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Form 56-1 One Report 2021  
Bangkok Bank Public Company Limited



Sustainability Report 2021  
Bangkok Bank Public Company Limited

# MESSAGE FROM THE CHAIRMAN, THE EXECUTIVE CHAIRMAN AND THE PRESIDENT

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

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

While 2021 was a challenging year, our clients in some sectors spent the time to identify new opportunities and transform their businesses so they will be able to thrive in the post-pandemic environment. This included customers in our regional network who are ready to expand their operations overseas, particularly in high-potential markets, such as Indonesia and Vietnam.

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

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

## Creating Value for a Sustainable Future

In keeping with our commitment to be a trusted partner and reliable close friend (puan koo kit mit koo baan), we seek to be more than a financial services provider, by also giving advice and long-term support to all stakeholders, supporting the wellbeing and development of our staff, promoting financial inclusion, and taking a responsible approach to environmental, social and governance (ESG) issues, for instance.

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

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

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

### Platform Partners

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

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

## Intelligent Organization

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

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

## Business Remodeling

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

We place great emphasis on human resource development by encouraging all employees to engage in lifelong learning and supporting agile learning, which focuses on leadership, creativity and problem solving skills. We also provide coaching for all our employees and develop their technology skills so that they can use innovation to develop products and services that better meet the needs of customers. In addition, our employees can access digital training and developmental tools to enable new ways of working.

## Wealth and Wellbeing

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

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

## Quality Growth

In line with the changing economic conditions, we strengthened our support for high-potential industries such as smart energy, electric vehicles (EV), smart electronics, infrastructure, logistics and wellness. Meanwhile we continued to be Thailand's leading bank for green finance, underwriting more than half of green bond issuances in the country for the second year running.

As Thailand's most international bank, we are well placed to support our customers to explore new business opportunities by expanding regionally and internationally through our international network. For example, our Bangkok Bank clients in Indonesia can access a full range of banking services and offerings from PermataBank, while customers from across our international network can be introduced to potential partners in the country through our connection with PermataBank.

## Operating Environment

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

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

## Looking Ahead

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

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

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

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



**(Piti Sithi-Amnuai)**  
Chairman



**(Deja Tulananda)**  
Executive Chairman



**(Chartsiri Sophonpanich)**  
President

# REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

### Opinion

We have audited the consolidated financial statements of Bangkok Bank Public Company Limited and subsidiaries (the “Bank and subsidiaries”) and the Bank’s financial statements of Bangkok Bank Public Company Limited (the “Bank”), which comprise the consolidated and Bank’s statements of financial position as at December 31, 2021, and the related consolidated and Bank’s statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and Bank’s financial statements present fairly, in all material respects, the financial position of Bangkok Bank Public Company Limited and subsidiaries and of Bangkok Bank Public Company Limited as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”) and the Bank of Thailand’s regulations.

### Basis for Opinion

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

### Key Audit Matter

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

## Key Audit Matter

### Allowance for expected credit loss

The allowance for expected credit loss for loans to customers is considered to be the key audit matter as it requires the use of various assumptions and judgment including forward economic looking and post model adjustments and it is recognized in accordance with Thai Financial Reporting Standard No. 9 - Financial Instruments (“TFRS 9”) and the relevant regulations of the Bank of Thailand. TFRS 9 requires the Bank and subsidiaries to recognize impairment based on expected credit loss (“ECL”). We focused our audit on the following areas of allowance for expected credit loss for loans to customers specifically relating to:

- Accounting interpretations and modelling assumptions used to build the models that the Bank used to calculate the ECL which involves determining Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD);
- Completeness and accuracy of data used to calculate the ECL;
- Inputs and assumptions used to estimate the impact of multiple economic scenarios
- Classification of loans to customers to stage 1, 2 and 3 using criteria in accordance with TFRS 9 and the relevant regulations of the Bank of Thailand;
- Indicators that will significantly reduce the ability to pay the debt or the increase in credit risk including quantitative and qualitative information and also forward-looking analysis both events that have already occurred and may occur in the future; and
- Completeness and valuation of post model adjustments.

Accounting policy for allowance for expected credit loss and detail of allowance for expected credit loss were disclosed in Note 3.5 and Note 6.9, respectively.

