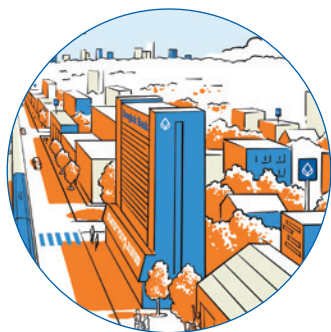


CREATING
Value
TOGETHER

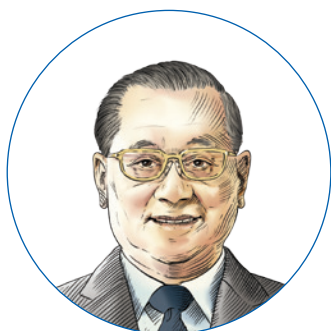


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VISION

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.

WHO WE ARE



—
*Helping customers
to make the right
financial decisions
in a changing world*
—

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

Scope of operations



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

Corporate Banking



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

Commercial Banking



Commercial Banking serves medium-sized enterprises. We provide these customers with services such as financing, cash management, trade finance, and financial advisory. Commercial customers are serviced by dedicated relationship managers assigned to Business Centers located across our domestic network. We help these high-growth potential customers with the support they need to adapt to changing business trends and conditions. We have also introduced social media and marketing initiatives to connect with our customers and help them expand their businesses to new markets.

Business Banking



Business Banking serves smaller SME businesses such as sole proprietors and small family businesses. We provide these customers with advice as well as services such as business loans, payments, payroll and merchant services. We also run educational programs for SME across the country to help them build their networks, and to be robust, resilient and competitive in the digital economy. We are extending financial inclusion to micro enterprises by providing finance through our customers' supply chains and also building alternative credit models to suit the needs of micro enterprises.

Consumer Banking



Consumer Banking provides a wide range of retail banking services to all customers to suit their needs and stage of life through our extensive nationwide branch network and non-branch channels, such as Bangkok Bank Mobile Banking, Bualuang iBanking, ATM and other self-service touchpoints.

Our services include mortgage and personal loans, deposits, contactless credit and debit cards, QR Code payments, fund transfers and bill payment services. We also offer wealth management services including financial planning and investment advice, mutual fund products, fixed income funds, government and corporate bonds, and bancassurance.

International Banking



We are a pioneer in International Banking with the largest network of any Thai bank with more than 300 international branches, including three major international subsidiaries, in 14 economies. Our coverage of international operations spans eight other ASEAN countries, as well as China, Hong Kong, Japan, Taiwan, the United Kingdom and the United States. Our international branches typically extend loans in major international currencies and local currencies. Apart from lending, our overseas operations also offer other banking services, such as deposit services, foreign exchange and derivatives services, domestic and international fund transfers, letters of credit and other trade-related financing services. Our subsidiaries in China, Malaysia and Indonesia provide more extensive retail services, with PermataBank offering a full range of domestic banking services including shariah banking in Indonesia.

Investment Banking



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

We continue to invest in information technology and human resources development to support the above business units and to move towards being a digital bank and a data-driven organization. We are focusing on four key areas — infrastructure, digital architecture and digital ecosystem, data governance and protection, and research and development — to ensure we have the right internal systems, internal skills and innovation required to play a leading role in Thailand's digital financial ecosystem.

2020



Assets

3,822,960

Million Baht



Loans

2,368,238

Million Baht



Deposits

2,810,863

Million Baht



International Network

330

Locations



Geographic Coverage

14

Economies



Total Capital Adequacy Ratio

18.3%

Number of Branches

(Not including self-service outlets)

①



United States

1

Year of Establishment
1984

②



United Kingdom

1

Year of Establishment
1957

⑮



Thailand

1,128

Year of Establishment
1944

⑭



Vietnam

2

Year of Establishment
1992

⑬



Malaysia

5

Year of Establishment
1959



3



Myanmar

1

Year of Establishment
1995

4



Laos

2

Year of Establishment
1993

5



China

6

Year of Establishment
1986

6



Hong Kong

2

Year of Establishment
1954

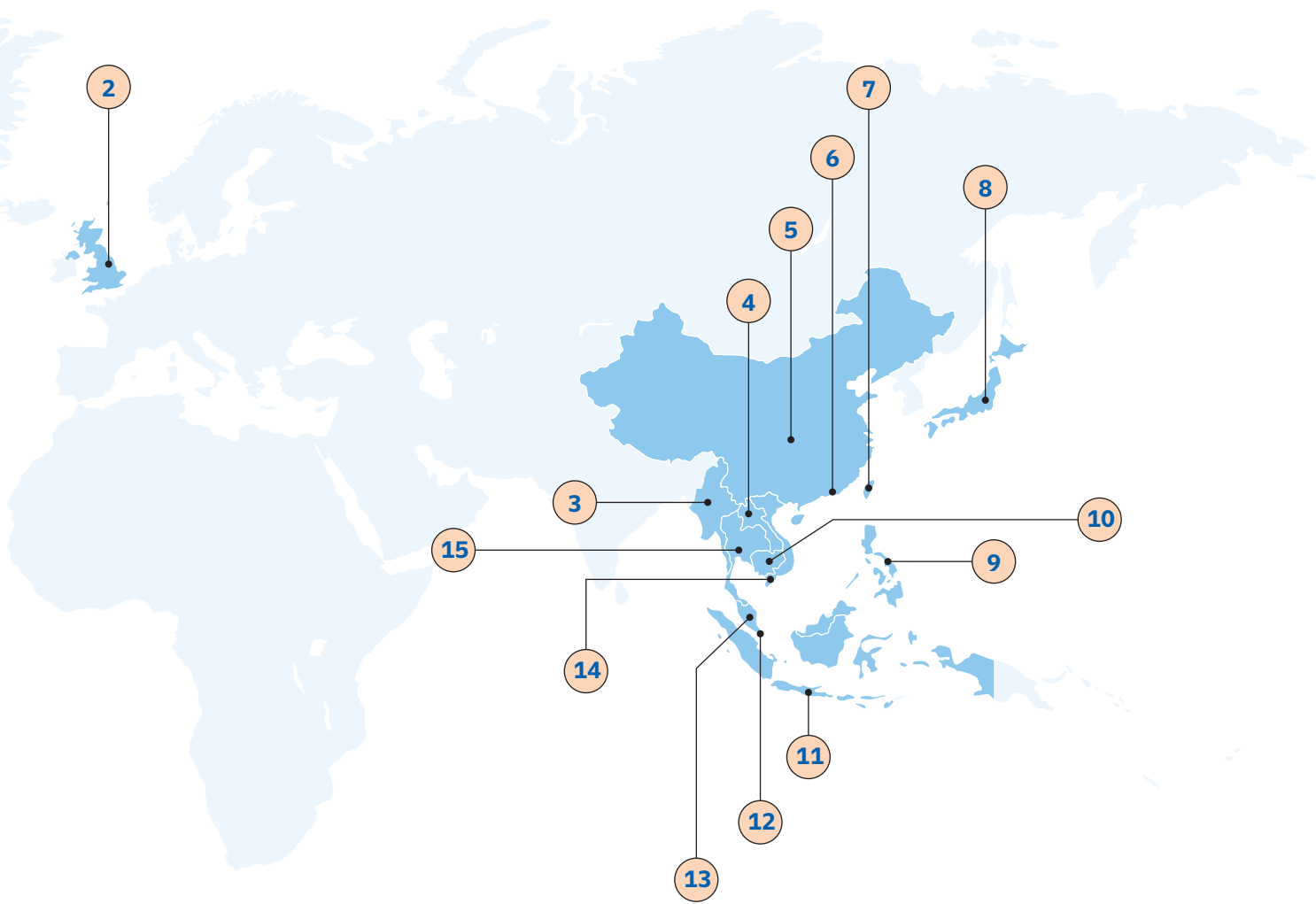
7



Taiwan

3

Year of Establishment
1965



12



Singapore

1

Year of Establishment
1957

11



Indonesia

302

Year of Establishment
1972

10



Cambodia

1

Year of Establishment
1992

9



Philippines

1

Year of Establishment
1995

8

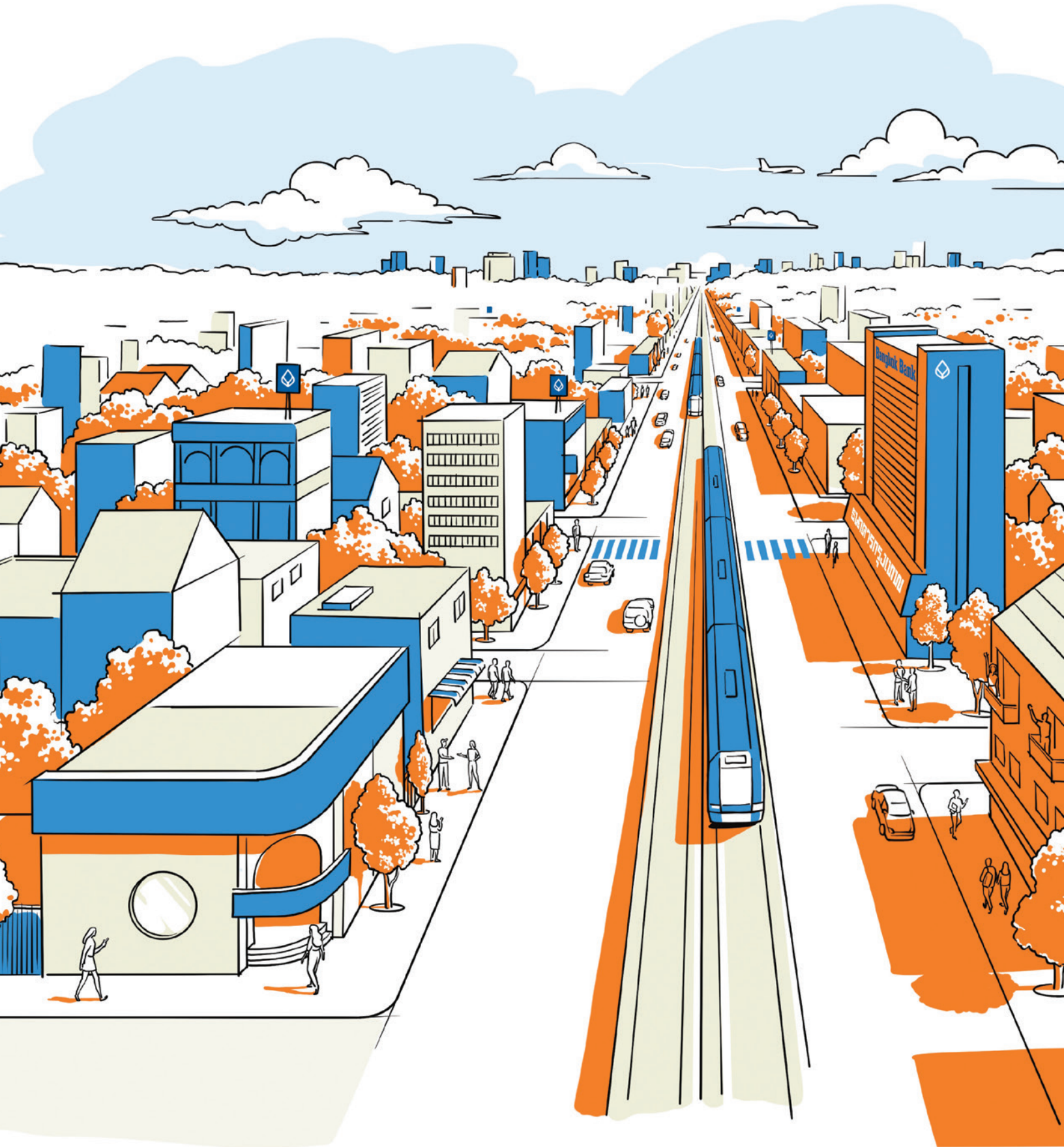


Japan

2

Year of Establishment
1955

CREATING VALUE TOGETHER



We work with our customers as a trusted partner and reliable close friend to create value together and help them to build a secure financial future.

1



Trusted Partner

We stay close to customers to help them thrive in changing times and build a secure financial future.

2



Regional Expansion

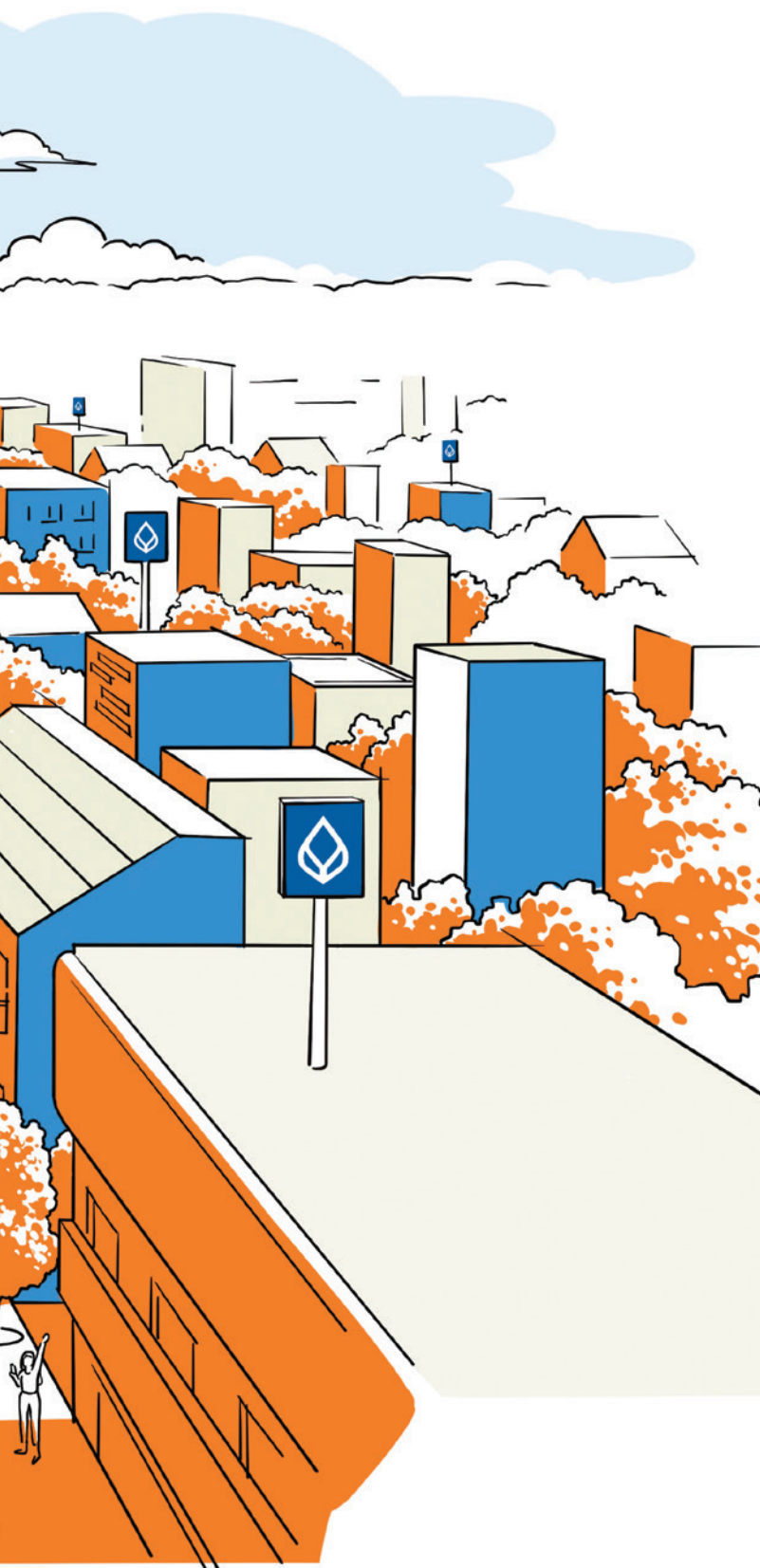
We use our international network, industry expertise and local knowhow to help customers access growth opportunities and enable them to experience seamless banking services wherever they are.

3



Digital Transformation

We introduce new digital platforms and innovative technologies to enhance our operations and provide digital products and services to suit customers' lifestyles and financial needs.



OUR FOCUS

We are committed to responsible banking practices that will provide sustainable long-term value to all our stakeholders.

1

Customers



Staying close to customers and helping them succeed during changing times

Maintaining good customer relationships during times of uncertainty is more important to us than ever. By being a trusted partner and reliable close friend, we can understand them better and provide them with the support, expert information and advice they need.

2

Quality

Expanding our high-quality portfolio while delivering service excellence

Carefully managing risk is at the core of our business. We endeavor to fully understand the financial position of our customers so we can provide prudent financial advice and appropriate support that enables them to manage their commitments and maintain good financial health.



3 Digital Banking



Accelerating digital transformation across the business

Being digital first requires us to adopt appropriate technologies and develop digital skills across all aspects of our business. In addition to expanding our digital services for all customers and enhancing our IT infrastructure and innovation development, we are also strengthening our governance systems to ensure the security and privacy of our customers' data.

4 Efficiency



Innovating smart, efficient ways of working

Adopting smarter, more efficient ways of working enables us to provide more immediate, seamless service while effectively managing our costs. We do this by developing our human capital, adapting our working processes and deploying technologies such as Big Data, automation and blockchain.

5 Growth



Targeting high growth opportunities and sectors

Anticipating change places us in a good position to capture new growth opportunities. Our expanded international network means we can support the growth and investment aspirations of our business customers, as we continue to strengthen our financial advisory, bancassurance and wealth management services to better serve the growing needs of individual customers.

STAY STRONG TOGETHER



Modern Frame Company Limited



“If we adapt quickly, work as a united team and make good use of our strengths, we can turn crisis into opportunity.”

Modern Frame is a manufacturer and exporter of photo frames and wooden home decorations. When sales fell after the Covid-19 crisis struck, the company quickly repurposed its business. Bangkok Bank supported the company with liquidity, funds for improving machinery and advice on FX hedging.

- **Teera Teeraphantuvat**
Managing Director
Modern Frame Company Limited



Wasana Farm



“To get through the crisis, we had to explore new business opportunities to see what we could do with our products, which sales channels we could use and how to diversify.”

Wasana Farm, a melon and cantaloupe grower, faced a potential crisis when orders which normally account for 90 percent of supermarket sales, plummeted by 50 percent. In addition to providing liquidity, Bangkok Bank invited the business to join its training program to learn about the processed food business. As well as gaining knowledge, it made useful connections, including with a company that could produce a new product line of freeze-dried melon. It established new social media channels and increased farm-gate sales.

- **Wasana Sukping**
Owner
Wasana Farm



Thep Sombat Company Limited



“Covid-19 motivated us to rethink and redo. It is not only a New Normal but a new life. If we are economical and plan our business in line with the sufficiency economy, our business will survive.”

Thep Sombat is a bus service operator that connects Bangkok with the provinces, as well as providing a car trailer and truck service. During the Covid-19 crisis when inter-regional travel was suspended, Bangkok Bank was one of the first to offer soft loan support and business advice. The company used the funds to increase liquidity, retain staff, and carry out maintenance and repairs while providing transport carrier services for car trailer and truck companies.

- **Tawee Wongborphid**
Managing Director
Thep Sombat Company Limited



A.I. Technology Company Limited



“Creating opportunities by utilizing knowledge and increasing creativity are strategies for business survival in every crisis.”

A.I. Technology is an engineering and production company that specializes in automation machine design and manufacturing, high precision measuring instruments as well as casting and machining parts for the automotive industry. During the Covid-19 situation, in order to help tackle the national healthcare crisis, A.I. Technology reallocated its engineering specialists and resources to design and manufacture negative pressure transport beds and negative pressure chambers, devices that support the safety of healthcare professionals during their work. A.I. Technology further developed its range of medical equipment by adding dental equipment and PAPR masks. Quick responsiveness and support in liquidity from Bangkok Bank enabled the company to rapidly respond to new market demands and consequently grow and expand the businesses.

- **Kulchoke Popattanachai**
President & CEO
A.I. Technology Company Limited



Profender Company Limited



“This crisis is a catalyst. If we are constantly adapting, new opportunities will arise.”

Profender is engaged in the production of high-quality shock absorbers for pickup trucks, four-wheel drive vehicles and passenger cars for export and domestic sales. The company has been in business for 13 years and its products have been exported to Australia, China, the Middle East, and the US.

With exports accounting for 70 percent of its business, revenue dropped significantly during the Covid-19 crisis. It switched focus to producing shock absorbers suited to the local market and designed new products in response to customer demand such as spring and wishbone for forklifts. The liquidity provided by Bangkok Bank enabled the company to retain employees and do research and development for new products in line with changes in the market.

- **Thongchai Eamwattanasil**
Managing Director
Profender Company Limited



Trax Intertrade



“The unexpected can happen at any time. You need to be flexible, select the right partners, and protect yourself so you can be strong in any situation.”

Trax Intertrade is an exporter of quality sportswear with production facilities in Vietnam, Indonesia, Cambodia and Thailand producing more than three million pieces a month. It manufactures apparel for top global brands, specializing in football brands.

As a result of the Covid-19 crisis, the company’s annual production fell by about 15 percent, so it used its spare capacity to produce branded protective face masks. Bangkok Bank has been a financial partner of Trax Intertrade for more than 30 years helping it to grow and expand across the region including establishing its factories in Vietnam. During the crisis, Bangkok Bank gave full financial support and stood by the company as a trusted partner and friend.

- **Chaipayong Vechamamontien**
Founder and Chairman
Trax Intertrade

FINANCIAL PERFORMANCE INDICATORS (CONSOLIDATED)

	Percentage Changes						
	2020	2019	2018	2020/2019	2019/2018		
Financial Position (Million Baht)							
<i>As At 31 December</i>							
Assets	3,822,960	3,216,743	3,116,750	+	18.8	+	3.2
Loans	2,368,238	2,061,309	2,083,160	+	14.9	-	1.0
Loans (less allowance for expected credit losses)	2,182,672	1,887,033	1,930,157	+	15.7	-	2.2
Deposits	2,810,863	2,370,792	2,326,470	+	18.6	+	1.9
Liabilities	3,372,713	2,788,627	2,703,591	+	20.9	+	3.1
Shareholders' equity ^{/1}	449,014	427,751	412,814	+	5.0	+	3.6
Operating Results (Million Baht)							
<i>For The Year Ended 31 December</i>							
Net interest income	77,046	71,071	71,376	+	8.4	-	0.4
Non-interest income	41,682	62,675	50,025	-	33.5	+	25.3
Operating expenses	65,974	54,963	55,165	+	20.0	-	0.4
Profit before provision and tax	52,754	78,783	66,236	-	33.0	+	18.9
Profit before tax	21,558	46,432	44,271	-	53.6	+	4.9
Net profit ^{/1}	17,181	35,816	35,330	-	52.0	+	1.4
Per Share (Baht)							
Profit before tax	11.29	24.32	23.19	-	53.6	+	4.9
Net profit ^{/1}	9.00	18.76	18.51	-	52.0	+	1.4
Par value	10.00	10.00	10.00		-		-
Book value ^{/1}	235.23	224.09	216.26	+	5.0	+	3.6
Share prices - range	163.50 - 88.00	215.00 - 151.50	218.00 - 184.50				
- year ended	118.50	160.00	203.00	-	25.9	-	21.2
Financial Ratio (%)							
Loan to deposit	84.3	86.9	89.5	-	2.6	-	2.6
NPL to total loans ^{/2}	3.9	3.4	3.4	+	0.5		-
Allowance for expected credit losses to NPL ^{/2}	186.8	220.2	190.9	-	33.4	+	29.3
Return on average assets ^{/1}	0.48	1.13	1.13	-	0.65		-
Return on average equity ^{/1}	3.96	8.45	8.73	-	4.49	-	0.28
Net interest margin (NIM)	2.24	2.35	2.40	-	0.11	-	0.05
Cost to income	55.6	41.1	45.4	+	14.5	-	4.3
Tier 1 capital adequacy ratio	15.76	17.01	16.43	-	1.25	+	0.58
Total capital adequacy ratio	18.34	20.04	17.96	-	1.70	+	2.08

Remark : ^{/1} Attributable to owners of the Bank

^{/2} Including interbank and money market lending

SUSTAINABILITY INITIATIVES

1



Be Resilient



Helping our customers and employees get through the Covid-19 crisis is a key focus for the Bank and we place great emphasis on crisis management to ensure we have sufficient capital to manage related risks. We introduced measures to protect the health of customers and employees and to boost the morale of employees, while giving support to those customers and employees affected.

2



Be Responsible



Our duties and responsibilities to stakeholders, society, and the environment are taken seriously and conducted in line with UN Sustainable Development Goals. We are responsible for providing financial services, expanding financial inclusion, promoting financial knowledge, protecting the environment, and reducing our contribution to global warming.

3



Be Customer Centric



Customer care is the central tenet of our business and fundamental to providing customer satisfaction and improving service quality. We are using technology to provide innovative products and services that meet customer needs, while maintaining and building good relationships with customers and protecting the security and privacy of their information.

4



Be Caring



Employees are at the heart of our sustainable business operations. We seek to attract a new generation of talent while developing the skills and knowledge of existing personnel so they can adapt to change and take on new challenges. We try to ensure that all employees have a good quality of life and provide adequate and appropriate welfare support so that they can create value together with us.

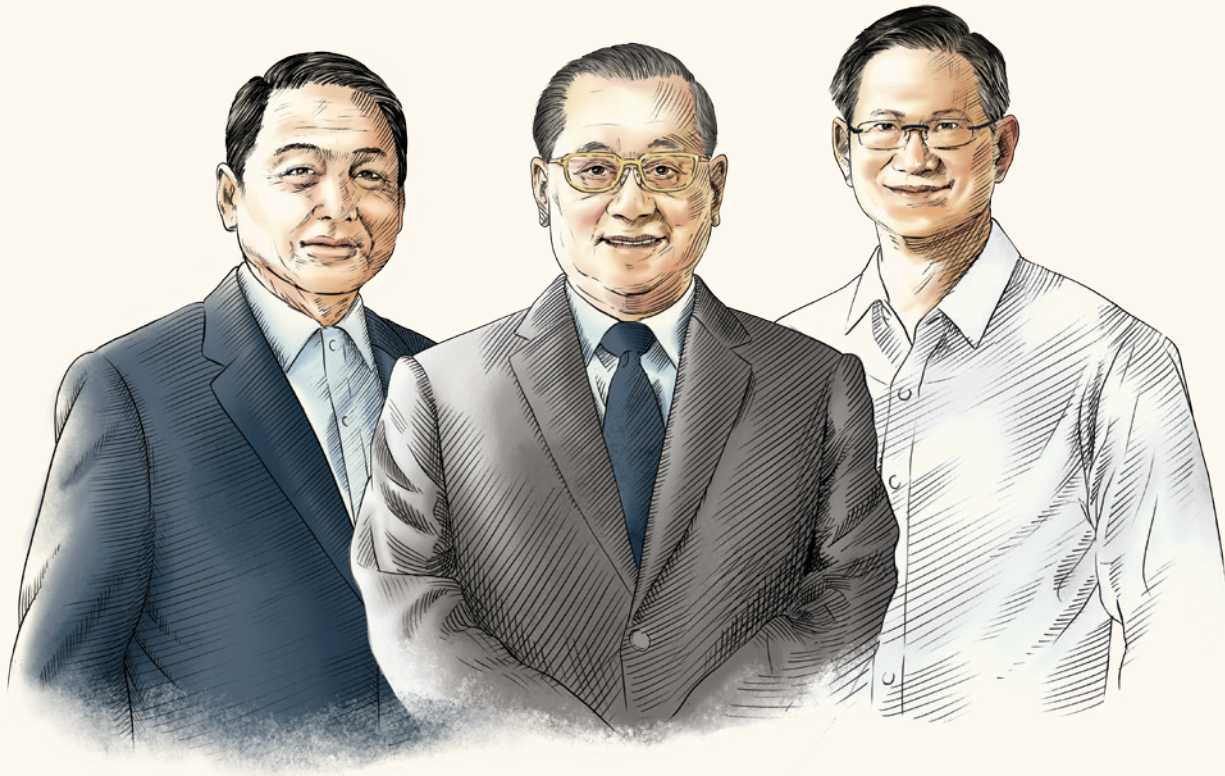
5



Be Ethical



Conducting business based on ethical principles and good governance is a core commitment which has helped us earn the trust of stakeholders and the public. We strictly comply with laws and regulations, respect human rights, and treat customers fairly. We do not tolerate any form of corruption and we encourage our employees and business partners to strictly comply with good environmental, social, and governance practices for the benefit of society at large.



MESSAGE FROM THE CHAIRMAN, THE EXECUTIVE CHAIRMAN AND THE PRESIDENT

—

We are committed to our core values and purpose aspiring to be a trusted partner and reliable close friend and to ensuring we live up to these values by helping people emerge stronger.

—

From left to right:

Deja Tulananda, Piti Sithi-Amnuai, Chartsiri Sophonpanich

Overview

We faced an unprecedented year in 2020 as the Coronavirus Disease 2019 (Covid-19) pandemic severely affected people, livelihoods, businesses and economies around the world. The human impacts of this global public health crisis were amplified by the public and policy responses implemented in various countries to limit the transmission of the disease and the corresponding economic damage from lockdowns, the closing of borders and the reduction in trade and exports.

In Thailand — which has been quite effective in controlling the Covid-19 situation thanks to steadfast responses from the public, business and government — working people, SME and companies operating in the tourism and hospitality sectors, and related supply chains, have been hardest hit by the fallout from the pandemic.

Our thoughts go out to all customers in Thailand and across our network as well as related parties who are facing challenges as a result of the pandemic. We will strive to help them overcome these difficulties and to develop the robustness and resilience needed to emerge from the recovery in a stronger position. The Bank is committed to our core values and purpose — notably, “puan koo kit mit koo baan”, aspiring to be a trusted partner and reliable close friend — and to ensuring we live up to these values by helping people emerge stronger.

We completed our landmark acquisition of PT Bank Permata Tbk (PermataBank) in Indonesia in May 2020 with our stake in PermataBank rising to 98.71 percent after conducting a mandatory tender offer in October. This was the largest international acquisition by a Thai bank, and a move that further strengthened Bangkok Bank’s position as having the largest network of overseas branches of any Thai bank. Bangkok Bank Indonesia’s branch offices, staff and customer base officially integrated with PermataBank in December. This investment enables Bangkok Bank to render more extensive banking services in Indonesia and our customers to access enhanced business opportunities. It will also connect PermataBank with our regional and international networks and help its customers explore growth opportunities outside of their home market.

Creating Value Together

Creating Value Together is an essential factor to move forward because we believe that collaborating with each other provides us with the greatest opportunity to overcome our challenges. As a trusted partner, we are ready to create value for customers by focusing on the following three sub-themes:

Puan Koo Kit / Trusted Partner Bangkok Bank has always focused on building long-term, trust-based relationships with our staff, customers and other stakeholders. We have prioritized the health of our employees and customers throughout the crisis and implemented enhanced health and safety protocols as well as split teams in split sites and work from home policies. Furthermore, our people have made every effort to stay close to customers, understand their business challenges and provide them with advice and the financial support they need to navigate the crisis. We have worked with the government and related agencies to provide support measures to retail and business customers that included loans to businesses affected by the pandemic under the Bank of Thailand’s soft loan scheme. We have also made donations to a number of government hospitals to support their initiatives to combat Covid-19.

Regional Expansion We have leveraged our position as Thailand’s leading international bank to help business clients seek growth opportunities across Southeast Asia. The acquisition of, and integration with, PermataBank will enable us to connect clients with more opportunities in Indonesia, the region’s largest economy and one of the fastest growing economies in the world. We have also strengthened our position in other key markets, such as Vietnam, where we helped facilitate significant investments in the renewable energy sector among other activities, as well as China. As the Covid-19 situation eases, business opportunities in Southeast Asia will become even more attractive. This is consistent with our commitment to supporting the business expansion and diversification of supply chain risks among customers and investors in the region.

*To meet customer's needs, we are accelerating
our transition towards being a digital bank
and data-driven organization.*

Digital Transformation The pandemic has accelerated the digitalization of many banking services, as well as other internal processes. Customers are increasingly using digital and cashless banking and payment services rather than visit a branch or other physical touchpoints as digital adoption has surged in Thailand. To meet these needs, we are accelerating our transition towards being a digital bank and data-driven organization. Highlights during the year included launching our new mobile banking platform, Bangkok Bank Mobile Banking, using enterprise blockchain to send a digital letter of credit for a trade finance customer from Vietnam to Thailand, developing a chatbot in the Thai language that specializes in the financial sector, and using facial recognition for new account opening.

Internally, we continued to deploy and expand our portfolio of digital tools to help staff provide the highest level of service to customers. This included providing our people with the support they needed to work flexibly and remotely during the lockdown. We advanced our use of artificial intelligence, machine learning and robotic process automation to accelerate and enhance many back-office processes. Ongoing development of our next generation Data Lake and other analytical platforms is aiding our transition to becoming a data-driven organization.

Operating environment

Thailand entered recession in 2020 due to the combined effects of the pandemic, partial lockdowns, a freeze on international travel and a global economic downturn which had particularly detrimental effects on tourism and export-related industries. The tourism and export-related sectors were worst affected. These factors further dragged down an already sluggish domestic economy which was suffering from the fallout from the US-China trade war on Thailand's export-driven economy prior to the Covid-19 pandemic. However, there were positive signs of a recovery by year-end.

Despite the economic contraction in 2020, the Bank reported a consolidated net profit of Baht 17,181 million, including PermataBank's performance since the date of acquisition on May 20, 2020. In line with the Bank's prudent management philosophy, sufficient provisions have been set aside as a cushion against economic uncertainty resulting from the effects of the Covid-19 pandemic. As such, the Bank was able to maintain capital reserves and liquidity at appropriate levels to support financial sustainability and its ability to face challenging situations. This policy was supported by our issuance of US\$750 million in Additional Tier 1 Subordinated Notes that qualified as Tier 1 capital under Basel III regulations in September 2020, to strengthen the Bank's capital structure. As of December 31, 2020, the total capital adequacy ratio stood at 18.3 percent. We are Thailand's largest bank and the 6th largest in Southeast Asia by assets. The integration with PermataBank saw the contribution of international loans to total loans increase from 17 percent to 23 percent.

The Bank and its subsidiaries have adopted Thai Financial Reporting Standards No. 9 (TFRS 9) "Financial Instruments", a new accounting method in accordance with international standards, from January 1, 2020 onwards.

Looking forward

While we are transitioning to the New Normal, Covid-19 is still with us and, as a result, 2021 will be another challenging year. We also need to remain aware that some of the challenges we previously faced — namely, digital disruption, trade disputes, and relocation of supply chains — have not gone away and will be compounded by the pandemic.

The arrival of Covid-19 vaccines and the start of inoculation programs in various countries provide cause for optimism as they will help reduce the spread of the disease. However, it will take several quarters before the vaccinations can help bring the virus under control and accelerate economic recovery, especially within the hard-hit tourism sector. In the meantime, it is imperative that we continue to act prudently to protect the health and safety of our staff, customers and other stakeholders and the viability of our clients' businesses.

As such, we will continue to focus on creating value together throughout 2021. We will stay close to our customers to better understand their business and financial needs to provide them with the best advice to navigate the crisis, adjust their operations and capture new growth opportunities. We will also focus on maintaining a high-quality portfolio and identifying new high-growth opportunities in various sectors.

We will continue to leverage our position as a leading diversified ASEAN bank to support regional financial integration and to help customers and investors benefit from growth opportunities across Southeast Asia's varied and high potential markets which are home to some 650 million people. Meanwhile we have accelerated our digital transformation to provide our people with the tools they need to support our customers and to develop new ways of working to make digitalization a success.

Bangkok Bank remains fully committed to ethical and sustainable banking principles. We are increasing our emphasis on environmental, social and governance (ESG), protecting the environment and shaping a sustainable future for all.

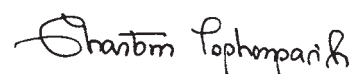
We wish to thank our customers, shareholders, business partners, management and staff for your trust and support. We remain optimistic about the opportunities in coming years to further strengthen our relationships and continue creating value together for the benefit of all stakeholders.



(Piti Sithi-Amnuai)
Chairman



(Deja Tulananda)
Executive Chairman



(Chartsiri Soponpanich)
President

EXECUTIVE SUMMARY



In 2020, the Coronavirus Disease 2019 (Covid-19) pandemic caused the greatest disruption seen in decades to both the global and the Thai economies. To support our customers during this difficult time we provided many relief measures and monitored their situation closely. At the same time we maintained our prudent approach towards credit underwriting and risk management while securing our sound financial position, liquidity and capital reserves to sustain our own financial strength.

As we worked closely with our customers and provided support to their businesses as well as financial security, we were impressed by their resilience and the resulting power that comes through collaboration between both sides during times of crisis. Our philosophy of creating value together provides us with the greatest opportunity to emerge from these difficult times in as strong a position as possible.

The economic crisis accelerated prevailing trends such as the move to online channels, e-Commerce and cashless payments. Opportunely, we were already well on our digital journey and could roll out many new digital services to meet the needs of our customers.

Consumer banking customers could enjoy our new mobile banking platform, Bangkok Bank Mobile Banking, which was launched with an enhanced user interface and new features. It was designed to easily integrate with other platforms and services so it can be frequently and quickly updated with new features. This new platform complements our plans to integrate our services with partners such as universities, logistics providers, hospitals and property companies, enabling us to meet the needs of our customers' varied lifestyles. We also introduced online account opening services using facial recognition and authentication using the National Digital ID Platform (NDID).

We more than doubled our touchpoints as we appointed banking agents in addition to the conventional service channels of our existing branch network, adding more convenience to customers wanting to make deposits and withdrawals. This, along with digital innovations for online identity verification, helps increase financial access and inclusion for people, especially those in rural locations. We also commenced online identity verification with NDID and identity verification via Citizen ID card (dip chip) at affiliate stores and bank networks.

For business banking customers, we introduced many new digital services so they could manage their businesses effectively and better meet the needs of their own customers. For instance, a cashless payment option using QR PromptPay allows individual customers to conveniently pay for goods and services purchased via this contactless payment service at stores, street food vendors, salons, or local grocery stores. Other services launched included BeMerchant NextGen, which enables retail businesses to get paid by their customers via QR Code and to check inward transfer transactions as well as manage their receipt positions with added ease and convenience; Bualuang Smart Bill Payment, which provides a digital solution for conveniently making and receiving payments; QR payment service for taxi fare and taxi rental payments which helps track receipt movements efficiently; and an e-Withholding tax payment service that makes payments to the Revenue Department on behalf of the customer.

On the international operations front, our continued regional expansion, as demonstrated by our acquisition of PT Bank Permata Tbk (PermataBank) in Indonesia in 2020, reflects our confidence in the strength of Southeast Asia's economy. After integrating our existing Indonesian operations into PermataBank in December 2020, the latter became one of Indonesia's 10 largest banking institutions. In January 2021, with total capital of more than IDR 30 trillion (Baht 63,332 million), PermataBank was approved by the Financial Services Authority (OJK) as a BUKU IV bank, the category of banks with the highest capital.

This new subsidiary bank will help diversify our revenue streams, provide greater access to growth markets in ASEAN's largest economy, and support Indonesian customers in seeking opportunities across our regional and international networks.

Along with our partners we launched Contour, an enterprise blockchain solution that allows us to digitalize Letters of Credit (L/C) from end to end. We piloted enterprise blockchain transactions with customers in Indonesia and Vietnam and in 2021 we plan to commercialize this service and offer it to customers across Thailand and our international network. This innovation will enable customers to operate their businesses with trade partners around the world more efficiently by making transactions rapid, transparent, accountable and highly secure.

We are developing the digital infrastructure across our International Banking Group, including enhancing core banking, cash management, payments, and anti-money laundering capabilities, so that we can provide a seamless service that is efficient, cost-effective and convenient for customers. We are the settlement bank in Thailand for cross-border QR Code payments between Thailand and Indonesia, and Thailand and Vietnam. We were also appointed as the Thai settlement bank for PromptPay International, a cross-border remittance service between Thailand and Singapore with which people can conveniently, swiftly, and cheaply make cross-border transfers and payments using their mobile banking services.

ASEAN regional integration is being supported by infrastructure development that connects Thailand with countries across Southeast Asia and beyond. These projects include Bangkok's mass transit system, rail networks throughout the country, a high-speed rail link connecting Thailand with Laos and China, and the long-term development of the Eastern Economic Corridor (EEC) which aims to be the region's major logistics and transport hub and a center for high-value services and next-generation manufacturing. We are supporting our customers' participation in these projects while also financing a number of energy developments across the region including many clean and renewable energy projects, such as biomass production, wind farms and solar power schemes, as well as projects related to electric vehicles and recycling.

Looking forward we will keep close to our customers and strive for quality and sustainable growth while delivering efficient and excellent service. We will continue to expand our digital offerings, supported by an effective IT infrastructure and governance systems. We will position ourselves for international growth opportunities, as well as targeting high-potential areas, such as cash management, bancassurance and mutual funds. In this way we will work as a trusted partner and friend to create value together with our customers and help them build a secure financial future.

MANAGEMENT DISCUSSION AND ANALYSIS





Overview of the Economy and Banking Industry

Thai Economy in 2020

The Thai economy contracted by 6.1 percent in 2020 as a result of the Coronavirus Disease 2019 (Covid-19) pandemic. Several countries introduced measures such as freezes on international travel, lockdowns and curfews, bringing many economic activities to a standstill. The most affected sectors in Thailand were international trade, private investment, and private consumption. Thai exports fell by 6.6 percent YoY, while imports declined by 13.5 percent YoY. Private investment fell by 8.4 percent YoY, in tandem with capacity utilization which plummeted to a near decade-low of 52.2 percent. Meanwhile, private consumption declined by 1.0 percent YoY. Furthermore, a freeze on international travel, as well as immigration restrictions and a 14-day quarantine for incoming travelers, caused the number of international tourists to fall to near zero between April and the year-end. Restrictive measures also forced many businesses to lay off employees to deal with a decline in business activities and a shortage in liquidity, adding around 2.5 million people to the job queues as the unemployment rate spiked to a decade high of 2.2 percent.

The government moved quickly to launch several measures to boost spending as well as to increase consumption and investment to support the economy through the recession. Such measures included Rao Mai Thing Gun (You Will Never Be Left Behind), Rao Tiew Duay Gun (We Travel Together), and Kon La Krung (Let's Go Halves). Public consumption rose by 0.8 percent YoY while public investment in infrastructure rose by 5.7 percent YoY.

Headline inflation dipped from 0.7 percent in the previous year into negative territory to minus 0.8 percent, lower than the Bank of Thailand's (BOT) inflation target of 1–3 percent, primarily due to lower private investment, weaker consumption and a decline in energy prices.

The BOT lowered the policy rate three times — in February, March and May — to a historic low of 0.5 percent to support the economy. Despite the Baht weakening at the beginning of the year as a result of capital flight to safe-haven assets, especially the US dollar and gold, the currency's appreciation became a major concern in the final two months of 2020 due to a current account surplus of USD 17 billion which accounted for about 3.3 percent of GDP. The Baht rose to a one-year high at 29.82 per US dollar. The BOT announced steps to manage the strengthening Baht, particularly encouraging outbound foreign investment, which would lay the groundwork for creating a proper foreign exchange ecosystem in the future.

In terms of global financial markets, after facing a downturn when pandemic control measures were implemented, equity markets around the world staged an uneven or “K-shaped” recovery over the past year, led by those with exposure to the technology sector. Yields in fixed-income markets remained low globally due to accommodative monetary policies. In spite of highly volatile financial markets, Thailand continued to maintain a high level of international reserves at 1.5 times total foreign-currency-denominated debt.



Economic Outlook for 2021

The Thai economy is forecast to expand by 1–2 percent YoY in 2021 as the success of vaccination programs is expected to support a recovery in trade and tourism worldwide. Major developed countries and economies, such as the US, UK, EU, and Japan, are expected to vaccinate large portions of their populations relatively quickly, while developing economies, including Thailand, may see a slower rollout due to limited global vaccine supply.

Thai merchandise exports should be supported by a recovery in consumer purchasing power and manufacturing in many countries, especially developed ones. Rising demand for electronics exports due to commercialization of 5G technology and the work-from-home trend will help boost Thailand's exports for this sector. Thailand's tourism industry is expected to gradually recover as vaccinated individuals in other countries start travelling abroad. However, the number of visitors to Thailand will remain well below pre-pandemic levels for the meantime due to the pandemic.

Private consumption in the first quarter will likely be low due to the reintroduction of pandemic control measures. Once the government brings the pandemic under control, private

consumption is expected to rise due to the combined effects of easing restrictions, the government's cash handout scheme and an improvement in the export and tourism sectors. Government policy is expected to be a key factor in supporting economic recovery amid lingering uncertainties, with government spending playing a major role. Likewise, we expect monetary policy to continue to be accommodative for the rest of the year.

Thai Banking Industry in 2020

In 2020, the Thai banking system faced challenges due to the Covid-19 situation which affected its performance and asset quality. This is because almost all sectors of the Thai economy have been directly and indirectly affected. As a result, the BOT relaxed monetary policy and issued financial and loan relief measures to assist debtors, as well as easing regulations to increase the flexibility of commercial banks to help debtors and stabilize the financial system.

Amid the Covid-19 challenges, the combined net profit of the commercial banking system was Baht 146.2 billion, a 46.0 percent decrease from last year, due to high provisioning to cushion against the impact from the pandemic. At the end of

2020, loan growth increased by 5.1 percent. Total business loans (64.2 percent of all loans) expanded by 5.4 percent due to an increase in loans to large corporate customers, which were partly returning to borrowing instead of issuing debt securities. SME loans contracted at a lower rate as a result of soft loan measures. Consumer loans (35.8 percent of all loans) grew by 4.6 percent, decelerating from the previous year in line with the purchasing power of households which was affected by Covid-19. Meanwhile home loans continued to expand in response to demand in the low-rise housing market and the marketing campaigns of developers.

The liquidity of the commercial banking system remained high. Deposits grew by 9.6 percent from the end of 2020. The ratio of loans to deposits was 92.3 percent. The Liquidity Coverage Ratio (LCR) stood at 179.6 percent. For liquidity management, commercial banks placed great emphasis on deposit restructuring and cost management as well as reserve requirements to comply with LCR guidelines under Basel III. However, the BOT eased the liquidity threshold to allow commercial banks to temporarily maintain their LCR below 100 percent until December 31, 2021 to alleviate the burden on commercial banks during the pandemic.

In terms of loan quality, non-performing loans (NPL or Stage 3) stood at Baht 523.3 billion or a ratio of 3.12 percent of gross NPL to total loans, while the Significant Increase in Credit Risk (SICR or Stage 2) stood at 6.62 percent. However, the level of capital reserves and loan loss reserves remained high and adequate to cushion against NPL in the banking system. Total capital in the commercial banking system remained high at Baht 2,994.3 billion at the end of 2020 or a Capital Adequacy Ratio (CAR) of 20.1 percent. Reserves were at a high level at Baht 799.1 billion. The NPL Coverage Ratio was 149.2 percent, sufficient to cope with the economic volatility resulting from the Covid-19 situation as well as supporting the related economic recovery.

The adoption of Thai Financial Reporting Standards 9 (TFRS 9) “Financial Instruments” enhanced Thailand’s financial reporting standard to be more in line with international benchmarks. The principles and methods of accounting for financial instruments have been revised to better reflect actual financial status and operating results, divided into three parts of classification and measurement, impairment or setting aside reserves, and hedge accounting.

As the spread of Covid-19 has impacted many debtors of commercial banks, banks have focused on alleviating their difficulties as directed by the BOT. Support measures included loan payment holidays for SME and financial support for debtors from financial institutions. Assistance measures for affected customers in the first phase were followed by proactively providing support tailored to the specific needs of each debtor in the second phase. Besides this, the BOT issued a notification

to allow financial institutions to maintain the debt classification of non-NPL as performing provided that debt restructuring was implemented by the end of 2021.

Thai Banking Industry in 2021

The Covid-19 pandemic continues to represent the key VUCA challenge (volatility, uncertainty, complexity and ambiguity) that the Thai financial industry faces in 2021. Although Covid-19 vaccine development has already made visible progress, it will take time for vaccination programs to be implemented for those in need and to have a significant effect on combating the virus and reviving the economy. Even after the crisis abates, business conditions, industrial structures, people's lifestyles and working patterns are not expected to return entirely to pre-Covid-19 conditions. The economic system will remain dependent on government support for an extended period. Other factors that will affect the financial markets in 2021 include the election of Joe Biden as US president replacing Donald Trump; ongoing economic fragility, especially in countries with weak economic fundamentals; and the volatility of international money flows due to the monetary easing policies of central banks around the world. Meanwhile, the Thai economy will start to recover, driven by government spending and measures to help businesses and people, as well as vaccinations in accordance with the government’s timeline. These will help to build confidence in all sectors of the economy and contribute to a recovery in the second half of 2021.

Given the aforementioned business environment, commercial banks must focus on customer care by providing financial assistance to businesses, helping to revitalize businesses, and providing assistance for long-term business growth, while keeping a close and continuous watch on asset quality. Thai commercial banks have increased their capital and reserves which are currently at a high level and must manage their liquidity to support the economic recovery and meet the challenges.

Commercial banks must also adjust their own operations in line with the New Normal during and after the Covid-19 pandemic. This covers economy, business, customer behavior, working patterns, the acceleration of digitalization, new hygiene rules and measures, and other big trends such as shifts in global supply chains, the transition from aging to aged societies and increasing social and debt problems both globally and domestically. Banks need to focus on developing products and services to meet customers' needs by leveraging insights and analysis. By collaborating with partners, they can create new revenue opportunities and effectively manage channels to control costs. Moreover, they are adopting sustainable banking principles, and using environmental, social, and governance (ESG) factors to determine policies and strategies for responsible lending, while managing risks and their impact on bank loans.

Factors Affecting Banking Industry Performance

Thai commercial banks may encounter challenges from rapid changes in government policies and in the business environment that can affect their operations over the next two to three years. The Covid-19 crisis has accelerated many of the world's major trends. This has led to challenges and opportunities for the Thai economy and business sector in many dimensions as follows.

1. Digital disruption The Covid-19 crisis has encouraged both individuals and businesses to adapt to the New Normal, whether in terms of work, education, leisure, travel and healthcare. Digital technologies play an important role in our daily lives and business activities and they provide commercial banks with enhanced opportunities to help consumers and businesses adapt to the New Normal while improving their own ability to meet the needs of customers.

The use of smartphones and tablets is growing rapidly and easy access to digital media is changing how consumers use financial services. This is in line with the country's move towards a cashless society. Technological innovations make it easier to make payments, transfer and raise funds, provide loans, and manage financial assets. Digital finance helps to enhance the quality of life of individual customers and the efficiency of businesses. Individual customers generally need services that are fast and seamless through non-branch channels on a 24/7 basis, while business enterprises need integrated financial service solutions. Banks will constantly leverage Big Data analytics and artificial intelligence (AI) capabilities to develop marketing strategies suited to each customer group along with more sophisticated products and end-to-end solutions to better meet customer needs.

2. The high level of household debt in Thailand Prior to the Covid-19 crisis, Thailand's household debt to GDP was already high, accounting for about 80 percent of GDP. The Covid-19 outbreak has amplified this problem. The burden of high debt accumulation is an obstacle to the expansion of household spending, because a proportion of income must be put towards debt repayments and there is an increased risk of defaults. Low interest rates also encourage people to save less and spend more. In addition, high levels of business closures and the related rise in unemployment have reduced available income that could be used to pay off debt. As a result, more people are relying on informal loans which have high interest rates as they lack access to formal financial sources. This will further aggravate the

household debt problem and pose an obstacle to a recovery in household spending.

3. SME competitiveness Many Thai SME have problems with their ability to compete due to outdated production systems, poor labor quality and a lack of innovation and product development. Traditional SME are mostly family businesses that have difficulty in adapting to business disruption, both in terms of products and business models. In the past, physical location was the main survival factor for businesses. However, technological changes have affected consumer behavior and increased the focus on convenience and speed. Consequently, online purchases have significantly increased. Mobile access, e-Commerce and logistics are key factors for customers who are increasingly consuming news from social media and websites, and ordering products from e-Commerce or social commerce platforms.

SME located in secondary cities face further issues as their markets are smaller than big cities and they face additional challenges from labor quality, cost of products and transportation, and management practices. Large corporations have increasingly expanded into the secondary cities creating more intense competition for local SME.

The Covid-19 crisis has worsened the situation as most SME have low liquidity. When the pandemic became prolonged many businesses had to be closed down. Those that can control costs and manage to improve their working processes and thereby increase productivity through more automation while enhancing the staff capacity to be able to do higher value work will be able to survive this crisis. Banks will play an important role in supporting SME businesses to make such adaptations.

4. Global supply chain relocation US trade protection measures and retaliation from trading partners has led to some production bases moving out from China into ASEAN. The Covid-19 pandemic has also seen Chinese manufacturers accelerate the diversification of their supply chains to reduce the risk of production disruption similar to what happened during the lockdown in Wuhan. This presents an opportunity for attracting foreign investment into Thailand and ASEAN. Thailand is also likely to benefit from the shift in focus from global supply chains to regional ones.



5. Debt accumulation Many countries are facing high debt levels. According to the Institute of International Finance, global debt to global GDP was 355.9 percent at the end of 2020. This was mainly due to the easy monetary policies of major central banks around the world coupled with a low inflation environment. The Covid-19 pandemic has also worsened the economic situation, resulting in high unemployment. Governments need to incur more debt in order to use public spending to stimulate the economy. Business and household debt has increased. While many large businesses are able to access low-cost funding sources, SME and low-income households often have limited access to formal financing and may have to resort to costly informal funding sources as a result. Furthermore, the protracted pandemic and restrictive measures reduced the capacity of many businesses, especially those in more vulnerable sectors, to repay debt. Combined these developments could weaken long-term economic growth and potentially undermine the stability of the economy and the financial system.

6. Demographic shifts Thailand is expected to become an aged society in 2021 when 20 percent of the population will be at least 60 with 14 percent aged 65 or older. This demographic development will see the size of the workforce decline leading to slow long-term economic growth unless something is done to significantly improve productivity. People have also changed the value and nature of their consumption patterns. Products and services designed specifically for the elderly, such as wellness, food supplements, and health and beauty products, may become more popular. Older people in the future will have more influence in the consumer market creating opportunities for businesses that focus on their needs, such as anti-aging products and services, medical services, pharmaceuticals, pilgrimage tourism and spiritual development.

7. Eastern Economic Corridor (EEC) Thailand's EEC is being developed across three provinces, Chachoengsao, Chonburi, and Rayong, focusing on industries that will increase investment potential. The government has been investing in six key infrastructure projects in the designated promotional zones:

- 1) U-Tapao International Airport and Aerotropolis
- 2) High-speed railways to connect three international airports (Suvarnabhumi – Don Mueang – U-Tapao)
- 3) Laem Chabang seaport Phase III
- 4) Map Ta Phut seaport Phase III
- 5) Sattahip commercial deep seaport
- 6) Railway networks to seamlessly connect the three seaports

The government is developing integrated transport systems to strengthen Thailand's role as a major global economic hub and to support the development of regional supply chains. The US-China trade war has seen some supply chains shift from China to the ASEAN region. Thailand, which is competing with key regional economies such as Vietnam and Indonesia, is highly attractive to foreign direct investment due to its strategic location, the EEC project, ongoing investments in transport and logistics infrastructure, the promotion of 10 targeted industries, policies promoting advances in production capability and the domestic supply chain, technological and innovation development, and the upgrading of labor skills to support targeted industries.

