<u>(24,937)</u>	<u>(69,775)</u>	<u>-</u>			<u>338,973</u>	<u>244,261</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>



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 2021		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	11,472	-	11,472	-	(11,472)	-	Interbank and money market items (assets), net	6.4	626,065	614,593
Derivatives assets	30,823	-	30,823	(24,937)	(3,314)	2,572	Derivative assets	6.6	41,749	10,926
Total	<u>42,295</u>	<u>-</u>	<u>42,295</u>	<u>(24,937)</u>	<u>(14,786)</u>	<u>2,572</u>			<u>667,814</u>	<u>625,519</u>
Financial liabilities										
Repurchase agreements	61,400	-	61,400	-	(61,400)	-	Interbank and money market items (liabilities), net	6.15	280,748	219,348
Derivatives liabilities	33,312	-	33,312	(24,937)	(8,375)	-	Derivative liabilities	6.6	49,716	16,404
Total	<u>94,712</u>	<u>-</u>	<u>94,712</u>	<u>(24,937)</u>	<u>(69,775)</u>	<u>-</u>			<u>330,464</u>	<u>235,752</u>



4.2.5 Credit quality of financial assets including loan commitments and financial guarantee contracts as at December 31, 2022 and 2021.

	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	3,040,441	148,402	100,863	3,289,706
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	1,516,768	12,423	129	1,529,320
Grand total	4,557,209	160,825	100,992	4,819,026

	CONSOLIDATED 2021			Million Baht
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	964,180	1,497	-	965,677
Satisfactory	1,680,594	5,477	-	1,686,071
High-risk	324,696	135,488	-	460,184
Credit impaired	-	-	104,277	104,277
Total	2,969,470	142,462	104,277	3,216,209
Interbank and money market items and investments in debt securities				
Strong	1,481,516	409	-	1,481,925
Satisfactory	26,097	570	-	26,667
High-risk	2,718	6,564	-	9,282
Credit impaired	-	-	-	-
Total	1,510,331	7,543	-	1,517,874
Grand total	4,479,801	150,005	104,277	4,734,083

	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	2,603,394	131,662	84,213	2,819,269
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	1,195,545	12,423	117	1,208,085
Grand total	3,798,939	144,085	84,330	4,027,354



	THE BANK 2021			Million Baht
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	750,399	211	-	750,610
Satisfactory	1,529,333	5,477	-	1,534,810
High-risk	259,366	116,631	-	375,997
Credit impaired	-	-	85,595	85,595
Total	<u>2,539,098</u>	<u>122,319</u>	<u>85,595</u>	<u>2,747,012</u>
Interbank and money market items and investments in debt securities				
Strong	1,169,618	-	-	1,169,618
Satisfactory	23,164	570	-	23,734
High-risk	2,718	6,564	-	9,282
Credit impaired	-	-	-	-
Total	<u>1,195,500</u>	<u>7,134</u>	<u>-</u>	<u>1,202,634</u>
Grand total	<u>3,734,598</u>	<u>129,453</u>	<u>85,595</u>	<u>3,949,646</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, 2022 and 2021 :

	CONSOLIDATED		THE BANK		Million Baht
	2022	2021	2022	2021	
Allowance for expected credit loss for					
Interbank and money market items	429	739	377	676	
Investment in debt securities	6,422	3,878	6,372	3,844	
Loans to customers	243,474	219,801	214,089	192,557	
Off-balance sheet items	9,556	7,744	7,579	6,412	
Total	<u>259,881</u>	<u>232,162</u>	<u>228,417</u>	<u>203,489</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>

	CONSOLIDATED 2021			Million Baht
	Performing	Under-performing	Non-performing	Total
Beginning balances	56,525	65,205	76,138	197,868
Changes due to re-measurement of loss allowance	47,112	22,151	24,230	93,493
De-recognition	(17,598)	(17,321)	(28,303)	(63,222)
Others	790	355	2,878	4,023
Ending balances	<u>86,829</u>	<u>70,390</u>	<u>74,943</u>	<u>232,162</u>



	THE BANK			Million Baht
	2022			
		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	<u>93,641</u>	<u>74,809</u>	<u>59,967</u>	<u>228,417</u>

	THE BANK			Million Baht
	2021			
		Allowance for expected credit loss		
	Performing	Under-performing	Non-performing	Total
Beginning balances	48,303	59,044	66,868	174,215
Changes due to re-measurement of loss allowance	38,380	17,856	11,530	67,766
De-recognition	(9,211)	(12,293)	(19,592)	(41,096)
Others	575	350	1,679	2,604
Ending balances	<u>78,047</u>	<u>64,957</u>	<u>60,485</u>	<u>203,489</u>

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 Management 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, 2022 and 2021 are as follows :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
	Million Baht			
Value-at-Risk	339	257	344	248

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, 2022 and 2021 are as follows :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
	Million Baht			
NII Impact	2,264	129	1,814	(338)

The Bank has significant financial assets and financial liabilities categorized by the earlier of contractual repricing or maturity dates as at December 31, 2022 and 2021 as follows :

	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.



CONSOLIDATED 2021									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*	675,861	28,339	11,625	121	-	85,873	-	801,819	
Financial assets measured at fair value through profit or loss	40	3,876	2,106	5,182	8,807	64,330	-	84,341	
Investments in debt securities	25,973	47,067	101,148	432,870	106,479	-	-	713,537	
Loans to customers*	1,448,732	550,490	282,355	196,973	8,614	-	101,175	2,588,339	
Financial Liabilities									
Deposits	2,125,971	362,112	515,748	17,677	-	135,432	-	3,156,940	
Interbank and money market items	139,213	70,634	50,114	27,724	550	474	-	288,709	
Liabilities payable on demand	-	-	-	-	-	8,113	-	8,113	
Financial liabilities measured at fair value through profit or loss	266	-	-	-	20,567	-	-	20,833	
Debt issued and borrowings	-	344	27,281	62,011	93,603	-	-	183,239	

* 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	

* Excluding allowance for expected credit loss, accrued interest receivables and undue interest receivables.



	THE BANK 2021							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 *	554,709	12,020	6,453	-	-	53,468	-	626,650
Financial assets measured at fair value through profit or loss	18	3,779	2,005	2,813	31,448	56,435	-	96,498
Investments in debt securities	8,460	20,789	82,140	359,196	104,269	-	-	574,854
Loans to customers *	1,251,319	478,839	243,661	147,863	7,156	-	83,084	2,211,922
Financial Liabilities								
Deposits	1,728,819	319,487	472,671	10,590	-	134,079	-	2,665,646
Interbank and money market items	130,890	67,479	49,009	27,094	550	5,726	-	280,748
Liabilities payable on demand	-	-	-	-	-	8,112	-	8,112
Financial liabilities measured at fair value through profit or loss	-	-	-	-	20,567	-	-	20,567
Debt issued and borrowings	-	-	26,765	62,011	93,603	-	-	182,379

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 overseas 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, 2022 and 2021, the impact on the Group's total capital ratio assuming a 5% change of all foreign currency exchange rates against Thai Baht, was approximately 0.07% and 0.03%, 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, 2022 and 2021 :

	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.

	CONSOLIDATED 2021					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 *	730,607	3,259	106	67,847	-	801,819
Financial assets measured at						
fair value through profit or loss	9,655	4,910	32,293	37,483	-	84,341
Derivatives assets	9,421	13,765	19,173	-	-	42,359
Investments	171,910	433,927	109,692	89,447	-	804,976
Loans to customers *	966,297	898,564	622,303	-	101,175	2,588,339
Financial Liabilities						
Deposits	1,477,132	20,113	-	1,659,695	-	3,156,940
Interbank and money market items	238,083	34,408	550	15,668	-	288,709
Liabilities payable on demand	8,113	-	-	-	-	8,113
Financial liabilities measured at						
fair value through profit or loss	266	-	20,567	-	-	20,833
Derivatives liabilities	15,816	15,082	19,366	-	-	50,264
Debt issued and borrowings	27,625	36,946	93,590	25,078	-	183,239

* Excluding allowance for expected credit loss, accrued interest receivables and undue interest receivables.



	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.

