

CREATING VALUE



Annual Report 2019
Bangkok Bank
Public Company Limited





LONG LIVE
THEIR MAJESTIES
THE KING AND QUEEN



The Board of Directors, Management, and Staff
Bangkok Bank Public Company Limited



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VISION

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

WHO WE ARE

Bangkok Bank gives people and businesses the confidence and support they need to make the right decisions in a changing world. We have been doing this since our founding to satisfy the unmet needs of Thai people and businesses.

SCOPE OF OPERATIONS

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



Corporate Banking

We are the market leader in corporate banking with industry specialists serving large Thai corporations and multinationals across a wide range of industries. We also provide transaction banking services as well as innovative digital solutions including developing solutions that add value to corporate customers' businesses.



Consumer Banking

We offer our customers a wide range of consumer banking services to suit their stage of life through our extensive nationwide branch network, ATMs and other self-service machines, as well as digital banking services such as internet banking (Bualuang iBanking), mobile banking (Bualuang mBanking) and payments via QR code.

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Commercial Banking

We work closely with medium-sized businesses, including family enterprises, providing services for their financial and business needs. As the country's only bank with a comprehensive regional network, we facilitate companies with international business requirements such as import and export businesses and those with regional supply chains.



International Banking

As the Thai bank with the most extensive international network, we have a unique role to play in facilitating international companies across ASEAN. In addition to financing, the Bank provides local knowledge and experience, as well as connections to other customers across our network.



Business Banking

We provide customers with financial and business advice and work with them as partners to create value for their businesses. This includes assisting them to improve efficiencies in their business, manage risks and to connect them with emerging opportunities.



Investment Banking

In close cooperation with our Corporate Banking unit, BLS and BBLAM, we are committed to offering clients innovative products and effective financing solutions in line with good corporate governance and corporate and social responsibility practices.



UK

1



MYANMAR

1



USA

1



THAILAND

1,148*



CAMBODIA

1



VIETNAM

2

NUMBER OF BRANCHES

* Not including self-service outlets

2019



ASSETS

3,216,743

Million Baht



LOANS

2,061,309

Million Baht



DEPOSITS

2,370,792

Million Baht

INTERNATIONAL NETWORK



31

Locations

GEOGRAPHIC COVERAGE



14

Economies

TOTAL CAPITAL ADEQUACY RATIO



20.0%



LAOS

2



CHINA

6



HONG KONG

2



JAPAN

2



TAIWAN

3



PHILIPPINES

1



MALAYSIA

5



SINGAPORE

1



INDONESIA

3

CREATING VALUE

Using expert knowledge, commitment as a trusted partner and reliable close friend and technology to better know and serve our customers and all stakeholders.



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True Friend

As a trusted partner and reliable close friend, we share our knowledge and expertise and provide services that help our customers, shareholders and people enjoy financial security and build sustainable wealth, both in their personal lives and businesses



Digital Revolution

We create value for our customers by providing them with the platforms and tools they need to easily manage their finances, while equipping our people with skills and tools that enable them to help our customers thrive in a changing world



Ethical Banking

We care for the wellbeing of all our stakeholders including our shareholders, customers, employees, partners, competitors, creditors, society and communities, and the environment. We support sustainable economic development and practice high standards of ethics and good governance

TRUE FRIEND

As a trusted partner and reliable close friend, we help people enjoy financial security and build sustainable wealth

We are trialing facial biometric authentication for verifying the identity of customers online. This means people will be able to easily open accounts and apply for services without needing to visit the Bank's physical branches.

By having more insurance products for customers, we provide them with greater choices in how to protect themselves and their families. We have specialist staff who can provide expert advice in life insurance planning, personal investment and home purchases.



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We introduced new products and services to suit people's lifestyles including the Be1st Smart Rabbit LINE Pay card, which offers many benefits for travel and shopping as well as an e-wallet feature. This supplements other cards and e-wallets supporting lifestyles such as JD Central for online shopping, Bangkok Bank Platinum Sawadee Credit Card for traveling, and BeDigiPass for universities.

DIGITAL REVOLUTION

We successfully trialed the first trade finance transaction in ASEAN using R3 CORDA Enterprise Blockchain



We successfully trialed the first trade finance transaction in ASEAN using R3 CORDA Enterprise Blockchain by sending a Letter of Credit from Indonesia to Thailand. The transaction was fully digitized from end to end, reducing processing time and cutting paperwork by more than half.

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To extend financial inclusion to more small enterprises we expanded the number of merchants who accept QR code payments. We also introduced our new BeMerchant application that enables merchants to conveniently conduct, track and manage transactions via mobile devices.

To extend financial inclusion to more small enterprises we expanded the number of merchants who accept QR code payments



We worked with startups to provide technology solutions for SME including developing cloud computing and social commerce tools that can support customers to adjust their businesses to the digital economy.

ETHICAL BANKING



We care for the wellbeing of all our stakeholders including our shareholders, customers, employees, communities and the environment

We supported the generation and use of environmentally friendly energy through provision of loans to various energy projects, including Thailand's mass transit rail system, where we were the joint lead arranger to issue the first green bonds under the Securities and Exchange Commission's Green Bond Notification.

We supported the generation and use of environmentally friendly energy through provision of loans to various energy projects

We also introduced new services to extend credit to micro enterprises and held a workshop for visually impaired people to help them use mobile banking services.

To enable our staff to have lifelong learning and development we established a Future Skills Academy and introduced a learning platform that they can use to learn anytime anywhere.



OUR FOCUS

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



1 Regionalization

Connect the region using our network and leveraging our corporate and international expertise



2 Urbanization

Support business customers with opportunities in infrastructure, urban development and the EEC and meet the wealth needs of individual customers



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Consumer Banking

- Enhance customer experience across all channels
- Target new-generation customers
- Expand wealth management services



3 Digitalization

Enhance customer experience by strengthening our digital banking capabilities



International Banking

- Support customers to tap into regional opportunities
- Target regional supply chains of domestic and international investors
- Connect potential business partners across the region



Digital Banking

- Partner with FinTechs and technology leaders to provide innovative services
- Update and enhance customer channels with advanced integrated technologies
- Improve operational efficiency through innovation and automation



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Business Banking

- Provide relevant advice and support to help customers' sustainable growth
- Focus on promising businesses and opportunities
- Develop new cash management and trade finance banking platforms



People

- Prepare staff for digital transformation and new ways of working
- Engage and retain new generation staff
- Develop talent and reinforce ethical practices

FINANCIAL PERFORMANCE INDICATORS

(CONSOLIDATED)

	2019	2018	2017	Percentage Change		
				2019/2018	2018/2017	
FINANCIAL POSITION (MILLION BAHT)						
AS AT 31 DECEMBER						
Assets	3,216,743	3,116,750	3,076,310	+	3.2	+ 1.3
Loans ^{/1}	2,061,309	2,083,160	2,003,989	-	1.0	+ 4.0
Loans (less allowance for doubtful accounts) ^{/1}	1,887,033	1,930,157	1,863,968	-	2.2	+ 3.6
Deposits	2,370,792	2,326,470	2,310,743	+	1.9	+ 0.7
Liabilities	2,788,627	2,703,591	2,674,303	+	3.1	+ 1.1
Shareholders' equity ^{/2}	427,751	412,814	401,724	+	3.6	+ 2.8
OPERATING RESULTS (MILLION BAHT)						
FOR THE YEAR ENDED 31 DECEMBER						
Net interest income	71,071	71,376	66,625	-	0.4	+ 7.1
Non-interest income	62,675	50,025	45,843	+	25.3	+ 9.1
Operating expenses	54,963	55,165	48,948	-	0.4	+ 12.7
Profit before provision and tax	78,783	66,236	63,520	+	18.9	+ 4.3
Profit before tax	46,432	44,271	41,150	+	4.9	+ 7.6
Net profit ^{/2}	35,816	35,330	33,009	+	1.4	+ 7.0
PER SHARE (BAHT)						
Profit before tax	24.32	23.19	21.56	+	4.9	+ 7.6
Net profit ^{/2}	18.76	18.51	17.29	+	1.4	+ 7.0
Par value	10.00	10.00	10.00	-	-	-
Book value ^{/2}	224.09	216.26	210.45	+	3.6	+ 2.8
Share prices - range	215.00 - 151.50	218.00 - 184.50	207.00 - 159.50	-	-	-
- year ended	160.00	203.00	202.00	-	21.2	+ 0.5
FINANCIAL RATIO (%)						
Loan to deposit ratio ^{/1}	86.95	89.54	86.72	-	2.59	+ 2.82
NPL to total loans	3.39	3.42	3.88	-	0.03	- 0.46
Loan loss reserve to NPL	220.19	190.93	160.17	+	29.26	+ 30.76
Return on average assets ^{/2}	1.13	1.13	1.09	-	-	+ 0.04
Return on average equity ^{/2}	8.45	8.73	8.49	-	0.28	+ 0.24
Net interest margin (NIM)	2.35	2.40	2.32	-	0.05	+ 0.08
Cost to income	41.10	45.44	43.52	-	4.34	+ 1.92
Tier 1 capital to risk-weighted assets	17.01	16.43	16.63	+	0.58	- 0.20
Total capital adequacy ratio	20.04	17.96	18.17	+	2.08	- 0.21

Remarks : ^{/1} Less deferred revenue^{/2} Attributable to owners of the Bank

SUSTAINABILITY INITIATIVES

The Bank has established four sustainability guidelines incorporated into its business strategies with the aim to grow steadily and sustainably while creating value for all stakeholders and contributing to the achievement of UN Sustainable Development Goals.



4 Be...



1. Be Responsible

The Bank seeks to conduct its business responsibly by promoting financial inclusion and financial literacy among stakeholders and underprivileged people, providing loans with due consideration to uphold social and environmental responsibility, manage supply chains sustainably, and build good relationships with communities.



2. Be Caring

The Bank focuses on caring for employees and customers by providing employees with an appropriate and safe working environment that supports their well-being, promoting the development of employees at all levels, and as for customers, by maintaining high quality and fair services and helping build good relationships with them.

4. Be Resilient

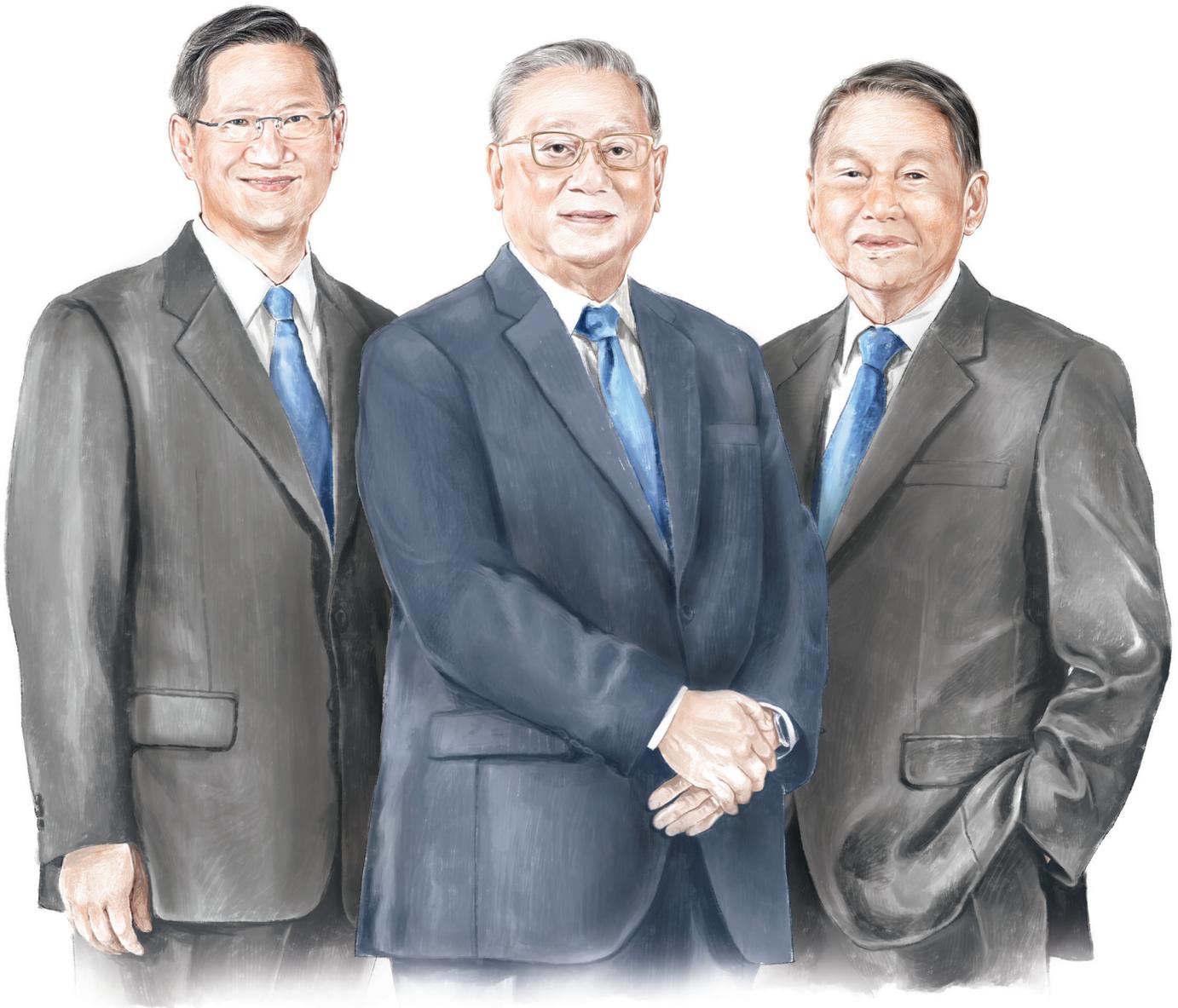
The Bank emphasizes delivering stable and sustainable business growth. The Bank has invested in expanding internationally by continuously developing its financial innovations, carefully and thoroughly managing its risks, and effectively planning for crises.

3. Be Ethical

The Bank strives to conduct business with transparency by adhering to the principles of good governance and business ethics, not engaging in any form of corruption, and maintaining the security of customers' information and confidentiality in accordance with regulations and international standards.



MESSAGE FROM THE CHAIRMAN, THE EXECUTIVE CHAIRMAN AND THE PRESIDENT



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*We seek to help customers and
communities thrive in our rapidly
changing world*

In 2019, we celebrated the Royal Coronation Ceremony of His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun. He was given the title of His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua, the 10th King of the Chakri Dynasty, in a ceremony conducted according to Thai traditions. During the joyous and auspicious year, we also celebrated the royal wedding ceremony, together with the royal investiture of Her Majesty Queen Suthida Bajrasudhabimalalakshana.

OVERVIEW

The new government, which was formed following the March 24 election, brightened the outlook for private investment by committing to continuing key policies of the previous administration. Progress was made on important infrastructure developments such as the Bangkok-Rayong high speed train linking three major international airports, and the expansion of seaport and airport facilities in the Eastern Economic Corridor (EEC), which aims to serve as a gateway to the region and a special economic zone for high value-added industries.

The year also marked the 75th anniversary of our founding. Our success as a leading Thai and regional bank has been due to our commitment to serve our customers, supporting their financial needs and their business goals. In December we further reinforced our position as Thailand's most international bank by entering into an agreement to purchase an 89.12 percent stake in PT Bank Permata Tbk (Permata), the 12th largest commercial bank in Indonesia by total assets. The acquisition is expected to be completed by the third quarter of 2020. It will enable us to deepen our presence in Indonesia and take our strategy of regionalization to a higher level as a leading and well-diversified ASEAN bank.

In another major breakthrough we piloted the first trade finance transaction in ASEAN using Enterprise Blockchain, with a Letter of Credit (L/C) sent from Indonesia to Thailand. The L/C was digitized from end to end and the breakthrough reduced processing time and cut paperwork by more than half. In 2020 we expect to extend the service to other customers in Thailand and across the region.

We continue to add value to Thailand's ecosystem, increase financial inclusion and build a stronger, sustainable future

Our strategy for the year centered on **Creating Value** for customers and other stakeholders with a focus on three major themes: **True Friend**, **Digital Revolution** and **Ethical Banking**. This aligns with our long-term focus on regionalization, urbanization and digitalization – major trends that continue to shape our business environment.

OPERATING ENVIRONMENT

In 2019, the Thai economy faced a number of headwinds. The US-China trade war affected exports worldwide and fueled investor uncertainty while the Thai baht reached a six-year high against the US dollar, dampening Thai exports and inbound tourism. Small and medium enterprises (SME) faced increasing competition from lower-cost foreign imports and domestic demand was constrained by high debt levels. These and other factors contributed to a slowdown in economic growth in Thailand which fell from 4.21 percent in the previous year to 2.46 percent.

However, every challenge presents an opportunity. As a result of the US-China trade war, investment inflows increased from China into Thailand as well as to countries such as Vietnam and Indonesia. Thai government investment incentives also helped attract Chinese companies affected by trade disputes. We were able to support potential investors through our international network covering nine economies in ASEAN as well as major trading partners such as China, Hong Kong, Taiwan, Japan, the US and the United Kingdom.

2020 is shaping up to be another challenging year with the outbreak of the Coronavirus Disease 2019 (COVID-19) which is severely affecting the Chinese economy and Thai travel industry. However, monetary policy easing and public policy continuity, including the implementation of infrastructure projects in the EEC, mass transit systems in Bangkok, and high-speed railways, will support public investment and underpin private sector sentiment. Over time, some production may be relocated to Thailand due to changes in global supply chains resulting from the US-China trade war, particularly in sectors such as electronics and automotive parts, and we are supporting our customers as they respond to these changing trends.

Despite the lower economic growth in 2019, the Bank's net profit rose by 1.4 percent to Baht 35,816 million, representing earnings per share of Baht 18.76. Total capital amounted to Baht 478,740 million, representing a total capital adequacy ratio of 20.0 percent. The Bank continued its prudent approach towards financial management, maintaining capital reserves and liquidity at strong levels to ensure the Bank's financial sustainability. The low interest rate environment encouraged many customers to issue bonds to lock in attractive rates and increase their liquidity. Bangkok Bank also issued 15-year Subordinated Notes qualified as Basel III compliant Tier 2 capital amounting to USD 1,200 million. This will help to provide us with a balanced capital structure.

We strengthened our credit risk management, especially the lending process, and developed information technology, ahead of adoption of the Thai Financial Reporting Standards No.9 (TFRS9) "Financial Instruments" on January 1, 2020.

CREATING VALUE

As a **True Friend** we seek to support our customers throughout the different stages of their life journeys. By combining digital and analytical tools with service delivered in line with our core purpose of "puen koo kit mit koo baan" (aspiring to be a trusted partner and reliable close friend), we can deepen our understanding of customers, improve their banking experience and develop innovative services to support the needs of all customer groups.

Urbanization is also affecting the consumer landscape and we are increasing our specialist advisory services in areas such as bancassurance, home loans and wealth planning, so we can help our customers achieve a more comfortable and secure financial future.

We are working with our customers to provide solutions that add value to their businesses and integrate with their ecosystems, including their customers, supply chains and partners. For example, we developed a payment solution for a major logistics company to better serve its cash-on-delivery customers, reduce its costs of handling cash and enable it to more easily reconcile payments. We also provided a credit line for its e-Commerce customers.

As regional integration gathers pace, we have been helping our customers explore regional growth opportunities. Increasingly they are expanding their operations across different ASEAN markets, drawing on the local knowledge, experience and specialist skills of our International and Corporate Banking groups. To support this trend and provide seamless service across different markets we have been developing our IT systems to support international banking.

As the **Digital Revolution** continues to transform lifestyles and businesses, our Innovation Department has been developing our Artificial Intelligence (AI) and machine learning capabilities including constructing a next generation data lake, which will enable us to both collect more diverse types of data and gain deeper insights from them. We successfully completed Season 2 of Bangkok Bank InnoHub, our technology startup accelerator program. This season focused on working with startups with a track record and resulted in the development and piloting of new services, such as digital commerce and cloud accounting for SME as well as AI-powered automation services. Through such innovations we can provide more value-added services to our customers and improve our own efficiency.

We are upgrading our mobile banking, cash management and transaction banking platforms as well as our back-office systems where we are changing from paper documents to using electronic documents and using cloud-based solutions to further improve

efficiency, convenience, stability and security. The enhanced Bualuang mBanking mobile application will be launched in early 2020. It will provide a rich customer experience on a dynamic platform which will be regularly updated with new features, functions and services to suit customers' evolving lifestyles. The first phase of our upgraded cash management and transaction banking platforms is expected to be completed in 2020 and will deliver value to our clients across all aspects of their business, from dealing with suppliers to distribution of products and services to customers.

These efforts are helping develop a stronger innovation mindset in our staff and business units. We also expanded our digital learning platform and rolled out new technologies within our organization in 2019, so our teams are equipped with advanced tools that serve the needs of contemporary, increasingly digitalized, customers.

Ethical Banking is a core value consistently driven by our leadership at Bangkok Bank. We strive to continually strengthen good governance, social responsibility and sound environmental practices. We are establishing guidelines for responsible lending as part of our commitment to sustainability and working closely with corporates and businesses to help them strengthen their ethical business practices. We also collaborate with regulators and other stakeholders in areas such as the National Digital ID (NDID), Project Inthanon – the use of Distributed Ledger Technology (DLT) for interbank lending – and facilitating cross-border payments using a standardized QR Code. As part of our commitment to financial inclusion we introduced a new credit service for micro enterprises and held a workshop for visually impaired people to help them to use mobile banking services.

These initiatives will help create a sound financial future for Thailand and increase the country's ability to respond to trends such as digital banking, urbanization and regionalization. We are also committed to expanding financial inclusion by making it easier for people to access, apply for and use digital financial services.

LOOKING FORWARD

Our long-term goal is to be a digitalized data-driven organization that generates and analyzes rich data and provides deep insights from it. This will enable us to personalize services to meet the needs of each customer while maintaining the human touch and sharing of knowledge. Beyond banking, we seek to help customers and the communities in which we operate thrive in our rapidly changing world.

We will continue to add value to Thailand's broader ecosystem, increase financial inclusion for people and micro enterprises, contribute to efforts to protect the environment, and strengthen the digital skills of people and businesses, thereby playing a part in building a stronger, sustainable future for Thailand.

We wish to thank all our stakeholders for their continued support and cooperation. We look forward to continuing to create value for our customers while building on our strong foundations to achieve sustainable growth and stability.



Piti Sithi-Amnuai

Chairman



Deja Tulananda

Executive Chairman



Chartsiri Sophonpanich

President

MANAGEMENT REPORT



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We are creating value for our customers to help them thrive in this challenging environment where the mega-trends of regionalization, urbanization and digitalization are increasingly affecting their lives and businesses. This includes improving convenience for customers, providing expert advice and assistance, helping them tap into new opportunities, and reducing hindrances and costs in their business operations.

On December 12, 2019 we were delighted to announce we had reached an agreement to purchase an 89.12% stake in PT Bank Permata Tbk (Permata), the 12th largest commercial bank in Indonesia by total assets. We anticipate the acquisition will be completed in the third quarter of 2020. It will be a major step forward for us as we will be able to capitalize on the rapid growth of Indonesia, the largest economy in ASEAN, along with other opportunities arising from increasing ASEAN integration.

Once concluded the acquisition of Permata will enable us to deepen our presence in Indonesia and take our strategy of regionalization to a higher level as a leading and well-diversified ASEAN bank.

In another breakthrough we facilitated the first trade finance transaction within ASEAN using Enterprise Blockchain, with a Letter of Credit (L/C) sent from Indonesia to Thailand which cut processing time and paperwork by more than half. In 2020 we will be looking to offer similar services to other trade finance customers.

Our international and corporate businesses are working closely together to support our customers with a presence in international markets. We are helping to integrate the ecosystems of our corporate customers within and outside of Thailand by developing solutions that add value to their businesses, such as payment services and credit lines that support their supply chains.

We are also supporting our customers involved in infrastructure development such as mass transit in urban areas, energy production and inter-regional connectivity via airports, seaports, road and rail. In line with the changing consumer landscape we are expanding our specialist advisory services in areas such as bancassurance, home loans and wealth planning to help customers build a comfortable and secure financial future.

Our new mobile application for Bualuang mBanking will be launched early in 2020. This dynamic platform will be regularly updated with new functions to suit customers' evolving lifestyles. New cash management and trade finance platforms are also under development and will have many more features to support our customers' businesses.

A major priority in 2019 was encouraging SME to move from cash to electronic payments. Not only will this enable SME customers to receive payments conveniently and securely, we will gain data-driven business insights that will enable us to serve them better in areas such as information-based lending.

In 2019, we rolled out more QR code acceptance services to our merchant and micro enterprise customers, providing more options for receiving payments and supporting the move to a cashless society.

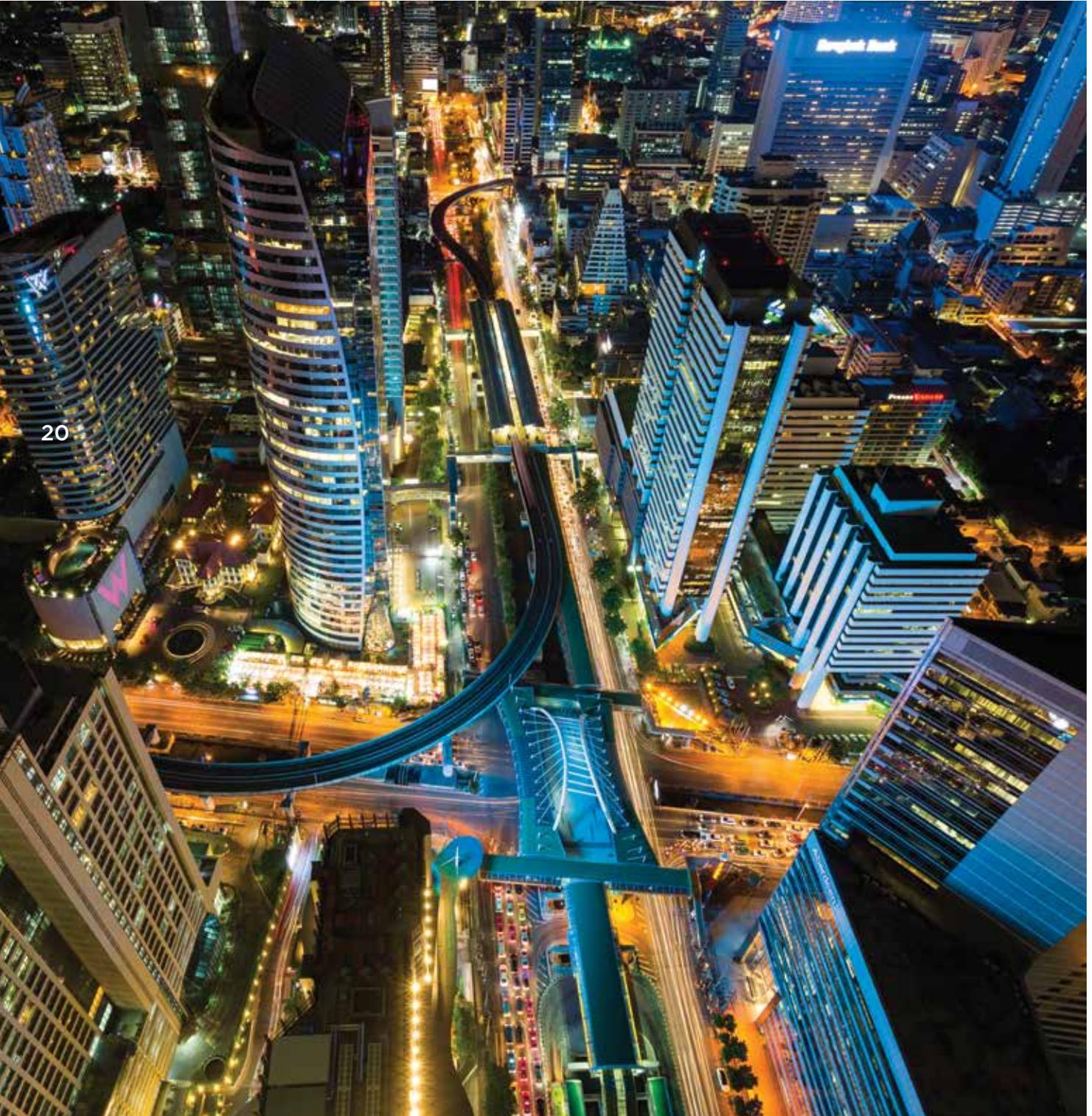
We successfully completed Bangkok Bank InnoHub Season 2, our technology startup accelerator program, and continue to explore partnerships with startups with a decent track record on an ongoing basis. We are now working with several startups to provide services for SME customers in areas such as digital commerce and cloud accounting. Other startups are assisting us with process improvements for our business units including automation, check processing, loan operations and securities.

Transactions continue to grow strongly via our mobile banking application Bualuang mBanking and have grown more than 2.5 times in the past three years. Under our mobile-first policy we have been continually increasing the services available on the application and in 2019 we trialed electronic know-your-customer (e-KYC) technology using facial biometric authentication in the Bank of Thailand's sandbox. These new services will be introduced in 2020.

We are developing new infrastructure as part of our journey to becoming a digital bank. As part of this we are establishing a data lake and using Artificial Intelligence (AI) and Big Data to capture, store, analyze and disseminate data more effectively, thereby developing deeper insights in order to better tailor our service offerings for customers. We are also establishing architecture that will accelerate our ability to adopt Application Programming Interface (API), which enables greater integration with our partners' products, applications, platforms and services under a secure, interoperable system. This will help us innovate faster.

In line with our commitment to "puen koo kit mit koo baan" (aspiring to be a trusted partner and reliable close friend), we aim to continue to create value for our stakeholders and we look forward to another successful year in 2020.

MANAGEMENT DISCUSSION AND ANALYSIS



OVERVIEW OF THE ECONOMY AND BANKING INDUSTRY

THAI ECONOMY IN 2019

In 2019, the Thai economy grew by 2.4 percent year-on-year, down from 4.2 percent in 2018. Against the backdrop of a global trade slowdown and US-China trade uncertainty, merchandise exports and imports for the year contracted by 2.7 and 4.7 percent from 2018, respectively. Private investment slowed to 2.8 percent from 4.1 percent in 2018 while manufacturing production declined 3.7 percent, in line with a low capacity utilization rate of 66.3 percent, below the five-year average of 68.0 percent. Consequently, employment contracted by 0.7 percent. Private consumption slightly softened due to slower farm and non-farm income growth. Moreover, household debt, which rose by 5.5 percent to Baht 13.2 trillion (79.1 percent of GDP) as of the third quarter of 2019, weighed on household purchasing power. However, in the second half of the year, the government rolled out stimulus policies worth Baht 464 billion to support domestic spending, the property market and grassroots economy. Meanwhile, tourist arrivals rose by 4.2 percent, softening from 7.3 percent in 2018. A combination of the weak global economy and strong baht capped tourism and spending. In response to a slowdown in tourism, visa fee waivers were extended twice to end on April 30, 2020.

Headline inflation weakened from 1.1 percent in 2018 to 0.7 percent in 2019, largely due to a fall in energy prices, especially in the third quarter. Core inflation was 0.5 percent, down from 0.7 percent in 2018. In December 2019, the Bank of Thailand adjusted the inflation target for 2020 and the medium term to a range of 1-3 percent from 2.5 ± 1.5 percent.

The Bank of Thailand lowered the policy rate twice at the August and November Monetary Policy Committee meetings, taking the

The evolving business environment required commercial banks in Thailand to accelerate their business transformation

rate down from 1.75 percent to 1.25 percent. The Bank of Thailand also eased foreign exchange regulations to curb the strong baht and encourage domestic capital outflows. At the end of 2019, the Thai baht was 30.15 to the US dollar, an appreciation of 7.1 percent from the end of 2018.

Global financial markets experienced volatility amid the uncertainties around global trade and supply chains between major economies such as the US and China, the UK and EU, as well as geopolitical tensions in the Middle East. Nevertheless, Thailand continued to maintain its strong economic fundamentals, with a current account surplus of USD 37.3 billion, approximately 6.8 percent of GDP, and international reserves standing at 1.3 times its total foreign-currency-denominated debt.

ECONOMIC OUTLOOK FOR 2020

In 2020, Thailand's economic growth will likely slow to the range of 1.9-2.3 percent on account of several challenges. External factors include a sharp drop in tourist arrivals due to the Coronavirus Disease 2019 (COVID-19) outbreak and slowing Chinese economy. Meanwhile, domestic factors include severe droughts and the delay on government budget approval. Nevertheless, merchandise exports are expected to improve on the back of a modest global trade recovery due to recent progress in the US-China trade negotiations. World trade volume growth is forecast to improve from 1.0 percent in 2019. Private consumption will likely remain subdued by the elevated household debt. Fiscal stimulus, an accommodative monetary stance and clarity in the government's implementation of infrastructure investment, such as the Eastern Economic Corridor (EEC), mass transit trains and high-speed railways, will bolster business sentiment. Moreover, there are indications that suggest foreign firms are looking to relocate production activities to, and expand production in, Thailand in response to trade conflicts, particularly in sectors such as electronics and automotive parts.

It is also likely that the Bank of Thailand could further lower the policy rate in 2020 on the back of a deteriorating economic outlook.

THAI BANKING INDUSTRY IN 2019

In 2019, commercial banks in Thailand remained stable. Capital funds and reserves were at a high level and were able to support the challenges of uncertain economic conditions. The performance of the Thai banking system improved, mainly due to the recognition of special profits, while loan growth and credit quality were affected by the economic slowdown. The combined net profit of the commercial banking system was Baht 270.9 billion, a 30.8 percent increase from last year, due to the recognition of special profits from the sale of investments.

At the end of 2019, loan growth in the Thai commercial banking system decreased to 2.0 percent. Total business loans (64.1 percent of all loans) shrank by 0.8 percent due to the economic slowdown and debt repayments in many business sectors. Corporate loans (excluding financial businesses) shrank by 1.9 percent and SME loans (excluding financial businesses) contracted by 2.1 percent. Consumer loans (35.9 percent of all loans) grew by 7.5 percent, decelerating from the previous year, with growth mainly coming from home loans and car loans. Meanwhile, credit card loans and personal loans continued to expand.

Deposits grew by 4.2 percent from the end of 2018. The ratio of loans to deposits dropped from 98.3 percent at the end of 2018 to 96.3 percent. The Liquidity Coverage Ratio (LCR) stood at 187.5 percent. For liquidity management, commercial banks are placing great emphasis on deposit restructuring and cost management as well as reserve requirements to comply with LCR guidelines under Basel III.

In terms of loan quality, non-performing loan (NPL) stood at Baht 465 billion or a ratio of 2.98 percent of gross NPL to total loans. However, the level of capital reserves and loan loss reserves remained high and adequate to cushion against NPL in the banking system. At the end of 2019, the total Capital Adequacy Ratio (CAR) and Common Equity Tier 1 ratio (CET1) stood at 19.6 percent and 16.0 percent, respectively.

The evolving business environment in 2019 required commercial banks in Thailand to accelerate their business transformation. Thailand's economic growth was subdued. Shrinking export growth led to higher unemployment and slower private investment growth, while private consumption was constrained by high

household debt. Fierce competition continued and each bank attempted to develop products and services to serve customers through digital channels. New business models, together with insights from data analytics, enabled banks to target, attract and engage customers using more sophisticated techniques. Banks cooperated with potential partners across industries to gain new opportunities and generate new sources of revenue. Banking operations were also continuously improved to reduce costs. On the regulatory front, the Bank of Thailand implemented a macroprudential policy to regulate mortgage loans which led to a decline in bank lending to the real estate sector. The Bank of Thailand also implemented policies to encourage commercial banks to focus on sustainable banking.

THAI BANKING INDUSTRY IN 2020

In 2020, the global financial system will still face a number of uncertainties. Throughout 2020 central banks in major developed economies are expected to continue with the monetary policies of 2019. Trade tensions between the US and China appeared to ease after an agreement was reached on the US-China Phase 1 trade deal in early 2020. However, the next steps in the ongoing trade negotiations could take longer than with the Phase 1 deal. Meanwhile, the Thai economy has expanded at a slower rate due to emerging downside risks. Tourism could potentially be badly affected by the COVID-19 outbreak. However, export growth is expected to improve, resulting from easing trade tensions between the US and China.

Given this highly uncertain economic environment, the growth of commercial bank lending will likely slow. Banks will closely and continuously monitor loan portfolios and adopt cautious lending policies. This, coupled with the Bank of Thailand's macroprudential measures, will help reduce risky loans. Increasing bank reserves and relatively high levels of capital will continue to help banks to face challenges. Additionally, commercial banks will need to manage liquidity in line with the Bank of Thailand's requirements to comply with the LCR and the Net Stable Funding Ratio (NSFR) guidelines, which require banks to hold sufficient liquid assets to ensure their resilience to liquidity shocks.



FACTORS AFFECTING BANKING INDUSTRY PERFORMANCE

Thai commercial banks may encounter challenges from rapid changes in government policies and in the business environment that will affect their operations over the next two to three years. These challenges are as follows.

1. **Demographic shifts** – Thailand is expected to become an aging society in 2021 when 20 percent of the population will be 60 or older and 14 percent will be older than 65. This demographic shift will affect the economy as follows: (1) The labor force will continually decrease which will affect labor intensive industries such as textiles and garments, apparel, leather products and wooden products and furniture. Businesses operating in these sectors must increase their productivity to survive. They may need to shift to automated production processes and/or focus more on research and development to create higher value-added products and services. They will also need to improve training to develop the skills of their employees. (2) Consumers will change the value and nature of their consumption patterns. Normally, people consume less as they get older but products and services that are designed specifically for the elderly may become more popular such as wellness, food supplements and health and beauty products. In the future, older people will have more influence within the consumer market. There will be opportunities for businesses that focus on the needs of older people such as anti-aging products and services, medical services, pharmaceuticals, pilgrimage tourism and spiritual development.

2. **Eastern Economic Corridor** – The EEC is being developed in three Thai provinces, namely Chachoengsao, Chonburi, and Rayong, focusing on designated industries which are targeted to increase investment potential. The government has been investing in key infrastructure in the designated promotional zones, beginning with six projects:

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

The government is developing integrated transportation systems to strengthen Thailand's role as a major global economic hub, and to support the development of regional supply chains. The tensions created by the trade war between the US and China have led some supply chains to shift out of China to the ASEAN region. Even though there are major competitors such as Vietnam, Indonesia and other countries in the region, many companies are deciding to move their production bases to Thailand. Factors attracting them include Thailand's strategic location, the EEC project, investments in transport and logistics infrastructure, the promotion of 10 targeted industries, policies that promote advances in production capability and the domestic supply chain, the focus on technological and innovation development, and the upgrading of labor skills to support the new targeted industries.

3. **Digital disruption** – Digital technology will have many impacts on commercial banking. The use of smartphones and tablets is growing rapidly and easy access to digital media is changing how consumers use financial services. This is in line with the country's move towards a cashless society. Technology innovations make it easier to make payments, transfer and raise funds, provide loans and manage financial assets. Digital finance helps to enhance the quality of life of retail customers and the efficiency of businesses. Meanwhile, retail customers need services that are fast and seamless through non-branch channels on a 24/7 basis, while entrepreneurs need integrated financial service solutions.

Advances in information technology and digital analysis enable banks to use Big Data analytics and Artificial Intelligence (AI) to develop marketing strategies suited to each customer group along with more sophisticated products and end-to-end solutions to better meet customer needs.

4. **National e-Payment Master Plan Phase 4 (2019-2021)** – The master plan aims to create an ecosystem that promotes digital payments as the primary option within a system that is efficient, safe, and low in cost. It must meet the needs of the general public, as well as private and government sectors in line with the development framework in five areas:

- 1) **Interoperable Infrastructure** – To increase the efficiency of the payment infrastructure to meet international standards. This will be achieved by using ISO 20022 to support business data transmission, payment information and payment links to other countries. An e-KYC biometrics system will also serve future payment innovation and increase efficiency in cash management while reducing the cost of payment systems.
- 2) **Innovation** – To promote the development of payment service innovation to increase the efficiency of digital payment and PromptPay services. This will also involve

the development of convenient and low-cost international money transfers to achieve end-to-end digital business processes, including purchase, payment and tax documents. This will create an environment conducive to innovation development by adopting good processes in issuing and reviewing criteria to promote innovations. This will reduce service providers' burden and increase their competitiveness as well as supporting the development of innovation in the regulatory "sandbox".

- 3) **Inclusion** – To promote access to and encourage the use of digital payments.
 - 4) **Immunity** – To maintain stability and good risk management as well as to monitor and protect users in line with international security standards.
 - 5) **Information** – To develop integrated payment information by exchanging information with approved agencies, using tools and in-depth analysis to develop financial innovations and policies.
5. **Development of fifth generation (5G) cellular network technology** – 5G technology is expected to significantly enhance the capability of Thailand's mobile network, providing more and quicker connections across the economy. Enhanced connectivity will unlock potential in various industries by enabling them to improve their performance. 5G technology is expected to be a key driver for the Internet of Things (IoT) and increase the country's economic potential. It will do this by facilitating rapid communication and interaction across machines with implanted electronic circuits, software, sensors and communication networks. The implementation of 5G will support Thailand's 4.0 policy and the development of the digital economy, facilitate Blockchain technology and smart contracts, and will have many applications to support daily business. Thailand is expected to start commercializing 5G technology in 2020.

6. **Sustainable Banking** – The Bank places importance on caring for and enhancing the quality of the environment and society. Apart from the traditional role of financial intermediaries to support economic growth and stability, the Bank has adopted the concept of sustainability in our business operations by establishing four sustainability guidelines as follows:
- 1) Caring for society and environment
 - 2) Conducting business with ethics
 - 3) Building business security
 - 4) Caring for employees and creating customer satisfaction.
- These guidelines are integrated into the Bank's business strategies so that the Bank can grow steadily and sustainably while creating value for all stakeholders and striving to achieve the UN Sustainable Development Goals (UN SDGs).
7. **The high level of household debt in Thailand** – The burden of high debt accumulation is an obstacle to the expansion of household spending, as a proportion of income must be put towards debt repayments, and has caused an increased risk of defaults on payments. In addition, low interest rates encourage people to save less and spend more. According to personal loan statistical data from the National Credit Bureau (NCB), there are three concerning signs:
- 1) Thai people are getting in debt faster – one out of five 30-year-old people have NPL
 - 2) Thai people have more debts
 - 3) Thai people are in debt longer meaning that they enter retirement while their debt remains high.
8. **SME competitiveness.** Many Thai SME have problems with their ability to compete due to outdated production systems, labor quality, and lack of innovation and product development. Some SME are highly competitive but have not increased their production efficiency. In the past, location was the main factor of survival of businesses. However, today, mobile access, e-commerce and logistics are important factors. Traditional SME are mostly family businesses that have difficulty adapting to business disruption, both in terms of products and business models. Technological changes have affected the behavior of consumers as they increasingly consume news from social media and websites, and order products from e-commerce or social commerce platforms.
- SME located in secondary cities face further issues as their markets are smaller than big cities, due to limitations in market size, quality, labor, cost of transportation and public utilities. Large corporations have increasingly expanded into the secondary cities and this creates more competition for SME there.
- These factors above will underpin the transformation of Thailand's economy through a combination of government policies and changes in private sector business conduct, as well as changes in consumer behavior. Therefore, Thai commercial banks must be ready to cope with these changes in order to move forward in a sustainable way.



EMERGING RISKS

We face many challenges in our business. Environmental changes, the laws and regulations of authorities, economic and political uncertainty, climate change and rapid technological advancements may have consequences which are difficult to anticipate. It is therefore prudent for the Bank to identify emerging risks that might affect the business in the long run so it can prepare for the changes and manage their impacts efficiently. The main emerging risks comprise changes in Global Economic Issues, Climate Change, and Cyber Security.

1. Global Economic Issues

One of the major risks to the world's economy comes from uncertainties surrounding global trade, especially from US and China trade policies. On January 15th, the US and China signed the Phase One trade agreement. China agreed to increase its purchases of US exports by USD 200 billion over the next two years. The US agreed to halve existing tariffs on USD 120 billion of Chinese goods from 15 percent to 7.5 percent. The agreement also outlines China's structural reforms in areas such as intellectual property, forced technology transfer and dispute resolution systems.

The development will support global economic growth and trade conditions, and reduce uncertainties surrounding global trade relationships. However, downside risks from future escalations persist. Despite rollbacks, tariffs in the two countries will still be far higher than prevailing rates prior to the trade war. Furthermore, investment and output decisions by US producers are unlikely to improve given the uncertainty of long-term Chinese demand. Tensions will likely continue given the fundamental differences between the two countries and unresolved issues such as forced technology transfer and China's industrial policies.

Apart from the US and China, trade barriers have also broadened for other major economies. The US, for example, recently restored tariffs on steel and aluminum from Brazil and Argentina and threatened duties on French wine. Japan and South Korea have strengthened export controls with one another following disputes over compensation for wartime forced labor. Furthermore, a possibility of a no-deal Brexit is once again threatening to disrupt cross-border trade and investment flows.

Disruption to normal trade patterns arising from uncertain trade policies globally hurts business and investor confidence worldwide. Manufacturing firms have, therefore, held back on equipment and machinery investment. This trend is especially evident in East Asia, where economies are more exposed to global trade and supply chain risks.

2. Climate Change

Over the past decades, rapid economic development has resulted in a rise in greenhouse gas emissions and degradation of natural resources. Thailand has experienced floods and droughts as well as environmental issues that have had negative effects on people's health and ways of life, farmer income and productivity, and the operating results of various businesses, especially those in tourism and agriculture related sectors. These factors cause operational and credit risks for the Bank.

Ongoing efforts to control and reduce the amount of greenhouse gases at domestic and international levels have directly or indirectly affected banks and other businesses. These efforts include the Paris Agreement to establish greenhouse gas emission targets for 187 member countries including Thailand, as well as the carbon taxation and establishment of carbon trading schemes in the European Union (EU) and various other countries. There are also important initiatives in the financial sector, such as the establishment of the Task Force on Climate-Related Financial Disclosures (TCFD), the EU Action Plan for Financing Sustainable Growth, the green credit policy in China, as well as the Sustainable Banking Network (SBN) and the United Nations Environment Program Financial Initiative (UNEP FI) that encourage countries to develop sustainable finance practices which take into account the environmental impacts of banks' business operations.

