

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
BANGKOK BANK PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Bangkok Bank Public Company Limited and subsidiaries (the “Bank and subsidiaries”) and the Bank’s financial statements of Bangkok Bank Public Company Limited (the “Bank”), which comprise the consolidated and Bank’s statements of financial position as at December 31, 2022, and the related consolidated and Bank’s statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and Bank’s financial statements present fairly, in all material respects, the financial position of Bangkok Bank Public Company Limited and subsidiaries and of Bangkok Bank Public Company Limited as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”) and the Bank of Thailand’s regulations.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Bank’s Financial Statements section of our report. We are independent of the Bank and subsidiaries in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the consolidated and Bank’s financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated and Bank’s financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and Bank’s financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key Audit Matter	Audit Responses
<p>Allowance for expected credit loss</p> <p>The allowance for expected credit loss for loans to customers is considered to be the key audit matter as it requires the use of various assumptions and judgment including forward economic looking and post model adjustments and it is recognized in accordance with Thai Financial Reporting Standard No. 9 - Financial Instruments (“TFRS 9”) and the relevant regulations of the Bank of Thailand. TFRS 9 requires the Bank and subsidiaries to recognize impairment based on expected credit loss (“ECL”). We focused our audit on the following areas of allowance for expected credit loss for loans to customers specifically relating to:</p> <ul style="list-style-type: none"> ● Accounting interpretations and modelling assumptions used to build the models that the Bank used to calculate the ECL which involves determining Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD); ● Inputs and assumptions used to estimate the impact of multiple economic scenarios 	<p>Key audit procedures included</p> <ul style="list-style-type: none"> ● Reviewing management written policies, which were collaborated from the Bank’s management’s experts, and procedures to derive the allowance for expected credit loss estimate. Determining whether the policies and procedures for the estimation are incorporated with the requirements of TFRS 9 and properly approved by the appropriate level of management. ● Understanding and testing design and operating effectiveness of key controls across the processes relevant to the ECL. This included the classification of assets into stages, credit monitoring, multiple economic scenarios, and individual provisions. ● Involvement of our internal specialists to assess the model documentation and model validation reports. This included assessing the appropriateness of model design, assumptions, inputs, formulas used and post model adjustments. We tested the data used in the ECL calculation by reconciling to source systems and recalculating the allowance for expected credit loss for a sample of models.

Key Audit Matter	Audit Responses
<ul style="list-style-type: none"> ● Classification of loans to customers to stage 1, 2 and 3 using criteria in accordance with TFRS 9 and the relevant regulations of the Bank of Thailand; ● Indicators that will significantly reduce the ability to pay the debt or the increase in credit risk including quantitative and qualitative information and also forward-looking analysis both events that have already occurred and may occur in the future; and ● Completeness and valuation of post model adjustments. <p>Accounting policy for allowance for expected credit loss and detail of allowance for expected credit loss were disclosed in Note 3.5 and Note 6.9, respectively.</p>	<ul style="list-style-type: none"> ● Evaluating relevant inputs and assumptions used by management in each stage of the expected credit loss calculation by considering whether the inputs and assumption appear reasonable, considering the historical loss experience and adjust this for current observable data and considering the relationship between those assumptions and forecast of reasonable and supportable future economic conditions. ● Performing an overall assessment of the ECL provision levels to determine if they were reasonable considering the Bank and subsidiaries' portfolio, risk profile, credit risk management practices and the macroeconomic factors. We considered trends in the economy and industries to which the Bank and subsidiaries are exposed. ● Considering the criteria used to classify an asset to stage 1, 2 and 3 in accordance with TFRS 9 and the relevant regulations of the Bank of Thailand. Testing sample of assets in stage 1, 2 and 3 to verify that they were classified to the appropriate stage. This also included considering the internal credit risk rating system of the Bank and also external credit risk grading. ● Assessing the adequacy and appropriateness of the disclosure in accordance with Group of Financial Instruments Standards and the BOT's Notification.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, but does not include the consolidated and Bank's financial statements and our auditor's report thereon, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and Bank's financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and Bank's financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to management and those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Bank's Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and Bank's financial statements in accordance with TFRSs and the Bank of Thailand's regulations, and for such internal control as management determines is necessary to enable the preparation of the consolidated and Bank's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and Bank's financial statements, management is responsible for assessing the Bank and subsidiaries' and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank and subsidiaries and the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank and subsidiaries' financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Bank's Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and Bank's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and Bank's financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and Bank's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and subsidiaries' and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and subsidiaries' and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and subsidiaries and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and Bank's financial statements, including the disclosures, and whether the consolidated and Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Deloitte Touche Tohmatsu Jaiyos Audit

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and Bank's financial statements of the current period and are therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Nisakorn Songmanee

Certified Public Accountant (Thailand)

Registration No. 5035

BANGKOK

February 21, 2023

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

Baht : '000

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

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2022

Baht : '000

		CONSOLIDATED		THE BANK	
	Notes	2022	2021	2022	2021
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS	6.14	3,210,895,555	3,156,939,789	2,716,152,436	2,665,646,333
INTERBANK AND MONEY MARKET ITEMS	6.15	262,521,534	288,708,547	251,029,467	280,748,435
LIABILITY PAYABLE ON DEMAND		7,769,885	8,112,863	7,767,403	8,112,243
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	6.16	17,959,739	20,833,104	17,412,480	20,566,545
DERIVATIVES LIABILITIES	6.6	70,981,448	50,264,330	69,648,650	49,716,357
DEBT ISSUED AND BORROWINGS	6.17	188,301,568	183,239,266	187,056,618	182,379,356
PROVISIONS	6.21	27,177,164	25,814,558	24,176,399	23,595,568
DEFERRED TAX LIABILITIES	6.13	578,896	1,358,026	279,989	984,178
OTHER LIABILITIES	6.23	128,424,347	103,417,868	81,902,964	57,310,822
TOTAL LIABILITIES		3,914,610,136	3,838,688,351	3,355,426,406	3,289,059,837
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Registered share capital					
1,655,000 preferred shares of Baht 10 each		16,550	16,550	16,550	16,550
3,998,345,000 common shares of Baht 10 each		39,983,450	39,983,450	39,983,450	39,983,450
Issued and paid-up share capital					
1,908,842,894 common shares of Baht 10 each		19,088,429	19,088,429	19,088,429	19,088,429
PREMIUM ON COMMON SHARES		56,346,232	56,346,232	56,346,232	56,346,232
OTHER RESERVES		54,243,425	66,348,614	55,480,947	57,340,405
RETAINED EARNINGS					
Appropriated					
Legal reserve	6.26 , 6.27	27,000,000	26,000,000	27,000,000	26,000,000
Others		121,500,000	116,500,000	121,500,000	116,500,000
Unappropriated					
TOTAL BANK'S EQUITY		505,345,980	492,727,066	484,649,933	464,772,387
NON-CONTROLLING INTEREST		1,795,971	1,865,491	-	-
TOTAL SHAREHOLDERS' EQUITY		507,141,951	494,592,557	484,649,933	464,772,387
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,421,752,087	4,333,280,908	3,840,076,339	3,753,832,224

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

(Mr. Chartsiri Sophonpanich)

President

(Mr. Suvann Thansathit)

Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022

Baht : '000

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

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2022	2021	2022	2021
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Losses on investments in debt instruments at fair value					
through other comprehensive income		(4,329,124)	(6,742,229)	(2,031,767)	(6,608,454)
Losses on cash flow hedges		(609,214)	(506,394)	(609,214)	(506,394)
Gains (losses) arising from translating the financial statements of					
foreign operations		(8,101,942)	20,196,245	464,804	6,033,617
Share of other comprehensive income of associate		1,141	-	-	-
Income tax relating to components of other comprehensive					
income (losses)		1,523,965	1,671,185	1,016,960	1,648,107
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus		(4,916)	643,545	(4,916)	-
Gains on investment in equity instruments designated at					
fair value through other comprehensive income		161,610	10,599,899	128,683	10,539,297
Gains (losses) on financial liabilities designated at fair value					
through profit or loss		1,451,042	(567,419)	1,451,042	(567,419)
Actuarial gains on defined benefit plans		1,251,377	986,754	1,282,236	935,437
Share of other comprehensive income (losses) of associate		(989)	(2,466)	-	-
Income tax relating to components of other comprehensive					
income (losses)		(490,378)	(2,279,082)	(577,797)	(2,155,609)
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)		(9,147,428)	24,000,038	1,120,031	9,318,582
TOTAL COMPREHENSIVE INCOME		20,598,088	50,952,153	27,510,102	31,969,046
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		29,305,591	26,507,040	26,390,071	22,650,464
Non-controlling interest		439,925	445,075	-	-
		29,745,516	26,952,115	26,390,071	22,650,464
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		20,251,470	50,393,641	27,510,102	31,969,046
Non-controlling interest		346,618	558,512	-	-
		20,598,088	50,952,153	27,510,102	31,969,046
BASIC EARNINGS PER SHARE (BAHT)		15.35	13.89	13.83	11.87
WEIGHTED AVERAGE NUMBER					
OF COMMON SHARES (THOUSAND SHARES)		1,908,843	1,908,843	1,908,843	1,908,843

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022

Baht : '000

	Notes	CONSOLIDATED											Total Equity Attributable to the Bank's Shareholders	Non-controlling Interest	Total
		Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves					Retained Earnings		Unappropriated				
				Appraisal Surplus	Revaluation Surplus on Investments	Cash Flow Hedge Reserve	Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Others	Appropriated Legal Reserve		Others			
Balance as at January 1, 2021		19,088,429	56,346,232	33,036,778	27,035,092	564,850	(1,429,178)	(11,954,319)	3,615	25,000,000	111,500,000	189,822,190	449,013,689	1,233,446	450,247,135
Appropriation for previous year															
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	(4,771,811)	(4,771,811)	(181,964)	(4,953,775)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Appropriation for current year															
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	(1,908,453)	(1,908,453)	(200,004)	(2,108,457)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Total comprehensive income		-	-	533,526	3,314,168	(405,115)	(453,935)	20,090,508	(1,973)	-	-	27,316,462	50,393,641	558,512	50,952,153
Transfer to retained earnings		-	-	(1,090,544)	(2,894,859)	-	-	-	-	-	-	3,985,403	-	-	-
Others		-	-	-	-	-	-	-	-	-	-	-	-	455,501	455,501
Balance as at December 31, 2021		<u>19,088,429</u>	<u>56,346,232</u>	<u>32,479,760</u>	<u>27,454,401</u>	<u>159,735</u>	<u>(1,883,113)</u>	<u>8,136,189</u>	<u>1,642</u>	<u>26,000,000</u>	<u>116,500,000</u>	<u>208,443,791</u>	<u>492,727,066</u>	<u>1,865,491</u>	<u>494,592,557</u>
Balance as at January 1, 2022		19,088,429	56,346,232	32,479,760	27,454,401	159,735	(1,883,113)	8,136,189	1,642	26,000,000	116,500,000	208,443,791	492,727,066	1,865,491	494,592,557
Appropriation for previous year															
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	(4,769,445)	(4,769,445)	(216,135)	(4,985,580)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Appropriation for current year															
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	(2,863,111)	(2,863,111)	(200,003)	(3,063,114)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Total comprehensive income		-	-	82,064	(2,781,683)	(487,371)	1,160,834	(8,029,104)	87	-	-	30,306,643	20,251,470	346,618	20,598,088
Transfer to retained earnings		-	-	(1,095,037)	(954,979)	-	-	-	-	-	-	2,050,016	-	-	-
Balance as at December 31, 2022		<u>19,088,429</u>	<u>56,346,232</u>	<u>31,466,787</u>	<u>23,717,739</u>	<u>(327,636)</u>	<u>(722,279)</u>	<u>107,085</u>	<u>1,729</u>	<u>27,000,000</u>	<u>121,500,000</u>	<u>227,167,894</u>	<u>505,345,980</u>	<u>1,795,971</u>	<u>507,141,951</u>

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

Baht : '000

	Notes	THE BANK									Total	
		Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves					Retained Earnings			Unappropriated
				Appraisal Surplus	Revaluation Surplus on Investments	Cash Flow Hedge Reserve	Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Appropriated			
									Legal Reserve	Others		
Balance as at January 1, 2021		19,088,429	56,346,232	32,545,249	26,485,473	564,850	(1,429,178)	(5,316,520)	25,000,000	111,500,000	174,699,070	439,483,605
Appropriation for previous year												
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(4,771,811)	(4,771,811)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Appropriation for current year												
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(1,908,453)	(1,908,453)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-
Total comprehensive income		-	-	-	3,374,117	(405,115)	(453,935)	6,033,617	-	-	23,420,362	31,969,046
Transfer to retained earnings		-	-	(997,678)	(3,060,475)	-	-	-	-	-	4,058,153	-
Balance as at December 31, 2021		<u>19,088,429</u>	<u>56,346,232</u>	<u>31,547,571</u>	<u>26,799,115</u>	<u>159,735</u>	<u>(1,883,113)</u>	<u>717,097</u>	<u>26,000,000</u>	<u>116,500,000</u>	<u>189,497,321</u>	<u>464,772,387</u>
Balance as at January 1, 2022		19,088,429	56,346,232	31,547,571	26,799,115	159,735	(1,883,113)	717,097	26,000,000	116,500,000	189,497,321	464,772,387
Appropriation for previous year												
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(4,769,445)	(4,769,445)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Appropriation for current year												
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(2,863,111)	(2,863,111)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Others	6.26 , 6.27	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-
Total comprehensive income		-	-	(3,933)	(1,039,740)	(487,371)	1,160,834	464,804	-	-	27,415,508	27,510,102
Transfer to retained earnings		-	-	(999,073)	(954,979)	-	-	-	-	-	1,954,052	-
Balance as at December 31, 2022		<u>19,088,429</u>	<u>56,346,232</u>	<u>30,544,565</u>	<u>24,804,396</u>	<u>(327,636)</u>	<u>(722,279)</u>	<u>1,181,901</u>	<u>27,000,000</u>	<u>121,500,000</u>	<u>205,234,325</u>	<u>484,649,933</u>

