

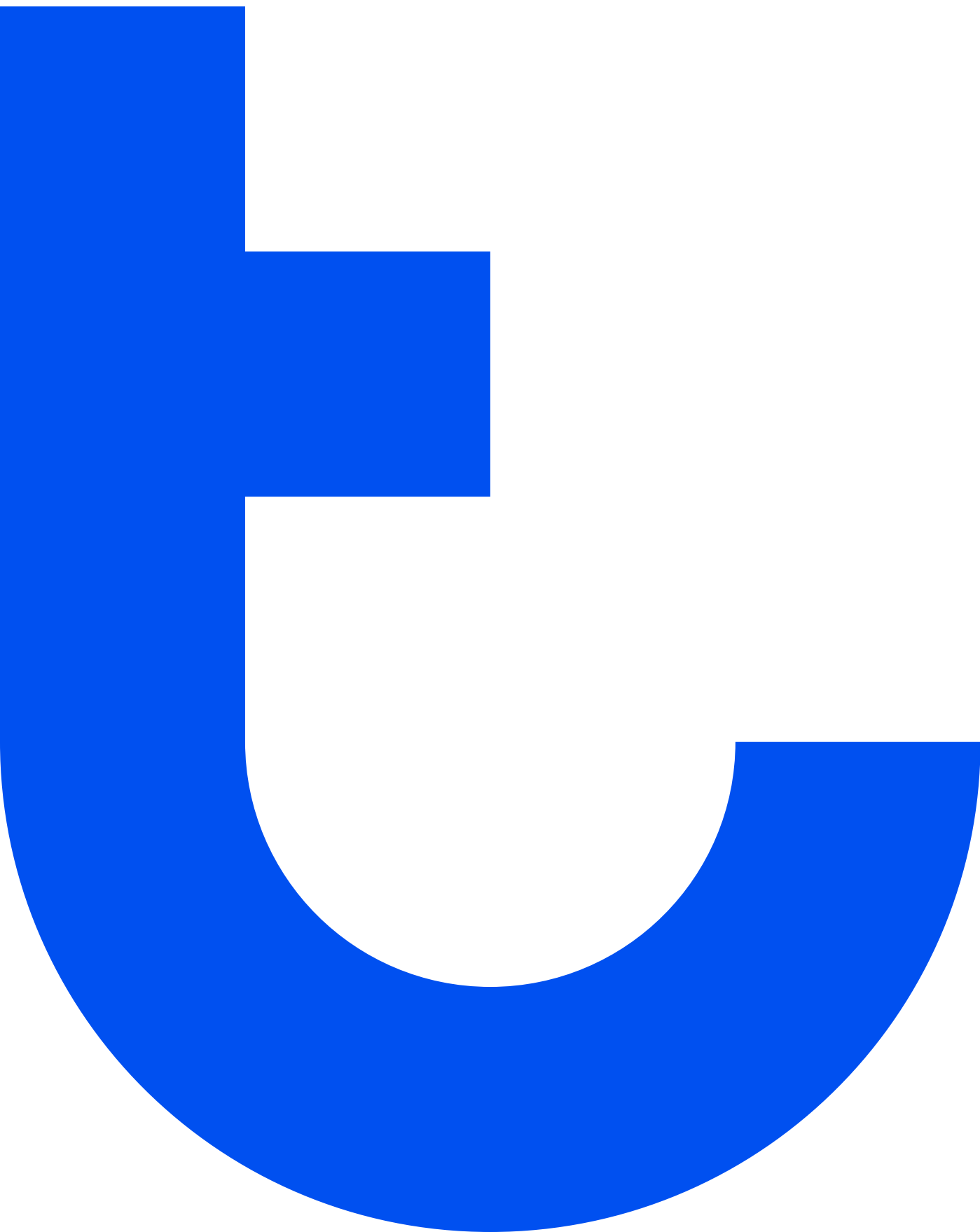


Form 56-1 One Report 2022
TMBThanachart Bank Public Company Limited

Make **REAL** Change

For Thais' Financial
Well-being





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Vision

To become the recommended
bank of choice by our customers



Mission

To improve our customers' life-long
Financial Well-being





Message from the Chairman of the Board of Directors

Although in 2022, the overall economic recovery remained fragile, we witnessed several positive changes. These augured well for the next steps forward, similar to the commitment of TMBThanachart Bank (ttb) to “Make **REAL** Change” to improve the life-long Financial Well-being of Thais. Throughout the past year, the activities implemented by the Bank reflected positive changes in various areas, including not only organizational and business restructuring with an aim to increase the Bank’s digital capabilities and competitiveness but also personalization of an integrated financial solution that was convenient, user-friendly, and truly helped address customers’ problems throughout their life journey.

Apart from the continuous fulfillment of its mission of improving Thais’ Financial Well-being, the Bank fully recognizes its roles and duties as a financial institution that is important to the economic system development as well as its linkage to sustainable development in all aspects. As a result, all members of the Bank’s Board of Directors pay great attention and adhere to corporate governance, prudent business operations, and transparency in line with the principles of good corporate governance and international standards.

Furthermore, the Bank has been placing an emphasis on the sustainable growth of its businesses and the society by conducting business with environmental and social responsibility through its lending activities. In this connection, through the cooperation from the International Financial Corporation (IFC), TMBThanachart Bank is Thailand’s first bank that issues debt instruments called green bonds for environmental projects as well as ones called blue bonds for marine and ocean sustainability. Additionally, in August 2022, the Bank staged an event that led up to the second issuance of the green bonds to strengthen Thailand’s Electric Vehicle (EV) ecosystem. This served as an important key to a reduction of greenhouse gas emissions by up to 40% within 2030, which could be achieved through the extension of loans to customers who wanted to use electric vehicles that included Battery Electric Vehicles (BEV), Hybrid Electric Vehicles (HEV), and Plug-in Hybrid Electric Vehicles (PHEV).

Under brand philosophy “Make **REAL** Change,” the Bank continued supporting sustainable corporate social responsibility activities. The purpose was to inspire the creation of good initiatives and positive values among youths, communities, and societies, which in turn would create a positive impact on Thai society. For fai-fah youths, the Bank supported ttb foundation to launch the financial literacy project called “Fun for Fin” – a pilot program that educated children about basic financial knowledge, specifically Mindful Spending and Smart Saving. This would help them understand the value of money, know how to make income and expense records, and start making financial plans for their future.

With determination throughout the past year, the Bank received prestigious recognitions from several leading institutions, as follows:

- Ranked first place in the “Fair Finance” based on the 2022 annual assessment of the Fair Finance Thailand Guideline for the 4th consecutive year.
- Received “The Most Improvement in 5 Years” (2018–2022) based on the 2022 annual assessment of the Fair Finance Thailand.
- Selected for the FTSE4Good Index Series for the 7th consecutive year.
- Ranked “Excellent” for “Good Corporate Governance” by the Thai Institute of Directors Association for the 14th consecutive year.
- Selected as one of the companies on the Thailand Sustainability Investment (THSI) list for 2022 by the Stock Exchange of Thailand for the 5th consecutive year.
- Included in the Bloomberg Gender–Equality Index (GEI) in 2023 for the 2nd consecutive year.
- Included in the S&P Global’s Sustainability Yearbook 2023 for the 2nd consecutive year.

Finally, on behalf of the Board of Directors, I would like to express my gratitude to shareholders, customers, business partners, and all of our stakeholders for their continued good support. With TMBThanachart’s potential and strengths, as well as the dedication of all the executives and staff members, I am confident that we are well-prepared and ready to take the next steps forward to “Make **REAL** Change,” raise service quality level and deliver financial solutions and innovations that meet the needs of individual customers throughout their life journey. The purpose is to achieve the Bank’s ultimate goal of improving life-long Financial Well-being for Thai people.



Mr. Ekniti Nitithanprapas
Chairman of the Board



CEO Message

In 2022 Thailand managed to weather the COVID-19 pandemic crisis and has gained more traction, driven by the tourism sector as a major economic engine. However, the country faced with several external headwinds that could derail the recovery to the pre-COVID-19 level, especially the Russia-Ukraine conflict, which had affected the production sector and commodity prices, particularly energy prices. This, in turn, led to cost-push inflation and resulted in the rising interest rates trend due to tightening monetary policy by many countries around the world, including Thailand.

At TMBThanachart (ttb), we are aware that the Bank's strong position is the key fundamental for the Bank to "Make **REAL** Change" and to truly improve life-long Financial Well-being for Thai people. Additionally, it is a crucial role for us as a financial institution to support the country's financial stability. Consequently, amidst the fragile economic environment, we continue to emphasize the prudent business direction, ensuring that the Bank has a robust financial position and is well-prepared for business growth and potential economic challenges going forward.

Conducting Business with Prudence

With the prudent business direction, we believe that the Bank could improve operating performance by achieving quality growth and operational efficiency. In this connection, it is unnecessary to take risks from aggressively growing assets and loans while the economy is still faced with headwinds. This has led to the main focus of the Bank's strategies over the past years in three key areas: selective loan growth, efficient cost management, and prudent asset quality management, together with appropriate financial support to customers in need.

Since the beginning of the COVID-19 pandemic, ttb has continuously emphasized **selective loan growth** while realizing that such a strategy would result in slower loan growth compared to a normal economic cycle, which could slow down interest income and loan-related fees in the short term. Having said that, considering the long-term positive impact on income, profit, and stability, it still outweighed these temporary shortfalls. Given the quality loan portfolio with well-contained non-performing loans (NPLs), the Bank would be able to mitigate the risk of setting aside high provisions and would not have to unnecessarily spend on human and financial resources to tackle prolonged NPL problems caused by inattentive lending.

To grow new loans, the Bank has primarily focused on a quality retail segment to achieve balance sheet synergy through optimization of loan structure post-merger. This would enhance loan yields by scaling down loans whose risk-adjusted returns are not justified while expanding the proportion of the quality retail loans that generate better risk-adjusted returns and are aligned with our risk management framework.

Regarding **cost efficiency**, ttb has consistently focused on efficient cost management and operational efficiency as reflected by faster-than-anticipated cost synergy realization, including lower cost of deposit, which has been declined by over 50 basis points since the merger that was derived from deposit structure optimization. In addition, the Bank could realize cost savings by bringing down duplicate expenses in various areas, such as marketing expenses, IT systems and applications which were reduced from 600 systems to approx. 290 systems, and 326 overlapping branches closure. Given such cost savings, the Bank could efficiently relocate the capital to new business plans and digital investments. Maintaining cost discipline, including capital budget prioritization, is also our key strategy to ensure that all expenses or investments are justified and aligned with the revenue generation plan. In particular, the investment spending must be prioritized for technology or areas that truly matter and benefit customers. Furthermore, to maximize our financial and human resources, we will focus on our core strengths, leveraging our expertise to drive and reinforce the Bank's businesses rather than exploring areas irrelevant to customers' interests.

Lastly, on **asset quality management**, it is apparently seen since the pandemic that each bank has adopted different asset quality management and provisioning practice. For ttb, we put priority on assisting customers affected by the pandemic. During that most critical time, the Bank provided supports through a debt relief program to over 750,000 customers, accounting for approximately 40% of the total loan portfolio in 2020. After the debt relief program expired, the Bank has extended supports with a comprehensive debt restructuring program, especially for vulnerable groups. We have also closely monitored our customers to ensure that the

assistance given was appropriate and sufficient for customers' long-term recovery. As a result, customers' situation has improved, and they could resume normal debt serviceability. Therefore, the proportion of loans under the debt restructuring program to the total loan declined to approximately 12% at the end of 2022.

In parallel, we have remained conservative on internal management despite the BoT's relaxation on staging classification of loans under the debt relief program. The Bank has developed an internal model and approaches for managing loan portfolios and assessing actual customers' risk profiles identified by the degree of debt-relief measure requested. With such approaches, the Bank could proactively manage its loan portfolio, resulting in effective NPL resolution and manageable NPL level. This could ensure that the Bank has set aside appropriate and sufficient provisions, mitigating risks of understated provision and potential provision required.

Achievement from proper strategies and successful execution

With the abovementioned strategies, the Bank could achieve the established targets in all three areas, as evidenced by the financial results in 2022.

Starting with the aspect of loan growth. The Bank managed to uplift the proportion of retail loans to 60% from 57% of the total loan portfolio in the previous year by reutilizing the liquidity from loan repayments to grow new loans and replacing unjustified risk-return loans with hire purchase loans and mortgage loans. Given our expertise and leadership in these markets, the Bank successfully expanded hire purchase loans by 4.3% and the mortgage loans by 3.2%, respectively, while the corporate loans contracted by 5.7%. Consequently, at the end of 2022, the total loan portfolio stood at 1,376 billion baht, or approximately 0.4% growth, in-line with the quality growth strategy.

Next is operating cost management, the better performance in this area was reflected by the cost of deposits which remained relatively stable at 0.8% even though the Bank expanded deposit base by 4.5% to 1,399 billion baht. The deposit acquisition aligned with the Bank's initiative to optimize the deposit structure with an objective to lock in deposit costs and prepare for a business growth plan in 2023, ahead of the interest rate hike cycle. On the other hand, operating expenses declined by 4.1%, and the Bank's cost-to-income ratio reduced to 45% from 48% in 2021, clearly reflecting effective cost management.

For asset quality, the Bank managed to control NPL outstanding and continuously reduced the NPL ratio from the highest level of 2.98% in the third quarter of 2021 during the COVID-19 pandemic crisis to 2.81% as of 2021 and to 2.73% as of 2022, respectively. Such levels were below the industry averages and one of the lowest among D-SIBs peers. Accordingly, provision expenses dropped by 14.7% from the previous year, equivalent to 133 basis points in terms of credit cost compared to 157 basis points in the previous year. Despite a decline in the provision, the NPL coverage ratio increased to 138% from 129% in the previous year. These indicated that the Bank's asset quality remained sound, and a risk cushion was sufficiently provided.

Apart from the successful strategic execution in the three key areas above, the Bank also had initiatives to prepare for interest rate hike cycle. For instance, the Bank shortened the investment portfolio duration to enhance return on investment and partially repurchased Additional Tier 1-debt instruments as a part of an effective capital management plan. The Bank also recognized gain from face value spread from such transaction. With all these operational efforts, **ttb reported a net profit of 14,195 million baht, an increase of 36% from the previous year**, despite a muted loan growth of 0.4%.

The Bank delivered better financial performance and has always maintained a robust capital position with Capital Adequacy Ratio (CAR) reaching 20.0% and Tier 1 Ratio (Tier 1) at 16.3%, well-above the BoT's regulatory requirement for D-SIBs at 12.0% and 9.5%, respectively. This was an opportunity for the Bank to return benefits to shareholders. In addition to interim dividend and annual dividend payment, ttb has issued and allocated warrants, TTB-W1, with no cost to shareholders. In this regard, ttb is the first Thai bank who issues warrants as we saw benefits to shareholders from the in-the-money exercise price and liquidity from trading the warrants in the secondary market. This reflected the Bank's commitment to generating quality growth by exploring opportunities and ways to return benefits to the Bank's shareholders.

Leveraging the successes to generate continued growth in 2023

The achievements in 2022 have strengthened the Bank's financial position and capability to pursue a business growth plan in 2023. The development of a digital banking platform in the past year would also be a key enabler for the Bank to realize revenue

synergy through the “Ecosystem Play” concept, with financial solutions in the pipeline to be rolled out this year. In addition, we stand ready to generate growth through ttb consumer, the Bank’s subsidiary, which will support the quality growth of retail loans from the Bank’s existing customer base.

Importantly, we will continue to develop our digital capability while gearing towards the Digital Transformation and driving the organization to fully operate under Digital First model. We are open and will explore any opportunities to join hands with digital business partners to increase competitive advantages and keep pace with rapid changes in this digital era.

Nonetheless, with the economic outlook during the upward interest rate trend, there are still downside risks from inflation and economic recession. Therefore, the Bank would continue to focus on the prudent business direction and maintain cost and investment spending discipline.

Finally, I would like to thank customers and shareholders for your continued support. In addition, I would like to thank executives and employees under ttb’s financial group, who play indispensable roles in driving the business towards sustainability, taking environment, social, and corporate governance into consideration, with an aspiration to achieve quality growth and pass on the benefits to all the stakeholders.

P. Tantakam .

Mr. Piti Tantakasem

Chief Executive Officer







Make **REAL** Change

For Thais' Financial Well-being

The successful synergy as One Bank, along with strong belief to Make **REAL** Change, were the key drivers to changes for TMBThanachart or ttb. Various transformation throughout the year 2022 has clearly demonstrated the Bank's determination to make changes with comprehensive solutions that truly meet customers' needs and exactly solve their problems that would lead to a better Financial Well-being as per the Bank's sole mission.

For Thais' **Financial Well-being**



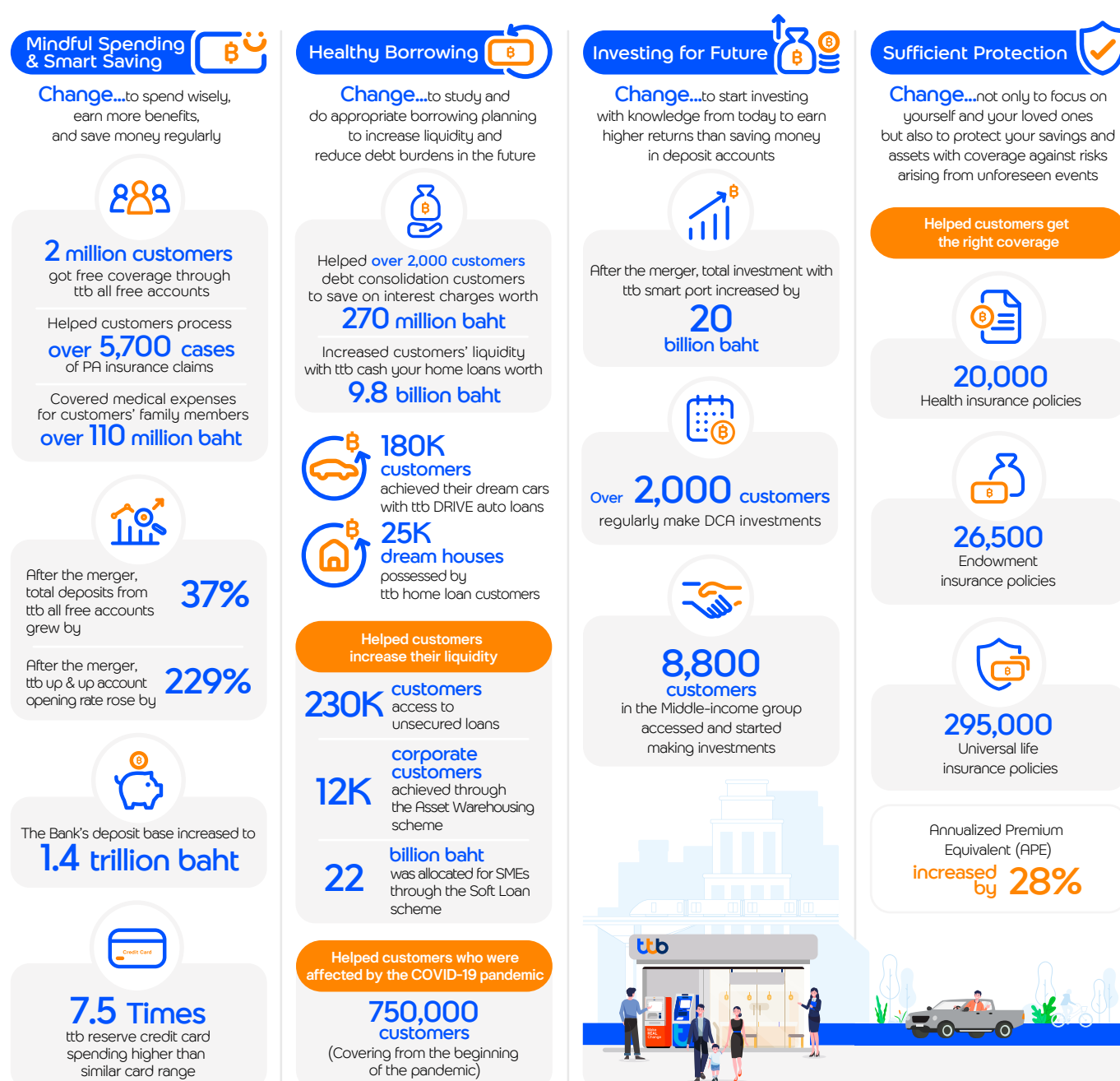
Make REAL Change...to become The Bank of Financial Well-being

With a commitment to Make **REAL** Change for Thais' better Financial Well-being, the Bank has undertaken business restructuring and internal reorganization in several areas, which include the following:

- The Bank has strengthened its digital capabilities by undertaking internal reorganization. Thus, the digital unit called **ttb spark** was established, which operates in line with the concept of "Agility," aiming to create new innovations and develop "Humanized Digital Banking" solutions that not only are customer-friendly, thoughtful, and easy to use but also meet the needs of all customer groups, both individuals and corporate entities.
- The Bank has increased its competitiveness by undertaking business restructuring. **ttb consumer company limited**, therefore, was introduced with an aim to increase the potential for offering a full range of credit cards and consumer loans to broader target groups. The Bank has also joined hands with strategic business alliances and invested in Thanachart Insurance Public Company and Thanachart Securities Public Company Limited. The purpose is to jointly offer and develop products and services to provide customers with diverse alternatives.
- To provide customers with a fully comprehensive range of products and services and all risk coverage insurance at reasonable prices, the Bank has enhanced its strength in the insurance industry by merging **TMBThanachart Broker Company Limited** as part of the Bank's financial business group. This company operates a life and non-life insurance brokerage business with partnership networks of more than 20 insurance companies.

Make REAL Change...with financial solutions that meet customer needs across all 4 Financial Well-being pillars

The changes in ways of thinking and working, and how the innovative financial solutions are delivered resulted in products and services offered across all 4 Financial Well-being pillars below to satisfy customers' needs with convenience and easy-to-use solutions: **Mindful Spending & Smart Saving, Healthy Borrowing, Investing for Future, and Sufficient Protection**. Throughout the year, the Bank has successfully provided Financial Well-being solutions along with educating on financial literacy that helped customers change and have a better Financial Well-being corresponding to the Bank's mission, as follows:





1. Mindful Spending & Smart Saving

Change...to spend wisely, earn more benefits, and save money regularly

- The Bank helped over two million customers get free life and accident coverage through **ttb all free** accounts, which resulted in a total deposit amount growing 37% post the synergy. The customers also had financial freedom through a fixed deposit product called **ttb up & up** account, which allowed customers to withdraw before maturity with no reduction in interest rate, an ideal product for depositors who wanted high-interest rates. As a result, the number of customers who opened such an account increased to 229% after the merger. Moreover, the Bank's deposit base increased to 1.4 trillion baht from the expansion of ttb all free and ttb up & up customers.
- **ttb reserve** credit card, under the new "reserving your infinite success" concept, provides customers maximum values and benefits from well-connected ttb products. Customers even earn initial points before they start using the card. In addition to the privilege points redemption offering, customers would gain maximum value from utilizing points as a discount for investment or purchasing insurance policies or other ttb products. As a result, the Bank received an overwhelming number of users from more than 60% of the wealth banking customers within the first six months after ttb reserve was launched. Currently, ttb reserve cardholders spent through the card 7.5 times higher than others of similar card range.

2. Healthy Borrowing

Change...to study and do appropriate borrowing planning
to increase liquidity and reduce debt burdens in the future



- The Bank helped over 180K customers get their dream cars through **ttb DRIVE** auto loans. The Bank also encouraged customers to practice financial discipline through the “Reward for Timely Repayments” campaign for over 11K customers who made their repayments on time. In addition, the Bank continued looking after over 140K existing customers by offering them appropriate relief programs that were suitable for their repayment capability.
- The Bank helped customers purchase over 25K dream homes through **ttb home loan** and gave free house fire insurance throughout the mortgage term.
- The Bank helped customers increase their liquidity with a debt consolidation program that reduces interest burden through **ttb cash your car** loans worth over 31 billion baht, and **ttb cash your home** loans worth over 9.8 billion baht.
- The Bank helped over 230K customers access the sources of emergency funding through **ttb unsecured loans that required no collateral**.
- The Bank helped over 12K corporate customers with liquidity problems to access the most appropriate loans quickly. This was achieved through the **Asset Warehousing** and the **Special Loan** schemes worth over 22 billion baht.
- The Bank helped over 750,000 customers affected by the COVID-19 pandemic (covering from the beginning) get through the most difficult time. In addition, ttb joined the force with the Thai Bankers’ Association and the Bank of Thailand in promoting the implementation of the **Asset Warehousing** and **Debt Consolidation** program to enable business groups, such as hotels, to have easier access to sources of funds that would enhance liquidity and ability to continue operating their businesses.

3. Investing for Future

**Change...to start investing with knowledge from today
to earn higher returns than saving money in deposit accounts**

The Bank helped customers make investments easily with peace of mind through **tth smart port** managed by experts. After the synergy, total investments increased by more than 20 billion baht. Amidst the turbulent market conditions, the Bank helped over 8.8K customers in the middle-income group access and start making investments.



4. Sufficient Protection

**Change...not only to focus on yourself
and your loved ones but also to protect
your savings and assets with coverage
against risks arising from unforeseen
events**

The Bank helped customers get coverage through appropriate insurance products, which included 20,000 health insurance policies at affordable prices, over 26,500 endowment insurance policies, and 295,000 life insurance policies. As a result, total first-year premiums in terms of Annualized Premium Equivalent (APE) increased by 28% compared to the same period in the previous year.



Make REAL Change....to provide digital solutions that meet customer needs in a more customer-friendly, thoughtful, and understanding manner

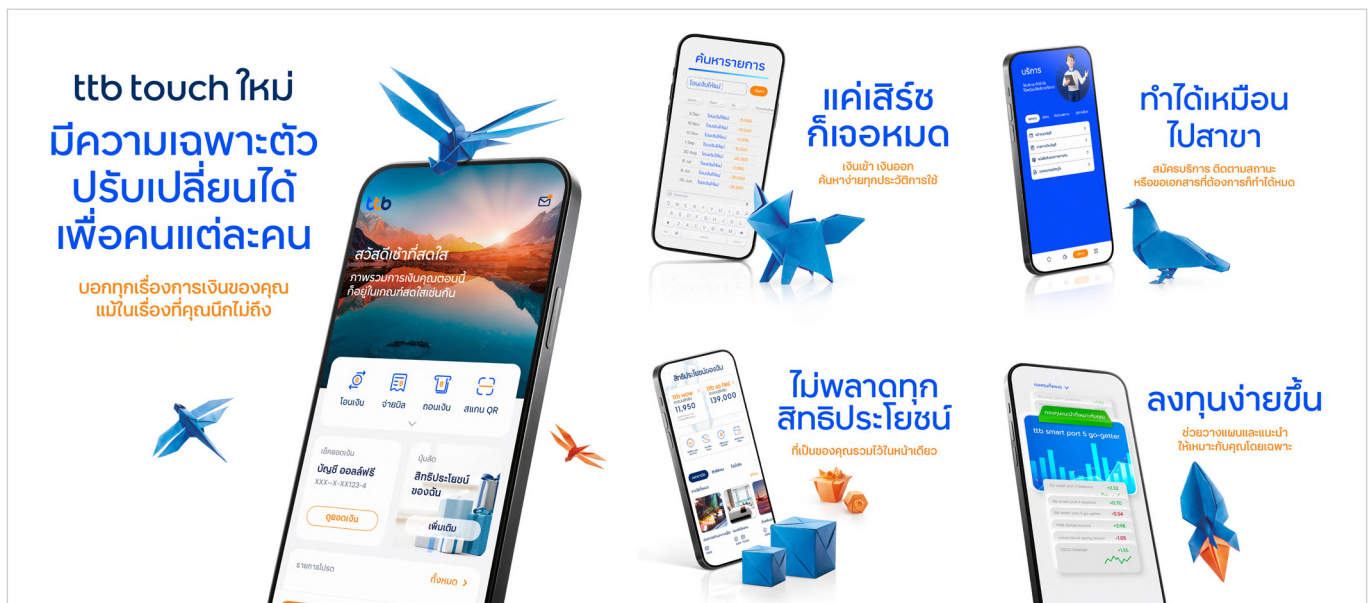
The Bank has brought services to the next level through **Humanized Digital Banking** concept to deliver digital banking experience that is more customer-friendly, thoughtful, and understanding for both individual customers and corporate customers through the Bank's main digital platforms as follows:



- 1. ttb touch application** enables individual customers to do financial transactions easily anywhere, anytime. Its platform was substantially upgraded in May 2022 to make customers' life more convenient, like having a personal assistant who knows the user well and offers unique "just for you" benefits that truly satisfies the needs. Currently, the number of ttb touch users increased by over 4 million, representing an increase of 46% after the merger. The Bank aims to expand the app user base by introducing various new features.
- 2. ttb business one** serves as both an internet banking and a mobile app that conveniently provide corporate customers with all-in-one service for all types of online transactions, including domestic and international transfers and payments. It is easy to use and securely on par with international standards. Users can view the information in various formats according to assigned access right. Over the past year, expanding the corporate customer base using digital banking services has resulted in a steep leap in transaction volume through ttb business one, growing by 55% from 2021.

Make REAL Change...to enable all customer groups to receive the best financial solutions across every stage of life

Financial solutions for a better Financial Well-being of retail customers



ttb touch

Chang...to provide customers with a better financial health in all aspects.

Nowadays, in a digital social life full of urgencies and numerous matters that need to be managed, having a digital solution that is not only convenient to use but also offers a one-stop service is essential for meeting the needs of digital life. As a result, TMBThanachart launched the new **ttb touch** application, which offers a "Unique Experience" through four main experience dimensions as follows:

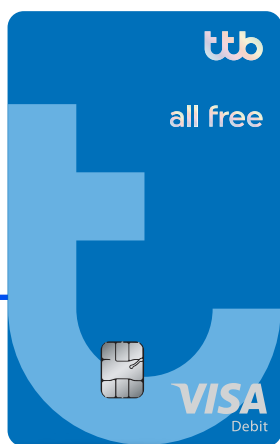
- 1. Personalization:** With personalized push notifications, customers will not miss any key transactions or promotions. The app also suggests tailored financial products that suit each customer's lifestyle.
- 2. Branch on Mobile:** Customers can execute all types of transactions conveniently through only one app as if they were at the bank branch. These include requesting an important document, opening a new account, monitoring product application status, or searching for transaction information.
- 3. My Benefit:** Customers' benefits and privileges are all in one place. These include collected points, points redemption, and receipt of personalized promotions.
- 4. Beyond Banking:** Customers can execute banking transactions and manage other transaction within one app. For example, the My Car feature which provides all car-related solutions, from car management to car sale.

 [Learn More](#)

บัญชี ทั่วปี ออลฟรี ให้

ประกันฟรี

คนไทยทั้งประเทศรักฟรี



ttb all free

Change...to allow customers to live their lives all free.

Amidst the current economic situation, most people now shift their focus to savings and worth spending. ttb all free account is more than just an ordinary savings account as it helps customers reduce expenses to "live freely in all aspects" and truly lead a better financial life. In particular, the Bank provides free accident insurance to Thai citizens nationwide without any additional premiums or hidden expenses. Customers can receive the entitlement free of charge as long as they keep money in their savings account.

In addition, the product continues to demonstrate its worthiness by offering other benefits. Among others, these include free online transaction fees—an overseas spending fee of 2.5% FX charge. Every online payment

also gives more value for the price paid; the more payments customers make, the more wow points customers will receive. In particular, customers receive a cashback reward rate of 1% in the form of wow points. (1 wow point = 1 baht) They could use the collected wow points to make their next payments. As a result, ttb all free is more than just a savings account as it enables customers to spend without service charges and get value for their money in all areas but also provides them with free accident insurance.

 [Learn More](#)

ttb credit card

Change...to enable customers to make life worthwhile every day.

Since everyone's lifestyle is unique, each one has different financial goals. As a result, ttb has designed credit card products that meet the needs of each one's lifestyle, aiming at enabling them to make life worthwhile...every day.



ttb absolute credit card

Fit for a traveler to live a life on another level.
Earn points 2X faster when shopping online.
Reduced fee charged for overseas payments to just 1% from the normal of 2.5%.
Free entrance and annual fees.



ttb so fast credit card

Ideal for a point collector who loves redeeming for rewards and life experiences.
Earn points faster for every purchase.
Swipe the same amount but get more points.
Free entrance and annual fees.



ttb so smart credit card

Suitable for a savings person who enjoys everything value for money.
Earn 1% cashback on all purchases with no need for promotion.
Free entrance and annual fees.



ttb so chill credit card

Best for a fighter who wants financial agility.
Exempt from 3% cash advance fees.
Free entrance and annual fees.

 [Learn More](#)

ttb debt consolidation

Change...to provide efficient debt management solution.



TMBThanachart recognizes the financial difficulty of Thai people, carrying heavy debt burdens from multiple sources and needing help solving the problem effectively. As a result, ttb has developed a "debt consolidation solution" to help customers manage debts efficiently to lessen the burdens and get life back in control. What makes **"ttb debt consolidation"** suitable to customer needs is that we do not consider current outstanding loan amounts when determining debt service ratio and in turn, increase the customer's chance of approval. Once approved, all debts will be consolidated in one place with ttb, and we will issue cheques directly on behalf of the customer, to repay and close the accounts of the original lenders. Having all debts in one place reduces interest rates with lower monthly installment repayment, leading to higher liquidity and happier

life. For this purpose, customers have options to use a house or car as collateral under "ttb cash your home" or "ttb cash your car loan" or, if without collateral, "ttb cash2go personal loan". This solution reflects ttb's commitment to putting the customer first and developing solutions to enable Financial Well-being for every customer's need.

[Learn More](#)

ttb cash your home and ttb CYH cash card

Change...to reduce interest burden, increase liquidity, and enable healthy borrowing for today and the future.