	THE BANK 2021						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*	562,550	1,115	-	62,985	-	626,650	
Financial assets measured at							
fair value through profit or loss	5,802	2,813	31,448	56,435	-	96,498	
Derivatives assets	8,995	13,581	19,173	-	-	41,749	
Investments	110,515	359,549	104,790	232,826	-	807,680	
Loans to customers*	822,896	776,296	529,646	-	83,084	2,211,922	
Financial Liabilities							
Deposits	1,010,863	13,026	-	1,641,757	-	2,665,646	
Interbank and money market items	234,920	33,778	550	11,500	-	280,748	
Liabilities payable on demand	8,112	-	-	-	-	8,112	
Financial liabilities measured at							
fair value through profit or loss	-	-	20,567	-	-	20,567	
Derivatives liabilities	15,410	14,945	19,361	-	-	49,716	
Debt issued and borrowings	26,765	36,946	93,590	25,078	-	182,379	

* 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, 2022 and 2021 :

	Million Baht			
	CONSOLIDATED			
	2022	2021		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	52,433	52,433	62,552	62,552
Interbank and money market items, net	766,074	766,074	801,212	801,212
Financial assets measured at fair value				
through profit or loss	75,036	75,036	84,341	84,341
Derivatives assets	84,839	85,805	42,359	42,376
Investments, net	851,572	853,063	804,965	804,765
Loans to customers and accrued interest				
receivables, net	<u>2,449,355</u>	<u>2,449,355</u>	<u>2,376,027</u>	<u>2,376,027</u>
Total	<u>4,279,309</u>	<u>4,281,766</u>	<u>4,171,456</u>	<u>4,171,273</u>
Financial Liabilities				
Deposits	3,210,896	3,210,896	3,156,940	3,156,940
Interbank and money market items	262,522	262,522	288,709	288,709
Liabilities payable on demand	7,770	7,770	8,113	8,113
Financial liabilities measured at fair value				
through profit or loss	17,960	17,960	20,833	20,833
Derivatives liabilities	70,981	71,757	50,264	50,325
Debt issued	188,219	171,456	183,034	190,951
Borrowings	<u>83</u>	<u>83</u>	<u>205</u>	<u>205</u>
Total	<u>3,758,431</u>	<u>3,742,444</u>	<u>3,708,098</u>	<u>3,716,076</u>

	Million Baht			
	THE BANK			
	2022	2021		
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	48,169	48,169	57,854	57,854
Interbank and money market items, net	587,554	587,554	626,065	626,065
Financial assets measured at fair value				
through profit or loss	90,802	90,802	96,498	96,498
Derivatives assets	83,583	83,621	41,749	41,724
Investments, net	851,694	875,748	807,405	835,369
Loans to customers and accrued interest				
receivables, net	<u>2,096,756</u>	<u>2,096,756</u>	<u>2,025,671</u>	<u>2,025,671</u>
Total	<u>3,758,558</u>	<u>3,782,650</u>	<u>3,655,242</u>	<u>3,683,181</u>
Financial Liabilities				
Deposits	2,716,152	2,716,152	2,665,646	2,665,646
Interbank and money market items	251,029	251,029	280,748	280,748
Liabilities payable on demand	7,767	7,767	8,112	8,112
Financial liabilities measured at fair value				
through profit or loss	17,412	17,412	20,567	20,567
Derivatives liabilities	69,649	69,543	49,716	49,699
Debt issued	186,974	170,211	182,174	190,091
Borrowings	<u>83</u>	<u>83</u>	<u>205</u>	<u>205</u>
Total	<u>3,249,066</u>	<u>3,232,197</u>	<u>3,207,168</u>	<u>3,215,068</u>

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, 2022 and 2021.

CONSOLIDATED								Million Baht
	2022			2021				
	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	7,301	6,290	61,445	75,036	11,370	9,681	63,290	84,341
Derivatives assets	437	85,368	-	85,805	458	41,918	-	42,376
Investments, net	180,939	575,478	5,522	761,939	177,174	574,225	6,185	757,584
Financial liabilities								
Financial liabilities measured at fair value through profit or loss	548	17,412	-	17,960	267	20,566	-	20,833
Derivatives liabilities	46	71,711	-	71,757	60	50,265	-	50,325
Items not measured at fair value								
Financial assets								
Investments, net	4,173	68,187	18,764	91,124	3,514	29,094	14,573	47,181
Financial liabilities								
Debt issued	-	171,456	-	171,456	-	190,951	-	190,951

THE BANK								Million Baht
	2022			2021				
	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	3,527	2,448	84,827	90,802	4,848	7,563	84,087	96,498
Derivatives assets	421	83,200	-	83,621	455	41,269	-	41,724
Investments, net	103,831	549,809	5,434	659,074	99,313	550,679	6,099	656,091
Financial liabilities								
Financial liabilities measured at fair value through profit or loss	-	17,412	-	17,412	-	20,567	-	20,567
Derivatives liabilities	-	69,543	-	69,543	-	49,699	-	49,699
Items not measured at fair value								
Financial assets								
Investments, net	897	49,064	166,713	216,674	446	6,650	172,182	179,278
Financial liabilities								
Debt issued	-	170,211	-	170,211	-	190,091	-	190,091



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 :

	Percentage	
	2022	2021
Capital Fund Ratio		
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, 2022 and 2021, 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	
	2022	2021	2022	2021
Common Equity Tier 1 capital to risk assets ratio	14.88	15.15	16.51	16.47
Tier 1 capital to risk assets ratio	15.67	15.98	17.38	17.38
Total capital to risk assets ratio	19.13	19.57	21.12	21.33

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Tier 1 capital	471,366	457,469	468,474	449,350
Common Equity Tier 1 capital	447,590	433,699	444,882	425,758
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	27,000	26,000	27,000	26,000
Reserves appropriated from net profit	121,500	116,500	121,500	116,500
Net profit after appropriation	210,038	191,060	190,120	174,703
Other comprehensive income	53,237	66,492	55,123	58,136
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	391	-	-	-
Deductions from Common Equity Tier 1 capital	(40,010)	(41,787)	(24,295)	(25,015)
Additional Tier 1 capital	23,776	23,770	23,592	23,592
Tier 2 capital	104,108	102,957	100,807	101,989
Total capital fund	575,474	560,426	569,281	551,339

As at December 31, 2022 and 2021, 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
Date of disclosure October 31, 2022
Information as of June 30, 2022



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 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 of 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, 2022 and 2021 are as follows :

	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

	CONSOLIDATED 2021					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	-	-	-	-	62,552	62,552
Interbank and money market items, net	-	-	-	-	801,212	801,212
Financial assets measured at FVTPL	84,341	-	-	-	-	84,341
Derivatives assets	42,359	-	-	-	-	42,359
Investments, net	-	-	667,473	90,111	46,053	803,637
Loans to customers and accrued interest receivables, net	-	-	-	-	2,376,027	2,376,027
Total	126,700	-	667,473	90,111	3,285,844	4,170,128
Financial liabilities						
Deposits	-	-	-	-	3,156,940	3,156,940
Interbank and money market item	-	-	-	-	288,709	288,709
Liability payable on demand	-	-	-	-	8,113	8,113
Financial liabilities measured at FVTPL	266	20,567	-	-	-	20,833
Derivatives liabilities	50,264	-	-	-	-	50,264
Debt issued and borrowings	-	-	-	-	183,239	183,239
Total	50,530	20,567	-	-	3,637,001	3,708,098



	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

	THE BANK 2021					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	-	-	-	-	57,854	57,854
Interbank and money market items, net	-	-	-	-	626,065	626,065
Financial assets measured at FVTPL	96,498	-	-	-	-	96,498
Derivatives assets	41,749	-	-	-	-	41,749
Investments, net	-	-	567,850	88,241	6,997	663,088
Loans to customers and accrued interest receivables, net	-	-	-	-	2,025,671	2,025,671
Total	138,247	-	567,850	88,241	2,716,587	3,510,925
Financial liabilities						
Deposits	-	-	-	-	2,665,646	2,665,646
Interbank and money market item	-	-	-	-	280,748	280,748
Liability payable on demand	-	-	-	-	8,112	8,112
Financial liabilities measured at FVTPL	-	20,567	-	-	-	20,567
Derivatives liabilities	49,716	-	-	-	-	49,716
Debt issued and borrowings	-	-	-	-	182,379	182,379
Total	49,716	20,567	-	-	3,136,885	3,207,168



6.2 Cash

Cash as at December 31, 2022 and 2021 are as follows :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Cash	52,384	62,265	48,120	57,567
Cash received in advance from e-Money and electronic money transfer service	49	287	49	287
Total	52,433	62,552	48,169	57,854