8. Sustainable banking The Bank places importance on caring for and enhancing the quality of the environment and society. Apart from the traditional role of financial intermediaries to support economic growth and stability, the Bank has adopted the concept of sustainability in its business operations by establishing four sustainability guidelines:

- 1) Caring for society and the environment
- 2) Conducting business with ethics
- 3) Building business security
- 4) Caring for employees and creating customer satisfaction

These guidelines are integrated into the Bank's business strategies so that it can grow steadily and sustainably while creating value for all stakeholders and striving to achieve the UN Sustainable Development Goals (UN SDGs).

These factors will underpin the transformation of Thailand's economy through a combination of government policies, changes in business conduct within the private sector, as well as changes in consumer behavior. Therefore, Thai commercial banks must be ready to cope with these changes in order to move forward in a sustainable way.

Emerging Risks

We face many challenges in our business. Economic and political uncertainty, climate change and rapid technological advancements for coping with changes in the business environment and technology may have consequences which are difficult to anticipate. It is therefore prudent for the Bank to identify emerging risks that might affect the business in the long run so it can make preparations to efficiently mitigate the impact. The main emerging risks are:

1. Global economic issues One of the major threats to global economic growth is the Covid-19 pandemic and the global recession it caused. While several countries started inoculations at the end of 2020, the limited number of vaccinated people and emerging virus mutations, especially the UK and South African variants, have contributed to a continuous surge in cases globally. The uncontrolled pandemic will hinder the recovery of the global economy, particularly in countries that significantly rely on the tourism and service sectors. The loss of income in these two sectors, in tandem with low private sector confidence, will drag on global demand and likely weaken international trade.

Furthermore, the recovery of the global economy also faces threats from a "K-shaped" recovery, be it on a macroeconomic or industrial level, in developed or developing countries.

Another important threat is international trade uncertainties, particularly US-China trade policies. Despite the election of Joe Biden as US president, conflicts between the two countries remain with the US likely to focus on intellectual property and climate change issues. These factors, together with the Covid-19 pandemic, caused upheavals in the global supply chain, such as relocation and localization, and the increased use of technology to offset risks from a more complex and uncertain global economy.

The Bank realizes uncertain global economic conditions could affect its business and that of its customers and it 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, conducting Internal Capital Adequacy Assessment Process (ICAAP) activities, and setting up a recovery plan to systematically prepare for future difficulties.

2. Climate change The Bank has divided its climate change risks into two categories: Risk of natural disasters due to climate change or “physical risk”, and risks associated with the transition to a low-carbon society or “transition risk”. Physical risks constitute natural disasters such as storms, floods, drought, wildfires, or heat waves, which may adversely affect businesses, the food chain and the general population. In many countries, including Thailand, agriculture has been the most at-risk sector for many years, and has been affected by floods and drought many times. This has disrupted the income and costs of farmers and related businesses. The Bank therefore monitors natural disasters, assesses their impacts and manages associated risks, especially credit allocation.

As for transition risk, the outcome of the US presidential election is likely to accelerate the transition process. Under President Biden's leadership, the US has rejoined the Paris Agreement. This will oblige the world's major economies, including China, the US, the EU, Japan and South Korea (with combined emissions accounting for more than 50 percent of the world's total greenhouse gas (GHG) emissions) to reduce their net GHG emissions to zero by 2050-60. Achieving this goal will require development of green technology and products, as well as policy tools to provide businesses with the true cost of their GHG emissions, such as a carbon tax or a carbon market. These factors would affect all businesses. Despite the long-term nature of a transition to a low-carbon society, the Bank needs to monitor the situation closely and assess its business risks and opportunities to prepare itself for future changes. To this end, the Bank is studying the impact of the transition to a low-carbon society on businesses and the Bank itself under various climate scenarios from international organizations and networks, such as the Intergovernmental Panel on Climate Change (IPCC) and Network for Greening the Financial System (NGFS).

3. Cybersecurity The proliferation of technology has significantly increased cyber risks, which are diverse in form and varied in the problems they can cause. Cyber attacks and data breaches have the potential to undermine the confidence of customers, service providers and stakeholders, while also resulting in costs for the Bank – both in financial and management terms.

Businesses today are increasingly adopting advanced digital technologies, such as blockchain, biometrics, Application Programming Interface (API) or AI, to improve their productivity, connectivity and competitiveness

in an increasingly competitive environment involving non-traditional players. These technologies also enable the Bank to deliver service with high levels of customer satisfaction while providing the flexibility needed to adapt to dynamic and fast-evolving business and technological environments. This requires organizations to develop robust work processes. Specific cybersecurity measures are also in place to prevent unexpected consequences from the use of new technologies as well as protecting data and ensuring secure connectivity with its business partners and customers.

Furthermore, contemporary business operations are increasingly reliant on the collection, storage and analysis of data to formulate strategies and design services to satisfy customers' evolving needs. Data is becoming an increasingly important asset requiring greater safeguards. Many countries have added regulations and laws to protect customers' personal information. 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.

Bangkok Bank Overview

Description

Bangkok Bank was founded on December 1, 1944 and in 1975 it became the first Thai bank to be listed on the Stock Exchange of Thailand.

As at December 31, 2020, we had Baht 3,822,960 million in total assets, Baht 2,368,238 million in total loans, Baht 2,810,863 million in total deposits and Baht 449,014 million in total shareholders' equity. In 2020, we received many awards, such as Bank of the Year 2020 from Money and Banking magazine; Best Bank in Thailand from Global Finance magazine; Best Corporate and Investment Bank in Thailand, Best Bank for SMEs, and Best Regional Bank for BRI (Southeast Asia) from Asiamoney magazine; Best Trade Finance Bank in Thailand and Best Cash Management Solution in Thailand 2020 from Alpha Southeast Asia magazine; and Best in Treasury and Working Capital SMEs in Thailand from The Asset Triple A.

For more than seven decades, our business has been guided by the philosophy of aspiring to be a trusted partner and reliable close friend. This emphasizes the value we place on partnership, developing long-term relationships with our customers that are sustained over decades and across generations, and committing to our ESG responsibilities.

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 have six business units: Corporate, Commercial, Business, Consumer, International, and Investment banking. Our key subsidiaries include our locally incorporated banks in Malaysia, China and Indonesia — Bangkok Bank Berhad, Bangkok Bank (China) and PT Bank Permata Tbk (PermataBank) — Bualuang Securities (BLS), BBL Asset Management (BBLAM), and Bualuang Ventures (BV). BLS provides brokerage, investment banking and fund management services; BBLAM offers mutual funds, private funds and provident fund products in Thailand; and BV is a venture capital company. We provide a wide range of financial services for both business and individual customers in Thailand and abroad. Our business lending products include long-term

and short-term loans, trade finance, working capital, letters of guarantee and aval / acceptance. Other banking products and services include deposits, funds transfers, cash management, bancassurance, investment banking, foreign exchange and debt securities. These other banking products and services generate fee and service income for the Bank. Our banking facilities cater to both Thai and international customers.

Service channels

Our extensive distribution channel network covers branches, self-service machines, digital banking services and touchpoints. Digital banking services include mobile banking (Bangkok Bank Mobile Banking); internet banking (Bualuang iBanking); payments via QR Code for individual customers; online services such as BIZ iBanking, Corporate iCash and Bualuang iTrade for business customers; and Bualuang Phone banking service. Our domestic branch network consisted of 1,128 domestic branches across Thailand, as at December 31, 2020. To serve business customers, we have 117 business centers and 126 business desks nationwide, staffed by relationship managers and officers providing a full range of lending and banking services. We also have 92 trade-finance centers nationwide. Our international network is the largest of all Thai banks with more than 300 branches in 14 economies: Cambodia, China, Hong Kong, Indonesia, Japan, Laos, Malaysia, Myanmar, Philippines, Singapore, Taiwan, United Kingdom, United States and Vietnam.

บริหารจัดการงานภาษี แบบ New Normal

ง่าย

สะดวก

ลดต้นทุน
ธุรกิจ

Business and Operations of Bangkok Bank and its Subsidiaries

Corporate banking

The resilience and strong fundamentals of Thailand's corporate sector enabled most major companies to quickly adapt to new circumstances and multiple challenges from the Covid-19 pandemic, which disrupted businesses and economies around the world. As a relationship-based bank as well as a trusted partner and reliable close friend, we recognize the importance of supporting our customers with measures such as new loans to address liquidity shortages and changes to loan terms where needed. Our prudent approach to lending enabled us to continue to maintain a high-quality portfolio, strengthening our robustness and resilience in uncertain times. To create value together, we introduced innovative services, such as blockchain for trade finance, and continuously developed solutions that digitalize day-to-day processes so they can be integrated with corporate customers' ecosystems, as well as their customers and supply chains while also supporting their ongoing regional expansion. This will help enhance their productivity and generate more data-driven insights that enable us and our customers to develop better products and services. In line with our commitment to promoting responsible banking and caring for the environment, we are financing sustainability projects, including clean and renewable energy such as biomass production, wind farms and solar power schemes, as well as electric vehicle manufacturing, plastics recycling manufacturing and mass transit projects.

Key developments

- Given our longstanding experience in providing financial advice to business customers we have been entrusted to finance many infrastructure development projects across Thailand, such as mass transit in Bangkok, rail networks across the country including a high-speed rail link, development of the EEC, industrial estates, electricity generation and a Smart City project.
- We enhanced our transaction banking services to cover all processes for clients both domestically and internationally comprising cash management, trade finance, supply chain and securities services to better deliver solutions across all aspects of the financial value chain.
- Bangkok Bank won many awards throughout 2020, including: Best Corporate and Investment Bank in Thailand from Asiamoney magazine; Best Trade Finance Bank in Thailand from Alpha Southeast Asia magazine, The Asian Banker and Global Business Outlook; Best DLT Platform for Trade Finance from Global Finance magazine; and Best Cash Management Solution in Thailand 2020 from Alpha Southeast Asia magazine for the QR-on-Delivery payment option that can be used with any mobile banking application in Thailand.

Digital transformation

- To ensure we can respond rapidly to changing customer needs and improve the efficiency of our operations we have accelerated our digital transformation in various aspects such as working with other leading banks and global companies to launch Contour to provide trade finance services using enterprise blockchain technology. In 2019 and 2020, we successfully piloted Letter of Credit (L/C) transactions using enterprise blockchain between Indonesia and Thailand, and Vietnam and Thailand, respectively. In 2021, we will commercialize this service and offer it to other customers. This innovation, paired with our strong international network, will enable us to deliver an enhanced client experience in a highly secure environment, providing our customers with a seamless service for their international businesses while reducing operating time to less than an hour and cutting the use of paper by more than half.
- Customers in Thailand were provided with an e-Withholding tax service whereby Bangkok Bank sends withholding tax payments to the Thai Revenue Department and delivers an electronic withholding tax payment confirmation. With this service customers can automate their end-to-end payment process entirely and manage their businesses more conveniently.
- In 2021, we will continue our digital transformation with cash management and trade finance services being moved to new digital platforms. In addition to using the latest techniques in design thinking to deliver an intuitive user experience these services can support connections via API. This will enable the Bank to offer our clients easy access to a more comprehensive range of services as well as providing a gateway to a growing range of innovative products based on Distributed Ledger Technology (DLT). These plans emphasize our commitment to providing services to our customers that will enhance their competitiveness under the Digital First concept.

Commercial and business banking

Small and medium-sized enterprises (SME) are more vulnerable to sudden changes in economic conditions from Covid-19 than larger ones, which made it more important than ever for us to stand by their side as a trusted partner and reliable close friend. When the Covid-19 pandemic began we contacted business customers regularly to check if they required help and, where needed, provided them with debt relief such as soft loans, rescheduled payments and incremental new loans or working capital to help them maintain their business. We also stepped up our accounts review process to help provide early warnings of

financial difficulties so that we could promptly provide additional advice and support for customers and take appropriate action as required.

During this time, businesses not only faced challenges with cash flow, but also had to adapt their operations in many ways such as reorganizing the working environment to meet new hygiene standards, selling products via online channels, or repurposing production lines to meet changes in market demand. We were able to support them by providing online seminars with a particular focus on helping them navigate the crisis and transition to the New Normal. Customers could promote their products and services via Bangkok Bank SME social media channels. We also provided new services to support cashless payments and online sales channels.

Key developments

- To help our customers improve their business in terms of management, marketing and innovation we shared knowledge and provided connections through workshops, events, and online channels. Some of our customers won SME Excellence Awards from the Thailand Management Association (TMA), including two excellence awards in the category of services and trading, and a gold award in manufacturing.
- Biz iBanking introduced the Biz Super Save x3 package, offering special fees for fund transfers, payroll and cheque services, which reduced transactional costs for businesses as well as the need to visit branches.
- Our Bang Na and Sriracha business centers were remodeled as advisory centers and venues for events and workshops. We expect such facilities to play an important role in helping our customers adjust to the new business conditions as we emerge from the economic downturn.

Digital transformation

- We enhanced the customer experience by re-engineering our customer onboarding process and introducing new online services such as BeMerchant NextGen and Bualuang Smart Bill Payment. BeMerchant NextGen enables retail businesses to receive cashless payments via QR Code as well as to monitor and manage their transactions. Bualuang Smart Bill Payment provides digital payment solutions that help business customers save time and costs, and efficiently manage their bill collections from all channels and other Thai banks with easy reconciliation via electronic reports.



International banking

During this period of rapid change we maintain high confidence in the future of Southeast Asia's economies where regional connectivity, urbanization and infrastructural development is underpinning future growth. In line with our determination to be a leading regional bank we completed the landmark acquisition of PT Bank Permata Tbk (PermataBank) in Indonesia in May 2020. After conducting a mandatory tender offer in October, our stake in PermataBank rose to 98.71 percent. In December the integration of Bangkok Bank Indonesia's assets and liabilities saw PermataBank become one of Indonesia's 10 largest banking institutions. In January 2021, with total capital of more than IDR 30 trillion (Baht 63,332 million), PermataBank was approved by the Financial Services Authority (OJK) as a BUKU IV bank, the category of banks with the highest capital. This strategic investment for growth reflects our confidence in the high

potential of ASEAN's largest economy. The move will diversify our revenue streams and give us greater access to high-growth markets while enabling us to provide more services to customers in Indonesia and across our network. Following the acquisition, international lending now accounts for 23 percent of our total portfolio, up from 17 percent.

We also helped many of our customers expand their businesses regionally and internationally, with a particular focus on Southeast Asia. The future growth of this region is underpinned by several trends such as the recently signed Regional Comprehensive Economic Partnership (RCEP), the need to diversify supply chains after the Covid-19 pandemic and growing regional connectivity between Thailand and other countries in ASEAN.

Key developments

- We are leveraging our industry expertise to support high-potential industries such as renewable energy projects across the region, including hydropower developments in Laos, biomass in Thailand, wind and solar power in Thailand and Vietnam, solar power in Japan, and geothermal power in Indonesia.
- Asia Trade Fast Track, our integrated suite of international trade finance products and services was rolled out to customers across the region. This solution can help importers and exporters with trade partners in any of the 12 countries in our Asian network to conduct business faster and more easily. With this program, inward and outward fund transfer services and advising letters of credit and bill services can be completed within the same day.

Country highlights

- **Indonesia** We expanded our customer base through the acquisition of PermataBank, a leading banking institution in Indonesia with more than 300 branches and almost 4 million customers. It is a pioneer of mobile banking and mobile payment technology which can be easily integrated with the applications and platforms of its partners. The synergies gained through the integration will benefit both Indonesian customers and those across our international network.
- **China** As the country's economic power continues to rise and the Belt and Road Initiative (BRI) rolls out, we are supporting our customers to tap into opportunities in this important market. In recognition of this support, Bangkok Bank won a prestigious award from Asiamoney magazine in 2020 – Best Regional Bank for BRI – while our customer, Sunrise Group in Cambodia, which received loans from our Xiamen and Cambodia branches, won the Best Individual BRI Project or Initiative in the Region from the same organization. Bangkok Bank (China) won the Best Non-US Currency Member from China's Foreign Exchange Trade System in 2020.
- **Hong Kong** As a major financial center and gateway to China, Hong Kong continues to be one of our most important markets. We have worked closely with investors and business partners to tap into opportunities in the Greater Bay Area. Bangkok Bank has formed a strategic partnership with the Hong Kong Trade Development Council to work together to increase trade and investment under the BRI.

- **Vietnam** We are helping our customers expand as they leverage Vietnam's strong economy which is driven by export-oriented manufacturing and robust domestic demand from a growing middle-income population. As a reflection of our commitment to sustainable banking, financing solar energy projects in various countries continued to be a major focus in 2020. Bangkok Bank participated in a syndicated loan for the development and operation of a 257 MW solar project in Hoa Hoi, Phu Yen Province, Vietnam. The syndicated loan was the first Green B loan in Asia-Pacific to be certified by the Climate Bonds Initiative, and one of the largest such loans yet mobilized in Vietnam.

Digital transformation

- To enhance our ability to provide a seamless service that is efficient, cost-effective and convenient for our international banking customers we are developing a digital infrastructure platform across our group including enhanced core banking, cash management, payment and anti-money laundering systems.
- We are the settlement bank in Thailand for cross-border QR Code payments between Thailand and Indonesia, as well as Thailand and Vietnam. We were also appointed as the Thai Settlement Bank of PromptPay International, a cross-border remittance service between Thailand and Singapore through which people can conveniently and cheaply make cross-border transfers and payments using their mobile banking services.



บัญชีเงินฝากสะสมทรัพย์ e-Savings

เปิดบัญชีง่าย ผ่านโมบายแบงก์กิ้ง
จากธนาคารกรุงเทพ

Consumer banking

Our first priority early in the year when Thailand was trying to reduce the spread of Covid-19 was to protect the health and well-being of our customers and staff. In addition to introducing a wide range of health and safety measures, we took part in helping communities by supplying food and necessities and provided financial relief to those facing financial hardship. As a trusted partner, we proactively contacted customers to offer friendly support and practical assistance including debt relief. Special hotlines to provide advice to affected customers were set up, and the processing of applications was fast-tracked to accelerate assistance to customers.

Our digital services were expanded, including the launch of a new mobile banking application, online account opening and cardless withdrawals at ATM. With most transactions now occurring online, our branch and front-line personnel are increasingly focusing on providing specialist services in areas such as financial planning, insurance, wealth management and home loans.

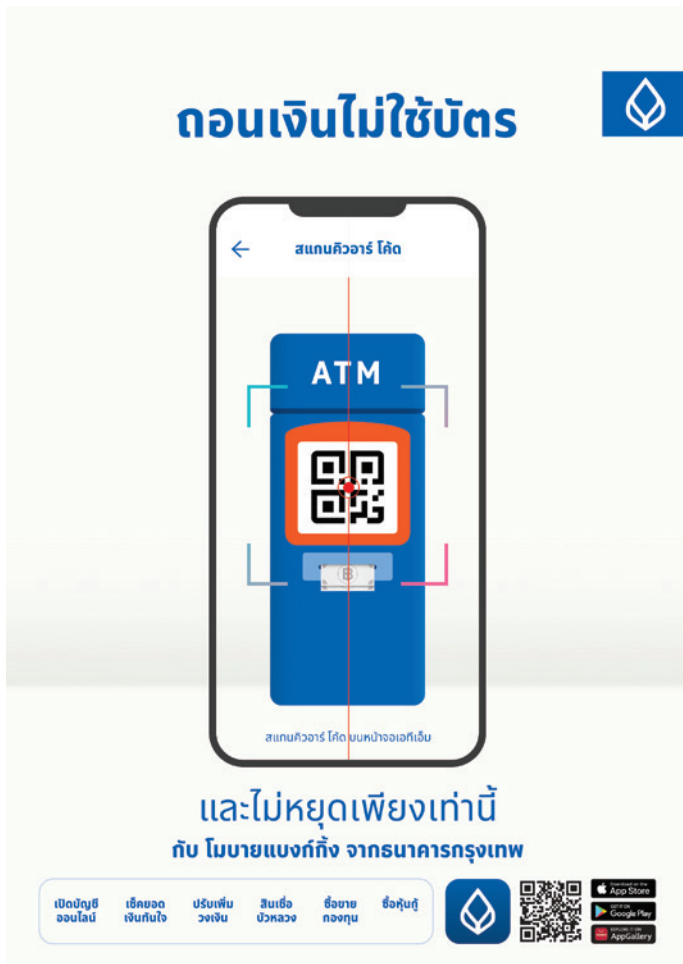
We are committed to building good relationships with customers and delivering the best possible customer experience. To improve our service, we conduct an annual customer satisfaction survey and in 2020 received a score of 94.48 percent for our branch services, 81.80 percent for mobile banking, 4.66/5 for

our automated telephone service and 4.82/5 for our customer service center. We expanded outlets for customers to do their banking by appointing Tesco Lotus and Counter Service at 7-Eleven as banking agents. This will increase financial inclusion as it gives people more places where they can deposit or withdraw cash.

We will continue to strengthen our advisory services as a trusted partner and reliable close friend helping our customers to thrive and build wealth. This is supported by our investments in customer analytics and segmentation which enable us to gain richer insights into our customers so that we can provide them with a tailored and personalized service that suits their needs. Meanwhile we will continue to roll out new digital services so customers can manage their financial affairs when and where they like.

Key developments

- In keeping with our commitment as a trusted advisor, we provided guidance to customers about changes in the property market and economic conditions to assist them with planning for their new home or investment property. Our specialist Loan Plaza teams were expanded across the branch network to provide better focus and improve



turnaround times for customers across a wider geographical reach. We continue to build traction in the key prime developer segment by leveraging our branch, Loan Plaza, and mortgage direct sales teams, to be their partner of choice.

- We expanded dedicated teams in our branches to serve Bualuang Exclusive customers and kept in close touch with them to offer support. Initiatives included providing economic and financial insights through an easily accessible platform, Bualuang Exclusive’s LINE Official Account, as well as conducting online seminars on swiftly changing market conditions and investment opportunities.
- Our new version of Bangkok Bank Mobile Banking was launched in June 2020 with a more modern user experience, that is fast and easy to use with convenient new features such as cardless withdrawal, e-Savings accounts, home loan

accounts and securities subscription. As a life management tool, it will help customers better manage their finances and budgets and achieve their savings and investment goals. Moreover, this version was designed to easily integrate with other platforms and services so it can be frequently and quickly updated with new services and features.

- We ran design thinking workshops with users to increase adoption and usage rates of our smart app for students including the TU GREATS App. This is a virtual card that can be used for many services including paying fees, communicating with teachers, marking attendance, managing timetables, and receiving in-app reminders. It seamlessly connects with Bangkok Bank Mobile Banking to make cashless payments using QR Code.
- In a first for Thailand, Bangkok Bank and prestigious gold trading companies offered investors the opportunity to invest in gold in US dollars in real-time. Investors can buy and sell gold on the Hua Seng Heng USD Gold Trade platform, accessing funds drawn directly from a Bangkok Bank Foreign Currency Deposit (FCD) account. This reduces risk from currency fluctuations, providing new investment options and increasing investors’ opportunities to gain profits.

Digital transformation

- To ensure customers can conveniently do their banking anytime, anywhere, we are continually expanding the range of services available online including account opening using facial recognition and authentication via the National Digital ID (NDID).
- We continue to develop and update our systems to protect the integrity and confidential data and transactions of our customers who are increasingly accessing external sites and applications.
- We are using Robotic Process Automation (RPA), a technology that replicates and automatically executes human-like tasks, to boost the productivity of our services. This digital capability will improve our competitiveness in the banking industry.
- In partnership with Pand.ai, one of the startups from our Bangkok Bank InnoHub accelerator program, we developed a Thai-language chatbot for the financial sector. This chatbot will be used to boost the performance of our sales teams and will later be enhanced to provide service to our customers.



Investment banking

As a trusted partner, we work closely with and provide financial advice to clients so that they can maintain their liquidity and access capital sources during times of uncertainty. We also create value by helping clients increase their competitiveness such as working with Bualuang Securities for Initial Public Offerings (IPO) and rights offerings for leading companies in Thailand.

During the pandemic crisis, we successfully helped issuers complete their fund-raising activities by moving events online and easing both issuers and investors into the New Normal with e-Roadshows.

Our treasury services continued to lead the market in foreign exchange, interest rate swaps and cross-currency swaps, as we helped our clients manage their foreign exchange and interest rate risk exposures in various sectors under different market conditions.

Key developments

- Despite difficult market conditions, we increased our market share for underwriting corporate bonds in Thailand, gaining many new clients and retaining our position as one of the top three active bond underwriters in Thailand.
- We offered ESG bonds to our clients with innovative and sustainable financing solutions, such as green bonds, sustainability bonds and social bonds, including green bonds that are certified by the Climate Bonds Initiative which have been gaining investors' interest. At the end of 2020, the total offerings of ESG bonds launched in the Thai debt capital market was more than Baht 129.4 billion. We were involved in the issuance of more than 90 percent of ESG bonds in Thailand in 2020.
- We supported the Ministry of Finance of Thailand (MOF) in its launch of Baht 30,000 million inaugural Sustainability Bonds. With overwhelming interest from investors, the MOF decided to tap the market for Sustainability Bonds and offer an additional Baht 20,000 million, bringing the total Sustainability Bonds outstanding to Baht 50,000 million. We also played a pivotal role in helping the MOF execute Baht 100,000 million in its bond switching transaction.
- The ESG bonds which we helped launch were recognized domestically and internationally and received many awards from the Asset magazine. The country awards were Best Sustainability Bond (Kingdom of Thailand Baht 30 billion sustainability bond), and Best Green Bond (Global Power Synergy's Baht 5 billion digital green debentures). The regional awards were Best Sustainability Bond (Kingdom of Thailand Baht 50 billion Sustainability Bond), and Best Local Currency Green Bond (RATCH Group Public Company Limited Baht 8 billion senior and unsecured green bonds).

Digital transformation

- We moved our fixed-income investor roadshows online and provided an e-Roadshow platform to connect with and provide bonds offering information to investors for more than 10 transactions. The e-Roadshows were well received by issuers and investors as they were able to maintain social distancing while still accessing the information they needed which was previously provided via physical roadshows.
- We cooperated with the Thai Bond Market Association (ThaiBMA) in the design and development of an electronic book building platform via web portals. The platform was successfully launched and used in many transactions.
- In collaboration with the Securities and Exchanges Commission (SEC), the Association of Securities Companies (ASCO), the Thai Bankers' Association (TBA), and the Stock Exchange of Thailand (SET) we are developing a digital infrastructure roadmap for Thai capital markets which will connect all stakeholders with an end-to-end process for products offered in the capital market. The digital infrastructure will streamline the offering process, enhance efficiency and increase the transparency of information disclosure of issuers. It will facilitate access to the capital market, reducing costs for both issuers and investors while increasing the efficiency of regulatory compliance.



Bualuang Securities Public Company Limited (BLS) was founded in 2001 and is one of Thailand's leading securities companies. It provides securities brokerage, investment banking, and equity research services. Bangkok Capital Asset Management Company Limited (BCAP), its wholly owned subsidiary, is the BLS investment management unit.

Apart from its comprehensive nationwide network of 29 offices in Bangkok and major cities, BLS has expanded its client base through account referrals from the Bank's nationwide branch network.

Thai equity market in 2020

2020 was a challenging year for Thai investors as Thai stock markets were impacted by the Covid-19 crisis which initially resulted in the panic selling of shares, not only in Thailand, but on a global scale. In early March, the SET index declined by nearly 1,000 points, hitting its lowest point for the year. However, the index bounced back in April due to a liquidity drive. Then, high hopes of an economic recovery due to potential vaccines against the Covid-19 virus lifted the SET index which ended the year at 1,449.35 points, down 8.3 percent from the previous year.



Trading volume soared by 29.0 percent to Baht 68.6 billion over the year in the combined average daily trading value for the SET and Market for Alternative Investment (MAI) due to high volatility, which led investors to massively increase their trading volume.

Thailand was once again the top performer in Southeast Asia for IPO, raising Baht 136.0 billion, equivalent to 60 percent of total IPO funds raised in the region. Among the IPO underwritten by BLS were the country's largest retail department store operator, Central Retail Corporation (CRC), which raised Baht 78.1 billion, and SCG Packaging, which raised Baht 45.4 billion. Regarding rights offerings, BLS advised Minor International in raising Baht 9.9 billion and Gulf Energy Development with Baht 32.0 billion.

Brokerage business accounts for about 55 percent of revenue for securities companies, with 15 percent, 9 percent, and 6 percent from fees, interest, and trading respectively.

Key developments

As retail investors significantly increased their trading activities amid the Covid-19 stock volatility, BLS' customer base grew by 17.2 percent to more than 400,000 accounts. Its market share also increased and its market ranking in equities improved to 6th place from 8th place the previous year.

The increasing interest in international investments attracted many investors to the BLS Global Investing service leading total investment funds via the service to grow by 10 times compared with the previous year. BLS clients using this facility can trade stocks listed in the US, Hong Kong and Vietnam via a mobile application or on the internet.

For the asset management service, BCAP has continued to introduce new funds to offer more options to investors. These enable clients to diversify their investments and create growth opportunities through global funds and ETFs. The company offered 28 funds, and one of the year's highlights was the

launch of the BCAP China Technology Fund (BCAP-CTECH) in November 2020. This fund attracted the attention of investors due to its high growth potential and its investments in some of the world's top technology companies, such as Alibaba, Tencent, Baidu and ByteDance.

BLS continued to create value for customers by providing innovative services and technologies. In 2020, BLS started offering a private fund platform via Bualuang iProgramTrade and developed a new investment model AlgoWiser-Rising Stars 001 (AWS 001) for Bualuang iProgramTrade using the trend following technique with proper risk management.

BLS is committed to regularly educating investors via Bualuang Wealthcast. This free podcast has more than 100 episodes and provides useful news and information on investing for subscribers. Additionally, the BLS Stock Master program was organized for the 9th consecutive year. The online program helped inexperienced investors efficiently access investment knowledge from their homes with more than 3,000 participants attending.

Throughout 2020 BLS took part in several community service programs. These included supporting Phramongkutklo Hospital to make artificial breast pads for breast cancer patients, packing and distributing 500 survival bags for people in the Bangrak community during the lockdown period, and organizing activities to make face masks for underprivileged children.

BLS won Best Securities Company of the Year from Money & Banking magazine for the third time in five years, confirming the quality of its service and the trust of its customers. BLS has been recognized for its excellence in investment banking. In 2020 it received Best Investment Bank Awards from Alpha Southeast Asia magazine, Global Banking and Finance Review magazine, and World Finance Magazine; Best Capital Markets Thailand from International Business magazine; Equity Deal of the Year from ABF Corporate & Investment Banking magazine; and Best Equity House from Global Business Outlook magazine.

BMAPS
ง่าย! แค่คุณเลือก... สไตล์ที่ชอบ
หลากหลาย... มารลงทุนที่ “เริ่มต้น”

BMAPS 25 ชอบแบบ...ค่อยเป็นค่อยไป
พันธบัตร “ไม่เยอะ”
(ลงทุนตราสารทุนไม่เกิน 25%)

BMAPS 55 ถ้าชอบ...โอกาสรับ
ผลตอบแทนที่ “มากกว่า”
(ลงทุนตราสารทุนไม่เกิน 55%)

BMAPS 100 อยกาทำอะไร...แรง เร่ง
ก็ต้องเลือกที่ “จัดเต็ม”
(ลงทุนตราสารทุนได้ถึง 100%)

ALL GEN ENJOY



As BBL Asset Management Company Limited (BBLAM) heads toward its 28th anniversary, it continues to win trust and confidence from investors. With its core values of Prudence, Integrity and Excellence, it envisages itself as a financial institution that places the interests of clients as the highest priority.

The company's mission is to strengthen the financial well-being of Thai families. Its house-branded mutual fund products are distributed through Bangkok Bank's nationwide branch network and its online banking services, as well as other sales agents such as Bangkok Life Assurance and BLS. BBLAM also manages provident funds, private funds, infrastructure funds, property funds, and real estate investment trusts (REIT).

BBLAM pursues an active investment philosophy supported by its in-house research and investment capabilities that have resulted in outstanding performance. The Bualuang Fund brand has gained a strong reputation and is well known among investors. The BF Knowledge Center, established in 2018, has continued to provide financial and investment knowledge to the Thai public.

The asset management industry

In 2020 the Covid-19 pandemic cast a dark shadow over the global and Thai economies due to the shutdown and other restrictive measures that stalled economic activities and damaged the financial and business sectors.

The asset management business in Thailand recorded an increase of 6.5 percent in total assets under management (AUM) from Baht 7.74 trillion in 2019 to Baht 8.28 trillion at the end of 2020. This performance comprises a decline in the mutual fund business of Baht 351,000 million, which was more than offset by an increase in the provident fund business of Baht 26,000 million and the private fund business of Baht 868,000 million. The private fund business witnessed a big jump after an insurance firm spun off its investment unit with a portfolio of Baht 847,000 million.

Overall, the asset management industry was hard hit by the pandemic. Investors cut back their holdings in equity funds as well as term funds and fixed income funds but shifted their investment instead to Foreign Investment Funds (FIF) and funds that offer tax privileges such as Retirement Mutual Funds (RMF) and Super Saving Funds (SSF), the latter of which was introduced in 2020. By doing so, the investors were aiming to seek higher returns for their investment and to diversify their investment portfolios.

Key developments

BBLAM has introduced a full array of mutual fund products to provide a variety of investment options for investors. In 2020, it launched B-ENHANCED which focuses on seeking returns on fixed income and expanding investments overseas. Funds in the BMAPS family (Bualuang Multi Asset Portfolio Solutions) such as BMAPS25, BMAPS55 and BMAPS100 were designed to meet the asset allocation needs of investors in accordance with their risk profiles. In addition to the aforementioned funds we also launched Thai equity trigger funds to provide alternatives for investors as Thai equity markets recover. BBLAM also reinforced its leadership in tax saving funds. The company introduced both SSF and RMF products, such as BEQSSF, BM70SSF, B-INCOMESSF, B-FUTURESSF and B-CHINAARMF which invested in both the domestic and overseas markets to enhance returns.

For the provident fund business, BBLAM attached particular importance to savings retirement schemes for members. In 2020 it added four policies with equity investment in the domestic and overseas markets, as well as alternative assets for investment totaling 16 investment policies. This was designed

to give more choice covering all asset classes in response to the needs of more than 180,000 members from 1,800 companies.

BBLAM is highly committed to its mission. Apart from providing knowledge in financial planning through articles, infographics, video clips and other social media, it organized online investment workshops and virtual events. It launched BF Podcasts, which has more than 80 episodes, to engage with a larger audience seeking investment advice.

BBLAM also held workshops on its online platform to respond to the changing needs of customers. This increased participation from investors in provincial areas. The Live Chat platform was also available to answer customers' queries. Bangkok Bank and BBLAM teamed up to organize more than 300 training programs to improve the knowledge and skills of the Bank's staff nationwide.

BBLAM expanded its distribution agents and plans to add more agents and distribution channels in the coming year. It will team up with business allies to expand its customer base and drive business.

BBLAM continued to bank on sustainable investment, as reflected in its 2020 theme Corporate Strength Creates Sustainability. It has upgraded its investment analysis platform by incorporating ESG considerations into its investment decisions, coupled with a financial analysis of the businesses in all the equity and fixed income categories in which it invests.

BBLAM continued to focus on developing and upgrading its operational and service systems in line with digital transformation and has a digital platform for buying and selling mutual funds via online accounts in the pipeline. Through the BF Wealth Plan, BBLAM's BF Mobile Application offers financial planning and comprehensive investment advice to investors. The company has also geared up its cyber security system. An automated report system has been developed to streamline operations, and at the same time data analytics are being used to increase the service efficiency and expand new business opportunities.

At the end of 2020, BBLAM recorded total AUM of Baht 872,970 million, down Baht 2,375 million or 0.3 percent from the previous year. Of this, the mutual fund business's AUM accounted for Baht 752,703 million, down by Baht 9,373 million or 1.2 percent. This represented a market share of 14.9 percent, which was in the top three mutual fund businesses in the industry.

BBLAM's provident fund business recorded total AUM of Baht 96,390 million, representing a market share of 7.7 percent, while its private fund business's AUM reached Baht 23,876 million, or a market share of 1.2 percent.

In addition, BBLAM also participated in the Care the Wild program under the guidance of the SET. Care the Wild collaborates closely with the Royal Forestry Department to initiate reforestation and in the process create jobs and incomes for rural communities. From its own budget, BBLAM donated Baht 120,000 to help the local community of Ban Nong Thit Son in Maha Sarakham province with a reforestation drive so that the local community could revive the environment and earn some income from their activities.



Bualuang Ventures Limited ("BV") is the Bank's corporate venture capital arm with registered capital of Baht 2 billion. It invests in high-potential startups and SME across Southeast Asia, with key investment sectors including FinTech, healthcare, AgriTech, and e-Commerce. By investing in venture capital it helps small companies build stronger, sustainable businesses while also supporting advanced economic development in Thailand and the region.

BV's current investment portfolio includes these companies:

- A leasing company that provides vehicle title loans, personal loans, and nano finance to retail customers in the north, central, and northeast regions of Thailand. It listed on the SET in December 2020.
- A Singapore-based chatbot developer and service provider with its own proprietary NLP engine and an alumni of Bangkok Bank InnoHub Season 2 global accelerator program. It has successfully co-developed a Thai language AI-powered chatbot.
- An AgriTech startup that focuses on data analytics for the agriculture sector that leverages satellite imagery, agronomic models, and weather data to give actionable insights for farmers and corporates. It helps farmers improve productivity and profitability by enabling them to implement best practices.
- A Clinical Research Organization that aims to provide a full range of services in clinical research and support Thailand's development towards becoming a medical hub in ASEAN.

Overall Picture of the Bank and its Subsidiaries

	2020	2019	Million Baht Change (%)
Net profit ^{/1}	17,181	35,816	(52.0)%
Earnings per share (Baht)	9.00	18.76	(52.0)%
Net interest margin	2.24%	2.35%	(0.11)%
Net fees and service income to operating income ratio	20.8%	21.3%	(0.5)%
Cost to income ratio	55.6%	41.1%	14.5%
Return on average assets ^{/1}	0.48%	1.13%	(0.65)%
Return on average equity ^{/1}	3.96%	8.45%	(4.49)%

^{/1} Attributable to owners of the Bank

	December 2020	December 2019	Million Baht Change (%)
Loans	2,368,238	2,061,309	14.9%
Deposits	2,810,863	2,370,792	18.6%
Loan to deposit ratio	84.3%	86.9%	(2.6)%
Non-performing loan (Gross NPL) ^{/1}	104,401	79,149	31.9%
Gross NPL to total loans ratio ^{/1}	3.9%	3.4%	0.5%
Allowance for expected credit losses to NPL ratio ^{/1}	186.8%	220.2%	(33.4)%
Total capital adequacy ratio	18.34%	20.04%	(1.70)%

^{/1} Including interbank and money market lending

In 2020, the Bank's net profit amounted to Baht 17,181 million. Net interest income rose by 8.4 percent from 2019 to Baht 77,046 million due to the consolidation of PermataBank's net interest income. The net interest margin stood at 2.24 percent. Net fees and service income and other operating income declined primarily due to lower fee income from loan related services and income from investments from the implementation of TFRS 9 since January 1, 2020. Operating expenses increased by 20.0 percent mainly due to the inclusion of PermataBank's operating expenses and expenses related to integration of Bangkok Bank's branches in Indonesia with PermataBank in December, resulting in the cost to income ratio of 55.6 percent.

The Bank set aside expected credit losses of Baht 31,196 million, driving the ratio of loan loss reserves to non-performing loans to 186.8 percent. This is in line with the Bank's prudent management to provide a cushion against uncertainty from the economic contraction caused by the Covid-19 pandemic.

At the end of December 2020, the Bank's loans amounted to Baht 2,368,238 million, an increase of 14.9 percent from the end of 2019. Excluding PermataBank, loans grew by 2.7

percent due mainly to increases in large corporate lending. The non-performing loan (NPL) ratio was 3.9 percent. The Bank continued to keep close control of credit underwriting and risk management while maintaining the allowance for doubtful accounts at a prudent level.

In terms of capital and liquidity, as of December 31, 2020, the Bank's deposits amounted to Baht 2,810,863 million, an increase of 18.6 percent from the end of December 2019. Excluding PermataBank, deposits increased by 7.3 percent mainly from savings accounts. The loan to deposit ratio was 84.3 percent, reflecting an adequate liquidity position to cushion against economic uncertainties. Furthermore, the Bank issued USD 750 million in Additional Tier 1 Subordinated Notes under Basel III regulations on September 23, 2020, to strengthen the Bank's capital structure. At the end of December 2020, the total capital adequacy ratio, Tier 1 capital adequacy ratio and Common Equity Tier 1 capital adequacy ratio of the Bank and its subsidiaries were 18.34 percent, 15.76 percent, and 14.89 percent respectively, comfortably above the BOT's minimum capital requirements.

Effects of Covid-19 on classification and provisioning for expected credit losses

In terms of loans classification, the Bank adheres to the BOT's guidelines on providing relief measures to debtors affected by adverse Thai economic conditions. In this regard, the Bank is allowed to provide pre-emptive assistance measures to non-NPL debtors who can be classified as Stage 1 having no significant increase in credit risk (Stage 1: Performing) if the Bank performs the review that they can comply with the new debt restructuring agreement. The Bank is also allowed to provide assistance measures to debtors affected by the economic conditions and those with credit impairment who can be classified under Stage 1 if they can repay their debts under the new restructuring agreement for three consecutive months or periods, whichever is longer.

In terms of provisioning, the Bank adheres to TFRS 9 principle, which requires financial institutions to calculate expected credit loss by considering economic conditions in the past, present, and future under various assumptions and circumstances to estimate the provision for credit loss. Meanwhile, the Bank has considered additional potential factors from the Covid-19 pandemic affecting the Thai and global economies. The Bank, therefore, takes into consideration the impact of Covid-19 both in the short and long term, as well as management discretion to increase additional provision (Management Overlay) above the amount calculated from the model. This will enable the Bank's provisioning to effectively cope with this uncertain situation.

Operating Income and Expenses of the Bank and its Subsidiaries

	2020	2019	Million Baht Change (%)
Net interest income	77,046	71,071	8.4%
Non-interest income	41,682	62,675	(33.5)%
Operating expenses	65,974	54,963	20.0%
Expected credit losses	31,196	-	N/A
Impairment loss of loans and debt securities	-	32,351	N/A
Operating profit before tax	21,558	46,432	(53.6)%
Income tax expenses	4,013	10,219	(60.7)%
Net profit	17,545	36,213	(51.6)%
Net profit ^{/1}	17,181	35,816	(52.0)%
Total comprehensive income ^{/1}	30,056	27,029	11.2%

^{/1} Attributable to owners of the Bank

In 2020, net profit attributable to owners of the Bank totaled Baht 17,181 million, decreasing from last year mainly due to a reduction in fees from loan-related services and lower income from investments owing to the adoption of TFRS 9. There was also an increase in operating expenses mainly from the consolidation of PermataBank's expenses and expenses related to the integration of the Bank's branches in Indonesia with

PermataBank in December. Although the Bank has gradually cut its loan interest rates to support some customers affected by the Covid-19 situation, net interest income increased from last year due to the consolidation of PermataBank's net interest income since the second quarter of 2020 and partly from the change in recognition of interest income from loans according to TFRS 9.

Net Interest Income

Net interest income for 2020 amounted to Baht 77,046 million, rising by 8.4 percent due to the acquisition of PermataBank in

the second quarter of 2020 as well as the change in recognition of interest income from loans according to TFRS 9.

	2020	2019	Million Baht Change (%)
Interest income			
Loans	95,994	93,155	3.0%
Interbank and money market items	5,431	9,101	(40.3)%
Investments	11,098	10,309	7.7%
Total interest income	112,523	112,565	(0.0)%
Interest expenses			
Deposits	22,437	23,044	(2.6)%
Interbank and money market items	952	2,100	(54.7)%
Contributions to the Deposit Protection Agency and Financial Institutions Development Fund	5,846	9,953	(41.3)%
Debt issued and borrowings	6,242	6,397	(2.4)%
Total interest expenses	35,477	41,494	(14.5)%
Net interest income	77,046	71,071	8.4%
Yield on earning assets	3.28%	3.72%	(0.44)%
Cost of funds	1.19%	1.59%	(0.40)%
Net interest margin	2.24%	2.35%	(0.11)%

Bangkok Bank Interest Rate	Dec'20	Sep'20	May'20	Apr'20	Mar'20	Feb'20	Dec'19	Sep'19
Loans (%)								
MOR	5.875	5.875	5.875	6.100	6.500	6.750	6.875	6.875
MRR	5.750	5.750	5.750	6.100	6.500	6.625	6.875	6.875
MLR	5.250	5.250	5.250	5.475	5.875	6.000	6.000	6.250
Deposits (%)								
Savings	0.250	0.250	0.250	0.375	0.375	0.500	0.500-0.625	0.500-0.625
3-month Fixed	0.375	0.375	0.375	0.500	0.500	0.625	1.000	1.000
6-month Fixed	0.500	0.500	0.500	0.625	0.625	0.875	1.250	1.250
12-month Fixed	0.500	0.500	0.500	0.750	0.750	1.000	1.375-1.500	1.500
	Dec'20	Sep'20	May'20	Mar'20	Feb'20	Dec'19	Sep'19	
Bank of Thailand Policy Rate (%)	0.500	0.500	0.500	0.750	1.000	1.250	1.500	

Non-Interest Income

In 2020, non-interest income was Baht 41,682 million, 33.5 percent less than last year due mainly to decreases in income from investments, and net fees and service income from the implementation of TFRS 9, while fees from securities services

increased. The major sources of fee income were mutual funds and bancassurance, electronic services and money transfers, as well as fees from securities services.

	2020	2019	Change (%)
Fees and service income	34,168	39,280	(13.0)%
Less fees and service expenses	9,457	10,776	(12.2)%
Net fees and service income	24,711	28,504	(13.3)%
Gains on financial instruments measured at FVTPL	11,058	-	N/A
Gains on tradings and foreign exchange transactions	-	7,848	N/A
Gains on investments	2,512	19,765	(87.3)%
Share of profit (losses) from investment for using equity method	(14)	93	(115.1)%
Gains on disposal of assets	734	2,134	(65.6)%
Dividend income	2,039	3,769	(45.9)%
Other operating income	642	562	14.2%
Total other operating income	16,971	34,171	(50.3)%
Total non-interest income	41,682	62,675	(33.5)%
Net fees and service income to operating income ratio	20.8%	21.3%	(0.5)%

Operating Expenses

In 2020, total operating expenses amounted to Baht 65,974 million, up by 20.0 percent from last year due mainly to the consolidation of PermataBank's operating expenses

and expenses related to the integration of branches with PermataBank in December 2020.

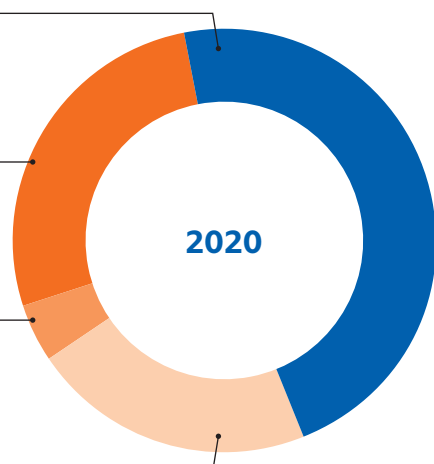
	2020	2019	Change (%)
Personnel expenses	30,960	26,726	15.8%
Directors' remuneration	187	167	12.0%
Premises and equipment expenses	14,165	11,789	20.2%
Taxes and duties	2,929	3,364	(12.9)%
Other expenses	17,733	12,917	37.3%
Total operating expenses	65,974	54,963	20.0%
Cost to income ratio	55.6%	41.1%	14.5%

47.2%

21.5%

4.4%

26.9%

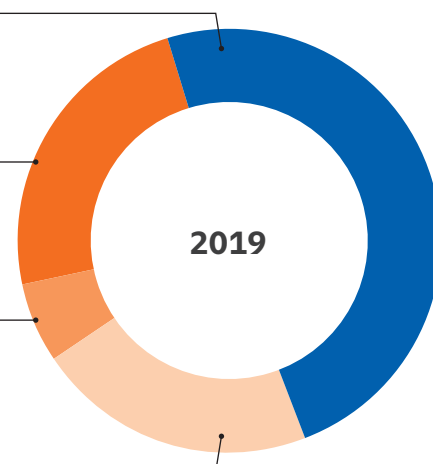


48.9%

21.5%

6.1%

23.5%



Expected Credit Losses

In 2020, the Bank set aside Baht 31,196 million in expected credit losses in accordance with its prudent approach to prepare for an economic contraction resulting from the Covid-19 pandemic. Expected credit losses cover loans, interbank and

money market items, debt securities, which are not measured at fair value through profit or loss, loan commitments, and financial guarantee contracts.

	2020	2019	Million Baht Change (%)
Expected credit losses	31,196	-	N/A
Impairment loss of loans and debt securities	-	32,351	N/A

Significant Items in the Financial Position

Assets

Total assets as of December 31, 2020 amounted to Baht 3,822,960 million, increasing by 18.8 percent from the end of

December 2019. Total assets increased considerably from the consolidation of PermataBank's assets.

	December 2020	December 2019	Million Baht Change (%)
Net interbank and money market items	519,036	472,349	9.9%
Financial assets measured at FVTPL	57,936	-	N/A
Net investments	758,482	647,697	17.1%
Net investments in associates	911	1,737	(47.6)%
Loans	2,368,238	2,061,309	14.9%
Net properties for sale	9,754	9,363	4.2%
Total assets	3,822,960	3,216,743	18.8%

Loans

As of December 31, 2020, loans were 2,368,238 million, up by 14.9 percent. Excluding PermataBank, loans rose by 2.7 percent due to an increase in loans to large corporate customers.

Loan by Business Type

The loans of Bank and its subsidiaries were distributed across business sectors, with 33.4 percent in the manufacturing and commercial sector, 22.8 percent in the utilities and services sector, 12.8 percent in the housing sector, 8.9 percent in the real estate and construction sector, 3.3 percent in the agriculture and mining sector, and 18.8 percent in the 'others' category. Loans increased from the end of December 2019 mainly driven by the categories of 'others' and 'utilities and services'.

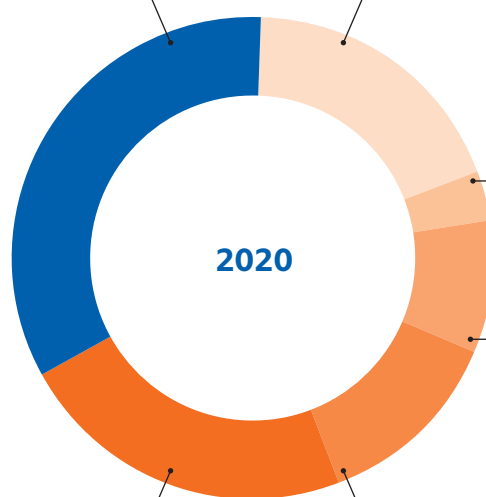
	December 2020	December 2019	Change (%)
Manufacturing and commercial	791,828	755,979	4.7%
Utilities and services	539,151	470,159	14.7%
Housing	302,142	251,197	20.3%
Real estate and construction	211,510	200,736	5.4%
Agriculture and mining	78,175	61,569	27.0%
Others	445,432	321,669	38.5%
Total loans	2,368,238	2,061,309	14.9%

33.4%

Manufacturing and commercial

18.8%

Others



3.3%

Agriculture and mining

8.9%

Real estate and construction

22.8%

Utilities and service

12.8%

Housing

Classified Loans and Allowance for Expected Credit Losses

Non-performing loan (Gross NPL) at the end of December 2020 was Baht 104,401 million. The gross NPL to total loans ratio was 3.9 percent.

The allowance for expected credit losses was Baht 194,973 million and the allowance for expected credit losses to NPL ratio was 186.8 percent.

	December 2020	December 2019	Million Baht Change (%)
Consolidated			
Non-performing loan (Gross NPL) ^{/1}	104,401	79,149	31.9%
Gross NPL to total loans ratio ^{/1}	3.9%	3.4%	0.5%
Net NPL to net total loans ratio ^{/1}	1.4%	1.2%	0.2%
Allowance for expected credit losses to NPL ratio ^{/2}	186.8%	220.2%	(33.4)%
The Bank			
Non-performing loan (Gross NPL) ^{/1}	91,978	78,093	17.8%
Gross NPL to total loans ratio ^{/1}	4.0%	3.4%	0.6%

^{/1} Including interbank and money market lending

^{/2} Before the adoption of the TFRS 9, calculating from allowance for expected credit losses of loans

	Loans and Interbank & Money Market December 2020	Allowance for Expected Credit Loss ^{/1} December 2020
Non credit-impaired	2,781,073	121,083
Credit-impaired	104,401	73,890
Total	2,885,474	194,973

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

	Loans & Accrued Interest Receivables	Allowance for Doubtful Accounts Classified to Bank of Thailand Criteria
	December 2019	December 2019
Normal	1,918,520	16,119
Special mentioned	67,596	848
Substandard	9,783	1,359
Doubtful	14,522	6,259
Doubtful of loss	54,901	30,087
Total	2,065,322	54,672
<u>Add</u> Excess allowance for doubtful accounts		113,094
Total allowance for doubtful accounts from loan classification		167,766
<u>Add</u> Revaluation allowance for debt restructuring		6,510
Total allowance for doubtful accounts		174,276

Investments

Investments as of December 31, 2020 amounted to Baht 816,412 million, increasing from the end of December 2019, due mainly to higher investment in Thai government and state enterprise securities.

Most investments were in Thai government and state enterprise securities. As of December 31, 2020, these amounted to Baht 486,889 million, accounting for 59.6 percent of total investments. The remaining investments were foreign debt securities of Baht 157,995 million, private enterprise debt securities of Baht 31,925 million, and net investment in equity securities of Baht 93,205 million.

	Million Baht
Investments by Investment Holding	December 2020
Trading securities	7,833
Securities measured at FVTPL	50,097
Debt securities measured at amortized cost	38,884
Debt securities measured at FVOCI	639,438
Equity securities measured at FVOCI	80,160
Total investments	816,412

	Million Baht
Investments by Investment Holding	December 2019
Trading securities	13,613
Available-for-sale securities	574,720
Held-to-maturity debt securities	23,257
General investments	36,107
Total investments	647,697

Liabilities and Shareholders' Equity

Total liabilities as of December 31, 2020 amounted to Baht 3,372,713 million, up by 20.9 percent from the end of December 2019, from the acquisition of PermataBank. Excluding

PermataBank, total liabilities rose mainly due to increases of 7.3 percent in deposits and 25.8 percent in interbank and money market items.

	December 2020	December 2019	Million Baht Change (%)
Deposits	2,810,863	2,370,792	18.6%
Interbank and money market items	219,149	134,346	63.1%
Financial liabilities measured at FVTPL	19,257	-	N/A
Debt issued and borrowings	136,177	144,681	(5.9)%
Total liabilities	3,372,713	2,788,627	20.9%
Shareholders' equity ^{/1}	449,014	427,751	5.0%

^{/1} Attributable to owners of the Bank

Deposits

Total deposits at the end of December 2020 amounted to Baht 2,810,863 million. Excluding PermataBank, deposits rose by 7.3

percent from the end of December 2019, owing to increases in savings deposits.