TMBThanachart, one of the leading mortgage providers, offers financial solutions to meet customer needs truly. Through **"ttb cash your home,"** customers can receive a lump sum loan using the house as collateral to take care of any financial need, from reducing the debt burden and increasing liquidity to managing important expenditures. Realizing customer needs for today and security for future uncertainty, ttb launched **"ttb CYH cash card,"** a ready-to-use credit line with low interest rate and peace of mind for any unexpected or emergency financial need. Being the first of its kind in Thailand, the product offers four outstanding features as follows:

สินเชื่อบ้านแลกเงิน ที่ททบี่
คล่องตัวคุณสอง สมัครงั่งเดียว
รับทั้งเงินก้อน และบัตรกดเงินสด



เงินก้อน โอนเข้าบัญชี ดอกเบี้ยต่ำ ผ่อนสบาย นานสูงสุด 30 ปี	วงเงินพร้อมใช้ ในบัตรกดเงินสด ไม่ใช้ ไม่เสียดอกเบี้ย	อนุมัติง่าย ได้เงินเร็ว รับเงินสด บ้านยังมืออยู่ วงเงินสูงสุด 10 ล้านบาท
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บัตรกดเงินสด ที่ททบี่ บ้านแลกเงิน

- **อุ่นใจ..** กดเงินผ่าน ATM (ได้ทุกตู้) หรือโอนผ่าน ttb touch
- **สบายใจ..** ดอกเบี้ยต่ำกว่าบัตรเครดิตเงินสดทั่วไป
- **เบาใจ..** จ่ายคืนขั้นต่ำเพียง 1%
- **ถูกต้อง..** ผ่อนสินค้า (ttb pay plan) ณ ร้านค้าที่ร่วมรายการ

1. Ready credit line from any ATM with no service fee or instant direct cash transfer through ttb touch mobile app anytime, anywhere.
2. No withdrawal, no interest. Interest is charged on a daily basis and stop as soon as full payment is made, helping you to manage responsibly for any unexpected incidence.

3. 1% minimum repayment of the amount used.
4. Installment payment for goods and services purchased at participating stores through ttb pay plan.

These services reaffirm the ttb's commitment to continually improve customers' Financial Well-being for today and the future.

 [Learn More](#)

ttb DRIVE cash your car

Change...to be more than car hire purchase for customer's well-being.



ttb DRIVE advertisement featuring a man in a white and orange polo shirt holding a tablet, standing next to a red car. The background is orange. Text in Thai: "จัดเต็มเงินด่วน แบบรู้ใจ" (Full fast money, know your heart), "อนุมัติไว" (Approve fast), "เบื้องต้น" (Preliminary), "ใน 30 นาที" (Within 30 minutes), "ดอกเบี้ยต่ำ วงเงินสูง" (Low interest rate, high limit), "รถ แลก เงิน" (Car exchange money), "รับเงินสด รถยังมีขับ" (Receive cash, car still drive). The car has license plate "1428".

ttb DRIVE "cash your car" loans in line with a commitment to deliver Financial Well-being for Thai customers, aims to be more than a auto loan provider but a partner through the customer's life journey. When in any financial need, customer can use a car or car registration book as collateral to obtain low interest rate and long-term installment loan. Offering a variety of product ranges to meet all needs and suitability, customer can choose from cash your car loan with fixed interest rate or cash your book loan with effective interest rate using free assets or even outstanding hire purchase car as collateral. Apart from providing a solution for cash in need, ttb DRIVE cash your car also offers a debt consolidation solution enabling customer to combine multiple loans into one source with ttb to reduce the interest rate and better manage debt burden. Also, because we fully understand how important every financial need is, we provide lending specialist to service customers on the spot and process fast preliminary loan approval within 30 minutes. Simple, convenient, and easy at every step, customers can update their loan approval status and auto loan detail and make an installment payment anywhere, anytime through ttb touch application. These reflect the Bank's ambition to be more than car loan provider for customer's life betterment.

 [Learn More](#)

ttb smart port

Change...to help customer invest easily and carefree with an opportunity to get a good return.



Many customers have never made any investment but rather saved money in their accounts as they considered investment difficult and risky. As a result, the Bank offers an investment solution that ensures **"#MoneyMustEarnMoney."** It helps customers earn the first million and subsequent millions through **"ttb smart port,"** which makes investment easy via five readymade portfolio models, from which customers can choose based on their acceptable level of risk tolerance. No lump sum of cash is needed to invest. In fact, they could invest at just 1 baht with the support provided by Amundi, a leading European asset manager, and Eastspring, Asia's leading expert with over 25 years of investment experience in the

Thai capital market, to help curate and manage portfolios. Noteworthy is their strategy for automatic "Fund selection, asset allocation, and portfolio rebalancing" in line with key situations. Moreover, the Bank emphasizes the Dollar-Cost Averaging (DCA) investment approach through "ttb smart port" for an opportunity to get a good return and avoid missing any investment opportunity. The purpose is to make customers feel confident that they will have a better Financial Well-being today and in the future.

[Learn More](#)

ttb easy care plus

Change...to enable customer to control medical expenditure and to have a better access to medical treatment, aiming at dispelling the fear of illness.

All-inclusive insurance to cover all types of treatment

Medical expenses are likely to increase every year and double over the next 5-10 years, particularly those related to critical illness treatment and numerous miscellaneous treatment expenses. To meet customer needs, the Bank has joined hands with its insurance business alliances to introduce the life and health insurance product called **"ttb easy care plus,"** which will help customers live their lives with peace of mind. The product ensures that they have adequate health insurance to cover actual expenses. The product also enables customers to design coverage plans in line with their needs at a reduced premium. Furthermore ttb easy care plus also covers cancer. Customers will receive a lump sum compensation for medical treatments when they are diagnosed with cancer, regardless of the stage of cancer. As a result, customers will feel confident that ttb easy care plus can truly meet different customer needs.



[Learn More](#)

ประกันชีวิต

ทีทีบี เดอ: อินเซอร์ พลัส

เปิดโอกาสให้ลูกสู่ความสำเร็จ ด้วยความ**มั่นคง**ในวันนี้

พร้อมคุ้มครองสุขภาพทั้งครอบครัว เคลมค่ารักษาได้ไม่มีดอกจัน



รับประกันชีวิตโดย บริษัท พรูเด็นเชียล ประกันชีวิต (ประเทศไทย) จำกัด (มหาชน) / ธนาคารทหารไทยธนชาต จำกัด (มหาชน) เป็นเพียงนายหน้าประกันชีวิต และรับผิดชอบในฐานะนายหน้าเท่านั้น / ผู้ซื้อควรทำความเข้าใจในรายละเอียดความคุ้มครอง และเงื่อนไขก่อนตัดสินใจทำประกันทุกครั้ง / เงื่อนไขเป็นไปตามที่บริษัทกำหนด

ttb the treasure plus

Change...not only to provide Thai people with an adequate coverage but also
wealth transfer solution to enable them to make life plans and manage risks confidently.

From the success of ttb the treasure to response to the needs of financial stability of the customers and their families, the Bank has partnered with its insurance business alliances to expand the success of the product by introducing **ttb the treasure plus**, life insurance that focuses on the financial saving plan suitable for family with children. This comes from the fact that these families need to make a long-term savings plan, ensuring that they have a steady income and cash reserve for their family's medical expenses, for which they can claim

reimbursement under the coverage of a transparent life insurance policy without asterisks or hidden conditions. In this connection, the coverage and the savings are placed together in one account without creating another separate account for savings. The product will enable customers to make better financial plans and feel at ease while passing on the wealth to the customers and their beloved family members who could live life in line with the plan that helps bring about a better financial life.

 [Learn More](#)

Mung Kung High Yield Solution

Change...to empower customers to confidently pass on wealth through a high yield wealth solution.



Because we genuinely care about our customers, we are willing to help pass on financial stability to customer's beloved ones through "Mung Kung High Yield Solution", a solution that combines ttb the treasure or ttb treasure plus life insurance with "ttb the exclusive special savings" account. The account serves as an assistant who helps make a wealth plan for the family's future or a retirement plan for customers in the way they desire. With the account, customers will receive a floating interest rate (which is equal to the standard interest rate plus the bonus interest rate of 0.75%) throughout the

premium payment term simply by maintaining the premiums for the remaining years in their "ttb the exclusive special savings account" to get an interest income. As a result, customers will be hassle-free from premium payments. The account helps customers feel confident that they can make a plan to pass on wealth to their children and grandchildren for a long time until they retire. Importantly, they will also receive money back at certain intervals of the policy tenure to fulfill their life plan based on the established goals.

 [Learn More](#)

ttb payroll

Change...to enhance salaryman to live a better life every month.

TMBThanachart is committed to improving the Financial Well-being of customers who receive their monthly salaries through ttb accounts. In this connection, the Bank offers a value to cover all financial dimensions under the concept to "change...to enhance saralymans to live a better life every month". Customers will be provided with numerous benefits, as follows:

- ttb cash4good personal loans with special interest rates ranging from 10.99% to 12.99% per annum.
- Special privileges from ttb credit card with 0% installment plan for up to 5 months for every purchase worth at least 1,000 baht.
- Gratifying reward campaign, "#happy16," on the 16th date of every month, which enables customers to use just 16 wow points (instead of 50 wow points normally) to get a 50-baht discount on the purchase of renowned brands rotated to meet the office worker lifestyle.

In addition, the Bank initiated an award program called the ttb Financial Well-being award, aiming to reinforce its commitment to improving customers' Financial Well-being. In this connection, prestigious awards will be given to the companies that pay salaries through the ttb payroll system, which helps enable employees to live a better Financial Well-being.

 [Learn More](#)

บัญชีเงินเดือน
ที่ตอบโจทย์ทุกเป้าหมาย
และให้ได้มากกว่า



ttb reserve



ttb reserve


Change...to elevate customer's infinite success.

ttb reserve is a new solution with superior privilege for Wealth Banking customers in the form of a credit card mainly designed around their needs. The card also helps connect ttb various financial solutions and products to give customers more benefits.

Under the **"Earn Fast – Burn Smart"** concept, customers will get a unique privilege in the form of faster point accumulation which can be used for financial products

or investments, for example, redeeming for investments, discounts on insurance premiums or purchases that are worth money, and rewards that serve their lifestyles

Fully expand integrated wealth through the Bank's new financial solutions. Get advice and good care from our financial experts. Enjoy many benefits and privileges, such as discounts on service fees and exclusive access to financial, investment, and lifestyle events.

 [Learn More](#)

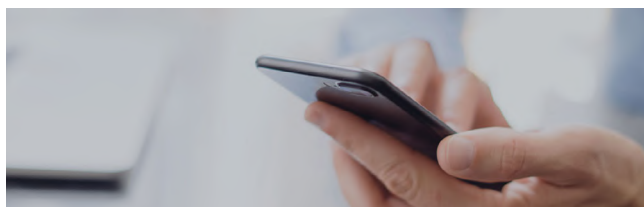
Financial solutions for better financial and sustainable growth for commercial banking customers

TMBThanachart is committed to being a trustworthy partner to corporate clients. The Bank is well prepared to provide consultation and work with Thai corporates and SME to support them in all types of situations. Driven by an experienced relationship manager supporting and enabling corporate clients to achieve their goals, the Bank offers financial products, services, and digital solutions continuously invented and developed to meet customer needs in the digital era. Importantly, its role has been transformed from a traditional financial service provider to a trustworthy financial advisor responsible for helping members of the business sectors achieve operational excellence based on the Bank's concept of "Make **REAL** Change".

Financial solutions for SME customers

Total Collection Solutions For SME

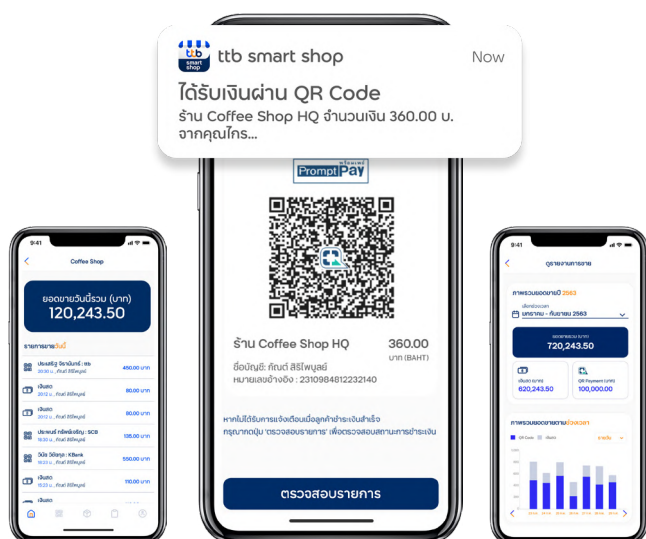
Change...to enable customers to collect their receivable easier.



Total collection solutions for SMEs are designed to conveniently collect accept payments from both online and offline channels at anytime, anywhere, and create more opportunities for SME entrepreneurs to increase sales revenues through ttb SME's products and services.

- **ttb quick pay:** Online collection service that allows SMEs to create a payment link for customers to pay through credit or debit cards anywhere, anytime.

 [Learn More](#)



- **ttb digital invoice management:** Invoicing management service via SMS or emails. Payments can be made through credit or debit cards or QR codes. Importantly, customers can monitor the real-time payment status.

[Learn More](#)

- **ttb smart shop:** Shop management app that assists merchants to instantly receive payments via QR code from any bank and view sales report summary from mobile phones.

[Learn More](#)

Total Trade-FX Solutions for SME

Change...to boost up SME customers to execute international trade transactions conveniently and flexibly.

Total trade-FX solutions are suitable for exporters or importers. The solutions help control costs and make the execution of international trade transactions convenient and efficient.

- **ttb multi-currency account:** The account supports up to 11 currencies, including Thai baht. Customers can use only one account number for trade settlement with their local and international trade counterparts. In this connection, customers can conveniently trade using the local currency, helping them reduce currency volatility risks while receiving interest on their foreign currency deposits immediately.
- **Overdraft (OD) for importers:** The loan is for the settlement of payments of goods with foreign trade counterparts. This connection allows funds available under the overdraft facility to be withdrawn conveniently. Customers can easily remit funds abroad for payments of goods via the internet or the Bank's mobile banking app.
- **ttb outward remittance:** Customers can use this service conveniently and efficiently via the internet or the Bank's mobile banking app. Importantly, they will also be reassured of the remittance status, whereby the status information will be sent via email upon completion of the remittance.



[Learn More](#)

ttb SME smart biz – loans for SME business growth

Change...to help SME customers expand their business.



ttb SME smart biz loans is suitable for SMEs that need liquidity or business expansion. In this connection, the Bank offers a credit line of up to 50 million baht with a low repayment amount and a long-term installment term of up to 20 years. As part of fully integrated solutions aimed at supporting SMEs, the Bank also makes available the following:

- **ttb SME is supported by teams of relationship management officers** who are prepared to visit SME entrepreneurs nationwide to provide consultation and help carry out analysis, make plans, and find appropriate sources of funds for cost saving and increasing liquidity.
- **ttb SME helps reduce unnecessary management costs** of the Bank's clients. In this connection, they can make fund transfers via the Bank's online platforms with no service fee charged.
- **ttb offers a fully integrated range of services and loans for import and export businesses.** The Bank is supported by teams of experts who are happy to help customers ensure that all their foreign transactions are executed efficiently.
- **ttb SME not only provides SME customers with sources of fund support** but also consultation and supervision of financial products, services, and digital solutions that help facilitate the transactions related to buying, selling, receiving, and making payments, both local and overseas as well as regularly organizing training courses and seminars for customers.

 [Learn More](#)

ttb business one - Digital Banking Platform for Corporate

Change...to enable customers to execute online transactions
under one platform with international security standards.

ttb business one is an internet and mobile banking service specially designed for corporate clients, regardless of whether they are large corporations or SMEs. Customers can execute transactions under one platform, which is easy to use and secured on par with international standards. It serves as an assistant in finance and business management that helps strengthen corporate customers' ability to increase management efficiency.



- **ONE Platform:** Easily accessed from any device, including computers, tablets, or smartphones, with the same experience.
- **ONE to Control:** Allowing customers to execute transactions, including buying, selling, receiving, and paying, either locally or overseas, with centralized control in one platform.
- **ONE to Command:** Be informed of all details and with complete administrative control. View the overall picture and the company's internal financial summary through simple and easy-to-understand dashboards that can be viewed based on access level with mobile approval feature on par with international security standards.

 [Learn More](#)

ttb fleet card

Change...to help customers manage their fuel costs more efficiently.

ttb fleet card service helps customers to easily manage fuel costs. The card can be used for refueling, oil change, and car washing services at participating gas stations nationwide, satisfying the demands of corporate customers.



- Customers can control expenses by setting an expense limit and specifying the type of gasoline and gas stations.
- It is safe for customers with cashless payments. In addition, cards with PIN codes can be issued to verify every transaction.
- Users can conveniently check the balances themselves via the Web Fleet Service. Moreover, they can download the refueling credit card statements via the system right after the expenditure summary is available.

 [Learn More](#)

ttb local currency service

Change...enable customers to efficiently manage exchange rate risks.

The Bank offers exchange rate risk management services via local currency services. The services cover the main currencies of many countries in the Asia-Pacific region, including Chinese yuan, Malaysian ringgit, Indonesian rupiah, and Singapore dollar, among others. The services help corporate clients mitigate exchange rate risks in import or export transactions, usually based on the highly volatile US dollar. If corporate clients use local currency for transactions instead, they will be able not only to manage their costs easier, as well as more conveniently and flexibly, but also mitigate the risks arising from currency volatility.



 [Learn More](#)

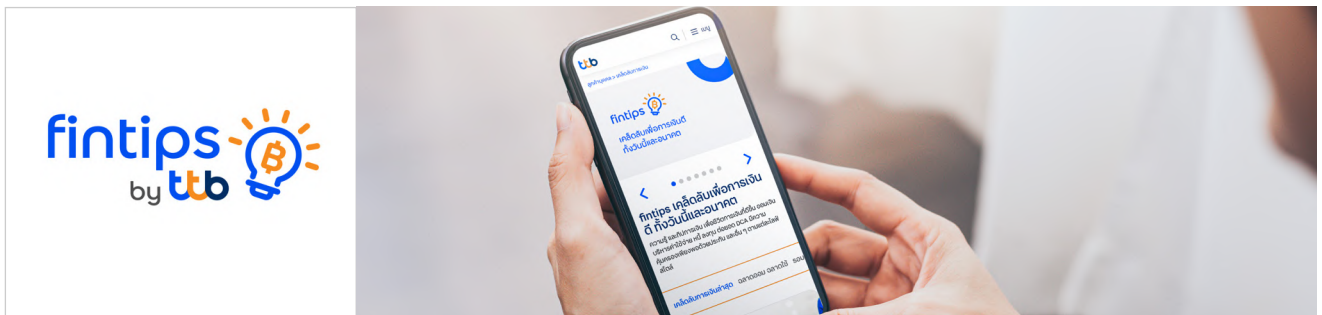
Make REAL Change...to help customers have financial literacy for their better Financial Well-being

Financial literacy is a crucial foundation of wise personal finance that would lead to sustainable Financial Well-being. Therefore, one of the Bank's key missions for the customers and all the Thais is to provide financial knowledge across all Financial Well-being pillars covering diverse lifestyles and goals of each life stage.

In 2022, the Bank further expanded four digital platforms to deliver financial knowledge and information that was up to date according to the economic conditions and ever-changing trends, including answering to each customer group's needs. The content is simple, easy to understand, and practical, communicated through various channels that can be accessed anywhere, anytime.

1. fintips by ttb

A collection of financial tips for generation Y and younger generations customers on ttbbank.com and the Bank's social media platforms that are tailored according to their unique lifestyle and behavior, such as TikTok where ttb gained more than 119,500 followers (as of 31 December 2022).



[Learn More](#)

2. fin live & learn by ttb

The Financial Literacy program for employees of ttb's payroll clients, offering "Active Learning" courses that engage and drive participants to learn and change behavior. These courses also can be specially tailored to meet the specific needs and requirements of the payroll clients as well.



[Learn More](#)

3. finbiz by ttb

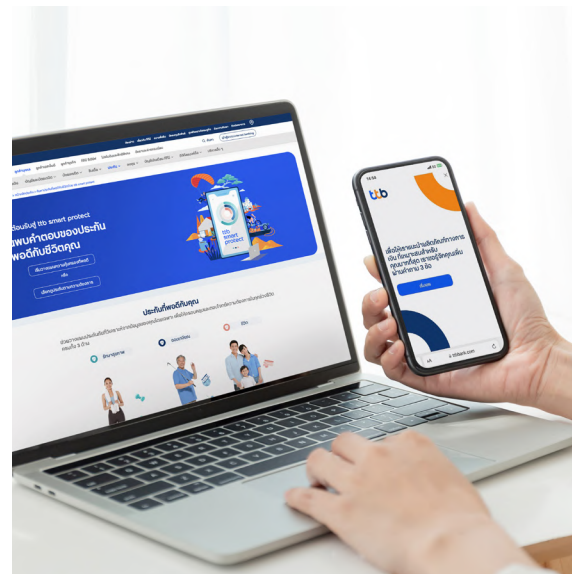
The All-in-One learning hub to learn, grow, and thrive for SMEs. The program support and enhance SMEs' potential in today's digital era with insightful content and context of each industry through various platforms. The All-in-One learning hub enables SME customers to enhance their business efficiency and strengthen their financial health, allowing businesses to strive and transform under constant changes for sustainable growth.

 [Learn More](#)



4. fintools by ttb

The Financial Well-being tool for personal financial planning available for everyone on ttb website. Financial knowledge is also incorporated with personalized solutions offerings, such as Financial Well-being Needs-based and ttb smart protect.



 [Learn More](#)

Another important milestone implemented in 2022 was the creation of the Financial Literacy Ecosystem, which connected all the financial literacy platforms for all the customer groups and as per their life stage, such as financial tips ttb website and social media.

Corporate Social Responsibility by TMBThanachart

Make REAL Change...to inspire youths and communities in a sustainable way



The Bank has adopted the philosophy "Make **REAL** Change" to focus not only on delivering the best products and services but also creating real value for our communities and society. Following are the key strategic pillars of our Corporate Social Responsibility.



1. The Youth Inspiration



fai-fah Learning Centers: Currently, there are altogether five fai-fah learning centers, including fai-fah Pracha-Uthit, fai-fah Chan, fai-fah Bangkok Noi, fai-fah Samutprakan, and fai-fah Nonthaburi respectively. The purpose of all these learning centers is to teach the community youths aged 12-17 how to fish rather than giving a fish. They receive opportunities to spend their free time productively by acquiring both art skills and life skills free of charge. The goal is to empower youths to sustainably develop themselves, their families, and their communities. Furthermore, the latest launch of the fai-fah learning center in Nonthaburi has expanded to serve community children with hearing impairment, so they can also get opportunities to learn new skills suited to their needs; for example, painting, Taekwondo, as well as bakery classes.

Project Fun for Fin: This served as an initiative program to build financial literacy foundation among community children focusing on Mindful Spending and Smart Saving dimension. In 2022, about 50 fai-fah youths participated in this pilot program in which they not only understood financial matters and money values but also learned how to record income and expenses, as well as set their own financial goals.



Tae Young Thai by fai-fah ttb: This project aims to inspire and promote the preservation of Thai identities by providing young people nationwide to gain knowledge and show their passion for national identities through three types of hybrid (online & offline) contests, including Thai Etiquette contest, Reading Aloud contest, and Digital Painting contest. Winners will receive trophies and scholarships from Her Royal Highness Princess Maha Chakri Sirindhorn. In 2022, there were 8,933 children from 1,276 schools nationwide participated in the contests through the website www.เทอย่างไทย.com

 [Learn More](#)

2. The Community Inspiration

fai-fah for communities: In 2022, ttb continued to motivate the Bank's employees to become ttb volunteers through several fai-fah for community projects. ttb volunteers offered diverse expertise to give back to communities, such as accounting and finance, brand building, product development, sales, and marketing. This year, there were a total 27 of fai-fah for community projects in line with Sustainable Development Goals (SDGs) delivered by ttb volunteers nationwide, with 3,149 ttb volunteers and 41,523 community residents who directly and/or indirectly benefited from fai-fah for community projects.



Ar-Sar...Chuay-Kan-Tam: The new initiative of voluntary activity is to engage the Bank's employees to be able to make every day a volunteer day. This initiative allowed ttb volunteers to leverage their skills to give back to communities anytime, anywhere, including DIY handbooks for underprivileged students, exercise balls for the elderly, collars for four-legged friends, and eco-friendly medicine bags. There were altogether over 20,000 pieces of work delivered to the targeted communities this year.

The Annual Thai Red Cross Fair 2022: TMBThanachart recognizes its role of supporting charitable organizations, particularly "The Thai Red Cross Society," which serves as a refuge for communities and Thai society in times of disasters. In 2022, ttb contributed to this cause by selling 220,000 ttb Red Cross lotteries, increasing prizes to 506 with a Mercedes-Benz C220d Av sedan worth over 2.5 million baht as the 1st prize and the remaining 505 prizes of gold bars and necklaces.



3. The Cultural Inspiration



The Garuda Museum by TMBThanachart: This is the first and only Garuda Museum in ASEAN. It houses a collection of Garuda statues with unique features from all the regions of Thailand. Over 150 statues were respectfully exhibited in the Garuda Museum as a place to collect cultural heritage and the virtuous story of Garuda, including gratefulness, honesty, and sacrifice. The Garuda Museum has been open publicly since June 2022, with more than 4,000 visitors. The Bank hopes this Museum will be one of the most important cultural destinations in Samutprakarn and become a valuable heritage to pass on to future generations and help them realize the value of Garuda towards society.

 [Free Booking](#)

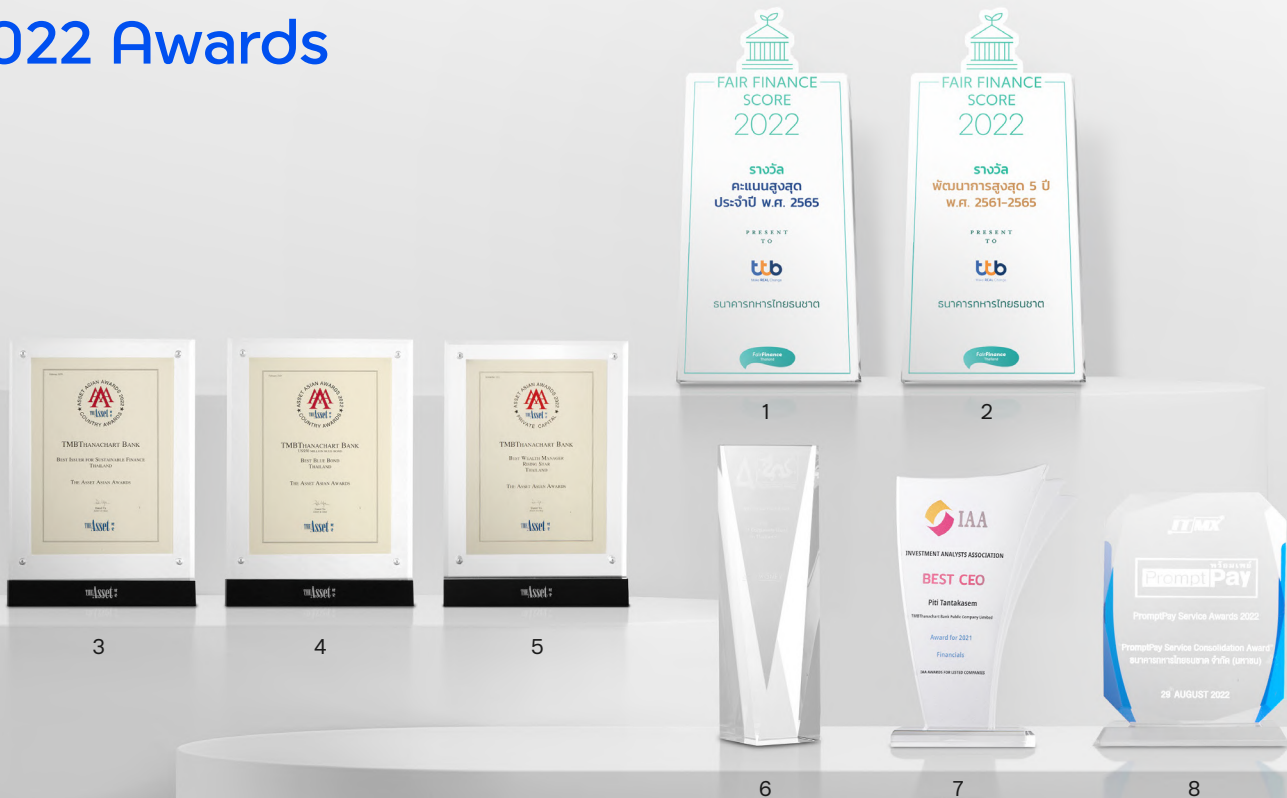


TMBThanachart's Royal Kathin Robe Presentation 2022: The Bank was graciously bestowed by His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua to offer the Royal Kathin Robes to monks who have completed a three-month annual retreat at a Royal temple, Wat Maha Wanaram in Ubon Ratchathani. The Bank has been granted the presentation of Royal Kathin Robes for the 16th consecutive year. This year's Royal Kathin Robe presentation continued the concept of "One Great Charitable Cause Expands into More Than 100 Benignities," invited customers, partners, and employees to join a grand merit-making effort in which a single contribution can benefit over 200 sites for the common good. In 2022, donors collectively donated 22,519,029.81 baht to Wat Maha Wanaram, where donations were also given to local schools and hospitals, as well as more than 200 charities under the program "Punboon" worth 7,550,132.21 baht.

TMBThanachart remains fully committed to inspiring youths and communities in a sustainable way, reflecting our philosophy of Make **REAL** Change. For additional details, please visit www.ttbfoundation.org.

 [Learn More](#)

2022 Awards



1. Fair Finance Awards 2022

Category Rank No.1 in "Fair Finance" assessment
(The 4th consecutive year)
based on Fair Finance Guide
International
By Fair Finance Thailand

2. Fair Finance Awards 2022

Category The Most Improvement in 5 Years
(2018-2022) from Fair Finance
assessment based on
Fair Finance Guide International
By Fair Finance Thailand

3. The Asset Triple A Country Awards for Sustainable Finance 2022

Category Best Issuer for Sustainable
Finance, Thailand
By The Asset

4. The Asset Triple A Country Awards for Sustainable Finance 2022

Category Best Blue Bond, Thailand
By The Asset

5. The Asset Triple A Private Capital Awards 2022

Category Best Wealth Manager,
Thailand – Rising Star
By The Asset

6. Best Bank Awards 2022

Category Best Corporate Bank Awards 2022
By Asiamoney

7. IAA Awards for Listed Companies 2021

Category Best CEO 2021 – Financial
Business Group
(The 2nd consecutive year)
By Investment Analysts Association (IAA)
Remark: Award announcement and ceremony was held in 2022.

8. PromptPay Service Consolidation Award 2022

Category PromptPay Service Excellence Award
in the category of Financial Management
By NITMX

Financial Highlight

Prudent Business Operations

Amidst the fragile economic recovery in 2022, ttb focused on operating its business prudently, ensuring that it maintained a solid financial position to generate business growth and was capable of dealing with potential economic challenges in the future. The Bank continues to follow three key strategies, including 1) Quality loan growth; 2) Efficient cost management; and 3) Prudent asset quality management, together with providing customers with appropriate financial assistance.

Quality Loan Growth



Hire purchase loans
grew by **+4.3%**



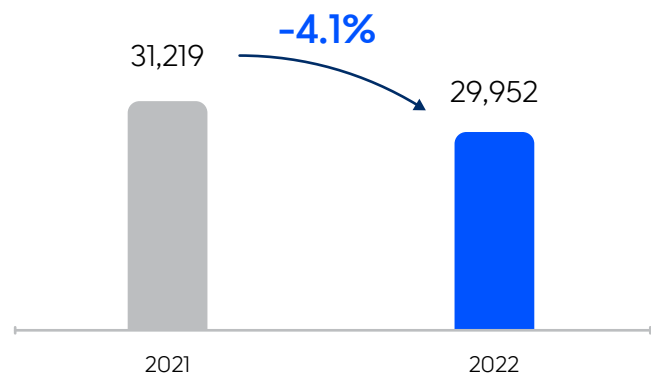
Mortgage loans
expanded by **+3.2%**

Total loans of THB 1,376 billion, up 0.4%, in line with the quality loan growth strategy.

- Growing new loans and enhancing loan yields by shifting the portfolio mix towards quality retail loans that generate better risk-adjusted returns.
- With expertise and as one of market leaders, ttb successfully grew loans in target segments as planned. As a result, the ratio of retail loans to total loans increased to 60% from 57% in the previous year.

Efficient Cost Management

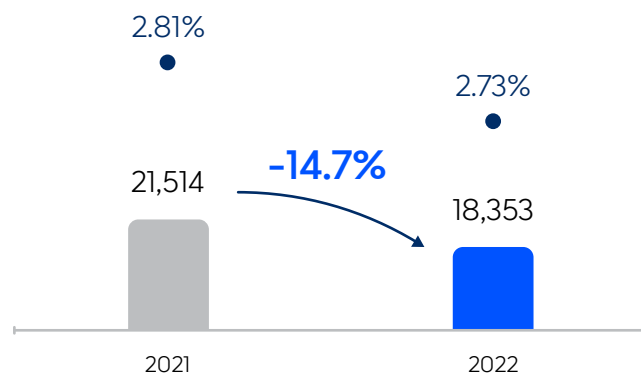
Unit: million baht



- Cost management and efficiency enhancement have always been ttb's key focuses. As a result, operating expenses dropped 4.1% from 2021.
- The cost-to-income ratio also dropped to 45% in 2022 from 48% in 2021, reflecting ttb's cost efficiency.

Prudent Asset Quality Management

- Provision expenses (million baht)
- NPL ratio



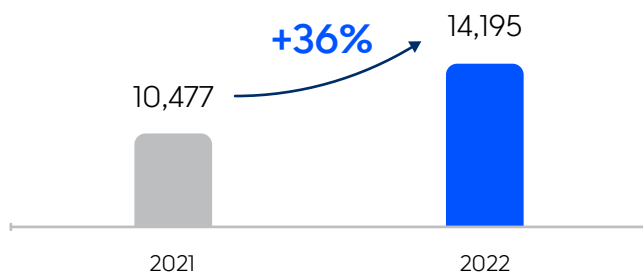
- With the quality loan growth strategy, customer monitoring and financial support as well as proactive NPL management, ttb's loan portfolio quality remained strong.
- As a result, NPL ratio and provision expenses decreased from the previous year.

Successful Financial Performance in 2022

From the successful execution of the three key strategies, ttb was one of the banks in the banking industry, which achieved the highest net profit growth in 2022 and had under-controlled asset quality, strengthening its financial position, risk absorption capacity, and capital adequacy position. The strengths enabled the Bank to pass the benefits back to shareholders not only in the form of interim and annual dividends but also the issuance of free TTB-W1 warrants to shareholders. In 2023, ttb stands ready to operate its business and achieve further growth in a quality manner while working towards its goal of really creating a better Financial Well-being for Thais.