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

Baht : '000

	Note	CONSOLIDATED		THE BANK	
		2022	2021	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		37,229,200	33,141,335	31,856,517	27,482,199
Items to reconcile profit from operating before income tax expenses					
to cash received (paid) from operating activities					
Depreciation and amortization expenses		5,473,032	6,225,102	3,792,520	4,631,946
Expected credit loss		32,647,105	34,133,611	26,556,303	26,011,719
Loss on foreign exchange of long-term borrowings		8,672,489	14,775,566	8,672,489	14,618,074
Amortization of premium on investment in debt securities		264,481	1,435,037	290,962	1,400,517
Unrealized (gain) loss on financial instruments					
measured at fair value through profit or loss		3,896,019	(7,643,607)	3,374,115	(7,045,959)
(Gain) loss on investments		1,453,669	(1,225,150)	1,500,499	(156,139)
Share of profit from investment using equity method		(189,560)	(208,855)	-	-
Loss on impairment of properties for sale		498,402	611,745	485,591	311,298
Gain on disposal of premises and equipment		(35,203)	(11,521)	(24,401)	(4,107)
Loss on impairment of other assets (reversal)		(28,516)	256,080	(38,440)	265,558
Provision expenses		1,309,533	935,403	1,162,933	899,593
Net interest income		(102,223,265)	(82,156,060)	(78,203,741)	(62,010,660)
Dividend income		(2,306,493)	(2,251,676)	(6,367,289)	(4,236,874)
Proceeds from interest income		136,038,720	114,987,412	100,762,505	82,580,136
Interest expenses paid		(36,090,935)	(31,988,705)	(25,095,437)	(21,715,629)
Proceeds from dividend income		2,306,518	2,251,677	2,208,296	2,177,630
Income tax paid		(6,815,009)	(7,561,485)	(5,688,661)	(6,775,973)
(Increase) decrease in other accrued receivables		315,005	(380,735)	107,606	(225,408)
Increase (decrease) in other accrued expenses		(545,371)	1,007,799	836,272	(359,452)
Profit from operating before changes in					
operating assets and liabilities		81,869,821	76,332,973	66,188,639	57,848,469
(Increase) decrease in operating assets					
Interbank and money market items		35,825,661	(284,587,885)	39,174,862	(251,601,772)
Financial assets measured at fair value through profit or loss		5,699,224	(18,571,329)	2,612,007	(19,902,342)
Loans to customers		(99,894,874)	(231,969,593)	(93,872,459)	(158,776,479)
Properties for sale		1,217,168	2,134,269	813,991	741,890
Other assets		(24,690,723)	16,213,260	(25,752,541)	17,184,559

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

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

Baht : '000

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

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

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

1. General Information and Regulatory Requirements

Bangkok Bank Public Company Limited (the “Bank”) is a public company limited registered in the Kingdom of Thailand and registered in the Stock Exchange of Thailand with its head office located at 333 Silom Road, Bangrak, Bangkok. The Bank’s main business is commercial banking and the Bank conducts its businesses through a network of branches covering all parts of Thailand and some major parts of the world.

The Bank is subject to various capital and regulatory requirements administered by the Bank of Thailand (“BOT”). Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must satisfy specific capital guidelines that involve quantitative measurements of the Bank’s assets, liabilities and certain off-balance sheet items calculated in accordance with regulatory requirements. The Bank’s capital amounts and classification are also subject to qualitative judgment by the BOT about components, risk weightings and other factors. As at December 31, 2022 and 2021, the Bank complied with all capital adequacy requirements. However, these capital and regulatory requirements are subject to change by the BOT.

2. Basis for Preparation of the Consolidated and the Bank’s Financial Statements

2.1 The consolidated and the Bank’s statutory financial statements are in the Thai language and prepared in accordance with Thai Financial Reporting Standards, accounting treatment guidance promulgated by the Federation of Accounting Professions (“TFAC”), accounting practices generally accepted in Thailand including the Regulations of the Securities and Exchange Commission, the Stock Exchange of Thailand and relevant BOT’s regulations.

The consolidated and the Bank’s financial statements are prepared in accordance with Thai Accounting Standard No. 1 regarding Presentation of Financial Statements; and relevant official regulations, and presented in accordance with the BOT’s Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups dated October 31, 2018.

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

The preparation of the financial statements in conformity with Thai Financial Reporting Standards also requires the Bank to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts

of revenue and expense during the reporting period. The actual results may differ from those estimates. The use of accounting judgments and estimates that are of significance are disclosed in Note 5. Further information about methods and key assumptions are set out in the relevant notes.

2.2 New or Revised Thai Financial Reporting Standards

2.2.1 The Bank and subsidiaries have adopted the new or revised Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and Thai Financial Reporting Interpretations, issued by the TFAC and announced in the Royal Gazette, applying for the financial statements of the periods beginning on or after January 1, 2022 onwards, with no material impact on the Bank and subsidiaries' financial statements.

2.2.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notifications regarding Thai Accounting Standards and Thai Financial Reporting Standards, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2023 onwards. These financial reporting standards were amended at alignment with the corresponding International Accounting Standards and Financial Reporting Standards. Such amendments do not have a significant impact on the Bank and subsidiaries' financial statements.

2.3 The consolidated financial statements for the years ended December 31, 2022 and 2021, included the accounts of the head office and all branches of the Bank and its subsidiaries, by eliminating significant business transactions and outstanding balances between the Bank and its subsidiaries, and included equity interest in associates. The subsidiaries consist of BBL (Cayman) Limited, Bangkok Bank Berhad, Sinnsuptawee Asset Management Company Limited, BBL Asset Management Company Limited, Bualuang Securities Public Company Limited, Bangkok Bank (China) Company Limited, Bualuang Ventures Limited, PT Bank Permata Tbk and BSL Leasing Company Limited.

In addition, the consolidated financial statements for the years ended December 31, 2022 and 2021, included BBL Nominees (Tempatan) Sdn. Bhd, the 100% owned subsidiary of Bangkok Bank Berhad and Bangkok Capital Asset Management Company Limited, the 100% owned subsidiary of Bualuang Securities Public Company Limited.

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

incorporated in the Kingdom of Thailand except for PT Honest Financial Technologies (formerly PT Sahabat Finansial Keluarga) which was incorporated in Indonesia.

- 2.4 The Bank's financial statements for the years ended December 31, 2022 and 2021, included the accounts of the head office and all branches of the Bank. Investments in subsidiaries and associates were accounted for using the cost method, net of valuation allowance for impairment.

3. Significant Accounting Policies

3.1 Recognition of income

The Bank recognizes interest income by using the Effective Interest Rate (EIR) method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments or, when appropriate, a shorter period, to the carrying amount of the financial assets. The EIR is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR.

The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets except for credit-impaired financial assets. When a financial asset becomes credit-impaired, the Bank calculates interest income by applying the effective interest rate to the net carrying amount after allowance for expected credit loss of the financial assets. If the asset is no longer credit-impaired, the Bank reverts to calculating interest income on a gross carrying amount.

For Purchased or Originated Credit-Impaired (POCI) financial assets, the Bank calculates interest income by calculating the credit-adjusted EIR and applying that rate to the net carrying amount of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the net carrying amount of the POCI financial assets.

Fee income

Unless included in the EIR calculation, the Bank recognizes fee income on an accrual basis when the service has been provided or upon satisfaction of performance obligations.

3.2 Recognition of expenses

The Bank recognizes interest expenses by using the effective interest method. Unless included in the effective interest calculation, fee expenses are recognized on an accrual basis.

3.3 Cash

Cash consists of cash on hand and cash in transit.

3.4 Financial instruments

1) Recognition of financial instruments

The Bank recognizes financial assets or financial liabilities when the Bank becomes a party to the contractual provisions of the instrument, which is generally on settlement date. Loans and receivables are recognized when cash is advanced (or settled) to the borrowers.

2) Classification of financial assets

Financial assets - Debt instruments

The Bank has classified its financial assets - debt instruments as financial assets subsequently measured at either amortized cost or fair value in accordance with the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows :

- Financial assets measured at amortized cost only if both following conditions are met : the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and subsequently measured at amortized cost. The measurement of credit impairment is based on the expected credit loss model described in Impairment of financial assets paragraph.

- Financial assets measured at Fair Value through Other Comprehensive Income (FVOCI) if both following conditions are met : the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and subsequently measured at fair value. The unrealized gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realized, after which such gains or losses on disposal of the instruments will be recognized in profit or loss. The measurement of credit impairment is based on the expected credit loss model.

- Financial assets measured at Fair Value through Profit or Loss (FVTPL) unless the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of

principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and are subsequently measured at fair value. Unrealized gains and losses from change in fair value, and gains and losses on disposal of instruments are recognized as gains (losses) on financial instruments measured at fair value through profit or loss.

Investments in equity instruments

All equity investments are measured at fair value in the statement of financial position. The Bank has classified equity investments not held for trading but held for strategic purposes or for securities with potential for high market volatility as the financial asset measured at FVOCI, where an irrevocable election has been made by the management. Such classification is determined on an instrument-by-instrument basis. Amounts presented in other comprehensive income are not reclassified subsequently to profit or loss except for dividends.

3) Classification of financial liabilities

The Bank measures financial liabilities, other than loan commitments and financial guarantees, at amortized cost or at FVTPL when they are held for trading or the fair value designation is applied.

Financial liabilities measured at amortized cost are initially recognized at fair value and subsequently measured at amortized cost.

The Bank classifies financial liabilities as held for trading when they have been issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading liabilities are initially recognized at fair value, with transaction costs recognized in profit or loss as incurred. Subsequently, they are measured at fair value and any gains and losses are recognized in profit or loss as they arise.

Financial liabilities may be designated as FVTPL under of the following criteria :

- The designation eliminates or significantly reduces an accounting mismatch
- A group of financial liabilities or financial assets and liabilities is managed and its performance is evaluated on a fair value basis
- The liabilities contain one or more embedded derivatives

Change in the liability's own credit risk is presented separately in other comprehensive income as an own credit reserve except it would create or enlarge an accounting mismatch in profit or loss, in which case the entire change in fair value on that liability, including the effects of changes in the credit risk are presented in "Gains (losses) on financial instruments measured at fair value through profit or loss".

The change in the fair value of the financial liability that is attributable to changes in own credit risk is the difference between the fair value basing on the current and initial credit risk.

Amounts presented in the own credit reserve will not be subsequently transferred to profit or loss. When these instruments are derecognized, the related cumulative amount in the own credit reserve is transferred to retained earnings.

4) Financial derivatives

Derivatives are initially recorded at fair value at the date on which a derivative contract is entered into (Trade Date) and are classified as trading except where they are designated as a part of an effective hedge relationship and classified as hedging derivatives. Derivatives are subsequently measured at fair value. The changes in fair value are recognized as gains (losses) on financial instruments measured at fair value through profit or loss unless hedge accounting is applied.

Embedded derivatives

Embedded derivatives are component of hybrid or combined instruments that consist of non-derivative host contracts.

For derivatives embedded in financial asset host contracts, the entire hybrid contract, including all embedded features, is classified in accordance with the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For derivatives embedded in financial liability host contracts, embedded derivatives will be separated from the host contract and accounted for as derivatives if all of the following criteria are met :

- Their economic characteristics and risks are not closely related to those of the host contract
- When separated from the host contract, it would still meet the definition of derivative and
- The hybrid or combined instruments are not recognized and measured at fair value through profit or loss.

5) Modifications of financial instruments

a) Financial assets

When the terms of a financial asset are modified and from the evaluation of the Bank, the cash flows of the modified asset are different from those at the original financial asset significantly. The original financial asset is derecognized and a new financial asset is recognized at fair value. The difference between the carrying amount of the financial asset extinguished and the new financial asset is recognized in profit or loss as a part of expected credit loss.

If the cash flows of the modified asset are not substantially different, the Bank recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss which is presented as expected credit loss.

b) Financial liabilities

The Bank derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different. A new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability is recognized in profit or loss.

If the cash flows of the modified liability are not substantially different, the carrying amount of the liability is adjusted to reflect the net present value of the revised cash flows discounted at the original effective interest rate and recognizes the amount arising from adjusting the carrying amount as a modification gain or loss.

6) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when the Bank has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

7) Derecognition of financial instruments

The Bank derecognizes a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Bank, is recognized separately as asset or liability.

A financial liability is derecognized from the statement of financial position when the Bank has discharged its obligation or the contract is cancelled or expires.

3.5 Impairment of financial assets

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

a) Stage 1 : Performing

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the Bank recognizes portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.

b) Stage 2 : Under-performing

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized.

c) Stage 3 : Non-performing

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognized.

Determining the stage for impairment

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Bank considers reasonable and supportable information. The Bank gives importance to the consideration of indicator that will significantly reduce the ability to pay the debt or the increase in credit risk. This includes quantitative and qualitative information and also, forward-looking analysis covering both events that have already occurred and may occur in the future. The Bank uses its internal credit risk rating system, external credit risk grading and forecast information to assess deterioration in credit quality of a financial asset.

The Bank assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on the

basis of shared credit risk characteristics, taking into account instrument type, credit risk rating, the date of initial recognition, industry, geographical location of the borrower and other relevant factors.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, the Bank will classify it as performing assets.

Measurement of ECL

The expected credit loss is the present value of the entire amount that is not expected to be received throughout the expected life of the financial asset, weighted with a probability, discounted using at the original effective interest rate at the starting date, which is calculated from the estimation of risk positions in the event of default, multiplied by the probability of default and the percentage of damage that may occur when there is a default, discounted by the original effective interest rate at the start date, calculated under each possible situation.

- Probability of Default (PD) : Estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.
- Loss Given Default (LGD) : Estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Bank would expect to receive, including from the realization of any collateral.
- Exposure at Default (EAD) : Estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments or the amount that is expected to be drawdowns on the remaining of committed facilities.

In measuring of ECL, the Bank considers its historical loss experience and adjusts this for current observable data. In addition, the Bank uses reasonable and supportable forecasts of future economic conditions together with experienced judgment to estimate the amount of an expected credit loss, use of macroeconomic factors including mainly, but not limited to, gross domestic product, unemployment rate and property price index.

In the case of debt instruments measured at FVOCI, the Bank recognizes impairment charge in profit and loss as expected credit loss and the allowance for expected credit loss with the corresponding amount in other comprehensive income, whereas the carrying amount of the investment in debt securities in the statement of financial position still present at fair value.