Deposits Classified by Product Type	December 2020		December 2019		Change (%)
	Amount	Portion	Amount	Portion	
Current	165,912	5.9%	113,067	4.8%	46.7%
Savings	1,435,331	51.1%	1,145,106	48.3%	25.3%
Fixed	1,209,620	43.0%	1,112,619	46.9%	8.7%
Total deposits	2,810,863	100.0%	2,370,792	100.0%	18.6%
Loan to deposit ratio		84.3%		86.9%	(2.6)%

Debt Issued and Borrowings

Total debt issued and borrowings as of December 31, 2020 amounted to Baht 136,177 million. In September 2020, the Bank issued USD 750 million worth of Additional Tier 1

Subordinated Notes under Basel III, while there was a maturity of USD 800 million worth of Senior Unsecured Notes in October 2020.

Debt Issued and Borrowings Classified by Type of Instruments	December 2020		December 2019		Change (%)
	Amount	Portion	Amount	Portion	
Senior unsecured notes	75,100	55.1%	99,530	66.3%	(24.5)%
Subordinated notes	59,835	43.9%	49,757	33.1%	20.3%
Bills of exchange	814	0.6%	8	0.1%	10,075.0%
Others	507	0.4%	838	0.5%	(39.5)%
Total (before less discount on borrowings)	136,256	100.0%	150,133	100.0%	(9.2)%
Less Discount on borrowings	79		5,452		(98.6)%
Total debt issued and borrowings	136,177		144,681		(5.9)%

Shareholders' Equity

Shareholders' equity attributable to owners of the Bank as of December 31, 2020 amounted to Baht 449,014 million, an increase of Baht 21,263 million or 5.0 percent from the end of 2019. This is due to net profit attributable to owners of the Bank of Baht 17,181 million for 2020, net of an interim dividend payment of Baht 9,544 million (Baht 5.00 per share) for the second half of 2019's operating performance (between July to December 2019) according to a resolution from the Board of Directors' meeting on April 1, 2020. There was also a surplus from the revaluation of land and buildings of Baht 10,612 million, while gains on investments measured at FVOCI declined by Baht 1,100 million.

Sources and Utilization of Funds

The primary sources of funds as of December 31, 2020 were Baht 2,810,863 million or 73.5 percent in deposits, Baht 449,014 million or 11.7 percent in shareholders' equity attributable to owners of the Bank, Baht 219,149 million or 5.7 percent in interbank and money market liabilities, and Baht 155,434 million or 4.1 percent in debt issued and borrowings including financial liabilities measured at FVTPL.

The utilization of funds comprised Baht 2,368,238 million or 61.9 percent in loans, Baht 817,329 million or 21.4 percent in net investments including financial assets measured at FVTPL and net investments in associates, and Baht 519,036 million or 13.6 percent in net interbank and money market assets.

Capital Reserves and Capital Adequacy Ratio

Under the principles of Basel III, the Bank of Thailand (BOT) 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. It requires the Bank, which is identified as a Domestic Systemically Important Bank (D-SIB), to have additional capital to meet the Higher Loss Absorbency (HLA) requirement, which gradually raised the Common Equity Tier 1 ratio by 1.00 percent, beginning with a 0.50 percent increase from January 1, 2019, rising to 1.00 percent from January 1, 2020 onwards. To satisfy the BOT's minimum levels and capital buffer requirements, the Bank in 2020 was 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, 2020, the regulatory capital position of the Bank's financial group according to the consolidated financial statements was Baht 502,067 million. The Common Equity Tier 1 capital adequacy ratio was 14.89 percent, the Tier 1 capital adequacy ratio was 15.76 percent and the total capital adequacy ratio was 18.34 percent.

Million Baht

Consolidated	December 2020			December 2019		
	Capital	Capital Adequacy Ratio	BOT's requirements for 2020	Capital	Capital Adequacy Ratio	BOT's requirements for 2019
Common Equity Tier 1 capital	407,621	14.89%	> 8.00%	406,463	17.01%	> 7.50%
Tier 1 capital	431,381	15.76%	> 9.50%	406,529	17.01%	> 9.00%
Tier 2 capital	70,686	2.58%		72,211	3.03%	
Total capital	502,067	18.34%	> 12.00%	478,740	20.04%	> 11.50%

Million Baht

The Bank	December 2020			December 2019		
	Capital	Capital Adequacy Ratio	BOT's requirements for 2020	Capital	Capital Adequacy Ratio	BOT's requirements for 2019
Common Equity Tier 1 capital	404,418	16.33%	> 8.00%	399,842	17.14%	> 7.50%
Tier 1 capital	428,010	17.28%	> 9.50%	399,842	17.14%	> 9.00%
Tier 2 capital	69,839	2.82%		71,420	3.06%	
Total capital	497,849	20.10%	> 12.00%	471,262	20.20%	> 11.50%

Liquid Assets

Liquid assets consisted of cash, net interbank and money market items, debt securities, and marketable equity securities. As of December 31, 2020, the ratio of liquid assets to total assets

and liquid assets to deposits was 35.3 percent and 48.1 percent respectively.

	December 2020	December 2019
Liquid assets/Total assets (%)	35.3	35.5
Liquid assets/Deposits (%)	48.1	48.2

Credit Ratings

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

Credit Rating Agency	December 2020	December 2019
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	-
Financial Strength (BCA)	baa1	baa1
Outlook	Stable ^{/1}	Positive
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 ^{/1}	Positive
Fitch Ratings		
International Rating		
Long-term Issuer Default Rating	BBB ^{/2}	BBB+
Short-term Issuer Default Rating	F2	F2
Senior Unsecured Debt Instrument	BBB	BBB+
Subordinated Debt Instrument	BB+	BBB
Subordinated Debt (Basel III-compliant Tier 2 securities)	BB+	BBB
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

^{/1} Changed the outlook to stable from positive following sovereign outlook in April 2020.

^{/2} Revised ratings due to large-scale economic disruptions from the Covid-19 pandemic in April 2020.

TEN-YEAR STATISTICAL SUMMARY

(CONSOLIDATED)

	2020	2019	2018
OPERATING RESULTS FOR THE YEAR (MILLION BAHT)			
Net interest income	77,046	71,071	71,376
Non-interest income	41,682	62,675	50,025
Operating expenses	65,974	54,963	55,165
Profit before provision and tax	52,754	78,783	66,236
Profit before tax	21,558	46,432	44,271
Income tax	4,013	10,219	8,554
Net profit ^{/1}	17,181	35,816	35,330
FINANCIAL POSITION AS AT 31 DECEMBER (MILLION BAHT)			
Assets	3,822,960	3,216,743	3,116,750
Cash	73,886	58,090	62,394
Net investments ^{/2}	816,412	647,697	556,788
Loans	2,368,238	2,061,309	2,083,160
Loans (less allowance for expected credit losses)	2,182,672	1,887,033	1,930,157
Premises and equipment, net	65,050	40,754	42,567
Deposits	2,810,863	2,370,792	2,326,470
Shareholders' equity ^{/1}	449,014	427,751	412,814
PER SHARE (BAHT)			
Profit before tax	11.29	24.32	23.19
Net profit ^{/1}	9.00	18.76	18.51
Dividends ^{/3}	2.50	7.00	6.50
Book value ^{/1}	235.23	224.09	216.26
Number of staff ^{/4}	32,159	25,043	25,287
Number of branches ^{/5}	1,458	1,179	1,193

Remark : ^{/1} Attributable to owners of the Bank

^{/2} Including financial assets measured at fair value through profit or loss

^{/3} The dividends for 2020 pending approval by the annual ordinary meeting of shareholders

^{/4} Including PermataBank for 2020

^{/5} Bank only, including Bangkok Bank Berhad, Bangkok Bank (China) Company Limited and PermataBank, excluding self-services outlets

* The figures in 2011 - 2012 were restated according to TAS 12 Income Tax (effective from January 1, 2013)

2017	2016	2015	2014	2013	2012*	2011*
66,625	63,998	57,510	58,997	55,879	54,952	52,696
45,843	41,860	45,219	37,860	35,578	30,458	29,531
48,948	50,505	45,045	43,087	37,947	37,146	35,709
63,520	55,353	57,684	53,770	53,510	48,264	46,518
41,150	39,625	43,030	45,083	44,917	41,016	34,490
7,832	7,556	8,630	8,593	8,882	9,100	15,280
33,009	31,815	34,181	36,332	35,906	31,847	18,897
3,076,310	2,944,230	2,835,852	2,759,890	2,596,507	2,420,740	2,109,042
65,473	66,338	61,432	59,899	53,550	46,432	45,289
591,720	546,614	519,525	382,054	377,413	412,418	328,068
2,003,989	1,941,093	1,868,903	1,782,233	1,752,667	1,604,391	1,470,398
1,863,968	1,821,575	1,764,716	1,690,307	1,660,085	1,516,803	1,385,661
43,834	45,230	46,108	31,455	32,275	33,577	35,240
2,310,743	2,178,141	2,090,965	2,058,779	1,935,272	1,834,654	1,587,834
401,724	379,016	361,832	323,491	295,936	272,025	245,785
21.56	20.76	22.54	23.62	23.53	21.49	18.07
17.29	16.67	17.91	19.03	18.81	16.68	9.90
6.50	6.50	6.50	6.50	6.50	6.50	6.00
210.45	198.56	189.56	169.47	155.03	142.50	128.76
26,012	26,871	27,142	26,132	25,384	24,091	22,599
1,198	1,189	1,169	1,144	1,098	1,049	999

AWARDS 2020

- 1
Bank of the Year 2020 (14th year)
• Money & Banking Magazine
- 2
Best Bank - Thailand (3rd consecutive year)
• Global Finance Magazine
- 3
Best Cash Management Solution in Thailand
• Alpha Southeast Asia Magazine
- 4
Best in Treasury and Working Capital SMEs Thailand (2nd consecutive year)
• The Asset Magazine
- 5
Best Trade Finance Bank in Thailand (9th year)
• The Asian Banker Magazine



- Alpha Southeast Asia Magazine**
- Best Trade Finance Bank in Thailand (14th consecutive year)
 - Best Trade Finance Solution in Thailand
 - Best Cash Management Solution in Thailand
 - Best Blockchain Based Corporate Bond
- Asiamoney Magazine**
- Best Corporate & Investment Bank in Thailand (2nd consecutive year)
 - Best Bank for SMEs in Thailand
 - Best Regional Bank for BRI (Southeast Asia)
 - Best Individual BRI Project or Initiative in the Region (Southeast Asia)



The Asian Banker Magazine

- Best Trade Finance Bank in Thailand (9th year)
- Custodian Bank of the Year in Thailand (6th consecutive year)

Asian Banking & Finance Magazine

- Thailand Domestic Trade Finance Bank of the Year (6th consecutive year)

The Asset Magazine

- Best in Treasury and Working Capital SMEs Thailand (2nd consecutive year)

Euromoney Magazine

- Cash Management Market Leader in Thailand

Global Business Outlook Magazine

- Best Trade Finance Bank in Thailand 2020

Global Finance Magazine

- Best Bank - Thailand (3rd consecutive year)
- Best Sub-Custodian Bank in Thailand (13th consecutive year)
- Best Trade Finance Provider 2020
- Best DLT Platform for Trade Finance

International Business Magazine

- Best Payments and Trade Finance Bank Thailand 2020
- Best Project Finance Bank Thailand 2020
- Best Foreign Exchange Bank Thailand 2020
- Best Banking Chairman/CEO Thailand 2020

Money & Banking Magazine

- Bank of the Year 2020 (14th year)



Money & Banking Magazine

- Best Securities Company of the Year 2020

Global Banking & Finance Review Magazine

- Best Investment Bank Thailand 2020

World Finance Magazine

- Best Investment Bank

Alpha Southeast Asia Magazine

- Best Investment Bank in Thailand

International Business Magazine

- Best Capital Markets Thailand 2020

Asian Banking & Finance Magazine

- Equity Deal of the Year - Thailand

Global Business Outlook Magazine

- Best Equity House

RISK FACTORS AND 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 Basel.

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.

The operating environment and major risks that may affect the operations of the Bank, as well as the Bank's management of these risks, are as follows.

1) Uncertainties in global and domestic conditions

One of the major risks to the world's economy is the spread of the Coronavirus Disease 2019 (Covid-19) in many countries including Thailand. Despite positive signs of vaccine development reported in late 2020, distribution of the vaccines in early 2021 remains sluggish and mostly concentrated in developed countries. Furthermore, effectiveness of the vaccines on the new strains or variants of the virus is still in question. If the vaccines prove to be ineffective against the novel strains,

cases may surge again, triggering the reintroduction of restriction measures, such as travel bans or curfew announcements in many countries. Economic activities may halt, especially in the private consumption and tourism sectors. Governments may need to implement fiscal stimulus, resulting in a higher level of public debt that may challenge the government's ability to stimulate the economy in the future. Such extreme measures could cause liquidity problems for businesses, leading to a wave of defaults. These risks will affect the recovery of the global and Thai economy.

International trade and global supply chain uncertainties, especially from the United States (US) and China trade policies, present another major threat to the global economy. With Joe Biden swearing in as the new president of the US, trade tensions between the US and China will likely lessen. The US trade policies will likely gear toward enhancing multilateralism rather than trade protectionism as under the Trump administration. However, competition for world leadership between the two countries will likely continue. This will continue to be one of the factors affecting world trade in the coming year.

Another risk to the world's economy is geopolitical uncertainty. Uncertainties in the Brexit process were among the main factors dragging confidence worldwide for the past few years. Despite the United Kingdom (UK) coming to an agreement with the European Union (EU) at the end of 2020, the Bank will still closely monitor negotiations between the UK and the rest of the world. Furthermore, there are other political uncertainties threatening the global economy, such as conflicts in the Middle East, protests in several countries, and Angela Merkel's term in Germany nearing an end. These events would determine the conditions for the European region in the coming year.

The Thai economy still faces downside risks from the weak tourism sector and private consumption that has yet recovered from the pandemic. The "new wave" of Covid-19 cases that Thailand has been facing since late December 2020 presents a critical threat to consumer and business confidence. Together with the dimmed outlook on the tourism sector, the pace of recovery for the Thai economy is likely to be incremental for the coming periods. Furthermore, the strength of the baht remains one of the threats that could very well harm the already fragile economy. Also, household debt has recently reached historic highs, hindering domestic private consumption, particularly among middle to low income households.

To manage risks stemming from the uncertain global environment and domestic economy which could affect our business operations and those of our customers, the Bank sets several processes to ensure the efficiency of risk management such as

following the situation, keeping in touch with clients, monitoring debtors' loan qualities and evaluating the concentration of credit risks on regular basis. This includes forecasting macroeconomic conditions to assess impacts from the uncertainties setting an allowance for expected credit loss, and conducting an Internal Capital Adequacy Assessment Process (ICAAP) to ensure capital adequacy. Furthermore, the Bank has established a recovery plan to systematically prepare for future difficulties in keeping 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 in order 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 the coverage of risk-weighted assets so they are more comprehensive and reflect real risks. From January 1, 2019, the BOT has required commercial banks to set aside additional capital as part of 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 Common Equity Tier 1 capital to meet the Higher Loss Absorbency (HLA) requirement by 1.00 percent from January 1, 2020 onwards. As at December 31, 2020, the Bank and 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 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 the guidelines on Liquidity Coverage Ratio (LCR) since January 1, 2016. The minimum requirement for LCR was set at 60 percent for 2016 and mandated to rise in equal steps annually until reaching 100 percent on January 1, 2020. The BOT recently imposed guidelines for the Net Stable Funding Ratio (NSFR) with the minimum requirement of 100 percent, effective on July 1, 2018. As at December 31, 2020, the Bank and the Group had maintained both ratios above the minimum requirements.

Apart from the guidelines mentioned above, the Bank has 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 the Countercyclical Buffer and Interest Rate Risk in the Banking Book, 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 date except for the Group of Financial Instruments Standards that were first adopted with a two-year delay. Effective from January 1, 2020, TFRS were revised to align with IFRS (Bound Volume 2019), resulting in new and revised financial reporting standards relating to the Bank, for which the significant changes in principle can be summarized as follows:

Group of financial instruments standards

These standards establish the principles in relation to the classification and measurement of financial instruments based on the consideration of the contractual cash flow characteristics and the business model. It extends the scope of the items, which are subject to expected credit losses to cover loan commitments and financial guarantee contracts. Recognition of allowance for doubtful accounts uses the expected credit loss model. As a result of this, the allowance for doubtful accounts is recognized at the initial date of transaction rather than waiting until the impairment indicator has incurred (Incurred Loss). The measurement of expected credit loss is derived from the historical loss on an unbiased basis and takes into account forward-looking factors throughout the transaction's lifetime. The expected credit loss measurement concept may lead to volatility of impairment loss in accordance with the model in each accounting period. In addition, it establishes the hedge accounting principle to align with the risk management strategy and disclosure requirements on financial instruments to enable users of financial statements to evaluate how significant financial instruments may impact the financial position and performance.

Group of Financial Instruments Standards have a broad impact on financial institutions, particularly in terms of their lending business and risk management. The financial impact of Group of Financial Instruments Standards adoption on January 1, 2020 is summarized in the note to financial statements no. 4.

Thai Financial Reporting Standard No. 16 Leases

This standard replaces the existing lease accounting standard under Thai Accounting Standard No. 17 by introducing a single lessee accounting model which requires the lessee to recognize all long-term leases in the statement of financial position as a right-of-use asset and lease liability. However, there is no impact on lessor accounting as a lessor continues to recognize the leases as a finance lease or operating lease. The financial impact on the first-time adoption of TFRS 16 is summarized in the note to financial statements no. 4.

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.

The key risk factor in 2020-2021 is the Covid-19 crisis, which has resulted in the disruption of global demand and supply chains. Countries around the world have taken measures to prevent or reduce the spread of the disease by implementing travel restrictions, subsequently causing the world economy to enter a global recession. Solving the problems of the global economy and returning to normalcy will take time, so the end of this crisis is unpredictable.

The Thai economy is still at high risk because the economy mainly depends on foreign sectors especially the tourism and export sectors that were severely impacted by this crisis. Along with the changes in global economic and social structures, lifestyles have also transformed into a New Normal. For instance, dependency on digital technology is increasing and there is a tendency to aggravate the loss of competitiveness of the country. In addition, the Covid-19 pandemic has affected

private consumption, which continues to be pressured by the low purchasing power factor as the household debt is high. Therefore, the Thai economy in the next phase will depend primarily on government consumption and investment.

Given all of the above factors, the Bank's business operations in the next phase must emphasize monitoring the risks of our debtors or counterparties, as well as providing assistance and risk mitigation to some 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 flows, business feasibility, management capability and collateral coverage. The Bank performs credit reviews which 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 of 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, the Credit Acceptance unit, the Portfolio Management unit, the Risk Asset Review unit, the Special Asset Management unit, the Loan Recovery and Legal unit, and the 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 results 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 loan. 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 cover 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 to be 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. The ratios as at December 31, 2020 and December 31, 2019 were as follows:

	Dec 31, 20	Dec 31, 19
Ratio of allowance for expected credit losses to loans and accrued interest receivables ¹	8.2%	8.4%
Ratio of loans written off to loans and accrued interest receivables	0.9%	0.5%
Ratio of non-performing loans to total loans ²	3.9%	3.4%
Ratio of accrued interest to loans and accrued interest receivables	0.2%	0.2%
Ratio of allowance for expected credit losses to non-performing loans ^{1,2}	186.8%	220.2%

¹ Allowance for expected credit losses are calculated from allowance of loans, interbank and money market items, loan commitments financial guarantee contracts (Before the adoption of the TFRS 9, calculating from allowance for expected credit losses of loans)

² Including interbank and money market lending

¹ The Group comprises 13 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) SINSUPTAWEE ASSET MANAGEMENT COMPANY LIMITED (STAM) 6) BBL ASSET MANAGEMENT COMPANY LIMITED (BBLAM) 7) BUALUANG SECURITIES PUBLIC COMPANY LIMITED (BLS) 8) BBL (CAYMAN) LIMITED 9) BUALUANG VENTURES LIMITED 10) BSL LEASING COMPANY LIMITED 11) BBL NOMINEES (TEMPATAN) SDN. BHD. 12) BANGKOK CAPITAL ASSET MANAGEMENT COMPANY LIMITED and 13) PT SAHABAT FINANSIAL KELUARGA

In addition, Thai Financial Reporting Standard No. 9 “Financial Instruments” (TFRS9) 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 economic factors in the past, present and future 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.

This classification from 2020 onwards has been amended to three stages according to TFRS9. 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 to be 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.

However, the current economic situation and the Covid-19 pandemic which has affected the Thai and the global economy, has caused an economic recession that may 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 is in compliance.

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 incident with major implications on 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 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 Covid-19 pandemic is one of the major factors affecting the global market in the past year. The spread of the virus spiraled out of control in the first quarter of 2020 and prompted many countries around the world to impose social distancing and lockdown measures to limit the spread. Several central banks took unprecedented monetary expansion to mitigate the economic impact of the pandemic, including emergency interest rate cut, asset purchases and liquidity injection into the economies. The fear of a global economic recession during late first quarter triggered financial market turmoil and raised demand for US dollar liquidity. The central banks then helped contain the shortage by injecting the large scale of USD liquidity into the market. For the remaining quarters of the year, the Covid-19 situation had begun to subside and the global economy showed some signs of recovery. However, a new wave of the outbreak emerged in many countries, leading to another lockdown. Many central banks, therefore, are likely to keep their interest rates low for a long period of time.

Risk factors which affected the Bank's position and need to be monitored going forward include (1) The Covid-19 pandemic situation which continues to threaten global economic recovery until coronavirus vaccines can be produced and distributed to the global population adequately, (2) US policies under a new president's administration which may affect economies, politics, and international trade relations, (3) US-China trade and technology tensions, (4) Fiscal balance deficit and sovereign debt levels in many countries, especially major economies, which have increased considerably since the start of the Covid-19 crisis, (5) Negotiations on a post-Brexit trade deal between the UK and EU, and (6) Uncertainty surrounding political events in Thailand which could lead to downside risks to Thailand's economic recovery. These factors may increase the volatility of international fund flows and the financial markets, and subsequently cause volatilities 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, the average VaR of the trading book for a one-day holding period, with a 99 percent confidence level, was Baht 500 million in 2020.

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 one percent interest rate increase on the Group's NII as at December 31, 2020 and December 31, 2019 was as follows:

Currency	Million Baht	
	Dec 31, 20	Dec 31, 19
THB	-1,713	-123
USD	1,084	1,802
OTH	683	521
Total NII Impact	55	2,200

(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.

Liquidity risk factors mainly comprise the structure of the sources and use of funds, competition among financial service providers, including banks and non-bank businesses to increase market share of deposits, especially low-cost deposits and retail deposits, by providing digital deposits via online banking channels. In addition, the shift of customers' investment behaviour towards searching for yields amid a low interest rate environment and the expansion of the Bank's foreign currency assets also present a risk.

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 2020 was 291 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 both 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 2020 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 causing significant changes to internal processes and operations in order 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 provides sufficient coverage for all aspects of its operations and is well prepared to deal promptly with any unpredictable event, including compliance with regulations in Thailand and overseas which have become more demanding.

Furthermore, the Bank pays close attention to the quality of customer service and customer care, suitability of products and services sold, reinforcements in system security, information systems, and all electronic/digital channels as well as risk management of 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 to educate staff throughout the Bank by providing them with a consistent understanding of operational risk, and to cultivate a sustainable operational risk culture as part of day-to-day business activities across the Bank through Operational Risk Management Tools, e.g. 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 followed by the systematic monitoring of progress, the measurement of potential risks, e.g. Risk Monitoring Information (RMI) and Loss Data collection, and the use of reporting systems as key elements of compiling and analyzing preventive and control measurements, and/or effectively diminishing the Bank's operational risk, and 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 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 our 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, as well as being 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 factors 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 information related to the personal data management; 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. Moreover, current risks from changes in the business-chain environment that rely on technology, the linkage between business information and business risk information related to technologies, and data security management in operating businesses become factors for creating business opportunity as well as risk 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 developed an IT Risk Management Policy and updated the Information Security Policy to cover cybersecurity. Moreover, the Bank has enhanced the readiness of our 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 management; 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 risk.

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 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 p.a. from 2013 to 2022.

The Group's capital position as at December 31, 2020 and December 31, 2019 were as follows:

	Million Baht	
	Dec 31, 20	Dec 31, 19
Tier 1 capital	431,381	406,529
Common Equity Tier 1 capital	407,621	406,463
Additional Tier 1 capital	23,760	66
Tier 2 capital	70,686	72,211
Total capital	502,067	478,740

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.

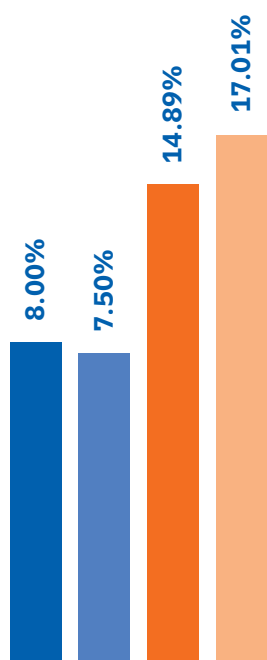
The Standardised Approach (SA) is currently used to measure credit risk, market risk and operational risk for computing regulatory capital requirements under the BOT's Basel III.

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 which came into effect on January 1, 2019. Moreover, the BOT requires the Bank,

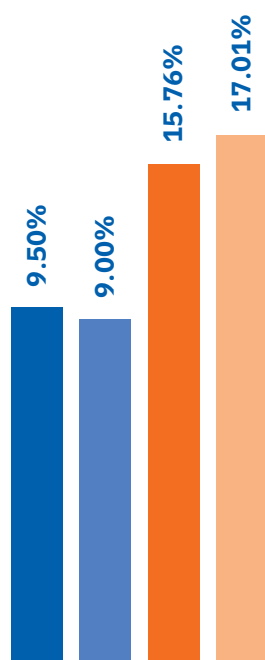
which is classified as a domestic systemically important bank (D-SIB), to have additional capital to meet the Higher Loss Absorbency (HLA) requirement, which raises the required Common Equity Tier 1 ratio by 1.00 percent from January 1, 2020 onwards. Consequently, from January 1, 2020, Common Equity 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, 2020, the Group's Common Equity Tier 1 capital adequacy ratio, its Tier 1 capital adequacy ratio and its total capital adequacy ratio were 14.89 percent, 15.76 percent and 18.34 percent, respectively, whereas at December 31, 2019 the ratios were 17.01 percent, 17.01 percent and 20.04 percent, respectively. Consequently, the Bank's capital is at a level that provides such additional buffers.

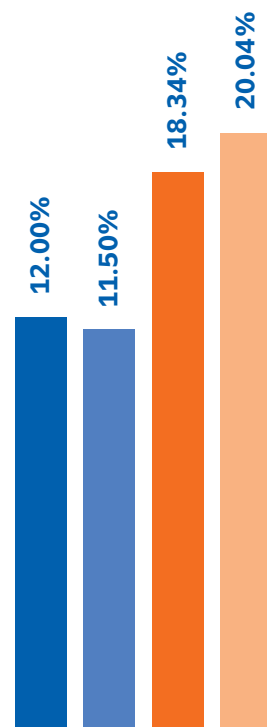
Common Equity Tier 1 capital adequacy ratio



Tier 1 capital adequacy ratio



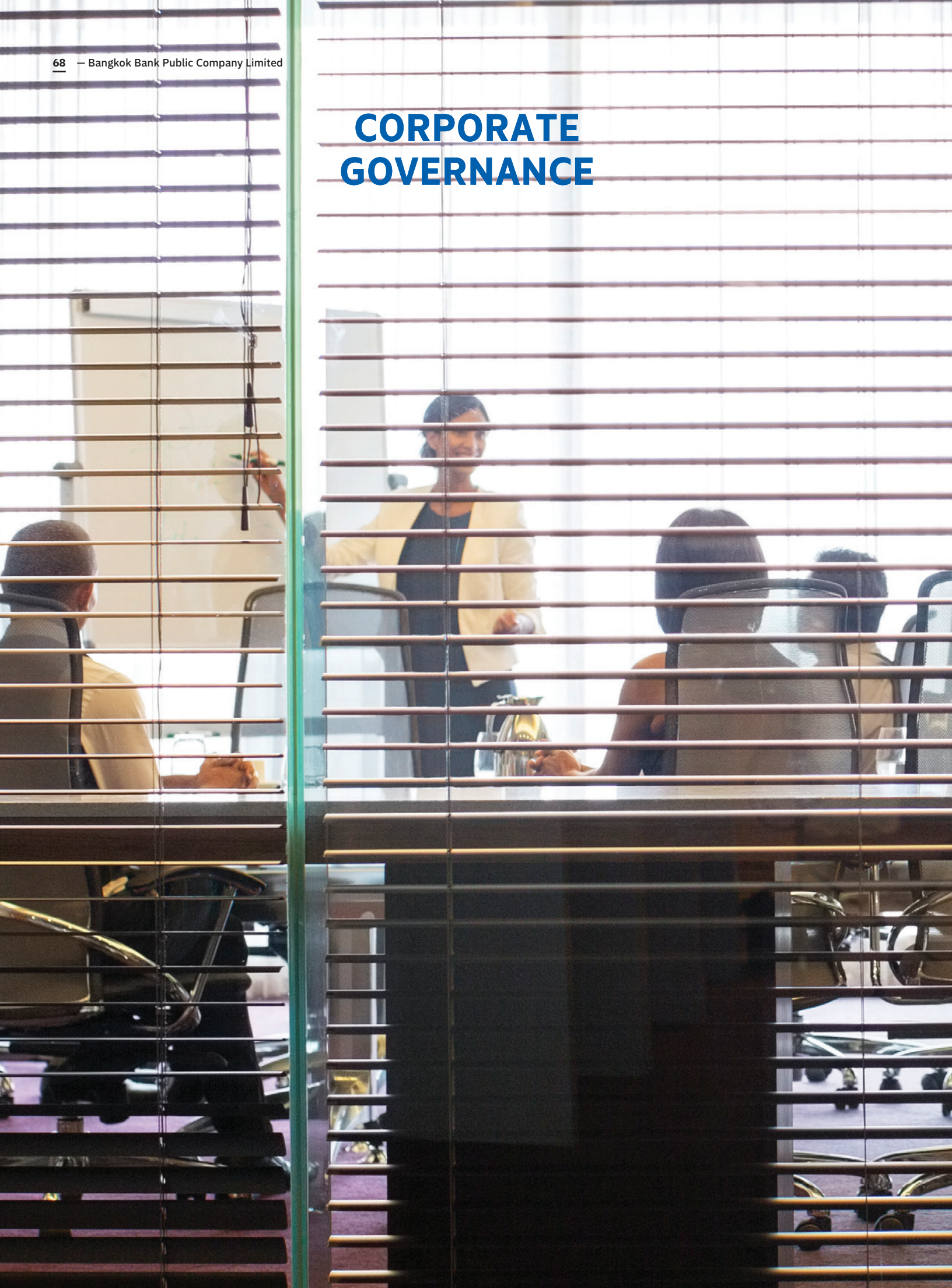
Total capital adequacy ratio



● BOT's requirements for 2020
● BOT's requirements for 2019

● The Group's ratio as of December 31, 2020
● The Group's ratio as of December 31, 2019

CORPORATE GOVERNANCE



Bangkok Bank recognizes the importance of good corporate governance as a major factor in enhancing the efficiency of the organization. The Bank therefore conducts its business in line with the principles of good corporate governance, which form a basis for sustainable growth. In order to maintain the Bank's solid financial status, to achieve ongoing positive performance results and to sustain its good reputation, the Bank is committed to conducting its business in a prudent manner with integrity to build the confidence of all stakeholders by setting up sufficient and appropriate internal controls and risk management systems in accordance with the principles of good corporate governance.

Corporate governance policy

The Bank believes that a corporate governance policy, code of conduct and business ethics, are important bases for strengthening and enhancing good governance. Therefore, the Bank has established a corporate governance policy, code of conduct and business ethics for directors, executives and employees in writing which have been approved by the Board of Directors. The Bank has also published its corporate governance policy, code of conduct and business ethics on the Bank's website.

The Bank aims to ensure that those who have relationships with the Bank are aware, understand, accept and adhere to the values of corporate governance and consistently comply with the corporate governance policy so that such compliance becomes part of organizational culture.

Reporting good corporate governance reflects commitment by the Board of Directors in supporting, encouraging and monitoring the implementation of the corporate governance policy, code of conduct and business ethics, adjusted to suit the Bank's environment and situation, as well as reviewing and revising them to ensure they remain appropriate.

Committees

The Bank has presented detailed information regarding Committees under the "Implementation of the principles of good corporate governance" section 3, topic: "Strengthen board effectiveness".

Nomination and appointment of directors and top-level executive management

The Bank has presented detailed information regarding the nomination and appointment of directors and top-level executive management in the "Implementation of the principles of good corporate governance" section 3, topic: "Strengthen Board Effectiveness", and section 4, topic: "Ensure effective Chief Executive Officer and people management".

Overseeing the financial business group of the Bank

The Bank oversees the operations of the companies in the Bank's financial business group, according to the Notification of the Bank of Thailand regarding Guidelines on Consolidated Supervision, which includes approval for the Bank to establish its financial business group. In this respect, the Bank arranged for the oversight of risks of the financial business group as a whole, supervision of adequacy and efficiency of processes in key control functions, controlling and ensuring the compliance of companies in the financial business group with stipulated policies and relevant regulatory rules and regulations, and the establishment of an intra-group transactions policy. The Bank also assigned its directors or executives to hold director positions in companies within the financial business group.

Supervision of inside information usage

The Board of Directors set criteria on the supervision and protection of inside information usage for benefits of their own or third parties in a wrongful way and disseminated the criteria to the Bank's directors, executives and employees for their information and observance. The criteria includes prohibition from using 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 public, and prohibition on 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 of the Bank's securities and derivatives by them, their spouses and their children who have not yet come of age, to the Office of the Securities and Exchange Commission (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 day of such changes. The Corporate Secretary will present the report on changes in directors' and executives' holdings of securities and derivatives during the Board of Directors' meeting.

Remuneration of the auditor

The Bank has presented information regarding remuneration of the auditor under topic (5): "General information".

Implementation of the principles of good corporate governance

The Board of Directors has reviewed the implementation of the Corporate Governance Code for Listed Companies 2017 (the "CG Code"), by applying the CG Code to the Bank's business. The Bank's implementation of the CG Code is detailed below.

1. Establish clear leadership roles and responsibilities of the board of directors

The Board of Directors recognizes its duties and responsibilities to oversee and ensure the Bank's good governance, competitiveness, sustainable growth under changing environments, positive performance, creation of value-add for the business and shareholders, consideration of ethical business behavior and stakeholders in various groups, and responsibility for society and the environment.

The Board of Directors has a responsibility to perform duties with care and honesty, and to oversee and ensure that the Bank's operations are in compliance with the law, the Bank's objectives and Articles of Association, and the resolutions of shareholders' meetings.

2. Define objectives that promote sustainable value creation

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.

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.

3. Strengthen board effectiveness

The Board of Directors' size and structure are appropriate for the Bank's business size. The Board of Directors comprises directors with a wide range of knowledge, capabilities, skills and expertise covering banking and finance, business administration, law, and information technology, which are beneficial to the Bank's business.

As of December 31, 2020, the Bank's Board of Directors had 18 members. Eight - or 44.44 percent - of the total number of directors are independent directors, namely Mr. Kovit Poshyananda, H.S.H. Prince Mongkolchaleam Yugala, Mr. Phornthep Phornprapha, Mrs. Gasinee Witoonchart, Mr. Arun Chirachavala, Mr. Chokechai Nijianskul, Mr. Siri Jirapongphan and Mr. Pichet Durongkaverroj; the number of independent directors accounts for more than one-third of the total number of directors. One of the directors is a non-executive director, namely Mr. Piti Sithi-Amnuai, the Chairman of the Board of Directors; and nine are executive directors, namely Mr. Deja Tulananda, Mr. Amorn Chandarasomboon, Mr. Singh Tangtatswas, Mr. Chartsiri Sophonpanich, Mr. Suvarn Thanasathit, Mr. Chansak Fuangfu, Mr. Charnporn Jotikasthira, Mr. Boonsong Bunyasanand and Mr. Thaweelap Rittapirom. Admiral Prachet Siridej resigned from the position of director, effective from December 31, 2020.

Roles, duties and responsibilities of the Board of Directors

The Board of Directors has duties and responsibilities to define and review the Bank's vision, mission and goals; consider strategies and business plans; supervise human resource management; ensure an efficient and effective control and audit system; monitor the progress of the Bank's operations and operating results; determine the interim dividend for shareholders; ensure that the Bank's operations comply with the law, the Bank's policy and resolutions of shareholders' meeting; as well as supervise any related risk management by formulating risk management policies, including risk management methods and procedures, that cover significant risks to the Bank's business operations. The Board of Directors has the authority to approve strategy and short and long-term business plans and policies, business ethics, employee code of conduct, appoint and change high-level executives and any matters that the law or internal regulations of the Bank stipulate must be approved by the Board of Directors.

Separation of roles, duties and responsibilities

The Bank has clear segregation of roles, duties and responsibilities between the Board of Directors and management, as well as separation of positions and duties of the Chairman of the Board of Directors, the Chairman of the Board of Executive Directors, and President, in which all three positions are not held by the same person for efficiency and transparency of the Bank's internal governance and operations. The management manages and drives business operations in accordance with the policies, strategies and goals set by the Board of Directors, which includes determining operating guidelines, operating plans, work systems, work processes, management of human resources and other resources to be suitable and capable of achieving the goals.

Roles and duties of the Chairman of the Board of Directors

The Chairman of the Board of Directors, as the leader of the Board of Directors, is responsible for ensuring the efficient performance of the Board of Directors. Duties of the Chairman of the Board of Directors are as follows:

1. To determine the Board of Directors meeting agendas.
2. To call meetings of the Board of Directors by assigning the Company Secretary to deliver the notice of meeting and documents related to the meeting prior to the meeting.
3. To chair the Board of Directors meeting, conduct the meeting according to the agenda, allocate adequate time for the presentation of each agenda item, and give opportunities 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' meeting and conducts the meeting 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.

Committees

The Board of Directors has appointed five committees, namely the Board of Executive Directors, the Audit Committee, the Nomination and Remuneration Committee, the Risk Oversight Committee, and the Corporate Governance Committee to screen matters to be submitted and provide opinions to the Board of Directors as well as monitor and oversee the Bank's operations as assigned by the Board of Directors for the purpose of the Board of Directors' effective performance of its duties. The committees must report their progress to the Board of Directors.

(a) The Board of Executive Directors

Composition and qualifications

As of December 31, 2020, the Board of Executive Directors comprises eight members from the Board of Directors. The members of the Board of Executive Directors are:

- | | | |
|------------------|-----------------|--|
| 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. Charnporn | Jotikasthira | Executive Director |
| 7. Mr. Chansak | Fuangfu | Executive Director |
| 8. Mr. Thaweelap | Rittapirom | Executive Director |

Authority and responsibility

1. To consider policies, goals, organizational structure, business plans and annual budgets to propose to the Board of Directors for approval.
2. To control and ensure compliance with the policies, strategy and business plans approved by the Board of Directors.
3. To perform duties as assigned by the Board of Directors, including approval of loans, troubled debt restructuring and investment, as well as conducting any other normal businesses or activities related to the Bank's operations within the scope of authority granted by the Board of Directors.
4. To scrutinize matters requiring the approval of the Board of Directors or the shareholders' meeting in accordance with legal requirements or the Bank's Articles of Association.

Meetings

The Board of Executive Directors holds meetings regularly to consider various matters as assigned.

Reporting

The Board of Executive Directors reports to the Board of Directors.

(b) The Audit Committee

Objectives

The Audit Committee is responsible for overseeing and monitoring the Bank and companies within the Bank's financial business group to ensure they comply with the policies of the financial business group; reviewing financial reports, internal control systems, and practices to comply with the Bank's rules and regulations as accurate, adequate and appropriate; monitoring any conduct that may be inappropriate; monitoring any transactions that may have conflicts of interest or related transactions of directors; selecting and coordinating with the Bank's external auditors.

Composition and qualifications

As of December 31, 2020, the Audit Committee comprises three members, after Admiral Prachet Siridej resigned from the position of Director and Chairman of the Audit Committee, effective from December 31, 2020. The Board of Directors Meeting No. 13/2020 on December 24, 2020 appointed Mrs. Gasinee Witoonchart, an Audit Committee member who has knowledge and expertise in accounting and finance, as the Chairman of the Audit Committee from January 1, 2021 onwards.

The Audit Committee members are:

- | | | |
|---------------------------------|--------------|---------------------------------|
| 1. Mrs. Gasinee | Witoonchart | Chairman of the Audit Committee |
| 2. H.S.H. Prince Mongkolchaleam | Yugala | Member of the Audit Committee |
| 3. Mr. Arun | Chirachavala | Member of the Audit Committee |

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 financial reports preparation.
2. To ensure that the Bank has adequate and effective internal control and audit systems by reviewing and assessing those systems with internal and external auditors, and to consider the independence of an internal audit unit 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 annual 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 at least once a year.
5. To ensure that the Bank complies with all relevant regulations and laws on securities and the Stock Exchange, regulations of the Stock Exchange or any laws pertaining to the business of financial institutions.
6. To review compliance with the 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 call for documents and data, or to summon the management and personnel from various operating units of the Bank, 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 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 2020, the Audit Committee held a total of 18 meetings.

Reporting

The Audit Committee has a duty to report its performance to the Board of Directors after every meeting.

(c) The Nomination and Remuneration Committee Objectives

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

Composition and qualifications

As of December 31, 2018, the Nomination and Remuneration Committee comprises three independent directors as follows:

- | | | |
|---------------------------------|-------------|---|
| 1. Mr. Kovit | Poshyananda | Chairman of the Nomination and Remuneration Committee |
| 2. Mr. Phornthep | Phornprapha | Member of the Nomination and Remuneration Committee |
| 3. H.S.H. Prince Mongkolchaleam | Yugala | Member of the Nomination and Remuneration Committee |

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

Authority and responsibility

1. To determine the policy, criteria and methodology for selecting directors and top-level executives from the level of Executive Vice President upwards.
2. To determine the policy and criteria for the consideration of remuneration and other benefits including the amount of remuneration and other benefits for the directors and top-level executives from the level of Executive Vice President upwards.
3. To select, nominate and submit for approval by the Board of Directors persons with appropriate qualifications to be appointed to the following positions:
 - (1) Directors.
 - (2) Members of the various committees who are assigned duties and responsibilities directly by the Board of Directors.
 - (3) Top-level executives from the level of Executive Vice President upwards.
4. To review the size and structure of the Board of Directors to ensure that it is suitable for the organization and in line with the changing environment, as well as to ensure that the Board of Directors comprises persons with a range of knowledge, ability and experience in different areas.
5. To ensure that the directors and top-level executives, from the level of Executive Vice President upwards, obtain remuneration commensurate with their duties and responsibilities to the Bank. Those directors who have been assigned increased duties and responsibilities receive higher remuneration accordingly.
6. To establish performance appraisal guidelines for determining annual remuneration increases for directors 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.

- To report on the work of the committee as part of the Bank's Annual Report.

Meetings

The Nomination and Remuneration Committee schedules meetings at least twice a year to scrutinize matters as assigned and may hold additional meetings as necessary and appropriate. In 2020, the Nomination and Remuneration Committee held a total of 11 meetings.

Reporting

The Nomination and Remuneration Committee has the duty to report its performance to the Board of Directors after every meeting.

(d) The Risk Oversight Committee

Objectives

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

Composition and qualifications

As of December 31, 2020, the Risk Oversight Committee comprises two independent directors and two executive directors, namely:

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

Authority and responsibility

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

- To control, monitor, inspect and ensure that companies within the financial business group comply with the established risk management policy. This also includes reviewing the adequacy and effectiveness of the policy at least once a year which is reported to the Board of Directors.
- To report to the Board of Directors on the risk status, risk management efficiency and status of compliance with the corporate culture, as well as significant factors and problems and issues that need to be revised to be in line with the risk management policies and strategies of the financial business group.
- To participate in the assessment of the efficiency and effectiveness of the performance of the persons responsible for risk management.

Meetings

The Risk Oversight Committee schedules meetings at least once every three months and may hold additional meetings as necessary and appropriate. In 2020, the Risk Oversight Committee held a total of 13 meetings.

Reporting

The Risk Oversight Committee has a duty to report its performance to the Board of Directors after every meeting.

(e) The Corporate Governance Committee

The Corporate Governance Committee has a duty to support operations of the board under corporate governance and sustainability.

Composition and qualifications

As of December 31, 2020, the Corporate Governance Committee comprised one independent director, one non-executive director and one executive director and the members are:

1. Mr. Piti	Sithi-Amnuai	Chairman of the Corporate Governance Committee
2. Mr. Chokechai	Niljianskul	Member of the Corporate Governance Committee
3. Mr. Thaweelap	Rittapirom	Member of the Corporate Governance Committee

The Corporate Governance Committee has a tenure of three years.

Authority and responsibility

- To establish principles of good corporate governance and sustainability that are effective and suitable for the Bank.
- To define and review the best practices of corporate governance, including the preparation and review of business code of conduct, employee code of conduct and supplier code of conduct.
- To propose best practices for the Board of Directors and propose the Board of Directors Charter for all committees appointed by the Bank.
- To propose the sustainability strategy appropriate for the Bank's business operations and in line with social and environmental contexts .
- 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 bank operations.

6. To ensure that the principles of good corporate governance and sustainability are effective in practice and operate under the sustainability strategy.
7. To review and report the corporate governance and 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 one every quarter to scrutinize any matters, and may hold additional meetings as necessary and appropriate. In 2020, the Corporate Governance Committee held a total of 4 meetings.

Reporting

The Corporate Governance Committee has the duty of reporting its performance to the Board of Directors after every meeting.

The summary of the Board of Directors' meetings in 2020 is as follows:

		No. of meetings attended			
Name	Board of Directors Total: 13 meetings	Audit Committee Total: 18 meetings	Nomination and Remuneration Committee Total: 11 meetings	Risk Oversight Committee Total: 13 meetings	Corporate Governance Committee Total: 4 meetings
1. Mr. Piti	Sithi-Amnuai	13/13			4/4
2. Mr. Deja	Tulananda	13/13			
3. Admiral Prachet	Siridej ¹	12/13	13/18		
4. Mr. Kovit	Poshyananda	12/13		11/11	
5. Mr. Arun	Chirachavala	13/13	18/18		13/13
6. Mr. Singh	Tangtatswas	13/13			
7. Mr. Amorn	Chandarasomboon	13/13			11/13
8. H.S.H. Prince Mongkolchaleam	Yugala	11/13	16/18	11/11	
9. Mr. Pornthep	Phornprapha	11/13		10/11	
10. Mrs. Gasinee	Witoonchart	11/13	17/18		
11. Mr. Chokechai	Niljianskul	13/13			12/13
12. Mr. Siri	Jirapongphan ²	6/6			4/4
13. Mr. Pichet	Durongkaverroj ³	6/6			
14. Mr. Chartsiri	Sophonpanich	13/13			
15. Mr. Suvarn	Thansathit	13/13			11/13
16. Mr. Chansak	Fuangfu	12/13			
17. Mr. Charamporn	Jotikasthira	13/13			
18. Mr. Boonsong	Bunyasaranand	10/13			
19. Mr. Thaweelap	Rittapirom	13/13			4/4

Remark s: ¹ Admiral Prachet Siridej resigned on December 31, 2020

² Mr. Siri Jirapongphan was appointed as a director at the 27th Annual Ordinary Meeting of Shareholders on July 10, 2020

³ Mr. Pichet Durongkaverroj was appointed as a director at the 27th Annual Ordinary Meeting of Shareholders on July 10, 2020

Independent directors

The Nomination and Remuneration Committee is responsible to select persons possessing suitable qualifications in accordance with the criteria and procedures specified by the Bank and equivalent to those required under the definition of an independent director by the Capital Market Supervisory Board. An independent director is a person who has the following qualifications:

1. Holds shares in an amount not exceeding one 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 related person of the said independent director.

2. Is not or has not been a director who participates in the management of the business, an employee, officer or advisor who receives a salary from the Bank, or the controlling person of the Bank or the parent company, subsidiary, affiliate or same-level subsidiary company, a major shareholder or controlling person of the Bank, except in the case where such status has ended for not less than two years.
3. Is not related to any other director, executive, major shareholder, controlling person or any person nominated to be a director, executive or controlling person of the Bank or any subsidiary either as parent, spouse, sibling, child or spouse of a child, whether such a relationship is by blood or legal registration.

4. Does not have nor used to have a business relationship with the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, such that it may interfere with the independent judgment of such an independent director and is not nor used to 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, except in the case where such status has ended for not less than two years.

The term “business relationship” in the foregoing paragraph 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 three 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 one 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.

Nomination of directors

The Nomination and Remuneration Committee is responsible for nominating individuals to serve as directors based on the Bank’s operational strategies and necessary skills required by the Board Skill Matrix that are lacking, in order to determine the required qualifications of directors. The Nomination and Remuneration Committee will nominate, select and screen qualified individuals according to the processes and principles determined by the Board of Directors. The consideration will be based on a person’s honesty, accountability, ethics and ability to fully devote their time to the duties of a director; the qualifications pursuant to the requirements of the Bank of Thailand, Capital Market Supervisory Board, Office of the Securities and Exchange Commission, and other relevant authorities; and the knowledge, ability, expertise and skills in particular fields which are necessary and beneficial to the Bank’s business, as well as expertise and previous experience. In nominating directors to replace the directors retiring by rotation, consideration will also be based on their performance in the past. In addition, the Nomination and Remuneration Committee also considers the structure, composition and size of the Board of Directors to ensure that the Board of Directors will be of a suitable size and structure, and have members of diverse sex, age, knowledge, skills, expertise and experiences, suitable for the Bank’s business, without regard to race or religion. The Bank will propose the names of persons who have been reviewed by the Nomination and Remuneration Committee to the Bank of Thailand before proposing for approval to appoint as a director.

Prior to the Annual Ordinary Meeting of Shareholders, the Bank gives shareholders the opportunity to nominate persons who are considered suitable as directors to the Nomination and Remuneration Committee for consideration. The shareholders must proceed the nomination process in accordance with the criteria that the Bank has informed shareholders on the Bank’s website. For the 2020 Annual Ordinary Meeting of Shareholders, the Bank allows shareholders to nominate persons from November 1-30, 2019.

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 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:

- (a) One shareholder shall have one vote for each share.
- (b) 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 the votes to any person in any number.
- (c) 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 has to receive votes of not less than three-quarters of the number of remaining directors.

Remuneration of Directors

The Nomination and Remuneration committee is responsible for determining the remuneration of directors in accordance with the established policies, criteria and methods to be 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 which have 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.

The remuneration of directors in 2020 consist of three categories as follows:

Monthly Remuneration	
	Unit: Baht
The Board of Directors	
Chairman of the Board of Directors	450,000
Director	250,000
Committees	
Member of the Board of Executive Directors	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 employees 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

In 2020, the Bank has paid remuneration to directors totaling 128.22 million baht. Details of individual remuneration are shown in the general information section under Remuneration of the Board of Directors for 2020.

Directorship in other companies of directors

To ensure that directors contribute time and capabilities efficiently, the Bank has determined criteria on the number of directorships in other companies in compliance with the requirements of the Bank of Thailand regarding Corporate Governance of Financial Institutions and the principles of good corporate governance, which are that the Bank's directors may assume one or more of the positions of chairman of 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 both on local and international stock exchanges, limited to not more than five listed companies.

Self-assessment of the Board of Directors

The Board of Directors assesses their performance of duties on an annual basis. The purpose of the assessment is for the Board of Directors to review their performance in the past year, including problems and obstacles that arise, and use the assessment results to improve and develop their performance to increase the efficiency of the Board of Directors.

There are two methods of assessment of performance of the Board of Directors: (1) Self-assessment on both a collective and individual basis; and (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 consist of (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; and (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 consist of (1) Structure and qualifications of the Board of Directors; (2) Meetings; and (3) Roles, duties and responsibilities.

Main topics in the assessment form for cross-assessment consist of (1) Consistency of meeting attendance; (2) Preparation for meeting attendance; (3) Provision of comments at meetings; (4) Collaboration; and (5) Representing the Bank in presenting images of the Bank to third parties.

The Corporate Secretary will submit the three assessment forms for directors to conduct the assessments, and the Nomination and Remuneration Committee will process, summarize, and report the assessment results to the Board of Directors.

Self-assessment of the committees

In 2020, all committees have to conduct their performance assessments to review their performance in the past year in accordance with the scope of duties and responsibilities assigned by the Board of Directors and use the assessment results as guidelines for further improvement of their duties.

In assessing performance, each committee used the self-assessment method on a collective basis, by using the assessment form prepared within the framework of duties and responsibilities for each committee. The assessment form was agreed upon by the Board of Directors. The secretary of each committee provided the self-assessment forms to each respective committee to conduct the assessment, then processed, summarized and presented the assessment results to the meeting of each committee to improve its performance to be more efficient. The committees will have to report the assessment results to the Board of Directors.

Orientation for new directors

The Bank hosts an orientation program for newly-appointed directors by introducing them to directors, providing information

related to the operations of the Bank, vision, strategies, business goals, Articles of Association, and 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 promoting and supporting its directors in attending 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 by knowledgeable speakers from outside the Bank.

The directors who have passed the Director Certification Program training courses run by the Thai Institute of Directors Association are Mr. Piti Sithi-Amnuai, Admiral Prachet Siridej, Mr. Singh Tangtatswas, Mr. Amorn Chandarasomboon, H.S.H. Prince Mongkolchaleam Yugala, Mrs. Gasinee Witoonchart, Mr. Arun Chirachavala, Mr. Charamporn Jotikasthira, Mr. Chokechai Niljianskul, Mr. Chartsiri Sophonpanich, Mr. Suvarn Thansathit, Mr. Pichet Durongkaveroj, Mr. Siri Jirapongphan and Mr. Thaweelap Rittapirom. The directors who have attended the Director Accreditation Program include Mr. Kovit Poshyananda, Mr. Phornthep Phornprapha and Mr. Chansak Fuangfu.