6.3 Supplementary Disclosures of Cash Flow Information

Significant non-cash items for the years ended December 31, 2022 and 2021 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2022	2021	2022	2021
Unrealized gains on investments in shareholders' equity increase (decrease)	(2,782)	3,314	(1,040)	3,374
Properties for sale increased from loans payment/inactive assets	4,239	2,008	3,930	1,797
Appraisal surplus transferred to retained earnings	1,095	1,091	999	998
Appraisal surplus increase (decrease)	82	534	(4)	-
Changes in non-cash items of debt issued and borrowings				
Losses on foreign exchange	(8,672)	(14,776)	(8,672)	(14,618)
Amortization on discount	29	28	29	27

6.4 Interbank and Money Market Items, net (Assets)

Interbank and money market items, net (assets) as at December 31, 2022 and 2021 consisted of the following :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Domestic items				
Bank of Thailand and Financial Institutions				
Development Fund	451,420	484,404	451,420	484,404
Commercial banks	22,911	23,676	10,101	12,016
Special purpose financial institutions	-	1,115	-	1,115
Other financial institutions	15,370	14,005	15,370	14,005
Total	489,701	523,200	476,891	511,540
<u>Add</u> Accrued interest receivables and undue interest receivables	83	35	68	33
<u>Less</u> Allowance for expected credit loss	(74)	(19)	(74)	(19)
Total domestic items	489,710	523,216	476,885	511,554
Foreign items				
USD	129,183	121,037	70,949	67,669
JPY	10,140	13,141	9,210	12,495
EUR	5,899	5,625	5,809	5,434
Others	131,082	138,816	24,628	29,512
Total	276,304	278,619	110,596	115,110
<u>Add</u> Accrued interest receivables and undue interest receivables	412	66	374	29
<u>Less</u> Allowance for expected credit loss	(352)	(689)	(301)	(628)
Total foreign items	276,364	277,996	110,669	114,511
Total domestic and foreign items	766,074	801,212	587,554	626,065

6.5 Financial Assets Measured at Fair Value Through Profit or Loss

6.5.1 Trading financial assets as at December 31, 2022 and 2021 consisted of the following :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
	Fair Value	Fair Value	Fair Value	Fair Value
Thai government and state enterprise securities	1,261	6,463	1,261	6,463
Foreign debt securities	629	3,217	-	-
Domestic marketable equity securities	3,145	3,305	-	-
Others	106	119	-	-
Total	5,141	13,104	1,261	6,463



6.5.2 Others as at December 31, 2022 and 2021 consisted of the following :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
	Fair Value	Fair Value	Fair Value	Fair Value
Investments in debt securities	59,123	57,537	80,338	78,110
Investments in equity securities	10,772	13,700	9,203	11,925
Total	69,895	71,237	89,541	90,035
Financial assets measured at fair value through profit or loss	75,036	84,341	90,802	96,498

6.6 Derivatives Assets and Liabilities

The fair values and the notional amounts derivatives classified by type of risk as at December 31, 2022 and 2021 are as follows :

Type of risk	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
	Fair Value	Notional Amount	Fair Value	Notional Amount
	Assets	Liabilities	Assets	Liabilities
Foreign exchange rate	53,826	38,142	1,917,815	21,595
Interest rate	30,546	32,812	1,277,265	20,302
Others	467	27	4,091	462
Total	84,839	70,981	3,199,171	42,359

Type of risk	THE BANK		THE BANK	
	2022	2021	2022	2021
	Fair Value	Notional Amount	Fair Value	Notional Amount
	Assets	Liabilities	Assets	Liabilities
Foreign exchange rate	52,720	36,839	1,834,997	20,992
Interest rate	30,442	32,810	1,274,682	20,302
Others	421	-	2,263	455
Total	83,583	69,649	3,111,942	41,749

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, 2022 and 2021, 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 1,378 million and Baht 503 million and derivatives liabilities Baht 179 million and Baht 1,764 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, 2022 and 2021, 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 4,479 million and Baht 700 million and derivatives liabilities Baht 602 million and Baht 1,127 million, respectively.



6.7 Investments, net

6.7.1 Investments as at December 31, 2022 and 2021 consisted of the following :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
	Amortized Cost	Amortized Cost	Amortized Cost	Amortized Cost
Debt investment securities				
measured at amortized cost				
Thai government and				
state enterprise securities	66,489	28,166	46,962	6,534
Foreign debt securities	21,814	17,898	932	469
Total	88,303	46,064	47,894	7,003
Less Allowance for expected credit loss	(91)	(11)	(91)	(6)
Total	88,212	46,053	47,803	6,997

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
	Fair Value	Fair Value	Fair Value	Fair Value
Debt investment securities				
measured at FVOCI				
Thai government and				
state enterprise securities	450,837	447,572	450,837	447,572
Private enterprise debt securities	19,892	21,886	19,892	21,886
Foreign debt securities	195,094	191,611	94,132	91,988
Others	6,242	6,404	6,242	6,404
Total	672,065	667,473	571,103	567,850
Allowance for expected credit loss	6,331	3,867	6,281	3,838

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
	Fair Value	Fair Value	Fair Value	Fair Value
Equity investment securities				
designated at FVOCI				
Domestic marketable equity				
securities	63,718	63,888	62,012	62,212
Foreign marketable equity securities	18,726	18,176	18,726	18,176
Others	7,430	8,047	7,233	7,853
Total	89,874	90,111	87,971	88,241
Investments, net	850,151	803,637	706,877	663,088

For the years ended December 31, 2022 and 2021, the Bank received dividends from equity investment securities designated at FVOCI that the Bank maintains. For the consolidated amounting to Baht 2,257 million and Baht 2,089 million and the Bank's financial statements amounting to Baht 2,159 million and Baht 2,023 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, 2022, there were 32 companies with investment cost of Baht 806 million and fair value of Baht 0 million. As at December 31, 2021, there were 37 companies with investment cost of Baht 846 million and fair value of Baht 224 million.

6.7.2 As at December 31, 2022 and 2021, 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	
	2022	2021	2022	2021
	Fair Value	Fair Value	Fair Value	Fair Value
Manufacturing and commercial	217	291	217	291
Real estate and construction	997	1,672	997	1,672
Utilities and services	19	22	19	22
Others	2,198	2,231	2,198	2,231
Total	3,431	4,216	3,431	4,216



6.8 Investments in Subsidiaries and Associates, net

As at December 31, 2022 and 2021, the Bank had investments in subsidiaries and associates, net as follows :

								Million Baht
Company	Type of Business	Type of Shares	CONSOLIDATED					
			Direct and Indirect Shareholding (%)		Investment (Cost Method)		Investment (Equity Method)	
			2022	2021	2022	2021	2022	2021
Associates								
Thai Payment Network Co., Ltd.	Service	Common share	33.33	33.33	262	262	62	81
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15	488	470
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118	70	82
National ITMX Co., Ltd.	Service	Common share	12.55	12.55	12	12	511	382
PT Honest Financial Technologies (formerly PT Sahabat Finansial Keluarga)*								
	Finance	Common share	28.79	28.79	314	314	290	314
Total					721	721	1,421	1,329
Less Allowance for impairment					(172)	(172)	-	-
Investments in associates, net					549	549	1,421	1,329

						Million Baht	
Company	Type of Business	Type of Shares	THE BANK		Investment		
			Direct and Indirect Shareholding (%)		(Cost Method)		
			2022	2021	2022	2021	
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	1,500	
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	12.55	12.55	12	12	
Total					145,085	144,585	
Less Allowance for impairment					(268)	(268)	
Investments in subsidiaries and associates, net					144,817	144,317	

In March 2022, Bualuang Ventures Limited, a subsidiary of the Bank, called up the additional paid-up remaining capital of Baht 2.50 per share amounting to Baht 500 million. As a result, the company has a total paid-up capital of Baht 2,000 million, with a full payment by the Bank. Currently, the Bank has a 100% shareholding in the company.

The aggregated financial information of associates that are not individually material is as follows :

Million Baht		
FOR THE YEARS ENDED DECEMBER 31,		
	2022	2021
Net profit	1,589	1,046
Total comprehensive income	1,590	1,040

* Holding by PT Bank Permata Tbk.