The measurement of ECL for financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

The ECL for loan commitments is the present value difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive.

Write-off

The Bank writes off financial assets that are determined to be irrecoverable either partially or in full in the period in which the decision is taken. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Bank's procedures for recovery of amount due.

3.6 Hedge accounting

The Bank makes use of derivatives to manage exposures arising from assets, liabilities, off-balance sheet items, net position or cash flow. Upon meeting specified criteria for hedge accounting, the Bank applies hedge accounting for the aforementioned derivatives. The Bank designates certain derivatives as :

- Hedges of the fair value of recognized assets or liabilities or firm commitments.
- Hedges of highly probable future cash flows attributable to a recognized asset or liability, or a highly probable forecast transaction.
- Hedges of net investments in foreign operations.

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

The Bank applies an accrual basis for open portfolio hedge.

1) Fair value hedges

The cumulative changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in profit or loss, together with any cumulative changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The movement in fair value of the hedged item attributable to the hedged risk is made as an adjustment to the carrying value of the hedged asset or liability.

When a hedging instrument expires or is sold, terminated or exercised, or when a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortized to profit or loss on an effective yield basis. Where the hedged item is derecognized from the

statement of financial position, the unamortized fair value adjustment is immediately recognized in profit or loss.

2) Cash flow hedges

The effective portion of the cumulative changes in the fair value of derivatives that are designated and qualified as cash flow hedges are directly recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. The reserve for cash flow hedges in equity are transferred to profit or loss in the period(s) in which the hedged item affects profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or when a hedge no longer meets the criteria for hedge accounting, the reserve for cash flow hedges in equity at that time remains in equity and is recognized in profit or loss when the hedged item is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss existing in equity at that time is immediately transferred to profit or loss.

3) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in the foreign currency translation in equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss. Gains and losses accumulated in equity are transferred to profit or loss when the foreign operation is disposed.

3.7 Investments in subsidiaries and associates, net

Subsidiaries are entities over which the Bank has the power to control the financial and operating policy in order to manage the relevant activities so as to obtain return on the Bank's interest.

Associates are entities over which the Bank has, directly or indirectly, the voting power of the entity which the Bank has significant influence, but not control, over the financial and operating policy decisions.

Investments in subsidiaries and associates in the Bank's financial statements are presented under the cost method, net of valuation allowance for impairment. Investments in associates in the consolidated financial statements are presented under the equity method, net of valuation allowance for impairment.

3.8 Properties for sale

Properties for sale consist of immovable and movable properties which are stated at the lower of cost or market value at the date of acquisition. In the event where the Bank considers that there is a decline in net realizable value, the impairment is recognized as other operating expense.

Net realizable value is estimated based on the appraised value together with other factors which can affect the realizable value such as related selling expenses and future discounts expenses.

Gains or losses on disposal of such properties for sale are recognized as other operating income or expense on the date of disposal.

The Bank had complied with the BOT's Notification regarding the Immovable Properties for Sale, and the Rules of the Purchase and Holding of Immovable Properties to be used as Premises for Business of Commercial Banks or as Facilities for its Officers and Employees and the Accounting Rules for Financial Institutions in relation to the Sales of Properties for Sale.

3.9 Premises, equipment and depreciation

Land is stated at the new appraised value. Premises are stated at the new appraised value net of accumulated depreciation and allowance for impairment (if any). Equipment is stated at cost net of accumulated depreciation and allowance for impairment (if any).

The land and premises reappraisal is done by independent appraisers according to the guidelines established by the BOT based on the market value method for land and the replacement cost method net of accumulated depreciation for premises, and such value is subject to review by price-approval committee. The increment resulting from the appraisal is recognized as part of shareholders' equity as appraisal surplus. Depreciation of the premises appraisal surplus is recognized as other operating expense and the appraisal surplus in equity is amortized by transferring directly to retained earnings in an amount equal to such depreciation. Decrease of appraisal surplus is charged directly against prior appraisal surplus for the particular asset. The residual appraisal decrease is recognized as other operating expense. Upon disposal, any remaining related appraisal surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets, as follows :

Premises-reappraised	20 - 30 years
Premises-newly constructed	20 years
Equipment	3 - 5 years

Depreciation of premises and equipment in foreign countries is at the legal rates applicable in each locality.

When land, premises and equipment become impaired, the allowance for impairment is recorded to recognize loss on impairment as other operating expenses.

Gains or losses on disposal of land, premises and equipment are recognized as other operating income or expenses upon disposal.

3.10 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets and contingent liabilities acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets and contingent liabilities acquired, the difference is recognized directly in profit or loss. Acquisition-related costs are expensed as incurred and included in other operating expenses. Non-controlling interests are measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets on each business combination basis.

3.11 Goodwill and intangible assets and amortization

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

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

Intangible assets are amortized by the straight-line method over their estimated useful lives between 3 - 13 years.

Amortization of intangible assets in foreign countries is at the legal rates applicable in each locality.

When intangible assets become impaired, the allowance for impairment is recorded to recognize loss on impairment as other operating expenses.

Gains or losses on disposal of intangible assets are recognized as other operating income or expenses upon disposal.

3.12 Leases

The Bank as a tenant recognizes liabilities under rental contracts at the present value of the obligations under the lease agreements, and recognizes right-of-use assets with the value of lease liabilities plus the initial direct costs and the right-of-use is amortized over the straight-line method throughout the lease term.

3.13 Provisions

The Bank recognizes provisions in the statement of financial position when the Bank has obligations as a result of a past event and where it is probable that there will be an outflow of economic benefits to settle such obligations. The provisions, such as the provisions for off-balance sheet contingencies, the provision for the post-employment benefits (See Note 6.22), the probable loss on legal indemnity, and other provisions, have been recognized in the statements of financial position.

The Bank reviews the provisions on a regular basis, and recognizes the changes in the provisions as increase or decrease in other operating expenses.

3.14 Assets and liabilities in foreign currencies

3.14.1 Functional currency and presentation currency

Items in the financial statements of foreign operations are recorded at their functional currency.

The consolidated and the Bank's financial statements are presented in Baht as the presentation currency.

3.14.2 Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the transaction dates.

At the reporting date, balances of monetary assets and liabilities are translated at the exchange rate as of the reporting date. Balances of non-monetary assets and liabilities are translated at the exchange rate prevailing at the transaction dates or exchange rate at the date when the fair value was determined.

Gains and losses on foreign currency trading and foreign currency translation are presented as gains (losses) on tradings and foreign exchange transactions.

3.14.3 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank's financial statements, the Bank translates the items in the statement of financial position of the foreign operation which its functional currency is other than Baht by using the reference rates of BOT as of the reporting date and translates the items in the statement of profit or loss and other comprehensive income by using the reference rates of BOT at the end of each month.

Gains or losses on translation of the financial statements of foreign operations are recognized as a component of shareholders' equity through other comprehensive income.

3.15 Post-employment benefits

3.15.1 Defined contribution plans

The Bank and its domestic subsidiaries have the provident funds, which are managed by external fund managers, for their employees in accordance with the Provident Fund Act. The Bank, its domestic subsidiaries and their employees contribute to the funds at the determined rates. The employees are entitled to benefits according to the fund regulations.

The provident funds for overseas branches and overseas subsidiaries are established in accordance with each country's legal requirement and any withdrawal is made in compliance therewith.

The provident funds are considered defined contribution plans. The Bank and subsidiaries recognize their contributions to the provident funds as personnel expenses upon receiving the service from employees.

3.15.2 Defined benefit plans

The Bank and its subsidiaries provide the defined benefit plans for their employees under the employment agreements. The provision for the employee benefits is assessed by an actuary using the actuarial techniques called the Projected Unit Credit Method to determine the present value of cash flows of employee benefits to be paid in the future. Under this method, the determination is based on actuarial calculations which include the employee's salaries, turnover rate, mortality rate, years of service and other factors.

The Bank and its subsidiaries recognize the provision for defined benefit plans in the statement of financial position with the net total of the present value of defined benefits obligations minus the fair value of plan assets. The expense for defined benefit plans is recognized as personnel expenses. The actuarial gains (losses) are recognized in other comprehensive income.

3.16 Income taxes

Income taxes comprise of current tax and deferred tax.

Current tax is recognized at the amount expected to be paid or recovered from the tax authorities by calculating from taxable profit or loss for the period and using tax rates enacted or substantively enacted by the reporting date.

Deferred tax is recognized on temporary differences arising between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss (tax base). The Bank recognizes deferred tax assets and liabilities arising from such temporary differences at the amount of expected benefit to be received from the assets or paid for the liabilities in profit or loss except to the extent that it relates to items recognized in equity, which it is recognized directly in equity.

Deferred tax assets and liabilities are offset, if the Bank has a legally enforceable right to offset current tax assets and current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be sufficiently available to allow the temporary differences to be utilized. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that the related tax benefit will be realized.

3.17 Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to the Bank by the average number of common shares outstanding and issued during the period, weighted by the time and amount paid.

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

4. Risk Management

4.1 Risk management information of the Bank

The Bank's Risk Management Committee, the Board of Executive Directors and senior management plays a significant role in prescribing the risk management policy, reviewing the sufficiency of the risk management policy and system, defining the strategy for risk management, and monitoring the Bank's risk to an appropriate level, in compliance with the Bank's risk management policy which has been approved by the Board of Directors based on the Risk Management Committee's recommendation. The objectives are to manage the relevant risks within designated boundaries, in particular the maintenance of capital in accordance with the

revised capital adequacy requirements under the Basel III guidelines and to achieve an appropriate rate of return.

Important processes in the risk management system comprise the identification of significant risks which may potentially impact the Bank's business operations, the assessment of each type of risk, the monitoring of risks to be at an appropriate level under the Bank's policy, and the reporting of the status of each type of risk to relevant parties so as to enable them to manage and/or handle the risks in a timely manner.

The key principle of the risk management system is that business units shall be responsible for continuously managing their risk exposures in order to ensure that the risk is within the specified limits and in compliance with the overall risk management policy approved by the Board of Directors, while the Risk Management unit is responsible for monitoring and controlling the risks on a regular basis.

4.2 Credit risk

4.2.1 Credit risk management

Credit risk is the risk that borrowers or counterparties fail to fulfill their obligations under contractual agreements arising from lending, investment and other contractual activities, such as the borrowers' failure to repay principal or interest as agreed in the contract, etc. The Bank's maximum exposure to credit risk is the net carrying amount of the financial assets or the amount which the Bank could have to pay if counterparties cannot meet such contractual obligations.

The Bank has established comprehensive credit underwriting processes which include the formulation of the credit policy, procedures for the assessment of credit risk ratings for customers, and the establishment of various levels of credit approval authority, based on the type of business and/or the size of the credit facilities. In general, credit facilities are extended based on the capacity to repay, which is assessed by evaluating the purpose of the loan, the projected operating cash flows, business feasibility and the capability of management. Collateral coverage is also taken into consideration as a contingency measure. Credit reviews including reviews of the credit risk ratings are undertaken on a regular basis. Furthermore, the Bank also has established limits to be used as a tool to monitor and control credit risk.

4.2.2 Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for any financial instrument before deducting collateral as at December 31, 2022 and 2021.

The maximum exposure to credit risk of a financial asset is equal to the net book value. The maximum exposure to credit risk of a financial guarantee is the maximum amount the Bank will pay up to the guarantee obligation. For loan commitments the maximum exposure to credit risk is full value of credit limit.

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

4.2.3 Collateral obtained

The maximum exposure to credit risk arises from loans and advances to customers and financial guarantees and loan commitments. The Bank receives a sufficient amount of collateral and of an appropriate type. The main types are land, land with buildings, bonds, debentures, apartments, etc. including deposits, leasehold rights and various movable properties, etc.

4.2.4 Offsetting financial assets and liabilities

The table below shows the amount of financial instruments that have not been offset in the statement of financial position but is subject to other applicable netting agreements or similar arrangements such as standard contracts and other applicable financial collateral as at December 31, 2022 and 2021.

Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	CONSOLIDATED 2022			Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
				Amounts not offset on the statement of financial position		Net amounts				
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	303	-	303	-	(303)	-	Interbank and money market items (assets), net	6.4	766,074	765,771
Derivatives assets	74,980	-	74,980	(44,693)	(26,529)	3,758	Derivative assets	6.6	84,839	9,859
Total	<u>75,283</u>	<u>-</u>	<u>75,283</u>	<u>(44,693)</u>	<u>(26,832)</u>	<u>3,758</u>			<u>850,913</u>	<u>775,630</u>
Financial liabilities										
Repurchase agreements	94,350	-	94,350	-	(94,350)	-	Interbank and money market items (liabilities), net	6.15	262,522	168,172
Derivatives liabilities	50,317	-	50,317	(44,693)	(1,407)	4,217	Derivative liabilities	6.6	70,981	20,664
Total	<u>144,667</u>	<u>-</u>	<u>144,667</u>	<u>(44,693)</u>	<u>(95,757)</u>	<u>4,217</u>			<u>333,503</u>	<u>188,836</u>

Million Baht

Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	CONSOLIDATED 2021		Net amounts	Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
				Amounts not offset on the statement of financial position						
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	11,472	-	11,472	-	(11,472)	-	Interbank and money market items (assets), net	6.4	801,212	789,740
Derivatives assets	30,823	-	30,823	(24,937)	(3,314)	2,572	Derivative assets	6.6	42,359	11,536
Total	42,295	-	42,295	(24,937)	(14,786)	2,572			843,571	801,276
Financial liabilities										
Repurchase agreements	61,400	-	61,400	-	(61,400)	-	Interbank and money market items (liabilities), net	6.15	288,709	227,309
Derivatives liabilities	33,312	-	33,312	(24,937)	(8,375)	-	Derivative liabilities	6.6	50,264	16,952
Total	94,712	-	94,712	(24,937)	(69,775)	-			338,973	244,261

Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	THE BANK 2022		Net amounts	Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
				Amounts not offset on the statement of financial position						
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	303	-	303	-	(303)	-	Interbank and money market items (assets), net	6.4	587,554	587,251
Derivatives assets	74,980	-	74,980	(44,693)	(26,529)	3,758	Derivative assets	6.6	83,583	8,603
Total	<u>75,283</u>	<u>-</u>	<u>75,283</u>	<u>(44,693)</u>	<u>(26,832)</u>	<u>3,758</u>			<u>671,137</u>	<u>595,854</u>
Financial liabilities										
Repurchase agreements	94,350	-	94,350	-	(94,350)	-	Interbank and money market items (liabilities), net	6.15	251,029	156,679
Derivatives liabilities	50,317	-	50,317	(44,693)	(1,407)	4,217	Derivative liabilities	6.6	69,649	19,332
Total	<u>144,667</u>	<u>-</u>	<u>144,667</u>	<u>(44,693)</u>	<u>(95,757)</u>	<u>4,217</u>			<u>320,678</u>	<u>176,011</u>

Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	THE BANK 2021			Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
				Amounts not offset on the statement of financial position		Net amounts				
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	11,472	-	11,472	-	(11,472)	-	Interbank and money market items (assets), net	6.4	626,065	614,593
Derivatives assets	30,823	-	30,823	(24,937)	(3,314)	2,572	Derivative assets	6.6	41,749	10,926
Total	<u>42,295</u>	<u>-</u>	<u>42,295</u>	<u>(24,937)</u>	<u>(14,786)</u>	<u>2,572</u>			<u>667,814</u>	<u>625,519</u>
Financial liabilities										
Repurchase agreements	61,400	-	61,400	-	(61,400)	-	Interbank and money market items (liabilities), net	6.15	280,748	219,348
Derivatives liabilities	33,312	-	33,312	(24,937)	(8,375)	-	Derivative liabilities	6.6	49,716	16,404
Total	<u>94,712</u>	<u>-</u>	<u>94,712</u>	<u>(24,937)</u>	<u>(69,775)</u>	<u>-</u>			<u>330,464</u>	<u>235,752</u>

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

	CONSOLIDATED 2022			Million Baht
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	918,535	1,365	-	919,900
Satisfactory	1,765,158	6,109	-	1,771,267
High-risk	356,748	140,928	-	497,676
Credit impaired	-	-	100,863	100,863
Total	<u>3,040,441</u>	<u>148,402</u>	<u>100,863</u>	<u>3,289,706</u>
Interbank and money market items and investments in debt securities				
Strong	1,491,771	6,384	-	1,498,155
Satisfactory	22,038	-	-	22,038
High-risk	2,959	6,039	-	8,998
Credit impaired	-	-	129	129
Total	<u>1,516,768</u>	<u>12,423</u>	<u>129</u>	<u>1,529,320</u>
Grand total	<u><u>4,557,209</u></u>	<u><u>160,825</u></u>	<u><u>100,992</u></u>	<u><u>4,819,026</u></u>

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

				Million Baht
THE BANK 2022				
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	693,060	467	-	693,527
Satisfactory	1,612,213	5,995	-	1,618,208
High-risk	298,121	125,200	-	423,321
Credit impaired	-	-	84,213	84,213
Total	<u>2,603,394</u>	<u>131,662</u>	<u>84,213</u>	<u>2,819,269</u>
Interbank and money market items and investments in debt securities				
Strong	1,173,221	6,384	-	1,179,605
Satisfactory	19,409	-	-	19,409
High-risk	2,915	6,039	-	8,954
Credit impaired	-	-	117	117
Total	<u>1,195,545</u>	<u>12,423</u>	<u>117</u>	<u>1,208,085</u>
Grand total	<u><u>3,798,939</u></u>	<u><u>144,085</u></u>	<u><u>84,330</u></u>	<u><u>4,027,354</u></u>

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

Allowance for expected credit loss of financial instruments that requires credit impairment consideration according to relevant financial reporting standard consisted of the following as at December 31, 2022 and 2021 :

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

	CONSOLIDATED			Total
	2022			
	Performing	Under-performing	Non-performing	Million Baht
Allowance for expected credit loss				
Beginning balances	86,829	70,390	74,943	232,162
Changes due to re-measurement of loss allowance	37,829	28,962	21,222	88,013
De-recognition	(19,900)	(18,625)	(25,682)	(64,207)
Others	330	255	3,328	3,913
Ending balances	105,088	80,982	73,811	259,881

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

	THE BANK			Total
	2022			
	Performing	Under-performing	Non-performing	Million Baht
Allowance for expected credit loss				
Beginning balances	78,047	64,957	60,485	203,489
Changes due to re-measurement of loss allowance	28,273	25,927	10,898	65,098
De-recognition	(12,996)	(16,183)	(12,823)	(42,002)
Others	317	108	1,407	1,832
Ending balances	93,641	74,809	59,967	228,417

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

4.3 Market risk

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

4.3.1 Market risk in the trading book

Trading book position includes positions of financial instruments that the Bank holds for a short period with an intention to trade, resell, and benefit from the difference between the buying and selling prices; to benefit from arbitrage opportunities; or to hedge other positions in the trading book.

Interest rate risk in the trading book arises when the Bank holds interest rate-related financial instruments with an intention to trade, speculates for a short-term profit, or hedges other positions in the trading book. Changes in interest rates affect the fair value of these positions and may result in gains or losses for the Bank.

Foreign exchange risk arises when the Bank executes a foreign currency transaction which may lead to an overbought or oversold position in a particular currency. The Bank may incur gains or losses as a result of movements in foreign exchange rates.

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

Value-at-Risk (VaR)

Value at Risk or “VaR” is a statistical technique that estimates the maximum potential losses on risk exposures as a result of movements in market rates and prices over a specified time horizon and at a given level of confidence. The Bank uses a historical simulation approach at a 99% confidence level over a one-day holding period to measure VaR for our trading book positions. Historical Simulation VaR estimates the maximum potential losses assuming plausible future scenarios from the observed historical market movements.

1-Day VaR at 99% confidence level of the Bank’s and the Group’s trading book position as of December 31, 2022 and 2021 are as follows :

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

In addition to the above-mentioned monitoring and controlling of risk, the Bank also performs market risk stress testing on its trading book position on at least a quarterly basis to determine the potential losses from extreme market movements or crisis events. This stress testing enhances the Bank’s understanding of its risk exposures and vulnerability as well as facilitating proactive risk management.

4.3.2 Market risk in the banking book

4.3.2.1 Interest rate risk in the banking book

Interest rate risk in the banking book normally arises when the repricing and/or maturity schedule of assets, liabilities and off-balance sheet positions are not matched, or when the movements of reference interest rates on assets and liabilities are not correlated, affecting net interest income (NII) and/or economic value of equity (EVE).

To control interest rate risk in the banking book, the Bank has established a NII Impact Limit (being the Cumulative NII Impact within one year) and an EVE Impact Limit, assuming interest rates rise and decrease immediately by 1%.

The impact of a 1% point increase in interest rate to NII of the Bank's and the Group's as at December 31, 2022 and 2021 are as follows :

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

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

	CONSOLIDATED							Total
	2022							
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - performing Loans	
Financial Assets								
Interbank and money market items *	610,890	30,930	21,558	881	-	101,629	117	766,005
Financial assets measured at fair value through profit or loss	335	630	1,919	8,135	1,062	62,955	-	75,036
Investments in debt securities	18,944	37,849	158,825	370,688	174,062	-	-	760,368
Loans to customers*	1,665,324	572,259	193,339	133,032	21,678	-	97,059	2,682,691
Financial Liabilities								
Deposits	2,217,162	347,488	485,046	16,819	-	144,381	-	3,210,896
Interbank and money market items	172,503	35,587	10,785	27,349	56	16,242	-	262,522
Liabilities payable on demand	-	-	-	-	-	7,770	-	7,770
Financial liabilities measured at fair value through profit or loss	548	-	-	-	17,412	-	-	17,960
Debt issued and borrowings	100	1,146	17,297	72,643	97,116	-	-	188,302

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

Million Baht

	CONSOLIDATED 2021							Total
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - performing Loans	
Financial Assets								
Interbank and money market items *	675,861	28,339	11,625	121	-	85,873	-	801,819
Financial assets measured at fair value through profit or loss	40	3,876	2,106	5,182	8,807	64,330	-	84,341
Investments in debt securities	25,973	47,067	101,148	432,870	106,479	-	-	713,537
Loans to customers *	1,448,732	550,490	282,355	196,973	8,614	-	101,175	2,588,339
Financial Liabilities								
Deposits	2,125,971	362,112	515,748	17,677	-	135,432	-	3,156,940
Interbank and money market items	139,213	70,634	50,114	27,724	550	474	-	288,709
Liabilities payable on demand	-	-	-	-	-	8,113	-	8,113
Financial liabilities measured at fair value through profit or loss	266	-	-	-	20,567	-	-	20,833
Debt issued and borrowings	-	344	27,281	62,011	93,603	-	-	183,239

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

Million Baht

	THE BANK 2022							
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - performing Loans	Total
Financial Assets								
Interbank and money market items*	511,824	20,537	9,049	518	-	45,442	117	587,487
Financial assets measured at fair value through profit or loss	325	590	1,883	7,867	753	79,384	-	90,802
Investments in debt securities	18,648	16,535	117,057	294,231	172,526	-	-	618,997
Loans to customers*	1,455,380	504,986	166,110	73,928	20,416	-	80,875	2,301,695
Financial Liabilities								
Deposits	1,812,725	307,482	443,546	11,158	-	141,241	-	2,716,152
Interbank and money market items	160,120	34,487	10,129	27,349	56	18,888	-	251,029
Liabilities payable on demand	-	-	-	-	-	7,767	-	7,767
Financial liabilities measured at fair value through profit or loss	-	-	-	-	17,412	-	-	17,412
Debt issued and borrowings	-	1	17,297	72,643	97,116	-	-	187,057

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

Million Baht

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

4.3.2.2 Foreign exchange in the banking book

Exchange rate risk in the banking book relates to the net investment position of foreign branches and subsidiaries. It is a risk arising from changes in exchange rates to investments and the net operating results of foreign entities whose functional currency is not Thai Baht. Foreign exchange risk is recognized through other comprehensive income as gain or loss on translation of the financial statements from overseas operations.

The Bank manages foreign exchange risk in its banking book to ensure that the impact of exchange rate changes on the Bank's total capital ratios is at acceptable levels. As at December 31, 2022 and 2021, the impact on the Group's total capital ratio assuming a 5% change of all foreign currency exchange rates against Thai Baht, was approximately 0.07% and 0.03%, respectively

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

4.4 Liquidity risk

Liquidity risk is the risk that the Bank is not able to meet financial obligations when they fall due. The purpose of the Bank's liquidity risk management is to maintain sufficient funds to meet present and future financial obligations while managing the use of the funds to generate an appropriate return in line with prevailing market conditions.

The Bank manages liquidity risk in accordance with policies and principles established internally by ALCO and with relevant regulatory requirements. The Treasury Division is in charge of managing the Bank's day-to-day cash flow and liquidity position, monitoring money market conditions and interest and exchange rate movements and forecasting rate trends, as well as executing liquidity management strategies in accordance with ALCO guidelines. The Market Risk unit of the Risk Management Division is responsible for identifying, assessing, monitoring, reporting and controlling liquidity risks against specified limits. The Market Risk unit reports to ALCO regularly, at least once a month.

The Bank has diversified funding sources. Its major funding source is customer deposits which are well diversified in terms of customer type, deposit type and maturity. Moreover, the Bank manages liquidity in major currencies such as the Thai baht and US dollar by using domestic and international money and capital markets, including swap and repurchase markets. The Bank aims to balance the cost of liquidity against liquidity risks as deemed appropriate, based on market conditions and acceptable risk levels. The Bank also closely manages short-term and long-term liquidity positions, including the consideration of foreign short-term and long-term borrowings to meet customers' foreign currency loan demands in both domestic and overseas operations, as well as planning for capital fundraising as market conditions permit. In addition to funding diversification, the Bank maintains high-quality liquid assets which can be liquidated or realized as needed in order to meet its financial obligations under both business-as-usual and crisis situations. The Bank maintains a liquidity reserve ratio in accordance with the requirements of the BOT and other regulatory authorities in the countries where it has an international presence, as well as in accordance with the ALCO guidelines.

The following tables show financial assets and financial liabilities categorized by remaining maturity profile as at December 31, 2022 and 2021 :

	CONSOLIDATED 2022					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	Total
Financial Assets						
Interbank and money market items*	730,375	1,635	93	33,785	117	766,005
Financial assets measured at						
fair value through profit or loss	6,131	8,067	25,327	35,511	-	75,036
Derivatives assets	31,824	22,532	30,483	-	-	84,839
Investments	227,445	358,202	177,089	88,927	-	851,663
Loans to customers*	989,370	1,086,701	509,561	-	97,059	2,682,691
Financial Liabilities						
Deposits	1,179,968	19,184	-	2,011,744	-	3,210,896
Interbank and money market items	190,905	34,261	56	37,300	-	262,522
Liabilities payable on demand	7,770	-	-	-	-	7,770
Financial liabilities measured at						
fair value through profit or loss	548	-	17,412	-	-	17,960
Derivatives liabilities	20,350	22,589	28,042	-	-	70,981
Debt issued and borrowings	18,543	72,643	71,184	25,932	-	188,302

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

	CONSOLIDATED 2021					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	Total
Financial Assets						
Interbank and money market items*	730,607	3,259	106	67,847	-	801,819
Financial assets measured at						
fair value through profit or loss	9,655	4,910	32,293	37,483	-	84,341
Derivatives assets	9,421	13,765	19,173	-	-	42,359
Investments	171,910	433,927	109,692	89,447	-	804,976
Loans to customers*	966,297	898,564	622,303	-	101,175	2,588,339
Financial Liabilities						
Deposits	1,477,132	20,113	-	1,659,695	-	3,156,940
Interbank and money market items	238,083	34,408	550	15,668	-	288,709
Liabilities payable on demand	8,113	-	-	-	-	8,113
Financial liabilities measured at						
fair value through profit or loss	266	-	20,567	-	-	20,833
Derivatives liabilities	15,816	15,082	19,366	-	-	50,264
Debt issued and borrowings	27,625	36,946	93,590	25,078	-	183,239

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

	THE BANK 2022					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	Total
Financial Assets						
Interbank and money market items*	558,527	518	-	28,325	117	587,487
Financial assets measured at						
fair value through profit or loss	2,798	7,867	24,947	55,190	-	90,802
Derivatives assets	30,747	22,353	30,483	-	-	83,583
Investments	151,589	292,976	174,803	232,685	-	852,053
Loans to customers*	850,287	954,222	416,311	-	80,875	2,301,695
Financial Liabilities						
Deposits	956,774	13,520	-	1,745,858	-	2,716,152
Interbank and money market items	184,155	34,261	56	32,557	-	251,029
Liabilities payable on demand	7,767	-	-	-	-	7,767
Financial liabilities measured at						
fair value through profit or loss	-	-	17,412	-	-	17,412
Derivatives liabilities	19,640	21,973	28,036	-	-	69,649
Debt issued and borrowings	17,298	72,643	71,184	25,932	-	187,057

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

	THE BANK 2021					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	Total
Financial Assets						
Interbank and money market items*	562,550	1,115	-	62,985	-	626,650
Financial assets measured at						
fair value through profit or loss	5,802	2,813	31,448	56,435	-	96,498
Derivatives assets	8,995	13,581	19,173	-	-	41,749
Investments	110,515	359,549	104,790	232,826	-	807,680
Loans to customers*	822,896	776,296	529,646	-	83,084	2,211,922
Financial Liabilities						
Deposits	1,010,863	13,026	-	1,641,757	-	2,665,646
Interbank and money market items	234,920	33,778	550	11,500	-	280,748
Liabilities payable on demand	8,112	-	-	-	-	8,112
Financial liabilities measured at						
fair value through profit or loss	-	-	20,567	-	-	20,567
Derivatives liabilities	15,410	14,945	19,361	-	-	49,716
Debt issued and borrowings	26,765	36,946	93,590	25,078	-	182,379

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

4.5 Fair value of financial instruments

The following table presents the carrying amount and estimated fair value of financial instruments as at December 31, 2022 and 2021 :

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

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

For cash, deposits, interbank and money market items (liabilities), liabilities payable on demand, and borrowings, the carrying amounts in the statement of financial position approximate the fair value of the items.