The Bank encouraged directors to participate in training courses or seminars related to their duties that will encourage them to continuously learn and develop themselves in various areas. In 2020, major trainings or seminars attended by directors included:

Date	Topic	Name of Director who attended
16 – 22 February 2020	Director Certification Program	Mr. Pichet Durongkaveroj
February-November 2020	Capital Market Academy Program	Mr. Chokechai Niljianskul
29 September 2020	IT and Cyber Security IT Risk Management and Data Governance	Mr. Piti Sithi-Amnuai Mr. Deja Tulananda Admiral Prachet Siridej Mr. Arun Chirachavala Mr. Singh Tangtatswas Mr. Amorn Chandarasomboon H.S.H. Prince Mongkolchaleam Yugala Mrs. Gasinee Witoonchart Mr. Chokechai Niljianskul Mr. Siri Jirapongphan Mr. Pichet Durongkaveroj Mr. Chartsiri Sophonpanich Mr. Suvarn Thansathit Mr. Charamporn Jotikasthira Mr. Boonsong Bunyasaranand

Corporate Secretary

The Board of Directors appointed Mr. Apichart Ramyarupa, who has suitable qualifications, as the Bank's Corporate Secretary. Mr. Apichart has experience from his role as the Secretary to the Board of Directors and has successfully completed the Director Certification Program (DCP) training arranged by the Thai Institute of Directors Association, as well as possessing qualifications pursuant to criteria prescribed in the Securities and Exchange Act. The Corporate Secretary is charged with duties and responsibilities as follows:

1. Matters relating to meetings such as organizing meetings of the Bank's Board of Directors and shareholders as well as the preparation of the meeting's agenda, invitations to the meeting, documents required for the meeting, the Annual Report, and the minutes of the meeting. The Corporate Secretary is also charged with the duty of implementing the resolutions of shareholders' meetings such as registering changes to the company's registration with the Ministry of Commerce, etc.
2. Matters relating to the safe-keeping of records and documents, namely the register of directors, reports on interests filed by directors or executives, documents required for the meeting, and minutes of Board of Directors' and shareholders' meetings.
3. Rendering advice and recommendations to the Board of Directors for the purpose of compliance with the Articles of Association and the relevant laws, rules and regulations as well as good corporate governance principles.
4. Being the contact person to communicate and coordinate with the Office of Securities and Exchange Commission, the Stock Exchange of Thailand, the Bank of Thailand, and other relevant government authorities as well as to provide information to said authorities as required by relevant laws, rules and regulations.

The Board of Directors' meetings

The Board of Directors holds a monthly meeting during which schedules for the year will be set and notified to all directors in advance. This is for each director to manage their own schedule to attend the meeting. Each director has a duty to attend every meeting or to attend at least 75 percent of all meetings in a year.

In 2020, each director attended meetings on a regular basis, which accounts for more than 75 percent of the number of meetings held during the year, and the quorum for a meeting of the Board of Directors in considering any resolutions was more than two-thirds of the total number of directors.

In 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 for studying 7 days in advance of the meeting, except in the case of urgent situations. The Chairman of the Board of Directors will preside over the meeting and, as the chairman of the meeting, provide opportunities and encourage directors to freely express their opinions.

Apart from the Board of Directors' scheduled meetings, the Corporate Secretary also arranges meetings among independent directors from time to time to exchange ideas and opinions on issues related to internal management and will thereafter inform the President of the issues and comments from the meetings. In 2020, independent directors held one meeting among themselves.

4. Ensure effective Chief Executive Officer and people management

In selecting persons to be appointed as top-level executives, from the Executive Vice President level and above, the Board of Executive Directors will conduct initial screening by taking into consideration the knowledge, capabilities and expertise which are beneficial to the Bank's business, as well as leadership, management skills, potential and readiness to assume the assigned duties. Then, the Board of Executive Directors will propose candidates to the Nomination and Remuneration Committee to conduct qualification screening, get the Board of Directors to consider appointment applications of the qualified candidates for the Bank of Thailand approval before proposing the appointments to the Board of Directors for approval.

Succession of top-level executive positions

The Bank recognizes the importance of 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 is offered to persons under consideration. This includes management and leadership courses both inside and outside the Bank. 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.

Directorship in other companies of top-level executives

The Bank has determined criteria on directorships in other companies in accordance with the requirements of the Bank of Thailand regarding Corporate Governance of Financial Institutions and the principles of good corporate governance, which are that top-level executives, namely the executive chairman, president, executive vice president and executive vice president may assume one or more positions of the chairman of board of directors or executive director of other companies in not more than three business groups, and they may serve as directors of other listed companies both on local and international stock exchanges, limited to not more than five listed companies. Any directorship in other companies of top-level executives must be approved by the Board of Executive Directors.

Remuneration of top-level executives

The Nomination and Remuneration Committee is responsible for considering and proposing the appropriate remuneration of management including the Chairman of the Board of Executive Directors, President, and top-level executives from the level of Executive Vice President upwards for the Board of Directors to consider and approve, and determine the remuneration according to the Bank's policy. The determination of remuneration is linked with both short-term and long-term indicators of the Bank's performance and reflects the performance results of each executive. Those indicators are financial performance, customers, improvement and development of work processes, and human resource development, considering net profit to assets, income growth, credit growth, asset quality, customers' satisfaction, cost management as well as indicators of the Bank's competitiveness compared to other leading financial institutions and companies in Thailand such as overall shareholder returns. This will lead to sustainable success as a trusted partner and reliable close friend.

Assessment of the performance of the Chairman of the Board of Executive Directors and the President

The Bank has arranged for the assessment of the performance of the Chairman of the Board of Executive Directors and the President by the Board of Directors. The assessment form was prepared in accordance with the CEO appraisal guidelines of the Stock Exchange of Thailand and approved by the Board of Directors. The main topics in the assessment of the performance of the Chairman of the Executive Directors and the President include leadership, strategy, implementation of strategies, planning and results of the financial operations, and relationships with directors, etc. The Chairman of the Nomination and Remuneration Committee will inform the assessment results to the Chairman of the Board of Executive Directors and the President.

5. Nurturing innovation and responsible business

The Bank provides ongoing support for innovation development, studying and testing, to use advanced technologies which have been developed within the Bank and through collaboration with external entities, in order to provide the maximum benefit to customers, business alliances, and Thai society. To this end, the Bank has formed an Innovation Department to research and develop technologies and new business models for the Bank, including building alliances in various ways to develop products and services which apply new technologies, serve customers' needs, and help expand service channels for customers to access services more easily and quickly. The Bank has launched a program to build cooperation and good relationships with the government sector, the private sector and educational institutions, for ongoing promotion of innovation activities. The Bank has presented detailed information on this in its Sustainability Report.

In operating a responsible business, the Bank has guidelines for treating stakeholders of various groups as specified below.

Shareholders

The Bank is committed to conducting its business according to ethical principles and good governance, has clear and appropriate business strategies, manages risk prudently and efficiently, and continuously improves the quality of products and services. To build confidence among shareholders and investors, the Bank discloses information with transparency, communicates with investors according to best practices, observes the rights of all groups of shareholders and ensures that they are treated equally.

Customers

The Bank places the utmost importance on providing quality services that meet customer needs and building good relationships with them as a "trusted partner and reliable close friend" by striving to develop high quality products and services that can meet customer needs, improve work processes with technology, develop service channels to facilitate and provide fair services to customers, protect customer information and manage and rectify complaints, taking into due consideration customers' satisfaction.

Staff

The Bank recognizes that staff are one of its most valuable assets. It has therefore taken good care of and promoted the lives and well-being of staff based on good relationships and collaboration between the Bank and staff to support sustainable development and growth of the Bank's operations. The guidelines are based on good relationships and cooperation between the Bank and staff with respect to:

(1) Staff remuneration and welfare

The Bank recognizes and emphasizes that staff are vital to the Bank's operations and provides remuneration to staff according to their responsibilities and performance. The Bank provides various types of welfare such as medical treatment, a health club to promote good health, provident funds for staff and executives to promote savings discipline, and educational allowances for the children of staff to help reduce staff expenses. In addition, the Bank considers paying bonuses to staff in accordance with the Bank's business performance, staff performance, and the overall economic conditions.

(2) Enhancement of staff knowledge and potential

The Bank recognizes and emphasizes the importance of ongoing development of employee capabilities and focuses on building good attitudes and developing potential that will drive the Bank towards being a digital bank by using various and accessible learning opportunities to all groups of employees such as e-Learning, virtual classes, project-based workshops, career development, work rotation, special project assignment and knowledge transfer from experts in the organization to enable employees to further learn and apply their knowledge to create business value.

Moreover, the Bank also promotes the creation of lifelong learning by developing special curricula for employees to choose

from according to their own interests in addition to mandatory courses for employees as required by the Bank. These are Data Driven, Future Leader, Business Solution Provider, Industry & Business, English and Chinese language courses.

(3) Workplace security and health

The Bank provides robust security measures on its premises using standard systems and equipment for security control and by providing appropriate security guards. The Bank provides suitable workplaces that encourage staff to perform their work efficiently and effectively taking into consideration workplace safety and health together with the gathering of leave information regarding accidents and sicknesses arising from work.

Counterparties

The Bank believes that effective counterparty management will help facilitate business operations. The Bank adheres to the principles of treating counterparties according to trade conditions and agreements, follows good practice in the selection of counterparties and gives them fair and equitable treatment. In addition, the Bank supervises and monitors counterparties to deliver products and services as agreed and fosters good relationships with its counterparties.

Competitors in the same business

The Bank conducts its business under a framework of fair competition and follows the laws and regulations regarding the banking business. The Bank respects its competitors and is ready to support and cooperate with them to achieve the overall goals of the banking sector.

Creditors

The Bank maintains a good relationship with creditors by operating in accordance with the contracts or conditions agreed with creditors. The Bank gives its creditors the highest priority on debt repayment within repayment terms by managing capital and liquidity at a sufficient and appropriate level at all times to build confidence with creditors.

Society and community

The Bank supports and takes part in activities that create value for communities and Thai society in areas such as education, tourism, agriculture, community business, religion, Thai traditional arts and culture, and public benefit activities and financial literacy.

Environment

The Bank supports measures and good practices for environmental conservation, encourages efficient utilization of resources, and also organizes activities for employees to jointly protect the environment and conserve energy within the Bank's premises as well as surrounding communities. Furthermore, the Bank also has a policy for providing loans to support activities that help reduce global warming such as renewable energy and transportation infrastructure that uses electric systems.

Other matters

The Bank has established a corporate governance policy, a code of conduct and business ethics practices, based on the key principles of performing duties with honesty, integrity and responsibility. The Bank will never assist, encourage or support any illegal activities or transactions. Other important matters are:

(1) Human rights

The Bank respects the rights of persons as prescribed by laws and will never be involved in any violation of human right.

(2) Intellectual property or copyrights

The Bank respects intellectual property including copyright and therefore will never be involved in any violation of intellectual property, including copyright, belonging to any person as specified in the Bank's code of conduct and business ethics practices. In addition, the Bank has set up rules preventing its employees from bringing in copyrighted computer programs to be used at the Bank or used with Bank-related work without authorization from the Bank. Also, those who are found to commit piracy must be subject to disciplinary actions and liabilities under related laws. Supervisors at all levels will monitor their subordinates to ensure they strictly follow the Bank's rules.

(3) Policy on whistleblowing

The Bank has established whistleblowing channels for stakeholders to directly inform the Board of Directors of their complaints. 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. Stakeholders can see more details on the Bank's website.

(4) 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 payment with the intent of corruption for personal gain or the gain of others.

The Bank promotes values of honesty and accountability in fulfilling one's duty, and also encourages concerned parties to be aware of, understand, and co-operate in any way 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 its anti-corruption policy on its website, and other internal communication channels including the intranet, as well as educating staff on its anti-corruption policy. Penalties will be applied to personnel violating or failing to comply with the anti-corruption guidelines.

The Bank provides secure channels for staff to access with confidence when they need to report information 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 confidential information, and protect complainants from persecution during and after investigation.

Counterparties and the general public can report information or signs of misconduct or breaches of the Bank's anti-corruption measures to the Corporate Secretary or Compliance Division, 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 confidential information, and protect complainants from persecution during and after investigation.

The Bank believes that its anti-corruption policy provides a framework and direction for sustainable development, while practical guidelines for its anti-corruption program reflect the determination and dedication of a transparent and corruption-free organization, as well as its determination not to be involved with any corruption. The Bank expects all concerned parties to cooperate and support its undertakings in these matters.

In this regard, the Bank has been certified by the Private Sector Collective Action Coalition Against Corruption Council to be a member of the Private Sector Collective Action against Corruption.

6. Strengthen effective risk management and internal control

Risk management

The Board of Directors has established a risk management policy and risk appetite for the Bank's financial business group and reviews them on a yearly basis. The Bank has set a risk management framework and risk oversight structure for overseeing core risks such as credit risk, market risk, operational risk, strategic risk, liquidity risk and information technology risk, including other risks, through the Internal Capital Adequacy Assessment Process to ensure that the Bank has appropriate risk management and capital adequacy 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 undertaken according to laws, regulations and regulatory requirements. Lastly, 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 be able to resolve any faults within a reasonable time frame.

In addition, the Bank has prepared a Recovery Plan in order to be systematically equipped to solve capital and liquidity problems in the future and strengthen the Bank's business. This plan provides an integrated framework for risk management in each area of the Bank that will help the Bank to cope with the crisis efficiently and in a timely manner.

Internal control

The Board of Directors recognizes the importance of 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 Bank 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. In assessing the internal control system, there are five elements for consideration, as follows: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information Technology and Communications and (5) Monitoring Activities.

With regard to the 2020 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 efficiently operate the system.

Division of duties relating to internal control and risk management

- 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 senior 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 risk management. The person in charge is Mr. Kirati Laisathit, Executive Vice President.

- The Compliance Division 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 senior management and the Audit Committee or the Board of Directors. The person in charge is Mr. Pornthep Kitsanayothin, Executive Vice President.
- 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 rules and regulations issued by relevant authorities and the Bank including inspection and investigation in case of fraud or complaints. In addition, the Audit and Control Division is also responsible for supporting work of the Audit Committee and working under supervision of the Audit Committee. The person in charge is Mrs. Chutima Kitchamhong, Executive Vice President.

Information security

Technology is developing at a rapid rate, leading to significant changes in the working environment and lifestyles. It helps support business operations to be carried out quickly, efficiently and conveniently. However, the increased use of technology may result in some issues that affect business partners as well as the confidence of customers, service providers and stakeholders of the Bank. Connecting businesses and services through online networks has resulted in new risks and cyber threats which have become more serious and complex.

The Bank recognizes the importance of cybersecurity including enhancing cybersecurity processes to have an effective governance system while enabling its staff to respond to complex and rapidly changing cyber threats. In addition, the Bank strives to have technological advancement and sufficient flexibility so it has the productivity and ability it needs to adapt to evolving cyber threats now and in the future.

In business operations, it is necessary to use data for analysis in order to formulate strategies and design services to suit the needs of customers. Data, therefore, becomes an important asset that must be strictly protected. Many countries have introduced laws and regulations to protect personal information of customers. The Bank is continuously working to ensure data is protected from forgery and unauthorized access, as well as information disclosure without permission. The Bank has added measures to protect the personal information of customers as well as information of the Bank. The Bank has established information security and information technology risk management policies to supervise and manage information technology risks. The policies are in accordance with the

operational risk management framework to increase the capability of IT Risk Management and Information Security and Cyber Security to be effective throughout the organization. The operational risk management framework consists of the ongoing update of security technology in a timely manner such as establishing security policies for cloud, biometric and blockchain services; performing risk assessments and adjusting the risk assessment framework to be suitable for all situations; raising awareness and providing knowledge on security for the Bank's personnel including customers or users of the Bank; developing plans to prepare for various types of cyber threats in order to efficiently and quickly reduce the impact of cyber threats; as well as strengthening cooperation with external agencies to enhance readiness in coping with cyber threats and to effectively manage cyber risks.

The Bank recognizes the importance of the security of both business and customers' information for the purpose of maintaining the creditworthiness and trust of customers, counterparties and business alliances. The Board of Directors established and disseminated to directors, executives and employees an information security policy, including the information security manual, which sets out practicing guidelines on information security to safeguard against illegal use of information. This is to ensure the executives' and employees' understanding of and compliance with the information security policy, with regard to various matters such as security of information, access to information, physical security, communication security, information security risk management and business continuity.

Action with regard to conflicts of interest and reporting of changes in directors' interests

The Bank gives importance to practices to control and manage conflicts of interest in accordance with rules set by government authorities.

The Bank also requires directors and top-level executives to prepare reports of their interests, by providing information on their own shareholdings, that of their spouses and their children who have not yet come of age, as well as their directorships in various businesses as well as those of their spouses, and reporting 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. 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.

7. Ensure disclosure and financial integrity

The Bank recognizes the significance of disclosing information as it has an impact on the decision making of investors and stakeholders. The Board of Directors follows information disclosure guidelines, by overseeing and ensuring that the Bank's financial reporting system and information disclosure are accurate, sufficient, trustworthy, on time and in compliance with the relevant laws and regulations in order to provide equal information to all financial information users. The Bank selects personnel with appropriate knowledge, skills and experience to be responsible for overseeing and ensuring the financial reliability and information disclosure. The Bank's financial information is delivered through various channels such as the Annual Report, financial statement, annual registration statement (Form 56-1), Management Discussion and Analysis (MD&A) via the Stock Exchange of Thailand (SET Link) and the Bank's website (www.bangkokbank.com), and the information displayed is regularly updated to reflect the Bank's financial status and performance. Information that may affect the decision making in investments and benefits of shareholders and investors will be disclosed after it has been officially provided to the SET. The Bank has appointed a person entitled to publicly disclose the information which is divided into financial and non-financial categories in order to ensure that it is disclosed in a clear, accurate, transparent and timely manner.

The Board of Directors approves the disclosure of the financial information, by taking into consideration the result of assessment of sufficiency of the internal control system, the auditor's

opinions in financial reports including the auditor's observations, the opinions of the Audit Committee and conformity with the Bank's strategies and policies.

Additionally, the Bank has arranged for a system of disclosure of the information relating to directors to ensure that the disclosure complies with the criteria of the Office of Securities Exchange Commission.

The Bank has an Investor Relations Unit which is responsible for disclosing the financial and non-financial information that is useful for the investments of shareholders, investors, securities analysts and credit rating companies, in accordance with related information disclosure guidelines which are in line with the Bank's principles and official requirements, in order to ensure that the Bank has disclosed the information appropriately, in a timely fashion and in an equitable manner through the channel of the Stock Exchange of Thailand (SET Link) and on the Bank's website (www.bangkokbank.com) and that the Bank has conducted investor relations activities, such as holding meetings with securities analysts and investors. Due to the conditions resulting from the Covid-19 epidemic, the Investor Relations Unit organized investor relations activities in line with the New Normal by holding virtual meetings with securities analysts, investors and credit rating companies as well as meetings via teleconference. The President, Senior Executive Vice Presidents, and top-level executives of the Bank give importance in participating in various activities with the Investor Relations Unit as follows:

Type of meeting	Number of meetings	Number of companies	Number of participants
Company visit/one-on-one meeting	5	6	11
Conference call	215	219	274
Group analyst and investor meeting	5	201	256
Investor conference	3	78	116
Virtual conference	5	140	162

Investor Relations Contact:

Investor Relations Unit: Bangkok Bank Public Company Limited

333 Silom Road, Silom, Bang Rak, Bangkok 10500

Tel: 0-2626-4981

Fax: 0-2231-4890

Email: ir@bangkokbank.com

Website: www.bangkokbank.com

8. Ensure engagement and communication with shareholders

The Bank gives importance to and treats all groups of shareholders equally, whether they are minor shareholders, foreign shareholders or institutional investors. All groups of shareholders are entitled to basic rights, such as the right to attend meetings and vote, to receive dividends, to gain information, to elect and remove directors, to appoint auditors, and to set remuneration. In addition, prior to the shareholders' meeting, the Bank provides opportunities for shareholders to propose items for the meeting agenda and nominate names for appointment to the Board of Directors prior to the shareholders' meeting, in which case the shareholders shall comply with the criteria of the Bank as shown on the Bank's website. Additionally, shareholders can send questions relating to the meeting agenda to the Corporate Secretary prior to the shareholders' meeting.

The Bank encourages the meeting attendance of all groups of shareholders to consider significant corporate matters of the Bank by organizing the shareholders' meeting at a convenient date, time and place. The Bank prepares a letter of power of attorney for the use of shareholders who are unable to attend the meeting in person to enable them to exercise their rights by giving a proxy to others to attend the meeting on their behalf.

In 2020, the Bank held two shareholders' meetings:

1. Extraordinary General Meeting of Shareholders No. 1/2020 on March 5, 2020 to seek shareholder approval for the acquisition of PT Bank Permata Tbk from Standard Chartered Bank and PT Astra International Tbk.
2. The 27th Annual General Meeting of Shareholders on July 10, 2020, was originally scheduled to be held on April 10, 2020. However, due to the outbreak of Covid-19 and to cooperate with the government to prevent the spread of the disease from the gathering of large numbers of people, the Bank canceled the scheduled annual general meeting of shareholders on April 10, 2020, whereby the Board of Directors approved a second dividend payment to shareholders in lieu of the annual dividend payment. When the situation of the Covid-19 epidemic eased, the Bank held the 27th Annual General Meeting of Shareholders on July 10, 2020 by establishing measures and guidelines to prevent the spread of Covid-19 such as temperature checking, seat spacing arrangements, limitation on the number of seats in the meeting room, provision of alcohol gel, and refraining from providing food and beverages as well as microphones to shareholders during the meeting.

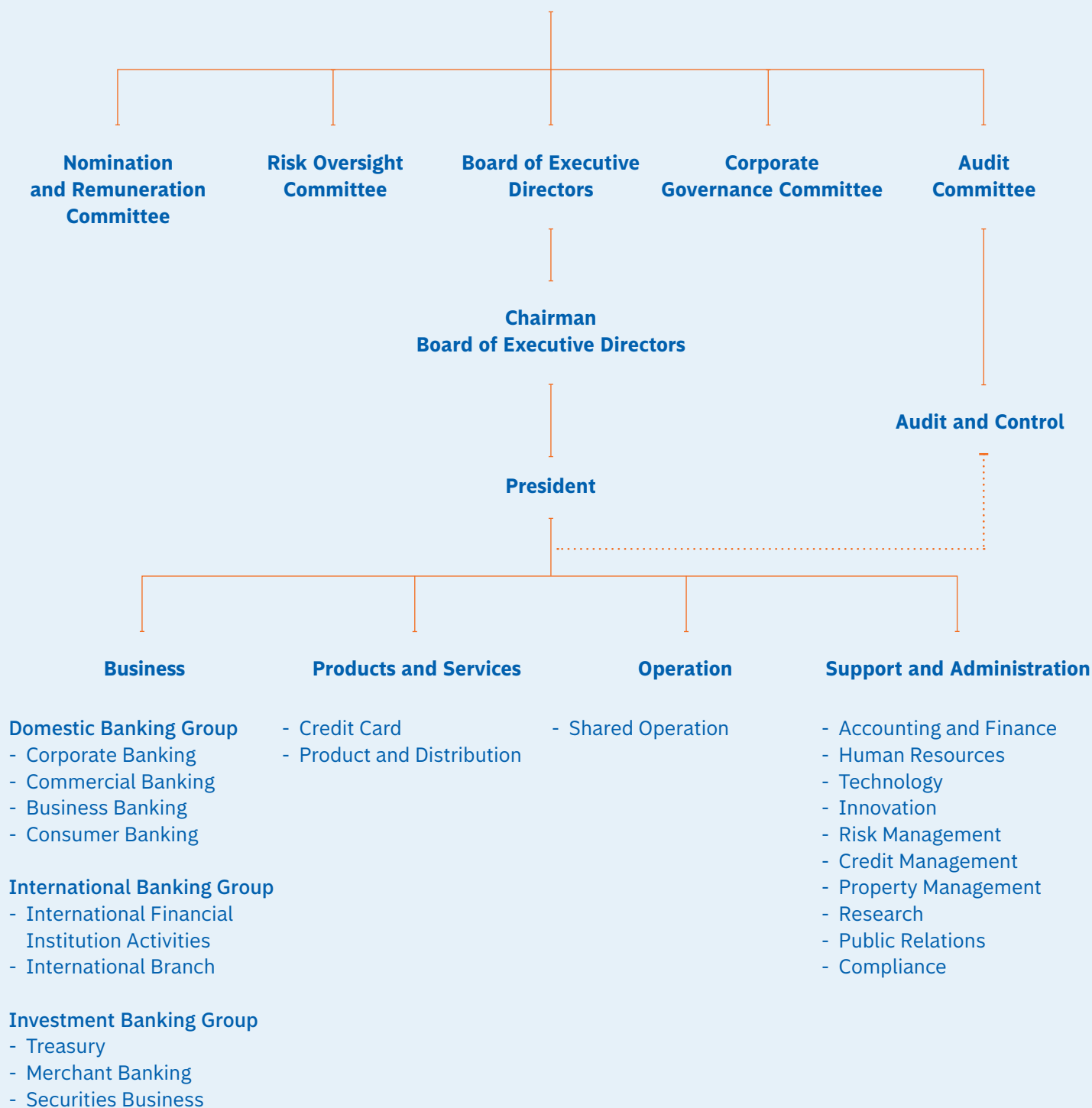
For the shareholders' meetings in 2020, the Bank posted the invitation letter, supporting documents and proxy forms in both Thai and English versions on the Bank's website prior to the meeting. The Bank also informed shareholders through the SET Portal. The shareholders' meeting No. 1/2020 was posted on the website 22 days prior to the meeting while the 27th Annual General Meeting of Shareholders was posted on the website 30 days prior to the meeting. The invitation letter, together with supporting documents and proxy forms, were sent to shareholders by mail. Those for the shareholders' meeting No. 1/2020 were sent 17 days prior to the meeting while those for the 27th Annual General Meeting of Shareholders were sent 21 days prior to the meeting. The invitation letter was announced in newspapers for three consecutive days.

The Bank implemented a barcode system for registration and vote counting and prepared stamp duty for shareholders who wished to give a proxy. Prior to the consideration of the agenda, the Chairman of the Board of Directors, who acted as the chairman of the meeting, assigned the company secretary to notify shareholders about the voting and counting methods. Voting and counting of votes were conducted openly by ballots which were collected only in case the shareholders disagreed or abstained. Shareholder volunteers were selected to witness the vote counting with representatives from the Bank's external auditor. At the shareholders' meeting, the Chairman of the Board of Directors conducted the meeting according to the sequence of the agenda in the invitation letter to the shareholders' meeting. No additional agenda items were added, neither were agenda items edited or switched. The Chairman of the Board of Directors gave shareholders the opportunity to ask questions and express opinions on each agenda item whereby the relevant directors answered and clarified the issues to the shareholders. For the agenda item on election of directors, voting was conducted on an individual basis.

After the shareholders' meeting was completed, the Bank notified the resolutions of the shareholders' meeting through the SET Portal and posted them on the Bank's website within the meeting date. The Bank also prepared the minutes of the shareholder's meeting containing information about shareholders, directors and executives who attended the meeting significant questions and answers, opinions, as well as results of voting on each agenda item (divided into votes for agreeing, disagreeing, abstaining and void ballots). The Bank submitted 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.

ORGANIZATION CHART

Board of Directors



BOARD OF DIRECTORS

- 1. Mr. Piti Sithi-Amnuai**
 - Chairman of the Board of Directors
 - Chairman of the Corporate Governance Committee
- 2. Mr. Deja Tulananda**
 - Chairman of the Board of Executive Directors
- 3. Admiral Prachet Siridej¹**
 - Independent Director
 - Chairman of the Audit Committee
- 4. Mr. Kovit Poshyananda**
 - Independent Director
 - Chairman of the Nomination and Remuneration Committee
- 5. Mr. Arun Chirachavala**
 - Independent Director
 - Chairman of the Risk Oversight Committee
 - Member of the Audit Committee
- 6. Mr. Singh Tangtatswas**
 - Member of the Board of Executive Directors
- 7. Mr. Amorn Chandarasomboon**
 - Member of the Board of Executive Directors
 - Member of the Risk Oversight Committee
- 8. H.S.H. Prince Mongkolchaleam Yugala**
 - Independent Director
 - Member of the Audit Committee
 - Member of the Nomination and Remuneration Committee
- 9. Mr. Phornthep Phornprapha**
 - Independent Director
 - Member of the Nomination and Remuneration Committee
- 10. Mrs. Gasinee Witoonchart²**
 - Independent Director
 - Member of the Audit Committee





11. Mr. Chokechai Niljianskul

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

12. Mr. Siri Jirapongphan

- Independent Director

13. Mr. Pichet Durongkaveroj

- Independent Director

14. Mr. Chantsiri 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. Charamporn Jotikasthira

- Member of the Board of Executive Directors

18. Mr. Boonsong Bunyasanand

- Director and Senior Executive Vice President

19. Mr. Thawelap Rittapirom

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

20. Mr. Apichart Ramyarupa

- Corporate Secretary
- Executive Vice President

Remarks : ^{/1} Admiral Prachet Siridej resigned from directorship of the Bank on December 31, 2020

^{/2} Mrs. Gasinee Witoonchart was appointed to be Chairman of the Audit Committee on January 1, 2021

1

Mr. Piti Sithi-Amnuai

- Chairman of the Board of Directors
- Chairman of the Corporate Governance Committee

Type of director	Non-executive Director
Age	87
Date of appointment to the Board	1 February 1985
Years of directorship	36

Educational qualifications

- Honorary Doctorate of Philosophy Degree in Business Administration, Rangsit University
- Diploma in Business Administration, Hutching's Commercial College, Malaysia
- Matriculation "A" Level, Cambridge University (Overseas), UK
- Advanced Management Program, Harvard Business School, Harvard University, Boston, USA
- Management Development Program, Asian Institute of Management, the Philippines

IOD training program

- Director Certification Program (DCP), Class 57/2005
- Financial Institutions Directors Education Program (FIDE), Malaysia 2013
- Strategic Board Master Class (SBM) 4/2018

Shareholding* 234,941 shares or 0.01231%

Family relationship with other directors and members of management None

Work experience

- 25 October 2018 - Present Chairman, Board of Directors, Bangkok Bank Public Company Limited
- 26 December 2019 - Present Chairman, Corporate Governance Committee, Bangkok Bank Public Company Limited
- February 1985 - Present Director, Bangkok Bank Public Company Limited
- March 2017 - October 2018 Vice Chairman, Board of Directors, Bangkok Bank Public Company Limited
- 2013 - April 2018 Chairman, Bangkok Bank Berhad, Malaysia
- March 2008 - December 2009 Co-Chairman, Board of Executive Directors, Bangkok Bank Public Company Limited
- 2006 - February 2008 Chairman, Board of Executive Directors, Bangkok Bank Public Company Limited
- 2003 - 2005 Chairman, Risk Management Committee, Bangkok Bank Public Company Limited
- 1993 - 2000 Chairman, Asian Finance Corporation Limited, Singapore
- 1992 - 2006 Vice Chairman, Board of Executive Directors, Bangkok Bank Public Company Limited
- 1991 - 2001 Chairman, Berli Jucker Public Company Limited
- 1989 - 2000 Chairman, Siam Square Tower Company Limited
- 1987 - 2000 Director, Bangkok Sakura Leasing Company Limited

Positions in other listed companies None

Positions in non-listed companies None

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Mr. Deja Tulananda

- Chairman of the Board of Executive Directors

Type of director	Executive Director
Age	86
Date of appointment to the Board	26 March 1991
Years of directorship	30

Educational qualifications

- Bachelor's Degree in Economics, Leicester University, UK
- Executive Program, Pennsylvania State University, USA

IOD training program None

Shareholding* 96,650 shares or 0.00506%

Family relationship with other directors and members of management None

Work experience

- 23 March 2017 - Present Chairman, Board of Executive Directors, Bangkok Bank Public Company Limited
- March 1991 - Present Director, Bangkok Bank Public Company Limited
- 2009 - March 2017 Vice Chairman, Board of Executive Directors, Bangkok Bank Public Company Limited
- 2004 - May 2012 Director, Wave Entertainment Public Company Limited
- 1992 - 2008 Director and Senior Executive Vice President and Member, Board of Executive Directors, Bangkok Bank Public Company Limited
- March 1991 - 1992 Director and Executive Vice President, Bangkok Bank Public Company Limited
- 1985 - 1991 Executive Vice President, Bangkok Bank Public Company Limited
- 1973 - 1985 Executive Officer, Bangkok Bank Public Company Limited

Positions in other listed companies

- 1999 - Present Director, Fine Metal Technologies Public Company Limited

Positions in non-listed companies

- 2000 - Present Director, City Realty Company Limited

* Inclusive of those shares held by spouse and children who have not yet come of age

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Admiral Prachet Siridej¹

• Chairman of the Audit Committee

Type of director	Independent Director
Age	85
Date of appointment to the Board	18 March 1999
Years of directorship	22

Educational qualifications

- Master's Degree in Economics (Business Economics), Thammasat University
- Bachelor's Degree in Science, Royal Thai Navy Academy
- Diploma, National Defence College, the National Defence Course, Class 31

IOD training program

- Financial Institutions Governance Program (FGP), Class 1/2010
- Monitoring the System of Internal Control and Risk Management (MIR), Class 6/2009
- Monitoring the Internal Audit Function (MIA), Class 5/2009
- Director Certification Program-Refresher (DCP-Refresher), Class 4/2007
- The Role of Chairman Program (RCP), Class 15/2007
- Improving the Quality of Financial Reporting (QFR), Class 1/2006
- Audit Committee Program (ACP), Class 1/2004
- Director Certification Program (DCP), Class 35/2003
- Deloitte Audit Committee Forum
- Deloitte 2nd Forum 2016

Shareholding* None

Family relationship with other directors and members of management None

Work experience

- 2003 - December 2020 Chairman, Audit Committee, Bangkok Bank Public Company Limited
- March 1999 - December 2020 Independent Director, Bangkok Bank Public Company Limited
- 2006 - February 2008 Member, the National Legislative Assembly
- 2002 - 2003 Member, Nomination Committee, Bangkok Bank Public Company Limited
- 2002 - 2003 Member, Audit Committee, Bangkok Bank Public Company Limited
- 1996 - 1997 Adviser, Thai Military Bank Public Company Limited
- 1995 - 2000 Senator, Senate
- 1995 - 1996 Director, Thai Oil Public Company Limited
- 1994 - 1996 Director, Petroleum Authority of Thailand
- 1994 - 1996 Director, PTT Exploration and Production Public Company Limited
- 1993 - 1996 Commander-in-Chief, Royal Thai Navy
- 1993 - 1996 Chairman, Port Authority of Thailand
- 1993 - 1996 Director, Thai Military Bank Public Company Limited
- 1993 - 1996 Member, Thai-Malaysian Joint Development Area Committee

Positions in other listed companies None

Positions in non-listed companies

- Present Chairman, Phra Racha Wang Derm Restoration Foundation
- Present Vice Chairman, General Prem Tinsulanonda Statesman Foundation
- Present Director, Rak Muang Thai Foundation

4

Mr. Kovit Poshyananda

• Chairman of the Nomination and Remuneration Committee

Type of director	Independent Director
Age	85
Date of appointment to the Board	11 April 2003
Years of directorship	18

Educational qualifications

- Honorary Doctorate Degree in Economics, Chulalongkorn University
- Master's Degree and Doctorate Degree in Economics, Cornell University, USA
- Bachelor of Arts (Honors), Cambridge University, UK
- Diploma, National Defence College, the National Defence Course, Class 30

IOD training program

- The Role of Chairman Program (RCP), Class 15/2007
- Director Accreditation Program (DAP), Class 2/2003

Shareholding* None

Family relationship with other directors and members of management None

Work experience

- 2004 - Present Chairman, Nomination and Remuneration Committee, Bangkok Bank Public Company Limited
- April 2003 - Present Independent Director, Bangkok Bank Public Company Limited
- 8 January 2017 - 8 October 2020 Vice Chairman, Walailak University Council, Walailak University
- 2007 - 2014 Director, Office of Insurance Commission
- 2001 - 2016 Chairman, Audit Committee and Independent Director, Glow Energy Public Company Limited
- 2001 - 2016 Director, Glow SPP 2 Company Limited
- 2001 - 2016 Director, Glow SPP 3 Company Limited
- 2000 - 2016 Chairman, Audit Committee and Independent Director, Furukawa Metal (Thailand) Public Company Limited
- 1999 - 2019 Chairman, Sansiri Public Company Limited

Positions in other listed companies

- Present Chairman, Audit Committee and Independent Director, Shangri-la Hotel Public Company Limited

Positions in non-listed companies

- Present Chairman, Rajapark Institute Council
- Present Director, Group 30 Company Limited
- Present Director, Office of the Council States of Thailand

¹ Admiral Prachet Siridej resigned from directorship of the Bank on December 31, 2020

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Mr. Arun Chirachavala

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

Type of director	Independent Director
Age	67
Date of appointment to the Board	2 February 2015
Years of directorship	6

Educational qualifications

- Master's Degree in Engineering, Stanford University, USA
- Bachelor's Degree (Honors) in Engineering, Stanford University, USA

IOD training program

- Director Certification Program (DCP), Class 88/2007
- Director Accreditation Program (DAP), Class 34/2005

Shareholding* None

Family relationship with other directors and members of management None

Work experience

- 30 April 2019 - Present Chairman, Risk Oversight Committee, Bangkok Bank Public Company Limited
- 1 April 2015 - Present Member, Audit Committee, Bangkok Bank Public Company Limited
- 2 February 2015 - Present Independent Director, Bangkok Bank Public Company Limited
- 21 February 2019 - April 2019 Chairman, Risk Management Committee, Bangkok Bank Public Company Limited
- June 2009 - April 2019 Independent Director and Chairman, Corporate Governance Committee and Risk Management Committee, TRC Construction Public Company Limited
- April 2009 - May 2015 Chairman, K.W.C. Warehouse Company Limited
- August 2008 - January 2015 Independent Director and Chairman, Audit Committee and Chairman, Nomination and Remuneration Committee, United Overseas Bank (Thai) Public Company Limited
- April 2008 - August 2014 Chairman, Krungdhep Document Company Limited
- August 2007 - May 2014 Executive Chairman, Krungdhep Sophon Public Company Limited
- 2004 - 2006 President, Siam City Bank Public Company Limited
- September 1995 - October 1996 Managing Director, Bangkok Mass Transit Authority (BMTA)
- May 1987 - August 1993 Treasury and Investment Officer, Asian Development Bank, Manila, the Philippines

Positions in other listed companies

- August 2007 - Present Director, Krungdhep Sophon Public Company Limited

Positions in non-listed companies

- November 2006 - Present Director, Palangsophon Company Limited

6

Mr. Singh Tangtatswas

- Member of the Board of Executive Directors

Type of director	Executive Director
Age	78
Date of appointment to the Board	28 December 2004
Years of directorship	16

Educational qualifications

- Master's Degree in Business Administration, Majoring in Banking and Finance, Wharton School of Finance and Commerce, University of Pennsylvania, USA
- Bachelor's Degree in Economics, Thammasat University
- Executive Development Program, Harvard Business School, USA
- Management Development Program, Wharton School, USA

IOD training program

- Financial Institutions Governance Program (FGP), Class 2/2011
- Monitoring the Internal Audit Function (MIA), Class 6/2009
- Director Certification Program (DCP), Class 0/2000

Shareholding* None

Family relationship with other directors and members of management None

Work experience

- 2005 - Present Member, Board of Executive Directors, Bangkok Bank Public Company Limited
- December 2004 - Present Director, Bangkok Bank Public Company Limited
- 2010 - May 2015 Director, Thai Institute of Directors Association
- 2006 - July 2010 Managing Director, Bangkok Bank Public Company Limited
- 2005 - February 2019 Chairman, Risk Management Committee, Bangkok Bank Public Company Limited
- 2005 - May 2013 Independent Director, TWZ Corporation Public Company Limited
- 2002 - 2009 Adviser, Corporate Governance Center, the Stock Exchange of Thailand
- 1999 - 2001 President and Chief Executive Officer, Krung Thai Bank Public Company Limited
- 1996 - 1999 President, the Stock Exchange of Thailand

Positions in other listed companies

- 2004 - Present Chairman, Remuneration and Nomination Committee and Independent Director, Bangkok Insurance Public Company Limited
- 2004 - Present Chairman, Audit Committee and Independent Director, Thai Optical Group Public Company Limited

Positions in non-listed companies

- March 2014 - Present Director, Sukhumvit 62 Medical Limited
- Present Director, Kanjanatat Company Limited
- Present Director, Burapa Tharin Company Limited
- Present Director, Trirajpanachai Company Limited

* Inclusive of those shares held by spouse and children who have not yet come of age

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Mr. Amorn Chandarasomboon

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

Type of director	Executive Director
Age	90
Date of appointment to the Board	20 April 1988
Years of directorship	33

Educational qualifications

- Honorary Doctorate Degree in Law, 1991, Thammasat University
- Distinguished Research Professor in Law, 1990, Sukhothai Thammathirat Open University
- Honorary Doctorate Degree in Law, 1988, Chulalongkorn University
- Honorary Doctorate Degree in Law, 1982, Ramkhamhaeng University
- Doctorate Degree in International Law, 1955, Paris University, France
- Bachelor's Degree in Law, 1951, Thammasat University
- Diploma, National Defence College, the National Defence Course, Class 14/1971

IOD training program

- Financial Institutions Governance Program (FGP), Class 3/2011
- Audit Committee Program (ACP), Class 26/2009
- Monitoring the System of Internal Control and Risk Management (MIR), Class 6/2009
- Monitoring the Internal Audit Function (MIA), Class 5/2009
- Monitoring the Quality of Financial Reporting (MFR), Class 7/2009
- Director Certification Program (DCP), Class 36/2003
- Director Accreditation Program (DAP), Class 2/2003
- Finance for Non-Finance Director (FND), Class 7/2003

Shareholding* 10,800 shares or 0.00057%

Family relationship with other directors and members of management None

Work experience

- 30 April 2019 - Present Member, Risk Oversight Committee, Bangkok Bank Public Company Limited
- 1990 - Present Member, Board of Executive Directors, Bangkok Bank Public Company Limited
- April 1988 - Present Director, Bangkok Bank Public Company Limited
- 2012 - November 2015 Honorary Member of Academic Committee, National Institute of Development Administration (NIDA)
- 2010 - 2016 Independent Director, BTS Group Holdings Public Company Limited
- 2010 - July 2015 Member, Advisory Board, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- 2005 - January 2019 Member, Nomination and Remuneration Committee, Bangkok Bank Public Company Limited
- 2003 - April 2019 Member, Risk Management Committee, Bangkok Bank Public Company Limited

Positions in other listed companies

- 2016 - Present Adviser, BTS Group Holdings Public Company Limited

Positions in non-listed companies

- 2000 - Present Member, Board of Trustees, Mahidol University
- 1996 - Present Member, Board of Trustees, Ubon Ratchathani University

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H.S.H. Prince Mongkolchaleam Yugala

- Member of the Audit Committee
- Member of the Nomination and Remuneration Committee

Type of director	Independent Director
Age	84
Date of appointment to the Board	11 April 2003
Years of directorship	18

Educational qualifications

- Master's Degree in Business Administration, Northeastern University, USA
- Bachelor's Degree in Commerce, Thammasat University

IOD training program

- Financial Institutions Governance Program (FGP), Class 2/2011
- Monitoring the Internal Audit Function (MIA), Class 5/2009
- Monitoring the System of Internal Control and Risk Management (MIR), Class 6/2009
- Director Certification Program-Refresher (DCP-Refresher), Class 4/2007
- The Role of Chairman Program (RCP), Class 15/2007
- Improving the Quality of Financial Reporting (QFR), Class 1/2006
- Finance for Non-Finance Director (FND), Class 19/2005
- Audit Committee Program (ACP), Class 1/2004
- Director Certification Program (DCP), Class 33/2003
- AEC Business Forum: "AEC 2025"

Shareholding* 24,860 shares or 0.00130%

Family relationship with other directors and members of management None

Work experience

- 23 January 2020 - Present Member, Nomination and Remuneration Committee, Bangkok Bank Public Company Limited
- 2004 - Present Member, Audit Committee, Bangkok Bank Public Company Limited
- April 2003 - Present Independent Director, Bangkok Bank Public Company Limited
- 2000 - 2003 Adviser to Public Relations Department, Bangkok Bank Public Company Limited
- 1966 - 1999 Executive Officer, Bangkok Bank Public Company Limited

Positions in other listed companies None

Positions in non-listed companies None

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Mr. Phornthep Phornprapha

• Member of the Nomination and Remuneration Committee

Type of director	Independent Director
Age	72
Date of appointment to the Board	12 April 2007
Years of directorship	14

Educational qualifications

- Honorary Doctorate Degree in Engineering (Industrial Engineer), Thammasat University
- Honorary Doctorate Degree in Science, Environmental Science, Chiangmai University
- Honorary Doctorate Degree in Agricultural Technology, Landscape Technology, Mae Jo Agricultural Technology University
- Honorary Doctorate Degree in Science, Topography, Srinakarinwirot University
- Bachelor's Degree in Business Administration, California College of Commerce, USA
- Diploma, National Defence College, The Joint State - Private Sector Course, Class 5

IOD training program

- Director Accreditation Program (DAP), Class 66/2007

Shareholding* None

Family relationship with other directors and members of management None

Work experience

- September 2012 - Present Member, Nomination and Remuneration Committee, Bangkok Bank Public Company Limited
- April 2007 - Present Independent Director, Bangkok Bank Public Company Limited

Positions in other listed companies None

Positions in non-listed companies

- Present Chairman, MAHLE Siam Filter Systems Company Limited
- Present Chairman, Siam Daikin Sales Company Limited
- Present Chairman, NSK Bearings (Thailand) Company Limited
- Present Chairman, Siam NSK Steering Systems Company Limited
- Present Chairman, NSK Bearings Manufacturing (Thailand) Company Limited
- Present Chairman, Siam Hitachi Elevator Company Limited
- Present Chairman, Bangkok Komatsu Company Limited
- Present Chairman, Nittan (Thailand) Company Limited
- Present Chairman, Thong Thaworn Development Company Limited
- Present Chairman, Siam Music Yamaha Company Limited
- Present Chairman, Thaworn Holding Company Limited
- Present Chairman, Hitachi Elevator (Thailand) Company Limited

- Present Chairman, Siam Nissan Body Company Limited
- Present Chairman, Bangkok Komatsu Sales Company Limited
- Present Chairman, GS Yuasa Siam Industry Company Limited
- Present Chairman, Bangkok Komatsu Forklift Company Limited
- Present Chairman, Siam GS Battery Company Limited
- Present Chairman/ President, Siam GS Sales Company Limited
- Present Vice Chairman, Siam Motors Parts Company Limited
- Present President, Siam Motors Company Limited
- Present President, Siam Motors Logistics Company Limited
- Present President, Thaworn Estate Company Limited
- Present President, Siam Country Club Company Limited
- Present President, Bangkok Motor Works Company Limited
- Present Director, Nissan Trading (Thailand) Company Limited
- Present Director, PM (Na Jomtien) Company Limited
- Present Director, PM (Bangna-Trad) Company Limited
- Present Director, Siam At Chonburi Company Limited
- Present Director, PM (Pravet) Company Limited
- Present Director, PM (Pattaya) Company Limited
- Present Director, Taworn Country Club and Resort Company Limited

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Mrs. Gasinee Witoonchart^{1/2}

• Member of the Audit Committee

Type of director	Independent Director
Age	73
Date of appointment to the Board	12 April 2007
Years of directorship	14

Educational qualifications

- Master's Degree in Business Administration, University of Texas at Austin, USA
- Bachelor's Degree in Business Administration, 2nd Class Honors (Finance and Banking), Thammasat University
- Certificate in Education Development, Monash University, Australia (Columbo's Scholarship)
- Certificate in Property Valuation, ASEAN Valuer Association
- Certificate in Operations Management, National University of Singapore, Singapore
- Capital Market Academy Leadership Program, Class 3

IOD training program

- Financial Institutions Governance Program (FGP), Class 3/2011
- Monitoring the Quality of Financial Reporting (MFR), Class 7/2009
- Monitoring the Internal Audit Function (MIA), Class 5/2009
- Audit Committee Program (ACP), Class 23/2008
- Monitoring the System of Internal Control and Risk Management (MIR), Class 3/2008

* Inclusive of those shares held by spouse and children who have not yet come of age

^{1/2} Mrs. Gasinee Witoonchart was appointed to be Chairman of the Audit Committee on January 1, 2021

- Director Certification Program (DCP), Class 90/2007
- Director Accreditation Program (DAP), Class 40/2005
- AEC Business Forum : “AEC 2025”

Shareholding* None

Family relationship with other directors and members of management None

Work experience

- 1 January 2021 - Present Chairman, Audit Committee, Bangkok Bank Public Company Limited
- April 2007 - Present Independent Director, Bangkok Bank Public Company Limited
- June 2007 - 31 December 2020 Member, Audit Committee, Bangkok Bank Public Company Limited
- 2014 - 2017 Vice Rector for Planning and Administration (Rangsit Centre), Thammasat University
- 2010 - 2013 Vice Rector for Planning and Finance, Thammasat University
- 2010 - 2011 Adviser, Association to Advance Collegiate Schools of Business (AACSB) for Asia
- 2008 - 2011 Director, Global Foundation of Management Education (GFME), the Association to Advance Collegiate Schools of Business
- 2006 - 2011 Adviser to the Executive Committees, the Valuers Association of Thailand
- 2005 - 2006 Director, Electricity Generating Authority of Thailand
- 2004 - 2009 Dean, Faculty of Commerce and Accountancy, Thammasat University
- 2002 - 2011 Mediator, Mediator Center, Alternative Dispute Resolution Office, Office of the Judiciary
- 1997 - 2007 Representative of Thailand, ASEAN Valuation Association (AVA)
- 1997 - 2004 Independent Director, Thai Coating Industrial Public Company Limited
- 1994 - 2004 Independent Director, Yuasa Battery (Thailand) Public Company Limited

Positions in other listed companies None

Positions in non-listed companies

- 27 February 2018 - Present Rector, Thammasat University
- 2007 - Present Arbitrator, Office of the Securities and Exchange Commission
- 2007 - Present Arbitrator for resolution of disputes between Securities Business Licensees or disputes related to Securities Business Customers
- 2004 - Present Director, Thammasat University Council

11

Mr. Chokechai Niljianskul

- Member of the Risk Oversight Committee
- Member of the Corporate Governance Committee

Type of director	Independent Director
Age	63
Date of appointment to the Board	12 April 2017
Years of directorship	4

Educational qualifications

- Bachelor’s Degree in Laws (LL.B.), Thammasat University
- Graduate Diploma Program in Business Law, Thammasat University
- Certificate, Administrative Justice for Executives, Administrative Court Office, Class 3
- Certificate in Top Executives in the Energy Education Program, Thailand Energy Academy (TEA), Class 8
- Diploma, National Defence College, the Joint State - Private Sector Course, Class B.E. 2551

IOD training program

- Director Certification Program (DCP), Class 246/2017

Shareholding* 2,500 shares or 0.00013%

Family relationship with other directors and members of management None

Work experience

- 26 December 2019 - Present Member, Corporate Governance Committee, Bangkok Bank Public Company Limited
- 30 April 2019 - Present Member, Risk Oversight Committee, Bangkok Bank Public Company Limited
- 12 April 2017 - Present Independent Director, Bangkok Bank Public Company Limited
- February - April 2019 Member, Risk Management Committee, Bangkok Bank Public Company Limited
- 1999 - 2012 Senior Legal Advisor & Litigator, Linklaters (Thailand) Limited
- 1981 - 1994 Chief Officer, Jakkapong Law Office

Positions in other listed companies None

Positions in non-listed companies

- 1994 - Present Managing Director, Jakkapong Law Office Company Limited

12

Mr. Siri Jirapongphan**• Director**

Type of director	Independent Director
Age	66
Date of appointment to the Board	10 July 2020
Years of directorship	Less than one

Educational qualifications

- Doctor's Degree in Chemical Engineering, Massachusetts Institute of Technology, USA
- Bachelor's Degree in Chemical Engineering (Honor), California Institute of Technology, USA

IOD training program

- Director Certification Program (DCP), Class 77/2006
- Director Luncheon Briefing (M - DLB), Class 2/2008
- Audit Committee Seminar - Get Ready for the Year End
- Anti - corruption : Leadership Role of the Board

Shareholding* None**Family relationship with other directors and members of management** None**Work experience**

- 10 July 2020 - Present Independent Director, Bangkok Bank Public Company Limited
- 19 August 2020 - Present Advisor to the Minister of Energy
- November 2017 - July 2019 Minister of Energy
- November 2015 - November 2017 Independent Director and Member, Audit Committee, Thai Oil Public Company Limited
- September 2014 - April 2015 Independent Director and Member, Risk Management Committee, PTT Global Chemical Public Company Limited
- October 2014 - September 2015 Member, National Reform Council
- January 2010 - November 2017 Executive Director, Petroleum Institute of Thailand
- April - October 2006 Acting Director General, Port Authority of Thailand
- January - October 2006 Board Commissioner, Port Authority of Thailand
- September 2005 - October 2006 Board Commissioner, State Railway of Thailand
- August 2003 - December 2006 Director, Synergy Solution Company Limited
- 1996 - 2003 Managing Director and Advisor, LPN Plate Mill Public Company Limited
- 1988 - 1993 Senior Manager, Merchant Banking Department, Investment Banking Group, Bangkok Bank Public Company Limited
- April 1985 - November 2017 Director and Secretary, Petroleum Institute of Thailand Foundation
- 1983 - 1988 Department Manager, National Petrochemical Public Company Limited
- 1980 - 1983 Head of Planning and System Analysis, Petroleum Authority of Thailand
- 1980 Lecture (Chemical Engineering), Faculty of Engineering, Chulalongkorn University

Position in other listed companies None**Position in other companies** None

13

Mr. Pichet Durongkaverroj**• Director**

Type of director	Independent Director
Age	65
Date of appointment to the Board	10 July 2020
Years of directorship	Less than one

Educational qualifications

- Doctoral Degree in Public Policy and Management, The Wharton School of the University of Pennsylvania, USA
- Master's Degree in Public Policy and Management, The Wharton School of the University of Pennsylvania, USA
- Master's Degree in Applied Solar Energy, Trinity University, Texas, USA
- Bachelor's Degree in Electrical Engineering, University of New South Wales, Australia

IOD training program

- Director Certification Program (DCP), Class 290/2020

Shareholding* None**Family relationship with other directors and members of management** None**Work experience**

- 10 July 2020 - Present Independent Director, Bangkok Bank Public Company Limited
- December 2016 - July 2019 Minister, Digital Economy and Society
- August 2014 - December 2016 Minister, Science and Technology
- 2014 - 2016 Executive Director, National Science and Technology Development Agency (NSTDA), Ministry of Science and Technology
- 21 July - 28 August 2014 Chairman, Provincial Electricity Authority
- 2011 - 2015 Advisor of Rector, King Mongkut's University of Technology Thonburi
- 2009 - 2014 Secretary General, National Science Technology and Innovation Policy Office, Ministry of Science and Technology
- 2004 - 2005 Director, Policy Innovation Center, King Mongkut's University of Technology Thonburi
- 2003 - 2009 Executive Director, Knowledge Network Institute of Thailand, Foundation for the Promotion of the Ministry of University Affairs
- 1999 - 2001 Executive Director, Electronic Commerce Resource Center, Ministry of Science Technology and Environment
- 1993 - 1997 Executive Director, National Information Technology Committee Secretariat

Position in other listed companies None**Position in non-listed companies**

- 22 April 2020 - Present Director, Mitr Phol Sugar Corporation Limited

* Inclusive of those shares held by spouse and children who have not yet come of age

14

Mr. Chartsiri Sophonpanich

- **President**
- **Member of the Board of Executive Directors**

Type of director	Executive Director
Age	61
Date of appointment to the Board	28 April 1992
Years of directorship	29

Educational qualifications

- Honorary Doctorate Degree in Business Administration, Sasin Graduate Institute of Business Administration of Chulalongkorn University
- Master's Degree in Management, Sloan School of Management, Massachusetts Institute of Technology, USA
- Master's Degree in Chemical Engineering, Massachusetts Institute of Technology, USA
- Bachelor's Degree in Chemical Engineering, Worcester Polytechnic Institute, USA

IOD training program

- Ethical Leadership Program (ELP), Class 1/2015
- Director Accreditation Program (DAP), Class TG/2004
- The Role of Chairman Program (RCP), Class 2/2001
- Director Certification Program (DCP), Class 3/2000