With the support of the Bank of Thailand, the Bank has signed a Memorandum of Understanding (MOU) on Sustainable Banking regarding responsible lending and is in the process of upgrading its credit policy and credit approval processes in accordance with the responsible lending guidelines attached to the MOU. The Bank closely monitors policy and technological changes during the country's transition to a low-carbon economy in order to look for new business opportunities and facilitate a careful assessment of risks and impacts related to the Bank and our domestic and overseas customers, in order to build a portfolio resilient to climate risk. In addition, the Bank has organized training for our employees at all levels to provide knowledge and understanding about the risks and impacts of climate change.

3. Cyber Security

The proliferation of technology use has caused a tremendous increase in cyber risks, which come in various forms and with many complications. These have the potential to cause damage and affect the confidence of customers, service providers and all stakeholders, while also imposing costs on the Bank – both in financial and management terms.

Accordingly, the Bank places great importance on cyber security, while also recognizing that our processes for cyber security, and for coping with rapid changes in the business environment and technology, must be flexible enough to provide the necessary organizational resilience.

In current business operations, it is necessary to use data for analysis to formulate strategies and design services for customers' needs. Information increasingly becomes an extremely important asset requiring greater safeguards, while many countries have added regulations and laws to protect customers' personal information. The Bank makes continuous efforts to maintain the security of the 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.

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

We have six business units: Corporate, Commercial, Business, Consumer, International Banking and Investment Banking.

Our key subsidiaries include our locally incorporated banks in Malaysia and China — Bangkok Bank Berhad and Bangkok Bank (China) — Bualuang Securities (BLS), BBL Asset Management (BBLAM), and Bualuang Ventures (BV). BLS provides brokerage, investment banking and fund management services; BBLAM offers mutual funds, private funds and provident fund products in Thailand; and BV is a venture capital company.

We provide a wide range of financial services for both business and individual customers in Thailand and abroad. Our business lending products include long-term and short-term loans, trade finance, working capital, letters of guarantee and aval / acceptance as well as other banking products and services, such as deposits, funds transfers, cash management, bancassurance, investment banking, foreign exchange and debt securities. These services generate fee and service income for the Bank. Our banking facilities cater to both Thai and international customers.

BANGKOK BANK OVERVIEW

DESCRIPTION

Bangkok Bank was founded on December 1, 1944 and became the first Thai bank listed on the Stock Exchange of Thailand in 1975. As at December 31, 2019, we had Baht 3,216,743 million in total assets, Baht 2,061,309 million in total loans, Baht 2,370,792 million in total deposits and Baht 428,116 million in total shareholders' equity.

In 2019, we received many awards such as the “Bank of the Year 2019” award from Money and Banking, “Best Bank in Thailand” from Global Finance magazine, “Best Managed Bank in Thailand”, “Best Trade Finance Bank in Thailand”, “Custodian Bank of the Year in Thailand” and “Best Payment Bank in Thailand” from The Asian Banker.

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

SERVICE CHANNELS

Our extensive distribution channel network includes branches and business centers, ATMs and other self-service machines; digital banking services, such as mobile and internet banking (Bualuang mBanking and Bualuang iBanking); payments via QR codes for individual customers; online services such as BIZ iBanking, Corporate iCash and Bualuang iTrade for business customers; and our Bualuang Phone banking service with an interactive voice system.

Our domestic branch network consisted of 1,148 domestic branches across Thailand, as at December 31, 2019. To serve business customers, we have 117 business centers and 126 business desks nationwide, staffed by relationship managers and officers providing a full range of services. We also have 92 trade-finance centers nationwide.

Our international network is the largest of all Thai banks and comprises 31 locations in 14 economies: Cambodia, China, Hong Kong, Indonesia, Japan, Laos, Malaysia, Myanmar, Philippines, Singapore, Taiwan, United Kingdom, United States and Vietnam.



BUSINESS AND OPERATIONS OF BANGKOK BANK AND ITS SUBSIDIARIES

BUSINESS BANKING

Corporate

Throughout 2019 the Thai economy continued to be weighed down by the global economic slowdown, and uncertainty about domestic policies as the country headed into a March election. These pressures were compounded by the strength of the Thai baht which reduced competitiveness in Thailand's key industries. On the plus side the election and formation of a new government brought more policy certainty and there was progress on major infrastructure projects. In 2020 the outlook for private investment is expected to increase in line with the growing pace of infrastructure investment and the development of the Eastern Economic Corridor (EEC).

The EEC, which is being developed as a regional hub of technology, manufacturing and services, is the centerpiece of the government's Thailand 4.0 policy, which aims to transform the economy with the development of innovative technology-based manufacturing and services.

In support of this strategy the government has embarked on a multi-year program of infrastructure development covering areas such as transport, energy and telecommunications. Most of these developments will be in the form of public-private partnerships. Bangkok Bank, as Thailand's leading corporate bank, is working with many clients wishing to participate in these activities, including providing financial support to extend mass transit routes in Bangkok and building a high-speed rail link connecting three international airports, Suvarnabhumi, Don Mueang and U-Tapao, together with expanding the dual track rail network across Thailand.

Throughout the year the Bank financed the development of electricity generation to increase production capacity in Thailand and support the stability of the national grid. This included increasing energy production for the development of the EEC with the generation of an environmentally-friendly gas-fired plant power in Rayong with a capacity of 2,500 megawatts. With more infrastructure projects underway, such as the expansion of Map Ta Phut port, Suvarnabhumi and U-Tapao airports, and the building of the new Pattaya-Map Ta Phut motorway, we expect to be involved in financing other major infrastructure projects in 2020 and 2021.

To create value for our customers we are developing solutions that digitalize day-to-day processes that can be integrated with their ecosystems including customers and supply chains. This will help enhance their productivity and generate more insights that enable both us and our customers to develop better products and services.

An example of this is a payment solution we developed for Kerry Express (Thailand) Limited, a major logistics provider and e-commerce leader. Historically, e-commerce buyers prefer to pay with cash at the point of delivery, otherwise known as “cash on delivery”. Bangkok Bank developed the first QR-on-Delivery payment system in Thailand to provide the customers of Kerry Express with the convenience of paying with a QR code using the mobile banking application of any bank. This not only saves cash handling costs for Kerry Express but enables the company to reconcile receipts more efficiently and provide faster refunds or payment cancellations to their own customers. In addition to a QR-on-Delivery service we offer a credit line to Kerry Express’ e-commerce merchants, further supporting customers within their ecosystem.

The planned introduction of our new cash management and trade finance digital platforms in 2020 will be another step forward for all our business customers. These platforms will deliver an enhanced client experience in a highly secure environment, providing value across all aspects of their businesses, from dealing with suppliers to distribution of products and services to customers. The underlying technology architecture will also give us the flexibility we need to respond more quickly to changing client needs and market practices.

As a founding member and investor in the R3 consortium, we are developing Enterprise Blockchain solutions for our customers, beginning with trade finance clients in key industries such as electronics, agribusiness, petrochemicals and automotive.

In 2019 we successfully studied and developed the first intra-ASEAN trade finance transaction on R3’s CORDA platform using Enterprise Blockchain to issue a Letter of Credit (L/C) sent from Indonesia to Thailand. The L/C process was digitized from end to end. The breakthrough cut processing time and paperwork by more than half and removed the need for reconciliation as all related parties maintained the same set of data and were updated simultaneously about status changes. We expect to be able to extend Enterprise Blockchain services to other trade finance customers in 2020.

SME

The economic slowdown affected small and medium-sized enterprises (SME) which must also adjust to disruptive technologies, e-commerce, increasing regional competition and changing consumer trends such as urban lifestyles, an aging society, and growing interest in health and environmental issues. To help our customers adapt to the changing business environment we held educational events, connected them with innovative partners and provided new financial products and services.

We partnered with technical specialists and innovators from universities, government agencies, food production and agriculture companies to provide knowledge to customers in areas such as product development, marketing, farm management and smart agriculture. This aligned with the government’s emphasis on S-Curve industries which are expected to be future high-growth areas. This was supported by SME Clinics throughout the year led by experts on topics such as e-commerce and financial management. These were also shared on Facebook and YouTube (Bangkok Bank SME) and our website (www.bangkokbank.com/en/Business-Banking/SMEs).

As the Single Account scheme mandated by the Bank of Thailand came into effect in 2019, we continued to provide Single Account training to assist customers to adapt to new lending requirements. To help our clients meet the required standards we have been working with startups from the Bangkok Bank InnoHub program to develop a cloud-based accounting system to help small businesses manage their finances more efficiently. Other technology solutions for SME included digital commerce, cloud computing and online security.

We joined programs to extend loans to SME operators which meet the requirements of the Thai Credit Guarantee Corporation (TCG). To assist customers affected by serious flooding in the monsoon season we provided three relief measures — easing debt repayment conditions, supporting short-term liquidity and offering additional loans.

As the trend toward digital and online payments continues, we also introduced the BeMerchant application and extended our QR Code Payment on EDC service to enable sellers to accept QR code payments from mobile banking services, Visa, Mastercard, UnionPay as well as WeChat and Alipay. Sellers can easily keep track of payments with less need to handle cash and greater business efficiency.

We continue to seek to increase financial inclusion for smaller enterprises with the ability to repay their loans by providing finance to micro enterprises through our customers' supply chains, such as franchise operators and e-commerce merchants using our customers' delivery networks. We are also building alternative credit models to suit the needs of micro enterprises.

To extend financial inclusion to micro enterprises the Bank expanded QR code services to small merchants nationwide. The service provides a convenient and secure alternative to cash and enables them to offer greater choice to customers. The move toward cashless payments means the Bank has richer customer data that will enable us to expand the availability of credit to smaller businesses and micro enterprises through information-based lending.

International

While the US-China trade war has created global economic headwinds and presented challenges for businesses around the world, it has led a number of China companies to expand into Southeast Asia which offers unique growth opportunities, resulting in the growing value of net foreign direct investment applications from China. Meanwhile our international customer base was increasingly interested in investing in Southeast Asia, particularly Indonesia, Vietnam, Cambodia, Myanmar and Laos.

ASEAN's growing connectivity is also attracting investment as infrastructure developments such as roads, ports, bridges,

airports and railways gather pace, including in Thailand's EEC which aims to be a transport and logistics hub for the region. New power grids and digital networks are also being built to support the region's development, with both transport and energy networks improving connectivity across ASEAN and encouraging the establishment of regional supply chains.

Bangkok Bank, with our comprehensive ASEAN network, has a unique role to play in facilitating international companies across the region. In addition to financing, we provide local knowledge and experience, as well as connections to other customers across our network.

We reinforced our position as Thailand's leading regional bank with an agreement to purchase an 89.12% stake in Permata, the 12th largest commercial bank by total assets in Indonesia. This will support our direction as a leading and well-diversified ASEAN bank with a strong presence in Southeast Asia's two largest economies, which aligns with our strategy of creating value through regionalization.

Synergies across the network are an important part of our support for customers as they can tap into local knowledge while accessing specialist expertise in areas such as energy, infrastructure development, industry and finance. We are a major lender to the energy sector regionally and we are facilitating many energy development projects through our international network including renewable energy projects. The percentage of our loans granted to the alternative energy industry has grown continuously





as we finance projects for customers in ASEAN, Japan and China. To help our customers operating in different markets we are upgrading our core banking and transaction banking platforms to provide more seamless and convenient services to international customers as well as to facilitate their businesses in diversified market conditions.

In 2019 we launched our integrated suite of international trade finance products and services Asia Trade Fast Track to better serve our customers. The services leverage our network in Asia and comprise International Inward and Outward Fund Transfers, and opening and advising Letters of Credit and Bills.

The Bank continued to hold many regionally-focused events including sponsoring the Bloomberg ASEAN Business Summit in June and the AEC Business Forum in November. These shared the latest regional developments with our customers and other interested parties with the aim of assisting them to tap into new opportunities. We joined the ASEAN Payment Connectivity

meeting in Chiang Rai in conjunction with the ASEAN Central Bank Governors' meeting where we showcased regional connectivity initiatives such as Enterprise Blockchain for trade finance and BeWallet cross-border QR code payments which are available in ASEAN and China, including Hong Kong and Macau, as well as South Korea, Japan and Taiwan.

Bangkok Bank signed a business collaboration agreement with Japan External Trade Organization (JETRO) to support and promote business collaboration between Thailand and Japan. The collaboration will support economic and industrial development in four areas, namely investment, trade, tourism-related business, and human resource development worldwide. The agreement also strengthens the good relationship and cooperation between Bangkok Bank and JETRO Bangkok as partners in driving trade and investment between the two countries. Ongoing activities include seminars to share investment information and knowledge, business networking and business-matching, and providing trade and investment advice.

As more transactions migrate from over-the-counter to online channels the roles of our branch staff are evolving with a focus on providing financial advisory services and needs-based selling. Our branches are also being redesigned to support a more flexible customer-focused format with an emphasis on providing consultancy services. We have been developing a pool of specialists in areas such as life insurance planning, personal investment, financial planning and property. They are based in regional hubs or branches and provide support and expert advice to both branch staff and customers.

To support our branch staff, we have also expanded our research and IT capabilities to equip employees with information and consumer insights that will enable them to build stronger relationships with consumers, offer the most appropriate advice and services, and improve the customer experience through every touchpoint.

Our greater emphasis on financial advisory services and needs-based selling is yielding good results with increasing fee income from both mutual funds and bancassurance. We introduced various life insurance products from our partners, namely Bangkok Life Assurance (BLA) and AIA. In 2019, we introduced new life insurance products and offered AIA products in our branches and business centers nationwide.

In terms of mortgage lending, the property market was challenged by the strong Thai baht, which meant less interest from foreign buyers, as well as the change in maximum loan-to-value regulations by the Bank of Thailand, which restrained speculative property investments. However, our “puen koo kit mit koo baan” ethos enabled us to serve our customers effectively even in this challenging market. Real demand for properties like single-detached homes, townhouses and condominiums continued to grow as our applications from leading developers showed a consistent uptrend.

We refreshed our sales channels by expanding the number of home loan specialists who work with customers and developers, enabling us to connect with more customers, especially those wishing to invest in Bangkok and high-growth areas such as the EEC and Chiang Mai.

We launched the Be1st Smart Rabbit LINE Pay card, targeting the younger generation and their lifestyles with benefits for travel and incorporating the e-wallet feature of Rabbit LINE Pay. It joins our portfolio of other products targeting specific lifestyles such as the JD Central e-wallet Dolfin for online shopping, the Bangkok Bank Platinum Sawadee credit card for traveling and booking accommodation, and the smart university solution under BeDigiPass. In 2019 we launched the KMUTT Mod D Pass, a virtual student card for King Mongkut’s University of Technology Thonburi. This provides services that meet lifestyle needs in the university such as checking grades, receiving important news and announcements, checking class attendance and ordering official academic documents.

The Bank also signed a Memorandum of Understanding (MOU) with the British embassy to provide Bangkok Bank Visa Infinite cardholders with access to special services and privileges when applying for a UK visa. The cardholder can conveniently apply for a visa with their passport and Bangkok Bank Visa Infinite credit card without having to provide evidence of their financial status or other documents. In addition, they can access the Visa Facilitation Services (VFS) VIP Lounge without having to make a reservation or fill in online forms in advance.



INVESTMENT BANKING

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Global interest rates around the world hit record lows as central banks cut rates to support their economies. The Bank of Thailand followed suit in the second half of 2019, cutting the policy rate by 0.25 percentage points in both August and November. Businesses in Thailand reacted to the low interest rate environment by issuing a number of bonds, with a combined value of more than Baht 1 trillion. Bangkok Bank was one of the top underwriters in the debt capital markets thanks to our expert knowledge and commitment to creating value for clients.

With favorable market conditions, we also supported several leading corporate clients to access financing by issuing subordinated perpetual bonds as an alternative source of funds to help strengthen their capital structure while at the same time supporting their long-term business growth. Subordinated perpetual bonds allow corporates to be able to tap the available liquidity in the financial market where investors seek to diversify their investment opportunities to gain a more attractive return. At the same time, corporate issuers can benefit from a more resilient capital structure as the subordinated perpetual bond will be treated as equity from an accounting and credit rating perspective resulting in an improved debt-to-equity ratio.

In another development, Bangkok Bank was the financial advisor and underwriter in the establishment of SUPEREIF, the first solar

infrastructure fund in Thailand investing in renewable energy. This transaction was the first time the Securities and Exchange Commission (SEC) allowed the establishment of an infrastructure fund by combining Very Small Power Producers (VSPPs) together. SUPEREIF helps pave the way for other VSPPs and prospective sponsors to consider infrastructure funds as an alternative source of financing for their future growth and expansion.

We leveraged our international branch network and local expertise to reach out to our corporate customers in neighboring countries such as Cambodia, Laos, Myanmar and Vietnam and offer fundraising opportunities in Thai capital markets. We facilitated the first Myanmar-focused company, Yoma Strategic Holdings, to successfully raise about Baht 2 billion under the Baht Bond scheme of the Ministry of Finance in Thailand.

We are proud to have played an important role as the joint lead arranger for Baht 13 billion in green bonds of BTS Group Holdings, the first green bonds issuance under the SEC's Green Bond Notification. The bonds were also certified by the Climate Bonds Initiative under the Low Carbon Transport criteria. The proceeds will be used for BTS Group Holdings' mass transit system extension plan. The green bonds received overwhelming demand from investors and were three times oversubscribed.

We also participated in another important initiative by the Thai Bond Market Association and SEC for capital market development using Blockchain technology. Under the SEC's regulatory sandbox, we facilitated the first bond issuance by Toyota Leasing (Thailand) using Blockchain or distributed ledger technology (DLT) to improve data collection and the registration platform. We believe this transaction marked another important milestone in the SEC's core development policies.

In partnership with BBL Asset Management (BBLAM) and K.E. REIT Management as Co-REIT Managers, we were appointed as the financial advisor and lead underwriter for the fund-raising of Bualuang K.E. Retail Leasehold Real Estate Investment Trust (BKER), the first Co-REIT Manager REIT, which was converted from the previous Crystal Retail Growth Leasehold Property Fund. This transaction allows BKER to increase its leverage capacity and diversify its investments into high-quality community and lifestyle malls in other potential locations.

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

DIGITAL BANKING

Banking for the future

On the path to becoming a digital bank we are developing new infrastructure and a data lake and using AI and Big Data to capture, store, access and disseminate data more effectively so we can gain stronger insights with which to better tailor our service offerings for customers. We are also establishing architecture that will accelerate our ability to adopt API, which enables greater integration with our partners' products, applications, platforms and services under a secure, interoperable system. This will help us innovate faster.

Building ecosystems

The emergence of new technologies and players is leading to a new, more complex financial ecosystem. In this dynamic and disruptive environment, banks have a vital role to play as they facilitate secure identification and transactions for customers and providers, enabling businesses to operate in a digital environment.

Bangkok Bank is a member of BIAN (Banking Industry Architecture Network), an association of banks, technology solutions providers and academic institutions, which has developed a "Coreless Bank" initiative to develop infrastructure suitable for open banking which will help banks more rapidly develop cost-effective services for digital-first customers who prefer digital banking.

Through Bangkok Bank InnoHub Season 2 we provided mentoring and coaching for Thai and international startups and helped them develop viable products, services and solutions.

Data governance and protection

Protection and security are more important than ever as people are increasingly using mobile devices and applications for all their banking and financial needs.

To protect the privacy and assets of our customers, we have established an Information Security and Cyber Security Strategy. We use multifactor authentication technology, threat intelligence and data and customer behavior analysis to strengthen security and improve convenience, speed and usability for our customers so they can enjoy a frictionless environment along with high levels of security.

Every year we review and revise our cyber security policy and comprehensively assess how we can further protect customer data and privacy. This will help our business customers to build trust with their own customers through high levels of security.

Infrastructure

To ensure we have an effective digital banking platform for the future, we are enhancing and redeveloping our infrastructure and systems. This includes payment infrastructure, process automation for Straight Through Processing (STP) of transactions and applications and establishing new platforms for our digital delivery channels such as our mobile and transaction banking services.

We are transitioning from a paper-based system to electronic processing with our Image-enabled Workflow (IEWF) project. This is reducing operating costs, increasing standardization, and improving workflow and customer service as it is integrated into our front and back office systems.

We are working with our InnoHub startups on process improvements for our business units including check processing, loan operations and securities. The objective is to reduce processing time, human errors and costs.





Bualuang Securities Public Company Limited (BLS), a subsidiary of Bangkok Bank, is one of Thailand's leading securities companies. Founded in 2001, BLS provides securities brokerage, investment banking, and equity research services. Its investment management unit is managed by Bangkok Capital Asset Management, BLS' wholly-owned subsidiary.

Apart from its comprehensive nationwide network of 30 offices in Bangkok and major cities, BLS draws upon the Bank's nationwide branch network to promote its products and services and expand its client base through account referrals from the Bank.

PEOPLE DEVELOPMENT

We are developing new ways of working focused on customer experience, agile systems and cross-disciplinary collaboration, while expanding our training programs, both for hard and soft skills and providing more learning options. At the same time, we are seeking to attract and retain the best young talent. We are expanding opportunities for our people to work across multiple areas or rotate through varied jobs that will stretch and expand their capabilities.

We established a Future Skills Academy which teaches future skills necessary for transformation. Staff from each unit are invited to join and are encouraged to use the skills in their unit. To support lifelong learning among staff we also introduced a learning platform that they can use to learn anytime, anywhere and we used design thinking to create digital experiences for customers.

We have developed action learning programs for our staff to promote constructionist learning that focuses on learning by doing, problem solving, systematic thinking and cross-functional teamwork.

To support employees with their finances, health and wellbeing we have established the BeFamily program. This includes training in personal financial management, debt clinics, exercise programs and social activities. In 2020 it will be upgraded to BeFamily Plus to include working together to care for the environment.

Thai Securities Business

The Thai stock market was lackluster during 2019. The Stock Exchange of Thailand (SET) ended the year at 1,579.84 points, up just 1 percent from the previous year, as slow growth in the local economy and global factors such as the US-China trade dispute and uncertainties surrounding Brexit dampened investor sentiment. The combined average daily trading value for the SET and the Market for Alternative Investment (MAI) was Baht 53,192 million, down 8 percent from 2018.

Foreign investors increased their activity in the market accounting for about 40 percent of total trading value, outpacing local retail investors. Brokerage fee income continued to decrease while facing greater pressure as a result of the increased activity from foreign investors.

In terms of fund-raising activities, during the year there were 34 Initial Public Offerings (IPO) for a combined market capitalization of Baht 90.84 billion, up from last year's tally of 23 IPOs worth Baht 81.57 billion. The increase was mainly driven by a few large corporates getting listed on the SET in the second half of the year.

About 52 percent of securities companies' revenue continued to be from brokerage businesses with 16 percent, 12 percent, and 9 percent respectively from fees, trading and interest.



Performance and Highlights

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BLS grew its customer base by 11 percent during the year, to more than 400,000 accounts, representing about 15 percent of the industry and maintaining its leading position in the market by a number of accounts.

BLS continued to deliver innovative investment experiences through our premium investment services. The company collaborated with Korea's Daishin Financial Group to launch the Trader Master trading application. The app delivers a variety of professional trading features needed for automated stock trading.

BLS successfully launched its Global Investing service enabling customers to invest in stocks listed in the US, Hong Kong and Vietnam. Moreover, the depository receipt (DR), launched in December 2018, continued to enjoy strong performance doubling in size to Baht 1,443 million this year.

Bangkok Capital Asset Management launched the Global Wealth Funds, mutual funds designed as primary funds for wealth management which facilitate diversification of investment in domestic and overseas assets. Investors can choose from five risk levels to select an investment appropriate to their risk profile.

BLS maintained its position as the market leader in the numbers of issuance of Derivative Warrants (DW). In 2019 BLS issued 720 DWs, representing about 39 percent of DW trading volume on the SET, with warrants based on 80 underlying stocks in the SET100 Index.

BLS took a lead role in the successful execution of the IPO for Index Living Mall and Veranda Resort, raising more than Baht 3,060 million. It was joint-lead brokerage for the IPO of Asset World Corp Plc which at Baht 48 billion was Thailand's largest IPO for an individual company. BLS also acted as a financial advisor for the rights offering for Jasmine Broadband Internet Infrastructure Fund of new investment units worth Baht 38 billion.

BLS continued its commitment to educating investors. BLS launched the Bualuang Wealthcast podcast in October which provides useful news and information on investing, available for free to subscribers. BLS also increased its engagement with investors in the provinces through regular "pop-up" investor education sessions held in coffee shops. BLS continued to work closely with various universities for The Stock Master University program in which students are encouraged to learn finance and investment principles. In 2019 more than 1,600 students took part in the program.

Various community programs were undertaken, including organizing the Moral School Project for five schools in Bangkok, cleaning up river banks in Nakhon Nayok, tree planting in Bang Krajao and supporting conservation efforts at a mangrove forest in Samut Songkhram.

BLS received three awards in 2019: "Thailand Capital Market Deal" from IFR Asia; "Best Thailand Deal" from FinanceAsia Magazine; and "Best Capital Markets Thailand" and "Best Investment Banking Company Thailand" from International Business Magazine.



BBL Asset Management Company Limited (BBLAM) has remained true to its philosophy as a trusted financial institution, guided by its core values of “Prudence, Integrity and Excellence”. It has placed the interests of clients as its top priority since its founding in 1992.

The company’s mission is to strengthen the financial wellbeing of Thai families. BBLAM distributes its house-branded mutual fund products through the nationwide branch network of Bangkok Bank, its parent company, and online banking services along with selling agents such as Bangkok Life Assurance and Bualuang Securities. BBLAM also manages provident funds, private funds, infrastructure funds, property funds and real estate investment trust (REITs).

BBLAM pursues an active investment philosophy supported by its in-house research and investment capabilities. The Bualuang Fund brand has built a strong reputation and proven track record. Our BF Knowledge Center, established in 2018, has continued to provide financial and investment knowledge to the Thai public.

In 2019, the global economy slowed due to several factors, including the US-China trade war and protests in Hong Kong. This affected Thailand’s capital market as investors shifted into low-risk assets, including bonds, infrastructure and property funds. Investment sentiment was also dampened by a tax hike imposed in August 2019, which levies a 15 percent withholding tax on interest earned from investment in debt securities through mutual funds.

Despite these uncertainties, the asset management industry in Thailand witnessed 7.9 percent growth bringing assets under management (AUM) to Baht 7.7 trillion.

Performance and Highlights

To year-end 2019, BBLAM’s total AUM grew by Baht 9,778 million, or 1.1 percent, to Baht 875,345 million. AUM of its mutual fund business¹ increased by Baht 16,820 million, or 2.3 percent, to Baht 762,076 million, representing a market share of 14.1 percent and safeguarding BBLAM’s position as one of the top three asset management companies in the mutual fund industry.

BBLAM’s provident fund business ranked sixth in the industry, with a market share of 7.7 percent and AUM of Baht 93,881 million. The company had a 1.7 percent share of the private fund business, with AUM of Baht 19,388 million.

In response to the market trends, BBLAM expanded its product offerings to include more foreign funds and complex products. New funds included BKER: Bualuang K.E. Retail Leasehold Real Estate Investment Trust, and SUPEREIF: Super Energy Power Plant Infrastructure Fund, in addition to a recapitalization for JASIF: Jasmine Broadband Internet Infrastructure Fund.

In April BBLAM launched the “All Gen Enjoy” campaign to encourage Thai people of all ages to invest in mutual funds to improve their financial security. This reinforced the company’s motto “Allied. Alongside. Always.” and enabled the company to expand its customer base, especially with younger people. BBLAM targeted four major segments of the investing public.

Baby Boomers: Those aged 56 and over. Key messages focused on health, wellbeing and financial stability during retirement. Funds targeting this group were B-SENIOR, B-SENIOR-X and B-INCOME.

Generation X: Those aged 40-55 years. This group may be both raising families and caring for parents and require steady income to support their expenses. Funds geared toward this group were BKD, BSIRICG and mixed funds such as B-INCOME as well as RMF and LTF.

Generation Y: Those aged 31-39 years. This group generally looks for higher-risk and higher-return products. Funds for this segment included BTP, B-INNOTECH, B-FUTURE, B-INCOME and RMF and LTF.

¹ Due to the valuation date for the REIT category, the fund size of BKER (launched in late Q4 2019) was not included in AIMC MF December 2019 report. Its NAV was Baht 8,600 million.



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Generation Y and Z: Up to 30 years of age. Many in this group seek extra income from online trading or selling goods via online platforms. Funds that meet the needs of this generation of investors are BTP, B-INNOTECH, B-FUTURE and mixed funds such as B-INCOME.

In 2019 BBLAM continued to hold many educational workshops and seminars on financial planning. These were conducted in association with the SET and shared through channels such as the BF Knowledge Center, BF Portfolio Solution and BF Economic Research.

Bualuang Fund has been organizing the Bualuang Fund Investment Forum for three years to provide insights and the latest market outlook for clients and investors so that they manage to achieve their investment objectives in the long run. The title of the Bualuang Fund Investment Forum in 2019 was “Navigating through Market Uncertainties”, in which partners from Allianz Global Investors, AXA Investment Managers, Fidelity International, Invesco Ltd to Nomura Asset Management offered their global perspectives on investment opportunities across a broad range

of sectors and markets. The Bualuang Fund Investment Forum represents one of BBLAM’s important missions.

BBLAM also worked with Bangkok Bank to organize more than 670 activities to develop the investment advisory qualifications and knowledge of branch staff nationwide.

BBLAM received the Best Mutual Fund – Thailand Equity Small/ Mid-Cap for its Bualuang Siriphol Corporate Governance RMF (BSIRIRMF) from the Morningstar Thailand Fund Awards 2019.

In 2020 BBLAM will launch a digital trading platform that can be used for opening accounts and communication as it continues with its efforts to educate the investing public. The government is switching the tax benefits for LTF to an alternative scheme (SSF: Super Savings Funds). This will be more accessible to investors with lower incomes. BBLAM will introduce new products to support investors in this asset class while extending the range of investment options in LTF to retain existing and attract new customers.

OVERALL PICTURE OF THE BANK AND ITS SUBSIDIARIES

Million Baht

	2019	2018	Change (%)
Net profit *	35,816	35,330	1.4%
Earnings per share (Baht)	18.76	18.51	1.4%
Net interest margin	2.35%	2.40%	(0.05)%
Net fees and service income to operating income ratio	21.3%	22.7%	(1.4)%
Cost to income ratio	41.1%	45.4%	(4.3)%
Return on average assets *	1.13%	1.13%	-
Return on average equity *	8.45%	8.73%	(0.28)%

* Attributable to owners of the Bank

Million Baht

	December 2019	December 2018	Change (%)
Loans **	2,061,309	2,083,160	(1.0)%
Deposits	2,370,792	2,326,470	1.9%
Loan to deposit ratio	86.9%	89.5%	(2.6)%
Non-performing loan (NPL)	79,149	80,137	(1.2)%
Ratio of NPL to total loans	3.4%	3.4%	-
Ratio of loan loss reserves to NPL	220.2%	190.9%	29.3%
Total capital adequacy ratio	20.04%	17.96%	2.08%

** Less deferred revenue

In 2019 Bangkok Bank and its subsidiaries posted a net profit attributable to owners of the Bank of Baht 35,816 million, increased 1.4 percent compared to last year amid challenging economic environment. Net fees and service income increased 3.3 percent, driven by higher fees from loan-related services coupled with the strong performance in bancassurance and mutual funds in line with the Bank's strategic direction. Net interest income slightly declined with net interest margin at 2.35 percent. Other operating income grew 52.3 percent, led by higher gains on investments. While non-performing loan (NPL) had remained stable, a one-off higher provision for impairment loss of loans and debt securities was set aside on conservative premise to strengthen the loan loss reserves, in light of the imminent adoption of the new accounting regime which would entail lower credit cost provisioning rate. Operating expense marginally decreased by 0.4 percent from last year. The cost to income ratio was poised well at 41.1 percent.

At the end of December 2019, loan amounted to Baht 2,061,309 million. The non-performing loan (NPL) ratio was at 3.4 percent with strong loan loss reserves to NPL at 220.2 percent. The Bank continued to focus on loan quality through robust control over credit underwriting and risk management while maintaining the allowance for doubtful accounts at prudent level.

The Bank's financial position remained healthy with a strong capital base and optimal liquidity position. At the end of December 2019, the loan to deposit ratio stood at 86.9 percent. On September 25, 2019, the Bank issued 15-year Subordinated Notes qualified as Basel III-compliant Tier 2 capital amounting to USD 1,200 million, which supported the Bank's well mixed of capital structure to be even stronger. As of December 31, 2019, total capital adequacy ratio, Common Equity Tier 1 capital adequacy ratio and Tier 1 capital adequacy ratio of the Bank and its subsidiaries were 20.04 percent, 17.01 percent and 17.01 percent, respectively, comfortably above the Bank of Thailand's minimum capital requirements.

OPERATING INCOME AND EXPENSES OF THE BANK AND ITS SUBSIDIARIES

	2019	2018	Million Baht Change (%)
Net interest income	71,071	71,376	(0.4)%
Non-interest income	62,675	50,025	25.3%
Operating expenses	54,963	55,165	(0.4)%
Impairment loss of loans and debt securities	32,351	21,965	47.3%
Operating profit before tax	46,432	44,271	4.9%
Income tax expenses	10,219	8,554	19.5%
Net profit	36,213	35,717	1.4%
Net profit *	35,816	35,330	1.4%
Total comprehensive income *	27,029	23,157	16.7%

* Attributable to the Bank

In 2019, net profit attributable to owners of the Bank amounted to Baht 35,816 million, an increase of Baht 486 million from last year. Non-interest income rose by Baht 12,650 million mainly from higher gains on investments and net fees and service income. An

increase in net fees and service income was due to increases in fees from bancassurance and mutual funds, investment banking and loan-related services. Impairment loss of loans and debt securities increased by Baht 10,386 million.

Net Interest Income

In 2019, net interest income amounted to Baht 71,071 million, fell slightly from last year. Interest income rose by Baht 1,784 million, due mainly to higher interest income from investments and interbank and money market items from improvement in volume

and yield. Meanwhile, interest income from loans remained stable netted by an increase of Baht 2,089 million in interest expenses, in line with the growth in deposits and borrowings, while the net interest margin stood at 2.35 percent.

	Million Baht		
	2019	2018	Change (%)
Interest income			
Loans	93,155	93,131	0.0%
Interbank and money market items	9,101	8,451	7.7%
Investments	10,309	9,199	12.1%
Total interest income	112,565	110,781	1.6%
Interest expenses			
Deposits	23,044	21,762	5.9%
Interbank and money market items	2,100	2,218	(5.3)%
Contributions to the Deposit Protection Agency and Financial Institutions Development Fund	9,953	9,864	0.9%
Debt issued and borrowings	6,397	5,561	15.0%
Total interest expenses	41,494	39,405	5.3%
Net interest income	71,071	71,376	(0.4)%
Yield on earning assets	3.72%	3.72%	-
Cost of funds	1.59%	1.52%	0.07%
Net interest margin	2.35%	2.40%	(0.05)%

Bangkok Bank Interest Rate	Dec'19	Sep'19	Jun'19	Mar'19	Dec'18	Sep'18
Loans (%)						
MOR	6.875	6.875	7.125	7.125	7.125	7.125
MRR	6.875	6.875	7.125	7.125	7.125	7.125
MLR	6.000	6.250	6.250	6.250	6.250	6.250
Deposits (%)						
Savings	0.500-0.625	0.500-0.625	0.500-0.625	0.500-0.625	0.500-0.625	0.500-0.625
3-month Fixed	1.000	1.000	1.000	1.000	1.000	1.000
6-month Fixed	1.250	1.250	1.250	1.250	1.250	1.250
12-month Fixed	1.375-1.500	1.500	1.500	1.500	1.500	1.500
Bank of Thailand Policy Rate (%)	1.250	1.500	1.750	1.750	1.750	1.500

Non-Interest Income

In 2019, non-interest income amounted to Baht 62,675 million, an increase of Baht 12,650 million from last year, due to higher gains on investments and net fees and service income. The increase in net fees and service income was due to fees from bancassurance and mutual funds, investment banking and loan-related services.

Meanwhile fee income from transaction services decreased as more transactions migrated to digital channels due to changing consumer behavior, following the exemption of transaction fees via digital channels in the second quarter of 2018.

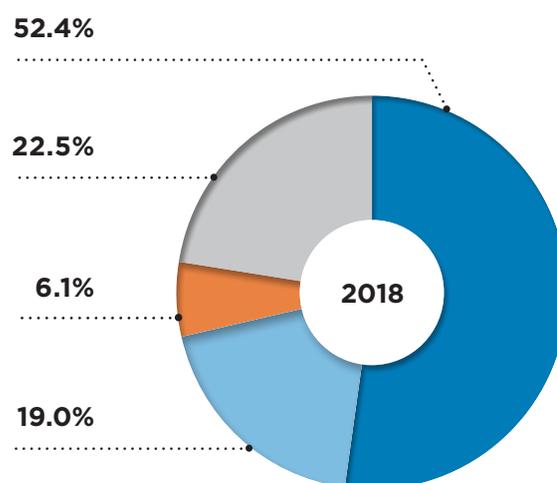
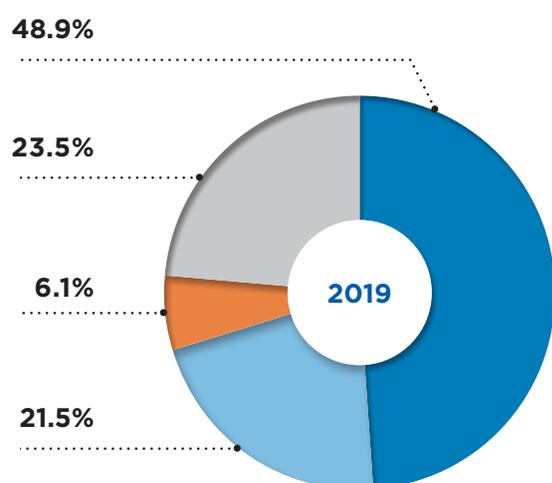
Million Baht

	2019	2018	Change (%)
Fees and service income	39,280	37,437	4.9%
<u>Less</u> Fees and service expenses	10,776	9,847	9.4%
Net fees and service income	28,504	27,590	3.3%
Gains on tradings and foreign exchange transactions	7,848	8,300	(5.4)%
Gains on investments	19,765	8,009	146.8%
Share of profit from investment using equity method	93	78	19.2%
Gains on disposal of assets	2,134	1,049	103.4%
Dividend income	3,769	3,781	(0.3)%
Other operating income	562	1,218	(53.9)%
Total other operating income	34,171	22,435	52.3%
Total non-interest income	62,675	50,025	25.3%
Net fees and service income to operating income ratio	21.3%	22.7%	(1.4)%

Operating Expenses

In 2019, operating expenses amounted to Baht 54,963 million, falling by Baht 202 million or 0.4 percent from last year owing to a decrease in personnel expenses of Baht 2,048 million. This is mainly because in 2018 the Bank had set aside a provision

of compensation for retirement and termination of employees according to the amendment of the new Labor Protection Act. Premises and equipment expenses increased, mainly from technology expenses.



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	2019	2018	Change (%)
			Million Baht
● Personnel expenses	26,726	28,774	(7.1)%
● Directors' remuneration	167	154	8.4%
● Premises and equipment expenses	11,789	10,467	12.6%
● Taxes and duties	3,364	3,367	(0.1)%
● Other expenses	12,917	12,403	4.1%
Total operating expenses	54,963	55,165	(0.4)%
Cost to income ratio	41.1%	45.4%	(4.3)%

Impairment Loss of Loans and Debt Securities

In 2019, impairment loss of loans and debt securities was Baht 32,351 million, an increase of Baht 10,386 million from the previous year, a one-off higher provision to strengthen the

loan loss reserves, in light of the imminent adoption of the new accounting regime.

	2019	2018	Change (%)
Bad debt and doubtful accounts	31,208	18,358	70.0%
Loss on debt restructuring	1,143	3,607	(68.3)%
Total	32,351	21,965	47.3%

Million Baht

SIGNIFICANT ITEMS IN THE FINANCIAL POSITION

Assets

Total assets as of December 31, 2019 amounted to Baht 3,216,743 million, an increase of Baht 99,993 million from the end of December 2018. Significant items included an increase of Baht 90,909 million or 16.3 percent in net investments from higher

investments in all categories, as well as an increase of Baht 21,649 million or 4.8 percent in net interbank and money market items due mainly to higher lending volume. Meanwhile, loans decreased by Baht 21,851 million or 1.0 percent.

	December 2019	December 2018	Change (%)
Net interbank and money market items	472,349	450,700	4.8%
Net investments	647,697	556,788	16.3%
Net investments in associates	1,737	1,608	8.0%
Loans *	2,061,309	2,083,160	(1.0)%
Net properties for sale	9,363	10,604	(11.7)%
Total assets	3,216,743	3,116,750	3.2%

Million Baht

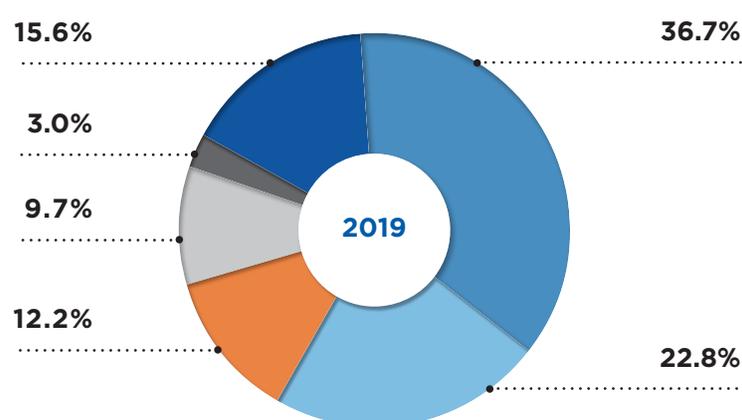
* Less deferred revenue

Loans

Loans as of December 31, 2019, amounted to Baht 2,061,309 million, a decrease of Baht 21,851 million or 1.0 percent from the end of December 2018 due to the decreases in loans to medium-sized and small businesses, and loans made through the Bank's international network, in accordance with the slowdown in the economy.

Loan by Business Type

The Bank and its subsidiaries had loans which were distributed across business sectors, with 36.7 percent in the manufacturing and commercial sector, 22.8 percent in the utilities and services sector, 12.2 percent in the housing sector, and 9.7 percent in the real estate and construction sector. The increase in loans from the end of December 2018 was due mainly to the manufacturing and commercial sector.



	December 2019	December 2018	Change (%)
	Million Baht		
● Manufacturing and commercial	755,979	819,481	(7.7)%
● Utilities and services	470,159	455,969	3.1%
● Housing	251,197	240,047	4.6%
● Real estate and construction	200,736	202,600	(0.9)%
● Agriculture and mining	61,569	51,498	19.6%
● Others	321,669	313,565	2.6%
Total loans *	2,061,309	2,083,160	(1.0)%

* Less deferred revenue

Classified Loans and Allowance for Doubtful Accounts

Non-performing loan (NPL) at the end of December 2019 amounted to Baht 79,149 million, a decrease of Baht 988 million or 1.2 percent from the end of December 2018. The ratio of NPL to total loans stood at 3.4 percent.

Total allowance for doubtful accounts at the end of December 2019 was Baht 174,276 million or 284.8 percent of the minimum amount of Baht 61,182 million required by the Bank of Thailand. The ratio of loan loss reserves to NPL at the end of December 2019 was 220.2 percent.

Million Baht

	Loans & Accrued Interest Receivables *		Allowance for Doubtful Accounts Classified to Bank of Thailand Criteria	
	December 2019	December 2018	December 2019	December 2018
Normal	1,918,520	1,962,102	16,119	16,215
Special mentioned	67,596	46,501	848	591
Substandard	9,783	5,460	1,359	1,018
Doubtful	14,522	20,884	6,259	10,608
Doubtful of loss	54,901	53,837	30,087	30,188
Total	2,065,322	2,088,784	54,672	58,620
Add Excess allowance for doubtful accounts			113,094	88,968
Total allowance for doubtful accounts from loan classification			167,766	147,588
Add Revaluation allowance for debt restructuring			6,510	5,415
Total allowance for doubtful accounts			174,276	153,003

* Less deferred revenue

Million Baht

	December 2019	December 2018	Change (%)
NPL before allowance for doubtful accounts	79,149	80,137	(1.2)%
Ratio of NPL to total loans	3.4%	3.4%	-
NPL after allowance for doubtful accounts (net NPL)	28,368	26,412	7.4%
Ratio of net NPL to net total loans	1.2%	1.2%	-
Ratio of loan loss reserves to minimum required provisioning	284.8%	238.9%	45.9%
Ratio of loan loss reserves to NPL	220.2%	190.9%	29.3%

Net Investments

Net investments as of December 31, 2019 amounted to Baht 647,697 million, an increase of Baht 90,909 million or 16.3 percent from investments in all categories from the end of December 2018.

Most of the net investments were in government and state-enterprise securities. As of December 31, 2019, these amounted

to Baht 354,975 million, accounting for 54.8 percent of total investments. The remaining net investments were foreign debt securities of Baht 117,676 million, private enterprise debt securities of Baht 66,270 million, and net investment in equity securities of Baht 101,199 million.

Investments by Investment Holding	Million Baht		
	December 2019	December 2018	Change (%)
Trading securities	13,613	7,516	81.1%
Available-for-sale securities	574,720	497,838	15.4%
Held-to-maturity debt securities	23,257	19,849	17.2%
General investments	36,107	31,585	14.3%
Total net investments	647,697	556,788	16.3%

Liabilities and Shareholders' Equity

Total liabilities as of December 31, 2019 amounted to Baht 2,788,627 million, an increase of Baht 85,036 million or 3.1 percent from the end of December 2018, mostly from an increase

of Baht 44,322 million or 1.9 percent in deposits and an increase of Baht 28,333 million or 24.4 percent in debt issued and borrowings.

