



CREATING VALUE

for a Sustainable Future

Annual Registration Statement /
Annual Report 2021 (Form 56-1 One Report)

Bangkok Bank Public Company Limited

Vision

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

2021 Highlights



Assets

4.33

Trillion Baht



Loans

2.59

Trillion Baht



Deposits

3.16

Trillion Baht



Total Capital
Adequacy Ratio

19.57%



Reduction of Greenhouse Gas
Emissions (scope 1)

17.24%

Compared to the base in 2020



Reduction of Greenhouse Gas
Emissions (scope 2)

5.75%

Compared to the base in 2020



International
Network

314

Locations



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

“EXCELLENT”

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Message from the Board and Our Business



- Message from the Chairman,
the Executive Chairman and the President

- Our Priorities





PITI SITHI-AMNUAI
Chairman

Message from the Chairman, the Executive Chairman and the President



The ongoing spread of the Coronavirus Disease 2019 (Covid-19) continued to disrupt economies in Thailand and other markets, including Southeast Asia which had previously fared better than other parts of the world. Throughout these times, we steadfastly continued to support customers as well as the wider community to get through their difficulties.

The situation in Thailand began to improve toward year-end thanks to the successful rollout of vaccines and as the country reopened to welcome international travelers and relaxed quarantine restrictions. However, the emergence of the highly contagious Omicron strain of the virus meant that quarantine restrictions on international arrivals were needed to be reimposed promptly.

While 2021 was a challenging year, our clients in some sectors spent the time to identify new opportunities and transform their businesses so they will be able to thrive in the post-pandemic environment. This included customers in our regional network who are ready to

expand their operations overseas, particularly in high-potential markets, such as Indonesia and Vietnam.

After the completion of the integration of our Indonesia branches with PT Bank Permata Tbk (PermataBank), the latter has become one of the 10 largest banks in Indonesia by assets. We can now provide enhanced financial and banking services to customers doing business in the region's largest market.

“ Through these challenging times our decision making has been guided by our prudent approach, specifically supported by a robust risk framework and ample capital. ”



“ We retained our high-quality assets while supporting our core corporate customers to successfully weather the storm. ”

Through these challenging times our decision making has been guided by our prudent approach, specifically supported by a robust risk framework and ample capital reserves. During 2021, we successfully raised Tier 2 capital which further strengthened our capital structure. This puts us in a good position to withstand risks and to be ready for the upturn when it comes. We retained our high-quality assets while supporting our core corporate customers to successfully weather the storm. With the rapid adoption of digital services by our customers, we are continuing to accelerate our digital transformation. In addition to expanding our digital services for all customers and enhancing our IT infrastructure and innovation development, we are integrating our services into partner platforms so that our customers can have a seamless digital service in Thailand and beyond.

Creating Value for a Sustainable Future

In keeping with our commitment to be a trusted partner and reliable close friend (puan koo kit mit koo baan), we seek to be more than a financial services provider, by also giving advice and long-term support to all stakeholders, supporting the wellbeing and development of our staff,

promoting financial inclusion, and taking a responsible approach to environmental, social and governance (ESG) issues, for instance.

On human resources, we are committed to providing a safe, fair and supportive working environment which respects human rights and where our people can continuously develop their skills and fulfill their personal and professional aspirations.

Under our Responsible Lending Policy, we assess credit considerations for ESG risks to safeguard against severe adverse impacts to society and the environment.

We are **Creating Value for a Sustainable Future** by focusing on five key strategic areas:

Platform Partners

We continue to develop our online platforms to offer an enhanced customer experience for both personal and business customers and to facilitate integration with other platforms and services as part of a wider ecosystem.

We joined with our partners to develop our enterprise blockchain based trade finance solutions on the Contour platform to provide access to digital letters of credit to clients across the region. PermataBank became the first bank in Indonesia to make a transaction on this platform in 2021.



DEJA TULANANDA
Executive Chairman





CHARTSIRI SOPHONPANICH

President



Intelligent Organization

To meet the growing demand for online payments and digital banking services, we have been rapidly expanding our data analytics capabilities. Teams across our business units can now leverage more advanced analytics and access business intelligence tools and predictive models which are powered by our enhanced Data Lake, to inform their decision making.

This provides us with a more holistic view of our customers and deeper insights into them so we can better understand their requirements and tailor our advice and product and service recommendations to suit their individual needs and risk profile.

Business Remodeling

We continue to enhance our operational risk management capabilities by streamlining, digitizing and automating our processes. This will help us to improve productivity and customer service, and to implement better risk controls. As part of this we are developing robotic process automation and optical character recognition systems to drive processes, increase efficiency and conserve resources.

We place great emphasis on human resource development by encouraging all employees to engage in lifelong learning and supporting agile learning, which focuses on leadership, creativity and problem solving skills. We also provide coaching for all our employees and develop their technology skills so that they can use innovation to

develop products and services that better meet the needs of customers. In addition, our employees can access digital training and developmental tools to enable new ways of working.

Wealth and Wellbeing

The Covid-19 situation has resulted in more people focusing on protecting their health and preserving their wealth. To meet the needs of our customers, we have been expanding our specialist and financial planning teams that provide financial advice as well as our bancassurance and investment offerings.

We also formed a new alliance with Pictet Group, a global financial institution based in Geneva, Switzerland, to enhance our global wealth and investment management expertise as well as products and services.

Quality Growth

In line with the changing economic conditions, we strengthened our support for high-potential industries such as smart energy, electric vehicles (EV), smart electronics, infrastructure, logistics and wellness. Meanwhile we continued to be Thailand's leading bank for green finance, underwriting more than half of green bond issuances in the country for the second year running. As Thailand's most international bank, we are well placed to support our customers to explore new business opportunities by expanding regionally and internationally through our international network. For example, our Bangkok Bank clients in Indonesia can access a full range



of banking services and offerings from PermataBank, while customers from across our international network can be introduced to potential partners in the country through our connection with PermataBank.

Operating Environment

In 2021, the Thai economy continued to be significantly affected by the Covid-19 pandemic, with the number of daily new infections rapidly increasing and reaching an all-time high in the third quarter. However, following the effective containment measures and declining new infections in the fourth quarter, restrictions were eased so the economy began to recover, buoyed by export growth and a revival in domestic confidence.

The Bank continued to place importance on prudent risk management, together with maintaining financial stability, liquidity and capital at an appropriate level. In 2021 our group net profit rose to Baht 26,507 million, an increase of 54.3 percent from 2020. Net interest income rose by 6.6 percent from last year due to the consolidation of PermataBank's net interest income and better funding cost management. The net interest margin stood at 2.10 percent. Non-interest income rose by 25.7 percent mainly due to an increase in net fees and service income from securities business, loan-related services, wealth management, along with an increase in gains on mark-to-market valuation of financial assets in line with the market environment.

Looking Ahead

Under the Covid-19 situation and changing environment, we are always learning and adapting while considering various scenarios to ensure we can continue to do business and support our customers with no disruption. We are focused on cautiously growing our assets, both in terms of size and quality, while retaining strong capital adequacy and liquidity. We will continue to develop our digital platforms, products and services, both in-house and through partnerships, to ensure that we remain highly relevant to our customers.

We are building on our position as Thailand's only truly regional bank with a strong domestic footprint in Southeast Asia's two largest markets, Thailand and Indonesia, to provide customers with the financial and trade connectivity and interoperability they need to grow their business on a regional and international basis.

As the Covid-19 pandemic has posed both challenges and opportunities for all of us while at the same time accelerated digital transformation, we still focus on getting back to the basics of banking. This means staying close to customers, deepening our understanding of them, and strengthening their trust in us. Meanwhile, we remain focused on building relationships and rapport with our customers and community. Bualuang People play a pivotal role in this essential task and we wish to thank all of our staff for their steadfast work and commitment.

We also wish to thank our customers, shareholders and business partners for their continued trust and support. We have prepared for new opportunities in coming years and shall seek to further strengthen our relationships and continue creating sustainable value together for the benefit of all stakeholders.

(Piti Sithi-Amnuai)
Chairman

(Deja Tulananda)
Executive Chairman

(Chartsiri Sophonpanich)
President



Our Priorities



Creating Value for a Sustainable Future

In keeping with our commitment to be a trusted partner and reliable close friend, we seek to be more than a financial services provider and to provide advice and long-term support to all stakeholders, support the wellbeing and development of our staff, promote financial inclusion, and take a responsible approach to environmental, social and governance issues.



We seek to be more than
a financial services provider and
to provide advice and long-term support
to all stakeholders.





1.



Platform Partners

Providing highly innovative and relevant services in Thailand and across our international network through our own platforms and those of our partners.



Banking Agents more than

16,000

Locations

2.

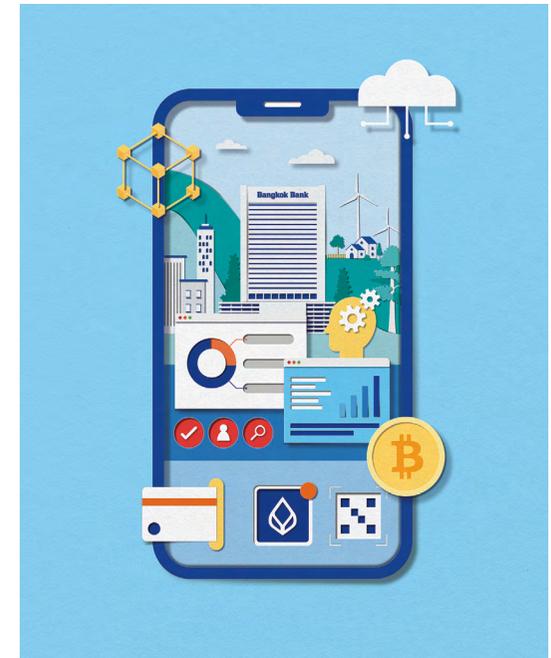


Intelligent Organization

Embracing continuous improvements, developing deep insights and harnessing the power of data through AI and machine learning to enhance efficiency and drive our decision making.



Providing highly innovative and relevant services.





3.

Business Remodeling

Striving for excellence by optimizing our operations and resource usage to support banking services anywhere anytime using agile processes and automatic systems together with data analytics.



4.



Wealth and Wellbeing

Developing best in class products and cultivating human resources so we can support our customers to build wealth and financial security according to their lifestyle, needs and changing conditions.





We accelerated the digitization of many banking services as well as other internal processes.



5.



Quality Growth

Managing the quality of the Bank's assets through deep knowledge of customers while growing our business in all markets by supporting new industry champions and regional opportunities.



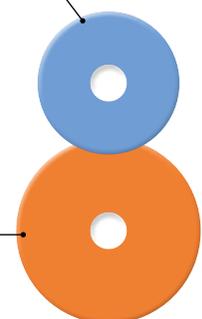
2021 Loan Growth

+9.3%



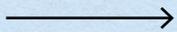
2021 Deposit Growth

+12.3%





Part 1 — Business Operations and Operating Results



1. Organizational Structure and Operations
of the Group of Companies

2. Risk Management

3. Business Sustainability Development

4. Management Discussion and Analysis

5. General Information and Other Material Facts





1. Organizational Structure and Operations of the Group of Companies



1.1 Policy and Business Overview

Business Overview

Bangkok Bank, established in 1944, is Thailand's largest bank and the 6th largest Southeast Asian bank by total assets (Baht 4,333,281 million).

We are a leading diversified regional bank in Southeast Asia with a presence in nine ASEAN countries, including Thailand, as well as branches in Hong Kong, Japan, Taiwan, the United Kingdom and the United States. Our international subsidiaries are Bangkok Bank Berhad, with five branches across Malaysia, Bangkok Bank (China), with five branches covering the major regions in China, and PT Bank Permata Tbk, one of Indonesia's 10 largest banks by assets, serving more than 4 million customers in 62 cities through a network nearly 300 branches.

As Thailand's leader in corporate and SME banking we have approximately 17 million accounts, including business and retail customers, more than 240 Business Centers and Business Desks, and a nationwide network of



more than 1,000 branches. Business and retail customers are served through our branch network and easy-to-use, bilingual and high-function mobile and digital platforms.

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

Scope of Operations

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

Corporate Banking

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

Commercial Banking

Commercial Banking serves medium-sized enterprises. We provide these customers with services such as financing, cash management, trade finance, treasury products and financial advisory. Commercial customers are served by dedicated relationship managers assigned to Business Centers located across our domestic network. To further connect with our customers our social media channels provide educational material about business issues and strategies. We support them to adapt to changing business trends and conditions as well as to expand their businesses to new markets.

Business Banking

Business Banking serves smaller small and medium sized enterprises (SME), such as sole proprietors and small family businesses. In addition to providing these customers with services such as business loans, payments, payroll and merchant services, we also run educational programs to help SME be robust, resilient and competitive in the digital economy. Activities include strategic planning seminars and professional workshops to help customers identify business opportunities and new ways to grow their businesses. To support financial inclusion for micro enterprises we are providing finance through our customers’ supply chains and building alternative credit models to suit the needs of small businesses.

International Banking

We are Thailand’s most international bank with branches in 14 economies and a strategic focus on ASEAN and other markets across Asia. Our longstanding international

presence spans more than 30 years in markets such as Hong Kong, Japan, Malaysia, Singapore, Taiwan, Indonesia, the United Kingdom and the United States. As of December 31, 2021, international lending represented approximately one quarter of our total loans, which is the highest among Thai banks. We support Thai corporates to expand across the region and foreign companies that invest in Thailand and Southeast Asia with our deep understanding of the local markets in which they operate and by giving them access to business connections and expertise from across our network and business units.

Consumer Banking

Consumer Banking provides retail banking services to all customers through our extensive nationwide branch network and non-branch channels, such as Bangkok Bank Mobile Banking, ATM and other self-service touchpoints. Our services include mortgage and personal loans, deposits, credit and debit cards, QR Code payments, foreign exchange, fund transfers and bill payment services. Our wealth management services include financial planning, mutual funds, bancassurance, fixed income funds, government and corporate bonds, and investment advice.

Investment Banking

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



Branch Network



International Network

314

Locations



Geographic Coverage

14

Economies

- 1 United States** 1
Year of Establishment 1984

- 2 United Kingdom** 1
Year of Establishment 1957

- 3 Myanmar** 1
Year of Establishment 1995

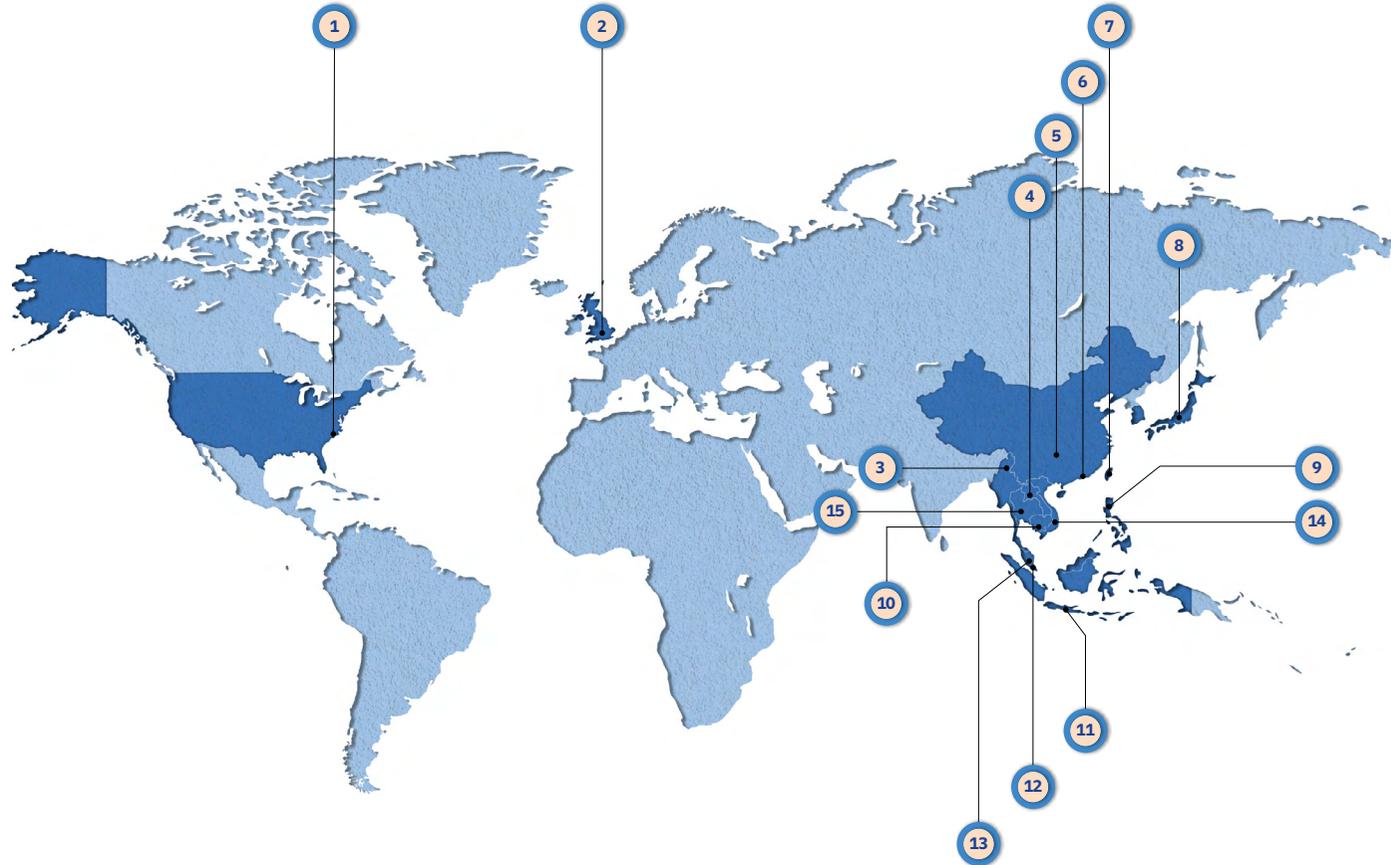
- 4 Laos** 2
Year of Establishment 1993

- 5 China** 5
Year of Establishment 1986

- 6 Hong Kong** 2
Year of Establishment 1954

- 7 Taiwan** 3
Year of Establishment 1965

- 8 Japan** 2
Year of Establishment 1955



- 9 Philippines** 1
Year of Establishment 1995

- 10 Cambodia** 1
Year of Establishment 1992

- 11 Indonesia** 287
Year of Establishment 1972

- 12 Singapore** 1
Year of Establishment 1957

- 13 Malaysia** 5
Year of Establishment 1959

- 14 Vietnam** 2
Year of Establishment 1992

- 15 Thailand** 1,059
Year of Establishment 1944

* Number of Branches (Not including self-service outlets)



1.1.1 Objectives and Set Targets 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.



We are the 6th
largest bank in Southeast
Asia and the largest bank
in Thailand by total assets.



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.



All businesses needed to enhance their digital capabilities to meet the demands of customers who were increasingly working from home, shopping online or via social commerce and adopting other digital services.



1.1.2 Material Changes and Developments

Thailand's resilience continued to be tested in 2021 as the country still had to deal with Covid-19 for the second year running. While this was a challenging time for many of our customers, it also provided a catalyst for them to strengthen their resilience. For some this meant cutting costs, reducing debts, or improving efficiencies, while for others this represented an opportunity to transform their business, enter new markets, or make strategic investments. All businesses needed to enhance their digital capabilities to meet the demands of customers who were increasingly working from home, shopping online or via social commerce, and adopting other digital services.





To help customers manage their financial situation, we provided support tailored to their individual needs. This included, for instance, providing additional liquidity, debt restructuring, capital raising support and special assistance loans for business customers, as well as flexible or reduced payments for mortgage and credit card debt, and home equity loans for individual customers.

Beyond providing financial assistance, we also offered expert advice and other non-financial support. We assisted business customers to access new markets and adjust to the changing environment, including more demanding environmental, social and governance (ESG) requirements.

A major highlight of our advancements to better serve corporate customers was that we were the first in Thailand to launch a blockchain based trade finance service to digitalize letters of credit using the Contour enterprise blockchain platform, following successful pilot transactions in the previous year. In 2021 more customers were invited to participate. We also extended the service to customers in Indonesia through our subsidiary PermataBank and plan to expand the service to other parts of our international network. Progressing further, we initiated the application of blockchain technology on supply chain finance and trialed a new digital lending service targeted at online merchants.

On our internal capabilities, we also accelerated our own digital transformation including payment channels and digital solutions for customers. New payment and lending services were launched for our corporate and SME customers along with e-Commerce solutions tailored to their needs.

To improve productivity and accuracy, and reduce operational costs, we have been streamlining, digitizing and automating our working processes which will increase the efficiency of our business operations and use of resources.

As sustainability becomes increasingly important, we are assisting our customers to decarbonize, become more energy efficient and develop strategies for the bio-circular-green (BCG) economy. We also focused our support on high-potential industries, such

as smart energy, electric vehicles (EV), smart electronics, infrastructure, logistics and wellness.

We continued to lead the development of green finance in Thailand and increased lending to renewable energy projects across our group. Projects we funded included wind farms, solar energy, geothermal and biomass. In 2021, we remained Thailand's leading provider of green and sustainable bonds for the second year running, underwriting more than half of green bond issuances in the country.

A highlight for our international business was the completion of the integration of our Indonesia branches with PermataBank, our subsidiary in Indonesia, elevating the latter to become one of the 10 largest banks in Indonesia by assets. Not only does our investment in PermataBank strengthen our own regional operations, it also opens up opportunities for customers across our international network to gain access to Southeast Asia's largest economy. International lending now accounts for a quarter of our loan portfolio due to the continuous expansion of our regional and international customer base.

To provide a seamless service across our international network, we are developing an integrated digital global platform for our customers covering a wide range of services including core banking, cash management, payments, treasury and trade finance. In 2021 we expanded our cash management solutions regionally by extending our digital channels to Cambodia.

For individual customers we further upgraded our BeWallet app. With this service, our more than 9 million Be1st Smart cardholders can link their deposit account to the app and scan a QR Code to pay for goods and services in more than 40 countries including China.

We also introduced a cross-border payment service using QR Code, making it available between Thailand and Indonesia, and between Thailand and Vietnam. Meanwhile we launched our PromptPay International service between Thailand and Singapore so customers in these countries can conveniently make real-time cross-border transfers and payments using the mobile banking app of their banks.



We introduced more than 30 new features to our Bangkok Bank Mobile Banking app to provide faster and more convenient online transactions to customers. The number of transactions increased in line with the growing popularity of online banking which continued to rise during the Covid-19 situation. Customers are now conducting more than 90 percent of transactions via mobile devices. We also worked with the National Broadcasting and Telecommunications Commission (NBTC) and telecom partners to develop a digital ID system using our atta mobile app that can be used to verify identity and open Bangkok Bank e-Savings accounts.

Our banking agent services were expanded to more than 16,000 outlets. Due to their easy accessibility, these banking agents together with our online services served to enhance customer access to basic banking services. In addition, they helped the Bank to conserve resources by reducing the use of paper-based systems while enabling customers to cut their travel time.

Our clients now have access to a greater variety of world-class investment products and opportunities after we formed an alliance with Pictet Group, a Geneva-based global wealth and asset manager. At the same time, our service channel was improved as we increased customer support and advisory services through our branches, expanding our specialist and financial planning teams that focus on providing financial advice and relationship management.

During this challenging period we maintained our commitment to being a trusted partner and reliable close friend (puan koo kit mit koo baan) in supporting our customers to weather the storm. Our prudent financial approach also served us well as we improved our own performance with an increase in net profit of 54.3 percent while we maintained high levels of liquidity and capital reserves, placing us in a strong position for the year ahead.

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

Company Information

Name of Company	Bangkok Bank Public Company Limited
Business Type	Commercial Bank
Head Office Address	333 Silom Road, Silom, Bang Rak, Bangkok 10500
Registration Number	0107536000374
Bualuang Phone	1333 or 0-2645-5555
Fax.	0-2231-4890
Website	www.bangkokbank.com

Registered Capital as at December 31, 2021

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



1.2 Nature of Business

1.2.1 Income Structure

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

Unit: Million Baht

Income Structure	For the years ended December 31,					
	2021		2020		2019	
	Amount	%	Amount	%	Amount	%
Interest income						
Loans	96,929	72.0	95,994	80.9	93,155	69.7
Interbank and money market items	6,250	4.6	5,431	4.6	9,101	6.8
Investments	11,133	8.3	11,098	9.3	10,309	7.7
Total interest income	114,312	84.9	112,523	94.8	112,565	84.2
Total interest expenses	32,156	23.8	35,477	29.9	41,494	31.0
Net interest income	82,156	61.1	77,046	64.9	71,071	53.1
Non-interest income						
Net fees and service income	29,209	21.7	24,711	20.8	28,504	21.3
Gains on financial instruments measured at fair value through profit and loss	17,868	13.3	11,058	9.3	-	-
Gains on trading and foreign exchange transactions	-	-	-	-	7,848	5.9
Gains on investments	1,225	0.9	2,512	2.1	19,765	14.8
Share of profit (loss) from investments for using equity method	209	0.2	(14)	0.0	93	0.1
Gains on disposal of assets	519	0.4	734	0.6	2,134	1.6
Dividend income	2,252	1.6	2,039	1.7	3,769	2.8
Other operating income	1,103	0.8	642	0.6	562	0.4
Total non-interest income	52,385	38.9	41,682	35.1	62,675	46.9
Operating income	134,541	100.0	118,728	100.0	133,746	100.0



1.2.2 Product Information

(1) Products and Business Innovation



Corporate Banking

Successive waves of Covid-19 infections and corresponding containment measures throughout 2021 resulted in weaker than expected economic growth. Nevertheless, despite the subdued economy, Thailand's corporate sector remained in good health.

While some businesses postponed their investment and expansion plans, those in industries such as exports, logistics, e-Commerce and renewable energy continued to do well so we increased our lending to these sectors. Most of our corporate customers managed to register a satisfactory performance. But for those affected and in need, we stood by them and gave appropriate financial assistance, such as debt restructuring and special assistance loans. Meanwhile, we also strengthened our focus on high-potential industries and new champions such as smart energy, electric vehicles (EV), smart electronics, infrastructure, logistics and wellness.

Driven by the rise of remote working and strong demand for online services, digital transformation continued to gather pace. We accelerated our own digital development and rolled out new payment channels and digital solutions for customers. In addition to developing our own services



and platforms, we worked with partners to embed our services into their systems, such as building our trade finance services on Contour's enterprise blockchain platform. We will continue to innovate and improve our services to support our customers' businesses in Thailand and internationally.

We also improved our working processes through the use of automation and analytics with a view to further enhance the efficiency and speed of our customer services.

As sustainability becomes increasingly important in every aspect of our lives, we are assisting our customers to decarbonize, become more energy efficient and develop strategies for the bio-circular-green (BCG) economy.

Highlights

- **Blockchain for trade finance.** We progressed our blockchain based letters of credit for our trade finance service by introducing it to a wider group of customers in Thailand, as well as in Indonesia through our subsidiary PermataBank.
- **API Payment Gateway Service.** This Application Programming Interface (API) service enables corporate customers to transfer funds on a real-time basis using their own systems to beneficiary accounts within Bangkok Bank or to other banks in Thailand.
- **New digital trade finance services.** A new digital channel will be launched at the beginning of 2022 to provide a superior customer experience for both exporters and importers to conduct trade finance

transactions online. Customers will be able to access the system seamlessly and transact securely under international security standards via various web browsers through their PC, laptop, tablet and smartphone.

- **Supporting Thailand's e-Payment transition.** We collaborated with the Revenue Department, a Thai government agency, to develop new cashless payment systems in line with the government's National e-Payment System.
- **Leading green finance in Thailand.** We continued to lead the development of green finance for the second year running. We increased lending to renewable energy projects across our group. Funded projects included wind farms, solar energy, geothermal and biomass.
- **We received many accolades** during the year including Best Corporate Bank Thailand 2021 from International Business magazine; Best Trade Finance Bank in Thailand from Alpha Southeast Asia and The Asian Banker magazines; Thailand Domestic Trade Finance Bank of the Year from Asian Banking & Finance magazine; Best Domestic Bank for Cash Management Services in Thailand as voted by Corporations from Asiamoney magazine; Best Payments Bank in Thailand from The Asian Banker magazine; and 2021 ASEAN Enterprise Innovation Award, Thailand for our enterprise blockchain solution by Asia IoT Business Platform.



Commercial and Business Banking

Small and medium sized enterprises (SME) were badly hit by Covid-19 restrictions and the economic downturn with many of them requiring assistance. We stood by our customers as a friend and partner, seeking to help them to get through this difficult time. In addition to providing support such as additional liquidity, special loans or restructuring payment terms, we were the leading provider of soft loans in the Bank of Thailand (BOT)'s support program.

We helped our commercial and business banking customers to meet the demand for online shopping and cashless transactions by providing new payment and lending services along with e-Commerce solutions tailored to their needs.

We also provided guidance through social media platforms to help customers adjust to the changing environment and prepare their businesses for the future. Webinars that we offered covered topical business issues such as e-Commerce, ESG compliance, and how to support the health and wellbeing of staff during the Covid-19 situation. We continued to enhance our digital capabilities and develop services to meet financial needs of our commercial and business customers.



Highlights

- **Provided educational content about business online.**
Content included customer success stories and specialized knowledge from our business partners such as the National Innovation Agency (NIA) and our subsidiaries Bualuang Securities (BLS) and Bangkok Bank Asset Management (BBLAM), which covered areas such as adjusting to changes in the business environment, investing in supply chain enhancement, green energy, HealthTech and FinTech.
- **Offered new transaction banking services** to enhance the convenience and efficiency of our service to customers and moved transactions online to provide a faster and paperless service. These services include:
 - **Direct debit registration via mobile banking** which enables individual clients to subscribe to our direct debit service via mobile banking for automated payments to billers or their other counterparties.
 - **Bualuang Business Trade Super Save** which offers a bundled package of trade finance products and services to help SME customers by lowering transaction fees for their international trade business.
- **Bualuang Business BIZ Super Savex3 packages for Cash Management** which enable SME customers to access a range of services faster and at a lower cost, which promotes financial inclusion and helps them to navigate challenging times. Customers can conveniently make transactions on internet banking and at branches.
- **Increased access to funding for microenterprises** through the soft launch of a new digital lending service targeting online merchants. Loans are provided to the partners of our corporate customers. In a similar vein, we are developing digital wallets to provide secure and convenient online transactions while continuing to roll out more cashless payment options across our wider customer base.
- **Piloted supply chain finance using blockchain technology** in the BOT regulatory sandbox. This service, based on invoice financing, will improve the cash flow of our SME customers in the supply chain of our corporate clients and provide the benefits of blockchain contracts such as certified true copy, speed and transparency.
- **Supported customers to align their operations** with ESG standards and regulations. As many businesses are moving towards being more environmentally friendly, we financed our customers to improve their manufacturing capability to process recycled raw materials and other processes to meet sustainability principles. We also offered loans with special interest rates for installing solar power capacity on rooftops.
- **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 SMEs Excellence Awards from the Thailand Management Association (TMA), including one excellence award in the category of trading, and two gold awards in manufacturing and service.



International Banking

The global economic slowdown affected countries worldwide in 2021. While Southeast Asia, where our international branch network is concentrated, managed to avoid some of the worst effects of the pandemic in 2020, it experienced a significant increase in Covid-19 transmissions throughout 2021. Some of our overseas customers faced challenges, such as reduced productivity and business volumes, due to lockdowns and lower economic growth.

Despite these setbacks, Chinese enterprises continued to invest in developing alternative production facilities across Southeast Asia. Inflows of foreign direct investment into the region from China increased, particularly in Indonesia, Vietnam, Laos and Singapore, and we supported our customers to capture opportunities from these developments.

In addition to providing finance and banking expertise, we worked closely with our customers as their business partner, helping to translate their business needs into banking and financial solutions as well as supporting them with business advice. Despite the unfavorable economic conditions in most countries worldwide during 2021, our customers remained in good shape with our operations in Indonesia and Vietnam performing particularly well. International banking accounted for approximately one quarter of our total loan book by year-end.



Highlights

- **Completed the integration of our Indonesia branches with PT Bank Permata Tbk (PermataBank), our subsidiary bank in Indonesia.** PermataBank is now one of the 10 largest banks in Indonesia by assets. Bangkok Bank clients in Indonesia are now enjoying the full services that PermataBank has to offer such as retail banking, an extensive branch network, cash

management, digital banking and supply chain finance. Meanwhile we are helping to connect other Bangkok Bank customers to opportunities in Indonesia through PermataBank.



- **PermataBank increased its net profit by 70.6 percent over the previous year** and, through collaboration between it and other parts of our business, we have expanded our customer base both in Indonesia and across our international network.
- **PermataBank successfully executed its first cross-border trade finance transaction between Indonesia and Thailand using blockchain technology.** This was supported by the synergy between PermataBank and Bangkok Bank, which was the first bank in Thailand to conduct trade finance transactions using blockchain.
- **Expanded our cash management solutions regionally in 2021** beginning with Cambodia. In 2022, we plan further expansions to include Malaysia, Vietnam and Singapore. This will facilitate financial transactions and support our customers to expand their businesses outside of Thailand.
- We are also **building a seamless global platform** for our customers covering core banking, payments, trade finance, treasury and cash management systems, while collaborating with the private and public sectors at both a domestic and regional level to strengthen infrastructure in areas such as digital payments and digital trade.
- **We were honored with awards** for Best Digital Banking Platform and Best Cash Management Solution for our electronic cash management platform implemented for corporate clients in Myanmar and Cambodia from Alpha Southeast Asia magazine.



Consumer Banking

We continued to support customers by providing debt relief measures such as flexible or reduced repayments for mortgage loans and credit card debt. We also relaunched our Home Equity loan product to enable customers to use the available equity from their property to help them financially during these difficult times.

We introduced more than 30 new features to our Bangkok Bank Mobile Banking app to provide faster and more convenient online transactions to customers. The number of transactions also increased which is in line with the growing popularity of online banking which continued to rise during the Covid-19 situation. Our customers are



now conducting more than 90 percent of transactions via mobile devices.

Our clients now have access to a greater variety of products and world-class investment opportunities after we formed an alliance with Pictet Group, a Geneva-based global wealth and asset manager. We also increased customer support and advisory services through our branches, expanding our specialist and financial planning teams that focus on providing financial advice and relationship management.

We have a customer centric approach and foster our relationships with customers of all ages by listening



to their points of view and understanding the different needs in each customer segment. We conduct an annual customer satisfaction survey across all service channels to gather comments, suggestions and complaints to help us improve our product and service quality to best address customer needs. In 2021, we received a score of 95 percent for our branch services, 83 percent for Bangkok Bank Mobile Banking, 4.78/5 for our automated telephone service and 4.80/5 for our customer service center. We focus on building engagement with our customers and enabling our product and service information to be easily accessed by different customer groups by improving how we display product and service information on the website to be more modern and aesthetic with easy-to-use functional features as well as regularly promoting information on social media channels.

Highlights

- **Added more than 30 new features to our Bangkok Bank Mobile Banking.** For example,
 - Opening online accounts including e-Savings, FCD e-Savings, mutual funds and stock trading.
 - Debit card management, including online application for Be1st Smart card, suspending cards and adjusting spending limits.
 - Buying insurance, mutual funds, government bonds and debentures.
 - International remittances and QR Code cross-border payments.

- Giving consent to the Bank to send a customer's interest information to the Revenue Department.
- **Expanded digital banking offerings.** E-Savings accounts, which we launched in 2020, received a warm welcome as did our cardless withdrawal service, which was introduced in 2020 and now boasts a significant portion of total withdrawals. We also worked with the National Broadcasting and Telecommunications Commission (NBTC) and our telecom partners to develop a digital ID system using our atta mobile app that can be used to verify customer identity and apply for Bangkok Bank e-Savings accounts.
- **Enhanced the customer experience by increasing convenient access to basic banking services** through physical touchpoints, including three banking agent partners. We provide cash deposit and withdrawal services using Bangkok Bank's debit cards at Lotus's and cash deposits and withdrawals via Bangkok Bank Mobile Banking at 7-Eleven and Thailand Post. We also expanded our services through our banking agents to include using digital ID verification to open e-Savings accounts. At year-end, the number of our banking agent outlets had risen by 8 percent to more than 16,000 nationwide. We plan to continuously increase these touchpoints.
- **Organized virtual events to provide knowledge and advice about health and disease prevention**, which have become topics of interest for many people as a result of Covid-19. We also increased the coverage options for our health insurance products, providing for more choices to suit customers' individual preferences.

- **Strengthened our wealth management offering with new world-class investment opportunities** through an alliance with Pictet Group, a Geneva-based global wealth and asset manager. This provides clients with access to a greater variety of products, including more opportunities to diversify investments offshore. We have already launched five funds through the alliance in collaboration with our subsidiaries, BBLAM and Bangkok Capital Asset Management (BCAP). The funds launched included a new unit-linked investment product which subscribes to nine mutual funds and provides life insurance and health insurance coverage.
- **Launched UnionPay QR Code, Thailand's first account based cross-border payment via a mobile app.** We further upgraded our BeWallet app. With this service, our more than 9 million Be1st Smart cardholders can link their deposit account to the app and scan a QR Code to pay for goods and services in more than 40 countries including China.
- **Increased advisory services through our branches**, including expanding our specialist and financial planning teams that focus on providing financial advice and relationship management. Our Loan Plaza specialists provide advice on the housing market and home loans while our investment advisers support our affluent and mass affluent Bualuang Exclusive customers.
- **For the 20th consecutive year we were selected as 2021 Thailand's Most Admired Brand** by BrandAge magazine.



Investment Banking

Bangkok Bank, as Thailand's leading corporate bank, is the major financier for large-scale industries, such as construction, energy and automotive, predominantly through the issuance of corporate bonds which increased by more than 50 percent in 2021 from the previous year.

In 2021, we were Thailand's leading provider of green and sustainable bonds, underwriting more than half of green bond issuance in the country for the second year running. Some funds raised were used for financing investments in renewable energy and public infrastructure projects, energy efficient manufacturing processes and products,

and emerging green industries. Others were used to facilitate the transition to more sustainable business, such as moving from the production of internal combustion engine vehicles to electric vehicles and batteries. In addition to supporting clients to raise finance within the capital markets, we advised them on areas such as global industry trends and regulations and investing in carbon credits.

The investment banking team also provides financial advisory services to corporate clients. Our services include mergers and acquisitions, joint ventures and alliances, restructuring, and project financing. Complemented

by our wealth management products and services, our investment banking services provide us with opportunities to offer high-quality investment products to individual customers and investors.

Highlights

- **Joint selling agents for PTTOR shares.** A public offering of PTT Oil and Retail Public Company Limited shares was placed with individual investors nationwide via digital channels in addition to conventional ones and received an overwhelming reception, bringing many new investors into the market. We introduced digital subscription through mobile and online banking to make the investment process more convenient. In the future, this functionality will be extended to other products such as investment trust units, REIT, infrastructure fund units and perpetual bonds.
- **Joint arranger and joint bookrunner for one of Thailand's largest sustainability-linked bonds (SLB),** which was for Indorama Ventures Public Company Limited (IVL), a Thailand-based global chemical company. The triple-tranche bond was aligned with internationally accepted standards and is linked to the company's sustainability performance in three key areas: reducing Greenhouse Gas Emissions, increasing recycling of PET bale input, and increasing renewable electricity consumption. We were awarded Best Sustainability-Linked Transaction and Best ESG-Linked Financing Deal of the Year for this deal by Alpha Southeast Asia magazine.



- **Financial Advisor for Sahacogen (Chonburi) Public Company Limited.** The company, which is an electricity and steam producer for Saha Group Industrial Parks Sriracha, sought a strategic partner to expand its businesses in both the domestic and international markets. We facilitated this by arranging the sale of their existing and newly issued shares via a private placement.
- **Financial Advisor for RATCH Group Public Company Limited, one of the largest private power producers in Thailand.** We worked with the company to diversify their portfolio into the healthcare business.
- **Facilitated foreign clients in accessing the Thai equity market** and contributed to the development of the local market. Equipped with personnel with expertise and in-depth market knowledge, we are the only Thai bank that has continuously provided a sub-custody service to foreign institutional clients.
- **Expanded our custody services across the Greater Mekong Sub-region** where we have a competitive advantage due to our strong ASEAN presence. We were the first bank to provide a full custody service in Laos in addition to our main market in Thailand and we are now expanding this service to Vietnam.
- **We won accolades for our Investment Banking services.** Apart from Best Sustainability-Linked Transaction and Best ESG-Linked Financing Deal of the Year from Alpha Southeast Asia magazine, we also received Outstanding Leadership in Green Bonds from Global Finance magazine; Best Sub-Custodian Bank in Thailand for the 14th consecutive year from

Global Finance magazine; and Best Custodian Bank in Thailand for the 7th consecutive year from The Asian Banker magazine.

Innovation

Our Creating Value for a Sustainable Future strategy includes a focus on investing in innovation to drive our transformation into becoming a data-driven organization and a digital bank. Innovation supports a number of our strategic themes, namely Platform Partners, Intelligent Organization and Business Remodeling. We are focusing on ensuring we have the right technology and talent required to play a leading role in Thailand's digital financial ecosystem – digital architecture and digital ecosystem; data governance and protection of personal data; and research and development.

Intelligent Organization

We are harnessing the power of artificial intelligence (AI), machine learning, robotic process automation and optical character recognition systems to digitalize our workflows and working processes, provide real-time data-driven advice to customers, increase the efficiency of document processing and other activities, and promote resource conservation. We are also training employees across our business units so they can use digital tools to rapidly solve problems and increase productivity.

Teams across our business units can now access enhanced analytics, advanced business intelligence tools and predictive modeling powered by our Data

Lake. This enables our people to generate deeper customer insights and to use data to provide customers with customized, highly relevant advice, thereby driving business results. We are embedding our digital channels with new technologies to deliver seamless interaction for customers.



Human Resource Development

Our people are central to our digital transformation and adoption of innovation. In recent years, we have invested heavily in technology to enhance HR information management through digital systems, provide digital learning and development tools and resources, and help our people develop the competencies and skills needed to develop our innovation culture and capabilities. During the Covid-19 crisis, through our online platforms, we successfully maintained our services despite the challenges of remote working and Split Site / Split Teams.

**Bualuang Securities Public Company Limited**

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 BLS' asset management arm.

In addition to its comprehensive nationwide network of 28 offices in Bangkok and other major cities, BLS works closely with Bangkok Bank. The Bank refers customers and helps them to open trading accounts while BLS supports Bank customers with financial advice and investment opportunities.

Thai Equity Market in 2021

Despite the Covid-19 pandemic, 2021 was a record-breaking year for the Thai broking industry as Thai securities companies gained their highest-ever revenue. The Stock Exchange of Thailand (SET) index hit its lowest point, 1,466.98, in January. However, in the first quarter of 2021, the SET index increased by 9.5 percent compared to the same period of 2020. By the end of the first six months of the year, the SET index had increased by 9.6 percent compared to the end of 2020.



In the second half of 2021, the Delta variant of Covid-19 arrived. The Thai government severely restricted business activities in Bangkok, as well as some other provinces. This impacted the SET index, which declined by 4.1 percent in July, before gradually recovering, and closing at the year-end at 1,657.62, the highest point of the year.

Stock trading increased significantly, with the daily average trading value reaching Baht 88 billion in 2021 compared with Baht 67 billion in the previous year. There was also a change in the composition of the local investment market. Retail investors came back strongly,

with an increase in both accounts and investments, while investments by local institutional investors fell. The average industry commission rate remained the same as in 2020.

Even though the pandemic continued to create volatility in the capital markets, 2021 was a big year for Thai Initial Public Offering (IPO) with the total number of newly-listed companies increasing from 26 in 2020 to 38 in 2021. The total issued size was more than Baht 88.6 billion. Moreover, early in 2021, the IPO for PTTOR shares was launched. This was considered the jumbo IPO of the year



(approximately Baht 47 billion in funds raised), backed by ardent new account opening by retail investors. During the first few trading days of PTTOR's IPO shares, between December 31, 2020 and February 2, 2021, the number of new share trading accounts rose by 225 percent. This IPO attracted more than 530,000 subscriptions.

In 2021, the brokerage business accounted for about 51 percent of our securities companies' total revenue, with 17 percent, 8 percent, and 9 percent coming from fees and service income, interest, and gains on securities trading, respectively.

Highlights

- As retail investors significantly increased their trading activity during the Covid-19 induced stock market volatility, BLS increased its customer base by 37 percent to more than 650,000 accounts. Its market share also increased, with its market ranking in equities improving to 4th place from 6th place the previous year.
- The increasing interest in international investment continued to attract investors to the BLS Global Investing service. Total investment funds acquired via the service grew by 107 percent compared with the previous year. BLS clients can use this facility to trade individual stocks listed in the US, Hong Kong and Vietnam via a mobile application or other online channels.
- The enthusiasm for foreign investment also extended to BLS' issued Depository Receipts (DR), a financial

instrument which enables investors to gain exposure to foreign equities or Exchange Traded Funds (ETF). A DR launched by BLS covering investments in ETF referenced with the VN30 Index (Vietnam's 30 largest listed companies) grew from Baht 600 million on its launch date in December 2018 to Baht 7.3 billion at the end of 2021. The DR can be easily traded on the SET, providing added convenience for investors.

- In September, BCAP in alliance with Pictet Group, a Geneva-based global wealth and asset manager as the investment advisor, launched two exclusive funds for our clients, the BCAP Global Multi Asset Fund and BCAP Global Multi Asset Plus Fund. The IPO of BCAP-GMA and BCAP-GMA Plus were well-received by retail investors with a combined value of nearly Baht 6 billion. By the end of 2021 BCAP offered a total of 37 mutual funds under its management, with a focus on thematic investments and megatrends. BCAP assets under management (AUM) rose from Baht 52 billion in 2020 to Baht 68 billion in 2021, with Baht 25 billion generated from mutual funds, Baht 21 billion from provident funds, and Baht 22 billion from private funds.
- To facilitate investment decisions, BLS launched BLS Top Funds, which represented the top mutual funds selected for customers using both qualitative and quantitative analysis. BLS Top Funds were categorized into 22 groups ranked by risk levels and themes. As a subscription agent, BLS also facilitated clients with an electronic-rights offering (E-RO) service to help corporates in the rights subscription process, which

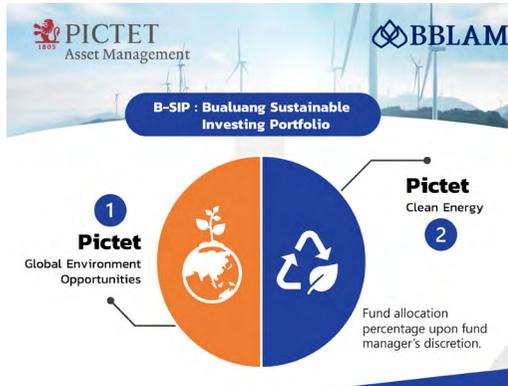
reduced errors, paper use, time and costs. For retail investors, a new feature was introduced to Bangkok Bank Mobile Banking enabling customers to open BLS securities trading accounts via the app.

- The BLS Stock Master program, a training course on share investment, was organized for the 10th consecutive year, with more than 1,000 participants attending in 2020. Shifting from a physical to online setting due to the Covid-19 situation, the program helped new investors efficiently gain investment knowledge from their homes.
- BLS continued to support several community building programs. In collaboration with Dee Mee Suk Company, a program was initiated to guide and train villagers to produce local products such as dried mangoes for sale so that they could become self-sufficient. BLS also made donations and provided packs with health provisions to needy people during the Covid-19 outbreak. On the environmental front, under a campaign initiative by BLS to collect and recycle plastic bottles, over 264 kilograms in total was collected and recycled during the year.
- BLS has been recognized for its excellence in the equity business. BLS won Best Equity House in Thailand of the Year 2021 from Alpha Southeast Asia magazine for the 5th time in 15 years. Moreover, BLS also won Best ECM House in Thailand from FinanceAsia magazine for the 5th time.



Bualuang Fund

BBL Asset Management



BBL Asset Management Company Limited

BBL Asset Management Company Limited (BBLAM) continues to maintain its business 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 wellbeing of Thai families. Its house-branded mutual fund products are distributed through the Bank's nationwide branch network and online banking services, as well as through other agents such as Bangkok Life Assurance and Bualuang Securities. BBLAM also manages provident funds, private funds, infrastructure funds, property funds and real estate investment trusts (REIT).

BBLAM pursues an active investment philosophy supported by its in-house research and investment capabilities and these have been the important factors of its outstanding performance. Its Bualuang Fund branding has gained a strong reputation and is well known among investors. The BF Knowledge Center, established in 2018, continues to provide financial and investment knowledge to the Thai public.

The Asset Management Industry in 2021

As we moved into the second year of living with Covid-19, several trends emerged within the asset management market in Thailand. These included a pronounced shift towards online investing and digital life, offshore investment, and investment in sustainability and ESG focused businesses. The asset management business in Thailand recorded an increase of 5.7 percent in total AUM from Baht 8.28 trillion in 2020 to Baht 8.75 trillion at the end of 2021. This performance comprised an increase in the mutual fund business of Baht 331 billion, the provident fund business of Baht 89 billion, and the private fund business of Baht 50 billion.

The pandemic changed investor behavior. Investors were seeking higher returns and to diversify their portfolios. They cut back holdings in liquidity funds and local equity funds, shifting to Foreign Investment Funds (FIF) and funds that offer tax privileges such as Retirement Mutual Funds (RMF) and Super Saving Funds (SSF).

Highlights

- It was another year of focus on high-performing equities. Those businesses that benefited from

disruption, such as technology and innovation, performed well while those in sectors such as property and tourism did not. BBLAM's AUM grew and many of its funds were among the top performers in the market. The company continued to be the leader in tax savings mutual funds while more than 100 new companies engaged it as their provident fund manager.

- As people adapted more to digital environments and moved to online investing, 60 percent of new accounts came from its online platforms. Through the BF Wealth Plan function, BBLAM's BF mobile app offered financial planning and comprehensive investment advice to investors, while the Bualuang Fund Online Trading platform enabled clients to make their investments directly.
- BBLAM held many virtual investment forums and workshops, which enabled it to reach a wider audience, including in provincial areas. It had produced more than 250 episodes of the popular BF Podcasts which had been played more than 56,000 times and covered topics such as investing knowledge, pre- and post-retirement planning, and financial planning. Customers could also seek advice through its Live Chat platform. To further build the financial knowledge and skills of advisory staff, the Bank and BBLAM co-organized around 230 training sessions throughout the year.
- Another growing trend was the heightened interest by both investors and businesses in sustainability and ESG. Companies invested more intensively in systems of energy efficiency, for example, by retrofitting buildings and replacing air conditioning units. BBLAM also reviewed its own portfolio to ensure that it



would only be investing in responsible companies that meet internationally acceptable standards, while its investment analysis platform incorporated ESG considerations into its investment decisions.