Shareholding* 5,350,200 shares or 0.28028%

Family relationship with other directors and members of management None

Work experience

- 1994 - Present President, Bangkok Bank Public Company Limited
- 1992 - Present Director and Member, Board of Executive Directors, Bangkok Bank Public Company Limited
- 28 December 2009 - Present Chairman, Bangkok Bank (China) Company Limited
- 20 May 2020 - Present President Commissioner, PT Bank Permata Tbk
- 15 August 2017 - 2 June 2020 Member, National Economic Reform Committee
- 21 October 2014 - 31 December 2019 Director, Electronic Transactions Development Agency (Public Organization)
- 14 February 2011 - 30 April 2014 Member, Board of Investment
- 10 August 2010 - 8 June 2011 Director, Thai Asset Management Corporation
- 19 July 2010 - 30 April 2014 Director, Payment Systems Committee
- 19 July 2010 - 30 April 2014 Chairman, Thai Bankers' Association
- 2006 - 2008 Member, The National Legislative Assembly
- 2004 - January 2016 Member, Board of Trustees, Singapore Management University
- 2003 - September 2009 Director, the Electronic Transactions Commission
- 2002 - 2008 Director, Thai Airways International Public Company Limited
- 2002 - 2006 Chairman, Thai Bankers' Association
- 2002 - 2006 Director, Thai Asset Management Corporation
- 2001 - 2008 Director, VISA International - Asia Pacific

Positions in other listed companies

- 1993 - Present Director, Post Publishing Public Company Limited

Positions in non-listed companies

- 18 September 2020 - Present Member, Committee for Drafting the National Strategy for Enhancement of Competitiveness
- 11 August 2020 - Present Member, Committee for Administration of Economic Situation affected by the COVID-19 Pandemic
- 29 August 2017 - Present Member, National Strategy Committee
- 25 June 2013 - Present Board, National Science and Technology Development Agency
- 18 February 2010 - Present Director, TRG Management LP
- 18 February 2010 - Present Director, TRG Allocation LLC
- 30 April 2009 - Present Member, Board of Trustees, Bangkok University

15

Mr. Suvarn Thansathit

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

Type of director	Executive Director
Age	76
Date of appointment to the Board	26 October 2006
Years of directorship	14

Educational qualifications

- Master's Degree of Science in Commerce, University of Santo Tomas, the Philippines
- Bachelor's Degree in Business Administration Management, University of the East, the Philippines
- National Defence College, Class 355

IOD training program

- Director Certification Program (DCP), Class 63/2005

Shareholding* 8,860 shares or 0.00046%

Family relationship with other directors and members of management None

Work experience

- 30 April 2019 - Present Member, Risk Oversight Committee, Bangkok Bank Public Company Limited
- 2007 - Present Member, Board of Executive Directors, Bangkok Bank Public Company Limited
- October 2006 - Present Director and Senior Executive Vice President, Bangkok Bank Public Company Limited
- 2004 - April 2019 Member, Risk Management Committee, Bangkok Bank Public Company Limited
- 1996 - 2006 Senior Executive Vice President, Bangkok Bank Public Company Limited
- 1990 - 1996 Executive Vice President, Bangkok Bank Public Company Limited
- 1978 - 1990 Executive Officer, Bangkok Bank Public Company Limited

Positions in other listed companies

- 2005 - Present Director, Remuneration and Nomination Committee, Bangkok Insurance Public Company Limited
- 2002 - Present Chairman, Audit Committee, Lalin Property Public Company Limited

Positions in non-listed companies

- 23 July 2020 - Present Director, Clinixir Company Limited
- 2016 - Present Chairman, Bualuang Ventures Limited
- 2006 - Present Chairman, Sinnsuptawee Company Limited

16

Mr. Chansak Fuangfu

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

Type of director	Executive Director
Age	70
Date of appointment to the Board	29 December 2011
Years of directorship	9

Educational qualifications

- Master's Degree in Business Management (M.B.M.), Asian Institute of Management, the Philippines
- Bachelor's Degree in Economics, 2nd Class Honors, Thammasat University
- Advanced Management Program, Harvard Business School, USA
- National Defence College, Class 399
- Energy Literacy for a Sustainable Future, Class 8, Thailand Energy Academy, Ministry of Energy
- The Rule of Law for Democracy, Class 5, Institute of Constitutional Court, Office of the Constitutional Court

IOD training program

- Director Accreditation Program (DAP), Class 9/2004

Shareholding* 150,000 shares or 0.00786%

Family relationship with other directors and members of management None

Work experience

- 1 January 2018 - Present Member, Board of Executive Directors, Bangkok Bank Public Company Limited
- December 2011 - Present Director and Senior Executive Vice President, Bangkok Bank Public Company Limited
- 2006 - 2015 Independent Director, Wave Entertainment Public Company Limited
- 2001 - 2011 Senior Executive Vice President, Bangkok Bank Public Company Limited
- 1994 - 2001 Executive Vice President, Bangkok Bank Public Company Limited
- 1991 - May 2016 Director, Hi-Tech Nittsu (Thailand) Company Limited
- 1988 - September 2016 Director, Thai Industrial Estate Company Limited
- 1982 - 1994 Executive Officer, Bangkok Bank Public Company Limited

Positions in other listed companies

- 2010 - Present Independent Director, BEC World Public Company Limited
- 2003 - Present Independent Director, BEC-Tero Entertainment Public Company Limited

Positions in non-listed companies

- 2019 - Present Independent Director, Western Décor Corporation Company Limited
- 1994 - Present Director, Teijin Polyester Company Limited

* Inclusive of those shares held by spouse and children who have not yet come of age

17

Mr. Charamporn Jotikasthira

• Member of the Board of Executive Directors

Type of director	Executive Director
Age	63
Date of appointment to the Board	12 April 2017
Years of directorship	4

Educational qualifications

- Master's Degree in Business Administration, Harvard University, USA
- Bachelor's Degree in Electrical Engineering and Computer Science, Massachusetts Institute of Technology, USA
- Certificate, Executive Leadership Program, Capital Market Academy, Class 11
- Certificate, the Executive Program of Energy Literacy for a Sustainable Future, Thailand Energy Academy (TEA), Class 1/2012
- Diploma, National Defence College, the Joint State - Private Sector Course, Class B.E. 2547

IOD training program

- Director Certification Program (DCP), Class 185/2014
- IT Governance and Cyber Resilience Program (ITG), Class 7/2018

Shareholding* None

Family relationship with other directors and members of management None

Work experience

- 1 January 2018 - Present Member, Board of Executive Directors, Bangkok Bank Public Company Limited
- 12 April 2017 - Present Director, Bangkok Bank Public Company Limited
- 2017 - February 2019 Director, Office of the National Strategy Drafting Committee
- 2015 - 2017 Director and Chairman, Corporate Governance Committee, Nok Airlines Public Company Limited
- 2014 - 2017 President, Thai Airways International Public Company Limited
- 2011 - 2014 Chairman, Electronic Transactions Development Agency (Public Organization)
- 2011 - 2014 Member, the Financial Institutions Policy Committee (FIPC), Bank of Thailand
- 2010 - 2014 President and CEO, the Stock Exchange of Thailand
- 2008 - 2010 Chief Information Officer, Siam Commercial Bank Public Company Limited
- 1999 - 2008 Executive Vice President, Siam Commercial Bank Public Company Limited
- 1995 - 1999 President, SCB Securities Company Limited
- 1992 - 1994 President, SCB Asset Management Company Limited

Positions in other listed companies

- 31 July 2019 - Present Advisor, Thai Group Holdings Public Company Limited
- 2017 - Present Independent Director and Member, Audit Committee, Minor International Public Company Limited

- 2017 - Present Independent Director and Member, Audit Committee, Singha Estate Public Company Limited

Positions in non-listed companies

- 3 October 2020 - Present Director, Mitta Social Enterprise Company Limited
- 23 July 2020 - Present Chairman, Clinixir Company Limited
- 2018 - Present Governor, the Stock Exchange of Thailand
- 2017 - Present Director, the Thai Silk Company Limited (Jim Thompson)
- 2017 - Present Member, Chulabhorn Royal Academy Council
- 2010 - Present Director, Suksapattana Foundation
- 2004 - Present Director, Foundation for Research in Information Technology

18

Mr. Boonsong Bunyasanand

• Director and Senior Executive Vice President

Type of director	Executive Director
Age	70
Date of appointment to the Board	12 April 2019
Years of directorship	2

Educational qualifications

- Bachelor of Science (Mathematics), Chulalongkorn University

IOD training program None

Shareholding* None

Family relationship with other directors and members of management None

Work experience

- April 2019 - Present Director and Senior Executive Vice President, Bangkok Bank Public Company Limited
- 2006 - April 2019 Senior Executive Vice President, Bangkok Bank Public Company Limited
- 1998 - 2006 Executive Vice President, Bangkok Bank Public Company Limited
- 1987 - 1998 Executive Officer, Bangkok Bank Public Company Limited

Positions in other listed companies None

Positions in non-listed companies

- 2010 - Present Chairman, BBL (Cayman) Limited

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Mr. Thaweelap Rittapirom

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

Type of director	Executive Director
Age	53
Date of appointment to the Board	23 December 2010
Years of directorship	10

Educational qualifications

- Doctor of Jurisprudence (J.S.D.), University of Chicago Law School, USA
- Master of Laws (LL.M.), University of Chicago Law School, USA
- Master of Laws (LL.M.), University of Michigan Law School, USA
- Bachelor of Laws (LL.B.), Thammasat University

IOD training program

- Director Certification Program (DCP), Class 143/2011
- Director Accreditation Program (DAP), Class 87/2011

Shareholding* None

Family relationship with other directors and members of management None

Work experience

- 26 December 2019 - Present Member, Corporate Governance Committee, Bangkok Bank Public Company Limited
- 1 January 2018 - Present Member, Board of Executive Directors, Bangkok Bank Public Company Limited
- December 2010 - Present Director and Executive Vice President, Bangkok Bank Public Company Limited
- 2018 - June 2020 Committee Member, Marketing Association of Thailand
- 2017 - 2019 Subcommittee Member, National Law Reform Committee, to consider, amend or repeal the law that hinders the occupation and business operation of the people
- 2016 - July 2020 Committee Member, Committee for the Protection of Credit Information
- 2014 - November 2020 Committee Member, Thammasat Law Association, Thammasat University
- 2001 - 2010 Executive Officer, Bangkok Bank Public Company Limited
- 1992 - 1993 Foreign Intern, Skadden, Arps, Slate, Meagher & Flom LLP, New York Headquarters, USA
- 1989 - 1992 Legal Officer, Legal Department, the Siam Cement Company Limited

Positions in other listed companies None

Positions in non-listed companies

- August 2020 - Present Committee Member, Multilateral Cooperation Commission, the Joint Standing Committee on Commerce, Industry and Banking
- March 2020 - Present Member of Law Reform Commission, Office of the Council of State

- 2018 - Present Representative of the Thai Bankers' Association in the Public Sector Development Subcommittee regarding the Promotion and Enhancement of the Facilitation of Government Approval and Business Operation
- 2018 - Present Committee Member, the Board of Governors of the Faculty of Law, Thammasat University
- 2018 - Present Committee Member, Institution for Technology and Innovation Management, Mahidol University

20

Mr. Apichart Ramyarupa

- Corporate Secretary
- Executive Vice President

Age	72
Years as Corporate Secretary	13

Educational qualifications

- Master's Degree in Business Administration, Seton Hall University, USA
- Bachelor's Degree in Accounting, Thammasat University
- Certificate, Advanced Bank Management Program, Asian Institute of Management, the Philippines
- Certificate, Pacific Rim Bankers Program, University of Washington, USA
- Diploma, National Defence College, the Joint State - Private Sector Course, Class 12

IOD Training Program

- Director Certification Program (DCP), Class 56/2005

Shareholding* 5,026 shares or 0.00026%

Family relationship with other directors and members of management None

Work experience

- August 2008 - Present Corporate Secretary, Bangkok Bank Public Company Limited
- 1996 - 31 December 2020 Executive Vice President, Bangkok Bank Public Company Limited
- 2005 - 2008 Secretary to the Board of Directors, Bangkok Bank Public Company Limited
- 1997 - 2013 Chairman, Thanathep Printing Company Limited
- 1988 - 1996 Executive Officer, Bangkok Bank Public Company Limited

Positions in other listed companies None

Positions in non-listed companies

- 1975 - Present Director, Nitikit Company Limited

* Inclusive of those shares held by spouse and children who have not yet come of age

BOARD OF DIRECTORS AND TOP EXECUTIVES

Board of Directors

Chairman

Piti Sithi-Amnuai

Directors

Deja Tulananda
Admiral Prachet Siridej ^{/1}
Kovit Poshyananda
Arun Chirachavala
Singh Tangtatswas
Amorn Chandarasomboon
H.S.H. Prince Mongkolchaleam Yugala
Phornthep Phornprapha
Gasinee Witoonchart (Mrs.)
Chokechai Niljianskul
Siri Jirapongphan ^{/2}
Pichet Durongkaverroj ^{/2}
Chartsiri Sophonpanich
Suvarn Thansathit
Chansak Fuangfu
Charamporn Jotikasthira
Boonsong Bunyasanand
Thaweelap Rittapirom

Corporate Secretary

Apichart Ramyarupa

Audit Committee

Chairman

Gasinee Witoonchart (Mrs.) ^{/3}

Members

H.S.H. Prince Mongkolchaleam Yugala
Arun Chirachavala

Secretary

Pornthep Kitsanayothin

Nomination and Remuneration Committee

Chairman

Kovit Poshyananda

Members

Phornthep Phornprapha
H.S.H. Prince Mongkolchaleam Yugala ^{/4}

Secretary

Ruchanee Nopmuang (Mrs.)

Risk Oversight Committee

Chairman

Arun Chirachavala

Members

Amorn Chandarasomboon
Suvarn Thansathit
Chokechai Niljianskul

Secretary

Kirati Laisathit

Corporate Governance Committee

Chairman

Piti Sithi-Amnuai

Members

Chokechai Niljianskul
Thaweelap Rittapirom

Secretary

Vetit Assawamangcla

Board of Executive Directors

Chairman

Deja Tulananda

Directors

Singh Tangtatswas
Amorn Chandarasomboon
Chartsiri Sophonpanich
Suvarn Thansathit
Chansak Fuangfu
Charamporn Jotikasthira
Thaweelap Rittapirom

President

Chartsiri Sophonpanich

Senior Executive Vice Presidents

Suvarn Thansathit
Chansak Fuangfu
Boonsong Bunyasanand

Remarks : ^{/1} Admiral Prachet Siridej resigned from directorship of the Bank on December 31, 2020

^{/2} Siri Jirapongphan and Pichet Durongkaverroj were appointed to be Director on July 10, 2020

^{/3} Gasinee Witoonchart was appointed to be Chairman of the Audit Committee on January 1, 2021

^{/4} H.S.H. Prince Mongkolchaleam Yugala was appointed to be a member of Nomination and Remuneration Committee on January 23, 2020

TOP EXECUTIVES

Mr. Boonsong Bunyasanand

- Director and Senior Executive Vice President, Manager, Treasury Division

Directorship in Other Companies

- BBL (Cayman) Limited

Mr. Chong Toh

- Senior Executive Vice President

Directorship in Other Companies

- Bangkok Bank (China) Company Limited
- Bualuang Securities Public Company Limited
- Bumrungrad Hospital Public Company Limited
- Asia Cement Public Company Limited
- Bangkok Capital Asset Management Company Limited
- Asia Landmark Fund Limited
- Asia Landmark Master Fund Limited
- Asia Landmark (US) Fund Limited
- NSR SEA Fund
- PT Bank Permata Tbk

Miss Suteera Sripaibulya

- Senior Executive Vice President

Directorship in Other Companies

- Anew Corporation Limited
- Business Online Public Company Limited
- Processing Center Company Limited
- Bangkok Smartcard System Company Limited
- National Credit Bureau Company Limited
- National ITMX Company Limited
- National Digital ID Company Limited

Miss Rushda Theeratharathorn

- Senior Executive Vice President

Directorship in Other Companies

- Bangkok Bank Berhad, Malaysia
- Sinnsuptawee Asset Management Company Limited
- Bangkok Bank (China) Company Limited
- Bualuang Ventures Limited

Mr. Siridej Aungudomsin

- Senior Executive Vice President

Directorship in Other Companies

- Bualuang Ventures Limited

Mrs. Ruchanee Nopmuang

- Senior Executive Vice President, in charge of General Management and Human Resources Division

Directorship in Other Companies

- None

Mr. Chaiyarit Anuchitworawong

- Senior Executive Vice President, Head of International Banking Group & Manager, International Branch Division

Directorship in Other Companies

- BBL (Cayman) Limited
- Bangkok Bank (China) Company Limited
- Bangkok Bank Berhad, Malaysia

Miss Niramarn Laisathit

- Senior Executive Vice President, in charge of Corporate Banking

Directorship in Other Companies

- Gateaux House Company Limited
- Bangkok Bank (China) Company Limited
- Perennial HC Holdings Pte. Ltd.
- PT Bank Permata Tbk
- Ratch Group Public Company Limited

Mr. Kanit Si

- Senior Executive Vice President, in charge of Chemical and Petrochemical 1, 2 & 3, Chinese Corporate, Multinational 1 & 2 and Special Business, Corporate Banking

Directorship in Other Companies

- TPT Petrochemicals Public Company Limited
- Indorama Ventures Public Company Limited
- Indorama Polyester Industry Public Company Limited
- HMC Polymers Company Limited

Mr. Kukkong Ruckphaopunt

- Senior Executive Vice President, Manager, Technology Division

Directorship in Other Companies

- Thai Digital ID Company Limited
- BCI (Thailand) Company Limited

Mr. Ian Guy Gillard

- Senior Executive Vice President, in charge of Special Projects in Technology, Office of the President

Directorship in Other Companies

- R3 HoldCo LLC.

Mr. Kobsak Pootrakool

- Senior Executive Vice President

Directorship in Other Companies

- None

Mr. Thawat Treewannakul ^{1/5}

- Senior Executive Vice President, in charge of Credit Management

Directorship in Other Companies

- Seacon Development Public Company Limited
- Thai Nam Plastic Public Company Limited
- Bualuang Ventures Limited
- Panus Poultry Group Company Limited

Mr. Thaweelap Rittapirom

- Director and Executive Vice President, in charge of Public Relations Department

Directorship in Other Companies

- None

Miss Piyada Sucharitkul

- Executive Vice President, Office of the President

Directorship in Other Companies

- Sinnsuptawee Asset Management Company Limited

Mr. Piyapan Tayanithi

- Executive Vice President, Manager, Research Department

Directorship in Other Companies

- Mena Transport Company Limited

Mr. Panit Dunnvatanachit

- Executive Vice President, in charge of Construction, Property Development, Telecommunication and Manager, Telecommunication, Corporate Banking

Directorship in Other Companies

- K. Engineering Consultants Company Limited
- Bangkok Expressway and Metro Public Company Limited
- Thai Yamaha Motor Company Limited
- Srisak Company Limited
- Pioneer Land Company Limited

Mrs. Yaowadee Nakhata

- Executive Vice President, in charge of Conglomerate 2, Financial Institution, Agro Industry and Heavy Industry, Corporate Banking

Directorship in Other Companies

- Bualuang Securities Public Company Limited
- Rayong Bulk Terminal Company Limited
- BCI (Thailand) Company Limited

Mr. Kajornvut Tayanukorn

- Executive Vice President, Application Support, Technology Division

Directorship in Other Companies

- Samart Telcoms Public Company Limited
- Processing Center Company Limited

Mr. Songkram Sakulphramana

- Executive Vice President, in charge of Loan Recovery and Legal, Credit Management

Directorship in Other Companies

- None

Mr. Hitoshi Ozawa

- Executive Vice President, in charge of Japanese Corporate, Corporate Banking

Directorship in Other Companies

- None

Mr. Lin Cheng Leo, Kung

- Executive Vice President, Hong Kong and China, in charge of Business Expansion and IT (China)

Directorship in Other Companies

- Ancient Castle Company Limited
- Manyulon Properties Limited
- Step High Company Limited
- Victoria Management Limited
- Bangkok Bank (China) Company Limited
- World Guide Corporation Limited
- Southern Ocean Investment Limited
- Whodun Limited
- Helping Hand

Mr. Sa-ard Theerarojanawong

- Executive Vice President, Treasury Front Office, Treasury Division

Directorship in Other Companies

- BBL (Cayman) Limited
- Clearing House (Thailand) Company Limited

Mr. Kraisor Barameeauychai

- Executive Vice President, Manager, Loan Recovery and Legal, Credit Management

Directorship in Other Companies

- None

Mrs. Prassanee Ouiyamaphan

- Executive Vice President, Non Branch Distribution Channel, Consumer Banking

Directorship in Other Companies

- None

Mr. Pornthep Kitsanayothin

- Executive Vice President, in charge of Compliance

Directorship in Other Companies

- None

Mr. Than Siripokee

- Executive Vice President, in charge of Credit Approval, Business Banking

Directorship in Other Companies

- Toyota Leasing (Thailand) Company Limited
- Siam Technic Concrete Public Company Limited
- The Practical Solution Public Company Limited

Mr. Kirati Laisathit

- Executive Vice President, in charge of Risk Management

Directorship in Other Companies

- Gateaux House Company Limited

Mrs. Pornnit Dunnvatanachit

- Executive Vice President, Manager, Shared Operation and in charge of Securities Services Department

Directorship in Other Companies

- BBL (Cayman) Limited
- PCC Capital Company Limited

Miss Sutthirat Pacheerat

- Executive Vice President, Manager, Sugar Industry, Corporate Banking

Directorship in Other Companies

- None

Mrs. Nutthaporn Luangsuwan

- Executive Vice President, Co-Head of International Banking Group

Directorship in Other Companies

- Bangkok Ranch Public Company Limited
- BBL (Cayman) Limited

Mr. Thongchai Ananthothai

- Executive Vice President, in charge of Automobile and Heavy Equipment, Electronics and Computer Parts, Textile and Garment, Conglomerate 1, Service Industry, Conglomerate 4 and Sugar Industry, Corporate Banking

Directorship in Other Companies

- Laguna Resorts & Hotels Public Company Limited

Mr. Shoke Na Ranong

- Executive Vice President, Manager, Credit Card Division

Directorship in Other Companies

- Thai Payment Network Company Limited

Miss Pochanee Kongkalai

- Executive Vice President, Relationship and Sales Management, Consumer Banking

Directorship in Other Companies

- None

Mr. Kanoksak Mokkaakul

- Executive Vice President, Head of Metropolitan Commercial Banking, Commercial Banking

Directorship in Other Companies

- None

Miss Benjaporn Prisuwanna

- Executive Vice President, Accounting and Finance Division

Directorship in Other Companies

- None

Mrs. Suchada Sukpantavorn

- Executive Vice President, Manager, Chemical and Petrochemical 2, Corporate Banking

Directorship in Other Companies

- Bangkok Synthetics Company Limited
- BST Elastomer Company Limited
- Indorama Polyester Industries Public Company Limited

Miss Kamolrut Silapatkul

- Executive Vice President, Treasury Operations and Control, Treasury Division

Directorship in Other Companies

- None

Mrs. Yoopin Saengthongpithak

- Executive Vice President, Marketing, Treasury Front Office, Treasury Division

Directorship in Other Companies

- None

Miss Sudsanguan Chusacultanachai

- Executive Vice President, Office of the President

Directorship in Other Companies

- None

Miss Thantika Bodhisompon

- Executive Vice President, Special Projects in Technology, Office of the President

Directorship in Other Companies

- Pantavanij Company Limited

Mrs. Chutima Kitchamnong

- Executive Vice President, in charge of Audit and Control Division

Directorship in Other Companies

- None

Mr. Hiroshi Shimamura

- Executive Vice President, Manager, Japanese Corporate, Corporate Banking

Directorship in Other Companies

- None

Mr. Suwatchai Songwanich

- Executive Vice President, International Banking Group

Directorship in Other Companies

- Bangkok Bank (China) Company Limited

Mr. Vetit Assawamangcla

- Executive Vice President, Manager, Human Resources Division

Directorship in Other Companies

- Bangkok Life Assurance Public Company Limited

Mr. Kelvin Yoong Tao Foo

- Executive Vice President, Consumer Product Development, Consumer Banking

Directorship in Other Companies

- Monster Rich Company Limited

Miss Nithawadee Limpodom

- Executive Vice President, International Banking Group

Directorship in Other Companies

- None

Mr. Rachot Sektrakul

- Executive Vice President, Head of Metropolitan Business Banking, Business Banking

Directorship in Other Companies

- None

Mr. Chonganan Anantasak

- Executive Vice President, Head of Provincial Business Banking, Business Banking

Directorship in Other Companies

- None

Mr. Jessada Sukhabote

- Executive Vice President, Manager, Credit Acceptance, Credit Management

Directorship in Other Companies

- None

Mr. Chalit Tayjasanant

- Executive Vice President, International Banking Group

Directorship in Other Companies

- PT Bank Permata Tbk

Mrs. Oranuch Nampoolsuksan

- Executive Vice President, Manager, Accounting and Finance Division

Directorship in Other Companies

- None

Mr. Pipat Assamongkol

- Executive Vice President, in charge of Corporate Cash Management Services and Trade Services

Directorship in Other Companies

- Yongseng Pawnshop Limited Partnership

Mrs. Athita Pureetip

- Executive Vice President, Manager, Research and Analytics, Consumer Banking

Directorship in Other Companies

- Mola Design Company Limited

Mr. Prasert Deejongkit

- Executive Vice President, Manager, Corporate Finance Department, Merchant Banking Division

Directorship in Other Companies

- Tris Corporation Limited

Miss Voraporn Vidhayasirinun

- Executive Vice President, Micro Segment Management, Customer Segment Management, Consumer Banking

Directorship in Other Companies

- T T T Holding Limited
- Tanin Electronics Company Limited
- Tarntip 2000 Company Limited

Mr. Paisarn Lertkowitz

- Executive Vice President, Foreign Exchange Trading, Treasury Front Office, Treasury Division

Directorship in Other Companies

- BBL Asset Management Company Limited
- Bangkok Mitsubishi UFJ Lease Company Limited

Miss Phuphun Charoensuk

- Executive Vice President, Office of the President

Directorship in Other Companies

- None

Mr. Woraphon Watunyuta

- Executive Vice President, Office of the President

Directorship in Other Companies

- None

Miss Pornpimon Trongtiengdham ^{/5}

- Executive Vice President, Office of the President

Directorship in Other Companies

- None

Miss Suyanee Puripanyawanich ^{/5}

- Executive Vice President, Manager, Mutual Fund Product, Consumer Product Development, Consumer Banking

Directorship in Other Companies

- BBL Asset Management Company Limited

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

To Shareholders,

The Nomination and Remuneration Committee of Bangkok Bank Public Company Limited comprises of three independent directors, while the Chairman of the Nomination and Remuneration Committee does not serve on any other committee.

The Nomination and Remuneration Committee has performed its duties as assigned by the Board of Directors and as defined in the charter of the Nomination and Remuneration Committee. It has the responsibility of selecting suitable candidates and proposing them to the Board of Directors for their nomination as members of the Board of Directors, as members of committees whose authorities, duties and responsibilities are assigned directly by the Board of Directors, or as senior executives from the level of Executive Vice President and upwards, as well as determining the remuneration for the Bank's Directors and senior executives from the level of Executive Vice President and upwards to be proposed to the Board of Directors. The Nomination and Remuneration Committee has established and obtained approval from the Board of Directors for policies, criteria and a clear methodology in accordance with its charter and the relevant regulatory requirements which provide the guidelines and framework for the Committee in carrying out its duties, as follows:

In selecting and nominating members of the Board of Directors, members of the committees, and senior executives from the level of Executive Vice President and upwards, the Nomination and Remuneration Committee takes into consideration the specific qualifications, knowledge, abilities, skills, experience and expertise of each individual as well as their leadership, vision and attitude toward the organization, with the view that such qualities would be beneficial to the Bank's operations. The Nomination and Remuneration Committee also takes into consideration the appropriate size, structure and composition of the Board of Directors which is well-balanced and supportive of good corporate governance and efficient management, complies with regulatory requirements and is suitable for the changing business environment. Appointments of the members of the Board of Directors and senior executives from the level of Executive Vice President and upwards have been approved by the Bank of Thailand.

In determining remuneration for the members of the Board of Directors and the senior executives from the level of Executive Vice President and upwards, the Nomination and Remuneration Committee takes into consideration that such remuneration is commensurate with the duties and responsibilities assigned, the individual's performance, the Bank's overall performance, the business environment, and factors which may affect the Bank's operations or the economy as a whole.

In 2020, the Nomination and Remuneration Committee held 11 meetings to carry out the duties assigned.

As at December 31, 2020, the Board of Directors comprises 18 directors. Among them, eight are independent directors, one is not executive and nine are executives. The Nomination and Remuneration Committee required the Bank's directors to assess the performance of the Board of Directors and the committees to review their own undertakings in the year under review. The remuneration for the directors and executives is presented in this Annual Report in the section entitled "The Remuneration and Benefits for the Board of Directors and Executive". The Committee is of the opinion that such remuneration is appropriate and commensurate with the assigned duties and responsibilities, and complies with the policy and criteria established by the Nomination and Remuneration Committee. The said remuneration has been considered and approved by the Board of Directors.



(Kovit Poshyananda)

Chairman

Nomination and Remuneration Committee

January 29, 2021

REPORT OF THE RISK OVERSIGHT COMMITTEE

To Shareholders,

The Risk Oversight Committee of Bangkok Bank Public Company Limited comprises four directors with expertise in various key fields where two are independent directors and two are executive directors. The Chairman of the Risk Oversight Committee is an independent director.

In 2020, the Bank and its financial business group faced many challenges and risks in their business operations stemming from the uncertainties in the global and domestic condition. Risk factors included the ongoing spread of Coronavirus Disease 2019 (Covid-19), more stringent business regulations, and new technologies that can amplify the risks with potentially serious consequences. The Risk Oversight Committee recognizes the importance of good governance to manage current and emerging risks so that the Bank and its financial business group can grow steadily and sustainably. In 2020, the Risk Oversight Committee held a total of 13 meetings to oversee the risk management of the Bank and its financial business group in accordance with the authorities assigned by the Board of Directors. The Risk Oversight Committee reported the conclusions of each meeting to the Board of Directors as follows:

- Considered the risk management policy for the Bank and its financial business group by taking into account regulations by authorities, a changing business environment, as well as consistent business risks that arise from the nature, structure and operations of the Bank and its financial business group, which cover core risks such as credit risk, market risk, liquidity risk, operational risk and information technology risk, etc.
- Established risk measurement metrics and limits to control various risks to be in accordance with the risk appetite and the overall risk management policy of the Bank and its financial business group.
- Monitored risk status and managed risks on a regular basis through operations and reports from relevant work units with support from the risk management committee in each area such as the Asset-Liability Management Committee and Operational Risk Management Committee, etc.
- Considered and monitored the potential impact on the business operations and the risk profile of the Bank and its financial business group in the region on a regular basis so that operations both local and international can proceed in accordance with the Bank and its financial business group's strategies and business plans.
- Reported risk status, efficiency of risk management and important risk issues that must be closely monitored as well as provided recommendations to the Board of Directors and relevant work units in order to improve the risk management of the Bank and its financial business group to be more appropriate and effective.

The Risk Oversight Committee has performed its duties within the assigned scope of responsibilities and has used its knowledge and experience with care and prudence, taking into account the best interests of the Bank and its financial business group. The Risk Oversight Committee has assessed its performance in 2020 to ascertain that it has been efficient and has achieved its objectives as assigned.



(Arun Chirachavala)

Chairman of the Risk Oversight Committee
January 25, 2021

REPORT OF THE AUDIT COMMITTEE

To Shareholders,

In 2020, the Audit Committee of Bangkok Bank Public Company Limited comprises four directors, all of whom are independent directors, and who have sufficient knowledge and experience to reliably audit the financial statements. The Chairman of the Audit Committee does not serve on any other committee and is not authorized by the Board of Directors to make decisions on the operations of the Bank or any related operations. Admiral Prachet Siridej resigned from the Board of Directors and the Chairman of the Audit Committee, effective on December 31, 2020 and the Board of Directors appointed Mrs. Gasinee Witoonchart as the Chairman of the Audit Committee.

In 2020, the Audit Committee held 18 meetings in conjunction with executives from the Audit and Control Division, the auditors, management and related top-level executives to perform its duties within the scope of responsibilities stipulated in the charter of the Audit Committee assigned by the Board of Directors and in accordance with requirements of the Stock Exchange of Thailand and the Bank of Thailand. The Audit Committee reported the conclusion of each meeting to the Board of Directors as follows:

Financial reports

The Audit Committee performed audits on quarterly, half-yearly, and annual financial reports by holding meetings in conjunction with the independent auditors, executives from the Accounting and Finance Division, and management and executives from the Audit and Control Division to consider financial reports, disclosure of information supplementary to the financial statements, major accounting policies and projections, as well as remarks made by the independent auditors on the Bank's financial statements. Furthermore, the Audit Committee considered the Bank's performance results on a monthly basis and held meetings with the independent auditors, without the participation of the Bank's management, to discuss the independence of the auditors in performing their duties and expressing opinions. The independent auditors confirmed that such meetings can be held according to the specified plan and guidelines without any hindrance or restrictions and that the independent auditors can express opinions freely according to auditing standards. In addition, the Audit Committee has consulted with the independent auditors and executives on the impact to the Bank on complying with the standards of the group of financial instruments and other important accounting standards.

In the course of its duties, the Audit Committee has reviewed the financial statements of Bangkok Bank Public Company Limited as of December 31, 2020 and is of the opinion that these financial statements are in accordance with Thai Financial Reporting Standards and of appropriate accuracy in significant essence and sufficient disclosure of appropriate information. The independent auditors have expressed their opinion thereon as presented in their report to the Board of Directors and to shareholders. The independent auditors have performed their duties and expressed their opinions independently.

Internal control and audit systems

The Audit Committee has considered and approved the annual audit plan of the Audit and Control Division which has been developed and improved with audit procedures so that they are efficient and current, and covers important operations and units exposed to high levels of risk. The Audit Committee has also reviewed the performance results of the Audit and Control Division against the plan on a monthly basis, approved the appointment, transfer, compensation, performance appraisal and termination of employment of the Manager of the Audit and Control Division, participated in meetings to consider summarizing results of the annual audits with the Audit and Control Division and executives from the Bank's divisions to determine guidelines to improve internal control systems to be sufficient and appropriate, and considered audit results of the Bank of Thailand, independent auditors and local authorities in which the Bank's branches are located. The meetings aimed to assess the status of the internal control and risk management systems, and to follow up on results of regular corrective measures taken in each quarter. Furthermore, the Audit Committee has performed an annual assessment of the sufficiency of the internal control system and submitted results to the Board of Directors.

The Audit Committee is of the opinion that the Bank's internal control and audit systems are sufficient, appropriate, and continuously developed.

Auditors

The Audit Committee has selected the Bank's independent auditors by considering their knowledge, ability, experience, credibility and sufficiency of resources as well as the results of assessment on their independence and quality of work of the auditors in the past year. With regard to the remuneration of the independent auditors, the Audit Committee has considered their scope of responsibilities, remuneration rates at other auditing firms, and available information on remuneration for independent auditors at other commercial banks.

The Audit Committee has considered and nominated the auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to be the Bank's independent auditors for 2021 and has also considered the suitability of their remuneration. The Audit Committee has submitted its opinions and recommendations on the appointment and remuneration of the independent auditors to the Board of Directors, to be proposed at the shareholders' meeting for approval.

Regulatory compliance

The Audit Committee has reviewed the Bank's operations to ascertain compliance with requirements and laws relevant to the banking business, such as the Acts regarding Public Limited Companies, Financial Institution Business, and Securities and Exchange, other relevant laws, other requirements of supervisory authorities and local authorities in which the Bank's branches are located, as well as the Compliance Policy that the Bank has defined as a basic guideline for directors, management and employees to comply with. In so doing, the Audit Committee has considered on a regular basis results of the supervision for compliance with regulations of the regulatory authorities, the Audit and Control Division, the Bank of Thailand, independent auditors and local authorities in which the Bank's branches are located.

The Audit Committee is of the opinion that the Bank has closely supervised and examined the operations of its internal units to ascertain that every unit operates properly and is in compliance with relevant requirements and regulations.

Connected transactions or potential conflicts of interests

The Audit Committee will consider connected transactions or transactions with potential conflicts of interest and ensure that these transactions are reasonable, for the optimal benefit of the Bank, and disclosure of which are accurate and complete.

The Audit Committee has completed its duties as assigned and applied its knowledge and experience with the utmost care and independence and has been forthcoming in expressing its opinions for the optimal benefit of the Bank. It has not encountered any difficulty in obtaining information, resources or cooperation from the Bank. In addition, the Audit Committee has assessed its performance in 2020 to ascertain that it has been efficient and effective and has achieved its objectives as assigned by the Board of Directors and has also reviewed the charter of the Audit Committee of 2020.



(Mrs. Gasinee Witoonchart)

Chairman of the Audit Committee
February 22, 2021

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

To Shareholders,

The Corporate Governance Committee of Bangkok Bank Public Company Limited is comprised of three directors, namely Mr. Piti Sithi-Amnuai as Chairman of the Corporate Governance Committee and Mr. Chokechai Niljianskul and Mr. Thaweelap Rittapirom as members of the Corporate Governance Committee.

The Corporate Governance Committee held a total of four meetings in 2020 and performed their duties as assigned by the Board of Directors by considering the principles of good corporate governance and the Bank's business ethics; acknowledging the results of the sustainability assessments from both Thai and international organizations and giving feedback to improve the topics that the Bank needs to explore further; reviewing the Bank's sustainability strategy and Sustainability Report; considering the Bank's human rights policy and responsible lending policy; offering comments and suggestions in various aspects that are beneficial to the Bank's sustainability development and closely monitoring the progress of its operations so as to achieve tangible results.

The Corporate Governance Committee fully executed its duties with care and prudence and expressed their independent opinions by taking into account the long-term benefits of the Bank, shareholders, employees, and all relevant stakeholders. The meeting results were reported to the Board of Directors. In addition, the Corporate Governance Committee had their own performance assessments to ensure that their performance is achieved according to the objectives.



(Piti Sithi-Amnuai)

Chairman of the Corporate Governance Committee
February 16, 2021

APPROPRIATION OF PROFIT FOR THE YEAR 2020

In 2020, the net profit from operations of the Bank amounted to Baht 15,638,038,774.33. The Board of Directors had appropriated a part of the profit in the first half ending June 30, 2020 and not paid an interim dividend. The Board of Directors has now passed a resolution to submit to the shareholders' meeting for consideration of the appropriation of profit and the payment of the dividend for the year 2020 details as follows:

Appropriation

Legal reserve				
For the period January-June 2020	Baht	500,000,000.00		
For the period July-December 2020	Baht	500,000,000.00	Baht	1,000,000,000.00
Other reserve				
For the period January-June 2020	Baht	5,000,000,000.00	Baht	5,000,000,000.00
Dividend on ordinary shares				
For the period January-June 2020			Not paid interim dividend	
For the year 2020 (1,908,842,894 shares at Baht 2.50 per share)	Baht	4,772,107,235.00	Baht	4,772,107,235.00

If approved by the meeting of shareholders as proposed, the dividend payments made by the Bank for the year 2020 for 1,908,842,894 ordinary shares would be at a total rate of Baht 2.50 per share, totaling Baht 4,772,107,235.00 or 30.53 percent of the annual net profit. This compares with the dividend paid at the rate of Baht 7.00 per share in 2019, totaling Baht 13,361,900,258.00 or 38.41 percent of the annual net profit.

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 Report. The said financial statements for the year ended December 31, 2020 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 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, 2020.



(Piti Sithi-Amnuai)

Chairman of the Board of Directors

February 23, 2021

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, 2020, 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, 2020, 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 Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and Bank’s financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 3.1 to the financial statements, the Bank and subsidiaries have adopted the new accounting policies regarding the financial instruments which are in accordance with Group of Financial Instruments Standards and recognized the cumulative effect of initially applying such Standards as the adjustments to the beginning balances of retained earnings and other reserves as at January 1, 2020, which are presented in the aforementioned note to the financial statements, to be in accordance with the new accounting policies. Our opinion is not modified in respect of this matter.

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 (“IFRS 9”) and the relevant regulations of the Bank of Thailand which has been applied since January 1, 2020. IFRS 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);
- Completeness and accuracy of data used to calculate the ECL;
- 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 IFRS 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 3.1 and Note 7.9, respectively.

Audit Responses

Key audit procedures included

- Assessing the adjustments made to the opening balances on January 1, 2020, resulted from the first time adoption of IFRS 9.
- 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 incorporate with the requirements of IFRS 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, data accuracy and completeness, credit monitoring, multiple economic scenarios, and individual provisions.
- Involvement of our internal specialists to assess the model documentation and model validation reports. This included assessing the appropriateness of model design, assumptions, inputs, formulas used and post model adjustments. We tested the data used in the ECL calculation by reconciling to source systems and recalculating the allowance for expected credit loss for a sample of models.
- Evaluating relevant inputs and assumptions used by management in each stage of the expected credit loss calculation by considering whether the inputs and assumption appear reasonable, considering the historical loss experience and adjust this for current observable data and considering the relationship between those assumptions and forecast of reasonable and supportable future economic conditions.
- Performing an overall assessment of the ECL provision levels to determine if they were reasonable considering the Bank and subsidiaries’ portfolio, risk profile, credit risk management practices and the macroeconomic factors. We considered trends in the economy and industries to which the Bank and subsidiaries are exposed.
- Considering the criteria used to classify an asset to stage 1, 2 and 3 in accordance with IFRS 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 separate 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 23, 2021

STATEMENT OF FINANCIAL POSITION

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES AS AT DECEMBER 31, 2020

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2020	2019	2020	2019
ASSETS					
CASH	7.2	73,886,309	58,090,112	70,013,515	58,012,561
INTERBANK AND MONEY MARKET ITEMS, NET	7.4	519,036,028	472,349,351	374,778,755	442,584,108
FINANCIAL ASSETS MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	7.5	57,936,242	-	69,359,414	-
DERIVATIVES ASSETS	7.6	67,560,232	49,807,012	66,143,443	49,687,316
INVESTMENTS, NET	7.7	758,482,179	647,696,626	670,444,629	610,535,400
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	7.8	911,321	1,737,450	144,589,329	38,414,900
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	7.9	2,189,102,088	1,891,046,281	1,896,205,127	1,836,721,735
CUSTOMER'S LIABILITY UNDER ACCEPTANCES		-	1,626,872	-	103,722
PROPERTIES FOR SALE, NET	7.10	9,753,914	9,362,849	7,754,245	8,368,141
PREMISES AND EQUIPMENT, NET	7.11	65,049,861	40,753,955	55,460,373	39,504,853
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	7.12	32,307,811	1,760,117	1,451,391	1,673,358
DEFERRED TAX ASSETS	7.13	7,939,617	4,542,443	2,082,884	3,360,374
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES		12,833,047	17,506,277	12,699,962	17,419,107
OTHER ASSETS, NET		28,161,036	20,463,750	13,977,916	16,975,764
TOTAL ASSETS		3,822,959,685	3,216,743,095	3,384,960,983	3,123,361,339

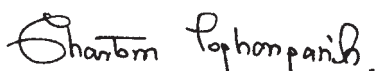
STATEMENT OF FINANCIAL POSITION (CONTINUED)

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
AS AT DECEMBER 31, 2020

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2020	2019	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS	7.14	2,810,862,624	2,370,792,167	2,485,596,798	2,316,034,607
INTERBANK AND MONEY MARKET ITEMS	7.15	219,149,193	134,346,323	162,499,180	129,277,274
LIABILITY PAYABLE ON DEMAND		7,257,360	5,523,288	6,702,768	5,488,403
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	7.16	19,256,663	-	19,056,520	-
DERIVATIVES LIABILITIES	7.6	57,127,821	37,837,421	56,212,287	37,370,815
DEBT ISSUED AND BORROWINGS	7.17	136,176,779	144,680,567	133,963,539	144,315,507
BANK'S LIABILITY UNDER ACCEPTANCES		-	1,626,872	-	103,722
PROVISIONS	7.21	27,305,660	18,701,528	25,065,453	18,428,103
DEFERRED TAX LIABILITIES	7.13	2,447,583	2,364,416	2,588,682	2,158,732
OTHER LIABILITIES	7.23	93,128,867	72,754,204	53,792,151	51,721,099
TOTAL LIABILITIES		3,372,712,550	2,788,626,786	2,945,477,378	2,704,898,262
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
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		47,256,838	34,471,457	52,849,874	40,383,596
RETAINED EARNINGS					
Appropriated					
Legal reserve	7.26 , 7.27	25,000,000	24,000,000	25,000,000	24,000,000
Others		111,500,000	106,500,000	111,500,000	106,500,000
Unappropriated		189,822,190	187,345,092	174,699,070	172,144,820
TOTAL BANK'S EQUITY		449,013,689	427,751,210	439,483,605	418,463,077
NON-CONTROLLING INTEREST		1,233,446	365,099	-	-
TOTAL SHAREHOLDERS' EQUITY		450,247,135	428,116,309	439,483,605	418,463,077
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,822,959,685	3,216,743,095	3,384,960,983	3,123,361,339

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



(Mr. Chartsiri Sophonpanich)

President



(Mr. Suvarn Thansathit)

Senior Executive Vice President

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

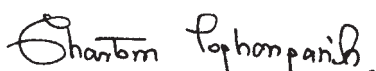
				Baht : '000	
		CONSOLIDATED		THE BANK	
	Notes	2020	2019	2020	2019
INTEREST INCOME	7.35	112,523,517	112,565,219	94,695,292	108,129,726
INTEREST EXPENSES	7.36	35,477,057	41,493,764	27,805,781	39,874,777
NET INTEREST INCOME		77,046,460	71,071,455	66,889,511	68,254,949
FEES AND SERVICE INCOME	7.37	34,167,918	39,280,197	26,795,044	33,873,573
FEES AND SERVICE EXPENSES	7.37	9,456,915	10,775,642	8,800,699	10,581,567
NET FEES AND SERVICE INCOME		24,711,003	28,504,555	17,994,345	23,292,006
GAINS ON FINANCIAL INSTRUMENTS					
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	7.38	11,057,904	-	9,651,307	-
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS	7.39	-	7,847,526	-	7,251,972
GAINS ON INVESTMENTS	7.40	2,512,154	19,764,691	2,177,491	19,102,850
SHARE OF PROFIT (LOSS) FROM INVESTMENT USING EQUITY METHOD		(14,492)	92,582	-	-
GAINS ON DISPOSAL OF ASSETS		734,126	2,134,552	721,912	1,031,659
DIVIDEND INCOME		2,039,396	3,769,070	3,597,669	6,632,283
OTHER OPERATING INCOME		641,626	561,599	382,131	406,089
TOTAL OPERATING INCOME		118,728,177	133,746,030	101,414,366	125,971,808
OTHER OPERATING EXPENSES					
Employee's expenses		30,959,431	26,725,848	24,848,414	24,141,378
Directors' remuneration		186,931	166,742	128,220	126,540
Premises and equipment expenses		14,165,327	11,788,808	12,034,242	11,053,997
Taxes and duties		2,928,889	3,364,301	2,880,048	3,313,109
Others		17,733,376	12,917,335	14,578,533	11,584,279
TOTAL OTHER OPERATING EXPENSES		65,973,954	54,963,034	54,469,457	50,219,303
EXPECTED CREDIT LOSS	7.41	31,195,868	-	27,888,515	-
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	7.41	-	32,351,077	-	31,744,338
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		21,558,355	46,431,919	19,056,394	44,008,167
INCOME TAX EXPENSES	7.42	4,013,619	10,219,204	3,418,355	9,220,175
NET PROFIT		17,544,736	36,212,715	15,638,039	34,787,992

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

		CONSOLIDATED		THE BANK	
	Notes	2020	2019	2020	2019
Baht : '000					
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Gains on investments in debt instruments at fair value through other comprehensive income		2,964,758	-	1,839,100	-
Losses on remeasuring available-for-sale investment		-	(2,208,474)	-	(2,230,950)
Gains on cash flow hedges		260,583	-	260,583	-
Gains (losses) arising from translating the financial statements of foreign operations		4,115,474	(5,705,941)	4,671,025	(3,092,634)
Share of other comprehensive income of associates		-	1,969	-	-
Income tax relating to components of other comprehensive income (losses)		(231,478)	487,574	15,270	495,650
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus		14,524,289	-	13,987,474	-
Losses on investment in equity instruments designated at fair value through other comprehensive income		(6,067,116)	-	(5,340,383)	-
Gains on financial liabilities designated at fair value through profit or loss		958,884	-	958,884	-
Actuarial losses on defined benefit plans		(428,401)	(1,695,259)	(284,680)	(1,703,714)
Share of other comprehensive income of associates		1,962	-	-	-
Income tax relating to components of other comprehensive income (losses)		(3,233,984)	337,942	(3,324,295)	339,678
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)		12,864,971	(8,782,189)	12,782,978	(6,191,970)
TOTAL COMPREHENSIVE INCOME		30,409,707	27,430,526	28,421,017	28,596,022
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		17,180,582	35,816,094	15,638,039	34,787,992
Non-controlling interest		364,154	396,621	-	-
		17,544,736	36,212,715	15,638,039	34,787,992
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		30,056,376	27,029,364	28,421,017	28,596,022
Non-controlling interest		353,331	401,162	-	-
		30,409,707	27,430,526	28,421,017	28,596,022
BASIC EARNINGS PER SHARE (BAHT)		9.00	18.76	8.19	18.22
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (THOUSAND SHARES)		1,908,843	1,908,843	1,908,843	1,908,843

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



(Mr. Chartsiri Sophonpanich)
President



(Mr. Suvarn Thansathit)
Senior Executive Vice President

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Notes	Issued and Paid-up Share Capital	Premium on Common Shares	CONSOLIDATED										Total Equity Attributable to the Bank's Shareholders	Non-controlling Interest	Total	
				Land Appraisal Surplus	Premises Appraisal Surplus	Other Reserves			Foreign Currency Translation	Others	Retained Earnings		Unappropriated				
						Revaluation Surplus on Investments	Cash flow Hedge Reserve	Own Credit Risk Revaluation Reserve			Legal Reserve	Appropriated					Others
Balance as at January 1, 2019		19,088,429	56,346,232	16,829,619	6,541,158	29,855,575	-	-	-	(10,384,055)	470	23,000,000	101,500,000	170,036,820	412,814,248	344,643	413,158,891
Appropriation for previous year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	7.27	-	-	-	-	-	-	-	-	-	-	-	-	(8,370,248)	(8,370,248)	(200,703)	(8,570,951)
Legal reserve	7.26, 7.27	-	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Appropriation for current year		-	-	-	-	-	-	-	-	-	-	-	-	(3,722,154)	(3,722,154)	(180,003)	(3,902,157)
Dividend paid		-	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Legal reserve		-	-	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Others		-	-	-	-	(1,720,503)	-	-	(5,705,941)	-	1,575	-	-	34,454,233	27,020,364	401,162	27,430,526
Total comprehensive income		-	-	(5,607)	(940,834)	-	-	-	-	-	-	-	-	946,441	-	-	-
Transfer to retained earnings		-	-	18,824,012	5,600,324	28,135,072	-	-	(16,089,996)	2,045	2,045	24,000,000	106,500,000	187,345,082	427,751,210	365,089	428,116,309
Balance as at December 31, 2019		19,088,429	56,346,232	16,824,012	5,600,324	28,135,072	-	-	(16,089,996)	2,045	2,045	24,000,000	106,500,000	187,345,082	427,751,210	365,089	428,116,309
Balance as at January 1, 2020 as previously reported		19,088,429	56,346,232	16,824,012	5,600,324	28,135,072	-	-	(16,089,996)	2,045	2,045	24,000,000	106,500,000	187,345,082	427,751,210	365,089	428,116,309
Impact of adopting new financial reporting standard No.9		-	-	-	-	1,043,207	356,384	(2,196,285)	-	-	-	-	-	2,953,889	2,157,195	1,321	2,158,516
Balance as at January 1, 2020 after adjustment		19,088,429	56,346,232	16,824,012	5,600,324	29,178,279	356,384	(2,196,285)	(16,089,996)	2,045	2,045	24,000,000	106,500,000	190,298,981	429,906,405	366,420	430,274,825
Appropriation for previous year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	7.27	-	-	-	-	-	-	-	-	-	-	-	-	(9,544,214)	(9,544,214)	(175,469)	(9,719,683)
Legal reserve	7.26, 7.27	-	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Appropriation for current year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid		-	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Legal reserve		-	-	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Others		-	-	6,250,241	5,396,899	(2,088,913)	208,466	767,107	4,135,677	1,570	1,570	-	-	15,395,329	30,056,376	353,331	30,409,707
Total comprehensive income		-	-	-	(1,024,698)	(54,274)	-	-	-	-	-	-	-	1,076,972	(1,406,878)	876,667	(630,211)
Transfer to retained earnings		-	-	23,074,253	9,962,525	27,035,092	564,850	(1,429,178)	(11,954,319)	3,615	3,615	25,000,000	111,500,000	189,822,190	449,013,669	1,233,446	450,247,135
Others		-	-	-	-	-	-	-	-	-	-	-	-	(1,406,878)	(1,406,878)	876,667	(630,211)
Balance as at December 31, 2020		19,088,429	56,346,232	23,074,253	9,962,525	27,035,092	564,850	(1,429,178)	(11,954,319)	3,615	3,615	25,000,000	111,500,000	189,822,190	449,013,669	1,233,446	450,247,135

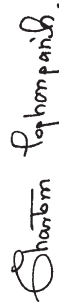
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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Notes	Issued and Paid-up Share Capital	Common Shares	Premium on Common Shares	THE BANK										Total
					Land Appraisal Surplus	Premises Appraisal Surplus	Other Reserves		Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Retained Earnings		Unappropriated		
							Revaluation Surplus on Investments	Cash flow Hedge Reserve			Legal Reserve	Appropriated		Others	
Balance as at January 1, 2019		19,088,429	56,346,232	16,765,473	6,512,228	29,771,751	-	-	(6,894,811)	23,000,000	101,500,000	155,870,255	401,959,457		
Appropriation for previous year		-	-	-	-	-	-	-	-	-	-	(6,370,248)	(6,370,248)		
Dividend paid	7.27	-	-	-	-	-	-	-	-	-	-	(500,000)	(500,000)		
Legal reserve	7.26, 7.27	-	-	-	-	-	-	-	-	500,000	-	-	-		
Appropriation for current year		-	-	-	-	-	-	-	-	-	-	(3,722,154)	(3,722,154)		
Dividend paid		-	-	-	-	-	-	-	-	500,000	-	(500,000)	-		
Legal reserve		-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-		
Others		-	-	-	-	(1,735,300)	-	-	(3,092,634)	-	-	33,423,956	28,596,022		
Total comprehensive income		-	-	(5,607)	(937,404)	-	-	-	-	-	-	943,011	-		
Transfer to retained earnings		-	-	-	-	-	-	-	-	-	-	-	-		
Balance as at December 31, 2019		19,088,429	56,346,232	16,759,866	5,574,824	28,036,451	-	-	(9,987,545)	24,000,000	106,500,000	172,144,820	418,463,077		
Balance as at January 1, 2020 as previously reported		19,088,429	56,346,232	16,759,866	5,574,824	28,036,451	-	-	(9,987,545)	24,000,000	106,500,000	172,144,820	418,463,077		
Impact of adopting new financial reporting standard No.9		-	-	-	-	877,277	356,384	(2,196,285)	-	-	-	3,277,003	2,314,379		
Balance as at January 1, 2020 after adjustment		19,088,429	56,346,232	16,759,866	5,574,824	28,913,728	356,384	(2,196,285)	(9,987,545)	24,000,000	106,500,000	175,421,823	420,777,456		
Appropriation for previous year		-	-	-	-	-	-	-	-	-	-	(9,544,214)	(9,544,214)		
Dividend paid	7.27	-	-	-	-	-	-	-	-	-	-	(500,000)	(500,000)		
Legal reserve	7.26, 7.27	-	-	-	-	-	-	-	-	500,000	-	-	-		
Appropriation for current year		-	-	-	-	-	-	-	-	-	-	(500,000)	(500,000)		
Legal reserve		-	-	-	-	-	-	-	-	500,000	-	(500,000)	-		
Others		-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-		
Total comprehensive income		-	-	6,044,614	5,145,365	(2,374,085)	208,466	767,107	4,671,025	-	-	13,958,525	28,421,017		
Transfer to retained earnings		-	-	-	(979,420)	(54,170)	-	-	-	-	-	1,033,590	-		
Others		-	-	-	-	-	-	-	-	-	-	(170,654)	(170,654)		
Balance as at December 31, 2020		19,088,429	56,346,232	22,804,480	9,740,769	26,485,473	564,850	(1,429,178)	(5,316,520)	25,000,000	111,500,000	174,699,070	439,483,605		

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



(Mr. Charon Sophonpanich)
President



(Mr. Suvarn Thansathit)
Senior Executive Vice President

STATEMENT OF CASH FLOWS

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

Baht : '000

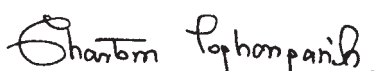
	Note	CONSOLIDATED		THE BANK	
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		21,558,355	46,431,919	19,056,394	44,008,167
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities					
Depreciation and amortization expenses		5,545,356	4,127,314	4,494,384	3,924,659
Expected credit loss		31,195,868	-	27,888,515	-
Bad debt and doubtful accounts		-	31,208,166	-	30,601,427
Losses on debt restructuring		-	1,142,911	-	1,142,911
Gains on foreign exchange of long-term borrowings		(830,663)	(9,038,049)	(830,663)	(9,038,049)
Amortization of premium on investment in debt securities		1,199,165	208,974	1,140,896	368,642
Unrealized losses on financial instruments measured at fair value through profit or loss		4,938,476	-	6,242,749	-
Unrealized gain on revaluation of trading securities		-	(270,285)	-	(17,068)
Gains on investments		(2,512,154)	-	(2,177,491)	-
Gains on disposal of securities for investments		-	(20,272,149)	-	(19,610,308)
Losses on impairment of investments		-	507,458	-	507,458
Share of profit (loss) from investment using equity method		14,492	(92,582)	-	-
Losses on impairment of properties for sale		1,124,720	909,267	1,061,250	514,489
Gain on disposal of premises and equipment		(356,255)	(64,089)	(356,493)	(64,280)
Gain on revaluation of land and premises		(196,180)	-	(196,180)	-
Loss on impairment of other assets (reversal)		368,892	(46,722)	254,704	(46,751)
Provision expenses		1,392,950	984,145	752,667	906,373
Net interest income		(77,046,460)	(71,071,455)	(66,889,511)	(68,254,949)
Dividend income		(2,039,396)	(3,769,070)	(3,597,669)	(6,632,283)
Proceeds from interest income		111,778,327	113,718,086	93,345,665	109,327,492
Interest expenses paid		(40,860,836)	(40,865,236)	(33,042,463)	(39,015,108)
Proceeds from dividend income		2,039,396	3,767,549	1,899,134	3,592,262
Income tax paid		(6,566,399)	(9,630,583)	(5,638,459)	(8,040,620)
(Increase) decrease in other accrued receivables		(4,054)	(637,904)	31,380	(657,998)
Increase (decrease) in other accrued expenses		1,289,301	101,084	417,606	(44,177)
Profit from operating before changes in operating assets and liabilities		52,032,901	47,348,749	43,856,415	43,472,289
(Increase) decrease in operating assets					
Interbank and money market items		21,975,455	(20,810,795)	68,282,173	(37,778,031)
Financial assets measured at fair value through profit or loss		(6,058,883)	-	(25,396,647)	-
Investment in short-term securities		-	373,514	-	2,704,971
Loans to customers		(91,771,656)	10,715,732	(76,751,199)	11,443,470
Properties for sale		642,208	1,803,018	719,896	1,331,449
Other assets		(16,147,080)	(38,638,815)	(9,835,598)	(41,367,622)

STATEMENT OF CASH FLOWS (CONTINUED)

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

		CONSOLIDATED		THE BANK	
	Notes	2020	2019	2020	2019
Baht : '000					
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Increase (decrease) in operating liabilities					
Deposits		193,025,477	44,322,627	169,562,191	53,544,229
Interbank and money market items		32,197,568	(2,515,800)	33,221,906	882,869
Liability payable on demand		1,168,013	(1,699,853)	1,214,364	(1,710,983)
Short-term borrowings		(677,549)	223,516	(8,086)	(14,541)
Other liabilities		30,075,396	15,068,983	17,747,643	17,563,391
Net cash from operating activities		<u>216,461,850</u>	<u>56,190,876</u>	<u>222,613,058</u>	<u>50,071,491</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities measured at fair value through other comprehensive income		(473,224,079)	-	(445,490,013)	-
Purchase of available-for-sale securities		-	(580,621,168)	-	(565,635,275)
Proceeds from disposal of investment securities measured at fair value through other comprehensive income		369,398,464	-	343,276,461	-
Proceeds from disposal of available-for-sale securities		-	507,543,770	-	497,030,202
Purchase of investment securities measured at amortized cost		(108,871,614)	-	(20,846,462)	-
Purchase of held-to-maturity debt securities		-	(87,451,141)	-	(10,352,832)
Proceeds from redemption of investment securities measured at amortized cost		105,105,900	-	28,323,094	-
Proceeds from redemption of held-to-maturity debt securities		-	84,472,790	-	5,723,379
Purchase of general investments		-	(9,304,111)	-	(8,357,583)
Proceeds from disposal of general investments		-	2,242,534	-	2,137,272
Purchase of investments in subsidiaries and associate		(77,195,676)	(124,267)	(105,263,739)	(1,124,267)
Proceeds from dividend income from subsidiaries and associates		41,512	89,212	1,698,535	3,038,500
Purchase of premises and equipment		(2,308,393)	(1,715,299)	(925,775)	(1,582,812)
Proceeds from disposal of premises and equipment		753,477	100,007	537,155	76,499
Net cash from investing activities		<u>(186,300,409)</u>	<u>(84,767,673)</u>	<u>(198,690,744)</u>	<u>(79,046,917)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from issuance of subordinated notes	7.3	23,755,703	36,727,413	23,755,703	36,727,413
Cash paid for senior unsecured notes extinguishment	7.3	(25,620,963)	-	(24,964,624)	-
Increase (decrease) in long-term borrowings	7.3	(1,363,569)	143,207	(107,063)	143,207
Cash paid for lease liabilities		(1,275,888)	-	(1,106,844)	-
Dividend paid		(9,544,214)	(12,092,402)	(9,544,214)	(12,092,402)
Dividend paid to non-controlling interest		(362,972)	(380,706)	-	-
Net cash from financing activities		<u>(14,411,903)</u>	<u>24,397,512</u>	<u>(11,967,042)</u>	<u>24,778,218</u>
Effect on cash due to changes in the exchange rates		46,659	(124,694)	45,682	(119,519)
Net increase (decrease) in cash		15,796,197	(4,303,979)	12,000,954	(4,316,727)
Cash as at January 1,		58,090,112	62,394,091	58,012,561	62,329,288
Cash as at December 31,		<u>73,886,309</u>	<u>58,090,112</u>	<u>70,013,515</u>	<u>58,012,561</u>

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, 2020

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NOTES TO THE FINANCIAL STATEMENTS

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION AND REGULATORY REQUIREMENTS

Bangkok Bank Public Company Limited 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. The Bank believes that as at December 31, 2020 and 2019, 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 Notifications.