6.9 Loans to Customers and Accrued Interest Receivables, net

6.9.1 Classified by product type as at December 31, 2022 and 2021 :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Overdrafts	107,245	103,294	87,251	83,482
Loans	2,192,996	2,055,431	1,847,327	1,719,132
Bills	372,399	417,906	365,668	407,900
Hire purchase receivable	4,129	4,067	-	-
Finance lease receivable	935	934	-	-
Others	4,987	6,707	1,449	1,408
Loans to customers	2,682,691	2,588,339	2,301,695	2,211,922
<u>Add</u> Accrued interest receivables and undue interest receivables	<u>10,138</u>	<u>7,489</u>	<u>9,150</u>	<u>6,306</u>
Loans to customers and accrued interest receivables	2,692,829	2,595,828	2,310,845	2,218,228
<u>Less</u> Allowance for expected credit loss	<u>(243,474)</u>	<u>(219,801)</u>	<u>(214,089)</u>	<u>(192,557)</u>
Total loans to customers and accrued interest receivables, net	<u>2,449,355</u>	<u>2,376,027</u>	<u>2,096,756</u>	<u>2,025,671</u>

6.9.2 Classified by type of classification as at December 31, 2022 and 2021 as follows :

	Loans and Interbank and Money Market items		Loans and Interbank and Money Market items	
	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Performing and Under-performing	3,351,508	3,289,055	2,808,191	2,755,752
Non-performing	97,188	101,103	80,991	82,820
Total	<u>3,448,696</u>	<u>3,390,158</u>	<u>2,889,182</u>	<u>2,838,572</u>

The consolidated and the Bank's financial statements as at December 31, 2022, impaired loans with restructured loans amounted to Baht 52,164 million and Baht 41,485 million, respectively.

The consolidated and the Bank's financial statements as at December 31, 2021, impaired loans with restructured loans amounted to Baht 49,940 million and Baht 38,837 million, respectively.

6.9.3 As at December 31, 2022 and 2021, 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	
	2022	2021	2022	2021
NPLs before allowance for expected credit loss	97,188	101,103	80,991	82,820
NPLs as percentage of total loans	3.06	3.22	2.93	3.05
Net NPLs after allowance for expected credit loss	26,834	29,456	24,369	25,250
Net NPLs as percentage of net total loans	0.86	0.96	0.90	0.95

6.9.4 Classified by customer's residence as at December 31, 2022 and 2021 :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Domestic	1,629,972	1,726,308	1,620,533	1,717,683
Foreign	1,052,719	862,031	681,162	494,239
Total	<u>2,682,691</u>	<u>2,588,339</u>	<u>2,301,695</u>	<u>2,211,922</u>

6.9.5 Classified by business type as at December 31, 2022 and 2021 :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Agriculture and mining	88,014	101,487	53,047	71,424
Manufacturing and commercial	825,508	839,469	688,956	701,226
Real estate and construction	196,482	211,647	165,304	171,405
Utilities and services	527,351	574,485	451,734	505,681
Housing loans	336,256	324,546	273,913	267,106
Others	709,080	536,705	668,741	495,080
Total	<u>2,682,691</u>	<u>2,588,339</u>	<u>2,301,695</u>	<u>2,211,922</u>



6.9.6 Classified by type of classification and allowance for expected credit loss as at December 31, 2022 and 2021 :

	CONSOLIDATED 2022		THE BANK 2022		Million Baht
	Loans and accrued interest receivables	Allowance for expected credit loss	Loans and accrued interest receivables	Allowance for expected credit loss	
Performing	2,450,031	96,662	2,100,434	86,850	
Under-performing	142,485	73,258	126,453	67,441	
Non-performing	100,313	73,554	83,958	59,798	
Total	2,692,829	243,474	2,310,845	214,089	

	CONSOLIDATED 2021		THE BANK 2021		Million Baht
	Loans and accrued interest receivables	Allowance for expected credit loss	Loans and accrued interest receivables	Allowance for expected credit loss	
Performing	2,355,774	79,989	2,015,762	72,267	
Under-performing	136,348	65,387	117,235	60,013	
Non-performing	103,706	74,425	85,231	60,277	
Total	2,595,828	219,801	2,218,228	192,557	

6.10 Properties for Sale, net

Properties for sale consisted of the following as at December 31, 2022 and 2021 :

	CONSOLIDATED 2022				Million Baht
Type of Properties for Sale	Beginning Balance	Additions	Disposals	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
Less Allowance for impairment	(7,992)	(485)	880	10	(7,587)
Total properties for sale, net	9,496	3,820	(1,284)	(15)	12,017

	CONSOLIDATED 2021				Million Baht
Type of Properties for Sale	Beginning Balance	Additions	Disposals	Others	Ending Balance
Assets from debt repayment					
Immovable assets	17,247	1,982	(1,964)	143	17,408
Movable assets	78	24	(1)	(25)	76
Total	17,325	2,006	(1,965)	118	17,484
Others	21	71	(88)	-	4
Total properties for sale	17,346	2,077	(2,053)	118	17,488
Less Allowance for impairment	(7,592)	(844)	99	345	(7,992)
Total properties for sale, net	9,754	1,233	(1,954)	463	9,496

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.

As at December 31, 2021, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 17,408 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 11,733 million and appraised by internal appraisers in the amount of Baht 5,675 million.



Type of Properties for Sale	THE BANK 2022			
	Beginning Balance	Additions	Disposals	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

Million Baht

Type of Properties for Sale	THE BANK 2021			
	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	13,106	1,849	(882)	14,073
Movable assets	30	-	-	30
Total	13,136	1,849	(882)	14,103
<u>Less</u> Allowance for impairment	(5,382)	(311)	89	(5,604)
Total properties for sale, net	7,754	1,538	(793)	8,499

Million Baht

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.

As at December 31, 2021, the Bank had immovable assets from debt repayment in the amount of Baht 14,073 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 8,830 million and appraised by internal appraisers in the amount of Baht 5,243 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,							
2022				2021			
Type of Sale of Properties for Sale	Income Recognition Method	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	7	-	-	5	-	-
Sale to public	Per cost recovery	-	1,779	(35)	-	526	(19)

Million Baht

THE BANK FOR THE YEARS ENDED DECEMBER 31,							
2022				2021			
Type of Sale of Properties for Sale	Income Recognition Method	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	7	-	-	5	-	-
Sale to public	Per cost recovery	-	1,670	(25)	-	404	(7)

Million Baht



6.11 Premises and Equipment, net

Premises and equipment consisted of the following as at December 31, 2022 and 2021 :

	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>



	CONSOLIDATED 2021										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	8,938	-	(589)	207	8,556	-	-	-	-	-	8,556
Appraisal increase (year 2020)	31,869	7	(405)	711	32,182	-	-	-	-	-	32,182
Appraisal decrease (year 2020)	(494)	-	-	(19)	(513)	-	-	-	-	-	(513)
Appraisal increase (year 2021)	-	1,115	-	89	1,204	-	-	-	-	-	1,204
Premises											
Cost	2,689	239	(73)	138	2,993	403	209	(252)	130	490	2,503
Appraisal increase (year 2020)	13,847	-	(651)	160	13,356	1,175	1,285	(346)	38	2,152	11,204
Appraisal decrease (year 2020)	(169)	-	-	(6)	(175)	(6)	(9)	-	-	(15)	(160)
Appraisal increase (year 2021)	-	537	-	19	556	-	3	-	-	3	553
Equipment	24,474	1,705	(989)	195	25,385	20,452	1,812	(795)	132	21,601	3,784
Right-of-use assets	7,389	704	(785)	702	8,010	2,578	1,907	(1,551)	129	3,063	4,947
Leasehold improvement	3,323	29	(138)	237	3,451	2,971	106	(134)	269	3,212	239
Others	757	366	(645)	3	481	-	-	-	-	-	481
Total	<u>92,623</u>	<u>4,702</u>	<u>(4,275)</u>	<u>2,436</u>	<u>95,486</u>	<u>27,573</u>	<u>5,313</u>	<u>(3,078)</u>	<u>698</u>	<u>30,506</u>	<u>64,980</u>



Million Baht

	THE BANK 2022					Accumulated Depreciation					Premises and Equipment (Net)
	Beginning Balance	Additions/ Transfer in	Cost Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Depre- ciation	Disposal/ Transfer out	Others	Ending Balance	
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>