The fair value for loans to customers and interest receivables, net and interbank and money market items, net (assets) is based on the carrying value of the loans to customers and interest receivables, net of the allowance for expected credit loss as presented in the statement of financial position.

The following methods and assumptions were used by the Bank in estimating the fair value of financial instruments as disclosed herein :

The fair values of interbank and money market items, net (assets), loans to customers and interest receivables, net, deposits, interbank and money market items (liabilities), liabilities payable on demand, and borrowings are determined by discounting cash flows using the relevant market interest rates.

The fair value of derivatives is derived from market price or valuation techniques which are based on the market prices of instruments with similar characteristics and maturities or the valuation quoted by reliable institutions.

The fair value determination of investments in debt securities

- For domestic debt securities listed in the Thai Bond Market Association, the fair value is determined by using the market yield of debt securities published by the Thai Bond Market Association. For such debt securities that are not listed in the Thai Bond Market Association, the average bid yield from three reliable financial institutions will be used.
- For foreign debt securities, the value quoted by reliable international financial institutions will be used.

The fair value determination of investments in equity securities

- For marketable equity securities with readily determinable market values, the fair value is determined by the last bid price on the Stock Exchange of Thailand on the last business day of the reporting date. If the last bid price is not available, the last closing price will be used.
- Investments in unit trusts are stated at fair value based on redemption value at the reporting date.
- For other non-marketable investments, the fair value is determined by using appropriate valuation techniques with price and/or variables from the market and consideration to limitation of sale, liquidation, and discount rate to adjust such fair value. The valuation techniques include the use of recent arm's length transactions, reference to current fair value of other investments that have similar characteristics, discounted cash flows, and market multiples.

The fair value for debt issued is based on the market value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market, or in the absence, the most advantageous market, where is accessible to by the Bank. The fair value of instruments that are quoted in active markets is determined using the quoted prices. A market is regarded as active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If the market is not active, or an asset or a liability is not traded in an active market, the Bank uses valuation techniques to determine fair value by using the assumptions that market participants would use when pricing the asset or liability. Where applicable, a valuation adjustment is applied to derive at the fair value.

The following table shows an analysis of financial assets and financial liabilities by level of the fair value hierarchy as at December 31, 2022 and 2021.

								Million Baht
CONSOLIDATED								
		2022			2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Items measured at fair value								
Financial assets								
Financial assets measured at fair value through								
profit or loss	7,301	6,290	61,445	75,036	11,370	9,681	63,290	84,341
Derivatives assets	437	85,368	-	85,805	458	41,918	-	42,376
Investments, net	180,939	575,478	5,522	761,939	177,174	574,225	6,185	757,584
Financial liabilities								
Financial liabilities measured at fair value through								
profit or loss	548	17,412	-	17,960	267	20,566	-	20,833
Derivatives liabilities	46	71,711	-	71,757	60	50,265	-	50,325
Items not measured at fair value								
Financial assets								
Investments, net	4,173	68,187	18,764	91,124	3,514	29,094	14,573	47,181
Financial liabilities								
Debt issued	-	171,456	-	171,456	-	190,951	-	190,951

								Million Baht
THE BANK								
		2022			2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Items measured at fair value								
Financial assets								
Financial assets measured at fair value through								
profit or loss	3,527	2,448	84,827	90,802	4,848	7,563	84,087	96,498
Derivatives assets	421	83,200	-	83,621	455	41,269	-	41,724
Investments, net	103,831	549,809	5,434	659,074	99,313	550,679	6,099	656,091
Financial liabilities								
Financial liabilities measured at fair value through								
profit or loss	-	17,412	-	17,412	-	20,567	-	20,567
Derivatives liabilities	-	69,543	-	69,543	-	49,699	-	49,699
Items not measured at fair value								
Financial assets								
Investments, net	897	49,064	166,713	216,674	446	6,650	172,182	179,278
Financial liabilities								
Debt issued	-	170,211	-	170,211	-	190,091	-	190,091

Fair values are determined according to the following hierarchy :

- Level 1 - quoted prices in active market for identical assets or liabilities
- Level 2 - value derived from valuation techniques for which the significant input used for the fair value measurement is directly or indirectly observable in the market
- Level 3 - value derived from valuation techniques for which the significant input used for the fair value measurement is unobservable in the market

When using valuation techniques, the valuation adjustments are adopted, when the Bank considers that there are additional factors that would be considered by a market participant but are not incorporated within the valuation measurements. The considering factors are such as bid-offer spread, counterparty credit and liquidity, etc.

4.6 Capital fund

It is the Bank's policy to maintain an adequate level of capital to support growth strategies under an acceptable risk framework taking into consideration regulatory requirements and market expectations. The Bank regularly assesses its capital adequacy under various scenarios in order to anticipate capital requirements for the purpose of its capital planning and management process.

The guideline on capital fund based on the Basel III guidelines of the BOT requires the Bank to set out additional capital ratio of more than 2.50 percent which maintains a capital conservation buffer in addition to minimum capital adequacy ratios. The BOT has announced the guideline to identify and regulate Domestic Systemically Important Bank (D-SIB). The BOT requires the Bank, classified as D-SIB, must have additional capital requirement for Higher Loss Absorbency (HLA) requirement by increasing the Common Equity Tier 1 ratio at 1 percent. The minimum capital adequacy and a capital conservation buffer ratios to risk-weighted assets is as follows :

Capital Fund Ratio	Percentage	
	2022	2021
Common Equity Tier 1 ratio	More than 8.0	More than 8.0
Tier 1 capital ratio	More than 9.5	More than 9.5
Total capital fund ratio	More than 12.0	More than 12.0

Moreover, the BOT may require to maintain additional capital for countercyclical buffer at maximum of 2.50 percent.

As at December 31, 2022 and 2021, the Bank maintained capital adequacy ratios to risk assets and capital fund in accordance with the BOT's Notification relating to the Basel III guidelines as follows :

	CONSOLIDATED		THE BANK		Percentage
	2022	2021	2022	2021	
	Common Equity Tier 1 capital to risk assets ratio	14.88	15.15	16.51	16.47
Tier 1 capital to risk assets ratio	15.67	15.98	17.38	17.38	
Total capital to risk assets ratio	19.13	19.57	21.12	21.33	

	CONSOLIDATED		THE BANK		Million Baht
	2022	2021	2022	2021	
	Tier 1 capital	471,366	457,469	468,474	449,350
Common Equity Tier 1 capital	447,590	433,699	444,882	425,758	
Paid-up share capital	19,088	19,088	19,088	19,088	
Premium on share capital	56,346	56,346	56,346	56,346	
Legal reserve	27,000	26,000	27,000	26,000	
Reserves appropriated from net profit	121,500	116,500	121,500	116,500	
Net profit after appropriation	210,038	191,060	190,120	174,703	
Other comprehensive income	53,237	66,492	55,123	58,136	
Items of the subsidiary undertaking commercial bank business only for the portion of non-controlling shareholders that can be counted as tier 1 capital of the financial group	391	-	-	-	
Deductions from Common Equity Tier 1 capital	(40,010)	(41,787)	(24,295)	(25,015)	
Additional Tier 1 capital	23,776	23,770	23,592	23,592	
Tier 2 capital	104,108	102,957	100,807	101,989	
Total capital fund	575,474	560,426	569,281	551,339	

As at December 31, 2022 and 2021, the Bank has no capital add-on arising from Single Lending Limit.

Disclosure of capital maintenance information of the Bank and the Financial Holding Group under the BOT's Notification regarding the disclosure of the capital requirement of commercial banks, regarding the disclosure of the capital requirement of the Financial Holding Group and regarding liquidity coverage ratio disclosure standards.

Location of disclosure www.bangkokbank.com/Investor Relations/Financial Information/Basel III - Pillar 3

Date of disclosure October 31, 2022

Information as of June 30, 2022

5. Significant Use of Accounting Judgments and Estimates

5.1 Impairment losses on financial assets

The measurement of impairment losses under Thai Financial Reporting Standard No. 9 across all categories of financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values and the assessment of significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowance.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include :

- The Bank's internal credit grading model, which assigns probability of default to the individual grades
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowance for financial assets should be measured on a lifetime ECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs and collateral values, and the effect on probability of defaults, exposure at defaults and loss given defaults
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models

There has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

5.2 Provisions

The determination of the provisions on the statement of financial position requires the use of various assumptions and judgments by the Bank, taking into consideration the nature of transactions and the circumstances requiring the provisions, the probability of the outflow of economic benefits to settle such obligations and the estimate of the net future cash outflows. The consideration is based on the experience and information that is available at the time that the financial statements are being prepared. The provisions are reviewed regularly. However, the actual results may differ from the estimates.

For the estimation of the provision for the defined benefit plans under the post-employment benefits, the estimation is calculated by an actuary by using the actuarial techniques which require actuarial assumptions on financial variables such as discount rate, future salaries and benefits etc., and demographic variables such as employee mortality and turnover etc.

5.3 Fair value of financial instruments

Where assets and liabilities are not traded in active markets, the Bank determines fair value by using valuation techniques commonly used by market participants including the reference to the fair value of another instrument of a similar nature, the discounted cash flow analysis and pricing models.

The Bank uses its best judgment in estimating the fair values of financial instruments. However, estimation methodologies and assumptions used to estimate fair values are inherently subjective. Accordingly, the use of different estimation methodologies and/or market assumptions may have a significant effect on the estimated fair values.

5.4 Impairment of goodwill

Performing the impairment test on the carrying amount of goodwill against the recoverable amount is carried out on an annual basis, or when there is indication that the goodwill may be impaired. The recoverable amount is determined based on the present value of estimated future cash flows expected to arise from the continuing operations. In estimating the future cash flows, growth rates and discount rates used in computing the recoverable amount is exercised by the Bank's best judgment which is inherently uncertain and subject to potential change over time. However, the Bank reviews these estimates on a regular basis.

6. Additional Information

6.1 Classification of Financial Assets and Financial Liabilities

Classification of financial assets and financial liabilities as at December 31, 2022 and 2021 are as follows :

	CONSOLIDATED 2022					Million Baht
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Investments in equity securities designated at FVOCI	Financial instruments measured at amortized cost	Total
Financial assets						
Cash	-	-	-	-	52,433	52,433
Interbank and money market items, net	-	-	-	-	766,074	766,074
Financial assets measured at FVTPL	75,036	-	-	-	-	75,036
Derivatives assets	84,839	-	-	-	-	84,839
Investments, net	-	-	672,065	89,874	88,212	850,151
Loans to customers and accrued interest receivables, net	-	-	-	-	2,449,355	2,449,355
Total	159,875	-	672,065	89,874	3,356,074	4,277,888
Financial liabilities						
Deposits	-	-	-	-	3,210,896	3,210,896
Interbank and money market item	-	-	-	-	262,522	262,522
Liability payable on demand	-	-	-	-	7,770	7,770
Financial liabilities measured at FVTPL	548	17,412	-	-	-	17,960
Derivatives liabilities	70,981	-	-	-	-	70,981
Debt issued and borrowings	-	-	-	-	188,302	188,302
Total	71,529	17,412	-	-	3,669,490	3,758,431

Million Baht

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

Million Baht

	THE BANK 2022					Total
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Investments in equity securities designated at FVOCI	Financial instruments measured at amortized cost	
Financial assets						
Cash	-	-	-	-	48,169	48,169
Interbank and money market items, net	-	-	-	-	587,554	587,554
Financial assets measured at FVTPL	90,802	-	-	-	-	90,802
Derivatives assets	83,583	-	-	-	-	83,583
Investments, net	-	-	571,103	87,971	47,803	706,877
Loans to customers and accrued interest receivables, net	-	-	-	-	2,096,756	2,096,756
Total	<u>174,385</u>	<u>-</u>	<u>571,103</u>	<u>87,971</u>	<u>2,780,282</u>	<u>3,613,741</u>
Financial liabilities						
Deposits	-	-	-	-	2,716,152	2,716,152
Interbank and money market item	-	-	-	-	251,029	251,029
Liability payable on demand	-	-	-	-	7,767	7,767
Financial liabilities measured at FVTPL	-	17,412	-	-	-	17,412
Derivatives liabilities	69,649	-	-	-	-	69,649
Debt issued and borrowings	-	-	-	-	187,057	187,057
Total	<u>69,649</u>	<u>17,412</u>	<u>-</u>	<u>-</u>	<u>3,162,005</u>	<u>3,249,066</u>

Million Baht

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

6.2 Cash

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

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

6.3 Supplementary Disclosures of Cash Flow Information

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

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

6.4 Interbank and Money Market Items, net (Assets)

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

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

6.5 Financial Assets Measured at Fair Value Through Profit or Loss

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

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

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

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

6.6 Derivatives Assets and Liabilities

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

Type of risk	CONSOLIDATED					Million Baht
	2022		Notional Amount	2021		Notional Amount
	Fair Value			Fair Value		
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	53,826	38,142	1,917,815	21,595	27,618	1,555,007
Interest rate	30,546	32,812	1,277,265	20,302	22,587	1,395,900
Others	<u>467</u>	<u>27</u>	<u>4,091</u>	<u>462</u>	<u>59</u>	<u>6,897</u>
Total	<u><u>84,839</u></u>	<u><u>70,981</u></u>	<u><u>3,199,171</u></u>	<u><u>42,359</u></u>	<u><u>50,264</u></u>	<u><u>2,957,804</u></u>

Type of risk	THE BANK					Million Baht
	2022		Notional Amount	2021		Notional Amount
	Fair Value			Fair Value		
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	52,720	36,839	1,834,997	20,992	27,148	1,477,930
Interest rate	30,442	32,810	1,274,682	20,302	22,568	1,394,132
Others	<u>421</u>	<u>-</u>	<u>2,263</u>	<u>455</u>	<u>-</u>	<u>2,779</u>
Total	<u><u>83,583</u></u>	<u><u>69,649</u></u>	<u><u>3,111,942</u></u>	<u><u>41,749</u></u>	<u><u>49,716</u></u>	<u><u>2,874,841</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 :

Foreign exchange derivatives

- Forward foreign exchange contracts are contracts that effectively fix a future foreign exchange rate. The contract provides that, at a predetermined future date, a cash delivery will be made between the parties at a specified contract rate.
- Currency swaps are contracts which involve the exchange of principal and interest in two different currencies with counterparty for a specified period.