- BBLAM launched the Bualuang Sustainable Investing Portfolio (B-SIP) fund which invested in sustainability funds managed by Pictet Asset Management. The company believes that sustainable investing will continue to grow well into the future, starting with the transition from fossil-based to renewable energies. The move toward net zero carbon emissions will require businesses to adapt to changes and mitigate transition risks and this will shape the industry in the years to come.
- To drive the business towards the UN Sustainable Development Goals, in the middle of the year, BBLAM took part in promoting gender equality and women's empowerment by co-signing a declaration statement to endorse the Women's Empowerment Principles: WEPs Signatories with UN Women.
- BBLAM was one of the participants in the Statement of Commitment to Sustainable Thailand 2021 declaration by institutional investors and the banking sector in order to promote Thailand's sustainability.
- During the year, it introduced 18 new investment funds with a focus on the themes of technology, ESG, innovation and disruption as well as offshore funds focusing on investment in the US and Vietnam. Notable funds included B-GTO, B-SIP, B-VIETNAM, B-USALPHA.

- At the end of 2021, BBLAM recorded a total AUM of Baht 888,687 million, up Baht 15,717 million. Of this, the mutual fund business' AUM accounted for Baht 766,932 million, up by Baht 14,228 million. This represented a market share of 14.28 percent, which was in the top three mutual fund businesses in the industry. BBLAM's provident fund business recorded a total AUM of Baht 108,337 million, while its private fund business' AUM reached Baht 13,418 million.
- To help society during the Covid-19 pandemic, BBLAM purchased Baht 1.35 million worth of medical equipment which was donated to two hospitals experiencing high levels of patients with infections, the Hospital for Tropical Diseases and Samutprakarn Hospital.
- BBLAM has supported the SET's Care the Wild project since the end of 2020 to fight climate change and support environmental issues. In August 2021, 700 trees were delivered to the local community of Ban Nong Thit Son in Maha Sarakham province to increase the forest area of 3.5 rai under the concept of "Use the forest to grow seedlings. Build a community economy" with the aim of creating job opportunities, generating income from selling seedlings, and developing a mindset of loving the forest.
- BBLAM won Outstanding Asset Management Company Award from The Stock Exchange of Thailand and Money and Banking magazine at SET Awards 2021 based on both its qualitative and quantitative performances, notably returns on fund management



Bualuang Ventures

Bualuang Ventures Limited (BV) is the Bank's corporate venture capital arm with registered capital of Baht 2,000 million. BV actively focuses its investment on companies or platforms that are able to scale and expand outside Thailand, including FinTech, healthcare, renewable energy 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.

Highlights

- BV continued its collaboration with the faculty of medicine of six universities in Thailand to do clinical trials for a 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.
- BV joined WHA Group to invest in GIZTIX, a leading e-Logistics startup that provides a digital platform to connect operators in the transport and logistics sector with users all around the country.
- BV invested in the Series A funding round of PUUN Intelligent, a Thai FinTech and the developer of PEAK online accounting software that helps businesses manage their accounting professionally while increasing access to funding sources for future growth.



Awards 2021



1

Thailand Domestic Trade Finance Bank of the Year (7th consecutive year)

- Asian Banking & Finance Magazine

2

The Strongest Bank by Balance Sheet in Thailand, 2021 (3rd year)

- The Asian Banker Magazine

3

Best Sustainability-Linked Transaction & Best ESG-Linked Financing Deal of the Year

- Alpha Southeast Asia Magazine

4

Best Bank for Cash Management - Thailand

- The Digital Banker

5

2021 ASEAN Enterprise Innovation Award, Thailand

- Asia IoT Business Platform

**Alpha Southeast Asia Magazine**

- Best Trade Finance Bank in Thailand (15th consecutive year)
- Best Bank in Thailand (2nd year)
- Best Sustainability-Linked Transaction
- Best ESG-Linked Financing Deal of the Year
- Best Cash Management Solution
- Best Digital Banking Platform
- Best Local Currency Bond Deal of the Year (3rd year)
- Most Innovative Deal of the Year

Asiamoney Magazine

- Best Domestic Bank for Cash Management Services in Thailand

The Asian Banker Magazine

- Best Trade Finance Bank in Thailand (10th year)
- Best Custodian Bank in Thailand (7th consecutive year)
- Best Payments Bank in Thailand (6th consecutive year)
- The Strongest Bank by Balance Sheet in Thailand, 2021 (3rd year)

Asian Banking & Finance Magazine

- Thailand Domestic Trade Finance Bank of the Year (7th consecutive year)

Asia IoT Business Platform

- 2021 ASEAN Enterprise Innovation Award, Thailand

BrandAge Magazine

- 2021 Thailand's Most Admired Brand (20th consecutive year)

The Digital Banker

- Best Bank for Cash Management - Thailand

FinanceAsia Magazine

- Best DCM House in Thailand (2nd year)

Global Finance Magazine

- Best Bank in Thailand (4th consecutive year)
- Best Sub-Custodian Bank in Thailand (14th consecutive year)
- Best Trade Finance Provider 2021 (2nd consecutive year)
- Outstanding Leadership in Green Bonds

International Business Magazine

- Best Corporate Bank Thailand 2021
- Best Banking Chairman / CEO Thailand 2021 (2nd consecutive year)

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

- Thailand Corporate Excellence Awards 2021 - Innovation Excellence

**Alpha Southeast Asia Magazine**

- Best Equity House in Thailand (5th year)
- PTT Oil and Retail Business (OR): Best Deal of the Year & Best IPO for Retail Investors in Southeast Asia
- Siam Makro (MAKRO): Best Domestic M&A Deal of the Year (Thailand)

FinanceAsia Magazine

- Best ECM House in Thailand

**The Stock Exchange of Thailand and Money and Banking Magazine**

- Outstanding Asset Management Company Awards



**Exports
in 2020**

-6%

**Exports
in 2021**

+17%

(2) Marketing and Competition

Thai Economy in 2021

The Covid-19 outbreak severely affected Thailand's economy in 2021. As the virus began to spread across the country once again in April, the government intensified containment measures which weighed on private consumption along with business and consumer confidence. Nevertheless, the economy started to recover

in the last quarter of 2021 following the government's successful distribution of vaccines nationwide and a pickup in exports due to a rebound in global demand.

Thailand's tourism industry continued to face difficulties with tight border restrictions for most of the year which dampened international arrivals. In addition, travel restrictions between provinces disrupted domestic tourism. While the government reopened borders to international travelers in early November, the sector's recovery faced numerous challenges, particularly from the Chinese government's strict restrictions on outbound tourism for its citizens.

In 2021, Thai exports were a major driver of the Thai economy. This was due to a recovery in global demand, especially for electronic equipment, auto parts, machinery and agricultural products. Another key driver was the government's fiscal stimulus measures, such as the Ying Chai Ying Dai (the more you spend, the more you get) scheme and the Khon La Khrueng (Let's Go Halves) co-payment program. However, the export sector faced a number of challenges such as container shortages, high freight charges and surging world crude oil prices.

Headline inflation for the full year climbed 1.23 percent in 2021 compared to the previous year, in line with the Bank of Thailand's (BOT) inflation target range of 1–3 percent. Meanwhile, the core Consumer Price Index (CPI), which excludes volatile food and energy prices, edged up 0.23 percent from a year earlier.

The BOT kept its key policy rate at a record-low of 0.5 percent throughout 2021 to support the economy. By year-end, the Omicron outbreak caused the United States and many European countries to restrict travel and reintroduce epidemic control measures. Meanwhile, Thailand required foreign tourists to be quarantined again and suspended the Test & Go and Sandbox programs, disrupting the tourism industry's nascent recovery.

Economic Outlook for 2022

The Thai economy is set to recover briskly in 2022. We expect the economy to grow by 3–4 percent on the back of the nationwide vaccination rollout. Meanwhile, the possibility of another full lockdown is quite slim, as the symptoms of those infected with the Omicron variant



appear to be milder than those with the Delta strain. This year's economic growth will be supported by a strong rebound in private consumption, public investment, and ongoing fiscal stimulus measures. Exports should continue to pick up further from 2021, particularly for electronic products and items associated with Covid-19 prevention, as people worldwide adapt to life and work within the New Normal environment.

However, the Covid-19 crisis is far from over. There remains a possibility that another variation of the virus could emerge that would threaten economic recovery, particularly within the tourism industry. The Thai economy will continue to rely on government stimulus measures and accommodative monetary policy throughout 2022. As such, we expect the BOT will leave the policy rate unchanged this year.

Thai Banking Industry in 2021

In 2021, the Thai banking system faced continuing challenges from the Covid-19 situation for the second year. This urged the government to implement measures to contain the epidemic during the third quarter, causing a halt or a slowdown to many domestic economic activities which greatly affected businesses and households. As a result, the BOT and financial institutions assisted debtors who were affected by Covid-19 by providing liquidity and debt restructuring as well as easing regulations to increase the flexibility of commercial banks to help debtors and stabilize the financial system.

The combined net profit of the commercial banking system in 2021 was Baht 181.0 billion, a 23.6 percent

increase from the previous year, due mainly to a decrease in provisioning expenses and operating cost controls. Loan growth increased by 6.5 percent. Total business loans expanded by 7.9 percent due to an increase in loans to large corporate customers that reflects the higher demand for business capital during the economic recovery. SME loans expanded mainly due to loan rehabilitation measures. Consumer loans grew by 4.0 percent as credit card loans increased in line with the recovery of economic activities while personal loans grew with demand for liquidity from the household sector. Meanwhile home loans continued to expand at a slower rate in line with a decline in housing demand which continued from the previous year.

Deposits grew by 4.3 percent from the end of 2020. The ratio of loans to deposits at the end of 2021 was 94.2 percent, up from 92.3 percent at the end of the previous year. The Liquidity Coverage Ratio (LCR) stood at 189.2 percent. For liquidity management, commercial banks focused 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 their burden during the pandemic.

In terms of loan quality, non-performing loans (NPL), or Stage 3 loans, stood at Baht 530.7 billion or a ratio of 2.98 percent of gross NPL to total loans. The ratio of Significant Increase in Credit Risk (SICR), or Stage 2 loans, to total loans was 6.39 percent. Commercial banks set aside

capital reserves and loan loss reserves to build stability. Total capital remained relatively high, enabling banks to accommodate NPL resulting from the economic impact of the pandemic. Loan quality reflected the unevenness of the recovery across each economic sector. Therefore, commercial banks focused on sustainably restructuring debt in line with a debtor's ability to repay in the long term, especially SME and retail business. At the end of 2021, the Capital Adequacy Ratio (CAR) stood at 19.9 percent. Commercial banks also focused on managing credit quality in line with Thai Financial Reporting Standard No. 9 (TFRS 9), which came into effect in January 2020.

Throughout the Covid-19 situation, the BOT, related government agencies and commercial banks have supported affected debtors by providing a range of financial measures, such as supporting the BOT-organized Credit Card and Personal Loan Debt Mediation Fair, establishing the "Debt Doctor" project, temporarily relaxing loan-to-value (LTV) requirements to stimulate the real estate sector, and helping mitigate long-term debt issues through refinancing and debt consolidation.



Comparison of Six Major Commercial Banks' Financial Position as of December 31, 2021

Unit: Million Baht

	Assets	Loans	Deposits	Capitals
Bangkok Bank	4,333,281	2,588,339	3,156,940	560,426
KASIKORNBANK	4,103,399	2,421,813	2,598,630	493,930
Krung Thai Bank	3,556,744	2,628,963	2,614,747	415,548
Siam Commercial Bank	3,314,565	2,301,834	2,467,495	424,235
Bank of Ayudhya	2,499,109	1,890,376	1,779,139	359,883
TMBThanachart Bank	1,759,181	1,372,315	1,339,195	237,430

Thai Banking Industry in 2022

The Thai economy is likely to recover in 2022 as epidemic control measures are relaxed, the country opens to foreign tourists, and more people are fully vaccinated. However, recovery will be uneven with ongoing uncertainty stemming from new Covid-19 situation variants. There is a risk that the government may again have to implement epidemic control measures. In addition, there are pressures from rising energy prices, US-China trade and technology conflicts, fluctuations in international capital flows, and continuity of the government's monetary policy and economic stimulus measures. As a result, the business environment will remain fragile.

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

Changes in the economy, business operations, customer behavior and technology, as well as new regulations and measures from authorities, are increasing commercial

banks' focus on gaining insights into and analysis of customer needs to drive the development of products and services. By collaborating with partners, banks can create new revenue opportunities and improve internal operations to better control costs and increase operational efficiency.

Going forward, Thai commercial banks will face more intense competition from new non-bank players, which may come from other countries and industries, as well as Decentralized Finance (DeFi), which is based on blockchain technology. Advanced digital technologies will provide consumers with borderless, seamless access to financial services. These developments, while solving customer pain points, facilitating better access to credit for SME, and increasing the use of digital identity and the digital footprint of banks and other players, will also increase competition within financial services. Furthermore, the development of Central Bank Digital Currencies (CBDC) will offer greater access to more stable cryptocurrencies while reducing the cost of cash management and increasing opportunities for financial innovation.

At the same time, sustainability, especially issues related to climate change, will become an increasingly prominent focus for authorities as they develop more sustainable financial ecosystems, establish green finance standards, and launch new regulations. This will see commercial banks placing greater emphasis on operating their businesses in line with Sustainable Banking principles, especially the integration of environmental, social, and governance (ESG) measures into their business processes while promoting ESG culture and values.

Competitive Strengths

We are the largest bank in Thailand and the 6th largest bank in Southeast Asia 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.

We are a leader in corporate and business banking in Thailand with a network of more than 240 business centers and business desks and an extensive customer base. Our



large and loyal customer base has been one of the key drivers of our success, allowing us to expand our business in line with our customers' increasing financial needs.

We were the first Thai bank to establish an international branch, which opened in Hong Kong in 1954, serving our many customers with an international trading business. Today, 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.

Extensive Network and Comprehensive Financial Services

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

We are a leader in corporate and business banking in Thailand. Our strong, longstanding corporate lending relationships and extensive regional network have enabled us to provide financial services to large corporate customers which need credit for investment or major projects. With approximately two-thirds of our branches located in the provincial areas of Thailand, we are well placed to provide financial services to customers who will gain business opportunities from increasing urbanization.

We have developed a leading international banking platform with a strategic focus on ASEAN and other markets across Asia. Currently, our international network, with more than 300 branches in 14 economies, supports business customers to expand their regional and global operations. Not only have Thai corporates been expanding regionally, foreign companies have also been increasing their investments in Thailand and elsewhere in Southeast Asia. Our international network has thus been an important factor in our competitiveness. It has enabled us to understand the local markets where we operate and serve the needs of our customers. Our international expansion diversifies our revenue base and improves our risk profile.

In terms of the capital market business, we continue to be one of the leading underwriters for long-term corporate bonds in Thailand. We believe our strong placement capabilities, diverse range of product offerings, strong relationships with long-established clients and deep understanding of both issuers' requirements and investors' risk appetites have enabled us to maintain our market leadership in the overall debt capital markets.

We work with companies in our financial business group to offer investment and insurance products. We have a partnership with AIA Group which is the largest life insurance group in Asia. We have also formed a strategic alliance with Pictet Group, which is a world-leading wealth, asset and investment management firm from Geneva, Switzerland, to leverage wealth solutions that provide financial stability for the future of our customers. The synergies between Bangkok Bank subsidiaries and business partners will enable us to meet rapidly changing customer needs in a sustainable manner.

Stable Financial Position and Sustainable Growth

We have a stable financial position and a strong track record of delivering consistent net profit growth over time and despite unfavorable external situations such as the global financial crisis, political unrest in Thailand, the 2011 flood, economic slowdown and the recent Covid-19 situation.

Our ability to deliver consistent, profitable growth is a result of our concerted efforts to diversify our income sources and increase our non-interest income contribution, consisting of fee and other income, to reduce the business impact of interest rate volatility. We believe that our prudent approach to loan growth, the diversity of our loan portfolio, and commitment to maintain an appropriate level of provisions, contribute to our ability to achieve sustainable and profitable growth in spite of recent macroeconomic challenges. This will also enable us to make sustainable profits amid any challenging circumstances.



We have a prudent risk management policy, as can be seen from our strict credit approval policy, starting from the review and approval process to setting aside an adequate allowance for doubtful accounts. This enables us to deal with the impact of various crises and achieve our long-term business goals (see more details under 2. Risk Management).

We maintain an adequate level of capital and liquidity to support our business strategies and grow at an acceptable risk level while also meeting the BOT's regulations. Our robust capital position has helped us to weather volatility in business cycles and provides us with a competitive advantage. Therefore, we can capture future business opportunities as they arise and have sufficient flexibility to manage our capital requirements and liquidity as circumstances change. We believe that prudent capital fund management and liquidity policies will be conducive to the Bank's business in the long run.

Large Deposit Base in Thailand

Thanks to our extensive branch network, our strong relationships with business and individual customers, and our longstanding reputation, we have one of the strongest and largest deposit bases among Thai commercial banks. Most of our deposits come from individual customers, who are an important source of funding to support our future growth.

Service Channels

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

Branch and Business Center Network

As of December 31, 2021, we had an extensive network of branches and business centers throughout the country. We had a total of 1,059 branches in Thailand comprising 287 in Bangkok and 772 in the provincial area, with 117 business centers and 126 business desks.

International Services

Our international network is the largest of all Thai banks with 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. The details are shown in Attachment 7.

Foreign Exchange Points

Customers can exchange foreign currency at any of the Bank's branches. We also have 43 foreign exchange booths in various locations throughout the country.

Electronic and Digital Channel Services

We have over 10,000 ATM and CDM serving customers nationwide. The ATM network serves the Bank's domestic and international card network and accepts other domestic bank cards and we continue to improve them as our selling platform, by adding new functions. We are also improving the appearance of all our service channels including our mobile banking and website interface to modernize our image.

Digital financial services are playing an increasingly important role in our daily lives as can be seen by the growing transaction volume and users for Bangkok Bank Mobile Banking. In 2021 there were 11 million mobile banking users and the volume of financial transactions increased by 70% compared with 2020.

We continually develop Bangkok Bank Mobile Banking by improving the design and adding new features to make it more modern and easier to use, improve the customer experience and expand the range of financial transactions.

In 2021, we added new services and features on Bangkok Bank Mobile Banking to meet the needs of investment and financial transactions as follows:

- Opening online accounts was enabled for various products such as:
 - Mutual fund account. Customers can open accounts for both the general open-end funds and tax-deductible funds of BBLAM and BCAP. This



means they can buy funds for the first time and funds offered in an Initial Public Offering (IPO) without having to visit a branch.

- Bualuang Securities trading account. This service answers the needs of new generations of investors who like to make transactions by themselves.
- e-Savings account. New customers who have never had a Bangkok Bank account can download the Bangkok Bank Mobile Banking app and open an e-Savings account with no minimum deposit. They can also apply for a Be1st Smart card by simply showing their ID card at Be My ID service points at a Bank branch, Kerry Express parcel shop, or 7-Eleven store anywhere in the country.
- Foreign Currency Deposit (FCD) account. Customers can open an account and use it to transfer funds between their Thai Baht account and FCD account in up to 14 currencies.
- Online registration channels were established so that customers affected by Covid-19 could register for debt relief. This covered consumer and credit card loans as well as SME loans.
- New online channels were established for safe and convenient international funds transfers:
 - International funds transfer via the SWIFT system. Customers can now use Bangkok Bank Mobile Banking to transfer funds in up to 17

currencies covering 124 countries around the world. The fee is lower than using the service at the branch. Customers can also make transactions immediately without having to sign up for services or submit supporting documents.

- Funds transfer service between Thailand and Singapore through PromptPay-PayNow. This new service was established through cooperation between the BOT and the Monetary Authority of Singapore (MAS). Customers can now use Bangkok Bank Mobile Banking to transfer funds to a payee registered with PayNow by just using a mobile phone number. The recipient will receive the full amount in the local currency on a real-time basis.
- Payments using QR Code. Bangkok Bank Mobile Banking customers can now make payments using QR Code in Vietnam and Indonesia under the BOT project. In addition, customers can now make QR Code payment at overseas merchants that accept UnionPay.
- Increasing the efficiency of financial transactions. For example,
 - Cardless withdrawals at banking agents appointed by the Bank comprising 7-Eleven, Lotus's, Family Mart and Thailand Post to provide convenience to customers who do not want to go to a Bank branch.

- Bill alert service to help customers avoid missing making bill payment transactions. Customers can also update memos and separate expense categories with stickers, emojis and special characters.
- Expansion of online investment channels such as:
 - Scripless savings bond service and bond account investment display service that allow customers to subscribe for new bonds by themselves and browse the bonds held and transaction history without having to travel to adjust their bond book at a Bank branch.
 - Buying or switching funds that were first bought covering both BBLAM and BCAP funds, including all funds open for sale during the IPO (Buy Fund in IPO Period) through the Bank.
 - Switching funds from a current one to a new one that the customer has not already bought.
 - Dollar Cost Average (DCA) service.
 - Issuance of a certificate of purchase of investment units for tax deduction purposes.
 - Summary of annual tax abatement fund purchases to facilitate customers in managing personal income tax planning.



- Identity verification service for BeMerchant NextGen. Customers can apply for the BeMerchant NextGen app which is used by merchants to accept payments via QR Code. Customers can use their Bangkok Bank Mobile Banking app to verify their identity using a Mobile PIN.
- Direct Debit service. Customers can apply for a direct debit service to pay for utilities, credit card bill, mobile phone bill, and insurance costs from their savings account, current account and FCD account (for service providers that accept FCD account such as Hua Seng Heng).
- Apply for Be1st Smart Debit Card. Customers can apply for a card without having to go to a Bank branch and can increase and decrease the daily credit limit by themselves.
- Apply for travel insurance. Customers, including students studying abroad, can purchase Bangkok Bank's Travel 1st insurance online. They receive the policy documents via email after the transaction is complete.

In addition to improving the efficiency of Bangkok Bank Mobile Banking, we also place great importance on creating a good user experience with greater convenience and safety such as:

- The Bangkok Bank Mobile Banking app can be downloaded and re-activated immediately when changing to a new phone by using the account number or debit card number to verify identity via the app without having to go to a Bank branch or ATM.
- Notifications for debit/credit cards can be received for every spending via Bangkok Bank card whether

spending at a store or online for free via mobile banking to increase security and give peace of mind to users.

- The process of opening an e-Savings account has been made convenient and easier to use.
- An e-Passbook is available for e-Savings accounts on Bangkok Bank Mobile Banking. Customers can use their passbook to apply for services such as securities investment, credit card application, and Cash on Delivery (COD) service.
- Information on home loans can be submitted directly to the Revenue Department. The Bank has cooperated with the Revenue Department to develop this service to increase the convenience of applying for a tax deduction. Customers can consent to the transmission of information instead of sending documents in a physical format.
- Implementing a Customer Relationship Management (CRM) system for mobile banking so the Bank can offer products/services that best suit the needs of customers and lifestyles of each group of customers.
- Improving the user experience by adding a personalization feature to provide special privileges and provide customers with access to popular content via the Lifestyle & Offers menu.
- Using online media and digital marketing as channels to communicate with various groups of customers according to their lifestyles such as students/university students, working people and family groups, to promote the service, organize marketing activities, offer special privileges to stimulate service applications, and promote the continued use of the service.

Although the use of Bualuang iBanking is likely to decline, we still focus on providing our customers with a reliable, efficient and flexible service as an option to access banking services.

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

The Bank's website, www.bangkokbank.com, is one of our digital channels to provide customers with the Bank's service information and it supports the connection with mobile banking and other digital platforms, such as providing a registration system for customers to apply for financial assistance during the Covid-19 crisis. We also added more features to the website, such as financial calculators, and improved the credit card promotion page to make it easier and more convenient for customers to search for promotions by category. Another new feature was pop-up notifications to provide product/service recommendations, promotions and important news that will invite customers to read more detail and apply for new services. We also plan to develop Web Chat (Chatbot) to answer questions and assist customers using the website. In 2021, the number of page visits increased by approximately 556,000 or 17 percent compared to 2020.



We have continuously developed our Contact Center to provide more options in terms of performing financial transactions, where customers can make transactions or inquiries through an automated telephone system or speak to staff. They can ask about account movements and the balance of the fixed deposit account and Sinmathaya Subthawee Account, inquire about money transfers between their own accounts and from the government's assistance schemes, pay bills and taxes, make top-ups for mobile phones, order a check book, buy-sell open-end funds, suspend ATM/credit cards, report a passbook loss, change their ATM withdrawal limit, and apply for the SMS Account Alert service. We also added an authentication service using Citizen ID and Telephone PIN and extended the service for non-debit card customers. In 2021, we added more features to support mobile banking with our call center staff to help customers with information on how to use the Bank's digital channels. Demand is increasing due to the increasing number of customers using Bangkok Bank Mobile Banking and the current trend where people are sending more emails and being more active on social media such as Facebook, Pantip and App Reviews. In addition, we established a team of specialists to provide a new service to Bualuang Exclusive customers.

The banking agent services provide deposit, withdrawal and authentication services for account opening. In 2021, we appointed three banking agents, namely Ek-Chai Distribution System Company Limited, Counter Service Company Limited and Thailand Post covering 16,245

branches nationwide. To select the banking agents, we used the criteria announced by the BOT, focusing on agents that have nationwide service points and with a variety of service hours. Some agents are able to provide services 24 hours a day, giving customers more convenient access to services. As a result, the growth rate in usage of banking agents is relatively high.

In 2022, we plan to expand deposit, withdrawal and authentication services to the service providers of top-up kiosks and other agents with the aim of providing more than 230,000 service points for our customers. The service points will be convenient for students, people at home, workers, and those on low to middle incomes living in communities, villages and districts in provincial areas, including vendors at markets as well as their customers.

Credit Card Services

We have begun accepting Credit Card Acquiring since 1989 for merchants who would like to increase their card payment channels. We are now one of the largest Acquiring Banks in Thailand and we have set clear a goal to be a one-stop service to assist merchants to grow the volume of business from accepting card payments in addition to cash.

To achieve the one-stop service target, we have focused on expanding our potentiality to accept all credit and debit cards including Visa, MasterCard, JCB, UnionPay, Diners Club, Discover, TPN, PromptCard, WeChat Pay, Alipay, Rabbit Card, Rabbit Line Pay and American Express, the

last three of which are exclusive to Bangkok Bank. We continue to expand our capabilities to cover new cards and non-cards.

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

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

We can provide payment services to merchants at all levels ranging from large enterprises to SME and small shops, by offering a wide range of payment channels covering all types of payments from around the world. We have also kept improving the payment acceptance system to deliver quality services amid a rapidly changing environment of business now and in the future.



Debit Card Services

We launched Be1st Smart Debit Card, which was the first in Thailand to feature Europay MasterCard Visa Chip (EMV Chip) technology, in May 2009 and received great feedback from customers. In 2016, we joined Thai Payment Network Co., Ltd. (TPN) and UnionPay International Co., Ltd. to launch Be1st Smart TPN UnionPay Card, Thailand's first smart debit card, on the Local Card Scheme network that increases the security for customers with chip technology and a 6-digit code to withdraw money, transfer funds, pay at ATM and confirm payment of goods and services from merchants around the world. Be1st Smart TPN UnionPay Card is the first of its kind in Thailand and the Bank is the leader in issuing the debit card according to the BOT's standards that require all types of debit cards to use international security technology standards. In 2018, we joined TPN and Mastercard Asia/Pacific to launch Be1st Smart TPN Mastercard to meet the needs of new generations to easily pay for goods and services without using cash while supporting contactless payments. Cardholders can tap the card to any payment acceptor that supports this system and pay for products and services without inserting the card.

We are committed to continuously developing products with financial innovations to meet the needs of customers in the digital age by issuing various types of Be1st Smart cards, including: Be1st Smart TPN Rabbit card, which is jointly issued with Bangkok Smartcard System Company Limited, a subsidiary of Bangkok Mass Transit System Public Company Limited. This is an all-in-one card that combines a debit card with a Rabbit Card to enable

cardholders to travel on BTS, BRT and other mass transit systems as well as to buy products and services from various partner shops to increase convenience and safety in the daily lives for our customers. Be1st Smart TPN Rabbit Siriraj, which is jointly issued with the Faculty of Medicine Siriraj Hospital, Mahidol University, is a card that combines the features of the Be1st Smart Rabbit card with social contributions. We donate part of the annual fees for new cards and card renewals as well as 0.2 percent of card spending (excluding card spending through Rabbit merchants) to the Faculty of Medicine Siriraj Hospital. In addition to receiving convenience and security similar to that of Be1st Smart TPN Rabbit card, Be1st Smart TPN Rabbit Siriraj cardholders also receive additional benefits from Siriraj Hospital including personal accident insurance. Be1st Smart Rabbit LINE Pay card, which is jointly issued with Rabbit LINE Pay, a leading mobile payment operator in Thailand, to develop products and services that meet the digital lifestyles of the new generations who appreciate convenience, speed and ease of use. Through our cooperation with Rabbit Line Pay, Be1st Smart Rabbit LINE Pay cardholders can use the card together with Rabbit Line Pay Wallet for payment of goods and services and making various financial transactions through mobile payments, which is an important option for the cashless society that is emerging in Thailand. In addition, cardholders also receive additional benefits from Rabbit LINE Pay for spending via Rabbit LINE Pay Wallet.

To facilitate our customers during the Covid-19 situation, we focused on providing digital channels to accommodate debit card applications via Bangkok Bank Mobile Banking and provide functions such as the spending alert service

and setting a purchasing limit via Bangkok Bank Mobile Banking so cardholders can use our services anywhere, anytime. We are committed to moving forward to the digital society and continuing to develop our services to meet present lifestyles.

For business customers, we offer Purchasing Card, which is a debit card issued by the Bank in partnership with government organizations as well as wholesale and retail companies in various business sectors for payment of domestic services, such as Purchasing Card for gold buyers which can be used instead of cash to buy gold, and Tax Smart Card jointly issued by the Bank and the Revenue Department for tax payment. These cards aim to reduce the use of cash while increasing convenience as well as security of payment for both business and individual customers.

Online Financial Services for Business Customers

We have developed and offer a wide range of reliable online financial services to support domestic business customers. SME customers can use BIZ iBanking to monitor account movements online and by themselves everyday such as fund transfers, payment of goods and services, as well as payment of employee salaries. In addition, we have added the service of buying and selling investment units of mutual funds and e-Withholding tax through BIZ iBanking. Financial transactions through BIZ iBanking also meet safety standards with Token, which is a device for issuing a new password every time you use the service.



Corporate customers can use a wider range of online financial services such as:

- Corporate iCash, an internet-based service that helps manage the company's cash flow both domestically and internationally in a comprehensive manner. In addition, it also increases efficiency of services through the Bank's real-time processing, including payments, collections, liquidity management and e-Statement. Customers can also connect to the Enterprise Resource Planning (ERP) system to send orders directly to the Bank.
- Bualuang iSupply, a comprehensive online financial service that covers payment of goods and credit provision to all partners in the network to enable business to operate at the highest efficiency. It is a convenient and fast online payment and credit withdrawal process with flexible payment terms that will help boost liquidity and enable customers to successfully achieve their business goals.
- We also offer Bualuang iTrade services to export and import business customers for online transactions related to international trade, such as letter of credit (L/C).

Back-office Process Operations Operations Centers

We have set up back-up processing at our 12 operations centers and we adjusted branch areas to focus on marketing and providing services to customers while performing operational work at a lower cost. This optimizes the use of equipment as well as providing

quality control to ensure accuracy and speed. Staff have expert knowledge which has a positive effect on the management's planning and risk management system.

The details of the 12 operations centers are as follows:

- Corporate Business Loan Center – provides documentation and processing functions associated with non-revolving and revolving credit for Corporate customers.
- Business Loan Center – provides documentation and processing functions associated with non-revolving credit for Commercial and Business customers.
- Revolving Credit Center – provides documentation and processing associated with the use of revolving credit for Commercial and Business customers.
- Trade Finance Center – provides back-office processing for all services relating to trade financing.
- Troubled Debt Restructuring Processing Center – provides documentation and processing functions associated with troubled debt customers.
- Consumer Loan Center – provides credit approval as well as documentation and processing functions for Consumer loans.
- Appraisal and Mortgage Center – provides collateral appraisal services, execution of mortgages and oversees the collateral information system.

- Document Logistics Center – provides logistical service for documents, financial instruments, postal services and parcels domestically and internationally.
- Cheque Processing Center – provides payment services for all checks drawn on the Bank, as well as clearing services for inbound and outbound checks via the ICAS system.
- Cash Processing Center – provides custody and management services related to physical cash including allocation and transportation of physical cash.
- Phone Banking Center – provides informational and transactional services to customers by telephone using manned and automated systems and other channels.
- Account Maintenance and Service Center – provides back-office processing to support branches and other units.

We continue to focus on investment in information technology and personnel development to become a digital bank and a data-driven enterprise. Emphasis is placed on operations in four areas: technology infrastructure; digital architecture and digital ecosystem; data governance and protection of personal data; and research and development. This is to ensure that the Bank has an appropriate internal system with skills and innovation to continue to be a key financial service provider in Thailand's digital ecosystem.



(3) Procurement of Products or Services

Sources and Utilization of Funds

The primary sources of funds as of December 31, 2021, were Baht 3,156,940 million or 72.9 percent in deposits, Baht 492,727 million or 11.4 percent in shareholders' equity attributable to owners of the Bank, Baht 288,709 million or 6.7 percent in interbank and money market liabilities, and Baht 204,072 million or 4.7 percent in debt issued and borrowings including financial liabilities measured at Fair Value Through Profit or Loss (FVTPL).

The utilization of funds comprised Baht 2,588,339 million or 59.7 percent in loans, Baht 889,307 million or 20.5 percent in net investments including financial assets measured at FVTPL and net investments in associates, and Baht 801,212 million or 18.5 percent in net interbank and money market assets.

Unit: Million Baht
As of December 31,

	2021		2020		2019	
	Amount	Portion	Amount	Portion	Amount	Portion
Deposits	3,156,940	72.9	2,810,863	73.5	2,370,792	73.7
Interbank and money market items	288,709	6.7	219,149	5.7	134,346	4.2
Financial liabilities measured at FVTPL	20,833	0.5	19,257	0.5	-	-
Debt issued and borrowings	183,239	4.2	136,177	3.6	144,681	4.5
Others	188,967	4.3	187,267	4.9	138,808	4.3
Total liabilities	3,838,688	88.6	3,372,713	88.2	2,788,627	86.7
Shareholders' equity	494,593	11.4	450,247	11.8	428,116	13.3
Total funding	4,333,281	100.0	3,822,960	100.0	3,216,743	100.0

The Bank offers several types of deposit accounts, including current, savings, fixed (seven days, 14 days, one month and from three months to five years), and special

fixed accounts. The Bank set deposit interest rates according to market conditions and strategies to promote deposit growth rates.



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

Unit: Million Baht

As of December 31,

	2021		2020		2019	
	Amount	Portion	Amount	Portion	Amount	Portion
Within one year	3,136,827	99.4	2,786,155	99.1	2,348,842	99.1
More than one year but not over five years	20,113	0.6	24,708	0.9	21,950	0.9
Total	3,156,940	100.0	2,810,863	100.0	2,370,792	100.0

As of December 31, 2021, the Bank had deposits with maturity within one year of Baht 3,136,827 million or 99.4 percent of total deposits, and deposits with maturity of more than one year but not over five years of Baht 20,113 million or 0.6 percent of total deposits.

Determination of Interest Rates on Deposits

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

At present, the Bank sets deposit interest rates differently depending on types of deposits and customers. In terms of deposit type, the Bank sets interest rates according to deposit products comprising current, savings, fixed (seven days, 14 days, one month, three months, six months, 12 months, 24 months, 36 months), and special fixed accounts. In terms of customer type, the Bank divides customers of savings and fixed deposits into individuals, general juristic persons, government agencies, insurance companies, life

insurance companies, non-profit juristic persons and financial institutions. The interest rates for each group of customers varied depending on market conditions, competitive situation and the Bank's asset and liability management strategy. For fixed deposits which have certain deposit term periods, the Bank pays fixed interest throughout the life of the contract based on the interest rate announced on the account opening date. For savings deposits, the Bank pays interest according to the announced interest rate, which means that if the Bank adjusts the interest rate, such change will be effective immediately.

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

	(Yearly Average)		
	2021	2020	2019
Average Deposit Interest Rate			
Savings	0.25%	0.33%	0.56%
3-month Fixed	0.38%	0.49%	1.00%
6-month Fixed	0.50%	0.60%	1.25%
12-month Fixed	0.50%	0.69%	1.49%
Average Loan Interest Rate			
MOR	5.88%	6.14%	7.03%
MLR	5.25%	5.45%	6.22%
MRR	5.86%	6.05%	7.03%
Average Interbank Interest Rate	0.63%	0.81%	1.74%

Credit Provision

Credit provision is our core business. The Bank sets a policy by considering the risks of providing credit to specific customers as well as the risks of the business sector and overall portfolio. We select customers with good financial standing and reliability by taking into account their ability to cope with changes in the respective sectors. In addition, we have a policy to diversify credit risk to various industries by focusing on



expanding credit in S-Curve industries and have a process to control the concentration of credit provision to a particular customer group in line with the Bank of Thailand (BOT)'s supervisory guidelines.

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

Credit Approval Process

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

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

- **Individual Credit Decision**
In the process of considering loans to be given to borrowers, we consider various criteria such as the purpose of applying for the loan, the ability to pay off debt from operating cash flows, business potential, executives' competence, technology used

and securities pledged as the collateral. The company applying for the loan must present a business plan and financial statements. We will consider information obtained from various sources such as customer visits, due diligence, credit bureau information as well as the status of lawsuits including bankruptcy cases. In addition, we will also study economic conditions and assess the risks arising in the industry after the loan has been approved. In general, we require credit assessment covering reviews at least once a year to continuously determine the quality of loans and borrowers. We also require the Risk Asset Review Unit to review the credit management process and credit quality as well as evaluate compliance with relevant policies, standards and regulations.

Loan Interest Rate Determination

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

Loan Information

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

As of December 31, 2021, loans of the Bank and its subsidiaries were Baht 2,588,339 million representing approximately 59.7 percent of total assets.



- Loan Concentration

The BOT has specified regulations for supervising large debtors by limiting the scope of our transactions and those of our financial business group in providing credit, investing, creating contingent liabilities or conducting credit-like transactions with any person or several people in one project or to be used for the same purpose not to exceed 25 percent of the capital. Providing credit, investing, creating contingent liabilities or conducting a credit-like transaction in the situation of a juristic person will include the parent company, subsidiaries and associated companies of such juristic person. In the case of an individual, this will include a person related to that person, for example, a company in which that person has the power to manage or hold shares of 20 percent or more of all sold shares, whether directly or indirectly. As of December 31, 2021, the maximum amount that the Bank and its financial business group can provide credit, invest, create contingent liabilities or conduct credit-like transactions to any of the above customers was 140,107 million baht.

- Industry Concentration

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

Unit: Million Baht

As of December 31,

	2021		2020		2019	
	Amount	Portion	Amount	Portion	Amount	Portion
Manufacturing and commercial	839,469	32.4	791,828	33.4	755,979	36.7
Utilities and services	574,485	22.2	539,151	22.8	470,159	22.8
Housing	324,546	12.5	302,142	12.8	251,197	12.2
Real estate and construction	211,647	8.2	211,510	8.9	200,736	9.7
Agriculture and mining	101,487	3.9	78,175	3.3	61,569	3.0
Others	536,705	20.8	445,432	18.8	321,669	15.6
Total	2,588,339	100.0	2,368,238	100.0	2,061,309	100.0

Most of the Bank's loans were in the manufacturing and commercial and utilities and services sectors. As of December 31, 2021, they accounted for 54.6 percent of total loans. Most of the loans in the manufacturing and commercial sector were secured for real estate which may be affected by changes in the real estate market.

- Manufacturing and Commercial Sector

As of December 31, 2021, manufacturing and commercial loans accounted for 32.4 percent which was the highest proportion. Customers in this sector were diversified into a variety of businesses, including manufacturing, wholesale and retail businesses, as well as import and export businesses. There were various products such as beverages, food, tobacco, wood, wood products, pulp and papermaking, chemicals, pharmaceuticals, rubber, metals, cement, automotive, machinery parts and equipment, electrical appliances and textiles.

- Utilities and Services Sector

As of December 31, 2021, utilities and services loans accounted for 22.2 percent of total loans. Utilities loans consisted of supporting loans for power plants and infrastructure projects in the form of loans with future cash flows from the project's operations or, in some cases, the project's tangible assets may be used for collateral. In terms of service loans, most of the loans were used as working capital for hotel, hospital, restaurant, cinema and telecommunications businesses.

- Housing Sector

As of December 31, 2021, housing loans accounted for 12.5 percent of total loans. Housing loans were given to persons who wanted to buy a home with the average credit line per person in the range of Baht 1,000,000 to Baht 5,000,000 with a maximum loan term not more than 30 years with the residence as collateral. Mostly the loan amount did not exceed 70-95 percent of the purchase price or did not exceed 100 percent of the appraised value of the collateral, whichever was lower.



- Real Estate and Construction Sector

As of December 31, 2021, real estate and construction loans accounted for 8.2 percent of total loans. Most of them were loans for various types of real estate development projects, including houses, condominiums, office buildings, shopping centers, agricultural land, industrial estates, real estate leasing and others, as well as loans for construction contractors.

- Agriculture and Mining Sector

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

- Others

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

- Loans Categorized by Maturity Profile

As of December 31, 2021, the Bank and its subsidiaries had loans with one year or less to maturity of Baht 966,297 million or 37.3 percent of total loans, loans with more than one year to five years to maturity of Baht 898,564 million or 34.7 percent of total loans, loans with over five years to maturity of Baht 622,303 million or 24.1 percent of total loans and non-performing loan of Baht 101,175 million or 3.9 percent of total loans.

The following table shows loans categorized by maturity profile:

Unit: Million Baht

As of December 31,

	2021		2020		2019	
	Amount	Portion	Amount	Portion	Amount	Portion
Up to one year	966,297	37.3	858,828	36.3	861,179	41.8
Between one and five years	898,564	34.7	859,882	36.3	700,311	34.0
Over five years	622,303	24.1	545,029	23.0	428,939	20.8
Non-performing loan / Derecognized loans	101,175	3.9	104,499	4.4	70,880	3.4
Total	2,588,339	100.0	2,368,238	100.0	2,061,309	100.0

- Loans Classified by Product Type

The Bank and its subsidiaries have a wide range of loan products to serve their customers which can be divided into three main types: overdrafts, bills and loans.

Unit: Million Baht

As of December 31,

	2021		2020		2019	
	Amount	Portion	Amount	Portion	Amount	Portion
Overdrafts	103,294	4.0	105,064	4.4	103,798	5.0
Bills	417,906	16.1	384,482	16.2	410,616	19.9
Loans	2,062,138	79.7	1,873,679	79.1	1,546,895	75.1
Hire purchase receivable	4,067	0.1	4,000	0.2	-	-
Finance lease receivable	934	0.1	1,013	0.1	-	-
Total	2,588,339	100.0	2,368,238	100.0	2,061,309	100.0



- Secured Loans

Most of the Bank's loans are secured loans and collateral mainly consisting of land, buildings, inventory and machinery. In some cases, we may ask the parent company, or executive or major shareholder to be a guarantor. However, in the case of collateral for land and buildings, we will allow business customers to borrow approximately 50-80 percent of the appraised value. It depends on the customer's ability to pay off debt and the type of collateral. In the case of housing loans, we will offer a credit line not exceeding 70-95 percent of the purchase price, or not more than 100 percent of the appraised value of the collateral, whichever is lower. We review the collateral valuation every one to three years according to the size of the credit line.

- Classified Loans

The BOT requires all commercial banks to classify loans into three levels: loans with no significant increase in credit risk (Performing or Stage 1), loans with significant increase in credit risk (Under-Performing or Stage 2) and credit impaired loans (Non-Performing or Stage 3) to comply with the promulgation of Thai Financial Reporting Standard No. 9 on Financial Instruments (TFRS 9) of the Federation of Accounting Professions which was effective from January 1, 2020 onwards. Such classification is intended to be used in determining expected losses based on the degree of risk or likelihood of damage. This is an important measure that the Bank adheres to. The provision of expected credit losses is provided in the Bank's performance reports.

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

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

We consider the aging criteria for loan classification as follows:

- Loans with no significant increase in credit risk (Performing or Stage 1) means loans with no signs of default, including an overdraft facility that has not fully drawn down the credit line and the credit line has not been revoked, or the contract has not reached maturity, or an overdraft with accrued interest of less than 30 days.
- Loans with a significant increase in credit risk (Under-Performing or Stage 2) means loans with accumulated interest and/or principal payment overdue by more than 30 days but less than 90 days from the due date. This also includes an overdraft facility with no credit line, or the credit line has been revoked, or the loan outstanding has exceeded the credit line, or the contract has expired and no funds have been transferred to the account for the repayment of the principal and interest for more than one month, but not exceeding three months, starting from the date on which the credit line is revoked, or the date on which the loan outstanding exceeds the credit line, or the maturity date of the contract, whichever is earlier.
- Credit impaired loans (Non-Performing or Stage 3) means loans with outstanding interest and/or principal payments over 90 days from the due date. This also includes an overdraft facility with no credit line or if the credit line has been revoked, or the loan outstanding has exceeded the credit line, or the contract has expired and no funds have been transferred to the account for the repayment of principal and interest for more than 90 days, starting from the date on which the credit line is revoked, or the date on which the loan outstanding exceeds the credit line, or the maturity date of the contract, whichever is earlier.

- Allowance for Expected Credit Losses

We consider the allowance for expected credit losses (ECL) every month, which will be recorded as an item in the Bank's statement of comprehensive income. We consider setting aside the allowance for credit losses in accordance with the regulations prescribed by the BOT regarding Regulations on Asset Classification and Provisioning of Financial Institutions. This is in line with the principles of the TFRS 9 effective from January 1, 2020, by setting aside provisions to cover the expected losses which may incur from the debtor if they default at any time during the remaining term of the loan. It also



requires consideration of economic factors in the past, present and future under various assumptions and situations, and other factors that may affect the loan repayment ability.

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

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

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

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

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

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

As of December 31, 2021, the Bank and its subsidiaries' ratio of expected credit losses to total NPL stood at 225.8 percent compared with 186.8 percent at the end of 2020.

- The Recognition of Interest Income

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

- Restructuring of Troubled Debt and Progress

We have a policy to expedite problematic debt restructuring to achieve results in accordance with the guidelines provided by the BOT. The loans that meet the specified criteria will be transferred to the Special Credit Management Unit.

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



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

The consolidated financial statements as of December 31, 2021, had the remaining restructured non-performing loans of Baht 49,940 million.

Investments

As of December 31, 2021, the Bank and its subsidiaries had net investments and financial assets measured at FVTPL and net investments in associated companies of Baht 889,307 million or 20.5 percent of total assets. Government and state enterprise securities accounted for the highest proportion at 54.2 percent. Other investments in securities consisted of debt securities issued by governments and foreign state enterprises, private debt securities, marketable and non-marketable equity securities.

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

Unit: Million Baht

As of December 31,

	2021		2020		2019	
	Amount	Portion	Amount	Portion	Amount	Portion
Debt:						
Government and state enterprises	482,201	54.2	486,889	59.6	354,975	54.6
Non-government and state enterprises	298,672	33.6	236,325	28.9	191,523	29.5
Less allowance for expected credit losses	11	0.0	7	0.0	-	-
Total debt	780,862	87.8	723,207	88.5	546,498	84.1
Equities	107,116	12.0	93,205	11.4	101,199	15.6
Net investments in associates	1,329	0.2	911	0.1	1,737	0.3
Total	889,307	100.0	817,323	100.0	649,434	100.0



Capital Reserves

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

(4) Assets Used in Business Undertaking

Land, Premises and Equipment

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

Unit: Million Baht

As of December 31,

Type	2021	2020
Land	41,429	40,313
Premises	14,100	14,795
Equipment	3,784	4,022
Right-of-use assets	4,947	4,811
Leasehold improvement	239	352
Others	481	757
Total	64,980	65,050

Investment Policy in Subsidiaries and Associated Companies

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

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

1.3 Shareholding Structure

1.3.1 Shareholding Structure of the Group of Companies

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

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

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



Bangkok Bank financial business group comprises 13 companies as follows: Bangkok Bank Public Company Limited (as the parent company), Bangkok Bank Berhad (BBB), Bangkok Bank (China) Company Limited (BBC), PT Bank Permata Tbk (PermataBank), Bualuang Securities Public Company Limited (BLS), BBL Asset Management Company

Limited (BBLAM), Sinsuptawee Asset Management Company Limited (STAM), Bualuang Ventures Limited, BBL (Cayman) Limited, BSL Leasing Company Limited, BBL Nominees (TEMPATAN) SDN. BHD., PT Sahabat Finansial Keluarga, and Bangkok Capital Asset Management Company Limited. The overall shareholder structure is as follows:

Bangkok Bank Financial Business Group



**Scope of Bangkok Bank Financial Business Group:**

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



Company	Type of Business	Scope of Business
BBL Nominees (TEMPATAN) SDN. BHD.	Supporting business	Support the operations of Bangkok Bank Berhad by acting as a nominee, trustee and agent in holding shares used by customers as collateral for credit.
PT Sahabat Finansial Keluarga	Finance company	Provide consumer finance, factoring, working capital and mortgage.
Bangkok Capital Asset Management Company Limited	Asset management	Operate a mutual fund management business consisting of mutual fund management, private fund management and provident fund management as well as being a fund manager and derivatives advisor.

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

Company	Type of Business	Registered Capital (Million Baht)	Paid-Up Capital (Million Baht)	Bank Shareholding (Portion)
National ITMX Company Limited	Associated company	50	50	12.55
Processing Center Company Limited	Associated company	50	50	30.00
PCC Capital Company Limited	The Bank indirectly holds the shares via Processing Center Company Limited	50	50	30.82
Thai Digital ID Company Limited	The Bank indirectly holds the shares via PCC Capital Company Limited	50	50	30.82
Thai Payment Network Company Limited*	Associated company	786	786	33.33
BCI (Thailand) Company Limited	Associated company	530	530	22.17

*It is categorized as an investment in an associated company as the Bank has the power only to participate in the management but not in the level of control.