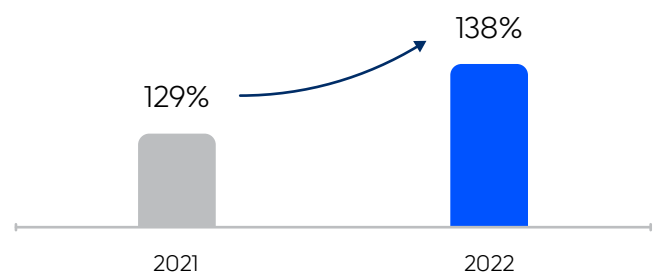
Increased Net Profit

Unit: million baht



- Net profit in 2022 was THB 14,195 million, up 36% compared to 2021.

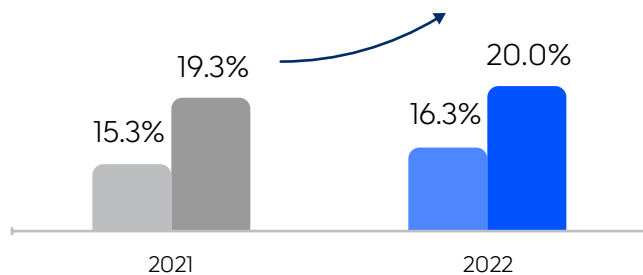
Improved Risk Cushion



- NPL coverage ratio rose further as a result of lower NPL and sufficient provision.

Stronger Capital Adequacy Position

● CAR ● Tier 1



- Capital ratios increased from the previous year, well-above the minimum requirements and among those of the top banks in the banking industry.



Historical Financial Performance

TMBThanachart's consolidated financial statement has included TBANK's financial performance results as a subsidiary from 4 December 2019 onwards.

Consolidated Financial Statements

(Unit: THB million)

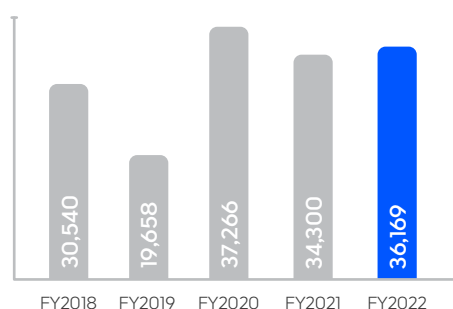
Selected statements of profit or loss and other comprehensive income items	FY2022	FY2021***	FY2020**	FY2019*	FY2018
Interest income	65,627	64,239	72,320	39,837	35,128
Interest expenses	14,010	13,239	18,515	12,972	10,632
Net interest income	51,617	51,000	53,805	26,865	24,497
Net fees and service income and other operating income	14,236	14,537	15,541	12,956	23,545
Total operating income	65,852	65,537	69,346	39,821	48,042
Other operating expenses	29,952	31,219	32,177	20,674	17,475
Impairment loss on loans and debt securities	0	0	0	10,337	16,100
Expected credit loss	18,353	21,514	24,831	0	0
Income tax	3,352	2,327	2,223	1,588	2,866
Profit for the year	14,195	10,477	10,115	7,222	11,601
Equity holders of the Bank	14,195	10,474	10,112	7,222	11,601
Non-controlling interest	0	3	3	0	0
Total other comprehensive income for the year, net of income tax	-550	-274	309	1,287	-48
Total comprehensive income for the year	13,645	10,203	10,424	8,509	11,554
Basic earnings per share (THB/Share)	0.1469	0.1086	0.1049	0.1485	0.2646

Selected statements of financial position items

Loans to customers and accrued interest receivables	1,383,895	1,378,673	1,400,447	1,394,108	687,015
Total assets	1,826,279	1,758,170	1,808,332	1,858,190	891,713
Deposits	1,399,247	1,339,195	1,373,408	1,398,112	649,568
Total liabilities	1,607,271	1,547,334	1,603,582	1,663,379	792,934
Total equity	219,008	210,836	204,750	194,811	98,799
Equity attributable to equity holders of the Bank	219,006	210,835	204,713	194,777	98,779
Non-controlling interest	1	1	37	35	0

Income generation ability

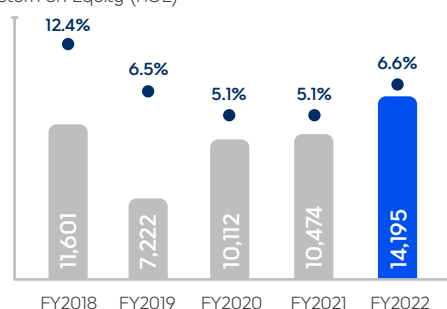
Pre-Provision Operating Profit (PPOP) (THB million)



Note: Consolidated financial statements, 2018 results included gain from selling 65% of TMBAM shares

Profitability

● Net profit to equity holder of the Bank (THB million)
● Return on Equity (ROE)



Note: Consolidated financial statements, 2018 results included gain from selling 65% of TMBAM shares

Consolidated Financial Statements

Key financial ratios	FY2022	FY2021***	FY2020**	FY2019*	FY2018
Profitability					
Return on equity (ROE)	6.6%	5.1%	5.1%	6.5%	12.4%
Return on assets (ROA)	0.8%	0.6%	0.5%	0.7%	1.4%
Cost to income ratio ^{1/}	45.1%	47.6%	45.8%	50.6%	36.4%
Net interest margin (NIM)	2.95%	2.97%	3.00%	2.81%	2.94%
Liquidity					
Loan to deposit (LDR) ^{2/}	98%	103%	101%	100%	106%
Current and saving accounts to total deposits (CASA) ^{3/}	83%	88%	86%	70%	88%
Capital adequacy					
Tier I ratio (Tier I)	16.3%	15.3%	15.5%	14.6%	13.5%
Capital adequacy ratio (CAR)	20.0%	19.3%	19.6%	18.9%	17.3%
Asset quality					
NPL ratio	2.73%	2.81%	2.50%	2.35%	2.76%
Coverage ratio	138%	129%	131%	120%	152%
Others					
Book value per share (THB/Share)	2.26	2.18	2.12	2.02	2.25
Number of employees ^{4/}	15,556	15,102	17,009	19,432	8,373
Number of branches	569	636	733	895	416
Number of ATMs and ADMs	3,296	3,894	4,372	4,837	2,891

Notes: * Statement of comprehensive income consolidated TBANK's result for 28 days (4-31 December 2019), Statement of financial position included TBANK's results as of 31 December 2019

** TFRS 9 Adoption and certain accounts in the 2020 financial statement have been reclassified to conform to the presentation in the 2021 financial statements.

*** Reclassified HP subsidy income as part of loans to customer in 2021

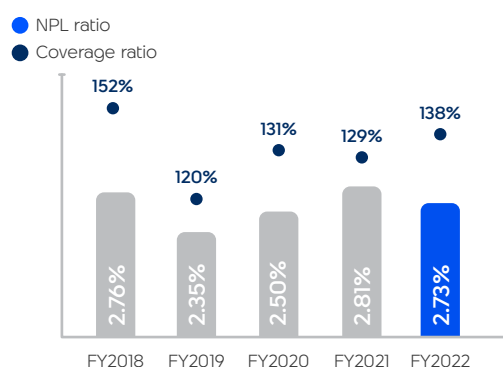
^{1/} Excluded extraordinary items and credit-related items

^{2/} Excluded interbank and money market items

^{3/} FY2019-2020 CASA included No-Fixed, ME, and Ultra Saving but excluded NCD, FY2016-2018 CASA included No-Fixed and ME but excluded NCD and FCD

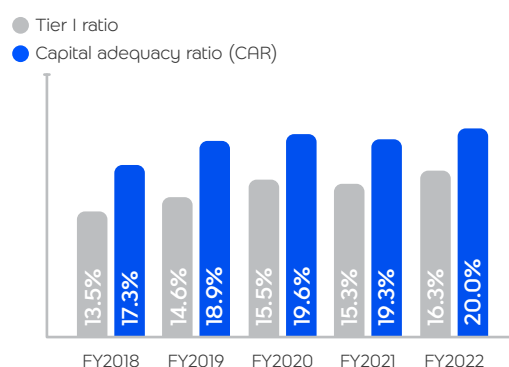
^{4/} 2022 data was on consolidated basis and included subsidiaries' employee data

Asset quality



Note: Consolidated financial statements

Capital adequacy



Note: Consolidated financial statements

Board of Directors



1. Mr. Ekniti Nitithanprapas

- Chairman of the Board

2. Mr. Suphadej Poonpipat

- Vice Chairman of the Board
- Vice Chairman of the Board of Executive Directors

3. General Apinun Kumproh

- Director

4. Mr. Philippe G.J.E.O. Damas

- Director
- Chairman of the Board of Executive Directors
- Chairman of the Nomination, Remuneration and Corporate Governance Committee

5. Mrs. Charita Leelayudth

- Independent Director
- Chairman of the Audit Committee

6. Mr. Willem Frederik Nagel

- Independent Director
- Chairman of the Risk Oversight Committee
- Member of the IT Oversight Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee

7. Mr. Yokporn Tantisawetrat

- Director
- Chairman of the Credit Committee
- Member of the Risk Oversight Committee

8. Mr. Teeranun Srihong

- Independent Director
- Chairman of the IT Oversight Committee
- Member of the Risk Oversight Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee



9. Mr. Somjate Moosirilert

- Director
- Member of the Board of Executive Directors
- Member of the Nomination, Remuneration and Corporate Governance Committee
- Member of the Credit Committee

10. Mr. Prinya Hom-anek

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

11. Mr. Michal Jan Szczurek

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

12. Mrs. Chananyarak Phetcharat

- Independent Director
- Member of the Audit Committee
- Member of the IT Oversight Committee

13. Mrs. Patricia Mongkhonvanit

- Director
- Member of the Board of Executive Directors
- Member of the IT Oversight Committee
- Member of the Nomination, Remuneration and Corporate Governance Committee

14. Mr. Piti Tantakasem

- Director and Chief Executive Officer
- Member of the Board of Executive Directors
- Member of the Risk Oversight Committee
- Member of the Credit Committee
- Member of the IT Oversight Committee

Management Team

1. Mr. Piti Tantakasem

Chief Executive Officer



2. Mr. Praphan Anupongongarch

President and Acting
Chief Automotive Lending Officer

2



3. Mr. Thakorn Piyapan

President

4. Mr. Anuwat Luengtaweekul
Chief Retail Banking Officer

5. Mr. Saranya Phuphatana
Chief Commercial Banking Officer

6. Mrs. Prapasiri Kositthanakorn
Chief of Staff

7. Mr. Johannes Franciscus Grisel
Chief Risk Officer

8. Mr. Sutthikan Rungsritthong
Chief Information Officer

9. Mrs. Rattana Arkachaisri
Chief Operating Officer

10. Mrs. Pittimart Sanguansook
Chief Audit Officer

11. Miss Somkid Preechasammakul
Chief Financial Officer

12. Mrs. Kanchana Rojvatunyu
Chief Market and Experience Officer

4



7



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12



Section 1

Business Operations

Policy and Business Overview

Risk Management

Steering Business Toward Sustainability

Management Discussion & Analysis

General Information and Other Significant Information

1. Policy and Business Overview

1.1 The Bank's Vision, Target, and Strategy

1.1.1 Background

TMB Bank Public Company Limited. (“TMB” or “the Bank”) was established on November 5, 1957. At that time, Field Marshal Saridi Dhanarajata was Chairman of the Board of Directors. TMB’s initial registered capital was THB 10 million. Most of the shareholders in the initial stage were both in-service and out-of-service military personnel.

The year 1982 marked a milestone for the Bank as His Majesty King Bhumibol Adulyadej The Great graciously bestowed the Royal Garuda Emblem to TMB, and its registered capital had its first increase from THB 10 million to THB 100 million. TMB was listed on the Stock Exchange of Thailand (SET) on 23 December 1983 and transformed into a public company limited on 3 January 1994.

Thai Military Bank Pcl., DBS Thai Danu Bank Pcl., and the Industrial Finance Corporation of Thailand legally merged to become TMB Bank Pcl. in September 2004. This merger enabled the Bank to operate as a universal bank.

In December 2007, TMB underwent a share capital increase by forming a new business partnership with ING Group, a leading financial institution from The Netherlands.

In December 2019, TMB completed a transaction to merge with Thanachart Bank, and the integration was completed in July 2021. The merged Bank emerged under the new name of TMBThanachart Bank Public Company Limited or ttb. The Bank has become the sixth-largest bank in Thailand in terms of total assets. In August 2021, the Bank of Thailand (BOT) declared TMBThanachart Bank to be one of the Domestic Systemically Important Banks (D-SIBs).

1.1.2 The Vision and Strategy in Business Operations for the Next Five Years

Aspiration: TMBThanachart helps people achieve financial well-being better.

The Bank has formulated **7 Strategic Intent**s to drive the Bank's target as follows:

1. Customer Centricity

TMBThanachart emphasizes the customer at the center of business operations by gathering and analyzing customer's behavior to develop financial products and services to meet their needs and provide a better customer experience. Moreover, TMBThanachart measures customer satisfaction to improve the Bank's products and services continuously.

2. Build Deposit and Transactional Banking Products Excellence

TMBThanachart has used a Deposit-led strategy to differentiate customer value propositions in deposit products and transactional banking services. TMBThanachart will continue to focus on developing flagship deposits product that allows the Bank to deepen its relationship with customers and better understand customers, which will result in the Bank becoming the top-of-mind bank with customers.

3. Continue Leading in Auto Loan and Lending products

After the merger, TMBThanachart leveraged the achievement of TBANK's auto loan, which was equipped with available personnel, a car dealer network, and the brand's strength to heighten ttb's capabilities regarding loan products and cater to its customer needs further. More comprehensive financial products and services also help enhance the ttb's ability to cope with changes in market environment and competition and to maintain its leadership position in auto lending.

4. Build Sustainable and Recurring Non-interest Income

TMBThanachart continued to emphasize building sustainable non-interest income capability. Building non-interest income capability allows the Bank to effectively manage capital because of the minimum capital requirement compared to credit-related income, for example, bancassurance products and mutual fund products. Moreover, non-interest income will help ensure a sustainable bottom line through business cycles. TMBThanachart applied a business model of distributor and open architecture by searching for suitable business partners and the best product available on the Bank's shelf. This is to ensure the best offering that caters our customers' various needs.

5. Optimize Capital Utilization and Liquidity Management

TMBThanachart is strongly committed to delivering the level of profit expected by investors and has set the target to earn the same level of ROE with top bank performers within the next 3-5 years. To achieve this, the Bank continues to put our focus on selectively growing the balance sheet to generate an incremental return.

6. Enhance Digital Capability and Solutions

The financial transaction on digital channels has been continuously growing due to the shift in customer behavior toward digital channels and rapid technological advancement. The COVID-19 pandemic, meanwhile, has accelerated changes in consumer behaviors and has brought a heightened awareness of the use of financial services through the digital channel. The Bank aims to digitize and migrate banking services to digital channels through the concept of “Digital-first” with humanized touch or so-called “humanized digital platform.” The digitalization journey to operate under the digital-first operating model starts from;

- 1) Reducing costs and operational burden by serving customers via digital channels
- 2) Deepen customer engagement through personalization
- 3) Generate sustainable growth in the traditional revenue stream
- 4) Create revenue from new business and ecosystem

The Bank’s digital strategy has geared beyond banking services and ecosystem play developed with strategic partners to deepen customer engagement throughout life stages and life events. The ecosystem play will be built around the Bank’s strong market presence and competitive advantage, for example, in the automotive industry, where the Bank is the leader in the automotive lending business with high network coverage of dealers and automotive supply chain. The ecosystem play will also act as an engagement tool for our customers, i.e., lessen the burden of owning a car.

7. Capture Synergy Realization

After the merger, the Bank has realized benefits from Balance sheet synergies, Cost synergy, and Revenue synergy:

- 1) Balance sheet synergies through balance sheet optimization by allowing the Merged Bank to utilize its assets and raise funds more efficiently.
- 2) Cost synergies from a greater economy of scale, especially from the integration of key business support areas, such as IT infrastructure investment, operations, overlapped branches, and redundant back-office employees.
- 3) Revenue synergies would enhance the ability to introduce various financial products and services to cater to its customer’s needs and serve the enlarged customer base of more than 10 million customers, which enhance the Merged Bank’s ability to maximize its income generation.

The EBT was smoothly completed in July 2021. After the successful EBT, the Bank aims to maximize the revenue potential of the Merged Bank’s large customer base through the Financial Well-being principle with a sharper value proposition delivered via our top-tier digital platform.

1.1.3 Significant Changes and Development

Significant Changes and Development in the Past Years

Stage	Key Highlights	Results
1. Strengthen the foundation 2008 – 2009	<ul style="list-style-type: none"> • Reorganization • End-to-end process improvement • HR transformation • Raised service standards • Enhanced risk management 	<ul style="list-style-type: none"> • Improved overall asset quality • Achieved top-quartile employee engagement
2. Acquire good customers 2010 – 2011	<ul style="list-style-type: none"> • Customer base expansion in SME& retail banking • Service and operational excellence • Products and services that match customers' needs • Physical channel optimization • Brand enhancement 	<ul style="list-style-type: none"> • Successfully grew customer base through the improvement of quality services and products that matched customers' needs • Branch renovation and relocation • Launch of Make THE Difference
3. Differentiate and deepen share of wallet 2012 – 2014	<ul style="list-style-type: none"> • Transactional banking excellence and branded customer experience • Leveraged transactional relationships with customers to offer the right products that answer customers' needs • Better quality of assets (larger proportion of SME lending) • Introduced integrated channel with a focus on digital transformation 	<ul style="list-style-type: none"> • Successful release of flagship transactional products • Cross-selling based on customer understanding at the industry and segment level • Optimization of the loan portfolio • Offer best-in-class E-Channels

Stage	Key Highlights	Results
4. Induce a game change and enter into a new business 2015 – 2018	<ul style="list-style-type: none"> • Focused on building the right digital platform that addresses customer needs and lifestyles to empower them to make the most of their lives • Developed employee capability and restructured organization to allow the employees to work at their full potential • Potentially entered into new businesses that suit customer needs • Built Data analytic capability to leverage data enrichment to be able to offer the right products and services to the customers at better efficiency 	<ul style="list-style-type: none"> • Infrastructure readiness for a digital platform to serve the National E-Payment • Reduced employee corporate layer down from 6 to 5 to improve agility • Introduced customer data roadmap to improve data completeness, quality, and enrichment • Prepared IT capability to ensure digital channels stability • Formed a partnership with Eastspring Investments (Singapore) from a deal to sell a 65% stake in TMBAM
5. Leapfrog via inorganic growth and COVID-19 relief program 2019-2021	<ul style="list-style-type: none"> • Introduce a new way of work and revamp key processes to ensure simple and easy banking experiences • Complete merger transaction with TBANK to enhance scale and competitiveness • Execute integration plan and synergy realization, including balance sheet optimization and cost synergy realization • Provide a debt relief program for customers impacted by COVID-19 so they can continue their business amid the difficult circumstances 	<ul style="list-style-type: none"> • “Agile way of work” to shorten the product launch process • Enhanced business capability thru better networks and new product development • Completed product suites for investment and lending products • Expanded customer base to 10 mn • Better cost management and C/I • Helped over 750,000 customers requesting a debt relief program

Stage	Key Highlights	Results
6. Embark on business transformation 2022-present	<ul style="list-style-type: none"> • Maximize the potential of the merged bank's customers through Financial Well-being, serving the banking needs of customers and beyond, and becoming a top-tier digital platform • Fully operate under the "Digital First" model • Revamp group structure to unlock value and optimize return 	<ul style="list-style-type: none"> • Deepen the relationship with customers through multiple products and life-long customer engagement • Allow better customer experience, higher agility, and leaner cost-to-serve • Expanded secured loan business (cash your car and cash your home) and continued launching new product innovations, e.g., ttb cash your home card (revolving card) • Improve efficiency in bad debt management through Phahonyothin Asset Management Company Limited (PAMCO) • Launch ttb Business One to help business customers and SMEs manage their businesses more efficiently through digital • Launch new mobile banking (ttb touch) with transaction growth of more than 40%

Significant Changes and Development in the Year 2022

- TMBThanachart restructured the financial group by establishing ttb consumer to support financial product offerings, credit cards, and comprehensive personal loans to support its position as one of the four market leaders that offer comprehensive financial products covering all customers' lifestyles.
- In May 2022, TMBThanachart launched the new ttb touch to the market. With an understanding that each customer has different financial needs, the Bank has developed ttb touch, which is unique to each customer. ttb touch will be customers' personal assistant and financial advisor to help improve customers' financial well-being in all aspects, similar to well-packed physical branches. Moreover, ttb touch will surpass customers' needs beyond transactional banking by giving more value and benefits to customers in every use.
- TMBThanachart was awarded "Best Wealth Manager, Thailand – Rising Star" from The Asset Triple A Private Awards 2022 for being a rising star in wealth management from ttb's launching ttb Reserve credit card, which offers various and comprehensive financial solutions addressing wealth customers' needs, and from the Bank having strong financial performances. The award was given by The Asset, the leading financial magazine in Asia focusing on finance and investment excellence.
- TMBThanachart launched ttb Cash Your Home cash card. This is the first time in Thailand to launch the worry-free instant cash advance for an emergency with low interest to help customers access secured loans more easily and help expand ttb home loan business.
- TMBThanachart was awarded "Best Corporate Bank Awards 2022" from Asiamoney, the leading financial magazine in Asia. This reflects the Bank being entrusted by business customers. The Bank still supports business customers and stands alongside business sectors to be successful and sustainable.
- TMBThanachart launched ttb local currency services, an efficient exchange-rate risk management tool to support corporate customers in coping with economic conditions and currency fluctuations. The tool is also used to support importers/exporters trading with partners in the Asia-Pacific region and to manage cost better for their readiness to move the business forward with Thailand's exports.
- TMBThanachart was awarded PromptPay Service Consolidation Award on National ITMX Day 2022 as ttb is outstanding and efficient in managing the PromptPay system. After merging TMB Bank and Thanachart Bank, TMBThanachart canceled and bound new PromptPay accounts to the existing Thanachart customer accounts without customers being adversely affected or needing to bind the new Promptpay accounts themselves, which added more convenience and gave a good experience to customers.

- TMBThanachart was included in the 2022 Bloomberg Gender-Equality Index (GEI) for the first time. GEI tracks the performance of companies committed to disclosing the efforts to support gender equality through policy development, representation, and transparency. The inclusion in GEI reflects the Bank's commitment to value inclusion, gender equality, diversity, and sustainability reporting.
- TMBThanachart was awarded number 1 in Fair Finance award in the fourth consecutive year from Fair Finance Thailand in 2023. This meets the Bank's aspiration to create a better financial life or Financial Well-being for all Thai people across the country. For example, the Bank offers free accident insurance coverage to all free customers, which helps to increase the country's insurance penetration and lower customer financial loss from accidents. Moreover, the Bank supports customers to access investment products easily and promote healthy borrowing principles.
- TMBThanachart was awarded the best issuer for sustainable finance and best blue bond from The Asset Triple A Country Awards for 2022 Sustainable Finance. ttb was the first Thai Bank to issue blue bonds (maritime sustainability bonds) with International Finance Corporation (IFC) as an investor. Blue bond is used to finance projects beneficial to the maritime environment and resources. The Bank was also the first Thai Bank to issue green bonds (Environment bonds), which is used to finance environment-related projects covering several businesses, especially EV industry ecosystem.

1.2 Nature of Business

1.2.1 Income structure

The Income structure of the Bank and its subsidiaries consists of interest income, fees and service income, and other operating income. Details are in the following income structure table for the years ended 31 December 2020 - 2022:

(Unit: THB million)

Income structure	For the year ended 31 December					
	2022	%	2021	%	2020	%
Interest income	65,627	78.6	64,239	77.7	72,320	78.1
Interbank and money market items	1,489	1.8	1,060	1.3	1,922	2.1
Investments and trading transactions	27	-	66	0.1	109	0.1
Investments in debt securities	1,782	2.1	1,247	1.5	1,920	2.1
Loans to customers	39,493	47.3	39,827	48.1	45,633	49.3
Hire purchase and finance leases	22,834	27.4	22,034	26.7	22,734	24.5
Others	2	-	5	-	2	-
Fees and service income	14,025	16.8	15,190	18.4	16,139	17.4
Gain on financial instruments measured at fair value through profit or loss	1,693	2.0	1,480	1.8	1,726	1.9
Gain on investments, net	7	-	182	0.2	678	0.7
Share of profit from investment using equity method	261	0.3	346	0.4	363	0.4
Other operating income	1,883	2.3	1,280	1.5	1,426	1.5
Total income	83,496	100.0	82,717	100.0	92,652	100.0

1.2.2 Products and services

TMBThanachart offers financial products and services, ranging from the deposit, loan, investment products, and bancassurance. However, each customer segment has different financial needs. As a customer-centric organization, understanding customers' needs is one of TMBThanachart's key success factors. TMBThanachart business is organized into two key customer segments as follows:

Products and Services for Commercial Banking Customers

- Large Corporate Banking segment: Customer group with annual sales turnover of more than THB 5.0 billion.
- Mid-Corporate Banking segment: Customer group with annual sales turnover of THB400 million – THB 4.9 billion.
- Large SME segment: Customer group with annual sales turnover of THB 100 million – THB 399 million.
- SME segment: Customer group with annual sales per year up to THB 100 million.

Key Products for Commercial Customers:

Type	Products and Services
Deposit	Business accounts (ttb sme one bank)
Loan and Financing	Working capital Long-term loan Supply chain solutions Auto loan Special funding program for SME (ttb sme smart biz) Letter of guarantee
Payment and Collection	Payment service Collection service Liquidity management
International Trade	International trade finance service Capital market risk management
Insurance	Bancassurance & Business Protection
Others	Corporate card Agency service Investment banking Business payment service Solution for Foundations punboon by ttb

Products and Services for Retail Customers

- Affluent: customers who have income from THB 100,000 and above.
- Middle Income: customers who have income from THB 15,000 to THB 100,000.
- Mass: customers who have income up to THB 15,000.

Key Products for Retail Customers:

Type	Products and Services
Deposit	Transactional account (Transactional deposit) High-interest saving account Term deposit
Loan	Personal loan Home loan Auto loan Credit card loan Welfare loan
Mutual fund	TTB Open Architecture and ttb smartport
Insurance	Savings towards future securities Life and health protection Life assurance for properties protection Auto protection Personal accident protection Travel protection Business protection
Wealth banking	Wealth banking Superior banking

ttb Open Architecture

The Bank is considered the first Thai bank that offers open architecture platform for all groups of customers. The Bank sets a long-term strategy to distribute under an open-architecture platform and provides a wide range of mutual fund products to match various client needs and risk-return profiles.

In 2021, the Bank had 11 strong partners with leading asset management, both domestic and international asset management, including Aberdeen Asset Management Co., Ltd, Eastspring Asset Management Co., Ltd, Kasikorn Asset Management Co., Ltd, Krungsri Asset Management Co., Ltd, Krungthai Asset Management Co., Ltd, King Wai Asset Management Co., Ltd, One Asset Management Co., Ltd, Principal Asset Management Co., Ltd, SCB Asset Management Co., Ltd, TISCO Asset Management Co., Ltd, UOB Asset Management (Thailand) Co., Ltd. This enables the Bank to offer a broader range of products and asset classes that suit different risk profiles of the customers.

Bancassurance

The Bank entered into a strategic bancassurance partnership with Prudential Life Assurance (Thailand) Public Company Limited (“Prudential Thailand”), a subsidiary of Prudential plc, for an initial term of 15 years which took effect from 1 January 2021, to provide Prudential’s leading product offerings of health and wealth solutions to the whole enlarged network of the merged entity under TMBThanachart.

Prudential Life Assurance (Thailand), a leading life insurer and member of Prudential PLC, which has operated in Thailand for more than 24 years, offers a comprehensive range of products, mainly life, and health insurance, to fulfill the customers’ needs throughout the different stages of their lives. Also, based on this partnership, the Bank and Prudential will be able to leverage technology to serve our customers better.

For Non-life insurance businesses, the Bank offers insurance for loan collateral in association with non-life insurance companies. After the merger, the Bank leveraged TBANK’s strong auto loans customer base, which has substantially enhanced the Bank’s non-life insurance premiums. The Bank also provides other non-life insurance products such as personal accident, health, and motor insurance.

1.2.3 Market and Competition

1) Thai Economy

Thai Economy in 2022

Thai economy continued its recovering momentum in 2022, even though it had been encountering a COVID-19 Omicron variant. Due to the high vaccination rate among the Thai population and less severe symptoms of the new variant, the Thai government had gradually eased border restrictions since the middle of 2022, which supported the recovery of foreign tourists and the tourism-related services sector. Moreover, in October 2022, the government downgraded the status of COVID-19 from dangerous communicable disease to communicable disease under surveillance and terminated an emergency decree after 2.5 years of officially invoking it. In light of this, private consumption and domestic tourism had significantly recovered, gradually improving households’ purchasing powers. Altogether, the provisions of consumption relief measures, namely the copayment scheme and tourism stimulus package, had given helping hands for the rebound of domestic spending.

However, the global petroleum prices and other commodities accelerated after the conflicts between Russia and Ukraine starting at the beginning of 2022, together with a slow resolution of the supply chain bottleneck, which caused a sharp rise in domestic living costs and inserted severer pressure on households’ purchasing powers. Merchandise exports had gradually slowed in the last quarter of the year, along with the deceleration

of global economic growth. Government spendings were relatively the same as last year. Regarding monetary policy formulation, the monetary policy committee has continuously announced the rate hike since August 2022, making the Thai policy rate rose from 0.5 percent during the pandemic to 1.25 percent at the year end.

Economic Outlook for 2023

Thai economy would continue to expand by 3.6 percent from last year with the support from private consumption and foreign tourist recovery after most foreign nations have eased their border restrictions and gradually entered a post-pandemic phase. ttb analytics projects the number of Thailand inbound foreign tourists in 2023 at 29.5 million persons. However, merchandise exports in 2023 are forecasted to be around USD 299 billion or grow by 0.5 percent, decelerating from last year due to a global economic slowdown. Export slowdown and weak conditions in the construction and real estate sector would negatively impact private investment. Government spending would possibly come with the limitation in budget disbursement, especially public investment projects.

Regarding the financial market, the phase of a policy rate hike would continue in the first half of 2023 with the expectation that the rate would be raised to 2.0 percent by the second quarter and might be risen for another 25 basis points in the second half of the year. With respect to inflation pressure, it would gradually decline in accordance with steady drops in petroleum prices and that of other commodities. Medium-term inflation expectation (5-year time) would remain within the BOT's target range of 1 to 3 percent per year. According to the Thai baht, it is projected to face volatility and an appreciation trend in line with Thai economic recovery and an approaching end of the Federal reserves' tightening cycle. ttb analytics thus projects the Thai baht to move between 32.5 to 34.0 baht per dollar in 2023.

Banking Industry

Banking industry in 2022

Thai banking system remained resilient in 2022 as reflected by a high level of capital funds at THB 3.05 trillion equivalent to the capital adequacy ratio (BIS ratio) of 19.4%, and loan loss reserves of 171.9%. With respect to loan expansion at the end of 2022, it grew by 2.1%YoY, decelerating from the previous year of 6.5%YoY. This was due to debt repayment from the government entities and banks' active loan portfolio management, debt restructuring, and portfolio transferred activities to the bank's subsidiary. Meanwhile, corporate loans grew by 2.3%, mainly in large corporations. Consumer loans also expanded by 1.7%, particularly in personal and mortgage loans, consistent with a steady economic rebound.

Net profit of the banking system improved from the previous year, driven mainly by loan expansion and the interest rate hike cycle, which resulted in an increase in net interest income, combined with lower provisioning expenses after banks have gradually set aside an elevated level of provision throughout the COVID-19 period. Net profit in the fourth quarter of 2022 was THB 62 billion, compared to the previous quarter at THB 60 billion. Particularly, net interest income improved consecutively to increase the ratio of net interest income to interest-earning assets (Net interest margin: NIM) to 2.88%.

The loan quality of the Thai banking system improved from active loan portfolio management and assisting customers through debt restructuring. Accordingly, gross non-performing loans (NPL: Stage 3) in the fourth quarter of 2022 dropped to THB 499.2 billion, equivalent to an NPL ratio of 2.73%.

Banking Industry Outlook in 2023

The Thai commercial banking industry is expected to recover sluggishly. Although the Thai economy would rebound in line with the support from the tourism sector, reviving domestic consumption, it is considered an uneven recovery in terms of business sector and size. Moreover, an increase in the deposit rate and the rising cost of FIDF contribution to the normal rate of 0.46% per annum would increase banks' financial costs in 2023. A rise in lending rates by Thai banks would cause the limitation in financial access of businesses and consumers and, therefore, may make banks' net profits improve sluggishly.

In addition, loan quality could turn worse after the end of the debt restructuring program and debtors' financial assistance The proportion of the loans with a significant increase in credit risk (SICR: Stage 2), which have already been on the rise in both corporate and personal loans, would even turn higher after the termination of such programs. Meanwhile, some portions of the mentioned loans could become a non-performing group (NPL), asserting pressure on provision expense to remain elevated to cover the potential risk in the future.

2) Product and Service Marketing Strategy

Commercial Banking

Our Intent

TMBThanachart will continue to offer E2E digital solutions and value-added products and services for business customers in order to deliver seamless experiences and improve customers' financial well-being and operational efficiency. With these offerings, the Bank aims to be customers' most advocated operating bank and value-added business partner.

2022 Summary

Over the past year, TMBThanachart successfully launched many initiatives and digital solutions for business clients in various industries to improve their business flows and efficiency and foster business growth and sustainability. Most of these solutions have successfully led to better well-being for large groups of people whom the COVID-19 pandemic has adversely impacted over the last two years. The successful launch of ttb's new internet banking platform for business customers, "Business One," led to a strong growth of digital business transactions and was well received by the clients due to the ease of use, simple UX, high-security level, as well as the automation of business processes. In the past year, the Bank has enriched its digital cash management solutions and was trusted by many industry leaders in Thailand to provide comprehensive digital cash solutions to their businesses.