## Audit Responses

Key audit procedures included

- Reviewing management written policies, which were collaborated from the Bank’s management’s experts, and procedures to derive the allowance for expected credit loss estimate. Determining whether the policies and procedures for the estimation are incorporated with the requirements of TFRS 9 and properly approved by the appropriate level of management.
- Understanding and testing design and operating effectiveness of key controls across the processes relevant to the ECL. This included the classification of assets into stages, data accuracy and completeness, credit monitoring, multiple economic scenarios, and individual provisions.
- Involvement of our internal specialists to assess the model documentation and model validation reports. This included assessing the appropriateness of model design, assumptions, inputs, formulas used and post model adjustments. We tested the data used in the ECL calculation by reconciling to source systems and recalculating the allowance for expected credit loss for a sample of models.
- Evaluating relevant inputs and assumptions used by management in each stage of the expected credit loss calculation by considering whether the inputs and assumption appear reasonable, considering the historical loss experience and adjust this for current observable data and considering the relationship between those assumptions and forecast of reasonable and supportable future economic conditions.
- Performing an overall assessment of the ECL provision levels to determine if they were reasonable considering the Bank and subsidiaries’ portfolio, risk profile, credit risk management practices and the macroeconomic factors. We considered trends in the economy and industries to which the Bank and subsidiaries are exposed.
- Considering the criteria used to classify an asset to stage 1, 2 and 3 in accordance with TFRS 9 and the relevant regulations of the Bank of Thailand. Testing sample of assets in stage 1, 2 and 3 to verify that they were classified to the appropriate stage. This also included considering the internal credit risk rating system of the Bank and also external credit risk grading.
- Assessing the adequacy and appropriateness of the disclosure in accordance with Group of Financial Instruments Standards and the BOT’s Notification.

## Other Information

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and Bank's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and subsidiaries' and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and subsidiaries' and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and subsidiaries and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and Bank's financial statements, including the disclosures, and whether the consolidated and Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



**Nisakorn Songmanee**

Certified Public Accountant (Thailand)

Registration No. 5035

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK

February 22, 2022

# STATEMENT OF FINANCIAL POSITION

## BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES AS AT DECEMBER 31, 2021

Baht : '000

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
<b>ASSETS</b>				
CASH	62,551,767	73,886,309	57,854,239	70,013,515
INTERBANK AND MONEY MARKET ITEMS, NET	801,212,497	519,036,028	626,065,197	374,778,755
FINANCIAL ASSETS MEASURED AT FAIR VALUE				
THROUGH PROFIT OR LOSS	84,341,349	57,936,242	96,497,917	69,359,414
DERIVATIVES ASSETS	42,359,296	67,560,232	41,749,252	66,143,443
INVESTMENTS, NET	803,636,528	758,482,179	663,088,369	670,444,629
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	1,328,586	911,321	144,316,959	144,589,329
LOANS TO CUSTOMERS AND ACCRUED				
INTEREST RECEIVABLES, NET	2,376,026,685	2,189,102,088	2,025,671,183	1,896,205,127
PROPERTIES FOR SALE, NET	9,495,944	9,753,914	8,498,534	7,754,245
PREMISES AND EQUIPMENT, NET	64,980,166	65,049,861	54,181,783	55,460,373
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	36,808,534	32,307,811	1,579,427	1,451,391
DEFERRED TAX ASSETS	6,336,519	7,939,617	2,532,787	2,082,884
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES	12,906,449	12,833,047	12,779,785	12,699,962
OTHER ASSETS, NET	31,296,588	28,161,036	19,016,792	13,977,916
<b>TOTAL ASSETS</b>	<b>4,333,280,908</b>	<b>3,822,959,685</b>	<b>3,753,832,224</b>	<b>3,384,960,983</b>

# STATEMENT OF FINANCIAL POSITION (CONTINUED)

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
AS AT DECEMBER 31, 2021

Baht : '000

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
LIABILITIES AND SHAREHOLDERS' EQUITY				
DEPOSITS	3,156,939,789	2,810,862,624	2,665,646,333	2,485,596,798
INTERBANK AND MONEY MARKET ITEMS	288,708,547	219,149,193	280,748,435	162,499,180
LIABILITY PAYABLE ON DEMAND	8,112,863	7,257,360	8,112,243	6,702,768
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE				
THROUGH PROFIT OR LOSS	20,833,104	19,256,663	20,566,545	19,056,520
DERIVATIVES LIABILITIES	50,264,330	57,127,821	49,716,357	56,212,287
DEBT ISSUED AND BORROWINGS	183,239,266	136,176,779	182,379,356	133,963,539
PROVISIONS	25,814,558	27,305,660	23,595,568	25,065,453
DEFERRED TAX LIABILITIES	1,358,026	2,447,583	984,178	2,588,682
OTHER LIABILITIES	103,417,868	93,128,867	57,310,822	53,792,151
TOTAL LIABILITIES	3,838,688,351	3,372,712,550	3,289,059,837	2,945,477,378
SHAREHOLDERS' EQUITY				
SHARE CAPITAL				
Registered share capital				
1,655,000 preferred shares of Baht 10 each	16,550	16,550	16,550	16,550
3,998,345,000 common shares of Baht 10 each	39,983,450	39,983,450	39,983,450	39,983,450
Issued and paid-up share capital				
1,908,842,894 common shares of Baht 10 each	19,088,429	19,088,429	19,088,429	19,088,429
PREMIUM ON COMMON SHARES	56,346,232	56,346,232	56,346,232	56,346,232
OTHER RESERVES	66,348,614	47,256,838	57,340,405	52,849,874
RETAINED EARNINGS				
Appropriated				
Legal reserve	26,000,000	25,000,000	26,000,000	25,000,000
Others	116,500,000	111,500,000	116,500,000	111,500,000
Unappropriated	208,443,791	189,822,190	189,497,321	174,699,070
TOTAL BANK'S EQUITY	492,727,066	449,013,689	464,772,387	439,483,605
NON-CONTROLLING INTEREST	1,865,491	1,233,446	-	-
TOTAL SHAREHOLDERS' EQUITY	494,592,557	450,247,135	464,772,387	439,483,605
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,333,280,908	3,822,959,685	3,753,832,224	3,384,960,983