Bangkok Bank Public Company Limited Investment in Companies at 10 Percent or more of Paid-up Capital as at December 31, 2021

No	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
1	BANGKOK BANK BERHAD 1-45-01 Menara Bangkok Bank Laman Sentral Berjaya No.105, Jalan Ampang 50450 Kuala Lumpur Malaysia Tel. (60) 32-174-6888 Fax. (60) 32-174-6800	Bank	Common	1,000,000,000	100.00
2	BBL (CAYMAN) LTD. c/o Maples Corporate Services Limited PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands Tel. 1(345) 949-8066 Fax. 1(345) 949-8080	Investment company	Common	100,000	100.00
3	BANGKOK BANK (CHINA) CO., LTD.¹ Bangkok Bank Building, 2 nd Floor (Zone B&C), 3 rd - 4 th Floor No.7, Zhongshan East-1 Road, Huangpu District, Shanghai 200002, 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	35,715,192,701	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 LTD. 173/10 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2011-8730 Fax. 0-2058-9807	Venture capital	Common	199,999,997	100.00



No	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
7	BUALUANG SECURITIES PCL. 191 Silom Complex Office Building, 10 th , 12 th , 19 th , 23 rd , 29 th -32 nd Floor, Silom Road, Silom, Bang Rak, Bangkok 10500 Tel. 0-2618-1000, 0-2231-3777 Fax. 0-2231-3951, 0-2618-1001	Securities business	Common	1,079,057,700	99.91
8	BBL ASSET MANAGEMENT CO., LTD. 175 Sathorn City Tower, 7 th , 21 st , and 26 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2674-6400 Fax. 0-2679-5995-6, 0-2679-6855	Asset and private fund management	Common	749,996	75.00
9	THAI PRECISION MANUFACTURING CO., LTD./² 226 Moo 3, Thungsookhla, Sriracha, Chonburi 20230	Electronics components manufacturing	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	2,620,000	33.33
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 10300 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, Khlongkluea, Pakkret, Nonthaburi 11120 Tel. 0-2029-0200	Computer programming activities (except webpages and network programming)	Common	11,750,000	22.17



No	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
14	HIGH PRESSURE STEEL PIPE INDUSTRY CO., LTD. ^{/2} 36/4 Moo 2, Soi Wat Mahawong, Poochao Samingphrai Road, Samrong, Phra Pradaeng, Samutprakan 10130	Steel pipe manufacturing	Common	95,603	19.12
15	NATIONAL ITMX CO., LTD. 5/13 Moo 3, Chaengwattana Road, Khlongkluea, Pakkret, Nonthaburi 11120 Tel. 0-2558-7555 Fax. 0-2558-7566	Electronic transactions between financial institutions	Common	62,733	12.55
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	Electronics components manufacturing	Common	326	12.34
17	SEACON DEVELOPMENT PCL. 55 Srinakarin Road, Nongbon, Prawet, Bangkok 10250 Tel. 0-2721-8888 Fax. 0-2721-8976	Rental space, building and shop	Common	574,000	10.00
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
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



No	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
21	THAI OBAYASHI CORPORATION LTD. No.6, Soi Sukhumvit 6, Klongtoey, Klongtoey, Bangkok 10110 Tel. 0-2252-5200 Fax. 0-2252-5381	Construction	Common	2,000	10.00
22	BANGKOK MITSUBISHI HC CAPITAL 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 MUFG LTD. 898 Ploenchit Tower, 9 th Floor, Zone B1, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. 0-2263-0856 Fax. 0-2263-0860	Consulting and investment	Common	200,000	10.00
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	Investment 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 manufacturing	Common	700,000	10.00



No	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
28	ASPAC CO., LTD. 39, Soi Sukhumvit 49, Sukhumvit Road, Klong Tan Nuea, Watthana, Bangkok 10110 Tel. 0-2662-4951 Loc. 2712	Chemicals import and export	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 manufacturing	Common	14,500,000	10.00
30	WONGPAITON GROUP PCL./² 686 Ekkachai Road, Bangbon, Bangkok 10150	Sport products manufacturing and export	Common	86,826,816	10.00
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. 80 Robinson Road, #02-00 Singapore 068898 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	Investment 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 and restaurant	Common	200,000	10.00



No	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
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	1,816,000	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	18,748,000	10.00
37	CONTOUR PTE. LTD. 138 Market Street, #05-01 CapitaGreen, Singapore 048946 Tel. (65) 8299-2305	Business services	Preference Series A	16,252	11.68
38	SIAM SOLAR GENERATION PCL. 89 Moo 11, Ban Tan, Bamnet Narong, Chaiyaphum 36220	Solar farm	Common	1,111,111	10.00
39	THAI DIGITAL PLATFORM SOCIAL ENTERPRISE 150 Rajbophit Road, Ratchabophit Temple, Phra Nakhon, Bangkok 10200 Tel.0-2018-6902	Web hosting	Common	100	10.00
40	PATKOL PCL. 348 Chelermprakiat Rama 9 Road, Nogbon, Prawet, Bangkok 10250 Tel. 0-2328-1032 Loc. 49 Fax. 0-2328-1245, 0-2328-1058	Chiller manufacturing	Common	119,951,500	19.98
41	PERENNIAL HANGZHOU HSR CLOUD GATE (SHANGHAI) ENTERPRISE DEVELOPMENT CO., LTD.^{/1} Block C, 888 Huanhu Xi Er Road, Lingang New Area, China (Shanghai) Pilot Free Trade Zone, Shanghai, China Tel. (86) 021-3182-2212	Real estate development	-	-	10.00

Remarks: ^{/1} No number of shares to be registered according to company law.^{/2} Bankrupted^{/3} The company has ceased its operation and is in the liquidation process.



1.3.2 Persons with Potential Conflicts of Interest Holding Shares of a Subsidiary or Associated Company at an Amount Exceeding 10 Percent of the Voting Shares

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

1.3.3 Shareholders

Shareholding Structure as at September 9, 2021 (Recorded Date)

No.	Name of Shareholder	Number of Shares	Percentage of Total Shares
1	THAI NVDR COMPANY LIMITED	456,380,968	23.91
2	SOCIAL SECURITY OFFICE	99,567,700	5.22
3	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	43,688,300	2.29
4	BANGKOK INSURANCE PUBLIC COMPANY LIMITED	34,287,030	1.80
5	THE BANK OF NEW YORK MELLON	33,471,198	1.75
6	HSBC BANK PLC-PRUDENTIAL ASSURANCE COMPANY LIMITED	31,566,300	1.65
7	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	31,071,562	1.63
8	MORGAN STANLEY & CO. INTERNATIONAL PLC	25,779,533	1.35
9	STATE STREET BANK AND TRUST COMPANY	25,690,400	1.35
10	STATE STREET EUROPE LIMITED	24,082,577	1.26
	OTHERS	1,103,257,326	57.80
	TOTAL PAID-UP CAPITAL	1,908,842,894	100.00

Information with Respect to Free-float

As of March 9, 2021 the free-float of the Bank, according to the Securities and Exchange Commission, was 98.53 percent.



1.4 Amounts of Registered Capital and Paid-up Capital

1.4.1 Registered Capital

Registered Capital as of December 31, 2021

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

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

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

1.4.2 Other Types of Shares

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

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

- The Bank shall pay dividends to preferred shareholders at a set amount in full prior to common shareholders.

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

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



1.5 Issuance of Other Securities

Information on Bonds as at December 31, 2021

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 ¹	3.733%	September 25, 2034	USD 1,200	Baa3/ - /BB+
Subordinated notes ²	3.466%	September 23, 2036	USD 1,000	Baa3/ - / -
Subordinated notes ³	5.000%	-	USD 750	Ba1/ - / -

Note: ¹ Call option date: September 25, 2029

² Call option date: September 23, 2031

³ Call option date: September 23, 2025

1.6 Dividend Policy

(1) The Bank's Policy

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

(2) Subsidiaries' Policies

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



2. Risk Management



2.1 Overall Risk Management

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

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



The Bank's risk management process comprises the identification of significant risks which may potentially impact the Bank's business operations, the assessment of each type of risk, the monitoring and control of risks to an appropriate level, and the reporting of the status of each type of risk to the relevant parties so as to enable them to manage and/or handle the risks in a timely manner.

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

2.2 Risk Factors for the Bank's Operation

1) Uncertainties Over the Global and Domestic Economic Outlook

Despite the fact that billions of coronavirus vaccines were administered globally during 2021, a new wave of Covid-19 remains a potential risk. Thailand is no exception as we also battle with new virus strains. If the situation worsens significantly, this could potentially trigger another round of lockdown measures such as travel bans, social distancing measures and curfews. Furthermore, the World Health Organization (WHO) has warned that Europe is once again the epicenter of the pandemic, as Covid-19 cases surge across the region. Germany recently recorded the highest rate of Covid-19 infections since the epidemic began, and state officials are expected to meet to discuss measures to curb the spread. Looking ahead, governments may be required to introduce fresh rounds of fiscal stimulus, resulting in a larger level of public debt that may reduce the governments' capacity to support the economy. Strict lockdown measures could cause firms to experience financial strains, leading to a wave of defaults. These risks will impede the recovery of the global and Thai economy.

The Covid-19 Omicron variant, which is more transmissible than previous variants, had spread more than 75 countries by the end of December, 2021. This new variant has caused significant problems in many countries, with several European countries

reinstating Covid-19 restrictions. Germany and Portugal were among the countries that announced post-Christmas measures. The United States imposed travel bans on visitors from a number of countries. Many flights were canceled during the New Year season as health experts raised concerns about containing the spread of the variant. In Thailand, the government reported that Omicron was causing a spike in Covid-19 cases, prompting the country to temporarily halt new applications for its Test & Go and Sandbox programs for international arrivals in order to curb the increase in cases.

The rapid spread of the pandemic in 2020 triggered shutdowns of factories around the world, as well as denting consumer demand and industrial activity. As lockdowns eased during 2021, demand rebounded, but supply chain interruptions still weighed on the global manufacturing sector. Global supply chain bottlenecks have wreaked havoc on the supply of a wide range of items, including food and drinks, consumer electronics, and even shipping containers. These shortages have contributed to rising inflation, which may persist longer than projected.

Another risk to the world's economy is geopolitical uncertainty. The trade war between the United States and China, which began in 2018 under former US President Donald Trump, has led to both countries paying higher taxes on imported products. Surging import tariffs have resulted in higher trade barriers, hurting businesses and individuals worldwide. Tensions are intensifying and have not been resolved in the way that everybody expected under President Joe Biden's management. In November 2021, President Biden and Chinese President Xi Jinping met virtually for the first time in an effort to ease tensions. According to announcements by both parties, the two leaders addressed a wide range of topics, particularly their complicated bilateral relations, stances on Taiwan, visions on health security, global energy sources, and the climate crisis. However, the highly anticipated meeting accomplished no major achievements, and participants denied the notion that the gathering would result in a closer bilateral relationship. In the coming quarters, the Bank will continue to closely monitor the US-China relationship and assess the potential impact on Thailand and elsewhere.



Climate change is another major concern that could destabilize the world economy. As scientists express more serious warnings about global warming, corporations have begun to evaluate the potential impacts on their business outlook and their existing operations. Extreme weather events can potentially affect a firm's assets; for example, storm damage to a warehouse could halt production and leave the company unable to generate income. The United Nations climate change conference, COP26, was held in November 2021 to discuss the threat of climate change and find solutions. During the discussions, which involved over 200 nations, governments pledged they would seek to phase out coal usage (the most polluting source of energy) and aim to keep the rise in temperatures since the industrial revolution took place under 2 degrees Celsius. China, the world's largest emitter of greenhouse gases, has pledged to develop a national strategy for managing and lowering methane emissions before the climate conference in 2022. In addition, China aims to reach carbon neutrality by 2060. Nevertheless, coal remains China's primary source of energy, and China was one of the parties supporting a change to the Glasgow Climate Pact that stated we should limit rather than abolish our use of coal. Meanwhile, Thailand has set a carbon neutrality goal of 2065 – 2070 but has made no commitments to reduce coal usage, limit methane emissions, nor reduce the use of internal combustion engines.

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

2) Regulatory Changes

- Principles of the Basel III Framework

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

Under this framework the BOT requires banks to preserve additional capital, in both quantitative and qualitative terms, to support losses that may occur in normal times as well as under stressed scenarios, to support and maintain the stability of the financial system. Significant recent revisions to the requirements include: a new minimum capital ratio, an increase in the quality of capital to an appropriate level, and an expansion of coverage of risk-weighted assets so they are more comprehensive and reflect real risks. 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, 2021, the Bank and its financial business group had adequate capital for such buffers.

The Leverage Ratio guidelines, which will take effect in 2023, aim to control on- and off-balance sheet transaction volumes by ensuring that Tier 1 capital as a percentage of total exposures is no lower than 3 percent. The Bank has already prepared for compliance with the guidelines.

With regard to the Basel III Liquidity Framework, the BOT has imposed 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 aforementioned guidelines, the Bank has also closely monitored the other risk management guidelines, including guidelines already announced by the Basel Committee on Banking Supervision (BCBS) and/or any other regulators which the BOT is considering adopting in Thailand, such as the Countercyclical Buffer, and guidelines expected to be enacted by the BCBS in the future such as Basel III: Finalizing Post-crisis Reforms. These guidelines may impact the Bank's capital requirements and business strategy. The Bank has therefore continuously monitored these revisions and the enforcement schedule from the BOT, and has studied and assessed their impacts, in order to properly prepare for the new guidelines.

- **New or Revised Financial Reporting Standards**

The Bank's financial statements have been prepared under the Thai Financial Reporting Standards (TFRS) which are currently adopted according to International Financial Reporting Standards (IFRS) with a one-year delay from the equivalent IFRS. Effective from January 1, 2022, TFRS was revised to align with IFRS (Bound Volume 2021). The Bank has continuously monitored new or revised financial reporting standards, and has studied and assessed their impacts, in order to properly prepare for the new practices.

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

3) Credit Risk

Credit risk is the risk that arises from the inability of borrowers or counterparties to perform their obligations under contractual agreements in relation to the Bank's lending, investment, and other contractual commitments – for example, a borrower's failure to repay principal and/or interest as agreed with the Bank. In addition, there are other related risks under credit risk such as credit concentration risk, reflecting large borrower concentration, industry concentration risk, and country and transfer risk. The Portfolio Management Unit is responsible for managing these risks.

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

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

The Thai economy remains at high risk because it still depends on the tourism and export sectors that were severely impacted by the Covid-19 crisis. Alongside global economic and social factors, lifestyles have changed. For instance, dependency on digital technology is increasing and many industries are losing competitiveness. Furthermore, the Covid-19 pandemic has continued to pressure private consumption, due to high household debt and low purchasing power. Therefore, the Thai economy in the next phase will depend primarily on government consumption and investment.

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

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

- **Risk Management Division** is responsible for analyzing and reporting to management the status of various risks to the Bank, as well as proposing recommendations for the review of the overall risk policy of the Bank in anticipation of, and in compliance with,



new rules, regulations, and international standards. The division is also responsible for overseeing the management of each type of risk to comply with the Bank's risk management policy.

- **Credit Management Division** is responsible for managing risks related to credit extension by supervising and monitoring credit extensions in accordance with the Bank's credit policies. The Credit Management Division comprises the Credit Policy Unit, Credit Acceptance Unit, Portfolio Management Unit, Risk Asset Review Unit, Special Asset Management Unit, Loan Recovery and Legal Unit, and Bank Property Unit. The functions of each unit are summarized below:
 - **Credit Policy Unit** oversees the credit policy framework and coordinates the improvement and adjustment of the credit policy. It is also responsible for disseminating the credit policy, credit standards and credit processes; for monitoring and overseeing exceptional cases which are inconsistent with the credit policy; and for gathering various inputs which may be used for improving the credit policy.
 - **Credit Acceptance Unit** oversees the quality of credit extensions to ensure they are in line with the credit policy and credit underwriting standards; reviews the appropriateness of loan structures as well as the result of customers' credit risk ratings; promotes the development of a good credit culture; and maintains a systematic and reliable credit extension process.
 - **Portfolio Management Unit** is responsible for analyzing and making recommendations for adjustments to the portfolio structure; recommending the appropriate portfolio composition and the provision of reserves for loan losses at the portfolio level; developing and overseeing credit risk management tools and methodologies; constructing credit databases; and overseeing related management standards.

- **Risk Asset Review Unit** is charged with reviewing credit quality and credit management processes, assessing the adequacy of loan loss reserves, and evaluating compliance with credit policy, regulations, and credit underwriting standards.
- **Special Asset Management Unit** is responsible for managing non-performing loans, and for determining and executing strategies for the resolution and restructuring of troubled loans.
- **Loan Recovery and Legal Unit** is responsible for taking legal actions, negotiating loan settlements, and seizing collateral for sale by public auction.
- **Bank Property Unit** is responsible for managing and selling foreclosed assets obtained from loan recovery processes and from legal actions.

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



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

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

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

In addition, Thai Financial Reporting Standard No. 9 "Financial Instruments" (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 past, present and future economic factors under various assumptions and situations as well as other factors that may affect the debtor's repayment and may result in changes to the Bank's provisioning in any period of time even though the overall asset quality of the Bank is unchanged.

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

The current economic situation 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

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



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 exceed 10 percent of the Bank's total capital. These two limits are required by the BOT and the Bank complies with these.

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

For country and transfer risk, the Bank evaluates the riskiness of a counterparty's country with an assumption that their economic, social, and political issues are worse than usual conditions. Then, together with business requirements, the Bank determines the country limit to limit damages to the Bank's capital in cases where events in a foreign

country may adversely affect the Bank's financial interests. The Bank also monitors, reviews and reports exposures and business conditions of every major country regularly to ensure the Bank has optimal exposure allocations.

4) Market Risk

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

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

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

- **Asset-Liability Management Committee (ALCO)** is responsible for establishing and reviewing policies and guidelines for asset and liability management and market risk management, as well as monitoring and controlling these risks to be at acceptable levels and in compliance with the risk management policy set by the Risk Oversight Committee.



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

The global economy is recovering after the Covid-19 pandemic crisis at a different pace between major and emerging economies, mainly based on their vaccination rates, capabilities to cope with the outbreaks, and the size of government stimulus measures. Demand-supply mismatches after the quick recovery caused an energy shortage crisis and supply chain disruption which led to higher inflation. Concern over inflation put pressure on the central banks of major economies to begin signaling adjustments to their ultra-accommodative monetary policies towards a normal level. The US Federal Reserve began scaling back the pace of asset purchases of its QE program late in 2021 and was expected to increase interest rates soon after that. In addition, there were worries over a liquidity crunch in China's huge real estate company which might affect the China' and global economies. All these factors caused volatility in the financial markets.

Risk factors which need to be monitored going forward include (1) uncertainty of the Covid-19 outbreak situation amid the emergence of new infectious or more vaccine-resistant variants of the virus, (2) accelerating inflation in many countries driven by a rapid rise in energy prices and supply chain disruption which might lead to economic stagflation, (3) a slower pace of growth for the Chinese economy due to stricter government measures imposed on various sectors, (4) the direction of QE tapering and eventually tightening monetary policy by major central banks, and (5) higher government

debt and a worse fiscal position in many countries. These factors affect the recovery of Thai economy and may increase the volatility of international fund flows and the financial markets, which can subsequently cause volatility in exchange rates, interest rates, security prices and commodity prices.

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

(4.1) Market Risk in the Trading Book

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

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

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

The Bank manages traded market risk primarily through a series of limits, such as Value-at-Risk (VaR) Limit, Present Value of a Basis Point Change (PV01) Limit and Maximum Loss Limit. Risk exposures are monitored and reported to senior management,



the Board of Executive Directors and the Risk Oversight Committee on a regular basis. VaR is a statistical technique for estimating the potential losses on risk exposures as a result of movements in market rates and prices over a specified time horizon and at a given level of confidence.

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

By using the historical simulation approach, VaR of the Group's trading book position for a one-day holding period at 99 percent confidence level was Baht 257 million as of December 31, 2021.

(4.2) Market Risk in the Banking Book

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

(1) Interest Rate Risk in the Banking Book

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

To control interest rate risk in the banking book, the Bank has established a NII Impact Limit (being the Cumulative NII Impact within one year) and an EVE Impact Limit, assuming interest rates rise and decrease immediately by one percent.

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

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

The impact of a 1 percent interest rate increase on the Group's NII as at December 31, 2021 and December 31, 2020 was as follows:

Currency	Million Baht	
	Dec 31, 21	Dec 31, 20
THB	-1,658	-1,713
USD	1,122	1,084
OTHER	665	683
Total NII Impact	129	55

(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 behavior towards searching for yield 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 2021 was 270 percent, which was computed from month-end LCR in the quarter. The Bank's LCR is above the regulatory minimum requirement of 100 percent.

The Bank also has in place an early warning system which provides alerts of any looming liquidity crisis, from either internal and external factors, that will allow for the prevention of liquidity risk crises and/or for proactive liquidity risk management. The Bank conducts liquidity-risk stress tests whereby the stress scenarios incorporate both internal and external liquidity risk factors. Liquidity-risk stress scenarios can be classified into three categories: (i) bank-specific crisis, (ii) market-wide crisis, and (iii) a combination of both. Under each stress scenario, the assumptions of cash inflows and



outflows are specified differently from those under the business-as-usual scenario, such as abnormal customer deposit withdrawals and overdraft drawdowns, inaccessibility to the money market, sales of the Bank's liquid assets at below-market prices due to the decrease in market liquidity of such assets, and contingent support for companies in the financial group. The results of liquidity-risk stress tests performed in 2021 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 and external factors. Internal factors are the Bank's systems, in terms of their capability, their complexity and the adoption of technology for the Bank's business operations; the issue of system and data security, especially personal data; the accuracy and completeness of data processing; personnel knowledge of new technologies and development of competency in using new technologies; and the adequacy of the Bank's personnel regarding IT risk awareness and understanding, including malicious and inadvertent insiders. External factors are more diversified, rapid and complex forms of IT risk and cyber threats. There are also risks from changes in the business supply chain as the interconnectivity of information and technology may have a business impact, as well as risks due to the transformation of the business landscape in the era of digitalization.

The Bank is aware of the risks arising from the use of IT and the importance of information security and cybersecurity. The Bank has continually updated its IT Risk Management Policy and the Information Security and Cybersecurity Policy. Moreover, the Bank has enhanced the readiness of its IT governance and IT risk management throughout the Bank by putting in place a framework for the following areas: strengthening cyber security to meet the most up-to-date standards and covering new technology adoption processes; assessing cyber risk and making appropriate adjustments to the assessment framework according to each situation; regularly building awareness and understanding



of cyber security with staff and customers; developing contingency plans to rapidly and effectively handle different forms of cyber risk to reduce its impact; and collaborating with external organizations to further strengthen the Bank's readiness to both effectively prevent and handle cyber risks.

8) Capital Adequacy Risk

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

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

- Common Equity Tier 1 capital comprises:
 - (1) Paid-up share capital
 - (2) Premium (discount) on common shares
 - (3) Legal reserves
 - (4) Reserves appropriated from net profit
 - (5) Retained earnings after appropriations
 - (6) Non-controlling interest classified as Common Equity Tier 1 capital
 - (7) Other reserves
 - (8) Deductions such as goodwill, intangible assets and deferred tax assets
- Additional Tier 1 capital consists of
 - (1) Long-term subordinated debt instrument with claims subordinated to depositors, general creditors and other subordinated debts, including debt instruments qualified as Tier 2 Capital
 - (2) Non-controlling Interest classified as Additional Tier 1 capital
- Tier 2 capital consists of:
 - (1) Long-term subordinated debt instruments subordinated to depositors and general creditors
 - (2) General provisions for normal assets not exceeding 1.25 percent of credit risk-weighted assets
 - (3) Non-controlling Interest classified as Tier 2 capital

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

The Group's capital positions as at December 31, 2021 and December 31, 2020 were as follows:

	Million Baht	
	Dec 31, 21	Dec 31, 20
Tier 1 capital	457,469	431,381
Common Equity Tier 1 capital	433,699	407,621
Additional Tier 1 capital	23,770	23,760
Tier 2 capital	102,957	70,686
Total capital	560,426	502,067

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



The objective of the Bank’s capital management policy is to maintain an adequate level of capital to support growth strategies within an acceptable risk framework, as well as to meet regulatory requirements and market expectations.

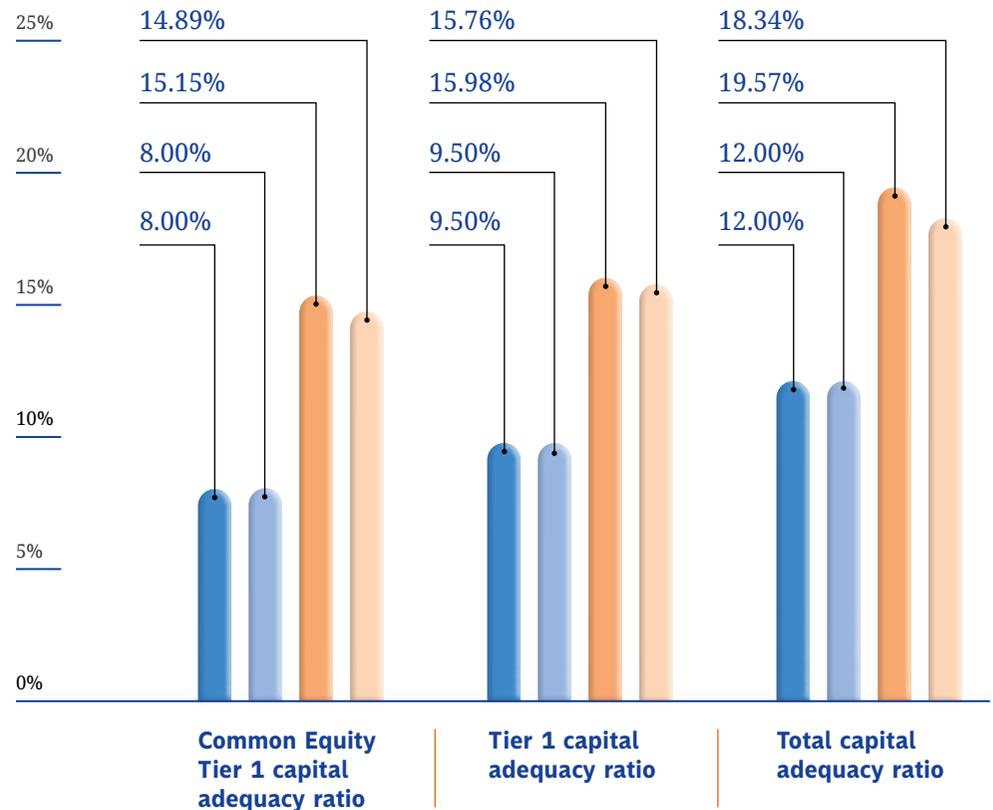
In compliance with the BOT’s supervisory review process guidelines, the Bank’s capital management process assesses the overall risk and capital adequacy under the Internal Capital Adequacy Assessment Process (ICAAP). The process covers projected assessments of all substantial risks to the Bank’s operations,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

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

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

As at December 31, 2021, the Group’s Common Equity Tier 1 capital adequacy ratio, its Tier 1 capital adequacy ratio and its total capital adequacy ratio were 15.15 percent, 15.98 percent and 19.57 percent, respectively, whereas at December 31, 2020 the ratios were 14.89 percent, 15.76 percent and 18.34 percent, respectively. Consequently, the Bank’s capital is at a level that provides such additional buffers.

- BOT’s requirements for 2021
- BOT’s requirements for 2020
- The Group’s ratio as of December 31, 2021
- The Group’s ratio as of December 31, 2020





2.3 Emerging Risks

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

1) Global Economic Concerns

A new wave of Covid-19 outbreaks is one of the primary threats of which we should be cognizant. New variants of coronavirus strains might potentially derail the global recovery, while certain regions, such as Europe, are experiencing a new wave of infections. An uncontrolled outbreak would force some nations to revert to lockdowns, harming

economies that rely heavily on tourism and the services sector. The Covid-19 pandemic and its effect on the world economy may have a far reaching impact on our customers and our business, and the pandemic's long-term consequences are unknown. Moreover, the pandemic has led to a contraction of GDP in several of our markets and countries and industries have recovered unevenly since early 2021.

Another important threat to our business outlook is the advancement of digital technology, which disrupts many aspects of bank business operations. In the key businesses such as payment and advisory services, banks may face intense competition from other increasingly technological intermediaries. Banks have had to deal with all post-crisis challenges, as well as technology transformations coming from financial technology (FinTech) competitors and platform-based rivals.

In recent years, the rate of technology adoption, as well as technology uptake by new users, has risen substantially. Customers demand innovative services that are easy to use and transparent. That said, this disruptive technology also has the potential to boost banks profitability through digital transformation and a more efficient financial system, leading to market expansion and financial inclusion.

The Bank is aware that uncertainty from 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

Apart from the Covid-19 outbreak, climate change was one of the issues that received global attention during the year. Inclement weather and natural disasters such as storms, floods, droughts and heat waves severely affected people and businesses causing injuries, deaths, property damages, disrupted production and service chains, shortage of goods and services as well as the emigration to safer areas.



Amid more frequent and severe natural disasters, international cooperation in the transition to a low-carbon society made significant progress. Developing countries with high levels of greenhouse gas emissions, such as China and India, announced their stance to reduce greenhouse gas emissions by setting a target year to achieve net-zero greenhouse gas emissions, while almost all ASEAN countries announced their commitments to net-zero greenhouse gas emissions. As for Thailand, the Prime Minister announced to international leaders at the 26th UN Climate Conference (COP26) in Glasgow, Scotland, that Thailand would achieve net-zero carbon dioxide emissions by 2050 and net-zero greenhouse gas emissions by 2065.

The COP26 may not achieve as much as many have hoped, and developed and developing countries were unable to agree on certain mutual agreements to limit global warming to 2 degrees Celsius. However, the conference had some important results, such as the announcement of US-China cooperation in meeting climate change targets, Glasgow Declaration on Forests and Land Use, Global Coal to Clean Power Transition Statement, Global Methane Pledge, as well as financial assistance from various sectors that will support underdeveloped and developing countries to transition to a low-carbon society. These partnerships are expected to be mechanisms that help drive towards achieving the goals of the Paris Agreement in a more concrete way.

In addition to progress at a country-level, more multinationals and big companies have announced their net-zero emissions targets and set policies and goals for carbon dioxide reduction by their own organizations and businesses in their supply chain to support the trend of more intense environmental policies and regulations. These also included carbon price measurements that many countries may adopt in the future to penetrate green markets for goods and services, which may replace traditional, high-emission ones. Such changes will affect a wide range of stakeholders and will require businesses, especially those in the energy sector and the world's production value chains, to adapt in order to survive and sustainably grow in the future. However, these adjustments require large investments.

Global warming and the transition to a low-carbon society are both opportunities and challenges for the business sector. Although such changes are long-term rather than short-term, the Bank has explored and closely monitored the progress of the transition in order to assess business risks both in terms of quality and quantity. The Bank realizes that these risks are related to financial risks and the Bank's reputation. Therefore, the Bank places great importance on the development of risk assessment tools for each business sector by working with experts and academics to develop a tool to assess physical risk of climate change and risks from the transition to a low-carbon society. In addition, the Bank has integrated climate change opportunities and challenges into its annual and three-year plans to seek business opportunities and appropriately cope with changes that have already occurred or are going to take place in the future.

3) Technology

Looking towards the next decade, emerging technologies may generate new technology risks for the global ecosystem. Recent years have seen the increasing use of Artificial Intelligence (AI) in banking business operations that involve the processing of large datasets of often confidential customer data and enabling automated decision making at different levels. Such techniques may be susceptible to manipulation and could lead to undesirable results, like inappropriate decision biases. **Single Digital Identity** is an emerging concept where every individual possesses a single set of credentials that allows them to seamlessly access multiple digital services. However, weak identity management may leave individuals susceptible to identity theft and fraudulent transactions. With the rise of **Ubiquitous Connectivity**, consumers today expect to interact with their bank over electronic wearables, smartphones, and even home speakers in an ever-wider Internet of Things. However, the number of devices also increases the breaching points for data theft, IT system intrusions and potential privacy breaches. Additionally, **Quantum Computers** is a next generation of computers that can achieve computing challenges. Although in a nascent stage, these could advance to a point where they could be used to dominate computing as we know it today, with applications used for market manipulation and breaking of encryption protocols that underpin the world's economy.



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

2.4 Risk to Shareholders

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

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

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



3. Business Sustainability Development



In 2021, the Covid-19 pandemic continued to disrupt the lives of many people and businesses in Thailand and around the world and we provided relief measures to affected customers, employees and their families. We ensured convenient access to banking channels and put in place protective measures for the health and safety of our employees and customers visiting the branch or Bank buildings. We also worked alongside other partners to provide assistance to those in the community facing difficulties.

In keeping with our commitment to be a trusted partner and reliable close friend (puan koo kit mit koo baan), we have continually created value for Thai society. As stakeholders' expectations have increased we have established a sustainability policy together with short- and long-term goals to meet the expectations of all stakeholders, and to provide a foundation for sustainable growth.





3.1 Sustainability Management and Policy

Our sustainability policy provides direction for our organization while supporting Thailand’s sustainable development. It is based on four key pillars 1) Efficient and effective risk management, 2) Human resource management, 3) Good corporate governance, and 4) Creating sustainable value for society and the environment in collaboration with all sectors to achieve the UN Sustainable Development Goals (UN SDGs). The sustainability policy also emphasizes the importance of sustainability governance, communications, stakeholder engagement, and capability building for directors, executives and employees at all levels. The adoption of this policy will help the Bank to cope with challenges, be resilient and create sustainable value for the Bank and society at large.

Our sustainability policy aligns with the 15 materiality issues that were identified by external and internal stakeholders through an engagement process. We have established clear commitments, key performance indicators (KPIs), and short and long-term goals that address these issues and provide a clear pathway for achieving these goals over a three-year period. These have been integrated into key performance indicators in our business plans to ensure our sustainability performance is aligned with our business operations.



Goal



Guidelines



Principles



A Trusted Partner and Reliable Close Friend

To be the most trusted bank by doing business sustainably, managing risk effectively, and considering long-term benefits of stakeholders when making decisions to build a sustainable future for all parties involved.



Risk Management



Human Resource Management



Good Corporate Governance



Creating Sustainable Value for the Society and the Environment



Sustainability Governance, Communication, Stakeholder Engagement, and Capability Building



The Corporate Governance Committee is tasked by the Bank to develop our sustainability path, ensure that our business operations are in line with the sustainability policy and strategies, and monitor the progress of overall operations. To ensure our sustainability-related operations are managed effectively, the Bank has assigned the sustainable

development team, under the Office of President, to plan and drive our sustainability performance by communicating, supporting and collaborating with relevant parties inside and outside the organization.

Sustainability Guidelines	Materiality Issues	UN Sustainable Development Goals
Be Resilient	Risk and Crisis Management ●	
Be Responsible	Responsible Finance ●	
	Financial Literacy ●	
	Financial Inclusion ●	
	Community Development ●	
	Mitigation of Environmental Footprint and Climate Impact ●	
Be Customer Centric	Digitalization and Innovation ●	
	Customer Relationship Management ●	
	Cybersecurity and Customer Data Privacy Protection ●	
Be Caring	Talent Attraction and Development ●	
	Employee Welfare and Wellbeing ●	
Be Ethical	Corporate Governance ●	
	Code of Conduct ●	
	Human Rights ●	
	Supply Chain Management ●	

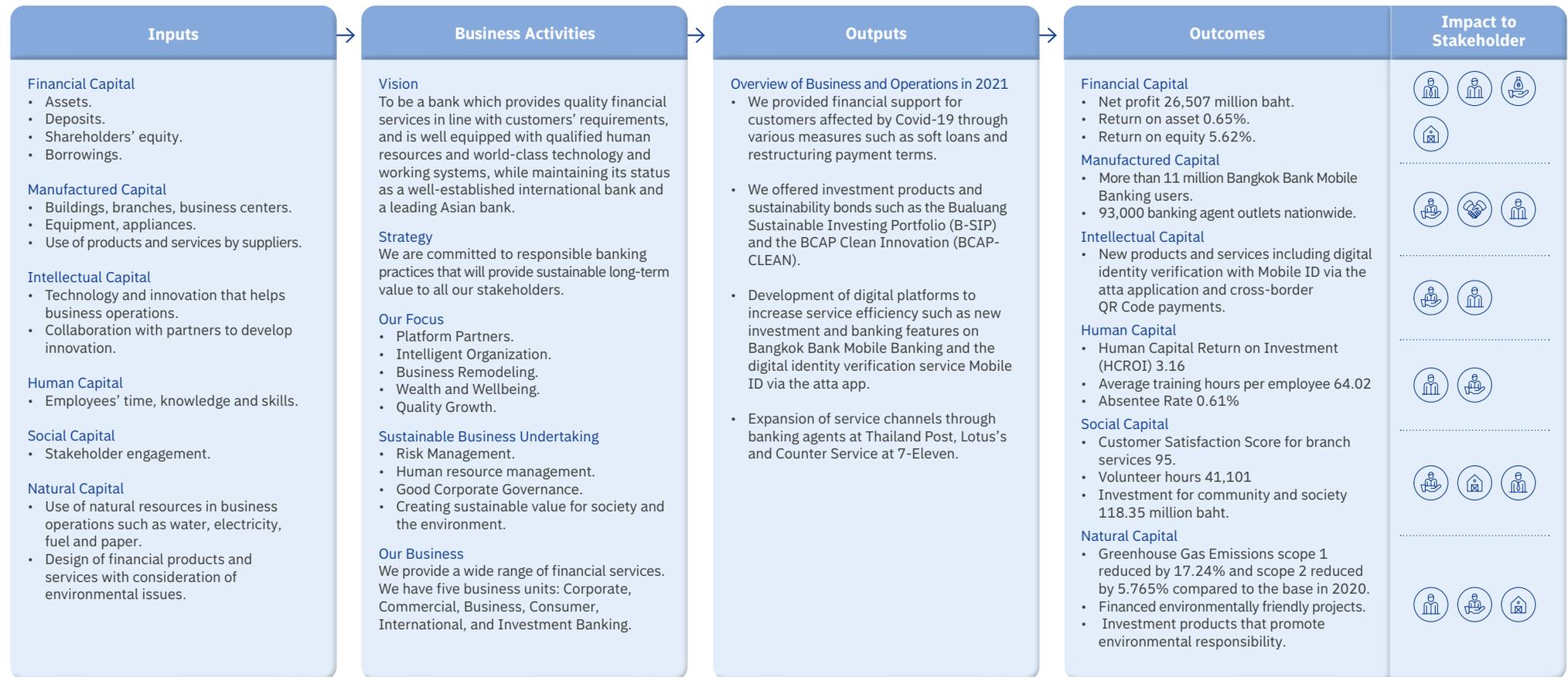
● Economic ● Social ● Environment



3.2 Managing the Impact on Stakeholders in the Business Value Chain

We are committed to managing the business value chain efficiently and effectively by considering potential impacts on stakeholders. The Bank has identified six types of capital, namely financial capital, manufactured capital, intellectual capital, human capital, social capital, and natural capital to deliver sustainable performance for the Bank and all groups of stakeholders.

capital, social capital, and natural capital to deliver sustainable performance for the Bank and all groups of stakeholders.





For our sustainability operations to effectively meet the needs of all parties, we promote stakeholder engagement across the value chain. Stakeholders consist of 1. Shareholders and investors, 2. Employees, 3. Customers (business and individual), 4. Counterparties (suppliers, service providers and contractors), 6. Financial institutions, and 7. Community, society and environment including regulatory authorities, civil society and mass media. We promote stakeholder engagement by providing opportunities for stakeholders to share their opinions and suggestions through our communication channels and activities. Their feedback helps us to improve our product and service quality as well as other aspects of our operations. We are pleased to work with all stakeholders to achieve common goals including the UNSDGs, the reduction of Greenhouse Gas Emissions under the Paris Agreement and the National Strategy. We are committed to balancing business, social and environmental interests to support sustainable growth for all.

3.3 Sustainability Management in the Environmental Dimension

We understand the importance of natural resource conservation and environmental protection and are committed to contributing towards the mitigation of climate change issues. Our environmental and energy conservation policy provides guidelines for responsible environmental management and energy use across the organization. It is aligned with relevant laws while giving priority to energy conservation, reduction of greenhouse gases and waste management. To build environmental consciousness, we promote awareness

among our employees about these issues through internal communications and activities and we encourage them to engage in our environmental protection activities.

In 2021 we reviewed our sustainability goals to meet the growing concerns in Thailand and the world. We established the goal of managing our direct and indirect Greenhouse Gas Emissions (scope 1 and 2) to be consistent with the Paris Agreement goal of limiting the rise in global temperatures to well below 2 degrees Celsius.

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

Our activities to help reduce our environmental impact are as follows:

1. Banking That Promotes Responsible Environmental Practices

- We financed the development of environmentally friendly projects such as loans for investments in renewable energy power projects and the Bualuang Green Loan for enterprises investing in renewable energy systems, waste management and the use of biomaterials to replace chemicals.
- We offered investment products that protect the environment such as the BCAP Clean Innovation Fund (BCAP-CLEAN) which invests in businesses and innovations that sustain the environment and we were an underwriter of green bonds.

- Our enhanced digital banking services include additional features for Bangkok Bank Mobile Banking and providing options such as opening accounts online and making cashless payments to meet customer needs and conserve resources by reducing transactions at branches.

2. Reducing Energy and Resources Used in the Workplace and Greenhouse Gas Emissions from the Bank's Business Operations

- We replaced and upgraded equipment to increase energy efficiency in our offices and bank branches nationwide.
- We implemented waste segregation in our five head office buildings to help the related district offices reduce the cost of waste management and enhance Thailand's overall waste management capacity, to promote the campaign for general waste reduction as landfills contribute to methane emissions, and to encourage recycling that converts waste materials into new materials.
- We reduced paper use in our offices by setting printers to print double sided and encouraged the reduction of paper use by sending electronic messages.

3. Building Awareness and Support for Environmental Projects

- We developed a training course on energy conservation in buildings and made this mandatory for all employees.
- We encouraged our employees to conserve water and electricity and reduce waste by using reusable food containers instead of foam containers, a water



bottle instead of plastic cups and reusable cloth bags instead of plastic ones.

- We provided information about waste separation to promote the efficient use of resources and reduce waste volume at home and at work.
- Together with the Utokapat Foundation, we sponsored a community project to tackle drought issues by building a collaborative network and sharing knowledge about sustainable water management in areas at risk of drought. We also worked towards increasing the efficiency of water resources, building reservoirs, and distributing water to communities for both personal consumption and agriculture.
- Our Silom Head Office building was certified by the Thailand Greenhouse Gas Management Organization (Public Organization) as a carbon neutral organization after purchasing carbon credits from renewable energy projects aimed at producing renewable energy from solar cells worth 12,726 tons of carbon equivalent (CO2e) from BCPG Public Company Limited.

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

- The systematic collection of data helps improve the quality of data, allowing us to better manage resource and energy consumption. We have been building a resource and energy consumption database and broadening the scope of data collection to cover the whole organization. In 2021, we conducted an audit of the environmental data disclosed in the Sustainability Report for the first time by appointing a consultancy as a verification body which was registered with the Thailand Greenhouse Gas Management Organization

(Public Organization) to ensure our data performance is reported accurately and in accordance with international standards.



3.4 Sustainability Management in the Social Dimension

Given our home base is in Thailand, we wish to support efforts that provide people with a good life, equality and fair treatment. This includes respecting human rights in accordance with both Thai laws and international standards, promoting financial inclusion and literacy, caring for our customers and employees and participating in community and social development efforts. We believe sustaining people’s wellbeing will help the country as well as the Bank to grow sustainably.

Our actions to create value for society include:

1. Human Rights

We align our human rights policy with local laws and international standards such as the Universal Declaration of Human Rights (UDHR), The International Labour Organization (ILO) Conventions and the United Nations Guiding Principles on Business and Human Rights (UNGPs). We endeavor to follow best practices in human rights by providing equal and fair treatment of employees, fair financial services to our customers, not lending to activities involving child labor or forced labor, helping our supply chain counterparties to conform to labor laws, supporting careers for disabled people, providing financial literacy for visually impaired people and preventing exploitation of vulnerable groups, including female workers, underage workers and disabled people.



2. Financial Inclusion and Financial Literacy

We recognize the importance of promoting financial inclusion and financial literacy, which is a foundation for business growth, creating wellbeing and narrowing gaps in opportunities. We provide financial knowledge through various channels for customers, businesses, the general public and vulnerable groups, such as visually impaired people, to build awareness and understanding about financial planning for retirement, savings and debt management. We also provide advice about investment and the benefits of financial products.

To encourage financial inclusion we provide financial access and share knowledge with SME operators to enhance their business potential. We have created an online social network called Bangkokbanksme that serves as an online platform for knowledge sharing with business operators and the general public. This includes articles and analysis about the economy, business and finance. We offer a banking agent service which provides inclusive access to financial services for people living in remote areas. This ensures banking services are available around the country and can be easily accessed at convenient times. Furthermore, we have adapted Bualuang ATM to provide convenient and safe access for visually impaired people, we provide basic banking accounts for state welfare cardholders or those aged over 65, and loans for farmers and SME.

3. Responsibility Towards Customers

We adhere to responsible banking practices by respecting the basic rights of our customers. We have established guidelines for fair customer treatment which includes

offering financial products and services to customers in a comprehensive, accurate, clear and appropriate manner and that is in line with their needs without distortions, exploitation or force. We regularly monitor the performance of employees to ensure that the offering of sales and services meets these guidelines. To ensure customer data privacy is protected and the rights of data owners are respected, we strictly follow relevant rules and regulations and clearly communicate these so that employees at all levels can fully comply with the law in their daily operations.

4. Employee Care and Development

All employees play a significant role in our business operations. We are committed to providing them with a safe and happy workplace by providing welfare that supports their own wellbeing and that of their family, encouraging good work relationships, organizing activities that promote good health, providing occupational health and safety, promoting career advancement, skill development and employee empowerment with lifelong learning courses to ensure they have good physical and mental health and are able to perform their duties and advance in their career to their fullest potential.

During the Covid-19 pandemic, we placed special emphasis on the health and safety of our employees by providing a safe occupational health and work environment, including the distribution of masks and alcohol gel, and providing alternative vaccination options for employees and their family. We adapted the way we worked by using appropriate digital technology so that our employees were able to work and attend training

programs from home to prevent the spread of Covid-19. This also helped prepare our people for further digital transformation.

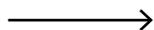
5. Community and Social Development

We believe that sustainable development starts with communities that are strong and resilient and where people have the potential to improve their lives. To ensure our community and social development programs add value, we engaged with communities and other stakeholders. Highlights included a sustainable water management project with the Utokapat Foundation, the Caravan Samranjai program about visiting local communities, support for a mobile medical unit, the CONNEXT ED school project, the Partnership School project, the Bualuang Korkankru project and the Modern Agriculture Project.

Interested persons can view additional activities in community and social dimensions in the Sustainability Report 2021.



4. Management Discussion and Analysis



4.1 Operating Results and Financial Position

Overall Picture of the Bank and its Subsidiaries

	2021	2020	Million Baht Change (%)
Net profit ^{/1}	26,507	17,181	54.3%
Earnings per share (Baht)	13.89	9.00	54.3%
Net interest margin	2.10%	2.24%	(0.14)%
Net fees and service income to operating income ratio	21.7%	20.8%	0.9%
Cost to income ratio	50.0%	55.6%	(5.6)%
Return on average assets ^{/1}	0.65%	0.48%	0.17%
Return on average equity ^{/1}	5.62%	3.96%	1.66%

^{/1} Attributable to owners of the Bank

	December 2021	December 2020	Million Baht Change (%)
Loans	2,588,339	2,368,238	9.3%
Deposits	3,156,940	2,810,863	12.3%
Loan to deposit ratio	82.0%	84.3%	(2.3)%
Non-performing loan (Gross NPL) ^{/1}	101,103	104,401	(3.2)%
Gross NPL to total loans ratio ^{/1}	3.2%	3.9%	(0.7)%
Allowance for expected credit losses to NPL ratio ^{/1}	225.8%	186.8%	39.0%
Total capital adequacy ratio	19.57%	18.34%	1.23%

^{/1} Including interbank and money market lending

In 2021, Bangkok Bank and its subsidiaries reported a net profit of Baht 26,507 million, an increase of 54.3 percent from 2020. Net interest income rose by 6.6 percent from the previous year due to the full-year consolidation of PermataBank's net interest income and lower interest expenses resulting from management of the cost of deposits. The net interest margin stood at 2.10 percent. Non-interest income rose by 25.7 percent, mainly due to an increase in net fees and service income from securities business, loan-related services, bancassurance and mutual funds, along with an increase in gains on mark to market of financial assets in line with the market environment.

Operating expenses rose by 2.0 percent from 2020 as a result of the full-year consolidation of PermataBank's operating expenses. Meanwhile, the cost to income ratio declined to 50.0 percent. The Bank maintained its prudent approach by setting aside expected credit losses of Baht 34,134 million to accommodate future uncertainty from the impact of the Covid-19 outbreaks, while closely monitoring the situation regarding the Omicron variant and potential risks arising from new variants.

At the end of December 2021, the Bank's total loans amounted to Baht 2,588,339 million, an increase of 9.3 percent from the end of 2020, due mainly to loans to large corporate customers and loans made through the Bank's international network. The non-performing loan to total loans ratio decreased to 3.2 percent, while the allowance for expected credit losses to non-performing loans ratio remaining strong at 225.8 percent.

At the end of December 2021, the Bank's deposits amounted to Baht 3,156,940 million, an increase of 12.3 percent from the end of December 2020, reflecting customers' desire to maintain highly liquid assets during uncertain times. Accordingly, the loan to deposit ratio stood at 82.0 percent. In September 2021, the Bank issued 15-year Subordinated Notes qualified as Basel III-compliant Tier 2 capital amounting to USD 1,000 million, which further strengthened the Bank's diverse capital structure. At the end of December 2021, the total capital adequacy ratio, Tier 1 capital adequacy ratio, and Common Equity Tier 1 capital adequacy ratio of the Bank and its subsidiaries stood at 19.57 percent, 15.98 percent and 15.15 percent, respectively, comfortably above the Bank of Thailand's (BOT) minimum capital requirements.