Interest rate derivatives

Interest rate swaps are contracts which involve the exchange of interest with counterparties for a specified period in the same currency of principal without the exchange of the underlying principal.

Hedge accounting

The Bank uses currency swaps and interest rate swaps to hedge its exposure to changes in the fair value of fixed rate instruments and its foreign currency risk exposure. As at December 31, 2022 and 2021, the carrying amount of derivatives designated as hedging instruments in the consolidated and the Bank's financial statements for derivatives assets are amounting to Baht 1,378 million and Baht 503 million and derivatives liabilities Baht 179 million and Baht 1,764 million, respectively.

The Bank uses currency swaps to hedge the variability in cash flows that is related to a variable or fixed rate asset resulting from changes in interest rate and its foreign currency risk exposure. As at December 31, 2022 and 2021, the carrying amount of derivatives designated as hedging instruments in the consolidated and the Bank's financial statements for derivatives assets are amounting to Baht 4,479 million and Baht 700 million and derivatives liabilities Baht 602 million and Baht 1,127 million, respectively.

6.7 Investments, net

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

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

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

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

For the years ended December 31, 2022 and 2021, the Bank received dividends from equity investment securities designated at FVOCI that the Bank maintains. For the consolidated amounting to Baht 2,257 million and Baht 2,089 million and the Bank's financial statements amounting to Baht 2,159 million and Baht 2,023 million, respectively.

The Bank had investments in companies whose prospects as a going concern are uncertain, comprising of companies listed in the SET that fall under the SET delisting criteria and non-listed companies that their financial performance and financial position fall under the SET delisting criteria. As at December 31, 2022, there were 32 companies with investment cost of Baht 806 million and fair value of Baht 0 million. As at December 31, 2021, there were 37 companies with investment cost of Baht 846 million and fair value of Baht 224 million.

6.7.2 As at December 31, 2022 and 2021, the Bank and subsidiaries had investments in other companies of 10% and upwards of the paid-up capital of the respective companies but which are not considered to be investments in subsidiaries and associates. The classification is as follows :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
	Fair Value	Fair Value	Fair Value	Fair Value
Manufacturing and commercial	217	291	217	291
Real estate and construction	997	1,672	997	1,672
Utilities and services	19	22	19	22
Others	<u>2,198</u>	<u>2,231</u>	<u>2,198</u>	<u>2,231</u>
Total	<u><u>3,431</u></u>	<u><u>4,216</u></u>	<u><u>3,431</u></u>	<u><u>4,216</u></u>

6.8 Investments in Subsidiaries and Associates, net

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

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

Company	Type of Business	Type of Shares	THE BANK				Million Baht	
			Direct and Indirect Shareholding (%)		Investment (Cost Method)			
			2022	2021	2022	2021	2022	2021
Subsidiaries								
BBL (Cayman) Limited	Finance	Common share	100.00	100.00			2	2
Bangkok Bank Berhad	Banking	Common share	100.00	100.00			9,261	9,261
Sinnsuptawee Asset Management Co., Ltd.	Asset Management	Common share	100.00	100.00			2,500	2,500
Bangkok Bank (China) Co., Ltd.	Banking	Common share	100.00	100.00			19,585	19,585
Bualuang Ventures Limited	Venture Capital Company	Common share	100.00	100.00			2,000	1,500
PT Bank Permata Tbk	Banking	Common share	98.71	98.71			105,010	105,010
Bualuang Securities PCL.	Securities	Common share	99.91	99.91			4,772	4,772
BSL Leasing Co., Ltd.	Finance	Common share	90.00	90.00			1,365	1,365
BBL Asset Management Co., Ltd.	Finance	Common share	75.00	75.00			183	183
Associates								
Thai Payment Network Co., Ltd.	Service	Common share	33.33	33.33			262	262
Processing Center Co., Ltd.	Service	Common share	30.00	30.00			15	15
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17			118	118
National ITMX Co., Ltd.	Service	Common share	12.55	12.55			12	12
Total							145,085	144,585
<u>Less</u> Allowance for impairment							(268)	(268)
Investments in subsidiaries and associates, net							<u>144,817</u>	<u>144,317</u>

* Holding by PT Bank Permata Tbk.

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

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

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

6.9 Loans to Customers and Accrued Interest Receivables, net

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

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

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

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

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

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

6.9.3 As at December 31, 2022 and 2021, the Bank and subsidiaries had non-performing loans (NPLs), including interbank and money market items but excluding accrued interest receivables, as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
NPLs before allowance for expected credit loss	97,188	101,103	80,991	82,820
NPLs as percentage of total loans	3.06	3.22	2.93	3.05
Net NPLs after allowance for expected credit loss	26,834	29,456	24,369	25,250
Net NPLs as percentage of net total loans	0.86	0.96	0.90	0.95

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

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

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

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

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

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

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

6.10 Properties for Sale, net

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

Type of Properties for Sale	CONSOLIDATED				Ending Balance
	Beginning Balance	Additions	Disposals	Others	
Assets from debt repayment					
Immovable assets	17,408	4,192	(2,085)	(22)	19,493
Movable assets	76	53	(31)	(3)	95
Total	17,484	4,245	(2,116)	(25)	19,588
Others	4	60	(48)	-	16
Total properties for sale	17,488	4,305	(2,164)	(25)	19,604
<u>Less</u> Allowance for impairment	(7,992)	(485)	880	10	(7,587)
Total properties for sale, net	9,496	3,820	(1,284)	(15)	12,017

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

As at December 31, 2022, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 19,493 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 13,471 million and appraised by internal appraisers in the amount of Baht 6,022 million.

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

Type of Properties for Sale	THE BANK 2022			Million Baht
	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	14,073	3,952	(1,662)	16,363
Movable assets	<u>30</u>	<u>32</u>	<u>-</u>	<u>62</u>
Total	14,103	3,984	(1,662)	16,425
Others	<u>-</u>	<u>12</u>	<u>-</u>	<u>12</u>
Total properties for sale	14,103	3,996	(1,662)	16,437
<u>Less</u> Allowance for impairment	<u>(5,604)</u>	<u>(486)</u>	<u>783</u>	<u>(5,307)</u>
Total properties for sale, net	<u>8,499</u>	<u>3,510</u>	<u>(879)</u>	<u>11,130</u>

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

As at December 31, 2022, the Bank had immovable assets from debt repayment in the amount of Baht 16,363 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 10,778 million and appraised by internal appraisers in the amount of Baht 5,585 million.

As at December 31, 2021, the Bank had immovable assets from debt repayment in the amount of Baht 14,073 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 8,830 million and appraised by internal appraisers in the amount of Baht 5,243 million.

The Bank had disclosed transactions according to the BOT's Notification regarding the Accounting Rules for Financial Institutions in relations to the Sale of Properties for Sale. The transactions of the Bank and subsidiaries are as follows :

Million Baht							
CONSOLIDATED							
FOR THE YEARS ENDED DECEMBER 31,							
2022				2021			
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per installment	7	-	-	5	-	-
Sale to public	Per cost recovery	-	1,779	(35)	-	526	(19)

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

6.11 Premises and Equipment, net

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

	Million Baht										
	CONSOLIDATED										
					2022						
	Beginning	Cost	Cost	Others	Ending	Beginning	Accumulated Depreciation			Ending	Premises
	Balance	Disposal/	Disposal/		Balance	Balance	Depre-	Disposal/	Others	Balance	and
		Transfer	Transfer				ciation	Transfer			Equipment
		in	out					out			(Net)
Land											
Cost	8,556	7	(9)	(224)	8,330	-	-	-	-	-	8,330
Appraisal increase (year 2020)	32,182	-	(4)	(153)	32,025	-	-	-	-	-	32,025
Appraisal decrease (year 2020)	(513)	-	-	33	(480)	-	-	-	-	-	(480)
Appraisal increase (year 2021)	1,204	-	-	(63)	1,141	-	-	-	-	-	1,141
Premises											
Cost	2,993	10	(9)	(85)	2,909	490	215	(1)	(11)	693	2,216
Appraisal increase (year 2020)	13,356	-	(2)	19	13,373	2,152	1,287	-	(1)	3,438	9,935
Appraisal decrease (year 2020)	(175)	-	-	14	(161)	(15)	(8)	-	1	(22)	(139)
Appraisal increase (year 2021)	556	-	-	(30)	526	3	67	-	-	70	456
Equipment	25,385	999	(1,626)	(53)	24,705	21,601	1,537	(1,581)	(53)	21,504	3,201
Right-of-use assets	8,010	1,108	(2,051)	(275)	6,792	3,063	1,563	(1,974)	(116)	2,536	4,256
Leasehold improvement	3,451	36	(262)	12	3,237	3,212	106	(253)	23	3,088	149
Others	481	577	(242)	(13)	803	-	-	-	-	-	803
Total	<u>95,486</u>	<u>2,737</u>	<u>(4,205)</u>	<u>(818)</u>	<u>93,200</u>	<u>30,506</u>	<u>4,767</u>	<u>(3,809)</u>	<u>(157)</u>	<u>31,307</u>	<u>61,893</u>

Million Baht

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

Million Baht

	THE BANK 2022										
	Beginning Balance	Additions/ Transfer in	Cost Disposal/ Transfer out	Others	Ending Balance	Beginning Balance	Accumulated Depreciation Depre- ciation	Disposal/ Transfer out	Others	Ending Balance	Premises and Equipment (Net)
Land											
Cost	7,735	-	(9)	(175)	7,551	-	-	-	-	-	7,551
Appraisal increase (year 2020)	28,577	-	(4)	48	28,621	-	-	-	-	-	28,621
Appraisal decrease (year 2020)	(513)	-	-	33	(480)	-	-	-	-	-	(480)
Premises											
Cost	1,594	3	(4)	(43)	1,550	283	110	(1)	(5)	387	1,163
Appraisal increase (year 2020)	12,991	-	(2)	27	13,016	2,086	1,249	(1)	1	3,335	9,681
Appraisal decrease (year 2020)	(174)	-	-	13	(161)	(14)	(9)	-	1	(22)	(139)
Equipment	21,973	519	(1,234)	(5)	21,253	19,743	1,081	(1,229)	(6)	19,589	1,664
Right-of-use assets	4,916	611	(864)	(118)	4,545	1,289	950	(811)	(5)	1,423	3,122
Leasehold improvement	2,633	25	(147)	49	2,560	2,508	44	(139)	56	2,469	91
Others	345	239	(209)	-	375	-	-	-	-	-	375
Total	<u>80,077</u>	<u>1,397</u>	<u>(2,473)</u>	<u>(171)</u>	<u>78,830</u>	<u>25,895</u>	<u>3,425</u>	<u>(2,181)</u>	<u>42</u>	<u>27,181</u>	<u>51,649</u>

Million Baht

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

For the consolidated and the Bank's financial statements, the Bank has the land and premises appraised. The appraisal value defined by independent appraisers is categorized as Level 3 in the fair value hierarchy (Determination of level of the fair value hierarchy are shown in Note 4.5).

For the consolidated financial statements, as at December 31, 2022 and 2021, the Bank and subsidiaries had equipment which are fully depreciated but still in use at the original costs amounting to Baht 19,096 million and Baht 18,185 million, respectively.