Moreover, 2022 was a remarkable year for Trade Finance and FX business. The Bank's trade asset has reached its all-time high from expanding its customer base into new segments and recovering international transactions from the Bank's existing clients. The Bank's strategy to optimize its portfolio thru the quality of new customer acquisition and proactively optimize existing assets yielded great results. In 2022, TMBThanachart was recognized and awarded "Best Corporate Bank Awards 2022" by Asiamoney. The award is a testament to corporate clients' trust in the Bank and a confirmation of the Bank's role in its commitment to the client's success.

Plan for 2023

- 1. Productivity and profitability improvement:** TMBThanachart will continue to focus on profitability improvement by revamping the sales and service model for each customer segment in order to better support the business customers and optimize cost-to-serve through leveraging digital and self-service channels. Portfolio optimization will be emphasized for better asset quality from new good-quality acquisitions, as well as proactively improving the existing portfolio. The Bank will continue to penetrate and grow the high-yield loan of the SME segment by offering industry-based comprehensive solutions along with a digital supply chain program.
- 2. Innovative digital transactional banking solution and digital customer engagement:** The Bank will continue to grow digital transactional banking and secure main-bank status through a digital platform by offering Business ONE as a single platform for all business solutions supporting both financial and operational transactions of the business. This will also help improve business customers' operational efficiency and support their growth. In addition, The Bank will continue to deliver seamless and superior customer experience by deploying an optimal mix of human interactions and a digital self-service platform.
- 3. Leader in E2E digital supply chain solution:** The Bank will continue to develop a B2B2C eco-system for strategic target industries with seamlessly linked solutions for end-users (retail customers), focusing on strategic value chains, e.g., Auto and Real-estate. This digital supply chain program will also reinforce the quality acquisition of SME dealers and suppliers and support The Bank's auto and retail businesses.
- 4. Expert in International Financial Solution:** The Bank will maintain and accelerate the momentum of Trade Finance and FX achievement by offering a holistic solution for Importer and Exporter, including multi-currency accounts (MCA), OD for importers, and Digital collection. Moreover, the Bank will continue to expand its customer base into a new sub-segment of importers and exporters.

Our Intent

To become the most recommended bank of choice for our retail customers by improving our customers' life-long financial well-being through trusted advisory solutions

2022 Summary

TMBThanachart aims to be Trusted Advisor, providing professional financial consultation to customers, serving customers' financial needs, and, more importantly, improving customers' Financial Well-being while allowing Bank to achieve sustainable business growth. We have implemented our new digital platform, ttb touch mobile banking application, with an aim to provide a seamless, excellent customer experience.

In 2022, TMBThanachart strived to innovate a variety of products and services to address customers' financial needs aiming to increase customers' Financial Well-being which includes:

Mindful Spending & Maximizing Savings – Mindful spending consists of lifestyle-based money management, creating awareness of how spending supports life goals and needs. ttb all free is the best-in-class transactional service that offers various free-of-charge useful benefits to maximize savings, covering all-financial purposes one can gain for daily life: Cash withdrawal, transfer, payment, and top-up free of charge at any bank's ATM nationwide and via ttb touch, free medical expense together with life protection up to THB 3 million or 20 times the deposit amount 20X personal accident death protection, free personal accident medical protection of THB 3,000 per accident (unlimited times) when customers maintain a balance of not lower than THB 5,000, free overseas travel insurance, and special FX rate for overseas spending. no fixed account is a high-interest savings account that helps accomplish savings goals. This account offers high interest from the first baht, and customers will earn bonus interest by using ttb all free accounts for at least five transactions in the current month. ttb me Save is a high-yield digital savings account. Online account opening is available via ttb touch application. Customers will receive bonus interest when the total deposit amount exceeds the total withdrawal amount in the same month. Compound interest can be viewed daily from ttb touch. ttb up & up is an extraordinary 24-month term deposit account that provides faster return and higher yield with an interest rate increase every six months and paid every quarter.

For customers' mindful daily spending, our Credit Card provides a variety of card benefits according to customer preference; 1% cash back for every transaction, 1 reward point for every THB 10 spending, to name a few. The Bank offers ttb reserve, for customers with minimum assets under management (AUM) of THB 5 million with special features designed to focus on endless wealth extension. This credit card links with ttb financial products and solutions by offering privileges in point currency, which customers can redeem

for financial services or other benefits according to their interests and lifestyles; besides, customers will earn annual-special points when they have AUM up to criteria.

In 2022, TMBThanachart was awarded “Best Wealth Manager, Thailand – Rising Star” from The Asset Triple A Private Capital Awards 2022 from ttb reserve, the ultimate credit card that provides more solutions and benefits beyond a basic credit card for ttb Wealth customers. This award guarantees our step to becoming the leader in the Wealth segment and confirms TMBThanachart’s mission to become the Bank of Financial Well-being.

Healthy Borrowing – One of TMBThanachart’s missions to help improve customers’ life-long financial well-being, borrowing only when necessary. If customers need to borrow to acquire an asset, run a business, and manage liquidity, customers should get the most appropriate interest rate. We offer consultation and recommend the most appropriate lending products (Home Loan, Auto Loan, Unsecured Loan, and Small Business Loan) to customers to ensure the right balance between today’s needs and future liabilities. If customers consolidate all debts with us, customers will get lower interest cost and debt burdens from ttb flash cash card. In need of cash for liquidity management, customers can cash out anytime without a cash advance fee charge or choose to get a lump sum cash transfer to their saving account and make installment payments in a specified period according to ability. The Bank also offers ttb cash your home card as a new option for customers to get a large lump sum or a have credit limit ready for use in ttb cash your home card to increase flexibility in case of emergency. The interest rate is lower than that of normal cash cards and will not be charged if there is no withdrawal. In 2022, our special Debt Advisory Team still proactively reached out to customers who faced a challenging situation from the COVID-19 pandemic and flood to provide advisory and offered the most suitable and beneficial options tailored to individual customers for their maximum benefits.

Investing for the Future – Smart investing with appropriate asset allocation using risk profiles is the crucial next step for managing savings in preparation for the future and life-long stability. We offer a solution for customers who would like to pass wealth to the next generation-with solutions such as ttb the treasure (88/8) life insurance and ttb the exclusive savings. This solution helps customers ease the worry of forgetting premium payment while ensuring financial stability and helps grow wealth by just depositing money equal to the next 7-years premiums to ttb the exclusive savings. The premium will automatically be directly debited every year, while customers enjoy getting a floating interest rate plus bonus interest at a high rate from this account.

Additionally, we seek investment opportunities from various financial products such as equity, bond, and term fund both in Thailand and abroad for customer choices of investment according to the customer’s risk profile. We focus on providing advisory for the most suitable investment portfolio and long-term wealth creation. Customers can choose to invest in ttb smart port as an investment tool that offers asset allocation service with fund selection based on five levels of customers’ risk appetite in which portfolio

allocation will be automatically adjusted according to a market situation where customers are also notified. Customers can easily track, buy, sell, switch, and open a portfolio via ttb touch app. For better customer financial behaviors, we promote long-term saving habits by allowing customers to start investing with a minimal amount of as low as THB 1, where customers can choose to do DCA to reduce the impact of volatility on the overall purchase.

Sufficient Protection – Having appropriate protection ensures financial stability and mitigates the loss of customers and their families. From human’s basic fear of injury, poverty, and death, TMBThanachart aims to address the protection needs of our customers through Bancassurance products. We innovate products to address various protection needs, including wealth protection and transfer, life insurance with high coverage, health insurance, and protection of assets (car and home). TMBThanachart focuses on ensuring that customers’ Financial Well-Being is not confined to only the wealth aspect. Still, we also aspire to develop solutions for customers to use protection as a financial solution to protect themselves and their loved ones. Wealth customers get Policy Aggregator service which, a tool that summarizes useful aspects of all insurance policies purchased, such as customers for total coverage, premium, benefits, and coverage period, to find the most suitable protection, including retirement planning and tax planning for each customer. Also, non-wealth customers can access ttb touch to easily find the most suitable recommendation for each type of protection where there are gaps.

TMBThanachart also uplifted Sales & Service channels in 2022, upgrading the ttb touch mobile banking application to be more convenient, user-friendly, and designed to fit individuals’ needs and transforming the Branch model to become a trusted advisor. For services, we uplifted service to over-expectation and developed branch staff to become knowledgeable ttb Brand Ambassadors to provide great services with problem-solving skillsets. We also revisited the Sales model to allow our staff to have a clear focus by classifying into generalists for more common products, such as deposits and credit cards, and specialists for more complicated products, such as loans, investments, and protection. As a result, staff productivity greatly improved, with a significant increase in customer satisfaction scores.

Plans for 2023

- We continue to promote **“customers’ life-long financial well-being”** through our aspired role as Trusted-Advisor, to create superior product solutions and financial solutions and services that will be offered at the right time, right place, and are most suitable for customers to address their individual and unique financial needs.

1. Customer: We do customer segmentation for better insightful customer understanding and to be able to provide advisory for customer financial well-being from need-based appropriate product holding.
 2. Solutions: We offer solutions that serve and are suitable to customer needs
 3. Channel: We would like customers to connect with bank easily, so we promote banking via a mobile banking application that is user-friendly and easy to access and Banking agents as well as transform branch model for better advisory service.
 4. Staff: We continuously develop staff to become a real Trusted-Advisor for customer's life-long financial well-being
- For Wealth customers, TMBThanachart dedicated licensed Private Wealth Advisor to provide financial consultation and personalized solutions that best fit each customer and their family's needs and goals (720-degree services) and to increase Investment Line staff for better onsite service coverage. We also increase Investment Line staff to cover service to customers who cannot conveniently go to the branch. For non-wealth customers, payroll and non-payroll, we focus on deepening customer understanding and advising appropriate product holdings to improve financial well-being.
 - Improve and innovate financial solutions that promote Financial Well-being to cover wider financial needs.
Transactional Banking – To continue improving ttb all free and credit card to facilitate daily transactions with special privileges linked with ttb financial products and solutions, **Lending** – To respond to customers' need for lending while offering advisory that promotes good financial health, **Investment** – To continue adding mutual fund and more investment option to serve customers' need and for risk diversification, **Bancassurance** – To offer protection most suitable for each life stage and address protection needs for life, health, and asset.
 - Develop service channels and technology to enable a seamless banking experience and security. We continuously develop ttb touch mobile banking application to serve all financial transactions on one application better and provide service via Banking agents as non-branch channel for more customer convenience. Moreover, we will further increase the capability of our alternative channels, namely Private Wealth Advisor, Lending Specialist, and Investment Specialist, to promptly assist and provide the best financial consultation to create financial well-being for Thai people.
 - Develop and train staff on essential skills, including investment management, portfolio planning, and banking product knowledge, to ensure that staffs have well-rounded abilities to be a one-stop service, Trusted-Advisor, who can offer the best financial products and solutions to help customers reach their financial needs and goals.

Automotive Lending

Our Intent

The Automotive Lending Business unit has set its directions, strategies, and missions to continually develop and enhance its business to achieve the highest capability and business agility. The Automotive Lending Business aspires to maintain its leadership and **“Be the Most Admired Bank in Auto Finance for Customers and Partners in the Automotive Ecosystem”** by delivering experiences beyond expectation throughout the customers’ journey, from applying for loans and excellent services throughout the contract period, offering other related useful banking services, until the closing of an account. All services can be transacted through our Omni Channels conveniently, including our Branches, Contact Center (1428), and Online via our Mobile Banking application.

Furthermore, the Automotive Lending Business unit also prudently considered a holistic view of all Auto Stakeholders by crafting a business Mission **“ ‘Customer Centric’ solutions through ‘Ecosystem Play’ powered by ‘Digital,’ a key enabler, and leveraging our capable ‘Nationwide Sales Network’ and strength.”** We aim to become customers’ main bank by committing to developing the best products, services, and financial innovations, including car insurance and loan protection, to serve customers throughout every life stage and moment of life and create seamless Omni Channel experiences to deliver beyond expectation.

2022 Summary

The Automotive industry started to recover in 2022. The total number of domestic car sales rose approximately 12% YoY. The recovery was due to pent-up demand for cars and was reinforced by improving economic conditions in 2022. Thai economy remained in expansion after the relaxing of lockdown measures. After easing travel restrictions to restore travel and tourism, the tourism industry started to improve. Private consumption and investment growth showed a positive trend following the improving COVID-19 pandemic. However, the economy still faced many challenges, which are 1) Weakened consumer confidence resulting from a higher cost of living and oil prices due to escalating Russia-Ukraine conflict and 2) Insufficient semi-conductor chips used in cars which caused widespread production cuts leading to car stock shortage.

Against the backdrop of these challenges, the Automotive Lending Business unit still maintained competitiveness in Auto Finance. Moreover, the unit has adapted its business and operations to be more resilient to the situation by providing more prudent lending and focusing on developing digital platforms to cope with changes in customer behavior. In overall 2022, the Automotive Lending Business unit still maintained leadership in Auto Finance, continued to grow its loan balance, and maintained its NPL lower than the industry’s average.

Plan for 2023

In 2023, ttb analytics projects the Thai economy to expand by 3.6% in GDP, accelerating from 3.2% in 2022. This is mainly due to the recovery in private consumption and Tourism and Service sectors. In terms of the Automotive industry, ttb analytics expects the total number of domestic car sales to expand by 9.6% from the previous year to 930,000 units, led by the improvement of the Thai economy, the country's reopening, and more relaxed international travel measures, as well as the recovery of Agricultural sector. Furthermore, the increase in oil prices will help boost Electric Vehicle (EV) segment as a substitute product for Internal Combustion Engine (ICE) vehicles. Nonetheless, economic uncertainty still looms largely from high household debts. In addition, the Consumer Protection Act B.E. 2522 (1979) announced updated rules and conditions particulars of the vehicle motorcycle Hire Purchase agreement, which would become effective on 10 January 2023. The announcement also benefits customers in many aspects, such as an effective interest rate ceiling and a discount rate for early debt settlement.

In 2023, the Automotive Lending Business unit strives to maintain its leadership in Auto Finance by considering a holistic view of all Automotive Stakeholders and understanding their needs and pains to create the right solutions from their point of view. The Automotive Lending Business unit aims to prudently develop a total financial solution in Auto Finance to offer the right solution to the right customer at the right time and, last but not least, to serve customers throughout every life stage and create the seamless omnichannel best experience.

3) Channels and Network

TMBThanachart continues to enhance services and aims to become a trusted advisor, providing financial advice that meets and answers customers' goals and needs through an omnichannel experience that connects digital and other human touch channels with seamless customer experience anywhere, anytime.

In 2022, the Bank launched the new version of the ttb touch app, where each customer receives "Personalized" financial care that helps improve the financial well-being of customers in all aspects, as follows:

- Analyze data and provide personalized financial advice. The new version of ttb touch can analyze user data and provide advice to assist customers in having better finance in many aspects, e.g., a basic matters like a reminder to pay electricity bills and loans, coverage that shows all insurance policies on one page so that the customers can see how much coverage is included and by what age and behavior the customers should increase their coverage or how much coverage is suitable for each person, and an investment topic the app will help select and recommend funds that are suitable for each customer's investment preference. All of the mentioned will help reduce time consumption and increase investment accuracy even more.
- Personal Assistant with Counsel Support reminds customers of every important transaction, from suggesting Personalized Messages & Cards that match each person's financial lifestyle for necessary financial matters to effortlessly searching for transactions with Smart Search, as well as introducing savings plans, selecting and recommending loans that are suitable for an individual's financial conditions, planning and adjusting an investment plan as appropriate, and introducing insurance with coverage that fits an individual's life and summary of coverage in one place.
- Convenient, fast, and no need to wait in line like having a branch in hand with ttb touch new features, such as opening a new account, searching to view the account statement, requesting statement documents, and following up on the service application. In the future, customers can request services, report usage problems, and track the service request status via ttb touch.
- Manage all car features in one menu, "My Car," to increase the convenience for car users with a Car Ecosystem, which allows car users to manage all in one menu, from easy pass top-up, traffic fines payment to car insurance purchase with special prices, benefits, and discounts. For the first time exclusively on ttb, the Bank's customers can sell cars through the auction platform on the new ttb touch application.
- Provide customer with more valuable benefits in every use by presenting both credit card points and Wow points in the same place to make it more convenient for customers to collect, check, and redeem points, plus receive offers that meet their lifestyles whenever they need with easy online registration without having to send SMS.

To be consistent with the increase in Smart Phone users, the Bank, therefore, continues to focus on the development through mobile as a priority.

1. Form, scope, sales process, and service provision

After introducing the new services on the ttb touch channel and launching a new version of the ttb touch application in 2022, each customer will receive “Personalized” financial support that enhances their financial well-being. The Bank also plans to improve the system architecture to be more stable and able to support more users and the number of transactions that increase exponentially, including covering the development of new services that will increase in the future to improve the customer experience continuously.

2. Trends in providing services through new channels or new technologies

- Improving the general user experience through User Experience, User Interface, and “personalized” customer interactions.
- Adding an optional verification via Face Recognition to activate ttb touch service to increase convenience for customers without having to go to a bank branch or ATM.
- Developing Account opening support via e-KYC by adding a variety and covering more identity verification channels.
- Adding more after-sales service, which is more convenient for customers to do it by themselves through E-document and In-app chat & call services without having to go to a branch or contact through the Call Center channel.
- Improving sales efficiency through digital channels, from a better product search feature that meets a customer need more precisely to a more straightforward and smooth product application process consistent with each product’s experience and allowing a customer to apply for multiple products simultaneously.

3. Guidelines for risk management

- User authentication standards for ttb touch usage: During service activation, a network provider (AIS, dtac, true, CAT, TOT) will verify the phone number of the Smart Phone a customer is using to compare it with the mobile phone number that customer has provided to the Bank. If they match, the system will allow the user to enable the ttb touch service. This method prevents service sign-up by phishing websites and is a better verification of account ownership.
- Customers can access ttb internet banking by scanning QR Code with ttb touch, which customers must confirm access by specifying a 6-digit password. (Access PIN) to reduce the process of the User ID and Password recognition but increases the security of accessing the system.

- Security standards for ttb touch usage: The system will record the Device ID from a smartphone connected to the customer's profile used for access to ttb touch. When a user enters the app, the system will detect the Device and Access PIN (a password the user sets for ttb touch access) every time. The customer can access only when the information matches the previously recorded.
- Safety standards for ttb touch usage: This aims to prevent a customer from being screen recorded or shared to unwanted remote-control ransomware that customer is tricked into installing on mobile phones with Android and iOS systems.

For commercial customers, TMBThanachart launched a comprehensive marketing and public relations campaign to introduce a new digital platform, ttb business one. The campaign highlighted the platform's key features, One Platform, One to Control, and One to Command, and its ability to provide comprehensive control and command capabilities within one digital platform. This was done to ensure that both SME and corporate customers were fully aware of the benefits of using the platform in their day-to-day operations. The Bank also continued to improve its face-to-face onboarding model for digital subscriptions, aiming to expand its customer base and support new behaviors adopted during the pandemic. To further enhance customer experience, the Bank introduced face recognition technology for verifying customer identities, which helped to reduce the time and process of applying for digital services.

In addition to platform improvements, ttb business was integrated with new technologies to enhance user experience in terms of simplicity, overall performance, and ease of connection with other systems currently used by SME customers and large businesses.

Summary of Distribution Channel and Network

1. Branches and Business Centers

Domestic branches	569 branches
Overseas Branches	None. (Vientiane branch, Lao P.D.R., was closed since 12 August 2022.)
Zone Offices	<ul style="list-style-type: none"> • 20 zone offices for Small Business customers • 31 zone offices for SME customers • 14 zone offices for Business Banking customers
Foreign Currency Exchange Service	<ul style="list-style-type: none"> • 1 Booth at Head Quarter

2. Electronic Channels

ATMs and CDMs	<ul style="list-style-type: none"> • 2,385 ATMs • 344 CDMs • 567 All in Ones
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3. Digital Banking

Mobile Banking	<ul style="list-style-type: none"> • ttb touch application for retail customers • ttb business one application for business customers
Internet Banking	<ul style="list-style-type: none"> • www.ttbdirect.com for retail • www.ttbbusinessone.com for business customers

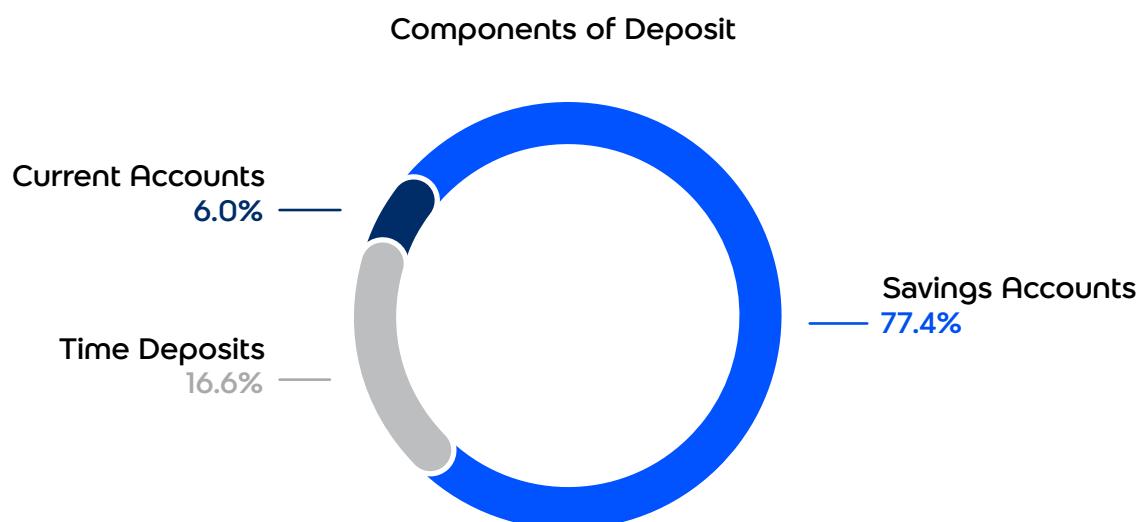
4. Contact Center

ttb contact center	<ul style="list-style-type: none"> • Domestic call: 1428 & International call: +66 2241 1428
ttb corporate call center	<ul style="list-style-type: none"> • 0-2643-7000 Service hours are available from 8:00 a.m. to 8:00 p.m. on Monday to Saturday. (except bank holidays and public holidays)

1.2.4 Source of Funds

1) Source of funds

Major sources of funds for TMBThanachart are deposits, interbank, and money market items and borrowings. As of December 31, 2022, the Bank had total deposits (Consolidated basis) of THB 1,399,247 million, where savings accounts, time deposits, and current accounts represented 77.4%, 16.6%, and 6.0%, respectively.



Total deposits represented 90.6% of total funds. In addition, the Bank recorded interbank and money market items of THB 84,770 million and borrowings of THB 59,644 million, which accounted for 5.5% and 3.9% of total funds, respectively.

ttb's source of funds

(Consolidated)	As of 31 December					
	2022		2021		2020	
	Amount (THB million)	As % of Total Fund	Amount (THB million)	As % of Total Fund	Amount (THB million)	As % of Total Fund
Time Deposits	231,726	15.0	157,885	10.6	186,876	12.2
Saving Accounts	1,083,097	70.2	1,093,116	73.2	1,103,241	71.7
Current Accounts	84,424	5.5	88,194	5.9	83,291	5.4
<i>Total Deposits</i>	<i>1,399,247</i>	<i>90.6</i>	<i>1,339,195</i>	<i>89.7</i>	<i>1,373,408</i>	<i>89.3</i>
Interbank and Money Market Items	84,770	5.5	84,966	5.7	75,909	4.9
Borrowings	59,644	3.9	68,398	4.6	88,965	5.8
<i>Total Borrowings</i>	<i>144,414</i>	<i>9.4</i>	<i>153,364</i>	<i>10.7</i>	<i>164,874</i>	<i>10.7</i>
Total Funding	1,543,661	100.0	1,492,559	100.0	1,538,282	100.0

2) Policy on funding and pricing

The Bank has the policy to mobilize funds from the above sources with the amount and tenor that is most closely aligned to its requirements. Other factors taken into account are proper liquidity for the Bank's operation and comparison of funding costs from various sources. Meanwhile, suitable deposit interest rates are determined based on liquidity in the money market and of the Bank itself, together with external factors such as interest rate trends, the Bank of Thailand's monetary policy, competition in mobilizing deposits, and the country's economic trends.

3) Policy on liability management

The Bank manages its short-term and long-term liabilities in Thai baht and foreign currencies to match the asset or clients' demand for loans. In order to hedge both interest rate risk and FX risk, various financial instruments such as FX swap, Interest rate swap, and Cross currency swap are applied to manage the above liabilities efficiently, which constitutes the alignment of the Bank's cash inflow and outflow.

4) Capital adequacy

The Bank and its subsidiaries' capital adequacy ratios consisted of the following:

(Unit: percentage)

Capital ratio (under Basel III framework)	The BoT's regulation minimum requirement*	31 Dec 22	The BoT's regulation minimum requirement*	31 Dec 21	The BoT's regulation minimum requirement*	31 Dec 20
Capital Adequacy Ratio/Total Risk-Weighted Asset	12.00	19.95	11.00	19.33	11.00	19.59
Tier 1 Capital Ratio/Total Risk-Weighted Asset	9.50	16.30	8.50	15.33	8.50	15.46
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.00	15.67	7.00	14.35	7.00	14.45

*The BoT requires commercial banks to maintain an additional buffer on top of minimum regulatory required Common Equity Tier 1 consists of conservation buffer of 2.50% and D-SIB buffer of 1.00%.

1.2.5 Business Assets

1) Core fixed assets used in business operations

Net book value of core fixed assets of the Bank and its subsidiaries as of 31 December 2020 - 2022 are as follows:

(Unit: THB million)

Item	As of 31 December		
	2022	2021	2020
1. Land	10,953	11,769	12,316
2. Building	11,834	12,744	12,854
3. Right-of-use assets-premise	1,773	1,913	1,808
4. Leasehold improvements	1,613	1,599	1,169
5. Equipment	7,660	7,330	7,185
6. Right-of-use assets-equipment	770	1,707	1,816
Total	34,603	37,062	37,148
<u>Less</u> Accumulated depreciation	14,672	15,175	12,957
Allowance for impairment losses	143	262	152
Premises & equipment and right-of-use assets, net	19,788	21,625	24,039

2) Leasehold right

The Bank has leased lands, office buildings, and commercial buildings from government agencies, state enterprises, and private entities to locate regional offices, branches, car parks, and ATMs, numbering 2,269 contracts for rental terms ranging from 1 year to 30 years, with total rentals payable of about THB 1,002 million per year.

Leasehold Right	Remaining Rental Terms	No. of Contracts
Land and building	< 1 year	1,951
Land and building	> 1 - 5 years	311
Land and building	≥ 5 years	7
Total		2,269

3) Intangible assets

As of 31 December 2022, the Bank's service marks and trademarks registered with the Department of Intellectual Property, Ministry of Commerce, with the validity of registration for ten years from the registration date and renewable every ten years.

4) Investment in subsidiaries and associated companies

Policy on investments in subsidiaries and associated companies

The Bank has a policy to invest in related subsidiaries and associated companies, providing that such entities engage in either financial businesses or businesses that will contribute to the Bank's core banking businesses and thereby enhance financial service offerings to customers. The companies must have good prospects with an acceptable level of risk. In order to ensure that subsidiaries and associated companies have undertaken proper business practices in line with the Bank's investment policy, the Bank will participate in directing and determining their policies, business plans, and initiatives. Investment size will not exceed the limits permitted by the BoT.

As of 31 December 2022, details of the Bank's investments in subsidiaries and associated companies compared to its total assets as shown in the financial statements (the Bank only) are tabulated below:

(Bank Only)	Total Net Investment by the Bank (THB million)	Ratio of Total Assets (%)
Subsidiaries	755	0.04
Associated companies	4,389	0.24
Subsidiary and associated companies	5,144	0.28
Total Assets	1,818,511	100.00

Policy on operations of subsidiaries and associated companies

The Policy is developed by using the guideline of BoT's Consolidated Supervision Policy, which requires commercial banks under BoT's supervision to comply. The scope of the Bank's supervision is divided into various aspects to cover the implementation of the Financial Business Group. The Policy comprises one core policy and seven supporting policies as follows:

Core Policy

1. Governance Structure

To determine the management and control structure of the Group Companies in generating a strategic plan and nominating representative directors to jointly manage the Group Companies and reorganize to take responsibility for the Group Companies as appropriate. The Bank determines the guideline of representative director nomination covering investment in other companies in the financial business group and general investment.

Supporting Policy

1. Accounting Policy

To determine the accounting and financial report policy for the Bank to collect related information from the Group Companies for generating a consolidated financial report correctly, in the same direction and compliance with the BoT's rules and regulations, and analyzing performance and financial status of the Group Companies accurately and promptly for controlling and monitoring.

2. Corporate Governance Policy and Policy on Confidential & Insider Information and Conflicts of Interest

2.1 Corporate Governance Policy

To determine the Policy for the Group Companies to conduct under business ethics and the morality and the best practices are concerning in good corporate governance and best practices which should be in line with Corporate Governance Policy.

2.2 Policy on Confidential & Insider Information and Conflicts of Interest

To determine the Policy for the Group Companies to comply with the relevant policies and procedures in preventing any transaction which might be considered a conflict of interest or breach the bank regulation regarding insider trading.

3. Anti-Corruption Policy

This Policy and the relevant policies are set to manifest the Bank's and its subsidiaries' intention on anti-corruption. Giving and accepting a bribe of improper benefit either from the officer/unit of the bureau office or the private sector is prohibited. In this regard, each subsidiary shall be notified in writing of the Policy to comply with this Anti-Corruption Policy and relevant policies and laws.

4. Risk Management Policy

To determine the Risk Management Policy of the Group Companies covering various aspects of risk relating to companies' performance and impacting the stability of the Group Companies, including:

- 4.1 Market Risk Management
- 4.2 Liquidity Risk Management
- 4.3 Operational Risk Management
- 4.4 Credit Risk Management

5. Compliance Policy

To determine the Policy for the Group Companies to conduct under Compliance Policy and relevant Regulatory Policy such as Regulatory Compliance, Related Parties or Connected Persons Policy, BoT's Regulatory Compliance and Know Your Customer and Anti-Money Laundering.

6. Corporate Communication Policy

To determine the policy regarding the communication of information to an outsider for the Group Companies to conduct in the same way and promote the Bank image in an aspect of name and brand and disclose information of the Group Companies.

7. Audit Policy

To determine the roles of Internal Audit (AUD) and Independent Credit Review (ICR) and the Audit Committee's oversight role in conjunction with the Bank management and external auditor's roles in auditing, controlling, and monitoring the Group Companies. The ultimate objective is to ensure sound control culture and good governance throughout the Financial Business Group.

1.3 Shareholding Structure of the Bank

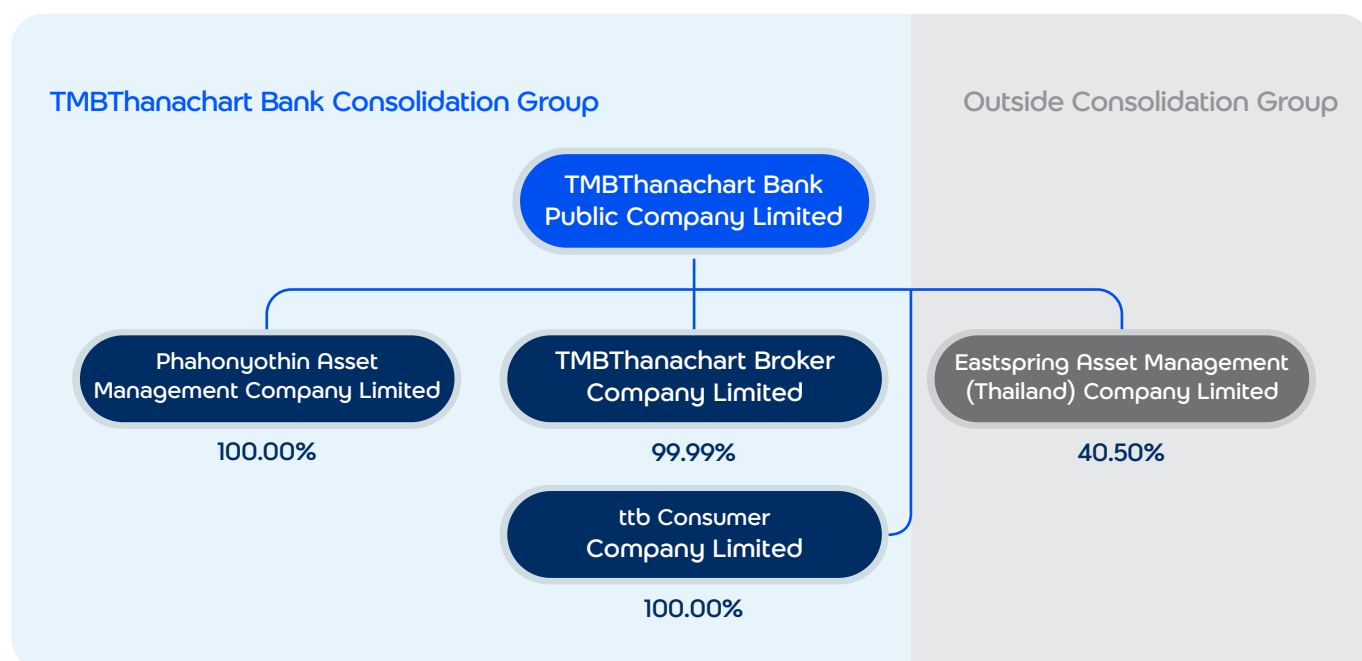
1.3.1 Business Consolidation Policy

TMBThanachart segregates the business activities of its group companies in accordance with the Bank of Thailand's consolidated supervision regulation, which calls for a bank's setting up of a financial business group. The financial business group consists of companies divided into two categories, based on the Bank's ownership portion and type of business, as follows:

1. **Solo consolidation** includes the Bank's subsidiary that operates credit granting or conducts transactions similar to credit granting, regulated by a specific business law or supervised by a particular institution, in which the Bank holds at least 75% of its issued and paid-up share capital, and its management is under the Bank's supervision.
2. **Non-consolidation** comprises a group of companies engaging in the financial business and businesses supporting the Bank's operations, which is classified by nature of business into two groups as follows:
 - **Financial business group** includes the Bank's subsidiary that operates a financial business in which the Bank holds at least 50% of its issued and paid-up share capital and may be regulated by a specific business law or supervised by a particular institution, such as securities business, life insurance business, non-life insurance business, credit card business, personal loan under supervision, retail lending, and asset management business.
 - **Supporting business group** includes the Bank's subsidiary with either of the following two types of nature of business:
 - (1) Operational company which engages in function tasks that are regular banking operations or tasks that directly support the Bank's operations for Business Continuity Plan (BCP).
 - (2) Fintech business that provides regular-business-operation support or facilitates financial information for customers' access to a loan at financial institutions. Also, the Bank holds at least 50% of its issued and paid-up share capital.