(Mr. Chartsiri Sophonpanich)  
President



(Mr. Suvarn Thansathit)  
Senior Executive Vice President

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

Baht : '000

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
INTEREST INCOME	114,312,544	112,523,517	83,284,576	94,695,292
INTEREST EXPENSES	32,156,484	35,477,057	21,273,916	27,805,781
NET INTEREST INCOME	82,156,060	77,046,460	62,010,660	66,889,511
FEES AND SERVICE INCOME	39,127,387	34,167,918	27,404,183	26,795,044
FEES AND SERVICE EXPENSES	9,918,176	9,456,915	8,206,221	8,800,699
NET FEES AND SERVICE INCOME	29,209,211	24,711,003	19,197,962	17,994,345
GAINS ON FINANCIAL INSTRUMENTS				
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	17,867,820	11,057,904	15,649,215	9,651,307
GAINS ON INVESTMENTS	1,225,150	2,512,154	156,139	2,177,491
SHARE OF PROFIT (LOSS) FROM INVESTMENT USING EQUITY METHOD	208,855	(14,492)	-	-
GAINS ON DISPOSAL OF ASSETS	519,198	734,126	401,504	721,912
DIVIDEND INCOME	2,251,676	2,039,396	4,236,874	3,597,669
OTHER OPERATING INCOME	1,102,693	641,626	371,690	382,131
TOTAL OPERATING INCOME	134,540,663	118,728,177	102,024,044	101,414,366
OTHER OPERATING EXPENSES				
Employee's expenses	35,003,148	30,959,431	24,813,000	24,848,414
Directors' remuneration	263,448	186,931	134,148	128,220
Premises and equipment expenses	14,764,803	14,165,327	11,423,141	12,034,242
Taxes and duties	2,949,196	2,928,889	2,868,153	2,880,048
Others	14,285,122	17,733,376	9,291,684	14,578,533
TOTAL OTHER OPERATING EXPENSES	67,265,717	65,973,954	48,530,126	54,469,457
EXPECTED CREDIT LOSS	34,133,611	31,195,868	26,011,719	27,888,515
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	33,141,335	21,558,355	27,482,199	19,056,394
INCOME TAX EXPENSES	6,189,220	4,013,619	4,831,735	3,418,355
NET PROFIT	26,952,115	17,544,736	22,650,464	15,638,039

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

## BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2021

Baht : '000

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
OTHER COMPREHENSIVE INCOME (LOSSES)				
Items that will be reclassified subsequently to profit or loss				
Gains (losses) on investments in debt instruments at fair value through other comprehensive income	(6,742,229)	2,964,758	(6,608,454)	1,839,100
Gains (losses) on cash flow hedges	(506,394)	260,583	(506,394)	260,583
Gains arising from translating the financial statements of foreign operations	20,196,245	4,115,474	6,033,617	4,671,025
Income tax relating to components of other comprehensive income (losses)	1,671,185	(231,478)	1,648,107	15,270
Items that will not be reclassified subsequently to profit or loss				
Changes in revaluation surplus	643,545	14,524,289	-	13,987,474
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income	10,599,899	(6,067,116)	10,539,297	(5,340,383)
Gains (losses) on financial liabilities designated at fair value through profit or loss	(567,419)	958,884	(567,419)	958,884
Actuarial gains (losses) on defined benefit plans	986,754	(428,401)	935,437	(284,680)
Share of other comprehensive income (loss) of associates	(2,466)	1,962	-	-
Income tax relating to components of other comprehensive income (losses)	(2,279,082)	(3,233,984)	(2,155,609)	(3,324,295)
TOTAL OTHER COMPREHENSIVE INCOME	24,000,038	12,864,971	9,318,582	12,782,978
TOTAL COMPREHENSIVE INCOME	50,952,153	30,409,707	31,969,046	28,421,017
NET PROFIT ATTRIBUTABLE				
Owners of the Bank	26,507,040	17,180,582	22,650,464	15,638,039
Non-controlling interest	445,075	364,154	-	-
	26,952,115	17,544,736	22,650,464	15,638,039
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE				
Owners of the Bank	50,393,641	30,056,376	31,969,046	28,421,017
Non-controlling interest	558,512	353,331	-	-
	50,952,153	30,409,707	31,969,046	28,421,017
BASIC EARNINGS PER SHARE (BAHT)	13.89	9.00	11.87	8.19
WEIGHTED AVERAGE NUMBER OF COMMON SHARES (THOUSAND SHARES)	1,908,843	1,908,843	1,908,843	1,908,843