	Million Baht		
	December 2019	December 2018	Change (%)
Deposits	2,370,792	2,326,470	1.9%
Interbank and money market items	134,346	136,862	(1.8)%
Debt issued and borrowings	144,681	116,348	24.4%
Total liabilities	2,788,627	2,703,591	3.1%
Shareholders' equity *	427,751	412,814	3.6%

* Attributable to owners of the Bank

Deposits

Total deposits as of December 31, 2019 amounted to Baht 2,370,792 million, an increase of Baht 44,322 million or 1.9 percent from the end of December 2018 from all types of deposits.

Deposits Classified by Product Type	December 2019		December 2018		Change (%)
	Amount	Portion	Amount	Portion	
Current	113,067	4.8%	101,557	4.4%	11.3%
Savings	1,145,106	48.3%	1,117,522	48.0%	2.5%
Fixed *	1,112,619	46.9%	1,107,391	47.6%	0.5%
Total deposits	2,370,792	100.0%	2,326,470	100.0%	1.9%
Loan to deposit ratio		86.9%		89.5%	(2.6)%

Million Baht

* Including negotiable certificates of deposit

Debt Issued and Borrowings

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Total debt issued and borrowings as of December 31, 2019 amounted to Baht 144,681 million, an increase of Baht 28,333 million from the end of December 2018, due mainly to the issuing of 15-year Subordinated Notes qualified as Tier 2 capital of USD 1,200 million in September 2019.

Debt Issued and Borrowings Classified by Type of Instruments	December 2019		December 2018		Change (%)
	Amount	Portion	Amount	Portion	
Senior unsecured notes	99,530	66.3%	107,027	87.6%	(7.0)%
Subordinated notes	49,757	33.1%	14,587	11.9%	241.1%
Bills of exchange	8	0.1%	23	0.1%	(65.2)%
Others	838	0.5%	456	0.4%	83.8%
Total (before less discount on borrowings)	150,133	100.0%	122,093	100.0%	23.0%
Less Discount on borrowings	5,452		5,745		(5.1)%
Total debt issued and borrowings	144,681		116,348		24.4%

Million Baht

Shareholders' Equity

Shareholders' equity attributable to owners of the Bank as of December 31, 2019 amounted to Baht 427,751 million, an increase of Baht 14,937 million or 3.6 percent from the end of 2018. The increase was mainly due to the net profit attributable to owners of the Bank for 2019 of Baht 35,816 million net of dividend payments

in 2019 totaling Baht 12,092 million. Losses on translation of the financial statements of foreign operations rose by Baht 5,706 million and revaluation gains on available-for-sale investments decreased by Baht 1,721 million.

Contingent Liabilities

Contingent liabilities as of December 31, 2019 amounted to Baht 625,891 million, a decrease of Baht 27,839 million from the end of December 2018, due predominantly to a decrease in other

guarantees and letters of credit while "others" (under other commitments) increased.

	Million Baht		
	December 2019	December 2018	Change (%)
Avals to bills	7,598	5,800	31.0%
Guarantees of loans	27,513	32,236	(14.7)%
Liability under unmatured import bills	17,745	19,041	(6.8)%
Letters of credit	22,116	35,822	(38.3)%
Other commitments			
Amount of unused bank overdrafts	165,562	170,329	(2.8)%
Other guarantees	247,490	270,320	(8.4)%
Others	137,867	120,182	14.7%
Total contingent liabilities	625,891	653,730	(4.3)%

Sources and Utilization of Funds

The primary sources of funds as of December 31, 2019 were Baht 2,370,792 million or 73.7 percent in deposits, Baht 427,751 million or 13.3 percent in shareholders' equity attributable to owners of the Bank, Baht 144,681 million or 4.5 percent in debt issued and borrowings, and Baht 134,346 million or 4.2 percent in interbank and money market liabilities.

The utilization of funds comprised Baht 2,061,309 million or 64.1 percent in loans, Baht 649,434 million or 20.2 percent in net investments (including net investments in associates), and Baht 472,349 million or 14.7 percent in net interbank and money market assets.

Capital Reserves and Capital Adequacy Ratio

Under the principles of Basel III, the Bank of Thailand requires commercial banks registered in Thailand and members of their financial groups to maintain minimum levels of capital adequacy as measured by three ratios, including the Common Equity Tier 1 ratio at no less than 4.50 percent, the Tier 1 ratio at no less than 6.00 percent, and the total capital ratio at no less than 8.50 percent – measured as a percentage of total risk-weighted assets. The Bank of Thailand also requires a capital conservation buffer, phasing in an additional capital ratio of more than 0.625 percent p.a. starting January 1, 2016 until completion of the increment to more than 2.50 percent from January 1, 2019 onwards. It also requires the Bank, which is identified as a Domestic Systemically Important Bank (D-SIB), to have additional capital to meet the Higher Loss Absorbency (HLA) requirement, which gradually raised the Common Equity Tier 1 ratio by 1.00 percent, beginning

with a 0.50 percent increase from January 1, 2019, rising to 1.00 percent from January 1, 2020 onwards. To satisfy the minimum levels and capital buffer requirements of the Bank of Thailand, in 2019 the Bank is required to maintain the Common Equity Tier 1 ratio at more than 7.50 percent, the Tier 1 ratio at more than 9.00 percent, and the total capital ratio at more than 11.50 percent – measured as percentages of total risk-weighted assets.

As of December 31, 2019, the regulatory capital position of the Bank's financial group according to the consolidated financial statements was Baht 478,740 million, Common Equity Tier 1 capital was Baht 406,463 million, and Tier 1 capital was Baht 406,529 million. The total capital adequacy ratio was 20.04 percent, the Common Equity Tier 1 capital adequacy ratio was 17.01 percent, and the Tier 1 capital adequacy ratio was 17.01 percent.

Million Baht

Consolidated	December 2019			December 2018		
	BOT's notification	Ratio	Capital	BOT's notification	Ratio	Capital
Total capital	11.500%	20.04%	478,740	10.375%	17.96%	426,563
Tier 1 capital	9.000%	17.01%	406,529	7.875%	16.43%	390,369
Common Equity Tier 1 capital	7.500%	17.01%	406,463	6.375%	16.43%	390,309

Million Baht

The Bank	December 2019			December 2018		
	BOT's notification	Ratio	Capital	BOT's notification	Ratio	Capital
Total capital	11.500%	20.20%	471,262	10.375%	17.78%	409,945
Tier 1 capital	9.000%	17.14%	399,842	7.875%	16.24%	374,633
Common Equity Tier 1 capital	7.500%	17.14%	399,842	6.375%	16.24%	374,633

Liquid Assets

Liquid assets consisted of cash, net interbank and money market items, trading securities and available-for-sale securities. As of December 2019, liquid assets totaled Baht 1,118,772 million, an increase of Baht 100,324 million or 9.9 percent from the end of

December 2018. Significant items included an increase of Baht 76,882 million in available-for-sale securities and an increase of Baht 21,649 million in interbank and money market items.

	December 2019	December 2018
Liquid assets (Million Baht)	1,118,772	1,018,448
Liquid assets/Total assets (%)	34.8	32.7
Liquid assets/Deposits (%)	47.2	43.8

CREDIT RATINGS

As of December 31, 2019, Moody's Investors Service, S&P Global Ratings and Fitch Ratings maintained the Bank's credit ratings from the end of December 2018. In July 2019, Moody's Investors Service upgraded the bank's subordinated debt instrument rating

to Baa2 from Baa3 and the bank's Baseline Credit Assessment (BCA) to baa1 from baa2, and changed the outlook from stable to positive. In December 2019, S&P Global Ratings changed the outlook from stable to positive.

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

Credit Rating Agency *	December 2019	December 2018
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	Baa3
Subordinated Debt (Basel III-compliant Tier 2 securities)	Baa3	-
Financial Strength (BCA)	baa1	baa2
Outlook	Positive	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	Positive	Stable
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	BBB	BBB
Subordinated Debt (Basel III-compliant Tier 2 securities)	BBB	-
Financial Strength (VR)	bbb+	bbb+
Outlook	Stable	Stable
National Rating		
Long-term	AA+(tha)	AA+(tha)
Short-term	F1+(tha)	F1+(tha)
Outlook	Stable	Stable

* Long-term credit ratings classified as investment grade by Moody's Investors Service, S&P Global Ratings and Fitch Ratings are Baa3, BBB- and BBB-, or higher, respectively. Short-term credit ratings classified as investment grade by Moody's Investors Service, S&P Global Ratings and Fitch Ratings are P-3, A-3 and F3, or higher, respectively.

TEN-YEAR STATISTICAL SUMMARY

(CONSOLIDATED)

	2019	2018	2017
OPERATING RESULTS FOR THE YEAR (MILLION BAHT)			
Net interest income	71,071	71,376	66,625
Non-interest income	62,675	50,025	45,843
Operating expenses	54,963	55,165	48,948
Profit before provision and tax	78,783	66,236	63,520
Profit before tax	46,432	44,271	41,150
Income tax	10,219	8,554	7,832
Net profit ^{/1}	35,816	35,330	33,009
FINANCIAL POSITION AS AT 31 DECEMBER (MILLION BAHT)			
Assets	3,216,743	3,116,750	3,076,310
Cash	58,090	62,394	65,473
Net investments	647,697	556,788	591,720
Loans ^{/2}	2,061,309	2,083,160	2,003,989
Loans (less allowance for doubtful accounts) ^{/2}	1,887,033	1,930,157	1,863,968
Premises and equipment, net	40,754	42,567	43,834
Deposits	2,370,792	2,326,470	2,310,743
Shareholders' equity ^{/1}	427,751	412,814	401,724
PER SHARE (BAHT)			
Profit before tax	24.32	23.19	21.56
Net profit ^{/1}	18.76	18.51	17.29
Dividends ^{/3}	7.00	6.50	6.50
Book value ^{/1}	224.09	216.26	210.45
Number of staff	25,043	25,287	26,012
Number of branches ^{/4}	1,179	1,193	1,198

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

^{/2} Less deferred revenue

^{/3} The dividends for 2019 include the proposed dividend for the second half of the year of Baht 7.00 per ordinary share pending approval by the annual ordinary meeting of shareholders

^{/4} Bank only, including Bangkok Bank Berhad and Bangkok Bank (China) Company Limited, excluding self-services outlets

* The figures in 2010 - 2012 were restated according to TAS 12 Income Tax (effective from January 1, 2013)

2016	2015	2014	2013	2012*	2011*	2010*
63,998	57,510	58,997	55,879	54,952	52,696	45,618
41,860	45,219	37,860	35,578	30,458	29,531	30,252
50,505	45,045	43,087	37,947	37,146	35,709	31,640
55,353	57,684	53,770	53,510	48,264	46,518	44,230
39,625	43,030	45,083	44,917	41,016	34,490	36,663
7,556	8,630	8,593	8,882	9,100	15,280	9,410
31,815	34,181	36,332	35,906	31,847	18,897	27,038
2,944,230	2,835,852	2,759,890	2,596,507	2,420,740	2,109,042	1,952,107
66,338	61,432	59,899	53,550	46,432	45,289	40,508
546,614	519,525	382,054	377,413	412,418	328,068	284,407
1,941,093	1,868,903	1,782,233	1,752,667	1,604,391	1,470,398	1,256,123
1,821,575	1,764,716	1,690,307	1,660,085	1,516,803	1,385,661	1,183,671
45,230	46,108	31,455	32,275	33,577	35,240	36,510
2,178,141	2,090,965	2,058,779	1,935,272	1,834,654	1,587,834	1,394,388
379,016	361,832	323,491	295,936	272,025	245,785	232,990
20.76	22.54	23.62	23.53	21.49	18.07	19.21
16.67	17.91	19.03	18.81	16.68	9.90	14.16
6.50	6.50	6.50	6.50	6.50	6.00	5.00
198.56	189.56	169.47	155.03	142.50	128.76	122.05
26,871	27,142	26,132	25,384	24,091	22,599	22,227
1,189	1,169	1,144	1,098	1,049	999	958

AWARDS 2019



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- 1. Brand of the Year Award**
The World Branding Forum
- 2. Financial Management Excellence**
Thailand Management Association and Sasin Graduate Institute of Business Administration of Chulalongkorn University
- 3. Bank of the Year**
Money & Banking Magazine
- 4. Thailand Domestic Trade Finance Bank of the Year (5th consecutive year)**
Asian Banking & Finance Magazine
- 5. CEO Leadership Achievement Award in Thailand**
The Asian Banker Magazine



- ▶ **Alpha Southeast Asia Magazine**
Best Trade Finance Bank in Thailand (13th consecutive year)
- ▶ **Asiamoney Magazine**
Best Corporate and Investment Bank in Thailand
- ▶ **ASEAN Business Advisory Council**
Priority Integration Sectors: Finance (Large-Tier)
- ▶ **The Asian Banker Magazine**
Best Managed Bank in Thailand
Best Payment Bank in Thailand (4th consecutive year)

▶ **The Asian Banker Magazine**

Best Trade Finance Bank in Thailand
 CEO Leadership Achievement Award in Thailand
 Custodian Bank of the Year in Thailand
 (5th consecutive year) [Previously “Sub-Custodian
 Bank of the Year in Thailand”]

▶ **Asian Banking & Finance Magazine**

Website of the Year in Thailand
 Thailand Domestic Trade Finance Bank of the Year
 (5th consecutive year)

▶ **The Asset Magazine**

Best Bank in Treasury and Working Capital
 in Thailand - SMEs
 Best Bond (Lao PDR)
 Best Bond (Myanmar)
 Best Cross-Border Financing (Cambodia)
 Best Cross-Border Financing (Vietnam)
 Best Syndicated Loan (Singapore)

▶ **FinanceAsia Magazine**

Deal of the Year for Myanmar

▶ **Global Finance Magazine**

Best Bank in Thailand (2nd consecutive year)
 Best Sub-Custodian Bank in Thailand
 (12th consecutive year)

▶ **Influential Brands LLP and Neo Target Co. Ltd.**

Influential Brand

▶ **Money & Banking Magazine**

Bank of the Year
 Financier of the Year

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

Financial Management Excellence
 Leadership Excellence

▶ **The World Branding Forum**

Brand of the Year Award



▶ **IFR Asia**

Thailand Capital Market Deal

▶ **International Business Magazine**

Best Capital Markets Thailand
 Best Investment Banking Company Thailand

▶ **FinanceAsia Magazine**

Best Thailand Deal



▶ **Morningstar Research (Thailand) Ltd.**

Best Mutual Fund – Thailand Equity Small/Mid-Cap

RISK FACTORS AND RISK MANAGEMENT

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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, has adjusted our organizational structure and risk management processes accordingly. This is to ensure that our risk management system is effective and in line with international standards and in accordance with the principles of Basel.

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

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

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

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

1) Uncertainties in Global and Domestic Conditions

Uncertainties surrounding global trade and supply chains remain a significant emerging risk, especially those relating to US and China trade policies. Although the US and China signed the Phase One trade agreement, tensions will likely persist given the fundamental differences between the two countries and unresolved issues such as forced technology transfer and China's industrial policies. Further escalation may harm global trade and investment as well as trigger dislocations within the global supply chain and financial market volatility. Moreover, trade barriers between Japan and South Korea have increased as both countries have strengthened export controls with one another. While these restrictions are likely to have limited impact, escalating tensions could significantly affect both economies and have regional repercussions especially through technology sector supply chains.

Geopolitical tensions and political uncertainties in both Europe and the Middle East pose additional headwinds to global growth. Notably, ongoing uncertainties about the UK leaving the European Union (EU) continue to drag on global sentiment. There is also a risk that the separation could be accompanied by interruptions in cross-border financial flows and weaker economic activities in the UK and, to some extent, in European countries. In the Middle East, rising tensions in the Persian Gulf following attacks on major oil refining facilities in Saudi Arabia have compounded broader conflict within the region. The accumulation of such tensions, combined with ongoing trade conflicts, could further weaken the current lackluster sentiment.

Asian emerging markets are also exposed to risks from a slower Chinese economy, given that the majority of their exports to China are for Chinese domestic consumption. The Coronavirus Disease 2019 (COVID-19) outbreak, as well as the deleveraging process and trade tensions with the US, present downside risks to China's growth, although the adverse effects are partially offset by fiscal and monetary policy stimulus.

The weaker-than-expected outlooks for tourism and private consumption pose risks to the domestic economy. The outbreak of COVID-19 has reduced Chinese tourist arrivals to the country, adversely affecting the tourism-oriented Thai economy. The Thai baht has also weakened rapidly due to the epidemic, reflecting its high volatility. Moreover, uneven income growth and rising household debt may continue to hinder domestic consumption, particularly with middle- and low-income households.

The Bank realizes the uncertain global environment and domestic economy may affect our business operations and those of our customers. The Bank closely monitors each risk category so that it can make necessary adjustments to its business strategies and support our customers properly and promptly.

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 covers regulatory capital requirements and liquidity risk management standards, since 2013.

Under this framework the BOT requires banks to preserve additional capital, in both quantitative and qualitative terms, to support losses that may occur in normal times as well as under stressed scenarios in order to support and maintain the stability of the financial system. Significant recent revisions to the requirements include: a new minimum capital ratio, an increase in the quality of capital to an appropriate level, and an expansion of the coverage of risk-weighted assets so that they are more comprehensive and reflect real risks. From January 1, 2016, the BOT has required commercial banks to gradually set aside additional capital as part of the Capital Conservation Buffer of more than 0.625 percent per annum until completion of the increment to more than 2.50 percent in 2019. 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, beginning with a 0.50 percent increase from January 1, 2019 followed by an increase to 1.00 percent from January 1, 2020 onwards.

As at December 31, 2019, the Bank and Group had adequate capital for such buffers.

The Leverage Ratio guidelines, which will take effect in 2022, aim to control on- and off-balance sheet transaction volumes by ensuring Tier 1 capital as a percentage of total exposures is no lower than 3 percent. The Bank has already prepared for compliance with the guidelines.

With regards 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 annual steps 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, 2019, the Bank and the Group had maintained both ratios above the minimum requirements.

Apart from the guidelines mentioned above, the Bank has closely monitored the revision of other risk management guidelines proposed by the Basel Committee on Banking Supervision (BCBS) and/or any other regulators, including guidelines that BCBS had already announced and which the BOT is considering adopting in Thailand, such as Basel III: the Countercyclical Buffer, Finalizing Post-crisis Reforms, Fundamental Review of the Trading Book, Operational Risk – Revisions to the Simpler Approaches, Interest Rate Risk in the Banking Book, and the Standardised Approach for Measuring Counterparty Credit Risk Exposures. 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 Thai Financial Reporting Standards (TFRS). The financial reporting standards that relate to the Bank, which have taken effect in 2020, have been amended by the Federation of Accounting Professions (TFAC) to bring them up to date with International Financial Reporting Standards (IFRS). The significant changes in principle can be summarized as follows:

A pack of Thai Financial Reporting Standards relating to financial instruments (TFRS9 Pack)

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

The TFRS9 Pack will have a broad impact on financial institutions, particularly in terms of their lending business and risk management. The Bank has prepared to comply with such accounting standards in terms of our lending business and risk management, especially regarding credit risk and information technology, so as to implement effective change management and enhance related policies and processes.

Thai Financial Reporting Standard No. 16 Leases

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

There will not be a material impact on the Bank's financial statements as a result of these standards as the Bank has already prepared to comply with the standards.

3) Credit Risk

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

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

The major risk factors from 2020 to 2021 will be the global economic slowdown and additional impacts from international political conflicts and the COVID-19 outbreak that have affected global demand and supply. China, which plays an important role in the world's production and consumption, has been severely affected by the problem.

The Thai economy is at risk from the global economic slowdown as it relies on the export sector which has suffered from the reduction in world trade volumes. The tourism sector, which is an important driver of economic growth, is affected by air pollution and the COVID-19 outbreak. In addition, private consumption remains under pressure from decreased purchasing power resulting from high levels of household debt. Therefore, the Thai economy going forward must rely heavily on domestic consumption and government investment.

Given all these factors, the Bank must therefore closely monitor the risks that might adversely affect debtors and their counterparties, particularly those whose financial status is weak and/or who are vulnerable to the risk factors which will eventually affect their repayment ability.

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 upon the type of business and/or the size of the credit line. In considering approval of loans in general, the Bank considers the purpose of the loan and assesses the repayment ability of the applicant, taking into account the applicant's operating cash flows, business feasibility, management capability, and collateral coverage. The Bank performs credit reviews which include reviewing credit risk ratings on a regular basis. In order to effectively monitor and manage our credit risks, the Bank has therefore set up the following divisions:

- **Risk Management Division** is responsible for analyzing and reporting to management on the status of various risks of the Bank, as well as proposing recommendations for the review of the overall risk policy of the Bank in anticipation of, and in compliance with, new rules, regulations and international standards. The division is also responsible for overseeing the management of each type of risk to comply with the Bank's risk management policy.
- **Credit Management Division** is responsible for managing risks related to credit extension by supervising and monitoring credit extensions in accordance with the Bank's credit policies. The Credit Management Division comprises the Credit Policy unit, the Credit Acceptance unit, the Portfolio Management unit, the Risk Asset Review unit, the Special Asset Management unit, the Loan Recovery and Legal unit, and the Bank Property unit. The functions of each unit are summarized below:
 - **Credit Policy unit** oversees the credit policy framework and coordinates the improvement and adjustment of the credit policy. It is also responsible for disseminating the credit policy, credit standards and credit processes; for monitoring and overseeing exceptional cases which are inconsistent with the credit policy; and for gathering various inputs which may be used for improving the credit policy.
 - **Credit Acceptance unit** oversees the quality of credit extensions to ensure they are in line with the credit policy and credit underwriting standards, reviews the appropriateness of loan structures as well as the results of customers' credit risk ratings, promotes the development

of a good credit culture, and maintains a systematic and reliable credit extension process.

- **Portfolio Management unit** is responsible for analyzing and making recommendations for adjustments to the portfolio structure, recommending the appropriate portfolio composition and the provision of reserves for loan losses at the portfolio level, developing and overseeing credit risk management tools and methodologies, constructing credit databases, and overseeing related management standards.
- **Risk Asset Review unit** is charged with reviewing credit quality and credit management processes, assessing the adequacy of loan loss reserves, and evaluating compliance with credit policy, regulations and credit underwriting standards.
- **Special Asset Management unit** is responsible for managing non-performing loan, 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. In handling non-performing loan, there is a specific unit to manage and resolve such 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 loan; 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 the 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 the senior management, the Board of Executive Directors and the Risk Oversight Committee to ensure that there will be adequate capital to safeguard the continuity of business operations in difficult times.

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

The ratios of the Group's asset quality show the Bank's stability compared to the industry, with adequate reserves for losses from credit risk. The ratios as at December 31, 2019 and December 31, 2018 were as follows:

	DEC 31, 19	DEC 31, 18
Ratio of loan loss reserves to total loans *	8.4%	7.3%
Ratio of loans written off to total loans *	0.5%	0.4%
Ratio of non-performing loan to total loans **	3.4%	3.4%
Ratio of accrued interest to total loans *	0.2%	0.3%
Ratio of loan loss reserves to non-performing loans **	220.2%	190.9%

* Including accrued interest

** As per the Bank of Thailand requirements

In addition, the TFAC has announced the introduction of Thai Financial Reporting Standard No. 9 "Financial Instruments" (TFRS9), which has been effective from January 1, 2020, which

replaced the "incurred loss" model or provision reserved from damage that has occurred, with an "expected loss" model or provision reserved from "expected" damage that may occur. This means that although the debtor has not yet started to become overdue if there are any signs that credit risk has increased significantly, the new model requires the Bank to have provisions for the expected lifetime credit loss (ECL). Also it requires the Bank to consider economic and other factors that may affect the debtors' 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 has been amended in 2020 to three stages according to TFRS9. Stage 1 (Performing) covers loans with no significant increase in credit risk. Stage 2 (Under-Performing) covers loans where credit risk has increased significantly. Stage 3 (Non-Performing) covers loans considered to be impaired or to be NPL. 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 closely monitors risks of debtors and counterparties in accordance with the Bank's credit risk management principles.

Credit Concentration Risk

Credit concentration risk is the risk of the Bank making lending, investment and other contractual commitments to any borrower or any sector at very high volumes. If losses occur, this will significantly affect the status and operations of the Bank. There are 3 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 any one project to no more than 25 percent of the Bank's total capital. The Bank also sets a limit of three times its total capital on the total sum of lending, investment and other contractual commitments to any group of borrowers that exceeds 10 percent of the Bank's total capital. These two limits are required by the BOT and the Bank is in compliance.

¹ The Group comprises 10 companies as follows; 1) BANGKOK BANK PUBLIC COMPANY LIMITED (as a parent company) 2) BANGKOK BANK BERHAD (BBB) 3) BANGKOK BANK (CHINA) COMPANY LIMITED (BBC) 4) SINSUPTAWEE ASSET MANAGEMENT CO., LTD. (STAM) 5) BBL ASSET MANAGEMENT CO., LTD. (BBLAM) 6) BUALUANG SECURITIES PCL. (BLS) 7) BBL NOMINEES (TEMPATAN) SDN. BHD. 8) BBL (CAYMAN) LIMITED 9) BANGKOK CAPITAL ASSET MANAGEMENT CO., LTD. and 10) BUALUANG VENTURES LIMITED

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

For country and transfer risk, the Bank evaluates the riskiness of a counterparty's country with an assumption that their economic, social and political problems 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 case where events in a foreign country adversely affect the Bank's financial interests. The Bank also monitors, reviews and reports exposures and business conditions of every major country regularly to ensure the Bank has optimal exposure allocations.

4) Market Risk

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

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

The primary objective of market risk management is to manage the risks resulting from changes in market factors to be at acceptable levels and in line with the overall risk management policy of the Bank. The Bank has established a market risk management policy and specified market risk measurement

metrics and limits, taking into consideration the nature and complexities of various financial activities. The following committee and units are mainly responsible for managing, monitoring and controlling market risks:

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

The 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. 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.

Factors which affected the trading book position in the past year and that will need to be monitored going forward include (1) Prolonged trade war and friction between the US and China which will soften global economic growth in 2020, (2) Central bank policy directions towards further monetary easing via policy rate cut and liquidity injection, to help sustain their economic conditions, as well as accommodative fiscal policies, (3) The ongoing Brexit negotiation without a clear path for leaving the EU, (4) Slowdown in the Chinese economy driven by US-China trade conflict and the COVID-19 outbreak, (5) Geopolitical risk, such as friction between Japan and South Korea, US-EU trade disputes, denuclearization in North Korea and the ongoing protests in Hong Kong, and (6) The ongoing strengthening of the Thai baht which may adversely affect Thai economic growth especially in the export and tourism sectors. These factors may increase the volatility of international fund flows and subsequently cause volatilities in exchange rates, interest rates and commodity prices.

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 vulnerability as well as facilitating proactive risk management.

By using the historical simulation approach, the average VaR of the trading book for a one-day holding period, with a 99 percent confidence level, was Baht 109 million in 2019.

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).

Primary factors affecting the trend and level of interest rates and eventually net interest income of commercial banks include the global economic slowdown, low inflation rates, as well as the easing monetary policies adopted by the BOT and central banks of major countries via policy rate cuts. Moreover, competition among banks to increase or maintain market share on deposits and loans may also put pressure on the Bank's net interest margin.

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 our vulnerability and potential negative impact on NII under various stress scenarios. Results of the stress testing are used to determine alternative balance sheet strategies more suited to the business environment in order to achieve the business return target under an acceptable level of risk.

The impact of a one percent interest rate increase on the Group's NII as at December 31, 2019 and December 31, 2018 was as follows:

CURRENCY	Million Baht	
	DEC 31, 19	DEC 31, 18
THB	-122.91	-305.46
USD	1,802.38	1,562.64
EUR	27.24	275.60
OTH	493.29	577.81
Total NII Impact	2,200.01	2,110.58

(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 banks to increase market share of deposits especially low-cost deposits and retail deposits, and the shift of investment behavior towards search for yield amid a low interest rate environment where depositors tend to put their money into other financial products for higher returns. Additionally, changes in the monetary policy directions of central banks given the global economic recovery might lead to tighter liquidity in the financial system and higher funding cost.

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. Our 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 our 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 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 year 2019 was 314 percent, which was computed from month-end LCR in the quarter. The Bank's LCR is above the regulatory minimum requirement of 100 percent due in 2020.

The Bank also has in place an early warning system which provides alerts of any looming liquidity crisis, from both internal and external factors, that will allow for the prevention of liquidity risk crises and/or for proactive liquidity risk management. The Bank conducts liquidity-risk stress tests whereby the stress scenarios incorporate both internal and external liquidity risk factors. Liquidity-risk stress scenarios can be classified into three categories: (i) bank-specific crisis, (ii) market-wide crisis, and (iii) a combination of both. Under each stress scenario, the assumptions of cash inflows and outflows are specified differently from those under the business-as-usual scenario, such as abnormal customer deposit withdrawals and overdraft drawdowns, inaccessibility to the money market, sales of the Bank's liquid assets at below-market prices due to the decrease in market liquidity of such assets, and contingent support for companies in the financial group. The results of liquidity-risk stress tests performed in 2019 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, or money laundering.
- Catastrophes, natural disasters and civil disorders that might cause damage to the Bank's assets.
- New laws and regulations, or changes to laws and regulations, in Thailand and overseas which are likely to become more demanding.

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 quality of customer service and customer care, suitability of products and services sold, reinforcement 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 the 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 our 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 a regular basis.

7) Information Technology Risk

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

Key IT risk factors of the Bank are composed of internal factors and external factors. Internal factors are the Bank's systems, in terms of their capability, their complexity and the adoption of technology for the Bank's business operations; the issue of system and data security; the accuracy and completeness of data processing; the development of, and changes in, 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 threat. Moreover, current risks from changes in the business-chain environment that rely on technology and data security management in operating businesses become factors for creating business opportunity as well as risk due to the business landscape transforming 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 cyber security. The Bank has developed an IT Risk Management Policy and updated the

Information Security Policy to cover cyber security. Moreover, the Bank has enhanced the readiness of our IT governance and IT risk management throughout the Bank by putting in place a framework for the following areas: Strengthening cyber security to meet the most up-to-date standards; Assessing cyber risk and making appropriate adjustments to the assessment framework according to each situation; Regularly building awareness and understanding of cyber security with its staff and customers; Developing contingency plans to rapidly and effectively handle different forms of cyber risk to reduce its impact; and Collaborating with external organizations to further strengthen the Bank's readiness to both effectively prevent and handle cyber risk.

8) Capital Adequacy Risk

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

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

- Common Equity Tier 1 capital comprises:
 - 1) Paid-up share capital
 - 2) Premium (discount) on common shares
 - 3) Legal reserves
 - 4) Reserves appropriated from net profit
 - 5) Retained earnings after appropriations
 - 6) Non-controlling interest classified as Common Equity Tier 1
 - 7) Other reserves
 - 8) Deductions such as intangible assets
- Additional Tier 1 capital consists of non-controlling interest classified as 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

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 or cannot be written off upon the authority's decision to provide financial support to the Bank, the BOT requires capital to be phased out at 10 percent p.a. from 2013 to 2022.

The Group's capital position as at December 31, 2019 and December 31, 2018 were as follows:

	Million Baht	
	DEC 31, 19	DEC 31, 18
Tier 1 capital	406,529	390,369
Common Equity Tier 1 capital	406,463	390,309
Additional Tier 1 capital	66	60
Tier 2 capital	72,211	36,194
Total capital	478,740	426,563

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

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

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

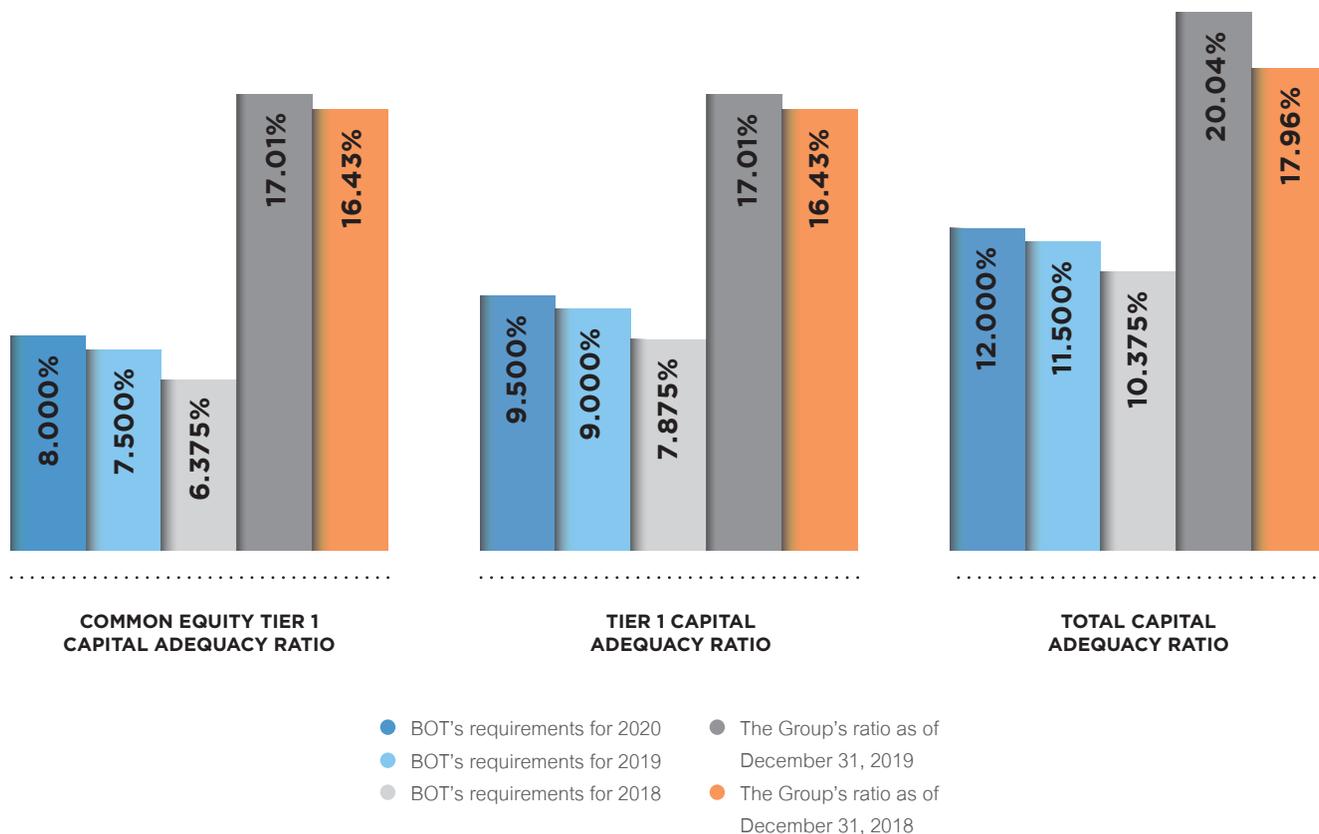
The Standardised Approach (SA) is currently used to measure credit risk, market risk and operational risk for computing regulatory capital requirements under the BOT's Basel III.

Under the principles of Basel III, the BOT requires that commercial banks registered in Thailand and their groups must maintain three minimum capital adequacy ratios: a Common Equity Tier 1 capital adequacy ratio of no less than 4.50 percent, a Tier 1 capital adequacy ratio of no less than 6.00 percent, and a total capital adequacy ratio of no less than 8.50 percent. The aforementioned minimum ratios have yet to include the Capital Conservation Buffer of more than 2.50 percent which came into effect on January 1, 2019. Moreover, the BOT requires the Bank, which is classified as a domestic systemically important bank (D-SIB), to have additional capital to meet the Higher Loss Absorbency (HLA) requirement, which raises the required Common Equity Tier 1 ratio by 1.00 percent, beginning with a 0.50 percent increase from January 1, 2019 followed by a 1.00 percent increase from January 1, 2020 onwards. Consequently,

a Common Equity Tier 1 capital adequacy ratio of more than 7.50 percent, a Tier 1 capital adequacy ratio of more than 9.00 percent, and a total capital adequacy ratio of more than 11.50 percent are required to be maintained from January 1, 2019. And 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, 2019, the Group's Common Equity Tier 1 capital adequacy ratio, its Tier 1 capital adequacy ratio and its total capital adequacy ratio were 17.01 percent, 17.01 percent and 20.04 percent, respectively, whereas at December 31, 2018 the ratios were 16.43 percent, 16.43 percent and 17.96 percent, respectively. Consequently, the Bank's capital is at a level that provides such additional buffers.

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CORPORATE GOVERNANCE



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

CORPORATE GOVERNANCE POLICY

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

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

The Board of Directors is committed to reporting good corporate governance and supporting, encouraging and monitoring the implementation of the corporate governance policy and code of conduct and business ethics, as well as reviewing and revising them to ensure they remain appropriate to the Bank's business and business environment.

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COMMITTEES

The Bank has presented detailed information regarding Committees under "Implementation of the Principles of Good Corporate Governance" section 3, topic: "Strengthen Board Effectiveness".

NOMINATION AND APPOINTMENT OF DIRECTORS AND TOP-LEVEL EXECUTIVE MANAGEMENT

The Bank has presented detailed information regarding the nomination and appointment of directors and top-level executive management in the "Implementation of the Principles of Good Corporate Governance" section 3, topic: "Strengthen Board Effectiveness", and section 4, topic: "Ensure Effective Chief Executive Officer and People Management".

OVERSEEING THE FINANCIAL BUSINESS GROUP OF THE BANK

The Bank oversees the operations of the companies in its financial business group, according to the Notification of the Bank of Thailand regarding Guidelines on Consolidated Supervision, which includes approval for the Bank to establish its financial business group. In this respect, the Bank arranged for the oversight of risks of the financial business group as a whole, the supervision of

adequacy and efficiency of processes in the key control functions, ensuring the compliance of companies in the financial business group with the stipulated policies and relevant regulatory rules and regulations, and the establishment of intra-group transactions policy. The Bank also assigned its directors or executives to hold director positions in the companies in the financial business group.

SUPERVISION OF INSIDE INFORMATION USAGE

The Board of Directors set a criteria on the Supervision of Inside Information Usage and disseminated this criteria to the Bank's directors, executives and employees for their information and observance. The criteria includes a prohibition from using information affecting the price of securities of listed companies, which is known to them but not yet disclosed to the public, for their own or third parties' benefits; a prohibition on directors, executives and personnel involved with the preparation of financial statements from buying or 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 are required to report changes in their holdings of the Bank's shares to the Office of the Securities and Exchange Commission, with notification to the Corporate Secretary within three working days from the day of such changes. The Corporate Secretary will present the report on changes in directors' holdings of securities to the Board of Directors' meeting.

REMUNERATION OF THE AUDITOR

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

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

1. Establish Clear Leadership Roles and Responsibilities of the Board of Directors

The Board of Directors recognizes its duties and responsibilities to oversee and ensure the Bank's good governance, competitiveness, sustainable growth under changing environments, positive performance, adding value for the business and shareholders,

consideration of ethical business behavior and stakeholders in various groups, and responsibility for society and the environment.

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

2. Define Objectives that Promote Sustainable Value Creation

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

Vision

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

Mission

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

Financial Perspective

- To attain stable growth in financial performance

Market and Customer Perspective

- To maintain business leadership with service excellence

Quality Operations Perspective

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

Capability Perspective

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

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 under all circumstances, is to provide quality financial services that 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 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; and has ensured that resources are allocated sufficiently for the Bank to follow its business plan.

3. Strengthen Board Effectiveness

The Board of Directors comprises directors with a wide range of knowledge, capabilities, skills and expertise covering banking and finance, business administration, law, and information technology, which are beneficial to the Bank's business. Each director is respected for his/her leadership.

As of December 31, 2019, the Bank's Board of Directors has seventeen members. Seven out of the total number of directors are independent directors, namely Admiral Prachet Siridej, Mr. Kovit Poshyananda, H.S.H. Prince Mongkolchaleam Yugala, Mr. Phornthep Phornprapha, Mrs. Gasinee Witoonchart, Mr. Arun Chirachavala, and Mr. Choekchai Nijianskul. The number of independent directors accounts for more than one-third of the total number of directors. One of the directors is a non-executive director, namely Mr. Piti Sithi-Amnuai; and nine of the directors are executive directors, namely Mr. Deja Tulananda, Mr. Amorn Chandarasomboon, Mr. Singh Tangtatswas, Mr. Chartsiri Sophonpanich, Mr. Suvann Thanasathit, Mr. Chansak Fuangfu, Mr. Charamporn Jotikasthira, Mr. Boonsong Bunyasaranand, and Mr. Thaweelap Rittapirom. The Chairman of the Board of Directors is Mr. Piti Sithi-Amnuai.

Roles, Duties and Responsibilities of the Board of Directors and the Management

The Board of Directors is responsible for setting policies, visions, goals and directions for the Bank's business operations; considering and approving annual strategies and business plans; allocating resources that are appropriate for the annual strategy and business plan; ensuring that the Bank has appropriate and adequate internal control for its business; enabling the Bank to have an effectively controlled, supervised and monitored organization structure; and establishing risk management policies that comprises risk management procedures covering risks that are significant to the Bank's business operations. According to the Articles of Association of the Bank, authorities and responsibilities of the Board of Directors are as follows:

1. To appoint and dismiss employees of the Bank. For this matter, the Board of Directors may assign any director or directors to act on its behalf

2. To determine bonuses and incentives for employees of the Bank or any person who conducts business for the Bank on either a regular or an irregular basis
3. To determine the interim dividend for shareholders
4. To act in accordance with the laws, objectives, regulations and resolutions of the shareholders' meeting.

The Board of Directors has segregated the duties and responsibilities of the Board of Directors and the Board of Executive Directors. The Board of Executive Directors is responsible for managing the implementation of policies, strategic plans and business plans set by the Board of Directors, as well as performing various tasks within the scope of authority assigned by the Board of Directors.

The Chairman of the Board of Directors and the Chairman of the Board of Executive Directors are not the same person.

Roles and Duties of the Chairman of the Board of Directors

The Chairman as the leader of the Board of Directors has a duty to oversee the Board to perform its duties effectively. Roles and duties of the Chairman of the Board of Directors are as follows:

1. To determine the Board of Directors meeting agenda
2. To call the Board of Directors meeting and to ensure that the directors have received the notice of meeting and adequate documents related to the meeting
3. To chair the Board of Directors meeting, conduct the meeting according to the agenda, and allocate adequate time for the presentation of each agenda item and the discussion among directors on each issue presented at the meeting, as well as encourage directors to freely express their opinions
4. To encourage good relationships between the directors.

In addition, the Chairman of the Board of Directors will chair the shareholders' meeting and conduct the meeting to be in line with the agenda and the Bank's Articles of Association by allocating appropriate time to each agenda item and giving shareholders equal opportunities to ask questions and express their opinions as well as managing the responses to shareholders' questions.

Committees

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

(a) The Board of Executive Directors

Composition and Qualifications

As at December 31, 2019, the Board of Executive Directors comprised eight members from the Board of Directors. The members of the Board of Executive Directors are:

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

Authority and Responsibility

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

Meetings

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

Reporting

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

(b) The Audit Committee

Objectives

To assist the Board of Directors with regard to the auditing of financial reports, internal controls and internal audits, and to select and work in coordination with the Bank's external auditors.

Composition and Qualifications

As at December 31, 2019, the Audit Committee comprises four independent members of the Board of Directors and the members are:

1. Admiral Prachet	Siridej	Chairman of the Audit Committee
2. H.S.H. Prince Mongkolchaleam	Yugala	Member of the Audit Committee

3.	Mrs. Gasinee	Witoonchart	Member of the Audit Committee
4.	Mr. Arun	Chirachavala	Member of the Audit Committee

Mrs. Gasinee Witoonchart is a Member of the Audit Committee with expertise in accounting and finance.

The Audit Committee has tenure of two years.

Authority and Responsibility

1. To ensure correct and sufficient financial reporting, and to work in coordination with the external auditors and the executive in charge of financial reports preparation
2. To ensure that the Bank has adequate and effective internal control and audit systems by reviewing and assessing those systems with internal auditors as well as external auditors, and to consider the independence of an internal audit unit as well as to give approval to the appointment, transfer, remuneration, assessment and termination of employment of the manager of Audit and Control Division
3. To approve the annual audit plan and any significant changes to the plan and ensure that the Audit and Control Division has appropriate resources, including human resources, to perform and meet the objectives of the duties assigned, and also has access to any information and documents needed for the performance of such duties without limitation or restriction
4. To consider, select and nominate independent individuals as external auditors and propose their remuneration for approval, as well as to attend non-management meetings with external auditors at least once a year
5. To ensure that the Bank complies with all relevant regulations and laws on securities and the Stock Exchange, regulations of the Stock Exchange or any laws pertaining to the business of financial institutions
6. To review compliance with the relevant laws and regulations with respect to connected transactions or transactions with potential conflicts of interest, to ensure such transactions are reasonable, that they provide optimal benefit to the Bank, and that the disclosure of related information is accurate and complete
7. To call for documents and data, or to summon the management and personnel from various operating units of the Bank, to provide clarification on relevant matters within the scope of the Audit Committee's duties
8. To produce and publish the Audit Committee's report, which shall be signed by the Chairman of the Audit Committee, as part of the Bank's Annual Report
9. To report to the Board of Directors any findings or suspicious transactions found by the Audit Committee, which may have a material impact on the Bank's financial status and/or operational results, in order for them to be rectified within a stipulated timeframe

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

Meetings

The Audit Committee schedules meetings at least once every three months to scrutinize matters as assigned by the Board of Directors and may hold meetings as necessary and appropriate. In 2019, the Audit Committee held a total of 17 meetings.