Operating Income and Expenses of the Bank and its Subsidiaries

	Million Baht		
	2021	2020	Change (%)
Net interest income	82,156	77,046	6.6%
Non-interest income	52,385	41,682	25.7%
Operating expenses	67,266	65,974	2.0%
Expected credit losses	34,134	31,196	9.4%
Operating profit before tax	33,141	21,558	53.7%
Income tax expenses	6,189	4,013	54.2%
Net profit	26,952	17,545	53.6%
Net profit ^{/1}	26,507	17,181	54.3%
Total comprehensive income ^{/1}	50,394	30,056	67.7%

^{/1} Attributable to owners of the Bank

In 2021, net profit attributable to owners of the Bank amounted to Baht 26,507 million, an increase of Baht 9,326 million or 54.3 percent from the previous year. Net interest income increased by 6.6 percent, due to the full-year consolidation of PermataBank's net interest income combined with a decline in interest expenses from management of the cost of deposits. Non-interest income rose by 25.7 percent from an increase in net fees and service income from the securities business, loan-related services as well as bancassurance and mutual funds, together with an increase in gains on financial instruments measured at FVTPL in line with the market environment. Meanwhile, operating expenses increased by 2.0 percent from the full-year consolidation of PermataBank's expenses. The Bank set aside additional expected credit losses in accordance with its prudent approach to accommodate future uncertainty from the impact of the Covid-19 outbreaks, while closely monitoring the situation regarding the Omicron variant and risks from the emergence of new variants.

Net Interest Income

In 2021, net interest income amounted to Baht 82,156 million, rising by 6.6 percent from the previous year due to the full-year consolidation of PermataBank's income, together with a decrease in interest expenses on deposits from cost management.

	Million Baht		
	2021	2020	Change (%)
Interest income			
Loans	96,929	95,994	1.0%
Interbank and money market items	6,250	5,431	15.1%
Investments	11,133	11,098	0.3%
Total interest income	114,312	112,523	1.6%
Interest expenses			
Deposits	18,195	22,437	(18.9)%
Interbank and money market items	891	952	(6.4)%
Contributions to the Deposit Protection Agency and Financial Institutions Development Fund	6,500	5,846	11.2%
Debt issued and borrowings	6,570	6,242	5.3%
Total interest expenses	32,156	35,477	(9.4)%
Net interest income	82,156	77,046	6.6%
Yield on earning assets	2.92%	3.28%	(0.36)%
Cost of funds	0.94%	1.19%	(0.25)%
Net interest margin	2.10%	2.24%	(0.14)%



Bangkok Bank Interest Rate	Dec'21	Sep'21	Jun'21	Mar'21	Dec'20	Sep'20	Jun'20	Mar'20	Dec'19
Loans (%)									
MOR	5.875	5.875	5.875	5.875	5.875	5.875	5.875	6.500	6.875
MRR	5.950	5.950	5.950	5.750	5.750	5.750	5.750	6.500	6.875
MLR	5.250	5.250	5.250	5.250	5.250	5.250	5.250	5.875	6.000
Deposits (%)									
Savings	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.375	0.500-0.625
3-month Fixed	0.375	0.375	0.375	0.375	0.375	0.375	0.375	0.500	1.000
6-month Fixed	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.625	1.250
12-month Fixed	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.750	1.375-1.500
Bank of Thailand Policy Rate (%)	0.500	0.750	1.250						

Non-Interest Income

In 2021, non-interest income was Baht 52,385 million, rising by 25.7 percent. This was due predominantly to an increase in net fees and service income from securities business, loan-related services as well as bancassurance and mutual funds, together with higher gains on financial instruments measured at FVTPL.

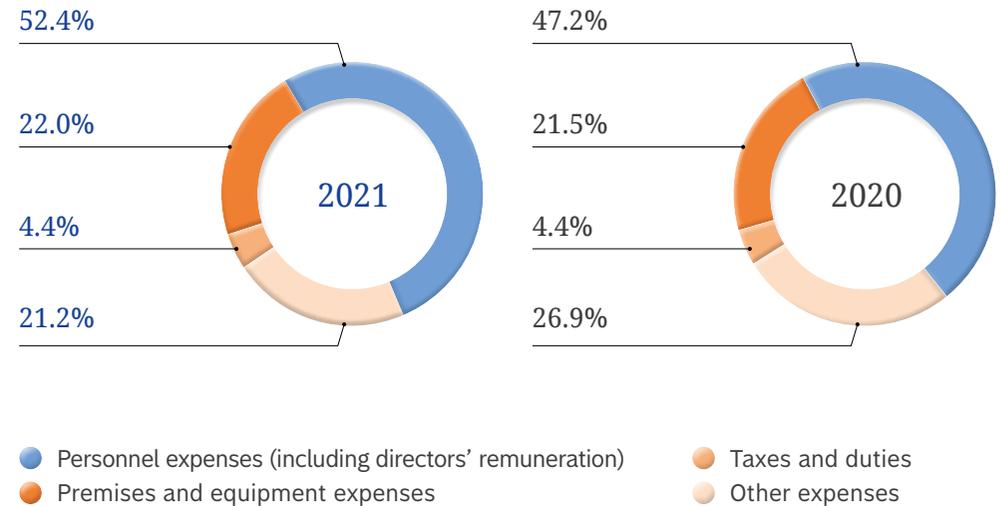
	2021	2020	Change (%)
Fees and service income	39,127	34,168	14.5%
Less fees and service expenses	9,918	9,457	4.9%
Net fees and service income	29,209	24,711	18.2%
Gains on financial instruments measured at FVTPL	17,868	11,058	61.6%
Gains on investments	1,225	2,512	(51.2)%
Share of profit (losses) from investment for using equity method	209	(14)	1,592.9%
Gains on disposal of assets	519	734	(29.3)%
Dividend income	2,252	2,039	10.4%
Other operating income	1,103	642	71.8%
Total other operating income	23,176	16,971	36.6%
Total non-interest income	52,385	41,682	25.7%
Net fees and service income to operating income ratio	21.7%	20.8%	0.9%



Operating Expenses

Operating expenses for 2021 amounted to Baht 67,266 million, increasing by Baht 1,292 million or 2.0 percent from 2020 due mainly to the full-year consolidation of PermataBank's expenses.

	2021	2020	Million Baht Change (%)
Personnel expenses	35,003	30,960	13.1%
Directors' remuneration	264	187	41.2%
Premises and equipment expenses	14,765	14,165	4.2%
Taxes and duties	2,949	2,929	0.7%
Other expenses	14,285	17,733	(19.4)%
Total operating expenses	67,266	65,974	2.0%
Cost to income ratio	50.0%	55.6%	(5.6)%



Expected Credit Losses

In 2021, the Bank set aside Baht 34,134 million in expected credit losses in line with its prudent approach as it continues to assess and closely monitor the impact from the Covid-19 pandemic including the Omicron variant and potential risks arising from new

variants. Expected credit losses cover loans, interbank and money market items, and debt securities, which are not measured at FVTPL, as well as loan commitments and financial guarantee contracts.



Significant Items in the Financial Position

Assets

As of December 31, 2021, total assets amounted to Baht 4,333,281 million, increasing by 13.3 percent from the end of December 2020, mainly from an increase in net interbank and money market items to manage the Bank's liquidity together with an increase in business loans.

	Million Baht		
	December 2021	December 2020	Change (%)
Net interbank and money market items	801,212	519,036	54.4%
Financial assets measured at FVTPL	84,341	57,936	45.6%
Net investments	803,637	758,482	6.0%
Net investments in associates	1,329	911	45.9%
Loans	2,588,339	2,368,238	9.3%
Net properties for sale	9,496	9,754	(2.6)%
Total assets	4,333,281	3,822,960	13.3%

Loans

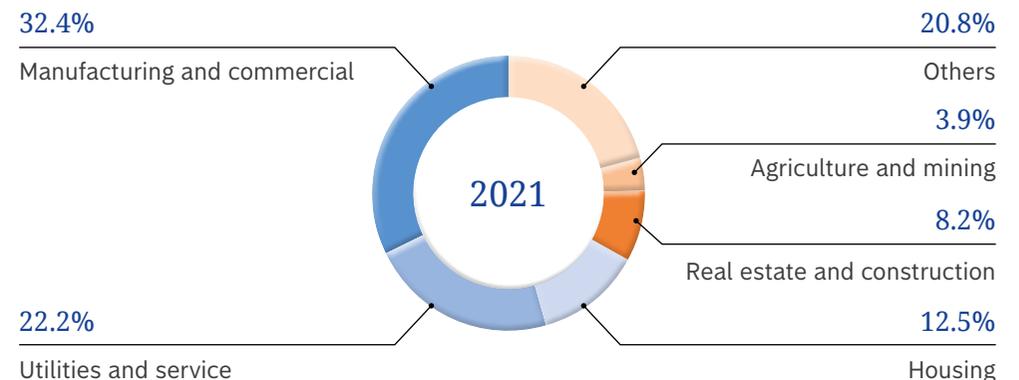
As of December 31, 2021, loans amounted to Baht 2,588,339 million, rising by 9.3 percent from the end of the previous year due to increases in loans to corporate customers and loans made through the Bank's international network.

Loan by Business Type

The Bank and its subsidiaries had loans distributed across business sectors, with 32.4 percent in the manufacturing and commercial sector, 22.2 percent in the utilities and

services sector, 12.5 percent in the housing sector, and 8.2 percent in the real estate and construction sector. The increase in loans from the end of December 2020 was mainly driven by other sectors and manufacturing and commercial sector.

	Million Baht		
	December 2021	December 2020	Change (%)
Manufacturing and commercial	839,469	791,828	6.0%
Utilities and services	574,485	539,151	6.6%
Housing	324,546	302,142	7.4%
Real estate and construction	211,647	211,510	0.1%
Agriculture and mining	101,487	78,175	29.8%
Others	536,705	445,432	20.5%
Total loans	2,588,339	2,368,238	9.3%





Classified Loans and Allowance for Expected Credit Losses

Non-performing loan (Gross NPL) at the end of December 2021 was Baht 101,103 million. The gross NPL to total loans ratio was 3.2 percent.

The allowance for expected credit losses was Baht 228,285 million and the allowance for expected credit losses to NPL ratio was 225.8 percent.

	Million Baht	
	December 2021	December 2020
	Change (%)	
Consolidated		
Non-performing loan (Gross NPL) ^{/1}	101,103	104,401
Gross NPL to total loans ratio ^{/1}	3.2%	3.9%
Net NPL to net total loans ratio ^{/1}	1.0%	1.4%
Allowance for expected credit losses to NPL ratio	225.8%	186.8%
The Bank		
Non-performing loan (Gross NPL) ^{/1}	82,820	91,978
Gross NPL to total loans ratio ^{/1}	3.0%	4.0%

^{/1} Including interbank and money market lending

	Million Baht			
	Loans and Interbank & Money Market		Allowance for Expected Credit Losses ^{/1}	
	December 2021	December 2020	December 2021	December 2020
Non credit-impaired	3,289,055	2,781,073	153,342	121,083
Credit-impaired	101,103	104,401	74,943	73,890
Total	3,390,158	2,885,474	228,285	194,973

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



Investments

As of December 31, 2021, investments amounted to Baht 887,978 million, increasing by Baht 71,566 million or 8.8 percent from the end of December 2020 due to higher investments in foreign debt securities.

A significant proportion of investments were in Thai government and state enterprise securities. As of December 31, 2021, these amounted to Baht 482,201 million, accounting for 54.3 percent of total investments. There were foreign debt securities of Baht 212,726 million, private enterprise debt securities of Baht 21,886 million, and net investment in equity securities of Baht 107,116 million.

Investments by Investment Holding	Million Baht		
	December 2021	December 2020	Change (%)
Trading securities	13,104	7,833	67.3%
Securities measured at FVTPL	71,237	50,097	42.2%
Debt securities measured at amortized cost	46,053	38,884	18.4%
Debt securities measured at FVOCI	667,473	639,438	4.4%
Equity securities measured at FVOCI	90,111	80,160	12.4%
Total investments	887,978	816,412	8.8%

Liabilities and Shareholders' Equity

Total liabilities as of December 31, 2021, amounted to Baht 3,838,688 million, increasing by 13.8 percent from the end of December 2020, mainly due to increases in deposits and interbank and money market transactions.

	Million Baht		
	December 2021	December 2020	Change (%)
Deposits	3,156,940	2,810,863	12.3%
Interbank and money market items	288,709	219,149	31.7%
Financial liabilities measured at FVTPL	20,833	19,257	8.2%
Debt issued and borrowings	183,239	136,177	34.6%
Total liabilities	3,838,688	3,372,713	13.8%
Shareholders' equity ^{/1}	492,727	449,014	9.7%

^{/1} Attributable to owners of the Bank



Deposits

Total deposits as of December 30, 2021, amounted to Baht 3,156,940 million, rising by 12.3 percent from the end of December 2020 from all type of deposits.

Million Baht

Deposits Classified by Product Type	December 2021		December 2020		Change (%)
	Amount	Portion	Amount	Portion	
Current	273,597	8.7%	165,912	5.9%	64.9%
Savings	1,613,777	51.1%	1,435,331	51.1%	12.4%
Fixed	1,269,566	40.2%	1,209,620	43.0%	5.0%
Total deposits	3,156,940	100.0%	2,810,863	100.0%	12.3%
Loan to deposit ratio		82.0%		84.3%	(2.3)%

Debt Issued and Borrowings

Total debt issued and borrowings as of December 31, 2021 amounted to Baht 183,239 million, an increase of Baht 47,062 million from the end of December 2020, due mainly to

the issuance of 15-year Subordinated Notes qualifying as Basel III-compliant Tier 2 capital of USD 1,000 million in September 2021.

Million Baht

Debt Issued and Borrowings Classified by Type of Instruments	December 2021		December 2020		Change (%)
	Amount	Portion	Amount	Portion	
Senior unsecured notes	83,594	45.6%	75,100	55.1%	11.3%
Subordinated notes	98,640	53.8%	59,835	43.9%	64.9%
Bills of exchange	516	0.3%	814	0.6%	(36.6)%
Others	549	0.3%	507	0.4%	8.3%
Total (before less discount on borrowings)	183,299	100.0%	136,256	100.0%	34.5%
Less Discount on borrowings	60		79		(24.1)%
Total debt issued and borrowings	183,239		136,177		34.6%



Shareholders' Equity

Shareholders' equity attributable to owners of the Bank as of December 31, 2021, amounted to Baht 492,727 million, an increase of Baht 43,713 million or 9.7 percent from the end of 2020. Net profit attributable to owners of the Bank in 2021 was Baht 26,507 million, net of a dividend payment during 2021 of Baht 6,680 million which consisted of a dividend payment for the operating performance in 2020 of Baht 4,772 million (2.50 baht per share) according to the resolution of the shareholders' meeting on April 12, 2021 and the interim dividend payment from net profit from operations in the first half (January to June) of 2021 of Baht 1,908 million (1.00 baht per share), combined with an increase in gains on translating the financial statements of foreign operations.

Sources and Utilization of Funds

As of December 31, 2021, the primary sources of funds were Baht 3,156,940 million or 72.9 percent in deposits, Baht 492,727 million or 11.4 percent in shareholders' equity attributable to owners of the Bank, Baht 288,709 million or 6.7 percent in interbank and money market liabilities, and Baht 204,072 million or 4.7 percent in debt issued and borrowings including financial liabilities measured at FVTPL.

The utilization of funds comprised Baht 2,588,339 million or 59.7 percent in loans, Baht 889,307 million or 20.5 percent in net investments including financial assets measured at FVTPL and net investments in associates and Baht 801,212 million or 18.5 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 from January 1, 2020, onwards. To satisfy the BOT's minimum levels and capital buffer requirements, from January 1, 2020, onwards, the Bank is required to maintain the Common Equity Tier 1 capital adequacy ratio at more than 8.00 percent, the Tier 1 capital adequacy ratio at more than 9.50 percent, and the total capital adequacy ratio at more than 12.00 percent – measured as percentages of total risk-weighted assets.

As of December 31, 2021, the regulatory capital position of the Bank's financial group according to the consolidated financial statements was Baht 560,426 million. The Common Equity Tier 1 capital adequacy ratio was 15.15 percent, the Tier 1 capital adequacy ratio was 15.98 percent, and the total capital adequacy ratio was 19.57 percent.



Million Baht

	December 2021		December 2020		BOT's requirements 2020 onwards
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
Consolidated					
Common Equity Tier 1 capital	433,699	15.15%	407,621	14.89%	> 8.00%
Tier 1 capital	457,469	15.98%	431,381	15.76%	> 9.50%
Tier 2 capital	102,957	3.59%	70,686	2.58%	
Total capital	560,426	19.57%	502,067	18.34%	> 12.00%

Million Baht

	December 2021		December 2020		BOT's requirements 2020 onwards
	Capital	Capital Adequacy Ratio	Capital	Capital Adequacy Ratio	
The Bank					
Common Equity Tier 1 capital	425,758	16.47%	404,418	16.33%	> 8.00%
Tier 1 capital	449,350	17.38%	428,010	17.28%	> 9.50%
Tier 2 capital	101,989	3.95%	69,839	2.82%	
Total capital	551,339	21.33%	497,849	20.10%	> 12.00%

Liquid Assets

Liquid assets consisted of cash, net interbank and money market items, debt securities, and marketable equity securities. As of December 31, 2021, the ratio of liquid assets to total assets and liquid assets to deposits were 38.6 percent and 53.0 percent respectively.

	December 2021	December 2020
Liquid assets/Total assets (%)	38.6	35.3
Liquid assets/Deposits (%)	53.0	48.1



Credit Ratings

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

Credit Rating Agency	December 2021	December 2020
Moody's Investors Service		
Long-term Deposit	Baa1	Baa1
Short-term Deposit	P-2	P-2
Senior Unsecured Debt Instrument	Baa1	Baa1
Subordinated Debt Instrument	Baa2	Baa2
Subordinated Debt (Basel III-compliant Tier 2 securities)	Baa3	Baa3
Subordinated Debt (Basel III-compliant Tier 1 securities)	Ba1	Ba1
Financial Strength (BCA)	baa1	baa1
Outlook	Stable	Stable
S&P Global Ratings		
Long-term Issuer Credit Rating	BBB+	BBB+
Short-term Issuer Credit Rating	A-2	A-2
Senior Unsecured Debt Instrument	BBB+	BBB+
Subordinated Debt Instrument	BBB	BBB
Financial Strength (SACP)	bbb	bbb
Outlook	Stable	Stable

Credit Rating Agency	December 2021	December 2020
Fitch Ratings		
International Rating		
Long-term Issuer Default Rating	BBB	BBB
Short-term Issuer Default Rating	F2	F2
Senior Unsecured Debt Instrument	BBB	BBB
Subordinated Debt Instrument	BB+	BB+
Subordinated Debt (Basel III-compliant Tier 2 securities)	BB+	BB+
Financial Strength (VR)	bbb	bbb
Outlook	Stable	Stable
National Rating		
Long-term	AA+(tha)	AA+(tha)
Short-term	F1+(tha)	F1+(tha)
Outlook	Stable	Stable



4.2 Factors Affecting Banking Industry Performance

Thai commercial banks may face challenges from changing business environments such as the development of exponential technologies, climate change, and changes in consumer behavior and business competition. The major factors that will affect the operations of commercial banks over the next two to three years are:

1. The future landscape of the Thai financial system –

Looking forward, the BOT has strategies for repositioning Thailand's financial sector to support the development of a sustainable digital economy as follows:

- (1) Use technology and data to develop financial innovations and services that meet the needs of users under the key principles of: **Open Competition** to expand the scope or increase the flexibility of financial institutions and non-bank financial institutions to do business and to allow new groups of service providers to compete with existing ones in order to create competition for innovation under supervision in terms of the level of risk and equality with other players including inspection mechanisms and measures to ensure fairness in business operations; **Open Infrastructure** to provide service providers access to financial infrastructure at reasonable and fair costs so that they can effectively compete

and develop financial innovations including the development of financial infrastructure that supports the transition to a digital economy. This interconnected infrastructure will help reduce costs, particularly for the development of infrastructure to support trade and payment transactions for the business sector, the development of retail Central Bank Digital Currencies (CBDC), and credit guarantee mechanisms for various capital needs; and **Open Data** to develop big data which can enable diverse financial service providers to improve the efficiency and accuracy of policymaking, risk management, and the development of products and services that meet the needs of customers. Open Data will enable open, more convenient access to information through standardized Application Programming Interface (API) technology while expanding banks' digital footprint and increasing competition for services. However, protecting the data security and privacy of users must be taken into account and there will be a need for clearer standards and guidelines for data sharing.

- (2) Support sustainable economic transition by requiring the financial sector to seriously assess environmental risks in business operations and encouraging the business sector to adapt during

the transition without causing a negative impact on society while helping the household sector and vulnerable groups to survive and adapt to the new world in a sustainable fashion; and

- (3) Flexible governance to keep up with new risks by adjusting governance systems to be more flexible to allow financial service providers to adjust, develop innovation and deal with significant new risks in a timely manner.

2. The role of non-bank service providers is likely to expand –

New non-bank service providers from other industries such as fintech startups, either operating individually or in partnership with banks, are entering the market by fulfilling needs that are not met by commercial banks. These include peer-to-peer lending platforms directly connecting borrowers with lenders, or Big Tech platforms that offer a full range of services from product sales and delivery to investment and financial services. There are also emerging businesses related to digital assets, and the SEC has regularly licensed and monitored service providers and DeFi technology that eliminates the need for financial intermediaries. These developments will intensify competition within the banking industry. Banks will need to quickly adapt to compete with these new players. Moreover, digital-only or virtual banks are likely to enter the Thai financial system in



the near future. Regulators in many countries, such as South Korea and Singapore, have already issued licenses for digital-only commercial banks. The BOT is currently studying the feasibility, impact and risks before allowing the establishment of virtual banks in Thailand.

3. The advancement of digital technology and financial innovation

Commercial banks are being affected by the development of digital technology which has changed the way people live, operate businesses and conduct transactions. New technology infrastructure is increasing operational efficiency and the development of various financial products and services, such as digital ID, electronic payments, transfers, lending and wealth management, that help make financial transactions more convenient, faster and responsive to the needs of customers who are seeking seamless, integrated solutions. Technology development has also enabled banks to analyze insights by using Big Data and AI to study the changing behaviors of each customer segment, as well as develop products and services to better meet the needs of customers. In the future, new technologies will play a greater role in the banking business. For example, the adoption of blockchain technology to issue letters of credit for companies has greatly increased efficiency and reduced business costs. Recently, the development of DeFi enables transactions to be processed via smart contracts which are very secure and prevent actors from being able to modify or forge information, and

makes the need for intermediaries, such as financial institutions, banks or exchanges, redundant.

4. Central Bank Digital Currencies will play an increasing role in the financial system

Alternative digital currencies, especially cryptocurrency and the development of financial services through DeFi, are playing an increasingly important role in the financial system as they can meet the needs of some users both in terms of convenience and low financial costs, while the private sector has played an important role in facilitating digital payments. As a result, the use of digital wallets to pay for goods and services, including investment in cryptocurrency, is expanding rapidly. In addition, it is likely that cryptocurrencies will soon be able to perform the functions of money, including being a store of value, medium of exchange and unit of account. These will reduce the role of fiat money which is regulated by central banks. This will affect monetary sovereignty, reduce the independence of central banks, and undermine the effectiveness of monetary policy to manage the economy as well as reduce the ability of regulators to maintain stability of the financial system and protect investors. For this reason, many central banks are developing CBDC for public use, such as the digital yuan or E-CNY in China and the EU's Virtual Euro, to be introduced in 2025. CBDC aim to bridge the gap between fiat currency and cryptocurrencies. This will help mitigate the impact on monetary sovereignty by optimizing the efficiency and format of public money in line with the evolution

of the changing financial landscape by providing infrastructure and financial technology that can support and connect with new alternative currencies, as well as enabling new players in the financial space that can develop and meet the needs of the digital world. There is also further development for cross-border payments with international CBDC developed on different platforms to enable interoperability. For Thailand, the BOT is planning a public pilot of the digital baht in 2022. New innovations are expected to emerge from the development of this CBDC as well from the application of smart contracts.

5. Competitive challenges for SME

Access to financial services from financial institutions is a key challenge for Thai SME due to their lack of information or having an insufficient financial history. This makes it difficult for them to access loans which can limit their competitiveness and ability to adapt to disruption, especially in terms of innovation development and creating value-added products and services. During the Covid-19 outbreak, some SME successfully used digital technology, such as selling their food and products through online platforms, but many still have not sufficiently adapted to the digital transformation. The next phase of Thailand's K-shaped economic recovery may create more challenges for SME, especially small SME with lower adaptability in the service sector where the recovery is expected to be slower. Businesses in this group tend to have weak financial positions, low liquidity and insufficient



funds to adapt to digital transformation. Meanwhile, most large or medium-sized businesses with high liquidity, more assets and high adaptability are in manufacturing, exporting, or businesses that benefit from changes in consumer behavior enabling them to increase their competitiveness in a timely manner. Differences in the competitiveness of these two business groups could result in increased economic inequality. However, the BOT's approach to adjusting the financial landscape, especially the openness for both existing and new players to compete to provide services and develop financial innovations as well as the openness to the use of information, allows service providers to leverage multiple data sources to develop innovative and financial services, such as credit analysis based on borrower behavior and potential data, and risk-based pricing. These developments could help improve SME access to loans which they could use to enhance their competitiveness and adapt to digital transformation. This provides greater opportunities for the Thai economy to develop sustainably.

6. The financial sector will play an increasing role in sustainable development – Sustainable development is becoming increasingly important globally due to environmental challenges, especially the problem of global warming from climate change. There have been many international efforts to achieve net zero Greenhouse Gas Emissions and carbon neutrality within this century. As such, Thailand must accelerate the development of knowledge, technology and innovation to reduce Greenhouse Gas Emissions and adapt to challenges posed by climate change. In doing so, the government will need to support the private sector so they can access funds and technology to transform their organizations and move the country towards an economy that creates value in a more environmentally friendly way. At present, the Thai financial sector, particularly commercial banks, has a role to play in supporting sustainable development in accordance with sustainable banking principles, which focus on the long-term sustainable growth of businesses and society by providing responsible lending and reducing social inequality by promoting financial inclusion. This also includes efforts to

embed ESG principles into business processes and the culture and values of Thai financial institutions. Recently, Thai regulators, led by the BOT, issued the “Sustainable Finance Initiatives for Thailand” which will create an ecosystem that supports the transition to a more sustainable economy and financial sector by developing practical taxonomy, disclosing reliable and transparent ESG information that complies with international standards, implementing effective incentives to stimulate investment in sustainable financial products, creating demand-led products and services, and building human capital in the financial sector with quality and knowledge to drive sustainable finance that yields tangible results.

These factors will underpin the transformation of the Thai economy through a combination of government policies and changes in business conduct and consumer behavior. Therefore, Thai commercial banks must be ready to cope with these changes to move forward in a sustainable way.



4.3 Information from the Financial Statements and Significant Financial Ratios

Financial Statement

- Auditor**

An Auditor is Deloitte Touche Tohmatsu Jaiyos Audit Company Limited who has audited the financial statements for the years 2021, 2020 and 2019.

- Summary of Independent Auditor's Report 2021, 2020 and 2019**

An Auditor expressed an unqualified opinion on the consolidated financial statement and the Bank's financial statement for the years ended December 31, 2021, 2020 and 2019.

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES STATEMENT OF FINANCIAL POSITION

	CONSOLIDATED			THE BANK		
	AS AT DECEMBER 31,			AS AT DECEMBER 31,		
	2021	2020	2019	2021	2020	2019
ASSETS						
CASH	62,551,767	73,886,309	58,090,112	57,854,239	70,013,515	58,012,561
INTERBANK AND MONEY MARKET ITEMS, NET	801,212,497	519,036,028	472,349,351	626,065,197	374,778,755	442,584,108
FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	84,341,349	57,936,242	-	96,497,917	69,359,414	-
DERIVATIVES ASSETS	42,359,296	67,560,232	49,807,012	41,749,252	66,143,443	49,687,316
INVESTMENT, NET	803,636,528	758,482,179	647,696,626	663,088,369	670,444,629	610,535,400
INVESTMENT IN SUBSIDIARIES AND ASSOCIATED, NET	1,328,586	911,321	1,737,450	144,316,959	144,589,329	38,414,900
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	2,376,026,685	2,189,102,088	1,891,046,281	2,025,671,183	1,896,205,127	1,836,721,735
CUSTOMER'S LIABILITY UNDER ACCEPTANCES	-	-	1,626,872	-	-	103,722
PROPERTIES FOR SALE, NET	9,495,944	9,753,914	9,362,849	8,498,534	7,754,245	8,368,141
PREMISES AND EQUIPMENT, NET	64,980,166	65,049,861	40,753,955	54,181,783	55,460,373	39,504,853
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	36,808,534	32,307,811	1,760,117	1,579,427	1,451,391	1,673,358
DEFERRED TAX ASSETS	6,336,519	7,939,617	4,542,443	2,532,787	2,082,884	3,360,374
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES	12,906,449	12,833,047	17,506,277	12,779,785	12,699,962	17,419,107
OTHER ASSETS, NET	31,296,588	28,161,036	20,463,750	19,016,792	13,977,916	16,975,764
TOTAL ASSETS	4,333,280,908	3,822,959,685	3,216,743,095	3,753,832,224	3,384,960,983	3,123,361,339

Baht : '000

**BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)**

Baht : '000

	CONSOLIDATED			THE BANK		
	AS AT DECEMBER 31,			AS AT DECEMBER 31,		
	2021	2020	2019	2021	2020	2019
LIABILITIES AND SHAREHOLDERS' EQUITY						
DEPOSITS	3,156,939,789	2,810,862,624	2,370,792,167	2,665,646,333	2,485,596,798	2,316,034,607
INTERBANK AND MONEY MARKET ITEMS	288,708,547	219,149,193	134,346,323	280,748,435	162,499,180	129,277,274
LIABILITY PAYABLE ON DEMAND	8,112,863	7,257,360	5,523,288	8,112,243	6,702,768	5,488,403
FIANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	20,833,104	19,256,663	-	20,566,545	19,056,520	-
DERIVATIVES LIABILITIES	50,264,330	57,127,821	37,837,421	49,716,357	56,212,287	37,370,815
DEBT ISSUED AND BORROWINGS	183,239,266	136,176,779	144,680,567	182,379,356	133,963,539	144,315,507
BANK'S LIABILITY UNDER ACCEPTANCES	-	-	1,626,872	-	-	103,722
PROVISIONS	25,814,558	27,305,660	18,701,528	23,595,568	25,065,453	18,428,103
DEFERRED TAX LIABILITIES	1,358,026	2,447,583	2,364,416	984,178	2,588,682	2,158,732
OTHER LIABILITIES	103,417,868	93,128,867	72,754,204	57,310,822	53,792,151	51,721,099
TOTAL LIABILITIES	3,838,688,351	3,372,712,550	2,788,626,786	3,289,059,837	2,945,477,378	2,704,898,262

**BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONTINUED)**

	Baht : '000					
	CONSOLIDATED			THE BANK		
	AS AT DECEMBER 31,			AS AT DECEMBER 31,		
	2021	2020	2019	2021	2020	2019
SHAREHOLDERS' EQUITY						
SHARE CAPITAL						
Registered share capital						
1,655,000 preferred shares of Baht 10 each	16,550	16,550	16,550	16,550	16,550	16,550
3,998,345,000 common shares of Baht 10 each	39,983,450	39,983,450	39,983,450	39,983,450	39,983,450	39,983,450
Issued and paid-up capital						
1,908,842,894 common shares of Baht 10 each	19,088,429	19,088,429	19,088,429	19,088,429	19,088,429	19,088,429
PREMIUM ON COMMON SHARE	56,346,232	56,346,232	56,346,232	56,346,232	56,346,232	56,346,232
OTHER RESERVE	66,348,614	47,256,838	34,471,457	57,340,405	52,849,874	40,383,596
RETAINED EARNINGS						
Appropriated						
Legal reserve	26,000,000	25,000,000	24,000,000	26,000,000	25,000,000	24,000,000
Others	116,500,000	111,500,000	106,500,000	116,500,000	111,500,000	106,500,000
Unappropriated	208,443,791	189,822,190	187,345,092	189,497,321	174,699,070	172,144,820
TOTAL BANKS' EQUITY	492,727,066	449,013,689	427,751,210	464,772,387	439,483,605	418,463,077
NON-CONTROLLING INTEREST	1,865,491	1,233,446	365,099	-	-	-
TOTAL SHAREHOLDERS' EQUITY	494,592,557	450,247,135	428,116,309	464,772,387	439,483,605	418,463,077
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,333,280,908	3,822,959,685	3,216,743,095	3,753,832,224	3,384,960,983	3,123,361,339



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Baht : '000					
	CONSOLIDATED			THE BANK		
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2021	2020	2019	2021	2020	2019
INTEREST INCOME	114,312,544	112,523,517	112,565,219	83,284,576	94,695,292	108,129,726
INTEREST EXPENSES	32,156,484	35,477,057	41,493,764	21,273,916	27,805,781	39,874,777
NET INTEREST INCOME	82,156,060	77,046,460	71,071,455	62,010,660	66,889,511	68,254,949
FEES AND SERVICE INCOME	39,127,387	34,167,918	39,280,197	27,404,183	26,795,044	33,873,573
FEES AND SERVICE EXPENSES	9,918,176	9,456,915	10,775,642	8,206,221	8,800,699	10,581,567
NET FEES AND SERVICE INCOME	29,209,211	24,711,003	28,504,555	19,197,962	17,994,345	23,292,006
GAIN ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	17,867,820	11,057,904	-	15,649,215	9,651,307	-
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS	-	-	7,847,526	-	-	7,251,972
GAINS ON INVESTMENTS	1,225,150	2,512,154	19,764,691	156,139	2,177,491	19,102,850
SHARE OF PROFIT (LOSS) FROM INVESTMENT USING EQUITY METHOD	208,855	(14,492)	92,582	-	-	-
GAINS ON DISPOSAL OF ASSETS	519,198	734,126	2,134,552	401,504	721,912	1,031,659
DIVIDEND INCOME	2,251,676	2,039,396	3,769,070	4,236,874	3,597,669	6,632,283
OTHER OPERATING INCOME	1,102,693	641,626	561,599	371,690	382,131	406,089
TOTAL OPERATING INCOME	134,540,663	118,728,177	133,746,030	102,024,044	101,414,366	125,971,808



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Baht : '000					
	CONSOLIDATED			THE BANK		
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2021	2020	2019	2021	2020	2019
OTHER OPERATING EXPENSES						
Employee's expenses	35,003,148	30,959,431	26,725,848	24,813,000	24,848,414	24,141,378
Directors' remuneration	263,448	186,931	166,742	134,148	128,220	126,540
Premises and equipment expenses	14,764,803	14,165,327	11,788,808	11,423,141	12,034,242	11,053,997
Taxes and duties	2,949,196	2,928,889	3,364,301	2,868,153	2,880,048	3,313,109
Others	14,285,122	17,733,376	12,917,335	9,291,684	14,578,533	11,584,279
TOTAL OTHER OPERATING EXPENSES	<u>67,265,717</u>	<u>65,973,954</u>	<u>54,963,034</u>	<u>48,530,126</u>	<u>54,469,457</u>	<u>50,219,303</u>
EXPECTED CREDIT LOSS	34,133,611	31,195,868	-	26,011,719	27,888,515	-
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	-	-	32,351,077	-	-	31,744,338
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	33,141,335	21,558,355	46,431,919	27,482,199	19,056,394	44,008,167
INCOME TAX EXPENSES	6,189,220	4,013,619	10,219,204	4,831,735	3,418,355	9,220,175
NET PROFIT	<u>26,952,115</u>	<u>17,544,736</u>	<u>36,212,715</u>	<u>22,650,464</u>	<u>15,638,039</u>	<u>34,787,992</u>



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	CONSOLIDATED			THE BANK		
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2021	2020	2019	2021	2020	2019
OTHER COMPREHENSIVE INCOME (LOSSES)						
Items that will be reclassified subsequently to profit or loss						
Gains (losses) on investments in debt instruments at fair value through other comprehensive income	(6,742,229)	2,964,758	-	(6,608,454)	1,839,100	-
Losses on remeasuring available-for-sale investment	-	-	(2,208,474)	-	-	(2,230,950)
Gains (losses) on cash flow hedges	(506,394)	260,583	-	(506,394)	260,583	-
Gains arising from translating the financial statements of foreign operations	20,196,245	4,115,474	(5,705,941)	6,033,617	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)	1,671,185	(231,478)	487,574	1,648,107	15,270	495,650
Items that will not be reclassified subsequently to profit or loss						
Changes in revaluation surplus	643,545	14,524,289	-	-	13,987,474	-
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income	10,599,899	(6,067,116)	-	10,539,297	(5,340,383)	-
Gains (losses) on financial liabilities designated at fair value through profit or loss	(567,419)	958,884	-	(567,419)	958,884	-
Actuarial gains (losses) on defined benefit plans	986,754	(428,401)	(1,695,259)	935,437	(284,680)	(1,703,714)
Share of other comprehensive income (loss) of associates	(2,466)	1,962	-	-	-	-
Income tax relating to component of other comprehensive income (losses)	(2,279,082)	(3,233,984)	337,942	(2,155,609)	(3,324,295)	339,678
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)	24,000,038	12,864,971	(8,782,189)	9,318,582	12,782,978	(6,191,970)
TOTAL COMPREHENSIVE INCOME	50,952,153	30,409,707	27,430,526	31,969,046	28,421,017	28,596,022

Baht : '000

THE BANK



BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Baht : '000					
	CONSOLIDATED			THE BANK		
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2021	2020	2019	2021	2020	2019
NET PROFIT ATTRIBUTABLE						
Owners of the Bank	26,507,040	17,180,582	35,816,094	22,650,464	15,638,039	34,787,992
Non-controlling interest	445,075	364,154	396,621	-	-	-
	<u>26,952,115</u>	<u>17,544,736</u>	<u>36,212,715</u>	<u>22,650,464</u>	<u>15,638,039</u>	<u>34,787,992</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE						
Owners of the Bank	50,393,641	30,056,376	27,029,364	31,969,046	28,421,017	28,596,022
Non-controlling interest	558,512	353,331	401,162	-	-	-
	<u>50,952,153</u>	<u>30,409,707</u>	<u>27,430,526</u>	<u>31,969,046</u>	<u>28,421,017</u>	<u>28,596,022</u>
BASIC EARNING PER SHARE (BAHT)	13.89	9.00	18.76	11.87	8.19	18.22
WEIGHTED AVERAGE NUMBER OF COMMON SHARES (THOUSAND SHARES)	1,908,843	1,908,843	1,908,843	1,908,843	1,908,843	1,908,843

**BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS**

	Baht : '000					
	CONSOLIDATED			THE BANK		
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2021	2020	2019	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit from operating before income tax expenses	33,141,335	21,558,355	46,431,919	27,482,199	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	6,225,102	5,545,356	4,127,314	4,631,946	4,494,384	3,924,659
Expected credit loss	34,133,611	31,195,868	-	26,011,719	27,888,515	-
Bad debt and doubtful accounts	-	-	31,208,166	-	-	30,601,427
Losses on debt restructuring	-	-	1,142,911	-	-	1,142,911
(Gain) loss on foreign exchange of long-term borrowings	14,775,566	(830,663)	(9,038,049)	14,618,074	(830,663)	(9,038,049)
Amortization of premium on investment in debt securities	1,435,037	1,199,165	208,974	1,400,517	1,140,896	368,642
Unrealized (gain) loss on financial instruments measured at fair value through profit or loss	(7,643,607)	4,938,476	-	(7,045,959)	6,242,749	-
Unrealized gain on revaluation of trading securities	-	-	(270,285)	-	-	(17,068)
Gain on investments	(1,225,150)	(2,512,154)	-	(156,139)	(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	(208,855)	14,492	(92,582)	-	-	-
Loss on impairment of properties for sale	611,745	1,124,720	909,267	311,298	1,061,250	514,489
Gain on disposal of premises and equipment	(11,521)	(356,255)	(64,089)	(4,107)	(356,493)	(64,280)

**BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)**

Baht : '000

	CONSOLIDATED						THE BANK
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,			
	2021	2020	2019	2021	2020	2019	
Gain on revaluation of land and premises	-	(196,180)	-	-	(196,180)	-	
Loss on impairment of other assets (reversal)	256,080	368,892	(46,722)	265,558	254,704	(46,751)	
Provision expenses	935,403	1,392,950	984,145	899,593	752,667	906,373	
Net interest income	(82,156,060)	(77,046,460)	(71,071,455)	(62,010,660)	(66,889,511)	(68,254,949)	
Dividend income	(2,251,676)	(2,039,396)	(3,769,070)	(4,236,874)	(3,597,669)	(6,632,283)	
Proceeds from interest income	114,987,412	111,778,327	113,718,086	82,580,136	93,345,665	109,327,492	
Interest expenses paid	(31,988,705)	(40,860,836)	(40,865,236)	(21,715,629)	(33,042,463)	(39,015,108)	
Proceeds from dividend income	2,251,677	2,039,396	3,767,549	2,177,630	1,899,134	3,592,262	
Income tax paid	(7,561,485)	(6,566,399)	(9,630,583)	(6,775,973)	(5,638,459)	(8,040,620)	
(Increase) decrease in other accrued receivables	(380,735)	(4,054)	(637,904)	(225,408)	31,380	(657,998)	
Increase (decrease) in other accrued expenses	1,007,799	1,289,301	101,084	(359,452)	417,606	(44,177)	
Profit from operating before changes in operating assets and liabilities	76,332,973	52,032,901	47,348,749	57,848,469	43,856,415	43,472,289	
(Increase) decrease in operating assets							
Interbank and money market items	(284,587,885)	21,975,455	(20,810,795)	(251,601,772)	68,282,173	(37,778,031)	
Financial assets measured at fair value through profit or loss	(18,571,329)	(6,058,883)	-	(19,902,342)	(25,396,647)	-	
Investment in short-term securities	-	-	373,514	-	-	2,704,971	
Loans to customers	(231,969,593)	(91,771,656)	10,715,732	(158,776,479)	(76,751,199)	11,443,470	
Properties for sale	2,134,269	642,208	1,803,018	741,890	719,896	1,331,449	
Other assets	16,213,260	(16,147,080)	(38,638,815)	17,184,559	(9,835,598)	(41,367,622)	

**BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)**

Baht : '000

	CONSOLIDATED					
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2021	2020	2019	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)						
Increase (decrease) in operating liabilities						
Deposits	346,077,165	193,025,477	44,322,627	180,049,535	169,562,191	53,544,229
Interbank and money market items	69,559,354	32,197,568	(2,515,800)	118,249,255	33,221,906	882,869
Liability payable on demand	855,503	1,168,013	(1,699,853)	1,409,475	1,214,364	(1,710,983)
Short-term borrowings	(53,824)	(677,549)	223,516	-	(8,086)	(14,541)
Other liabilities	24,550,144	30,075,396	15,068,983	3,815,459	17,747,643	17,563,391
Net cash from operating activities	540,037	216,461,850	56,190,876	(50,981,951)	222,613,058	50,071,491
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investment securities measured at fair value through other comprehensive income	(471,115,594)	(473,224,079)	-	(384,578,512)	(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	452,401,696	369,398,464	-	394,980,371	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	(75,342,523)	(108,871,614)	-	(836,973)	(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	58,977,765	105,105,900	-	1,593,558	28,323,094	-
Proceeds from redemption of held-to-maturity debt securities	-	-	84,472,790	-	-	5,723,379

**BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)**

Baht : '000

	CONSOLIDATED					
	FOR THE YEARS ENDED DECEMBER 31,			FOR THE YEARS ENDED DECEMBER 31,		
	2021	2020	2019	2021	2020	2019
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 disposal of investments in subsidiaries and associate	622,985	-	-	56,212	-	-
Proceeds from dividend income from subsidiaries and associates	62,180	41,512	89,212	2,059,245	1,698,535	3,038,500
Purchase of premises and equipment	(3,153,421)	(2,308,393)	(1,715,299)	(635,279)	(925,775)	(1,582,812)
Proceeds from disposal of premises and equipment	1,791,934	753,477	100,007	7,925	537,155	76,499
Net cash from investing activities	(35,754,978)	(186,300,409)	(84,767,673)	12,646,547	(198,690,744)	(79,046,917)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash received from issuance of subordinated notes	33,930,916	23,755,703	36,727,413	33,930,916	23,755,703	36,727,413
Cash paid for senior unsecured notes extinguishment	(1,414,830)	(25,620,963)	-	-	(24,964,624)	-
Increase (decrease) in long-term borrowings	(202,865)	(1,363,569)	143,207	(159,865)	(107,063)	143,207
Cash paid for lease liabilities	(1,475,819)	(1,275,888)	-	(1,017,228)	(1,106,844)	-
Dividend paid	(6,680,264)	(9,544,214)	(12,092,402)	(6,680,264)	(9,544,214)	(12,092,402)
Dividend paid to non-controlling interest	(381,968)	(362,972)	(380,706)	-	-	-
Net cash from financing activities	23,775,170	(14,411,903)	24,397,512	26,073,559	(11,967,042)	24,778,218
Effect on cash due to changes in the exchange rates	105,229	46,659	(124,694)	102,569	45,682	(119,519)
Net increase (decrease) in cash	(11,334,542)	15,796,197	(4,303,979)	(12,159,276)	12,000,954	(4,316,727)
Cash as at January 1,	73,886,309	58,090,112	62,394,091	70,013,515	58,012,561	62,329,288
Cash as at December 31,	62,551,767	73,886,309	58,090,112	57,854,239	70,013,515	58,012,561



Financial Ratios	2021	2020	2019
Liquidity Ratio			
Liquid assets to deposits ^{/1}	52.97%	48.07%	48.17%
Profitability Ratio			
Net profit ratio ^{/2}	15.01%	10.50%	19.25%
Return on average equity ^{/2}	5.62%	3.96%	8.45%
Yield on investment	2.65%	3.36%	5.58%
Yield on earning assets ^{/3}	2.92%	3.28%	3.72%
Cost of funds ^{/4}	0.94%	1.19%	1.59%
Spread ^{/5}	1.98%	2.09%	2.13%
Efficiency Ratio			
Net interest income to assets	2.00%	2.13%	2.24%
Non-interest income to assets	1.28%	1.15%	1.98%
Return on average assets ^{/2}	0.65%	0.48%	1.13%
Asset turnover ratio (times)	0.04	0.05	0.06

Financial Ratios	2021	2020	2019
Financial Policy Ratio			
Debt to equity ratio (times)	7.76	7.49	6.51
Loan to borrowing ratio	77.30%	80.16%	81.77%
Loan to deposit ratio	81.99%	84.25%	86.95%
Deposit to liability ratio	82.24%	83.34%	85.02%
Dividend payout ratio ^{/6} (Bank only)	29.49%	30.53%	38.41%
Total capital adequacy ratio	19.57%	18.34%	20.04%
Asset Quality Ratio			
Allowance for expected credit losses to non-performing loan ratio ^{/7, /8}	225.79%	186.75%	220.19%
Allowance for expected credit losses to loans and accrued interest receivables	8.47%	7.81%	8.44%
Written off to loans and accrued interest receivables	0.29%	0.91%	0.54%
Non-performing loan to total loans ^{/8}	3.22%	3.91%	3.39%
Accrued interest receivables to loans and accrued interest receivables	0.29%	0.27%	0.19%

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

^{/2} Attributable to owners of the Bank

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

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

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

^{/6} The dividend payout ratio for 2021 was calculated from the dividend of Baht 3.50 per share, which is pending approval by the Annual Ordinary Meeting of Shareholders.

^{/7} Allowance for expected credit losses consists of allowance for expected credit loss of loans, interbank and money market items, loan commitments and financial guarantees. (In 2019, allowance for expected credit losses included allowance for doubtful accounts from loans)

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



5. General Information and Other Material Facts



5.1 General Information

Securities Registrar

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

Trustee as at December 31, 2021

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	3.466%	September 23, 2036	
Subordinated notes	5.000%	-	

Auditor

Mrs. Nisakorn Songmanee

Certified Public Accountant (Thailand) Registration No. 5035
Deloitte Touche Tohmatsu Jaiyos Audit Company Limited
AIA Sathorn Tower, 23rd - 27th Floor
11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Tel. 0-2034-0000 Fax. 0-2034-0100

Legal Advisers

Mr. Wongsakul Kittipromwong

333 Silom Road, Silom, Bang Rak, Bangkok 10500
Tel. 0-2626-3055 Fax. 0-2231-5448

Mr. Wasan Soypisudh

333 Silom Road, Silom, Bang Rak, Bangkok 10500
Tel. 0-2230-2643 Fax. 0-2231-5448

Mr. Somchai Julniti

333 Silom Road, Silom, Bang Rak, Bangkok 10500
Tel. 0-2626-4492 Fax. 0-2231-5448

Mr. Kumpol Bhoosudsawaeng

333 Silom Road, Silom, Bang Rak, Bangkok 10500
Tel. 0-2230-2969 Fax. 0-2231-5448

Pol.Lt.Gen. Theerasak Nguanbanchong

333 Silom Road, Silom, Bang Rak, Bangkok 10500
Tel. 0-2230-2731 Fax. 0-2231-5448

5.2 Legal Disputes

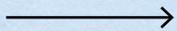
As of December 31, 2021, the Bank had no ongoing disputes or any disputes that may have negative impacts on the Bank's assets with a capital greater than 5 percent of net shareholders' equity according to the financial statements.

5.3 Financial Institutions with Regular Contact

Financial institutions that have regular contact with us in the case of debt securities offerings is Morgan Stanley & Co. International PLC.