(Mr. Chartsiri Sophonpanich)  
President



(Mr. Suvarn Thansathit)  
Senior Executive Vice President

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

Baht : '000

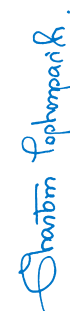
	CONSOLIDATED													Total	
	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Land Appraisal Surplus	Premises Appraisal Surplus	Revaluation Surplus on Investments	Other Reserves			Foreign Currency Translation	Others	Retained Earnings		Total Equity Attributable to the Bank's Shareholders		Non-controlling Interest
						Revaluation Surplus	Cash flow Hedge Reserve	Own Credit Risk Revaluation Reserve			Legal Reserve	Appropriated			
<b>Balance as at January 1, 2020</b>	19,088,429	56,346,232	16,824,012	5,800,324	29,178,279	356,384	(2,195,285)	(16,089,995)	2,045	24,000,000	106,500,000	190,296,981	429,905,405	386,420	430,274,825
Appropriation for previous year	-	-	-	-	-	-	-	-	-	-	-	(9,544,214)	(9,544,214)	(175,469)	(9,719,683)
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(500,000)	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Appropriation for current year	-	-	-	-	-	-	-	-	-	-	-	-	-	(187,503)	(187,503)
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(500,000)	-	-	-
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	(500,000)	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Total comprehensive income	-	-	6,250,241	5,386,889	(2,088,913)	208,466	767,107	4,135,677	1,570	-	-	15,395,329	30,056,376	353,331	30,409,707
Transfer to retained earnings	-	-	-	(1,024,688)	(54,274)	-	-	-	-	-	-	1,076,972	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	(1,406,878)	(1,406,878)	876,687	(530,211)
<b>Balance as at December 31, 2020</b>	19,088,429	56,346,232	23,074,253	9,962,525	27,035,092	564,850	(1,429,178)	(11,954,319)	3,615	25,000,000	111,500,000	189,822,190	449,013,689	1,233,446	450,247,135
<b>Balance as at January 1, 2021</b>	19,088,429	56,346,232	23,074,253	9,962,525	27,035,092	564,850	(1,429,178)	(11,954,319)	3,615	25,000,000	111,500,000	189,822,190	449,013,689	1,233,446	450,247,135
Appropriation for previous year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(4,771,811)	(4,771,811)	(181,984)	(4,953,775)
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	(500,000)	-	-	-
Appropriation for current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(1,908,453)	(1,908,453)	(200,004)	(2,108,457)
Legal reserve	-	-	-	-	-	-	-	-	-	-	-	(500,000)	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	-	-
Total comprehensive income	-	-	152,310	381,216	3,314,168	(405,115)	(453,935)	20,090,508	(1,973)	-	-	27,316,462	50,395,641	598,512	50,992,153
Transfer to retained earnings	-	-	(24,804)	(1,065,740)	(2,894,859)	-	-	-	-	-	-	3,985,403	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	455,501	455,501
<b>Balance as at December 31, 2021</b>	19,088,429	56,346,232	23,201,759	9,276,001	27,454,401	159,735	(1,883,113)	8,136,189	1,642	26,000,000	116,500,000	208,443,791	492,727,066	1,865,491	494,592,557

# STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

## BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2021

Baht : '000

	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	THE BANK										Total
			Land			Other Reserves			Retained Earnings			Unappropriated	
			Appraisal Surplus	Premises Appraisal Surplus	Revaluation Surplus on Investments	Cash flow Hedge Reserve	Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Appropriated	Others	Legal Reserve		
Balance as at January 1, 2020	19,088,429	56,346,232	16,759,866	5,574,824	28,913,726	356,384	(2,196,285)	(9,987,545)	24,000,000	106,500,000	175,421,823	420,777,456	
Appropriation for previous year	-	-	-	-	-	-	-	-	-	-	(9,544,214)	(9,544,214)	
Dividend paid	-	-	-	-	-	-	-	-	-	-	(500,000)	(500,000)	
Legal reserve	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	
Appropriation for current year	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	
Legal reserve	-	-	-	-	-	-	-	-	500,000	5,000,000	(5,000,000)	-	
Others	-	-	-	-	-	-	-	-	-	-	(5,000,000)	-	
Total comprehensive income	-	-	6,044,614	5,145,365	(2,374,085)	208,466	767,107	4,671,025	-	-	13,958,525	28,421,017	
Transfer to retained earnings	-	-	-	(979,420)	(54,170)	-	-	-	-	-	1,033,590	-	
Others	-	-	-	-	-	-	-	-	-	-	(170,654)	(170,654)	
Balance as at December 31, 2020	19,088,429	56,346,232	22,804,480	9,740,769	26,485,473	564,850	(1,429,178)	(5,316,520)	25,000,000	111,500,000	174,699,070	439,483,605	
Balance as at January 1, 2021	19,088,429	56,346,232	22,804,480	9,740,769	26,485,473	564,850	(1,429,178)	(5,316,520)	25,000,000	111,500,000	174,699,070	439,483,605	
Appropriation for previous year	-	-	-	-	-	-	-	-	-	-	(4,771,811)	(4,771,811)	
Dividend paid	-	-	-	-	-	-	-	-	-	-	(500,000)	(500,000)	
Legal reserve	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	
Appropriation for current year	-	-	-	-	-	-	-	-	-	-	(1,908,453)	(1,908,453)	
Dividend paid	-	-	-	-	-	-	-	-	-	-	(500,000)	(500,000)	
Legal reserve	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	
Others	-	-	-	-	-	-	-	-	-	5,000,000	(5,000,000)	-	
Total comprehensive income	-	-	-	(997,678)	3,374,117	(405,115)	(453,935)	6,033,617	-	-	23,420,362	31,969,046	
Transfer to retained earnings	-	-	-	8,743,091	(3,060,475)	(405,115)	-	-	-	-	4,058,153	-	
Balance as at December 31, 2021	19,088,429	56,346,232	22,804,480	8,743,091	26,799,115	159,735	(1,883,113)	717,097	26,000,000	116,500,000	189,497,321	464,772,387	