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, which is required to apply to the financial statements beginning on or after January 1, 2020 onwards. The consolidated and the Bank's financial statements for the year ended December 31, 2019, which are the comparative figures are still presented in the format as announced by the BOT's Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups dated December 4, 2015.

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 6. 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, 2020 onward, with no material impact on the Bank and subsidiaries' financial statements.

For the new Thai Financial Reporting Standards which have been adopted, such as Group of Financial Instruments Standards and Thai Financial Reporting Standard No. 16 regarding Leases, the effects are disclosed in Note 3 and Note 4.

2.2.2 The Federation of Accounting Professions has announced two Accounting Treatment Guidances, which have been announced in the Royal Gazette on April 22, 2020, with the following details :

- 1) Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who are effected from the situations that affected Thailand’s economy”

This Accounting Treatment Guidance is intended to temporarily support for entities that provides assistance to debtors who are effected by the situations that affected the Thailand’s economy by providing assistance to the debtor during January 1, 2020 to December 31, 2021 or until there are any changes from the Bank of Thailand, which require the compliance with such changes.

In this regard, the application of Accounting Treatment Guidance is disclosed in Note 7.43 the Coronavirus Disease 2019 Pandemic (Covid-19).

- 2) Accounting Treatment Guidance on “The temporary relief measures for additional accounting alternatives to alleviate the impacts from Covid-19 outbreak”

This Accounting Treatment Guidance provides an alternative for all entities applying Financial Reporting Standards for Publicly Accountable Entities. Due to the preparation of financial statements during the period of high uncertainty on Covid-19 situation at the end of reporting period, this may result in the fact that the management of the Bank uses the critical judgment in the estimation or the measurement and recognition of accounting transactions. The objective of this Accounting Treatment Guidance is to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation. The Bank can apply this Accounting Treatment Guidance for the preparation of financial statements with the reporting period from January 1, 2020 to December 31, 2020.

The Bank has not adopted such Accounting Treatment Guidance in the preparation of the financial statements for the year ended December 31, 2020.

2.2.3 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, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, 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, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The amendment includes: guidance on measurement, de-recognition, presentation and disclosure in Conceptual Framework for Financial Reporting, the definition of “Business” in Thai Financial Reporting Standard No. 3 regarding Business Combinations, the definition of “Materiality” in Thai Accounting Standard No. 1 regarding Presentation of Financial Statements and Thai Accounting Standard No. 8 regarding Accounting Policies, Changes in Accounting Estimates and Errors, and Interest Rate Benchmark Reform in Thai Financial Reporting Standards No. 7 regarding Financial Instruments: Disclosures (TFRS 7) and Thai Financial Reporting Standards No. 9 regarding Financial Instruments (TFRS 9).

Moreover, there is announcement to revise Thai Financial Reporting Standards No. 16 regarding Leases (TFRS 16). To apply a practical expedient for a lessee for rent concessions that occur as a consequence of the Covid-19 pandemic reflecting the rent concessions directly to lease contracts, which is effective for annual reporting periods beginning on or after June 1, 2020 with earlier application permitted. In addition, the revised TFRS 16 also add the requirements for the temporary exception: arising from interest rate benchmark reform to reflect the interest rate benchmark reform

directly to lease contracts, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted.

The above amendments do not have a significant impact to the Bank and subsidiaries' financial statements, except for Interest Rate Benchmark Reform where impact is being monitored and assessed.

2.3 The consolidated financial statements for the years ended December 31, 2020 and 2019, 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 and Bualuang Ventures Limited.

The consolidated financial statements for the year ended December 31, 2020, also included PT Bank Permata Tbk that the Bank acquired on May 20, 2020 to be the subsidiary company and BSL Leasing Company Limited was changed from the associated company to be the subsidiary company on September 17, 2020.

In addition, the consolidated financial statements for the years ended December 31, 2020 and 2019, included BBL Nominees (Tempatan) Sdn. Bhd, the 100% owned subsidiary of Bangkok Bank Berhad, Bangkok Capital Asset Management Company Limited, the 100% owned subsidiary of Bualuang Securities Public Company Limited.

The consolidated financial statements for the year ended December 31, 2020, also included PT Sahabat Finansial Keluarga, the 99.99% owned subsidiary of PT Bank Permata Tbk.

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.

2.4 The Bank's financial statements for the years ended December 31, 2020 and 2019, 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

The Bank applies accounting policies and calculation methods to the financial statements for the year ended December 31, 2020 consistent with those used in the financial statements for the year ended December 31, 2019, except for the adoption of the new Thai Financial Reporting standards in Group of Financial Instruments Standards and the Thai Financial Reporting Standard No. 16 regarding Leases with the following significant accounting policies.

- 3.1 Group of Financial Instruments Standards, which are Thai Accounting Standards No.32 regarding Financial Instruments: Presentation, Thai Financial Reporting Standards No.7 regarding Financial Instruments: Disclosures and No.9 regarding Financial Instruments and Thai Financial Reporting Interpretations No.16 regarding Hedges of a Net Investment in a Foreign Operation and No.19 regarding Extinguishing Financial Liabilities with Equity Instruments.

1. Recognition of income

Applied from January 1, 2020

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 net 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 other than 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 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.

Applied before January 1, 2020

The Bank recognizes interest and fee income on an accrual basis, except for interest from lending which was accrued over three months, such interest is recognized when received. The Bank reverses all accrued interest income for items which are no longer on an accrual basis.

2. Recognition of expenses

Applied from January 1, 2020

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.

Applied before January 1, 2020

The Bank recognizes interest and fee expenses on an accrual basis.

3. Financial instruments

Applied from January 1, 2020

The Bank applied the classification and measurement requirements for financial instruments under Thai Financial Reporting Standards No.9 regarding Financial Instruments for the year ended December 31, 2020. The 2019 comparative period was not restated, and the requirements under the previous accounting standards were applied. The key changes are the classification and impairment requirements.

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 instrument as 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.

- A financial asset 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.

- A financial asset 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 gain 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 the statement of profit or loss as incurred. Subsequently, they are measured at fair value and any gains and losses are recognized in the statement of 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. All changes 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 movement in fair value attributable to changes in own credit risk is calculated from the difference between the current fair value and the difference between 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 change in fair value are recognized as gains (losses) on financial instrument 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, are 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 instrument not measured at fair value

a) Financial assets

If the terms of a financial asset are modified, the Bank evaluates whether the cash flows of the modified asset are different from those at the original financial assets 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 carried at amortized cost 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.

8) Write-off

Debts that are determined to be irrecoverable are written off (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.

Applied before January 1, 2020

Derivatives

Derivatives are initially recorded at fair value at the date on which a derivative contract is entered into (Trade Date) and are subsequently measured at fair value. The changes in fair value are recognized as gains (losses) on tradings and foreign exchange transactions.

The Bank makes use of derivatives to manage exposures arising from assets, liabilities, off-balance sheet items, net positions or cash flow. Upon meeting specified criteria for hedge accounting, the Bank applies hedge accounting for the aforementioned derivatives and the same basis (accrual basis) of accounting for the hedged items.

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 discontinues using hedge accounting when a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting. Derivative is then remeasured at fair value and the difference between the carrying value under accrual method and the fair value of derivative is amortized and recognized in profit or loss in line with the hedged items.

An embedded derivative is a component of a hybrid or combined instrument that consists of a non-derivative host contract. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to the specified variable. The Bank recognizes, classifies and accounts for the embedded derivative in accordance with the BOT's Notification. An embedded derivative is separated from the host contract and accounted for as a derivative if all of the following criteria are met, namely that the embedded derivative has economic characteristics and risks that are not closely related to that of the host contract, and which when separated from the host contract would still meet the definition of a derivative, and where the hybrid instrument is not measured and recognized at fair value with changes in fair value recognized in profit or loss. An embedded derivative that is separated from the host contract is classified as held for trading and is presented at fair value with changes in fair value recognized as gains (losses) on tradings and foreign exchange transactions. The related host contract is recognized, classified and measured according to the related accounting policy. An embedded derivative in a hybrid instrument which does not meet the aforementioned criteria is accounted for under the host contract.

Investments

The Bank and its subsidiaries classify debt securities, equity securities and investments in receivables as trading investments, available-for-sale investments, held-to-maturity debt securities, general investments and investments in subsidiaries and associates.

Investments are initially recognized on the settlement date at fair value.

Investments in debt securities or marketable equity securities with readily determinable market values that are acquired with the intent to hold for a short period of time in order to take advantage of anticipated changes in market values are classified as trading investments and carried at fair value. Unrealized gains and losses from changes in their fair value, and gains and losses on disposal of investments are recognized as gains (losses) on tradings and foreign exchange transactions.

Debt securities for which the Bank has the intent and the ability to hold until maturity are classified as held-to-maturity debt securities and carried at the amortized cost, net of valuation allowance for impairment (if any).

Debt securities, investments in receivables and marketable equity securities with readily determinable market values that are not classified as either held-to-maturity debt securities, or trading investments or investments in subsidiaries and associates are classified as available-for-sale investments and carried 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 investments will be recognized as gains (losses) on investments.

Non-marketable equity securities and listed securities with restriction on trading price are classified as general investments and carried at cost, net of valuation allowance for impairment (if any).

Cost of debt and equity securities disposed is computed based on the weighted-average method. Interest income on debt securities is recognized on an accrual basis. The amortization of premiums and accretion of discounts uses methods that produce a level yield and presents as interest income. Dividend is recognized on an accrual basis as other operating income.

Valuation allowance for impairment are established by recognizing an unrealized loss upon impairment of investments as per the Bank and its subsidiaries' assessment. The impairment loss for equity securities is reported as gains (losses) on investments and the impairment loss for debt securities is reported as impairment loss of loans and debt securities.

4. Impairment of financial assets

The Bank's accounting policy for impairment of financial assets changed significantly under TFRS 9, and the expected credit loss model was applied for the financial year ended December 31, 2020, replacing the methodology stipulated by BOT's guidelines. The comparative financial statements were not restated upon adoption of TFRS 9.

Applied from January 1, 2020

For impairment of financial assets the Bank applies Expected Credit Losses (ECL) model and management overlay for the factors which are not captured by the model for debt financial assets, together with loan commitments and financial guarantee contracts, measured at amortized cost and FVOCI by classifying financial assets into three stages based on the change in credit risk since initial recognition.

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, manufacturing, 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 including experienced judgment to estimate the amount of an expected credit loss, use of macroeconomic factors which major are include, but is 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.

Applied before January 1, 2020

The BOT allows banks to classify loans and set up the allowance for doubtful accounts on an account-by-account basis or on a customer basis. In this respect, the Bank has chosen to classify loans and set up the allowance for doubtful accounts on a customer basis, such that all loans extended to a customer are classified at the lowest quality category of such customer and the allowance for doubtful accounts is determined according to the loan classification. The Bank also performs qualitative reviews of loans and commitments in accordance with the guidelines of the BOT.

5. Hedge accounting

Applied from January 1, 2020

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 qualify as fair value hedges are recorded in the statement of 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 the statement of 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 the statement of profit or loss.

2) Cash flow hedges

The effective portion of the cumulative changes in the fair value of derivatives that are designated and qualify 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 the statement of profit or loss. The reserve for cash flow hedges in equity are transferred to the statement of profit or loss in the period(s) in which the hedged item affects the statement of 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 the statement of profit or loss when the forecast transaction is ultimately recognized in the statement of 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 the statement of 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 the statement of profit or loss. Gains and losses accumulated in equity are transferred to the statement of profit or loss when the foreign operation is disposed.

3.2 Cash

Cash consists of cash on hand and cash in transit.

3.3 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.

The Bank presents its investments transferred to a subsidiary as securities transferred to subsidiary, classified as available-for-sale investments. Cash received from the aforementioned transfer is presented as other liabilities in accordance with accounting treatment guidance for transfer and transferred financial assets.

3.4 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.

3.5 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 unrealized increment per land and premises appraisal. Depreciation of the increment per premises appraisal is recognized as other operating expense and the unrealized increment per premises appraisal is amortized by transferring directly to retained earnings in an amount equal to such depreciation. Land and premises appraisal decrease is charged directly against any prior appraisal increase for the particular asset. The residual appraisal decrease is recognized as other operating expense. Upon disposal, any remaining related revaluation surplus of the land and premises 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.

3.6 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 the statement of profit or loss. Acquisition-related costs are expensed as incurred and included in other operating expenses in the statements of profit or loss and other comprehensive income. 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 an each business combination basis.

3.7 Goodwill and Intangible assets and amortization

Goodwill is stated at cost less impairment loss (if any). Impairment test is carried out annually, or when there is indication that the goodwill may be impaired.

Intangible assets are stated at cost net of accumulated amortization and allowance for impairment (if any).

Amortization is calculated by the straight-line method, based on the estimated useful lives of the assets. For computer software, the estimated useful lives are between 3 - 5 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.

3.8 Leases

Applied from January 1, 2020

The Bank as tenants 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.

Applied before January 1, 2020

Leaseholds

Leaseholds are stated at cost less amortization. Amortization charge is calculated by the straight-line method, based on the lease period, which ranges between 2 - 30 years.

3.9 Provisions

The Bank recognizes provisions in the statements 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 7.22), the probable loss on legal indemnity, and other provisions, have been recognized in the statements of financial position.

The Bank recognizes the provisions as other operating expenses and as provisions 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.

3.10 Assets and liabilities in foreign currencies

3.10.1 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.

3.10.2 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.

3.10.3 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.

3.11 Post-employment benefits

3.11.1 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 B.E. 2530 (1987). 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.

3.11.2 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 statements 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 in the statements of profit or loss and other comprehensive income. The actuarial gains (losses) are recognized in other comprehensive income.

3.12 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 recognized 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.

3.13 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. The impact of using Group of Financial Instruments Standards and Thai Financial Reporting Standard No.16 leases

4.1 The following table shows the impact of using Group of Financial Instruments Standards on the Bank's financial assets and financial liabilities as at December 31, 2019 and January 1, 2020 :

	Notes	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	Reclassification (to) from			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020	Million Baht
					FVTPL	FVOCI	Amortized cost				
					CONSOLIDATED						
Assets											
Cash		Amortized cost	Amortized cost	58,090	-	-	-	58,090	-	58,090	
Interbank and money market items, net		Amortized cost	Amortized cost	472,349	-	-	-	472,349	1,092	473,441	
Financial assets measured at FVTPL	1), 2), 3)	-	FVTPL	-	48,591	-	-	48,591	9,177	57,768	
Derivative assets	4), 5), 6)	FVTPL / Accrual	FVTPL / Accrual	49,807	607	-	-	50,414	545	50,959	
Investments, net	7), 8), 10), 11), 12)	FVTPL	FVOCI	13,613	(10,993)	(2,620)	-	-	-	-	
	9)	Amortized cost	Amortized cost	59,916	(30,274)	(5,833)	-	23,809	(8)	23,801	

Million Baht

CONSOLIDATED

Notes	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	Reclassification (to) from			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020
				FVTPL	FVOCI	Amortized cost			
Investments in subsidiaries and associates, net			1,737	-	-	-	1,737	-	1,737
Loans to customers and accrued interest receivables, net		Amortized cost	1,891,046	-	-	-	1,891,046	5,284	1,896,330
Customer's liability under Acceptances	On-Balance Sheet	Off-Balance Sheet	1,627	-	-	(1,627)	-	-	-
Properties for sale, net			9,363	-	-	-	9,363	-	9,363
Premises and equipment, Net			40,754	-	-	-	40,754	-	40,754
Other intangible assets, net			1,760	-	-	-	1,760	-	1,760
Deferred tax assets			4,542	-	-	-	4,542	2,947	7,489
Collateral placed with financial counterparties			17,507	-	-	-	17,507	-	17,507
Other assets, Net			20,464	-	-	-	20,464	-	20,464
Total assets			3,216,743	-	-	(1,627)	3,215,116	21,734	3,236,850

	Notes	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	Reclassification (to) from			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020
					FVTPL	FVOCI	Amortized cost			
					CONSOLIDATED					
Million Baht										
Liabilities										
Deposits		Amortized cost	Amortized cost	2,370,792	-	-	-	2,370,792	-	2,370,792
Interbank and money market items		Amortized cost	Amortized cost	134,347	-	-	-	134,347	-	134,347
Liabilities payable on demand		Amortized cost	Amortized cost	5,523	-	-	-	5,523	-	5,523
Financial liabilities										
measured at FVTPL	13)	-	FVTPL	-	8,930	-	-	8,930	11,176	20,106
Derivatives liabilities	4)	FVTPL / Accrual	FVTPL / Accrual	37,837	-	-	-	37,837	1,599	39,436
Debt issued and borrowing		Amortized cost	Amortized cost	144,681	(8,227)	-	-	136,454	-	136,454
Bank's liability under acceptances		On-Balance Sheet	Off-Balance Sheet	1,627	-	-	(1,627)	-	-	-
Provisions				18,702	-	-	-	18,702	5,758	24,460
Deferred tax liabilities				2,364	-	-	-	2,364	1,042	3,406
Other liabilities				72,754	(703)	-	-	72,051	-	72,051
Total liabilities				2,788,627	-	-	(1,627)	2,787,000	19,575	2,806,575

Million Baht

Notes	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	Reclassification (to) from			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020
				FVTPL	FVOCI	Amortized cost			
Shareholders' equity									
Issued and paid-up share capital			19,088	-	-	-	19,088	-	19,088
Premium on common share			56,346	-	-	-	56,346	-	56,346
Other reserves			34,472	(1,852)	112	-	32,732	943	33,675
Retained earning									
Appropriate									
Legal reserve			24,000	-	-	-	24,000	-	24,000
Others			106,500	-	-	-	106,500	-	106,500
Unappropriated			187,345	1,852	(112)	-	189,085	1,214	190,299
Total Bank's equity			427,751	-	-	-	427,751	2,157	429,908
Non-controlling interest			365	-	-	-	365	2	367
Total shareholders' equity			428,116	-	-	-	428,116	2,159	430,275
Total liabilities and shareholders' equity									
			3,216,743	-	-	(1,627)	3,215,116	21,734	3,236,850

Million Baht

	Notes	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	Reclassification (to) from			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020
					FVTPL	FVOCI	Amortized cost			
Assets										
Cash		Amortized cost	Amortized cost	58,013	-	-	-	58,013	-	58,013
Interbank and money market items, net		Amortized cost	Amortized cost	442,584	-	-	-	442,584	946	443,530
Financial assets measured at FVTPL	1), 2), 3)	-	FVTPL	-	43,324	-	-	43,324	9,483	52,807
Derivative assets	4), 5), 6)	Accrual	Accrual	49,687	607	-	-	50,294	545	50,839
Investments, net	7), 8), 10), 11)	FVTPL	-	8,518	(8,518)	-	-	-	-	-
	9)	Amortized cost	Amortized cost	45,220	(29,174)	(5,817)	-	10,229	(6)	10,223
Investments in subsidiaries and associates, net				38,415	-	-	-	38,415	-	38,415

Million Baht

Notes	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	Reclassification (to) from			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020
				FVTPL	FVOCI	Amortized cost			
Loans to customers and accrued interest receivables, net	Amortized cost	Amortized cost	1,836,722	-	-	-	1,836,722	4,951	1,841,673
Customer's liability under acceptances	On-Balance Sheet	Off-Balance Sheet	104	-	-	(104)	-	-	-
Properties for sale, net			8,368	-	-	-	8,368	-	8,368
Premises and equipment, net			39,505	-	-	-	39,505	-	39,505
Other intangible assets, net			1,673	-	-	-	1,673	-	1,673
Deferred tax assets			3,360	-	-	-	3,360	2,886	6,246
Collateral placed with financial counterparties			17,419	-	-	-	17,419	-	17,419
Other assets, Net			16,976	-	-	-	16,976	-	16,976
Total assets			3,123,361	-	-	(104)	3,123,257	21,424	3,144,681

	THE BANK							Million Baht		
	Reclassification (to) from									
	Notes	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	FVTPL	FVOCI	Amortized cost		Carrying amount after reclassification	Re-measurement
Liabilities										
Deposits		Amortized cost	Amortized cost	2,316,035	-	-	-	2,316,035	-	2,316,035
Interbank and money market items		Amortized cost	Amortized cost	129,277	-	-	-	129,277	-	129,277
Liabilities payable on demand		Amortized cost	Amortized cost	5,488	-	-	-	5,488	-	5,488
Financial liabilities measured at FVTPL	13)	-	FVTPL	-	8,227	-	-	8,227	11,176	19,403
Derivatives liabilities	4)	FVTPL / Accrual	FVTPL / Accrual	37,371	-	-	-	37,371	1,599	38,970
Debt issued and borrowing		Amortized cost	Amortized cost	144,316	(8,227)	-	-	136,089	-	136,089
Bank's liability under acceptances		On-Balance Sheet	Off-Balance Sheet	104	-	-	(104)	-	-	-
Provisions				18,428	-	-	-	18,428	5,291	23,719
Deferred tax liabilities				2,158	-	-	-	2,158	1,043	3,201
Other liabilities				51,721	-	-	-	51,721	-	51,721
Total liabilities				2,704,898	-	-	(104)	2,704,794	19,109	2,723,903

Notes	Original measurement category	New measurement under TFRS 9	Carrying amount as at December 31, 2019	THE BANK			Carrying amount after reclassification	Re-measurement	TFRS 9 carrying amount as at January 1, 2020	Million Baht
				Reclassification (to) from						
				FVTPL	FVOCI	Amortized cost				
Shareholders' equity										
Issued and paid-up share capital			19,088	-	-	-	19,088	-	19,088	
Premium on common share			56,346	-	-	-	56,346	-	56,346	
Other reserves			40,384	(1,817)	-	-	38,567	854	39,421	
Retained earning										
Appropriate										
Legal reserve			24,000	-	-	-	24,000	-	24,000	
Others			106,500	-	-	-	106,500	-	106,500	
Unappropriated			172,145	1,817	-	-	173,962	1,461	175,423	
Total Bank's equity			418,463	-	-	-	418,463	2,315	420,778	
Total liabilities and shareholders' equity			3,123,361	-	-	(104)	3,123,257	21,424	3,144,681	

Note :

- 1) Investment in debt securities and certain marketable equity securities that classified as trading investment under TFRS 9 have business model to realize through sale in the short term classified as measured at FVTPL.
- 2) Investment in debt securities and certain investments that classified as AFS equity securities or general investment have been reclassified as debt securities under TAS 32 which failed SPPI test and required to measure at FVTPL under TFRS 9.
- 3) Investments in non-marketable equity securities classified as general investments under TFRS 9, which will be classified as FVTPL.
- 4) Comprises of derivatives held for risk management previously measured on an accrual method for which these instruments will be classified and measured at FVTPL under TFRS 9.
- 5) Comprises of warrants that were previously classified as AFS equity securities. They have been reclassified to derivative assets and measured at FVTPL because they meet the definition of derivatives under TFRS 9.
- 6) Comprises of warrants that were previously classified as general investment under TFRS 9, which is derivative assets and measured at FVTPL.
- 7) Investment in debt securities that classified as an AFS under TFRS 9 were assessed to have a business model whose objective is achieved by both collecting contractual cash flows and selling. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest. Accordingly, these instruments are classified at FVOCI.
- 8) Certain investments in equity securities that classified as general investment have been reclassified as debt securities under TAS 32 and under TFRS 9, which is a business model of holding to collect contractual cash flows and sell. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest. Accordingly, these instruments will be accounted for at FVOCI.
- 9) Investments in debt securities that classified as HTM under TFRS 9, which is a business model of holding to collect contractual cash flows which comprise of solely payments of principal and interest. Accordingly, these instruments will be classified at amortized cost.
- 10) Investments in marketable equity securities classified as AFS under TFRS 9 for which the Bank has elected to apply the FVOCI.
- 11) Investments in non-marketable equity securities classified as general investments under TFRS 9 for which the Bank has elected to apply the FVOCI.
- 12) Investments in marketable equity securities that classified as trading under TFRS 9 choose to measure the FVOCI.
- 13) Debt securities issued under TFRS 9 are determined to be measured at FVTPL. In order to reduce the impact of inconsistent accounting measurement.

The impact of transition to TFRS 9 on other reserves and retained earnings is, as follows :

	CONSOLIDATED			Million Baht
	Revaluation surplus on investments	Other Reserves Cash flow hedge reserve	Own credit risk revaluation reserve	Retained earnings
Balance as at December 31, 2019	28,135	-	-	317,845
Impact as a result of reclassification and measurement	2,027	-	(2,745)	360
Impact as a result of applying hedge accounting	(1,505)	445	-	1,060
Recognition of expected credit losses for				
debt financial assets measured at FVOCI	610	-	-	-
Deferred tax in relation to the above	(89)	(89)	549	1,534
Balance as at January 1, 2020	<u>29,178</u>	<u>356</u>	<u>(2,196)</u>	<u>320,799</u>

	THE BANK			Million Baht
	Revaluation surplus on investments	Other Reserves Cash flow hedge reserve	Own credit risk revaluation reserve	Retained earnings
Balance as at December 31, 2019	28,036	-	-	302,645
Impact as a result of reclassification and measurement	1,852	-	(2,745)	764
Impact as a result of applying hedge accounting	(1,505)	445	-	1,060
Recognition of expected credit losses for				
debt financial assets measured at FVOCI	600	-	-	-
Deferred tax in relation to the above	(70)	(89)	549	1,454
Balance as at January 1, 2020	<u>28,913</u>	<u>356</u>	<u>(2,196)</u>	<u>305,923</u>

- 4.2 Thai Financial Reporting Standard No. 16 regarding Leases (IFRS 16), replace the existing lease accounting under Thai Accounting Standard No. 17 regarding Leases.

As at January 1, 2020, The Bank and subsidiaries have increased in total assets and liabilities due to the recognition of right-of-use assets and lease liabilities for the consolidated financial statement in the amount of Baht 4,733 million and Baht 4,236 million, respectively, and the Bank's financial statement in the amount of Baht 4,152 million and Baht 3,737 million, respectively.

5. RISK MANAGEMENT

5.1 Risk information of the Bank

The Bank's Risk Management Committee 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.

5.2 Credit risk

5.2.1 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.

5.2.2 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, 2020.

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 2020	Million Baht THE BANK 2020
Financial assets		
Interbank and money market items, net	519,036	374,779
Derivatives assets	67,560	66,143
Investments	680,902	594,127
Loan to customers	<u>2,189,102</u>	<u>1,896,205</u>
Total	<u>3,456,600</u>	<u>2,931,254</u>
Off Balance sheet		
Financial guarantees	199,100	161,786
Loan commitments	<u>421,290</u>	<u>376,969</u>
Total	<u>620,390</u>	<u>538,755</u>
Total credit risk exposure	<u><u>4,076,990</u></u>	<u><u>3,470,009</u></u>

5.2.3 Collateral obtained

The maximum exposure to credit risk arised 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.

5.2.4 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, 2020.

Types of Financial Instrument	CONSOLIDATED 2020							Million Baht		
	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	Amounts not offset on the statement of financial position	Net amounts	Line item on the statement of financial position	Notes		Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
Financial assets										
Reverse repurchase agreements	13,761	-	13,761	-	(13,761)	-	Interbank and money market items (assets), net	7.4	519,036	505,275
Derivatives assets	37,685	-	37,685	(28,129)	(3,864)	5,692	Derivative assets	7.6	67,560	29,875
Total	<u>51,446</u>	<u>-</u>	<u>51,446</u>	<u>(28,129)</u>	<u>(17,625)</u>	<u>5,692</u>			<u>586,596</u>	<u>535,150</u>
Financial liabilities										
Repurchase agreements	2,000	-	2,000	-	(2,000)	-	Interbank and money market items (assets), net	7.15	219,149	217,149
Derivatives liabilities	44,788	-	44,788	(28,129)	(12,670)	3,989	Derivative liabilities	7.6	57,128	12,340
Total	<u>46,788</u>	<u>-</u>	<u>46,788</u>	<u>(28,129)</u>	<u>(14,670)</u>	<u>3,989</u>			<u>276,277</u>	<u>229,489</u>

Million Baht

Types of Financial Instrument	THE BANK 2020									
	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	Unqualified contractual offset amounts	Amounts not offset on the statement of financial position	Net amounts	Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
Financial assets										
Reverse repurchase agreements	13,761	-	13,761	-	(13,761)	-	Interbank and money market items (assets), net	7.4	374,779	361,018
Derivatives assets	37,685	-	37,685	(28,129)	(3,864)	5,692	Derivative assets	7.6	66,143	28,458
Total	<u>51,446</u>	<u>-</u>	<u>51,446</u>	<u>(28,129)</u>	<u>(17,625)</u>	<u>5,692</u>			<u>440,922</u>	<u>389,476</u>
Financial liabilities										
Repurchase agreements	2,000	-	2,000	-	(2,000)	-	Interbank and money market items (assets), net	7.15	162,499	160,499
Derivatives liabilities	44,788	-	44,788	(28,129)	(12,670)	3,989	Derivative liabilities	7.6	56,212	11,424
Total	<u>46,788</u>	<u>-</u>	<u>46,788</u>	<u>(28,129)</u>	<u>(14,670)</u>	<u>3,989</u>			<u>218,711</u>	<u>171,923</u>

5.2.5 Credit quality of financial assets including loan commitments and financial guarantee contracts as at December 31, 2020.

	CONSOLIDATED 2020			Million Baht
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	892,537	560	-	893,097
Satisfactory	1,581,390	7,699	-	1,589,089
High-risk	261,753	141,446	-	403,199
Credit impaired	-	-	108,888	108,888
Total	<u>2,735,680</u>	<u>149,705</u>	<u>108,888</u>	<u>2,994,273</u>
Interbank and money market items and investments in debt securities				
Strong	1,167,862	-	-	1,167,862
Satisfactory	21,953	1,244	-	23,197
High-risk	3,028	4,078	-	7,106
Credit impaired	-	-	1,518	1,518
Total	<u>1,192,843</u>	<u>5,322</u>	<u>1,518</u>	<u>1,199,683</u>
Grand total	<u><u>3,928,523</u></u>	<u><u>155,027</u></u>	<u><u>110,406</u></u>	<u><u>4,193,956</u></u>

	THE BANK 2020			Million Baht
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	720,884	311	-	721,195
Satisfactory	1,460,469	7,673	-	1,468,142
High-risk	199,762	113,166	-	312,928
Credit impaired	-	-	96,230	96,230
Total	<u>2,381,115</u>	<u>121,150</u>	<u>96,230</u>	<u>2,598,495</u>
Interbank and money market items and investments in debt securities				
Strong	941,115	-	-	941,115
Satisfactory	19,029	595	-	19,624
High-risk	2,954	4,078	-	7,032
Credit impaired	-	-	1,505	1,505
Total	<u>963,098</u>	<u>4,673</u>	<u>1,505</u>	<u>969,276</u>
Grand total	<u><u>3,344,213</u></u>	<u><u>125,823</u></u>	<u><u>97,735</u></u>	<u><u>3,567,771</u></u>

Allowance for expected credit loss / Allowance for doubtful accounts that require credit impairment consideration according to relevant financial reporting standard consisted of the following as at December 31, 2020 and 2019 :

	CONSOLIDATED 2020	Million Baht THE BANK 2020
Expected credit losses for		
Interbank and money market items	400	367
Investment in debt securities	2,895	2,841
Loans to customers	185,567	163,534
Other off-balance sheet items	9,006	7,473
Total	<u><u>197,868</u></u>	<u><u>174,215</u></u>

	CONSOLIDATED 2020			Million Baht
	Allowance for expected credit loss			
	Performing	Under-performing	Non-performing	Total
Beginning balances	62,411	60,552	53,234	176,197
Changes due to re-measurement of loss allowance	1,609	22,629	48,388	72,626
De-recognition	(7,241)	(17,831)	(29,169)	(54,241)
Others	(254)	(145)	3,685	3,286
Ending balances	<u><u>56,525</u></u>	<u><u>65,205</u></u>	<u><u>76,138</u></u>	<u><u>197,868</u></u>

	THE BANK 2020			Million Baht
	Allowance for expected credit loss			
	Performing	Under-performing	Non-performing	Total
Beginning balances	59,077	60,276	52,662	172,015
Changes due to re-measurement of loss allowance	(4,876)	15,235	35,657	46,016
De-recognition	(5,933)	(16,437)	(23,769)	(46,139)
Others	35	(30)	2,318	2,323
Ending balances	<u><u>48,303</u></u>	<u><u>59,044</u></u>	<u><u>66,868</u></u>	<u><u>174,215</u></u>

	CONSOLIDATED 2019	Million Baht THE BANK 2019
Allowance for doubtful accounts		
Interbank and money market items	1,263	1,101
Loans to customers	167,766	163,745
Total	<u>169,029</u>	<u>164,846</u>

	CONSOLIDATED 2019						Million Baht Total
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	
Beginning balances	16,538	594	1,018	10,608	30,188	90,708	149,654
Doubtful accounts	(150)	257	341	(4,349)	9,515	25,575	31,189
Bad debt recovered	-	-	-	-	1,516	-	1,516
Bad debt written off	-	-	-	-	(11,132)	-	(11,132)
Others	-	-	-	-	-	(2,198)	(2,198)
Ending balances	<u>16,388</u>	<u>851</u>	<u>1,359</u>	<u>6,259</u>	<u>30,087</u>	<u>114,085</u>	<u>169,029</u>

	THE BANK 2019						Million Baht Total
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	
Beginning balances	16,015	590	1,018	10,513	29,865	87,771	145,772
Doubtful accounts	(50)	257	341	(4,817)	9,549	25,314	30,594
Bad debt recovered	-	-	-	-	1,456	-	1,456
Bad debt written off	-	-	-	-	(11,059)	-	(11,059)
Others	-	-	-	-	-	(1,917)	(1,917)
Ending balances	<u>15,965</u>	<u>847</u>	<u>1,359</u>	<u>5,696</u>	<u>29,811</u>	<u>111,168</u>	<u>164,846</u>

5.3 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.

5.3.1 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, speculate for a short-term profit, or hedge 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

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.

For the trading book positions of the Bank and the BBL Group, the one-day VaR at a 99% confidence level as at December 31, 2020 was Baht 492 million and Baht 500 million, respectively.

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.

5.3.2 Market Risk in the Banking Book

5.3.2.1 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 and the BBL Group as at December 31, 2020 and 2019 was as follows :

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
NII Impact	55	2,200	(725)	1,841

Million Baht

The Bank has significant financial assets and financial liabilities categorized by the earlier of contractual repricing or maturity dates as at December 31, 2020 and 2019 as follows :

	CONSOLIDATED 2020							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 *	385,330	25,517	28,793	793	-	76,804	-	517,237
Financial assets measured at fair value through profit or loss	62	53	947	4,665	8,162	44,047	-	57,936
Investments in debt securities	15,822	83,044	157,728	324,562	97,098	68	-	678,322
Loans to customers	1,365,351	470,138	272,712	148,167	7,432	5,203	99,235	2,368,238
Financial Liabilities								
Deposits	1,788,428	382,141	498,079	24,697	-	117,518	-	2,810,863
Interbank and money market items	106,946	40,491	23,452	37,108	972	10,180	-	219,149
Liabilities payable on demand	-	-	-	-	-	7,257	-	7,257
Financial liabilities measured at fair value through profit or loss	-	200	-	-	19,057	-	-	19,257
Debt issued and borrowings	7	92	2,082	57,430	76,566	-	-	136,177

* Excluding allowance for expected credit loss / allowance for doubtful accounts and accrued interest receivables.

	CONSOLIDATED							
	2019							
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total
Financial Assets								
Interbank and money								
market items *	343,179	44,549	8,221	1,831	-	75,381	-	473,161
Investments in debt securities	15,970	68,444	118,420	267,228	76,436	-	-	546,498
Loans to customers	1,329,475	379,513	202,063	66,461	3,378	9,444	70,975	2,061,309
Financial Liabilities								
Deposits	1,354,988	316,140	566,950	21,950	-	110,764	-	2,370,792
Interbank and money								
market items	78,124	23,494	11,533	8,810	650	11,735	-	134,346
Liabilities payable								
on demand	-	-	-	-	-	5,523	-	5,523
Debt issued and borrowings	8	57	24,433	57,711	62,472	-	-	144,681

	THE BANK							
	2020							
	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 *	288,557	13,976	18,350	754	-	53,418	-	375,055
Financial assets measured								
at fair value through								
profit or loss	42	11	435	1,686	28,634	38,551	-	69,359
Investments in debt securities	10,338	59,512	132,982	295,054	94,626	68	-	592,580
Loans to customers	1,195,368	411,756	244,726	104,321	6,241	5,203	86,998	2,054,613
Financial Liabilities								
Deposits	1,540,819	351,434	465,312	10,500	-	117,532	-	2,485,597
Interbank and money								
market items	52,264	37,219	23,180	36,478	972	12,386	-	162,499
Liabilities payable								
on demand	-	-	-	-	-	6,703	-	6,703
Financial liabilities measured								
at fair value through								
profit or loss	-	-	-	-	19,057	-	-	19,057
Debt issued and borrowings	-	-	10	57,388	76,566	-	-	133,964

* Excluding allowance for expected credit loss / allowance for doubtful accounts and accrued interest receivables.

Million Baht

	THE BANK 2019							Total
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	
Financial Assets								
Interbank and money								
market items*	331,050	35,956	3,827	1,831	-	70,672	-	443,336
Investments in debt securities	15,970	54,733	110,346	259,754	76,436	-	-	517,239
Loans to customers	1,291,748	365,647	196,634	66,461	3,378	9,444	69,771	2,003,083
Financial Liabilities								
Deposits	1,335,184	309,233	547,958	12,893	-	110,767	-	2,316,035
Interbank and money								
market items	76,893	22,685	8,297	8,810	650	11,942	-	129,277
Liabilities payable								
on demand	-	-	-	-	-	5,488	-	5,488
Debt issued and borrowings	8	-	24,125	57,711	62,472	-	-	144,316

5.3.2.2 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, 2020. The impact on the Bank's total capital ratio, due to the appreciation of the Thai Baht currency against foreign currencies of 5%, is approximately 0.02%.

* Excluding allowance for expected credit loss / allowance for doubtful accounts and accrued interest receivables.

5.4 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.

The following tables show financial assets and financial liabilities categorized by remaining maturity profile as at December 31, 2020 and 2019 :

	CONSOLIDATED					Million Baht
	2020					Total
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	
Financial Assets						
Interbank and money market items *	511,527	5,606	104	-	-	517,237
Financial assets measured at						
fair value through profit or loss	933	4,905	8,051	44,047	-	57,936
Derivatives assets	21,326	21,766	24,468	-	-	67,560
Investments	243,383	334,744	100,351	80,916	-	759,394
Loans to customers	858,828	859,882	545,029	-	104,499	2,368,238
Financial Liabilities						
Deposits	2,786,155	24,708	-	-	-	2,810,863
Interbank and money market items	172,121	43,098	972	2,958	-	219,149
Liabilities payable on demand	7,257	-	-	-	-	7,257
Financial liabilities measured at						
fair value through profit or loss	200	-	19,057	-	-	19,257
Derivatives liabilities	13,608	20,540	22,980	-	-	57,128
Debt issued and borrowings	2,181	57,430	76,566	-	-	136,177
CONSOLIDATED						
2019						
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items *	471,330	1,831	-	-	-	473,161
Derivatives assets	11,845	17,179	20,783	-	-	49,807
Investments	191,545	278,064	76,889	102,936	-	649,434
Loans to customers	861,179	700,311	428,939	-	70,880	2,061,309
Financial Liabilities						
Deposits	2,348,842	21,950	-	-	-	2,370,792
Interbank and money market items	120,376	13,320	650	-	-	134,346
Liabilities payable on demand	5,523	-	-	-	-	5,523
Derivatives liabilities	5,894	12,400	19,543	-	-	37,837
Debt issued and borrowings	24,498	57,711	62,472	-	-	144,681

* Excluding allowance for expected credit loss / allowance for doubtful accounts and accrued interest receivables.

	THE BANK 2020					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*	374,301	754	-	-	-	375,055
Financial assets measured at						
fair value through profit or loss	488	1,686	7,608	59,577	-	69,359
Derivatives assets	20,120	21,555	24,468	-	-	66,143
Investments	191,997	305,335	95,180	222,522	-	815,034
Loans to customers	730,047	748,304	484,061	-	92,201	2,054,613
Financial Liabilities						
Deposits	2,471,569	14,028	-	-	-	2,485,597
Interbank and money market items	119,059	42,468	972	-	-	162,499
Liabilities payable on demand	6,703	-	-	-	-	6,703
Financial liabilities measured at						
fair value through profit or loss	-	-	19,057	-	-	19,057
Derivatives liabilities	12,904	20,328	22,980	-	-	56,212
Debt issued and borrowings	10	57,388	76,566	-	-	133,964

	THE BANK 2019					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items*	441,505	1,831	-	-	-	443,336
Derivatives assets	11,725	17,179	20,783	-	-	49,687
Investments	169,760	270,590	76,889	131,711	-	648,950
Loans to customers	823,739	686,962	422,611	-	69,771	2,003,083
Financial Liabilities						
Deposits	2,303,142	12,893	-	-	-	2,316,035
Interbank and money market items	115,307	13,320	650	-	-	129,277
Liabilities payable on demand	5,488	-	-	-	-	5,488
Derivatives liabilities	5,428	12,400	19,543	-	-	37,371
Debt issued and borrowings	24,133	57,711	62,472	-	-	144,316

* Excluding allowance for expected credit loss / allowance for doubtful accounts and accrued interest receivables.

5.5 Fair value of financial instruments

The following table presents the carrying amount and estimated fair value of financial instruments as at December 31, 2020 and 2019 :

	Carrying Amount	CONSOLIDATED		Million Baht
		2020 Fair Value	Carrying Amount	2019 Fair Value
Financial Assets				
Cash	73,886	73,886	58,090	58,090
Interbank and money market items, net	519,036	519,036	472,349	472,349
Financial assets measured at fair value				
through profit or loss	57,936	57,936	-	-
Derivatives assets	67,560	65,831	49,807	50,315
Investments, net	759,394	789,633	649,434	651,479
Loans to customers and accrued interest				
receivables, net	2,189,102	2,189,102	1,891,046	1,891,046
Total	3,666,914	3,695,424	3,120,726	3,123,279
Financial Liabilities				
Deposits	2,810,863	2,810,863	2,370,792	2,370,792
Interbank and money market items	219,149	219,149	134,346	134,346
Liabilities payable on demand	7,257	7,257	5,523	5,523
Financial liabilities measured at fair value				
through profit or loss	19,257	19,257	-	-
Derivatives liabilities	57,128	55,429	37,837	39,413
Debt issued	135,769	146,243	144,208	162,138
Borrowings	408	408	473	473
Total	3,249,831	3,258,606	2,693,179	2,712,685

	THE BANK			
	2020		2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Million Baht				
Financial Assets				
Cash	70,014	70,014	58,013	58,013
Interbank and money market items, net	374,779	374,779	442,584	442,584
Financial assets measured at fair value				
through profit or loss	69,359	69,359	-	-
Derivatives assets	66,143	64,358	49,687	50,201
Investments, net	815,034	827,016	648,950	660,685
Loans to customers and accrued interest				
receivables, net	<u>1,896,205</u>	<u>1,896,205</u>	<u>1,836,722</u>	<u>1,836,722</u>
Total	<u><u>3,291,534</u></u>	<u><u>3,301,731</u></u>	<u><u>3,035,956</u></u>	<u><u>3,048,205</u></u>
Financial Liabilities				
Deposits	2,485,597	2,485,597	2,316,035	2,316,035
Interbank and money market items	162,499	162,499	129,277	129,277
Liabilities payable on demand	6,703	6,703	5,488	5,488
Financial liabilities measured at fair value				
through profit or loss	19,057	19,057	-	-
Derivatives liabilities	56,212	54,455	37,371	38,958
Debt issued	133,599	144,000	143,843	161,773
Borrowings	<u>365</u>	<u>365</u>	<u>473</u>	<u>473</u>
Total	<u><u>2,864,032</u></u>	<u><u>2,872,676</u></u>	<u><u>2,632,487</u></u>	<u><u>2,652,004</u></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 a reliable institution.

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 arrive 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, 2020 and 2019.

	Million Baht							
	CONSOLIDATED							
	2020			Total	2019			Total
Level 1	Level 2	Level 3	Level 1		Level 2	Level 3		
Items measured at fair value								
Financial assets								
Financial assets measured at fair value through profit or loss	3,244	8,951	45,741	57,936	-	-	-	-
Derivatives assets	448	65,361	22	65,831	-	50,315	-	50,315
Investments, net	123,211	624,497	6,122	753,830	85,478	502,855	-	588,333
Financial liabilities								
Financial liabilities measured at fair value through profit or loss	200	19,057	-	19,257	-	-	-	-
Derivatives liabilities	103	55,326	-	55,429	361	39,052	-	39,413
Items not measured at fair value								
Financial assets								
Investments, net	403	27,638	7,762	35,803	3,117	20,374	39,655	63,146
Financial liabilities								
Debt issued	-	146,651	-	146,651	-	162,138	-	162,138

	Million Baht							
	THE BANK							
	2020			Total	2019			Total
Level 1	Level 2	Level 3	Level 1		Level 2	Level 3		
Items measured at fair value								
Financial assets								
Financial assets measured at fair value through profit or loss	1,441	2,939	64,979	69,359	-	-	-	-
Derivatives assets	444	63,892	22	64,358	-	50,201	-	50,201
Investments, net	87,758	569,017	5,993	662,768	80,384	484,931	-	565,315
Financial liabilities								
Financial liabilities measured at fair value through profit or loss	-	19,057	-	19,057	-	-	-	-
Derivatives liabilities	-	54,455	-	54,455	-	38,958	-	38,958
Items not measured at fair value								
Financial assets								
Investments, net	403	7,446	156,399	164,248	3,117	7,317	84,936	95,370
Financial liabilities								
Debt issued	-	144,365	-	144,365	-	161,773	-	161,773

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.

5.6 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 maintain a capital conservation buffer in addition to minimum capital adequacy ratios which sets out to phasing in additional capital ratio of more than 0.625 percent p.a. starting January 1, 2016 until completion of the increment to more than 2.50 percent on January 1, 2019. In September 2017, the BOT has announced the guideline to identify and regulate Domestic Systemically Important Banks (D-SIBs). The BOT requires the Bank, classified as D-SIBs, must have additional capital requirement for Higher Loss Absorbency (HLA) requirement by increasing the Common Equity Tier 1 ratio at 1 percent, beginning at 0.5 percent from January 1, 2019 and increasing to be 1 percent from January 1, 2020 onwards. The minimum capital adequacy and a capital conservation buffer ratios to risk-weighted assets is as follows :

	Percentage	
Capital Fund Ratio	2020	2019
Common Equity Tier 1 ratio	More than 8.0	More than 7.5
Tier 1 capital ratio	More than 9.5	More than 9.0
Total capital fund ratio	More than 12.0	More than 11.5

Moreover, the BOT may require to maintain additional capital for countercyclical buffer at maximum of 2.50 percent.