Part 2 — Corporate Governance



6. Corporate Governance Policy

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

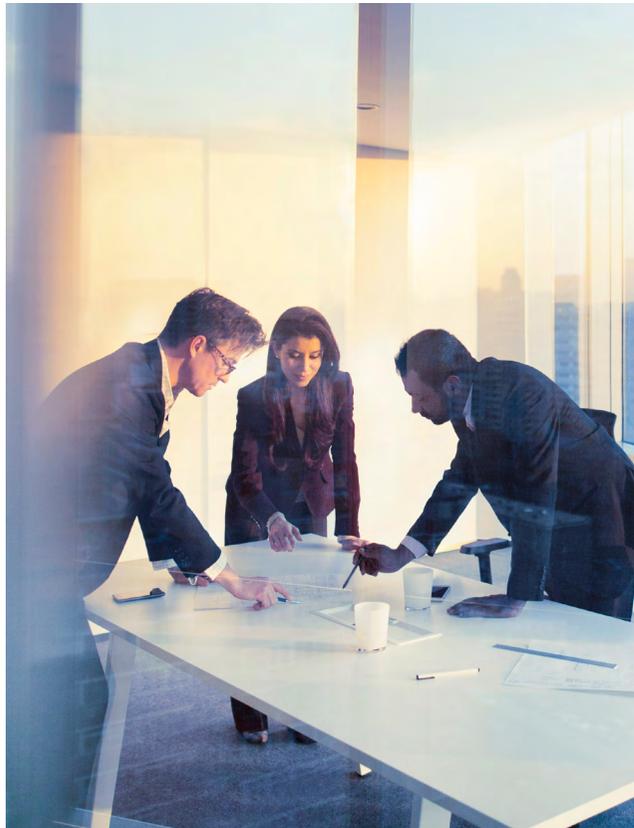
8. Report On Key Operating Results Related to
Corporate Governance

9. Internal Control and Related
Party Transactions





6. Corporate Governance Policy



We believe that our Code of Conduct and Business Ethics provides an essential foundation to reinforce and improve business governance.



We believe that our Code of Conduct and Business Ethics provides an essential foundation to reinforce and improve business governance. Therefore, we have prepared a written Code of Conduct and Business Ethics Practices for the Bank's directors, executives and staff to follow. It is approved by the Board of Directors and posted on the Bank's website.

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

This Corporate Governance report reflects our commitment to promoting, supporting, implementing and monitoring the Bank's Code of Conduct and Business Ethics Practices,

which has been carefully developed to ensure it is appropriate for the Bank's environment and situation. It is also regularly reviewed.

6.1 Overview of the Policy and Guidelines

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

6.1.1 Policy and Guidelines Related to the Board of Directors

Nomination of Directors

The Nomination and Remuneration Committee is responsible for nominating suitable persons to serve as directors by giving shareholders, directors and executives the opportunity to nominate persons for consideration. The Nomination and Remuneration Committee will consider and screen the selection according to the process and criteria prescribed by the Board of Directors. The consideration will be based on the required knowledge, ability and specific professional qualifications using the Board Skill Matrix, as well as a person's experience in businesses that can provide a useful perspective on the Bank. Other required qualifications are a person's honesty, accountability, ethics and ability to fully devote their time to the duties of a director as well as the qualifications required by the Bank's regulators. The Nomination and Remuneration Committee also



considers the structure, size and composition of the Board of Directors to ensure that the Board of Directors will have a suitable structure, size and composition for the Bank's business with independent directors comprising at least one-third of the total number of directors. The Board must consist of directors with diverse knowledge, skills, experience and expertise in specific fields in line with the Bank's business strategy without restrictions on gender, age, race or religion. In the case of considering a nomination to re-elect a director who must retire by rotation, the Nomination and Remuneration Committee will consider the qualifications and appropriateness of a director by taking into account such director's duties and past performance.

In addition to considering the above qualifications, independent directors must have qualifications according to the 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 as follows:

1. Holds shares in an amount not exceeding 1 percent of the total number of shares with voting rights of the Bank or the parent company, subsidiary, affiliate, major shareholder, or controlling person of the Bank, provided that shares held by such an independent director shall also include shares held by any 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, nor can they be a significant shareholder or controlling person of any person with a business relationship with the Bank or the parent company, subsidiary, affiliate, major shareholder, or controlling person of the Bank, unless such status has ended for not less than two years. The above term "business relationship" in the shall include normal business transactions, rental or lease of immovable property, transactions relating to assets or services, providing or receiving financial assistance through loans, guarantees, or providing assets as collateral, or any other similar actions which result in the Bank or the counterparty becoming indebted to the other party in the amount equal to 3 percent or more of the net tangible assets of the Bank or Baht 20 million, whichever is lower. The method for the calculation of the value of connected transactions under the Notification of the Capital Market Supervisory Board shall apply to the calculation of such indebtedness, mutatis mutandis, provided that all indebtedness incurred during the period of one year prior to the date of such business relationship shall also be included.
5. Is not or has not been an auditor of the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, and

is not a significant shareholder, controlling person or partner of the audit firm employing the external auditor of the Bank or the parent company, subsidiary, affiliate, major shareholder, or controlling person of the Bank, except in the case where such status has ended for not less than two years.

6. Is not or has not been a provider of any professional services which include being a legal or financial advisor and receiving service fees exceeding Baht 2 million per year from the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, and is not a significant shareholder, controlling person or partner of the firm providing such professional services, except in the case where such status has ended for not less than two years.
7. Is not a director appointed to be a representative of any other director of the Bank or a major shareholder, or a shareholder related to a major shareholder of the Bank.
8. Does not carry out business of the same nature and in competition with the business of the Bank or our subsidiary and is not a significant partner in a partnership or a director who participates in the management of the business, or an employee, officer or advisor who receives a salary, or holds shares in the amount exceeding 1 percent of the total number of shares with voting rights of another company engaging in business of the same nature and in significant competition with the business of the Bank or our subsidiary.
9. Does not have any other characteristics which would impact the ability to express independent opinions regarding the Bank's business operations.



Appointment of the Bank's Directors

According to the Bank's Articles of Association, at every annual ordinary meeting of shareholders, one-third of the total number of directors of the Bank shall retire. If the number of directors is not a multiple of three, the number of directors nearest to one third shall retire. The directors who have been in office longest shall retire first. Retired directors may be re-elected.

At the shareholders' meeting to consider appointing directors, the voting criteria are as provided below:

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

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

Independence of the Board of Directors from the Management

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

Remuneration of Directors and Executives

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

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

Development of Directors and Executives

We place great importance on promoting and supporting knowledge development for directors and executives on a regular and continuous basis by encouraging directors to attend training courses or seminars that are useful in assisting them to perform their duties as directors. In addition, we support and encourage directors and executives to gain knowledge on various topics by attending training courses or seminars organized by external agencies. We also invite experts from outside the Bank to give lectures on topics that enhance skills and knowledge for directors and executives on a regular basis.

Assessment of the Directors

The Board of Directors and all committees will conduct performance assessments on a yearly basis to review and analyze any problems and obstacles that may have arisen in the performance of duties in the past year and use the assessment results to further improve the directors' performance to increase the efficiency of the Bank's Board of Directors.



Directorship in Other Companies of Directors

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

6.1.2 Policy and Guidelines Related to Shareholders and Stakeholders Guidelines Related to Shareholders

We treat all groups of shareholders as of equal importance. All groups of shareholders are entitled to basic rights such as the right to attend meetings and vote, the right to receive dividends, the right to receive sufficient and timely information, the right to elect and remove directors, the right to appoint auditors and set wages, etc. In addition, prior to the Annual General Meeting of Shareholders, we provide shareholders with the opportunity to propose meeting agendas and nominate suitable persons to be appointed as the Bank's directors by complying with the rules prescribed by the Bank and posted on the Bank's website. In addition, shareholders can send questions about the meeting agenda prior to the meeting date.

We hold the Annual General Meeting of Shareholders once a year within four months from the end of the Bank's fiscal year and encourage the meeting attendance of all groups of shareholders to consider significant matters of the Bank including expressing their opinions and asking questions on various matters, by organizing the shareholders' meeting at a convenient date, time and place. In the event that shareholders are unable to attend the meeting in person, we prepare proxy forms so that shareholders can appoint other persons to attend the meeting on their behalf.

In 2021, the Bank held the 28th Annual General Meeting of Shareholders on April 12, 2021 at the Head Office on Silom Road, Bangkok. We posted the invitation letter, supporting documents and proxy forms in both the Thai and English versions on the Bank's website at least 30 days prior to the meeting (posted on the Bank's website on March 9, 2021). We also informed shareholders through the SET Portal system that the Bank had already posted such documents and assigned Thailand Securities Depository Co., Ltd., which is the Bank's registrar, to send the invitation letter together with supporting documents and proxy form B to shareholders by mail at least 21 days prior to the meeting (sent on March 18, 2021) and it was announced in Thai and English newspapers for three consecutive days. The invitation letter sent to the shareholders contained details of the meeting agenda and sufficient supporting information for the consideration of shareholders and opinion of directors in each agenda. Additionally, shareholders were able to send questions relating to the meeting agenda by e-mail or postal mail to the Corporate Secretary prior to the shareholders' meeting. The Corporate Secretary collected the questions and presented them to the Board

of Directors for consideration and clarification at the shareholders' meeting as appropriate.

As the 2021 zAnnual General Meeting of Shareholders was held during the Covid-19 outbreak, we requested cooperation from shareholders to authorize the Chairman or Executive Chairman or President to attend the meeting online instead of attending the meeting in person to reduce the risk from Covid-19 by using proxy form B in which shareholders can vote on each agenda item according to their intentions in advance. In addition, for the safety of attendees, we established measures and guidelines to prevent the spread of Covid-19 in accordance with the official requirements such as limitation of the number of seats in the meeting room, seat spacing (at least 1.5 meters apart) and seat number arrangements for the benefit of tracing if an infected person was found, temperature checking, requirement for attendees to wear masks at all times, provision of alcohol gel, and refraining from providing food and beverages as well as avoiding using shared microphones during the meeting (shareholders were provided with paper to use for asking questions and expressing their opinions).

At the shareholders' meeting, before beginning the meeting agenda, the chairman of the meeting assigned the Corporate Secretary to explain the rules and procedures of the meeting by informing the method of voting and vote counting as well as procedures for asking and expressing opinions at the meeting. In addition, representatives of the shareholders were selected to witness the vote counting with representatives from the Bank's auditors.

The Chairman who was also the chairman of the meeting conducted the meeting in accordance with the agenda



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

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

After the shareholders' meeting was completed, the Bank notified the resolutions of the shareholders' meeting through the SET Portal system and posted them on the Bank's website within the meeting date.

The Bank also prepared meeting reports in Thai and English containing information about the number of shareholders who attended the meeting; names of directors, executives and auditors who attended the meeting; voting procedures and methods of vote counting; shareholders' significant questions and the clarification from the Board of Directors; as well as results of voting on each agenda item (divided into votes for agreeing, disagreeing, abstaining, and voiding ballots). The Bank sent the minutes of the shareholders' meeting to the relevant authorities within 14 days after the meeting and

posted the minutes of the shareholders' meeting in both Thai and English on the Bank's website.

At the 2021 Annual General Meeting of Shareholders, we gave the opportunity to shareholders to propose changes to the agenda and to nominate persons deemed appropriate to be considered for election as directors by posting the rules and guidelines for the agenda of the meeting and the nomination on the Bank's website and informing shareholders through the SET Portal system from September 29, 2020, onward. The period for proposing changes to the agenda for the meeting was from October 1 - December 30, 2020, and the period for nomination of persons to be elected as directors was from November 1-30, 2020. However, at the end of the said period, there were no shareholders proposing changes to the agenda for the meeting or nominating any person to be elected as a director.

Guidelines Related to Stakeholders

We recognize and give importance to the rights of various groups of stakeholders (staff, counterparties, community, competitors and creditors, etc.). The good relationship and cooperation between the Bank and our stakeholders will help the Bank to grow sustainably. We have formulated policies and guidelines regarding responsibility to stakeholders, anti-corruption policy, whistleblowing policy and corporate governance policy. The details are shown in Attachment 5.

Information Disclosure and Transparency

1. We recognize the importance of disclosing significant information necessary for shareholders and investors to make accurate and timely decisions.
2. We prepare accurate financial reports in accordance with generally accepted accounting principles and

independent auditors examine and give an opinion on the financial reports in accordance with the auditing standards.

3. We disseminate information about the Bank's business through appropriate channels for shareholders and investors.

Maintaining Financial Credibility and Disclosure

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

The Board of Directors has approved the disclosure of financial information by taking into account the results of the assessment of the sufficiency of the internal control system, the auditor's opinion on financial reports and the auditor's observations, opinion of the audit committee



as well as the consistency with the Bank's strategy and policies.

In addition, we have established a disclosure system for information related to directors in order to properly disclose personal information in accordance with the rules of the Securities and Exchange Commission.

6.2 Business Code of Conduct

The Board of Directors has the responsibility to periodically review the Code of Conduct and Business Ethics to ensure that the business practices of the Bank adapt to the changes in the business environment, including the development of official regulations and standards. After the Thai Bankers' Association (TBA) reviewed and modified its Code of Conduct Guidelines and issued revised Guidelines to serve as the standard for the member banks starting from 2017, the Board took the opportunity to review and amend its previous practices to incorporate the new standards recommended by the TBA.

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

We encourage the subsidiary companies under our financial business group to implement this Code of Conduct and Business Ethics as suited to the situation of each company.

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

The Board of Directors promotes and supports communication, training and education to build understanding among all stakeholders of the Bank. Policies, rules and regulations, and procedures are also established, along with the monitoring and assessment of the Bank's performance in line with the Code of Conduct and Business Ethics. The details are shown in Attachment 5.

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

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

In 2021 we took these actions with regard to Corporate Governance:

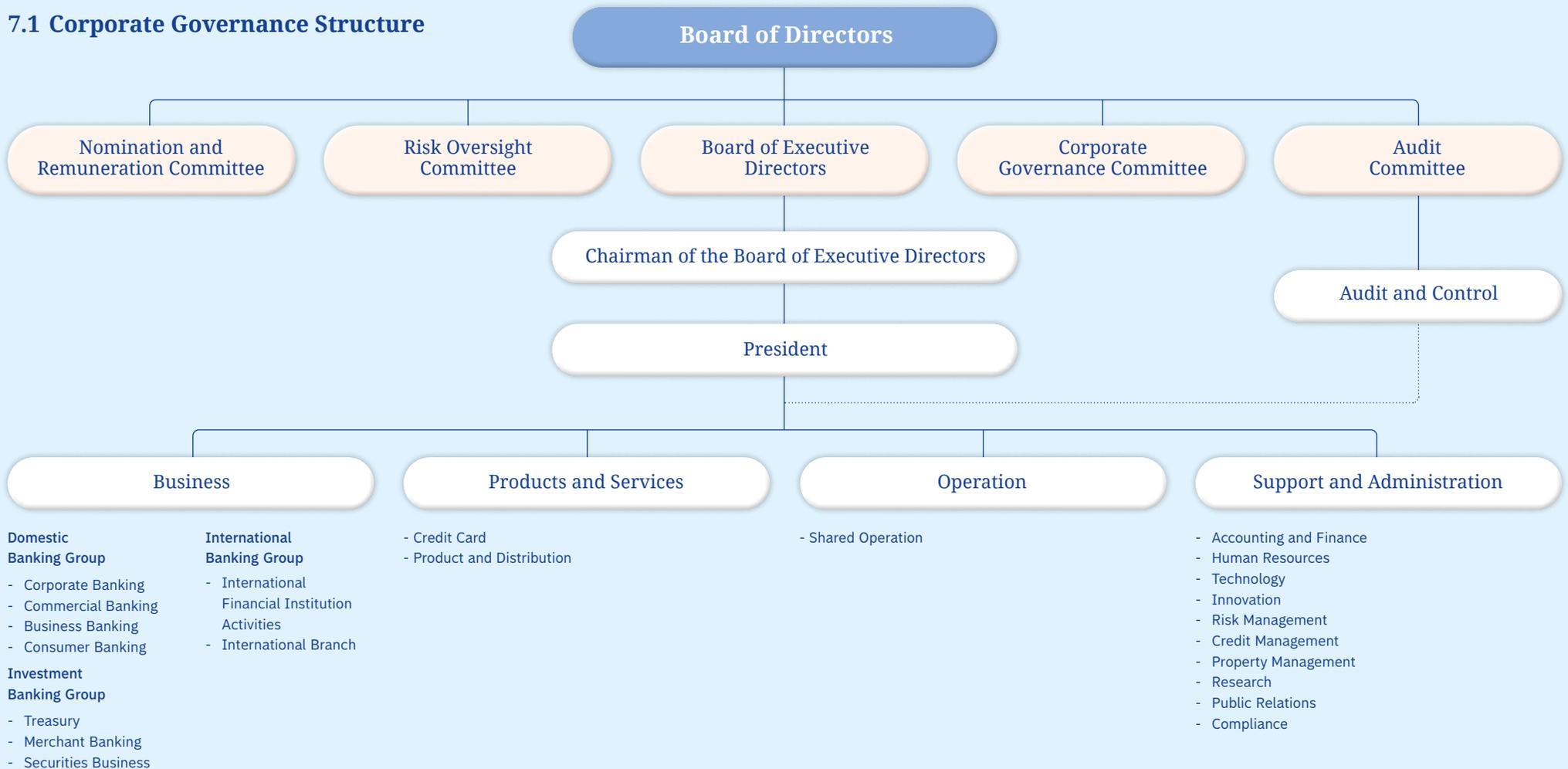
- The Board of Directors approved the sustainability policy as a framework for the Bank's operations for executives and employees to drive the organization to sustainability while contributing to economic, social and environmental development.
- The Audit Committee held a meeting to discuss and exchange opinions with the Risk Oversight Committee about the Bank's Risk Management Strategy.
- The Bank was approved to extend the membership of the Thai Private Sector Collective Action against Corruption (CAC) group from the CAC committee for another three years from September 30, 2021 to September 30, 2024.
- The Bank has established a Personal Data Protection unit to take care of the protection of personal information by preparing, reviewing and improving relevant standards and operations. The Bank has also continuously organized training and provided knowledge to employees.
- The Board of Directors has approved the Board Diversity Policy as a framework for considering the nomination and selection of directors so that the structure of the Board of Directors consists of directors with different knowledge, professions and experiences. This will provide a variety of perspectives and cover all dimensions that are important to the Bank's business operations.

In addition, the Bank was rated as "Excellent" in the Corporate Governance Report of Thai Listed Companies (CGR) in 2020 organized by the Thai Institute of Directors (IOD) and received a score of 98 out of 100 in the quality assessment of the 2021 Annual General Meeting from the Thai Investors Association.



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

7.1 Corporate Governance Structure





7.2 Information on the Board of Directors

1.



**Mr. 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.



**Mrs. Gasinee
Witoonchart**

- Independent Director
- Chairman of the Audit Committee

4.



**Mr. Siri
Jirapongphan**

- Independent Director
- Chairman of the Nomination and Remuneration Committee
- Member of the Audit Committee

5.



**Mr. Arun
Chirachavala**

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

6.



**Mr. Phornthep
Phornprapha**

- Independent Director
- Member of the Nomination and Remuneration Committee

7.



**Mr. Chokechai
Niljianskul**

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

8.



**Mr. Chatchawin
Charoen-Rajapark**

- Independent Director
- Member of the Nomination and Remuneration Committee

9.



**Mr. Bundhit
Eua-arporn**

- Independent Director

10.



**Ms. Parnsiree
Amatayakul**

- Independent Director



11.



**Mr. Amorn
Chandarasomboon**

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

12.



**Mr. Singh
Tangtatswas**

- Member of the Board of Executive Directors

13.



**Mr. Pichet
Durongkaverroj**

- Member of the Board of Executive Directors

14.



**Mr. Chartsiri
Sophonpanich**

- President
- Member of the Board of Executive Directors

15.



**Mr. Suvarn
Thansathit**

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

16.



**Mr. Chansak
Fuangfu**

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

17.



**Mr. Charamporn
Jotikasthira**

- Member of the Board of Executive Directors

18.



**Mr. Boonsong
Bunyasanand**

- Director and Senior Executive Vice President

19.



**Mr. Thaweelap
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



As of December 31, 2021, the Bank's Board of Directors had 19 members, who have a diverse mix of knowledge and experience with expertise in specific areas that are beneficial to the Bank's operations such as finance and banking, business administration, law and information technology. The Board of Directors consisted of:

1. Eight independent directors, representing 42.11 percent of the total number of directors.
2. One non-executive director, representing 5.26 percent of the total number of directors.
3. Ten executive directors, representing 52.63 percent of the total number of directors.

Directors		Position	Type of Director
1. Mr. Piti	Sithi-Amnuai	Chairman of the Board of Directors, and Chairman of the Corporate Governance Committee	Non-executive Director
2. Mr. Deja	Tulananda	Chairman of the Board of Executive Directors	Executive Director
3. Mrs. Gasinee	Witoonchart ¹	Independent Director, and Chairman of the Audit Committee	Independent Director
4. Mr. Siri	Jiraponghan ²	Independent Director, and Chairman of the Nomination and Remuneration Committee, and Member of the Audit Committee	Independent Director
5. Mr. Arun	Chirachavala	Independent Director, Chairman of the Risk Oversight Committee, and Member of the Audit Committee	Independent Director
6. Mr. Phornthep	Phornprapha	Independent Director, and Member of the Nomination and Remuneration Committee	Independent Director
7. Mr. Chokechai	Niljianskul	Independent Director, Member of the Risk Oversight Committee, and Member of the Corporate Governance Committee	Independent Director
8. Mr. Chatchawin	Charoen-Rajapark ³	Independent Director, and Member of the Nomination and Remuneration Committee	Independent Director
9. Mr. Bundhit	Eua-arporn ⁴	Independent Director	Independent Director
10. Ms. Parnsiree	Amatayakul ⁴	Independent Director	Independent Director
11. Mr. Amorn	Chandarasomboon*	Member of the Board of Executive Directors, and Member of the Risk Oversight Committee	Executive Director
12. Mr. Singh	Tangtatswas*	Member of the Board of Executive Directors	Executive Director
13. Mr. Pichet	Durongkaverroj ^{5*}	Member of the Board of Executive Directors	Executive Director
14. Mr. Chartsiri	Sophonpanich	President, and Member of the Board of Executive Directors	Executive Director
15. Mr. Suvarn	Thansathit	Director and Senior Executive Vice President, Member of the Board of Executive Directors, and Member of the Risk Oversight Committee	Executive Director
16. Mr. Chansak	Fuangfu	Director and Senior Executive Vice President, and Member of the Board of Executive Directors	Executive Director
17. Mr. Charamporn	Jotikasthira	Member of the Board of Executive Directors	Executive Director



Directors	Position	Type of Director
18. Mr. Boonsong Bunyasaranand	Director and Senior Executive Vice President	Executive Director
19. Mr. Thaweelap Rittapirom	Director and Executive Vice President, Member of the Board of Executive Directors, and Member of the Corporate Governance Committee	Executive Director

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

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

^{/2} Mr. Siri Jirapongphan was appointed as the Chairman of the Nomination and Remuneration Committee, and a member of the Audit Committee on April 22, 2021

^{/3} Mr. Chatchawin Charoen-Rajapark was appointed as an Independent Director on April 12, 2021, and was appointed as a member of the Nomination and Remuneration Committee on April 22, 2021

^{/4} Mr. Bundhit Eua-arporn and Ms. Parnsiree Amatayakul were appointed as Independent Directors, effective from April 12, 2021

^{/5} Mr. Pichet Durongkaveroj was appointed as a member of the Board of Executive Directors on April 22, 2021

Roles, Duties and Responsibilities of the Board of Directors

The Board of Directors has responsibility to shareholders to manage the business of the Bank in order to create value to shareholders and supervise the operation to be in accordance with the laws, the Bank's objectives and regulations, and the resolutions of the Board of Directors and the shareholders' meeting.

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

and procedures, that cover significant risks to the Bank's business operations by defining policies related to various risks and ensuring that the Bank has sufficient capital to operate the Bank's business.

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

Roles and Duties of the Chairman of the Board of Directors

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

1. To determine the Board of Directors meeting agendas.

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

In addition, the Chairman of the Board of Directors also chairs the shareholders' meetings and conducts the meetings according to the agenda and the Bank's regulations by allocating appropriate time to each agenda item and giving shareholders equal opportunities to ask questions and express their opinions as well as managing responses to shareholders' questions.



The Board of Directors' Meetings

To enable the directors to allocate their time to attend meetings together, the Board of Directors will set the meeting schedules for the year in advance and the Corporate Secretary will notify the directors of the meeting dates for the year. In 2021, the Board of Directors scheduled a meeting every Thursday on the fourth week of the month.

Due to the severe outbreak of Covid-19, the Board of Directors and the committees held meetings via Microsoft Teams, in order to reduce the risk of infection.

In 2021, the Board of Directors held 12 meetings, in which directors (excluding directors appointed or leaving during the year) attended more than 75 percent of the total number of meetings, with a quorum of the Board of Directors to consider and vote on various matters being more than two-thirds of the total number of directors. For each meeting of the Board of Directors, the Corporate Secretary will send a notice of the meeting together with the meeting agenda and supporting documents for each agenda item to directors to study seven days in advance of the meeting, except in the case of urgent situations. The Chairman of the Board of Directors will preside over the Board of Directors meeting and, as the chairman of the meeting, allocate appropriate time for presentation of each agenda item and for the directors who attend the meeting to discuss and freely express their opinions on the presented agenda item. In the consideration of any matter in which the director has a conflict of interest, such director will not participate in the consideration of decision-making on that matter.

In addition, the Corporate Secretary arranged a meeting to exchange opinions regarding the Bank management

matters among independent directors without the participation of the management on May 25, 2021, and reported the results of meeting to the Board of Directors.

Performance of the Board of Directors in the Past Year Committees

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

7.3 Information on Subcommittees

(a) The Board of Executive Directors Composition and Qualifications

As of December 31, 2021, the Board of Executive Directors comprised six directors who are employees and three non-employee directors. The members of the Board of Executive Directors are:

1. Mr. Deja	Tulananda	Chairman of the Board of Executive Directors
2. Mr. Amorn	Chandarasomboon	Executive Director
3. Mr. Singh	Tangtatswas	Executive Director
4. Mr. Chartsiri	Sophonpanich	Executive Director
5. Mr. Suvarn	Thansathit	Executive Director
6. Mr. Charamporn	Jotikasthira	Executive Director
7. Mr. Chansak	Fuangfu	Executive Director
8. Mr. Pichet	Durongkaverroj	Executive Director
9. Mr. Thaweelap	Rittapirom	Executive Director

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

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

Meetings

The Board of Executive Directors schedules meetings on Tuesday and Thursday every week and may hold additional meetings as necessary. In 2021, the Board of Executive Directors held a total of 99 meetings.

(b) The Audit Committee Composition and Qualifications

The Audit Committee consists of at least three independent directors. The Audit Committee has a tenure of two years.

As of December 31, 2021, the Audit Committee consisted of three independent directors as follows:

1. Mrs. Gasinee Witoonchart Chairman of the Audit Committee



- | | | |
|-------------|--------------|----------------------------------|
| 2. Mr. Arun | Chirachavala | Member of
the Audit Committee |
| 3. Mr. Siri | Jirapongphan | Member of
the Audit Committee |

Mrs. Gasinee Witoonchart has knowledge and expertise in accounting and finance sufficient to review the reliability of the financial statements.

Authority and Responsibility

The Audit Committee is responsible for overseeing and monitoring the Bank and companies within our financial business group to comply with the policies of the financial business group as assigned by the Board of Directors as follows:

- 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.
- To ensure that the Bank has adequate and effective internal control and audit systems by reviewing and assessing those systems with external auditors and the Audit and Control Division, and to consider the independence of the Audit Control Division as well as to approve the appointment, transfer, remuneration, assessment and termination of employment of the manager of the Audit and Control Division.
- 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.

- 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.
- 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.
- 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.
- To call for documents and data, or to summon the management and personnel from various operating units of the Bank, in order provide clarification on relevant matters within the scope of the Audit Committee's duties.
- To produce and publish the Audit Committee's report, which shall be signed by the Chairman of the Audit Committee, as part of the Bank's Annual Report.
- To report to the Board of Directors any findings or suspicious transactions found by the Audit Committee, which may have a material impact on the Bank's financial status and/or operational results, in order for them to be rectified within a stipulated time frame.
- To hire specialists in specific areas to provide expert advice as the Audit Committee deems appropriate.
- To perform any other tasks as assigned by the Board of Directors with the consent of the Audit Committee.

Meetings

The Audit Committee schedules meetings at least once every three months to scrutinize matters within 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 2021, the Audit Committee held a total of 16 meetings.

(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 appropriate remuneration for the directors, members of committees and top-level executives.

Composition and Qualifications

As of December 31, 2021, the Nomination and Remuneration Committee comprised three independent directors as follows:

- | | | |
|-------------------|------------------|--|
| 1. Mr. Siri | Jirapongphan | Chairman of the
Nomination and
Remuneration
Committee |
| 2. Mr. Phornthep | Phornprapha | Member of the
Nomination and
Remuneration
Committee |
| 3. Mr. Chatchawin | Charoen-Rajapark | 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 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 committees.
 - (3) Top-level executives from the 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 its business strategy and aligned with the changing environment, as well as to ensure that the Board of Directors is comprised of persons with a range of knowledge, ability, and experience in different areas.
5. To ensure that the directors and top-level executives, from the Executive Vice President upwards, obtain remuneration commensurate with their duties and responsibilities.
6. To establish performance appraisal guidelines for determining annual remuneration 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.

7. To report on the work of the Audit 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 2021, the Nomination and Remuneration Committee held a total of nine meetings.

(d) The Risk Oversight Committee Objectives

To oversee and ensure that risk management of the Bank and our 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, 2021, the Risk Oversight Committee comprised two independent directors and two executive directors as follows:

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

Authority and Responsibility

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



to be in line with the risk management policies and strategies of the financial business group.

- 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 2021, the Risk Oversight Committee held a total of 12 meetings and one additional meeting together with the Audit Committee Meeting.

(e) The Corporate Governance Committee Composition and Qualifications

The Board of Directors established the Corporate Governance Committee on December 26, 2019 to support operations of the board under corporate governance. As of December 31, 2021, the Corporate Governance Committee comprised one independent director, one non-executive director and one executive director as follows:

- | | | |
|------------------|--------------|--|
| 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, environmental and corporate governance 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.
- To ensure that the principles of good corporate governance and sustainability are effective in practice and operate under the sustainability strategy.
- 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 once every quarter to scrutinize any matters and may hold additional meetings as necessary

and appropriate. In 2021, the Corporate Governance Committee held a total of four meetings.

7.4 Information on Executives

7.4.1 Names and Positions of Executives

As of December 31, 2021, the Bank's executives* were as follows:

- | | | |
|-------------------|------------------|--|
| 1. Mr. Deja | Tulananda | Executive Chairman |
| 2. Mr. Chartsiri | Sophonpanich | President |
| 3. Mr. Suvarn | Thansathit | Director and Senior Executive Vice President |
| 4. Mr. Charnsak | Fuangfu | Director and Senior Executive Vice President |
| 5. Mr. Charamporn | Jotikasthira | Executive Director |
| 6. Mr. Boonsong | Bunyasaranand | Director and Senior Executive Vice President |
| 7. Mr. Chong | Toh | Senior Executive Vice President |
| 8. Ms. Suteera | Sripaibulya | Senior Executive Vice President |
| 9. Ms. Rushda | Theeratharathorn | Senior Executive Vice President |
| 10. Mr. Siridej | Aungudomsin | Senior Executive Vice President |
| 11. Mrs. Ruchanee | Nopmuang | Senior Executive Vice President |
| 12. Mr. Chaiyarit | Anuchitworawong | Senior Executive Vice President |
| 13. Ms. Niramarn | Laisathit | Senior Executive Vice President |



14. Mr. Kanit	Si	Senior Executive Vice President
15. Mr. Kukkong	Ruckphaopunt	Senior Executive Vice President
16. Mr. Ian Guy	Gillard	Senior Executive Vice President
17. Mr. Kobsak	Pootrakool	Senior Executive Vice President
18. Mr. Thawat	Treewannakul	Senior Executive Vice President

(* Executives means top management, consisting of the first four levels from the highest management downwards, including those holding positions equivalent to the fourth executive)

7.4.2 Remuneration Policy for Executive Directors and Executives

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

7.4.3 Total Amount of Remuneration of Executive Directors and Executives

Total remuneration paid to directors and executives in 2021 are as follows:

1. The remuneration paid to the members of the Board of Directors, consisting of monthly remuneration and

bonus, amounted to Baht 134.148 million in 2021, for 22 persons, compared with Baht 128.22 million in 2020, for 19 persons.

2. The remuneration (consisting of salary, bonus and contribution to provident funds) paid to the first four levels of top-level executives from Senior Executive Vice President and upwards, amounted to Baht 830.17 million in 2021, for 19 persons, compared with Baht 896.17 million in 2020, for 18 persons.
3. The remuneration (consisting of salary, bonus and contribution to provident funds) paid to directors who are employees and executives from Executive Vice President and upwards amounted to Baht 1,434.92 million in 2021, for 69 persons.

7.5 Information on Employees

We value our employees and their contribution to the Bank, and we have established a foundation of good relationships and cooperation which helps them advance in their careers and supports the sustainable growth of the Bank's business operations. To provide for the livelihood and wellbeing of our employees, we do the following:

1. Compensation and Welfare
Employees are a valuable resource that provides our organization with stability and sustainable growth. Therefore, we aim to create a good employee experience in various aspects, including compensation, welfare and benefits. We do this by providing fair and equitable treatment to our employees that supports their wellbeing and provide a good working environment and occupational health and safety so employees can work happily and efficiently, have good relationships and grow together with the Bank.

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

We also provide measures to help employees and alleviate their problems during various crises, such as the fire incident at the Mingty Chemical factory in Bang Phli District, Samut Prakan Province in July 2021. Affected employees and family members received financial aid including interest-free loans for housing repairs. Another example of such support was in response to flooding from tropical storm Dianmu in September 2021 which affected our employees living in the Central and Northeastern areas. We provided interest-free loans to these affected employees to repair their homes and to buy any necessities following the damage caused by the flooding.

2. Knowledge and Potential Development
Given the rapid changes in the business environment and the Bank's path towards digitalization, we seek to continually raise the potential of our employees to increase the value of our service to customers and maintain the quality of our service even during the Covid-19 situation. To upskill and reskill our employees, we are building their technology skills through various development channels and types of learning. In the New Normal environment, we provide employees with an online learning platform, virtual



seminars and project-based virtual workshops, career development, job rotation, project assignments and core banking skill development. This covers both employees whose jobs are necessary for daily business operations and those in the business-as-usual category. We also provide training for employees whose jobs focus on new business needs and advancing the Bank's business strategy in the digital age and employees under the new business model group that is focused on developing skills for project creation or partnering in projects to establish new business areas of the Bank, such as the Data Influencer project and the Tech Adoption project. Our employees acquire skills from hands-on practice and can then apply these skills to the jobs under their responsibility. By working in this way processes can be tangibly developed so they can add value to the Bank and our customers. We also have other technological projects that focus on getting employees to familiarize themselves with digital solutions.

In addition, we pass on corporate values and culture to employees by encouraging their sustainable self-development through various training topics including accountability, collaboration and project management. Lifestyle topics to increase their well-being are also offered, and we promote life-long learning to create learning agility.

We recognize the importance of our role in society to build a sustainable future for Thailand through Creating Value for a Sustainable Future and aim to be a sustainable bank, covering dimensions of society, economy and the environment. We do this by supporting socially responsible business operations, creating opportunities, and giving advice to business customers that lead to a low-carbon society, along with ESG risk management, to create value to customers from a loan perspective. We are also training and developing our employees through courses such as improving the credit process for ESG risk management and responsible lending.

3. Occupational Health and Safety

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

As of December 31, 2021, the Bank and our subsidiaries had a total of 30,630 employees, categorized by their main line of work as follows:

	Number of Employees
1. Top-level executives	18
2. Business units	13,859
3. Supporting units	7,365
4. Subsidiaries	9,388
Total	30,630

7.6 Other Significant Information

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

Accounting and Finance:	Mrs. Oranuch Nampoolsuksan, Executive Vice President, Manager, Accounting and Finance Division
Corporate Secretary:	Mr. Apichart Ramyarupa ¹
Head of Internal Audit:	Mr. Niphon Eungsithong Senior Vice President, Division Manager, Audit and Control Division
Head of Compliance:	Mr. Pornthep Kitsanayothin Executive Vice President, in charge of Compliance

Remark: ¹ Held the position until December 31, 2021

7.6.2 Head of Investor Relations and Contact Information

We have an Investor Relations unit responsible for disclosing useful financial and non-financial information to shareholders, investors, securities analysts and domestic and international credit rating companies, in accordance with related information disclosure guidelines which are also in line with the Bank's principles and official requirements. This is to ensure that the Bank has disclosed the information appropriately, in a timely and



equitable manner through the channel of the Stock Exchange of Thailand (SET Link), on the Bank's website (www.bangkokbank.com) as well as investor relations activities such as meetings with analysts and investors. Due to the spread of Covid-19, the Investor Relations unit organized the activities in line with the New Normal by holding virtual meetings and teleconferences with analysts, investors and credit rating companies. The President, Senior Executive Vice Presidents and top-level executives of the Bank have prioritized their participation in various investor relations activities. At present, Mrs. Sumataya Pholvaddhana, Vice President and Investor Relations Manager, is assigned by the Bank to be in charge of the Investor Relations unit.

Investor relations activities in 2021 as follows:

Type of Meeting	Number of Meetings	Number of Companies	Number of Participants
Conference calls	101	94	108
Video conferences	24	24	53
Group analyst and investor meetings	6	215	323
Virtual conferences	11	174	227

Investor Relations Contact:

Investor Relations unit: Bangkok Bank Public Company Limited

333 Silom Road, Silom, Bang Rak, Bangkok 10500

Tel: 0-2626-4982

Fax: 0-2231-4890

Email: ir@bangkokbank.com

Website: www.bangkokbank.com

7.6.3 Remuneration of Auditors

The auditor of Bangkok Bank is Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. In 2021, the Bank and our 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 our subsidiaries engaged Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to provide audit services and incurred fees relating thereto amounting to Baht 22,546,500.

The Bank also incurred fees amounting to Baht 17,368,479 in the engagement of audit firms in other countries that are affiliated with Deloitte Touche Tohmatsu to provide audit services for international branches and subsidiaries.

2. 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 6,230,000 and a further amount of Baht 850,000 to be paid in the future upon completion of the services agreed upon.

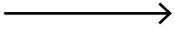
Furthermore, the Bank also incurred fees for the engagement of audit firms in other countries that are affiliated with Deloitte Touche Tohmatsu to provide services for a special purpose audit and related legal and tax matters amounting to Baht 280,316 and a further amount of Baht 1,883,817 to be paid 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, amounting to Baht 11,985,662 and a further amount of Baht 23,840,323 to be paid in the future upon completion of the services agreed upon.



8. Report on Key Operating Results Related to Corporate Governance



8.1 Summary of Duty Performance of the Board of Directors in the Past Year

In 2021 the Board of Directors reviewed the Bank's operational goals regarding vision and mission by taking into account various factors including changes in the business environment, future trends and market competition; approved the Bank's strategy and annual business plan proposed by the management to be in line with the Bank's operational goals; monitored the implementation of the Bank's strategy by requiring the management to regularly report on operating results against plans; ensured that there is effective internal control by requiring that there be an adequacy assessment of the audit and control system; ensured that the Bank and our financial business group have the risk management policy to cover the management of various risks; and determined the overall risk management policy and strategy of the Bank's financial business group. Meanwhile, the Board of Directors placed importance on the development of information technology to increase the Bank's competitiveness and to manage risks arising from information technology.

8.1.1 Selection, Development and Evaluation of Duty Performance of the Board of Directors Nomination of Directors

At the 2021 Annual Ordinary Meeting of Shareholders, there were seven directors who had to retire by rotation, namely, Mr. Deja Tulananda, Mr. Kovit Poshyananda, H.S.H. Prince Mongkolchaleam Yugala, Mr. Suvarn



Thansathit, Mr. Chansak Fuangfu, Mr. Chokechai Niljianskul and Mr. Charamporn Jotikasthira. However, two independent directors, namely Mr. Kovit Poshyananda and H.S.H. Prince Mongkolchaleam Yugala expressed their intentions not to be nominated for re-election as the directors.

Therefore, the Nomination and Remuneration Committee considered the qualifications and past performance of the five directors who retired by rotation and recommended that the Board of Directors proposed these five directors to the Meeting for re-election by the shareholders for another term.

Meanwhile, the Nomination and Remuneration Committee had selected and nominated candidates to be appointed as additional independent directors. The Nomination and Remuneration Committee had made their nomination by taking into account the Bank's operational strategy, knowledge and skills in the fields of professionals that the Bank required by using the Board Skill Matrix and other specified criteria. It nominated Mr. Chatchawin Charoen-Rajapark, Mr. Bundhit Eua-arporn and Miss Parnsiree Amatayakul to be considered by the Board of Directors to propose to the 2021 Annual Ordinary Meeting of Shareholders to be elected as independent directors. Mr. Bundhit Eua-arporn and Miss Parnsiree Amatayakul met the qualifications for independent directors according to the definition of independent directors as specified by the Bank. However, Mr. Chatchawin Charoen-Rajapark is an authorized director of companies having business relationships with the Bank for a value exceeding 20 million baht. However, the qualification of an independent director in respect to a business relationship at a value exceeding the specified limit can be granted an exemption by complying with the criteria of the Notification of the Capital Market Supervisory Board No. Tor Jor. 39/2559 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares. This is on the basis that the Board of Directors has indicated that, after consideration in accordance with the principles in Section 89/7 of Securities and Exchange Act B.E. 2535 (as amended), such business relationship will not affect the performance of duty and the provision of independent opinion of Mr. Chatchawin Charoen-Rajapark. The Bank had also disclosed information about the nature of the business relationship, rationale and necessity of appointing Mr. Chatchawin Charoen-Rajapark as an independent director and the opinion of the Board of Directors in the invitation letter for the 2021 Annual Ordinary Meeting of Shareholders under the agenda related to the appointment of Mr. Chatchawin Charoen-Rajapark as an independent director. The 2021 Annual Ordinary

Meeting of Shareholders approved the election of Mr. Chatchawin Charoen-Rajapark as an independent director, assuming that the qualifications of an independent director regarding the prohibition that the director has or used to have a business relationship with the Bank had been eased by the Meeting.

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 supporting our 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 external speakers.

The directors who have passed the Director Certification Program run by the Thai Institute of Directors Association are Mr. Piti Sithi-Amnuai, Mr. Singh Tangtatswas, Mr. Amorn Chandarasomboon, Mrs. Gasinee Witoonchart, Mr. Arun Chirachavala, Mr. Charamporn Jotikasthira, Mr. Chokechai Niljianskul, Mr. Chartsiri Sophonpanich, Mr. Suvarn Thansathit, Mr. Pichet Durongkaverroj, 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 has encouraged directors to participate in training courses or seminars related to their duties, which will enable them to continuously learn and develop themselves in various areas. In 2020 - 2021, major training or seminars attended by directors included:



Date	Topic	Name of Director who Attended
October 2020 – September 2021	National Defence Program, Class 63 National Defence College of Thailand	Mr. Thaweelap Rittapirom
April 1 – 2, 2021	Director Leadership Certification Program (DLCP) 2021	Mr. Chartsiri Sophonpanich
May 7, 14, 21 and 28, 2021	Advance Audit Committee Program (AACP) Class 40/2021, Thai Institute of Directors	Ms. Parnsiree Amatayakul
June 10 – 11, 2021	IT Governance and Cyber Resilience Program Class 17/2021, Thai Institute of Directors	Mr. Bundhit Eua-arporn
October 12, 2021	Cyber Resilience Leadership 2021: Herd Immunity, Bank of Thailand	Mr. Phornthep Phornprapha Mr. Chatchawin Charoen-Rajapark Ms. Parnsiree Amatayakul Mr. Pichet Durongkaveroj Mr. Boonsong Bunyasanand
November 24, 2021	Introduction to Personal Data Protection Act B.E. 2562, Dharmniti Internal Audit Company Limited	Mr. Chatchawin Charoen-Rajapark
November 29, 2021	Roles and Duties of the Audit Committee in Good Corporate Governance, Securities and Exchange Commission, Thailand	Mr. Arun Chirachavala

Date	Topic	Name of Director who Attended
December 14, 2021	IT and Cyber Security IT Risk Management	Mr. Piti Sithi-Amnuai Mr. Deja Tulananda Mrs. Gasinee Witoonchart Mr. Siri Jirapongphan Mr. Arun Chirachavala Mr. Chokechai Niljianskul Mr. Chatchawin Charoen-Rajapark Mr. Bundhit Eua-arporn Ms. Parnsiree Amatayakul Mr. Amorn Chandarasomboon Mr. Singh Tangtatswas Mr. Pichet Durongkaveroj Mr. Chartsiri Sophonpanich Mr. Suvarn Thansathit Mr. Chansak Fuangfu Mr. Charamporn Jotikasthira Mr. Boonsong Bunyasanand Mr. Thaweelap Rittapirom

Self-assessment of the Board of Directors

The Board of Directors assesses their performance of duties on an annual basis to review their performance in the past year, including problems and obstacles that arose, and uses the assessment results to improve and develop their performance efficiency.

There are two methods of assessment of performance of the Board of Directors:

1. Self-Assessment on both a collective and individual basis
2. Cross-Assessment for assessing the performance of other directors

Both assessment methods use assessment forms approved by the Board of Directors.



Main Topics in the Self-assessment Form of the Board of Directors on a Collective Basis:

1. Structure and qualifications of the Board of Directors
2. Roles, duties and responsibilities
3. Meetings
4. Performance of the duties of directors
5. Relationship with management
6. Self-development of directors and development of executives

Main Topics in the Self-assessment Form of the Board of Directors on an Individual Basis:

1. Structure and qualifications of the Board of Directors
2. Meetings
3. Roles, duties and responsibilities

Main Topics in the Assessment Form for Cross-assessment:

1. Consistency of meeting attendance
2. Preparation for meeting attendance
3. Provision of comments at meetings
4. Collaboration
5. Representing the Bank in presenting the image of the Bank to third parties

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

The average scores of the three assessment results showed that the Board of Directors was satisfied with the performance of their duties in the year 2021.

Self-Assessment of the Committees

In 2021, all committees conducted their performance assessments based on the self-assessment method on a collective basis by using the assessment form prepared within the framework of duties and responsibilities for each committee to review the efficiency and success of their performance according to the scope of duties and responsibilities

as assigned by the Board of Directors and used the results of the assessment as a guideline for further improvement of the performance of their duties.

In assessing performance, the secretary of each committee provided the self-assessment forms to each respective committee to conduct the assessment, then collected, processed, summarized and presented the assessment results to the meeting of each committee. The committees had reported the assessment results to the Board of Directors.

In addition, a summary of the performance assessment results of all committees in 2021 saw that all committees were satisfied with their performance.

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

The Board of Directors has arranged for the performance assessment of the Chairman of the Board of Executive Directors and the President on annual basis. The assessments are informed to the Chairman of the Board of Executive Directors and the President to reflect the view of the Board of Directors towards their performance of duties.

In 2021, the performance of the Chairman of the Board of Executive Directors and the President were assessed using the assessment form prepared in accordance with the CEO appraisal guidelines of the Stock Exchange of Thailand. The main topics in the performance assessment of the Chairman of the Executive Directors and the President were leadership, strategy, implementation of strategies, planning and results of the financial operations, and relationships with directors. In this regard, the Corporate Secretary collected the assessment forms and submitted them to the Nomination and Remuneration Committee to process and summarize the assessment results. The Chairman of the Nomination and Remuneration Committee informed the assessment results to the Chairman of the Board of Executive Directors and the President.

Remuneration and Development of Executives and People Management

In selecting persons to be appointed as executives, from the Executive Vice President upwards, the Board of Executive Directors will conduct initial screening by taking into consideration the knowledge, capabilities, and expertise which are beneficial to the Bank's business, as well as leadership, management skills, potential, and readiness to assume



the assigned duties. Then, the Board of Executive Directors will propose candidates to the Nomination and Remuneration Committee to conduct qualification screening. The Board of Directors will submit applications for appointment of the qualified candidates to the Bank of Thailand for approval, before proposing the appointments to the Board of Directors for approval.

Succession of Top-level Executive Positions

The Bank recognizes the importance of the selection and development of personnel for succession to top-level executive positions. In selecting persons with suitable qualifications, consideration will be based on their knowledge, skills, mindset, and ideas in terms of strategy, leadership, accountability as well as their decision-making and problem-solving abilities. A preparation and development program will be offered to persons under consideration. This includes management and leadership courses, internally and externally. They will also be assigned to perform duties which will facilitate their learning experience and enhance particular job skills and expertise, including skills in cooperation with other operating units in the Bank.

8.1.2 Meeting Attendance and Remuneration Payment to Each Board Member

The summary of the Board of Directors' meetings in 2021 was as follows:

Name	No. of meetings attended	
	Board of Directors Total: 12 meetings	2021 Annual General Meeting
1. Mr. Piti Sithi-Amnuai	12/12	1/1
2. Mr. Deja Tulananda	11/12	1/1
3. Mrs. Gasinee Witoonchart	12/12	1/1
4. Mr. Kovit Poshyananda ¹	3/3	1/1
5. Mr. Siri Jirapongphan ²	12/12	1/1
6. Mr. Arun Chirachavala	12/12	1/1
7. H.S.H. Prince Yugala ¹ Mongkolchaleam	3/3	0/1

Name	Board of Directors Total: 12 meetings	2021 Annual General Meeting
8. Mr. Phornthep Phornprapha	12/12	0/1
9. Mr. Chokechai Niljianskul	12/12	1/1
10. Mr. Chatchawin Charoen-Rajapark ³	9/9	-
11. Mr. Bundhit Eua-arporn ⁴	9/9	-
12. Ms. Parnsiree Amatayakul ⁴	9/9	-
13. Mr. Amorn Chandarasomboon	11/12	1/1
14. Mr. Singh Tangtatswas	11/12	1/1
15. Mr. Pichet Durongkaverroj ⁵	12/12	1/1
16. Mr. Chartsiri Sophonpanich	12/12	1/1
17. Mr. Suvarn Thansathit	12/12	1/1
18. Mr. Chansak Fuangfu	12/12	1/1
19. Mr. Charamporn Jotikasthira	12/12	1/1
20. Mr. Boonsong Bunyasanand	11/12	1/1
21. Mr. Thaweelap Rittapirom	12/12	1/1

Remarks: ¹ Mr. Kovit Poshyananda and H.S.H. Prince Mongkolchaleam Yugala retired by rotation on April 12, 2021.

² Mr. Siri Jirapongphan was appointed as the Chairman of the Nomination and Remuneration Committee, and a member of the Audit Committee on April 22, 2021.

³ Mr. Chatchawin Charoen-Rajapark was appointed as an Independent Director on April 12, 2021, and was appointed as a member of the Nomination and Remuneration Committee on April 22, 2021.