1.3.2 The Bank's Group Structure Chart

The Bank's subsidiaries are classified based on this group structure, as shown in the chart below:



- Note:
- Phahonyothin Asset Management Co., Ltd. is a subsidiary of the Solo Consolidation group.
 - TMBThanachart Broker Co., Ltd. and ttb consumer Co., Ltd. are subsidiaries of the Full Consolidation group.
 - On 11 July 2022, Thanachart Fund Management Co., Ltd. (49.90%) and TMB Asset Management Co., Ltd. were amalgamated and operated under the new company name, Eastspring Asset Management (Thailand) Co., Ltd., whereby ttb holds 40.50% of the registered capital.

1.3.3 Business Description of Subsidiary and Associated Companies

As of 31 December 2022, TMBThanachart had invested in subsidiary and associated companies as described below:

Name	Type of business	Investment value by cost method as of 31 Dec 2022	Shareholding by TTB as of 31 Dec 2022 (%)
Subsidiary companies			
1. TBCO Public Company Limited ^{1/} (the former Thanachart Bank Plc., Ltd.)	Bank	310	99.98 ^{1/}
2. Phahonyothin Asset Management Co., Ltd.	Asset management	298	100.00
3. TMBThanachart Broker Co., Ltd. ^{2/}	Non-life and life insurance brokerage	117	99.99
4. ttb consumer Co., Ltd. ^{3/}	Brokerage	30	100.00
Total investment in subsidiary companies		755	

Name	Type of business	Investment value by cost method as of 31 Dec 2022	Shareholding by TTB as of 31 Dec 2022 (%)
Associate Companies			
1. Eastspring Asset Management (Thailand) Co., Ltd. ^{4/}	Fund management	4,389	40.50
Total investment in associated companies		4,389	
Net investment in subsidiary and associated companies		5,144	

^{1/} The remaining 0.02% of the total share in TBANK is owned by minority shareholders. Thanachart Bank Public Company Limited has ceased its services after the Entire Business Transfer (EBT)

^{2/} Investments in Thanachart Broker and Thanachart Fund Management are consolidated in an investment in Thanachart Bank. The shares of Thanachart Broker Company Limited and Thanachart Fund Management Company Limited, which Thanachart Bank Public Company Limited was the direct shareholders as of 31 March 2021 as a direct shareholder has been transferred to ttb after the EBT

^{3/} ttb consumer is a new subsidiary registered with Ministry of Commerce on 3 March 2022.

^{4/} Eastspring Asset Management (Thailand) was established from the amalgamation between Thanachart Fund Management Co., Ltd. and TMB Asset Management Co., Ltd. on 11 July 2022, and the remaining investment in the company has provisions regarding purchase and sale rights in the future.

- **Phahonyothin Asset Management Co., Ltd.** – Established by the Bank to manage non-performing loans, non-performing assets, and relevant collateral transferred from the Bank to ensure optimum returns.
- **TMBThanachart Broker Co., Ltd.** – Operating non-life and life insurance brokerage business. The company was established to maximize insurance business potential from ttb's customer base, with a motor insurance focus.
- **ttb consumer Co., Ltd.** – Established as a brokerage business on 3 March 2022 for providing financial services by offering ttb's credit card and personal loan products such as credit cards, cash2go loans, and cash chill loans. In the future, ttb consumer has a goal to develop products and services to address the various needs of retail customers more comprehensively and thoroughly.
- **Eastspring Asset Management (Thailand) Co., Ltd.** – established as Thailand's leading asset management company through an amalgamation between Thanachart Fund Management Co., Ltd. and TMB Asset Management Co., Ltd., effective on 11 July 2022. The share is held by TMBThanachart (40.5% of registered capital). Eastspring Asset Management (Thailand) Co., Ltd. aims to give a good customer experience in their investment by blending expertise in Thai and international investment in order to enable customers to achieve their investment objectives.

1.3.4 Investment in Other Companies Holding More Than 10 % of the Paid-up Capital

Investments in other companies as of 31 December 2022 holding more than 10 % of the paid-up capital in each company were as follows:

Company	Head Office Location	Type of Business	Type of Capital (Share)	Paid-up Capital (Share)	Holding (Share)	Percentage (%)	Value Amount (Baht)
1. Phahonyothin Asset Management Co., Ltd. Tel. 0-2299-1111	Bangkok	Finance	Common stock	50,000,000	50,000,000	100.00	298,125,000.00
2. ttb consumer Co., Ltd. Tel. 0-2528-7299	Bangkok	Service	Common stock	3,000,000	3,000,000	100.00	30,000,000.00
3. TBCO Plc., Ltd. (The former Thanachart Bank Plc., Ltd.)	Bangkok	Finance	Common stock	6,064,862,170	6,063,411,688	99.98	310,437,330.32
4. TMBThanachart Broker Co., Ltd. Tel. 0-2783-0200	Bangkok	Finance	Common stock	10,000,000	9,999,000	99.99	116,843,292.25
5. Eastspring Asset Management (Thailand) Tel. 1725	Bangkok	Finance	Common stock	20,000,000	8,100,000	40.50	4,388,542,475.58
6. Wing Group Co., Ltd.	Chiang Mai	Garment manufacturer	Common stock	9,000	2,250	25.00	0.00
7. TRIS Corporation Limited Tel. 0-2231-3011	Bangkok	Service	Common stock	1,000,000	178,200	17.82	123,005,960.75

Company	Head Office Location	Type of Business	Type of Capital (Share)	Paid-up Capital (Share)	Holding (Share)	Percentage (%)	Value Amount (Baht)
8. Thai Chareonphol Industry Co., Ltd.	Phrae	Manufacturing	Common stock	15,500	2,500	16.13	0.0
9. National ITMX Co., Ltd. Tel. 0-2558-7555	Bangkok	Service	Common stock	500,000	56,299	11.26	343,899,707.96
10. Thanachart Insurance Plc., Ltd. Tel. 0-2308-9300	Bangkok	Finance	Common stock	493,000,000	49,300,000	10.00	1,232,884,540.00
11. Thanachart Securities Plc., Ltd. Tel. 0-2779-9000	Bangkok	Finance	Common stock	3,000,000,000	300,000,000	10.00	738,660,000.00
12. M. Thai Estate Co., Ltd. Tel. 0-2261-1144	Bangkok	Real estate	Common stock	30,000,000	3,000,000	10.00	0.00
13. Wholesale Town Co., Ltd. Tel. 0-2531-6860	Pathum Thani	Transportation	Common stock	22,000	2,200	10.00	2,437,547.42
14. Metropolitan Industrial Co., Ltd. Tel. 0-2258-0108	Bangkok	Service	Common stock	2,500,000	250,000	10.00	299,420.00

1.3.5 Shareholders

1) Major Shareholders

The table below represents the top 10 shareholders, the number of shares, and % holding, including their related persons and controlling persons. The information was from a record dated 6 September 2022 for the right to receive dividends paid from the operating period from 1 January 2022 to 30 June 2022.

Major shareholders consisted of Thanachart Capital PCL at 24.33%, ING Bank N.V. at 22.96%, Ministry of Finance at 11.76%, and VAYUPAK FUND1 at 10.52%.

Major Shareholder	No. of Shares	%
Thanachart Capital Public Company Limited	23,513,026,425	24.33
ING BANK N.V.	22,190,033,791	22.96
Ministry of Finance	11,364,282,005	11.76
VAYUPAK FUND1	10,163,712,715	10.52
THAI NVDR Company Limited	2,347,670,077	2.43
SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	1,438,144,948	1.49
Military Group *	764,613,321	0.79
MR. HENDRIK ROBERTUS CASTENDIJK	755,250,000	0.78
Mrs. Somporn Jungrungrueangkit	636,000,000	0.66
Thanachart SPV1 Company Limited	537,312,900	0.56
Others	22,919,941,224	23.72
Total issued and paid-up shares	96,629,987,406	100.00

* Including Royal Thai Army, Thai Navy, Thai Air Force, Military Units, and RTA Enterprise Pcl. Ltd.

2) Report of Change in TTB Shares Held by Directors and Executives

As of 31 December 2022

Name	Position	TTB shares held as of 31 Dec 2021	TTB shares held as of 31 Dec 2022	Net change in TTB shares (Increase/Decrease)
1. Mr. Ekniti Nitithanprapas	Chairman	-	-	-
Spouse and minor children		-	-	-
2. Mr. Suphadej Poonpipat	Vice Chairman	-	-	-
Spouse and minor children		-	-	-
3. General Apinun Kumproh	Director	-	-	-
Spouse and minor children		-	-	-
4. Mr. Philippe G.J.E.O. Damas	Director	5,126,411	5,126,411	-
Spouse and minor children		-	-	-
5. Mrs. Charita Leelayudth ¹	Independent Director	-	-	-
Spouse and minor children		-	-	-
6. Mr. Willem Frederik Nagel	Independent Director	-	-	-
Spouse and minor children		-	-	-
7. Mr. Yokporn Tantisawetrat	Director	-	-	-
Spouse and minor children		-	-	-
8. Mr. Teeranun Srihong	Independent Director	-	-	-
Spouse and minor children		-	-	-
9. Mr. Somjate Moosirilert	Director	-	-	-
Spouse and minor children		-	-	-
10. Mr. Prinya Hom-anek	Independent Director	-	-	-
Spouse and minor children		-	-	-

Name	Position	TTB shares held as of 31 Dec 2021	TTB shares held as of 31 Dec 2022	Net change in TTB shares (Increase/Decrease)
11. Mr. Michal Jan Szczurek	Director	-	-	-
Spouse and minor children		-	-	-
12. Mrs. Chananyarak Phetcharat	Independent Director	-	-	-
Spouse and minor children		-	-	-
13. Mrs. Patricia Mongkhonvanit	Director	-	-	-
Spouse and minor children		-	-	-
14. Mr. Piti Tantakasem	Director and Chief Executive Officer	15,398,994	18,268,694	2,869,700 ⁵
Spouse and minor children		-	-	-
15. Mr. Praphan Aunpongpongarch	President	8,230,100	12,059,000	3,828,900 ⁵
Spouse and minor children		-	-	-
16. Mr. Thakorn Piyaan ²	President	-	-	-
Spouse and minor children		-	-	-
17. Mr. Saranya Phuphatana ³	Chief Commercial Banking Officer	617,260	3,434,260	2,817,000 ⁵
Spouse and minor children		-	-	-
18. Mr. Anuwat Luengtaweekul	Chief Retail Banking Officer	5,745,400	8,236,900	2,491,500 ⁵
Spouse and minor children		-	-	-
19. Mrs. Prapasiri Kositthanakorn	Chief Financial Officer	3,738,600	5,886,400	2,147,800 ⁵
Spouse and minor children		-	-	-

Name	Position	TTB shares held as of 31 Dec 2021	TTB shares held as of 31 Dec 2022	Net change in TTB shares (Increase/Decrease)
20. Mrs. Kanchana Rojvatuny	Chief Marketing and Experience Officer	12,064,388	14,078,688	2,014,300 ⁵
Spouse and minor children		-	-	-
21. Mrs. Vijitra Thumponthong ⁴	Chief People Officer	4,720,600	6,854,900	2,134,300 ⁵
Spouse and minor children		-	-	-
22. Mrs. Pittimart Sanguansook	Chief Audit Officer	2,530,900	3,429,000	898,100 ⁵
Spouse and minor children		-	-	-
23. Mr. Johannes Franciscus Grisel	Chief Risk Officer	-	-	-
Spouse and minor children		-	-	-
24. Mrs. Rattana Arkachaisri	Chief Operating Officer	5,356,100	7,000,000	1,643,900 ⁵
Spouse and minor children		-	-	-
25. Mr. Sutthikan Rungsrihong	Chief Information Officer	3,193,700	4,747,350	1,553,650 ⁵
Spouse and minor children		-	-	-

¹ Appointment effective on 3 February 2022

² Appointment effective on 1 May 2022

³ Appointment effective on 1 April 2022

⁴ Retirement effective from 1 January 2023

⁵ Share allocation according to TMB Stock Retention Program 2019 No. 3 and TMB Stock Retention Program 2021 No. 2

Report of Change in TTB Shares Held by Directors and Executives can also be viewed on the Bank's website <https://www.ttbank.com/en/about-us/annual-shareholder-report>

1.4 Capitals

The Bank's Capitals

As of 31 December 2022, the Bank's registered capital was THB 92,939,053,968.75, of which THB 91,937,270,202.15 was paid up, comprising the ordinary shares of 96,776,073,897 shares and par value of THB 0.95 per share.

Warrant Issuance

In accordance with the resolution of the 2022 Annual General Meeting of Shareholders, the Bank issued and allocated warrants to purchase the newly issued ordinary shares No. 1 ("TTB-W1") of a maximum of 996,228,745 shares to the Bank's shareholders based on their proportion of shares held, provided that the Bank could not allocate for the preferential public offering (PPO) free of charge at the ratio of 100 existing shares for a warrant of 1 unit.

In this regard, TTB-W1 would be valid for three years, from 11 May 2022, as the warrant issuance date. It would mature on 10 May 2025 and cease to be listed securities on the following date.

The exercise dates would be at the end of each quarter, starting from 30 June 2022 until maturity, totaling 13 times. Warrant holders may exercise TTB-W1 to purchase one newly issued ordinary share of the Bank at the exercise price of 0.95 Baht per share.

As of 31 December 2022, the number of remaining shares reserved for TTB-W1 totaled 956,273,032 shares, after the 2nd exercise date on 30 September 2022 which was disclosed via the Stock Exchange of Thailand's website on 5 October 2022.*

Thai Trust Fund

As of 31 December 2022, Thai Trust Fund was no longer issued by the Bank.

* Excluding the number of shares which were not allocated according to the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of the Warrants to Purchase the Newly Issued Ordinary Shares of TMBThanachart Bank Public Company Limited No. 1 (TTB-W1) stipulating that "the Bank reserves the right not to issue or allocate the TTB-W1 Warrants to any shareholder if such issuance or allocation will result in the Bank being subject to any obligations under the law of other jurisdictions."

Non-voting Depository Receipt (NVDR)

Non-voting Depository Receipt (NVDR) is a trading instrument issued by Thai NVDR Co., Ltd., a subsidiary wholly owned by Stock Exchange of Thailand (SET). NVDR holders can receive all financial benefits like investing in ordinary shares of listed companies in all respects, including dividends and the right to subscribe for newly issued ordinary shares or warrants. NVDR holders are not entitled to voting rights in a shareholders' meeting except for the case of voting to pass a resolution concerning the delisting of shares from the SET. If the Bank's shares are issued as NVDRs in a great number, its shares with voting rights will decrease and the voting rights of other shareholders will increase.

As of 6 September 2022, the latest share register closing date, Thai NVDR Co., Ltd. issued NVDRs with the Bank shares as reference assets amounting to 2,347,670,077 shares or 2.43 % of the Bank's issued and paid-up ordinary shares. However, the issuance of NVDR securities does not fall within the realm of the Bank's control. Investors may check the information on NVDR shares from the website of the SET at www.set.or.th/nvdr

1.5 Other Securities

As of 31 December 2022, details of the Bank's other securities are summarized as follows:

Type	Interest rate (%)	Year of redemption	Value not yet redeemed (as of 31 December 2022)
1. Subordinated Bond (TMB296A)	Fixed interest rate 4.00% per annum	June 2029	THB 30,000 million
2. Senior Bond (Green Bond)	Floating interest rate 6M Libor + 1.05% per annum	June 2025	USD 60 million (Equivalent to THB 2,074 million)
3. Senior Bond (SME Bond)	Floating interest rate 6M Libor + 1.05% per annum	December 2025	USD 90 million (Equivalent to THB 3,111 million)
4. Senior Euro Bond	Fixed interest rate 0.85% per annum	November 2024	EUR 155 million (Equivalent to THB 5,708 million)
5. Senior Bond (Green Bond 2022)	Floating interest rate TERM SOFR 6M + 1.15% per	August 2027	USD 100 million (Equivalent to THB 3,456 million)

Type	Interest rate (%)	Year of redemption	Value not yet redeemed (as of 31 December 2022)
6. Senior Bond (Blue Bond 2022)	Floating interest rate TERM SOFR 6M + 1.15% per	October 2027	USD 50 million (Equivalent to THB 1,728 million)
7. Additional Tier 1	Fixed interest rate 4.90% per annum	Perpetual	Approximately USD 246 million (Equivalent to THB 8,491 million)

Note: Detail of debentures is available on the Bank's website at

<https://www.ttbbank.com/en/ir/credit-rating-and-debenture/details-of-debentures>

Additional Information:

Debt securities shown in the following table were issued by Phahonyothin Asset Management Co., Ltd., the Bank's subsidiary. The Bank is a guarantor of these debt securities.

Type	Interest rate (%)	Year of redemption	Value not yet redeemed (as of 31 December 2022)
1. Senior-secured Debentures (PAMCO23615A)	Fixed interest rate 1.83% per annum	June 2023	THB 2,000 million
2. Senior-secured Debentures (PAMCO230A)	Fixed interest rate 1.98% per annum	October 2023	THB 500 million
3. Senior-secured Debentures (PAMCO23DA)	Fixed interest rate 2.09% per annum	December 2023	THB 2,000 million
4. Senior-secured Debentures (PAMCO23105A)	Fixed interest rate 1.30% per annum	January 2023	THB 500 million

1.6 Dividend Policy

The Bank's Policy

The Bank has set out a policy on the dividend payment from financial statements (Bank only). The dividend payment is subject to the Bank's operating performance, the long-term benefits to the Bank's shareholders, the Bank's capital adequacy and reserve requirements, the relevant legal conditions, and BOT's Notification. In addition, the dividend payment must comply with the Bank's Articles of Association number 43, which states that dividends shall not be paid other than out of profits, and if the company still has accumulated losses, no dividend shall be paid.

The Board of directors may pay an interim dividend to shareholders when it considers that the Bank has adequate profit, deems it appropriate to make the payment, and report the interim dividend payments to the shareholders at its next shareholders' meeting.

The Subsidiary Companies' Policy

Subsidiary companies' dividend payments are subject to the approval of their respective boards of directors and are to be proposed at their shareholder meetings for approval. The Bank has not set out a payment rate. Their dividend payments will depend on their operational performance and business plans, and must be complied with each company's regulations and relevant laws governing the company's dividend payment.

2. Risk Management

2.1 Overview of TMBThanachart's Risk Management

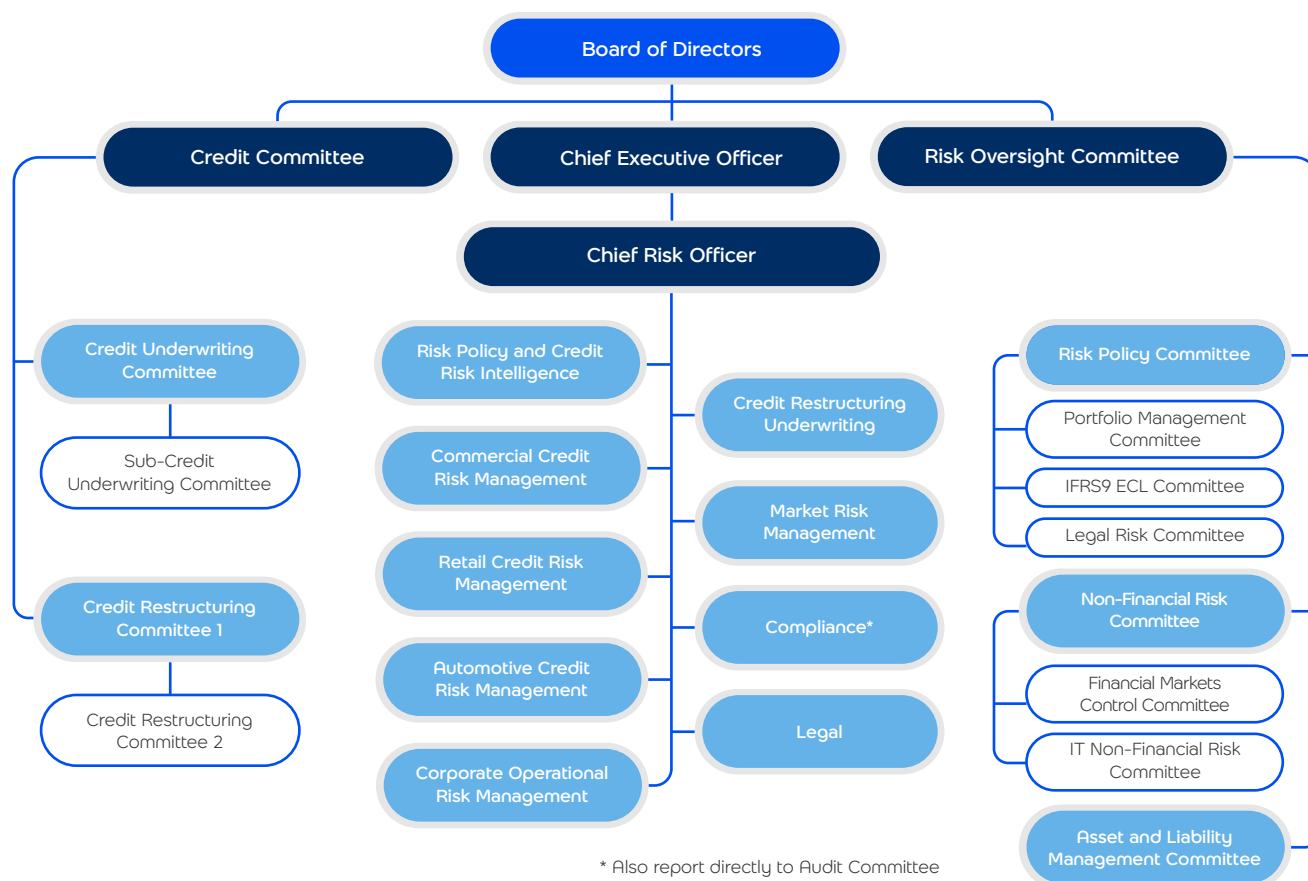
Risk management is an integral part of the Bank's business activities and strategic planning with the objective of optimizing risks and returns and creating sustainable shareholder value whilst remaining in compliance with regulatory requirements. The Bank has established a solid risk governance framework that serves as the foundation for consistent and effective risk management. The risk governance framework mainly consists of a clear risk governance structure, risk appetite, risk management policies, consistent risk management processes, and an embedded risk culture. All of this translates into a straightforward risk management strategy in which:

- Products and portfolios are structured, underwritten, priced, approved, and managed appropriately and within established risk appetites;
- Compliance with internal and external regulations and guidelines is monitored continuously;
- Our risk profile and risk appetite are transparent and consistent;
- Delegated authorities are consistent with the Bank's overall strategy and risk appetite;
- Communication with internal and external stakeholders on risk management and value creation is transparent.

2.1.1 Risk Governance Structure

The Bank maintains a risk governance structure that is intended to strengthen risk management by ensuring that risk-taking authorities are properly cascaded down from the Board to the appropriate committees and functional levels. Risk issues and the changing regulatory and business environment are managed in an efficient and effective manner. To maintain the independence of the Compliance function, Compliance has a dual reporting line to both the Audit Committee and Chief Risk Officer.

The Bank's Risk Governance Structure



The Board of Directors (BoD) holds the ultimate responsibility for overall risk management and delegates authorities to committees as follows:

The Risk Oversight Committee (ROC) is appointed as a sub-committee of the Board, with clear roles and responsibilities as delegated by the Board. The Risk Oversight Committee's role is to fulfill its oversight responsibilities in relation to the Bank's risk governance framework and to ensure alignment of that framework with the Bank's overall governance framework. To that end, the Risk function, on a quarterly basis, compiles a Quarterly Oversight Risk Dashboard that combines key insights from all risk areas into one overview, which enables the ROC to perform its activities.

The following risk committees oversee specific risk areas and hold the responsibility to ensure that each risk area is well-managed in alignment with overall risk management.

- 1. Risk Policy Committee:** Ensures that credit risk is adequately controlled via a complete and up-to-date set of policies, guidelines, frameworks, standards, risk appetite, delegations of authority, procedures, and models. In addition, the committee ensures that all inherent risks directly related to credit products and programs are properly addressed, reported, and where possible mitigated.
- 2. Portfolio Management Committee:** Ensures that the portfolio performance is on track and properly managed to meet both Business functions and Risk functions strategic short and long-term goals.
- 3. IFRS9 ECL Committee:** Considers and approves the level of provisions under the IFRS9 guiding principles for Expected Credit Loss and also considers and approves the management overlay to ensure proper coverage of the portfolio.
- 4. Legal Risk Committee:** Considers and approves the proposed matters related to ISDA schedules and derivative agreements.
- 5. Bank Non-financial Risk Committee and IT Non-financial Risk Committee:** Oversees the adequate development and implementation of non-financial risk policies and minimum standards to ensure that the non-financial risks and IT risks of the Bank and its subsidiaries are managed efficiently with the appropriate level of granularity. To ensure sufficient attention to non-financial risk issues across the businesses, the Bank set up three Business Unit Non-financial Risk Committees for Retail, Automotive, and Commercial Banking that report to the Bank Non-financial Risk Committee.
- 6. Financial Markets Control Committee:** Serves as a cross-functional forum for business and risk management functions with a primary focus on business practices, risk, and control in the environment and end-to-end value chain of the Bank's Financial Markets activities and its product approval and review. The Financial Markets Control Committee reports to Bank Non-financial Risk Committee.
- 7. Asset and Liability Management Committee:** Assists the ROC in all matters related to asset and liability management, balance sheet management, liquidity management, and capital management.

All the risk-management-related functions are under the leadership of the Chief Risk Officer (CRO). As a member of the Bank's Chief Executive Committee (CEC) and reporting directly to the Chief Executive Officer, the CRO oversees and promotes the development and implementation of consistent bank-wide risk management. The ROC sets the CRO's annual targets and confirms his performance against these targets.

2.1.2 Risk Appetite

The Bank establishes its risk appetite by taking into account the Bank's business strategy. The Bank's Risk Appetite Statement (RAS) expresses the type and level of risk in terms of quantitative and qualitative statements that the Bank is willing to accept in pursuit of its strategic objectives and is subject to approval by the Board of Directors. The formulation of RAS ensures that the Bank does not take more risk than its capacity to incur losses allows and that the Bank's actual risk exposure is consistent with its strategic objectives. The risk exposure moving beyond risk appetite levels is timely identified and acted upon. The risk exposure is regularly monitored against risk appetite and reported to the Risk Oversight Committee and the Board of Directors through the Quarterly Oversight Risk Dashboard.

2.1.3 Risk Management Policy

The Bank establishes Risk Management Policies in compliance with the Bank of Thailand's regulatory requirements and the Bank's strategic direction. The Board of Directors is responsible for reviewing and approving the Bank's Master Risk Management Policies, which govern all key aspects of risk management. It has delegated the approval authority of underlying risk management policies, guidelines, and standards to Sub-Committees as deemed appropriate.

2.1.4 Risk Management Process

Risk Management in the Bank consists of five key risk management processes:

- 1) Risk Appetite Setting:** The Bank annually sets risk appetites for various risk types (Credit, Market, Non-financial Risk). These appetites are input for and aligned with the business planning process, are discussed in and endorsed by the relevant Sub-Committees, and ultimately approved by the Board of Directors. Actual performance is regularly measured against and reported based on these risk appetites.
- 2) Risk Identification:** The Bank classifies risks that arise in daily business activities into six key risk areas: Credit Risk, Market Risk (including but not limited to Foreign Exchange Risk and Interest Rate Risk), Liquidity Risk, Non-financial Risk (comprising Operational Risk, IT Risk, Compliance Risk including Market Conduct Risk, and Legal Risk), Strategic Risk and Reputational Risk.
- 3) Risk Assessment & Measurement:** The Bank uses different methods and tools to measure various risk types in both quantitative and qualitative aspects. In addition, the Bank also conducts Stress Testing for material risks to measure the quality and resilience of the Bank's portfolio and the Bank's capacity to absorb the impact resulting from various stress event scenarios.
- 4) Risk Monitoring & Control:** The Bank regularly monitors, controls, and mitigates risks by setting key risk indicators, risk limits, and risk appetite at the bank-wide, portfolio, product and other levels as deemed appropriate.

- 5) Risk Reporting & Communication:** The Bank regularly reports the status of various risk types covering both financial risk and non-financial risk. Actions taken/to be taken, are regularly reported to relevant parties/committees and top management on a regular basis. The risk reports cover product, portfolio, functional, and bank-wide levels.

Three Lines of Defense:

Over the last few years, the Bank has invested significantly in strengthening its risk management culture by establishing three lines of defense. In this structure, the employees in the Business Units (the 1st line of defense) identify risks, consider the impact, report if necessary, and apply appropriate risk mitigation strategies. Investments include training, tooling, processes, and policies. Risk Management units under the Chief Risk Officer perform the 2nd line of defense duties of formulating risk strategy and appetite, policies, guidelines, standards, and appropriate risk structures, as well as overseeing, monitoring, and actively challenging the risk–return trade-off in the Business units. Internal audit as the 3rd line of defense provides independent and objective assurance on the effectiveness of controls and recommends improvements to the governance, risk & control framework.

2.2 Key Risk Factors

Key risk factors that could arise from the Bank’s business operation are as follows:

2.2.1 Credit Risk

Credit risk is the risk of potential loss as a result of borrowers and/or counterparties failing to meet their financial and contractual obligations in accordance with agreed terms. It arises primarily from granting loans, undertaking contingent liabilities, and certain off-balance sheet products such as credit derivatives.

The Bank’s credit risk management objective is to optimize the Bank’s risk-adjusted return by balancing the risk /return and by building a sustainable competitive advantage by integrating risk management into business activities and strategic planning.

In recent years, the Bank has improved and continues to improve its credit risk management capabilities with investments in people, risk management governance, processes, measurement tools, and systems, including the development of an economic capital framework, improved risk measurement processes, credit assessment, and origination as well as various tools, such as IFRS9 ECL models, risk rating models, application, behavioral and collection scorecards. The Bank also established frameworks which set out credit policies, procedures, and guidelines covering the measurement and management of credit risk.

This has been achieved whilst further building a stronger credit culture within the Bank, based on a thorough knowledge of our borrowers and executed by well-trained staff according to our three lines of defense risk management framework. The Three Lines of Defense principle help us to mitigate credit risk within the Bank and consists of three principles:

- Management and staffs of the Bank's business units have primary responsibility and accountability for effectively controlling credit risks incurred by their business units (**"1st line of defense"**).
- Credit Risk Management (**"2nd line of defense"**) supports and, where necessary, interferes in the 1st line of defense's risk management activities. The risk management functions are independent of the management and staff that originate the credit risk exposures.
- Audit operation (**"3rd line of defense"**). The audit is to provide independent assurance of the design and effectiveness of internal controls over the credit risks inherent to the Bank's business performance.

2.2.1.1 Credit Risk Factors

Credit Quality

Stage 3 loans (Non-performing Loans) arise when debtors fail to repay debts according to an agreed schedule. This may lead to loss of interest income but sometimes also of the principal balance, whether in whole or in part, which thereby will affect the Bank's profitability and capital adequacy.

The Bank manages the quality of its credit portfolios by constantly monitoring and reviewing the status of our borrowers and/or counterparties, both at the individual and portfolio levels. Also, here the Three Lines of Defense (3LOD) approach is applicable: dedicated Relationship Managers monitor their Commercial Customers at an individual level. For Retail, the monitoring is performed at a portfolio level. Early warning triggers, Qualitative Risk Scores, and Behavioral Risk Level monitoring are in place to detect customers that may be moving towards an adverse stage or show further deterioration of their performance.

Dedicated Credit Restructuring teams and Credit Restructuring Committees are established to restructure problem loans in an effective manner and to provide advice on debt restructuring conditions. During the year 2022, the Bank properly provided sustainable debt relief measures to assist customers who have financial difficulties in ensuring their viability and ability to have sufficient funding and liquidity and retain their workforce. In addition, the Bank sets the framework to ensure prudent staging and provisioning for customers under these relief measures and closely monitors these customers through a monthly Modified Portfolio Dashboard.

The Bank closely monitors and reviews loan quality to ensure that the Bank has set aside adequate loan loss provisions in accordance with guidelines from the Bank of Thailand (BoT) to mitigate the impact of portfolio deterioration. Expected Credit Loss is calculated using PD (Probability of Default) based on risk level, EAD (Exposure at Default) based on loan types or debtor types, and LGD (Loss Given Default) based on collateral types.

Impairment in Value of Physical Collateral

A substantial portion of the Bank's loan portfolio is secured by physical collateral and other assets, the value of which may be affected by the overall economic condition in Thailand. For example, a downturn in the real estate market could result in the principal amount of loans secured by real estate exceeding the loan-to-value proportion compared to that at the time of origination. A decline in the value of collateral-securing loans may result in an increase in the Bank's allowance for expected credit loss. The Bank manages collateral value impairment risk through the collateral and appraisal guidelines and executes related procedures in accordance with BoT's regulations. The Bank has established a list of selection criteria for appraiser and appraisal standards to ensure compliance with BoT's regulations, professional standards, and ethics. The reappraisal frequency is driven by the level of risk measured by the borrower's loan performance. In addition, the Bank's internal appraisal function is independent of the credit approval function to ensure transparency and prevent conflicts of interest.

Credit Concentration

Concentration risk in credit portfolios is an important aspect of credit risk management. Managing concentration risk is an ongoing area of attention in the Bank's Credit Risk Management prioritization. The Bank manages and monitors credit concentration with respect to individual industries, industry clusters, countries, groups of customers, and individual customers by establishing Bank-wide Maximum Industry Limit at the individual industry level and industry cluster level, Maximum Country Exposure Limit, Single Lending Limit as per BoT's regulation and Single Exposure Limit as per internal guideline to manage both existing and potential exposures within acceptable levels to ensure appropriate diversification of the portfolio and avoid excessive credit risk exposure in the certain individual industry, industry cluster, countries, group of customers and individual customer.