(Mr. Charon Lophonpanich)  
President

(Mr. Suvarn Thansathit)  
Senior Executive Vice President

# STATEMENT OF CASH FLOWS

## BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2021

Baht : '000

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit from operating before income tax expenses	33,141,335	21,558,355	27,482,199	19,056,394
Items to reconcile profit from operating before income tax expenses				
to cash received (paid) from operating activities				
Depreciation and amortization expenses	6,225,102	5,545,356	4,631,946	4,494,384
Expected credit loss	34,133,611	31,195,868	26,011,719	27,888,515
(Gain) loss on foreign exchange of long-term borrowings	14,775,566	(830,663)	14,618,074	(830,663)
Amortization of premium on investment in debt securities	1,435,037	1,199,165	1,400,517	1,140,896
Unrealized (gain) loss on financial instruments				
measured at fair value through profit or loss	(7,643,607)	4,938,476	(7,045,959)	6,242,749
Gain on investments	(1,225,150)	(2,512,154)	(156,139)	(2,177,491)
Share of (profit) loss from investment using equity method	(208,855)	14,492	-	-
Loss on impairment of properties for sale	611,745	1,124,720	311,298	1,061,250
Gain on disposal of premises and equipment	(11,521)	(356,255)	(4,107)	(356,493)
Gain on revaluation of land and premises	-	(196,180)	-	(196,180)
Loss on impairment of other assets	256,080	368,892	265,558	254,704
Provision expenses	935,403	1,392,950	899,593	752,667
Net interest income	(82,156,060)	(77,046,460)	(62,010,660)	(66,889,511)
Dividend income	(2,251,676)	(2,039,396)	(4,236,874)	(3,597,669)
Proceeds from interest income	114,987,412	111,778,327	82,580,136	93,345,665
Interest expenses paid	(31,988,705)	(40,860,836)	(21,715,629)	(33,042,463)
Proceeds from dividend income	2,251,677	2,039,396	2,177,630	1,899,134
Income tax paid	(7,561,485)	(6,566,399)	(6,775,973)	(5,638,459)
(Increase) decrease in other accrued receivables	(380,735)	(4,054)	(225,408)	31,380
Increase (decrease) in other accrued expenses	1,007,799	1,289,301	(359,452)	417,606
Profit from operating before changes in				
operating assets and liabilities	76,332,973	52,032,901	57,848,469	43,856,415
(Increase) decrease in operating assets				
Interbank and money market items	(284,587,885)	21,975,455	(251,601,772)	68,282,173
Financial assets measured at fair value through profit or loss	(18,571,329)	(6,058,883)	(19,902,342)	(25,396,647)
Loans to customers	(231,969,593)	(91,771,656)	(158,776,479)	(76,751,199)
Properties for sale	2,134,269	642,208	741,890	719,896
Other assets	16,213,260	(16,147,080)	17,184,559	(9,835,598)