⁴ Mr. Bundhit Eua-arporn and Ms. Parnsiree Amatayakul, were appointed as Independent Directors, effective from April 12, 2021.

⁵ Mr. Pichet Durongkaverroj was appointed as a member of the Board of Executive Directors on April 22, 2021.

The remuneration of directors in 2021 consisted of three categories as follows:

**Remuneration (per month)**

Unit: Baht

The Board of Directors

Chairman of the Board of Directors	450,000
Director	250,000

Committees

Executive Director	50,000
Member of the Audit Committee	50,000
Member of the Nomination and Remuneration Committee	50,000
Member of the Risk Oversight Committee	50,000
Member of the Corporate Governance Committee	50,000

The directors who are members of many committees will receive remuneration for only one committee. The directors who are the employees of the Bank will not receive remuneration for their membership in committees.

Bonus (per year)

Unit: Baht

Chairman of the Board of Directors	5,500,000
Chairman of the Audit Committee	4,000,000
Director	3,520,000

Remuneration of the Board of Directors for 2021 and 2020

Unit: Baht

Directors		2021	2020
1. Mr. Piti	Sithi-Amnuai	11,500,000	11,500,000
2. Mr. Deja	Tulananda	6,520,000	6,520,000
3. Admiral Prachet	Siridej ¹	-	7,600,000
4. Mrs. Gasinee	Witoonchart ²	7,600,000	7,120,000
5. Mr. Kovit	Poshyananda ³	2,374,000	7,120,000
6. Mr. Siri	Jirapongphan ⁴	6,970,000	3,260,000
7. Mr. Arun	Chirachavala	7,120,000	7,120,000
8. H.S.H. Prince Mongkolchaleam	Yugala ³	2,374,000	7,120,000
9. Mr. Phornthep	Phornprapha	7,120,000	7,120,000
10. Mr. Chokechai	Niljianskul	7,120,000	7,120,000
11. Mr. Chatchawin	Charoen-Rajapark ⁵	5,340,000	-
12. Mr. Bundhit	Eua-arporn ⁶	4,890,000	-
13. Ms. Parnsiree	Amatayakul ⁶	4,890,000	-
14. Mr. Amorn	Chandarasomboon	7,120,000	7,120,000
15. Mr. Singh	Tangtatswas	7,120,000	7,120,000
16. Mr. Pichet	Durongkaverroj ⁷	6,970,000	3,260,000
17. Mr. Chartsiri	Sophonpanich	6,520,000	6,520,000
18. Mr. Suvarn	Thansathit	6,520,000	6,520,000
19. Mr. Chansak	Fuangfu	6,520,000	6,520,000
20. Mr. Charamporn	Jotikasthira	6,520,000	6,520,000
21. Mr. Boonsong	Bunyasaranand	6,520,000	6,520,000
22. Mr. Thaweelap	Rittapirom	6,520,000	6,520,000

As of December 31, 2021



- Remarks: ¹⁴ Admiral Prachet Siridej resigned from directorship of the Bank on December 31, 2020.
- ¹² Mrs. Gasinee Witoonchart was appointed as the Chairman of the Audit Committee on January 1, 2021.
- ¹³ Mr. Kovit Poshyananda and H.S.H. Prince Mongkolchaleam Yugala retired by rotation on April 12, 2021.
- ¹⁴ Mr. Siri Jirapongphan was appointed as an Independent Director on July 10, 2020, and was appointed as the Chairman of the Nomination and Remuneration Committee, and a member of the Audit Committee on April 22, 2021.
- ¹⁵ Mr. Chatchawin Charoen-Rajapark was appointed as an Independent Director on April 12, 2021, and was appointed as a member of the Nomination and Remuneration Committee on April 22, 2021.
- ¹⁶ Mr. Bundhit Eua-arporn and Ms. Parnsiree Amatayakul were appointed as Independent Directors, effective from April 12, 2021.
- ¹⁷ Mr. Pichet Durongkaveroj was appointed as an Independent Director on July 10, 2020, and was appointed as a member of the Board of Executive Directors on April 22, 2021.

8.1.3 Supervision of Subsidiaries and Associated Companies

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

8.1.4 Monitoring of Compliance with the Corporate Governance Policy and Guidelines

(1) Prevention of Conflicts of Interest

We stress the importance of practices to control and manage conflicts of interest in accordance with rules set by the authorities.

We also require directors and top-level executives to prepare reports of their personal interests, by providing information on their own shareholdings, those of their spouses and their children who have not yet come of age, as well as providing information on their and their spouses' directorship in their own businesses and other information pertaining to their interests. The Bank uses such information in controlling transactions between the Bank and persons with whom the directors and top-level executives have interests

or involvement, and in reporting related-party transactions in the annual registration statement. The connected transactions of directors and top-level executives must be in accordance with the rules prescribed by the Securities and Exchange Commission (SEC). In the event that the Board of Directors is required to scrutinize matters where there exist, or potentially exist, conflicts of interest, connected transactions, or related-party transactions, the directors who are related persons will not participate in the scrutiny and approval of such transactions. In addition, the Bank will not prescribe special conditions for such transactions in favor of the directors involved.

(2) The Use of Inside Information for Personal Gain

The Board of Directors has set criteria on the supervision and protection of inside information usage for benefits of their own or third parties in a wrongful way and has 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 a 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 in holdings of the Bank's securities and derivatives by them, their spouses and their children who have not yet come of age, to the SEC, in line with the reporting format and within the period specified by the SEC, and notify the Corporate Secretary within three working days from the day of such changes. The Corporate Secretary will report the changes in directors' and executives' holdings of securities and derivatives to the Board of Directors.

(3) Anti-corruption Measures

The Bank is determined to be an organization which operates in a transparent manner, is corruption-free and will not accept any form of corruption. Accordingly, we have established an anti-corruption policy which prohibits our directors, executives and staff from offering, demanding, arranging, or accepting bribes or any form of benefits for personal gain or the gain of others.



We promote values of honesty and accountability in fulfilling one's duty, and also encourage concerned parties to be aware of, understand, and cooperate in any way as required to oppose and prevent corruption.

We have 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.

We have disseminated our anti-corruption policy on our website and through other internal communication channels including the intranet, as well as directing staff to be intimately familiar with it. Penalties will be applied to personnel violating or failing to comply with the anti-corruption guidelines.

We provide secure channels for staff to access with confidence when they need to report information about or suspicions of corruption without risk to their security. Staff can report information or their concerns to their superior, or Head of Compliance, and we will receive the information and use it with equitability, transparency, due care, and fairness to all concerned parties. We will investigate issues in a reasonable period of time, maintain confidentiality, and protect complainants from persecution during and after the investigation.

Counterparties and the public can report information or signs of misconduct or breaches of the Bank's anti-corruption measures to the Corporate Secretary or Compliance Division, and we will receive the information and use it with equitability, transparency, due care, and fairness to all concerned parties. We will investigate issues in a reasonable period of time, maintain confidentiality, and protect complainants from persecution during and after the investigation.

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

In this regard, the Bank has been certified by the Private Sector Collective Action Coalition Against Corruption Council to be a member of the Private Sector Collective Action Against Corruption, which shows the Bank's intention to conduct business honestly while rejecting corruption in any form.

(4) Whistleblowing

We have 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.

8.2 Report on the Results of Duty Performance of the Audit Committee in the Past Year

8.2.1 Total Number of the Audit Committee's Meetings and Attendance of each Member

Name		No. of meetings attended Audit Committee Total: 16 meetings
1. Mrs. Gasinee	Witoonchart	16/16
2. H.S.H. Prince Mongkolchaleam	Yugala ¹	2/3
3. Mr. Arun	Chirachavala	16/16
4. Mr. Siri	Jirapongphan ²	13/13

Remarks: ¹ H.S.H. Prince Mongkolchaleam Yugala retired by rotation on April 12, 2021.

² Mr. Siri Jirapongphan was appointed as a member of the Audit Committee on April 22, 2021.

8.2.2 Describe the Results of Duty Performance of the Audit Committee

Performance results of the Audit Committee are shown in Attachment 6.



8.3 Summary of the Results of Duty Performance of the Committees

8.3.1 Total Number of the Committees' Meetings and the Attendance of Each Committee Member

The summary of the Board of Directors' meetings in 2021 is as follows:

Name	No. of meetings attended			
	The Board of Executive Directors Total: 99 meetings	The Nomination and Remuneration Committee Total: 9 meetings	The Risk Oversight Committee Total: 12 meetings	The Corporate Governance Committee Total: 4 meetings
1. Mr. Piti Sithi-Amnuai				4/4
2. Mr. Deja Tulananda	92/99			
3. Mr. Kovit Poshyananda ¹		3/3		
4. Mr. Siri Jirapongphan ²		6/6		
5. Mr. Arun Chirachavala			12/12	
6. H.S.H. Prince Mongkolchaleam Yugala ¹		3/3		
7. Mr. Phornthep Phornprapha		9/9		
8. Mr. Chokechai Niljianskul			12/12	4/4
9. Mr. Chatchawin Charoen-Rajapark ³		6/6		
10. Mr. Amorn Chandarasomboon	93/99		11/12	
11. Mr. Singh Tangtatswas	87/99			
12. Mr. Pichet Durongkaverroj ⁴	69/70			
13. Mr. Chartsiri Sophonpanich	98/99			
14. Mr. Suvarn Thansathit	96/99		11/12	
15. Mr. Chansak Fuangfu	90/99			
16. Mr. Charamporn Jotikasthira	92/99			
17. Mr. Thaweelap Rittapirom	88/99			4/4

Remarks: ¹ Mr. Kovit Poshyananda and H.S.H. Prince Mongkolchaleam Yugala retired by rotation on April 12, 2021.

² Mr. Siri Jirapongphan was appointed as the Chairman of the Nomination and Remuneration Committee on April 22, 2021.

³ Mr. Chatchawin Charoen-Rajapark was appointed as a member of the Nomination and Remuneration Committee on April 22, 2021.

⁴ Mr. Pichet Durongkaverroj was appointed as a member of the Board of Executive Directors on April 22, 2021.

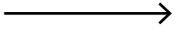
All committees, namely the Board of Executive Directors, the Audit Committee, the Nomination and Remuneration Committee, the Risk Oversight Committee, and the Corporate Governance Committee, have thoroughly performed all assigned responsibilities by applying knowledge and skill, with the basis of prudence, thoroughness, independence and honesty in making suggestions for the best interests of the Bank, without limitations in obtaining information, resources, and cooperation from the Bank.

8.3.2 The Results of Duty Performance of the Committees Assigned by the Board of Directors

Performance results of the Board of Executive Directors, the Nomination and Remuneration Committee, the Risk Oversight Committee, and the Corporate Governance Committee are shown in Attachment 6.



9. Internal Control and Related Party Transactions



9.1 Internal Control and Risk Management

Internal Control

The Board of Directors recognizes the importance of an internal control system to ensure that the Bank operates our business transparently, and that the Bank's directors, executives and employees perform duties with care, honesty and accountability for the optimal benefit of the Bank. In this regard, the Board of Directors has assigned the Audit Committee to review and assess the adequacy of the Bank's internal control system on a yearly basis, as well as proposing the assessment results to the Board of Directors. 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 2021 assessment of the adequacy of internal control, the Board of Directors opines that the Bank's internal control system is adequate and appropriate and has been continually improved with a sufficient number of personnel to operate efficiently.

The duties subject to internal control by the Audit Committee were considering and approving the 2021



audit plan of the Audit and Control Division to cover important operations and units exposed to high levels of risk; developing and improving the audit procedures so that they are efficient and sufficiently resourced with personnel and funds; reviewing the performance of the Audit and Control Division against the plan on a monthly basis; approving the performance appraisal and remuneration of the Manager of the Audit and Control Division; receiving reports on the annual audits from the Audit and Control Division and Bank executives and setting guidelines for appropriate internal control systems; considering audit results of the Bank of Thailand, independent auditors, and local authorities where the Bank's branches are located, to assess the status of the internal controls, and follow up on the results of corrective measures taken each quarter.

Risk Management

The Board of Directors has established a risk management policy and risk appetite for the Bank's financial business group and reviews these on a yearly basis. The Bank has 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, information technology risk and other types of risks, through the Internal Capital Adequacy Assessment Process to ensure that the Bank has appropriate risk management procedures and capital adequacy in place for operating our business under normal and crisis situations. We have adopted three lines of defense for our risk management to effectively oversee our 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 are able to resolve any faults within a reasonable time frame.

In addition, we have prepared a Recovery Plan 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 us to cope with the crisis efficiently and in a timely manner.

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 Compliance Unit is responsible for giving opinions and clarifications regarding the rules and regulations issued by relevant authorities; supervising and reviewing the operations of the division and ensuring the Bank's policies are in accordance with the rules and regulations issued by relevant authorities; and reporting to top-level executives and the Audit Committee or the Board of Directors.

The Audit and Control Division is responsible for assessing the adequacy and appropriateness of the Bank's corporate governance, risk management and internal controls which cover the inspection of work systems, data and operations of each department to be in accordance with the rules and regulations issued by relevant authorities and the Bank including inspection and investigation in the case of fraud or complaints. In addition, the Audit and Control Division is also responsible for supporting the work of the Audit Committee and working under supervision of the Audit Committee



9.2 Related Party Transactions

9.2.1 Assets, Liabilities, Commitments and Other Related Party Transactions

As at December 31, 2021 and 2020, 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, 2021 and 2020 as follows:

Million Baht

CONSOLIDATED

Company	December 31, 2021					December 31, 2020					Director / Executive
	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commitments	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commitments	
Associates											
Processing Center Co., Ltd.	-	3	171	6	-	-	3	99	4	-	Mr. Kajornvut Tayanukorn Miss Suteera Sripaibulya
National ITMX Co., Ltd.	-	-	135	22	1	-	-	105	16	1	Miss Suteera Sripaibulya
Thai Payment Network Co., Ltd.	-	28	1	-	-	-	17	32	-	-	Mr. Shoke Na Ranong
BCI (Thailand) Co., Ltd.	-	-	48	3	-	-	-	48	-	-	Mr. Kukkong Ruckphaopunt Mrs. Yaowadee Nakhata
PT Sahabat Finansial Keluarga**	-	-	219	-	7	-	-	-	-	-	
Total associates	-	31	574	31	8	-	20	284	20	1	
Other related parties	639	8	7,761	14	4	20	6	9,100	16	3	
Total	639	39	8,335	45	12	20	26	9,384	36	4	

* Net allowance for expected credit loss.

** Holding by PT Bank Permata Tbk.



Million Baht

THE BANK

Company	December 31, 2021							December 31, 2020							Director / Executive
	Place ments	Invest ments	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commit ments	Place ments	Invest ments	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commit ments	
Subsidiaries															
BBL (Cayman) Limited	-	-	-	-	817	-	-	-	-	-	-	733	-	-	Mr. Boonsong Bunyasanand Mrs. Pornnit Dunnvatanachit Mr. Chaيارit Anuchitworawong Mr. Sa-ard Theerarojanawong Mrs. Nutthaporn Luangsuwan
Bangkok Bank Berhad	2,220	-	-	11	134	134	1,891	909	-	-	7	139	-	-	Ms. Rushda Theeratharathorn Mr. Chaيارit Anuchitworawong
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	-	17	328	-	-	-	-	-	4	328	-	Mr. Suvarn Thansathit Ms. Piyada Sucharitkul Ms. Rushda Theeratharathorn
BBL Asset Management Co., Ltd.	-	-	-	392	84	-	-	-	-	-	343	84	-	-	Mr. Narin Opamuratawongse*** Ms. Suyanee Puripanyawanich Mr. Paisarn Lertkowitz
Bualuang Securities PCL.	-	-	-	2	741	1	-	-	-	-	2	161	1	155	Mr. Chong Toh Mrs. Yaowadee Nakhata
Bangkok Bank (China) Co., Ltd.	4	-	-	-	59	2,916	659	4	-	-	-	141	2,018	2,549	Mr. Chartsiri Sophonpanich Mr. Chong Toh Mr. Chaيارit Anuchitworawong Mr. Lin Cheng Leo, Kung Ms. Rushda Theeratharathorn Ms. Niramarn Laisathit Mr. Suwatchai Songwanich****

* Net allowance for expected credit loss.

** Mr. Narin Opamuratawongse and Mr. Virasak Sutanthavibul retired on January 1, 2021.

*** Mr. Suwatchai Songwanich resigned as a member of the Board of Directors on May 1, 2021.



Million Baht

THE BANK

Company	December 31, 2021							December 31, 2020							Director / Executive
	Place ments	Invest ments	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commit ments	Place ments	Invest ments	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commit ments	
Bualuang Ventures Limited	-	-	-	-	236	-	-	-	-	-	-	412	-	-	Mr. Suvarn Thansathit Mr. Virasak Sutanthavibul*** Ms. Rushda Theeratharathorn Mr. Thawat Treewannakul Mr. Siridej Aungudomsin
Bangkok Capital Asset Management Co., Ltd.***	-	-	-	-	264	-	-	-	-	-	-	273	-	-	Mr. Chong Toh
PT Bank Permata TBK	5	23,394	-	9	72	2,005	399	23	21,246	-	32	13	-	-	Mr. Chartsiri Sophonpanich Mr. Chong Toh Miss Niramarn Laisathil Mr. Chalit Tayjasanant Mr. Suwatchai Songwanich
BSL Leasing Co., Ltd.**	-	-	672	-	41	-	32	-	-	692	-	47	-	4	Mr. Thawat Treewannakul Mr. Rachot Sektrakul
Total subsidiaries	2,229	23,394	672	414	2,465	5,384	2,981	936	21,246	692	384	2,007	2,347	2,708	

* Net allowance for expected credit loss.

** Holding by Bualuang Securities PCL.

*** Mr. Narin Opamuratawongse and Mr. Virasak Sutanthavibul retired on January 1, 2021.



Million Baht

THE BANK

Company	December 31, 2021							December 31, 2020							Director / Executive
	Place ments	Invest ments	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commit ments	Place ments	Invest ments	Loans*	Other assets	Deposits	Borrowings and other liabilities	Commit ments	
Associates															
Processing Center Co., Ltd.	-	-	-	3	171	6	-	-	-	-	3	99	4	-	Mr. Kajornvut Tayanukorn Ms. Suteera Sripaibulya
National ITMX Co., Ltd.	-	-	-	-	135	22	1	-	-	-	-	105	16	1	Ms. Suteera Sripaibulya
Thai Payment Network Co., Ltd.	-	-	-	28	1	-	-	-	-	-	17	32	-	-	Mr. Shoke Na Ranong
BCI (Thailand) Co., Ltd.	-	-	-	-	48	3	-	-	-	-	-	48	-	-	Mr. Kukkong Ruckphaopunt Mrs. Yaowadee Nakhata
Total associates	-	-	-	31	355	31	1	-	-	-	20	284	20	1	
Other related parties	-	-	639	1	7,761	5	4	-	-	19	-	9,100	8	3	
Total	2,229	23,394	1,311	446	10,581	5,420	2,986	936	21,246	711	404	11,391	2,375	2,712	

* Net allowance for expected credit loss.

For the year ended December 31, 2021, the Bank and subsidiaries charged interest at rates between 0.75 % and 5.88 % on loans to these related parties depending on the types of loans and collateral.

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.



Investments in consolidated and the Bank's financial statements with subsidiaries and associates are as follows:

Company	Type of Business	Type of Shares	Direct and Indirect Shareholding (%)		CONSOLIDATED			
					Investment			
			2021	2020	Cost Method (Million Baht)		Equity Method (Million Baht)	
				2021	2020	2021	2020	
Associates								
Thai Payment Network Co., Ltd.*	Service	Common share	33.33	69.08	262	362	81	26
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15	470	457
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118	82	95
National ITMX Co., Ltd.	Service	Common share	12.55	14.26	12	13	382	333
PT Sahabat Finansial Keluarga**	Finance	Common share	28.79	-	314	-	314	-
Total					721	508	1,329	911
Less Allowance for impairment					(172)	(2)	-	-
Investments in associates, net					549	506	1,329	911

* The Bank has only significant influence but not control.

** Holding by PT Bank Permata Tbk. In December 2021, the company was changed from a subsidiary to be an associate.



Company	Type of Business	Type of Shares	THE BANK			
			Direct and Indirect Shareholding (%)		Investment Cost Method (Million Baht)	
			2021	2020	2021	2020
Subsidiaries						
BBL (Cayman) Limited	Finance	Common share	100.00	100.00	2	2
Bangkok Bank Berhad	Banking	Common share	100.00	100.00	9,261	9,261
Sinnsuptawee Asset Management Co., Ltd.	Asset Management	Common share	100.00	100.00	2,500	2,500
Bangkok Bank (China) Co., Ltd.	Banking	Common share	100.00	100.00	19,585	19,585
Bualuang Ventures Limited	Venture Capital Company	Common share	100.00	100.00	1,500	1,500
PT Bank Permata Tbk	Banking	Common share	98.71	98.71	105,010	105,010
Bualuang Securities PCL.	Securities	Common share	99.91	99.91	4,772	4,772
BSL Leasing Co., Ltd.	Finance	Common share	90.00	90.00	1,365	1,365
BBL Asset Management Co., Ltd.	Finance	Common share	75.00	75.00	183	183
Associates						
Thai Payment Network Co., Ltd.*	Service	Common share	33.33	69.08	262	362
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118
National ITMX Co., Ltd.	Service	Common share	12.55	14.26	12	13
Total					144,585	144,686
Less Allowance for impairment					(268)	(97)
Investments in subsidiaries and associates, net					144,317	144,589

* The Bank has only significant influence but not control.



Significant accounting transactions between the Bank and its subsidiaries, associates and other related parties were transacted under normal business practices. The prices, interest rates, commission charges, terms and conditions are determined on an arm's length basis.

The Bank and subsidiaries had significant income and expenses with related parties for the years ended December 31, 2021 and 2020 as follows :

Million Baht

Company	CONSOLIDATED							
	FOR THE YEAR ENDED DECEMBER 31, 2021				FOR THE YEAR ENDED DECEMBER 31, 2020			
	Interest income	Non-interest income	Interest expenses	Other expenses	Interest income	Non-interest income	Interest expenses	Other expenses
Associates								
BSL Leasing Co., Ltd.	-	-	-	-	5	-	-	-
Processing Center Co., Ltd.	-	9	1	8	-	19	1	6
National ITMX Co., Ltd.	-	56	-	207	-	31	-	144
Thai Payment Network Co., Ltd.	-	10	-	2	-	10	-	2
BCI (Thailand) Co., Ltd.	-	-	-	2	-	-	-	2
Total associates	-	75	1	219	5	60	1	154
Other related parties	15	97	24	187	1	67	43	198
Total	15	172	25	406	6	127	44	352



Million Baht

Company	THE BANK							
	FOR THE YEAR ENDED DECEMBER 31, 2021				FOR THE YEAR ENDED DECEMBER 31, 2020			
	Interest income	Non-interest income	Interest expenses	Other expenses	Interest income	Non-interest income	Interest expenses	Other expenses
Subsidiaries								
BBL (Cayman) Limited	-	-	1	-	-	-	7	-
Bangkok Bank Berhad	4	2	-	-	24	2	-	-
Sinnsuptawee Asset Management Co., Ltd.	-	1	-	-	-	1	-	-
BBL Asset Management Co., Ltd.	-	3,361	1	-	-	3,075	1	-
Bualuang Securities PCL.	-	979	2	27	-	590	5	-
Bangkok Bank (China) Co., Ltd.	-	167	5	-	1	124	4	-
Bualuang Ventures Limited	-	-	-	-	-	-	1	-
PT Bank Permata Tbk	22	-	26	-	15	-	-	-
BSL Leasing Co., Ltd.**	8	45	-	-	4	45	-	-
Total subsidiaries	34	4,555	35	27	44	3,837	18	-
Associates								
BSL Leasing Co., Ltd.	-	-	-	-	5	-	-	-
Processing Center Co., Ltd.	-	9	1	8	-	19	1	6
National ITMX Co., Ltd.	-	56	-	207	-	31	-	144
Thai Payment Network Co., Ltd.	-	10	-	2	-	10	-	2
BCI (Thailand) Co., Ltd.	-	-	-	2	-	-	-	2
Total associates	-	75	1	219	5	60	1	154
Other related parties	15	1	24	112	1	-	43	129
Total	49	4,631	60	358	50	3,897	62	283

* On September 17, 2020, BSL Leasing Co., Ltd. changed from an associate to a subsidiary.



Compensation of key management personnel for the years ended December 31, 2021 and 2020 consisted of the following:

Million Baht

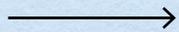
	CONSOLIDATED		THE BANK	
	FOR THE YEARS ENDED DECEMBER 31,		FOR THE YEARS ENDED DECEMBER 31,	
	2021	2020	2021	2020
Short-term employee benefits	2,673	2,504	1,482	1,546
Post-employment benefits	127	95	87	84
Total	2,800	2,599	1,569	1,630

9.2.2 The Policy and Future Trends of Related Party Transactions

The Bank may conduct future-related party transactions in line with general business operations for which the Bank has established clear approval procedures and processes that comply with the official guidelines the authorities have set for banks.



Part 3 — Financial Statements



- Report on the Board of Directors' Responsibilities for the Financial Statements
- Report of the Independent Certified Public Accountants
- Financial Statements
- Notes to the Financial Statements





Report on The Board of Directors' Responsibilities for The Financial Statements



To Shareholders,

The Board of Directors is responsible for the consolidated financial statements of the Bank and its subsidiaries, the separate financial statements of the Bank, and the financial information in the Annual Report. The said financial statements for the year ended December 31, 2021 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, 2021.

(Piti Sithi-Amnuai)
Chairman of the Board of Directors
February 24, 2022



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, 2021, 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, 2021, 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.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated and Bank’s financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and Bank’s financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.



Key Audit Matter

Allowance for expected credit loss

The allowance for expected credit loss for loans to customers is considered to be the key audit matter as it requires the use of various assumptions and judgment including forward economic looking and post model adjustments and it is recognized in accordance with Thai Financial Reporting Standard No. 9 - Financial Instruments (“TFRS 9”) and the relevant regulations of the Bank of Thailand. TFRS 9 requires the Bank and subsidiaries to recognize impairment based on expected credit loss (“ECL”). We focused our audit on the following areas of allowance for expected credit loss for loans to customers specifically relating to:

- Accounting interpretations and modelling assumptions used to build the models that the Bank used to calculate the ECL which involves determining Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD);
- 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 TFRS 9 and the relevant regulations of the Bank of Thailand;
- Indicators that will significantly reduce the ability to pay the debt or the increase in credit risk including quantitative and qualitative information and also forward-looking analysis both events that have already occurred and may occur in the future; and
- Completeness and valuation of post model adjustments.

Audit Responses

Key audit procedures included

- Reviewing management written policies, which were collaborated from the Bank’s management’s experts, and procedures to derive the allowance for expected credit loss estimate. Determining whether the policies and procedures for the estimation are incorporated with the requirements of TFRS 9 and properly approved by the appropriate level of management.
- Understanding and testing design and operating effectiveness of key controls across the processes relevant to the ECL. This included the classification of assets into stages, 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.

Key Audit Matter

Accounting policy for allowance for expected credit loss and detail of allowance for expected credit loss were disclosed in Note 3.5 and Note 6.9, respectively.

Audit Responses

- 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 TFRS 9 and the relevant regulations of the Bank of Thailand. Testing sample of assets in stage 1, 2 and 3 to verify that they were classified to the appropriate stage. This also included considering the internal credit risk rating system of the Bank and also external credit risk grading.
- Assessing the adequacy and appropriateness of the disclosure in accordance with Group of Financial Instruments Standards and the BOT’s Notification.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and Bank’s financial statements and our auditor’s report thereon, which is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated and Bank’s financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and Bank’s financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.



Responsibilities of Management and Those Charged with Governance for the Consolidated and Bank's Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and Bank's financial statements in accordance with TFRSs and the Bank of Thailand's regulations, and for such internal control as management determines is necessary to enable the preparation of the consolidated and Bank's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and Bank's financial statements, management is responsible for assessing the Bank and subsidiaries' and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank and subsidiaries and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank and subsidiaries' financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Bank's Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and Bank's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and Bank's financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and Bank's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and subsidiaries' and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and subsidiaries' and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and subsidiaries and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and Bank's financial statements, including the disclosures, and whether the consolidated and Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and Bank's financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Nisakorn Songmanee

Certified Public Accountant (Thailand)

Registration No. 5035

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK
February 22, 2022



Statement of Financial Position

Bangkok Bank Public Company Limited and Subsidiaries
As at December 31, 2021

	Notes	CONSOLIDATED		THE BANK	
		2021	2020	2021	2020
		Baht : '000			
ASSETS					
CASH	6.2	62,551,767	73,886,309	57,854,239	70,013,515
INTERBANK AND MONEY MARKET ITEMS, NET	6.4	801,212,497	519,036,028	626,065,197	374,778,755
FINANCIAL ASSETS MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	6.5	84,341,349	57,936,242	96,497,917	69,359,414
DERIVATIVES ASSETS	6.6	42,359,296	67,560,232	41,749,252	66,143,443
INVESTMENTS, NET	6.7	803,636,528	758,482,179	663,088,369	670,444,629
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.8	1,328,586	911,321	144,316,959	144,589,329
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	6.9	2,376,026,685	2,189,102,088	2,025,671,183	1,896,205,127
PROPERTIES FOR SALE, NET	6.10	9,495,944	9,753,914	8,498,534	7,754,245
PREMISES AND EQUIPMENT, NET	6.11	64,980,166	65,049,861	54,181,783	55,460,373
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	6.12	36,808,534	32,307,811	1,579,427	1,451,391
DEFERRED TAX ASSETS	6.13	6,336,519	7,939,617	2,532,787	2,082,884
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES		12,906,449	12,833,047	12,779,785	12,699,962
OTHER ASSETS, NET		31,296,588	28,161,036	19,016,792	13,977,916
TOTAL ASSETS		4,333,280,908	3,822,959,685	3,753,832,224	3,384,960,983

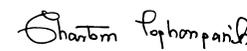
Notes to the financial statements form an integral part of these financial statements

Statement of Financial Position (Continued)

Bangkok Bank Public Company Limited and Subsidiaries
As at December 31, 2021

	Notes	CONSOLIDATED		THE BANK	
		2021	2020	2021	2020
		Baht : '000			
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS	6.14	3,156,939,789	2,810,862,624	2,665,646,333	2,485,596,798
INTERBANK AND MONEY MARKET ITEMS	6.15	288,708,547	219,149,193	280,748,435	162,499,180
LIABILITY PAYABLE ON DEMAND		8,112,863	7,257,360	8,112,243	6,702,768
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	6.16	20,833,104	19,256,663	20,566,545	19,056,520
DERIVATIVES LIABILITIES	6.6	50,264,330	57,127,821	49,716,357	56,212,287
DEBT ISSUED AND BORROWINGS	6.17	183,239,266	136,176,779	182,379,356	133,963,539
PROVISIONS	6.21	25,814,558	27,305,660	23,595,568	25,065,453
DEFERRED TAX LIABILITIES	6.13	1,358,026	2,447,583	984,178	2,588,682
OTHER LIABILITIES	6.23	103,417,868	93,128,867	57,310,822	53,792,151
TOTAL LIABILITIES		3,838,688,351	3,372,712,550	3,289,059,837	2,945,477,378
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	6.24				
Registered share capital					
1,655,000 preferred shares of Baht 10 each		16,550	16,550	16,550	16,550
3,998,345,000 common shares of Baht 10 each		39,983,450	39,983,450	39,983,450	39,983,450
Issued and paid-up share capital					
1,908,842,894 common shares of Baht 10 each		19,088,429	19,088,429	19,088,429	19,088,429
PREMIUM ON COMMON SHARES		56,346,232	56,346,232	56,346,232	56,346,232
OTHER RESERVES		66,348,614	47,256,838	57,340,405	52,849,874
RETAINED EARNINGS					
Appropriated	6.26 , 6.27				
Legal reserve		26,000,000	25,000,000	26,000,000	25,000,000
Others		116,500,000	111,500,000	116,500,000	111,500,000
Unappropriated		208,443,791	189,822,190	189,497,321	174,699,070
TOTAL BANK'S EQUITY		492,727,066	449,013,689	464,772,387	439,483,605
NON-CONTROLLING INTEREST		1,865,491	1,233,446	-	-
TOTAL SHAREHOLDERS' EQUITY		494,592,557	450,247,135	464,772,387	439,483,605
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,333,280,908	3,822,959,685	3,753,832,224	3,384,960,983

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, 2021

	Notes	CONSOLIDATED		THE BANK	
		2021	2020	2021	2020
INTEREST INCOME	6.35	114,312,544	112,523,517	83,284,576	94,695,292
INTEREST EXPENSES	6.36	32,156,484	35,477,057	21,273,916	27,805,781
NET INTEREST INCOME		82,156,060	77,046,460	62,010,660	66,889,511
FEES AND SERVICE INCOME	6.37	39,127,387	34,167,918	27,404,183	26,795,044
FEES AND SERVICE EXPENSES	6.37	9,918,176	9,456,915	8,206,221	8,800,699
NET FEES AND SERVICE INCOME		29,209,211	24,711,003	19,197,962	17,994,345
GAINS ON FINANCIAL INSTRUMENTS					
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	6.38	17,867,820	11,057,904	15,649,215	9,651,307
GAINS ON INVESTMENTS	6.39	1,225,150	2,512,154	156,139	2,177,491
SHARE OF PROFIT (LOSS) FROM INVESTMENT USING EQUITY METHOD		208,855	(14,492)	-	-
GAINS ON DISPOSAL OF ASSETS		519,198	734,126	401,504	721,912
DIVIDEND INCOME		2,251,676	2,039,396	4,236,874	3,597,669
OTHER OPERATING INCOME		1,102,693	641,626	371,690	382,131
TOTAL OPERATING INCOME		134,540,663	118,728,177	102,024,044	101,414,366
OTHER OPERATING EXPENSES					
Employee's expenses		35,003,148	30,959,431	24,813,000	24,848,414
Directors' remuneration		263,448	186,931	134,148	128,220
Premises and equipment expenses		14,764,803	14,165,327	11,423,141	12,034,242
Taxes and duties		2,949,196	2,928,889	2,868,153	2,880,048
Others		14,285,122	17,733,376	9,291,684	14,578,533
TOTAL OTHER OPERATING EXPENSES		67,265,717	65,973,954	48,530,126	54,469,457
EXPECTED CREDIT LOSS	6.40	34,133,611	31,195,868	26,011,719	27,888,515
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		33,141,335	21,558,355	27,482,199	19,056,394
INCOME TAX EXPENSES	6.41	6,189,220	4,013,619	4,831,735	3,418,355
NET PROFIT		26,952,115	17,544,736	22,650,464	15,638,039

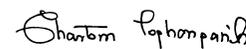
Notes to the financial statements form an integral part of these financial statements

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

Bangkok Bank Public Company Limited and Subsidiaries
For the year ended December 31, 2021

	Notes	CONSOLIDATED		THE BANK	
		2021	2020	2021	2020
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Gains (losses) on investments in debt instruments at fair value through other comprehensive income		(6,742,229)	2,964,758	(6,608,454)	1,839,100
Gains (losses) on cash flow hedges		(506,394)	260,583	(506,394)	260,583
Gains arising from translating the financial statements of foreign operations		20,196,245	4,115,474	6,033,617	4,671,025
Income tax relating to components of other comprehensive income (losses)		1,671,185	(231,478)	1,648,107	15,270
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus		643,545	14,524,289	-	13,987,474
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income		10,599,899	(6,067,116)	10,539,297	(5,340,383)
Gains (losses) on financial liabilities designated at fair value through profit or loss		(567,419)	958,884	(567,419)	958,884
Actuarial gains (losses) on defined benefit plans		986,754	(428,401)	935,437	(284,680)
Share of other comprehensive income (loss) of associates		(2,466)	1,962	-	-
Income tax relating to components of other comprehensive income (losses)		(2,279,082)	(3,233,984)	(2,155,609)	(3,324,295)
TOTAL OTHER COMPREHENSIVE INCOME		24,000,038	12,864,971	9,318,582	12,782,978
TOTAL COMPREHENSIVE INCOME		50,952,153	30,409,707	31,969,046	28,421,017
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		26,507,040	17,180,582	22,650,464	15,638,039
Non-controlling interest		445,075	364,154	-	-
		26,952,115	17,544,736	22,650,464	15,638,039
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		50,393,641	30,056,376	31,969,046	28,421,017
Non-controlling interest		558,512	353,331	-	-
		50,952,153	30,409,707	31,969,046	28,421,017
BASIC EARNINGS PER SHARE (BAHT)		13.89	9.00	11.87	8.19
WEIGHTED AVERAGE NUMBER OF COMMON SHARES (THOUSAND SHARES)		1,908,843	1,908,843	1,908,843	1,908,843

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



(Mr. Chartsiri Sophonpanich)
President



(Mr. Suvarn Thansathit)
Senior Executive Vice President



Statement of Changes in Shareholders' Equity

Bangkok Bank Public Company Limited and Subsidiaries
For the year ended December 31, 2021

Baht : '000

	Notes	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves							Retained Earnings			Total Equity Attributable to the Bank's Shareholders	Non-controlling Interest	Total
				Land Appraisal Surplus	Premises Appraisal Surplus	Revaluation Surplus on Investments	Cash flow Hedge Reserve	Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Others	Appropriated		Unappropriated			
											Legal Reserve	Others				
CONSOLIDATED																
Balance as at January 1, 2020		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	24,000,000	106,500,000	190,298,981	429,908,405	366,420	430,274,825
Appropriation for previous year																
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	-	(9,544,214)	(9,544,214)	(175,469)	(9,719,683)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Appropriation for current year																
Dividend paid		-	-	-	-	-	-	-	-	-	-	-	-	-	(187,503)	(187,503)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Total comprehensive income		-	-	6,250,241	5,386,899	(2,088,913)	208,466	767,107	4,135,677	1,570	-	-	15,395,329	30,056,376	353,331	30,409,707
Transfer to retained earnings		-	-	-	(1,024,698)	(54,274)	-	-	-	-	-	-	1,078,972	-	-	-
Others		-	-	-	-	-	-	-	-	-	-	-	(1,406,878)	(1,406,878)	876,667	(530,211)
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	25,000,000	111,500,000	189,822,190	449,013,689	1,233,446	450,247,135
Balance as at January 1, 2021		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	25,000,000	111,500,000	189,822,190	449,013,689	1,233,446	450,247,135
Appropriation for previous year																
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	-	(4,771,811)	(4,771,811)	(181,964)	(4,953,775)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Appropriation for current year																
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	-	(1,908,453)	(1,908,453)	(200,004)	(2,108,457)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Total comprehensive income		-	-	152,310	381,216	3,314,168	(405,115)	(453,935)	20,090,508	(1,973)	-	-	27,316,462	50,393,641	558,512	50,952,153
Transfer to retained earnings		-	-	(24,804)	(1,065,740)	(2,894,859)	-	-	-	-	-	-	3,985,403	-	-	-
Others		-	-	-	-	-	-	-	-	-	-	-	-	-	455,501	455,501
Balance as at December 31, 2021		19,088,429	56,346,232	23,201,759	9,278,001	27,454,401	159,735	(1,883,113)	8,136,189	1,642	26,000,000	116,500,000	208,443,791	492,727,066	1,865,491	494,592,557

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



Statement of Changes in Shareholders' Equity (Continued)

Bangkok Bank Public Company Limited and Subsidiaries
For the year ended December 31, 2021

Baht : '000

Notes	THE BANK											Total	
	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves						Retained Earnings		Unappropriated		
			Land Appraisal Surplus	Premises Appraisal Surplus	Revaluation Surplus on Investments	Cash flow Hedge Reserve	Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Appropriated				
									Legal Reserve	Others			
Balance as at January 1, 2020	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													
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(9,544,214)	(9,544,214)	
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-	
Appropriation for current year													
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-	
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	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	
Balance as at January 1, 2021	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	
Appropriation for previous year													
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(4,771,811)	(4,771,811)	
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-	
Appropriation for current year													
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(1,908,453)	(1,908,453)	
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-	
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	
Total comprehensive income		-	-	-	-	3,374,117	(405,115)	(453,935)	6,033,617	-	-	23,420,362	31,969,046
Transfer to retained earnings		-	-	-	(997,678)	(3,060,475)	-	-	-	-	-	4,058,153	-
Balance as at December 31, 2021	19,088,429	56,346,232	22,804,480	8,743,091	26,799,115	159,735	(1,883,113)	717,097	26,000,000	116,500,000	189,497,321	464,772,387	

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 Cash Flows

Bangkok Bank Public Company Limited and Subsidiaries
For the year ended December 31, 2021

	Note	CONSOLIDATED		THE BANK	
		2021	2020	2021	2020
Baht : '000					
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		33,141,335	21,558,355	27,482,199	19,056,394
Items to reconcile profit from operating before income tax expenses					
to cash received (paid) from operating activities					
Depreciation and amortization expenses		6,225,102	5,545,356	4,631,946	4,494,384
Expected credit loss		34,133,611	31,195,868	26,011,719	27,888,515
(Gain) loss on foreign exchange of long-term borrowings		14,775,566	(830,663)	14,618,074	(830,663)
Amortization of premium on investment in debt securities		1,435,037	1,199,165	1,400,517	1,140,896
Unrealized (gain) loss on financial instruments					
measured at fair value through profit or loss		(7,643,607)	4,938,476	(7,045,959)	6,242,749
Gain on investments		(1,225,150)	(2,512,154)	(156,139)	(2,177,491)
Share of (profit) loss from investment using equity method		(208,855)	14,492	-	-
Loss on impairment of properties for sale		611,745	1,124,720	311,298	1,061,250
Gain on disposal of premises and equipment		(11,521)	(356,255)	(4,107)	(356,493)
Gain on revaluation of land and premises		-	(196,180)	-	(196,180)
Loss on impairment of other assets		256,080	368,892	265,558	254,704
Provision expenses		935,403	1,392,950	899,593	752,667
Net interest income		(82,156,060)	(77,046,460)	(62,010,660)	(66,889,511)
Dividend income		(2,251,676)	(2,039,396)	(4,236,874)	(3,597,669)
Proceeds from interest income		114,987,412	111,778,327	82,580,136	93,345,665
Interest expenses paid		(31,988,705)	(40,860,836)	(21,715,629)	(33,042,463)
Proceeds from dividend income		2,251,677	2,039,396	2,177,630	1,899,134
Income tax paid		(7,561,485)	(6,566,399)	(6,775,973)	(5,638,459)
(Increase) decrease in other accrued receivables		(380,735)	(4,054)	(225,408)	31,380
Increase (decrease) in other accrued expenses		1,007,799	1,289,301	(359,452)	417,606
Profit from operating before changes in					
operating assets and liabilities		76,332,973	52,032,901	57,848,469	43,856,415
(Increase) decrease in operating assets					
Interbank and money market items		(284,587,885)	21,975,455	(251,601,772)	68,282,173
Financial assets measured at fair value through profit or loss		(18,571,329)	(6,058,883)	(19,902,342)	(25,396,647)
Loans to customers		(231,969,593)	(91,771,656)	(158,776,479)	(76,751,199)
Properties for sale		2,134,269	642,208	741,890	719,896
Other assets		16,213,260	(16,147,080)	17,184,559	(9,835,598)

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

Statement of Cash Flows (Continued)

Bangkok Bank Public Company Limited and Subsidiaries
For the year ended December 31, 2021

	Note	CONSOLIDATED		THE BANK	
		2021	2020	2021	2020
Baht : '000					
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Increase (decrease) in operating liabilities					
Deposits		346,077,165	193,025,477	180,049,535	169,562,191
Interbank and money market items		69,559,354	32,197,568	118,249,255	33,221,906
Liability payable on demand		855,503	1,168,013	1,409,475	1,214,364
Short-term borrowings		(53,824)	(677,549)	-	(8,086)
Other liabilities		24,550,144	30,075,396	3,815,459	17,747,643
Net cash from operating activities		540,037	216,461,850	(50,981,951)	222,613,058
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities measured at fair value					
through other comprehensive income		(471,115,594)	(473,224,079)	(384,578,512)	(445,490,013)
Proceeds from disposal of investment securities					
measured at fair value through other comprehensive income		452,401,696	369,398,464	394,980,371	343,276,461
Purchase of investment securities measured at amortized cost		(75,342,523)	(108,871,614)	(836,973)	(20,846,462)
Proceeds from redemption of investment securities					
measured at amortized cost		58,977,765	105,105,900	1,593,558	28,323,094
Purchase of investments in subsidiaries and associate		-	(77,195,676)	-	(105,263,739)
Proceeds from disposal of investments					
in subsidiaries and associate		622,985	-	56,212	-
Proceeds from dividend income					
from subsidiaries and associates		62,180	41,512	2,059,245	1,698,535
Purchase of premises and equipment		(3,153,421)	(2,308,393)	(635,279)	(925,775)
Proceeds from disposal of premises and equipment		1,791,934	753,477	7,925	537,155
Net cash from investing activities		(35,754,978)	(186,300,409)	12,646,547	(198,690,744)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from issuance of subordinated notes	6.3	33,930,916	23,755,703	33,930,916	23,755,703
Cash paid for senior unsecured notes extinguishment	6.3	(1,414,830)	(25,620,963)	-	(24,964,624)
Decrease in long-term borrowings	6.3	(202,865)	(1,363,569)	(159,865)	(107,063)
Cash paid for lease liabilities		(1,475,819)	(1,275,888)	(1,017,228)	(1,106,844)
Dividend paid		(6,680,264)	(9,544,214)	(6,680,264)	(9,544,214)
Dividend paid to non-controlling interest		(381,968)	(362,972)	-	-
Net cash from financing activities		23,775,170	(14,411,903)	26,073,559	(11,967,042)
Effect on cash due to changes in the exchange rates		105,229	46,659	102,569	45,682
Net increase (decrease) in cash		(11,334,542)	15,796,197	(12,159,276)	12,000,954
Cash as at January 1,		73,886,309	58,090,112	70,013,515	58,012,561
Cash as at December 31,		62,551,767	73,886,309	57,854,239	70,013,515

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, 2021

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Notes to The Financial Statements

Bangkok Bank Public Company Limited and Subsidiaries
For the year ended December 31, 2021

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Notes to The Financial Statements

Bangkok Bank Public Company Limited and Subsidiaries For the year ended December 31, 2021

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, 2021 and 2020, 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.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards also requires the Bank to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. The actual results may differ from those estimates. The use of accounting judgments and estimates that are of significance are disclosed in Note 5. Further information about methods and key assumptions are set out in the relevant notes.

2.2 New or Revised Thai Financial Reporting Standards

2.2.1 The Bank and subsidiaries have adopted the new or revised Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and Thai Financial Reporting Interpretations, issued by the TFAC and announced in the Royal Gazette, applying for the financial statements of the periods beginning on or after January 1, 2021 onwards, with no material impact on the Bank and subsidiaries' financial statements.

2.2.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has announced the revision of Thai Financial Reporting Standard No. 7 regarding Financial Instruments: Disclosures (TFRS 7), Thai Financial Reporting Standard No. 9 regarding Financial Instruments (TFRS 9), and Thai Financial Reporting Standard No. 16 regarding Leases (TFRS 16) as a result of Interest Rate Benchmark Reform - Phase 2 in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendments include: relief from discontinuing hedge accounting for hedge relationship that are directly affected by IBOR reform, and how to account for changes in the contractual cash flow of financial instruments required by IBOR reform by updating EIR to reflect the change to the alternative benchmark rate without profit or loss impact in TFRS 9; additional disclosures for information about new risks arising from the reform and how it manages the transition to alternative benchmark rates in TFRS 7; adding the requirements for the temporary exception arising from interest rate benchmark reform to reflect the interest rate benchmark reform directly to lease contracts in TFRS 16. The above amendments do not have a significant impact to the Bank and subsidiaries' financial statements.

Moreover, the Federation of Accounting Professions has announcement to Accounting Treatment Guidance on "Guidelines regarding the provision of financial assistance to the debtors affected by the COVID-19". This Accounting Treatment Guidance is intended to temporarily support for entities that provides assistance to debtors who are effected by the Coronavirus Disease 2019 by providing assistance to the debtor during January 1, 2022 to December 31, 2023 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 6.42 the Coronavirus Disease 2019 Pandemic (COVID-19).

- 2.3 The consolidated financial statements for the years ended December 31, 2021 and 2020, included the accounts of the head office and all branches of the Bank and its subsidiaries, by eliminating significant business transactions and outstanding balances between the Bank and its subsidiaries, and included equity interest in associates. The subsidiaries consist of BBL (Cayman) Limited, Bangkok Bank Berhad, Sinnsuptawee Asset Management Company Limited, BBL Asset Management Company Limited, Bualuang Securities Public Company Limited, Bangkok Bank (China) Company Limited, Bualuang Ventures Limited, PT Bank Permata Tbk 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, 2021 and 2020, included BBL Nominees (Tempatan) Sdn. Bhd, the 100% owned subsidiary of Bangkok Bank Berhad and Bangkok Capital Asset Management Company Limited, the 100% owned subsidiary of Bualuang Securities Public Company Limited.

The consolidated financial statements for the year ended December 31, 2020, 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 the Bank's associates, all were incorporated in the Kingdom of Thailand.

- 2.4 The Bank's financial statements for the years ended December 31, 2021 and 2020, included the accounts of the head office and all branches of the Bank. Investments in subsidiaries and associates were accounted for using the cost method, net of valuation allowance for impairment.

3. Significant Accounting Policies

3.1 Recognition of income

The Bank recognizes interest income by using the Effective Interest Rate (EIR) method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments or, when appropriate, a shorter period, to the 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.

3.2 Recognition of expenses

The Bank recognizes interest expenses by using the effective interest method. Unless included in the effective interest calculation, fee expenses are recognized on an accrual basis.

3.3 Cash

Cash consists of cash on hand and cash in transit.

3.4 Financial instruments

1) Recognition of financial instruments

The Bank recognizes financial assets or financial liabilities when the Bank becomes a party to the contractual provisions of the instrument, which is generally on settlement date. Loans and receivables are recognized when cash is advanced (or settled) to the borrowers.



2) Classification of financial assets

Financial assets - Debt instruments

The Bank has classified its financial assets - debt 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 gains and losses from change in fair value, and gains and losses on disposal of instruments are recognized as gains (losses) on financial instruments measured at fair value through profit or loss.