2.2.1.2 Credit-related Policy

1) Policies Relevant to Staging and Provisioning

The Bank maintains a staging and provisioning framework in line with BoT's notification, which requires all banks to set up clearly defined policies and guidelines and align with the International Financial Reporting Standard 9 (IFRS9). The stage assignment is based on the customer's credit quality which can

be assessed using both quantitative and qualitative factors. Commercial loans are classified by debtors, whereas consumer or retail loans are classified by accounts separately. If customers use both types of credit, the loans are classified by debtors based on the worst of all accounts. The Bank sets aside provisions based on the Expected Credit Loss (ECL). In addition, the Bank proactively sets aside management overlay when underlying assumptions or data used to estimate ECL do not adequately reflect current circumstances at the reporting date.

2) Policy on Provision of Balance Sheet Contingent Liabilities

The Bank estimates provisions on off-balance sheet items to make appropriate provisions in line with BoT's notification regarding Classification and Provision of the Financial Institutions in the case of 1) Legal obligations that result from the Bank's activities, 2) with a high likelihood that the Bank will be liable to make (re)payment for such obligations, and 3) Obligations can be reliably estimated.

3) Policies Relevant to Stage 2 Loans (Under-performing Loans) and Stage 3 Loans (Non-performing Loans) Management

The Bank is aware that the management of stage 3 (Non-performing) and stage 2 (Under-performing) loans impact the overall bank performance. To ensure independence, the Bank set up a Special Advisory Banking Services (SABS) team (in the 1st line of defense), which together with Credit Restructuring Underwriting (the 2nd line of defense), work together towards the objective of SABS to prevent viable clients from flowing to stage 3 based on the principle of proactive advisory and fast track measures to restructure under-performing loans and convert to stage 1 – performing loans, with the objective of Credit Underwriting to ensure the quality of debt restructuring at all stages, as well as the accuracy of loan staging. SABS takes care of debtors who start underperforming on their credit facilities and fall in “Early Warning Sign (EWS)” or show a significant deterioration in their risk profile. The debtors who are classified as stage 2 require close monitoring. To be more efficient, SABS Manager will coordinate/negotiate with debtors to identify debtors' problems and to set appropriate solutions based on the nature of their problem. For example, in case of a short-term liquidity problem, the Bank may consider term extension, restructuring loan facility, and more. In case of a long-term problem such as higher competition or lower sales, the Bank may consider long-term restructuring (troubled debt restructuring, TDR) based on debt serviceability.

To comply with the policy, regulations, and procedures, Documentation Team and Legal Team will coordinate with the SABS team to prepare any document or agreements to capture any such arrangements properly. To monitor the implementation, the Monitoring Team will closely follow up on all actions related to contracts by working along with SABS to ensure that the risk is controlled until the accounts are converted back to normal.

For stage 3 and to set Debt Restructuring Plans which comply with the Bank's Policies and Regulations, Special Advisory Banking Services will work with the Legal Team to establish an appropriate plan before negotiating with Debtors, In order to manage the size of stage 3 effectively, the Bank may sell or write off stage 3 exposures that are not expected to be able to finalize Debt Restructuring Plans, by portfolios or on a case by case basis.

2.2.2 Market Risk

Market risk is defined as the potential loss due to changes in the price of market parameters. The main parameters are interest rates, foreign exchange (FX) rates, equity, and commodity prices. For risk management purposes, the Bank has established various market risk policies, which set standards and guidelines for market risk management. The business units designated with the responsibility for market risk management accomplish this task under the standards set in the policies, while Market Risk Management independently monitors the bank-wide market risk.

The Bank controls the actual market risk exposures by setting risk limits within the Bank's risk appetite statements approved by the Board of Directors. The significant market risks are as follows:

2.2.2.1 Foreign Exchange Risk

Foreign Exchange Risk means the potential loss of earnings and/or shareholder value of the Bank resulting from changes in foreign exchange rates arising from on- or off-balance-sheet exposures in the Trading or Banking Books. The losses may arise from changes in the valuation of foreign currency positions, including losses from foreign exchange trading transactions or translations from one currency to another.

The Global Markets and International Transaction Banking (1st Line of Defense) is responsible for managing foreign exchange positions of the Bank's Trading Book. In addition, Market Risk Management (2nd Line of Defense) puts in place a framework of market risk management measures. These measures are designed to minimize any excessive risk from unfavorable changes in market conditions which may adversely affect the prices or returns on the Bank's trading portfolios related to foreign currencies, with strict risk limits on:

1. Delta: The rate of change of the position value with respect to changes in the price of an underlying asset.
2. Gamma: The rate of change of the delta with respect to changes in the price of the underlying asset.
3. Vega: The rate of change of the option value with respect to the volatility of the underlying asset.

Within these risk limits, Global Markets and International Transaction Banking are responsible for trading and managing the portfolio and optimizing the return on the funds invested. Adherence to the risk limits is monitored by the Market Risk Management.

2.2.2.2 Interest Rate Risk

Interest rate movements directly affect the Bank's earnings or economic value. Interest rate risk management is undertaken in accordance with the policy framework as approved by the Bank's Board of Directors by establishing and monitoring various risk-curbing limits such as Earnings-at-Risk limit and Economic Value of Equity. The Board of Directors delegates the Asset and Liability Management Committee (ALCO) to oversee the firm-wide structural interest rate risk to stay within the Bank's aggregated interest rate risk limit.

The Bank has adopted interest rate risk management measures to cushion the interest rate volatility, e.g., rebalancing assets and liabilities or setting of a proper mismatch by considering external and internal factors, including interest rate forecasted by the ttb analytics.

2.2.3 Liquidity Risk

Liquidity risk is the risk that the Bank fails to meet its obligations as and when they fall due as a result of an inability to liquidate assets into cash in time or is unable to raise funds deemed adequate for its operations, causing damage to the Bank. The Asset and Liability Management Committee (ALCO) is responsible for the oversight of liquidity management. The primary aim is to provide liquidity to the Bank in order to ensure that the liquidity position in both domestic and foreign currencies is sufficient for the Bank's normal operations as well as for any crisis that may arise and that the Bank's liquidity level is to exceed the minimum as required by Bank of Thailand (BoT) and comply with the risk framework and risk appetite statements approved by the Risk Oversight Committee and the Board of Directors. The Bank reviews its liquidity management plan and strategy for a normal and critical situations at least once a year or under special situations due to material changes that may impact the Bank's position. This is to ensure the alignment with the Bank's core policy, organization structure, regulations, and the ever-changing market condition. The Bank and each company in the Bank's financial business group manage liquidity risk separately.

The Balance Sheet Management is responsible for overall liquidity management, while the Global Markets and International Transaction Banking is responsible for day-to-day liquidity management. The Balance Sheet Management is also responsible for liquidity measurement, monitoring, and reporting the performance of the liquidity management to the ALCO in order to ensure the Bank's liquidity complies with the approved risk appetite statements and risk limits. Market Risk Management is responsible for identifying, monitoring, and controlling liquidity risk. The Bank has a liquidity risk management policy, which is reviewed at least once a year, or when necessary, to ensure that it is appropriate with the prevailing environment.

In order to manage liquidity, the Bank continuously monitors its funding sources and access to capital markets. The Bank recognizes the importance of holding highly liquid assets that can be quickly converted into cash or used as collateral for raising funds.

Most of the Bank's funding was mainly from deposits. The Bank's ongoing quality deposit strategy seeks to strengthen its financial position and operating results further in order to boost depositors' and customers' confidence. Meanwhile, priority is also given to liquidity risk management by maintaining the level of liquid assets, keeping abreast of risk levels on a daily and monthly basis, setting risk indicators, and taking proactive steps to contain risks at an acceptable level. In addition, the liquidity contingency plan is prepared for various crisis situations, whereby the roles of the relevant responsible units are defined, as well as funding plans and communication plans to customers, and more.

2.2.4 Non-financial Risk

Non-financial risk is defined as the risk of financial impact and non-financial impact, e.g., legal or regulatory sanctions, or reputational damage due to inadequate or failing internal processes, people, and systems, a failure to comply with laws, regulations, and standards, or external incidents.

Non-financial Risk Management at the Bank is managed through a governance structure where the Board of Directors holds the ultimate responsibility for bank-wide risk management. The Board has delegated several non-financial risk management related authorities to the Bank Non-financial Risk Committee (BNFRC) and IT Non-financial Risk Committee (IT NFRC), both chaired by the CEO, whose responsibilities are to manage the non-financial risks, and IT risks of the Bank and its subsidiaries by establishing the Non-financial Risk strategy and policies and by ensuring that they are implemented effectively at all levels with the proper degree of granularity and by overseeing any outstanding risk exposures, adequate follow-up on outstanding risk mitigation actions and the compliance with Non-financial Risk Policy and Minimum Standards.

The Bank has established 3 BUs (Retail Banking, Automotive Lending, and Commercial Banking) Non-financial Risk Committees: BU NFRC, chaired by Business Chiefs, reporting to BNFRC, to oversee non-financial risk management and control in their respective Business Units. In addition, the Bank has established PSAP Forum (chaired by CRO) to approve products and services offered to customers (excluding products and services approved by FMCC and RPC), third-party services, banking agents and insourced services, Financial Market Control Committee (FMCC, chaired by CRO) to oversee risks and controls related to Global Markets and Balance Sheet Management products and services, including the approval of related products and services, and Credit Fraud Forum (CFF, chaired by CRO) to consider confirming of credit fraud incidents, based on Investigation results and assigning follow-up actions.

Chiefs, product owners, and process owners in business units and support units, as the 1st Line of Defense, are primarily responsible and accountable for their own operational risk management and controls. Business Operational Risk Management (BORM) is part of the first line of defense and report hierarchically to the Chief of the business or support unit and functionally to the Head of CORM (to ensure independence needed for control testing activities). BORM supports Chiefs, product, and process owners in performing risk management-related activities, including RCSAs, incident reporting, and root cause analysis on incidents. BORM teams independently test controls.

The Bank has established a dedicated Corporate Operational Risk Management (CORM) function as the 2nd Line of Defense, reporting to the CRO to oversee specific non-financial risk management risks. CORM develops Non-financial Risk Management Policies (which have been approved by the Board of Directors and the Risk Oversight Committee) and ensures that the non-financial risks are properly identified, assessed, monitored, reported, analyzed, and controlled in a systematic and consistent manner. The policies provide the foundation and common infrastructure for delivering, maintaining, and governing non-financial risk management. CORM reviews the control framework and performs quality assurance (QA) on control testing by BORMs.

Compliance is the 2nd Line of Defense function, reporting to the CRO, which oversees compliance with Market Conduct regulation, PDPA, AML, CDD/KYC, and other relevant laws and regulations. Compliance developed the Compliance Policy to ensure that the Compliance risks are properly managed.

Legal and Financial Control is the 2nd Line of Defense function, reporting to the CRO and CFO, respectively, to oversee the legal risk and the financial control risk, which are also under the coverage of the non-financial risks.

Audit operates as the "3rd Line of Defense". Their mission is to provide independent assurance of the design and effectiveness of internal controls established by the first (BU/SUs) and the 2nd Line of Defense (CORM, Compliance, Legal and Financial Control) line of defense. In carrying out this work, Audit provides specific recommendations for improving the governance and the risk & control framework.

The Bank uses several tools and processes to manage operational risks, such as Risk & Control Self-Assessment (RCSA), Risk Appetite Statement (RAS), Key Risk Indicators (KRI), Incident Management, Action Tracking, Product and Service Approval Process (PSAP), Third-party Risk Management, Business Continuity Plan and Disaster Recovery Plan (BCP / DRP), and Key Control Testing (KCT). The Bank uses and implements the GRC system as a tool for incident management and response and PTA identification and to keep track of the status of the actions which come from audit and non-audit findings to ensure that they are monitored and managed efficiently by all relevant parties.

RCSA is a process that helps identify and assess key risks and controls and determine the mitigating actions. The Bank has also established KRI's at the corporate and business level to be a warning signal for all levels of management, enabling them to manage and control their non-financial risks proactively. Incident management is established to enable the detection, resolution, analysis of non-financial risk incidents, and the collection of loss data.

The RAS is determined based on strategy, objectives, and historical incident data. The RAS contains a set of quantitative and qualitative statements. The quantitative statements are measurable and are determined by the strategic priorities of the organization. The qualitative expressions of non-financial risk appetite describe the acceptable and unacceptable attitudes and behaviors of the organization as a whole. The process of measuring, monitoring, and reporting RAS is done through the non-financial risk dashboard (NFRD) on a quarterly basis which aims to promote a proactive risk management response. In case the Bank moves towards or beyond the tolerance level, the responsible units will highlight the issue during NFRD reporting on the Bank Non-financial Risk Committee (BNFRC), the Risk Oversight Committee (ROC), and the Board of Directors (BoD), management and staff are expected to take actions to bring the risk down to within its tolerance level.

To ensure that products and services are offered in a safe and responsible manner, the Product and Service Approval Process (PSAP) is established to set guidelines for the sign-off and approval of new products and services. This due diligence process ensures that the potential risks created by the new products and services are properly identified and mitigated and that the necessary infrastructure and controls are in place to support the new business.

The Bank has established its Third-party Risk Management Policy to set out the principles and standards for the effective identification of major risks created by outsourcing and the management of such risks.

The Bank has established its Business Continuity Management (BCM) Policies and Standards to provide guidance and standards for all units to develop a Business Continuity Plan. The Business Continuity Management under Information Security Office (ISO) is set up to oversee the implementation of BCM Policies and Standards and monitor and lead the coordination of group-wide BCP initiatives to raise the overall BCP / DRP readiness of the Bank.

The Bank has established the Key Control Testing (KCT) minimum standard to provide guidance and standards for all Business and Support Units in the area of mandatory control testing by BORM functions. KCT is the set of methods and processes used for the key control testing in order to keep non-financial risks related to business activities actively within the Bank's risk appetite, ensure the effectiveness of controls, and build proactive Risk Culture.

In terms of non-financial risk management at the subsidiaries, the subsidiaries have aligned with and adopted the Bank's Non-financial Risk Management Policies where applicable.

2.2.5 Reputational Risk

Reputation can be described as a strategic asset of the Bank, which is embedded in its key stakeholders' perceptions towards the whole organization, its business practices, or its employees' behaviors and cannot be transferred to and deployed by other banks and competitors.

Reputational risk can be described as the exposure incurred from unexpected incidents or unanticipated responses to the institution's initiatives, actions, and day-to-day activities, particularly the cases that catch public attention and are negative news. Unexpected incidents range from activities of rogue employees to questions regarding the suitability of sales practices, to the actions of disgruntled customers, to public regulatory sanctions - all of which can generate negative public reactions.

Unanticipated responses range from negative public reactions (including liquidity implications) based on announcements or activities of the institution to organized public activities designed to impact institutional decision-making. Those incidents and responses may result in the Bank's negative image or reduced confidence in the Bank or the Bank's products or services. Such events may negatively impact the present and future revenue and/or capital of the Bank.

Reputation is one of the impact factors described in the Non-financial Risk (NFR) Footprint, which provides the guideline on how the Bank assesses the reputational impact on the Bank's brand/image based on the non-financial risk events. Reputational risk is a key area discussed as part of RCSA activities resulting in risk statements and mitigating controls documented in control frameworks.

At the end of each year, CORM gathers information based on the GRC system looking at reputational risk identified during the year and presents the consolidated result of the reputational risk assessment to the Bank Non-financial Risk Committee (BNFRC) for acknowledgment in the 1st quarter of the following year.

The Bank is developing a climate risk framework on the basis of which the impact of climate risk on the Bank's activities and assets will, for the first time, be reported in the 2023 Sustainability Report.

2.2.6 Strategic Risk

TMBThanachart is aware of the possible strategic risk from both internal factors and external business environments that could affect strategic execution and operating outcome.

In order to manage the strategic risk, the Bank has set a performance tracking process and strategic risk control. Moreover, regular meetings of the management team and business units are held to review performance results together with remedial planning in case of target shortfalls. A strategic risk dashboard has been developed and is updated regularly to keep management informed and aware of the changing strategic risk status. A self-assessment of strategic risk is also regularly evaluated by management.

The Bank is strongly determined to maintain a high level of strategic risk management. Starting from strategic planning, organization restructuring, staffing, project implementation, performance monitoring, all must be in line with the Bank's key strategies. In addition, the strategic plan is reviewed regularly to ensure it stays relevant to the changing business environment.

2.3 Other Risk Factors

2.3.1 Risk from Economic Condition

The Bank is fully aware of economic uncertainties and puts in place a framework to manage the risks. ttb analytics, the Bank's in-house economic research unit, has played an important role in closely monitoring and assessing the economic conditions as well as cooperating with business units on regular basis. This is to ensure that the Bank's operation is resilient and ready against any unexpected uncertainties. We also provide economic and financial information as well as industry outlook for our clients.

2.3.2 Risk from Material Changes in Regulations

It is the Bank's obligation to comply with statutory rules and regulations issued by relevant authorities, e.g., the Financial Institutions' Businesses Act, Bank of Thailand's Regulations and Notifications, the Securities and Exchanges Act, the Securities Laws and Regulations as issued by the Stock Exchange of Thailand, the Securities and Exchange Commission, Life Insurance Act and Non-life Insurance Act, Office of Insurance Commission's Regulations and Notifications, the Anti Money Laundering Act, Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act and their Royal Decrees. In addition, foreign act that substantially impacts the banking industry is also in place.

Compliance has been established in which responsible for providing advice, recommendations, and opinions on various issues, cooperative with the relevant functions within the Bank in order to ensure that the Bank and its subsidiaries are in compliance with applicable statutory laws, rules, and regulations as well as the

Bank's internal policies and procedures. Substantial issues shall be escalated to the Bank's management and committees to effectively manage compliance risk.

In 2022, the Regulators who regulated Financial Institutions issued guidelines, including several regulations for Financial Institutions. The summary of the significant regulations is as follows:

The Bank of Thailand (“BOT”) has continuously issued several announcements, codes, measurements and guidelines regarding of assistance to the debtors and the business operators affected by the COVID-19 pandemic situation in order to increase liquidity and modify existing debts, such as restructuring debt for commercial debtors with multi-creditors, adding new type of loan - Transformation Loan - to support debtors' new investment in digital technology, providing green business and innovation area , adjusting holding period of Non-performing Asset (NPA) to more flexible for the case of obstruction to the sale with specified condition, promoting Commercial Bank and AMC to set up Joint Venture Asset Management Companies (JVAMCs) for manage Non-performing Loan (NPL) , regulating on Practices and Disclosure regarding Interest, Service Charges, and Penalties to more explicit and fair, and establishing code and supervision for commercial banks' financial business undertaking digital asset related business and transactions, in order to increase gradually under flexibility supervision that take into account the good governance, the adequacy of capital funds, intragroup contagion risk within the financial business group and proper consumer protection.

The Securities and Exchange Commission (SEC) has enhanced and uplifted IT security standards and established preparation and submission of omnibus account reports to protect the investor, develop mutual fund business, and set rules for the issuance and offering of SME securities.

The Office of Insurance Commission (OIC) has issued guidelines for non-life insurance brokers/ life insurance brokers regarding the sale processes from offer to post-sale, including system, method, approach to elect quality broker, sale channel, sale sheet, insurance to protect collateral, and face-to-face or e-sales.

2.3.3 Emerging Risk

Despite having a solid risk management framework, ttb's forward-looking risk management needs to cover the risk landscape that is constantly evolving due to a combination of internal and external factors. For the continued success of our business, it is important to identify these risk factors earlier to adapt accordingly. Thus, we need to identify and understand relevant internal and external threats that could undermine our profitability and growth.

Risks		Business impacts	Measures
Risks related to demographic shift	<ul style="list-style-type: none"> The standard of living increases, and the associated cost of sustaining it also increases. Aging can reduce average income per household, leading to growing financial debt due to increasing consumption. Demographic changes and/or an aging population could impact the shrinking working population, efficacy of macroeconomic policies, rising inequality, and other socioeconomic challenges. 	<ul style="list-style-type: none"> Increasing loan demand by customers who lack suitable capabilities to repay the Bank. Opportunity losses due to the digital capability gap of the elderly as the shift toward digital banking increases. 	<ul style="list-style-type: none"> The Bank is in the process of improving our mobile banking application, 'ttb touch,' to offer a wide range of products with a comprehensive ecosystem within each feature so that our customers from various backgrounds and stages of life can benefit. This is designed to improve our customers' life-long financial well-being. The Bank will further assess the financial risks related to changes in demographics to understand the underlying impacts. The Bank can diversify its portfolio to focus on investments that are not categorized as emerging risks.

Risks		Business impacts	Measures
ESG issues	<ul style="list-style-type: none"> The degree of alignment to ESG requirements could impact corporate value and reputation as public awareness of sustainability, and sustainable banking is on the rise. 	<ul style="list-style-type: none"> Investors are becoming more concerned with ESG issues. Asset value may fluctuate due to regulatory changes, e.g., CBAM, or other requirements, especially in GHG-intensive sectors or assets that are prone to physical risks related to climate change. 	<ul style="list-style-type: none"> The Bank is improving its ability to convert data into insight, and insight into the sustainable value, as an effective way to develop new revenue streams. The Bank is strengthening its ESG-related management processes to include ESG risk management and defining ESG targets (e.g., green loan and direct environmental footprint) and approaches (e.g., exclusion list and a clear timeline to exit industries with controversial, environmental, and social issues to ensure the effectiveness and advancement in sustainable banking.

Risks		Business impacts	Measures
Paradigm shift following digital finance innovation	<ul style="list-style-type: none"> Accelerated digitization and entry of non-banks, e.g., fintech, and intensifying competition where non-banks offer extensive financial services (e.g., payments, credit, wealth management, and investment services) to customers. Rapid technological change and the increased gap created by the COVID-19 pandemic also come with increased information security and protection risks. 	<ul style="list-style-type: none"> Creation of new business models, products, and services that could affect business strategy, customer experience, and market expectations. The regulation enforced by the Bank of Thailand on non-traditional financial service providers could impact the competitiveness and fairness of the playing field, depending on the degree of the regulation. 	<ul style="list-style-type: none"> The Bank is moving toward a digital-centric approach through the implementation of the Digital Transformation program. This encompasses the development of digital branding, agile organization, IT infrastructure, and data analytics. The Bank searches for suitable digital partnerships that will enhance competitive advantage by keeping up with the rapid pace of the digital era. The Bank proactively analyzes and identifies the potential risks and opportunities of technological innovations that can help us better serve value-added solutions to our customers and identify customers with high risks. Regulation plays a key role in setting well-defined and balanced requirements to create a fair and competitive playing field as well as to manage risks that stakeholders may be exposed to in the digital environment. The Bank closely monitors the changes in regulation and actively engages with regulators regarding the requirements for this topic.

2.3.4 Shareholder Risk

Shareholder risk may arise if the return on investment is not as initially expected. Returns from the investment in shares, either in the form of capital gains and/or dividend income, might not materialize. Dividend income is dependent upon the Bank's profits. Capital gains are determined by changes in TTB's share price, which is influenced by market conditions and a variety of factors.

However, The Bank provides broad guidance on its financial targets at the beginning of each year, and shareholders may face the risk that these financial targets might not be met in a particular year, which would affect both dividend and share price. However, the Bank aims to consistently maintain its operating performance and prudent risk management in order to generate sustainable returns for shareholders in the long run. Nevertheless, there are other external factors, which are beyond the Bank's control, that have the potential to affect the Bank's performance and dividend payments, e.g., domestic and global economic trends, domestic political stability, capital movements, and changes in BOT's supervision which impact banking system including the unpredictable circumstances such as COVID-19 pandemic. Hence, shareholders must be aware of all risk factors out of the Bank's control and decide on investments to suit their acceptable risk levels.

3. Steering Business Toward Sustainability

3.1 Sustainability Management Policy and Goals

TMBThanachart strives to integrate sustainability into our business practices and to ensure that our strategic objectives do not only fulfill short-term goals but also contribute to long-term sustainable growth in accordance with our philosophy and mission. Our Sustainability Framework consists of four dimensions: Business Sustainability, Environmental Sustainability, Social Sustainability, and Corporate Governance and Business Ethics.







The Bank has established sustainability-related policies, commitments, and procedures that are designed to enhance our sustainability performance to align with global best practices as follows:

- Corporate Governance Policy
- Code of Conduct
- Anti-Corruption and Bribery Policy
- Anti-Money Laundering Policy
- Gift, Entertainment, and Donation Policy
- Whistleblowing Policy
- Tax Policy
- Risk Management Policy
- Market Conduct Policy
- Customer Privacy Policy
- Environmental and Social Responsibility Policy
- Human Rights Policy
- Diversity and Inclusion Statement
- Supplier Code of Conduct
- ttb Green and Blue Bond Framework

For more policy detail, please visit

<https://www.ttbank.com/en/sustainability/policies-and-reporting/policies-and-standards>

At ttb, sustainability-related key performance indicators (KPIs) are incorporated into our corporate KPIs to drive business toward sustainable growth.

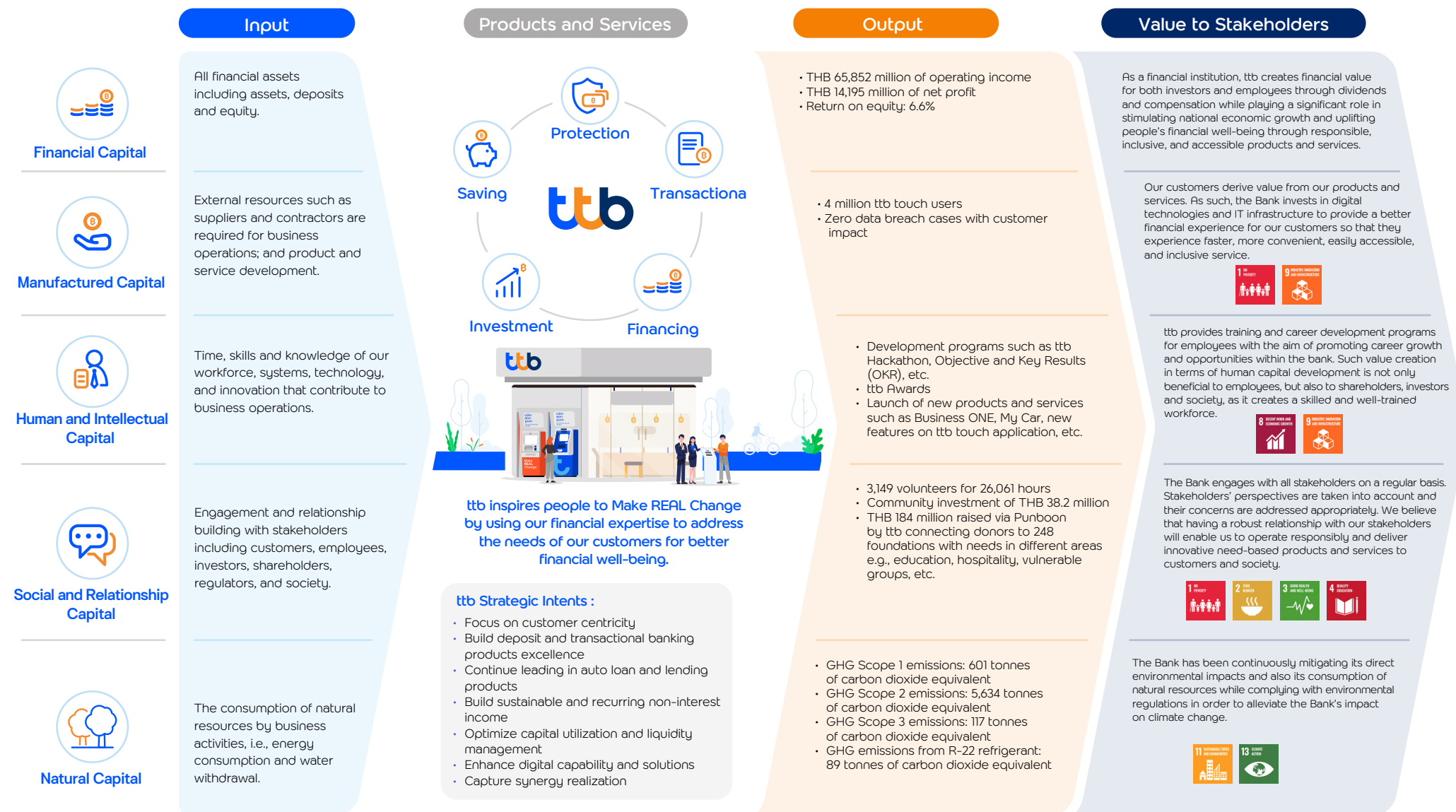
 Sustainability Framework	 2022 Key Performance Indicators	 2022 Target	 2022 Performance
Corporate Governance and Business Ethics	Good corporate governance and effectiveness of the Board of Directors	Over 93.0% of corporate governance report score	94% of corporate governance report score
	Internal audit/compliance issues posing a critical and high non-financial risk	≤ 5% overdue	0%
	Number of complaints to regulators *	50% reduction from Q4 of 2021 baseline	36% reduction for the retail segment and 40% reduction for the commercial segment
Environmental Sustainability	Green loan setup	THB 4,500 million	THB 13,110 million
	Energy and water reduction	10% compared to 2019	Energy reduction by 25% and water reduction by 37% from 2019
Social Sustainability	SME loans with positive environmental/ social impact	THB 300 million	THB 318 million
	Debt consolidation	THB 1,000 million	THB 1,606 million

* Regulators include the Bank of Thailand (BOT), the Office of Insurance Commission (OIC), The Securities and Exchange Commission, Thailand (SEC), and the Office of the Consumer Protection Board (OCPB).

3.2 Stakeholder Impact Management Within the Business Value Chain

One of ttb's purposes as a financial service provider is to make a positive impact on the wider society and the environment. Our direction and ability to create value depend on our relationships with stakeholders, business activities, and our understanding of stakeholders' needs and expectations. Thus, effective stakeholder engagement and collaboration are crucial to our ability to respond proactively to sustainability challenges, opportunities, and stakeholders' needs.

ttb value creation



Remark:

- Scope of GHG emissions reporting includes Head Office.
- GHG Scope 3 emissions are calculated from activities: business travel (fleet cars) operated by external parties, paper usage, and water consumption.

In 2022, ttb conducted a group-wide stakeholder survey to elicit relevant input from all stakeholder groups. The survey input will be used to support the Bank's materiality assessment, which is conducted every two years.

Stakeholders	Engagement approach	Needs and expectations	Response to stakeholders' interests
Shareholders	<ul style="list-style-type: none"> • Annual shareholder general meeting • Analyst meetings • Shareholder and investor roadshows • Quarterly reports • Seminars • Information disclosure via regulators' platforms • Inquiries submitted through ttb website • Investor Relations contact • Whistleblowing and complaint channel 	<ul style="list-style-type: none"> • Changes in regulatory requirements from laws and/or government agencies • Transparency and accountability of information 	<ul style="list-style-type: none"> • Disclosure of financial information and relevant documents on ttb website, https://www.ttbbank.com/en/ir
Employees	<ul style="list-style-type: none"> • Communication with HR Business Partners • Employee engagement survey • Orientation for new employees • Town Halls • Regular emails and other online communication • Whistleblowing and complaint channel 	<ul style="list-style-type: none"> • COVID-19 work protocol • Organizational culture after bank-integration • Career growth and development 	<ul style="list-style-type: none"> • Sustainability Report 2022
Customers	<ul style="list-style-type: none"> • Branches • Relationship Managers • ttb Contact Center • Online digital platforms (Facebook and ttb website) • Activities and events with customers • Whistleblowing and complaint channel 	<ul style="list-style-type: none"> • Financial assistance from the Bank to retail customers and business owners affected by COVID-19 • Products and services • Improvement of IT system's effectiveness • Quality and effectiveness of service • Privacy data management 	<ul style="list-style-type: none"> • Sustainability Report 2022

Stakeholders	Engagement approach	Needs and expectations	Response to stakeholders' interests
Partners	<ul style="list-style-type: none"> • Procurement channel • Whistleblowing and complaint channel 	<ul style="list-style-type: none"> • Enhancing workforce capabilities to prepare for business growth 	<ul style="list-style-type: none"> • Procurement channel
Competitors	<ul style="list-style-type: none"> • Banking industry activities, seminars, trainings, and events hosted by regulators and external parties • Whistleblowing and complaint channel 	<ul style="list-style-type: none"> • Driving sustainability issues that are important to the banking sector, e.g., responsible lending and investment 	<ul style="list-style-type: none"> • Sustainability Report 2022 • Disclosure of financial information and relevant documents on ttb website, https://www.ttbbank.com/en/ir
Regulators	<ul style="list-style-type: none"> • Banking sector activities, seminars, trainings, and events hosted by regulators and external parties • Whistleblowing and complaint channel 	<ul style="list-style-type: none"> • Driving sustainability issues that are important to the banking sector, e.g., responsible lending and investment • Compliance with legal requirements, e.g., PDPA 	<ul style="list-style-type: none"> • Sustainability Report 2022 • Reports submitted to the Bank of Thailand
Communities	<ul style="list-style-type: none"> • fai-fah Centers • Community Relations • Community survey • Whistleblowing and complaint channel 	<ul style="list-style-type: none"> • Creating positive change from youth and community development programs • Environmental and social risks management from the Bank's lending business 	<ul style="list-style-type: none"> • Sustainability Report 2022

3.3 Sustainability Management in the Environmental Dimension

The Bank's Environmental Sustainability dimension consists of three important aspects: responsible lending, climate finance, and environmental management.

Responsible Lending and Climate Finance

According to the principles of sustainable banking, the Bank's role in responsible lending is to facilitate capital in such a way that strengthens the economic dimension by integrating environmental, social, and governance factors into the lending process. The Bank has implemented an Environmental and Social Responsibility (ESR) Policy that establishes clear objectives and guidelines for assessing the indirect environmental and social (E&S) risks and impacts of our banking activities. The negative socio-environmental impact can be a significant source of reputational risk, leading to a decrease in asset value or even creating losses for the Bank.

The Bank aims to promote businesses that are in line with the Bank's environmental objectives under ttb's sustainable financing principle, particularly businesses that are transitioning into a low-carbon economy, promoting low-carbon resilience, and fostering environmental stewardship. The Bank has also made committed to halt the financing of new coal-fired power plant projects and exit any financing of the tobacco industry by 2023. However, this decision does not apply to the entire tobacco value chain as companies that are partially engaged in the tobacco industry, for instance, tobacco products retailers or companies that are engaged in transportation and packaging will be exempted. In addition to these initiatives, the Bank plans to disclose information in accordance with the Task Force on Climate-related Financial Disclosures or the TCFD by 2024. In 2022, ttb made substantial progress on our green lending performance with the following highlights below:

- 100% of commercial lending aligns with ESR Policy.