Million Baht

	THE BANK 2021					Accumulated Depreciation					Premises and Equipment (Net)
	Beginning Balance	Additions/ Transfer in	Cost Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Depre- ciation	Disposal/ Transfer out	Others	Ending Balance	
Land											
Cost	7,605	-	-	130	7,735	-	-	-	-	-	7,735
Appraisal increase (year 2020)	28,190	-	-	387	28,577	-	-	-	-	-	28,577
Appraisal decrease (year 2020)	(493)	-	-	(20)	(513)	-	-	-	-	-	(513)
Premises											
Cost	1,458	96	-	40	1,594	175	106	-	2	283	1,311
Appraisal increase (year 2020)	12,916	-	-	75	12,991	836	1,247	-	3	2,086	10,905
Appraisal decrease (year 2020)	(168)	-	-	(6)	(174)	(5)	(9)	-	-	(14)	(160)
Equipment	21,354	899	(364)	84	21,973	18,676	1,350	(357)	74	19,743	2,230
Right-of-use assets	4,571	507	(435)	273	4,916	1,178	1,233	(1,129)	7	1,289	3,627
Leasehold improvement	2,507	6	(62)	182	2,633	2,343	46	(56)	175	2,508	125
Others	723	245	(623)	-	345	-	-	-	-	-	345
Total	<u>78,663</u>	<u>1,753</u>	<u>(1,484)</u>	<u>1,145</u>	<u>80,077</u>	<u>23,203</u>	<u>3,973</u>	<u>(1,542)</u>	<u>261</u>	<u>25,895</u>	<u>54,182</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, 2022 and 2021, the Bank and subsidiaries had equipment which are fully depreciated but still in use at the original costs amounting to Baht 19,096 million and Baht 18,185 million, respectively.

For the Bank's financial statements, as at December 31, 2022 and 2021, the Bank had equipment which is fully depreciated but still in use at the original costs amounting to Baht 17,264 million and Baht 16,340 million, respectively.



6.12 Goodwill and Other Intangible Assets, net

Goodwill and Other intangible assets consisted of the following as at December 31, 2022 and 2021 :

CONSOLIDATED												Million Baht
2022												
	Cost					Accumulated Amortization					Goodwill and Other Intangible Assets (Net)	
	Beginning Balance	Additions/ Transfer in	Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Amortization	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	

CONSOLIDATED												Million Baht
2021												
	Cost					Accumulated Amortization					Goodwill and Other Intangible Assets (Net)	
	Beginning Balance	Additions/ Transfer in	Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Amortization	Additions/ Transfer in	Disposal/ Transfer out	Others		Ending Balance
Goodwill	29,805	-	(10,061)*	2,143	21,887	-	-	-	-	-	21,887	
Other intangible assets from business combination	-	13,288*	-	1,098	14,386	-	1,453	842*	-	130	2,425	
Software	4,700	1,038	(293)	123	5,568	3,591	870	-	(266)	51	4,246	
Others	1,611	281	(48)	(189)	1,655	217	17	-	(218)	-	16	
Total	36,116	14,607	(10,402)	3,175	43,496	3,808	2,340	842	(484)	181	6,687	

THE BANK											Million Baht
2022											
	Cost					Accumulated Amortization					
	Beginning Balance	Additions/ Transfer in	Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Amorti- zation	Disposal/ Transfer out	Others	Ending Balance	Other Intangible Assets (Net)
Software	3,963	364	(115)	3	4,215	3,513	298	(115)	2	3,698	517
Others	1,146	83	(246)	-	983	17	33	-	-	50	933
Total	<u>5,109</u>	<u>447</u>	<u>(361)</u>	<u>3</u>	<u>5,198</u>	<u>3,530</u>	<u>331</u>	<u>(115)</u>	<u>2</u>	<u>3,748</u>	<u>1,450</u>

THE BANK											Million Baht
2021											
	Cost					Accumulated Amortization					
	Beginning Balance	Additions/ Transfer in	Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Amorti- zation	Disposal/ Transfer out	Others	Ending Balance	Other Intangible Assets (Net)
Software	3,449	536	(33)	11	3,963	2,910	612	(16)	7	3,513	450
Others	912	281	(48)	1	1,146	-	17	-	-	17	1,129
Total	<u>4,361</u>	<u>817</u>	<u>(81)</u>	<u>12</u>	<u>5,109</u>	<u>2,910</u>	<u>629</u>	<u>(16)</u>	<u>7</u>	<u>3,530</u>	<u>1,579</u>

6.13 Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities as at December 31, 2022 and 2021 are as follows :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Deferred tax assets	6,892	6,336	2,475	2,533
Deferred tax liabilities	579	1,358	280	984
Deferred tax assets, net	6,313	4,978	2,195	1,549

* In March 2021, the fair value measurement of Net Asset Value related to a business combination has been completed. The previous provisioned amount of goodwill and other relevant intangible assets has been adjusted accordingly.



Movements in total deferred tax assets and liabilities during the year are as follows :

	CONSOLIDATED 2022				Million Baht
	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

	CONSOLIDATED 2021				Million Baht
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	6,405	(135)	151	765	7,186
Financial liabilities measured at fair value through profit or loss	1,109	(117)	113	-	1,105
Loans to customers and accrued interest receivables	6,526	1,204	-	683	8,413
Properties for sale	1,490	74	-	-	1,564
Premises and equipment	426	(67)	(103)	(64)	192
Provisions	5,305	76	(176)	30	5,235
Others	13,558	(2,737)	(118)	198	10,901
Total	34,819	(1,702)	(133)	1,612	34,596
Deferred tax liabilities					
Investments	10,488	1,293	475	10	12,266
Loans to customers and accrued interest receivables	203	(57)	-	-	146
Premises and equipment	8,274	(266)	-	44	8,052
Others	10,362	(3,919)	-	2,711	9,154
Total	29,327	(2,949)	475	2,765	29,618
Net	5,492	1,247	(608)	(1,153)	4,978



	Million Baht				
	Beginning Balance	Recognized in Profit and Loss	THE BANK 2022 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

	Million Baht				
	Beginning Balance	Recognized in Profit and Loss	THE BANK 2021 Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	6,200	(73)	203	765	7,095
Financial liabilities measured at fair value through profit or loss	1,109	(117)	113	-	1,105
Loans to customers and accrued interest receivables	3,022	939	-	324	4,285
Properties for sale	1,076	45	-	-	1,121
Premises and equipment	218	(4)	-	(72)	142
Provisions	5,171	38	(165)	17	5,061
Others	11,100	(1,965)	(118)	5	9,022
Total	27,896	(1,137)	33	1,039	27,831
Deferred tax liabilities					
Investments	9,897	1,156	540	-	11,593
Premises and equipment	8,148	(253)	-	36	7,931
Others	10,357	(3,599)	-	-	6,758
Total	28,402	(2,696)	540	36	26,282
Net	(506)	1,559	(507)	1,003	1,549



6.14 Deposits

6.14.1 Classified by product type as at December 31, 2022 and 2021 :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Demand	302,855	273,597	141,242	134,078
Savings	1,708,362	1,613,777	1,604,628	1,507,678
Fixed	1,199,144	1,268,227	969,747	1,023,352
Negotiable certificates of deposit	535	1,339	535	538
Total	3,210,896	3,156,940	2,716,152	2,665,646

6.14.2 Classified by currency and customer's residence as at December 31, 2022 and 2021 :

	CONSOLIDATED					
	2022			2021		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	2,259,748	196,726	2,456,474	2,266,576	163,547	2,430,123
USD	46,940	168,395	215,335	42,898	164,630	207,528
Others	22,932	516,155	539,087	23,015	496,274	519,289
Total	2,329,620	881,276	3,210,896	2,332,489	824,451	3,156,940

	THE BANK					
	2022			2021		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	2,260,204	196,646	2,456,850	2,266,869	163,497	2,430,366
USD	46,923	87,958	134,881	42,871	81,320	124,191
Others	14,768	109,653	124,421	14,449	96,640	111,089
Total	2,321,895	394,257	2,716,152	2,324,189	341,457	2,665,646

6.15 Interbank and Money Market Items (Liabilities)

Interbank and money market items (liabilities) consisted of the following as at December 31, 2022 and 2021 :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Domestic items				
Bank of Thailand and Financial Institutions				
Development Fund	31,774	47,782	31,774	47,782
Commercial banks	112,548	79,862	108,902	75,897
Special purpose financial institutions	4,092	14,543	4,092	14,543
Other financial institutions	14,874	13,693	15,342	14,963
Total domestic items	163,288	155,880	160,110	153,185
Foreign items				
USD	58,862	80,058	58,483	83,340
JPY	15,119	18,719	15,160	18,768
EUR	1,046	2,331	1,047	2,331
Others	24,207	31,721	16,229	23,124
Total foreign items	99,234	132,829	90,919	127,563
Total domestic and foreign items	262,522	288,709	251,029	280,748

6.16 Financial Liabilities Measured at Fair Value Through Profit or Loss

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, 2021, 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 20,567 million. The cumulative effect of changes in fair value resulting from changes in credit risk recognized in other comprehensive income of amounting to Baht 2,354 million, and the difference between the book value and the contract value that must be paid when due amounting to Baht 5,526 million.