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

6.12 Goodwill and Other Intangible Assets, net

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

											Million Baht
CONSOLIDATED											
2022											
	Cost				Accumulated Amortization						
	Beginning	Additions/	Disposal/	Others	Ending	Beginning	Amorti-	Disposal/	Others	Ending	Goodwill
	Balance	Transfer	Transfer		Balance	Balance	zation	Transfer		Balance	and Other
		in	out					out			Intangible
											Assets (Net)
Goodwill	21,887	-	-	(1,237)	20,650	-	-	-	-	-	20,650
Other intangible assets											
from business											
combination	14,386	-	-	(813)	13,573	2,425	1,511	-	(232)	3,704	9,869
Software	5,568	1,092	(321)	(611)	5,728	4,246	549	(265)	(29)	4,501	1,227
Others	1,655	88	(251)	510	2,002	16	34	-	-	50	1,952
Total	43,496	1,180	(572)	(2,151)	41,953	6,687	2,094	(265)	(261)	8,255	33,698

											Million Baht	
CONSOLIDATED												
2021												
	Cost				Accumulated Amortization							
	Beginning	Additions/	Disposal/	Others	Ending	Beginning	Amorti-	Additions/	Disposal/	Others	Ending	Goodwill
	Balance	Transfer	Transfer		Balance	Balance	zation	Transfer	Transfer		Balance	and Other
		in	out					in	out			Intangible
												Assets (Net)
Goodwill	29,805	-	(10,061)*	2,143	21,887	-	-	-	-	-	-	21,887
Other intangible assets												
from business												
combination	-	13,288*	-	1,098	14,386	-	1,453	842*	-	130	2,425	11,961
Software	4,700	1,038	(293)	123	5,568	3,591	870	-	(266)	51	4,246	1,322
Others	1,611	281	(48)	(189)	1,655	217	17	-	(218)	-	16	1,639
Total	36,116	14,607	(10,402)	3,175	43,496	3,808	2,340	842	(484)	181	6,687	36,809

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

Million Baht

THE BANK
2022

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

Million Baht

THE BANK
2021

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

6.13 Deferred Tax Assets and Liabilities

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

Million Baht

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

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

	CONSOLIDATED 2022				Million Baht
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	7,186	1,401	2,258	239	11,084
Financial liabilities measured at fair value through profit or loss	1,105	(443)	(290)	-	372
Loans to customers and accrued interest receivables	8,413	493	-	(651)	8,255
Properties for sale	1,564	(60)	-	-	1,504
Premises and equipment	192	(93)	87	66	252
Provisions	5,235	510	(250)	(14)	5,481
Others	10,901	2,691	(95)	271	13,768
Total	<u>34,596</u>	<u>4,499</u>	<u>1,710</u>	<u>(89)</u>	<u>40,716</u>
Deferred tax liabilities					
Investments	12,266	78	676	2	13,022
Loans to customers and accrued interest receivables	146	41	-	-	187
Premises and equipment	8,052	(268)	(1)	8	7,791
Others	9,154	4,137	1	111	13,403
Total	<u>29,618</u>	<u>3,988</u>	<u>676</u>	<u>121</u>	<u>34,403</u>
Net	<u><u>4,978</u></u>	<u><u>511</u></u>	<u><u>1,034</u></u>	<u><u>(210)</u></u>	<u><u>6,313</u></u>

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

Million Baht

	Beginning Balance	Recognized in Profit and Loss	THE BANK 2022 Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	7,095	1,258	1,963	239	10,555
Financial liabilities measured at fair value through profit or loss	1,105	(443)	(290)	-	372
Loans to customers and accrued interest receivables	4,285	(607)	-	28	3,706
Properties for sale	1,121	(60)	-	-	1,061
Premises and equipment	142	(1)	-	(14)	127
Provisions	5,061	301	(257)	(29)	5,076
Others	9,022	3,781	(94)	3	12,712
Total	<u>27,831</u>	<u>4,229</u>	<u>1,322</u>	<u>227</u>	<u>33,609</u>
Deferred tax liabilities					
Investments	11,593	19	883	-	12,495
Premises and equipment	7,931	(253)	(1)	11	7,688
Others	6,758	4,472	1	-	11,231
Total	<u>26,282</u>	<u>4,238</u>	<u>883</u>	<u>11</u>	<u>31,414</u>
Net	<u>1,549</u>	<u>(9)</u>	<u>439</u>	<u>216</u>	<u>2,195</u>

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

6.14 Deposits

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

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

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

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

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

6.15 Interbank and Money Market Items (Liabilities)

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

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

6.16 Financial Liabilities Measured at Fair Value Through Profit or Loss

As at December 31, 2022, the Bank had financial liabilities measured at fair value through profit or loss. There are financial liabilities that is determined to be measured at fair value through profit or loss amounting to Baht 17,412 million. The cumulative effect of changes in fair value resulting from changes in credit risk recognized in other comprehensive income of amounting to Baht 903 million, and the difference between the book value and the contract value that must be paid when due amounting to Baht 1,860 million.

As at December 31, 2021, the Bank had financial liabilities measured at fair value through profit or loss. There are financial liabilities that is determined to be measured at fair value through profit or loss amounting to Baht 20,567 million. The cumulative effect of changes in fair value resulting from changes in credit risk recognized in other comprehensive income of amounting to Baht 2,354 million, and the difference between the book value and the contract value that must be paid when due amounting to Baht 5,526 million.

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

6.17 Debt Issued and Borrowings

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

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

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

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

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

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

* The Bank may redeem after 5 years from the issue date pursuant to its early redemption rights, at initial distribution rate of 5.00% p.a. until the first call date and subject to change to reference rate every 5 years.

according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007. The Bank received net proceeds from the sale of subordinated notes amounting to USD 1,200 million, which the BOT had approved to include in Tier 2 capital on September 25, 2019.

On September 23, 2020, the Bank issued and offered USD 750 million of subordinated notes qualified to be included in Additional Tier 1 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007, perpetual securities and have no fixed redemption date, provided that the Bank may redeem after 5 years from the issue date pursuant to its early redemption rights, at initial distribution rate of 5% p.a. until the first call date and subject to change to reference rate every 5 years. The Bank received net proceeds from the sale of subordinated notes amounting to USD 750 million, which the BOT had approved to include in Additional Tier 1 capital on September 23, 2020. The Bank classified such instrument as a financial liability by taking into consideration both contractual obligation and legal rights as stating in the offering of the Notes.

On September 23, 2021, the Bank issued and offered USD 1,000 million of subordinated notes qualified to be included in Tier 2 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof, with a maturity of 15 years, at a coupon rate of 3.466% p.a. to the optional redemption date and thereafter be reset according the reference rates as specified in the terms and conditions for sale to foreign investors according to the resolution of the 20th Annual Ordinary Meeting of Shareholders convened on April 12, 2013. The Bank received net proceeds from the sale of subordinated notes amounting to USD 1,000 million, which the BOT had approved to include in Tier 2 capital on September 23, 2021.

6.19 Bonds

On April 12, 2005, the shareholders reconsidered the resolutions of the shareholders' meeting, convened on April 9, 2004, approving to issue bonds of the Bank and passed a resolution for the Bank to issue and offer subordinated bonds and/or unsubordinated bonds and/or perpetual bonds, both subordinated and unsubordinated, and/or subordinated convertible bonds and/or convertible bonds (together the "Bonds") in an amount not exceeding USD 3,000 million or its equivalent in other currencies, offered and sold in foreign markets and/or domestic markets to general public and/or institutional investors or investors with specific characteristics defined in the Notification of the Securities and Exchange Commission. The Bank may issue different types of Bonds in one issue simultaneously or in several issues at different times. The non-perpetual bonds shall have a maturity of not exceeding 100 years. The subordinated convertible bonds and/or convertible bonds shall have a maturity of not exceeding 30 years, and the amount of not exceeding USD 1,000 million or its equivalent in other currencies. The Board of Directors or the Executive Board of Directors shall be empowered to consider terms and conditions and other details for the issue and offering of

the bonds. The shareholders also approved the allocation of 500 million common shares to accommodate the conversion right of the subordinated convertible bonds and/or convertible bonds (See Note 6.24).

On April 12, 2007, the shareholders passed a resolution for the issuance of bonds, whether subordinated or unsubordinated and/or secured or unsecured, including but not limited to short-term bonds, derivative bonds and non-cumulative hybrid debt instruments with non-payment of interest in the years where the Bank does not report any profit (together the “Bonds”) in the amount not exceeding Baht 150,000 million or its equivalent in other currencies to be offered for sale in domestic markets and/or in foreign markets to the general public, and/or institutional investors or investors with specific characteristics as defined in the Notification of the Securities and Exchange Commission. At any point in time, the Bank may offer for sale Bonds in an amount within such limit less the amount of Bonds already issued under such limit but not yet redeemed at that point in time. The Bank may issue and offer for sale different types of Bonds simultaneously in one issue at the same time or in several issues at different times and/or as a program and/or on a revolving basis and may issue and offer for sale Bonds in conjunction with or at the same time with other securities, provided that the Bonds, other than perpetual bonds, shall have a maturity of not exceeding 100 years. The Bank may be granted the right to redeem the Bonds prior to their maturities, and/or the bondholders may be granted the right to call the Bank to redeem the Bonds prior to their maturities, in accordance with the condition of the Bonds. The Board of Directors or the Board of Executive Directors shall be empowered to consider terms and conditions and other details for the issue and offering of the bonds.

On September 27, 2012, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 12th Annual Ordinary Meeting of Shareholders convened on April 12, 2005 consisting of senior unsecured notes with a maturity of 5.5 years at a coupon of 2.75% p.a., amounting to USD 400 million and senior unsecured notes with a maturity of 10 years at a coupon of 3.875% p.a., amounting to USD 800 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 1,194 million. On March 27, 2018, the Bank redeemed senior unsecured notes with a maturity of 5.5 years at a coupon of 2.75% p.a., amounting to USD 400 million and on September 27, 2022, the Bank redeemed senior unsecured notes with a maturity of 10 years at a coupon of 3.875% p.a., amounting to USD 800 million.

On April 12, 2013, the shareholders passed a resolution for the issuance of bonds, whether subordinated or unsubordinated and/or secured or unsecured, including but not limited to short-term bonds, derivative bonds, perpetual bonds and non-cumulative hybrid debt instruments with non-payment of interest in the years where the Bank does not report any profit (together the “Bonds”) in the amount not exceeding Baht 150,000 million or its equivalent in other currencies to be offered for sale in domestic markets and/or in foreign markets to the general public, and/or institutional investors or investors with specific characteristics as defined in the Notification of the Securities and Exchange Commission. At any point in time, the Bank may offer for sale

Bonds in an amount within such limit less the amount of Bonds already issued under such limit but not yet redeemed at that point in time. The Bank may issue and offer for sale different types of Bonds simultaneously in one issue at the same time or in several issues at different times and/or as a program and/or on a revolving basis and may issue and offer for sale Bonds in conjunction with or at the same time with other securities, provided that the Bonds, other than perpetual bonds, shall have a maturity of not exceeding 100 years. The Bank may be granted the right to redeem the Bonds prior to their maturities, and/or the bondholders may be granted the right to call the Bank to redeem the Bonds prior to their maturities, in accordance with the terms and conditions of the Bonds. The Board of Directors or the Board of Executive Directors shall be empowered to consider conditions and other details for the issue and offering of the bonds.

On October 3, 2013, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007 consisting of senior unsecured notes with a maturity of 5 years at a coupon of 3.30% p.a., amounting to USD 500 million and senior unsecured notes with a maturity of 10 years at a coupon of 5.00% p.a., amounting to USD 500 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 999 million. On October 3, 2018, the Bank redeemed senior unsecured notes with a maturity of 5 years at a coupon of 3.30% p.a., amounting to USD 500 million.

On September 19, 2018, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007 consisting of senior unsecured notes with a maturity of 5.5 years at a coupon of 4.05% p.a., amounting to USD 600 million and senior unsecured notes with a maturity of 10 years at a coupon of 4.45% p.a., amounting to USD 600 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 1,198 million.

On June 15, 2022, the Bank issued and offered senior unsecured notes with a trustee to offshore investors for sale to foreign investors according to the resolution of the 20th Annual Ordinary Meeting of Shareholders convened on April 12, 2013 with a maturity of 5 years at a coupon of 4.30% p.a., amounting to USD 750 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 749 million.

6.20 The Issuance of Bonds under the Medium Term Note Program

On March 26, 1997, the shareholders passed a resolution for the Bank to issue and offer bonds including subordinated bonds and unsubordinated bonds under the Medium Term Note Program in an amount of not exceeding USD 1,500 million or its equivalent in other currencies. The bonds shall have a maturity of not exceeding 30 years and be offered and sold in foreign markets and/or domestic markets. The Bank may be given the right to redeem the bonds prior to their maturity and/or the bondholders may be given the right to call the Bank to redeem the bonds prior to their maturity in accordance with the condition of the bonds.

The Board of Directors was authorized to proceed with the issue. As at December 31, 2022, the Bank had not yet issued bonds according to the aforementioned resolution.

6.21 Provisions

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

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

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

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

6.22 Post-employment Benefits

6.22.1 Defined contribution plans

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

6.22.2 Defined benefit plans

As at December 31, 2022 and 2021, the Bank and its local subsidiaries have unfunded defined benefit plans but some overseas branches and subsidiary have funded defined benefit plans. The reconciliation of the defined benefit obligations, both funded and unfunded, and plan assets to the amounts recognized in the financial statements are as follows :

	CONSOLIDATED		THE BANK	
	2022	2021	2022	2021
	Million Baht			
The present value of the funded				
defined benefit plans	2,588	2,812	879	935
The fair value of plan assets	<u>(1,854)</u>	<u>(2,137)</u>	<u>(678)</u>	<u>(705)</u>
	734	675	201	230
The present value of the unfunded				
defined benefit plans	<u>13,196</u>	<u>13,797</u>	<u>12,763</u>	<u>13,415</u>
Liabilities, net	<u><u>13,930</u></u>	<u><u>14,472</u></u>	<u><u>12,964</u></u>	<u><u>13,645</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, 2022 and 2021 :

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

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

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

Significant actuarial assumptions used to calculate the defined benefit obligations and plan assets, average per each plan, and the sensitivity analysis for each significant actuarial assumptions which reflect increasing in the obligations if the assumptions change by 1% as at December 31, 2022 and 2021 are as follows :

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

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

6.23 Other Liabilities

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

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

6.24 Share Capital

The Bank's share capital consists of :

- Common shares
- Class A and Class B preferred shares, the holders of which have rights according to Article 3 of the Bank's Articles of Association.