Investments in equity instruments

All equity investments are measured at fair value in the statement of financial position. The Bank has classified equity investments not held for trading but held for strategic purposes or for securities with potential for high market volatility as the financial asset measured at FVOCI, where an irrevocable election has been made by the management. Such classification is determined on an instrument-by-instrument basis. Amounts presented in other comprehensive income are not reclassified subsequently to profit or loss except for dividends.

3) Classification of financial liabilities

The Bank measures financial liabilities, other than loan commitments and financial guarantees, at amortized cost or at FVTPL when they are held for trading or the fair value designation is applied.

Financial liabilities measured at amortized cost are initially recognized at fair value and subsequently measured at amortized cost.

The Bank classifies financial liabilities as held for trading when they have been issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held for trading liabilities are initially recognized at fair value, with transaction costs recognized in 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 changes in fair value are recognized as gains (losses) on financial instruments measured at fair value through profit or loss unless hedge accounting is applied.

Embedded derivatives

Embedded derivatives are component of hybrid or combined instruments that consist of non-derivative host contracts.

For derivatives embedded in financial asset host contracts, the entire hybrid contract, including all embedded features, 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.



3.5 Impairment of financial assets

For impairment of financial assets the Bank applies Expected Credit Loss (ECL) model and management overlay for the factors which are not captured by the model for debt financial assets, 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, as follows :

a) Stage 1: Performing

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the Bank recognizes portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.

b) Stage 2: Under-performing

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized.

c) Stage 3: Non-performing

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognized.

Determining the stage for impairment

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Bank considers reasonable and supportable information. The Bank gives importance to the consideration of indicator that will significantly reduce the ability to pay the debt or the increase in credit risk. This includes quantitative and qualitative information and also, forward-looking analysis covering both events that have already occurred and may occur in the future. The Bank uses its internal credit risk rating system, external credit risk grading and forecast information to assess deterioration in credit quality of a financial asset.

The Bank assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk rating, the date of initial recognition, 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.



3.6 Hedge accounting

The Bank makes use of derivatives to manage exposures arising from assets, liabilities, off-balance sheet items, net position or cash flow. Upon meeting specified criteria for hedge accounting, the Bank applies hedge accounting for the aforementioned derivatives. The Bank designates certain derivatives as :

- Hedges of the fair value of recognized assets or liabilities or firm commitments.
- Hedges of highly probable future cash flows attributable to a recognized asset or liability, or a highly probable forecast transaction.
- Hedges of net investments in foreign operations.

In hedging, the Bank takes into consideration the relationship between derivatives and the hedged item, including the nature of the risk, the objective and strategy for undertaking the hedge as well as the effectiveness of the hedging relationship.

The Bank applies an accrual basis for open portfolio hedge.

1) Fair value hedges

The cumulative changes in the fair value of derivatives that are designated and 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 hedged item is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss existing in equity at that time is immediately transferred to 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.

3.7 Investments in subsidiaries and associates, net

Subsidiaries are entities over which the Bank has the power to control the financial and operating policy in order to manage the relevant activities so as to obtain return on the Bank's interest.

Associates are entities over which the Bank has, directly or indirectly, the voting power of the entity which the Bank has significant influence, but not control, over the financial and operating policy decisions.

Investments in subsidiaries and associates in the Bank's financial statements are presented under the cost method, net of valuation allowance for impairment. Investments in associates in the consolidated financial statements are presented under the equity method, net of valuation allowance for impairment.

3.8 Properties for sale

Properties for sale consist of immovable and movable properties which are stated at the lower of cost or market value at the date of acquisition. In the event where the Bank considers that there is a decline in net realizable value, the impairment is recognized as other operating expense.

Net realizable value is estimated based on the appraised value together with other factors which can affect the realizable value such as related selling expenses and future discounts expenses.

Gains or losses on disposal of such properties for sale are recognized as other operating income or expense on the date of disposal.



The Bank had complied with the BOT's Notification regarding the Immovable Properties for Sale, and the Rules of the Purchase and Holding of Immovable Properties to be used as Premises for Business of Commercial Banks or as Facilities for its Officers and Employees and the Accounting Rules for Financial Institutions in relation to the Sales of Properties for Sale.

3.9 Premises, equipment and depreciation

Land is stated at the new appraised value. Premises are stated at the new appraised value net of accumulated depreciation and allowance for impairment (if any). Equipment is stated at cost net of accumulated depreciation and allowance for impairment (if any).

The land and premises reappraisal is done by independent appraisers according to the guidelines established by the BOT based on the market value method for land and the replacement cost method net of accumulated depreciation for premises, and such value is subject to review by price-approval committee. The increment resulting from the appraisal is recognized as part of shareholders' equity as 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.

3.10 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets and contingent liabilities acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets and contingent liabilities acquired, the difference is recognized directly in 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.

3.11 Goodwill and Intangible assets and amortization

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

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

Intangible assets are amortized by the straight-line method over their estimated useful lives between 3 - 13 years.

Amortization of intangible assets in foreign countries is at the legal rates applicable in each locality.

When intangible assets become impaired, the allowance for impairment is recorded to recognize loss on impairment as other operating expenses.

Gains or losses on disposal of intangible assets are recognized as other operating income or expenses upon disposal.

3.12 Leases

The Bank as 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.



3.13 Provisions

The Bank recognizes provisions in the statement of financial position when the Bank has obligations as a result of a past event and where it is probable that there will be an outflow of economic benefits to settle such obligations. The provisions, such as the provisions for off-balance sheet contingencies, the provision for the post-employment benefits (See Note 6.22), the probable loss on legal indemnity, and other provisions, have been recognized in the statements of financial position.

The Bank recognizes the provisions as other operating expenses and as provisions in the statement of financial position.

The Bank reviews the provisions on a regular basis, and recognizes the changes in the provisions as increase or decrease in other operating expenses.

3.14 Assets and liabilities in foreign currencies

3.14.1 Functional currency and presentation currency

Items in the financial statements of foreign operations are recorded at their functional currency.

The consolidated and the Bank's financial statements are presented in Baht as the presentation currency.

3.14.2 Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the transaction dates.

At the reporting date, balances of monetary assets and liabilities are translated at the exchange rate as of the reporting date. Balances of non-monetary assets and liabilities are translated at the exchange rate prevailing at the transaction dates or exchange rate at the date when the fair value was determined.

Gains and losses on foreign currency trading and foreign currency translation are presented as gains (losses) on tradings and foreign exchange transactions.

3.14.3 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank's financial statements, the Bank translates the items in the statement of financial position of the foreign operation which its functional currency is other than Baht by using the reference rates of BOT as of the reporting date and translates the items in the statement of profit or loss and other comprehensive income by using the reference rates of BOT at the end of each month.

Gains or losses on translation of the financial statements of foreign operations are recognized as a component of shareholders' equity through other comprehensive income.

3.15 Post-employment benefits

3.15.1 Defined contribution plans

The Bank and its domestic subsidiaries have the provident funds, which are managed by external fund managers, for their employees in accordance with the Provident Fund Act 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.

3.15.2 Defined benefit plans

The Bank and its subsidiaries provide the defined benefit plans for their employees under the employment agreements. The provision for the employee benefits is assessed by an actuary using the actuarial techniques called the Projected Unit Credit Method to determine the present value of cash flows of employee benefits to be paid in the future. Under this method, the determination is based on actuarial calculations which include the employee's salaries, turnover rate, mortality rate, years of service and other factors.



The Bank and its subsidiaries recognize the provision for defined benefit plans in the statement of financial position with the net total of the present value of defined benefits obligations minus the fair value of plan assets. The expense for defined benefit plans is recognized as personnel expenses in the statements of profit or loss and other comprehensive income. The actuarial gains (losses) are recognized in other comprehensive income.

3.16 Income taxes

Income taxes comprise of current tax and deferred tax.

Current tax is recognized at the amount expected to be paid or recovered from the tax authorities by calculating from taxable profit or loss for the period and using tax rates enacted or substantively enacted by the reporting date.

Deferred tax is recognized on temporary differences arising between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss (tax base). The Bank 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.

3.17 Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to the Bank by the average number of common shares outstanding and issued during the period, weighted by the time and amount paid.

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

4. Risk Management

4.1 Risk management information of the Bank

The Bank's Risk Management Committee plays a significant role in prescribing the risk management policy, reviewing the sufficiency of the risk management policy and system, defining the strategy for risk management, and monitoring the Bank's risk to an appropriate level, in compliance with the Bank's risk management policy which has been approved by the Board of Directors based on the Risk Management Committee's recommendation. The objectives are to manage the relevant risks within designated boundaries, in particular the maintenance of capital in accordance with the revised capital adequacy requirements under the Basel III guidelines and to achieve an appropriate rate of return.

Important processes in the risk management system comprise the identification of significant risks which may potentially impact the Bank's business operations, the assessment of each type of risk, the monitoring of risks to be at an appropriate level under the Bank's policy, and the reporting of the status of each type of risk to relevant parties so as to enable them to manage and/or handle the risks in a timely manner.

The key principle of the risk management system is that business units shall be responsible for continuously managing their risk exposures in order to ensure that the risk is within the specified limits and in compliance with the overall risk management policy approved by the Board of Directors, while the Risk Management unit is responsible for monitoring and controlling the risks on a regular basis.

4.2 Credit risk

4.2.1 Credit risk management

Credit Risk is the risk that borrowers or counterparties fail to fulfill their obligations under contractual agreements arising from lending, investment and other contractual activities, such as the borrowers' failure to repay principal or interest as agreed in the contract, etc. The Bank's maximum exposure to credit risk is the net carrying amount of the financial assets or the amount which the Bank could have to pay if counterparties cannot meet such contractual obligations.



The Bank has established comprehensive credit underwriting processes which include the formulation of the credit policy, procedures for the assessment of credit risk ratings for customers, and the establishment of various levels of credit approval authority, based on the type of business and/or the size of the credit facilities. In general, credit facilities are extended based on the capacity to repay, which is assessed by evaluating the purpose of the loan, the projected operating cash flows, business feasibility and the capability of management. Collateral coverage is also taken into consideration as a contingency measure. Credit reviews including reviews of the credit risk ratings are undertaken on a regular basis. Furthermore, the Bank also has established limits to be used as a tool to monitor and control credit risk.

4.2.2 Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for any financial instrument before deducting collateral as at December 31, 2021 and 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		THE BANK	
	2021	2020	2021	2020
Million Baht				
Financial assets				
Interbank and money market items, net	801,212	519,036	626,065	374,779
Derivatives assets	42,359	67,560	41,749	66,143
Investments	715,942	680,902	575,916	594,127
Loan to customers	<u>2,376,027</u>	<u>2,189,102</u>	<u>2,025,671</u>	<u>1,896,205</u>
Total	<u>3,935,540</u>	<u>3,456,600</u>	<u>3,269,401</u>	<u>2,931,254</u>
Off Balance sheet				
Financial guarantees	214,723	199,100	171,451	161,786
Loan commitments	<u>405,658</u>	<u>421,290</u>	<u>357,333</u>	<u>376,969</u>
Total	<u>620,381</u>	<u>620,390</u>	<u>528,784</u>	<u>538,755</u>
Total credit risk exposure	<u>4,555,921</u>	<u>4,076,990</u>	<u>3,798,185</u>	<u>3,470,009</u>

4.2.3 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.



4.2.4 Offsetting financial assets and liabilities

The table below shows the amount of financial instruments that have not been offset in the statement of financial position but is subject to other applicable netting agreements or similar arrangements such as standard contracts and other applicable financial collateral as at December 31, 2021 and 2020.

Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	CONSOLIDATED 2021			Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
				Amounts not offset on the statement of financial position		Net amounts				
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	11,472	-	11,472	-	(11,472)	-	Interbank and money market items (assets), net	6.4	801,212	789,740
Derivatives assets	30,823	-	30,823	(24,937)	(3,314)	2,572	Derivative assets	6.6	42,359	11,536
Total	<u>42,295</u>	<u>-</u>	<u>42,295</u>	<u>(24,937)</u>	<u>(14,786)</u>	<u>2,572</u>			<u>843,571</u>	<u>801,276</u>
Financial liabilities										
Repurchase agreements	61,400	-	61,400	-	(61,400)	-	Interbank and money market items (liabilities), net	6.15	288,709	227,309
Derivatives liabilities	33,312	-	33,312	(24,937)	(8,375)	-	Derivative liabilities	6.6	50,264	16,952
Total	<u>94,712</u>	<u>-</u>	<u>94,712</u>	<u>(24,937)</u>	<u>(69,775)</u>	<u>-</u>			<u>338,973</u>	<u>244,261</u>

Million Baht



Million Baht

Types of Financial Instrument	CONSOLIDATED 2020						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
	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				
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	13,761	-	13,761	-	(13,761)	-	Interbank and money market items (assets), net	6.4	519,036	505,275
Derivatives assets	37,685	-	37,685	(28,129)	(3,864)	5,692	Derivative assets	6.6	67,560	29,875
Total	51,446	-	51,446	(28,129)	(17,625)	5,692			586,596	535,150
Financial liabilities										
Repurchase agreements	2,000	-	2,000	-	(2,000)	-	Interbank and money market items (liabilities), net	6.15	219,149	217,149
Derivatives liabilities	44,788	-	44,788	(28,129)	(12,670)	3,989	Derivative liabilities	6.6	57,128	12,340
Total	46,788	-	46,788	(28,129)	(14,670)	3,989			276,277	229,489



Million Baht

Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	THE BANK 2021		Net amounts	Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
				Amounts not offset on the statement of financial position						
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	11,472	-	11,472	-	(11,472)	-	Interbank and money market items (assets), net	6.4	626,065	614,593
Derivatives assets	30,823	-	30,823	(24,937)	(3,314)	2,572	Derivative assets	6.6	41,749	10,926
Total	42,295	-	42,295	(24,937)	(14,786)	2,572			667,814	625,519
Financial liabilities										
Repurchase agreements	61,400	-	61,400	-	(61,400)	-	Interbank and money market items (liabilities), net	6.15	280,748	219,348
Derivatives liabilities	33,312	-	33,312	(24,937)	(8,375)	-	Derivative liabilities	6.6	49,716	16,404
Total	94,712	-	94,712	(24,937)	(69,775)	-			330,464	235,752



Million Baht

Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	THE BANK 2020		Net amounts	Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
				Amounts not offset on the statement of financial position						
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	13,761	-	13,761	-	(13,761)	-	Interbank and money market items (assets), net	6.4	374,779	361,018
Derivatives assets	37,685	-	37,685	(28,129)	(3,864)	5,692	Derivative assets	6.6	66,143	28,458
Total	51,446	-	51,446	(28,129)	(17,625)	5,692			440,922	389,476
Financial liabilities										
Repurchase agreements	2,000	-	2,000	-	(2,000)	-	Interbank and money market items (liabilities), net	6.15	162,499	160,499
Derivatives liabilities	44,788	-	44,788	(28,129)	(12,670)	3,989	Derivative liabilities	6.6	56,212	11,424
Total	46,788	-	46,788	(28,129)	(14,670)	3,989			218,711	171,923



4.2.5 Credit quality of financial assets including loan commitments and financial guarantee contracts as at December 31, 2021 and 2020.

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

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

	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>3,344,213</u>	<u>125,823</u>	<u>97,735</u>	<u>3,567,771</u>

Allowance for expected credit loss of financial instruments that requires credit impairment consideration according to relevant financial reporting standard consisted of the following as at December 31, 2021 and 2020 :

	CONSOLIDATED		THE BANK		Million Baht
	2021	2020	2021	2020	
Expected credit losses for					
Interbank and money market items	739	400	676	367	
Investment in debt securities	3,878	2,895	3,844	2,841	
Loans to customers	219,801	185,567	192,557	163,534	
Other off-balance sheet items	7,744	9,006	6,412	7,473	
Total	<u>232,162</u>	<u>197,868</u>	<u>203,489</u>	<u>174,215</u>	



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

	CONSOLIDATED			Million Baht
	2020			
	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	56,525	65,205	76,138	197,868

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

	THE BANK			Million Baht
	2020			
	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	48,303	59,044	66,868	174,215



4.3 Market risk

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

4.3.1 Market Risk in the Trading Book

Trading book position includes positions of financial instruments that the Bank holds for a short period with an intention to trade, resell, and benefit from the difference between the buying and selling prices; to benefit from arbitrage opportunities; or to hedge other positions in the trading book.

Interest rate risk in the trading book arises when the Bank holds interest rate-related financial instruments with an intention to trade, 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 (VaR)

Value at Risk or "VaR" is a statistical technique that estimates the maximum potential losses on risk exposures as a result of movements in market rates and prices over a specified time horizon and at a given level of confidence. The Bank uses a historical simulation approach at a 99% confidence level over a one-day holding period to measure VaR for our trading book positions. Historical Simulation VaR estimates the maximum potential losses assuming plausible future scenarios from the observed historical market movements.

As at December 31, 2021 and 2020, VaR of the Bank's and the Group's trading book position for a one-day holding period at 99% confidence level was Baht 248 million and Baht 257 million and was Baht 492 million and Baht 500 million, respectively.

In addition to the above-mentioned monitoring and controlling of risk, the Bank also performs market risk stress testing on its trading book position on at least a quarterly basis to determine the potential losses from extreme market movements or crisis events. This stress testing enhances the Bank's understanding of its risk exposures and vulnerability as well as facilitating proactive risk management.

4.3.2 Market Risk in the Banking Book

4.3.2.1 Interest Rate Risk in the Banking Book

Interest rate risk in the banking book normally arises when the repricing and/or maturity schedule of assets, liabilities and off-balance sheet positions are not matched, or when the movements of reference interest rates on assets and liabilities are not correlated, affecting net interest income (NII) and/or economic value of equity (EVE).

To control interest rate risk in the banking book, the Bank has established a NII Impact Limit (being the Cumulative NII Impact within one year) and an EVE Impact Limit, assuming interest rates rise and decrease immediately by 1%.

The impact of a 1% point increase in interest rate to NII of the Bank's and the BBL Group's as at December 31, 2021 and 2020 was as follows :

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
NII Impact	129	55	(338)	(725)



The Bank has significant financial assets and financial liabilities categorized by the earlier of contractual repricing or maturity dates as at December 31, 2021 and 2020 as follows :

	CONSOLIDATED							Total
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - performing Loans	
	2021							Million Baht
Financial Assets								
Interbank and money market items*	675,861	28,339	11,625	121	-	85,873	-	801,819
Financial assets measured at fair value through profit or loss	40	3,876	2,106	5,182	8,807	64,330	-	84,341
Investments in debt securities	25,973	47,067	101,148	432,870	106,479	-	-	713,537
Loans to customers	1,448,732	550,490	282,355	196,973	8,614	-	101,175	2,588,339
Financial Liabilities								
Deposits	2,125,971	362,112	515,748	17,677	-	135,432	-	3,156,940
Interbank and money market items	139,213	70,634	50,114	27,724	550	474	-	288,709
Liabilities payable on demand	-	-	-	-	-	8,113	-	8,113
Financial liabilities measured at fair value through profit or loss	266	-	-	-	20,567	-	-	20,833
Debt issued and borrowings	-	344	27,281	62,011	93,603	-	-	183,239

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

	CONSOLIDATED						Non - interest bearing	Non - performing Loans	Total
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	2020			
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 and accrued interest receivables.



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

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

	THE BANK 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*	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

4.3.2.2 Foreign Exchange in the Banking Book

Exchange rate risk in the banking book relates to the net investment position of foreign branches and subsidiaries. It is a risk arising from changes in exchange rates to investments and the net operating results of foreign entities whose functional currency is not Thai Baht. Foreign exchange risk is recognized through other comprehensive income as gain or loss on translation of the financial statements from overseas operations.

The Bank manages foreign exchange risk in its banking book to ensure that the impact of exchange rate changes on the Bank's total capital ratios is at acceptable levels as at December 31, 2021 and 2020. The impact on the Bank's total capital ratio, due to the appreciation of the Thai Baht currency against all foreign currencies of 5%, is approximately 0.03% and 0.02%, respectively.

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



4.4 Liquidity risk

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

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

The Bank has diversified funding sources. Its major funding source is customer deposits which are well diversified in terms of customer type, deposit type and maturity. Moreover, the Bank manages liquidity in major currencies such as the Thai baht and US dollar by using domestic and international money and capital markets, including swap and repurchase markets. The Bank aims to balance the cost of liquidity against liquidity risks as deemed appropriate, based on market conditions and acceptable risk levels. The Bank also closely manages short-term and long-term liquidity positions, including the consideration of foreign short-term and long-term borrowings to meet customers' foreign currency loan demands in both domestic and overseas operations, as well as planning for capital fundraising as market conditions permit. In addition to funding diversification, the Bank maintains high-quality liquid assets which can be liquidated or realized as needed in order to meet its financial obligations under both business-as-usual and crisis situations. The Bank maintains a liquidity reserve ratio in accordance with the requirements of the BOT and other regulatory authorities in the countries where it has an international presence, as well as in accordance with the ALCO guidelines.

The following tables show financial assets and financial liabilities categorized by remaining maturity profile as at December 31, 2021 and 2020 :

	CONSOLIDATED					Total
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	
Financial Assets						
Interbank and money market items*	730,607	3,259	106	67,847	-	801,819
Financial assets measured at						
fair value through profit or loss	9,655	4,910	32,293	37,483	-	84,341
Derivatives assets	9,421	13,765	19,173	-	-	42,359
Investments	171,910	433,927	109,692	89,447	-	804,976
Loans to customers	966,297	898,564	622,303	-	101,175	2,588,339
Financial Liabilities						
Deposits	1,477,132	20,113	-	1,659,695	-	3,156,940
Interbank and money market items	238,083	34,408	550	15,668	-	288,709
Liabilities payable on demand	8,113	-	-	-	-	8,113
Financial liabilities measured at						
fair value through profit or loss	266	-	20,567	-	-	20,833
Derivatives liabilities	15,816	15,082	19,366	-	-	50,264
Debt issued and borrowings	27,625	36,946	93,590	25,078	-	183,239

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



	CONSOLIDATED 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*	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	54,036**	22,530**	-	136,177

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

** The Bank had made changes to the presentation of 2020 comparison to be in accordance with the current year presentations.

	THE BANK 2021					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	Total
Financial Assets						
Interbank and money market items*	562,550	1,115	-	62,985	-	626,650
Financial assets measured at fair value through profit or loss	5,802	2,813	31,448	56,435	-	96,498
Derivatives assets	8,995	13,581	19,173	-	-	41,749
Investments	110,515	359,549	104,790	232,826	-	807,680
Loans to customers	822,896	776,296	529,646	-	83,084	2,211,922
Financial Liabilities						
Deposits	1,010,863	13,026	-	1,641,757	-	2,665,646
Interbank and money market items	234,920	33,778	550	11,500	-	280,748
Liabilities payable on demand	8,112	-	-	-	-	8,112
Financial liabilities measured at fair value through profit or loss	-	-	20,567	-	-	20,567
Derivatives liabilities	15,410	14,945	19,361	-	-	49,716
Debt issued and borrowings	26,765	36,946	93,590	25,078	-	182,379

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



	THE BANK 2020					Total Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	
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	54,036**	22,530**	-	133,964

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

** The Bank had made changes to the presentation of 2020 comparison to be in accordance with the current year presentations.

4.5 Fair value of financial instruments

The following table presents the carrying amount and estimated fair value of financial instruments as at December 31, 2021 and 2020 :

	CONSOLIDATED Million Baht			
	2021 Carrying Amount	2021 Fair Value	2020 Carrying Amount	2020 Fair Value
Financial Assets				
Cash	62,552	62,552	73,886	73,886
Interbank and money market items, net	801,212	801,212	519,036	519,036
Financial assets measured at fair value through profit or loss	84,341	84,341	57,936	57,936
Derivatives assets	42,359	42,376	67,560	65,831
Investments, net	804,965	804,765	759,394	789,633
Loans to customers and accrued interest receivables, net	2,376,027	2,376,027	2,189,102	2,189,102
Total	4,171,456	4,171,273	3,666,914	3,695,424
Financial Liabilities				
Deposits	3,156,940	3,156,940	2,810,863	2,810,863
Interbank and money market items	288,709	288,709	219,149	219,149
Liabilities payable on demand	8,113	8,113	7,257	7,257
Financial liabilities measured at fair value through profit or loss	20,833	20,833	19,257	19,257
Derivatives liabilities	50,264	50,325	57,128	55,429
Debt issued	183,034	190,951	135,769	146,243
Borrowings	205	205	408	408
Total	3,708,098	3,716,076	3,249,831	3,258,606



	THE BANK			
	2021		2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Million Baht				
Financial Assets				
Cash	57,854	57,854	70,014	70,014
Interbank and money market items, net	626,065	626,065	374,779	374,779
Financial assets measured at fair value				
through profit or loss	96,498	96,498	69,359	69,359
Derivatives assets	41,749	41,724	66,143	64,358
Investments, net	807,405	835,369	815,034	827,016
Loans to customers and accrued interest				
receivables, net	<u>2,025,671</u>	<u>2,025,671</u>	<u>1,896,205</u>	<u>1,896,205</u>
Total	<u><u>3,655,242</u></u>	<u><u>3,683,181</u></u>	<u><u>3,291,534</u></u>	<u><u>3,301,731</u></u>
Financial Liabilities				
Deposits	2,665,646	2,665,646	2,485,597	2,485,597
Interbank and money market items	280,748	280,748	162,499	162,499
Liabilities payable on demand	8,112	8,112	6,703	6,703
Financial liabilities measured at fair value				
through profit or loss	20,567	20,567	19,057	19,057
Derivatives liabilities	49,716	49,699	56,212	54,455
Debt issued	182,174	190,091	133,599	144,000
Borrowings	<u>205</u>	<u>205</u>	<u>365</u>	<u>365</u>
Total	<u><u>3,207,168</u></u>	<u><u>3,215,068</u></u>	<u><u>2,864,032</u></u>	<u><u>2,872,676</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 institutions.

The fair value determination of investments in debt securities

- For domestic debt securities listed in the Thai Bond Market Association, the fair value is determined by using the market yield of debt securities published by the Thai Bond Market Association. For such debt securities that are not listed in the Thai Bond Market Association, the average bid yield from three reliable financial institutions will be used.
- For foreign debt securities, the value quoted by reliable international financial institutions will be used.

The fair value determination of investments in equity securities

- For marketable equity securities with readily determinable market values, the fair value is determined by the last bid price on The Stock Exchange of Thailand on the last business day of the reporting date. If the last bid price is not available, the last closing price will be used.
- Investments in unit trusts are stated at fair value based on redemption value at the reporting date.
- For other non-marketable investments, the fair value is determined by using appropriate valuation techniques with price and/or variables from the market and consideration to limitation of sale, liquidation, and discount rate to adjust such fair value. The valuation techniques include the use of recent arm's length transactions, reference to current fair value of other investments that have similar characteristics, discounted cash flows, and market multiples.

The fair value for debt issued is based on the market value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market, or in the absence, the most advantageous market, where is accessible to by the Bank. The fair value of instruments that are quoted in active markets is determined using the quoted prices. A market is regarded as active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If the market is not active, or an asset or a liability is not traded in an active market, the Bank uses valuation techniques to determine fair value by using the assumptions that market participants would use when pricing the asset or liability. Where applicable, a valuation adjustment is applied to 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, 2021 and 2020.



	CONSOLIDATED								Million Baht
	2021				2020				Total
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3		
Items measured at fair value									
Financial assets									
Financial assets measured at fair value through profit or loss	11,370	9,681	63,290	84,341	3,244	8,951	45,741	57,936	
Derivatives assets	458	41,918	-	42,376	448	65,361	22	65,831	
Investments, net	177,174	574,225	6,185	757,584	123,211	624,497	6,122	753,830	
Financial liabilities									
Financial liabilities measured at fair value through profit or loss	267	20,566	-	20,833	200	19,057	-	19,257	
Derivatives liabilities	60	50,265	-	50,325	103	55,326	-	55,429	
Items not measured at fair value									
Financial assets									
Investments, net	3,514	29,094	14,573	47,181	403	27,638	7,762	35,803	
Financial liabilities									
Debt issued	-	190,951	-	190,951	-	146,651	-	146,651	

	THE BANK								Million Baht
	2021				2020				Total
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3		
Items measured at fair value									
Financial assets									
Financial assets measured at fair value through profit or loss	4,848	7,563	84,087	96,498	1,441	2,939	64,979	69,359	
Derivatives assets	455	41,269	-	41,724	444	63,892	22	64,358	
Investments, net	99,313	550,679	6,099	656,091	87,758	569,017	5,993	662,768	
Financial liabilities									
Financial liabilities measured at fair value through profit or loss	-	20,567	-	20,567	-	19,057	-	19,057	
Derivatives liabilities	-	49,699	-	49,699	-	54,455	-	54,455	
Items not measured at fair value									
Financial assets									
Investments, net	446	6,650	172,182	179,278	403	7,446	156,399	164,248	
Financial liabilities									
Debt issued	-	190,091	-	190,091	-	144,365	-	144,365	

Fair values are determined according to the following hierarchy :

- Level 1 - quoted prices in active market for identical assets or liabilities
- Level 2 - value derived from valuation techniques for which the significant input used for the fair value measurement is directly or indirectly observable in the market
- Level 3 - value derived from valuation techniques for which the significant input used for the fair value measurement is unobservable in the market

When using valuation techniques, the valuation adjustments are adopted, when the Bank considers that there are additional factors that would be considered by a market participant but are not incorporated within the valuation measurements. The considering factors are such as bid-offer spread, counterparty credit and liquidity, etc.

4.6 Capital fund

It is the Bank's policy to maintain an adequate level of capital to support growth strategies under an acceptable risk framework taking into consideration regulatory requirements and market expectations. The Bank regularly assesses its capital adequacy under various scenarios in order to anticipate capital requirements for the purpose of its capital planning and management process.

The guideline on capital fund based on the Basel III guidelines of the BOT requires the Bank to set out additional capital ratio of more than 2.50 percent which maintains a capital conservation buffer in addition to minimum capital adequacy ratios. In September 2017, the BOT has announced the guideline to identify and regulate Domestic Systemically Important Bank (D-SIB). The BOT requires the Bank, classified as D-SIB, must have additional capital requirement for Higher Loss Absorbency (HLA) requirement by increasing the Common Equity Tier 1 ratio at 1 percent. The minimum capital adequacy and a capital conservation buffer ratios to risk-weighted assets is as follows :

Capital Fund Ratio	2021	Percentage 2020
Common Equity Tier 1 ratio	More than 8.0	More than 8.0
Tier 1 capital ratio	More than 9.5	More than 9.5
Total capital fund ratio	More than 12.0	More than 12.0

Moreover, the BOT may require to maintain additional capital for countercyclical buffer at maximum of 2.50 percent.



As at December 31, 2021 and 2020, 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	
	Percentage			
	2021	2020	2021	2020
Common Equity Tier 1 capital to risk assets ratio	15.15	14.89	16.47	16.33
Tier 1 capital to risk assets ratio	15.98	15.76	17.38	17.28
Total capital to risk assets ratio	19.57	18.34	21.33	20.10

	CONSOLIDATED		THE BANK	
	Million Baht			
	2021	2020	2021	2020
Tier 1 capital	457,469	431,381	449,350	428,010
Common Equity Tier 1 capital	433,699	407,621	425,758	404,418
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	26,000	25,000	26,000	25,000
Reserves appropriated from net profit	116,500	111,500	116,500	111,500
Net profit after appropriation	191,060	185,859	174,703	170,314
Other comprehensive income	66,492	47,386	58,136	53,184
Deductions from Common Equity Tier 1 capital	(41,787)	(37,558)	(25,015)	(31,014)
Additional Tier 1 capital	23,770	23,760	23,592	23,592
Tier 2 capital	102,957	70,686	101,989	69,839
Total capital fund	560,426	502,067	551,339	497,849

As at December 31, 2021 and 2020, the Bank has no capital add-on arising from Single Lending Limit.

As at December 31, 2021, the Bank has the subordinated notes (See Note 6.18) which the BOT had approved to include in Tier 2 capital on September 23, 2021.

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 29, 2021
Information as of June 30, 2021

5. Significant Use of Accounting Judgments and Estimates

5.1 Impairment losses on financial assets

The measurement of impairment losses under Thai Financial Reporting Standard No. 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values and the assessment of significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowance.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include :

- The Bank's internal credit grading model, which assigns probability of default to the individual grades
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowance for financial assets should be measured on a lifetime ECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs and collateral values, and the effect on probability of defaults, exposure at defaults and loss given defaults
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models

It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

5.2 Provisions

The determination of the provisions on the statement of financial position requires the use of various assumptions and judgments by the Bank, taking into consideration the nature of transactions and the circumstances requiring the provisions, the probability of the outflow of economic benefits to settle such obligations and the estimate of the net future cash outflows. The consideration is based on the experience and information that is available at the time that the financial statements are being prepared. The provisions are reviewed regularly. However, the actual results may differ from the estimates.



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



	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

6.2 Cash

Cash as at December 31, 2021 and 2020 are as follows :

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Cash	62,265	73,443	57,567	69,571
Cash received in advance from e-Money and electronic money transfer service	287	443	287	443
Total	62,552	73,886	57,854	70,014

6.3 Supplementary Disclosures of Cash Flow Information

Significant non-cash items for the years ended December 31, 2021 and 2020 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2021	2020	2021	2020
Unrealized gains on investments in shareholders' equity increase (decrease)	3,314	(2,089)	3,374	(2,374)
Properties for sale increased from loans payment/inactive assets	2,008	1,167	1,797	1,167
Unrealized increment per land and premises appraisal transferred to retained earnings	1,091	1,025	998	979
Unrealized increment per land and premises appraisal increase	534	11,637	-	11,190
Changes in non-cash items of debt issued and borrowing				
Losses on foreign exchange	(14,776)	(831)	(14,618)	(831)
Amortization on discount	28	29	27	29



6.4 Interbank and Money Market Items, net (Assets)

Interbank and money market items, net (assets) as at December 31, 2021 and 2020 consisted of the following :

	Million Baht			
	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Domestic items				
Bank of Thailand and Financial Institutions				
Development Fund	484,404	236,927	484,404	236,927
Commercial banks	23,676	8,879	12,016	502
Special purpose financial institutions	1,115	-	1,115	-
Other financial institutions	<u>14,005</u>	<u>15,800</u>	<u>14,005</u>	<u>15,800</u>
Total	523,200	261,606	511,540	253,229
<u>Add</u> Accrued interest receivables and				
undue interest receivables	35	18	33	17
<u>Less</u> Allowance for expected credit loss	<u>(19)</u>	<u>(57)</u>	<u>(19)</u>	<u>(57)</u>
Total domestic items	<u>523,216</u>	<u>261,567</u>	<u>511,554</u>	<u>253,189</u>
Foreign items				
USD	121,037	113,288	67,669	72,161
JPY	13,141	19,343	12,495	18,659
EUR	5,625	8,246	5,434	7,689
Others	<u>138,816</u>	<u>114,754</u>	<u>29,512</u>	<u>23,317</u>
Total	278,619	255,631	115,110	121,826
<u>Add</u> Accrued interest receivables and				
undue interest receivables	66	2,181	29	74
<u>Less</u> Allowance for expected credit loss	<u>(689)</u>	<u>(343)</u>	<u>(628)</u>	<u>(310)</u>
Total foreign items	<u>277,996</u>	<u>257,469</u>	<u>114,511</u>	<u>121,590</u>
Total domestic and foreign items	<u>801,212</u>	<u>519,036</u>	<u>626,065</u>	<u>374,779</u>

6.5 Financial Assets Measured at Fair Value Through Profit or Loss

6.5.1 Trading financial assets as at December 31, 2021 and 2020 consisted of the following :

	Million Baht			
	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
	Fair Value	Fair Value	Fair Value	Fair Value
Interbank and money market items	-	6	-	6
Thai government and state enterprise securities	6,463	1,718	6,463	1,718
Private enterprise debt securities	-	249	-	249
Foreign debt securities	3,217	3,953	-	-
Domestic marketable equity securities	3,305	1,804	-	-
Others	<u>119</u>	<u>109</u>	<u>-</u>	<u>-</u>
Total	<u>13,104</u>	<u>7,839</u>	<u>6,463</u>	<u>1,973</u>

6.5.2 Others as at December 31, 2021 and 2020 consisted of the following :

	Million Baht			
	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
	Fair Value	Fair Value	Fair Value	Fair Value
Investments in debt securities	57,537	38,856	78,110	57,523
Investments in equity securities	<u>13,700</u>	<u>11,241</u>	<u>11,925</u>	<u>9,863</u>
Total	<u>71,237</u>	<u>50,097</u>	<u>90,035</u>	<u>67,386</u>
Financial assets measured at fair value through profit or loss	<u>84,341</u>	<u>57,936</u>	<u>96,498</u>	<u>69,359</u>

6.6 Derivatives Assets and Liabilities

The fair values and the notional amounts derivatives classified by type of risk as at December 31, 2021 and 2020 are as follows :

Type of risk	Million Baht					
	2021		2020			
	Fair Value	Notional Amount	Fair Value	Notional Amount		
	Assets	Liabilities	Assets	Liabilities		
Foreign exchange rate	21,595	27,618	1,555,007	38,173	23,808	1,329,347
Interest rate	20,302	22,587	1,395,900	28,918	33,221	1,172,610
Others	<u>462</u>	<u>59</u>	<u>6,897</u>	<u>469</u>	<u>99</u>	<u>6,262</u>
Total	<u>42,359</u>	<u>50,264</u>	<u>2,957,804</u>	<u>67,560</u>	<u>57,128</u>	<u>2,508,219</u>

Type of risk	Million Baht					
	2021		2020			
	Fair Value	Notional Amount	Fair Value	Notional Amount		
	Assets	Liabilities	Assets	Liabilities		
Foreign exchange rate	20,992	27,148	1,477,930	36,759	23,025	1,265,380
Interest rate	20,302	22,568	1,394,132	28,918	33,187	1,170,629
Others	<u>455</u>	<u>-</u>	<u>2,779</u>	<u>466</u>	<u>-</u>	<u>2,434</u>
Total	<u>41,749</u>	<u>49,716</u>	<u>2,874,841</u>	<u>66,143</u>	<u>56,212</u>	<u>2,438,443</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, 2021 and 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 503 million and Baht 363 million and derivatives liabilities Baht 1,764 million and 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, 2021 and 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 700 million and Baht 1,008 million and derivatives liabilities Baht 1,127 million and Baht 511 million, respectively.

6.7 Investments, net

6.7.1 Investments as at December 31, 2021 and 2020 consisted of the following :

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
	Amortized Cost	Amortized Cost	Amortized Cost	Amortized Cost
Debt investment securities				
- measured at amortized cost				
Thai government and				
state enterprise securities	28,166	26,443	6,534	7,030
Foreign debt securities	17,898	12,448	469	651
Total	46,064	38,891	7,003	7,681
Less Allowance for expected credit loss	(11)	(7)	(6)	(4)
Total	46,053	38,884	6,997	7,677

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
	Fair Value	Fair Value	Fair Value	Fair Value
Debt investment securities				
- measured at FVOCI				
Thai government and				
state enterprise securities	447,572	458,728	447,572	458,728
Private enterprise debt securities	21,886	31,676	21,886	31,676
Foreign debt securities	191,611	141,594	91,988	87,060
Others	6,404	7,440	6,404	7,440
Total	667,473	639,438	567,850	584,904
Allowance for expected credit loss	3,867	2,888	3,838	2,837

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
	Fair Value	Fair Value	Fair Value	Fair Value
Equity investment securities				
- designated at FVOCI				
Domestic marketable equity				
securities	63,888	51,677	62,212	49,546
Foreign marketable equity securities	18,176	20,649	18,176	20,649
Others	8,047	7,834	7,853	7,669
Total	90,111	80,160	88,241	77,864
Investments, net	803,637	758,482	663,088	670,445



For the years ended December 31, 2021 and 2020, the Bank received dividends from equity investment securities designated as FVOCI that the Bank maintains. For the consolidated amounting to Baht 2,089 million and Baht 2,039 million and the Bank's financial statements amounting to Baht 2,023 million and Baht 1,899 million, respectively.

The Bank had investments in companies whose prospects as a going concern are uncertain, comprising of companies listed in the SET that fall under the SET delisting criteria and non-listed companies that their financial performance and financial position fall under the SET delisting criteria. As at December 31, 2021, there were 37 companies with investment cost of Baht 846 million and fair value of Baht 224 million. As at December 31, 2020, there were 33 companies with investment cost of Baht 257 million and fair value of Baht 1 million.

6.7.2 As at December 31, 2021 and 2020, 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 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
	Fair Value	Fair Value	Fair Value	Fair Value
Manufacturing and commercial	291	1	291	1
Real estate and construction	1,672	939	1,672	939
Utilities and services	22	21	22	21
Others	2,231	2,327	2,231	2,327
Total	4,216	3,288	4,216	3,288

6.8 Investments in Subsidiaries and Associates, net

As at December 31, 2021 and 2020, the Bank had investments in subsidiaries and associates, net as follows :

Company	Type of Business	Type of Shares	CONSOLIDATED				Million Baht	
			Direct and Indirect Shareholding (%)		Investment (Cost Method)		Investment (Equity Method)	
			2021	2020	2021	2020	2021	2020
Associates								
Thai Payment Network Co., Ltd.*	Service	Common share	33.33	69.08	262	362	81	26
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15	470	457
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118	82	95
National ITMX Co., Ltd.	Service	Common share	12.55	14.26	12	13	382	333
PT Sahabat Finansial Keluarga**	Finance	Common share	28.79	-	314	-	314	-
Total					721	508	1,329	911
Less Allowance for impairment					(172)	(2)	-	-
Investments in associates, net					549	506	1,329	911

Company	Type of Business	Type of Shares	THE BANK				Million Baht	
			Direct and Indirect Shareholding (%)		Investment (Cost Method)		Investment (Equity Method)	
			2021	2020	2021	2020	2021	2020
Subsidiaries								
BBL (Cayman) Limited	Finance	Common share	100.00	100.00	2	2		
Bangkok Bank Berhad	Banking	Common share	100.00	100.00	9,261	9,261		
Sinnsuptawee Asset Management Co., Ltd.	Asset Management	Common share	100.00	100.00	2,500	2,500		
Bangkok Bank (China) Co., Ltd.	Banking	Common share	100.00	100.00	19,585	19,585		
Bualuang Ventures Limited	Venture Capital Company	Common share	100.00	100.00	1,500	1,500		
PT Bank Permata Tbk	Banking	Common share	98.71	98.71	105,010	105,010		
Bualuang Securities PCL.	Securities	Common share	99.91	99.91	4,772	4,772		
BSL Leasing Co., Ltd.	Finance	Common share	90.00	90.00	1,365	1,365		
BBL Asset Management Co., Ltd.	Finance	Common share	75.00	75.00	183	183		
Associates								
Thai Payment Network Co., Ltd.*	Service	Common share	33.33	69.08	262	362		
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15		
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118		
National ITMX Co., Ltd.	Service	Common share	12.55	14.26	12	13		
Total							144,585	144,686
Less Allowance for impairment							(268)	(97)
Investments in subsidiaries and associates, net							144,317	144,589

* The Bank had only significantly influence but not control.

** Holding by PT Bank Permata Tbk. In December 2021, the company was changed from a subsidiary to be an associate.



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.

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.

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.

In March 2021, the fair value measurement of Net Asset Value related to a business combination has been completed. The previous provisioned amount including goodwill was adjusted as follows :

	Million Baht 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	<u>21,252</u>
Total Assets	<u>375,753</u>
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	<u>5,125</u>
Total Liabilities	<u>313,971</u>
Net identifiable assets acquired and the liabilities assumed	61,782
<u>Less</u> Non-controlling interests	(796)
<u>Add</u> Goodwill	<u>20,595</u>
Net cash payment	<u>81,581</u>

In this regard, Otoritas Jasa Keuangan - OJK has approved the Bank's branches in Indonesia to be integrated into Permata 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.

In the third quarter of 2021, Permata has increased the registered and paid-up capital of 8,138,620,315 shares in amount of IDR 1,017,328 million and premium on common shares in amount of IDR 9,945,394 million by convert from capital to authorized share capital and paid-up from minor shareholders. As at December 31, 2021, the Bank owns 35,715,192,701 shares in Permata, representing 98.71% of total issued and paid-up shares in Permata.



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 selling shares in Thai Payment Network Co., Ltd.

In the third quarter of 2021, the Bank has sold 1,000,324 common shares in Thai Payment Network Co., Ltd. at the amount of Baht 16 million to the existing shareholder. Thai Payment Network Co., Ltd. has increased the registered and paid up capital of 2,620,000 shares in the amount of Baht 262 million by selling to new investor. As at December 31, 2021, the remaining shareholding of the Bank is 33.33%.

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

	Million Baht	
	FOR THE YEARS	
	2021	2020
Net profit	1,046	556
Total comprehensive income	1,046	556

6.9 Loans to Customers and Accrued Interest Receivables, net

6.9.1 Classified by product type as at December 31, 2021 and 2020 :

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Overdrafts	103,294	105,064	83,482	85,394
Loans	2,055,431	1,869,431	1,719,132	1,592,004
Bills	417,906	384,482	407,900	375,349
Hire purchase receivable	4,067	4,000	-	-
Finance lease receivable	934	1,013	-	-
Others	<u>6,707</u>	<u>4,248</u>	<u>1,408</u>	<u>1,866</u>
Loans to customers	2,588,339	2,368,238	2,211,922	2,054,613
Add Accrued interest receivables and undue interest receivables	<u>7,489</u>	<u>6,431</u>	<u>6,306</u>	<u>5,126</u>
Loans to customers and accrued interest receivables	2,595,828	2,374,669	2,218,228	2,059,739
Less Allowance for expected credit loss	<u>(219,801)</u>	<u>(185,567)</u>	<u>(192,557)</u>	<u>(163,534)</u>
Total loans to customers and accrued interest receivables, net	<u><u>2,376,027</u></u>	<u><u>2,189,102</u></u>	<u><u>2,025,671</u></u>	<u><u>1,896,205</u></u>

6.9.2 Classified as at December 31, 2021 and 2020 as follows :

	Loans and Interbank and Money Market items			
	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Performing and Under-performing	3,289,055	2,781,073	2,755,752	2,337,689
Non-performing	<u>101,103</u>	<u>104,401</u>	<u>82,820</u>	<u>91,978</u>
Total	<u><u>3,390,158</u></u>	<u><u>2,885,474</u></u>	<u><u>2,838,572</u></u>	<u><u>2,429,667</u></u>

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

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.



6.9.3 As at December 31, 2021 and 2020, the Bank and subsidiaries had non-performing loans (NPLs), including interbank and money market items but excluding accrued interest receivable, as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
NPLs before allowance for expected credit loss	101,103	104,401	82,820	91,978
NPLs as percentage of total loans	3.22	3.91	3.05	4.00
Net NPLs after allowance for expected credit loss	29,456	34,560	25,250	31,173
Net NPLs as percentage of net total loans	0.96	1.39	0.95	1.46

6.9.4 Classified by customer's residence as at December 31, 2021 and 2020 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Domestic	1,726,308	1,644,613	1,717,683	1,635,042
Foreign	862,031	723,625	494,239	419,571
Total	2,588,339	2,368,238	2,211,922	2,054,613

6.9.5 Classified by business type as at December 31, 2021 and 2020 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Agriculture and mining	101,487	78,175	71,424	52,766
Manufacturing and commercial	839,469	791,828	701,226	663,820
Real estate and construction	211,647	211,510	171,405	178,453
Utilities and services	574,485	539,151	505,681	495,571
Housing loans	324,546	302,142	267,106	259,977
Others	536,705	445,432	495,080	404,026
Total	2,588,339	2,368,238	2,211,922	2,054,613

6.9.6 Classified by staging and allowance for expected credit loss as at December 31, 2021 and 2020 :

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

	Million Baht			
	CONSOLIDATED		THE BANK	
	2020		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



6.10 Properties for Sale, net

Properties for sale consisted of the following as at December 31, 2021 and 2020 :

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

Type of Properties for Sale	CONSOLIDATED 2020					Million Baht
	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	9,363	805	525	(919)	(20)	9,754

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

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.

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

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
Less Allowance for impairment	(4,532)	(1,061)	211	(5,382)
Total properties for sale, net	8,368	190	(804)	7,754

As at December 31, 2021, the Bank had immovable assets from debt repayment in the amount of Baht 14,073 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 8,830 million and appraised by internal appraisers in the amount of Baht 5,243 million.

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.