**13,110 million baht of green loan setup in 2022
which exceeded the target of
4,500 million baht**

- The Bank announced its commitment to reduce exposure and eventually exit coal-fired power plant projects by 2028 and tobacco in 2023.
- The Bank issued USD 100 million in green bonds and USD 50 million in blue bonds in 2022, where IFC was the investor. The Bank established the ttb Green and Blue Bond Framework 2022 in alignment with the internationally accepted International Capital Market Association (ICMA)'s Green Bond Principles (GBP) 2021 and International Finance Corporation (IFC)'s Guideline for Blue Finance, which support the future issuance of green and blue bonds when offered to investors. In 2022, S&P Global Ratings reviewed the ttb Green and Blue Bond Framework 2022, after which the organization also issued a Framework Alignment Opinion (a Second Party Opinion of the Green and Blue Bond Framework's alignment with ICMA's GBP 2021) to the Bank.

- The Bank defined the green loan eligibility criteria to be fully consistent with the ICMA's GBP 2021, where some of the requirements are based on the taxonomies of the Climate Bond Initiative (CBI)'s Climate Bonds Taxonomy (2021) and the China Green Bond Endorsed Projects Catalogue (2020 Edition, Draft for Consultation). The Bank's green loan setups in 2022 are as follows:



- The Bank is in the process of studying climate risks and impacts on lending portfolios. The strategy and action plan are expected to be established by 2023.

Environmental Management

improving the efficiency of high-energy-intensity equipment such as air conditioning, cooling systems, lighting systems, and building engineering systems, which account for over 80% of the total electricity consumed. The Bank abides by the Energy Conservation Act (2007), where employees are strongly encouraged to responsibly consume resources such as electricity, water, and paper through environmental conservation initiatives' promotion and awareness building. The Bank has established operational eco-efficiency targets to reduce 15% of the Bank's electricity and 10% of water consumption by 2026, compared to the 2019 baseline. The following list below is the key environmental performance for 2022:



- In 2022, ttb installed energy and airflow monitoring equipment to monitor and enhance energy efficiency in its buildings. The Bank continued to monitor electricity usage at peak hours and implemented an electrical plant management system. We have an AI command center to diagnose HVAC issues. We also implemented water pressure regulations in office buildings; moreover managed the water supplied to the cooling tower to improve the Bank's water-use efficiency.

- The Bank continues to promote effective waste management through waste segregation. The Bank manages paper recycling by saving recyclable paper from buildings with the cooperation of service providers, who collect paper waste to turn it into pulp for reuse. Food waste from the Head Office's food court is collected by vendors, which is then repurposed into animal feed. Hazardous waste is handled according to protocol and legal requirements. Additionally, the Bank is in the process of improving waste data collection to align with international standards.



**Greenhouse Gas Scope 2
reduced by 25%, when compared to 2019**

- 527 employees participated in one virtual basic firefighting and fire drill evacuation training course as well as online training on energy conservation, energy-saving ideas for the office and homes, and energy efficiency improvement methods for air-conditioners.

See Sustainability Report 2022 for more information and ttb's sustainability data assurance statement.

3.4 Sustainability Management in the Social Dimension

The Bank's Social Sustainability dimension consists of four important aspects: our people, social development, financial inclusion and literacy, and human rights.

Our People

Human resource management is critical for business continuity and growth of the organization such that the Bank is focused on building and strengthening workforce capabilities in order to adapt and evolve with change and uncertainty. With the ongoing COVID-19 pandemic, the Bank ensures that the well-being and safety of employees are prioritized by adhering to practices that are in compliance with related labor laws and fair treatment. The Bank's performance in 2022 related to these measures include:



**61 average training hours per employee,
compared to the annual target of 40 hours
per employee**

- All employees completed 9 mandatory training, i.e., PDPA, AML/CTPF, market conduct, deposit protection, non-financial risk management, fraud risk management, anti-corruption, cybersecurity risk awareness, and code of conduct.
- The Bank trained 74 contractors and vendors at the Head Office to promote safety awareness.

Social Development

ttb's philosophy-- "Make REAL Change," establishes how the Bank operates, from delivering the best products and services for customers to creating value for the community and society. The Bank adheres to three strategic objectives: promote youth development and well-being in Thailand, promote sustainable development initiatives for the wider society, and contribute to philanthropic activities as a good corporate citizen. All of our efforts are executed under the fai-fah program. Some of our key performances include the following:



The Bank and ttb volunteers have completed 32 projects that benefited over 41,523 communities and 6,731 youths across Thailand with a social investment value of 38.2 million baht



More than 3,149 ttb volunteers completed over 26,061 paid working hours in the fai-fah project

Financial Inclusion and Literacy

ttb's mission to assist customers in enhancing their financial well-being is through the endorsement and promotion of financial literacy and inclusion, which will reduce financial and social inequalities. The Bank authorizes loans for SMEs that generate positive social impact where proceeds are used to support the nation's health infrastructure, such as medical-related businesses, hospitals, and businesses that focus on community identity--OTOP products and products that are promoted by local authorities.

- 45 payroll companies participated in Fin live & learn program, where 3,442 of their employees received training on financial literacy programs
- 500 SME clients are engaged both offline and online via the finbiz program



The value of SME loans that made positive environmental and social impact was at 318 million baht

Human Rights

Respecting human rights is the Bank's utmost priority, particularly in our line of business, as being a financial intermediary entails human rights implications. The Bank's Human Rights Policy adheres to the Universal Declaration of Human Rights, UN Global Compact Principles, UN Guiding Principles for Business and Human Rights, and the International Labour Organization. Furthermore, as stated in our Environmental and Social Responsibility (ESR) Policy, the Bank has integrated the human rights risk management concept into our core business and lending business. The Bank's human rights risk assessment was initiated in 2019 and is conducted every three years, while the mitigation measures for high-risk issues are monitored annually. In 2022, there was no significant change regarding human rights risks and impacts. The full Human Rights Report is available on our website. The Bank will review the human rights due diligence in 2023.

See Sustainability Report 2022 for more information and ttb's sustainability data assurance statement.

4. Management Discussion & Analysis

Executive Summary

In the second half of 2022, Thai economic recovery fueled by the country reopening and tourism inflow, together with changing environment to interest rate hike cycle, was a positive catalyst for the banking sector. Still, TMBThanachart (ttb) is prudent with business operations against economic headwinds and prioritizes on proactively assisting our customers who are in need amid rising interest rate conditions. Moreover, ttb had proactively prepared initiatives such as post-merger balance sheet optimization, pre-funding long-term deposit strategy, remodeling business operation, and creating new ecosystems via a digital platform to improve both operational efficiency and revenue stream. Such initiatives were well executed and started to yield results as ttb financial performance consecutively improved throughout 2022.

For 2022, net profit rose by 35.5% YoY, backed by better operating income, improving yield on earning assets, and controllable asset quality. In terms of topline growth, NII continued to increase from a better loan mix towards a higher yield segment in retail lending, and well-managed funding cost and net fees income remained challenging. OPEX was well-contained due to cost discipline despite the business expansion. With a selective loan growth strategy to ensure the quality of the loan portfolio, the asset quality was under control resulting in a well-managed ECL level. In addition, the loan portfolio mix was shifting towards the high-yield retail segment, supported by new subsidiaries like ttb consumer and leveraging post-merger customer base, so this would be a new engine to enhance yield as we advance.

Continuously optimizing deposit mix amid interest rate uptrend with pre-funding long-term deposit strategy:

The Bank strengthened its liquidity position by balancing high-cost deposits and flagship products to optimize deposit structure and ensure the well-managed cost of deposit. As of Dec 2022, total deposits increased by 4.5% YTD to THB1,399 billion, mainly from acquiring a retail tactical TD product, namely ttb up & up, as a part of funding management to lock up rate amid a rising interest rate trend. In terms of our retail flagship products, All Free continued its growth pace by 4.8% YTD while No-fixed deposit declined by 5.1% YTD because of partly moving to TD up & up and alternative investment products during the rising rate cycle. Regarding ttb's deposit direction, the Bank will acquire more new-to-banks customers thru our flagship deposit products, while retail-TD up & up would be a key tactical product during an interest rate uptrend that helps retain wealthy customers together with ensuring a well-balanced deposit mix for better deposit cost from now on.

Conservatively expanding loans as planned with the growth towards the retail loan segment:

ttb has been selectively growing loans and focusing on a quality loan growth strategy during the pandemic. As of Dec 2022, total loans to customers increased by 0.4% YTD to THB1,376 billion, largely from retail segments. Corporate lending on a consolidated basis decreased by 8.6% YTD, due mainly to the repayment of large corporate loans, while SME loans* increased from re-segmentation. As ttb aims to gain a more fair share in the retail segment, especially consumer lending, with a clear focus on targeting customers group to ensure the quality of new booking loans, retail loans grew as planned in every product. Our flagship retail products, like auto loans and mortgage loans, continued to rise by 4.3% and 3.2% YTD respectively. Moreover, personal loans and credit cards grew at a good pace by 8.4% and 15.7% YTD, respectively, backed by a sales force from the new subsidiary, ttb consumer.

Improving operating income thanks to changes in loan mix and rising interest rate environment:

ttb's NII regained positive momentum, following policy rate hike and well-managed loan and investment portfolio, while non-NII contracted from soft net fees and service income. 2022 net interest income was reported at THB51,617 million, increasing 1.2% YoY due primarily to the loan strategy to improve yield by gearing toward retail loan space, policy rate rises, and higher investment balances. NIM slightly decreased by 2 bps YoY to 2.95% from the pressure of the pre-funding long-term deposit strategy amid the interest rate uptrend. Non-NII contracted by 2.1% YoY to THB14,236 million due mainly to net fees and service income. Our strategic fees, like bancassurance, fees maintained momentum while mutual funds remained challenging from unfavorable market sentiment. Total operating income, therefore, increased by 0.5% YoY to THB65,852 million in 2022.

Note: * SME: Small and medium SME customers with annual sales volume up to THB400 million including owner operators.

With topline growth and efficient cost management, PPOP continued to grow: In 2022, ttb reported OPEX at THB29,952 million, a 4.1% YoY decrease due to the cost discipline to ensure all expenses are well-managed amid business expansion. As a result of revenue recovery and efficient cost control, the cost-to-income ratio was in line with the guidance at 45% in 2022, improving from 48% YoY. If the purchase price allocation (PPA) impact was excluded, the ratio registered at 44%. Thus, Pre-provision operating profit (PPOP) increased by 5.4% YoY, which was recorded at THB36,169 million in 2022.

Prudent risk management and proactive assisting customers resulting in controllable asset quality: ttb tightened ECL model to ensure prudent risk management and closely monitor asset quality of loan portfolio, taking potential forward-looking risks into account. In 2022, the Bank set aside expected credit loss (ECL) and management overlay of THB18,353 million, equivalent to a credit cost of 133 bps, which declined by 14.7% YoY. Due to the market opportunity and the extra gain from AT1 partial repurchase, the Bank proactively cleaned up the loan portfolio through NPL sales and de-risked the portfolio by doing a qualitative downgrade. The stage 3 loan totaled THB41,707 million, which decreased from 2021, and the NPL ratio stood at 2.73% in 2022, which dropped from 2021 at 2.81%. However, given such manageable asset quality, asset quality figures were ended below the guidance.

After provision and tax, ttb reported THB14,195 million of net profit in 2022, which rose by 35.5% YoY and represented an ROE of 6.6%.

For the disclosure of Management Discussion and Analysis on the website, please visit <https://www.ttbbank.com/en/ir/financial-information/mda>

Analysis of Operating Performance

Analysis of operating performance for the accounting year as of 31 December 2022, in comparison to 31 December 2021, was as follows.

Figure 1: Statement of comprehensive income

(THB million)	FY2022	FY2021	YoY (%)
Interest income	65,627	64,239	2.2%
Interest expenses	14,010	13,240	5.8%
Net interest income	51,617	51,000	1.2%
Fees and service income	14,025	15,190	-7.7%
Fees and service expenses	3,634	3,941	-7.8%
Net fees and service income	10,391	11,248	-7.6%
Other operating income	3,845	3,288	16.9%
Non-interest income	14,236	14,537	-2.1%
Total operating income	65,852	65,537	0.5%
Total other operating expenses	29,952	31,219	-4.1%
Expected credit loss	18,353	21,514	-14.7%
Profit before income tax expense	17,547	12,804	37.0%
Income tax expense	3,352	2,327	44.1%
Profit for the period	14,195	10,477	35.5%
Profit to non-controlling interest of subsidiaries	0.01	2.63	-99.8%
Profit to equity holders of the Bank	14,195	10,474	35.5%
Other comprehensive income	-550	-274	N/A
Total comprehensive income	13,645	10,203	33.7%
Basic earnings per share (THB/share)	0.1469	0.1086	35.3%

Note: Consolidated financial statements

4.1 Operating income

In 2022, the Bank generated THB65,852 million of total operating income, which slightly increased by 0.5% from last year, thanks mainly to a recovery in net interest income. Net interest income increased by 1.2% from the same period last year, resulting from recovering yield on earning assets following a rising rate environment amidst conservative loan growth. In comparison, non-interest income declined by 2.1% YoY due to lower net fee and service income and gain on investments aligned with the investment portfolio management amid unfavorable market conditions. Operating expense was well-managed, which dropped by 4.1% from the same period last year. Details of the Bank's operating performance were as follows.

Figure 2: Net interest income

(THB million)	FY2022	FY2021	YoY (%)
Interest income	65,627	64,239	2.2%
Interest on interbank and money market items	1,489	1,060	40.4%
Investments and trading transactions	27	66	-59.0%
Investments in debt securities	1,782	1,247	42.9%
Interest on loans	39,492	39,827	-0.8%
Interest on hire purchase and financial lease	22,834	22,034	3.6%
Others	2.5	5.1	-51.5%
Interest expense	14,010	13,240	5.8%
Interest on deposits	7,722	7,158	7.9%
Interest on interbank and money market items	482	277	74.1%
Contributions to the Deposit Protection Agency	3,279	3,240	1.2%
Interest on debt issued and borrowings	2,469	2,510	-1.6%
Borrowing fee	27	33	-16.8%
Others	30	23	31.8%
Net interest income (NII)	51,617	51,000	1.2%

Note: Consolidated financial statements

Interest income

As of 31 December 2022, the total interest income of the Bank and its subsidiaries was THB51,617 million, which increased by 1.2% from 2021. Such increase was primarily due to recovering yield on earning assets following a rising rate environment amidst conservative loan growth. Key items are as follows.

- Interest on loans contracted by 0.8% YoY to THB39,492 million from the previous year.
- Interest on hire purchase and financial lease increased by 3.6% YoY to THB22,834 million.
- Interest on interbank and money market items rose by 40.4% YoY to THB1,489 million.
- Interest on investments in debt securities surged by 42.9 % YoY to THB1,782 million.

Interest expense

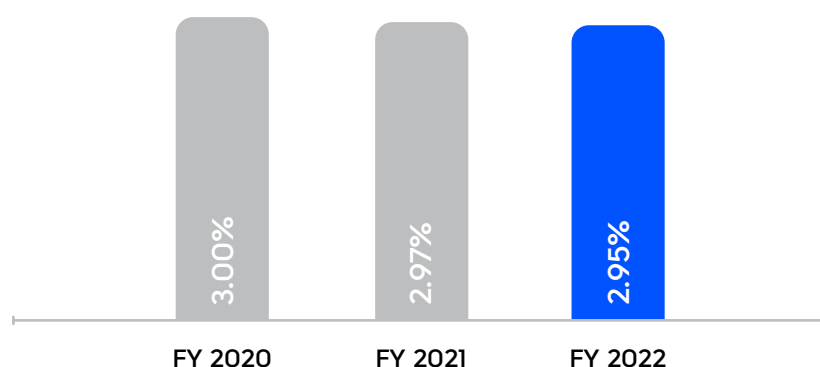
At the end of 2022, the total interest expenses of the Bank and its subsidiaries was THB 14,010 million, an increase of 5.8% from last year, mainly owing to the pre-fund strategy by locking in a term deposit, called up & up amid rising rate environments. Details were shown below.

- Interest expense on deposits increased by 7.9% YoY to THB7,722 million.
- Interest expense on interbank and money market items increased by 74.1% YoY to THB482 million.
- Interest on debt issued and borrowing contracted by 1.6% YoY to THB2,469 million.

Net interest margin (NIM)

Net interest margin (NIM) was recorded at 2.95% in 2022, slightly decreased by 2 bps from 2.97% in 2021. Such YoY decline of NIM was due to the pressure from the pre-funding long-term deposit strategy resulting in higher cost of funds. However, the potential loan growth in the targeted segment, like retail high-yield loans supported by interest rate hike cycles and such balance sheet preparations, would help improve asset yield sustainably in the long run.

Figure 3: Net interest margin (NIM)



Note: Consolidated financial statements

Non-interest income

In 2022, the total non-interest income of the Bank and its subsidiaries declined by 2.1% YoY to THB14,236 million, due mainly to a decrease in net fees and service income and gains on investment. Key items are as follows:

- Net fees and service income decreased by 7.6% YoY to THB10,391 million, mainly attributed to lower mutual fund fees amid unfavorable market conditions, offset by an increase in auto BA and non-auto BA fees.
- Gain on investments decreased by 96.3% YoY to THB7 million from lower sales of investments aligned with the investment portfolio management amid unfavorable market conditions.
- Share of profit from investment using equity method decreased by 24.4% YoY to THB261 million.
- For other income, there was a one-time gain from the partial repurchase of additional tier 1 capital securities or AT1 in 3Q22 and 4Q22, approximately THB528 million, which was a part of funding and capital management.

Figure 4: Non-interest income

(THB million)	FY2022	FY2021	YoY (%)
Fees and service income	14,025	15,190	-7.7%
Acceptance, Aval & Guarantee	617	587	5.1%
Other fee and service income	13,408	14,603	-8.2%
Fees and service expenses	3,634	3,941	-7.8%
Net fees and service income	10,391	11,248	-7.6%
Gains on financial instrument measured at fair value through profit or loss	1,693	1,480	14.3%
Gains on investments, net	7	182	-96.3%
Share of profit from investment using equity method	261	346	-24.4%
Gains on sale of properties foreclosed, assets & other assets	336	368	-8.6%
Dividend income	174	91	91.5%
Others	1,373	821	67.2%
Non-interest income	14,236	14,537	-2.1%

Note: Consolidated financial statements

Non-interest expenses

At the end of 2022, total non-interest expenses of the Bank and its subsidiaries declined by 4.1%YoY to THB29,952 million. Key factors are as follows:

- Employee expenses contracted by 2.9% YoY to THB16,006 million because of lower employee expenses from the voluntary ER program in 1Q21.
- Premises and equipment expenses decreased by 13.5% YoY to THB4,864 million, mainly resulting from lower depreciation and utilities expense.
- Other expenses rose by 0.6% YoY to THB7,511 million, mainly owing to higher selling and marketing expenses, offset by lower software expenses and professional fees.

Figure 5: Non-interest expenses

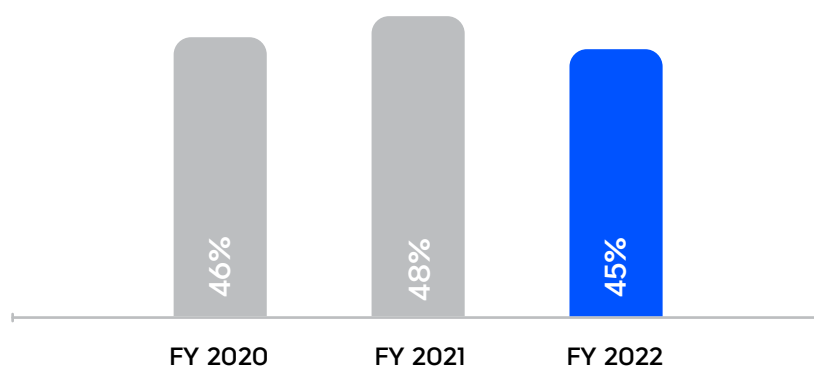
(THB million)	FY2022	FY2021	YoY (%)
Employee expenses	16,006	16,480	-2.9%
Directors' remuneration	60	74	-18.9%
Premises and equipment expenses	4,864	5,622	-13.5%
Taxes and duties	1,510	1,573	-4.0%
Other expenses	7,511	7,470	0.6%
Non-interest expenses	29,952	31,219	-4.1%

Note: Consolidated financial statements

Cost-to-income ratio

For 2022, the cost-to-income ratio was 45%, which decreased from 48% in the same period last year. The C/I ratio ended within the guidance and improved from the previous year thanks to cost-saving synergy realization and cost discipline, while the topline also started to recover after the prolonged pressures from the pandemic. In the long run, the key drivers to achieve the C/I ratio aspiration are still cost-discipline and revenue-boosting from potential growth in our selected business area and leveraging digital capabilities.

Figure 6: Cost-to-income ratio



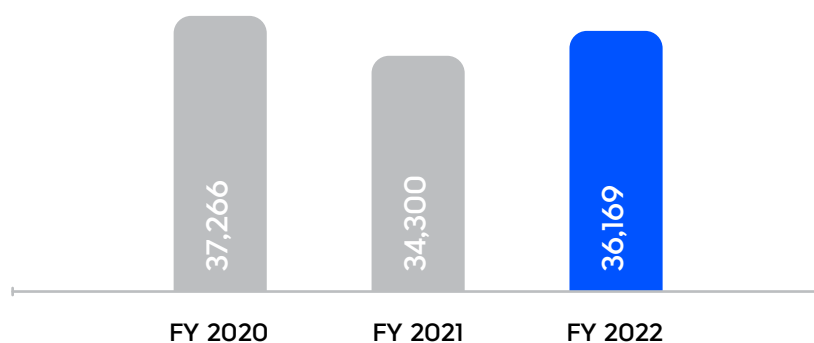
Note: Consolidated financial statements

Pre-provision operating profit (PPOP)

The pre-provision operating profit of the Bank and subsidiaries was THB36,169 million, which grew by 5.4% YoY.

Figure 7: Pre-provision operating profit (PPOP)

THB million



Note: Consolidated financial statements

Expected credit loss (ECL)

The prolonged economic headwinds from COVID-19 gave a challenge to asset quality management. The Bank has maintained a prudent approach, closely monitored asset quality with a prudent ECL model, and considered forward-looking risks through Management Overlay.

In 2022, ECL amounted to THB18,353 million, a decrease of 14.7% YoY. Such ECL level reflected the Bank's prudent risk management model, took economic headwinds into account, and complied with the BoT's guidelines. However, the level was not elevated compared to last year because of the proactively front-loaded provision during the COVID-19 pandemic and more well-managed asset quality.

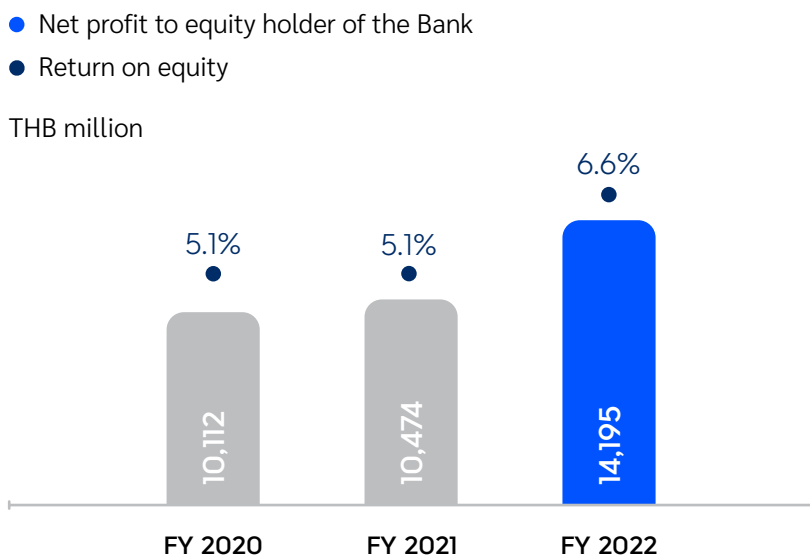
Profit before income tax

The Bank and its subsidiaries recorded a profit before income tax at THB17,547 million, which increased by 37.0% compared to the previous year. Income tax expense in 2022 was THB 3,352 million, an increase of 44.1% YoY.

Net profit to equity holders of the Bank

After provision and tax, net profit to equity holders of the Bank in 2022, net profit was reported at THB14,195 million, which rose by 35.5% YoY and represented an ROE of 6.6%, improved from 5.1% in 2021.

Figure 8: Net profit and Return on equity (ROE)



Note: Consolidated financial statements

4.2 Financial Position

The Bank strengthened its liquidity position by balancing high-cost deposits and flagship products to optimize deposit structure and ensure the well-managed cost of deposit. In parallel, the Bank has been selectively growing loans and focusing on a quality loan growth strategy during the pandemic. In addition, ttb tightened the ECL model to ensure prudent risk management and closely monitor the asset quality of the loan portfolio, taking potential forward-looking risks into account. Key areas of 2022 financial position are as follows.

Figure 9: Selected financial position

(THB million)	Dec 22	Dec 21	YTD (%)
Cash	15,506	16,011	-3.2%
Interbank and money market items, net	187,563	158,873	18.1%
Financial assets measured at fair value through profit or loss	1,533	1,421	7.9%
Derivative assets	10,376	6,913	50.1%
Investments, net	211,432	180,229	17.3%
Investments in subsidiaries and associate, net	8,574	8,620	-0.5%
Total loans to customers**	1,376,118	1,371,304	0.4%
Add accrued interest receivables and undue interest receivables*	7,777	7,369	5.5%
Less allowance for expected credit loss	57,390	54,472	5.4%
Less allowance for doubtful accounts & revaluation allowance for debt restructuring	0	0	N/A
Total loans to customers and accrued interest receivables, net	1,326,505	1,324,201	0.2%
Properties for sale, net	12,152	8,626	40.9%
Premises and equipment, net	19,788	21,625	-8.5%
Goodwill and other intangible assets, net	22,890	22,819	0.3%
Deferred tax assets	830	9	9,227.6%
Other assets, net	9,131	8,822	3.5%
Total Assets	1,826,279	1,758,170	3.9%
Deposits	1,399,247	1,339,195	4.5%
Interbank and money market items	84,770	84,966	-0.2%
Financial liabilities measured at fair value through profit or loss	438	437	0.3%
Debts issued and borrowings, net	59,644	68,398	-12.8%
Deferred revenue	17,950	19,165	-6.3%
Other liabilities	45,222	35,173	28.6%
Total Liabilities	1,607,271	1,547,334	3.9%
Equity attributable to equity holders of the Bank	219,006	210,835	3.9%
Non-controlling interest	1	1	0.3%
Total equity	219,008	210,836	3.9%
Total liabilities and equity	1,826,279	1,758,170	3.9%
Book value per share (Baht)	2.26	2.18	3.7%

Note: Consolidated financial statements

* For credit impaired loans to customers and accrued interest are presented net from allowances for expected credit loss.

** Reclassified HP subsidy income as part of loans to customer in 2021.

Assets

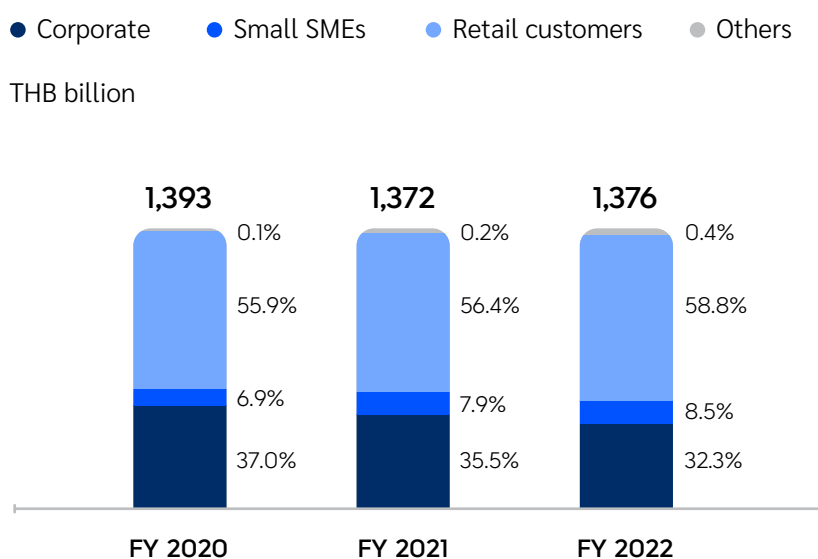
As of 31 December 2022, total assets on a consolidated basis were THB1,826,279 million, increased by 3.9% YTD. Details are as follows.

1) Total loans to customers

As of Dec-22, The Bank recorded total loans to customers (less deferred revenue) on a consolidated basis of THB1,376,118 million, which increased slightly by 0.4% YTD. The conservative loan growth was aligned with the Bank's direction to selectively grow quality loans and change the loan mix towards high-yield retail space. Details are as follows:

- Retail lending on a consolidated basis increased by 5.0% YTD with growth in every product line. The flagship products, namely mortgage loans, continued to grow by 3.2% YTD, and hire purchases (HP) rose by 4.3% YTD as new bookings regained positive momentum following revitalized mobility and economy. Moreover, consumer lending continued to gather stream due to the effort to leverage post-merger group restructuring and a larger existing customer base. As a result, personal loans grew by 8.4% YTD, while credit cards rose by 15.7% YTD.
- Corporate lending on a consolidated basis contracted by 8.6% YTD. Such decline was mainly due to repayment of large corporate loans.
- SME segment (Small and Medium SME) increased by 7.5% YTD due to re-segmentation since 1Q22. However, the Bank still focuses on de-risking weak loans and improving risk-adjusted return by expanding the loan portfolio toward high-yield retail segments, targeting customer segment to enhance asset yields.

Figure 10: Total loan breakdown by segment



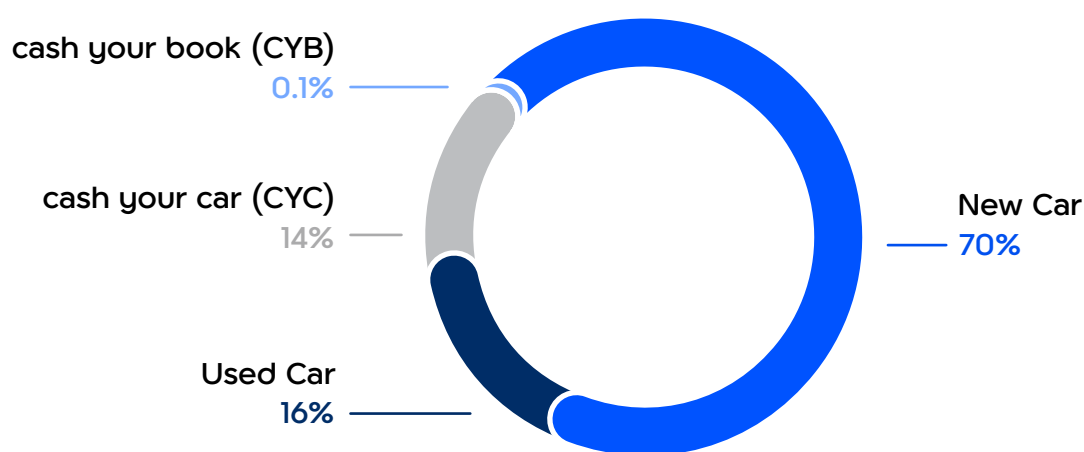
Note: Consolidated financial statements

In terms of loan breakdown by customer segments, the loan portfolio has diversified and shifted to the retail segment since the merger. As of 31 December 2022, retail loans accounted for 60%, corporate loans were 32%, and SMEs were 8% of the total portfolio.

In terms of key products, 30% of total loan was hire purchase, followed by mortgage of 23%, term loan of 19%, working capital (OD) of 16%, trade finance of 6%, unsecured & credit card of 5%, and others 1%, respectively.

As of 31 December 2022, the Bank's HP portfolio consisted of new cars at 70%, used cars at 16%, cash your car (CYC) at 14%, and cash your book (CYB) at 0.1%, respectively.

Figure 11: Hire purchase portfolio breakdown



Note: Consolidated financial statements

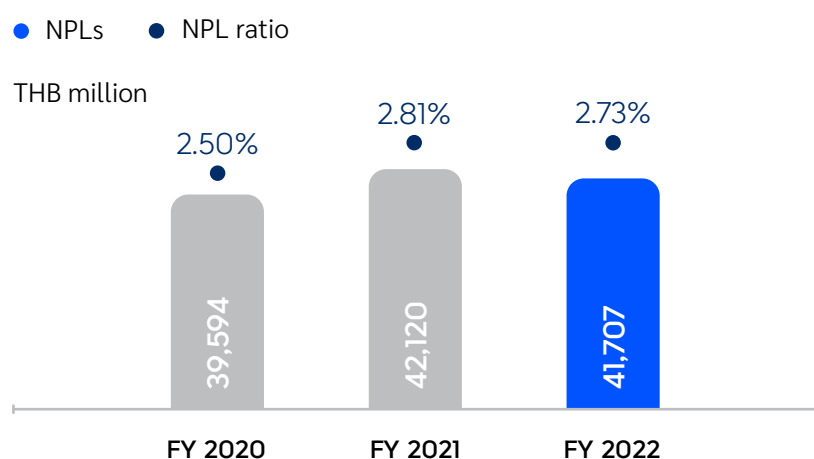
Stage 3 loans/Non-performing loans (NPLs) and NPL ratio, excluding accrued interest receivables:

According to the new accounting standard under TFRS9 implemented on 1 January 2020, non-performing loans are classified as stage 3.

As of 31 December 2022, Stage 3 loans (NPLs), excluding accrued interest receivables on a consolidated basis, were reported at THB41,707 million, which decreased from THB42,120 million as of December 2021. Stage 3 loans (NPLs) on a bank-only basis amounted to THB37,208 million, decreased from THB41,368 million as of 31 December 2021. As the Bank continuously monitored the NPLs situation and managed NPL resolution through stringent risk management together with considering market opportunity, we tried to clean up the NPL portfolio and prepare headroom for any future downside risk.

As of 31 December 2022, the NPL ratio on a consolidated basis was recorded at 2.73%, well-contained, and continuously dropped from 2.98%, a COVID-19 peak level in 3Q21, and 2.81% at the end of December 2021. Meanwhile, the NPL ratio on a bank-only basis stood at 2.44% compared with 2.76% at the end of December 2021. Overall, the NPL level remained quite flat due to our qualitative downgrade and conservative loan growth as we implemented more tightened loan staging criteria. However, stage 3 ratio was ended below the guidance.