Reporting

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

(c) The Nomination and Remuneration Committee Objectives

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

Composition and Qualifications

As at December 31, 2019, the Nomination and Remuneration Committee comprises two members of the Board of Directors. Mr. Charn Sophonpanich resigned from being a director on December 25, 2019. The Board of Directors meeting on January 23, 2020 appointed H.S.H. Prince Mongkolchaleam Yugala, an independent director, to be a member of the Nomination and Remuneration Committee replacing Mr. Charn Sophonpanich. The current Nomination and Remuneration Committee consists of three independent directors and the members are:

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

The Nomination and Remuneration Committee has tenure of two years.

Authority and Responsibility

1. To determine policy, criteria and methodology for selecting directors and top-level executives from the level of Executive Vice President upwards
2. To determine policy and criteria for the consideration of remuneration and other benefits including the amount of remuneration and other benefits for directors and top-level executives from the level of Executive Vice President upwards. The above policies are to be proposed to the Board of Directors for approval.

3. To select, nominate and submit for approval by the Board of Directors persons with appropriate qualifications to be appointed to the following positions:
 - (1) Directors
 - (2) Members of the various committees
 - (3) Top-level executives from the level of Executive Vice President upwards
4. To review the size and structure of the Board of Directors to ensure that it is suitable for the organization and in line with the changing environment, as well as to ensure that the Board of Directors comprises persons with a range of knowledge, ability and experience in different areas
5. To ensure that the directors and top-level executives, from the level of Executive Vice President upwards, obtain remuneration commensurate with their duties and responsibilities
6. To establish performance appraisal guidelines for determining annual remuneration increases for directors and top-level executives from the level of Executive Vice President upwards. The guidelines take into account the individual's duties and responsibilities and associated risks as well as their contribution to the long-term growth of shareholders' equity
7. To report on the work of the committee as part of the Bank's Annual Report.

Meetings

The Nomination and Remuneration Committee schedules meetings at least twice a year to scrutinize matters as assigned by the Board of Directors and may hold meetings as necessary and appropriate. In 2019, the Nomination and Remuneration Committee held a total of 10 meetings.

Reporting

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

(d) The Risk Oversight Committee

Objectives

At the Board of Directors meeting on April 30, 2019, the Board approved the change of the name of the Risk Management Committee to the "Risk Oversight Committee" and the expansion of the scope of duties and responsibilities by assigning the Risk Oversight Committee to oversee and ensure that the Bank's and the Financial business Group's risk management are systematic and comprehensive, effective and in line with the strategic plan and overall risk management policy.

Composition and Qualifications

As at December 31, 2019, the Risk Oversight Committee comprises two independent directors and two executive directors. The members of the Risk Oversight Committee are:

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

Authority and Responsibility

1. To establish risk management policy for the Bank and its financial business group which cover:
 - Key risks
 - Risk management for intra-group transactions
 - Processes and methods for assessing and measuring risks
 - Controlling and managing risks such as determining risk appetite
 - Business Continuity Management (BCM) and Business Continuity Plan (BCP)
2. To ensure senior executives adhere to risk management policy and strategy, as well as to manage the business of the financial business group to achieve an acceptable level of risks
3. To consider capital management and liquidity management strategy to support financial business group's risks and to be in line with 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 change
5. To control, to monitor, to review and to ensure that companies within the financial business group comply with the established risk management policy as well as to review the adequacy and the effectiveness of the policy at least once a year and report to the Board of Directors
6. To report to the Board of Directors on the level of risk, effectiveness of risk management and the development of risk culture, as well as significant factors and problems and issues that need to be revised to be in line with the risk management policy and strategy of the financial business group
7. To participate in the assessment of the efficiency and effectiveness of the performance of the head of risk management.

Meetings

The Risk Oversight Committee schedules meetings at least once every three months to scrutinize matters as assigned by the Board of Directors. In 2019, the Risk Oversight Committee held a total of 12 meetings.

Reporting

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

(e) The Corporate Governance Committee

The Corporate Governance Committee was appointed at the Board of Directors meeting on December 26, 2019 to support the corporate governance operations of the board under the principles of good corporate governance and sustainability.

Composition and Qualifications

As at December 31, 2019, the Corporate Governance Committee comprised one independent director, one non-executive director and one executive director and the members are:

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

3. Mr. Thaweelap Rittapirom Member of the Corporate Governance Committee

The Corporate Governance Committee has 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 counterparty code of conduct
- To propose the 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 that is appropriate for the Bank's business operations and in line with social and environmental contexts
- To give opinions to the Board of Directors or the Risk Oversight Committee on issues related to risk management and the impact on 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 one every quarter to scrutinize any matters, and may hold additional meetings as necessary and appropriate.

Reporting

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

In 2019, each director attended more than 75 percent of the Board of Directors meetings. The summary of the Board of Directors meetings in 2019 is as follows:

NAME	BOARD OF DIRECTORS TOTAL: 13 MEETINGS	AUDIT COMMITTEE TOTAL: 17 MEETINGS	No. of meetings attended	
			NOMINATION AND REMUNERATION COMMITTEE TOTAL: 10 MEETINGS	RISK OVERSIGHT COMMITTEE TOTAL: 12 MEETINGS
1. Mr. Piti Sithi-Amnuai	12			
2. Mr. Deja Tulananda	12			
3. Admiral Prachet Siridej	13	15		
4. Mr. Kovit Poshyananda	13		10	
5. Mr. Singh Tangtatswas	13			2
6. Mr. Amorn Chandarasomboon	13			12
7. H.S.H. Prince Mongkol-chaleam Yugala	12	14		
8. Mr. Pornthep Phornprapha	10		8	
9. Mr. Charn Sophonpanich/1	10		7	8
10. Mrs. Gasinee Witoonchart	12	15		
11. Mr. Arun Chirachavala ²	13	17		10
12. Mr. Chokechai Niljianskul/3	13			10
13. Mr. Chartsiri Sophonpanich	13			
14. Mr. Suvarn Thansathit	13			9
15. Mr. Chansak Fuangfu	13			
16. Mr. Charamporn Jotikasthira	13			
17. Mr. Boonsong Bunyasanand/4	8			
18. Mr. Thaweelap Rittapirom	13			

Remarks: ¹ Mr. Charn Sophonpanich resigned from the Board of Directors on December 25, 2019

² Mr. Arun Chirachavala was appointed chairman of the Risk Oversight Committee to replace Mr. Singh Tangtatswas on February 21, 2019

³ Mr. Chokechai Niljianskul was appointed as a member of the Risk Oversight Committee on February 21, 2019

⁴ Mr. Boonsong Bunyasanand was appointed as a director during the 26th Annual General Shareholders' meeting on April 12, 2019.

Independent Directors

The Bank has a process for nominating independent directors, by having the Nomination and Remuneration Committee select and screen persons possessing suitable qualifications in accordance with the specified criteria, procedures and qualifications prescribed under the Bank's definition of an independent director which are equivalent to the definition by the Capital Market Supervisory Board. An independent director is a person who has the following qualifications:

1. Holds shares in an amount not exceeding one percent of the total number of shares with voting rights of the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, provided that shares held by such 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, 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 relationship is by blood or by 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 independent director and is not nor used to be, a significant shareholder or controlling person of any person with a business relationship with the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, except in the case where such status has ended for not less than two years
- The term "business relationship" in the foregoing paragraph shall include normal business transactions, rental or lease of immovable property, transactions relating to assets or services, providing or receiving financial assistance through loans, guarantees, or providing assets as collateral, or any other similar actions which result in the Bank or the counterparty becoming indebted to the other party in the amount equal to three percent or more of the net tangible assets of the Bank or Baht 20 million, whichever is lower. The method for the calculation of the value of connected transactions under the Notification of the Capital Market Supervisory Board shall apply to the calculation of such indebtedness, mutatis mutandis, provided that all indebtedness incurred during the period of one year prior to the date of such business relationship shall also be included
5. Is not or has not been an auditor of the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, and is not a significant shareholder, controlling person or partner of the audit firm employing the external auditor of the Bank or the parent company, subsidiary, affiliate, major shareholder or controlling person of the Bank, except in the case where such status has ended for not less than two years
 6. Is not or has not been a provider of any professional services which include being a legal advisor 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 on business of the same nature and in competition with the business of the Bank or its subsidiary and is not a significant partner in a partnership or a director who participates in the management of the business, or an employee, officer or advisor who receives a salary, or holds shares in the amount exceeding one percent of the total number of shares with voting rights of another company engaging in business of the same nature and in significant competition with the business of the Bank or its subsidiary
9. Does not have any other characteristics which would impact the ability to express independent opinions regarding the Bank's business operations.

Nomination of Directors

The Nomination and Remuneration Committee is responsible for nominating individuals to serve as directors based on the Bank's operational strategies and necessary skills required by the Board Skill Matrix, in order to determine the required qualifications of directors. The Nomination and Remuneration Committee will nominate, select and screen qualified individuals according to the processes and principles determined by the Board of Directors. The consideration will be based on the person's honesty, accountability and ethics; qualifications pursuant to the requirements of the Bank of Thailand, Capital Market Supervisory Board, Office of the Securities and Exchange Commission, and other relevant authorities; and the knowledge, ability, expertise and skills in particular fields which are necessary and beneficial to the Bank's business. In nominating directors to replace the directors retiring by rotation, consideration will also be based on their performance in the past. In addition, the Nomination and Remuneration Committee also considers the structure, composition and size of the Board of Directors in order that the Board of Directors will be of a suitable size and structure, and have members of diverse sex, age, knowledge, skills, expertise and experiences, suitable for the Bank's business, without regard to race or religion. Prior to the Annual General Shareholders' meeting, the Bank gives shareholders the opportunity to nominate persons who are considered suitable as directors to the Nomination and Remuneration Committee for consideration. The shareholders must proceed with the nomination process in accordance with the criteria that the Bank has informed the shareholders on the Bank's website and propose names in advance within the specified time.

The Bank will propose individuals who have undergone the consideration process to the Bank of Thailand for its consideration and approval for appointment.

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

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

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

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

Remuneration of Directors

The Nomination and Remuneration Committee determines the remuneration of the Directors according to 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 which have similar size to the Bank; the duties, responsibilities and related risks undertaken; the performance of the Bank's Board of Directors; the Bank's operating results; the business environment; and other factors that may affect the Bank's business or the overall economy.

Directorship in Other Companies of Directors

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

Self-assessment of the Board of Directors

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

There are two methods of assessment of performance of the Board of Directors: (1) Self-assessment on both a collective and individual basis; and (2) Cross-assessment for assessing the performance

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

Main topics in the self-assessment form of the Board of Directors on a collective basis consist of (1) Structure and qualifications of the Board of Directors; (2) Roles, duties and responsibilities; (3) Meetings; (4) Performance of the duties of directors; (5) Relationship with management; and (6) Self-development of directors and development of executives.

Main topics in the self-assessment form of the Board of Directors on an individual basis consist of (1) Structure and qualifications of the Board of Directors; (2) Meetings; and (3) Roles, duties and responsibilities.

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

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

Self-assessment of the Committees

The Board of Directors specified that all committees have to complete an annual self-assessment form. The purpose of the assessment is for each committee to review their performance in the past year and to use the assessment results as guidelines to improve their performance.

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

Development of Directors

The Bank hosts an orientation program for newly-appointed directors by introducing them to directors, providing information and documents related to the operations of the Bank, 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.

The Bank recognizes the importance of regularly and continuously encouraging and supporting the knowledge development of its directors and executives at various levels, which includes training and seminars to enhance their practical knowledge.

The Bank supports its directors in attending training courses that are useful in assisting them to perform their duties as directors. In addition, the Bank regularly supports activities for the development of directors and executives at various levels — for example, it provides training courses, seminars and lectures by knowledgeable speakers from outside the Bank, etc.

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

Director Accreditation Program include Mr. Kovit Poshyananda, Mr. Phornthep Phornprapha and Mr. Chansak Fuangfu.

The Bank encouraged directors to participate in training courses or seminars related to their duties and courses or seminars that will encourage them to continuously learn and develop themselves in various areas. In 2019, major training or seminars attended by directors included:

DATE	TOPIC	NAME OF DIRECTOR WHO ATTENDED
13 May 2019	Cyber Resilience Workshop for Directors of Financial Institutions	Mr. Chansak Fuangfu Mr. Charamporn Jotikasthira
20 June 2019	Game of Threats (GOT): The Cybersecurity Risk Stimulation Training	Mr. Piti Sithi-Amnuai Admiral Prachet Siridej Mr. Kovit Poshyananda Mr. Arun Chirachavala H.S.H. Prince Mongkolchaleam Yugala Mr. Phornthep Phornprapha Mrs. Gasinee Witoonchart Mr. Chokechai Niljianskul Mr. Singh Tangtatswas Mr. Amorn Chandarasomboon Mr. Charn Sophonpanich Mr. Chartsiri Sophonpanich Mr. Suvarn Thansathit Mr. Chansak Fuangfu Mr. Charamporn Jotikasthira Mr. Thaweelap Rittapirom
20 June 2019	Cyber Resilience Workshop for Directors of Financial Institutions	Mr. Arun Chirachavala Mr. Thaweelap Rittapirom
8 July 2019	Cyber Resilience Workshop for Directors of Financial Institutions	Mr. Chartsiri Sophonpanich Mr. Singh Tangtatswas
21 August 2019	Cyber Resilience Workshop for Directors of Financial Institutions	Mr. Piti Sithi-Amnuai Mr. Suvarn Thansathit
20 September 2019	Cyber Resilience Workshop for Directors of Financial Institutions	Mrs. Gasinee Witoonchart Mr. Chokechai Niljianskul
25 September 2019	Deloitte Forum 2019: TFRS Version 2019 and 2020 Practical Implication	Mr. Arun Chirachavala
9 October 2019	Cyber Resilience Workshop for Directors of Financial Institutions	Mr. Deja Tulananda Mr. Amorn Chandarasomboon
14 November 2019	AEC Business Forum 2019 under "2020: The Age of ASEAN Connectivity" Theme	Admiral Prachet Siridej Mr. Arun Chirachavala H.S.H. Prince Mongkolchaleam Yugala
15 November 2019	Senior Executive Forum 2019 on AML/CFT by Anti-Money Laundering Office	Admiral Prachet Siridej Mr. Arun Chirachavala H.S.H. Prince Mongkolchaleam Yugala Mrs. Gasinee Witoonchart
19 November 2019	Seminar on "Are you ready to be an accountant for the future?" by Deloitte	Admiral Prachet Siridej

Corporate Secretary

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

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

The Board of Directors' Meeting

The Board of Directors holds a regular monthly meeting during which schedules for the year will be set and notified to all directors in advance. This is in order for each director to manage to attend at least 75 percent of all meetings in a year. Each director regularly attends the Board of Directors' meetings, except in necessary and uncontrollable cases where directors are unable to do so.

In 2019, each director attended meetings on a regular basis, which accounts for more than 75 percent of the number of meetings held during the year, and the quorum for a meeting of the Board of Directors in considering of any resolutions shall be more than two-thirds of the total number of directors.

In each meeting of the Board of Directors, the Corporate Secretary will send a notice of the meeting together with the meeting agenda and supporting documents for each agenda item to directors for studying seven days prior to the meeting, except in the case of urgent situations. The Chairman of the Board of Directors will preside over the meeting and, as the chairman of the meeting, provide opportunities and encourage directors to freely express their opinions.

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

4. Ensure Effective Chief Executive Officer and People Management

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

Succession of Top-level Executive Positions

The Bank recognizes the importance of selection and development of personnel for replacement in the top-level executive positions to enable continuity of the Bank's management. In selecting persons with suitable qualifications, the consideration will be based on their knowledge, skills, attitudes and ideas in terms of strategy, leadership, accountability and decision-making to solve problems. Development and a preparation process will be offered to the persons undergoing consideration, by providing them with a management course and courses that provide knowledge of various fields, both in and outside the Bank, as well as assigning them to perform duties that will inure themselves to learning and enhance particular job skills and expertise, including skills in cooperating with other operating units in the Bank.

Directorship in Other Companies of Top-level Executives

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

Remuneration of Top-level Executives

The Nomination and Remuneration Committee has established criteria for determining the remuneration of the Chairman of the Board of Executive Directors, President and top-level executives by taking into account the results of their performance of duties, performance of the Bank, remuneration rates of the Bank's industry peers and suitability with economic conditions and society, as well as the business's operations as a financial institution in Thailand.

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

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

5. Nurture Innovation and Responsible Business

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

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

Shareholders

The Bank recognizes that shareholders are the owners of the business and have ownership rights, in which case the Bank observes the rights of shareholders in all groups and ensure that they are treated equally.

Customers

The Bank treats its customers as the major contributors to the Bank's success and growth. Bangkok Bank is committed to developing and offering them financial products and services of a high quality and standard while maintaining good relationships with them as "puan koo kit mit koo baan" (aspiring to be a trusted partner and reliable close friend). In this regard, the Bank has provided knowledgeable and skilled personnel to ensure customers receive the best possible service, as well as providing coverage with its branch network, business centers and distribution channels, protecting customer information and

managing and duly rectifying complaints, taking into consideration due responsibility to its customers.

Staff

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

(1) Staff Remuneration and Welfare

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

(2) Enhancement of Staff Knowledge and Potential

The Bank emphasizes and recognizes the importance of ongoing potential enhancement of employees to prepare employees' readiness to perform efficient work and gain expertise and future skills through various ways such as e-learning, training and seminars, career planning and development, work rotation and project assignment to create real experiences for employees.

Additionally, the Bank enhances efficiency of its high-potential employees, provides scholarships, and has in place human resource development plans for overall staff, each year and for each staff member.

The Bank allocates a budget for internal and external training throughout the year, both in and outside Thailand and both soft and technical skills, which will build and enhance knowledge, ability, working skills, and managerial skills, so that the Bank can effectively deliver its business results.

(3) Workplace Security and Health

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

Counterparties

The Bank treats counterparties fairly and equitably and acts responsibly towards them according to trade conditions and agreements, as well as believing that counterparties play a significant role in supporting its business. The Bank follows good practice in the selection of counterparties, and in conducting its transactions with counterparties the Bank honors its trade conditions and agreements with mutual understanding and good cooperation by recognizing traditions, practices and other widely-accepted standards relating to the banking business.

Competitors

The Bank recognizes, emphasizes, and implements appropriate measures regarding competitors. The Bank treats its competitors with mutual good understanding and cooperation. The Bank conducts its business under a framework of regulations and fair competition and follows the law regarding competition. The Bank understands that other financial institutions also have duties as providers of quality financial services to customers.

Creditors

The Bank provides fair treatment and behaves responsibly towards its creditors and contractual obligations. In this regard, the Bank operates in accordance with the conditions or terms of debt securities issued by the Bank for borrowing from the public, such as management of funds and debt repayment, and in the case of missing repayments due, the Bank will operate in accordance with the terms and conditions involved.

Society and Community

The Bank supports activities that benefit communities and Thai society in areas such as education, religion, sports, Thai traditional arts and culture and energy saving, as well as making other public contributions to support society.

Environment

The Bank supports measures and good practices for environmental conservation, encourages efficient utilization of resources, and also organizes campaigns or promotes knowledge and understanding of energy conservation and environmental protection for sustainable benefits. These include use of energy-saving buildings, facilities and equipment, encouraging staff to participate in energy conservation and environmental protection activities. The Bank also has a policy for providing loans to support energy-saving projects and eco-agricultural projects.

Other Matters

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

(1) Human Rights

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

(2) Intellectual Properties or Copyright

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

(3) Policy on Whistleblowing

The Bank has established whistleblowing channels for stakeholders to directly inform the Board of Directors of their complaints. Stakeholders can report any trace of illegal acts, concerns about the accuracy 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 whistleblower and related parties from any kind of unfair action or harassment. Stakeholders can see more details on the Bank's website.

(4) Anti-corruption Measures

The Bank is determined to be an organization which operates in a transparent manner and which is corruption-free. Accordingly, the Bank has established an anti-corruption policy which prohibits its directors, executives, and staff from offering, demanding, arranging or accepting bribes or any form of payment with the intent of corruption for personal gain, or the gain of others.

The Bank promotes values of honesty and accountability in fulfilling one's duty, and also encourages concerned parties to be aware of, understand and cooperate in any way required to oppose and prevent corruption.

The Bank has established practical guidelines for anti-corruption programs. In addition, relevant units in the Bank have taken steps to assess risks from corruption and established practical guidelines for compliance and control measures to prevent and monitor risks from corruption. The relevant units also assess their anti-corruption undertakings using compliance assessment checklists. The good-practice guidelines established by the Bank are suited to relevant situations and laws.

The Bank has disseminated its anti-corruption policy on its website and other internal communication channels including the intranet, as well as educating staff on its anti-corruption policy. Penalties will be applied to personnel violating or failing to comply with the anti-corruption guidelines.

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

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

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

In this regard, the Bank has been certified as a member of the Private Sector Collective Action Coalition Against Corruption Council which shows the Bank's intention to continuously conduct business with honesty and without accepting any form of corruption.

6. Strengthen Effective Risk Management and Internal Control

Risk Management

The Board of Directors has established a risk management policy and risk appetite for the Bank's financial business group and reviews them on a yearly basis. The Bank has set a risk management framework and risk oversight structure for overseeing core risks such as credit risk, market risk, operational risk, strategic risk, liquidity risk and information technology risk, including other risks, through the Internal Capital Adequacy Assessment Process to ensure that the Bank has appropriate risk management and capital adequacy for operating its business under normal and crisis situations. The Bank has adopted three

lines of defense for its risk management to effectively oversee its risk and to promote appropriate inspection and counterbalance mechanisms. For the first line of defense, business and support functions must have a good understanding of existing risks and are responsible for managing these risks to be within specified levels and consistent with the overall risk management policy. The second line of defense consists of internal work units responsible for measuring, monitoring and controlling risks, evaluating and reporting relevant risks on a regular basis, as well as improving risk management to be suitable for the nature and complexity of business structures and operations. At the same time, they are also responsible for ensuring that business is undertaken according to laws, regulations and regulatory requirements. Lastly, the third line of defense consists of internal work units responsible for reviewing and auditing the Bank's business operations to ensure that the internal control systems are prudent, adequate and appropriate, and be able to resolve any faults within a reasonable time frame.

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

Internal Control

The Board of Directors recognizes the importance of an internal control system to ensure that the Bank operates its business transparently, and that the Bank's directors, executives and employees perform duties with care, honesty and accountability for the optimal benefit of the Bank. In this regard, the Bank assigned the Audit Committee to review and assess the adequacy of the Bank's internal control system on a yearly basis, as well as proposing the assessment results to the Board of Directors. In assessing the internal control system, there are five elements for consideration, as follows: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information Technology and Communications and (5) Monitoring Activities.

With regard to the 2019 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, and that there are a sufficient number of personnel to efficiently operate the system.

Division of Duties Relating to Internal Control and Risk Management

- The Risk Management Division is responsible for establishing and reviewing the overall risk management guidelines of the Bank. The Risk Management Division also collaborates with relevant work units in assessing, monitoring and overseeing the risk appetite as well as the management of risks to be in accordance with the established risk management policy.

The division also reports the risk status to senior executives and the Board of Directors on a regular basis. In addition, it is responsible for supporting the work of the Risk Oversight Committee in overseeing the Bank's risk management. The person in charge is Mr. Kirati Laisathit, Executive Vice President.

- The Compliance Division is responsible for giving opinions and clarity regarding the rules and regulations issued by relevant authorities; supervising and reviewing the operations of the division, and ensuring the Bank's policies are in accordance with the rules and regulations issued by relevant authorities; and reporting to senior management and the Audit Committee or the Board of Directors. The person in charge is Mr. Pornthep Kitsanayothin, Executive Vice President.
- The Audit and Control Division is responsible for assessing the adequacy and appropriateness of the Bank's corporate governance, risk management and internal control which cover the inspection of work systems, data and operations of each department to be in accordance with rules and regulations issued by relevant authorities and the Bank including inspection and investigation in case of fraud or complaints. In addition, the Audit and Control Division is also responsible for supporting work of the Audit Committee and working under supervision of the Audit Committee. The person in charge is Mrs. Chutima Kitchamngong, Executive Vice President.

Information Security

Technology is developing at a rapid rate, providing benefits in terms of convenience, a safe living environment and making business operations faster and more efficient. However, the increased use of technology may result in some issues that affect the confidence of customers, service providers and stakeholders of the Bank. At the same time, the Bank will have to bear the financial and management costs of technology, if it does not have enough effective management of information technology and security.

The Bank recognizes the importance of cyber security to build its capability to cope with rapid changes in both business and technological environments. At the same time, the Bank strives to have sufficient flexibility to be able to adapt to changing circumstances.

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

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

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

Action with Regard to Conflicts of Interest and Reporting of Changes in Directors' Interests

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

The Bank also requires directors and top-level executives to prepare reports of their interests, by providing information on their shareholdings and directorships in various businesses and reporting other information pertaining to their interests. The Bank uses such information in controlling transactions between the Bank and persons with whom the directors and top-level executives have interests or involvement, and in reporting related-party transactions in the annual registration statement. In the event that the Board of Directors is required to scrutinize matters where there exist, or potentially exist, conflicts of interest, connected transactions, or related-party transactions, the directors who are related persons will not participate in the scrutiny and approval of such transactions. In addition, the Bank will not prescribe special conditions for such transactions in favor of the directors involved.

7. Ensure Disclosure and Financial Integrity

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

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The Board of Directors approves the disclosure of the financial information, by taking into consideration the result of assessment of sufficiency of the internal control system, the auditor's opinions in financial reports including the auditor's observations, the opinions of the Audit Committee and the conformity with the Bank's strategies and policies.

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

The Bank has an Investor Relations Unit which is responsible for disclosing the financial and non-financial information that are useful for the investments of shareholders, investors, securities analysts and credit rating companies, in accordance with the information disclosure guidelines which are in line with the Bank's principles and official requirements, in order to ensure that the Bank has disclosed the information appropriately, in a timely fashion and in an equitable manner through the channel of the Stock Exchange of Thailand (SET Link) and on the Bank's website (www.bangkokbank.com) and that the Bank has conducted

activities, such as holding meetings with securities analysts and investors, attending meetings with local and international investors, and meeting in person or via teleconference with investors and analysts, as planned. The President, Senior Executive Vice Presidents, and top-level executives of the Bank give importance in regularly participating in various activities with the Investor Relations Unit with regard to disclosure of the Bank's information.

Investor Relations Contact:

Investor Relations Unit: Bangkok Bank Public Company Limited, 333 Silom Road, Silom, Bang Rak, Bangkok 10500

Tel: 0-2626-4981, Fax: 0-2231-4890, Email: ir@bangkokbank.com

Website: www.bangkokbank.com

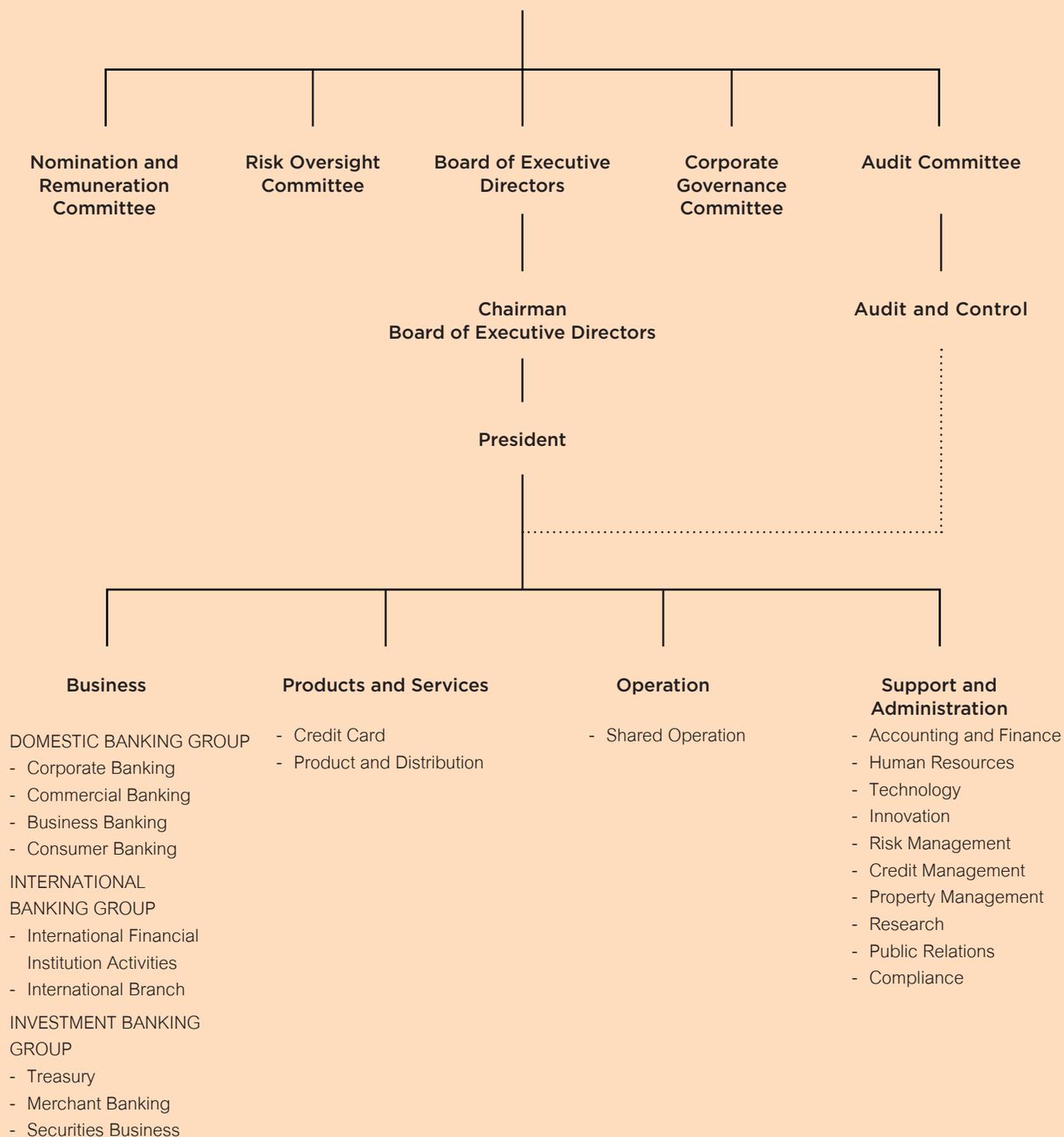
8. Ensure Engagement and Communication with Shareholders

The Bank gives importance to and encourages the meeting attendance of all groups of shareholders for considering significant corporate matters of the Bank by organizing the shareholders' meeting at a convenient date, time and place. The Bank prepares a letter of power of attorney for the use of shareholders who are unable to attend the meeting in person to enable them to exercise their rights by giving a proxy to others to attend the meeting on their behalf. The Bank provides opportunities for shareholders to propose meeting agenda and nominate names for appointment to the Board of Directors prior to the shareholders' meeting, in which case the shareholders shall comply with the criteria of the Bank as shown on the Bank's website. Additionally, shareholders can send questions relating to the meeting agenda to the Corporate Secretary prior to the shareholders' meeting.

The 2019 shareholders' meeting held on April 12 was organized at the Bank's head office for ease of travel. The Bank posted notice of the shareholders' meeting, including relevant documents and letter of power of attorney, in both Thai and English versions, on the Bank's website 30 days in advance of the meeting, as well as posting such information to shareholders through the information channel of the Stock Exchange of Thailand. The meeting was conducted in compliance with the agenda submitted to shareholders, without addition, amendment or change to the sequence of the agenda. Shareholders were provided with an opportunity to raise questions and fully share comments on each agenda item. After the meeting, the Bank prepared and posted minutes of the meeting on the Bank's website as well as submitting them to relevant authorities within 14 days of the date of the meeting.

ORGANIZATION CHART

BOARD OF DIRECTORS

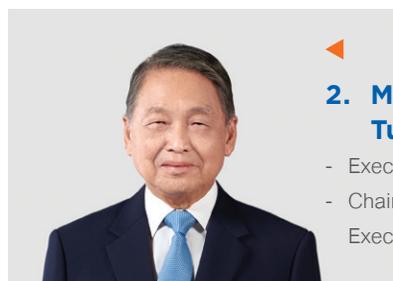


BOARD OF DIRECTORS



1. Mr. Piti Sithi-Amnuai

- Non-executive Director
- Chairman of the Board of Directors
- Chairman of the Corporate Governance Committee



2. Mr. Deja Tulananda

- Executive Director
- Chairman of the Board of Executive Directors



3. Admiral Prachet Siridej

- Independent Director
- Chairman of the Audit Committee



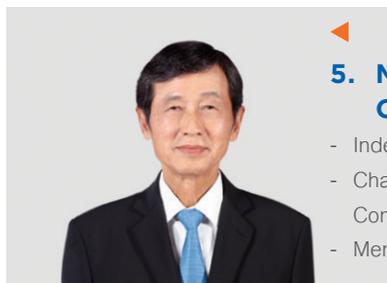
4. Mr. Kovit Poshyananda

- Independent Director
- Chairman of the Nomination and Remuneration Committee



6. Mr. Singh Tangtatswas

- Executive Director
- Member of the Board of Executive Directors



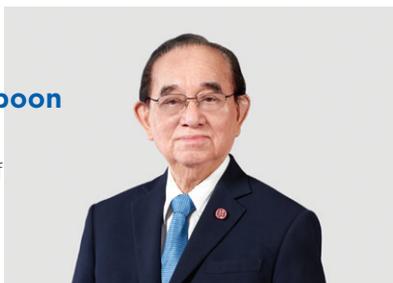
5. Mr. Arun Chirachavala

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



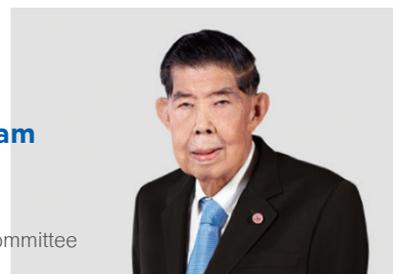
7. Mr. Amorn Chandarasomboon

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



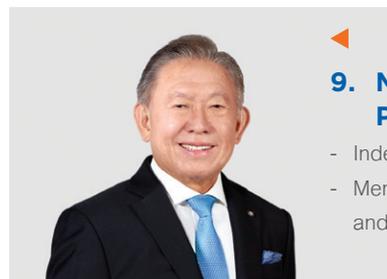
8. H.S.H. Prince Mongkolchaleam Yugala

- Independent Director
- Member of the Audit Committee



9. Mr. Phornthep Phornprapha

- Independent Director
- Member of the Nomination and Remuneration Committee



10. Mr. Charn Sophonpanich*

- Non-executive Director
- Member of the Risk Oversight Committee
- Member of the Nomination and Remuneration Committee



* Mr. Charn Sophonpanich resigned from directorship of the Bank on December 25, 2019



11. Mrs. Gasinee Witoonchart

- Independent Director
- Member of the Audit Committee



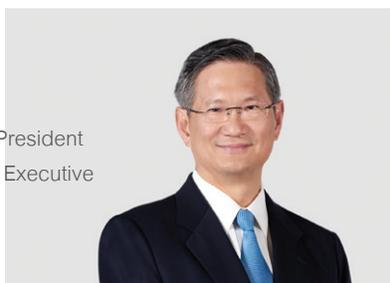
12. Mr. Chokechai Niljianskul

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



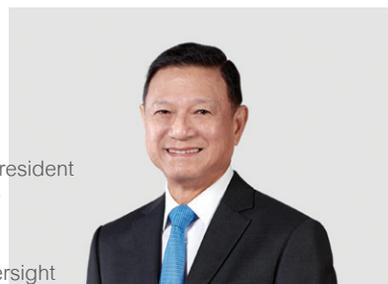
13. Mr. Chartsiri Sophonpanich

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



14. Mr. Suvarn Thansathit

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



15. Mr. Chansak Fuangfu

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



16. Mr. Charamporn Jotikasthira

- Executive Director
- Member of the Board of Executive Directors



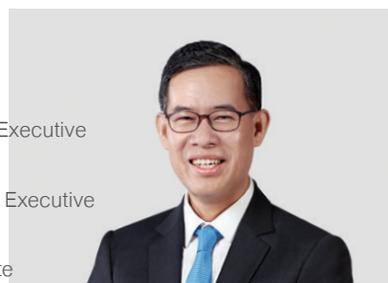
17. Mr. Boonsong Bunyasanand

- Executive Director and Senior Executive Vice President



18. Mr. Thaweelap Rittapirom

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



19. Mr. Apichart Ramyarupa

- Corporate Secretary
- Executive Vice President



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Mr. Piti Sithi-Amnuai

- **Non-executive Director**
- **Chairman of the Board of Directors**
- **Chairman of the Corporate Governance Committee**

Age	86
Date of appointment to the Board	1 February 1985
Years of directorship	35

Educational qualifications

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

IOD Training Program

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

Shareholding* 184,941 shares or 0.00969%

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies None

Positions in non-listed companies None

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Mr. Deja Tulananda

- **Executive Director**
- **Chairman of the Board of Executive Directors**

Age	85
Date of appointment to the Board	26 March 1991
Years of directorship	29

Educational qualifications

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

IOD Training Program None

Shareholding* 96,650 shares or 0.00506%

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies

- 1999 - Present Director, Furukawa Metal (Thailand) Public Company Limited

Positions in non-listed companies

- 2000 - Present Director, City Realty Company Limited

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

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Admiral Prachet Siridej

- Independent Director
- Chairman of the Audit Committee

Age	84
Date of appointment to the Board	18 March 1999
Years of directorship	21

Educational qualifications

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

IOD Training Program

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

Shareholding* None

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies None

Positions in non-listed companies

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

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Mr. Kovit Poshyananda

- Independent Director
- Chairman of the Nomination and Remuneration Committee

Age	84
Date of appointment to the Board	11 April 2003
Years of directorship	17

Educational qualifications

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

IOD Training Program

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

Shareholding* None

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies

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

Positions in non-listed companies

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

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Mr. Arun Chirachavala

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

Age	66
Date of appointment to the Board	2 February 2015
Years of directorship	5

Educational qualifications

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

IOD Training Program

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

Shareholding* None

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies

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

Positions in non-listed companies

- November 2006 - Present Director, Palangsophon Company Limited

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Mr. Singh Tangtatswas

- Executive Director
- Member of the Board of Executive Directors

Age	77
Date of appointment to the Board	28 December 2004
Years of directorship	15

Educational qualifications

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

IOD Training Program

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

Shareholding* None

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies

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

Positions in non-listed companies

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

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

7

Mr. Amorn Chandarasomboon

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

Age	89
Date of appointment to the Board	20 April 1988
Years of directorship	32

Educational qualifications

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

IOD Training Program

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

Shareholding* 10,800 shares or 0.00057%

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies

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

Positions in non-listed companies

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

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H.S.H. Prince Mongkolchaleam Yugala

- Independent Director
- Member of the Audit Committee

Age	83
Date of appointment to the Board	11 April 2003
Years of directorship	17

Educational qualifications

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

IOD Training Program

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

Shareholding* 24,860 shares or 0.00130%

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies None

Positions in non-listed companies None

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Mr. Phornthep Phornprapha

- Independent Director
- Member of the Nomination and Remuneration Committee

Age	71
Date of appointment to the Board	12 April 2007
Years of directorship	13

Educational qualifications

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

IOD Training Program

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

Shareholding* None

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies None

Positions in non-listed companies

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

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

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Mr. Charn Sophonpanich**

- Non-executive Director
- Member of the Risk Oversight Committee
- Member of the Nomination and Remuneration Committee

Age	79
Date of appointment to the Board	24 December 1980
Years of directorship	39

Educational qualifications

- Master's Degree in Business Administration, Majoring in Finance, University of Chicago, USA
- Bachelor's Degree in Engineering, University of Sydney, Australia

IOD Training Program

- Financial Institutions Governance Program (FGP), Class 5/2012
- Duties and Liabilities of Directors and Executives of Listed Companies under the Amended Securities and Exchange Act 1992 (Amendment), Class 1/2008

Shareholding* 512,152 shares or 0.02683%

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

** Mr. Charn Sophonpanich resigned from directorship of the Bank on December 25, 2019

Family relationship with other directors and members of management

- Uncle of Mr. Chartsiri Sophonpanich - President

Work experience

- 30 April 2019 - 25 December 2019 Member, Risk Oversight Committee, Bangkok Bank Public Company Limited
- 31 January - 25 December 2019 Member, Nomination and Remuneration Committee, Bangkok Bank Public Company Limited
- 2003 - April 2019 Member, Risk Management Committee, Bangkok Bank Public Company Limited
- December 1980 - 25 December 2019 Director, Bangkok Bank Public Company Limited
- 1980 - May 2009 Member, Board of Executive Directors, Bangkok Bank Public Company Limited

Positions in other listed companies

None

Positions in non-listed companies

- Present Director, Watana Charn Company Limited
- Present Director, Palangsophon Company Limited
- Present Director, C.R. Holding Company Limited
- Present Director, Watanasophonpanich Company Limited

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Mrs. Gasinee Witoonchart

- Independent Director
- Member of the Audit Committee

Age	72
Date of appointment to the Board	12 April 2007
Years of directorship	13

Educational qualifications

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

IOD Training Program

- Financial Institutions Governance Program (FGP), Class 3/2011
- Monitoring the Quality of Financial Reporting (MFR), Class 7/2009
- Monitoring the Internal Audit Function (MIA), Class 5/2009
- Audit Committee Program (ACP), Class 23/2008
- Monitoring the System of Internal Control and Risk Management (MIR), Class 3/2008
- Director Certification Program (DCP), Class 90/2007
- Director Accreditation Program (DAP), Class 40/2005
- AEC Business Forum : "AEC 2025"

Shareholding*

None

Family relationship with other directors and members of management

None

Work experience

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

Positions in other listed companies

None

Positions in non-listed companies

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

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Mr. Chokechai Niljianskul

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

Age	62
Date of appointment to the Board	12 April 2017
Years of directorship	3

Educational qualifications

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

IOD Training Program

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

Shareholding* 2,500 shares or 0.00013%

Family relationship with other directors and members of management

None

Work experience

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

Positions in other listed companies

None

Positions in non-listed companies

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

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Mr. Chartsiri Sophonpanich

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

Age	60
Date of appointment to the Board	28 April 1992
Years of directorship	28

Educational qualifications

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

IOD Training Program

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

Shareholding* 5,300,200 shares or 0.27767%

Family relationship with other directors and members of management

- Nephew of Mr. Charn Sophonpanich** - Director

Work experience

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

Positions in other listed companies

- 1993 - Present Director, Post Publishing Public Company Limited

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

** Mr. Charn Sophonpanich resigned from directorship of the Bank on December 25, 2019

Positions in non-listed companies

- 29 August 2017 - Present Member, National Strategy Committee
- 15 August 2017 - Present Member, National Economic Reform Committee
- 25 June 2013 - Present Board, National Science and Technology Development Agency
- 18 February 2010 - Present Director, TRG Management LP
- 18 February 2010 - Present Director, TRG Allocation LLC
- 30 April 2009 - Present Member, Board of Trustees, Bangkok University

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Mr. Suvarn Thansathit

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

Age	75
Date of appointment to the Board	26 October 2006
Years of directorship	13

Educational qualifications

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

IOD Training Program

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

Shareholding* 8,860 shares or 0.00046%

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies

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

Positions in non-listed companies

- 2016 - Present Chairman, Bualuang Ventures Limited
- 2006 - Present Chairman, Sinnsuptawee Company Limited

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Mr. Chansak Fuangfu

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

Age	70
Date of appointment to the Board	29 December 2011
Years of directorship	8

Educational qualifications

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

IOD Training Program

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

Shareholding* 150,000 shares or 0.00786%

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies

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

Positions in non-listed companies

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

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Mr. Charamporn Jotikasthira

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

Age	63
Date of appointment to the Board	12 April 2017
Years of directorship	3

Educational qualifications

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

IOD Training Program

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

Shareholding* None

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies

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

Positions in non-listed companies

- 2018 - Present Governor, the Stock Exchange of Thailand
- 2017 - Present Director, the Thai Silk Company Limited (Jim Thompson)
- 2017 - Present Member, Chulabhorn Royal Academy Council
- 2010 - Present Director, Suksapattana Foundation
- 2004 - Present Director, Foundation for Research in Information Technology

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Mr. Boonsong Bunyasaranand

- **Executive Director and Senior Executive Vice President**

Age	70
Date of appointment to the Board	12 April 2019
Years of directorship	1

Educational qualifications

- Bachelor of Science (Mathematics), Chulalongkorn University

IOD Training Program None

Shareholding* None

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies None

Positions in non-listed companies

- 2010 - Present Chairman, BBL (Cayman) Limited

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

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Mr. Thaweelap Rittapirom

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

Age	52
Date of appointment to the Board	23 December 2010
Years of directorship	9

Educational qualifications

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

IOD Training Program

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

Shareholding* None

Family relationship with other directors and members of management None

Work experience

- 26 December 2019 - Present Member, Corporate Governance Committee, Bangkok Bank Public Company Limited
- 1 January 2018 - Present Member, Board of Executive Directors, Bangkok Bank Public Company Limited
- December 2010 - Present Director and Executive Vice President, Bangkok Bank Public Company Limited
- 2017 - 2019 Member of the Sub-Committee on Reform of Business Activity Regulations under the Fast-Action Law Reform Committee
- 2001 - 2010 Executive Officer, Bangkok Bank Public Company Limited
- 1989 - 1992 Legal Officer, Legal Department, the Siam Cement Company Limited

Positions in other listed companies None

Positions in non-listed companies

- 2018 - Present Committee Member, The Board of Governors of the Faculty of Law, Thammasat University
- 2018 - Present Committee Member, Institution for Technology and Innovation Management, Mahidol University
- 2018 - Present Committee Member, Marketing Association of Thailand
- 2016 - Present Committee Member, Committee for the Protection of Credit Information
- 2014 - Present Committee Member, Thammasat Law Association, Thammasat University

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Mr. Apichart Ramyarupa

- Corporate Secretary
- Executive Vice President

Age	72
Years as Corporate Secretary	12

Educational qualifications

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

IOD Training Program

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

Shareholding* 5,026 shares or 0.00026%

Family relationship with other directors and members of management None

Work experience

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

Positions in other listed companies None

Positions in non-listed companies

- 1975 - Present Director, Nitikit Company Limited

BOARD OF DIRECTORS AND TOP EXECUTIVES

BOARD OF DIRECTORS

Chairman

Piti Sithi-Amnuai

Directors

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

Corporate Secretary

Apichart Ramyarupa

AUDIT COMMITTEE

Chairman

Admiral Prachet Siridej

Members

H.S.H. Prince Mongkolchaleam Yugala
 Gasinee Witoonchart (Mrs.)
 Arun Chirachavala

Secretary

Pornthep Kitsanayothin

NOMINATION AND REMUNERATION COMMITTEE

Chairman

Kovit Poshyananda

Members

Phornthep Phornprapha
 Charn Sophonpanich ^{/1}

Secretary

Ruchanee Nopmuang (Mrs.)