# STATEMENT OF CASH FLOWS (CONTINUED)

## BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES FOR THE YEAR ENDED DECEMBER 31, 2021

Baht : '000

	CONSOLIDATED		THE BANK	
	2021	2020	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)</b>				
Increase (decrease) in operating liabilities				
Deposits	346,077,165	193,025,477	180,049,535	169,562,191
Interbank and money market items	69,559,354	32,197,568	118,249,255	33,221,906
Liability payable on demand	855,503	1,168,013	1,409,475	1,214,364
Short-term borrowings	(53,824)	(677,549)	-	(8,086)
Other liabilities	24,550,144	30,075,396	3,815,459	17,747,643
Net cash from operating activities	540,037	216,461,850	(50,981,951)	222,613,058
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investment securities measured at fair value through other comprehensive income	(471,115,594)	(473,224,079)	(384,578,512)	(445,490,013)
Proceeds from disposal of investment securities measured at fair value through other comprehensive income	452,401,696	369,398,464	394,980,371	343,276,461
Purchase of investment securities measured at amortized cost	(75,342,523)	(108,871,614)	(836,973)	(20,846,462)
Proceeds from redemption of investment securities measured at amortized cost	58,977,765	105,105,900	1,593,558	28,323,094
Purchase of investments in subsidiaries and associate	-	(77,195,676)	-	(105,263,739)
Proceeds from disposal of investments in subsidiaries and associate	622,985	-	56,212	-
Proceeds from dividend income from subsidiaries and associates	62,180	41,512	2,059,245	1,698,535
Purchase of premises and equipment	(3,153,421)	(2,308,393)	(635,279)	(925,775)
Proceeds from disposal of premises and equipment	1,791,934	753,477	7,925	537,155
Net cash from investing activities	(35,754,978)	(186,300,409)	12,646,547	(198,690,744)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Cash received from issuance of subordinated notes	33,930,916	23,755,703	33,930,916	23,755,703
Cash paid for senior unsecured notes extinguishment	(1,414,830)	(25,620,963)	-	(24,964,624)
Decrease in long-term borrowings	(202,865)	(1,363,569)	(159,865)	(107,063)
Cash paid for lease liabilities	(1,475,819)	(1,275,888)	(1,017,228)	(1,106,844)
Dividend paid	(6,680,264)	(9,544,214)	(6,680,264)	(9,544,214)
Dividend paid to non-controlling interest	(381,968)	(362,972)	-	-
Net cash from financing activities	23,775,170	(14,411,903)	26,073,559	(11,967,042)
Effect on cash due to changes in the exchange rates	105,229	46,659	102,569	45,682
Net increase (decrease) in cash	(11,334,542)	15,796,197	(12,159,276)	12,000,954
Cash as at January 1,	73,886,309	58,090,112	70,013,515	58,012,561
Cash as at December 31,	62,551,767	73,886,309	57,854,239	70,013,515



(Mr. Chartsiri Sophonpanich)  
President



(Mr. Suvarn Thansathit)  
Senior Executive Vice President

# MANAGEMENT DISCUSSION AND ANALYSIS

## Overall Picture of the Bank and its Subsidiaries

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

<sup>/1</sup> Attributable to owners of the Bank

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

<sup>/1</sup> Including interbank and money market lending

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

Operating expenses rose by 2.0 percent from 2020 as a result of the full-year consolidation of PermataBank's operating expenses.

Meanwhile, the cost to income ratio declined to 50.0 percent. The Bank maintained its prudent approach by setting aside expected credit losses of Baht 34,134 million to accommodate future uncertainty from the impact of the Covid-19 outbreaks, while closely monitoring the situation regarding the Omicron variant and potential risks arising from new variants.

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

At the end of December 2021, the Bank's deposits amounted to Baht 3,156,940 million, an increase of 12.3 percent from the end of December 2020, reflecting customers' desire to maintain highly liquid assets during uncertain times. Accordingly, the loan to deposit ratio stood at 82.0 percent. In September 2021, the Bank issued 15-year Subordinated Notes qualified as Basel III-compliant Tier 2 capital amounting to USD 1,000 million, which further strengthened

the Bank's diverse capital structure. At the end of December 2021, the total capital adequacy ratio, Tier 1 capital adequacy ratio, and Common Equity Tier 1 capital adequacy ratio of the Bank and its subsidiaries stood at 19.57 percent, 15.98 percent and 15.15 percent, respectively, comfortably above the Bank of Thailand's (BOT) minimum capital requirements.

## Operating Income and Expenses of the Bank and its Subsidiaries

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

<sup>/1</sup> Attributable to owners of the Bank

In 2021, net profit attributable to owners of the Bank amounted to Baht 26,507 million, an increase of Baht 9,326 million or 54.3 percent from the previous year. Net interest income increased by 6.6 percent, due to the full-year consolidation of PermataBank's net interest income combined with a decline in interest expenses from management of the cost of deposits. Non-interest income rose by 25.7 percent from an increase in net fees and service income from the securities business, loan-related services as well as bancassurance and mutual

funds, together with an increase in gains on financial instruments measured at FVTPL in line with the market environment. Meanwhile, operating expenses increased by 2.0 percent from the full-year consolidation of PermataBank's expenses. The Bank set aside additional expected credit losses in accordance with its prudent approach to accommodate future uncertainty from the impact of the Covid-19 outbreaks, while closely monitoring the situation regarding the Omicron variant and risks from the emergence of new variants.

## Net Interest Income

In 2021, net interest income amounted to Baht 82,156 million, rising by 6.6 percent from the previous year due to the full-year consolidation

of PermataBank's income, together with a decrease in interest expenses on deposits from cost management.