As at December 31, 2020 and 2019, 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	
	2020	2019	2020	2019
Common Equity Tier 1 capital to risk assets ratio	14.89	17.01	16.33	17.14
Tier 1 capital to risk assets ratio	15.76	17.01	17.28	17.14
Total capital to risk assets ratio	18.34	20.04	20.10	20.20

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
Tier 1 capital	431,381	406,529	428,010	399,842
Common Equity Tier 1 capital	407,621	406,463	404,418	399,842
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	25,000	24,000	25,000	24,000
Reserves appropriated from net profit	111,500	106,500	111,500	106,500
Net profit after appropriation	185,859	170,789	170,314	157,182
Other comprehensive income	47,386	33,678	53,184	39,600
Deductions from Common Equity				
Tier 1 capital	(37,558)	(3,938)	(31,014)	(2,874)
Additional Tier 1 capital	23,760	66	23,592	-
Tier 2 capital	70,686	72,211	69,839	71,420
Total capital fund	502,067	478,740	497,849	471,262

As at December 31, 2020 and 2019, the Bank has no capital add-on arising from Single Lending Limit.

As at December 31, 2020, the Bank has the subordinated notes (See Note 7.18) which the BOT had approved to include in Additional Tier 1 capital on September 23, 2020.

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 30, 2020
Information as of June 30, 2020

6. SIGNIFICANT USE OF ACCOUNTING JUDGMENTS AND ESTIMATES

6.1 Impairment losses on financial assets

Applicable from January 1, 2020

The measurement of impairment losses under Thai Financial Reporting Standard No. 9 across all categories of financial assets requires judgement, 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

It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

Applicable before January 1, 2020

Impairment of investments in securities

The Bank assesses the impairment of investments in securities where objective evidence of impairment exists and determines that the investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires the Bank's judgment. In making this judgment, the Bank evaluates the volatility in the investment's fair value and other factors which include the estimated future cash flows, the deterioration in the financial position of the issuer of the securities and the operating environment in the industry sector of the issuer.

Allowance for doubtful accounts

The determination of the allowance for doubtful accounts requires the use of various assumptions and judgments by the Bank, which includes the consideration of objective evidence indicating an adverse change in the capacity of the borrowers to repay loans, the estimated future cash flows to be received from the borrowers, the estimated cash flows from the collateral, the timing of future cash flows, the potential of additional future loss and the economic conditions that may have an impact on the loan default rate. The Bank reviews these estimates and assumptions on a regular basis.

6.2 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 requires actuarial assumptions on financial variables such as discount rate, future salaries and benefits etc., and demographic variables such as employee mortality and turnover etc.

6.3 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.

6.4 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.

7. ADDITIONAL INFORMATION

7.1 Classification of financial assets and financial liabilities

Classification of financial assets and financial liabilities as at December 31, 2020 are as follows :

	CONSOLIDATED 2020					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	-	-	-	-	73,886	73,886
Interbank and money market items, net	-	-	-	-	519,036	519,036
Financial assets measured at FVTPL	57,936	-	-	-	-	57,936
Derivatives assets	67,560	-	-	-	-	67,560
Investments, net	-	-	639,438	80,160	38,884	758,482
Loans to customers and accrued interest receivables, net	-	-	-	-	2,189,102	2,189,102
Total	125,496	-	639,438	80,160	2,820,908	3,666,002
Financial liabilities						
Deposits	-	-	-	-	2,810,863	2,810,863
Interbank and money market item	-	-	-	-	219,149	219,149
Liability payable on demand	-	-	-	-	7,257	7,257
Financial liabilities measured at FVTPL	200	19,057	-	-	-	19,257
Derivatives liabilities	57,128	-	-	-	-	57,128
Debt issued and borrowings	-	-	-	-	136,177	136,177
Total	57,328	19,057	-	-	3,173,446	3,249,831

	THE BANK 2020					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	-	-	-	-	70,014	70,014
Interbank and money market items, net	-	-	-	-	374,779	374,779
Financial assets measured at FVTPL	69,359	-	-	-	-	69,359
Derivatives assets	66,143	-	-	-	-	66,143
Investments, net	-	-	584,904	77,864	7,677	670,445
Loans to customers and accrued interest receivables, net	-	-	-	-	1,896,205	1,896,205
Total	135,502	-	584,904	77,864	2,348,675	3,146,945
Financial liabilities						
Deposits	-	-	-	-	2,485,597	2,485,597
Interbank and money market item	-	-	-	-	162,499	162,499
Liability payable on demand	-	-	-	-	6,703	6,703
Financial liabilities measured at FVTPL	-	19,057	-	-	-	19,057
Derivatives liabilities	56,212	-	-	-	-	56,212
Debt issued and borrowings	-	-	-	-	133,964	133,964
Total	56,212	19,057	-	-	2,788,763	2,864,032

7.2 Cash

Cash as at December 31, 2020 and 2019 are as follows :

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
Cash	73,443	58,010	69,571	57,933
Cash received in advance from e-Money and electronic money transfer service	443	80	443	80
Total	73,886	58,090	70,014	58,013

7.3 Supplementary disclosures of cash flow information

Significant non-cash items for the years ended December 31, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2020	2019	2020	2019
Unrealized gains on investments in shareholders' equity decrease	(2,089)	(1,721)	(2,374)	(1,735)
Properties for sale increased from loans payment/inactive assets	1,167	1,471	1,167	1,471
Unrealized increment per premises appraisal transferred to retained earnings	1,025	946	979	943
Unrealized increment per land and premises appraisal increase	11,637	-	11,190	-
Changes in non-cash items of debt issued and Borrowing				
Gains (losses) on foreign exchange	(831)	9,038	(831)	9,038
Amortization on discount	29	276	29	276

7.4 Interbank and money market items, net (assets)

Interbank and money market items, net (assets) as at December 31, 2020 and 2019 consisted of the following :

	Million Baht	
	2020	2019
	CONSOLIDATED	
Domestic items		
Bank of Thailand and Financial Institutions Development Fund	236,927	262,497
Commercial banks	8,879	24,858
Other financial institutions	15,800	14,615
Total	261,606	301,970
<u>Add</u> Accrued interest receivables and undue interest receivables	18	97
<u>Less</u> Allowance for expected credit loss	(57)	-
<u>Less</u> Allowance for doubtful accounts	-	(1,056)
Total domestic items	261,567	301,011
Foreign items		
USD	113,288	104,327
JPY	19,343	19,286
EUR	8,246	8,227
Others	114,754	39,351
Total	255,631	171,191
<u>Add</u> Accrued interest receivables and undue interest receivables	2,181	354
<u>Less</u> Allowance for expected credit loss	(343)	-
<u>Less</u> Allowance for doubtful accounts	-	(207)
Total foreign items	257,469	171,338
Total domestic and foreign items	519,036	472,349

	Million Baht	
	THE BANK	
	2020	2019
Domestic items		
Bank of Thailand and Financial Institutions Development Fund	236,927	262,497
Commercial banks	502	18,150
Other financial institutions	<u>15,800</u>	<u>14,615</u>
Total	253,229	295,262
<u>Add</u> Accrued interest receivables and undue interest receivables	17	66
<u>Less</u> Allowance for expected credit loss	(57)	-
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(1,056)</u>
Total domestic items	<u>253,189</u>	<u>294,272</u>
Foreign items		
USD	72,161	100,662
JPY	18,659	19,286
EUR	7,689	8,221
Others	<u>23,317</u>	<u>19,905</u>
Total	121,826	148,074
<u>Add</u> Accrued interest receivables and undue interest receivables	74	283
<u>Less</u> Allowance for expected credit loss	(310)	-
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>(45)</u>
Total foreign items	<u>121,590</u>	<u>148,312</u>
Total domestic and foreign items	<u><u>374,779</u></u>	<u><u>442,584</u></u>

7.5 Financial assets measured at fair value through profit or loss

7.5.1 Trading financial assets as at December 31, 2020 consisted of the following :

	Million Baht	
	CONSOLIDATED	THE BANK
	2020	2020
	Fair Value	Fair Value
Interbank and money market items	6	6
Thai government and state enterprise securities	1,718	1,718
Private enterprise debt securities	249	249
Foreign debt securities	3,953	-
Domestic marketable equity securities	1,804	-
Others	<u>109</u>	<u>-</u>
Total	<u><u>7,839</u></u>	<u><u>1,973</u></u>

7.5.2 Others as at December 31, 2020 consisted of the following :

	CONSOLIDATED 2020 Fair Value	Million Baht THE BANK 2020 Fair Value
Investment in debt securities	38,856	57,523
Investment in equity securities	11,241	9,863
Total	<u>50,097</u>	<u>67,386</u>
Financial assets measured at fair value through profit or loss	<u>57,936</u>	<u>69,359</u>

7.6 Derivatives assets and liabilities

The fair values and the notional amounts derivatives classified by type of risk as at December 31, 2020 and 2019 are as follows :

Type of risk	CONSOLIDATED					Million Baht
	2020		Notional Amount	2019		Notional Amount
	Fair Value			Fair Value		
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	38,173	23,808	1,329,347	32,164	17,245	1,091,796
Interest rate	28,918	33,221	1,172,610	17,638	20,231	1,064,586
Others	469	99	6,262	5	361	9,887
Total	<u>67,560</u>	<u>57,128</u>	<u>2,508,219</u>	<u>49,807</u>	<u>37,837</u>	<u>2,166,269</u>

Type of risk	THE BANK					Million Baht
	2020		Notional Amount	2019		Notional Amount
	Fair Value			Fair Value		
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	36,759	23,025	1,265,380	32,049	17,140	1,077,158
Interest rate	28,918	33,187	1,170,629	17,638	20,231	1,064,585
Others	466	-	2,434	-	-	-
Total	<u>66,143</u>	<u>56,212</u>	<u>2,438,443</u>	<u>49,687</u>	<u>37,371</u>	<u>2,141,743</u>

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, 2020, 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 363 million and derivatives liabilities Baht 1,941 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, 2020, 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 1,008 million and derivatives liabilities Baht 511 million, respectively.

7.7 Investments, net

7.7.1 Investments as at December 31, 2020 and 2019 consisted of the following :

	CONSOLIDATED 2020 Amortized Cost	Million Baht THE BANK 2020 Amortized Cost
Debt investment securities - measured at amortized cost		
Thai government and state enterprise securities	26,443	7,030
Foreign debt securities	<u>12,448</u>	<u>651</u>
Total	38,891	7,681
<u>Less</u> Allowance for expected credit loss	<u>(7)</u>	<u>(4)</u>
Total	<u><u>38,884</u></u>	<u><u>7,677</u></u>

	CONSOLIDATED 2020 Fair Value	Million Baht THE BANK 2020 Fair Value
Debt investment securities - measured at FVOCI		
Thai government and state enterprise securities	458,728	458,728
Private enterprise debt securities	31,676	31,676
Foreign debt securities	141,594	87,060
Others	7,440	7,440
Total	<u>639,438</u>	<u>584,904</u>
Allowance for expected credit loss	<u>2,888</u>	<u>2,837</u>

	CONSOLIDATED 2020 Fair Value	Million Baht THE BANK 2020 Fair Value
Equity investment securities - designated at FVOCI		
Domestic marketable equity securities	51,677	49,546
Foreign marketable equity securities	20,649	20,649
Others	7,834	7,669
Total	<u>80,160</u>	<u>77,864</u>
Investments, net	<u>758,482</u>	<u>670,445</u>

For the year ended December 31, 2020, the Bank received dividends from equity investment securities designated at FVOCI that the Bank maintains. For the consolidated and the Bank's financial statements amounting to Baht 2,039 million and Baht 1,899 million, respectively.

	CONSOLIDATED 2019 Fair Value	Million Baht THE BANK 2019 Fair Value
Trading securities		
Thai government and state enterprise securities	8,320	8,320
Private enterprise debt securities	198	198
Domestic marketable equity securities	5,095	-
Total	<u>13,613</u>	<u>8,518</u>

	CONSOLIDATED 2019 Fair Value	Million Baht THE BANK 2019 Fair Value
Available-for-sale securities		
Thai government and state enterprise securities	327,327	327,327
Private enterprise debt securities	66,072	65,520
Foreign debt securities	113,747	98,068
Domestic marketable equity securities	47,141	47,141
Foreign marketable equity securities	9,844	9,844
Others	10,589	8,897
Total	<u><u>574,720</u></u>	<u><u>556,797</u></u>
	CONSOLIDATED 2019 Cost/ Amortized Cost	Million Baht THE BANK 2019 Cost/ Amortized Cost
Held-to-maturity debt securities		
Thai government and state enterprise securities	19,328	7,032
Foreign debt securities	3,929	3,197
Total	<u><u>23,257</u></u>	<u><u>10,229</u></u>
	CONSOLIDATED 2019 Cost	Million Baht THE BANK 2019 Cost
General investments		
Domestic non-marketable equity securities	8,689	7,839
Foreign non-marketable equity securities	36,029	35,763
Total	<u><u>44,718</u></u>	<u><u>43,602</u></u>
<u>Less</u> Allowance for impairment	<u>(8,611)</u>	<u>(8,611)</u>
Total	<u><u>36,107</u></u>	<u><u>34,991</u></u>
Total investments, net	<u><u>647,697</u></u>	<u><u>610,535</u></u>

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, 2020, there were 33 companies with investment cost of Baht 257 million and fair value of Baht 1 million. As at December 31, 2019, there were 35 companies with investment cost of Baht 260 million and net book value of Baht 0 million.

On December 30, 2004, the Bank entered into a transaction to transfer certain investments classified as available-for-sale securities received from debt restructuring to Sinnsuptawee Asset Management Co., Ltd., a subsidiary of the Bank, at the closing price on December 28, 2004 quoted on The Stock Exchange of Thailand in the amount of Baht 3,323 million. The proceeds from the aforementioned transfer were recorded as other liabilities and the related securities were recorded as securities transferred to subsidiary under available-for-sale securities in accordance with accounting treatment guidance for Transfer and Transferred Financial Assets. As at December 31, 2020 and 2019, the Bank had outstanding balances of other liabilities from such transaction amounting to Baht 328 million.

7.7.2 As at December 31, 2020 and 2019, 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	
	2020	2019	2020	2019
	Fair Value	Net Book Value	Fair Value	Net Book Value
Manufacturing and commercial	1	12	1	12
Real estate and construction	939	187	939	187
Utilities and services	21	41	21	41
Others	<u>2,327</u>	<u>2,243</u>	<u>2,327</u>	<u>2,243</u>
Total	<u><u>3,288</u></u>	<u><u>2,483</u></u>	<u><u>3,288</u></u>	<u><u>2,483</u></u>

Million Baht

7.8 Investments in subsidiaries and associates, net

As at December 31, 2020 and 2019, the Bank had investments in subsidiaries and associates, net as follows :

Company	Type of Business	Type of Shares	Direct and Indirect Shareholding (%)		Investment (Cost Method)		Investment (Equity Method)	
			2020	2019	2020	2019	2020	2019
Associates								
Thai Payment Network Co., Ltd.*	Service	Common share	69.08	69.08	362	362	26	94
BSL Leasing Co., Ltd.	Finance	Common share	-	35.88	-	201	-	820
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15	457	441
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118	95	109
National ITMX Co., Ltd.	Service	Common share	14.26	14.26	<u>13</u>	<u>13</u>	<u>333</u>	<u>273</u>
Total					508	709	911	1,737
<u>Less</u> Allowance for impairment					<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Investments in associates, net					<u><u>506</u></u>	<u><u>707</u></u>	<u><u>911</u></u>	<u><u>1,737</u></u>

Million Baht

* The Bank has only significantly influenced but not control.

Company	Type of Business	Type of Shares	THE BANK		Investment	
			Direct and Indirect Shareholding (%)		(Cost Method)	
			2020	2019	2020	2019
Million Baht						
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	Common share	100.00	100.00	1,500	1,500
Company						
PT Bank Permata Tbk	Banking	Common share	98.71	-	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	-	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	69.08	69.08	362	362
BSL Leasing Co., Ltd.	Finance	Common share	-	35.88	-	201
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	14.26	14.26	13	13
Total					144,686	38,512
Less Allowance for impairment					(97)	(97)
Investments in subsidiaries and associates, net					144,589	38,415

The Acquisition of PT Bank Permata Tbk

On May 20, 2020, the Bank acquired PT Bank Permata Tbk (“Permata”) from Standard Chartered Bank (“Standard Chartered”) and PT Astra International Tbk (“Astra”) representing 89.12% of the total issued and paid-up shares in Permata (“Transaction”) at price of IDR 1,346.97 per share (approximately THB 2.95 or USD 0.09 per share). The transaction value for the acquisition of 89.12% of the total shares in Permata is IDR 33,662,797 million (approximately Baht 73,722 million or USD 2,282 million).

In accordance with applicable laws and regulations of Indonesia, the Bank is then required to conduct a mandatory tender offer (“MTO”) for the remaining shares in Permata (representing approximately 10.88% of the total issued and paid-up shares in Permata held by minority shareholders). On October 7, 2020, the Bank has completed MTO with total payment of 2,970,419,446 shares in Permata, representing 10.59% of the total issued and paid-up shares in Permata. The MTO is determined “a linked transaction” which is accounted for as a single business combination as if all ownership interests were acquired at the acquisition date. Since the Bank has completed MTO then the adjustment is made to reflect the actual percentage acquired.

* On September 17, 2020, BSL Leasing Co., Ltd. is changed from an associate to be a subsidiary.

** The Bank has only significantly influenced but not control.

In addition, according to applicable laws and regulations of Indonesia a commercial bank in Indonesia with shares listed on the Indonesia Stock Exchange must have at least 1% shares held by an Indonesian citizen and/or legal entity. Thus on October 6, 2020, the Bank has sold 280,427,394 shares in Permata, representing 1% of total issued and paid-up shares in Permata to an Indonesian entity.

Therefore, as at December 31, 2020, the Bank owns 27,681,421,384 shares in Permata, representing 98.71% of total issued and paid-up shares in Permata.

The assets and liabilities are recognized as of the acquisition date in the consolidated financial statement as a result of the acquisition after MTO are as follows :

	Million Baht Provisional Fair Value
Assets	
Cash	4,640
Interbank and money market items, net	69,227
Financial assets measured at fair value through profit and loss	1,617
Derivatives assets	1,020
Investment, net	43,733
Loans to customers and accrued interest receivables, net	227,260
Properties for sale, net	799
Premises and equipment, net	6,205
Others	10,805
Total Assets	365,306
Liabilities	
Deposits	299,893
Interbank and money market items	4,348
Liability payable on demand	733
Derivatives liabilities	403
Debt issued and borrowings	3,469
Others	5,125
Total Liabilities	313,971
Net identifiable assets acquired	51,335
<u>Less</u> Non-controlling interests	(661)
<u>Add</u> Goodwill	30,907
Cash paid	81,581

In this regard, Otoritas Jasa Keuangan - OJK has approved to have the Bank's branches in Indonesia to be integrated into PT Bank Permata Tbk according to the Bank's business plan. On December 21, 2020, the Bank's branches in Indonesia transfer the assets and liabilities of the branches according to regulations of Indonesia including the part that can be counted as capital to Permata, as a result that Permata's assets, liabilities and capital are increased.

The additional investments in BSL Leasing Co., Ltd.

On September 17, 2020 the Bank additionally purchased the issued 541,249 common shares representing 54.12% shareholding in BSL Leasing Co., Ltd. at the amount of Baht 1,165 million. This results in an increase of the Bank's shareholding to be 90% and BSL Leasing Co.,Ltd. is changed from an associate to be a subsidiary. The net identifiable assets acquired and liabilities assumed and non-controlling interests are recognized in the consolidated financial statement as of acquisition date amounting to Baht 2,152 million and Baht 215 million, respectively.

The acquisition of Permata and additional investments in BSL Leasing Co., Ltd.

The Bank is in the process to complete the accounting for a business combination which is allowed by Thai Financial Reporting Standard No. 3 Business Combinations for a maximum of one year after the acquisition date. As a result, the financial statements for the year ended December 31, 2020 are prepared by using the provisional amounts for the items for which their fair value is in the process of final review. Once the fair value and other related calculation is finalized, such provisional amount including goodwill would be adjusted accordingly.

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

	Million Baht	
	FOR THE YEARS	
	ENDED DECEMBER 31,	
	2020	2019
Net profit	556	578
Total comprehensive income	556	578

7.9 Loans to customers and accrued interest receivables, net

7.9.1 Classified by product type as at December 31, 2020 and 2019 :

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
Overdrafts	105,064	103,798	85,394	103,048
Loans	1,869,431	1,545,217	1,592,004	1,493,427
Bills	384,482	410,616	375,349	404,930
Hire purchase receivable	4,000	-	-	-
Finance lease receivable	1,013	-	-	-
Others	<u>4,248</u>	<u>1,678</u>	<u>1,866</u>	<u>1,678</u>
Loans to customers	2,368,238	2,061,309	2,054,613	2,003,083
<u>Add</u> Accrued interest receivables and undue interest receivables	<u>6,431</u>	<u>4,013</u>	<u>5,126</u>	<u>3,894</u>
Loans to customers and accrued interest receivables	2,374,669	2,065,322	2,059,739	2,006,977
<u>Less</u> Allowance for expected credit loss	(185,567)	-	(163,534)	-
<u>Less</u> Allowance for doubtful accounts and revaluation allowance for debt restructuring	<u>-</u>	<u>(174,276)</u>	<u>-</u>	<u>(170,255)</u>
Total loans to customers and accrued interest receivables, net	<u>2,189,102</u>	<u>1,891,046</u>	<u>1,896,205</u>	<u>1,836,722</u>

7.9.2 Classified as at December 31, 2020 and 2019 :

	Loans and Interbank and Money Market items	
	CONSOLIDATED 2020	THE BANK 2020
Performing and Under-performing	2,781,073	2,337,689
Non-performing	<u>104,401</u>	<u>91,978</u>
Total	<u>2,885,474</u>	<u>2,429,667</u>

	Loans and Interbank and Money Market items	
	CONSOLIDATED 2019	THE BANK 2019
Normal	2,387,864	2,301,309
Special mentioned	67,457	67,018
Substandard	9,726	9,726
Doubtful	14,522	13,960
Doubtful of loss	<u>54,901</u>	<u>54,407</u>
Total	<u>2,534,470</u>	<u>2,446,420</u>

The consolidated and the Bank's financial statements as at December 31, 2020, impaired loans with restructured loans amounted to Baht 48,254 million and Baht 43,074 million, respectively.

The consolidated and the Bank's financial statements as at December 31, 2019, impaired loans with restructured loans amounted to Baht 44,715 million.

7.9.3 As at December 31, 2020 and 2019, the Bank and subsidiaries had non-performing loans (NPLs), including interbank and money market items but excluding accrued interest receivable, as follows :

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
NPLs before allowance for expected credit loss	104,401	79,149	91,978	78,093
NPLs as percentage of total loans	3.91	3.39	4.00	3.44
Net NPLs after allowance for expected credit loss	34,560	28,368	31,173	28,203
Net NPLs as percentage of net total loans	1.39	1.24	1.46	1.27

7.9.4 Classified by customer's residence as at December 31, 2020 and 2019 :

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
Domestic	1,644,613	1,576,510	1,635,042	1,572,896
Foreign	723,625	484,799	419,571	430,187
Total	<u>2,368,238</u>	<u>2,061,309</u>	<u>2,054,613</u>	<u>2,003,083</u>

7.9.5 Classified by business type as at December 31, 2020 and 2019 :

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
Agriculture and mining	78,175	61,569	52,766	59,421
Manufacturing and commercial	791,828	755,979	663,820	729,176
Real estate and construction	211,510	200,736	178,453	192,628
Utilities and services	539,151	470,159	495,571	460,719
Housing loans	302,142	251,197	259,977	251,179
Others	445,432	321,669	404,026	309,960
Total	<u>2,368,238</u>	<u>2,061,309</u>	<u>2,054,613</u>	<u>2,003,083</u>

7.9.6 Classified and Allowance for expected credit loss / Allowance for doubtful accounts as at December 31, 2020 and 2019 :

	CONSOLIDATED 2020		THE BANK 2020	
	Loans and accrued interest receivables	Allowance for expected credit loss	Loans and accrued interest receivables	Allowance for expected credit loss
Performing	2,128,431	51,013	1,852,036	44,064
Under-performing	139,983	62,750	114,010	56,765
Non-performing	106,255	71,804	93,693	62,705
Total	2,374,669	185,567	2,059,739	163,534

Million Baht

	CONSOLIDATED 2019			Allowance for Doubtful Accounts Recorded by the Bank
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	
Minimum provision according to the BOT's requirement				
Normal	1,918,520	1,267,640	1	16,119
Special mentioned	67,596	33,359	2	848
Substandard	9,783	1,358	100	1,359
Doubtful	14,522	6,259	100	6,259
Doubtful of loss	54,901	30,087	100	30,087
Excess provision according to the BOT's requirement				113,094
Total	2,065,322	1,338,703		167,766

Million Baht

					Million Baht
					THE BANK 2019
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank	
Minimum provision according to the BOT's requirement					
Normal	1,861,672	1,223,874	1	15,716	
Special mentioned	67,155	33,154	2	844	
Substandard	9,783	1,358	100	1,359	
Doubtful	13,960	5,696	100	5,696	
Doubtful of loss	54,407	29,811	100	29,811	
Excess provision according to the BOT's requirement					110,319
Total	<u>2,006,977</u>	<u>1,293,893</u>		<u>163,745</u>	

7.10 Properties for sale, net

Properties for sale consisted of the following as at December 31, 2020 and 2019 :

							Million Baht
							CONSOLIDATED 2020
Type of Properties for Sale	Beginning Balance	Balance of Subsidiary as at Acquisition date	Additions	Disposals	Others	Ending Balance	
Assets from debt repayment							
Immovable assets	15,910	996	1,407	(1,041)	(25)	17,247	
Movable assets	69	45	228	(263)	(1)	78	
Total	15,979	1,041	1,635	(1,304)	(26)	17,325	
Others	-	6	26	(11)	-	21	
Total properties for sale	15,979	1,047	1,661	(1,315)	(26)	17,346	
Less Allowance for impairment	(6,616)	(242)	(1,136)	396	6	(7,592)	
Total properties for sale, net	<u>9,363</u>	<u>805</u>	<u>525</u>	<u>(919)</u>	<u>(20)</u>	<u>9,754</u>	

Type of Properties for Sale	CONSOLIDATED 2019			Million Baht
	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	16,830	1,568	(2,488)	15,910
Movable assets	158	2	(91)	69
Total	16,988	1,570	(2,579)	15,979
Others	53	-	(53)	-
Total properties for sale	17,041	1,570	(2,632)	15,979
<u>Less</u> Allowance for impairment	(6,437)	(909)	730	(6,616)
Total properties for sale, net	10,604	661	(1,902)	9,363

As at December 31, 2020, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 17,247 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 11,643 million and appraised by internal appraisers in the amount of Baht 5,604 million.

As at December 31, 2019, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 15,910 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 11,025 million and appraised by internal appraisers in the amount of Baht 4,885 million.

Type of Properties for Sale	THE BANK 2020			Million Baht
	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	12,831	1,229	(954)	13,106
Movable assets	69	22	(61)	30
Total	12,900	1,251	(1,015)	13,136
<u>Less</u> Allowance for impairment	(4,532)	(1,061)	211	(5,382)
Total properties for sale, net	8,368	190	(804)	7,754

Type of Properties for Sale	THE BANK 2019			Million Baht
	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	12,873	1,568	(1,610)	12,831
Movable assets	158	2	(91)	69
Total	13,031	1,570	(1,701)	12,900
Others	53	-	(53)	-
Total properties for sale	13,084	1,570	(1,754)	12,900
<u>Less</u> Allowance for impairment	(4,341)	(515)	324	(4,532)
Total properties for sale, net	8,743	1,055	(1,430)	8,368

As at December 31, 2020, the Bank had immovable assets from debt repayment in the amount of Baht 13,106 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 8,023 million and appraised by internal appraisers in the amount of Baht 5,083 million.

As at December 31, 2019, the Bank had immovable assets from debt repayment in the amount of Baht 12,831 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 8,452 million and appraised by internal appraisers in the amount of Baht 4,379 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 :

Million Baht							
CONSOLIDATED							
FOR THE YEARS ENDED DECEMBER 31,							
2020				2019			
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	5	5	-	10	-	-
Sale to public	Per cost recovery	-	423	(53)	-	2,120	(50)

Million Baht							
THE BANK							
FOR THE YEARS ENDED DECEMBER 31,							
2020				2019			
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	5	5	-	10	-	-
Sale to public	Per cost recovery	-	383	(23)	-	1,012	(45)

7.11 Premises and equipment, net

Premises and equipment consisted of the following as at December 31, 2020 and 2019 :

	CONSOLIDATED 2020											Million Baht		
	Beginning Balance of Subsidiary as at Acquisition date	Adjustment of Beginning Balance	Cost of Additions/ Transfer	Disposal/ Transfer	Net of Others Accumulated Depreciation	Ending Balance	Beginning Balance	Subsidiary as at Acquisition date	Balance of Subsidiary as at Acquisition date	Accumulated Depreciation	Disposal/ Transfer to net with cost		Others	Ending Balance
Land														
Cost	7,505	-	554	(5)	-	91	8,938	-	-	-	-	-	-	8,938
Appraisal increase (year 2020)	20,661	-	7,845	(70)	-	(59)	31,869	-	-	-	-	-	-	31,869
Appraisal decrease (year 2020)	(676)	-	(4)	218	-	(32)	(494)	-	-	-	-	-	-	(494)
Premises														
Cost	3,257	-	203	(591)	(649)	56	2,689	948	184	(364)	(649)	66	403	2,286
Appraisal increase (year 2020)	12,274	-	1,210	(251)	-	7	13,847	5,395	323	(5,791)	-	(2)	1,175	12,672
Appraisal decrease (year 2020)	(207)	-	(36)	86	-	(12)	(169)	(59)	-	69	-	(5)	(6)	(163)
Equipment	22,525	-	930	(1,214)	-	9	24,474	18,946	1,064	(1,115)	-	7	20,452	4,022
Right-of-use assets	-	2,129	824	(378)	-	81	7,389	-	1,215	(263)	-	(29)	2,578	4,811
Leasehold improvement	149	-	2,811	(265)	-	(27)	3,323	123	528	2,163	-	(16)	2,971	352
Others	619	-	387	(287)	-	(2)	757	-	-	-	-	-	-	757
Total	<u>66,107</u>	<u>10,353</u>	<u>14,724</u>	<u>(2,757)</u>	<u>(649)</u>	<u>112</u>	<u>92,623</u>	<u>25,353</u>	<u>3,314</u>	<u>(5,301)</u>	<u>(649)</u>	<u>21</u>	<u>27,573</u>	<u>65,050</u>

CONSOLIDATED
2019

Million Baht

	Beginning Balance	Cost		Ending Balance	Beginning Balance	Accumulated Depreciation		Ending Balance	Premises and Equipment (Net)
		Additions/Transfer	Disposal/Transfer			Others	Depreciation		
Land									
Cost	7,612	-	(2)	7,505	-	-	-	-	7,505
Appraisal increase (year 2015)	20,823	-	(7)	20,661	-	-	-	-	20,661
Appraisal decrease (year 2015)	(704)	-	-	(676)	-	-	-	-	(676)
Premises									
Cost	3,519	35	(178)	3,257	727	421	(178)	948	2,309
Appraisal increase (year 2015)	12,338	-	-	12,274	4,228	1,177	-	5,395	6,879
Appraisal decrease (year 2015)	(217)	-	-	(207)	(48)	(14)	-	(59)	(148)
Equipment	22,503	1,683	(1,436)	22,674	19,046	1,516	(1,425)	19,069	3,605
Others	646	1,112	(1,136)	619	-	-	-	-	619
Total	<u>66,520</u>	<u>2,830</u>	<u>(2,759)</u>	<u>66,107</u>	<u>23,953</u>	<u>3,100</u>	<u>(1,603)</u>	<u>25,353</u>	<u>40,754</u>

	THE BANK 2020										Million Baht	
	Beginning Balance	Adjustment of Beginning Balance	Cost Disposal/ Transfer	Net of Accumulated Depreciation	Others	Ending Balance	Beginning Balance	Depre- ciation	Accumulated Depreciation Disposal/ Transfer to net with cost	Others	Ending Balance	Premises and Equipment (Net)
Land												
Cost	7,499	-	(5)	-	111	7,605	-	-	-	-	-	7,605
Appraisal increase (year 2020)	20,608	-	(18)	-	27	28,190	-	-	-	-	-	28,190
Appraisal decrease (year 2020)	(676)	-	219	-	(33)	(493)	-	-	-	-	-	(493)
Premises												
Cost	2,214	-	(444)	(502)	49	1,458	773	107	(218)	15	175	1,283
Appraisal increase (year 2020)	12,230	-	(251)	-	23	12,916	5,374	1,225	(5,769)	6	836	12,080
Appraisal decrease (year 2020)	(207)	-	86	-	(12)	(168)	(59)	(10)	69	(5)	(5)	(163)
Equipment	21,537	-	(923)	-	13	21,354	18,197	1,389	(919)	9	18,676	2,678
Right-of-use assets	-	4,152	(7)	-	113	4,571	-	1,184	(6)	-	1,178	3,393
Leasehold improvement	-	-	(223)	-	(10)	2,507	-	58	2,288	(3)	2,343	164
Others	585	-	(242)	-	(1)	723	-	-	-	-	-	723
Total	63,790	4,152	(1,808)	(502)	280	78,663	24,285	3,953	(4,555)	22	23,203	55,460

	THE BANK 2019										Million Baht	
	Beginning Balance	Additions/ Transfer	Cost Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Depreciation	Disposal/ Transfer	Accumulated Depreciation Others	Ending Balance		Premises and Equipment (Net)
Land												
Cost	7,607	-	(2)	(106)	7,499	-	-	-	-	-	-	7,499
Appraisal increase (year 2015)	20,766	-	(7)	(151)	20,608	-	-	-	-	-	-	20,608
Appraisal decrease (year 2015)	(704)	-	-	28	(676)	-	-	-	-	-	-	(676)
Premises												
Cost	2,404	32	(178)	(44)	2,214	614	347	(178)	(10)	773	1,441	
Appraisal increase (year 2015)	12,291	-	-	(61)	12,230	4,211	1,172	-	(9)	5,374	6,856	
Appraisal decrease (year 2015)	(217)	-	-	10	(207)	(48)	(14)	-	3	(59)	(148)	
Equipment	21,391	1,589	(1,388)	(55)	21,537	18,205	1,417	(1,378)	(47)	18,197	3,340	
Others	624	1,071	(1,109)	(1)	585	-	-	-	-	-	585	
Total	<u>64,162</u>	<u>2,692</u>	<u>(2,684)</u>	<u>(380)</u>	<u>63,790</u>	<u>22,982</u>	<u>2,922</u>	<u>(1,556)</u>	<u>(63)</u>	<u>24,285</u>	<u>39,505</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 5.5)

For the consolidated financial statements, as at December 31, 2020 and 2019, the Bank and subsidiaries had equipment which are fully depreciated but still in use at the original costs amounting to Baht 17,001 million and Baht 15,761 million, respectively.

For the Bank's financial statements, as at December 31, 2020 and 2019, the Bank had equipment which is fully depreciated but still in use at the original costs amounting to Baht 15,187 million and Baht 15,115 million, respectively.

7.12 Goodwill and Other intangible assets, net

Goodwill and Other intangible assets consisted of the following as at December 31, 2020 and 2019 :

Million Baht

	CONSOLIDATED												
	2020					2020							
	Cost					Accumulated Amortization							
	Beginning Balance	Balance of Subsidiary as at Acquisition date	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Balance of Subsidiary as at Acquisition date	Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Goodwill and Other Intangible Assets (Net)
Software	3,852	1,389	598	(635)	(504)	4,700	2,868	497	667	(436)	(5)	3,591	1,109
Goodwill	-	-	31,662	-	(1,857)	29,805	-	-	-	-	-	-	29,805
Others	776	466	136	-	233	1,611	-	217	-	-	-	217	1,394
Total	4,628	1,855	32,396	(635)	(2,128)	36,116	2,868	714	667	(436)	(5)	3,808	32,308

Million Baht

	CONSOLIDATED										
	2019					2019					
	Cost					Accumulated Amortization					
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	2,728	8,918	(50)	(7,744)	3,852	2,229	688	(36)	(13)	2,868	984
Others	581	203	(7)	(1)	776	-	-	-	-	-	776
Total	3,309	9,121	(57)	(7,745)	4,628	2,229	688	(36)	(13)	2,868	1,760

Million Baht

	THE BANK										
	2020					2020					
	Cost					Accumulated Amortization					
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	3,520	335	(406)	-	3,449	2,623	499	(212)	-	2,910	539
Others	776	136	-	-	912	-	-	-	-	-	912
Total	4,296	471	(406)	-	4,361	2,623	499	(212)	-	2,910	1,451

Million Baht

	THE BANK										
	2019					2019					
	Cost					Accumulated Amortization					
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)
Software	2,407	8,881	(35)	(7,733)	3,520	1,997	664	(35)	(3)	2,623	897
Others	581	203	(7)	(1)	776	-	-	-	-	-	776
Total	2,988	9,084	(42)	(7,734)	4,296	1,997	664	(35)	(3)	2,623	1,673

7.13 Deferred tax assets and liabilities

Deferred tax assets and liabilities as at December 31, 2020 and 2019 are as follows :

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
Deferred tax assets	7,940	4,542	2,083	3,361
Deferred tax liabilities	2,448	2,364	2,589	2,159
Deferred tax assets (liabilities), net	5,492	2,178	(506)	1,202

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

	CONSOLIDATED							Million Baht
	Beginning Balance	Re-measurement under TFRS 9	Beginning Balance as at January 1, 2020	Beginning Balance of subsidiary as at Acquisition date	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets								
Investments	3,766	(1,598)	2,168	-	862	410	2,965	6,405
Financial liabilities measured at fair value through profit or loss	-	618	618	-	134	(192)	549	1,109
Loans to customers and accrued interest receivables	7,910	2,716	10,626	1,326	(2,502)	(7)	(2,917)	6,526
Properties for sale	1,324	-	1,324	-	166	-	-	1,490
Premises and equipment	267	-	267	251	(87)	5	(10)	426
Provisions	3,782	-	3,782	24	1,416	(1,363)	1,446	5,305
Others	7,452	-	7,452	2,274	3,659	224	(51)	13,558
Total	24,501	1,736	26,237	3,875	3,648	(923)	1,982	34,819
Deferred tax liabilities								
Investments	8,360	1	8,361	12	(842)	(340)	3,297	10,488
Loans to customers and accrued interest receivables	170	(170)	-	246	(43)	-	-	203
Premises and equipment	5,651	-	5,651	18	(256)	2,882	(21)	8,274
Others	8,142	-	8,142	-	1,846	-	374	10,362
Total	22,323	(169)	22,154	276	705	2,542	3,650	29,327
Net	2,178	1,905	4,083	3,599	2,943	(3,465)	(1,668)	5,492

	CONSOLIDATED				Million Baht
	Beginning Balance	Recognized in Profit and Loss	2019 Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	3,458	63	245	-	3,766
Loans to customers and accrued interest receivables	9,298	(1,172)	-	(216)	7,910
Properties for sale	1,288	36	-	-	1,324
Premises and equipment	241	(8)	-	34	267
Provisions	3,363	84	338	(3)	3,782
Others	3,639	3,817	-	(4)	7,452
Total	<u>21,287</u>	<u>2,820</u>	<u>583</u>	<u>(189)</u>	<u>24,501</u>
Deferred tax liabilities					
Investments	8,590	13	(243)	-	8,360
Loans to customers and accrued interest receivables	132	38	-	-	170
Premises and equipment	5,886	(235)	-	-	5,651
Others	3,987	4,155	-	-	8,142
Total	<u>18,595</u>	<u>3,971</u>	<u>(243)</u>	<u>-</u>	<u>22,323</u>
Net	<u>2,692</u>	<u>(1,151)</u>	<u>826</u>	<u>(189)</u>	<u>2,178</u>

	THE BANK 2020						Million Baht
	Beginning Balance	Re- measurement under TFRS 9	Beginning Balance as at January 1, 2020	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets							
Investments	3,765	(1,661)	2,104	861	270	2,965	6,200
Financial liabilities measured at fair value through profit or loss	-	618	618	134	(192)	549	1,109
Loans to customers and accrued interest receivables	7,159	2,715	9,874	(2,184)	(7)	(4,661)	3,022
Properties for sale	906	-	906	170	-	-	1,076
Premises and equipment	267	-	267	(47)	5	(7)	218
Provisions	3,728	-	3,728	1,391	(1,395)	1,447	5,171
Others	7,390	-	7,390	3,476	225	9	11,100
Total	23,215	1,672	24,887	3,801	(1,094)	302	27,896
Deferred tax liabilities							
Investments	8,084	-	8,084	(914)	(580)	3,307	9,897
Loans to customers and accrued interest receivables	171	(171)	-	-	-	-	-
Premises and equipment	5,621	-	5,621	(247)	2,795	(21)	8,148
Others	8,137	-	8,137	2,031	-	189	10,357
Total	22,013	(171)	21,842	870	2,215	3,475	28,402
Net	1,202	1,843	3,045	2,931	(3,309)	(3,173)	(506)

	THE BANK				Million Baht
	Beginning Balance	Recognized in Profit and Loss	2019 Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	3,451	67	247	-	3,765
Loans to customers and accrued interest receivables	8,569	(1,258)	-	(152)	7,159
Properties for sale	868	38	-	-	906
Premises and equipment	241	(8)	-	34	267
Provisions	3,321	70	340	(3)	3,728
Others	3,612	3,781	-	(3)	7,390
Total	<u>20,062</u>	<u>2,690</u>	<u>587</u>	<u>(124)</u>	<u>23,215</u>
Deferred tax liabilities					
Investments	8,333	-	(249)	-	8,084
Loans to customers and accrued interest receivables	132	39	-	-	171
Premises and equipment	5,865	(244)	-	-	5,621
Others	3,971	4,166	-	-	8,137
Total	<u>18,301</u>	<u>3,961</u>	<u>(249)</u>	<u>-</u>	<u>22,013</u>
Net	<u>1,761</u>	<u>(1,271)</u>	<u>836</u>	<u>(124)</u>	<u>1,202</u>

7.14 Deposits

7.14.1 Classified by product type as at December 31, 2020 and 2019 :

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
Demand	165,912	113,067	117,532	110,767
Savings	1,435,331	1,145,106	1,344,763	1,135,203
Fixed	1,205,884	1,109,151	1,020,310	1,067,329
Negotiable certificates of deposit	3,736	3,468	2,992	2,736
Total	<u>2,810,863</u>	<u>2,370,792</u>	<u>2,485,597</u>	<u>2,316,035</u>

7.14.2 Classified by currency and customer's residence as at December 31, 2020 and 2019 :

							Million Baht
CONSOLIDATED							
	2020			2019			
	Domestic	Foreign	Total	Domestic	Foreign	Total	
BAHT	2,142,797	143,407	2,286,204	1,990,674	125,212	2,115,886	
USD	42,293	96,233	138,526	36,793	53,203	89,996	
Others	<u>20,666</u>	<u>365,467</u>	<u>386,133</u>	<u>21,716</u>	<u>143,194</u>	<u>164,910</u>	
Total	<u><u>2,205,756</u></u>	<u><u>605,107</u></u>	<u><u>2,810,863</u></u>	<u><u>2,049,183</u></u>	<u><u>321,609</u></u>	<u><u>2,370,792</u></u>	

							Million Baht
THE BANK							
	2020			2019			
	Domestic	Foreign	Total	Domestic	Foreign	Total	
BAHT	2,143,259	143,390	2,286,649	1,991,263	125,201	2,116,464	
USD	42,260	54,208	96,468	36,768	52,068	88,836	
Others	<u>13,174</u>	<u>89,306</u>	<u>102,480</u>	<u>14,811</u>	<u>95,924</u>	<u>110,735</u>	
Total	<u><u>2,198,693</u></u>	<u><u>286,904</u></u>	<u><u>2,485,597</u></u>	<u><u>2,042,842</u></u>	<u><u>273,193</u></u>	<u><u>2,316,035</u></u>	

7.15 Interbank and money market items (liabilities)

Interbank and money market items (liabilities) consisted of the following as at December 31, 2020 and 2019 :

			Million Baht	
			CONSOLIDATED	
			2020	2019
Domestic items				
	Bank of Thailand and Financial Institutions Development Fund		27,222	100
	Commercial banks		9,742	42,460
	Special purpose financial institutions		17,355	19,052
	Other financial institutions		<u>13,606</u>	<u>10,142</u>
	Total domestic items		<u><u>67,925</u></u>	<u><u>71,754</u></u>
Foreign items				
	USD		74,210	27,824
	JPY		15,332	13,357
	EUR		2,518	1,179
	Others		<u>59,164</u>	<u>20,232</u>
	Total foreign items		<u><u>151,224</u></u>	<u><u>62,592</u></u>
	Total domestic and foreign items		<u><u>219,149</u></u>	<u><u>134,346</u></u>

	THE BANK		Million Baht
	2020	2019	
Domestic items			
Bank of Thailand and Financial Institutions Development Fund	27,222	100	
Commercial banks	5,895	42,459	
Special purpose financial institutions	17,355	19,052	
Other financial institutions	14,060	10,449	
Total domestic items	<u>64,532</u>	<u>72,060</u>	
Foreign items			
USD	63,059	26,811	
JPY	15,378	13,389	
EUR	2,537	1,208	
Others	16,993	15,809	
Total foreign items	<u>97,967</u>	<u>57,217</u>	
Total domestic and foreign items	<u>162,499</u>	<u>129,277</u>	

7.16 Financial liabilities measured at fair value through profit or loss

As at December 31, 2020, the Bank had financial liabilities measured at fair value through profit or loss. It is a financial liability that is determined to be measured at fair value through profit or loss amounting to Baht 19,057 million. The cumulative effect of changes in fair value resulting from changes in credit risk recognized in other comprehensive income of amounting to Baht 1,786 million, and the difference between the book value and the contract value that must be paid when due amounting to Baht 5,544 million.

As at December 31, 2020, a subsidiary had financial liabilities measured at fair value through profit or loss is a trading financial liability of Baht 200 million.

7.17 Debt issued and borrowings

7.17.1 Classified by type of instruments and source of fund as at December 31, 2020 and 2019 :

	CONSOLIDATED						Million Baht
	2020		Total	2019		Total	
	Domestic	Foreign		Domestic	Foreign		
Senior unsecured notes	-	75,100	75,100	-	99,530	99,530	
Subordinated notes	-	59,835	59,835	-	49,757	49,757	
Bills of exchange	814	-	814	8	-	8	
Others	507	-	507	838	-	838	
<u>Less</u> Discount on borrowings	-	(79)	(79)	-	(5,452)	(5,452)	
Total	<u>1,321</u>	<u>134,856</u>	<u>136,177</u>	<u>846</u>	<u>143,835</u>	<u>144,681</u>	

	THE BANK						Million Baht
	2020			2019			
	Domestic	Foreign	Total	Domestic	Foreign	Total	
Senior unsecured notes	-	75,100	75,100	-	99,530	99,530	
Subordinated notes	-	58,578	58,578	-	49,757	49,757	
Bills of exchange	-	-	-	8	-	8	
Others	365	-	365	473	-	473	
<u>Less Discount on borrowings</u>	<u>-</u>	<u>(79)</u>	<u>(79)</u>	<u>-</u>	<u>(5,452)</u>	<u>(5,452)</u>	
Total	<u>365</u>	<u>133,599</u>	<u>133,964</u>	<u>481</u>	<u>143,835</u>	<u>144,316</u>	

7.17.2 Classified by type of instruments, currency, maturity and interest rate as at December 31, 2020 and 2019 :

Type	Currency	Maturity	Interest Rate	CONSOLIDATED		Million Baht
				Amount		
				2020	2019	
Senior unsecured notes	USD	2020 - 2028	3.875% - 5.00%	75,100	99,530	
Subordinated notes	USD	2029 - 2034	3.733% - 9.025%	36,048	49,757	
Subordinated notes	USD	-*	5.00%*	22,530	-	
Subordinated notes	IDR	2021	11.75%	1,257	-	
Bills of exchange	THB	2020 - 2021	0.00% - 1.95%	814	8	
Others	THB	2020 - 2024	0.00% - 1.40%	507	838	
<u>Less Discount on borrowings</u>				<u>(79)</u>	<u>(5,452)</u>	
Total				<u>136,177</u>	<u>144,681</u>	

Type	Currency	Maturity	Interest Rate	THE BANK		Million Baht
				Amount		
				2020	2019	
Senior unsecured notes	USD	2020 - 2028	3.875% - 5.00%	75,100	99,530	
Subordinated notes	USD	2029 - 2034	3.733% - 9.025%	36,048	49,757	
Subordinated notes	USD	-*	5.00%*	22,530	-	
Bills of exchange	THB	2020	0.00% - 1.00%	-	8	
Others	THB	2020 - 2024	0.00%	365	473	
<u>Less Discount on borrowings</u>				<u>(79)</u>	<u>(5,452)</u>	
Total				<u>133,964</u>	<u>144,316</u>	

* 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.

7.18 Subordinated notes

On January 28, 1999, the Bank issued and offered USD 450 million of subordinated notes with a maturity of 30 years, to be due in 2029, at a coupon rate of 9.025% p.a. for sale to foreign investors in exchange for the Bank's existing USD 150 million of subordinated notes to be due in 2016 at a coupon rate of 8.25% p.a. and USD 300 million of subordinated notes to be due in 2027 at a coupon rate of 8.375% p.a., which were redeemed before their maturities and already obtained the approval from the BOT. As this transaction was a redemption of the existing notes at their market values, which were lower than the par values, the Bank recorded the book value of the subordinated notes to be due in 2029 at the amount of USD 259 million (Baht 9,535 million). The difference between the book value and the redemption value of the notes will be amortized on a monthly basis throughout the life of the notes.

On September 25, 2019, the Bank issued and offered USD 1,200 million of subordinated notes qualified to be included in Tier 2 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof, with a maturity of 15 years, at a coupon rate of 3.733% p.a. for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007. The Bank received net proceeds from the sale of subordinated notes amounting to USD 1,200 million, which the BOT had approved to include in Tier 2 capital on September 25, 2019.

On September 23, 2020, the Bank issued and offered USD 750 million of subordinated notes qualified to be included in Additional Tier 1 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007, perpetual securities and have no fixed redemption date, provided that the Bank may redeem after 5 years from the Issue Date pursuant to its early redemption rights, at initial distribution rate of 5% p.a. until the first call date and subject to change to reference rate every 5 years. The Bank received net proceeds from the sale of subordinated notes amounting to USD 750 million, which the BOT had approved to include in Additional Tier 1 capital on September 23, 2020. The Bank classified such instrument as a financial liability by taking into consideration both contractual obligation and legal rights as stating in the offering of the Notes.

7.19 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 7.24).

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 October 18, 2010, 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 years at a coupon of 3.25% p.a., amounting to USD 400 million and senior unsecured notes with a maturity of 10 years at a coupon of 4.80% p.a., amounting to USD 800 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 1,196 million. On October 19, 2015, the Bank redeemed senior unsecured notes with a maturity of 5 years at a coupon of 3.25% p.a., amounting to USD 400 million and On October 19, 2020, the Bank redeemed senior unsecured notes with a maturity of 10 years at a coupon of 4.80% p.a., amounting to USD 800 million.

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.

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.

7.20 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, 2020, the Bank had not yet issued bonds according to the aforementioned resolution.

7.21 Provisions

As at December 31, 2020 and 2019 provisions are as follows :

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
	Million Baht			
Beginning balances	18,702	16,519	18,428	16,311
Re-measurement under TFRS 9	5,782	-	5,315	-
Beginning balances of subsidiary as at acquisition date	292	-	-	-
Increase during the year	7,054	3,958	5,421	3,880
Written off/reversal during the year	(4,524)	(1,775)	(4,099)	(1,763)
Ending balances	27,306	18,702	25,065	18,428

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
	Million Baht			
Defined benefit obligations	14,640	13,272	13,988	12,998
Expected credit losses on financial guarantee contracts and loan commitments	9,006	-	7,473	-
Others	3,660	5,430	3,604	5,430
Total	27,306	18,702	25,065	18,428

7.22 Post-employment benefits

7.22.1 Defined contribution plans

For the years ended December 31, 2020 and 2019, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements, amounting to Baht 1,411 million and Baht 1,247 million, and in the Bank's financial statements amounting to Baht 1,160 million and Baht 1,127 million, respectively.

7.22.2 Defined benefit plans

As at December 31, 2020 and 2019, 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	
	2020	2019	2020	2019
				Million Baht
The present value of the funded defined benefit plans	2,503	788	806	788
The fair value of plan assets	(2,058)	(611)	(660)	(611)
	<u>445</u>	<u>177</u>	<u>146</u>	<u>177</u>
The present value of the unfunded defined benefit plans	14,151	13,087	13,799	12,814
Liabilities, net	<u><u>14,596</u></u>	<u><u>13,264</u></u>	<u><u>13,945</u></u>	<u><u>12,991</u></u>

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, 2020 and 2019 :

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
				Million Baht
Beginning balances	13,875	11,509	13,602	11,302
Beginning balances of subsidiary as at acquisition date	1,575	-	-	-
Current service costs	1,024	742	907	669
Interest costs	318	348	249	343
Benefit paid during the years	(636)	(381)	(484)	(378)
Actuarial losses (gains) on obligations				
from changes in financial assumptions	657	1,960	506	1,982
from changes in demographic assumptions	26	9	26	-
from experience	(237)	(270)	(230)	(274)
Unrealized losses (gains) on exchanges	<u>52</u>	<u>(42)</u>	<u>29</u>	<u>(42)</u>
Ending balances	<u><u>16,654</u></u>	<u><u>13,875</u></u>	<u><u>14,605</u></u>	<u><u>13,602</u></u>

The following table presents the reconciliations of the fair value of plan assets related to the funded defined benefit plans as at December 31, 2020 and 2019 :

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
Beginning balances	611	571	611	571
Beginning balances of subsidiary as at acquisition date	1,454	-	-	-
Interest income	71	21	21	21
Contributions	27	39	27	39
Benefit paid during the years	(165)	(2)	(35)	(2)
Actuarial gains on plan assets	78	4	18	4
Unrealized gains (losses) on exchanges	(18)	(22)	18	(22)
Ending balances	2,058	611	660	611

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, 2020 and 2019 are as follows :

	CONSOLIDATED		Percentage	
	Significant actuarial assumptions		Increase in defined benefit obligations	
	2020	2019	2020	2019
Discount rate	0.20 - 7.40	0.70 - 8.10	13.57	14.12
Average future salary increases	2.00 - 15.00	2.00 - 15.00	12.71	12.69

	THE BANK		Percentage	
	Significant actuarial assumptions		Increase in defined benefit obligations	
	2020	2019	2020	2019
Discount rate	0.20 - 7.40	0.70 - 8.10	14.56	14.19
Average future salary increases	2.00 - 15.00	2.00 - 15.00	13.00	12.70

7.23 Other liabilities

Other liabilities as at December 31, 2020 and 2019 are as follows :

	CONSOLIDATED		Million Baht THE BANK	
	2020	2019	2020	2019
Deposit received and margin payable	30,918	22,709	4,539	5,688
Other payables	30,115	17,253	22,352	15,907
Accrued expenses	17,798	16,111	13,868	14,972
Advance received from electronic service	443	80	443	80
Other liabilities	13,855	16,601	12,590	15,074
Total	93,129	72,754	53,792	51,721

7.24 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, 2020 and 2019, 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	
	2020	2019
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, 2020 and 2019, the Bank had 1,908,842,894 issued common shares and 2,039,502,106 unissued common shares and 655,000 Class A unissued preferred shares and 1,000,000 Class B unissued preferred shares. In relation to the allocation of the unissued common shares, the Bank will follow the resolutions of the 12th ordinary shareholders' meeting convened on April 12, 2005, as per the following details :

1. Allocation of 1,339,502,106 common shares as follows :

- 1.1) Allocation of 459,502,106 common shares for offer and sale to the general public, including the existing shareholders and the beneficial owners of the shares held by custodian or by any other similar arrangements.