RISK OVERSIGHT COMMITTEE ^{/3}

Chairman

Arun Chirachavala ^{/4}

Members

Charn Sophonpanich ^{/1}
 Amorn Chandarasomboon
 Suvarn Thansathit
 Chokechai Niljianskul ^{/5}

Secretary

Kirati Laisathit

CORPORATE GOVERNANCE COMMITTEE ^{/6}

Chairman

Piti Sithi-Amnuai

Members

Chokechai Niljianskul
 Thaweelap Rittapirom

Secretary

Vetit Assawamangcla

BOARD OF EXECUTIVE DIRECTORS

Chairman

Deja Tulananda

Directors

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

President

Chartsiri Sophonpanich

Senior Executive Vice President

Suvarn Thansathit
 Chansak Fuangfu
 Boonsong Bunyasaranand ^{/2}

Remarks : ^{/1} Charn Sophonpanich resigned from directorship of the Bank on December 25, 2019

^{/2} Boonsong Bunyasaranand was appointed to be Director on April 12, 2019

^{/3} Previously named the Risk Management Committee

^{/4} Arun Chirachavala was appointed to be Chairman of the Risk Management Committee on February 21, 2019

^{/5} Chokechai Niljianskul was appointed to be a member of the Risk Management Committee on February 21, 2019

^{/6} Established on December 26, 2019

TOP EXECUTIVES

Mr. Boonsong Bunyasaranand ^{/2}

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

Directorship in Other Companies

- BBL (Cayman) Limited

Mr. Chong Toh

- Senior Executive Vice President

Directorship in Other Companies

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

Miss Suteera Sripaibulya ^{/7}

- Senior Executive Vice President

Directorship in Other Companies

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

Miss Rushda Theeratharathorn

- Senior Executive Vice President

Directorship in Other Companies

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

Mr. Virasak Sutanthavibul ^{/7}

- Senior Executive Vice President

Directorship in Other Companies

- Bangkok Insurance Public Company Limited
- T. Krungthai Industries Public Company Limited
- Bualuang Ventures Limited
- Thai Plaspac Public Company Limited

Mr. Siridej Aungudomsin ^{/7}

- Senior Executive Vice President

Directorship in Other Companies

- Bualuang Ventures Limited

Mrs. Ruchanee Nopmuang

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

Directorship in Other Companies

- None

Mr. Chaiyarit Anuchitworawong

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

Directorship in Other Companies

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

Miss Niramarn Laisathit ^{/7}

- Senior Executive Vice President, in charge of Corporate Banking

Directorship in Other Companies

- Gateaux House Company Limited
- Bangkok Bank (China) Company Limited
- Perennial HC Holdings Pte. Ltd.

Mr. Kanit Si

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

Directorship in Other Companies

- TPT Petrochemicals Public Company Limited
- Indorama Ventures Public Company Limited
- Indorama Polyester Industry Public Company Limited
- Bangkok Industrial Gas Company Limited
- HMC Polymers Company Limited
- Thai Oil Public Company Limited

Mr. Kukkong Ruckphaopunt ^{/7}

- Senior Executive Vice President, Manager, Technology Division

Directorship in Other Companies

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

Mr. Ian Guy Gillard ^{/7}

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

Directorship in Other Companies

- R3 HoldCo LLC.

Mr. Thaweelap Rittapirom ^{/7}

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

Directorship in Other Companies

- None

Mr. Apichart Ramyarupa

- Executive Vice President, Office of the President and Corporate Secretary
- Directorship in Other Companies
- None

Miss Piyada Sucharitkul

- Executive Vice President, Office of the President
- Directorship in Other Companies
- Sinnsuptawee Asset Management Company Limited

Mr. Piyapan Tayanithi

- Executive Vice President, Manager, Research Department
- Directorship in Other Companies
- Mena Transport Company Limited

Mr. Panit Dunnvatanachit

- Executive Vice President, in charge of Construction, Property Development, Telecommunication and Manager, Telecommunication, Corporate Banking
- Directorship in Other Companies
- K. Engineering Consultants Company Limited
 - Bangkok Expressway and Metro Public Company Limited
 - Thai Yamaha Motor Company Limited
 - Srisak Company Limited
 - Pioneer Land Company Limited

Mrs. Yaowadee Nakhata

- Executive Vice President, in charge of Conglomerate 2, Financial Institution, Agro Industry and Heavy Industry, Corporate Banking
- Directorship in Other Companies
- Bualuang Securities Public Company Limited
 - Rayong Bulk Terminal Company Limited
 - BCI (Thailand) Company Limited

Mr. Kajornvut Tayanukorn

- Executive Vice President, Application Support, Technology Division
- Directorship in Other Companies
- Samart Telcoms Public Company Limited
 - Processing Center Company Limited

Mr. Songkram Sakulphramana

- Executive Vice President, in charge of Loan Recovery and Legal, Credit Management
- Directorship in Other Companies
- None

Mr. Hitoshi Ozawa

- Executive Vice President, in charge of Japanese Corporate, Corporate Banking
- Directorship in Other Companies
- None

Mr. Lin Cheng Leo, Kung

- Executive Vice President, Hong Kong and China, in charge of Business Expansion and IT (China)
- Directorship in Other Companies
- Ancient Castle Company Limited
 - Manyulon Properties Limited
 - Step High Company Limited
 - Victoria Management Limited
 - Ocean Park Corporation Limited
 - Bangkok Bank (China) Company Limited
 - World Guide Corporation Limited
 - Southern Ocean Investment Limited
 - Whodun Limited
 - Helping Hand

Mr. Sa-ard Theerarojanawong

- Executive Vice President, Treasury Front Office, Treasury Division
- Directorship in Other Companies
- BBL (Cayman) Limited

Mr. Thawat Treewannakul

- Executive Vice President, in charge of Credit Management
- Directorship in Other Companies
- Seacon Development Public Company Limited
 - Thai Nam Plastic Public Company Limited
 - Bualuang Ventures Limited
 - Panus Poultry Group Company Limited

Mr. Kraisorn Barameeauychai

- Executive Vice President, Manager, Loan Recovery and Legal, Credit Management
- Directorship in Other Companies
- None

Mrs. Prassanee Ouiyamaphan

- Executive Vice President, Non Branch Distribution Channel, Consumer Banking
- Directorship in Other Companies
- None

Mr. Pornthep Kitsanayothin

- Executive Vice President, in charge of Compliance
- Directorship in Other Companies
- None

Mr. Than Siripokee

- Executive Vice President, in charge of Credit Approval, Business Banking
- Directorship in Other Companies
- Chu kai Public Company Limited
 - Cube Real Property Company Limited
 - Toyota Leasing (Thailand) Company Limited

Mr. Narin Opamuratawongse

- Executive Vice President, Manager, Merchant Banking Division

Directorship in Other Companies

- BBL Asset Management Company Limited
- MPG Corporation Public Company Limited

Mr. Kirati Laisathit

- Executive Vice President, in charge of Risk Management

Directorship in Other Companies

- Gateaux House Company Limited

Mrs. Pornnit Dunnvatanachit

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

Directorship in Other Companies

- BBL (Cayman) Limited
- PCC Capital Company Limited

Miss Sutthirat Pacheerat

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

Directorship in Other Companies

- None

Mrs. Nutthaporn Luangsuwan

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

Directorship in Other Companies

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

Mr. Thongchai Ananthothai

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

Directorship in Other Companies

- Laguna Resorts & Hotels Public Company Limited

Mr. Thanit Sirichote ¹⁷

- Executive Vice President, Shared Operation

Directorship in Other Companies

- PCC Capital Company Limited

Mr. Shoke Na Ranong

- Executive Vice President, Manager, Credit Card Division

Directorship in Other Companies

- Thai Payment Network Company Limited

Miss Pochanee Kongkalai

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

Directorship in Other Companies

- None

Mr. Kanoksak Mookmakkul

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

Directorship in Other Companies

- None

Miss Benjaporn Prisuwana

- Executive Vice President, Manager, Accounting and Finance Division

Directorship in Other Companies

- None

Mrs. Suchada Sukpantavorn

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

Directorship in Other Companies

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

Mr. Samart Chutchawanjumrut

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

Directorship in Other Companies

- None

Miss Kamolrut Silapatkul

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

Directorship in Other Companies

- None

Mr. Boongrieng Thanaphansin

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

Directorship in Other Companies

- None

Mrs. Yoopin Saengthongpithak

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

Directorship in Other Companies

- None

Miss Sudsanguan Chusacultanachai

- Executive Vice President, Office of the President

Directorship in Other Companies

- None

Miss Thantika Bodhisompon ¹⁷

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

Directorship in Other Companies

- Pantavanij Company Limited

Mrs. Chutima Kitchamnong

- Executive Vice President, in charge of Audit and Control Division
- Directorship in Other Companies
- None

Mr. Hiroshi Shimamura

- Executive Vice President, Manager, Japanese Corporate, Corporate Banking
- Directorship in Other Companies
- None

Mr. Suwatchai Songwanich

- Executive Vice President, in charge of Special Projects, Office of the President
- Directorship in Other Companies
- Bangkok Bank (China) Company Limited

Mr. Vetit Assawamangcla

- Executive Vice President, Manager, Human Resources Division
- Directorship in Other Companies
- Bangkok Life Assurance Public Company Limited

Mr. Kelvin Yoong Tao Foo

- Executive Vice President, Consumer Product Development, Consumer Banking
- Directorship in Other Companies
- None

Miss Nithawadee Limpodom

- Executive Vice President, International Banking Group
- Directorship in Other Companies
- None

Mr. Rachot Sektrakul

- Executive Vice President, Head of Metropolitan Business Banking, Business Banking
- Directorship in Other Companies
- None

Mr. Chonganan Anantasak

- Executive Vice President, Head of Provincial Business Banking, Business Banking
- Directorship in Other Companies
- None

Mr. Jessada Sukhabote

- Executive Vice President, Manager, Credit Acceptance, Credit Management
- Directorship in Other Companies
- None

Mr. Chalit Tayjanant

- Executive Vice President, Executive Advisor, Jakarta Branch, International Branch Division, International Banking Group
- Directorship in Other Companies
- None

Mrs. Oranuch Nampoolsuksan

- Executive Vice President, Accounting and Finance Division
- Directorship in Other Companies
- None

Mr. Pipat Assamongkol

- Executive Vice President, in charge of Corporate Cash Management Services and Trade Services
- Directorship in Other Companies
- Yongseng Pawnshop Limited Partnership

Mrs. Athita Pureetip

- Executive Vice President, Manager, Research and Analytics, Consumer Banking
- Directorship in Other Companies
- Mola Design Company Limited

Mr. Prasert Deejongkit ¹⁷

- Executive Vice President, Manager, Corporate Finance Department, Merchant Banking Division
- Directorship in Other Companies
- Tris Corporation Limited

Miss Voraporn Vidhayasirinun ¹⁷

- Executive Vice President, Micro Segment Management, Customer Segment Management, Consumer Banking
- Directorship in Other Companies
- T T T Holding Limited
 - Tanin Electronics Company Limited
 - Tarntip 2000 Company Limited

Mr. Paisarn Lertkowitz ¹⁷

- Executive Vice President, Foreign Exchange Trading, Treasury Front Office, Treasury Division
- Directorship in Other Companies
- BBL Asset Management Company Limited
 - Bangkok Mitsubishi UFJ Lease Company Limited

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

To Shareholders,

Bangkok Bank Public Company Limited has appointed the Nomination and Remuneration Committee which comprises three directors, while the Chairman of the Nomination and Remuneration Committee is an independent director and does not serve on any other committee.

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

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

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

In 2019, the Nomination and Remuneration Committee held 10 meetings to carry out the duties assigned.

As at December 31, 2019, the Board of Directors comprises 17 directors. Among them, seven are independent directors, one is not executive and nine are executives. The Nomination and Remuneration Committee required the Bank's directors to assess the performance of the Board of Directors and the committees to review their own undertakings in the year under review. The remuneration for the directors and executives is presented in this Annual Report in the section entitled "The Remuneration and Benefits for the Board of Directors and Executives". The Committee is of the opinion that such remuneration is appropriate and commensurate with the assigned duties and responsibilities, and complies with the policy and criteria established by the Nomination and Remuneration Committee. The said remuneration has been considered and approved by the Board of Directors.



(Kovit Poshyananda)

Chairman

Nomination and Remuneration Committee

January 24, 2020

REPORT OF THE AUDIT COMMITTEE

To Shareholders,

The Audit Committee of Bangkok Bank Public Company Limited comprises four directors, all of whom are independent directors, and who have sufficient knowledge and experience to reliably audit the financial statements. The Chairman of the Audit Committee does not serve on any other committee and is not authorized by the Board of Directors to make decisions on the operations of the Bank or any related operations.

In 2019, the Audit Committee held 17 meetings in conjunction with executives from the Audit and Control Division, the auditors, management and related top-level executives to perform its duties within the scope of responsibilities stipulated in the charter of the Audit Committee assigned by the Board of Directors and in accordance with requirements of the Stock Exchange of Thailand and the Bank of Thailand. The Audit Committee reported the conclusion of each meeting to the Board of Directors as follows.

Financial reports

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

In the course of its duties, the Audit Committee has reviewed the financial statements of Bangkok Bank Public Company Limited as of December 31, 2019, and is of the opinion that these financial statements are in accordance with Thai Financial Reporting Standards and of appropriate accuracy in significant essence and sufficient disclosure of appropriate information. The independent auditors have expressed their opinion thereon as presented in their report to the Board of Directors and to shareholders. The independent auditors have performed their duties and expressed their opinions independently.

Internal control and audit systems

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

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

Auditors

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

The Audit Committee has considered and nominated the auditors of Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to be the Bank's independent auditors for 2020 and has also considered the suitability of their remuneration. The Audit Committee has submitted its opinions and recommendations on the appointment and remuneration of the independent auditors to the Board of Directors, to be proposed at the shareholders' meeting for approval.

Regulatory compliance

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

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

Connected transactions or potential conflicts of interests

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

The Audit Committee has completely performed its duties as assigned and using its knowledge and experience with the utmost care and independence as well as having been forthcoming in expressing its opinions for the optimal benefit of the Bank. It has not encountered any difficulty in obtaining information, resources or cooperation from the Bank. In addition, the Audit Committee has assessed its performance in 2019 to ascertain that it has been efficient and effective and has achieved its objectives as assigned by the Board of Directors and has also reviewed the charter of the Audit Committee of 2019.

Admiral



(Prachet Siridej)

Chairman of the Audit Committee

February 25, 2020

REPORT OF THE RISK OVERSIGHT COMMITTEE

To Shareholders,

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

In 2019, the Risk Oversight Committee (previously “Risk Management Committee”) held a total of 12 meetings to oversee the risk management of the Bank and its financial business group in accordance with the authorities assigned by the Board of Directors. The Risk Oversight Committee reported the conclusions of each meeting to the Board of Directors as follows:

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

The Risk Oversight Committee has performed its duties within the assigned scope of responsibilities and has used its knowledge and experience with care and prudence, taking into account the best interests of the Bank. The Risk Oversight Committee has assessed its performance in 2019 to ascertain that it has been efficient and has achieved its objectives as assigned.



(Arun Chirachavala)

Chairman of the Risk Oversight Committee

February 24, 2020

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, 2019 have been prepared in accordance with Thai Financial Reporting Standards, with appropriate accounting policies applied on a consistent basis. Where judgment and estimates were required, these were made with careful and reasonable consideration, and adequate disclosures have been made in the notes to the financial statements. These financial statements have been audited by independent certified 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 effective internal control system and risk management system have been established to reasonably ensure that financial records are accurate in all material respect. The Board of Directors has appointed an Audit Committee which comprises four 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 is presented in this 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 and the separate financial statements of the Bank for the year ended December 31, 2019.



(Piti Sithi-Amnuai)

Chairman of the Board of Directors

February 27, 2020

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, 2019, 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, 2019, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

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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	Audit Responses
<p>Allowance for doubtful accounts</p> <p>Because allowance for doubtful accounts requires the use of various assumptions and judgment, the recognition of allowance for doubtful accounts in accordance with TFRSs and also the Bank of Thailand's notifications, which includes the consideration of objective evidence indicating an adverse change in the ability of the borrowers to repay loans, the estimated cash flows from the collateral, the estimated future cash flows to be received from the borrowers, the timing of future cash flows, the potential of additional future loss and the economic conditions that may have an impact on the loan default rate. We focused our audit on the following areas of allowance for doubtful accounts specifically relating to:</p> <ul style="list-style-type: none"> • The classification of quality category of customer which included the qualitative reviews to set up the allowance for doubtful accounts on a customer basis. • The key assumptions and judgements made by the management that underlied the calculation of models which were set up by using the historical loss data and current observable data together with recovery amount from customers. • The allowance for doubtful accounts of loans having similar credit risk characteristics. • The calculation and the recognition of allowance for doubtful accounts. <p>Accounting policy for allowance for doubtful accounts and detail of allowance for doubtful accounts were disclosed in Notes 3.7 and 6.8 to the financial statements, respectively.</p>	<p>Key audit procedures included</p> <ul style="list-style-type: none"> • Assessing and testing the design and operating effectiveness of the controls over allowance for doubtful accounts data and calculations. These controls testing included the understanding the accounting policies and procedures regarding allowance for doubtful accounts, loan classification, collateral value and loan credit review. We tested the controls over the end to end business process including monitoring process, the validation process and the Board of Executive Directors' and the Board of Directors' approvals. • Performing detailed testing on samples of new and existing customers used to calculate allowance for doubtful accounts. This test was varied by product type, which typically included the re-performance of the calculation for all product types. • Testing samples of loans to ascertain whether the loss event (that is the point at which impairment is recognized) had been identified on a timely manner, where allowance for doubtful accounts had been identified. • Testing the forecasts of customers' future cash flows prepared by the Bank's management to support its calculation of the allowance for doubtful accounts including review of the assumptions and comparing estimates to available external information. • Assessing allowance for doubtful accounts which has not been identified by management as specific allowance for doubtful accounts using external evidences in forming our own judgment.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, 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 those charged with governance and the management of the Bank.

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 for such internal control as management determines is necessary to enable the preparation of consolidated and Bank's financial statements that are free from material misstatement, whether due to fraud or error.

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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 or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's 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' 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 these matters in our auditors' 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.



Dr. Suphamit Techamontrikul

Certified Public Accountant (Thailand)

Registration No. 3356

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK

February 18, 2020

STATEMENT OF FINANCIAL POSITION

Bangkok Bank Public Company Limited and Subsidiaries

As at December 31, 2019

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
ASSETS					
CASH	6.1	58,090,112	62,394,091	58,012,561	62,329,288
INTERBANK AND MONEY MARKET ITEMS, NET	6.3	472,349,351	450,699,724	442,584,108	404,378,243
DERIVATIVES ASSETS	6.4	49,807,012	28,649,605	49,687,316	28,334,423
INVESTMENTS, NET	6.5	647,696,626	556,787,522	610,535,400	525,694,808
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.6	1,737,450	1,607,844	38,414,900	37,290,633
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	6.7				
Loans to customers		2,061,834,834	2,083,702,949	2,003,587,326	2,026,148,551
Accrued interest receivables		4,013,148	5,623,746	3,894,040	5,487,524
Total loans to customers and accrued interest receivables		2,065,847,982	2,089,326,695	2,007,481,366	2,031,636,075
Less Deferred revenue		(525,909)	(542,891)	(503,999)	(499,799)
Less Allowance for doubtful accounts	6.8	(167,765,534)	(147,588,430)	(163,745,374)	(144,326,155)
Less Revaluation allowance for debt restructuring	6.9	(6,510,258)	(5,414,669)	(6,510,258)	(5,414,669)
Total loans to customers and accrued interest receivables, net		1,891,046,281	1,935,780,705	1,836,721,735	1,881,395,452
CUSTOMER'S LIABILITY UNDER ACCEPTANCES		1,626,872	1,577,698	103,722	87,709
PROPERTIES FOR SALE, NET	6.10	9,362,849	10,603,892	8,368,141	8,742,836
PREMISES AND EQUIPMENT, NET	6.11	40,753,955	42,567,441	39,504,853	41,180,182
OTHER INTANGIBLE ASSETS, NET	6.12	1,760,117	1,080,011	1,673,358	990,727
DEFERRED TAX ASSETS	6.13	4,542,443	4,091,264	3,360,374	2,947,919
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES		17,506,277	3,324,390	17,419,107	3,149,620
OTHER ASSETS, NET		20,463,750	17,586,037	16,975,764	11,720,218
TOTAL ASSETS		3,216,743,095	3,116,750,224	3,123,361,339	3,008,242,058

STATEMENT OF FINANCIAL POSITION (CONTINUED)

Bangkok Bank Public Company Limited and Subsidiaries

As at December 31, 2019

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS	6.15	2,370,792,167	2,326,469,540	2,316,034,607	2,262,490,378
INTERBANK AND MONEY MARKET ITEMS	6.16	134,346,323	136,862,124	129,277,274	128,394,405
LIABILITY PAYABLE ON DEMAND		5,523,288	7,223,141	5,488,403	7,199,386
DERIVATIVES LIABILITIES	6.4	37,837,421	22,338,039	37,370,815	21,854,408
DEBT ISSUED AND BORROWINGS	6.17	144,680,567	116,348,334	144,315,507	116,221,332
BANK'S LIABILITY UNDER ACCEPTANCES		1,626,872	1,577,698	103,722	87,709
PROVISIONS	6.21	18,701,528	16,518,913	18,428,103	16,311,378
DEFERRED TAX LIABILITIES	6.13	2,364,416	1,399,378	2,158,732	1,187,304
OTHER LIABILITIES		72,754,204	74,854,166	51,721,099	52,536,301
TOTAL LIABILITIES		2,788,626,786	2,703,591,333	2,704,898,262	2,606,282,601
SHAREHOLDERS' EQUITY					
SHARE CAPITAL	6.23				
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		34,471,457	42,842,767	40,383,596	46,154,541
RETAINED EARNINGS					
Appropriated	6.25 , 6.26				
Legal reserve		24,000,000	23,000,000	24,000,000	23,000,000
Others		106,500,000	101,500,000	106,500,000	101,500,000
Unappropriated		187,345,092	170,036,820	172,144,820	155,870,255
TOTAL BANK'S EQUITY		427,751,210	412,814,248	418,463,077	401,959,457
NON-CONTROLLING INTEREST		365,099	344,643	-	-
TOTAL SHAREHOLDERS' EQUITY		428,116,309	413,158,891	418,463,077	401,959,457
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,216,743,095	3,116,750,224	3,123,361,339	3,008,242,058

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



(Mr. Deja Tulananda)

Chairman of the Board of Executive Directors



(Mr. Suvam 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, 2019

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
INTEREST INCOME	6.35	112,565,219	110,780,806	108,129,726	106,032,995
INTEREST EXPENSES	6.36	41,493,764	39,405,148	39,874,777	37,503,469
NET INTEREST INCOME		71,071,455	71,375,658	68,254,949	68,529,526
FEES AND SERVICE INCOME	6.37	39,280,197	37,437,166	33,873,573	32,045,654
FEES AND SERVICE EXPENSES	6.37	10,775,642	9,847,296	10,581,567	9,682,127
NET FEES AND SERVICE INCOME		28,504,555	27,589,870	23,292,006	22,363,527
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS	6.38	7,847,526	8,300,443	7,251,972	7,499,069
GAINS ON INVESTMENTS	6.39	19,764,691	8,008,787	19,102,850	4,350,040
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		92,582	77,695	-	-
GAINS ON DISPOSAL OF ASSETS		2,134,552	1,048,631	1,031,659	764,837
DIVIDEND INCOME		3,769,070	3,781,176	6,632,283	12,200,147
OTHER OPERATING INCOME		561,599	1,218,024	406,089	965,278
TOTAL OPERATING INCOME		133,746,030	121,400,284	125,971,808	116,672,424
OTHER OPERATING EXPENSES					
Employee's expenses		26,725,848	28,773,505	24,141,378	26,094,945
Directors' remuneration		166,742	154,466	126,540	114,985
Premises and equipment expenses		11,788,808	10,466,827	11,053,997	9,743,108
Taxes and duties		3,364,301	3,367,073	3,313,109	3,281,363
Others		12,917,335	12,402,779	11,584,279	10,961,787
TOTAL OTHER OPERATING EXPENSES		54,963,034	55,164,650	50,219,303	50,196,188
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6.40	32,351,077	21,964,530	31,744,338	21,151,692
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		46,431,919	44,271,104	44,008,167	45,324,544
INCOME TAX EXPENSES	6.41	10,219,204	8,554,435	9,220,175	6,933,173
NET PROFIT		36,212,715	35,716,669	34,787,992	38,391,371

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

Bangkok Bank Public Company Limited and Subsidiaries

For the year ended December 31, 2019

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Gains (losses) on remeasuring available-for-sale investment					
Net change in fair value		17,852,906	(3,839,418)	17,183,875	(7,457,054)
Net amount transferred to profit or loss		(20,061,380)	(7,877,645)	(19,414,825)	(4,218,966)
Losses arising from translating the financial statements of foreign operations					
		(5,705,941)	(3,179,645)	(3,092,634)	(1,509,033)
Share of other comprehensive income of associate		1,969	346	-	-
Income tax relating to components of other comprehensive income (losses)					
		487,574	2,399,421	495,650	2,392,714
Items that will not be reclassified subsequently to profit or loss					
Actuarial gains (losses) on defined benefit plans					
		(1,695,259)	399,452	(1,703,714)	401,353
Income tax relating to components of other comprehensive income (losses)					
		337,942	(75,866)	339,678	(76,246)
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)					
		(8,782,189)	(12,173,355)	(6,191,970)	(10,467,232)
TOTAL COMPREHENSIVE INCOME					
		27,430,526	23,543,314	28,596,022	27,924,139
NET PROFIT ATTRIBUTABLE					
Owners of the Bank					
		35,816,094	35,329,972	34,787,992	38,391,371
Non-controlling interest					
		396,621	386,697	-	-
		36,212,715	35,716,669	34,787,992	38,391,371
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank					
		27,029,364	23,156,620	28,596,022	27,924,139
Non-controlling interest					
		401,162	386,694	-	-
		27,430,526	23,543,314	28,596,022	27,924,139
BASIC EARNINGS PER SHARE (BAHT)					
		18.76	18.51	18.22	20.11
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. Deja Tulananda)

Chairman of the Board of Executive Directors



(Mr. Suvam Thansathit)

Senior Executive Vice President

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Bangkok Bank Public Company Limited and Subsidiaries
For the year ended December 31, 2019

Notes	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves						Retained Earnings			Total Equity Attributable to the Banks' Shareholders	Non-controlling Interest	Total
			Unrealized Increment per Land Appraisal	Unrealized Increment per Premises Appraisal	Unrealized Gains on Investments	Foreign Exchange Adjustment	Others	Legal Reserve	Appropriated	Unappropriated				
											Others			
Balance as at January 1, 2018	19,088,429	56,346,232	16,829,619	7,484,078	39,173,146	(7,204,410)	193	22,000,000	96,500,000	151,506,327	401,723,614	283,422	402,007,036	
Appropriation for previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividend paid	-	-	-	-	-	-	-	-	-	(8,350,349)	(8,350,349)	(150,470)	(8,500,819)	
Legal reserve	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-	
Appropriation for current year	-	-	-	-	-	-	-	-	-	(3,715,637)	(3,715,637)	(175,003)	(3,890,640)	
Dividend paid	-	-	-	-	-	-	-	-	-	(500,000)	-	-	-	
Legal reserve	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-	
Others	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-	
Total comprehensive income	-	-	-	-	(9,317,571)	(3,179,645)	277	-	-	35,653,559	23,156,620	386,694	23,543,314	
Transfer to retained earnings	-	-	-	(942,920)	-	-	-	-	-	942,920	-	-	-	
Balance as at December 31, 2018	19,088,429	56,346,232	16,829,619	6,541,158	29,855,575	(10,384,055)	470	23,000,000	101,500,000	170,036,820	412,814,248	344,643	413,158,891	
Balance as at January 1, 2019	19,088,429	56,346,232	16,829,619	6,541,158	29,855,575	(10,384,055)	470	23,000,000	101,500,000	170,036,820	412,814,248	344,643	413,158,891	
Appropriation for previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividend paid	-	-	-	-	-	-	-	-	-	(8,370,248)	(8,370,248)	(200,703)	(8,570,951)	
Legal reserve	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-	
Appropriation for current year	-	-	-	-	-	-	-	-	-	(3,722,154)	(3,722,154)	(180,003)	(3,902,157)	
Dividend paid	-	-	-	-	-	-	-	-	-	(500,000)	-	-	-	
Legal reserve	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-	
Others	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-	
Total comprehensive income	-	-	-	-	(1,720,503)	(5,705,941)	1,575	-	-	34,454,233	27,029,364	401,162	27,430,526	
Transfer to retained earnings	-	-	(5,607)	(940,834)	-	-	-	-	-	946,441	-	-	-	
Balance as at December 31, 2019	19,088,429	56,346,232	16,824,012	5,600,324	28,135,072	(16,089,996)	2,045	24,000,000	106,500,000	187,345,092	427,751,210	385,099	428,116,309	

Baht : '000

CONSOLIDATED

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, 2019

Notes	THE BANK										Total
	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Unrealized Increase per Land Appraisal		Unrealized Increase per Premises Appraisal		Other Reserves		Retained Earnings		
			Unrealized Increase per Land Appraisal	Unrealized Increase per Premises Appraisal	Unrealized Increase per Premises Appraisal	Unrealized Increase per Premises Appraisal	Legal Reserve	Appropriated	Unappropriated		
	19,088,429	56,346,232	16,765,473	7,451,476	39,055,057	(6,385,878)	22,000,000	96,500,000	134,280,515	386,101,304	
Balance as at January 1, 2018											
Appropriation for previous year											
Dividend paid											
Legal reserve											
Appropriation for current year											
Dividend paid											
Legal reserve											
Others											
Total comprehensive income											
Transfer to retained earnings											
Balance as at December 31, 2018	19,088,429	56,346,232	16,765,473	6,512,228	29,771,751	(6,894,911)	23,000,000	101,500,000	155,870,255	401,959,457	
Balance as at January 1, 2019											
Appropriation for previous year											
Dividend paid											
Legal reserve											
Appropriation for current year											
Dividend paid											
Legal reserve											
Others											
Total comprehensive income											
Transfer to retained earnings											
Balance as at December 31, 2019	19,088,429	56,346,232	16,759,866	5,574,824	28,036,451	(9,987,545)	24,000,000	106,500,000	172,144,820	418,463,077	

Baht : 000

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



(Mr. Deja Tulananda)

Chairman of the Board of Executive Directors



(Mr. Suvarn Thansathit)

Senior Executive Vice President

STATEMENT OF CASH FLOWS

Bangkok Bank Public Company Limited and Subsidiaries

For the year ended December 31, 2019

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		46,431,919	44,271,104	44,008,167	45,324,544
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities					
Depreciation and amortization expenses		4,127,314	3,356,325	3,924,659	3,201,752
Bad debt and doubtful accounts		31,208,166	18,358,031	30,601,427	17,545,193
Loss on debt restructuring		1,142,911	3,606,499	1,142,911	3,606,499
Gain on foreign exchange of long-term borrowings		(9,038,049)	(866,826)	(9,038,049)	(866,826)
Amortization of premium on investment in debt securities		208,974	890,939	368,642	1,026,743
Unrealized (gain) loss on revaluation of trading securities		(270,285)	219,138	(17,068)	857
Unrealized loss on transfer of investments		-	66,340	-	66,340
Gain on disposal of securities for investments		(20,272,149)	(10,684,693)	(19,610,308)	(7,025,946)
Loss on impairment of investments		507,458	2,675,906	507,458	2,675,906
Share of profit from investment using equity method		(92,582)	(77,695)	-	-
Loss on impairment of properties for sale		909,267	1,058,423	514,489	429,783
Gain on disposal of premises and equipment		(64,089)	(3,272)	(64,280)	(2,304)
Loss on impairment of other assets (reversal)		(46,722)	91,824	(46,751)	91,824
Provision expenses		984,145	3,482,337	906,373	3,457,027
Net interest income		(71,071,455)	(71,375,658)	(68,254,949)	(68,529,526)
Dividend income		(3,769,070)	(3,781,176)	(6,632,283)	(12,200,147)
Proceeds from interest income		113,718,086	110,767,001	109,327,492	106,001,571
Interest expenses paid		(40,865,236)	(39,083,462)	(39,015,108)	(37,279,290)
Proceeds from dividend income		3,767,549	3,898,498	3,592,262	3,672,659
Income tax paid		(9,630,583)	(12,134,523)	(8,040,620)	(10,716,622)
Increase in other accrued receivables		(637,904)	(85,964)	(657,998)	(114,409)
Increase (decrease) in other accrued expenses		101,084	85,574	(44,177)	29,384
Profit from operating before changes in operating assets and liabilities		47,348,749	54,734,670	43,472,289	50,395,012
(Increase) decrease in operating assets					
Interbank and money market items		(20,810,795)	(14,357,978) *	(37,778,031)	(19,836,032)
Investment in short-term securities		373,514	6,289,689	2,704,971	4,092,866
Loans to customers		10,715,732	(88,376,984)	11,443,470	(80,419,545)
Properties for sale		1,803,018	1,692,313	1,331,449	1,296,501
Other assets		(38,638,815)	(876,447)	(41,367,622)	(2,391,024)

* The Bank made changes on the presentation of 2018 for comparison in accordance with the current year presentations.

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, 2019

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES (Continued)					
Increase (decrease) in operating liabilities					
Deposits		44,322,627	15,726,256	53,544,229	10,069,378
Interbank and money market items		(2,515,800)	3,278,257	882,869	1,181,868
Liability payable on demand		(1,699,853)	(28,599)	(1,710,983)	(10,984)
Short-term borrowings		223,516	(102,183)	(14,541)	(3,081)
Other liabilities		15,068,983	(1,621,895)	17,563,391	1,303,152
Net cash from operating activities		<u>56,190,876</u>	<u>(23,642,901)</u>	<u>50,071,491</u>	<u>(34,321,889)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of available-for-sale securities		(580,621,168)	(406,898,932)	(565,635,275)	(396,232,943)
Proceeds from disposal of available-for-sale securities		507,543,770	438,671,785	497,030,202	421,540,961
Purchase of held-to-maturity debt securities		(87,451,141)	(61,740,676)	(10,352,832)	(10,550,169)
Proceeds from redemption of held-to-maturity debt securities		84,472,790	52,854,424	5,723,379	9,647,827
Purchase of general investments		(9,304,111)	(3,388,875)	(8,357,583)	(3,144,206)
Proceeds from disposal of general investments		2,242,534	5,373,981	2,137,272	5,373,981
Purchase of investment in subsidiaries and associates		(124,267)	(200,001)	(1,124,267)	(200,001)
Proceeds from dividend income					
from subsidiaries and associates		89,212	130,287	3,038,500	8,644,809
Purchase of premises, equipment and leasehold		(1,715,299)	(1,686,958)	(1,582,812)	(1,586,272)
Proceeds from disposal of premises and equipment		100,007	4,833	76,499	2,704
Net cash from investing activities		<u>(84,767,673)</u>	<u>23,119,868</u>	<u>(79,046,917)</u>	<u>33,496,691</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash received from issuance of senior unsecured notes	6.2	-	38,847,808	-	38,847,808
Cash paid for senior unsecured notes extinguishment	6.2	-	(29,131,439)	-	(29,131,439)
Cash received from issuance of subordinated notes	6.2	36,727,413	-	36,727,413	-
Increase in borrowings	6.2	143,207	171,254	143,207	171,254
Dividend paid		(12,092,402)	(12,065,986)	(12,092,402)	(12,065,986)
Dividend paid to non-controlling interest		(380,706)	(325,473)	-	-
Net cash from financing activities		<u>24,397,512</u>	<u>(2,503,836)</u>	<u>24,778,218</u>	<u>(2,178,363)</u>
Effect on cash due to changes in the exchange rates		<u>(124,694)</u>	<u>(51,842)</u>	<u>(119,519)</u>	<u>(49,850)</u>
Net decrease in cash		<u>(4,303,979)</u>	<u>(3,078,711)</u>	<u>(4,316,727)</u>	<u>(3,053,411)</u>
Cash as at January 1,		62,394,091	65,472,802	62,329,288	65,382,699
Cash as at December 31,	6.1	<u>58,090,112</u>	<u>62,394,091</u>	<u>58,012,561</u>	<u>62,329,288</u>

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



(Mr. Deja Tulananda)

Chairman of the Board of Executive Directors



(Mr. Suvam Thansathit)

Senior Executive Vice President

NOTES TO THE FINANCIAL STATEMENTS

Bangkok Bank Public Company Limited and Subsidiaries

For the year ended December 31, 2019

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NOTES TO THE FINANCIAL STATEMENTS

Bangkok Bank Public Company Limited and Subsidiaries

For the year ended December 31, 2019

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, 2019 and 2018, the Bank complied with all capital adequacy requirements. However, these capital and regulatory requirements are subject to change by the BOT.

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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 (Revised 2018) 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 December 4, 2015.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards also requires the Bank to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. The actual results may differ from those estimates. The use of accounting judgments and estimates that are of significance are disclosed in Note 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, 2019 onward, including Thai Financial Reporting Standard No. 15 Revenue from Contracts with Customers. The Bank and subsidiaries determine revenue except interest income by performance obligation which is not different than revenue recognition in the previous year, with no material impact on the Bank and subsidiaries' financial statements.

2.2.2 The Federation of Accounting Professions had issued the Notification of Federation of Accounting Professions regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and Thai Financial Reporting Interpretations which had been announced in the Royal Gazette, which are relevant to the Bank but not yet effective in 2019 as follows :

	Thai Financial Reporting Standards	Effective date
Thai Financial Reporting Standards (TFRS)		
TFRS 16	Leases	January 1, 2020
Financial Instruments Standards		
Thai Accounting Standards (TAS)		
TAS 32	Financial Instruments: Presentation	January 1, 2020
Thai Financial Reporting Standards (TFRS)		
TFRS 7	Financial Instruments: Disclosures	January 1, 2020
TFRS 9	Financial Instruments	January 1, 2020
Thai Financial Reporting Interpretations (TFRIC)		
TFRIC 16	Hedges of a Net Investment in a Foreign Operation	January 1, 2020
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	January 1, 2020

New or revised Thai Financial Reporting Standards which are significantly changed can be summarized as follows :

- Thai Financial Reporting Standard No. 16 Leases

Replace the existing lease accounting under Thai Accounting Standard No. 17 by introducing a single lessee accounting model which requires the lessee to recognize all long-term leases into the statement of financial position as a right-of-use asset and lease liability. However, there is no impact to lessor accounting as a lessor continues to account the leases as finance lease or operating lease. The Bank has considered the impact of the above Thai Financial Reporting Standards and determined that they will not have any material impact on the Bank's financial statements.

- A pack of Standards in relation to financial instruments includes

- Guidance on the classification and measurement of financial instruments at either fair value or amortized cost based on determination the type of financial instruments, the contractual cash flow characteristics and the business model.
- Impairment assessment using the expected credit loss approach. The instruments that are in the scope of impairment requirement are loan receivable and financial assets which are debt instruments that are not measured at fair value through profit and loss, loan commitment and financial guarantee contract. The expected credit loss and its movement shall be recognized to reflect the change of credit risk since initial recognition.
- Hedge accounting which determines the type of transactions eligible for hedge accounting requirement, the types of instruments that qualify for hedging instruments and hedged items, and effectiveness testing which is more aligned with risk management strategy.
- Principle for presentation of hybrid instruments, financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities.
- Disclosure requirement that enable the users of financial statements to evaluate how significant financial instrument may have on the financial position and performance. The disclosure also includes the nature and extent of risks arising from the financial instruments and how such risks are managed.

Adoption of a pack of Standards in relation to financial instruments results to have the following changes to the financial statements and accounting policies of the Bank for the periods beginning on or after January 1, 2020 :

Classification of financial assets

Financial assets - Debt instrument

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:

- A financial asset measured at Amortized Cost (AMC) 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.
- 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.
- 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.

A financial asset may be designated at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Investment in equity instrument

All equity investments are measured at fair value in the statement of financial position. The Bank has classified equity investments as the financial asset measured at FVOCI, except for those equity investments measured at FVTPL in accordance with the Bank's Investment Policy.

The significant changes can be summarized as follows :

- The held-to-maturity (HTM) and available-for-sale (AFS) investment in debt securities as well as available-for-sale and general investment in equity securities are removed.
- Classify the whole HTM debt securities to be financial asset measured at AMC.

- Classify almost AFS debt securities to be financial asset measured at FVOCI.
- Classify almost investment in equity securities to be financial asset measured at FVOCI except for some that are classified to be financial assets measured at FVTPL in accordance with the Bank's Investment Policy, or some items that are classified as 'Debt' in accordance with the financial reporting standards and their contractual cash flows are not solely payments of principal and interest on the principal amount outstanding.
- The investment in equity securities which are elected to be measured at FVOCI cannot be subsequently revoked. All gains and losses are presented in other comprehensive income except for dividend which is recognized in profit or loss.

Classification of financial liabilities

Classification of financial liabilities mainly remain unchanged for the Bank. Majority of financial liabilities continue to be measured at amortized cost. The criteria for designating a financial liability to be measured at fair value through profit and loss are as follows :

- Eliminates or significantly reduces an accounting mismatch.
- A group of financial instruments is managed and their performance is managed on a fair value basis.

Impairment of financial assets

The TFRS 9 impairment requirements are based on an expected credit loss model from the model and management overlay for the factors which are not captured by the model. TFRS 9 requires the Bank to record an allowance for expected credit loss (ECLs) for all loans and investment in debt securities which are not measured at FVTPL, together with loan commitments and financial guarantee contracts. The allowance is measured basing on the ECLs associated with the probability of default in the next twelve months except for the case that there has been a significant increase in credit risk since origination and credit impaired, the allowance is based on the ECLs associated with the probability of default over the expected life of the financial instrument. Overall, impairment under TFRS 9 results in earlier recognition of credit losses than under the previous practice.

Hedge accounting

The general hedge accounting requirements aim to align the accounting with risk management strategy, permitting to have a greater variety of hedging instruments and risks being hedged, However they do not explicitly address hedge accounting for Dynamic Risk Management, as a result included an accounting policy choice to remain with the existing accounting practice.

Transition

Changes in accounting policies resulting from the adoption of a pack of Thai Financial Reporting Standards in relation to financial instruments will be applied retrospectively, except for the alternative treatments the Thai Financial Reporting Standards permit which the Bank will adopt as described below.

- Comparative periods will not be restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of a pack of Thai Financial Reporting Standards in relation to financial instruments will be recognized in retained earnings and other reserves as at January 1, 2020. Accordingly, the information presented for 2019 does not reflect the requirement of a pack of Thai Financial Reporting Standards in relation to financial instruments and therefore is not comparable to the information presented for 2020.
- Reclassify financial assets and financial liabilities according to the business model and asset and liability management of the Bank in accordance with facts and existing circumstances at the date of initial adoption.

The financial impact from adoption is in the assessment process.

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2.2.3 Thai Financial Reporting Standards (Revised 2019)

37 numbers of Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standards Interpretation (Revised 2019) have been announced in the Royal Gazette on September 24, 2019 and November 26, 2019 without material change in key concept, which are relevant to the Bank and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

- 2.3 The consolidated financial statements for the years ended December 31, 2019 and 2018, included the accounts of the head office and all branches of the Bank and its subsidiaries, by eliminating significant business transactions and outstanding balances between the Bank and its subsidiaries, and included equity interest in associates. The subsidiaries consist of BBL (Cayman) Limited, Bangkok Bank Berhad, Sinnsuptawee Asset Management Company Limited, BBL Asset Management Company Limited, Bualuang Securities Public Company Limited, Bangkok Bank (China) Company Limited and Bualuang Ventures Limited.

In addition, the consolidated financial statements for the years ended December 31, 2019 and 2018, included BBL Nominees (Tempatan) Sdn. Bhd, the 100% owned subsidiary of Bangkok Bank Berhad and Bangkok Capital Asset Management Company Limited, the 100% owned subsidiary of Bualuang Securities Public Company Limited.

All subsidiaries of the Bank were incorporated in the Kingdom of Thailand except for BBL (Cayman) Limited which was incorporated in the Cayman Islands British West Indies, Bangkok Bank Berhad which was incorporated in Malaysia and Bangkok Bank (China) Company Limited which was incorporated in the People's Republic of China. For associates, all were incorporated in the Kingdom of Thailand.

- 2.4 The Bank's financial statements for the years ended December 31, 2019 and 2018, 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 on an accrual basis, except for interest from lending which was accrued over three months, such interest is recognized when received. The Bank reverses all accrued interest income for items which are no longer on an accrual basis.

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 and fee expenses on an accrual basis.

3.3 Cash

Cash consists of cash on hand and cash in transit.

3.4 Derivatives

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

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

In hedging, the Bank takes into consideration the relationship between derivatives and the hedged item, including the nature of the risk, the objective and strategy for undertaking the hedge as well as the effectiveness of the hedging relationship.

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

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

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3.5 Investments

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

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

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

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

Debt securities, investments in receivables and marketable equity securities with readily determinable market values that are not classified as either held-to-maturity debt securities, or trading investments or investments in subsidiaries and associates are classified as available-for-sale investments and carried at fair value. The unrealized gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realized, after which such gains or losses on disposal of the investments will be recognized as gains (losses) on investments.