As at December 31, 2022 and 2021, a subsidiary had financial liabilities measured at fair value through profit or loss which are trading financial liabilities amounting to Baht 548 million and Baht 266 million, respectively.



6.17 Debt Issued and Borrowings

6.17.1 Classified by type of instruments and source of fund as at December 31, 2022 and 2021 :

Million Baht						
CONSOLIDATED						
	2022			2021		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Senior unsecured notes	-	85,045	85,045	-	83,594	83,594
Subordinated notes	-	101,998	101,998	-	98,640	98,640
Bills of exchange	413	-	413	516	-	516
Others	915	-	915	549	-	549
<u>Less</u> Discount on borrowings	-	(69)	(69)	-	(60)	(60)
Total	1,328	186,974	188,302	1,065	182,174	183,239

Million Baht						
THE BANK						
	2022			2021		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Senior unsecured notes	-	85,045	85,045	-	83,594	83,594
Subordinated notes	-	101,998	101,998	-	98,640	98,640
Others	83	-	83	205	-	205
<u>Less</u> Discount on borrowings	-	(69)	(69)	-	(60)	(60)
Total	83	186,974	187,057	205	182,174	182,379

6.17.2 Classified by type of instruments, currency, maturity and interest rate as at December 31, 2022 and 2021 :

Million Baht						
CONSOLIDATED						
Type	Currency	Maturity	Interest Rate	Amount		
				2022	2021	
Senior unsecured notes	USD	2022 - 2028	3.875% - 5.00%	85,045	83,594	
Subordinated notes	USD	2034 - 2036	3.466% - 3.733%	76,066	73,562	
Subordinated notes	USD	-*	5.00%*	25,932	25,078	
Bills of exchange	THB	2022 - 2023	1.65% - 2.05%	413	516	
Others	THB	2022 - 2024	0.00%	915	549	
<u>Less</u> Discount on borrowings				(69)	(60)	
Total				188,302	183,239	

* 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	
				2022	2021
Senior unsecured notes	USD	2022 - 2028	3.875% - 5.00%	85,045	83,594
Subordinated notes	USD	2034 - 2036	3.466% - 3.733%	76,066	73,562
Subordinated notes	USD	-*	5.00%*	25,932	25,078
Others	THB	2022 - 2024	0.00%	83	205
<u>Less</u> Discount on borrowings				(69)	(60)
Total				187,057	182,379

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 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.



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 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 to 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.

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.

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, 2022, the Bank had not yet issued bonds according to the aforementioned resolution.

6.21 Provisions

Provisions as at December 31, 2022 and 2021 are as follows :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Defined benefit obligations	13,930	14,472	12,964	13,645
Expected credit losses on financial				
guarantee contracts and loan commitments	9,556	7,744	7,579	6,412
Others	3,691	3,599	3,633	3,539
Total	27,177	25,815	24,176	23,596

Movements in total provisions for the years ended December 31, 2022 and 2021 are as follows :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Beginning balances	25,815	27,306	23,596	25,065
Increase during the years	5,805	4,999	4,617	4,414
Written off/reversal during the years	(4,443)	(6,490)	(4,037)	(5,883)
Ending balances	27,177	25,815	24,176	23,596



6.22 Post-employment Benefits

6.22.1 Defined contribution plans

For the years ended December 31, 2022 and 2021, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements, amounting to Baht 1,580 million and Baht 1,577 million, and in the Bank's financial statements amounting to Baht 1,103 million and Baht 1,150 million, respectively.

6.22.2 Defined benefit plans

As at December 31, 2022 and 2021, 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	
	2022	2021	2022	2021
The present value of the funded defined benefit plans	2,588	2,812	879	935
The fair value of plan assets	(1,854)	(2,137)	(678)	(705)
	734	675	201	230
The present value of the unfunded defined benefit plans	13,196	13,797	12,763	13,415
Liabilities, net	13,930	14,472	12,964	13,645

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, 2022 and 2021 :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Beginning balances	16,609	16,654	14,350	14,605
Current service costs	998	1,239	888	1,013
Interest costs	349	313	241	208
Benefit paid during the years	(634)	(940)	(478)	(715)
Actuarial losses (gains) on obligations				
from changes in financial assumptions	(719)	(371)	(641)	(351)
from changes in demographic assumptions	1	(18)	-	(17)
from experience	(637)	(509)	(639)	(482)
Unrealized losses (gains) on exchanges	(183)	241	(79)	89
Ending balances	15,784	16,609	13,642	14,350

The following table presents the reconciliations of the fair value of plan assets related to the funded defined benefit plans as at December 31, 2022 and 2021 :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Beginning balances	2,137	2,058	705	660
Interest income	89	85	18	6
Contributions	20	19	20	19
Benefit paid during the years	(156)	(316)	(14)	(128)
Actuarial gains (losses) on plan assets	(104)	89	2	85
Unrealized gains (losses) on exchanges	(132)	202	(53)	63
Ending balances	1,854	2,137	678	705



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, 2022 and 2021 are as follows :

	CONSOLIDATED		Percentage	
	Significant actuarial assumptions		Increase in defined benefit obligations	
	2022	2021	2022	2021
Discount rate	0.20 - 5.75	0.20 - 5.75	12.64	13.28
Average future salary increases	2.00 - 15.00	2.00 - 15.00	11.69	12.37

	THE BANK		Percentage	
	Significant actuarial assumptions		Increase in defined benefit obligations	
	2022	2021	2022	2021
Discount rate	0.20 - 4.98	0.20 - 3.76	13.70	14.35
Average future salary increases	2.00 - 15.00	2.00 - 15.00	12.08	12.62

6.23 Other Liabilities

Other liabilities as at December 31, 2022 and 2021 are as follows :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Deposit received and margin payable	58,699	34,332	27,687	4,000
Other payables	32,943	33,347	24,869	25,102
Accrued expenses	20,506	19,602	14,954	14,085
Advance received from electronic service	49	287	49	287
Other liabilities	16,227	15,850	14,344	13,837
Total	128,424	103,418	81,903	57,311

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, 2022 and 2021, 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	
	2022	2021
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, 2022 and 2021, 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 :

- Allocation of 1,339,502,106 common shares as follows :
 - 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.
 - 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.
 - 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.
- 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).
- 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, 2022, 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, 2021, the 28th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2020 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 2020 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, 2020), and the amount to be appropriated for the period of July - December 2020 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 4,772 million had been paid on May 10, 2021.

The Bank already paid dividend according to the aforementioned resolution.

On August 26, 2021, the meeting of the Board of Directors of the Bank No. 8/2021 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 2021 amounting to Baht 500 million and Baht 5,000 million, respectively.
- The payment of interim dividend at the rate of Baht 1.00 per common share amounting to Baht 1,908 million on September 23, 2021.

The Bank already paid dividend according to the aforementioned resolution.



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 on September 23, 2022.

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, 2022 and 2021 amounted to Baht 94,900 million and Baht 61,996 million, respectively.