- 1.2) Allocation of 440,000,000 common shares for offer and sale to institutional investors or investors with specific characteristics prescribed in the Notification of the Securities and Exchange Commission.
- 1.3) Allocation of 440,000,000 common shares for offer and sale to the existing shareholders and the beneficial owners of the common shares in proportion to their shareholdings.
2. Allocation of 50,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds issued by the Bank and offered for sale in 1999 as part of the Capital Augmented Preferred Securities (CAPS).
3. Allocation of 500,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds and/or convertible bonds that may further be issued in the future by the Bank.
4. Allocation of 200,000,000 common shares to be reserved for the exercise of right to purchase common shares by holders of warrants that may further be issued in the future by the Bank.
5. Allocation of 655,000 Class A preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds.
6. Allocation of 1,000,000 Class B preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds and/or unsubordinated bonds and/or subordinated convertible bonds and/or convertible bonds.

The offer and sale of the Bank's securities shall comply with the regulations prescribed by the Securities and Exchange Commission.

7.25 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, 2020, 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.

7.26 Legal reserve and other reserves

7.26.1 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.

7.26.2 The Bank appropriated annual profit as other reserves, which are treated as general reserve with no specific purpose.

7.27 The appropriation of the profit and the dividend payments

On April 12, 2019, the 26th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2018 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 2018 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, 2018), and the amount to be appropriated for the period of July - December 2018 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 6.50 per common share, totaling Baht 12,086 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,716 million on September 28, 2018, and the remaining amount will be paid on May 10, 2019 at the rate of Baht 4.50 per share amounting to Baht 8,370 million.

The Bank already paid dividend according to the above-mentioned resolution on May 10, 2019.

On August 22, 2019, the meeting of the Board of Directors of the Bank No. 8/2019 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 2019 amounting to Baht 500 million and Baht 5,000 million, respectively.
- The payment of interim dividend at the rate of Baht 2.00 per common share amounting to Baht 3,722 million on September 20, 2019.

The Bank already paid dividend according to the above-mentioned resolution on September 20, 2019.

On February 23, 2020, the Meeting of Board of Director approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2019 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 2019 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, 2019), and the amount to be appropriated for the period of July - December 2019 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 7.00 per ordinary share, totaling Baht 13,266 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,722 million on September 20, 2019, and the remaining amount will be paid on April 30, 2020 at the rate of Baht 5.00 per share amounting to Baht 9,544 million.

According to the BOT's letter BOT. SorNorSor. (23) Wor. 395/2563 dated March 31, 2020 regarding the waiver of compliance with the rules of the Bank of Thailand during the Covid-19 situation, it has allowed banks to bring profits that passed the resolution of the Board of Directors' meeting to be allocated as capital funds and when the bank is able to hold annual shareholders' meetings count the capital in accordance with the resolution of the shareholders' meeting.

The Bank already paid dividend according to the above-mentioned resolution on April 30, 2020.

On August 27, 2020, the meeting of the Board of Directors of the Bank No. 9/2020 approved the resolutions regarding the appropriation of the profit of interim as follows :

- The appropriation as legal reserve and as other reserves for the period of January - June 2020 amounting to Baht 500 million and Baht 5,000 million, respectively.

7.28 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 / allowance for impairment, as at December 31, 2020 and 2019 amounted to Baht 2,120 million and Baht 26,597 million, respectively.

7.29 Contingent liabilities

As at December 31, 2020 and 2019, the Bank and subsidiaries had contingent liabilities as follows :

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
Avals to bills	6,187	7,598	6,187	7,598
Guarantees of loans	34,445	27,513	23,165	18,907
Liability under unmatured import bills	18,133	17,745	11,333	15,045
Letters of credit	26,775	22,116	26,049	21,189
Other commitments				
Amount of unused bank overdraft	171,843	165,562	171,053	164,845
Other guarantees	252,594	247,490	239,065	245,045
Others	208,560	137,867	204,382	140,385
Total	<u>718,537</u>	<u>625,891</u>	<u>681,234</u>	<u>613,014</u>

7.30 Litigation

As at December 31, 2020 and 2019, 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's financial position and result of operations.

7.31 Related party transactions

As at December 31, 2020 and 2019, 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, 2020 and 2019 as follows :

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
Million Baht				
Placements				
Subsidiaries				
Bangkok Bank Berhad	-	-	909	2,116
Bangkok Bank (China) Co., Ltd.	-	-	4	1
PT Bank Permata Tbk	-	-	23	-
Total	<u>-</u>	<u>-</u>	<u>936</u>	<u>2,117</u>
Investments				
Subsidiary				
PT Bank Permata Tbk	-	-	21,246	-
Total	<u>-</u>	<u>-</u>	<u>21,246</u>	<u>-</u>
Loans				
Subsidiary				
BSL Leasing Co., Ltd.*	-	-	700	-
Associate				
BSL Leasing Co., Ltd.	-	120	-	120
Other related parties	20	54	19	19
Total	<u>20</u>	<u>174</u>	<u>719</u>	<u>139</u>
Allowance for expected credit loss /				
Allowance for doubtful accounts				
Subsidiary				
BSL Leasing Co., Ltd.*	-	-	8	-
Associate				
BSL Leasing Co., Ltd.	-	2	-	2
Total	<u>-</u>	<u>2</u>	<u>8</u>	<u>2</u>
Other assets				
Subsidiaries				
Bangkok Bank Berhad	-	-	7	3
BBL Asset Management Co., Ltd.	-	-	343	382
Bualuang Securities PCL.	-	-	2	1
PT Bank Permata Tbk	-	-	32	-
Associates				
Processing Center Co., Ltd.	3	17	3	17
Thai Payment Network Co., Ltd.	17	7	17	7
Other related parties	6	6	-	-
Total	<u>26</u>	<u>30</u>	<u>404</u>	<u>410</u>

* On September 17, 2020, BSL Leasing Co., Ltd. is changed from an associate to be a subsidiary.

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
Million Baht				
Deposits				
Subsidiaries				
BBL (Cayman) Limited	-	-	733	726
Bangkok Bank Berhad	-	-	139	76
Sinnsuptawee Asset Management Co., Ltd.	-	-	4	14
BBL Asset Management Co., Ltd.	-	-	84	77
Bualuang Securities PCL.	-	-	161	113
Bangkok Bank (China) Co., Ltd.	-	-	141	93
Bualuang Ventures Limited	-	-	412	575
Bangkok Capital Asset Management Co., Ltd.*	-	-	273	116
PT Bank Permata Tbk	-	-	13	-
BSL Leasing Co., Ltd.**	-	-	47	-
Associates				
BSL Leasing Co., Ltd.	-	41	-	41
Processing Center Co., Ltd.	99	204	99	204
National ITMX Co., Ltd.	105	88	105	88
Thai Payment Network Co., Ltd.	32	66	32	66
BCI (Thailand) Co., Ltd.	48	53	48	53
Other related parties	9,100	8,572	9,100	8,572
Total	9,384	9,024	11,391	10,814
Borrowings				
Subsidiary				
Bangkok Bank (China) Co., Ltd.	-	-	1,954	-
Total	-	-	1,954	-
Other liabilities				
Subsidiaries				
BBL (Cayman) Limited	-	-	-	4
Sinnsuptawee Asset Management Co., Ltd.	-	-	328	328
Bualuang Securities PCL.	-	-	1	1
Bangkok Bank (China) Co., Ltd.	-	-	64	-
Associates				
Processing Center Co., Ltd.	4	1	4	1
National ITMX Co., Ltd.	16	11	16	11
Other related parties	16	31	8	23
Total	36	43	421	368

* Holding by Bualuang Securities PCL.

** On September 17, 2020, BSL Leasing Co., Ltd. is changed from an associate to be a subsidiary.

	CONSOLIDATED		THE BANK	
	2020	2019	2020	2019
Million Baht				
Commitments				
Subsidiaries				
Bangkok Bank Berhad	-	-	-	32
Bualuang Securities PCL.	-	-	155	-
Bangkok Bank (China) Co., Ltd.	-	-	2,549	2,064
BSL Leasing Co., Ltd.*	-	-	4	-
Associate				
National ITMX Co., Ltd.	1	-	1	-
Other related parties	<u>3</u>	<u>4</u>	<u>3</u>	<u>4</u>
Total	<u><u>4</u></u>	<u><u>4</u></u>	<u><u>2,712</u></u>	<u><u>2,100</u></u>

For the year ended December 31, 2020, the Bank and subsidiaries charged interest at rates between 0.75% and 13.00% on loans to these related parties depending on the types of loans and collateral.

For the year ended December 31, 2019, the Bank and subsidiaries charged interest at rates between 1.75% and 13.00% 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, 2020 and 2019 are shown in Note 7.8. On December 19, 2019, the Bank sold its investments in equity securities, which is registered in the Stock Exchange of Thailand, to the specific investors and/or the Thai and foreign institutional investors, in accordance with the book building under the overnight placement transaction. In this regard, Bualuang Securities PCL. Purchased the securities with the same price for other investors, by amounting to Baht 2,480 million. As at December 31, 2019, the subsidiary has classified such investments as the trading securities.

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.

* On September 17, 2020, BSL Leasing Co., Ltd. is changed from an associate to be a subsidiary.

The Bank and subsidiaries had significant income and expenses with related parties for the years ended December 31, 2020 and 2019 as follows :

	CONSOLIDATED		THE BANK	
	FOR THE YEARS		FOR THE YEARS	
	ENDED DECEMBER 31,		ENDED DECEMBER 31,	
	2020	2019	2020	2019
Million Baht				
Interest and discount received				
Subsidiaries				
Bangkok Bank Berhad	-	-	24	92
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	21
Bangkok Bank (China) Co., Ltd.	-	-	1	3
PT Bank Permata Tbk	-	-	15	-
BSL Leasing Co., Ltd.*	-	-	4	-
Associate				
BSL Leasing Co., Ltd.	5	3	5	3
Other related parties	1	2	1	2
Total	6	5	50	121
Fees and service income				
Subsidiaries				
Bangkok Bank Berhad	-	-	2	2
BBL Asset Management Co., Ltd.	-	-	2,003	2,206
Bualuang Securities PCL.	-	-	46	34
Associate				
Processing Center Co., Ltd.	3	8	3	8
Other related parties	67	59	-	1
Total	70	67	2,054	2,251
Dividend income				
Subsidiaries				
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	1,000
BBL Asset Management Co., Ltd.	-	-	1,072	1,140
Bualuang Securities PCL.	-	-	540	809
BSL Leasing Co., Ltd.*	-	-	45	-
Associates				
BSL Leasing Co., Ltd.	-	18	-	18
Processing Center Co., Ltd.	16	60	16	60
National ITMX Co., Ltd.	25	11	25	11
Total	41	89	1,698	3,038

* On September 17, 2020, BSL Leasing Co., Ltd. is changed from an associate to be a subsidiary.

	CONSOLIDATED		THE BANK	
	FOR THE YEARS		FOR THE YEARS	
	ENDED DECEMBER 31,		ENDED DECEMBER 31,	
	2020	2019	2020	2019
Million Baht				
Other income				
Subsidiaries				
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	-
Bualuang Securities PCL.	-	-	4	80
Bangkok Bank (China) Co., Ltd.	-	-	124	113
Associates				
National ITMX Co., Ltd.	6	6	6	6
Thai Payment Network Co., Ltd.	10	10	10	10
Total	<u>16</u>	<u>16</u>	<u>145</u>	<u>209</u>
Interest paid				
Subsidiaries				
BBL (Cayman) Limited	-	-	7	17
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	1
BBL Asset Management Co., Ltd.	-	-	1	2
Bualuang Securities PCL.	-	-	5	4
Bangkok Bank (China) Co., Ltd.	-	-	4	8
Bualuang Ventures Limited.	-	-	1	3
Bangkok Capital Asset Management Co., Ltd.*	-	-	-	1
Associates				
Processing Center Co., Ltd.	1	1	1	1
Thai Payment Network Co., Ltd.	-	1	-	1
Other related parties	43	68	43	68
Total	<u>44</u>	<u>70</u>	<u>62</u>	<u>106</u>
Commission paid				
Other related parties	56	64	-	-
Total	<u>56</u>	<u>64</u>	<u>-</u>	<u>-</u>
Other expenses				
Subsidiaries				
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	1
Bualuang Securities PCL.	-	-	-	4
Bangkok Bank (China) Co., Ltd.	-	-	-	2
Associates				
Processing Center Co., Ltd.	6	5	6	5
National ITMX Co., Ltd.	144	126	144	126
Thai Payment Network Co., Ltd.	2	1	2	1
BCI (Thailand) Co., Ltd.	2	5	2	5
Other related parties	142	127	129	114
Total	<u>296</u>	<u>264</u>	<u>283</u>	<u>258</u>

* Holding by Bualuang Securities PCL.

Compensation of key management personnel for the years ended December 31, 2020 and 2019 consisted of the following :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2020	2019	2020	2019
Short-term employee benefits	2,504	1,923	1,546	1,405
Post-employment benefits	<u>95</u>	<u>88</u>	<u>84</u>	<u>76</u>
Total	<u><u>2,599</u></u>	<u><u>2,011</u></u>	<u><u>1,630</u></u>	<u><u>1,481</u></u>

Million Baht

7.32 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.

7.33 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, 2020		Million Baht	
	2020	2019	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from operating before income tax expenses	83	1,297	
Items to reconcile profit from operating before income tax expenses to cash receive (paid) from operating activities			
Depreciation and amortization	1	-	
Unrealized gain on financial instruments measured at fair value through profit or loss	(20)	-	
Net gain on disposal of securities	(1)	(564)	
Gain on reversal on allowance impairment of properties for sale	(12)	-	
Loss on impairment of properties for sale	-	395	
Net interest expenses	-	20	
Dividend income	(36)	(41)	
Interest received	-	1	
Proceeds from dividend income	36	41	
Interest expenses paid	-	(21)	
Income tax paid	(103)	(556)	
Profit (loss) from operating before changes in operating assets and liabilities	(52)	572	
(Increase) decrease in operating assets			
Financial assets measured at fair value through profit or loss	(38)	-	
Properties for sale	82	472	
Other assets	-	1	
Increase (decrease) in operating liabilities			
Deposits	1	(100)	
Other liabilities	(2)	-	
Net cash from operating activities	(9)	945	
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of available-for-sale securities	-	(1,431)	
Proceeds from disposal of available-for-sale securities	-	4,201	
Purchase of equipment	(1)	-	
Net cash from investing activities	(1)	2,770	
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid	-	(1,000)	
Cash paid for loan from the parent company	-	(2,710)	
Net cash from financing activities	-	(3,710)	
Net increase (decrease) in cash and cash equivalents	(10)	5	
Cash and cash equivalents as at January 1,	14	9	
Cash and cash equivalents as at December 31,	4	14	

7.34 Operating segments

7.34.1 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 statement.

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, 2020 and 2019 are as follows :

CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2020						Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	70,856	23,022	13,497	11,356	(3)	118,728
Total operating expenses before credit losses	<u>(30,589)</u>	<u>(10,521)</u>	<u>(1,730)</u>	<u>(23,137)</u>	<u>3</u>	<u>(65,974)</u>
Profit from operating before credit losses and income tax expenses	<u><u>40,267</u></u>	<u><u>12,501</u></u>	<u><u>11,767</u></u>	<u><u>(11,781)</u></u>	<u><u>-</u></u>	<u><u>52,754</u></u>

CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2019						Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	75,620	14,332	29,740	14,055	(1)	133,746
Total operating expenses before credit losses	<u>(30,791)</u>	<u>(4,387)</u>	<u>(789)</u>	<u>(18,997)</u>	<u>1</u>	<u>(54,963)</u>
Profit from operating before credit losses and income tax expenses	<u><u>44,829</u></u>	<u><u>9,945</u></u>	<u><u>28,951</u></u>	<u><u>(4,942)</u></u>	<u><u>-</u></u>	<u><u>78,783</u></u>

The financial position of operating segments as at December 31, 2020 and 2019 are as follows :

CONSOLIDATED						Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total assets						
As at December 31, 2020	1,697,604	1,091,071	1,278,707	245,140	(489,562)	3,822,960
As at December 31, 2019	1,622,097	788,248	1,206,275	148,726	(548,603)	3,216,743

7.34.2 Geographical segments

The operating results classified by geographical areas for the years ended December 31, 2020 and 2019 are as follows :

	Million Baht					
	CONSOLIDATED					
	FOR THE YEARS ENDED DECEMBER 31,					
	2020			2019		
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total
Total operating income	94,042	24,686	118,728	115,822	17,924	133,746
Total operating expenses*	(74,233)	(22,937)	(97,170)	(78,242)	(9,072)	(87,314)
Profit from operating						
before income tax expenses	19,809	1,749	21,558	37,580	8,852	46,432
Income tax	2,816	1,198	4,014	8,119	2,100	10,219

The financial position classified by geographical areas as at December 31, 2020 and 2019 are as follows :

	Million Baht					
	CONSOLIDATED					
	FOR THE YEARS ENDED DECEMBER 31,					
	2020			2019		
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total
Non-current assets**	80,092	17,266	97,358	36,036	6,478	42,514
Total assets	3,055,911	767,049	3,822,960	2,679,118	537,625	3,216,743

7.35 Interest income

Interest income for the years ended December 31, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE YEARS		FOR THE YEARS	
	ENDED DECEMBER 31,		ENDED DECEMBER 31,	
	2020	2019	2020	2019
Interbank and money market items	5,273	8,995	3,697	8,106
Investments and trading transactions	1,543	221	161	221
Investment in debt securities	9,555	10,088	8,619	9,404
Loans	95,994	93,155	82,143	90,293
Others	158	106	75	106
Total interest income	<u>112,523</u>	<u>112,565</u>	<u>94,695</u>	<u>108,130</u>

For the year ended December 31, 2020, the Bank and subsidiaries have total interest income on financial assets that are measured at amortized cost and at FVOCI for the consolidated amounting to Baht 102,009 million and Baht 8,971 million, respectively and for the Bank's financial statement amounting to Baht 86,117 million and amounting to Baht 8,417 million, respectively.

* Including expected credit losses / impairment loss of loans and debt securities.

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

7.36 Interest expenses

Interest expenses for the years ended December 31, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS		THE BANK FOR THE YEARS	
	ENDED DECEMBER 31, 2020	2019	ENDED DECEMBER 31, 2020	2019
Deposits	22,437	23,044	15,474	21,544
Interbank and money market items	939	1,981	830	1,870
Contributions to the Deposit Protection Agency	5,846	9,953	5,486	9,945
Debt issued				
Bonds and subordinated notes	6,241	6,397	6,003	6,397
Borrowing	1	-	-	-
Others	13	119	13	119
Total interest expenses	<u>35,477</u>	<u>41,494</u>	<u>27,806</u>	<u>39,875</u>

7.37 Net fees and service income

Net fees and service income for the years ended December 31, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS		THE BANK FOR THE YEARS	
	ENDED DECEMBER 31, 2020	2019	ENDED DECEMBER 31, 2020	2019
Fees and service income				
Acceptances, aval and guarantees of loans	675	182	640	146
Debit card, credit card and electronic services	15,970	18,882	15,364	18,881
Others	17,523	20,216	10,791	14,847
Total fees and service income	34,168	39,280	26,795	33,874
Fees and service expenses	9,457	10,776	8,801	10,582
Net fees and service income	<u>24,711</u>	<u>28,504</u>	<u>17,994</u>	<u>23,292</u>

7.38 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 year ended December 31, 2020 are as follows :

	CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2020	Million : Baht THE BANK FOR THE YEAR ENDED DECEMBER 31, 2020
Gains (losses) from trading and foreign exchange transactions		
Foreign exchange and currency derivatives	10,405	10,286
Interest rate derivatives	192	191
Debt securities	109	112
Equity securities	493	981
Others	(120)	(100)
Total	<u>11,079</u>	<u>11,470</u>
Gains (losses) from financial instrument designed at FVTPL		
Change in fair value, net	(868)	(868)
Interest expense, net	(1,338)	(1,338)
Total	<u>(2,206)</u>	<u>(2,206)</u>
Others	<u>2,185</u>	<u>387</u>
Total gains on financial instruments measured at fair value through profit or loss	<u><u>11,058</u></u>	<u><u>9,651</u></u>

7.39 Gains (losses) on tradings and foreign exchange transactions

Gains (losses) on tradings and foreign exchange transactions for the year ended December 31, 2019 are as follows :

	CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2019	Million Baht THE BANK FOR THE YEAR ENDED DECEMBER 31, 2019
Gains (losses) on tradings and foreign exchange transactions		
Foreign exchanges and derivatives	8,041	7,824
Interest rate derivatives	(842)	(842)
Debt securities	274	270
Equity securities	375	-
Total gains on tradings and foreign exchange transactions	<u><u>7,848</u></u>	<u><u>7,252</u></u>

7.40 Gains (losses) on investments

Gains (losses) on investments for the years ended December 31, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS		THE BANK FOR THE YEARS	
	ENDED DECEMBER 31, 2020	2019	ENDED DECEMBER 31, 2020	2019
Gains (losses) from write off				
Investment securities - measured at FVOCI				
(Debt investment)	2,512	-	2,177	-
Available-for-sale securities	-	20,149	-	19,502
General investment	-	123	-	108
Total	<u>2,512</u>	<u>20,272</u>	<u>2,177</u>	<u>19,610</u>
Losses on impairment				
Available-for-sale securities	-	(87)	-	(87)
General investment	-	(420)	-	(420)
Total	<u>-</u>	<u>(507)</u>	<u>-</u>	<u>(507)</u>
Total gains on investments	<u>2,512</u>	<u>19,765</u>	<u>2,177</u>	<u>19,103</u>

7.41 Expected credit loss / Impairment loss of loans and debt securities

Expected credit loss / Impairment loss of loans and debt securities for the years ended December 31, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS		THE BANK FOR THE YEARS	
	ENDED DECEMBER 31, 2020	2019	ENDED DECEMBER 31, 2020	2019
Expected credit loss				
Loans to customers and accrued				
interest receivables	27,340	-	24,655	-
Others	3,856	-	3,234	-
Impairment loss of loans and debt securities	<u>-</u>	<u>32,351</u>	<u>-</u>	<u>31,744</u>
Total Expected credit loss / Impairment loss of loans and debt securities	<u>31,196</u>	<u>32,351</u>	<u>27,889</u>	<u>31,744</u>

7.42 Income tax expenses

7.42.1 Income tax recognized in profit or loss for the years ended December 31, 2020 and 2019 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS		THE BANK FOR THE YEARS	
	ENDED DECEMBER 31, 2020	2019	ENDED DECEMBER 31, 2020	2019
Current tax	6,957	9,068	6,349	7,949
Deferred tax	<u>(2,943)</u>	<u>1,151</u>	<u>(2,931)</u>	<u>1,271</u>
Total income tax expenses	<u>4,014</u>	<u>10,219</u>	<u>3,418</u>	<u>9,220</u>

7.42.2 Income tax recognized in component of other comprehensive income for the years ended December 31, 2020 and 2019 are as follows :

	Million Baht					
	CONSOLIDATED					
	FOR THE YEARS ENDED DECEMBER 31,					
	2020			2019		
	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						
Gain on investments in debt						
instruments at fair value						
through other comprehensive						
income	2,965	(179)	2,786	-	-	-
Loss on remeasuring						
available-for-sale investment	-	-	-	(2,209)	488	(1,721)
Gain on cash flow hedges	261	(52)	209	-	-	-
Gain (loss) arising from						
translating the financial						
statements of foreign						
operations	4,115	-	4,115	(5,706)	-	(5,706)
Share of other comprehensive						
income of associates	-	-	-	2	-	2
Items that will not be reclassified						
subsequently to profit or loss						
Change in revaluation surplus	14,524	(2,885)	11,639	-	-	-
Loss on investment in equity						
instruments designated at						
fair value through other						
comprehensive income	(6,067)	1,207	(4,860)	-	-	-
Gain on financial liabilities						
designated at fair value						
through profit or loss	959	(192)	767	-	-	-
Actuarial losses on						
defined benefit plans	(429)	(1,364)	(1,793)	(1,695)	338	(1,357)
Share of other comprehensive						
income of associates	2	-	2	-	-	-
Total	<u>16,330</u>	<u>(3,465)</u>	<u>12,865</u>	<u>(9,608)</u>	<u>826</u>	<u>(8,782)</u>

Million Baht

	THE BANK					
	FOR THE YEARS ENDED DECEMBER 31,					
	2020			2019		
	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						
Gain on investments in debt instruments at fair value through other comprehensive income	1,839	67	1,906	-	-	-
Loss on remeasuring available-for-sale investment	-	-	-	(2,231)	496	(1,735)
Gain on cash flow hedges	261	(52)	209	-	-	-
Gain (loss) arising from translating the financial statements of foreign operations	4,671	-	4,671	(3,093)	-	(3,093)
Items that will not be reclassified subsequently to profit or loss						
Changes in revaluation surplus	13,987	(2,797)	11,190	-	-	-
Loss on investment in equity instruments designated at fair value through other comprehensive income	(5,340)	1,060	(4,280)	-	-	-
Gain on financial liabilities designated at fair value through profit or loss	959	(192)	767	-	-	-
Actuarial loss on defined benefit plans	(285)	(1,395)	(1,680)	(1,704)	340	(1,364)
Total	<u>16,092</u>	<u>(3,309)</u>	<u>12,783</u>	<u>(7,028)</u>	<u>836</u>	<u>(6,192)</u>

7.42.3 Reconciliation of effective tax rates for the years ended December 31, 2020 and 2019 are as follows :

	CONSOLIDATED				Million Baht
	FOR THE YEARS ENDED DECEMBER 31,				
	2020		2019		
	Amount	Percentage	Amount	Percentage	
Profit from operating before income tax expense	21,558		46,432		
Income tax calculated at statutory tax rate	4,312	20.00	9,286	20.00	
Overseas tax	1,263		1,996		
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(1,034)		(1,557)		
Others	(527)		494		
Total income tax expenses	<u><u>4,014</u></u>	18.62	<u><u>10,219</u></u>	22.01	

	THE BANK				Million Baht
	FOR THE YEARS ENDED DECEMBER 31,				
	2020		2019		
	Amount	Percentage	Amount	Percentage	
Profit from operating before income tax expense	19,056		44,008		
Income tax calculated at statutory tax rate	3,811	20.00	8,802	20.00	
Overseas tax	1,244		1,958		
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(918)		(1,511)		
Others	(719)		(29)		
Total income tax expenses	<u><u>3,418</u></u>	17.94	<u><u>9,220</u></u>	20.95	

7.43 The Coronavirus Disease 2019 Pandemic (Covid-19)

The Coronavirus Disease 2019 Pandemic (Covid-19) is continuing to evolve, resulting in the economic slowdown and impacting most business and industries. 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”. 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.

As for the reserve, the Bank adheres to the Financial Reporting Standards No. 9 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. The situation of the outbreak still cannot be controlled, 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 therefore 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.

7.44 Approval of the financial statements

On February 23, 2021, the Audit Committee and the Board of Executive Directors have authorized to issue these financial statements.

GENERAL INFORMATION

Name of Company

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, 2020

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

1. Reference

1.1 Securities Registrar

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

1.2 Trustee

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	4.450%	September 19, 2028	
Subordinated notes	3.733%	September 25, 2034	
Subordinated notes	5.000%	-	

1.3 Auditor

Mrs. Nisakorn Songmanee
Certified Public Accountant (Thailand) Registration No. 5035
Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
AIA Sathorn Tower, 23rd - 27th Floor
11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Tel. 0-2034-0000 Fax. 0-2034-0100

1.4 Legal Advisers

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Tel. 0-2230-2731 Fax. 0-2231-5448
Mr. Wasan Soypisudh
333 Silom Road, Silom, Bang Rak, Bangkok 10500
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Mr. Somchai Julniti
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Pol. Lt. Gen. Theerasak Nguanbanchong
333 Silom Road, Silom, Bang Rak, Bangkok 10500
Tel. 0-2230-2969 Fax. 0-2231-5448

1.5 Investor Relations

Bangkok Bank Public Company Limited
 333 Silom Road, Silom, Bang Rak, Bangkok 10500
 Tel. 0-2626-4981 Fax. 0-2231-4890
 E-mail: ir@bangkokbank.com

2. Disclosure of Information on Capital Structure and Major Shareholders

Shareholders

Shareholding structure as at June 12, 2020 (Record date)

No.	Name of Shareholder	Number of Shares	Percentage of Total Shares
1	THAI NVDR COMPANY LIMITED	448,535,678	23.50
2	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	98,649,920	5.17
3	SOCIAL SECURITY OFFICE	85,852,300	4.50
4	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	39,837,220	2.09
5	STATE STREET EUROPE LIMITED	36,715,127	1.92
6	BANGKOK INSURANCE PUBLIC COMPANY LIMITED	34,287,030	1.80
7	THE BANK OF NEW YORK MELLON	32,663,005	1.71
8	BNY MELLON NOMINEES LIMITED	31,094,920	1.63
9	MORGAN STANLEY & CO. INTERNATIONAL PLC	25,988,223	1.36
10	STATE STREET BANK AND TRUST COMPANY	25,690,400	1.35
	OTHERS	1,049,529,071	54.97
	TOTAL PAID-UP CAPITAL	1,908,842,894	100.00

Information with respect to free-float

As of June 12, 2020 the free-float of the Bank, according to the Securities and Exchange Commission, was 98.60 percent.

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 return for shareholders and the capital adequacy for the Bank's business operations. The profit remaining after dividend payment may be allocated as reserves for various purposes as deemed appropriate.

(2) Subsidiaries' policies

The Bank's subsidiaries' dividend policies depend on each company's performance and dividend payments will be made in accordance with the resolution of each company's Board of Directors and the resolution of the shareholders' meeting.

3. Remuneration of the Board of Directors for 2020 and 2019

Unit: Baht

No.	Directors		Position	2020	2019
1	Mr. Piti	Sithi-Amnuai ¹	Chairman of the Board of Directors and Chairman of the Corporate Governance Committee	11,500,000	10,900,000
2	Mr. Deja	Tulananda	Chairman of the Board of Executive Directors	6,520,000	6,520,000
3	Admiral Prachet	Siridej ²	Independent Director and Chairman of the Audit Committee	7,600,000	7,600,000
4	Mr. Kovit	Poshyananda	Independent Director and Chairman of the Nomination and Remuneration Committee	7,120,000	7,120,000
5	Mr. Arun	Chirachavala	Independent Director, Chairman of the Risk Oversight Committee and Member of the Audit Committee	7,120,000	7,120,000
6	Mr. Singh	Tangtatswas	Member of the Board of Executive Directors	7,120,000	7,120,000
7	Mr. Amorn	Chandarasomboon	Member of the Board of Executive Directors and the Risk Oversight Committee	7,120,000	7,120,000
8	H.S.H. Prince Mongkolchaleam	Yugala ³	Independent Director, Member of the Audit Committee, and the Nomination and Remuneration Committee	7,120,000	7,120,000
9	Mr. Phornthep	Phornprapha	Independent Director and Member of the Nomination and Remuneration Committee	7,120,000	7,120,000
10	Mr. Charn	Sophonpanich ⁴	Member of the Nomination and Remuneration Committee and the Risk Oversight Committee	-	7,120,000
11	Mrs. Gasinee	Witoonchart ⁵	Independent Director and Member of the Audit Committee	7,120,000	7,120,000
12	Mr. Chokechai	Niljianskul ⁶	Independent Director, Member of the Risk Oversight Committee and the Corporate Governance Committee	7,120,000	7,070,000
13	Mr. Siri	Jirapongphan ⁷	Independent Director	3,260,000	-
14	Mr. Pichet	Durongkaverroj ⁸	Independent Director	3,260,000	-
15	Mr. Chartsiri	Sophonpanich	President and Member of the Board of Executive Directors	6,520,000	6,520,000
16	Mr. Suvarn	Thansathit	Director and Senior Executive Vice President, Member of the Board of Executive Directors and the Risk Oversight Committee	6,520,000	6,520,000
17	Mr. Chansak	Fuangfu	Director and Senior Executive Vice President and Member of the Board of Executive Directors	6,520,000	6,520,000
18	Mr. Charnporn	Jotikasthira	Member of the Board of Executive Directors	6,520,000	6,520,000
19	Mr. Boonsong	Bunyasaranand ⁹	Director and Senior Executive Vice President	6,520,000	4,890,000
20	Mr. Thaweelap	Rittapirom ¹⁰	Director and Executive Vice President, Member of the Board of Executive Directors and the Corporate Governance Committee	6,520,000	6,520,000

As at December 31, 2020

- Remarks :
- ¹ Mr. Piti Sithi-Amnuai was appointed to be Chairman of the Corporate Governance Committee on December 26, 2019
 - ² Admiral Prachet Siridej resigned from directorship of the Bank on December 31, 2020
 - ³ H.S.H. Prince Mongkolchaleam Yugala was appointed to be a member of the Nomination and Remuneration Committee on January 23, 2020
 - ⁴ Mr. Charn Sophonpanich resigned from directorship of the Bank on December 25, 2019
 - ⁵ Mrs. Gasinee Witoonchart was appointed to be Chairman of the Audit Committee on January 1, 2021
 - ⁶ Mr. Chokechai Niljianskul was appointed to be a member of the Risk Management Committee on February 21, 2019 and was appointed to be a member of the Corporate Governance Committee on December 26, 2019
 - ⁷ Mr. Siri Jirapongphan was appointed to be Independent Director on July 10, 2020
 - ⁸ Mr. Pichet Durongkaverroj was appointed to be Independent Director on July 10, 2020
 - ⁹ Mr. Boonsong Bunyasaranand was appointed to be Director on April 12, 2019
 - ¹⁰ Mr. Thaweelap Rittapirom was appointed to be a member of the Corporate Governance Committee on December 26, 2019

Remuneration in cash

1. The remuneration paid to the members of the Board of Directors, consisting of monthly remuneration and bonus, amounted to Baht 128.22 million in 2020, for 19 persons, compared with Baht 126.54 million in 2019, for 18 persons.
2. The remuneration (consisting of salary, bonus and contribution to provident funds) paid to Senior Executive Vice Presidents and upward, amounted to Baht 896.17 million in 2020, for 18 persons, compared with 792.84 million in 2019, for 15 persons.
3. The remuneration (consisting of salary, bonus and contribution to provident funds) paid to directors who are employees and executives with management authority (Executive Vice Presidents and upward), as defined by the Financial Institution Act B.E. 2551, amounted to Baht 1,501.62 million in 2020, for 69 persons.

Other remunerations

None

4. Change in Shareholdings of the Board of Directors from Year End 2019 to Year End 2020

No.	Directors		Unit : Shares		
			As at End 2020	As at End 2019	Change
1	Mr. Piti	Sithi-Amnuai	234,941	184,941	50,000
	Spouse and children who have not yet come of age		-	-	-
2	Mr. Deja	Tulananda	71,270	71,270	-
	Spouse and children who have not yet come of age		25,380	25,380	-
3	Admiral Prachet	Siridej	-	-	-
	Spouse and children who have not yet come of age		-	-	-
4	Mr. Kovit	Poshyananda	-	-	-
	Spouse and children who have not yet come of age		-	-	-
5	Mr. Arun	Chirachavala	-	-	-
	Spouse and children who have not yet come of age		-	-	-
6	Mr. Singh	Tangtatswas	-	-	-
	Spouse and children who have not yet come of age		-	-	-
7	Mr. Amorn	Chandarasomboon	9,150	9,150	-
	Spouse and children who have not yet come of age		1,650	1,650	-
8	H.S.H. Prince	Yugala	23,160	23,160	-
	Mongkolchaleam				
Spouse and children who have not yet come of age		1,700	1,700	-	
9	Mr. Phornthep	Phornprapha	-	-	-
	Spouse and children who have not yet come of age		-	-	-
10	Mrs. Gasinee	Witoonchart	-	-	-
	Spouse and children who have not yet come of age		-	-	-
11	Mr. Chokechai	Niljianskul	2,500	2,500	-
	Spouse and children who have not yet come of age		-	-	-
12	Mr. Siri	Jirapongphan ¹	-	-	-
	Spouse and children who have not yet come of age		-	-	-

No.	Directors	As at End 2020	As at End 2019	Unit : Shares Change
13	Mr. Pichet Durongkaveroj ² Spouse and children who have not yet come of age	- -	- -	- -
14	Mr. Chartsiri Sophonpanich Spouse and children who have not yet come of age	5,150,200 200,000	4,900,200 400,000	250,000 (200,000)
15	Mr. Suvarn Thansathit Spouse and children who have not yet come of age	5,070 3,790	5,070 3,790	- -
16	Mr. Chansak Fuangfu Spouse and children who have not yet come of age	150,000 -	150,000 -	- -
17	Mr. Charamporn Jotikasthira Spouse and children who have not yet come of age	- -	- -	- -
18	Mr. Boonsong Bunyasanand Spouse and children who have not yet come of age	- -	- -	- -
19	Mr. Thaweelap Rittapirom Spouse and children who have not yet come of age	- -	- -	- -

Remark: ¹ Mr. Siri Jirapongphan was appointed to be Independent Director on July 10, 2020

² Mr. Pichet Durongkaveroj was appointed to be Independent Director on July 10, 2020

5. Remuneration of Auditors

The auditor of Bangkok Bank is Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. In 2020, the Bank and its subsidiaries engaged Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. and 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 25,884,500.

The Bank also incurred fees amounting to Baht 19,019,674 in the engagement of audit firms in other countries that are affiliated with Deloitte Touche Tohmatsu to provide audit services for international branches.

2. Audit-related services

The Bank incurred fees for the engagement of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to provide audit-related services that could only have been provided by the Bank's auditor amounting to Baht 5,455,000 and a further amount of Baht 1,385,000 to be paid in the future upon completion of the services agreed upon.

Furthermore, the Bank also incurred fees for the engagement of audit firms in other countries that are affiliated with Deloitte Touche Tohmatsu to provide services for engagement special purpose audit and related to legal and tax matters amounting to Baht 1,763,742 and a further amount of Baht 6,520,566 to be paid in the future upon completion of the services agreed upon.

3. Fees for other services

The Bank also incurred fees for the consulting service relating to technology engagement provided by affiliated companies of Deloitte Touche Tohmatsu, a further amount of Baht 45,000,000 to be paid in the future upon completion of the services agreed upon.

6. Information on Bonds as at December 31, 2020

Type of Bonds	Interest Rates	Maturity	Amount (Million)	Credit Rating (Moody's/ S&P/Fitch Ratings)
Senior unsecured notes	3.875%	September 27, 2022	USD 800	Baa1/BBB+/BBB
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	4.450%	September 19, 2028	USD 600	Baa1/BBB+/BBB
Subordinated notes	9.025%	March 15, 2029	USD 449.825	Baa2/BBB/BB+
Subordinated notes	3.733%	September 25, 2034	USD 1,200	Baa3/ - /BB+
Subordinated notes	5.000%	-	USD 750	Ba1/ - / -

7. Bangkok Bank Public Company Limited Investment in Companies at 10% or more of Paid-up Capital as at December 31, 2020

No.	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
1	BANGKOK BANK BERHAD 1-45-01 Menara Bangkok Bank Laman Sentral Berjaya No.105, Jalan Ampang 50450, Kuala Lumpur, Malaysia Tel. (60) 32-174-6888 Fax. (60) 32-174-6800	BANK	COMMON	1,000,000,000	100.00
2	BBL (CAYMAN) LIMITED c/o Maples Corporate Services Limited PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands Tel. 1(345) 949-8066 Fax. 1(345) 949-8080	INVESTMENT COMPANY	COMMON	100,000	100.00
3	BANGKOK BANK (CHINA) CO., LTD¹ 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	-	-	100.00
4	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	27,681,421,384	98.71
5	SINNSUPTAWEE ASSET MANAGEMENT CO., LTD. 325, 1 st Floor, Silom Road, Silom, Bang Rak, Bangkok 10500 Tel. 0-2635-5001-3 Fax. 0-2635-5004	ASSET MANAGEMENT	COMMON	24,999,997	100.00
6	BUALUANG VENTURES LIMITED 173/10 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2011-8730 Fax. 0-2058-9807	VENTURE CAPITAL	COMMON	199,999,997	100.00
7	BUALUANG SECURITIES PUBLIC COMPANY LIMITED 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
8	BBL ASSET MANAGEMENT CO., LTD. 175 Sathorn City Tower, 7th 21 st and 26 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2674-6400 Fax. 0-2679-5995-6, 0-2679-6855	ASSET MANAGEMENT	COMMON	749,996	75.00
9	THAI PRECISION MANUFACTURING CO., LTD./² 226 Moo 3, Thungsukhla, Sriracha, Chonburi 20230	MANUFACTURING OF ELECTRONICS COMPONENTS	COMMON	2,401,522	59.77
10	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	3,619,676	69.08
11	BSL LEASING CO., LTD. 175 Sathorn City Tower, 19 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2670-4700 Fax. 0-2679-6160	LEASING AND HIRE PURCHASE	COMMON	899,999	90.00
12	PROCESSING CENTER CO., LTD. 319 Chamchuri Square Building, 25 th Floor, Unit 9 -12, Phayathai Road, Pathumwan, Pathumwan, Bangkok 10330 Tel. 0-2029-0290 Fax. 0-2029-0291	COMPUTER SERVICES	COMMON	149,985	30.00
13	BCI (THAILAND) CO., LTD. 5/13 Moo 3, 4 th Floor, Chaengwattana Road, Klongkluea, Pakkret, Nonthaburi 11120 Tel. 0-2029-0200	COMPUTER PROGRAMMING ACTIVITIES (EXCEPT WEB PAGE AND NETWORKS PROGRAMMING ACTIVITIES)	COMMON	11,750,000	22.17
14	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 MANUFACTURER	COMMON	95,603	19.12
15	NATIONAL ITMX CO., LTD. 5/13 Moo 3, Chaengwattana Road, Klongkluea, Pakkret, Nonthaburi 11120 Tel. 0-2558-7555 Fax. 0-2558-7566	ELECTRONIC TRANSACTIONS BETWEEN FINANCIAL INSTITUTES	COMMON	71,300	14.26
16	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	ELECTRONIC COMPONENTS	COMMON	326	12.34
17	SEACON DEVELOPMENT PCL. 55 Srinakarin Road, Nongbon, Prawet, Bangkok 10250 Tel. 0-2721-8888 Fax. 0-2721-8976	RENTAL BUILDING	COMMON	574,000	10.00
18	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
19	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
20	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
21	THAI OBAYASHI CORPORATION LIMITED 161 Ratchadamri Road, Lumpinee, Pathumwan, Bangkok 10330 Tel. 0-2252-5200 Fax. 0-2252-5381	CONSTRUCTION	COMMON	2,000	10.00
22	BANGKOK MITSUBISHI UFJ LEASE CO., LTD. Asia Centre Tower, 26 th Floor, 173/35 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2163-6400 Fax. 0-2163-6411, 0-2163-6422	LEASING	COMMON	60,000	10.00
23	BANGKOK MUFU LIMITED 898 Ploenchit Tower, 9 th Floor, Zone B1, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. 0-2263-0856 Fax. 0-2263-0860	CONSULTANT AND INVESTMENT	COMMON	200,000	10.00
24	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	SERVICE CONSULTING	COMMON	2,000	10.00
25	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
26	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
27	ASIA LAMP INDUSTRY CO., LTD. 199 Moo 2, Putharaksa Road, Taiban, Muang Samuthprakarn, Samuthprakarn 10280 Tel. 0-2702-9467-8 Fax. 0-2702-9470	ELECTRIC BULB MANUFACTURER	COMMON	700,000	10.00
28	ASPAC CO., LTD. 39, Soi Sukhumvit 49, Sukhumvit Road, Khlong Tan Nuea, Watthana, Bangkok 10110 Tel. 0-2662-4951 Loc. 2712	IMPORT, EXPORT-CHEMICALS	COMMON	26,000	10.00
29	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 MANUFACTURER	COMMON	14,500,000	10.00
30	WONGPAITON GROUP PCL./² 686 Ekkachai Road, Bangbon, Bangbon, Bangkok 10150	EXPORTER AND MANUFACTURER OF SPORTS PRODUCT	COMMON	86,826,816	10.00

No.	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
31	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
32	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
33	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	BUSINESS CONSULTING	COMMON	200	10.00
34	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 & RESTAURANT	COMMON	200,000	10.00
35	BSS HOLDINGS CO., LTD. 21 TST Tower, 19 th Floor, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel. 0-2617-8338 Fax. 0-2617-8339	HOLDING COMPANY	COMMON	1,200,000	10.00
36	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	17,548,000	10.00
37	Contour Pte. Ltd. 8 Cross Street, #28-80, Singapore 048424 Tel. (65) 8668-3066	BUSINESS SERVICES	PREFERENCE SERIES A	11,682	11.68
38	SIAM SOLAR GENERATION PUBLIC CO., LTD 89 Moo 11, Ban Tan, Bamnet Narong, Chaiyaphum 36220	SOLAR FARM	COMMON	1,111,111	10.00
39	THAI DIGITAL PLATFORM SOCIAL ENTERPRISE 150/2 Rajbophit Road, Ratchabophit Temple, Phra Nakhon, Bangkok 10200 Tel. 0-2018-6902	WEB HOSTING	COMMON	100	10.00

Remarks : /1 No number of shares to be registered according to company law

/2 Bankrupt

/3 The company has ceased operation and is in the process of liquidation

LIST OF BRANCHES

HEAD OFFICE

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Bualuang Phone
0-2645-5555 or 1333
Credit Card Division
0-2638-4000, 0-2638-4400

OVERSEAS BRANCHES

HONG KONG

CENTRAL DISTRICT BRANCH

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Mr. Sitthichai Jiwattanakul
SVP & General Manager
- Hong Kong Branch

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Mr. Nithapong Senavongse
VP & General Manager
- Jakarta Branch

JAPAN

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Mr. Thawee Phuangketkeow
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Mr. Mitsugu Yamamoto
VP & Branch Manager
- Tokyo Branch

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Mr. Varot Samakoses
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- Osaka Branch

LAO PEOPLE'S DEMOCRATIC REPUBLIC

VIENTIANE BRANCH

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Mrs. Chadaphorn Uratchat
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- Vientiane Branch

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Mrs. Chadaphorn Uratchat
VP & Acting Branch Manager
- Pakse Branch

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Mr. Kanet Buranasin
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- Yangon Branch

REPUBLIC OF THE PHILIPPINES

MANILA BRANCH

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Ms. Nattika Kanpawong
VP & Branch Manager
- Manila Branch

REPUBLIC OF SINGAPORE

SINGAPORE BRANCH

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901841)

Tel. (65) 6410-0400

Fax. (65) 6225-5852
Swift: BKKBSGSG

Mr. Art Medhapipatkul
SVP & General Manager
- Singapore Branch

TAIWAN

TAIPEI BRANCH

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Taipei 10485
(P.O. Box 22419, Taipei, Taiwan)

Tel. (886-2) 2507-3275

Fax. (886-2) 2506-4625
Swift: BKKBTWTP

Mr. Chokechai Puapattanakajorn
SVP & General Manager-Taiwan
Mr. Yang Yen-Fu (Sam)
VP & Branch Manager
- Taipei Branch

OVERSEAS BRANCHES

KAOSIUNG SUB-BRANCH 1 st Floor, Asia Pacific Commercial Building 63 Wu Fu 3 rd Road, Kaohsiung 80148	Tel. (886-7) 271-0000	Fax. (886-7) 271-3730, Swift: 271-3731 BKKBTWTP	Mr. Leu Chin-Chi (Charles) SVP & Branch Manager - Kaohsiung Sub-Branch
TAICHUNG SUB-BRANCH 1 st Floor, No.309 Sec.2 Taiwan Boulevard Taichung 403	Tel. (886-4) 2326-9623	Fax. (886-4) 2323-3685	Mr. Tu Ming Chung (David) SVP & Branch Manager - Taichung Sub-Branch
UNITED KINGDOM LONDON BRANCH Exchequer Court 33 St. Mary Axe London, EC3A 8BY	Tel. (44-20) 7929-4422	Fax. (44-20) 7283-3988 Swift: BKKBGB2L	Mr. Peeriyatthep Homhuan SVP & Branch Manager - London Branch
UNITED STATES OF AMERICA NEW YORK BRANCH 29 Broadway, 19 th Floor New York, NY 10006	Tel. (1-212) 422-8200	Fax. (1-212) 422-0728 Swift: BKKBUS33	Mr. Thitipong Prasertsilp VP & Branch Manager - New York Branch
THE SOCIALIST REPUBLIC OF VIETNAM HO CHI MINH CITY BRANCH Harbour View Tower 35 Nguyen Hue Street District 1, Ho Chi Minh City	Tel. (84-28) 3821-4396-8	Fax. (84-28) 3821-3772 Swift: BKKBVNVX	Mr. Tharabodee Serng-Adichaiwit SVP & General Manager - Vietnam and Branch Manager - Ho Chi Minh City Branch
HANOI BRANCH Unit 3, Level 3, International Center Building 17 Ngo Quyen Street, Hoan Kiem District, Hanoi	Tel. (84-24) 3936-5903-8	Fax. (84-24) 3826-7397, Swift: 3936-5913 BKKBVNVXHAN	Ms. Siriporn Kunwedswan VP & Branch Manager - Hanoi Branch
KINGDOM OF CAMBODIA CAMBODIA BRANCH 344 (1 st & 2 nd Floors), Mao Tse Toung Boulevard, Sangkat Toul Svay Prey I Khan Chamkarmon, Phnom Penh	Tel. (855) 23-224 404-9	Fax. (855) 23-224-429 Swift: BKKBKHPP	Ms. Yiamsri Ubonpong AVP & Branch Manager - Cambodia Branch

BANGKOK BANK (CHINA) COMPANY LIMITED (WHOLLY-OWNED SUBSIDIARY)

PEOPLE'S REPUBLIC OF CHINA HEAD OFFICE Bangkok Bank Building No.7, Zhongshan East -1 Road Shanghai 200002	Tel. (86-21) 2329-0100	Fax. (86-21) 2329-0168 Swift: BKKBCNSH	Mr. Charoenlarp Thammanichanon Chief Executive Officer
SHANGHAI BRANCH Bangkok Bank Building No.7, Zhongshan East -1 Road Shanghai 200002	Tel. (86-21) 2329-0100	Fax. (86-21) 2329-0101 Swift: BKKBCNSHSHA	Ms. Supamard Yu Branch Manager - Shanghai Branch
SHANGHAI PILOT FREE TRADE ZONE SUB-BRANCH Unit 101 A, 1 st Floor, No.26, Jiafeng Road Pudong New Area Shanghai, 200131	Tel. (86-21) 2061-7900	Fax. (86-21) 2061-7901	Mr. Ho Ching-Ming (Jimmy) Sub-Branch Manager - Shanghai Pilot Free Trade Zone Sub-Branch
BEIJING BRANCH 1 st Floor, New China Insurance Tower (NCI Tower) No.12A, Jianguomenwai Avenue Chaoyang District, Beijing 100022	Tel. (86-10) 6569-0088	Fax. (86-10) 6569-0000 Swift: BKKBCNSHPEK	Mr. Watcharapong Pornchaichanakit Branch Manager - Beijing Branch
XIAMEN BRANCH 1 st - 2 nd Floor, Xiamen Top Plaza No.2 Zhenhai Road, Siming District Xiamen, Fujian 361001	Tel. (86-592) 297-9889	Fax. (86-592) 297-9890 Swift: BKKBCNSHSMN	Mr. Yan Shu Ming (Simon) Branch Manager - Xiamen Branch

BANGKOK BANK (CHINA) COMPANY LIMITED (WHOLLY-OWNED SUBSIDIARY)

SHENZHEN BRANCH

1st Floor, Unit 12, Hua Rong Building
No.178 Mintian Road, Futian District
Shenzhen, Guangdong 518048

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Fax. (86-755) 3396-5840
Swift: BKKBCNSHSZN

Ms. Yaowaluck Pawijit
Branch Manager
- Shenzhen Branch

CHONGQING BRANCH

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HNA Poly International Plaza
No.235 Minsheng Road
Yuzhong District, Chongqing 400010

Tel. (86-23) 6037-2300

Fax. (86-23) 6037-2343
Swift: BKKBCNSHCQG

Mr. Wu Chieh-Shan (Jason)
Branch Manager
- Chongqing Branch

BANGKOK BANK BERHAD (WHOLLY-OWNED SUBSIDIARY)

MALAYSIA

HEAD OFFICE AND MAIN BRANCH

1-45-01 Menara Bangkok Bank
Laman Sentral Berjaya
No.105 Jalan Ampang
50450 Kuala Lumpur

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Fax. (60-3) 2174-6900
Swift: BKKBMYKL

Mr. Choo Joon Keong
Chief Executive Officer

KUALA LUMPUR MAIN BRANCH

GF-01, Menara Bangkok Bank
Laman Sentral Berjaya
No.105 Jalan Ampang
50450 Kuala Lumpur

Tel. (60-3) 2174-6804

Fax. (60-3) 2174-6860

Ms. Goh Geok Yen
Operations Manager

JALAN BAKRI BRANCH

No.8, Taman Pesta Baru
Pusat Perniagaan Pesta Baru
Jalan Bakri, 84000 Muar, Johor Darul Ta'zim

Tel. (60-6) 953-1001

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Mr. Lim Wee Kiat
Branch Manager

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1815-A Jalan Perusahaan
Auto-City, North-South Highway
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13600 Prai, Pulau Pinang

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Fax. (60-4) 508-8106

Mr. Tan Eu Jeen
Relief Branch Manager

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No.1 & 3 Jalan Molek 1/30, Taman Molek
81100 Johor Bahru, Johor Darul Ta'zim

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Mr. Lim Li Fen
Operations Manager

BANDAR BOTANIC KLANG BRANCH

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Mr. Ng Teck Heng
Operations Manager

PT BANK PERMATA TBK

INDONESIA

HEAD OFFICE

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Jakarta 12920

Tel. (62-21) 523-7788

Fax. (62-21) 250-0702
Swift: BBBAIDJA

Mr. Ridha Wirakusumah
President Director

SERVICE NETWORK

Domestic service network

BRANCHES

Bangkok	Provinces
307	821
Branches	Branches

BUSINESS CENTERS

Bangkok	Provinces
31	86
Centers	Centers

TRADE FINANCE CENTERS

Bangkok	Provinces
33	59
Centers	Centers

BUALUANG EXCLUSIVE

Bangkok	Provinces
24	6
Branches	Branches

REMITTANCE SERVICE

1,025
Branches

Overseas service network

Overseas Branches
(Excluding Bangkok Bank Subsidiaries)

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Locations

Names and Locations of Domestic Service Network

Names and Locations of Domestic Service Network can be found at:

- Bangkok Bank Website
www.bangkokbank.com/LocateUs_EN
- QR Code Scan



Bangkok Bank Berhad
(Wholly-owned Subsidiary)

5
Locations

Bangkok Bank (China) Company
Limited (Wholly-owned Subsidiary)

6
Locations

PT Bank Permata Tbk

301
Locations

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Note: Investors can study further information from the Bank's 56-1 Form which appear on www.sec.or.th or the Bank's website (www.bangkokbank.com)



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