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,

Type of Sale of Properties for Sale	Income Recognition Method	2021			2020		
		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	5	-
Sale to public	Per cost recovery	-	526	(19)	-	423	(53)

Million Baht

THE BANK
FOR THE YEARS ENDED DECEMBER 31,

Type of Sale of Properties for Sale	Income Recognition Method	2021			2020		
		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	5	-
Sale to public	Per cost recovery	-	404	(7)	-	383	(23)



6.11 Premises and Equipment, net

Premises and equipment consisted of the following as at December 31, 2021 and 2020 :

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



Million Baht

	CONSOLIDATED 2020															
	Cost								Accumulated Depreciation							
	Beginning Balance	Balance of Subsidiary as at Acquisition date	Adjustment of Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Net of Accumulated Depreciation	Others	Ending Balance	Beginning Balance	Balance of Subsidiary as at Acquisition date	Depre- ciation	Disposal/ Transfer	Transfer to net with cost	Others	Ending Balance	Premises and Equipment (Net)
Land																
Cost	7,505	793	-	554	(5)	-	91	8,938	-	-	-	-	-	-	-	8,938
Appraisal increase (year 2020)	20,661	3,492	-	7,845	(70)	-	(59)	31,869	-	-	-	-	-	-	-	31,869
Appraisal decrease (year 2020)	(676)	-	-	(4)	218	-	(32)	(494)	-	-	-	-	-	-	-	(494)
Premises																
Cost	3,257	413	-	203	(591)	(649)	56	2,689	948	184	218	(364)	(649)	66	403	2,286
Appraisal increase (year 2020)	12,274	607	-	1,210	(251)	-	7	13,847	5,395	323	1,250	(5,791)	-	(2)	1,175	12,672
Appraisal decrease (year 2020)	(207)	-	-	(36)	86	-	(12)	(169)	(59)	-	(11)	69	-	(5)	(6)	(163)
Equipment	22,525	2,224	-	930	(1,214)	-	9	24,474	18,946	1,064	1,550	(1,115)	-	7	20,452	4,022
Right-of-use assets	-	2,129	4,733	824	(378)	-	81	7,389	-	1,215	1,655	(263)	-	(29)	2,578	4,811
Leasehold improvement	149	655	-	2,811	(265)	-	(27)	3,323	123	528	173	2,163	-	(16)	2,971	352
Others	619	40	-	387	(287)	-	(2)	757	-	-	-	-	-	-	-	757
Total	<u>66,107</u>	<u>10,353</u>	<u>4,733</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>4,835</u>	<u>(5,301)</u>	<u>(649)</u>	<u>21</u>	<u>27,573</u>	<u>65,050</u>



Million Baht

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



Million Baht

	THE BANK 2020													
	Beginning Balance	Adjustment of Beginning Balance	Additions/ Transfer	Cost Disposal/ Transfer	Net of Accumulated Depreciation	Others	Ending Balance	Beginning Balance	Accumulated Depre- ciation	Disposal/ Transfer	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	-	7,573	(18)	-	27	28,190	-	-	-	-	-	-	28,190
Appraisal decrease (year 2020)	(676)	-	(3)	219	-	(33)	(493)	-	-	-	-	-	-	(493)
Premises														
Cost	2,214	-	141	(444)	(502)	49	1,458	773	107	(218)	(502)	15	175	1,283
Appraisal increase (year 2020)	12,230	-	914	(251)	-	23	12,916	5,374	1,225	(5,769)	-	6	836	12,080
Appraisal decrease (year 2020)	(207)	-	(35)	86	-	(12)	(168)	(59)	(10)	69	-	(5)	(5)	(163)
Equipment	21,537	-	727	(923)	-	13	21,354	18,197	1,389	(919)	-	9	18,676	2,678
Right-of-use assets	-	4,152	313	(7)	-	113	4,571	-	1,184	(6)	-	-	1,178	3,393
Leasehold improvement	-	-	2,740	(223)	-	(10)	2,507	-	58	2,288	-	(3)	2,343	164
Others	585	-	381	(242)	-	(1)	723	-	-	-	-	-	-	723
Total	<u>63,790</u>	<u>4,152</u>	<u>12,751</u>	<u>(1,808)</u>	<u>(502)</u>	<u>280</u>	<u>78,663</u>	<u>24,285</u>	<u>3,953</u>	<u>(4,555)</u>	<u>(502)</u>	<u>22</u>	<u>23,203</u>	<u>55,460</u>

For the consolidated and the Bank's financial statements, the Bank has the land and premises appraised. The appraisal value defined by independent appraisers is categorized as Level 3 in the fair value hierarchy (Determination of level of the fair value hierarchy are shown in Note 4.5).

For the consolidated financial statements, as at December 31, 2021 and 2020, the Bank and subsidiaries had equipment which are fully depreciated but still in use at the original costs amounting to Baht 18,185 million and Baht 17,001 million, respectively.

For the Bank's financial statements, as at December 31, 2021 and 2020, the Bank had equipment which is fully depreciated but still in use at the original costs amounting to Baht 16,340 million and Baht 15,187 million, respectively.



6.12 Goodwill and Other Intangible Assets, net

Goodwill and Other intangible assets consisted of the following as at December 31, 2021 and 2020 :

CONSOLIDATED												Million Baht
2021												
	Cost				Ending Balance	Beginning Balance	Accumulated Amortization				Ending Balance	Goodwill and Other Intangible Assets (Net)
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others			Amortization	Additions/ Transfer	Disposal/ Transfer	Others		
Goodwill	29,805	-	(10,061)*	2,143	21,887	-	-	-	-	-	-	21,887
Other intangible assets												
from business												
Combination	-	13,288*	-	1,098	14,386	-	1,453	842*	-	130	2,425	11,961
Software	4,700	1,038	(293)	123	5,568	3,591	870	-	(266)	51	4,246	1,322
Others	1,611	281	(48)	(189)	1,655	217	17	-	(218)	-	16	1,639
Total	36,116	14,607	(10,402)	3,175	43,496	3,808	2,340	842	(484)	181	6,687	36,809

CONSOLIDATED												Million Baht	
2020													
	Cost				Ending Balance	Beginning Balance	Accumulated Amortization				Ending Balance	Goodwill and Other Intangible Assets (Net)	
	Beginning Balance	Balance of Subsidiary as at Acquisition date	Additions/ Transfer	Disposal/ Transfer			Others	Balance of Subsidiary as at Acquisition date	Amortization	Disposal/ Transfer			Others
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

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

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

THE BANK												Million Baht
2020												
	Cost				Ending Balance	Beginning Balance	Accumulated Amortization				Ending Balance	Other Intangible Assets (Net)
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others			Amortization	Disposal/ Transfer	Others			
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	



6.13 Deferred Tax Assets and Liabilities

Deferred tax assets and liabilities as at December 31, 2021 and 2020 are as follows :

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Deferred tax assets	6,336	7,940	2,533	2,083
Deferred tax liabilities	1,358	2,448	984	2,589
Deferred tax assets (liabilities), net	4,978	5,492	1,549	(506)

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

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

Million Baht

	CONSOLIDATED 2020							Ending Balance
	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	
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



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

	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)



6.14 Deposits

6.14.1 Classified by product type as at December 31, 2021 and 2020 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Demand	273,597	165,912	134,078	117,532
Savings	1,613,777	1,435,331	1,507,678	1,344,763
Fixed	1,268,227	1,205,884	1,023,352	1,020,310
Negotiable certificates of deposit	1,339	3,736	538	2,992
Total	3,156,940	2,810,863	2,665,646	2,485,597

6.14.2 Classified by currency and customer's residence as at December 31, 2021 and 2020 :

	Million Baht					
	CONSOLIDATED					
	2021		2020			
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	2,266,576	163,547	2,430,123	2,142,797	143,407	2,286,204
USD	42,898	164,630	207,528	42,293	96,233	138,526
Others	23,015	496,274	519,289	20,666	365,467	386,133
Total	2,332,489	824,451	3,156,940	2,205,756	605,107	2,810,863

	Million Baht					
	THE BANK					
	2021		2020			
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	2,266,869	163,497	2,430,366	2,143,259	143,390	2,286,649
USD	42,871	81,320	124,191	42,260	54,208	96,468
Others	14,449	96,640	111,089	13,174	89,306	102,480
Total	2,324,189	341,457	2,665,646	2,198,693	286,904	2,485,597

6.15 Interbank and Money Market Items (Liabilities)

Interbank and money market items (liabilities) consisted of the following as at December 31, 2021 and 2020 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Domestic items				
Bank of Thailand and Financial Institutions				
Development Fund	47,782	27,222	47,782	27,222
Commercial banks	79,862	9,742	75,897	5,895
Special purpose financial institutions	14,543	17,355	14,543	17,355
Other financial institutions	13,693	13,606	14,963	14,060
Total domestic items	155,880	67,925	153,185	64,532
Foreign items				
USD	80,058	74,210	83,340	63,059
JPY	18,719	15,332	18,768	15,378
EUR	2,331	2,518	2,331	2,537
Others	31,721	59,164	23,124	16,993
Total foreign items	132,829	151,224	127,563	97,967
Total domestic and foreign items	288,709	219,149	280,748	162,499

6.16 Financial Liabilities Measured at Fair Value Through Profit or Loss

As at December 31, 2021, 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 20,567 million. The cumulative effect of changes in fair value resulting from changes in credit risk recognized in other comprehensive income of amounting to Baht 2,354 million, and the difference between the book value and the contract value that must be paid when due amounting to Baht 5,526 million.

As at December 31, 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, 2021 and 2020, a subsidiary had financial liabilities measured at fair value through profit or loss is a trading financial liability amounting to Baht 266 million and Baht 200 million, respectively.



6.17 Debt Issued and Borrowings

6.17.1 Classified by type of instruments and source of fund as at December 31, 2021 and 2020 :

	CONSOLIDATED						Million Baht
	2021			2020			Total
	Domestic	Foreign	Total	Domestic	Foreign	Total	
Senior unsecured notes	-	83,594	83,594	-	75,100	75,100	
Subordinated notes	-	98,640	98,640	-	59,835	59,835	
Bills of exchange	516	-	516	814	-	814	
Others	549	-	549	507	-	507	
Less Discount on borrowings	-	(60)	(60)	-	(79)	(79)	
Total	1,065	182,174	183,239	1,321	134,856	136,177	

	THE BANK						Million Baht
	2021			2020			Total
	Domestic	Foreign	Total	Domestic	Foreign	Total	
Senior unsecured notes	-	83,594	83,594	-	75,100	75,100	
Subordinated notes	-	98,640	98,640	-	58,578	58,578	
Others	205	-	205	365	-	365	
Less Discount on borrowings	-	(60)	(60)	-	(79)	(79)	
Total	205	182,174	182,379	365	133,599	133,964	

6.17.2 Classified by type of instruments, currency, maturity and interest rate as at December 31, 2021 and 2020 :

Type	Currency	Maturity	Interest Rate	CONSOLIDATED		Million Baht
				Amount		2020
				2021	2020	
Senior unsecured notes	USD	2022 - 2028	3.875% - 5.00%	83,594	75,100	
Subordinated notes	USD	2034 - 2036	3.466% - 3.733%	73,562	36,048	
Subordinated notes	USD	-*	5.00%*	25,078	22,530	
Subordinated notes	IDR	2021	11.75%	-	1,257	
Bills of exchange	THB	2021 - 2022	1.65% - 1.95%	516	814	
Others	THB	2021 - 2024	0.00% - 1.30%	549	507	
Less Discount on borrowings				(60)	(79)	
Total				183,239	136,177	

* The Bank may redeem after 5 years from the Issue Date pursuant to its early redemption rights, at initial distribution rate of 5.00% p.a. until the first call date and subject to change to reference rate every 5 years.

Million Baht

Type	Currency	Maturity	Interest Rate	THE BANK	
				Amount	
				2021	2020
Senior unsecured notes	USD	2022 - 2028	3.875% - 5.00%	83,594	75,100
Subordinated notes	USD	2034 - 2036	3.466% - 3.733%	73,562	36,048
Subordinated notes	USD	-*	5.00%*	25,078	22,530
Others	THB	2021 - 2024	0.00%	205	365
Less Discount on borrowings				(60)	(79)
Total				182,379	133,964

6.18 Subordinated Notes

On January 28, 1999, the Bank issued and offered USD 450 million of subordinated notes with a maturity of 30 years, to be due in 2029, at a coupon rate of 9.025% p.a. for sale to foreign investors in exchange for the Bank's existing USD 150 million of subordinated notes to be due in 2016 at a coupon rate of 8.25% p.a. and USD 300 million of subordinated notes to be due in 2027 at a coupon rate of 8.375% p.a., which were redeemed before their maturities and already obtained the approval from the BOT. As this transaction was a redemption of the existing notes at their market values, which were lower than the par values, the Bank recorded the book value of the subordinated notes to be due in 2029 at the amount of USD 259 million (Baht 9,535 million). The difference between the book value and the redemption value of the notes will be amortized on a monthly basis throughout the life of the notes.

On September 25, 2019, the Bank issued and offered USD 1,200 million of subordinated notes qualified to be included in Tier 2 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof, with a maturity of 15 years, at a coupon rate of 3.733% p.a. for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007. The Bank received net proceeds from the sale of subordinated notes amounting to USD 1,200 million, which the BOT had approved to include in Tier 2 capital on September 25, 2019.

On September 23, 2020, the Bank issued and offered USD 750 million of subordinated notes qualified to be included in Additional Tier 1 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007, perpetual securities and have no fixed redemption date, provided that the Bank may redeem after 5 years from the Issue Date pursuant to its early redemption rights, at initial distribution rate of 5% p.a. until the first call date and subject to change to reference rate every 5 years. The Bank received net proceeds from the sale of subordinated notes amounting to USD 750 million, which the BOT had approved to include in Additional Tier 1 capital on September 23, 2020. The Bank

* 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.



classified such instrument as a financial liability by taking into consideration both contractual obligation and legal rights as stating in the offering of the Notes.

On September 23, 2021, the Bank issued and offered USD 1,000 million of subordinated notes qualified to be included in Tier 2 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof, with a maturity of 15 years, at a coupon rate of 3.466% p.a. to the optional redemption date and thereafter be reset according to the reference rates as specified in the terms and conditions for sale to foreign investors according to the resolution of the 20th Annual Ordinary Meeting of Shareholders convened on April 12, 2013. The Bank received net proceeds from the sale of subordinated notes amounting to USD 1,000 million, which the BOT had approved to include in Tier 2 capital on September 23, 2021.

6.19 Bonds

On April 12, 2005, the shareholders reconsidered the resolutions of the shareholders' meeting, convened on April 9, 2004, approving to issue bonds of the Bank and passed a resolution for the Bank to issue and offer subordinated bonds and/or unsubordinated bonds and/or perpetual bonds, both subordinated and unsubordinated, and/or subordinated convertible bonds and/or convertible bonds (together the "Bonds") in an amount not exceeding USD 3,000 million or its equivalent in other currencies, offered and sold in foreign markets and/or domestic markets to general public and/or institutional investors or investors with specific characteristics defined in the Notification of the Securities and Exchange Commission. The Bank may issue different types of Bonds in one issue simultaneously or in several issues at different times. The non-perpetual bonds shall have a maturity of not exceeding 100 years. The subordinated convertible bonds and/or convertible bonds shall have a maturity of not exceeding 30 years, and the amount of not exceeding USD 1,000 million or its equivalent in other currencies. The Board of Directors or the Executive Board of Directors shall be empowered to consider terms and conditions and other details for the issue and offering of the bonds. The shareholders also approved the allocation of 500 million common shares to accommodate the conversion right of the subordinated convertible bonds and/or convertible bonds (See Note 6.24).

On April 12, 2007, the shareholders passed a resolution for the issuance of bonds, whether subordinated or unsubordinated and/or secured or unsecured, including but not limited to short-term bonds, derivative bonds and non-cumulative hybrid debt instruments with non-payment of interest in the years where the Bank does not report any profit (together the "Bonds") in the amount not exceeding Baht 150,000 million or its equivalent in other currencies to be offered for sale in domestic markets and/or in foreign markets to the general public, and/or institutional investors or investors with specific characteristics as defined in the Notification of the Securities and Exchange Commission. At any point in time, the Bank may offer for sale Bonds in an amount within such limit less the amount of Bonds already issued under such limit but not yet redeemed at that point in time. The Bank may issue and offer for sale different types of Bonds simultaneously in one issue at the same time or in several issues at different times and/or as a program and/or on a revolving basis and may issue and offer for sale Bonds in conjunction with or at the same time with other securities, provided that the Bonds, other than perpetual bonds, shall have a maturity of not exceeding 100 years. The Bank may be granted the right to redeem the Bonds prior to their maturities, and/or the bondholders may be granted the right to call the Bank to redeem the Bonds prior to their maturities, in accordance with the condition of the Bonds. The Board of Directors or the Board of Executive Directors shall be empowered to consider terms and conditions and other details for the issue and offering of the bonds.

On 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.

6.20 The Issuance of Bonds under the Medium Term Note Program

On March 26, 1997, the shareholders passed a resolution for the Bank to issue and offer bonds including subordinated bonds and unsubordinated bonds under the Medium Term Note Program in an amount of not exceeding USD 1,500 million or its equivalent in other currencies. The bonds shall have a maturity of not exceeding 30 years and be offered and sold in foreign markets and/or domestic markets. The Bank may be given the right to redeem the bonds prior to their maturity and/or the bondholders may be given the right to call the Bank to redeem the bonds prior to their maturity in accordance with the condition of the bonds. The Board of Directors was authorized to proceed with the issue. As at December 31, 2021, the Bank had not yet issued bonds according to the aforementioned resolution.

6.21 Provisions

Provisions as at December 31, 2021 and 2020 are as follows :

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Defined benefit obligations	14,472	14,640	13,645	13,988
Expected credit losses on financial guarantee contracts and loan commitments	7,744	9,006	6,412	7,473
Others	3,599	3,660	3,539	3,604
Total	25,815	27,306	23,596	25,065

Movements in total provisions for the years ended December 31, 2021 and 2020 are as follows :

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Beginning balances	27,306	18,702	25,065	18,428
Re-measurement under TFRS 9	-	5,782	-	5,315
Beginning balances of subsidiary as at acquisition date	-	292	-	-
Increase during the year	4,999	7,054	4,414	5,421
Written off/reversal during the year	(6,490)	(4,524)	(5,883)	(4,099)
Ending balances	25,815	27,306	23,596	25,065



6.22 Post-employment Benefits

6.22.1 Defined contribution plans

For the years ended December 31, 2021 and 2020, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements, amounting to Baht 1,577 million and Baht 1,411 million, and in the Bank's financial statements amounting to Baht 1,150 million and Baht 1,160 million, respectively.

6.22.2 Defined benefit plans

As at December 31, 2021 and 2020, 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	
	2021	2020	2021	2020
The present value of the funded defined benefit plans	2,812	2,503	935	806
The fair value of plan assets	<u>(2,137)</u>	<u>(2,058)</u>	<u>(705)</u>	<u>(660)</u>
	675	445	230	146
The present value of the unfunded defined benefit plans	<u>13,797</u>	<u>14,151</u>	<u>13,415</u>	<u>13,799</u>
Liabilities, net	<u>14,472</u>	<u>14,596</u>	<u>13,645</u>	<u>13,945</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, 2021 and 2020 :

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Beginning balances	16,654	13,875	14,605	13,602
Beginning balances of subsidiary as at acquisition date	-	1,575	-	-
Current service costs	1,239	1,024	1,013	907
Interest costs	313	318	208	249
Benefit paid during the years	(940)	(636)	(715)	(484)
Actuarial losses (gains) on obligations				
from changes in financial assumptions	(371)	657	(351)	506
from changes in demographic assumptions	(18)	26	(17)	26
from experience	(509)	(237)	(482)	(230)
Unrealized losses on exchanges	<u>241</u>	<u>52</u>	<u>89</u>	<u>29</u>
Ending balances	<u>16,609</u>	<u>16,654</u>	<u>14,350</u>	<u>14,605</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, 2021 and 2020 :

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Beginning balances	2,058	611	660	611
Beginning balances of subsidiary as at acquisition date	-	1,454	-	-
Interest income	85	71	6	21
Contributions	19	27	19	27
Benefit paid during the years	(316)	(165)	(128)	(35)
Actuarial gains on plan assets	89	78	85	18
Unrealized gains (losses) on exchanges	<u>202</u>	<u>(18)</u>	<u>63</u>	<u>18</u>
Ending balances	<u>2,137</u>	<u>2,058</u>	<u>705</u>	<u>660</u>



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, 2021 and 2020 are as follows :

	CONSOLIDATED		Percentage	
	Significant actuarial assumptions		Increase in defined benefit obligations	
	2021	2020	2021	2020
Discount rate	0.20 - 5.75	0.20 - 7.40	13.28	13.57
Average future salary increases	2.00 - 15.00	2.00 - 15.00	12.37	12.71

	THE BANK		Percentage	
	Significant actuarial assumptions		Increase in defined benefit obligations	
	2021	2020	2021	2020
Discount rate	0.20 - 3.76	0.20 - 7.40	14.35	14.56
Average future salary increases	2.00 - 15.00	2.00 - 15.00	12.62	13.00

6.23 Other Liabilities

Other liabilities as at December 31, 2021 and 2020 are as follows :

	CONSOLIDATED		THE BANK		Million Baht
	2021	2020	2021	2020	
	Deposit received and margin payable	34,332	30,918	4,000	
Other payables	33,347	30,115	25,102	22,352	
Accrued expenses	19,602	17,798	14,085	13,868	
Advance received from electronic service	287	443	287	443	
Other liabilities	15,850	13,855	13,837	12,590	
Total	103,418	93,129	57,311	53,792	

6.24 Share Capital

The Bank's share capital consists of :

- Common shares
- Class A and Class B preferred shares, the holders of which have rights according to Article 3 of the Bank's Articles of Association.

As at December 31, 2021 and 2020, 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	
	2021	2020
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, 2021 and 2020, the Bank had 1,908,842,894 issued common shares and 2,039,502,106 unissued common shares and 655,000 Class A unissued preferred shares and 1,000,000 Class B unissued preferred shares. In relation to the allocation of the unissued common shares, the Bank will follow the resolutions of the 12th ordinary shareholders' meeting convened on April 12, 2005, as per the following details :

1. Allocation of 1,339,502,106 common shares as follows :
 - 1.1) Allocation of 459,502,106 common shares for offer and sale to the general public, including the existing shareholders and the beneficial owners of the shares held by custodian or by any other similar arrangements.
 - 1.2) Allocation of 440,000,000 common shares for offer and sale to institutional investors or investors with specific characteristics prescribed in the Notification of the Securities and Exchange Commission.
 - 1.3) Allocation of 440,000,000 common shares for offer and sale to the existing shareholders and the beneficial owners of the common shares in proportion to their shareholdings.
2. Allocation of 50,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds issued by the Bank and offered for sale in 1999 as part of the Capital Augmented Preferred Securities (CAPS).



3. Allocation of 500,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds and/or convertible bonds that may further be issued in the future by the Bank.
4. Allocation of 200,000,000 common shares to be reserved for the exercise of right to purchase common shares by holders of warrants that may further be issued in the future by the Bank.
5. Allocation of 655,000 Class A preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds.
6. Allocation of 1,000,000 Class B preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds and/or unsubordinated bonds and/or subordinated convertible bonds and/or convertible bonds.

The offer and sale of the Bank's securities shall comply with the regulations prescribed by the Securities and Exchange Commission.

6.25 The Establishment of Special Purpose Vehicle to Issue Capital Securities

On April 21, 1998, the shareholders passed a resolution for the Bank to establish Special Purpose Vehicle (SPV) to issue capital securities in the amount not exceeding USD 1,000 million or its equivalent in other currencies, to be offered in private placement and/or to institutional investors in accordance with the rules and guidelines of the Securities and Exchange Commission. The Bank may issue capital securities in whole amount or in lots. The Board of Directors was authorized to proceed with the establishment of the SPV.

Such capital securities may be perpetual, non-cumulative, and redeemable by the SPV or may be guaranteed by the Bank. The terms and conditions in the offering of the capital securities may state that upon specific conditions, the Bank must or may issue other securities in exchange for the capital securities.

Upon the issuance of capital securities by the SPV, the Bank may issue securities which may be subordinated; secured; convertible into common shares or other securities of the Bank; or any other securities in the amount not exceeding USD 1,100 million or its equivalent in other currencies to the SPV. The Board of Directors has been authorized to proceed with the issuance of the capital securities by the SPV and those securities that the Bank may have to issue to the SPV. The terms and conditions of the offering of the capital securities by the SPV may include dividend payment or other kind of payment as determined by the Board of Directors and such payment may be related to payment of dividend or other payment on other securities of the Bank.

On March 18, 1999, the shareholders passed a resolution for the Bank to establish or to invest in a subsidiary or SPV for the purpose of raising fund of the Bank, by issuing preferred shares and/or bonds to the subsidiary or SPV, or the Bank may issue the preferred shares and/or bonds to a mutual fund or a juristic entity that is established for investing mainly in the Bank's preferred shares and/or bonds; and the Bank is authorized to enter into Trust Agreement or Master Investment Agreement between the Bank and the subsidiary or SPV or mutual fund or any other juristic entity. As at December 31, 2021, the Bank had not yet established the SPV as it had not issued the instrument for fund raising via SPV according to the above-mentioned resolution.

6.26 Legal Reserve and Other Reserves

6.26.1 Under the Public Limited Companies Act, the Bank is required to allocate to a reserve fund at least 5% of its net profit after accumulated losses brought forward (if any) until the reserve fund is not less than 10% of the registered capital. However, the Bank's Articles of Association require that the Bank shall allocate to the reserve fund at least 10% of its net profit after accumulated losses brought forward (if any) until the reserve fund is not less than 25% of the registered capital. The reserve fund is not available for dividend distribution.

6.26.2 The Bank appropriated annual profit as other reserves, which are treated as general reserve with no specific purpose.

6.27 The Appropriation of the Profit and the Dividend Payments

On 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.

On April 12, 2021, the 28th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2020 as follows :

- The appropriation as legal reserve and as other reserves amounting to Baht 1,000 million and Baht 5,000 million, respectively, with the amount to be appropriated for the period of January - June 2020 amounting to Baht 500 million as legal reserve and Baht 5,000 million as other reserves (all of which had already been appropriated as stated in the financial statements for the year ended December 31, 2020), and the amount to be appropriated for the period of July - December 2020 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 2.50 per common share amounting to Baht 4,772 million had been paid on May 10, 2021.

The Bank already paid dividend according to the above-mentioned resolution on May 10, 2021.

On August 26, 2021, the meeting of the Board of Directors of the Bank No. 8/2021 approved the resolutions regarding the appropriation of the profit and the payment of interim dividend as follows :

- The appropriation as legal reserve and as other reserves for the period of January - June 2021 amounting to Baht 500 million and Baht 5,000 million, respectively.
- The payment of interim dividend at the rate of Baht 1.00 per common share amounting to Baht 1,908 million on September 23, 2021.

The Bank already paid dividend according to the above-mentioned resolution on September 23, 2021.

6.28 Assets Pledged as Collateral and under Restriction

The Bank had investments in government securities and state enterprise securities which had been pledged as collateral for repurchase agreements and for commitments with government agencies. The book values of such securities, net of valuation allowance for expected credit loss, as at December 31, 2021 and 2020 amounted to Baht 61,996 million and Baht 2,120 million, respectively.

6.29 Contingent Liabilities

As at December 31, 2021 and 2020, the Bank and subsidiaries had contingent liabilities as follows :

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Avals to bills	5,685	6,187	5,685	6,187
Guarantees of loans	48,626	34,445	36,510	23,165
Liability under unmatured import bills	23,361	18,133	14,181	11,333
Letters of credit	28,748	26,775	27,752	26,049
Other commitments				
Amount of unused bank overdraft	166,583	171,843	165,850	171,053
Other guarantees	248,989	252,594	235,271	239,065
Others	<u>127,758</u>	<u>208,560</u>	<u>122,516</u>	<u>204,382</u>
Total	<u>649,750</u>	<u>718,537</u>	<u>607,765</u>	<u>681,234</u>

6.30 Litigation

As at December 31, 2021 and 2020, a number of civil proceedings have been brought against the Bank and subsidiaries in the ordinary course of business. The Bank and subsidiaries believe that such proceedings, when resolved, will not materially affect the Bank and subsidiaries' financial position and result of operations.

6.31 Related Party Transactions

As at December 31, 2021 and 2020, 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, 2021 and 2020 as follows :

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Million Baht				
Placements				
Subsidiaries				
Bangkok Bank Berhad	-	-	2,220	909
Bangkok Bank (China) Co., Ltd.	-	-	4	4
PT Bank Permata Tbk	-	-	5	23
Total	-	-	2,229	936
Investments				
Subsidiary				
PT Bank Permata Tbk	-	-	23,394	21,246
Total	-	-	23,394	21,246
Loans				
Subsidiary				
BSL Leasing Co., Ltd.	-	-	680	700
Other related parties	653	20	653	19
Total	653	20	1,333	719
Allowance for expected credit loss				
Subsidiary				
BSL Leasing Co., Ltd.	-	-	8	8
Other related parties	14	-	14	-
Total	14	-	22	8
Other assets				
Subsidiaries				
Bangkok Bank Berhad	-	-	11	7
BBL Asset Management Co., Ltd.	-	-	392	343
Bualuang Securities PCL.	-	-	2	2
PT Bank Permata Tbk	-	-	9	32
Associates				
Processing Center Co., Ltd.	3	3	3	3
Thai Payment Network Co., Ltd.	28	17	28	17
Other related parties	8	6	1	-
Total	39	26	446	404

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Million Baht				
Deposits				
Subsidiaries				
BBL (Cayman) Limited	-	-	817	733
Bangkok Bank Berhad	-	-	134	139
Sinnsuptawee Asset Management Co., Ltd.	-	-	17	4
BBL Asset Management Co., Ltd.	-	-	84	84
Bualuang Securities PCL.	-	-	741	161
Bangkok Bank (China) Co., Ltd.	-	-	59	141
Bualuang Ventures Limited	-	-	236	412
Bangkok Capital Asset Management Co., Ltd.*	-	-	264	273
PT Bank Permata Tbk	-	-	72	13
BSL Leasing Co., Ltd.	-	-	41	47
Associates				
Processing Center Co., Ltd.	171	99	171	99
National ITMX Co., Ltd.	135	105	135	105
Thai Payment Network Co., Ltd.	1	32	1	32
BCI (Thailand) Co., Ltd.	48	48	48	48
PT Sahabat Finansial Keluarga**	219	-	-	-
Other related parties	7,761	9,100	7,761	9,100
Total	8,335	9,384	10,581	11,391
Borrowings				
Subsidiaries				
Bangkok Bank Berhad	-	-	134	-
Bangkok Bank (China) Co., Ltd.	-	-	2,842	1,954
PT Bank Permata Tbk	-	-	2,005	-
Total	-	-	4,981	1,954
Other liabilities				
Subsidiaries				
Sinnsuptawee Asset Management Co., Ltd.	-	-	328	328
Bualuang Securities PCL.	-	-	1	1
Bangkok Bank (China) Co., Ltd.	-	-	74	64
Associates				
Processing Center Co., Ltd.	6	4	6	4
National ITMX Co., Ltd.	22	16	22	16
BCI (Thailand) Co., Ltd.	3	-	3	-
Other related parties	14	16	5	8
Total	45	36	439	421

* Holding by Bualuang Securities PCL.

** Holding by PT Bank Permata Tbk.



	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
Million Baht				
Commitments				
Subsidiaries				
Bangkok Bank Berhad	-	-	1,891	-
Bualuang Securities PCL.	-	-	-	155
Bangkok Bank (China) Co., Ltd.	-	-	659	2,549
PT Bank Permata Tbk	-	-	399	-
BSL Leasing Co., Ltd.	-	-	32	4
Associates				
National ITMX Co., Ltd.	1	1	1	1
PT Sahabat Finansial Keluarga*	7	-	-	-
Other related parties	4	3	4	3
Total	12	4	2,986	2,712

For the year ended December 31, 2021, the Bank and subsidiaries charged interest at rates between 0.75% and 5.88% on loans to these related parties depending on the types of loans and collateral.

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.

In the consolidated and the Bank's financial statements, investments in subsidiaries and associates as at December 31, 2021 and 2020 are shown in Note 6.8.

Significant accounting transactions between the Bank and subsidiaries, associates and other related parties were transacted under normal business practices. The prices, interest rates, commission charges, terms and conditions are determined on an arm's length basis.

* Holding by PT Bank Permata Tbk.

The Bank and subsidiaries had significant income and expenses with related parties for the years ended December 31, 2021 and 2020 as follows :

	CONSOLIDATED		THE BANK	
	FOR THE YEARS ENDED DECEMBER 31, 2021	2020	FOR THE YEARS ENDED DECEMBER 31, 2021	2020
Million Baht				
Interest and discount received				
Subsidiaries				
Bangkok Bank Berhad	-	-	4	24
Bangkok Bank (China) Co., Ltd.	-	-	-	1
PT Bank Permata Tbk	-	-	22	15
BSL Leasing Co., Ltd.*	-	-	8	4
Associate				
BSL Leasing Co., Ltd.	-	5	-	5
Other related parties	15	1	15	1
Total	15	6	49	50
Fees and service income				
Subsidiaries				
Bangkok Bank Berhad	-	-	2	2
BBL Asset Management Co., Ltd.	-	-	2,232	2,003
Bualuang Securities PCL.	-	-	152	46
Associate				
Processing Center Co., Ltd.	1	3	1	3
Other related parties	97	67	1	-
Total	98	70	2,388	2,054
Dividend income				
Subsidiaries				
BBL Asset Management Co., Ltd.	-	-	1,129	1,072
Bualuang Securities PCL.	-	-	823	540
BSL Leasing Co., Ltd.*	-	-	45	45
Associates				
Processing Center Co., Ltd.	8	16	8	16
National ITMX Co., Ltd.	54	25	54	25
Total	62	41	2,059	1,698
Other income				
Subsidiaries				
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	1
Bualuang Securities PCL.	-	-	4	4
Bangkok Bank (China) Co., Ltd.	-	-	167	124
Associates				
National ITMX Co., Ltd.	2	6	2	6
Thai Payment Network Co., Ltd.	10	10	10	10
Total	12	16	184	145

* On September 17, 2020, BSL Leasing Co., Ltd. was changed from an associate to be a subsidiary.



	CONSOLIDATED		THE BANK	
	FOR THE YEARS ENDED DECEMBER 31,		FOR THE YEARS ENDED DECEMBER 31,	
	2021	2020	2021	2020
Million Baht				
Interest paid				
Subsidiaries				
BBL (Cayman) Limited	-	-	1	7
BBL Asset Management Co., Ltd.	-	-	1	1
Bualuang Securities PCL.	-	-	2	5
Bangkok Bank (China) Co., Ltd.	-	-	5	4
Bualuang Ventures Limited.	-	-	-	1
PT Bank Permata Tbk	-	-	26	-
Associate				
Processing Center Co., Ltd.	1	1	1	1
Other related parties	24	43	24	43
Total	25	44	60	62
Commission paid				
Subsidiary				
Bualuang Securities PCL.	-	-	27	-
Other related parties	63	56	-	-
Total	63	56	27	-
Other expenses				
Associates				
Processing Center Co., Ltd.	8	6	8	6
National ITMX Co., Ltd.	207	144	207	144
Thai Payment Network Co., Ltd.	2	2	2	2
BCI (Thailand) Co., Ltd.	2	2	2	2
Other related parties	124	142	112	129
Total	343	296	331	263

Compensation of key management personnel for the years ended December 31, 2021 and 2020 consisted of the following :

	CONSOLIDATED		THE BANK	
	FOR THE YEARS ENDED DECEMBER 31,		FOR THE YEARS ENDED DECEMBER 31,	
	2021	2020	2021	2020
Million Baht				
Short-term employee benefits	2,673	2,504	1,482	1,546
Post-employment benefits	127	95	87	84
Total	2,800	2,599	1,569	1,630

6.32 Other Benefits to Directors and Persons with Managing Authority

The Bank has not extended the extraordinary monetary and/or non-monetary benefits to the Banks' directors, executives at the level of executive vice president and higher, other than the ordinary benefits.

6.33 Disclosure of the Statement of Cash Flows of the Asset Management Company (AMC)

In accordance with the BOT's regulations, the Bank is required to disclose the statement of cash flows of the AMC of the Bank in the notes to the financial statements. The statement of cash flows of Sinnsuptawee Asset Management Co., Ltd. are as follows :

SINNSUPTAWEE ASSET MANAGEMENT COMPANY LIMITED		
STATEMENT OF CASH FLOWS		
FOR THE YEAR ENDED DECEMBER 31, 2021		
	Million Baht	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) from operating before income tax expenses	(111)	83
Items to reconcile profit (loss) from operating before income tax expenses to cash receive (paid) from operating activities		
Depreciation and amortization	1	1
Unrealized (gain) loss on financial instruments measured at fair value through profit or loss	2	(20)
Net gain on disposal of securities	-	(1)
Gain on reversal on allowance impairment of properties for sale	-	(12)
Loss on impairment of properties for sale	156	-
Dividend income	(39)	(36)
Proceeds from dividend income	39	36
Income tax received	12	-
Income tax paid	(5)	(103)
Profit (loss) from operating before changes in operating assets and liabilities	55	(52)
(Increase) decrease in operating assets		
Financial assets measured at fair value through profit or loss	(82)	(38)
Properties for sale	44	82
Increase (decrease) in operating liabilities		
Deposits	(3)	1
Other liabilities	-	(2)
Net cash from operating activities	14	(9)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(1)
Net cash from investing activities	-	(1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for lease liabilities	(1)	-
Net cash from financing activities	(1)	-
Net increase (decrease) in cash and cash equivalents	13	(10)
Cash and cash equivalents as at January 1,	4	14
Cash and cash equivalents as at December 31,	17	4



6.34 Operating Segments

6.34.1 Operating segments

Operating segments are reported measured on a basis that is consistent with internal reporting. Amounts for each operating segment are shown after the allocation of centralized costs and transfer pricing.

Transactions between operating segments are recorded within the segment as if they were third party transactions and are eliminated on consolidated financial statements.

The Bank is organized into segments based on products and services as follows :

Domestic banking

Domestic banking provides financial services in domestic. The main products and services are loans, deposits, trade finance, remittances and payments, electronic services, credit cards, debit cards and related other financial services.

International banking

International banking provides financial services through overseas branches and subsidiaries. The main products and services are loans, deposits, foreign exchange services, international fund transfers and payments, and export and import services.

Investment banking

Investment banking provides project services, corporate finance services, financial advisory services, securities business services, business strategic management by trading financial instruments including liquidity management of the Bank.

Others

Segments other than banking and investment banking business provide fund management services, securities services, assets management services and others, including operating expenses not allocated to operating segments.

The operating results of operating segments for the years ended December 31, 2021 and 2020 are as follows :

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

	CONSOLIDATED					Million Baht
	FOR THE YEAR ENDED DECEMBER 31, 2020					
	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>40,267</u>	<u>12,501</u>	<u>11,767</u>	<u>(11,781)</u>	<u>-</u>	<u>52,754</u>

The financial position of operating segments as at December 31, 2021 and 2020 are as follows :

	CONSOLIDATED					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total assets						
As at December 31, 2021	1,809,302	1,270,815	1,357,531	481,952	(586,319)	4,333,281
As at December 31, 2020	1,697,604	1,091,071	1,278,707	245,140	(489,562)	3,822,960



6.34.2 Geographical segments

The operating results classified by geographical areas for the years ended December 31, 2021 and 2020 are as follows :

	Million Baht					
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,					
	2021			2020		
Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Total operating income	99,239	35,302	134,541	94,042	24,686	118,728
Total operating expenses *	(74,892)	(26,506)	(101,400)	(74,233)	(22,937)	(97,170)
Profit from operating before income tax expenses	24,347	8,794	33,141	19,809	1,749	21,558
Income tax	4,818	1,371	6,189	2,816	1,198	4,014

The financial position classified by geographical areas as at December 31, 2021 and 2020 are as follows :

	Million Baht					
	CONSOLIDATED					
	2021			2020		
Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Non-current assets**	69,802	31,987	101,789	80,092	17,266	97,358
Total assets	3,502,432	830,849	4,333,281	3,055,911	767,049	3,822,960

6.35 Interest Income

Interest income for the years ended December 31, 2021 and 2020 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2021	2020	2021	2020
Interbank and money market items	6,223	5,273	2,933	3,697
Investments and trading transactions	459	1,543	122	161
Investment in debt securities	10,674	9,555	6,534	8,619
Loans	96,929	95,994	73,669	82,143
Others	27	158	27	75
Total interest income	114,312	112,523	83,285	94,695

* Including expected credit losses.

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

For the year ended December 31, 2021, the Bank and subsidiaries have total interest income on financial assets that are measured at amortized cost and at FVOCI for the consolidated financial statements amounting to Baht 103,975 million and Baht 9,878 million, respectively and for the Bank's financial statements amounting to Baht 76,766 million and amounting to Baht 6,397 million, respectively.

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 financial statements amounting to Baht 102,009 million and Baht 8,971 million, respectively and for the Bank's financial statements amounting to Baht 86,117 million and amounting to Baht 8,417 million, respectively.

6.36 Interest Expenses

Interest expenses for the years ended December 31, 2021 and 2020 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2021	2020	2021	2020
Deposits	18,195	22,437	8,437	15,474
Interbank and money market items	879	939	646	830
Contributions to the Deposit Protection Agency	6,500	5,846	5,755	5,486
Debt issued				
Bonds and subordinated notes	6,570	6,241	6,424	6,003
Borrowing	-	1	-	-
Others	12	13	12	13
Total interest expenses	32,156	35,477	21,274	27,806

6.37 Net Fees and Service Income

Net fees and service income for the years ended December 31, 2021 and 2020 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2021	2020	2021	2020
Fees and service income				
Acceptances, aval and guarantees of loans	371	675	334	640
Debit card, credit card and electronic services	15,928	15,970	14,497	15,364
Others	22,828	17,523	12,573	10,791
Total fees and service income	39,127	34,168	27,404	26,795
Fees and service expenses	9,918	9,457	8,206	8,801
Net fees and service income	29,209	24,711	19,198	17,994



6.38 Gains (Losses) on Financial Instruments Measured at Fair Value Through Profit or Loss

Gains (losses) on financial instruments measured at fair value through profit or loss for the year ended December 31, 2021 and 2020 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2021	2020	2021	2020
Gains (losses) from trading and foreign exchange transactions				
Foreign exchange and currency derivatives	4,975	10,405	4,506	10,286
Interest rate derivatives	332	192	333	191
Debt securities	432	109	(67)	112
Equity securities	1,599	493	1,067	981
Others	(311)	(120)	(300)	(100)
Total	<u>7,027</u>	<u>11,079</u>	<u>5,539</u>	<u>11,470</u>
Gains (losses) from financial instrument designed at FVTPL				
Change in fair value, net	280	(868)	280	(868)
Interest expense, net	(1,229)	(1,338)	(1,229)	(1,338)
Total	<u>(949)</u>	<u>(2,206)</u>	<u>(949)</u>	<u>(2,206)</u>
Others	<u>11,790</u>	<u>2,185</u>	<u>11,059</u>	<u>387</u>
Total gains on financial instruments measured at fair value through profit or loss	<u>17,868</u>	<u>11,058</u>	<u>15,649</u>	<u>9,651</u>

6.39 Gains (Losses) on Investments

Gains (losses) on investments for the years ended December 31, 2021 and 2020 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2021	2020	2021	2020
Gains (losses) from write off				
Investment securities - measured at FVOCI (Debt investment)	950	2,512	372	2,177
Investments in subsidiaries and associates	275	-	20	-
Total	<u>1,225</u>	<u>2,512</u>	<u>392</u>	<u>2,177</u>
Losses on impairment				
Investments in subsidiaries and associates	-	-	(236)	-
Total	<u>-</u>	<u>-</u>	<u>(236)</u>	<u>-</u>
Total gains on investments	<u>1,225</u>	<u>2,512</u>	<u>156</u>	<u>2,177</u>

6.40 Expected Credit Loss

Expected credit loss for the years ended December 31, 2021 and 2020 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2021	2020	2021	2020
Expected credit loss				
Loans to customers and accrued interest receivables	33,906	27,340	25,761	24,655
Others	228	3,856	251	3,234
Total Expected credit loss	<u>34,134</u>	<u>31,196</u>	<u>26,012</u>	<u>27,889</u>

6.41 Income Tax Expenses

6.41.1 Income tax recognized in profit or loss for the years ended December 31, 2021 and 2020 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2021	2020	2021	2020
Current tax	7,436	6,957	6,391	6,349
Deferred tax	(1,247)	(2,943)	(1,559)	(2,931)
Total income tax expenses	<u>6,189</u>	<u>4,014</u>	<u>4,832</u>	<u>3,418</u>



6.41.2 Income tax recognized in component of other comprehensive income for the years ended December 31, 2021 and 2020 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,						Million Baht
	2021			2020			
	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							
Gains (losses) on investments in debt instruments at fair value through other comprehensive income	(6,742)	1,570	(5,172)	2,965	(179)	2,786	
Gains (losses) on cash flow hedges	(506)	101	(405)	261	(52)	209	
Gains arising from translating the financial statements of foreign operations	20,196	-	20,196	4,115	-	4,115	
Items that will not be reclassified subsequently to profit or loss							
Changes in revaluation surplus	643	(103)	540	14,524	(2,885)	11,639	
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income	10,600	(2,113)	8,487	(6,067)	1,207	(4,860)	
Gains (losses) on financial liabilities designated at fair value through profit or loss	(567)	113	(454)	959	(192)	767	
Actuarial gains (losses) on defined benefit plans	987	(177)	810	(429)	(1,364)	(1,793)	
Share of other comprehensive income (loss) of associates	(3)	1	(2)	2	-	2	
Total	<u>24,608</u>	<u>(608)</u>	<u>24,000</u>	<u>16,330</u>	<u>(3,465)</u>	<u>12,865</u>	

	THE BANK FOR THE YEARS ENDED DECEMBER 31,						Million Baht
	2021			2020			
	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							
Gains (losses) on investments in debt instruments at fair value through other comprehensive income	(6,609)	1,547	(5,062)	1,839	67	1,906	
Gains (losses) on cash flow hedges	(506)	101	(405)	261	(52)	209	
Gains arising from translating the financial statements of foreign operations	6,034	-	6,034	4,671	-	4,671	
Items that will not be reclassified subsequently to profit or loss							
Changes in revaluation surplus	-	-	-	13,987	(2,797)	11,190	
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income	10,539	(2,103)	8,436	(5,340)	1,060	(4,280)	
Gains (losses) on financial liabilities designated at fair value through profit or loss	(567)	113	(454)	959	(192)	767	
Actuarial gains (losses) on defined benefit plans	935	(165)	770	(285)	(1,395)	(1,680)	
Total	<u>9,826</u>	<u>(507)</u>	<u>9,319</u>	<u>16,092</u>	<u>(3,309)</u>	<u>12,783</u>	



6.41.3 Reconciliation of effective tax rates for the years ended December 31, 2021 and 2020 are as follows :

	Million Baht			
	CONSOLIDATED			
	FOR THE YEARS ENDED DECEMBER 31,			
	2021		2020	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	33,141		21,558	
Income tax calculated at statutory tax rate	6,628	20.00	4,312	20.00
Overseas tax	833		1,263	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(193)		(1,034)	
Others	<u>(1,079)</u>		<u>(527)</u>	
Total income tax expenses	<u>6,189</u>	18.68	<u>4,014</u>	18.62

	Million Baht			
	THE BANK			
	FOR THE YEARS ENDED DECEMBER 31,			
	2021		2020	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	27,482		19,056	
Income tax calculated at statutory tax rate	5,496	20.00	3,811	20.00
Overseas tax	765		1,244	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(31)		(918)	
Others	<u>(1,398)</u>		<u>(719)</u>	
Total income tax expenses	<u>4,832</u>	17.58	<u>3,418</u>	17.94

6.42 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" by providing assistance to the debtor during January 1, 2020 to December 31, 2021. The debt classification which has no credit impairment is a class that does not have a significant increase in credit risk (Stage 1 Performing) immediately after analyzing the status and business of the debtor that the debtor is able to comply with the debt restructuring agreement. As for debt that has credit impairment but still has the potential to operate business, the Bank can classify the debt as a class that does not have a significant increase in credit risk (Stage 1 Performing) if the debtor has made a payment under the new debt restructuring agreement for 3 consecutive months or 3 payment periods, whichever is longer. In this regards, the BOT extends the period of the relief measures, in case the Bank provides the additional assistance to its debtors in addition to the extension of repayment period, arising from January 1, 2022 to December 31, 2023, the Bank can apply the debt classification as mentioned in the above accounting guidance.

As for the reserve, the Bank adheres to the Thai Financial Reporting Standard No. 9 regarding Financial instruments, which specifies the Expected Credit Loss by considering the past, present and future economic conditions under various assumptions and situations due to the transmission problem of COVID-19 being transmitted impact on the Thai economy and the broad global economy. 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 considers future economic factors that reflect the effects of the pandemic of COVID-19, both in the short and long term, including considering the management's discretion to reserve more (Management Overlay) from the values obtained from the model to another level so that the Bank's reserves are able to sufficiently cope with the increase in default payments of loan receivables affected by this situation.

6.43 Approval of the Financial Statements

On February 22, 2022, the Audit Committee and the Board of Executive Directors have authorized to issue these financial statements.



Attachments



Attachment 1 Details of Directors, Executives, the Person Assigned to Take the Highest Responsibility in Accounting and Finance, the Person Assigned to Take Direct Responsibility for Accounting Supervision, and the Corporate Secretary

Attachment 2 Details of the Directors of Subsidiaries

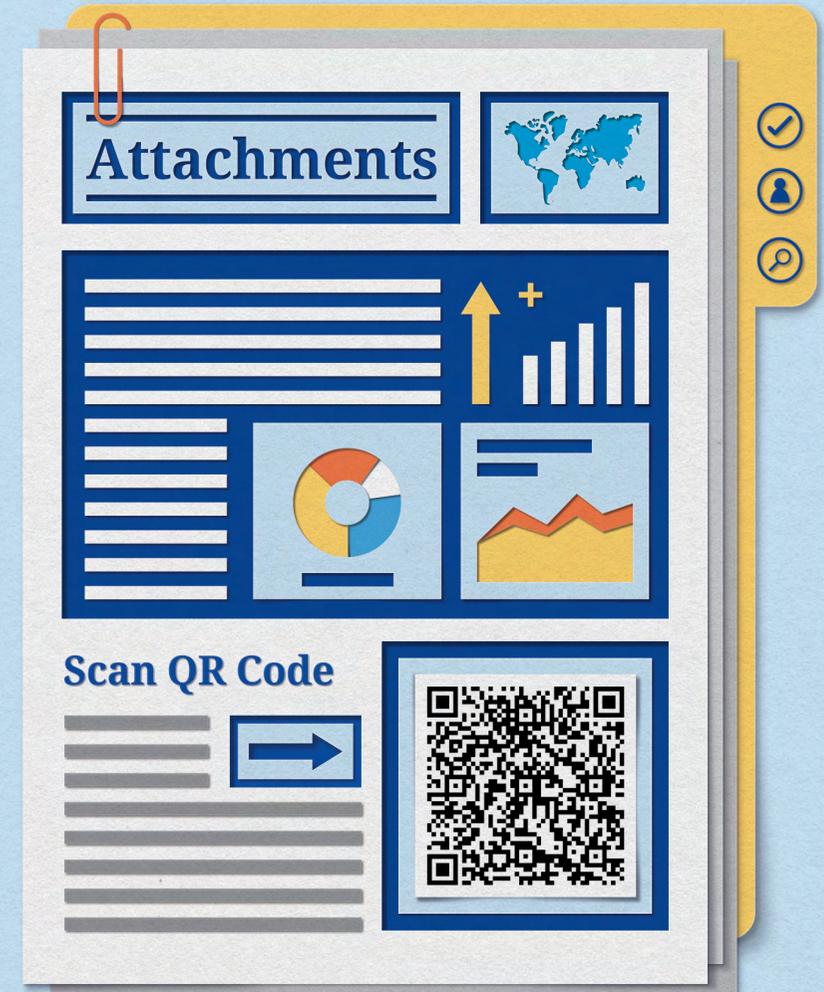
Attachment 3 Details of the Heads of the Internal Audit and Compliance Units

Attachment 4 Assets for Business Undertaking and Details of Asset Appraisal

Attachment 5 Unabridged Policy and Guidelines on Corporate Governance and Unabridged Code of Business Conduct

Attachment 6 Report of the Subcommittees

Attachment 7 List of Branches





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