As at December 31, 2022 and 2021, the Bank had registered share capital of Baht 40,000,000,000 divided into common shares and preferred shares totaling 4,000,000,000 shares, with par value of Baht 10 each, details of which are as follows :

Type	Number of Registered Shares	
	2022	2021
Common shares	3,998,345,000	3,998,345,000
Class A preferred shares	655,000	655,000
Class B preferred shares	1,000,000	1,000,000
Total	<u>4,000,000,000</u>	<u>4,000,000,000</u>

As at December 31, 2022 and 2021, the Bank had 1,908,842,894 issued common shares and 2,039,502,106 unissued common shares and 655,000 Class A unissued preferred shares and 1,000,000 Class B unissued preferred shares. In relation to the allocation of the unissued common shares, the Bank will follow the resolutions of the 12th ordinary shareholders' meeting convened on April 12, 2005, as per the following details :

1. Allocation of 1,339,502,106 common shares as follows :
 - 1.1) Allocation of 459,502,106 common shares for offer and sale to the general public, including the existing shareholders and the beneficial owners of the shares held by custodian or by any other similar arrangements.
 - 1.2) Allocation of 440,000,000 common shares for offer and sale to institutional investors or investors with specific characteristics prescribed in the Notification of the Securities and Exchange Commission.
 - 1.3) Allocation of 440,000,000 common shares for offer and sale to the existing shareholders and the beneficial owners of the common shares in proportion to their shareholdings.
2. Allocation of 50,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds issued by the Bank and offered for sale in 1999 as part of the Capital Augmented Preferred Securities (CAPS).
3. Allocation of 500,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds and/or convertible bonds that may further be issued in the future by the Bank.
4. Allocation of 200,000,000 common shares to be reserved for the exercise of right to purchase common shares by holders of warrants that may further be issued in the future by the Bank.
5. Allocation of 655,000 Class A preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds.

6. Allocation of 1,000,000 Class B preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds and/or unsubordinated bonds and/or subordinated convertible bonds and/or convertible bonds.

The offer and sale of the Bank's securities shall comply with the regulations prescribed by the Securities and Exchange Commission.

6.25 The Establishment of Special Purpose Vehicle to Issue Capital Securities

On April 21, 1998, the shareholders passed a resolution for the Bank to establish Special Purpose Vehicle (SPV) to issue capital securities in the amount not exceeding USD 1,000 million or its equivalent in other currencies, to be offered in private placement and/or to institutional investors in accordance with the rules and guidelines of the Securities and Exchange Commission. The Bank may issue capital securities in whole amount or in lots. The Board of Directors was authorized to proceed with the establishment of the SPV.

Such capital securities may be perpetual, non-cumulative, and redeemable by the SPV or may be guaranteed by the Bank. The terms and conditions in the offering of the capital securities may state that upon specific conditions, the Bank must or may issue other securities in exchange for the capital securities.

Upon the issuance of capital securities by the SPV, the Bank may issue securities which may be subordinated; secured; convertible into common shares or other securities of the Bank; or any other securities in the amount not exceeding USD 1,100 million or its equivalent in other currencies to the SPV. The Board of Directors has been authorized to proceed with the issuance of the capital securities by the SPV and those securities that the Bank may have to issue to the SPV. The terms and conditions of the offering of the capital securities by the SPV may include dividend payment or other kind of payment as determined by the Board of Directors and such payment may be related to payment of dividend or other payment on other securities of the Bank.

On March 18, 1999, the shareholders passed a resolution for the Bank to establish or to invest in a subsidiary or SPV for the purpose of raising fund of the Bank, by issuing preferred shares and/or bonds to the subsidiary or SPV, or the Bank may issue the preferred shares and/or bonds to a mutual fund or a juristic entity that is established for investing mainly in the Bank's preferred shares and/or bonds; and the Bank is authorized to enter into Trust Agreement or Master Investment Agreement between the Bank and the subsidiary or SPV or mutual fund or any other juristic entity. As at December 31, 2022, the Bank had not yet established the SPV as it had not issued the instrument for fund raising via SPV according to the above-mentioned resolution.

6.26 Legal Reserve and Other Reserves

6.26.1 Under the Public Limited Companies Act, the Bank is required to allocate to a reserve fund at least 5% of its net profit after accumulated losses brought forward (if any) until the reserve fund is not less than 10% of the registered capital. However, the Bank's Articles of Association require that the Bank shall allocate to the reserve fund at least 10% of its net profit after accumulated losses brought forward (if any) until the reserve fund is not less than 25% of the registered capital. The reserve fund is not available for dividend distribution.

6.26.2 The Bank appropriated annual profit as other reserves, which are treated as general reserve with no specific purpose.

6.27 The Appropriation of the Profit and the Dividend Payments

On April 12, 2021, the 28th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2020 as follows :

- The appropriation as legal reserve and as other reserves amounting to Baht 1,000 million and Baht 5,000 million, respectively, with the amount to be appropriated for the period of January - June 2020 amounting to Baht 500 million as legal reserve and Baht 5,000 million as other reserves (all of which had already been appropriated as stated in the financial statements for the year ended December 31, 2020), and the amount to be appropriated for the period of July - December 2020 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 2.50 per common share amounting to Baht 4,772 million had been paid on May 10, 2021.

The Bank already paid dividend according to the aforementioned resolution.

On August 26, 2021, the meeting of the Board of Directors of the Bank No. 8/2021 approved the resolutions regarding the appropriation of the profit and the payment of interim dividend as follows :

- The appropriation as legal reserve and as other reserves for the period of January - June 2021 amounting to Baht 500 million and Baht 5,000 million, respectively.
- The payment of interim dividend at the rate of Baht 1.00 per common share amounting to Baht 1,908 million on September 23, 2021.

The Bank already paid dividend according to the aforementioned resolution.

On April 12, 2022, the 29th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2021 as follows :

- The appropriation as legal reserve and as other reserves amounting to Baht 1,000 million and Baht 5,000 million, respectively, with the amount to be appropriated for the period of January - June 2021 amounting to Baht 500 million as legal reserve and Baht 5,000 million as other reserves (all of which had already been appropriated as stated in the financial statements for the year ended December 31, 2021), and the amount to be appropriated for the period of July - December 2021 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 2.50 per common share amounting to Baht 4,769 million had been paid on May 12, 2022.

The Bank already paid dividend according to the aforementioned resolution.

On August 25, 2022, the meeting of the Board of Directors of the Bank No. 8/2022 approved the resolutions regarding the appropriation of the profit and the payment of interim dividend as follows :

- The appropriation as legal reserve and as other reserves for the period of January - June 2022 amounting to Baht 500 million and Baht 5,000 million, respectively.
- The payment of interim dividend at the rate of Baht 1.50 per common share amounting to Baht 2,863 million on September 23, 2022.

The Bank already paid dividend according to the aforementioned resolution.

6.28 Assets Pledged as Collateral and under Restriction

The Bank had investments in government securities and state enterprise securities which had been pledged as collateral for repurchase agreements and for commitments with government agencies. The book values of such securities, net of valuation allowance for expected credit loss, as at December 31, 2022 and 2021 amounted to Baht 94,900 million and Baht 61,996 million, respectively.

6.29 Contingent Liabilities

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

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

6.30 Litigation

As at December 31, 2022 and 2021, a number of civil proceedings have been brought against the Bank and subsidiaries in the ordinary course of business. The Bank and subsidiaries believe that such proceedings, when resolved, will not materially affect the Bank and subsidiaries' financial position and result of operations.

6.31 Related Party Transactions

As at December 31, 2022 and 2021, related parties of the Bank consisted of subsidiaries, associates, key management personnel that are directors, executives at the level of executive vice president and higher or equal, any parties related to key management personnel, including the entities in which key management personnel and any parties related which are controlled or significantly influenced.

The Bank and subsidiaries had significant assets, liabilities and commitments with related parties as at December 31, 2022 and 2021 as follows :

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

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

* Holding by Bualuang Securities PCL.

** Holding by PT Bank Permata Tbk.

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

For the year ended December 31, 2022, the Bank and subsidiaries charged interest at rates between 1.25% and 6.35% on loans to these related parties depending on the types of loans and collateral.

For the year ended December 31, 2021, the Bank and subsidiaries charged interest at rates between 0.75% and 5.88% on loans to these related parties depending on the types of loans and collateral.

In the consolidated and the Bank's financial statements, investments in subsidiaries and associates as at December 31, 2022 and 2021 are shown in Note 6.8.

Significant accounting transactions between the Bank and subsidiaries, associates and other related parties were transacted under normal business practices. The prices, interest rates, commission charges, terms and conditions are determined on an arm's length basis.

* Holding by PT Bank Permata Tbk.

The Bank and subsidiaries had significant income and expenses with related parties for the years ended December 31, 2022 and 2021 as follows :

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

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

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

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

6.32 Other Benefits to Directors and Persons with Managing Authority

The Bank has not extended the extraordinary monetary and/or non-monetary benefits to the Banks' directors, executives at the level of executive vice president and higher, other than the ordinary benefits.

6.33 Disclosure of the Statement of Cash Flows of the Asset Management Company (AMC)

In accordance with the BOT's regulations, the Bank is required to disclose the statement of cash flows of the AMC of the Bank in the notes to the financial statements. The statement of cash flows of Sinnsuptawee Asset Management Co., Ltd. are as follows :

SINNSUPTAWEE ASSET MANAGEMENT COMPANY LIMITED		
STATEMENT OF CASH FLOWS		
FOR THE YEAR ENDED DECEMBER 31, 2022		
	Million Baht	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) from operating before income tax expenses	34	(111)
Items to reconcile profit (loss) from operating before income tax expenses to cash receive (paid) from operating activities		
Depreciation and amortization	1	1
Unrealized (gain) loss on financial instruments measured at fair value through profit or loss	(3)	2
Loss on impairment of properties for sale	-	156
Dividend income	(46)	(39)
Proceeds from dividend income	46	39
Income tax received	-	12
Income tax paid	(3)	(5)
Profit from operating before changes in operating assets and liabilities	<u>29</u>	<u>55</u>
(Increase) decrease in operating assets		
Financial assets measured at fair value through profit or loss	-	(82)
Properties for sale	18	44
Increase (decrease) in operating liabilities		
Deposits	<u>110</u>	<u>(3)</u>
Net cash from operating activities	<u>157</u>	<u>14</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash paid for lease liabilities	<u>(1)</u>	<u>(1)</u>
Net cash from financing activities	<u>(1)</u>	<u>(1)</u>
Net increase in cash and cash equivalents	156	13
Cash and cash equivalents as at January 1,	<u>17</u>	<u>4</u>
Cash and cash equivalents as at December 31,	<u><u>173</u></u>	<u><u>17</u></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 statements.

The Bank is organized into segments based on products and services as follows :

Domestic banking

Domestic banking provides financial services in domestic. The main products and services are loans, deposits, trade finance, remittances and payments, electronic services, credit cards, debit cards and related other financial services.

International banking

International banking provides financial services through overseas branches and subsidiaries. The main products and services are loans, deposits, foreign exchange services, international fund transfers and payments, and export and import services.

Investment banking

Investment banking provides project services, corporate finance services, financial advisory services, securities business services, business strategic management by trading financial instruments including liquidity management of the Bank.

Others

Segments other than banking and investment banking business provide fund management services, securities services, assets management services and others, including operating expenses not allocated to operating segments.

The operating results of operating segments for the years ended December 31, 2022 and 2021 are as follows :

	CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31, 2022					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	76,131	39,877	6,203	16,688	(4)	138,895
Total operating expenses before expected credit loss	<u>(32,258)</u>	<u>(18,911)</u>	<u>(2,816)</u>	<u>(15,038)</u>	<u>4</u>	<u>(69,019)</u>
Profit from operating before expected credit loss and income tax expenses	<u>43,873</u>	<u>20,966</u>	<u>3,387</u>	<u>1,650</u>	<u>-</u>	<u>69,876</u>

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

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

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

6.34.2 Geographical segments

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

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

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

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

6.35 Interest Income

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

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

* Including expected credit losses.

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

For the year ended December 31, 2022, the Bank and subsidiaries have total interest income on financial assets that are measured at amortized cost and at FVOCI for the consolidated financial statements amounting to Baht 126,459 million and Baht 12,240 million, respectively and for the Bank's financial statements amounting to Baht 96,155 million and amounting to Baht 7,767 million, respectively.

For the year ended December 31, 2021, the Bank and subsidiaries have total interest income on financial assets that are measured at amortized cost and at FVOCI for the consolidated financial statements amounting to Baht 103,975 million and Baht 9,878 million, respectively and for the Bank's financial statements amounting to Baht 76,766 million and amounting to Baht 6,397 million, respectively.

6.36 Interest Expenses

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

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

6.37 Net Fees and Service Income

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

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

6.38 Gains (Losses) on Financial Instruments Measured at Fair Value Through Profit or Loss

Gains (losses) on financial instruments measured at fair value through profit or loss for the years ended December 31, 2022 and 2021 are as follows :

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

6.39 Gains (Losses) on Investments

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

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

6.40 Expected Credit Loss

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

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

6.41 Income Tax Expenses

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

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

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

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

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

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

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

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

6.42 The Coronavirus Disease 2019 Pandemic (Covid-19)

The Coronavirus Disease 2019 Pandemic (Covid-19) has resulted in the economic slowdown and impacted most businesses and industries since 2020. This situation may bring uncertainties and have an impact on the environment in which the Bank operates.

In the classification, the Bank adheres to Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who are affected from the situations that affected Thailand’s economy” by providing assistance to the debtor during January 1, 2020 to December 31, 2021. The debt classification which has no credit impairment is a class that does not have a significant increase in credit risk (Stage 1 Performing) immediately after analyzing the status and business of the debtor that the debtor is able to comply with the debt restructuring agreement. As for debt that has credit impairment but still has the potential to operate business, the Bank can classify the debt as a class that does not have a significant increase in credit risk (Stage 1 Performing) if the debtor has made a payment under the new debt restructuring agreement for 3 consecutive months or 3 payment periods, whichever is longer. In this regard, the BOT extends the period of the relief measures, in case the Bank provides the additional assistance to its debtors in

addition to the extension of repayment period, arising from January 1, 2022 to December 31, 2023, the Bank can apply the debt classification as mentioned in the above accounting guidance.

As for the reserve, the Bank adheres to the Thai Financial Reporting Standard No. 9 regarding Financial Instruments, which specifies the expected credit loss by considering the past, present and future economic conditions under various assumptions and situations due to the transmission problem of Covid-19 being transmitted impact on the Thai economy and the broad global economy causing the economic activity to have a severe slowdown especially the tourism, service and industry sectors that may lead to economic recession. Therefore, in estimating the credit losses that are expected to occur the Bank considers future economic factors that reflect the effects of the pandemic of Covid-19, both in the short and long term, including considering the management's discretion to reserve more management overlay from the values obtained from the model to another level so that the Bank's reserves are able to sufficiently cope with the increase in default payments of loan receivables affected by this situation.

6.43 Approval of the Financial Statements

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