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

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

## Non-Interest Income

In 2021, non-interest income was Baht 52,385 million, rising by 25.7 percent. This was due predominantly to an increase in net fees and service income from securities business, loan-related services as well

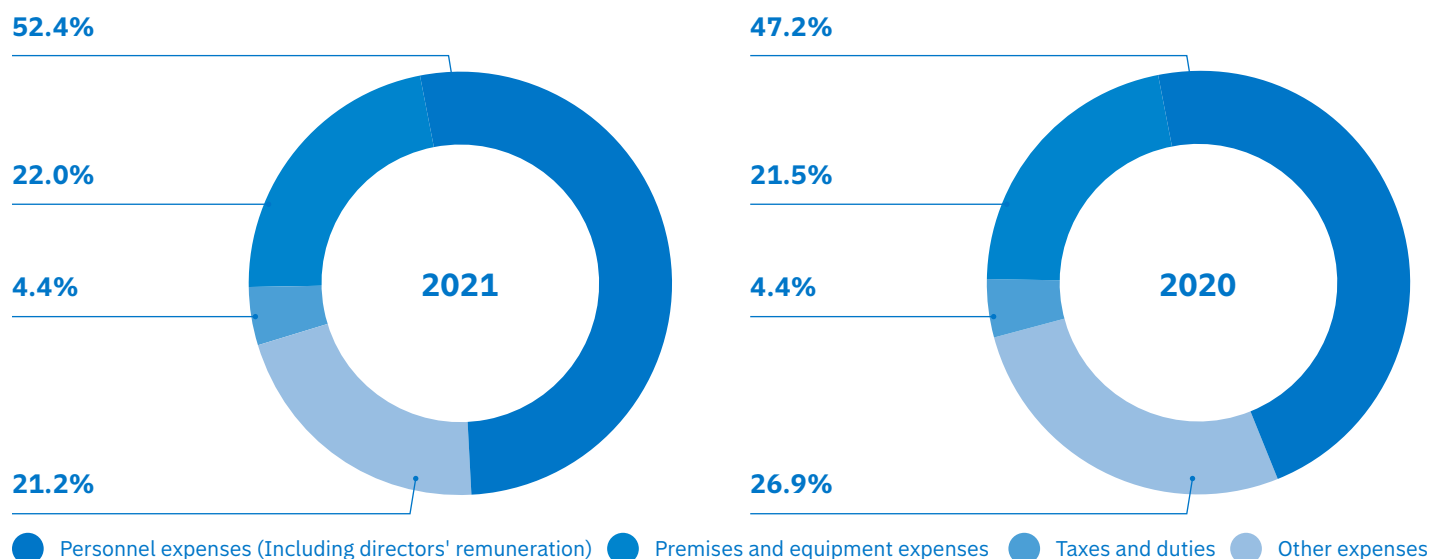
as bancassurance and mutual funds, together with higher gains on financial instruments measured at FVTPL.

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

## Operating Expenses

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

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



## Expected Credit Losses

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

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

## Significant Items in the Financial Position

### Assets

As of December 31, 2021, total assets amounted to Baht 4,333,281 million, increasing by 13.3 percent from the end of December 2020, mainly from an increase in net interbank and money market items to

manage the Bank's liquidity together with an increase in business loans.

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

## Loans

As of December 31, 2021, loans amounted to Baht 2,588,339 million, rising by 9.3 percent from the end of the previous year due to

increases in loans to corporate customers and loans made through the Bank's international network.

### Loan by Business Type

The Bank and its subsidiaries had loans distributed across business sectors, with 32.4 percent in the manufacturing and commercial sector, 22.2 percent in the utilities and services sector, 12.5 percent in the housing sector, and 8.2 percent in the real estate and

construction sector. The increase in loans from the end of December 2020 was mainly driven by other sectors and manufacturing and commercial sector.

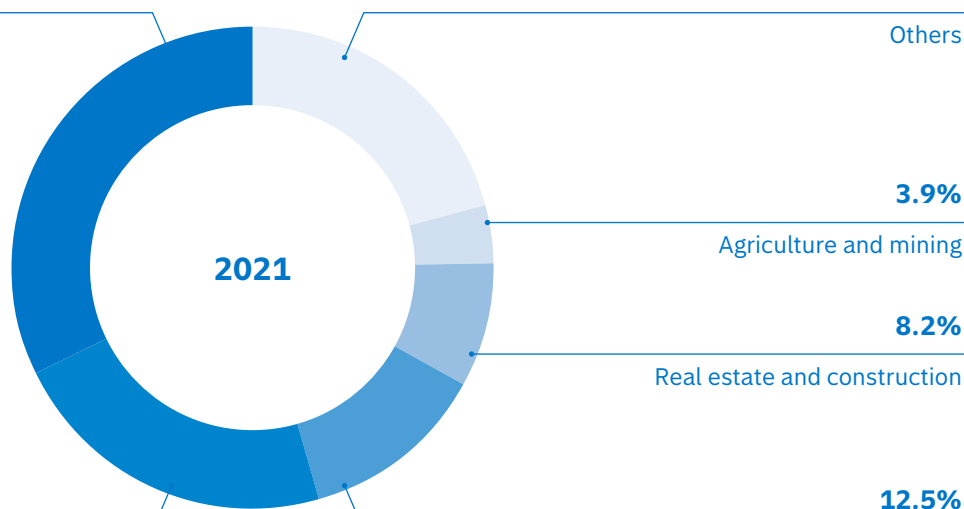
	December 2021	December 2020	Million Baht Change (%)
Manufacturing and commercial	839,469	791,828	6.0%
Utilities and services	574,485	539,151	6.6%
Housing	324,546	302,142	7.4%
Real estate and construction	211,647	211,510	0.1%
Agriculture and mining	101,487	78,175	29.8%
Others	536,705	445,432	20.5%
<b>Total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