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

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.

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Investments in subsidiaries and associates in the Bank's financial statements are presented under the cost method, net of valuation allowances for impairment (if any). Investments in associates in the consolidated financial statements are presented under the equity method, net of valuation allowances for impairment (if any).

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

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

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

3.6 Loans to customers

The Bank recognizes loans to customers at cost when cash is advanced to a borrower and derecognizes when receiving repayment or writing off.

Overdrafts are carried at the drawn amounts including interest. Other loans to customers are carried at the principal amounts (See Note 6.7).

3.7 Allowance for doubtful accounts

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

The Bank had set up the minimum allowance for doubtful accounts in accordance with the BOT's Notification regarding the Basis for Classification and Allowance of Financial Institutions dated June 10, 2016.

The Bank had set up the allowance for doubtful accounts for non-performing loans in an amount equal to the difference between the book value of the outstanding loan and the present value of estimated future cash flows from the debtor, or the difference between the book value of the outstanding loan and the present value of estimated future cash flows from the disposal of collateral. For the allowance for doubtful accounts for performing loans, the Bank had set up the allowance in accordance with the minimum percentage of the BOT's guidelines. For loans having similar credit risk characteristics, the Bank may set up the allowance in an amount of collective impairment by using the historical loss data including current observable data (See Note 6.7.1). Furthermore, the Bank had set aside an additional allowance for doubtful accounts in excess of the minimum BOT's requirement by taking into consideration the potential additional loss arising from changes in economic and legal environment and other factors that may impact the ability of the debtors in meeting their obligations under the loan agreements.

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 the lower.

3.8 Troubled debt restructurings

The Bank's restructuring methodology includes reduction of principal and/or accrued interest receivables, asset transfer, debt-equity conversion, and modification of payment schedule.

For debt repayment through asset transfer or debt-equity conversion according to debt restructuring contract, the Bank recognizes the transferred asset or equity conservatively at the lower of recorded loan amount or asset fair value, the effect of which is not materially different from recording the transfer at the fair value following Thai Accounting Standard regarding Accounting for Troubled Debt Restructuring.

For debt restructuring using modification of payment schedule, the Bank calculates the fair value of loans based on the present value of the expected future cash flows discounted by the market rate. The Bank applies lending interest rate (MLR) published by the Bank and in force at the time of restructuring as the discount rate in calculating the resulting future loss, and recognizes this loss on restructuring as expense immediately upon restructuring. Subsequently, the Bank recalculates the above-mentioned future loss periodically using the lending interest rate published by the Bank and in force as at the reporting date as the discount rate and recognizes the change of the above-mentioned future loss as an increase or a decrease in expense in loss on restructuring accounts.

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3.9 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 dated December 11, 2009 and the Accounting Rules for Financial Institutions in relation to the Sales of Properties for Sale dated December 4, 2015.

3.10 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.

3.11 Intangible assets and amortization

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

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

Amortization of intangible assets in foreign countries is at the legal rates applicable in each locality.

When intangible assets become impaired, the allowance for impairment is recorded to recognize loss on impairment as other operating expenses.

Gains or losses on disposal of intangible assets are recognized as other operating income or expenses upon disposal.

3.12 Leaseholds

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

3.13 Provisions

The Bank recognizes provisions in the statements of financial position when the Bank has obligations as a result of a past event and where it is probable that there will be an outflow of economic benefits to settle such obligations. The provisions, such as the provisions for off-balance sheet contingencies, the provision for the post-employment benefits (See Note 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 statements of financial position.

The Bank reviews the provisions on a regular basis, and recognizes the changes in the provisions as increase or decrease in other operating expenses.

3.14 Assets and liabilities in foreign currencies

3.14.1 Functional currency and presentation currency

Items in the financial statements of foreign operations are recorded at their functional currency.

The consolidated and the Bank's financial statements are presented in Baht as the presentation currency.

3.14.2 Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the transaction dates.

At the reporting date, balances of monetary assets and liabilities are translated at the exchange rate as of the reporting date. Balances of non-monetary assets and liabilities are translated at the exchange rate prevailing at the transaction dates or exchange rate at the date when the fair value was determined.

Gains and losses on foreign currency trading and foreign currency translation are presented as gains (losses) on tradings and foreign exchange transactions.

3.14.3 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank's financial statements, the Bank translates the items in the statement of financial position of the foreign operation which its functional currency is other than Baht by using the reference rates of BOT as of the reporting date and translates the items in the statement of profit or loss and other comprehensive income by using the reference rates of BOT at the end of each month.

Gains or losses on translation of the financial statements of foreign operations are recognized as a component of shareholders' equity through other comprehensive income.

3.15 Post-employment benefits

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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 statements of financial position with the net total of the present value of defined benefits obligations minus the fair value of plan assets. The expense for defined benefit plans is recognized as personnel expenses in the statements of profit or loss and other comprehensive income. The actuarial gains (losses) are recognized in other comprehensive income.

3.16 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 information of the Bank

The Bank's Risk Oversight 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 Oversight Committee's recommendation. The objectives are to manage the relevant risks within designated boundaries, in particular the maintenance of capital in accordance with the revised capital adequacy requirements under the Basel 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.

4.1.1 Credit risk

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.

4.1.2 Interest rate risk

Interest rate risk is the risk that arises from the potential change in interest rates which may have an adverse effect on the net interest income of the Bank in the current reporting period, and/or in future periods. Interest rate risk arises from the structure and characteristics of the Bank's assets and liabilities, and in the mismatch in repricing dates of its assets and liabilities.

The Bank assesses, monitors, and controls interest rate risk to be at an acceptable level and to comply with the policy set by the Asset-Liability Management Committee (ALCO) and the Risk Oversight Committee (ROC). The Bank manages interest rate risk in order to achieve business return targets and control the potential impact on capital to be within a specified limit. The Bank thus deploys derivatives to hedge its interest rate risk.

The Bank has significant financial assets and financial liabilities categorized by the earlier of contractual repricing or maturity dates as at December 31, 2019 and 2018 as follows :

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

* Excluding allowance for doubtful accounts and accrued interest receivables.

	CONSOLIDATED 2018								Million Baht
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total	
Financial Assets									
Interbank and money									
market items *	345,208	33,266	11,762	2,949	-	59,166	-	452,351	
Investments in debt securities	21,774	21,621	102,222	282,729	17,871	-	-	446,217	
Loans	1,349,860	346,953	222,873	76,381	5,925	9,742	71,426	2,083,160	
Financial Liabilities									
Deposits	1,317,049	339,575	548,030	21,628	-	100,188	-	2,326,470	
Interbank and money									
market items	78,339	23,005	6,938	8,973	3,484	16,123	-	136,862	
Liabilities payable									
on demand	7,223	-	-	-	-	-	-	7,223	
Debt issued and borrowings	9	140	-	68,359	47,840	-	-	116,348	

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

* Excluding allowance for doubtful accounts and accrued interest receivables.

Million Baht

	THE BANK							
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - accrual Loans	Total
Financial Assets								
Interbank and money market items *	324,393	21,734	3,764	3,126	-	52,541	-	405,558
Investments in debt securities	7,908	20,397	98,519	277,136	17,871	-	-	421,831
Loans	1,326,713	334,597	212,825	69,682	1,634	9,742	70,456	2,025,649
Financial Liabilities								
Deposits	1,294,711	331,899	520,195	15,497	-	100,188	-	2,262,490
Interbank and money market items	72,102	19,922	6,938	9,619	3,484	16,329	-	128,394
Liabilities payable								
on demand	7,199	-	-	-	-	-	-	7,199
Debt issued and borrowings	9	14	-	68,358	47,840	-	-	116,221

Basic information concerning fixed interest rate versus floating interest rate of domestic loans as at December 31, 2019 and 2018 are as follows :

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	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Fixed interest rate	379,048	408,637	379,048	408,637
Floating interest rate	<u>1,346,862</u>	<u>1,328,908</u>	<u>1,343,248</u>	<u>1,326,718</u>
Total	<u><u>1,725,910</u></u>	<u><u>1,737,545</u></u>	<u><u>1,722,296</u></u>	<u><u>1,735,355</u></u>

* Excluding allowance for doubtful accounts and accrued interest receivables.

The interest-earning financial assets and interest-bearing financial liabilities for the years ended December 31, 2019 and 2018 are as follows :

Million Baht						
CONSOLIDATED						
FOR THE YEARS ENDED DECEMBER 31,						
	Average	2019	Average	Average	2018	Average
	Balance	Interest	Rate (%)	Balance	Interest	Rate (%)
		Income /	Per Annum		Expense	Per Annum
		Expense			Expense	
Interest-earning Financial Assets						
Interbank and money market items	500,364	8,995	1.80	481,103	8,397	1.75
Investments in debt securities	493,014	10,309	2.09	460,149	9,199	2.00
Loans	2,030,107	93,155	4.59	2,025,402	93,131	4.60
Total	3,023,485	112,459		2,966,654	110,727	
Interest-bearing Financial Liabilities						
Deposits	2,347,185	23,044	0.98	2,318,609	21,762	0.94
Interbank and money market items	139,224	1,981	1.42	158,312	2,142	1.35
Debt issued and borrowings	122,983	6,397	5.20	104,552	5,561	5.32
Total	2,609,392	31,422		2,581,473	29,465	

Million Baht						
THE BANK						
FOR THE YEARS ENDED DECEMBER 31,						
	Average	2019	Average	Average	2018	Average
	Balance	Interest	Rate (%)	Balance	Interest	Rate (%)
		Income /	Per Annum		Expense	Per Annum
		Expense			Expense	
Interest-earning Financial Assets						
Interbank and money market items	467,546	8,106	1.73	432,982	6,826	1.58
Investments in debt securities	464,385	9,625	2.07	440,597	8,737	1.98
Loans	1,973,033	90,293	4.58	1,971,807	90,411	4.59
Total	2,904,964	108,024		2,845,386	105,974	
Interest-bearing Financial Liabilities						
Deposits	2,290,934	21,544	0.94	2,259,501	20,123	0.89
Interbank and money market items	134,977	1,870	1.39	152,055	1,885	1.24
Debt issued and borrowings	122,570	6,397	5.22	104,370	5,561	5.33
Total	2,548,481	29,811		2,515,926	27,569	

4.1.3 Foreign exchange risk

Foreign exchange risk is the risk that arises when the Bank deals in foreign currency transactions which lead to overbought or oversold positions in any individual foreign currency positions. The Bank may incur gains or losses as a result of changes in foreign exchange rates.

The Bank manages its foreign currency positions in compliance with regulatory guidelines and the internal risk limits set by ALCO and ROC.

4.1.4 Equity price risk

Equity price risk is the risk associated with equity price changes and resulting in the deterioration of investment value or profit (loss) fluctuations.

The Bank invests in equity securities within the regulatory guidelines and its investment policy.

4.1.5 Liquidity risk

Liquidity risk is the risk that the Bank is unable 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 guidelines established by ALCO and the liquidity reserve requirement as well as other relevant regulatory requirements. Treasury Division is in charge of managing the Bank's liquidity, while the Market Risk unit of the Risk Management unit is responsible for identifying, assessing, monitoring, reporting and controlling risks to be within the specified limits and reports to ALCO on a regular basis.

The Bank has diversified funding sources. Its major funding source is customer deposits which are well-diversified in different deposit types and maturities. Moreover, the Bank manages its liquidity through domestic money and capital markets including swap and repurchase markets, and through international money and capital markets in currencies such as the US dollar and the Euro. 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, taking into consideration 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 fund raising 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 has financial assets and financial liabilities categorized by maturity profile as at December 31, 2019 and 2018 as follows :

	CONSOLIDATED					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
2019						
Financial Assets						
Interbank and money market items*	471,330	1,831	-	-	-	473,161
Derivatives	11,845	17,179	20,783	-	-	49,807
Investments	191,545	278,064	76,889	102,936	-	649,434
Loans	861,179	700,311	428,939	-	70,880	2,061,309
Financial Liabilities						
Deposits	2,348,842	21,950	-	-	-	2,370,792
Interbank and money market items	120,376	13,320	650	-	-	134,346
Liabilities payable on demand	5,523	-	-	-	-	5,523
Derivatives	5,894	12,400	19,543	-	-	37,837
Debt issued and borrowings	24,498	57,711	62,472	-	-	144,681
2018						
						Million Baht
Financial Assets						
Interbank and money market items*	449,402	2,949	-	-	-	452,351
Derivatives	10,381	7,806	10,463	-	-	28,650
Investments	145,295	284,505	18,037	110,559	-	558,396
Loans	884,806	734,445	393,163	-	70,746	2,083,160
Financial Liabilities						
Deposits	2,304,842	21,628	-	-	-	2,326,470
Interbank and money market items	122,142	11,236	3,484	-	-	136,862
Liabilities payable on demand	7,223	-	-	-	-	7,223
Derivatives	7,621	4,834	9,883	-	-	22,338
Debt issued and borrowings	150	68,358	47,840	-	-	116,348

* Excluding allowance for doubtful accounts and accrued interest receivables.

	THE BANK 2019					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items [*]	441,505	1,831	-	-	-	443,336
Derivatives	11,725	17,179	20,783	-	-	49,687
Investments	169,760	270,590	76,889	131,711	-	648,950
Loans	823,739	686,962	422,611	-	69,771	2,003,083
Financial Liabilities						
Deposits	2,303,142	12,893	-	-	-	2,316,035
Interbank and money market items	115,307	13,320	650	-	-	129,277
Liabilities payable on demand	5,488	-	-	-	-	5,488
Derivatives	5,428	12,400	19,543	-	-	37,371
Debt issued and borrowings	24,133	57,711	62,472	-	-	144,316

	THE BANK 2018					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - accrual Loans	Total
Financial Assets						
Interbank and money market items [*]	402,432	3,126	-	-	-	405,558
Derivatives	10,066	7,806	10,462	-	-	28,334
Investments	123,957	278,911	18,038	142,080	-	562,986
Loans	844,998	722,915	387,280	-	70,456	2,025,649
Financial Liabilities						
Deposits	2,246,993	15,497	-	-	-	2,262,490
Interbank and money market items	113,674	11,236	3,484	-	-	128,394
Liabilities payable on demand	7,199	-	-	-	-	7,199
Derivatives	7,137	4,834	9,883	-	-	21,854
Debt issued and borrowings	23	68,358	47,840	-	-	116,221

* Excluding allowance for doubtful accounts and accrued interest receivables.

4.2 Fair value of financial instruments

The following table presents the carrying amount and estimated fair value of financial instruments as at December 31, 2019 and 2018 :

	Million Baht			
	CONSOLIDATED			
	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	58,090	58,090	62,394	62,394
Interbank and money market items, net	472,349	472,349	450,700	450,700
Derivatives	49,807	50,315	28,650	28,581
Investments, net	649,434	651,479	558,396	635,701
Loans to customers and accrued interest receivables, net	<u>1,891,046</u>	<u>1,891,046</u>	<u>1,935,781</u>	<u>1,935,781</u>
Total	<u><u>3,120,726</u></u>	<u><u>3,123,279</u></u>	<u><u>3,035,921</u></u>	<u><u>3,113,157</u></u>
Financial Liabilities				
Deposits	2,370,792	2,370,792	2,326,470	2,326,470
Interbank and money market items	134,346	134,346	136,862	136,862
Liabilities payable on demand	5,523	5,523	7,223	7,223
Derivatives	37,837	39,413	22,338	22,828
Debt issued	144,208	162,138	116,019	128,669
Borrowings	<u>473</u>	<u>473</u>	<u>329</u>	<u>329</u>
Total	<u><u>2,693,179</u></u>	<u><u>2,712,685</u></u>	<u><u>2,609,241</u></u>	<u><u>2,622,381</u></u>
Million Baht				
	THE BANK			
	2019		2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	58,013	58,013	62,329	62,329
Interbank and money market items, net	442,584	442,584	404,378	404,378
Derivatives	49,687	50,201	28,334	28,266
Investments, net	648,950	660,685	562,986	601,919
Loans to customers and accrued interest receivables, net	<u>1,836,722</u>	<u>1,836,722</u>	<u>1,881,395</u>	<u>1,881,395</u>
Total	<u><u>3,035,956</u></u>	<u><u>3,048,205</u></u>	<u><u>2,939,422</u></u>	<u><u>2,978,287</u></u>
Financial Liabilities				
Deposits	2,316,035	2,316,035	2,262,490	2,262,490
Interbank and money market items	129,277	129,277	128,394	128,394
Liabilities payable on demand	5,488	5,488	7,199	7,199
Derivatives	37,371	38,958	21,854	22,344
Debt issued	143,843	161,773	115,892	128,542
Borrowings	<u>473</u>	<u>473</u>	<u>329</u>	<u>329</u>
Total	<u><u>2,632,487</u></u>	<u><u>2,652,004</u></u>	<u><u>2,536,158</u></u>	<u><u>2,549,298</u></u>

For cash, deposits, interbank and money market items (liabilities), liabilities payable on demand, and borrowings, the carrying amounts in the statements 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 doubtful accounts as presented in the statement of financial position.

The following methods and assumptions were used by the Bank in estimating the fair value of financial instruments as disclosed herein :

The fair values of interbank and money market items, net (assets), loans to customers and interest receivables, net, deposits, interbank and money market items (liabilities), liabilities payable on demand, and borrowings are determined by discounting cash flows using the relevant market interest rates.

The fair value of derivatives is derived from market price or valuation techniques which are based on the market prices of instruments with similar characteristics and maturities or the valuation quoted by a reliable institution.

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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 general 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, 2019 and 2018.

	Million Baht							
	2019				2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Items measured at fair value :								
Financial assets								
Derivatives	-	50,315	-	50,315	-	28,581	-	28,581
Investments, net	85,478	502,855	-	588,333	92,491	412,863	-	505,354
Financial liabilities								
Derivatives	361	39,052	-	39,413	300	22,528	-	22,828
Items not measured at fair value :								
Financial assets								
Investments, net	3,117	20,374	39,655	63,146	2,676	66,623	61,048	130,347
Financial liabilities								
Debt issued	-	162,138	-	162,138	-	128,669	-	128,669

Million Baht

	THE BANK							
	2019				2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Items measured at fair value :								
Financial assets								
Derivatives	-	50,201	-	50,201	-	28,266	-	28,266
Investments, net	80,384	484,931	-	565,315	89,945	399,067	-	489,012
Financial liabilities								
Derivatives	-	38,958	-	38,958	-	22,344	-	22,344
Items not measured at fair value :								
Financial assets								
Investments, net	3,117	7,317	84,936	95,370	2,676	2,857	107,374	112,907
Financial liabilities								
Debt issued	-	161,773	-	161,773	-	128,542	-	128,542

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.

4.3 Capital fund

It is the Bank's policy to maintain an adequate level of capital to support growth strategies under an acceptable risk framework taking into consideration regulatory requirements and market expectations. The Bank regularly assesses its capital adequacy under various scenarios in order to anticipate capital requirements for the purpose of its capital planning and management process.

The guideline on capital fund based on the Basel III guidelines of the BOT requires the Bank to maintain a capital conservation buffer in addition to minimum capital adequacy ratios which sets out to phasing in additional capital ratio of more than 0.625 percent p.a. starting January 1, 2016 until completion of the increment to more than 2.50 percent on January 1, 2019. In September 2017, the BOT has announced the guideline to identify and regulate Domestic Systemically Important Banks (D-SIBs). The BOT requires the Bank, classified as D-SIBs, must have additional capital requirement for Higher Loss Absorbency (HLA) requirement by increasing the Common Equity Tier 1 ratio at 1 percent, beginning at 0.5 percent from January 1, 2019 and increasing to be 1 percent from January 1, 2020 onwards. The minimum capital adequacy and a capital conservation buffer ratios to risk-weighted assets is as follows :

	2019	Percentage 2018
Capital Fund Ratio		
Common Equity Tier 1 ratio	More than 7.5	More than 6.375
Tier 1 capital ratio	More than 9.0	More than 7.875
Total capital fund ratio	More than 11.5	More than 10.375

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Moreover, the BOT may require to maintain additional capital for countercyclical buffer at maximum of 2.50 percent.

As at December 31, 2019 and 2018, 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	
	2019	2018	2019	Percentage 2018
Common Equity Tier 1 capital to risk assets ratio	17.01	16.43	17.14	16.24
Tier 1 capital to risk assets ratio	17.01	16.43	17.14	16.24
Total capital to risk assets ratio	20.04	17.96	20.20	17.78

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Tier 1 capital	406,529	390,369	399,842	374,633
Common Equity Tier 1 capital	406,463	390,309	399,842	374,633
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	24,000	23,000	24,000	23,000
Reserves appropriated from net profit	106,500	101,500	106,500	101,500
Net profit after appropriation	170,789	152,107	157,182	132,089
Other comprehensive income	33,678	42,039	39,600	45,361
Deductions from Common Equity				
Tier 1 capital	(3,938)	(3,771)	(2,874)	(2,751)
Additional Tier 1 capital	66	60	-	-
Tier 2 capital	72,211	36,194	71,420	35,312
Total capital fund	478,740	426,563	471,262	409,945

As at December 31, 2019 and 2018, the Bank has no capital add-on arising from Single Lending Limit.

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As at December 31, 2019, the Bank has the subordinated notes (See Note 6.18) which the BOT had approved to include in Tier 2 capital on September 25, 2019.

Disclosure of capital maintenance information of the Bank and the Financial Holding Group under the BOT's Notification regarding the disclosure of the capital requirement of commercial banks, regarding the disclosure of the capital requirement of the Financial Holding Group and regarding liquidity coverage ratio disclosure standards.

Location of disclosure www.bangkokbank.com/Investor Relations/Financial Information/Basel III - Pillar 3

Date of disclosure October 31, 2019

Information as of June 30, 2019

5. SIGNIFICANT USE OF ACCOUNTING JUDGMENTS AND ESTIMATES

5.1 Impairment of investments in securities

The Bank assesses the impairment of investments in securities where objective evidence of impairment exists and determines that the investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires the Bank's judgment. In making this judgment, the Bank evaluates the volatility in the investment's fair value and other factors which include the estimated future cash flows, the deterioration in the financial position of the issuer of the securities and the operating environment in the industry sector of the issuer.

5.2 Allowance for doubtful accounts

The determination of the allowance for doubtful accounts requires the use of various assumptions and judgments by the Bank, which includes the consideration of objective evidence indicating an adverse change in the capacity of the borrowers to repay loans, the estimated future cash flows to be received from the borrowers, the estimated cash flows from the collateral, the timing of future cash flows, the potential of additional future loss and the economic conditions that may have an impact on the loan default rate. The Bank reviews these estimates and assumptions on a regular basis.

5.3 Provisions

The determination of the provisions on the statement of financial position requires the use of various assumptions and judgments by the Bank, taking into consideration the nature of transactions and the circumstances requiring the provisions, the probability of the outflow of economic benefits to settle such obligations and the estimate of the net future cash outflows. The consideration is based on the experience and information that is available at the time that the financial statements are being prepared. The provisions are reviewed regularly. However, the actual results may differ from the estimates.

For the estimation of the provision for the defined benefit plans under the post-employment benefits, the estimation is calculated by an actuary by using the actuarial techniques which requires actuarial assumptions on financial variables such as discount rate, future salaries and benefits etc., and demographic variables such as employee mortality and turnover etc. The past service cost as a result of post-employee benefit plan amendment is recognized as the expense in profit and loss when the plan is amended using the judgment that the obligation is certainly arisen if the new law will be enacted as draft.

5.4 Fair value of financial instruments

Where assets and liabilities are not traded in active markets, the Bank determines fair value by using valuation techniques commonly used by market participants including the reference to the fair value of another instrument of a similar nature, the discounted cash flow analysis and pricing models.

The Bank uses its best judgment in estimating the fair values of financial instruments. However, estimation methodologies and assumptions used to estimate fair values are inherently subjective. Accordingly, the use of different estimation methodologies and/or market assumptions may have a significant effect on the estimated fair values.

6. ADDITIONAL INFORMATION

6.1 Cash

Cash as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Cash	58,010	62,300	57,933	62,235
Cash received in advance from e-Money and electronic money transfer service	<u>80</u>	<u>94</u>	<u>80</u>	<u>94</u>
Total	<u><u>58,090</u></u>	<u><u>62,394</u></u>	<u><u>58,013</u></u>	<u><u>62,329</u></u>

6.2 Supplementary disclosures of cash flow information

Significant non-cash items for the years ended December 31, 2019 and 2018 are as follows :

	CONSOLIDATED		THE BANK	
	FOR THE YEARS ENDED DECEMBER 31, 2019	2018	FOR THE YEARS ENDED DECEMBER 31, 2019	2018
Unrealized gains on investments in shareholders' equity decrease	(1,721)	(9,318)	(1,735)	(9,283)
Properties for sale increased from loans payment/inactive assets	1,471	1,940	1,471	1,940
Unrealized increment per premises appraisal transferred to retained earnings	946	943	943	939
Changes in non-cash items of debt issued and borrowings				
Gain on foreign exchange	9,038	867	9,038	867
Amortization on discount	276	240	276	240

6.3 Interbank and money market items, net (assets)

Interbank and money market items, net (assets) as at December 31, 2019 and 2018 consisted of the following :

	CONSOLIDATED						Million Baht
	Demand	2019 Time	Total	Demand	2018 Time	Total	
Domestic items							
Bank of Thailand and Financial Institutions							
Development Fund	30,087	232,410	262,497	19,483	220,027	239,510	
Commercial banks	1,109	23,749	24,858	3,021	7,285	10,306	
Other financial institutions	<u>1,913</u>	<u>12,702</u>	<u>14,615</u>	<u>1,079</u>	<u>19,408</u>	<u>20,487</u>	
Total	33,109	268,861	301,970	23,583	246,720	270,303	
<u>Add</u> Accrued interest							
receivables	-	97	97	-	148	148	
<u>Less</u> Allowance for							
doubtful accounts	<u>(27)</u>	<u>(1,029)</u>	<u>(1,056)</u>	<u>(17)</u>	<u>(1,360)</u>	<u>(1,377)</u>	
Total domestic items	<u>33,082</u>	<u>267,929</u>	<u>301,011</u>	<u>23,566</u>	<u>245,508</u>	<u>269,074</u>	
Foreign items							
USD	19,810	84,517	104,327	20,851	76,534	97,385	
JPY	15,678	3,608	19,286	6,454	7,071	13,525	
EUR	554	7,673	8,227	1,132	3,780	4,912	
Others	<u>12,229</u>	<u>27,122</u>	<u>39,351</u>	<u>11,243</u>	<u>54,983</u>	<u>66,226</u>	
Total	48,271	122,920	171,191	39,680	142,368	182,048	
<u>Add</u> Accrued interest							
receivables	-	354	354	2	265	267	
<u>Less</u> Allowance for							
doubtful accounts	<u>-</u>	<u>(207)</u>	<u>(207)</u>	<u>-</u>	<u>(689)</u>	<u>(689)</u>	
Total foreign items	<u>48,271</u>	<u>123,067</u>	<u>171,338</u>	<u>39,682</u>	<u>141,944</u>	<u>181,626</u>	
Total domestic and foreign items							
	<u><u>81,353</u></u>	<u><u>390,996</u></u>	<u><u>472,349</u></u>	<u><u>63,248</u></u>	<u><u>387,452</u></u>	<u><u>450,700</u></u>	

	Million Baht					
	THE BANK					
		2019	Total	2018	Total	
	Demand	Time		Demand	Time	
Domestic items						
Bank of Thailand and Financial Institutions						
Development Fund	30,087	232,410	262,497	19,483	220,027	239,510
Commercial banks	-	18,150	18,150	6	3,300	3,306
Other financial institutions	1,913	12,702	14,615	1,079	19,408	20,487
Total	32,000	263,262	295,262	20,568	242,735	263,303
<u>Add</u> Accrued interest						
receivables	-	66	66	-	134	134
<u>Less</u> Allowance for						
doubtful accounts	(27)	(1,029)	(1,056)	(17)	(1,360)	(1,377)
Total domestic items	31,973	262,299	294,272	20,551	241,509	262,060
Foreign items						
USD	19,543	81,119	100,662	20,172	74,140	94,312
JPY	15,678	3,608	19,286	6,454	7,071	13,525
EUR	548	7,673	8,221	1,119	3,780	4,899
Others	7,523	12,382	19,905	5,307	24,212	29,519
Total	43,292	104,782	148,074	33,052	109,203	142,255
<u>Add</u> Accrued interest						
receivables	-	283	283	-	132	132
<u>Less</u> Allowance for						
doubtful accounts	-	(45)	(45)	-	(69)	(69)
Total foreign items	43,292	105,020	148,312	33,052	109,266	142,318
Total domestic and foreign items	75,265	367,319	442,584	53,603	350,775	404,378

6.4 Derivatives

The fair values and the notional amounts classified by type of risk as at December 31, 2019 and 2018 are as follows :

Type of risk	Million Baht					
	CONSOLIDATED					
	2019		Notional Amount	2018		Notional Amount
	Fair Value/Readjustment Based on an Accrual Basis			Fair Value/Readjustment Based on an Accrual Basis		
Assets	Liabilities		Assets	Liabilities		
Foreign exchange rate	32,164	17,245	1,091,796	20,522	11,924	1,403,260
Interest rate	17,638	20,231	1,064,586	8,126	10,114	961,569
Others	5	361	9,887	2	300	10,372
Total	49,807	37,837	2,166,269	28,650	22,338	2,375,201

Type of risk	THE BANK					Million Baht
	2019		Notional Amount	2018		Notional Amount
	Fair Value/Readjustment Based on an Accrual Basis			Fair Value/Readjustment Based on an Accrual Basis		
	Assets	Liabilities	Assets	Liabilities		
Foreign exchange rate	32,049	17,140	1,077,158	20,208	11,740	1,383,684
Interest rate	<u>17,638</u>	<u>20,231</u>	<u>1,064,585</u>	<u>8,126</u>	<u>10,114</u>	<u>961,569</u>
Total	<u><u>49,687</u></u>	<u><u>37,371</u></u>	<u><u>2,141,743</u></u>	<u><u>28,334</u></u>	<u><u>21,854</u></u>	<u><u>2,345,253</u></u>

The proportion of derivative transactions classified by type of counterparty based on the notional amounts as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED		THE BANK		Percentage
	2019	2018	2019	2018	
	Financial Institutions	80.74	76.42	81.14	76.87
Group companies	-	-	0.10	-	
External entities	<u>19.26</u>	<u>23.58</u>	<u>18.76</u>	<u>23.13</u>	
Total	<u><u>100.00</u></u>	<u><u>100.00</u></u>	<u><u>100.00</u></u>	<u><u>100.00</u></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 :

Forward 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.

6.5 Investments, net

6.5.1 Investments as at December 31, 2019 and 2018 consisted of the following :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
	Fair Value	Fair Value	Fair Value	Fair Value
Trading securities				
Government and state enterprise securities	8,320	4,950	8,320	4,950
Private enterprise debt securities	198	56	198	56
Domestic marketable equity securities	5,095	2,510	-	-
Total	13,613	7,516	8,518	5,006

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
	Fair Value	Fair Value	Fair Value	Fair Value
Available-for-sale securities				
Government and state enterprise securities	327,327	293,834	327,327	293,834
Private enterprise debt securities	66,072	37,328	65,520	36,788
Foreign debt securities	113,747	82,707	98,068	73,352
Domestic marketable equity securities	47,141	60,160	47,141	60,160
Foreign marketable equity securities	9,844	11,531	9,844	11,531
Others	10,589	12,278	8,897	8,341
Total	574,720	497,838	556,797	484,006

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost	Cost/ Amortized Cost
Held-to-maturity debt securities				
Government and state enterprise securities	19,328	15,757	7,032	2,046
Foreign debt securities	3,929	4,092	3,197	3,312
Total	23,257	19,849	10,229	5,358

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
	Cost	Cost	Cost	Cost
General investments				
Domestic non-marketable equity securities	8,689	6,878	7,839	6,729
Foreign non-marketable equity securities	<u>36,029</u>	<u>32,941</u>	<u>35,763</u>	<u>32,830</u>
Total	44,718	39,819	43,602	39,559
<u>Less</u> Allowance for impairment	<u>(8,611)</u>	<u>(8,234)</u>	<u>(8,611)</u>	<u>(8,234)</u>
Total	<u><u>36,107</u></u>	<u><u>31,585</u></u>	<u><u>34,991</u></u>	<u><u>31,325</u></u>
Total investments, net	<u><u>647,697</u></u>	<u><u>556,788</u></u>	<u><u>610,535</u></u>	<u><u>525,695</u></u>

Investments classified in accordance with the Notification of the BOT as at December 31, 2019 and 2018 are presented in Note 6.14.

As at December 31, 2019 and 2018, the Bank has investments in 32 companies with cost values of Baht 256 million, which are companies whose prospects as a going concern are uncertain or are unlisted companies but whose financial positions and operations would fall under the SET delisting criteria, which the Bank had set aside allowance for impairment of these investments amounting to Baht 256 million and these companies had net book value totaling Baht 0 million.

As at December 31, 2019 and 2018, the Bank has investments in 3 listed companies that are under the SET delisting criteria, amounting to Baht 4 million, with the fair value of Baht 0 million, which the Bank had set aside allowance for impairment of these investments amounting to Baht 4 million.

On December 30, 2004, the Bank entered into a transaction to transfer certain investments classified as available-for-sale securities received from debt restructuring to Sinnsuptawee Asset Management Co., Ltd., a subsidiary of the Bank, at the closing price on December 28, 2004 quoted on The Stock Exchange of Thailand in the amount of Baht 3,323 million. The proceeds from the aforementioned transfer were recorded as other liabilities and the related securities were recorded as securities transferred to subsidiary under available-for-sale securities in accordance with accounting treatment guidance for Transfer and Transferred Financial Assets. As at December 31, 2019 and 2018, the Bank had outstanding balances of other liabilities from such transaction amounting to Baht 328 million and Baht 372 million, respectively.

6.5.2 As at December 31, 2019 and 2018, the Bank and subsidiaries had investments in other companies of 10% and upwards of the paid-up capital of the respective companies but which are not considered to be investments in subsidiaries and associates. The classification is as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
	Million Baht			
Manufacturing and commercial	12	12	12	12
Real estate and construction	187	187	187	187
Utilities and services	41	41	41	41
Others	<u>2,243</u>	<u>2,039</u>	<u>2,243</u>	<u>2,039</u>
Total	<u>2,483</u>	<u>2,279</u>	<u>2,483</u>	<u>2,279</u>

6.6 Investments in subsidiaries and associates, net

As at December 31, 2019 and 2018, 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)	
			2019	2018	2019	2018	2019	2018
Associates								
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	-	118	-	109	-
BSL Leasing Co., Ltd.	Finance	Common share	35.88	35.88	201	201	820	748
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15	441	468
National ITMX Co., Ltd.	Service	Common share	14.26	13.84	13	7	273	226
Thai Payment Network Co., Ltd.	Service	Common share	69.08	69.08	<u>362</u>	<u>362</u>	<u>94</u>	<u>166</u>
Total					709	585	1,737	1,608
<u>Less</u> Allowance for impairment					<u>(2)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Investments in associates, net					<u>707</u>	<u>583</u>	<u>1,737</u>	<u>1,608</u>

Million Baht

Company	Type of Business	Type of Shares	THE BANK		Investment	
			Direct and Indirect Shareholding (%)		(Cost Method)	
			2019	2018	2019	2018
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 Ltd.	Venture Capital Company	Common share	100.00	100.00	1,500	500
BBL Asset Management Co., Ltd.	Finance	Common share	75.00	75.00	183	183
Bualuang Securities PCL.	Securities	Common share	99.91	99.91	4,772	4,772
Associates						
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	-	118	-
BSL Leasing Co., Ltd.	Finance	Common share	35.88	35.88	201	201
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15
National ITMX Co., Ltd.	Service	Common share	14.26	13.84	13	7
Thai Payment Network Co., Ltd.	Service	Common share	69.08	69.08	362	362
Total					38,512	37,388
<u>Less</u> Allowance for impairment					<u>(97)</u>	<u>(97)</u>
Investments in subsidiaries and associates, net					<u>38,415</u>	<u>37,291</u>

In September 2018, the Bank has purchased the issued 2,000,000 common shares in Thai Payment Network Co., Ltd. in the amount of Baht 200,000,000, resulting in an increase of the Bank's shareholding to be 69.08%. However, the Bank continued to classify it as an investment in associate since the Bank has only the power to participate in management but is not control. In addition, the Bank also intend to sell 1,000,000 shares in the amount of Baht 100,000,000 of such additionally purchased back to the existing shareholders after its increase in the investment is approved by the regulator, in order to maintain the existing shareholding at 49.99%.

Bualuang Ventures Limited is a subsidiary of the Bank. The company has a total registered capital of Baht 2,000 million, with the common shares of 200,000,000 shares, par Baht 10. On June 22, 2016, the company called up the first paid-up capital of Baht 2.50 per share, amounting to Baht 500 million. In May 2019, the company called up the additional paid-up capital of Baht 5 per share, amounting to Baht 1,000 million. As a result, the company has a total paid-up capital of Baht 1,500 million, with a full payment by the Bank. Currently, the Bank has a 100% stake in the company.

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

	Million Baht	
	FOR THE YEARS	
	ENDED DECEMBER 31,	
	2019	2018
Net profit	578	696
Total comprehensive income	578	696

6.7 Loans to customers and accrued interest receivables, net

6.7.1 Classified by product type as at December 31, 2019 and 2018 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Overdrafts	103,798	108,023	103,048	107,200
Loans	1,545,259	1,544,772	1,493,469	1,492,223
Bills	411,100	428,747	405,392	424,566
Others	1,678	2,161	1,678	2,160
<u>Less</u> Deferred revenue	<u>(526)</u>	<u>(543)</u>	<u>(504)</u>	<u>(500)</u>
Loans to customers after deferred revenue, net	2,061,309	2,083,160	2,003,083	2,025,649
<u>Add</u> Accrued interest receivables	<u>4,013</u>	<u>5,624</u>	<u>3,894</u>	<u>5,487</u>
Loans to customers and accrued interest receivables after deferred revenue, net	2,065,322	2,088,784	2,006,977	2,031,136
<u>Less</u> Allowance for doubtful accounts				
Minimum provision according to the BOT's requirement				
- Individual approach	(48,329)	(52,568)	(47,083)	(51,729)
- Collective approach	(6,343)	(6,052)	(6,343)	(6,052)
Excess provision	<u>(113,094)</u>	<u>(88,968)</u>	<u>(110,319)</u>	<u>(86,545)</u>
Total	<u>(167,766)</u>	<u>(147,588)</u>	<u>(163,745)</u>	<u>(144,326)</u>
<u>Less</u> Revaluation allowance for debt restructuring	<u>(6,510)</u>	<u>(5,415)</u>	<u>(6,510)</u>	<u>(5,415)</u>
Total loans to customers, net	<u><u>1,891,046</u></u>	<u><u>1,935,781</u></u>	<u><u>1,836,722</u></u>	<u><u>1,881,395</u></u>

6.7.2 As at December 31, 2019 and 2018, the Bank and subsidiaries had non-performing loans (NPLs), defined according to the BOT's Notification as loans classified as substandard, doubtful and doubtful of loss including interbank and money market items but excluding accrued interest receivables, as follows :

	CONSOLIDATED		THE BANK		Million Baht
	2019	2018	2019	2018	
	NPLs before allowance for doubtful accounts	79,149	80,137	78,093	79,279
NPLs as percentage of total loans	3.39	3.42	3.44	3.48	
Net NPLs after allowance for doubtful accounts	28,368	26,412	28,203	26,171	
Net NPLs as percentage of net total loans	1.24	1.15	1.27	1.18	

6.7.3 Classified by currency and customer's residence as at December 31, 2019 and 2018 :

	CONSOLIDATED						Million Baht
	2019		Total	2018		Total	
	Domestic	Foreign		Domestic	Foreign		
BAHT	1,498,727	31,355	1,530,082	1,482,750	32,512	1,515,262	
USD	61,917	260,218	322,135	67,763	248,330	316,093	
Others	15,866	193,226	209,092	50,280	201,525	251,805	
Total	1,576,510	484,799	2,061,309	1,600,793	482,367	2,083,160	

	THE BANK						Million Baht
	2019		Total	2018		Total	
	Domestic	Foreign		Domestic	Foreign		
BAHT	1,495,113	31,355	1,526,468	1,483,271	32,512	1,515,783	
USD	61,917	254,381	316,298	67,763	241,818	309,581	
Others	15,866	144,451	160,317	50,280	150,005	200,285	
Total	1,572,896	430,187	2,003,083	1,601,314	424,335	2,025,649	

6.7.4 Classified by business type and in accordance with the Notification of the BOT as at December 31, 2019 and 2018 :

	CONSOLIDATED 2019					Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	58,829	2,045	207	93	395	61,569
Manufacturing and commercial	676,883	30,670	2,483	8,372	37,571	755,979
Real estate and construction	186,640	7,089	2,088	1,257	3,662	200,736
Utilities and services	441,639	20,759	2,800	625	4,336	470,159
Housing loans	237,949	2,589	1,865	3,039	5,755	251,197
Others	312,919	4,149	283	1,136	3,182	321,669
Total	1,914,859	67,301	9,726	14,522	54,901	2,061,309

	CONSOLIDATED 2018					Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	50,061	705	288	178	266	51,498
Manufacturing and commercial	743,379	21,312	1,932	12,626	40,232	819,481
Real estate and construction	188,864	6,410	1,032	1,422	4,872	202,600
Utilities and services	438,322	12,476	182	1,301	3,688	455,969
Housing loans	229,928	2,351	1,799	1,703	4,266	240,047
Others	306,353	2,862	183	3,654	513	313,565
Total	1,956,907	46,116	5,416	20,884	53,837	2,083,160

	THE BANK 2019					Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	56,733	1,993	207	93	395	59,421
Manufacturing and commercial	651,232	30,458	2,483	7,904	37,099	729,176
Real estate and construction	178,564	7,067	2,088	1,257	3,652	192,628
Utilities and services	432,199	20,759	2,800	625	4,336	460,719
Housing loans	237,943	2,588	1,865	3,039	5,744	251,179
Others	301,457	3,997	283	1,042	3,181	309,960
Total	1,858,128	66,862	9,726	13,960	54,407	2,003,083

THE BANK 2018						Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	47,808	705	288	178	266	49,245
Manufacturing and commercial	712,232	21,312	1,927	12,600	39,524	787,595
Real estate and construction	180,899	6,410	1,032	1,422	4,861	194,624
Utilities and services	429,337	12,474	182	1,301	3,688	446,982
Housing loans	229,919	2,350	1,797	1,702	4,257	240,025
Others	<u>300,265</u>	<u>2,659</u>	<u>183</u>	<u>3,559</u>	<u>512</u>	<u>307,178</u>
Total	<u><u>1,900,460</u></u>	<u><u>45,910</u></u>	<u><u>5,409</u></u>	<u><u>20,762</u></u>	<u><u>53,108</u></u>	<u><u>2,025,649</u></u>

6.7.5 As at December 31, 2019 and 2018, the Bank and subsidiaries had classified loans and allowance for doubtful accounts in accordance with the Notification of the BOT as follows :

CONSOLIDATED 2019					Million Baht
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank	
Minimum provision according to the BOT's requirement					
Normal	1,918,520	1,267,640	1	16,119	
Special mentioned	67,596	33,359	2	848	
Substandard	9,783	1,358	100	1,359	
Doubtful	14,522	6,259	100	6,259	
Doubtful of loss	54,901	30,087	100	30,087	
Excess provision according to the BOT's requirement					113,094
Total	<u><u>2,065,322</u></u>	<u><u>1,338,703</u></u>			<u><u>167,766</u></u>

	CONSOLIDATED 2018			Million Baht
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank
Minimum provision according to the BOT's requirement				
Normal	1,962,102	1,291,067	1	16,215
Special mentioned	46,501	22,387	2	591
Substandard	5,460	1,018	100	1,018
Doubtful	20,884	10,574	100	10,608
Doubtful of loss	53,837	30,188	100	30,188
Excess provision according to the BOT's requirement				88,968
Total	2,088,784	1,355,234		147,588

	THE BANK 2019			Million Baht
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank
Minimum provision according to the BOT's requirement				
Normal	1,861,672	1,223,874	1	15,716
Special mentioned	67,155	33,154	2	844
Substandard	9,783	1,358	100	1,359
Doubtful	13,960	5,696	100	5,696
Doubtful of loss	54,407	29,811	100	29,811
Excess provision according to the BOT's requirement				110,319
Total	2,006,977	1,293,893		163,745

	THE BANK 2018				Million Baht
	Loans to Customers and Accrued Interest Receivables	Net Outstanding used in Determining the Allowance for Doubtful Accounts	Rate used in Determining the Allowance for Doubtful Accounts (%)	Allowance for Doubtful Accounts Recorded by the Bank	
Minimum provision according to the BOT's requirement					
Normal	1,905,518	1,247,164	1	15,798	
Special mentioned	46,295	22,184	2	587	
Substandard	5,453	1,018	100	1,018	
Doubtful	20,762	10,480	100	10,513	
Doubtful of loss	53,108	29,865	100	29,865	
Excess provision according to the BOT's requirement				86,545	
Total	<u><u>2,031,136</u></u>	<u><u>1,310,711</u></u>		<u><u>144,326</u></u>	

As at December 31, 2019 and 2018, the consolidated and the Bank's financial statements included the allowance for doubtful accounts amounting to Baht 6,343 million and Baht 6,052 million, respectively, on a collective approach, for loans classified as normal and special mentioned.

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6.7.6 Troubled debt restructurings

Details of the restructured debts of the Bank for the years ended December 31, 2019 and 2018, classified by the restructuring methods, are as follows :

	THE BANK FOR THE YEAR ENDED DECEMBER 31, 2019				Million Baht
Restructuring Method	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value	
Asset transfer	21	910	Land, building, machinery	910	
Debt restructuring in various forms	<u>6,118</u>	<u>68,274</u>	-	-	
Total	<u><u>6,139</u></u>	<u><u>69,184</u></u>			

The weighted average tenure of the above-mentioned restructuring is 5 years; and the total debt outstanding after debt restructuring at the restructuring contract date is Baht 69,184 million.