6.29 Contingent Liabilities

As at December 31, 2022 and 2021, the Bank and subsidiaries had contingent liabilities as follows :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Avals to bills	4,901	5,685	4,901	5,685
Guarantees of loans	48,442	48,626	35,174	36,510
Liability under unmatured import bills	37,703	28,083	18,137	14,181
Letters of credit	24,268	28,748	22,685	27,752
Other commitments				
Amount of unused bank overdraft	159,868	166,583	159,108	165,850
Other guarantees	248,999	248,989	232,496	235,271
Others	146,245	171,867	108,290	122,516
Total	670,426	698,581	580,791	607,765

6.30 Litigation

As at December 31, 2022 and 2021, 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, 2022 and 2021, 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, 2022 and 2021 as follows :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Placements				
Subsidiaries				
Bangkok Bank Berhad	-	-	1,393	2,220
Bangkok Bank (China) Co., Ltd.	-	-	14	4
PT Bank Permata Tbk	-	-	34	5
Total	-	-	1,441	2,229
Investments				
Subsidiary				
PT Bank Permata Tbk	-	-	24,194	23,394
Total	-	-	24,194	23,394
Loans				
Subsidiary				
BSL Leasing Co., Ltd.	-	-	600	680
Other related parties	295	653	295	653
Total	295	653	895	1,333
Allowance for expected credit loss				
Subsidiary				
BSL Leasing Co., Ltd.	-	-	3	8
Other related parties	18	14	18	14
Total	18	14	21	22
Other assets				
Subsidiaries				
Bangkok Bank Berhad	-	-	15	11
BBL Asset Management Co., Ltd.	-	-	369	392
Bualuang Securities PCL.	-	-	14	2
PT Bank Permata Tbk	-	-	-	9
Associates				
Processing Center Co., Ltd.	24	3	24	3
Thai Payment Network Co., Ltd.	10	28	10	28
Other related parties	9	8	1	1
Total	43	39	433	446

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Deposits				
Subsidiaries				
BBL (Cayman) Limited	-	-	304	817
Bangkok Bank Berhad	-	-	118	134
Sinnsuptawee Asset Management Co., Ltd.	-	-	173	17
BBL Asset Management Co., Ltd.	-	-	99	84
Bualuang Securities PCL.	-	-	124	741
Bangkok Bank (China) Co., Ltd.	-	-	26	59
Bualuang Ventures Limited	-	-	221	236
Bangkok Capital Asset Management Co., Ltd.*	-	-	245	264
PT Bank Permata Tbk	-	-	261	72
BSL Leasing Co., Ltd.	-	-	73	41
Associates				
Processing Center Co., Ltd.	192	171	192	171
National ITMX Co., Ltd.	274	135	274	135
Thai Payment Network Co., Ltd.	2	1	2	1
BCI (Thailand) Co., Ltd.	47	48	47	48
PT Honest Financial Technologies (formerly PT Sahabat Finansial Keluarga) **	131	219	-	-
Other related parties	5,415	7,761	5,415	7,761
Total	6,061	8,335	7,574	10,581
Borrowings				
Subsidiaries				
Bangkok Bank Berhad	-	-	-	134
Bangkok Bank (China) Co., Ltd.	-	-	2,247	2,842
PT Bank Permata Tbk	-	-	-	2,005
Total	-	-	2,247	4,981

* Holding by Bualuang Securities PCL.

** Holding by PT Bank Permata Tbk.



	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
Million Baht				
Other liabilities				
Subsidiaries				
BBL (Cayman) Limited	-	-	1	-
Sinnsuptawee Asset Management Co., Ltd.	-	-	328	328
Bualuang Securities PCL.	-	-	1	1
Bangkok Bank (China) Co., Ltd.	-	-	72	74
PT Bank Permata Tbk	-	-	25	-
Associates				
Processing Center Co., Ltd.	2	6	2	6
National ITMX Co., Ltd.	28	22	28	22
BCI (Thailand) Co., Ltd.	3	3	3	3
Other related parties	18	14	2	5
Total	51	45	462	439
Commitments				
Subsidiaries				
Bangkok Bank Berhad	-	-	2,075	2,968
Bualuang Securities PCL.	-	-	1,148	1,095
Bangkok Bank (China) Co., Ltd.	-	-	1,286	662
PT Bank Permata Tbk	-	-	162	571
BSL Leasing Co., Ltd.	-	-	30	62
Associates				
National ITMX Co., Ltd.	1	1	1	1
PT Honest Financial Technologies (formerly PT Sahabat Finansial Keluarga)*	7	7	-	-
Other related parties	-	4	-	4
Total	8	12	4,702	5,363

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.

For the year ended December 31, 2021, the Bank and subsidiaries charged interest at rates between 0.75% and 5.88% 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, 2022 and 2021 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, 2022 and 2021 as follows :

	CONSOLIDATED		THE BANK	
	FOR THE YEARS ENDED DECEMBER 31, 2022	2021	FOR THE YEARS ENDED DECEMBER 31, 2022	2021
Million Baht				
Interest and discount received				
Subsidiaries				
Bangkok Bank Berhad	-	-	40	4
PT Bank Permata Tbk	-	-	-	22
BSL Leasing Co., Ltd.	-	-	12	8
Other related parties	31	15	31	15
Total	31	15	83	49
Fees and service income				
Subsidiaries				
Bangkok Bank Berhad	-	-	2	2
BBL Asset Management Co., Ltd.	-	-	2,017	2,232
Bualuang Securities PCL.	-	-	101	152
Associate				
Processing Center Co., Ltd.	2	1	2	1
Other related parties	88	97	-	1
Total	90	98	2,122	2,388
Dividend income				
Subsidiaries				
BBL Asset Management Co., Ltd.	-	-	1,200	1,129
Bualuang Securities PCL.	-	-	2,111	823
PT Bank Permata Tbk	-	-	713	-
BSL Leasing Co., Ltd.	-	-	45	45
Associates				
Processing Center Co., Ltd.	9	8	9	8
National ITMX Co., Ltd.	81	54	81	54
Total	90	62	4,159	2,059
Other income				
Subsidiaries				
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	1
Bualuang Securities PCL.	-	-	4	4
Bangkok Bank (China) Co., Ltd.	-	-	171	167
Associates				
National ITMX Co., Ltd.	6	2	6	2
Thai Payment Network Co., Ltd.	10	10	10	10
Total	16	12	192	184



	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2022	2021	2022	2021
Interest paid				
Subsidiaries				
BBL (Cayman) Limited	-	-	8	1
Bangkok Bank Berhad	-	-	2	-
BBL Asset Management Co., Ltd.	-	-	1	1
Bualuang Securities PCL.	-	-	2	2
Bangkok Bank (China) Co., Ltd.	-	-	11	5
Bualuang Ventures Limited.	-	-	1	-
PT Bank Permata Tbk	-	-	1	26
Associate				
Processing Center Co., Ltd.	1	1	1	1
Other related parties	17	24	17	24
Total	18	25	44	60
Commission paid				
Subsidiary				
Bualuang Securities PCL.	-	-	3	27
Other related parties	63	63	-	-
Total	63	63	3	27
Other expenses				
Associates				
Processing Center Co., Ltd.	9	8	9	8
National ITMX Co., Ltd.	266	207	266	207
Thai Payment Network Co., Ltd.	2	2	2	2
BCI (Thailand) Co., Ltd.	3	2	3	2
Other related parties	100	124	84	112
Total	380	343	364	331

Compensation of key management personnel for the years ended December 31, 2022 and 2021 consisted of the following :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2022	2021	2022	2021
Short-term employee benefits	2,988	2,673	1,654	1,482
Post-employment benefits	142	127	91	87
Total	3,130	2,800	1,745	1,569

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. are as follows :

SINNSUPTAWEE ASSET MANAGEMENT COMPANY LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

	Million Baht	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) from operating before income tax expenses	34	(111)
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) loss on financial instruments measured at fair value through profit or loss	(3)	2
Loss on impairment of properties for sale	-	156
Dividend income	(46)	(39)
Proceeds from dividend income	46	39
Income tax received	-	12
Income tax paid	(3)	(5)
Profit from operating before changes in operating assets and liabilities	29	55
(Increase) decrease in operating assets		
Financial assets measured at fair value through profit or loss	-	(82)
Properties for sale	18	44
Increase (decrease) in operating liabilities		
Deposits	110	(3)
Net cash from operating activities	157	14
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for lease liabilities	(1)	(1)
Net cash from financing activities	(1)	(1)
Net increase in cash and cash equivalents	156	13
Cash and cash equivalents as at January 1,	17	4
Cash and cash equivalents as at December 31,	173	17



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, 2022 and 2021 are as follows :

	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	43,873	20,966	3,387	1,650	-	69,876

	CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2021					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	68,889	34,847	15,043	15,767	(5)	134,541
Total operating expenses before expected credit loss	(27,718)	(16,399)	(2,282)	(20,872)	5	(67,266)
Profit from operating before expected credit loss and income tax expenses	41,171	18,448	12,761	(5,105)	-	67,275