**32.4%**

Manufacturing and commercial

**20.8%**

Others



**22.2%**

Utilities and service

**12.5%**

Housing

### Classified Loans and Allowance for Expected Credit Losses

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

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



	December 2021	December 2020	Million Baht Change (%)
<b>Consolidated</b>			
Non-performing loan (Gross NPL) <sup>/1</sup>	101,103	104,401	(3.2)%
Gross NPL to total loans ratio <sup>/1</sup>	3.2%	3.9%	(0.7)%
Net NPL to net total loans ratio <sup>/1</sup>	1.0%	1.4%	(0.4)%
Allowance for expected credit losses to NPL ratio	225.8%	186.8%	39.0%
<b>The Bank</b>			
Non-performing loan (Gross NPL) <sup>/1</sup>	82,820	91,978	(10.0)%
Gross NPL to total loans ratio <sup>/1</sup>	3.0%	4.0%	(1.0)%

<sup>/1</sup> Including interbank and money market lending

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

<sup>/1</sup> Including allowance for expected credit losses of loans, interbank and money market items, loan commitments and financial guarantee contracts

## Investments

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

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

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

## Liabilities and Shareholders' Equity

Total liabilities as of December 31, 2021, amounted to Baht 3,838,688 million, increasing by 13.8 percent from the end of December 2020,

mainly due to increases in deposits and interbank and money market transactions.

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

<sup>/1</sup> Attributable to owners of the Bank

## Deposits

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

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

## Debt Issued and Borrowings

Total debt issued and borrowings as of December 31, 2021 amounted to Baht 183,239 million, an increase of Baht 47,062 million from the end of December 2020, due mainly to the issuance of 15-year

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

Million Baht

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

## Shareholders' Equity

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

## Sources and Utilization of Funds

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

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

## Capital Reserves and Capital Adequacy Ratio

Under the principles of Basel III, the Bank of Thailand (BOT) requires commercial banks registered in Thailand and members of their financial groups to maintain minimum levels of capital adequacy as measured by three ratios: the Common Equity Tier 1 capital adequacy ratio at no less than 4.50 percent, the Tier 1 capital adequacy ratio at no less than 6.00 percent, and the Total Capital Adequacy ratio at no less than 8.50 percent – measured as a percentage of total risk-weighted assets. The BOT also requires a capital conservation buffer of more than 2.50 percent. It requires the Bank, which is identified as a Domestic Systemically Important Bank (D-SIB), to have additional capital to meet the Higher Loss Absorbency (HLA) requirement, which gradually raised the Common Equity Tier 1 ratio by 1.00 percent from January 1, 2020, onwards. To satisfy the BOT's minimum levels and capital buffer requirements, from January 1, 2020, onwards, the Bank is required to maintain the Common Equity Tier 1 capital adequacy ratio at more than 8.00 percent, the Tier 1 capital adequacy ratio at more than 9.50 percent, and the total capital adequacy ratio at more than 12.00 percent – measured as percentages of total risk-weighted assets.

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

Million Baht

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

Million Baht

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

## Liquid Assets

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

liquid assets to deposits were 38.6 percent and 53.0 percent respectively.

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

## Credit Ratings

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

Credit Rating Agency	December 2021	December 2020
<b>Moody's Investors Service</b>		
Long-term Deposit	Baa1	Baa1
Short-term Deposit	P-2	P-2
Senior Unsecured Debt Instrument	Baa1	Baa1
Subordinated Debt Instrument	Baa2	Baa2
Subordinated Debt (Basel III-compliant Tier 2 securities)	Baa3	Baa3
Subordinated Debt (Basel III-compliant Tier 1 securities)	Ba1	Ba1
Financial Strength (BCA)	baa1	baa1
Outlook	Stable	Stable
<b>S&amp;P Global Ratings</b>		
Long-term Issuer Credit Rating	BBB+	BBB+
Short-term Issuer Credit Rating	A-2	A-2
Senior Unsecured Debt Instrument	BBB+	BBB+
Subordinated Debt Instrument	BBB	BBB
Financial Strength (SACP)	bbb	bbb
Outlook	Stable	Stable
<b>Fitch Ratings</b>		
<b>International Rating</b>		
Long-term Issuer Default Rating	BBB	BBB
Short-term Issuer Default Rating	F2	F2
Senior Unsecured Debt Instrument	BBB	BBB
Subordinated Debt Instrument	BB+	BB+
Subordinated Debt (Basel III-compliant Tier 2 securities)	BB+	BB+
Financial Strength (VR)	bbb	bbb
Outlook	Stable	Stable
<b>National Rating</b>		
Long-term	AA+(tha)	AA+(tha)
Short-term	F1+(tha)	F1+(tha)
Outlook	Stable	Stable



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