THE BANK				Million Baht
FOR THE YEAR ENDED DECEMBER 31, 2018				
Restructuring Method	No. of Cases	Outstanding Debt before Restructuring	Type of Transferred Assets	Fair Value
Asset transfer	10	278	Land, building, equity securities	278
Debt restructuring in various forms	<u>6,213</u>	<u>53,490</u>	-	-
Total	<u>6,223</u>	<u>53,768</u>		

The weighted average tenure of the above-mentioned restructuring is 6 years; and the total debt outstanding after debt restructuring at the restructuring contract date is Baht 53,768 million.

For the years ended December 31, 2019 and 2018, the Bank recognized interest income from restructured debts amounting to Baht 3,036 million and Baht 3,075 million, respectively.

As at December 31, 2019 and 2018, the Bank had outstanding balances of loans to restructured debtors amounting to Baht 102,958 million and Baht 92,337 million, respectively.

Disclosures for the consolidated financial statements for troubled debt restructurings which occurred during the years ended December 31, 2019 and 2018 have not been provided, as such information is not significantly different from the above disclosures for the Bank's financial statements.

6.8 Allowance for doubtful accounts

Allowance for doubtful accounts consisted of the following as at December 31, 2019 and 2018 :

	CONSOLIDATED						Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balances	16,215	591	1,018	10,608	30,188	88,968	147,588
Doubtful accounts	(96)	257	341	(4,349)	9,515	26,324	31,992
Bad debt recovered	-	-	-	-	1,516	-	1,516
Bad debt written off	-	-	-	-	(11,132)	-	(11,132)
Others	-	-	-	-	-	(2,198)	(2,198)
Ending balances	<u>16,119</u>	<u>848</u>	<u>1,359</u>	<u>6,259</u>	<u>30,087</u>	<u>113,094</u>	<u>167,766</u>

	CONSOLIDATED						Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balances	14,983	591	5,275	10,387	36,471	70,004	137,711
Doubtful accounts	1,232	-	(4,257)	221	354	19,567	17,117
Bad debt recovered	-	-	-	-	1,121	-	1,121
Bad debt written off	-	-	-	-	(7,758)	-	(7,758)
Others	-	-	-	-	-	(603)	(603)
Ending balances	<u>16,215</u>	<u>591</u>	<u>1,018</u>	<u>10,608</u>	<u>30,188</u>	<u>88,968</u>	<u>147,588</u>

	THE BANK 2019						Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balances	15,798	587	1,018	10,513	29,865	86,545	144,326
Doubtful accounts	(82)	257	341	(4,817)	9,549	25,691	30,939
Bad debt recovered	-	-	-	-	1,456	-	1,456
Bad debt written off	-	-	-	-	(11,059)	-	(11,059)
Others	-	-	-	-	-	(1,917)	(1,917)
Ending balances	15,716	844	1,359	5,696	29,811	110,319	163,745

	THE BANK 2018						Million Baht
	Normal	Special Mentioned	Substandard	Doubtful	Doubtful of Loss	Allowance for Doubtful Accounts in Excess of the BOT's Requirement	Total
Beginning balances	14,688	585	5,272	10,293	35,648	68,025	134,511
Doubtful accounts	1,110	2	(4,254)	220	376	18,986	16,440
Bad debt recovered	-	-	-	-	1,102	-	1,102
Bad debt written off	-	-	-	-	(7,261)	-	(7,261)
Others	-	-	-	-	-	(466)	(466)
Ending balances	15,798	587	1,018	10,513	29,865	86,545	144,326

As at December 31, 2019 and 2018, the Bank and subsidiaries had the allowance for doubtful accounts in the consolidated financial statements of Baht 167,766 million and Baht 147,588 million, and in the Bank's financial statements of Baht 163,745 million and Baht 144,326 million, respectively.

As at December 31, 2019 and 2018, the Bank and subsidiaries recorded allowances for doubtful accounts in excess of the allowances as per the BOT's requirement in the consolidated financial statements of Baht 113,094 million and Baht 88,968 million, and in the Bank's financial statements of Baht 110,319 million and Baht 86,545 million, respectively (See Note 3.7).

6.9 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Beginning balances	5,415	2,310	5,415	2,310
Increase during the years	2,642	3,614	2,642	3,614
Write off/decrease during the years	(1,547)	(509)	(1,547)	(509)
Ending balances	<u>6,510</u>	<u>5,415</u>	<u>6,510</u>	<u>5,415</u>

6.10 Properties for sale, net

Properties for sale consisted of the following as at December 31, 2019 and 2018 :

Type of Properties for Sale	Beginning Balance	CONSOLIDATED 2019		Ending Balance
		Additions	Disposals	
Assets from debt repayment				
Immovable assets	16,830	1,568	(2,488)	15,910
Movable assets	158	2	(91)	69
Total	16,988	1,570	(2,579)	15,979
Others	53	-	(53)	-
Total properties for sale	17,041	1,570	(2,632)	15,979
<u>Less Allowance for impairment</u>	<u>(6,437)</u>	<u>(909)</u>	<u>730</u>	<u>(6,616)</u>
Total properties for sale, net	<u>10,604</u>	<u>661</u>	<u>(1,902)</u>	<u>9,363</u>

Type of Properties for Sale	CONSOLIDATED 2018			Million Baht
	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	16,859	1,988	(2,017)	16,830
Movable assets	134	24	-	158
Total	16,993	2,012	(2,017)	16,988
Others	65	-	(12)	53
Total properties for sale	17,058	2,012	(2,029)	17,041
<u>Less</u> Allowance for impairment	<u>(5,643)</u>	<u>(1,058)</u>	<u>264</u>	<u>(6,437)</u>
Total properties for sale, net	<u>11,415</u>	<u>954</u>	<u>(1,765)</u>	<u>10,604</u>

As at December 31, 2019, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 15,910 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 11,025 million and appraised by internal appraisers in the amount of Baht 4,885 million.

As at December 31, 2018, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 16,830 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 12,102 million and appraised by internal appraisers in the amount of Baht 4,728 million.

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Type of Properties for Sale	THE BANK 2019			Million Baht
	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	12,873	1,568	(1,610)	12,831
Movable assets	158	2	(91)	69
Total	13,031	1,570	(1,701)	12,900
Others	53	-	(53)	-
Total properties for sale	13,084	1,570	(1,754)	12,900
<u>Less</u> Allowance for impairment	<u>(4,341)</u>	<u>(515)</u>	<u>324</u>	<u>(4,532)</u>
Total properties for sale, net	<u>8,743</u>	<u>1,055</u>	<u>(1,430)</u>	<u>8,368</u>

Type of Properties for Sale	THE BANK 2018			Million Baht
	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	12,416	1,988	(1,531)	12,873
Movable assets	134	24	-	158
Total	12,550	2,012	(1,531)	13,031
Others	65	-	(12)	53
Total properties for sale	12,615	2,012	(1,543)	13,084
<u>Less Allowance for impairment</u>	<u>(4,085)</u>	<u>(429)</u>	<u>173</u>	<u>(4,341)</u>
Total properties for sale, net	<u>8,530</u>	<u>1,583</u>	<u>(1,370)</u>	<u>8,743</u>

As at December 31, 2019, the Bank had immovable assets from debt repayment in the amount of Baht 12,831 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 8,452 million and appraised by internal appraisers in the amount of Baht 4,379 million.

As at December 31, 2018, the Bank had immovable assets from debt repayment in the amount of Baht 12,873 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 8,994 million and appraised by internal appraisers in the amount of Baht 3,879 million.

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Classified properties for sale in accordance with the Notification of the BOT as at December 31, 2019 and 2018 are presented in Note 6.14.

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, dated December 4, 2015. The transactions of the Bank and subsidiaries are as follows :

Type of Sale of Properties for Sale	Income Recognition Method	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,						Million Baht
		2019			2018			
		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	10	-	-	11	1	-	
Sale to public	Per cost recovery	-	2,120	(50)	-	1,074	(23)	

Million Baht

THE BANK							
FOR THE YEARS ENDED DECEMBER 31,							
2019				2018			
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	10	-	-	11	1	-
Sale to public	Per cost recovery	-	1,012	(45)	-	784	(22)

6.11 Premises and equipment, net

Premises and equipment consisted of the following as at December 31, 2019 and 2018 :

Million Baht

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CONSOLIDATED											
2019											
	Cost				Accumulated Depreciation				Ending Balance	Premises and Equipment (Net)	
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Depre- ciation	Disposal/ Transfer			Others
Land											
Cost	7,612	-	(2)	(105)	7,505	-	-	-	-	-	7,505
Appraisal increase (year 2015)	20,823	-	(7)	(155)	20,661	-	-	-	-	-	20,661
Appraisal decrease (year 2015)	(704)	-	-	28	(676)	-	-	-	-	-	(676)
Premises											
Cost	3,519	35	(178)	(119)	3,257	727	421	(178)	(22)	948	2,309
Appraisal increase (year 2015)	12,338	-	-	(64)	12,274	4,228	1,177	-	(10)	5,395	6,879
Appraisal decrease (year 2015)	(217)	-	-	10	(207)	(48)	(14)	-	3	(59)	(148)
Equipment											
	22,503	1,683	(1,436)	(76)	22,674	19,046	1,516	(1,425)	(68)	19,069	3,605
Others											
	646	1,112	(1,136)	(3)	619	-	-	-	-	-	619
Total	<u>66,520</u>	<u>2,830</u>	<u>(2,759)</u>	<u>(484)</u>	<u>66,107</u>	<u>23,953</u>	<u>3,100</u>	<u>(1,603)</u>	<u>(97)</u>	<u>25,353</u>	<u>40,754</u>

Million Baht

	CONSOLIDATED										Premises and Equipment (Net)
	2018					2018					
	Cost				Ending Balance	Accumulated Depreciation				Ending Balance	
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others		Depre- ciation	Disposal/ Transfer	Others			
Land											
Cost	7,640	-	-	(28)	7,612	-	-	-	-	-	7,612
Appraisal increase (year 2015)	20,919	-	-	(96)	20,823	-	-	-	-	-	20,823
Appraisal decrease (year 2015)	(705)	-	-	1	(704)	-	-	-	-	-	(704)
Premises											
Cost	3,553	25	(9)	(50)	3,519	544	196	(9)	(4)	727	2,792
Appraisal increase (year 2015)	12,376	-	-	(38)	12,338	3,054	1,179	-	(5)	4,228	8,110
Appraisal decrease (year 2015)	(216)	-	-	(1)	(217)	(34)	(14)	-	-	(48)	(169)
Equipment	21,852	1,296	(611)	(34)	22,503	18,315	1,366	(605)	(30)	19,046	3,457
Others	294	625	(273)	-	646	-	-	-	-	-	646
Total	<u>65,713</u>	<u>1,946</u>	<u>(893)</u>	<u>(246)</u>	<u>66,520</u>	<u>21,879</u>	<u>2,727</u>	<u>(614)</u>	<u>(39)</u>	<u>23,953</u>	<u>42,567</u>

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 4.2.)

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As at December 31, 2019 and 2018, the Bank and subsidiaries had equipment which are fully depreciated but still in use at the original costs amounting to Baht 15,761 million and Baht 15,903 million, respectively.

Million Baht

	THE BANK										Premises and Equipment (Net)
	2019					2019					
	Cost				Ending Balance	Accumulated Depreciation				Ending Balance	
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others		Depre- ciation	Disposal/ Transfer	Others			
Land											
Cost	7,607	-	(2)	(106)	7,499	-	-	-	-	-	7,499
Appraisal increase (year 2015)	20,766	-	(7)	(151)	20,608	-	-	-	-	-	20,608
Appraisal decrease (year 2015)	(704)	-	-	28	(676)	-	-	-	-	-	(676)
Premises											
Cost	2,404	32	(178)	(44)	2,214	614	347	(178)	(10)	773	1,441
Appraisal increase (year 2015)	12,291	-	-	(61)	12,230	4,211	1,172	-	(9)	5,374	6,856
Appraisal decrease (year 2015)	(217)	-	-	10	(207)	(48)	(14)	-	3	(59)	(148)
Equipment	21,391	1,589	(1,388)	(55)	21,537	18,205	1,417	(1,378)	(47)	18,197	3,340
Others	624	1,071	(1,109)	(1)	585	-	-	-	-	-	585
Total	<u>64,162</u>	<u>2,692</u>	<u>(2,684)</u>	<u>(380)</u>	<u>63,790</u>	<u>22,982</u>	<u>2,922</u>	<u>(1,556)</u>	<u>(63)</u>	<u>24,285</u>	<u>39,505</u>

Million Baht

	THE BANK 2018										Premises and Equipment (Net)
	Cost					Accumulated Depreciation					
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Depre- ciation	Disposal/ Transfer	Others	Ending Balance	
Land											
Cost	7,635	-	-	(28)	7,607	-	-	-	-	-	7,607
Appraisal increase (year 2015)	20,861	-	-	(95)	20,766	-	-	-	-	-	20,766
Appraisal decrease (year 2015)	(705)	-	-	1	(704)	-	-	-	-	-	(704)
Premises											
Cost	2,401	25	(9)	(13)	2,404	458	165	(8)	(1)	614	1,790
Appraisal increase (year 2015)	12,328	-	-	(37)	12,291	3,042	1,174	-	(5)	4,211	8,080
Appraisal decrease (year 2015)	(216)	-	-	(1)	(217)	(34)	(14)	-	-	(48)	(169)
Equipment	20,789	1,206	(588)	(16)	21,391	17,536	1,267	(584)	(14)	18,205	3,186
Others	278	593	(247)	-	624	-	-	-	-	-	624
Total	<u>63,371</u>	<u>1,824</u>	<u>(844)</u>	<u>(189)</u>	<u>64,162</u>	<u>21,002</u>	<u>2,592</u>	<u>(592)</u>	<u>(20)</u>	<u>22,982</u>	<u>41,180</u>

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 4.2.)

As at December 31, 2019 and 2018, the Bank had equipment which is fully depreciated but still in use at the original costs amounting to Baht 15,115 million, and Baht 15,304 million, respectively.

6.12 Other intangible assets, net

Other intangible assets consisted of the following as at December 31, 2019 and 2018 :

	CONSOLIDATED 2019										Other Intangible Assets (Net)
	Cost					Accumulated Amortization					
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Amorti- zation	Disposal/ Transfer	Others	Ending Balance	
Software	2,728	8,918	(50)	(7,744)	3,852	2,229	688	(36)	(13)	2,868	984
Others	581	203	(7)	(1)	776	-	-	-	-	-	776
Total	<u>3,309</u>	<u>9,121</u>	<u>(57)</u>	<u>(7,745)</u>	<u>4,628</u>	<u>2,229</u>	<u>688</u>	<u>(36)</u>	<u>(13)</u>	<u>2,868</u>	<u>1,760</u>

Million Baht

	CONSOLIDATED										
	2018										
	Beginning Balance	Additions/Transfer	Cost			Ending Balance	Beginning Balance	Accumulated Amortization			Ending Balance
Disposal/Transfer			Others	Others	Amortization			Disposal/Transfer	Others		
Software	2,644	176	(83)	(9)	2,728	1,959	323	(44)	(9)	2,229	499
Others	347	277	(43)	-	581	-	-	-	-	-	581
Total	2,991	453	(126)	(9)	3,309	1,959	323	(44)	(9)	2,229	1,080

Million Baht

	THE BANK										
	2019										
	Beginning Balance	Additions/Transfer	Cost			Ending Balance	Beginning Balance	Accumulated Amortization			Ending Balance
Disposal/Transfer			Others	Others	Amortization			Disposal/Transfer	Others		
Software	2,407	8,881	(35)	(7,733)	3,520	1,997	664	(35)	(3)	2,623	897
Others	581	203	(7)	(1)	776	-	-	-	-	-	776
Total	2,988	9,084	(42)	(7,734)	4,296	1,997	664	(35)	(3)	2,623	1,673

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Million Baht

	THE BANK										
	2018										
	Beginning Balance	Additions/Transfer	Cost			Ending Balance	Beginning Balance	Accumulated Amortization			Ending Balance
Disposal/Transfer			Others	Others	Amortization			Disposal/Transfer	Others		
Software	2,340	109	(40)	(2)	2,407	1,734	304	(40)	(1)	1,997	410
Others	346	277	(42)	-	581	-	-	-	-	-	581
Total	2,686	386	(82)	(2)	2,988	1,734	304	(40)	(1)	1,997	991

6.13 Deferred tax assets and liabilities

Deferred tax assets and liabilities as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Deferred tax assets	4,542	4,091	3,361	2,948
Deferred tax liabilities	2,364	1,399	2,159	1,187
Deferred tax assets, net	2,178	2,692	1,202	1,761

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

	CONSOLIDATED 2019				Million Baht
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	3,458	63	245	-	3,766
Loans to customers and accrued interest receivables	9,298	(1,172)	-	(216)	7,910
Properties for sale	1,288	36	-	-	1,324
Premises and equipment	241	(8)	-	34	267
Provisions	3,363	84	338	(3)	3,782
Others	3,639	3,817	-	(4)	7,452
Total	<u>21,287</u>	<u>2,820</u>	<u>583</u>	<u>(189)</u>	<u>24,501</u>
Deferred tax liabilities					
Investments	8,590	13	(243)	-	8,360
Loans to customers and accrued interest receivables	132	38	-	-	170
Premises and equipment	5,886	(235)	-	-	5,651
Others	3,987	4,155	-	-	8,142
Total	<u>18,595</u>	<u>3,971</u>	<u>(243)</u>	<u>-</u>	<u>22,323</u>
Net	<u>2,692</u>	<u>(1,151)</u>	<u>826</u>	<u>(189)</u>	<u>2,178</u>

	CONSOLIDATED				Million Baht
	Beginning Balance	Recognized in Profit and Loss	2018 Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,716	386	356	-	3,458
Loans to customers and accrued interest receivables	7,955	1,498	-	(155)	9,298
Properties for sale	1,129	159	-	-	1,288
Premises and equipment	222	(6)	-	25	241
Provisions	2,761	681	(75)	(4)	3,363
Others	3,642	1	-	(4)	3,639
Total	18,425	2,719	281	(138)	21,287
Deferred tax liabilities					
Investments	10,631	2	(2,043)	-	8,590
Loans to customers and accrued interest receivables	-	132	-	-	132
Properties for sale	2	(2)	-	-	-
Premises and equipment	6,116	(229)	-	(1)	5,886
Others	3,742	245	-	-	3,987
Total	20,491	148	(2,043)	(1)	18,595
Net	(2,066)	2,571	2,324	(137)	2,692

	THE BANK				Million Baht
	Beginning Balance	Recognized in Profit and Loss	2019 Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	3,451	67	247	-	3,765
Loans to customers and accrued interest receivables	8,569	(1,258)	-	(152)	7,159
Properties for sale	868	38	-	-	906
Premises and equipment	241	(8)	-	34	267
Provisions	3,321	70	340	(3)	3,728
Others	3,612	3,781	-	(3)	7,390
Total	<u>20,062</u>	<u>2,690</u>	<u>587</u>	<u>(124)</u>	<u>23,215</u>
Deferred tax liabilities					
Investments	8,333	-	(249)	-	8,084
Loans to customers and accrued interest receivables	132	39	-	-	171
Premises and equipment	5,865	(244)	-	-	5,621
Others	3,971	4,166	-	-	8,137
Total	<u>18,301</u>	<u>3,961</u>	<u>(249)</u>	<u>-</u>	<u>22,013</u>
Net	<u>1,761</u>	<u>(1,271)</u>	<u>836</u>	<u>(124)</u>	<u>1,202</u>

	THE BANK 2018				Million Baht
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	2,701	386	364	-	3,451
Loans to customers and accrued interest receivables	7,334	1,352	-	(117)	8,569
Properties for sale	817	51	-	-	868
Premises and equipment	222	(6)	-	25	241
Provisions	2,725	676	(76)	(4)	3,321
Others	3,557	56	-	(1)	3,612
Total	<u>17,356</u>	<u>2,515</u>	<u>288</u>	<u>(97)</u>	<u>20,062</u>
Deferred tax liabilities					
Investments	10,363	(1)	(2,029)	-	8,333
Loans to customers and accrued interest receivables	-	132	-	-	132
Properties for sale	2	(2)	-	-	-
Premises and equipment	6,093	(228)	-	-	5,865
Others	3,739	232	-	-	3,971
Total	<u>20,197</u>	<u>133</u>	<u>(2,029)</u>	<u>-</u>	<u>18,301</u>
Net	<u>(2,841)</u>	<u>2,382</u>	<u>2,317</u>	<u>(97)</u>	<u>1,761</u>

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6.14 Classified assets in accordance with the Notification of the BOT

As at December 31, 2019 and 2018, classified assets in accordance with the Notification of the BOT are as follows :

	CONSOLIDATED 2019				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,918,520	-	-	-	1,918,520
Special mentioned	67,596	-	-	-	67,596
Substandard	9,783	-	-	-	9,783
Doubtful	14,522	-	-	-	14,522
Doubtful of loss	54,901	14,481	1,963	1,227	72,572
Total	<u>2,065,322</u>	<u>14,481</u>	<u>1,963</u>	<u>1,227</u>	<u>2,082,993</u>

	CONSOLIDATED 2018				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,962,102	-	-	-	1,962,102
Special mentioned	46,501	-	-	-	46,501
Substandard	5,460	-	-	-	5,460
Doubtful	20,884	-	-	-	20,884
Doubtful of loss	53,837	13,811	1,885	1,277	70,810
Total	2,088,784	13,811	1,885	1,277	2,105,757

	THE BANK 2019				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,861,672	-	-	-	1,861,672
Special mentioned	67,155	-	-	-	67,155
Substandard	9,783	-	-	-	9,783
Doubtful	13,960	-	-	-	13,960
Doubtful of loss	54,407	14,512	378	1,225	70,522
Total	2,006,977	14,512	378	1,225	2,023,092

	THE BANK 2018				Million Baht
	Loans to Customers and Accrued Interest Receivables	Investments	Properties for Sale	Other Assets	Total
Normal	1,905,518	-	-	-	1,905,518
Special mentioned	46,295	-	-	-	46,295
Substandard	5,453	-	-	-	5,453
Doubtful	20,762	-	-	-	20,762
Doubtful of loss	53,108	13,733	389	1,275	68,505
Total	2,031,136	13,733	389	1,275	2,046,533

6.15 Deposits

6.15.1 Classified by product type as at December 31, 2019 and 2018 :

	CONSOLIDATED		THE BANK		Million Baht
	2019	2018	2019	2018	
	Demand	113,067	101,557	110,767	100,188
Savings	1,145,106	1,117,522	1,135,203	1,105,667	
Fixed	1,109,151	1,104,812	1,067,329	1,054,837	
Negotiable certificates of deposit	3,468	2,579	2,736	1,798	
Total	2,370,792	2,326,470	2,316,035	2,262,490	

6.15.2 Classified by currency and customer's residence as at December 31, 2019 and 2018 :

	CONSOLIDATED						Million Baht
	2019			2018			
	Domestic	Foreign	Total	Domestic	Foreign	Total	
BAHT	1,990,674	125,212	2,115,886	1,952,933	124,747	2,077,680	
USD	36,793	53,203	89,996	34,827	57,452	92,279	
Others	21,716	143,194	164,910	21,839	134,672	156,511	
Total	2,049,183	321,609	2,370,792	2,009,599	316,871	2,326,470	

	THE BANK						Million Baht
	2019			2018			
	Domestic	Foreign	Total	Domestic	Foreign	Total	
BAHT	1,991,263	125,201	2,116,464	1,953,231	124,733	2,077,964	
USD	36,768	52,068	88,836	34,796	57,069	91,865	
Others	14,811	95,924	110,735	13,587	79,074	92,661	
Total	2,042,842	273,193	2,316,035	2,001,614	260,876	2,262,490	

6.16 Interbank and money market items (liabilities)

Interbank and money market items (liabilities) consisted of the following as at December 31, 2019 and 2018 :

	CONSOLIDATED						Million Baht
	Demand	2019 Time	Total	Demand	2018 Time	Total	
Domestic items							
Bank of Thailand and Financial Institutions							
Development Fund	100	-	100	657	-	657	
Commercial banks	1,100	41,360	42,460	1,091	25,950	27,041	
Special purpose financial institutions	118	18,934	19,052	105	21,200	21,305	
Other financial institutions	<u>9,291</u>	<u>851</u>	<u>10,142</u>	<u>12,377</u>	<u>659</u>	<u>13,036</u>	
Total domestic items	<u>10,609</u>	<u>61,145</u>	<u>71,754</u>	<u>14,230</u>	<u>47,809</u>	<u>62,039</u>	
Foreign items							
USD	1,958	25,866	27,824	2,257	30,884	33,141	
JPY	2	13,355	13,357	2	7,005	7,007	
EUR	900	279	1,179	204	3,141	3,345	
Others	<u>5,752</u>	<u>14,480</u>	<u>20,232</u>	<u>7,535</u>	<u>23,795</u>	<u>31,330</u>	
Total foreign items	<u>8,612</u>	<u>53,980</u>	<u>62,592</u>	<u>9,998</u>	<u>64,825</u>	<u>74,823</u>	
Total domestic and foreign items	<u><u>19,221</u></u>	<u><u>115,125</u></u>	<u><u>134,346</u></u>	<u><u>24,228</u></u>	<u><u>112,634</u></u>	<u><u>136,862</u></u>	

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	THE BANK						Million Baht
	Demand	2019 Time	Total	Demand	2018 Time	Total	
Domestic items							
Bank of Thailand and Financial Institutions							
Development Fund	100	-	100	657	-	657	
Commercial banks	1,099	41,360	42,459	1,091	25,950	27,041	
Special purpose financial institutions	118	18,934	19,052	105	21,200	21,305	
Other financial institutions	<u>9,598</u>	<u>851</u>	<u>10,449</u>	<u>12,707</u>	<u>689</u>	<u>13,396</u>	
Total domestic items	<u>10,915</u>	<u>61,145</u>	<u>72,060</u>	<u>14,560</u>	<u>47,839</u>	<u>62,399</u>	
Foreign items							
USD	1,996	24,815	26,811	2,294	29,723	32,017	
JPY	34	13,355	13,389	31	7,005	7,036	
EUR	929	279	1,208	270	3,141	3,411	
Others	<u>5,822</u>	<u>9,987</u>	<u>15,809</u>	<u>7,588</u>	<u>15,943</u>	<u>23,531</u>	
Total foreign items	<u>8,781</u>	<u>48,436</u>	<u>57,217</u>	<u>10,183</u>	<u>55,812</u>	<u>65,995</u>	
Total domestic and foreign items	<u><u>19,696</u></u>	<u><u>109,581</u></u>	<u><u>129,277</u></u>	<u><u>24,743</u></u>	<u><u>103,651</u></u>	<u><u>128,394</u></u>	

6.17 Debt issued and borrowings

6.17.1 Classified by type of instruments and source of fund as at December 31, 2019 and 2018 :

	Million Baht					
	CONSOLIDATED					
	2019		Total	2018		Total
Domestic	Foreign	Domestic		Foreign		
Senior unsecured notes	-	99,530	99,530	-	107,027	107,027
Subordinated notes	-	49,757	49,757	-	14,587	14,587
Bills of exchange	8	-	8	23	-	23
Others	838	-	838	456	-	456
<u>Less</u> Discount on borrowings	-	(5,452)	(5,452)	-	(5,745)	(5,745)
Total	846	143,835	144,681	479	115,869	116,348

	Million Baht					
	THE BANK					
	2019		Total	2018		Total
Domestic	Foreign	Domestic		Foreign		
Senior unsecured notes	-	99,530	99,530	-	107,027	107,027
Subordinated notes	-	49,757	49,757	-	14,587	14,587
Bills of exchange	8	-	8	23	-	23
Others	473	-	473	329	-	329
<u>Less</u> Discount on borrowings	-	(5,452)	(5,452)	-	(5,745)	(5,745)
Total	481	143,835	144,316	352	115,869	116,221

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6.17.2 Classified by type of instruments, currency, maturity and interest rate as at December 31, 2019 and 2018 :

Type	Currency	Maturity	Interest Rate	Million Baht	
				CONSOLIDATED	
				2019	2018
Senior unsecured notes	USD	2020 - 2028	3.875% - 5.00%	99,530	107,027
Subordinated notes	USD	2029 - 2034	3.733% - 9.025%	49,757	14,587
Bills of exchange	THB	2020	0.00% - 1.00%	8	23
Others	THB	2020 - 2024	0.00% - 1.40%	838	456
<u>Less</u> Discount on borrowings				(5,452)	(5,745)
Total				144,681	116,348

Type	Currency	Maturity	Interest Rate	THE BANK	
				Amount	
				2019	2018
Senior unsecured notes	USD	2020 - 2028	3.875% - 5.00%	99,530	107,027
Subordinated notes	USD	2029 - 2034	3.733% - 9.025%	49,757	14,587
Bills of exchange	THB	2020	0.00% - 1.00%	8	23
Others	THB	2021 - 2024	0.00%	473	329
<u>Less Discount on borrowings</u>				<u>(5,452)</u>	<u>(5,745)</u>
Total				<u>144,316</u>	<u>116,221</u>

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 December 7, 2012, the Bank issued and offered Baht 20,000 million of subordinated notes with a maturity of 10 years, to be due in 2022 with the issuer's early redemption right, at a coupon rate of 4.375% p.a. for sale to general investors, high net worth investors and institutional investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007. On December 7, 2017, the Bank redeemed all subordinated notes of Baht 20,000 million of with a maturity of 10 years, at a coupon rate of 4.375% p.a. before their maturity, which has been approved by the BOT.

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.

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 6.23).

On November 17, 2006, the Bank obtained approval from the Office of the Securities and Exchange Commission (SEC) to issue and offer for sale short-term bonds in an amount not exceeding Baht 30,000 million with no limit on the number of issues. The Bank issued 5 series of short-term bonds totaling Baht 7,863 million which were gradually redeemed up to the full amount as at September 2007.

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.

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, 2019, the Bank had not yet issued bonds according to the aforementioned resolution.

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6.21 Provisions

As at December 31, 2019 and 2018 provisions are as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Beginning balances	16,519	13,504	16,311	13,323
Increase during the years	3,958	4,834	3,880	4,806
Written off/reversal during the years	<u>(1,775)</u>	<u>(1,819)</u>	<u>(1,763)</u>	<u>(1,818)</u>
Ending balances	<u>18,702</u>	<u>16,519</u>	<u>18,428</u>	<u>16,311</u>

Million Baht

6.22 Post-employment benefits

6.22.1 Defined contribution plans

For the years ended December 31, 2019 and 2018, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements, amounting to Baht 1,247 million and Baht 1,240 million, and in the Bank's financial statements amounting to Baht 1,127 million and Baht 1,113 million, respectively.

6.22.2 Defined benefit plans

As at December 31, 2019 and 2018, the Bank and its local subsidiaries have unfunded defined benefit plans but some overseas branches 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 :

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	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
The present value of the funded defined benefit plans	788	811	788	811
The fair value of plan assets	<u>(611)</u>	<u>(571)</u>	<u>(611)</u>	<u>(571)</u>
	177	240	177	240
The present value of the unfunded defined benefit plans	<u>13,087</u>	<u>10,698</u>	<u>12,814</u>	<u>10,491</u>
Liabilities, net	<u><u>13,264</u></u>	<u><u>10,938</u></u>	<u><u>12,991</u></u>	<u><u>10,731</u></u>

The following table presents the reconciliations of the present value of defined benefit obligations, both funded and unfunded, under the post-employment benefits as at December 31, 2019 and 2018 :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Beginning balances	11,509	8,916	11,302	8,735
Current service costs	742	3,114	669	3,093
Interest costs	348	271	343	267
Benefit paid during the years	(381)	(339)	(378)	(338)
Actuarial losses (gains) on obligations				
from changes in financial assumptions	1,960	51	1,982	50
from changes in demographic assumptions	9	(297)	-	(308)
from experience	(270)	(157)	(274)	(147)
Unrealized gains on exchanges	<u>(42)</u>	<u>(50)</u>	<u>(42)</u>	<u>(50)</u>
Ending balances	<u><u>13,875</u></u>	<u><u>11,509</u></u>	<u><u>13,602</u></u>	<u><u>11,302</u></u>

On April 5, 2019, the new Labor Protection Act was published in the Royal Gazette after the National Legislative Assembly passed it on December 13, 2018. This new Labor Protection Act amend the amount of severance pay for an employee who has worked at least 20 years in accordance with the Bank's working rules and regulations to be increased to 400 days at the employee's last wage rate. The Bank determined that such revision to Labor Act was the post-employee benefit plan amendment which become effective to the post employment benefit obligation as at December 31, 2018. The Bank therefore already recognized the increase of such severance pay as the expense for the year 2018 amounting to Baht 2,523 million.

The following table presents the reconciliations of the fair value of plan assets related to the funded defined benefit plans as at December 31, 2019 and 2018 :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Beginning balances	571	552	571	552
Interest income	21	20	21	20
Contributions	39	62	39	62
Benefit paid during the years	(2)	(23)	(2)	(23)
Actuarial gains (losses) on plan assets	4	(4)	4	(4)
Unrealized losses on exchanges	(22)	(36)	(22)	(36)
Ending balances	611	571	611	571

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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, 2019 and 2018 are as follows :

	CONSOLIDATED		Percentage	
	Significant actuarial assumptions 2019	Significant actuarial assumptions 2018	Increase in defined benefit obligations 2019	Increase in defined benefit obligations 2018
Discount rate	0.70 - 8.10	0.70 - 8.10	14.12	12.84
Average future salary increases	2.00 - 15.00	2.00 - 15.00	12.69	11.47

	THE BANK		Percentage	
	Significant actuarial assumptions 2019	Significant actuarial assumptions 2018	Increase in defined benefit obligations 2019	Increase in defined benefit obligations 2018
Discount rate	0.70 - 8.10	0.70 - 8.10	14.19	12.88
Average future salary increases	2.00 - 15.00	2.00 - 15.00	12.70	11.47

6.23 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, 2019 and 2018, 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	
	2019	2018
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	<u>4,000,000,000</u>	<u>4,000,000,000</u>

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As at December 31, 2019 and 2018, 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.

6.24 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, 2019, 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.

6.25 Legal reserve and other reserves

6.25.1 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.

6.25.2 The Bank appropriated annual profit as other reserves, which are treated as general reserve with no specific purpose.

6.26 The appropriation of the profit and the dividend payments

On April 12, 2018, the 25th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2017 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 2017 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, 2017), and the amount to be appropriated for the period of July - December 2017 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 6.50 per common share, totaling Baht 12,060 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,710 million on September 22, 2017, and the remaining amount will be paid on May 11, 2018 at the rate of Baht 4.50 per share amounting to Baht 8,350 million.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 8,350 million on May 11, 2018.

On August 30, 2018, the meeting of the Board of Directors of the Bank No. 8/2018 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 2018 amounting to Baht 500 million and Baht 5,000 million, respectively.
- The payment of interim dividend at the rate of Baht 2.00 per common share amounting to Baht 3,716 million on September 28, 2018.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 3,716 million on September 28, 2018.

On April 12, 2019, the 26th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2018 as follows :

- The appropriation as legal reserve and as other reserves amounting to Baht 1,000 million and Baht 5,000 million, respectively, with the amount to be appropriated for the period of January - June 2018 amounting to Baht 500 million as legal reserve and Baht 5,000 million as other reserves (all of which had already been appropriated as stated in the financial statements for the year ended December 31, 2018), and the amount to be appropriated for the period of July - December 2018 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 6.50 per common share, totaling Baht 12,086 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,716 million on September 28, 2018, and the remaining amount will be paid on May 10, 2019 at the rate of Baht 4.50 per share amounting to Baht 8,370 million.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 8,370 million on May 10, 2019.

On August 22, 2019, the meeting of the Board of Directors of the Bank No. 8/2019 approved the resolutions regarding the appropriation of the profit and the payment of interim dividend as follows :

- The appropriation as legal reserve and as other reserves for the period of January - June 2019 amounting to Baht 500 million and Baht 5,000 million, respectively.
- The payment of interim dividend at the rate of Baht 2.00 per common share amounting to Baht 3,722 million on September 20, 2019.

The Bank already paid dividend according to the above-mentioned resolution amounting to Baht 3,722 million on September 20, 2019.

6.27 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 allowances for impairment, as at December 31, 2019 and 2018 amounted to Baht 26,597 million and Baht 16,207 million, respectively.

6.28 Contingent liabilities

As at December 31, 2019 and 2018, the Bank and subsidiaries had contingent liabilities as follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
				Million Baht
Avals to bills	7,598	5,800	7,598	5,800
Guarantees of loans	27,513	32,236	18,907	20,525
Liability under unmatured import bills	17,745	19,041	15,045	15,329
Letters of credit	22,116	35,822	21,189	34,486
Other commitments				
Amount of unused bank overdraft	165,562	170,329	164,845	169,326
Other guarantees	247,490	270,320	245,045	267,795
Others	137,867	120,182	140,385	123,426
Total	<u>625,891</u>	<u>653,730</u>	<u>613,014</u>	<u>636,687</u>

6.29 Litigation

As at December 31, 2019 and 2018, a number of civil proceedings have been brought against the Bank and subsidiaries in the ordinary course of business. The Bank and subsidiaries believe that such proceedings, when resolved, will not materially affect the Bank and subsidiaries's financial position and result of operations.

6.30 Related party transactions

As at December 31, 2019 and 2018, 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 follows :

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Million Baht				
Placement				
Subsidiaries				
Bangkok Bank Berhad	-	-	2,116	2,767
Bangkok Bank (China) Co., Ltd.	-	-	1	2,078
Total	<u>-</u>	<u>-</u>	<u>2,117</u>	<u>4,845</u>
Loans				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	2,710
Associate				
BSL Leasing Co., Ltd.	120	80	120	80
Other related parties	54	72	19	38
Total	<u>174</u>	<u>152</u>	<u>139</u>	<u>2,828</u>
Allowance for doubtful accounts				
Subsidiary				
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	33
Associate				
BSL Leasing Co., Ltd.	2	1	2	1
Total	<u>2</u>	<u>1</u>	<u>2</u>	<u>34</u>
Other assets				
Subsidiaries				
Bangkok Bank Berhad	-	-	3	3
Sinnsuptawee Asset Management Co., Ltd.	-	-	-	2
BBL Asset Management Co., Ltd.	-	-	382	378
Bualuang Securities PCL.	-	-	1	1
Bangkok Bank (China) Co., Ltd.	-	-	-	1
Associates				
Processing Center Co., Ltd.	17	38	17	38
Thai Payment Network Co., Ltd.	7	13	7	13
Other related parties	6	6	-	-
Total	<u>30</u>	<u>57</u>	<u>410</u>	<u>436</u>

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Million Baht				
Deposits				
Subsidiaries				
BBL (Cayman) Limited	-	-	726	765
Bangkok Bank Berhad	-	-	76	56
Sinnsuptawee Asset Management Co., Ltd.	-	-	14	11
BBL Asset Management Co., Ltd.	-	-	77	113
Bualuang Securities PCL.	-	-	113	113
Bangkok Bank (China) Co., Ltd.	-	-	93	130
Bualuang Venture Co., Ltd.	-	-	575	288
Bangkok Capital Asset Management Co., Ltd.*	-	-	116	134
Associates				
BSL Leasing Co., Ltd.	41	30	41	30
Processing Center Co., Ltd.	204	99	204	99
National ITMX Co., Ltd.	88	80	88	80
Thai Payment Network Co., Ltd.	66	145	66	145
BCI (Thailand) Co., Ltd.	53	-	53	-
Other related parties	8,572	7,730	8,572	7,730
Total	9,024	8,084	10,814	9,694
Borrowings				
Subsidiary				
Bangkok Bank (China) Co., Ltd.	-	-	-	519
Total	-	-	-	519
Other liabilities				
Subsidiaries				
BBL (Cayman) Limited	-	-	4	1
Sinnsuptawee Asset Management Co., Ltd.	-	-	328	372
Bualuang Securities PCL.	-	-	1	1
Associates				
Processing Center Co., Ltd.	1	1	1	1
National ITMX Co., Ltd.	11	10	11	10
Other related parties	31	73	23	12
Total	43	84	368	397

* Holding by Bualuang Securities PCL.

	CONSOLIDATED		THE BANK	
	2019	2018	2019	2018
Commitments				
Subsidiaries				
Bangkok Bank Berhad	-	-	32	72
Bangkok Bank (China) Co., Ltd.	-	-	2,064	-
Associate				
BSL Leasing Co., Ltd.	-	19	-	19
Other related parties	<u>4</u>	<u>3</u>	<u>4</u>	<u>3</u>
Total	<u><u>4</u></u>	<u><u>22</u></u>	<u><u>2,100</u></u>	<u><u>94</u></u>

For the year ended December 31, 2019, the Bank and subsidiaries charged interest at rates between 1.75% and 13.00% on loans to these related parties depending on the types of loans and collateral.

For the year ended December 31, 2018, the Bank and subsidiaries charged interest at rates between 1.62% and 13.00% on loans to these related parties depending on the types of loans and collateral and charged interest at rate of 1.62% on loans to Sinnsuptawee Asset Management Co., Ltd.

The Bank follows the BOT guidelines in estimating the minimum allowance for doubtful accounts on loans to related parties similar to loans to normal debtors.

In the consolidated and the Bank's financial statements, investments in subsidiaries and associates as at December 31, 2019 and 2018 are shown in Note 6.6. On December 19, 2019, the Bank sold its investments in equity securities, which is registered in the Stock Exchange of Thailand, to the specific investors and/or the Thai and foreign institutional investors, in accordance with the book building under the overnight placement transaction. In this regard, Bualuang Securities PCL. purchased the securities with the same price for other investors, by amounting to Baht 2,480 million. As of December 31, 2019, the subsidiary has classified such investments as the trading securities.

Significant accounting transactions between the Bank and subsidiaries, associates and other related parties were transacted under normal business practices. The prices, interest rates, commission charges, terms and conditions are determined on an arm's length basis.

The Bank and subsidiaries had significant income and expenses with related parties as follows :

	CONSOLIDATED		THE BANK	
	FOR THE YEARS		FOR THE YEARS	
	ENDED DECEMBER 31,		ENDED DECEMBER 31,	
	2019	2018	2019	2018
Million Baht				
Interest and discount received				
Subsidiaries				
Bangkok Bank Berhad	-	-	92	47
Sinnsuptawee Asset Management Co., Ltd.	-	-	21	43
Bualuang Securities PCL.	-	-	-	2
Bangkok Bank (China) Co., Ltd.	-	-	3	19
Associate				
BSL Leasing Co., Ltd.	3	4	3	4
Other related parties	2	1	2	1
Total	5	5	121	116
Fees and service income				
Subsidiaries				
Bangkok Bank Berhad	-	-	2	1
BBL Asset Management Co., Ltd.	-	-	2,206	2,242
Bualuang Securities PCL.	-	-	34	24
Associate				
Processing Center Co., Ltd.	8	10	8	10
Other related parties	59	73	1	1
Total	67	83	2,251	2,278
Dividend income				
Subsidiaries				
Sinnsuptawee Asset Management Co., Ltd.	-	-	1,000	7,000
BBL Asset Management Co., Ltd.	-	-	1,140	975
Bualuang Securities PCL.	-	-	809	540
Associates				
BSL Leasing Co., Ltd.	18	18	18	18
Processing Center Co., Ltd.	60	109	60	109
National ITMX Co., Ltd.	11	3	11	3
Total	89	130	3,038	8,645
Other income				
Subsidiaries				
Bualuang Securities PCL.	-	-	80	17
Bangkok Bank (China) Co., Ltd.	-	-	113	123
Associates				
National ITMX Co., Ltd.	6	5	6	5
Thai Payment Network Co., Ltd.	10	10	10	10
Total	16	15	209	155

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2019	2018	2019	2018
Interest paid				
Subsidiaries				
BBL (Cayman) Limited	-	-	17	14
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	2
BBL Asset Management Co., Ltd.	-	-	2	2
Bualuang Securities PCL.	-	-	4	3
Bangkok Bank (China) Co., Ltd.	-	-	8	12
Bualuang Venture Co., Ltd.	-	-	3	3
Bangkok Capital Asset Management Co., Ltd.*	-	-	1	1
Associates				
Processing Center Co., Ltd.	1	1	1	1
Thai Payment Network Co., Ltd.	1	-	1	-
Other related parties	68	75	68	75
Total	<u>70</u>	<u>76</u>	<u>106</u>	<u>113</u>
Commission paid				
Subsidiary				
Bualuang Securities PCL.	-	-	-	19
Other related parties	64	64	-	-
Total	<u>64</u>	<u>64</u>	<u>-</u>	<u>19</u>
Other expenses				
Subsidiaries				
Bangkok Bank Berhad	-	-	-	3
Sinnsuptawee Asset Management Co., Ltd.	-	-	1	1
Bualuang Securities PCL.	-	-	4	-
Bangkok Bank (China) Co., Ltd.	-	-	2	4
Associates				
Processing Center Co., Ltd.	5	57	5	57
National ITMX Co., Ltd.	126	91	126	91
Thai Payment Network Co., Ltd.	1	-	1	-
BCI (Thailand) Co., Ltd.	5	-	5	-
Other related parties	127	115	114	103
Total	<u>264</u>	<u>263</u>	<u>258</u>	<u>259</u>

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Compensation of key management personnel for the years ended December 31, 2019 and 2018 consisted of the following :

	Million Baht			
	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2019	2018	2019	2018
Short-term employee benefits	1,923	1,759	1,405	1,262
Post-employment benefits	88	76	76	68
Total	<u>2,011</u>	<u>1,835</u>	<u>1,481</u>	<u>1,330</u>

* Holding by Bualuang Securities PCL.

6.31 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.