The financial position of operating segments as at December 31, 2022 and 2021 are as follows :

	CONSOLIDATED					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total assets						
As at December 31, 2022	1,872,313	1,298,553	1,400,723	492,878	(642,715)	4,421,752
As at December 31, 2021	1,809,302	1,270,815	1,357,531	481,952	(586,319)	4,333,281



6.34.2 Geographical segments

The operating results classified by geographical areas for the years ended December 31, 2022 and 2021 are as follows :

	Million Baht					
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,					
	2022	2021		2022	2021	
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total
Total operating income	97,145	41,750	138,895	99,239	35,302	134,541
Total operating expenses*	(76,319)	(25,347)	(101,666)	(74,892)	(26,508)	(101,400)
Profit from operating						
before income tax expenses	20,826	16,403	37,229	24,347	8,794	33,141
Income tax	(4,325)	(3,159)	(7,484)	(4,818)	(1,371)	(6,189)

The financial position classified by geographical areas as at December 31, 2022 and 2021 are as follows :

	Million Baht					
	CONSOLIDATED					
	2022	2021		2022	2021	
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total
Non-current assets**	64,875	30,715	95,590	69,802	31,987	101,789
Total assets	3,581,934	839,818	4,421,752	3,502,432	830,849	4,333,281

6.35 Interest Income

Interest income for the years ended December 31, 2022 and 2021 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2022	2021	2022	2021
Interbank and money market items	8,034	6,223	4,963	2,933
Investments and trading transactions	388	459	148	122
Investment in debt securities	14,032	10,674	8,647	6,534
Loans	116,499	96,929	90,177	73,669
Others	135	27	135	27
Total interest income	139,088	114,312	104,070	83,285

* Including expected credit losses.

** Consisting of premises and equipment, net, goodwill and other intangible assets, net.

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.

For the year ended December 31, 2021, 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 103,975 million and Baht 9,878 million, respectively and for the Bank's financial statements amounting to Baht 76,766 million and amounting to Baht 6,397 million, respectively.

6.36 Interest Expenses

Interest expenses for the years ended December 31, 2022 and 2021 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2022	2021	2022	2021
Deposits	19,708	18,195	9,872	8,437
Interbank and money market items	1,856	879	1,579	646
Contributions to the Deposit Protection Agency	6,800	6,500	5,925	5,755
Debt issued				
Bonds and subordinated notes	8,194	6,570	8,183	6,424
Others	307	12	307	12
Total interest expenses	36,865	32,156	25,866	21,274

6.37 Net Fees and Service Income

Net fees and service income for the years ended December 31, 2022 and 2021 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2022	2021	2022	2021
Fees and service income				
Acceptances, aval and guarantees of loans	317	371	253	334
Debit card, credit card and electronic services	19,088	15,928	17,349	14,497
Others	21,727	22,828	12,586	12,573
Total fees and service income	41,132	39,127	30,188	27,404
Fees and service expenses	13,624	9,918	11,711	8,206
Net fees and service income	27,508	29,209	18,477	19,198



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, 2022 and 2021 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2022	2021	2022	2021
Gains (losses) from trading and foreign exchange transactions				
Foreign exchange and currency derivatives	8,506	4,975	7,694	4,506
Interest rate derivatives	(815)	332	(929)	333
Debt securities	123	432	(55)	(67)
Equity securities	318	1,599	67	1,067
Others	(57)	(311)	(100)	(300)
Total	8,075	7,027	6,677	5,539
Gains (losses) from financial instrument designed at FVTPL				
Change in fair value, net	325	280	325	280
Interest expense, net	(1,449)	(1,229)	(1,449)	(1,229)
Total	(1,124)	(949)	(1,124)	(949)
Others	(1,796)	11,790	(1,489)	11,059
Total gains on financial instruments measured at fair value through profit or loss	5,155	17,868	4,064	15,649

6.39 Gains (Losses) on Investments

Gains (losses) on investments for the years ended December 31, 2022 and 2021 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2022	2021	2022	2021
Gains (losses) from write off				
Investment securities - measured at FVOCI (Debt investment)	(1,483)	950	(1,500)	372
Investment securities - measured at amortized cost	29	-	-	-
Investments in subsidiaries and associates	-	275	-	20
Total	(1,454)	1,225	(1,500)	392
Losses on impairment				
Investments in subsidiaries and associates	-	-	-	(236)
Total	-	-	-	(236)
Total gains (losses) on investments	(1,454)	1,225	(1,500)	156

6.40 Expected Credit Loss

Expected credit loss for the years ended December 31, 2022 and 2021 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2022	2021	2022	2021
Expected credit loss				
Loans to customers and accrued interest receivables	28,575	33,906	23,160	25,761
Others	4,072	228	3,396	251
Total Expected credit loss	32,647	34,134	26,556	26,012

6.41 Income Tax Expenses

6.41.1 Income tax recognized in profit or loss for the years ended December 31, 2022 and 2021 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2022	2021	2022	2021
Current tax	7,995	7,436	5,457	6,391
Deferred tax	(511)	(1,247)	9	(1,559)
Total income tax expenses	7,484	6,189	5,466	4,832



6.41.2 Income tax recognized in component of other comprehensive income for the years ended December 31, 2022 and 2021 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,						Million Baht
	2022			2021			
	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	(4,329)	1,402	(2,927)	(6,742)	1,570	(5,172)	
Losses on cash flow hedges	(609)	122	(487)	(506)	101	(405)	
Gains (losses) arising from translating the financial statements of foreign operations	(8,102)	-	(8,102)	20,196	-	20,196	
Share of other comprehensive income of associate	1	-	1	-	-	-	
Items that will not be reclassified subsequently to profit or loss							
Changes in revaluation surplus	(5)	88	83	643	(103)	540	
Gains on investment in equity instruments designated at fair value through other comprehensive income	162	(38)	124	10,600	(2,113)	8,487	
Gains (losses) on financial liabilities designated at fair value through profit or loss	1,451	(290)	1,161	(567)	113	(454)	
Actuarial gains on defined benefit plans	1,251	(250)	1,001	987	(177)	810	
Share of other comprehensive income (loss) of associate	(1)	-	(1)	(3)	1	(2)	
Total	(10,181)	1,034	(9,147)	24,608	(608)	24,000	

	THE BANK FOR THE YEARS ENDED DECEMBER 31,						Million Baht
	2022			2021			
	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	(2,032)	895	(1,137)	(6,609)	1,547	(5,062)	
Losses on cash flow hedges	(609)	122	(487)	(506)	101	(405)	
Gains arising from translating the financial statements of foreign operations	465	-	465	6,034	-	6,034	
Items that will not be reclassified subsequently to profit or loss							
Changes in revaluation surplus	(5)	1	(4)	-	-	-	
Gains on investment in equity instruments designated at fair value through other comprehensive income	129	(32)	97	10,539	(2,103)	8,436	
Gains (losses) on financial liabilities designated at fair value through profit or loss	1,451	(290)	1,161	(567)	113	(454)	
Actuarial gains on defined benefit plans	1,282	(257)	1,025	935	(165)	770	
Total	681	439	1,120	9,826	(507)	9,319	



6.41.3 Reconciliation of effective tax rates for the years ended December 31, 2022 and 2021 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,				Million Baht
	2022		2021		
	Amount	Percentage	Amount	Percentage	
Profit from operating before income tax expense	37,229		33,141		
Income tax calculated at statutory tax rate	7,446	20.00	6,628	20.00	
Overseas tax	1,571		833		
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(1,247)		(193)		
Others	<u>(286)</u>		<u>(1,079)</u>		
Total income tax expenses	<u>7,484</u>	20.10	<u>6,189</u>		18.68

	THE BANK FOR THE YEARS ENDED DECEMBER 31,				Million Baht
	2022		2021		
	Amount	Percentage	Amount	Percentage	
Profit from operating before income tax expense	31,857		27,482		
Income tax calculated at statutory tax rate	6,371	20.00	5,496	20.00	
Overseas tax	1,374		765		
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(1,189)		(31)		
Others	<u>(1,090)</u>		<u>(1,398)</u>		
Total income tax expenses	<u>5,466</u>	17.16	<u>4,832</u>		17.58

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

On February 21, 2023, the Audit Committee and the Board of Executive Directors have authorized to issue these financial statements.

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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