

EXECUTIVE SUMMARY



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

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

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

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

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

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

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

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

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

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

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

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