6.32 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, 2019

	Million Baht	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit from operating before income tax expenses	1,297	3,369
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities		
Net gains on disposal of securities	(564)	(3,628)
Loss on impairment of properties for sale	395	628
Provision expenses	-	1
Net interest expenses	20	41
Dividend income	(41)	(87)
Interest received	1	1
Proceeds from dividend income	41	87
Interest expenses paid	(21)	(43)
Income tax paid	(556)	(398)
Profit (loss) from operating before changes in operating assets and liabilities	572	(29)
Operating assets decrease		
Properties for sale	472	396
Other assets	1	-
Operating liabilities increase (decrease)		
Deposits	(100)	(121)
Other liabilities	-	1
Net cash from operating activities	<u>945</u>	<u>247</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale securities	(1,431)	(5,450)
Proceeds from disposal of available-for-sale securities	4,201	12,206
Net cash from investing activities	<u>2,770</u>	<u>6,756</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid	(1,000)	(7,000)
Cash paid for loan from the parent company	(2,710)	-
Net cash from financing activities	<u>(3,710)</u>	<u>(7,000)</u>
Net increase in cash and cash equivalents	5	3
Cash and cash equivalents as at January 1,	9	6
Cash and cash equivalents as at December 31,	<u>14</u>	<u>9</u>

6.33 Long-term leases

Long-term leases as at December 31, 2019 and 2018 consisted of the following :

Type of lease	Period	REMAINING RENTAL EXPENSES			
		CONSOLIDATED		THE BANK	
		2019	2018	2019	2018
Land and/or premises	1 Year	47	63	47	63
Land and/or premises	Over 1 Year to 5 Years	134	156	134	156
Land and/or premises	Over 5 Years	150	178	150	178
Total		<u>331</u>	<u>397</u>	<u>331</u>	<u>397</u>

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 statement.

The Bank is organized into segments based on products and services as follows :

Domestic banking

Domestic banking provides financial services in domestic. The main products and services are loans, deposits, trade finance, remittances and payments, electronic services, credit cards, debit cards and related other financial services.

International banking

International banking provides financial services through overseas branches and subsidiaries. The main products and services are loans, deposits, foreign exchange services, international fund transfers and payments, and export and import services.

Investment banking

Investment banking provides project services, corporate finance services, financial advisory services, securities business services, business strategic management by trading financial instruments including liquidity management of the Bank.

Others

Segments other than banking and investment banking business provide fund management services, securities services, assets management services and others, including operating expenses not allocated to operating segments.

The operating results of operating segments for the years ended December 31, 2019 and 2018 are as follows :

	CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2019					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	75,620	14,332	29,740	14,055	(1)	133,746
Total operating expenses before credit losses	<u>(30,791)</u>	<u>(4,387)</u>	<u>(789)</u>	<u>(18,997)</u>	<u>1</u>	<u>(54,963)</u>
Profit from operating before credit losses and income tax expenses	<u>44,829</u>	<u>9,945</u>	<u>28,951</u>	<u>(4,942)</u>	<u>-</u>	<u>78,783</u>

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	CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2018					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	77,255	13,749	15,880	14,518	(1)	121,401
Total operating expenses before credit losses	<u>(30,843)</u>	<u>(4,320)</u>	<u>(762)</u>	<u>(19,241)</u>	<u>1</u>	<u>(55,165)</u>
Profit from operating before credit losses and income tax expenses	<u>46,412</u>	<u>9,429</u>	<u>15,118</u>	<u>(4,723)</u>	<u>-</u>	<u>66,236</u>

The financial position of operating segments as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total assets						
As at December 31, 2019	1,622,097	788,248	1,206,275	148,726	(548,603)	3,216,743
As at December 31, 2018	1,659,254	825,697	1,107,633	149,941	(625,775)	3,116,750

6.34.2 Geographical segments

The operating results classified by geographical areas for the years ended December 31, 2019 and 2018 are as follows :

	CONSOLIDATED						Million Baht
	FOR THE YEARS ENDED DECEMBER 31,						
	2019			2018			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Total operating income	115,822	17,924	133,746	104,303	17,098	121,401	
Total operating expenses [*]	(78,242)	(9,072)	(87,314)	(67,792)	(9,338)	(77,130)	
Profit from operating							
before income tax expenses	37,580	8,852	46,432	36,511	7,760	44,271	

The financial position classified by geographical areas as at December 31, 2019 and 2018 are as follows :

	CONSOLIDATED						Million Baht
	2019			2018			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Non-current assets ^{**}	36,036	6,478	42,514	36,668	6,979	43,647	
Total assets	2,679,118	537,625	3,216,743	2,565,708	551,042	3,116,750	

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6.35 Interest income

Interest income for the years ended December 31, 2019 and 2018 are as follows :

	CONSOLIDATED				THE BANK		Million Baht
	FOR THE YEARS				FOR THE YEARS		
	ENDED DECEMBER 31,				ENDED DECEMBER 31,		
	2019		2018		2019	2018	
Interbank and money market items	8,995	8,397	8,106	6,826			
Investments and trading transactions	221	245	221	243			
Investment in debt securities	10,088	8,954	9,404	8,494			
Loans	93,155	93,131	90,293	90,411			
Others	106	54	106	59			
Total interest income	<u>112,565</u>	<u>110,781</u>	<u>108,130</u>	<u>106,033</u>			

* Including credit losses.

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

6.36 Interest expenses

Interest expenses for the years ended December 31, 2019 and 2018 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS		THE BANK FOR THE YEARS	
	ENDED DECEMBER 31, 2019	2018	ENDED DECEMBER 31, 2019	2018
Deposits	23,044	21,762	21,544	20,123
Interbank and money market items	1,981	2,142	1,870	1,885
Contributions to the Deposit Protection Agency	9,953	9,864	9,945	9,858
Debt issued bonds and subordinated notes	6,397	5,561	6,397	5,561
Others	119	76	119	76
Total interest expenses	<u>41,494</u>	<u>39,405</u>	<u>39,875</u>	<u>37,503</u>

6.37 Net fees and service income

Net fees and service income for the years ended December 31, 2019 and 2018 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS		THE BANK FOR THE YEARS	
	ENDED DECEMBER 31, 2019	2018	ENDED DECEMBER 31, 2019	2018
Fees and service income				
Acceptances, aval and guarantees of loans	182	199	146	158
Debit card, credit card and electronic services	18,882	18,783	18,881	18,679
Others	20,216	18,455	14,847	13,209
Total fees and service income	<u>39,280</u>	<u>37,437</u>	<u>33,874</u>	<u>32,046</u>
Fees and service expenses	<u>10,776</u>	<u>9,847</u>	<u>10,582</u>	<u>9,682</u>
Net fees and service income	<u>28,504</u>	<u>27,590</u>	<u>23,292</u>	<u>22,364</u>

6.38 Gains (losses) on tradings and foreign exchange transactions

Gains (losses) on tradings and foreign exchange transactions for the years ended December 31, 2019 and 2018 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS		THE BANK FOR THE YEARS	
	ENDED DECEMBER 31, 2019	2018	ENDED DECEMBER 31, 2019	2018
Gains (losses) on tradings and foreign exchange transactions				
Foreign exchanges and derivatives	8,041	7,798	7,824	7,351
Interest rate derivatives	(842)	265	(842)	265
Debt securities	274	(114)	270	(117)
Equity securities	375	351	-	-
Total gains on tradings and foreign exchange transactions	<u>7,848</u>	<u>8,300</u>	<u>7,252</u>	<u>7,499</u>

6.39 Gains (losses) on investments

Gains (losses) on investments for the years ended December 31, 2019 and 2018 are as follows :

	Million Baht			
	CONSOLIDATED FOR THE YEARS		THE BANK FOR THE YEARS	
	ENDED DECEMBER 31, 2019	2018	ENDED DECEMBER 31, 2019	2018
Gains on investments				
Available-for-sale securities	20,149	7,879	19,502	4,220
General investment	123	2,806	108	2,806
Total	<u>20,272</u>	<u>10,685</u>	<u>19,610</u>	<u>7,026</u>
Losses on impairment				
Available-for-sale securities	(87)	(2)	(87)	(2)
General investment	(420)	(2,674)	(420)	(2,674)
Total	<u>(507)</u>	<u>(2,676)</u>	<u>(507)</u>	<u>(2,676)</u>
Total gains on investments	<u>19,765</u>	<u>8,009</u>	<u>19,103</u>	<u>4,350</u>

6.40 Impairment loss of loans and debt securities

Impairment loss of loans and debt securities for the years ended December 31, 2019 and 2018 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2019	2018	2019	2018
Interbank and money market items (reversal)	(784)	1,241	(338)	1,105
Loans to customers	31,992	17,117	30,939	16,440
Loss on debt restructuring	1,143	3,607	1,143	3,607

Million Baht

6.41 Income tax expenses

6.41.1 Income tax recognized in profit or loss for the years ended December 31, 2019 and 2018 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,		THE BANK FOR THE YEARS ENDED DECEMBER 31,	
	2019	2018	2019	2018
Current tax	9,068	11,125	7,949	9,315
Deferred tax	1,151	(2,571)	1,271	(2,382)
Total income tax expenses	10,219	8,554	9,220	6,933

Million Baht

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6.41.2 Income tax recognized in component of other comprehensive income for the years ended December 31, 2019 and 2018 are as follows :

	CONSOLIDATED FOR THE YEARS ENDED DECEMBER 31,					
	2019			2018		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
Gains (losses) on remeasuring available-for-sale investment	(2,209)	488	(1,721)	(11,717)	2,400	(9,317)
Losses arising from translating the financial statements of foreign operations	(5,706)	-	(5,706)	(3,180)	-	(3,180)
Share of other comprehensive income of associate	2	-	2	-	-	-
Actuarial gains (losses) on defined benefit plans	(1,695)	338	(1,357)	400	(76)	324
Total	(9,608)	826	(8,782)	(14,497)	2,324	(12,173)

Million Baht

Million Baht						
THE BANK						
FOR THE YEARS ENDED DECEMBER 31,						
	2019			2018		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
Gains (losses) on remeasuring available-for-sale investment	(2,231)	496	(1,735)	(11,676)	2,393	(9,283)
Losses arising from translating the financial statements of foreign operations	(3,093)	-	(3,093)	(1,509)	-	(1,509)
Actuarial gains (losses) on defined benefit plans	(1,704)	340	(1,364)	401	(76)	325
Total	<u>(7,028)</u>	<u>836</u>	<u>(6,192)</u>	<u>(12,784)</u>	<u>2,317</u>	<u>(10,467)</u>

6.41.3 Reconciliation of effective tax rates for the years ended December 31, 2019 and 2018 are as follows :

Million Baht				
CONSOLIDATED				
FOR THE YEARS ENDED DECEMBER 31,				
	2019		2018	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	46,432		44,271	
Income tax calculated at statutory tax rate	9,286	20.00	8,854	20.00
Overseas tax	1,996		1,251	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(1,557)		(2,524)	
Others	494		973	
Total income tax expenses	<u>10,219</u>	22.01	<u>8,554</u>	19.32

Million Baht				
THE BANK				
FOR THE YEARS ENDED DECEMBER 31,				
	2019		2018	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	44,008		45,325	
Income tax calculated at statutory tax rate	8,802	20.00	9,065	20.00
Overseas tax	1,958		1,204	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(1,511)		(2,544)	
Others	(29)		(792)	
Total income tax expenses	<u>9,220</u>	20.95	<u>6,933</u>	15.30

6.42 Entering into a Share Purchase Agreement for the Acquisition of a Majority Shareholding in PT Bank Permata Tbk

On December 12, 2019, the Bank entered into a conditional share purchase agreement (“the SPA”) with Standard Chartered Bank (“Standard Chartered”) and PT Astra International Tbk (“Astra”) in respect of the proposed purchase by the Bank from Standard Chartered and Astra of 24,991,429,332 Series B shares in total in PT Bank Permata Tbk (“Permata”), representing 89.12% of the total issued and outstanding shares in Permata (“the Transaction”) in accordance with the resolution of the Board of Directors’ Meeting No. 12/2019, given on December 11, 2019. Each of Standard Chartered and Astra respectively will sell 12,495,714,666 Series B shares, representing 44.56% of the total issued and outstanding shares in Permata, to the Bank. The completion of such share purchase is still subject to a number of conditions precedent under the SPA being fulfilled. Those conditions precedent include, without limitation, receipt of (i) the approval of general meeting of shareholders and approval of the Bank of Thailand for the Bank’s acquisition of Permata and (ii) approvals from the Otoritas Jasa Keuangan (“the OJK”) in relation to the Transaction, including fit and proper approval of the Bank as a controlling shareholder of Permata and the OJK’s approval of the proposed acquisition structure. Subject to the satisfaction of the conditions precedent under the SPA, the Bank expects the completion of the Transaction to take place within 2020. The Bank anticipates conducting a mandatory tender offer for the remaining 10.88% stake in Permata at the same purchase price following completion of the Transaction.

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6.43 Approval of the financial statements

On February 18, 2020, the Audit Committee and the Board of Executive Directors have authorized to issue these financial statements.

APPROPRIATION OF PROFIT FOR THE YEAR 2019

In 2019, the net profit from operations of the Bank amounted to Baht 34,787,992,076.79. The Board of Directors had appropriated a part of the profit in the first half ending June 30, 2019 and paid an interim dividend on September 20, 2019 at the rate of Baht 2.00 per share. The Board of Directors has appropriated the profit in the second half ending December 31, 2019 and the payment of the interim dividend at the rate of Baht 5.00 per share, details as follows:

Appropriation

Legal reserve

For the period January-June 2019	Baht	500,000,000.00		
For the period July-December 2019	Baht	500,000,000.00	Baht	1,000,000,000.00

Other reserve

For the period January-June 2019	Baht	5,000,000,000.00	Baht	5,000,000,000.00
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Interim dividend on ordinary shares

1,908,842,894 shares at Baht 2.00 per share - 1 st payment	Baht	3,817,685,788.00		
1,908,842,894 shares at Baht 5.00 per share - 2 nd payment	Baht	9,544,214,470.00	Baht	13,361,900,258.00

If approved by the meeting of shareholders as proposed, the dividend payments made by the Bank for the year 2019 for 1,908,842,894 ordinary shares would be at a total rate of Baht 7.00 per share, totaling Baht 13,361,900,258.00 or 38.41 percent of the annual net profit. This compares with the dividend paid at the rate of Baht 6.50 per share in 2018, totaling Baht 12,407,478,811.00 or 32.32 percent of the annual net profit.

GENERAL 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
Website:	www.bangkokbank.com
Tel:	0-2231-4333
Fax:	0-2231-4890

Registered Capital as at December 31, 2019

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. Reference

1.1 Securities Registrar

93 Ratchadaphisek Road, Dindaeng, Bangkok 10400
Tel. 0-2009-9000

1.2 Trustee

Type of Bonds	Interest Rates	Maturity	Trustee
Senior unsecured notes	5.000%	October 3, 2023	The Bank of New York Mellon 240 Greenwich Street, New York, NY 10286, USA
Senior unsecured notes	4.050%	March 19, 2024	
Senior unsecured notes	4.450%	September 19, 2028	
Subordinated notes	3.733%	September 25, 2034	

1.3 Auditor

Dr. Suphamit Techamontrikul
Certified Public Accountant (Thailand) Registration No. 3356
Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd.
AIA Sathorn Tower, 23rd - 27th Floor
11/1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120
Tel. 0-2034-0000 Fax. 0-2034-0100

1.4 Legal Advisers

Mr. Watchara Karnchanawirote
333 Silom Road, Silom, Bang Rak, Bangkok 10500
Tel. 0-2230-2731 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

1.5 Investor Relations

Bangkok Bank Public Company Limited
 333 Silom Road, Silom, Bang Rak, Bangkok 10500
 Tel. 0-2626-4981 Fax. 0-2231-4890
 E-mail: ir@bangkokbank.com

2. Disclosure of Information on Capital Structure and Major Shareholders

Shareholders

Shareholding structure as at September 5, 2019 (Record date)

No.	Name of Shareholder	Number of Shares	Percentage of Total Shares
1	THAI NVDR COMPANY LIMITED	593,959,154	31.12
2	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	77,555,250	4.06
3	SOCIAL SECURITY OFFICE	65,464,800	3.43
4	THAILAND SECURITIES DEPOSITORY	47,544,315	2.49
5	THE BANK OF NEW YORK MELLON	41,333,600	2.17
6	STATE STREET EUROPE LIMITED	35,686,774	1.87
7	UOB KAY HIAN (HONG KONG) LIMITED - Client Account	34,817,270	1.82
8	BANGKOK INSURANCE PUBLIC COMPANY LIMITED	34,097,030	1.79
9	STATE STREET BANK AND TRUST COMPANY	25,690,400	1.35
10	MORGAN STANLEY & CO. INTERNATIONAL PLC	25,421,229	1.33
	OTHERS	927,273,072	48.57
	TOTAL PAID-UP CAPITAL	1,908,842,894	100.00

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Information with respect to free-float

As of March 7, 2019 the free-float of the Bank, according to the Securities and Exchange Commission, was 98.57 percent.

Dividend Policy

(1) The Bank's policy

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

(2) Subsidiaries' policies

The Bank's subsidiaries' dividend policies depend on each company's performance and dividend payments will be made in accordance with the resolution of each company's Board of Directors and the resolution of the shareholders' meeting.

3. Remuneration of the Board of Directors for 2019 and 2018

Unit: Baht

No.	Directors	Position	2019	2018
1	Mr. Chatri Sophonpanich ¹	Chairman of the Board of Directors	-	4,860,000
2	Mr. Piti Sithi-Amnuai ²	Chairman of the Board of Directors and Chairman of the Corporate Governance Committee	10,900,000	7,925,000
3	Mr. Deja Tulananda	Chairman of the Board of Executive Directors	6,520,000	6,020,000
4	Admiral Prachet Siridej	Independent Director and Chairman of the Audit Committee	7,600,000	7,100,000
5	Mr. Kovit Poshyananda	Independent Director and Chairman of the Nomination and Remuneration Committee	7,120,000	6,620,000
6	Mr. Arun Chirachavala ³	Independent Director, Chairman of the Risk Oversight Committee and Member of the Audit Committee	7,120,000	6,620,000
7	Mr. Singh Tangtatswas	Member of the Board of Executive Directors	7,120,000	6,620,000
8	Mr. Amorn Chandarasomboon	Member of the Board of Executive Directors and the Risk Oversight Committee	7,120,000	6,620,000
9	H.S.H. Prince Mongkolchaleam Yugala	Independent Director and Member of the Audit Committee	7,120,000	6,620,000
10	Mr. Phornthep Phornprapha	Independent Director and Member of the Nomination and Remuneration Committee	7,120,000	6,620,000
11	Mr. Charn Sophonpanich ⁴	Member of the Nomination and Remuneration Committee and the Risk Oversight Committee	7,120,000	6,620,000
12	Mrs. Gasinee Witoonchart	Independent Director and Member of the Audit Committee	7,120,000	6,620,000
13	Mr. Chokeychai Niljianskul ⁵	Independent Director, Member of the Risk Oversight Committee and the Corporate Governance Committee	7,070,000	6,020,000
14	Mr. Chartsiri Sophonpanich	President and Member of the Board of Executive Directors	6,520,000	6,020,000
15	Mr. Suvarn Thansathit	Director and Senior Executive Vice President, Member of the Board of Executive Directors and the Risk Oversight Committee	6,520,000	6,020,000
16	Mr. Chansak Fuangfu	Director and Senior Executive Vice President and Member of the Board of Executive Directors	6,520,000	6,020,000
17	Mr. Charamporn Jotikasthira	Member of the Board of Executive Directors	6,520,000	6,020,000
18	Mr. Boonsong Bunyasaranand ⁶	Director and Senior Executive Vice President	4,890,000	-
19	Mr. Thaweelap Rittapirom ⁷	Director and Executive Vice President, Member of the Board of Executive Directors and the Corporate Governance Committee	6,520,000	6,020,000

As at December 31, 2019

- Remarks :
- ¹ Mr. Chatri Sophonpanich passed away on June 24, 2018
 - ² Mr. Piti Sithi-Amnuai was appointed to be Chairman of the Board of Directors on October 25, 2018 and was appointed to be Chairman of the Corporate Governance Committee on December 26, 2019
 - ³ Mr. Arun Chirachavala was appointed to be Chairman of the Risk Management Committee on February 21, 2019
 - ⁴ Mr. Charn Sophonpanich resigned from directorship of the Bank on December 25, 2019
 - ⁵ Mr. Chokeychai Niljianskul was appointed to be a member of the Risk Management Committee on February 21, 2019 and was appointed to be a member of the Corporate Governance Committee on December 26, 2019
 - ⁶ Mr. Boonsong Bunyasaranand was appointed to be Director on April 12, 2019
 - ⁷ Mr. Thaweelap Rittapirom was appointed to be a member of the Corporate Governance Committee on December 26, 2019
 - The Risk Oversight Committee was previously named the Risk Management Committee

Remuneration in cash

1. The remuneration paid to the members of the Board of Directors, consisting of monthly remuneration and bonus, amounted to Baht 126.54 million in 2019, for 18 persons, compared with Baht 114.99 million in 2018, for 18 persons
2. The remuneration (consisting of salary, bonus and contribution to provident funds) paid to Senior Executive Vice Presidents and upward, amounted to Baht 792.84 million in 2019, for 15 persons, compared with 687.81 million in 2018, for 14 persons.
3. The remuneration (consisting of salary, bonus and contribution to provident funds) paid to directors who are employees and executives with management authority (Executive Vice Presidents and upward), as defined by the Financial Institution Act B.E. 2551, amounted to Baht 1,354.80 million in 2019, for 64 persons.

Other Remunerations

None

4. Change in Shareholdings of the Board of Directors^{/1} from Year End 2018 to Year End 2019

Unit: Shares

No.	Directors		As at End 2019	As at End 2018	Change
1	Mr. Piti	Sithi-Amnuai	184,941	154,941	30,000
2	Mr. Deja	Tulananda	96,650	96,650	-
3	Admiral Prachet	Siridej	-	-	-
4	Mr. Kovit	Poshyananda	-	-	-
5	Mr. Arun	Chirachavala	-	-	-
6	Mr. Singh	Tangtatswas	-	-	-
7	Mr. Amorn	Chandarasomboon	10,800	10,800	-
8	H.S.H. Prince Mongkolchaleam	Yugala	24,860	24,860	-
9	Mr. Phornthep	Phornprapha	-	-	-
10	Mr. Charn	Sophonpanich ^{/2}	N/A	512,152	N/A
11	Mrs. Gasinee	Witoonchart	-	-	-
12	Mr. Chokechai	Niljianskul	2,500	2,500	-
13	Mr. Chartsiri	Sophonpanich	5,300,200	5,300,200	-
14	Mr. Suvarn	Thansathit	8,860	8,860	-
15	Mr. Chansak	Fuangfu	150,000	-	150,000
16	Mr. Charamporn	Jotikasthira	-	-	-
17	Mr. Boonsong	Bunyasaranand ^{/3}	-	-	-
18	Mr. Thaweelap	Rittapirom	-	-	-

Remarks : ^{/1} Shareholdings of the Board of Directors include shares held by spouses and children who have not yet come of age^{/2} Mr. Charn Sophonpanich resigned from directorship of the Bank on December 25, 2019^{/3} Mr. Boonsong Bunyasaranand was appointed to be Director on April 12, 2019

5. Remuneration of Auditors

The auditor of Bangkok Bank is Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. In 2019, the Bank and its subsidiaries engaged Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. and audit firms in other countries that are affiliated with Deloitte Touche Tohmatsu to provide audit services and other services and incurred the following expenses in connection therewith:

1. Audit Fees

The Bank and its subsidiaries engaged Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd to provide audit services and incurred fees relating thereto amounting to Baht 21,719,500.

The Bank also incurred fees amounting to Baht 15,300,088 in the engagement of audit firms in other countries that are affiliated with Deloitte Touche Tohmatsu to provide audit services for international branches.

2. Audit-related services

The Bank incurred fee 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 6,560,000 and a further amounting to Baht 1,145,000 to be paid in the future upon completion of the services agreed upon.

Furthermore, the Bank also incurred fees for the engagement of audit firms in other countries that are affiliated with Deloitte Touche Tohmatsu to provide services for engagement related to legal and tax matters amounting to Baht 549,394 and a further amount of Baht 699,855 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 engagement provided by affiliated companies of Deloitte Touche Tohmatsu in other countries amounting to Baht 7,868,458 and a further amount of Baht 30,154,000 to be paid in the future upon completion of the services agreed upon.

6. Information on Bonds as at December 31, 2019

Type of Bonds	Interest Rates	Maturity	Amount (Million)	Credit Rating (Moody's/S&P/Fitch Ratings)
Senior unsecured notes	4.800%	October 18, 2020	USD 800	Baa1/BBB+/BBB+
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/BBB
Subordinated notes	3.733%	September 25, 2034	USD 1,200	Baa3/ - /BBB

7. Bangkok Bank Public Company Limited Investment in Companies at 10% or more of Paid-up Capital as at December 31, 2019

No.	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
1	BANGKOK BANK BERHAD 1-45-01 Menara Bangkok Bank Laman Sentral Berjaya No.105, Jalan Ampang 50450, Kuala Lumpur, Malaysia Tel. (60) 32-174-6888 Fax. (60) 32-174-6800	BANK	COMMON	1,000,000,000	100.00
2	BBL (CAYMAN) LIMITED c/o Maples Corporate Services Limited PO Box 309, 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/F (Zone B&C), 3/F, 4/F 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	SINNSUPTAWEE ASSET MANAGEMENT CO., LTD. 325, 1 st Floor, Silom Road, Bang Rak, Bangkok 10500 Tel. 0-2635-5001-3 Fax. 0-2635-5004	ASSET MANAGEMENT	COMMON	24,999,997	100.00
5	BUALUANG VENTURES LIMITED 173/10 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2011-8730 Fax. 0-2058-9807	VENTURE CAPITAL	COMMON	199,999,997	100.00
6	BUALUANG SECURITIES PUBLIC COMPANY LIMITED 191 Silom Complex Office Building, 10 th , 12 th , 19 th , 23 rd , 29 th -32 nd Floor, Silom Road, Silom, Bang Rak, Bangkok 10500 Tel. 0-2618-1000, 0-2231-3777 Fax. 0-2231-3951, 0-2618-1001	SECURITIES BUSINESS	COMMON	1,079,057,700	99.91
7	BBL ASSET MANAGEMENT CO., LTD. 175 Sathorn City Tower, 7 th 21 st and 26 th Floors, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2674-6400 Fax. 0-2679-5995-6, 0-2679-6855	ASSET MANAGEMENT	COMMON	749,996	75.00
8	THAI PRECISION MANUFACTURING CO., LTD.² 226 Moo 3, Thungskhla, Sriracha, Chonburi 20230	MANUFACTURING OF ELECTRONICS COMPONENTS	COMMON	2,401,522	59.77
9	THAI PAYMENT NETWORK CO., LTD. 173/19 Asia Centre Building, 18 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2017-9900 Fax. 0-2017-9929	PAYMENT CARD NETWORK AND INTER-INSTITUTION FUND TRANSFER SYSTEM	COMMON	3,619,676	69.08
10	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	358,750	35.88
11	PROCESSING CENTER CO., LTD. 319 Chamchuri Square Building, 25 th Floor, Unit 9 -12, Phayathai Road, Pathumwan, Pathumwan, Bangkok 10330 Tel. 0-2029-0290 Fax. 0-2029-0291	COMPUTER SERVICES	COMMON	149,985	30.00

No.	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
12	BCI (Thailand) CO., LTD. 5/13 Moo 3, 4 th Floor, Changwattana Rd., Khlongkluea, Pakkret, Nonthaburi 11120 Tel. 0-2029-0200	COMPUTER PROGRAMMING ACTIVITIES (EXCEPT WEB PAGE AND NETWORK PROGRAMMING ACTIVITIES)	COMMON	11,750,000	22.17
13	HIGH PRESSURE STEEL PIPE INDUSTRY CO., LTD.² 36/4 Moo 2, Soi Wat Mahawong, Poochao Samingphrai Road Samrong, Phra Pradaeng, Samutprakan 10130	STEEL PIPE MANUFACTURER	COMMON	95,603	19.12
14	NATIONAL ITMX CO., LTD. 5/13 Moo 3, Chaengwattana Rd., Khlongkluea Pakkret, Nonthaburi 11120 Tel. 0-2558-7555 Fax. 0-2558-7566	ELECTRONIC TRANSACTIONS BETWEEN FINANCIAL INSTITUTES	COMMON	71,300	14.26
15	ALPHATEC ELECTRONICS PCL.³ 179/74-80 Bangkok City Tower 15 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2210-0593-6 Fax. 0-2210-0597	ELECTRONIC COMPONENTS	COMMON	326	12.34
16	SEACON DEVELOPMENT PCL. 55 Srinakarin Road, Nongbon, Prawet, Bangkok 10250 Tel. 0-2721-8888 Fax. 0-2721-8976	RENTAL BUILDING	COMMON	574,000	10.00
17	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, 0-2634-6391 Fax. 0-2636-1380	LEASING	COMMON	5,740,000	10.00
18	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
19	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
20	THAI OBAYASHI CORP., LTD. 161 Ratchadamri Road, Lumpinee, Pathumwan, Bangkok 10330 Tel. 0-2252-5200 Fax. 0-2252-5381	CONSTRUCTION	COMMON	2,000	10.00
21	BANGKOK MITSUBISHI UFJ LEASE CO., LTD. Asia Centre Tower, 26 th Floor, 173/35 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2163-6400 Fax. 0-2163-6411, 0-2163-6422	LEASING	COMMON	60,000	10.00
22	BANGKOK MUFG LTD. 898 Ploenchit Tower, 9 th Floor, Zone B1, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330 Tel. 0-2263-0856 Fax. 0-2263-0860	CONSULTANT AND INVESTMENT	COMMON	200,000	10.00
23	BANGKOK SMBC CONSULTING CO., LTD. No.1 Q.House Lumpini Building, 16 th Floor, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120 Tel. 0-2677-7270-5 Fax. 0-2677-7279	SERVICE CONSULTING	COMMON	2,000	10.00
24	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

No.	Company	Type of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
25	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
26	ASIA LAMP INDUSTRY CO., LTD. 199 Moo 2, Putharaksa Rd., Taiban District, Amphur Muang, Samuthprakam 10280 Tel. 0-2702-9467-8 Fax. 0-2702-9470	ELECTRIC BULB MANUFACTURER	COMMON	700,000	10.00
27	ASPAC CO., LTD. 1000/9-10, Liberty Plaza Building, 18 th Floor Soi Thonglor, Sukhumvit Road, Khlong Tan Nuea, Watthana, Bangkok 10110 Tel. 0-2185-1375-80 Fax. 0-2185-1395	IMPORT, EXPORT-CHEMICALS	COMMON	26,000	10.00
28	U M C METALS LTD. 32/40 Sino-Thai Tower, 16 th Floor, Sukhumvit 21 Road (Asoke), North Klongtoey, Khet Wattana, Bangkok 10110 Tel. 0-2259-2942-5 Fax. 0-2259-2946	STEEL MANUFACTURER	COMMON	14,500,000	10.00
29	WONGPAITON GROUP PCL.^{/2} 686 Ekkachai Road, Bangbon, Bangkok 10150	EXPORTER AND MANUFACTURER OF SPORTS PRODUCT	COMMON	86,826,816	10.00
30	BANGKOK SMARTCARD SYSTEM CO., LTD. 21 TST Tower, 19/F and 24/F, 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
31	FUCHS CAPITAL PARTNERS PTE. LTD. 112 Robinson Road, #14-04, Singapore 068902 Tel. (65) 6576-5555 Fax. (65) 6576-5592	ALTERNATIVE INVESTMENT MANAGEMENT COMPANY	CLASS B SHARES	400,000	10.00
32	BANGKOK CONSULTING PARTNERS CO., LTD. 942/43 Charn Issara Tower, 1 st Floor, Rama 4 Road, Suriyawongse, Bang Rak, Bangkok 10500 Tel. 0-2632-9179 Fax. 0-2632-9354-5	BUSINESS CONSULTING	COMMON	200	10.00
33	QUALITY INN CO., LTD. 137/10 Sukhumvit 9 (Soi ruanchit), Sukhumvit Road, North Klongtaey, Wattana, Bangkok 10110 Tel. 0-2255-4661-4 Fax. 0-2255-4660	HOTEL & RESTAURANT	COMMON	200,000	10.00
34	BSS HOLDINGS CO., LTD. 21 TST Tower, 19 th Floor, Soi Choei Phuang, Viphavadi-Rangsit Road, Chomphon, Chatuchak, Bangkok 10900 Tel. 0-2617-8338 Fax. 0-2617-8339	HOLDING COMPANY	COMMON	1,200,000	10.00
35	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	16,888,000	10.00
36	SIAM SOLAR GENERATION CO., LTD 89 Moo 11, Ban Tan District, Amphur Bamnet Narong, Chaiyaphum 36220	SOLAR FARM	COMMON	1,111,111	10.00
37	THAI DIGITAL PLATFORM SOCIAL ENTERPRISE 227/127, Soi Prasert-Manukitch 29, Prasert-Manukitch Road, Chorakhe Bua, Lat Phrao, Bangkok 10230 Tel. 0-2018-6906	WEB HOSTING	COMMON	100	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.

LIST OF BRANCHES

HEAD OFFICE

333 Silom Road, Silom, Bang Rak, Bangkok 10500, Thailand
Tel. 0-2231-4333
www.bangkokbank.com

Bualuang Phone 0-2645-5555 or 1333
Credit Card Division 0-2638-4000,
0-2638-4400

OVERSEAS BRANCHES

HONG KONG

CENTRAL DISTRICT BRANCH
Bangkok Bank Building
28 Des Voeux Road, Central

Tel. (85-2) 2801-6688

Fax. (85-2) 2810-5679
Swift: BKKBHKHH

Mr. Sitthichai Jiwattanakul
SVP & General Manager
– Hong Kong Branch

KOWLOON SUB - BRANCH

Bangkok Bank Building
490-492 Nathan Road, Kowloon

Tel. (85-2) 2300-1888

Fax. (85-2) 2780-5896

INDONESIA

JAKARTA BRANCH

Jalan M.H. Thamrin No.3
Jakarta 10110
(P.O. Box 4165, Jakarta 11041, Indonesia)

Tel. (62-21) 231-1008

Fax. (62-21) 385-3881,
231-0070
Swift: BKKBJDJA

Mr. Nithapong Senavongse
VP & General Manager
– Jakarta Branch

SURABAYA SUB - BRANCH

Jl. Raya Darmo No.73
Surabaya 60265

Tel. (62-31) 566-2333

Fax. (62-31) 568-3338

Mr. Zainal Karnadi
Branch Manager
– Surabaya Sub-Branch

MEDAN SUB - BRANCH

B & G Tower Ground Floor
Jalan Putri Hijau No.10
Medan 20111

Tel. (62-61) 8001-0700

Fax. (62-61) 8001-0703

Mr. Hartono
Branch Manager
– Medan Sub-Branch

JAPAN

TOKYO BRANCH

Bangkok Bank Building
8-10, Nishi - Shimbashi
2-Chome, Minato - ku, Tokyo 105-0003

Tel. (81-3) 3503-3333

Fax. (81-3) 3502-6420
Swift: BKKBJPJT

Mr. Thawee Phuangketkeow
SVP & General Manager
– Japan Branch
Mr. Mitsugu Yamamoto
VP & Branch Manager
– Tokyo Branch

OSAKA BRANCH

Bangkok Bank Building
9-16, Kyutaromachi, 1-Chome
Chuo-Ku, Osaka 541-0056

Tel. (81-6) 6263-7100

Fax. (81-6) 6263-6286
Swift: BKKBJPTOSA

Mr. Varot Samakoses
VP & Branch Manager
– Osaka Branch

LAO PEOPLE'S DEMOCRATIC REPUBLIC

VIENTIANE BRANCH

Unit 12 Samsenthai Road, Xieng Nguen Village
Chanthabouly District, Vientiane Capital

Tel. (856-21) 213-560,
213-562

Fax. (856-21) 213-561
Swift: BKKBLALA

Mrs. Chadaphom Uratchat
VP & Branch Manager and Acting
Branch Manager
– Vientiane Branch

PAKSE BRANCH

3 Sala Keiw – Dongjong
Phonsavanh Village, Pakse District
Champasak Province

Tel. (856-31) 257-252,
257-253

Fax. (856-31) 257-255

Mrs. Chadaphom Uratchat
VP & Branch Manager and Acting
Branch Manager
– Pakse Branch

THE REPUBLIC OF THE UNION OF MYANMAR

YANGON BRANCH

5 Kaba Aye Pagoda Road
Yankin Township, Yangon

Tel. (95-1) 558-022,
554-890

Fax. (95-1) 2331-456
Swift: BKKBMMMY

Mr. Kanet Buranasin
SVP & Branch Manager
– Yangon Branch

REPUBLIC OF THE PHILIPPINES

MANILA BRANCH

10th Floor, Tower 2, The Enterprise Center
6766 Ayala Avenue, Makati City 1200, Metro Manila

Tel. (63-2) 752-0333

Fax. (63-2) 752-0877,
403-7879
Swift: BKKBPMMM

Ms. Nattika Kanpawong
VP & Branch Manager
– Manila Branch

OVERSEAS BRANCHES

REPUBLIC OF SINGAPORE SINGAPORE BRANCH Bangkok Bank Building 180 Cecil Street, Singapore 069546 (P.O. Box 941, Robinson Road Singapore 901841)	Tel. (65) 6410-0400	Fax. (65) 6225-5852 Swift: BKKBSGSG	Mr. Art Medhapipatkul SVP & General Manager – Singapore Branch
TAIWAN TAIPEI BRANCH 121, Sung Chiang Road, Taipei 10485 (P.O. Box 22419, Taipei, Taiwan)	Tel. (886-2) 2507-3275	Fax. (886-2) 2506-4625 Swift: BKKBTWTP	Mr. Chokechai Puapattanakajorn SVP & General Manager-Taiwan Mr. Yang Yen-Fu (Sam) VP & Branch Manager – Taipei Branch
KAOHSIUNG SUB - BRANCH 1 st Floor, Asia Pacific Commercial Building 63 Wu Fu 3 rd Road, Kaohsiung 80148	Tel. (886-7) 271-0000	Fax. (886-7) 271-3730, 271-3731 Swift: BKKBTWTP	Mr. Leu Chin-Chi (Charles) SVP & Branch Manager – Kaohsiung Sub-Branch
TAICHUNG SUB - BRANCH 1 st Floor, No.309 Sec.2 Taiwan Boulevard Taichung 403	Tel. (886-4) 2326-9623	Fax. (886-4) 2323-3685	Mr. Tu Ming Chung (David) SVP & Branch Manager – Taichung Sub-Branch
UNITED KINGDOM LONDON BRANCH Exchequer Court 33 St. Mary Axe London, EC3A 8BY	Tel. (44-20) 7929-4422	Fax. (44-20) 7283-3988 Swift: BKKBGB2L	Mr. Peeriyathep Homhuan SVP & Branch Manager – London Branch
UNITED STATES OF AMERICA NEW YORK BRANCH 29 Broadway, 19 th Floor New York, NY 10006	Tel. (1-212) 422-8200	Fax. (1-212) 422-0728 Swift: BKKBUS33	Mr. Thitipong Prasertsilp VP & Branch Manager – New York Branch
THE SOCIALIST REPUBLIC OF VIETNAM HO CHI MINH CITY BRANCH Harbour View Tower 35 Nguyen Hue Street District 1, Ho Chi Minh City	Tel. (84-28) 3821-4396-8	Fax. (84-28) 3821-3772 Swift: BKKBVNVX	Mr. Tharabodee Serng-Adichaiwit SVP & General Manager - Vietnam and Branch Manager – Ho Chi Minh City Branch
HANOI BRANCH Unit 3, Level 3, International Center Building 17 Ngo Quyen Street, Hoan Kiem District, Hanoi	Tel. (84-24) 3936-5903-8	Fax. (84-24) 3826-7397, 3936-5913 Swift: BKKBVNVXHAN	Ms. Siriporn Kunwedsuwan VP & Branch Manager – Hanoi Branch
KINGDOM OF CAMBODIA CAMBODIA BRANCH 344 (1 st & 2 nd Floors), Mao Tse Toung Boulevard, Sangkat Toul Svay Prey I Khan Chamkarmon, Phnom Penh	Tel. (855) 23-224 404-9	Fax. (855) 23-224-429 Swift: BKKBKHPP	Ms. Yiamsri Ubonpong AVP & Branch Manager – Cambodia Branch

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BANGKOK BANK (CHINA) COMPANY LIMITED (WHOLLY-OWNED SUBSIDIARY)

PEOPLE'S REPUBLIC OF CHINA HEAD OFFICE Bangkok Bank Building No.7, Zhongshan East -1 Road Shanghai 200002	Tel. (86-21) 2329-0100	Fax. (86-21) 2329-0168 Swift: BKKBCNSH	Mr. Charoenlarp Thammanichanon Chief Executive Officer
SHANGHAI BRANCH Bangkok Bank Building No.7, Zhongshan East -1 Road Shanghai 200002	Tel. (86-21) 2329-0100	Fax. (86-21) 2329-0101 Swift: BKKBCNSHSHA	Ms. Supamard Yu Branch Manager – Shanghai Branch
SHANGHAI PILOT FREE TRADE ZONE SUB - BRANCH Unit 101 A, 1 st Floor, No.26, Jiafeng Road Pudong New Area Shanghai, 200131	Tel. (86-21) 2061-7900	Fax. (86-21) 2061-7901	Mr. Ho Ching-Ming (Jimmy) Sub-Branch Manager – Shanghai Pilot Free Trade Zone Sub-Branch

BANGKOK BANK (CHINA) COMPANY LIMITED (WHOLLY-OWNED SUBSIDIARY)

BEIJING BRANCH 1 st Floor, New China Insurance Tower (NCI Tower) No.12A, Jianguomenwai Avenue Chaoyang District, Beijing 100022	Tel. (86-10) 6569-0088	Fax. (86-10) 6569-0000 Swift: BKKBCNSHPEK	Mr. Watcharapong Pornchaichanakit Branch Manager – Beijing Branch
XIAMEN BRANCH 1 st - 2 nd Floor, Xiamen Top Plaza No.2 Zhenhai Road, Siming District Xiamen, Fujian 361001	Tel. (86-592) 297-9889	Fax. (86-592) 297-9890 Swift: BKKBCNSHSMN	Mr. Yan Shu Ming (Simon) Branch Manager – Xiamen Branch
SHENZHEN BRANCH 1 st Floor, Unit 12, Hua Rong Building No.178 Mintian Road, Futian District Shenzhen, Guangdong 518048	Tel. (86-755) 3396-5800	Fax. (86-755) 3396-5840 Swift: BKKBCNSHSZN	Ms. Yaowaluck Pawijit Branch Manager – Shenzhen Branch
CHONGQING BRANCH 1 st Floor (L104 & L105) and 38 th Floor (Unit A) HNA Poly International Plaza No.235 Minsheng Road Yuzhong District, Chongqing 400010	Tel. (86-23) 6037-2300	Fax. (86-23) 6037-2343 Swift: BKKBCNSHCQG	Mr. Wu Chieh-Shan (Jason) Branch Manager – Chongqing Branch

BANGKOK BANK BERHAD (WHOLLY-OWNED SUBSIDIARY)

MALAYSIA HEAD OFFICE AND MAIN BRANCH 1-45-01 Menara Bangkok Bank Laman Sentral Berjaya No.105 Jalan Ampang 50450 Kuala Lumpur	Tel. (60-3) 2174-6888	Fax. (60-3) 2174-6800 Swift: BKKBMYKL	Mr. Choo Joon Keong Chief Executive Officer
KUALA LUMPUR MAIN BRANCH GF-01, Menara Bangkok Bank Laman Sentral Berjaya No.105 Jalan Ampang 50450 Kuala Lumpur	Tel. (60-3) 2174-6919	Fax. (60-3) 2174-6860	Vacant
JALAN BAKRI BRANCH No.8, Taman Pesta Baru Pusat Perniagaan Pesta Baru Jalan Bakri, 84000 Muar, Johor Darul Ta'zim	Tel. (60-6) 953-1001	Fax. (60-6) 953-2229	Mr. Lim Wee Kiat Branch Manager
PENANG AUTO-CITY BRANCH 1815-A Jalan Perusahaan Auto-City, North-South Highway Juru Interchange 13600 Prai, Pulau Pinang	Tel. (60-4) 501-2388	Fax. (60-4) 508-8106	Mr. Chin Tai Kim Branch Manager
TAMAN MOLEK BRANCH No.1 & 3 Jalan Molek 1/30, Taman Molek 81100 Johor Bahru, Johor Darul Ta'zim	Tel. (60-7) 353-3001	Fax. (60-7) 356-2001	Mr. Tee Liyong Hoch Branch Manager
BANDAR BOTANIC KLANG BRANCH No.1 Jalan Kasuarina 2/KS07, Bandar Botanic 41200 Klang, Selangor Darul Ehsan	Tel. (60-3) 3325-2178	Fax. (60-3) 3325-2248	Vacant

Service Network

Domestic Service Network

Branches

Bangkok

311

Branches

Provinces

837

Branches

Business Centers

Bangkok

31

Business Centers

Provinces

86

Business Centers

Trade Finance Centers

Bangkok

33

Trade Finance Centers

Provinces

59

Trade Finance Centers

Bualuang Exclusive

Bangkok

21

Branches

Provinces

8

Branches

Remittance Service

734

Branches

Overseas Service Network

Overseas

(Excluding Bangkok Bank (China) and Bangkok Bank Berhad)

20

Locations

Bangkok Bank Berhad
(Wholly-owned Subsidiary)

5

Locations

Bangkok Bank (China) Company Limited
(Wholly-owned Subsidiary)

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Locations

Names and Locations of Domestic Service Network

Names and Locations of Domestic Service Network can be found at:

- Bangkok Bank website
www.bangkokbank.com/LocateUs_EN
- QR Code Scan



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Note : Investors can study further information from the Bank's 56-1 Form which appear on www.sec.or.th or the Bank's website (www.bangkokbank.com)



This report was produced from environmentally-friendly materials – green paper and soy ink.



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