Figure 12: Stage 3 loans (NPLs) and NPL ratio



Note: Consolidated financial statements

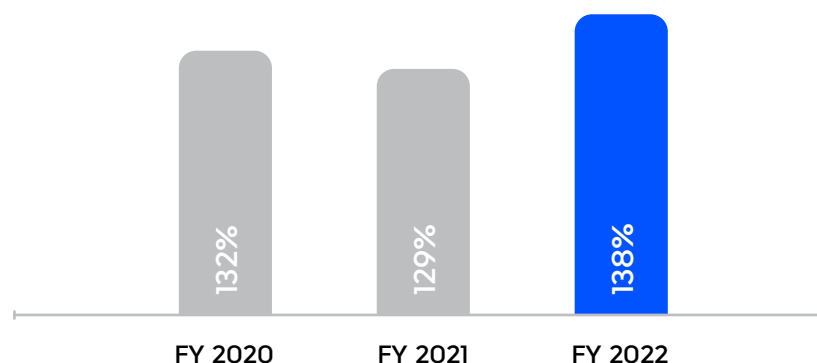
Allowance for expected credit loss

As of 31 December 2022, the Bank and its subsidiaries reported the allowance for expected credit loss at THB57,390 million, which increased by 5.4% YTD. Given the current unfavorable economic conditions and the prolonged COVID-19 pandemic, the Bank remains prudent in setting provisions and proactively reviews and sets aside management overlay to cover both the Probability of Default (PD) and Loss given default (LGD) shift. Moreover, the Bank closely monitors customer's payment ability to reflect actual behavior in ECL model and promptly offers further assistance to those in need. The allowance for expected credit loss was set at a prudent level, preparing for future uncertainties.

Coverage ratio

Coverage ratio on a consolidated basis was recorded at 138%, which increased from 129% as of Dec-21. The Bank consistently maintained a coverage ratio at a prudent level.

Figure 13: Coverage ratio



Note: Consolidated financial statements

2) Interbank and money market

As of 31 December 2022, Net interbank and money market items increased by 18.1% YTD to THB187,563 million. The increase was in accordance with liquidity management.

3) Investment

Under TFRS9, investment items are classified into three categories; fair value through profit and loss (FVTPL), fair value through other comprehensive income (FVOCI), and measured at amortized cost. As of 31 December 2022, investments were classified as follows.

Figure 14: Net Investment

(THB million)	31 Dec 22	31 Dec 21
Financial assets measured at FVTPL	1,533	1,421
Investments in debt securities measured at amortized cost	49,106	-
Investments in debt securities measured at FVOCI	159,470	177,339
Investments in equity securities measured at FVOCI	2,856	2,890**
Net Investment*	211,432	180,229
Total Investment	212,965	181,650

Note: Consolidated financial statements

* Net investments comprised of investments measured at amortized cost and measured at FVOCI

** Included 10% share acquisition in Thanachart Insurance PCL and Thanachart Securities PCL

4) Properties for sales

As of 31 December 2022, net properties for sale rose by 40.9% YTD to THB12,152 million, mainly due to the asset warehousing initiative.

Liabilities

As of 31 December 2022, total consolidated liabilities were THB1,607,271 million, which increased by 3.9% YTD. Details of key figures are as follows:

1) Deposits

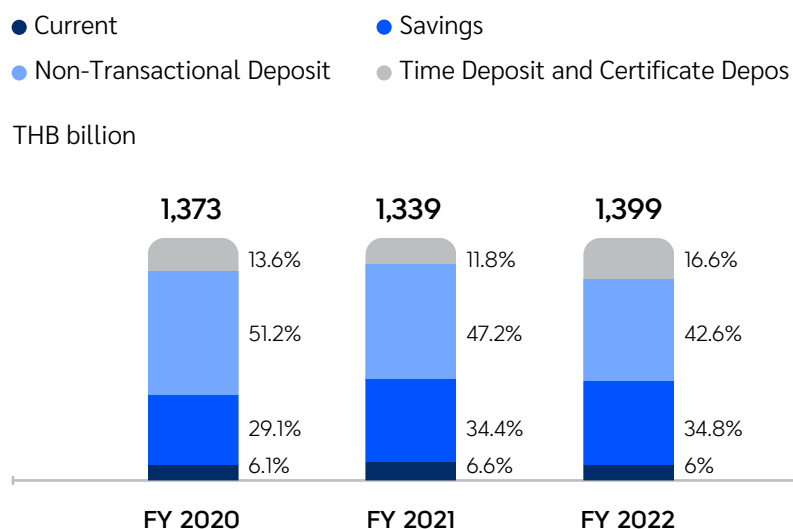
As of 31 December 2022, the Bank and its subsidiaries reported total deposits on a consolidated basis of THB1,399,247 million which increased by 4.5% from the end of 2021. Such increase was thanks to both commercial and retail deposits.

ttb continued to optimize the deposit structure to strengthen the liquidity position of the Bank, along with balancing high-cost deposits and our flagship products, like No-Fixed and All Free, to ensure well-managed deposit costs. Due to the interest rate uptrend, ttb continued strategically pre-funding long-term funding base thru Time Deposit (TD) product called “up & up” to lock up the rate. As a result, TD increased by 46.8% YTD and accounted for 17% of the total deposit.

Retail deposit growth improved by 2.6% YTD. During the rising rate cycle, we continued to see the movement from No-fixed to higher-yield products, like TD and alternative investment products. No-Fixed dropped by 5.1% YTD, while All Free increased by 4.8% YTD. However, All Free and No-fixed deposits remained the key flagship products of ttb with competitive features that help acquire new-to-bank customers and capture cross-selling opportunities. At the same time, retail-TD up & up would be another key tactical product that helps retain customer relationships, especially existing wealth customers, by offering competitive interest rates. In terms of commercial deposit, it also increased by 8.8% YTD thru CASA products.

As of December 2022, the retail deposit proportion represented 73%, and commercial deposits represented 27% of the total. In terms of deposit structure, the ratio of non-transactional deposits to total deposits was reported at 43%, while transactional deposits (CASA-excluded No-Fixed and ME Save) accounted for 40%, and Time Deposit and Certificate Deposits accounted for 17%, respectively.

Figure 15: Deposits breakdown by products



Note: Consolidated financial statements

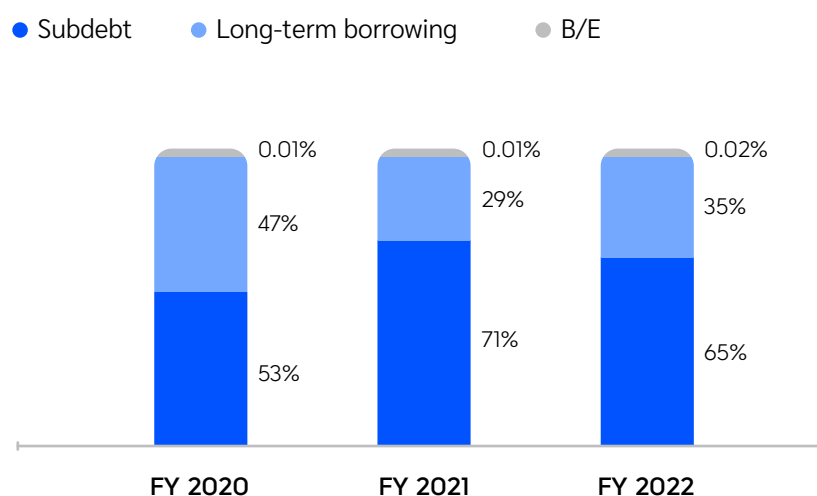
“ttb No Fixed” and “ME” are classified as savings account as they are not required to maintain a minimum balance and have no restriction to the term of deposit, presented in this graph as a non-transactional deposit.

2) Borrowings

As of 31 December 2022, total borrowings of the Bank and its subsidiaries recorded at THB59,644 million, which declined by 12.8% YTD. Such decline was mainly due to the partial repurchase of additional tier 1 capital (AT1) in alignment with the Bank’s capital management.

In terms of borrowing structure, 65% was sub-debt, followed by senior debentures of 35% and BE of 0.02%.

Figure 16: Borrowings breakdown



Note: Consolidated financial statements

3) Interbank and money market

Net interbank and money market items slightly declined by 0.2%YTD to THB 84,770 million, mainly due to the Bank's liquidity management.

Shareholder's equity

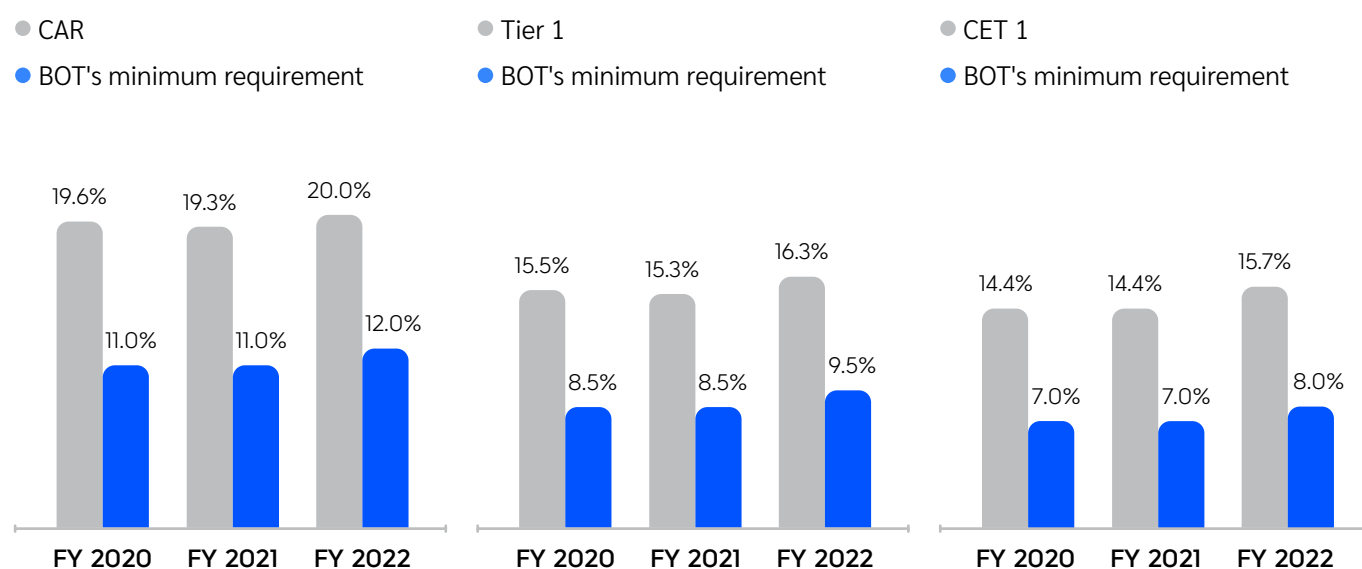
As of 31 December 2022, the consolidated equity was THB219,008 million, increased by 3.9% YTD mainly due to the accumulation of the net profit offset with dividend payments in 2Q22 and 3Q22.

4.3 Liquidity and Capital adequacy

The Bank has always ensured sufficient liquidity position, indicated by a Liquidity Coverage Ratio (LCR) of 184% as of 31 December 2022, which improved from 172% in 2021, and this level is well above the BOT's minimum requirement at 100%.

The Bank consistently ensures a robust capital base. As of 31 December 2022, Capital Adequacy Ratio (CAR) on a consolidated basis under Basel III calculation was at 20.0%, while Tier 1 ratio and CET 1 ratio stayed at 16.3% and 15.7%, respectively. Such levels were well above the Bank of Thailand's minimum requirement (including conservation buffer and the D-SIBs buffer) of 12.0%, 9.5%, and 8.0% of CAR, Tier 1 ratio, and Core Tier 1 ratio, respectively.

Figure 17: Capital adequacy



Note: Consolidated financial statement

For the disclosure of full details of capital under BASEL III, please visit the investor relations webpage at <https://www.ttbbank.com/en/ir/financial-information/pillar3>

4.4 Total modified loan portfolio

As the Bank's has proactively assisted customers affected by COVID-19 situation through the debt relief program to ensure that they received proper assistance and could sustainably service their debts, the debt relief portfolio has decreased over time on the expiry schedule. Currently, the debt relief was migrated to a comprehensive debt restructuring program, and the Bank continues to give appropriate aid to customers amidst the rising interest rate environment.

As of December 2022, ttb's total modified portfolio (which included legacy restructured loans (before COVID-19) and all types of modified loans under the debt restructuring program) was at 12% of total loans, which decreased from 16% as of December 2021. Under the modified portfolio, approx. 8% of total loans were lightly modified terms comparable to the BoT's orange scheme, and approx. 4% of total loans in a deep modification comparable to the BoT's blue scheme.

4.5 Driving business for sustainability

TMBThanachart Bank firmly strives to integrate sustainability into the Bank's business practices and strategies not only to achieve a robust financial commitment but also to contribute to long-term sustainable growth delivered to all stakeholders. With our ingrained 'Make REAL Change' philosophy in mind, we fully leverage our great potential post-merger to develop quality and holistic financial solutions and services, aiming to truly improve customers' financial well-being across all dimensions through our four fundamental pillars, namely, Mindful Spending & Start Saving, Healthy Borrowing, Investing for Future, and Sufficient Protection as well as Financial Literacy and Inclusion. Thus, customers would equip with proper financial solutions at each stage of life and pursue better well-being.

In parallel, the Bank has continuously adhered to and placed a high priority on prudent business undertaking in an environmentally responsible and ethical manner through several aspects, including responsible lending and sustainable finance. At TMBThanachart, we have the Environmental and Social Responsibility (ESR) Policy embedded in our responsible lending, which would enhance lending criteria to carefully assess environmental and social issues, particularly our respect for human rights and the need to address the challenges of climate change. The ESR Policy also includes an Exclusion List consisting of 27 business activities with controversial impacts on the environment and/or society, such as coal-fired power plants, oil sand, coal mining/exploration, trade in wildlife and/or wildlife products, and tobacco that must be screened out and will not be financed by the Bank.

Along with our support for customers and society on the decarbonization journey, we acknowledge the crucial role of a financial institution to help facilitate financial resources and influence businesses to shift towards sustainability. The Bank has pioneered and actively promoted sustainable finance through green and blue bonds. TMBThanachart was the first commercial bank in Thailand to issue the USD 60 million green bond in 2018 and the USD50 million blue bond in 2022, as well as the second green bond in 2022 at USD100 million where International Financial Corporation (IFC), a member of the World Bank Group, was the sole investor of all the bonds. Apart from this, TMBThanachart Green and Blue Bond Framework are established in alignment with the internationally accepted International Capital Market Association (ICMA)'s Green Bond Principles and IFC Guidelines for Blue Finance to ensure transparency and creditability of our bonds. To this end, the Bank uses this fund to provide sustainable financial solutions, namely green and blue loans, to sustainability-related businesses, i.e., renewable energy, energy efficiency, sustainable water, and wastewater management, pollution prevention and waste management, clean transportation, green buildings, and sustainable management of natural resources. In addition, the Bank will reduce coal-fired power plant projects to zero by 2028.

For social sustainability, the Bank continued to promote financial literacy among its customers and the general public through digital platforms to enhance the provision of financial literacy, which is easy to understand and enhances financial inclusion. In 2022, the Bank financed over a billion baht under the debt consolidation program to assist Thai people and businesses in overcoming the financial crisis. In addition, the Bank also provided over THB300 million in loans to SMEs with environmental and social benefits. The Bank will contribute to laying the foundation for fair banking to help achieve a healthy equilibrium for the economy, the environment, and a society that embraces sustainability. We want to point out our long-term dedication to continuously enhancing our business responsibilities and committing to our mission to promote the financial well-being of our customers and the Thai people throughout the country.

For more details on our sustainability, visit our sustainability report:

<https://www.ttbbank.com/en/sustainability/policies-and-reporting/reporting-and-publications.>

4.6 Credit Ratings

The table below shows the credit ratings of TMBThanachat Bank assigned by Standard & Poor's, Moody's Investor Services, and Fitch Ratings as of December 2022.

Moody's Investor Services		
	International rating	Outlook
Bank Deposits	Baa1/P-2	Stable
Baseline Credit Assessment	baa3	
Senior Unsecured	(P)Baa1	

Latest Changes: In June 2020, Moody's affirmed ttb's long-term rating and revised the outlook to stable.

Standard & Poor's		
	International rating	Outlook
Long-Term Counterparty	BBB-	Stable
Short-Term Counterparty	A-3	
Senior Unsecured	BBB-	
Stand-Alone Credit Profile (SACP)	bb	

Latest Changes: In March 2021, Standard & Poor's downgraded ttb's long-term rating and revised the outlook to stable.

Fitch Ratings		
International rating		Outlook
Long-Term IDR	BBB	Stable
Short-Term IDR	F2	
Senior Unsecured	BBB	
Viability Rating	bbb-	
Support Rating Floor	BBB	
Support Rating	2	
National rating		
Long-Term	AA+ (tha)	
Short-Term	F1+(tha)	
Subordinated Debt	A (tha)	

Latest Changes: In September 2021, Fitch Ratings upgraded ttb's Long-term IDR and Support Rating Floor with a stable outlook.

5. General Information and Other Significant Information

5.1 General Information

Company Information

Name of the Company	TMBThanachart Bank Public Company Limited Security's symbol "TTB"
Nature of Business	Commercial bank's businesses in accordance with Financial Institutions Businesses Act and the businesses concerning financial services under the permission of the Ministry of Finance, the Bank of Thailand, and other parties concerned.
Head Office	3000 Phahon Yothin Road, Chomphon, Chatuchak, Bangkok 10900
Registration No.	0107537000017
Telephone	02-299-1111
Contact Center	1428
Website	https://www.ttbbank.com

Other Referral Parties

1. Share Registrar	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Tel 02-009-9999
2. Auditors	<div> Mr. Waiyawat Kosamarnchaiyakij or Ms. Pantip Gulsantithamrong or Mrs. Wilai Buranakittisophon or Mr. Chokechai Ngamwutikul </div> <div> CPA Registered No. 6333 CPA Registered No. 4208 CPA Registered No. 3920 CPA Registered No. 9728 </div> <div> KPMG Phoomchai Audit Ltd. 50th Floor, Empire Tower, 1 South Sathorn Road, Yannawa, Sathorn, Bangkok 10120 Tel 02-677-2000 </div>

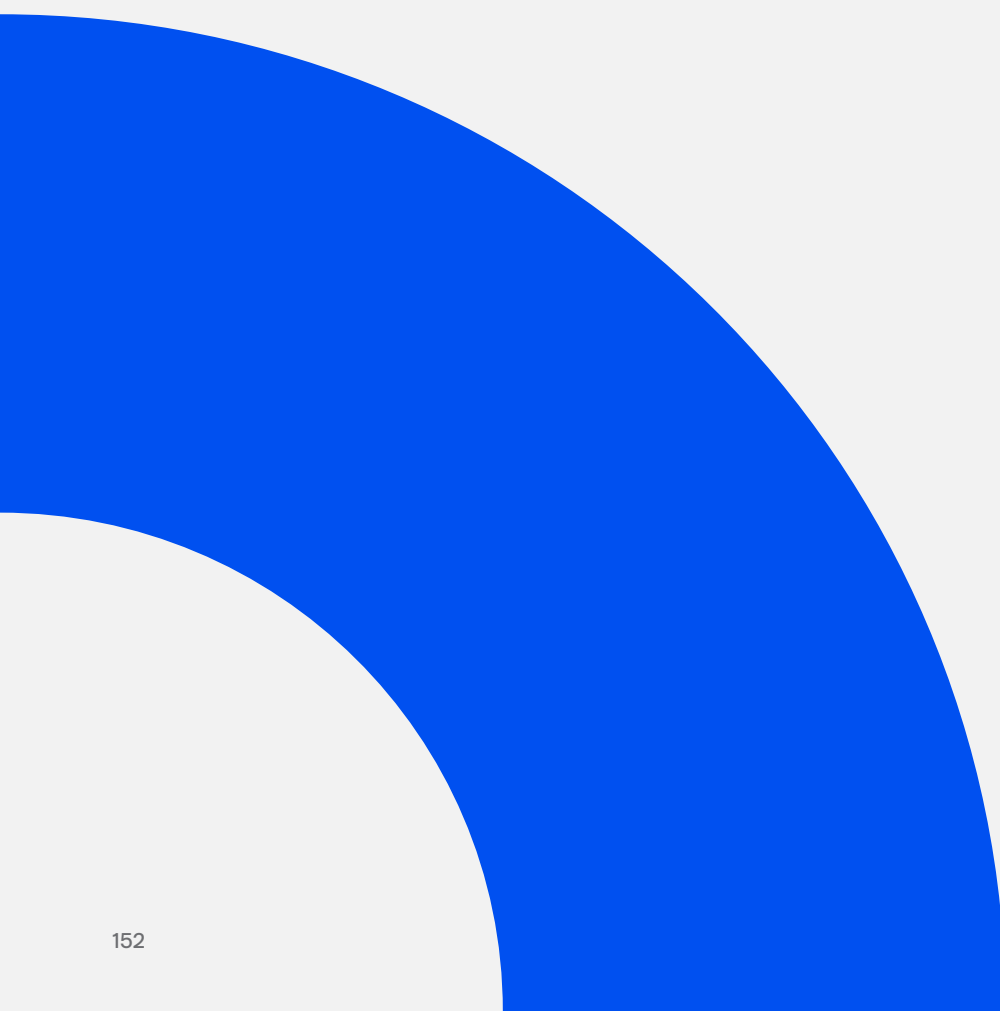
5.2 Transactions Relating to Investment

The Bank was imposed the regulatory fine by the BoT and the SEC, as detailed below.

Year	Regulatory Fine
2017	None
2018	<ul style="list-style-type: none">• The Bank of Thailand has fined the Bank according to the Financial Institutions' Businesses Act B.E.2551 Section 60, amount of 2,128,125 Baht, and Section 71, amount of 2,775,000 Baht.• The Securities and Exchange Commission has fined the Bank according to section 113 of the Securities and Exchanges Act B.E.2535 amount of 832,000 Baht.
2019	<ul style="list-style-type: none">• The Securities and Exchange Commission has fined the Bank according to section 113 of the Securities and Exchanges Act B.E.2535 amount of 4,254,000 Baht.
2020	None
2021	None
2022	None

5.3 Legal Disputes

On December 31, 2022, TMBThanachart Bank did not have an unsettled legal dispute which has the potential to negatively impact its assets, as the claimed amount is worth over 5% of net equity according to the Bank's financial statements.



Section 2

Management and Corporate Governance

Corporate Governance Policy

Corporate Governance Structure

Corporate Governance Report

Internal Control and Related Party Transactions

6. Corporate Governance Policy

6.1 Corporate Governance Policy Framework

The Board of Directors was well aware of the importance and benefits of Good Corporate Governance and thereby set out the written Corporate Governance Policy in alignment with SEC's Corporate Governance Code for Listed Companies. In this regard, the SEC also incorporated the relevant regulations and the banking Industry Code of Conduct. The policy content focused on Good Corporate Governance with international standards and proper business operations with efficiency and integrity without fraud and corruption, as well as transparency and accountability to enhance the confidence of shareholders, investors, stakeholders, society, and all related parties. The Corporate Governance Policy was posted on the Bank's website <https://www.ttbbank.com/en/about-us/corporate-governance-policy> to inform the Bank's employees and the public. The mentioned policy covered the role of the Board of Directors presented on the following page:

1. Strategy and Business Target	2. Risk Management	3. Internal Control	4. Subsidiary and Associated Company Oversight
<p>The Bank executed its strategies under the concept of fostering Thais' financial well-being through the fully integrated development of digital products and services under the model "Digital First." The Board of Directors already proposed the progress to shareholders for their acknowledgment in the 2022 AGM.</p>	<p>The Board of Directors approved the revision of the overall structure of the Risk Management Policy for the entire business after integration.</p>	<p>The Board supervised the adequacy of the Internal Control for the bank-wide merged entity.</p>	<p>The Board of Directors approved the investment ratio in the subsidiary companies according to the Bank's strategy and business target. The Board of Directors also approved the representative director appointment for all subsidiaries.</p>
5. Nomination, Development, and Performance Assessment	6. Code of Conduct and Corporate Culture	7. Conflict of Interest and Inside Information	8. Anti-Corruption Oversight and Whistleblowing
<p>Regarding the election of directors to retire by rotation already proposed to the 2022 AGM, the Board of Directors considered profiles and qualifications of nominated directors to be considered for the election as stipulated in the Bank's Articles of Association, relevant regulations, and applicable laws. Such consideration also aligned with the appropriate and complete selection process and the principle of Corporate Governance.</p> <p>Moreover, the Board of Directors approved conducting annual performance assessments for directors and sub-committees and acknowledged the assessment results. The Bank applied such results to its plan for the board training for further performance enhancement.</p>	<p>The Board of Directors supervised the implementation of the Code of Conduct and policies via the regular agenda for updating the progress of corrective action of complaints and Corporate Culture.</p>	<p>The Board of Directors approved the Conflict of Interest Policy and Inside Information Policy which indicated the measurement for monitoring the directors' and management's securities' trading account during the blackout period.</p>	<p>The Board of Directors delegated to Audit Committee and Risk Oversight Committee to oversee the adequacy of the internal control implementation for corruption risk mitigation and regularly report the results of corruption risk assessments and exception cases for the Board of Directors' consideration. Risk Oversight Committee regularly received the monitoring report from Compliance Unit to proceed with the corrective action for whistleblowing and complaints cases.</p>

6.1.1 Policy and Procedure Related to the Board of Directors

1. Strategies and Goals	
Policy	Corporate Governance Policy
Process	The Board of Directors ensured that the Bank established its objectives or goals with clarity and suitability and communicated clearly to staff to drive toward an aligned direction. The Board also advocated the key objectives and goals to be reflected in staff performance in every tier to accomplish a corporate culture and ensured formulation of strategies and annual business plans in alignment with such objectives or goals as well as the annual review.
Practice	The Board monitored Management performance to ensure alignment with policies and strategies set forth.
2. Risk Management	
Policy	Corporate Governance Policy
Process	The Board was responsible for ensuring the Bank's effective risk management framework in place, including risk appetite, risk management policies and strategies, and risk management processes and systems capable of processing overall risks and covering all material risks. The system shall be efficient and able to accommodate risk management and material risk reports of the Bank, with sufficient and inclusive risk management tools and reinforcement of a risk-conscious corporate culture.
Practice	The Board had Management monitor the Bank's risks to be on an appropriate and acceptable level, with regular review of risk management processes. The Board also acknowledged risk management result reports on a regular basis.
3. Internal Control	
Policy	Corporate Governance Policy
Process	The Board was responsible for ensuring the Bank's proper internal control with effective management sufficient for the risk appetite and appropriate for job descriptions or processes and reflecting errors in a timely manner. The organizational structure shall also allow the execution of the Three Lines of Defense with independence and efficiency.
Practice	The Board monitored internal control regularly with a periodical assessment of the efficiency and adequacy of such internal control for its improvement to be more stringent and appropriate for the changing situations. The Board also acknowledged reports of internal control practices on a regular basis.

4. Subsidiary and Associated Company Oversight

Policy	Corporate Governance Policy, Consolidated Supervision Policy, and Equity Investment Policy of the Bank
Process	<p>The Board also approved oversight of companies with ttb's investment to ensure proper and stringent compliance in alignment with the dynamic situations. Companies under its oversight were categorized into four groups based on investment proportion, roles, and business models, as summarized below:</p> <ol style="list-style-type: none"> 1. Business-related and Bank's business direction supporting with more than 50% share 2. Business-related and Bank's business direction supporting with less than 50% share 3. Government/Banking infrastructure Supporting 4. Other Investment and TDR companies <p>The Board implemented oversight through three mechanisms of the Bank: (1) the Board of Directors and sub-committees, (2) Management through the Chief Executive Officer, and (3) representative directors of the Bank. Moreover, the Board specified the oversight framework to cover the five aspects as follows:</p> <ol style="list-style-type: none"> 1. Strategic Direction 2. Finance and Performance Management 3. Risk Management and Control 4. Good Governance and Sustainability 5. HR Governance <p>In this regard, the Bank reviewed (1) Corporate Governance Policy, (2) Consolidated Supervision Policy, and (3) Equity Investment Policy to align with the oversight structure of companies with ttb's investment as approved by the Board.</p> <p>Moreover, the Board's mandate was for the Bank's subsidiaries to adopt its policies, such as Inside Information Policy and Anti-Corruption Police, into practice.</p>
Practice	<p>The Bank published the structure of its business group on the website https://www.ttbbank.com/th/about-us/corporate-group-structure</p>

5. Nomination, Development, and Performance Assessment

Nomination	
Policy	Corporate Governance Policy
Process	The Nomination, Remuneration and Corporate Governance Committee reviewed and proposed the policy, criteria, and processes of candidate selection and nomination to the Board for the appointments of the Bank's directors and subcommittees' chairpersons and members, with the skills matrix taken into consideration. The Committee also reviewed policies, structure, overall practice, and remuneration within the Bank and its subsidiaries.
Practice	<ul style="list-style-type: none"> The Board of Directors annually reviews the Board structure. The Bank considered whether the directors' skill diversity remains suitable for the current business direction. The structure of the Board of Director consisted of five independent directors, eight non-executive directors, and one executive director. Check and balance between the Board of Directors and Management were in place, with clearly designated roles and responsibilities for effective oversight. The Board of Directors proposed the qualified persons to the AGM for approval of the director nomination. In 2022, the bank proposed four persons to be re-elected as directors for another term in the AGM, namely Mr. Suphadej Poonpipat, Mr. Somjate Moosirilert, Mrs. Chananyarak Phetcharat, and Mr. Willem Frederik Nagel. The details of the qualified persons proposed to the 2022 AGM were disclosed in the annual shareholders' meeting invitation letter. The bank's website: https://www.ttbbank.com/th/ir/shareholder-services/notification-of-the-shareholder-meeting The Bank presented an opportunity for the shareholders to exercise the right to nominate names of those qualified to be elected as the Bank's directors at the 2022 AGM in advance from 1 October 2021 to 31 December 2021. The Bank published criteria and practices as determined on its website at https://www.ttbbank.com/th/ir/shareholder-services/propose-agenda-and-directors-by-minority However, the shareholders did not nominate any person to be considered and elected. Also, the Bank received confirmation from the major shareholders who nominated the directors whose term was due to be re-elected for another term.

5. Nomination, Development, and Performance Assessment

Development

Policy	Corporate Governance Policy
Process	The Board ensured its members' knowledge and understanding of the roles, business models, and relevant laws and encouraged all directors to enhance their skills and knowledge pertinent to their performance on a regular basis.
Practice	<p>The Bank formulated beneficial documents and information for the performance of new directors as well as orientation and introduction to business models, business directions of the Bank, and various relevant regulations to those new directors.</p> <p>Furthermore, the Bank also encouraged and supported educating directors on their roles by seeking external and internal training courses for directors to extend their knowledge pertinent to the Bank's business operations and their particular responsibilities.</p>

Performance Assessment

Policy	Corporate Governance Policy
Process	The Board ensured annual performance assessments of its own and subcommittees' members consistently. The Nomination, Remuneration and Corporate Governance Committee proposed the policies, criteria, and methodology of the Board and subcommittees' performance assessment to the Board for approval.
Practice	The Bank published the Board's performance assessment criteria and methodology in its annual report.

6. Code of Conduct and Corporate Culture

Code of Conduct

Policy	Code of Conduct
Process	The Board placed importance on corporate governance in accordance with the Code of Conduct, which also aligned with the banking industry code of conduct, as well as the performance of directors, executives, and employees' duties in accordance with applicable laws, rules, ethics, and regulations in connection with effective and transparent performance.
Practice	The Board required the code of conduct of the financial business group as the standard of business operations for all directors, executives, and employees to strictly adhere to as the guideline for performing their duties.

Corporate Culture

Policy	Corporate Governance Policy
Process	<p>The Board ensured that the Bank established its objectives or goals with clarity and suitability and communicated clearly to staff to drive toward an aligned direction. The Board also advocated the key objectives and goals to be reflected in staff performance in every tier to accomplish a corporate culture.</p> <p>The Bank established a corporate culture as the guideline to be applied to customers, partners, and employees (I CARE) as part of Corporate Governance Policy as follows:</p> <ol style="list-style-type: none"> 1. Integrity 2. Challenge Status Quo 3. Agility 4. Respect 5. Execution <p>It was aimed for the Bank's business operations with prudence, efficiency, and effectiveness for its stability and sustainable and continued growth.</p>
Practice	The Board cultivated a corporate culture as the guideline to be applied to customers, partners, and employees (I CARE) as part of the key processes of the Bank to ensure every staff performance with professionalism and business operations with integrity in order to deliver excellent customer experiences.

7. Conflict of Interest and Inside Information

Policy	Confidential and Inside Information and Conflict of Interest Policy
Process	The Board ensured that all executives and employees participated in reporting, avoiding, and preventing cases of conflict of interest. It also avoided participating in consideration of items of potential conflict of interest. Moreover, executive directors, as defined by SEC, were obliged to disclose information about their securities holding to prevent cases of conflict of interest or the use of inside information.
Practice	The Bank determined the consideration process for items with related parties or potential conflict of interest to ensure such items were properly handled. Furthermore, the Bank also established the guideline for data collection and prevention of the use of inside information significant for changes in security prices or values.

8. Anti-Corruption Oversight and Whistleblowing

Policy	Anti-Corruption Policy and Whistleblowing Policy
Process	The Board communicated to all staff for their acknowledgment and understanding of the content of the Anti-Corruption Policy every year. Besides, the Board also arranged channels for stakeholders to conveniently report information or file complaints and determined the measures to protect whistleblowers against any threats.
Practice	The Bank joined Private Sector Collective Action Coalition Against Corruption (CAC). It also required new and all employees to receive anti-corruption training courses every year.

6.1.2 Policy and Procedure Related to Shareholder and Stakeholder

The Board of Directors' Oversight on Conflict of Interest and Inside Information

The Board of Directors approved the annual review of the Confidential and Conflict of Interest and Inside Information Policy. The relevant operating procedures were established as follows:

- (1) The directors and executives with inside information are prohibited from trading the Bank's securities during the blackout period. Their securities trading reports and other beneficial interest shall be disclosed to the public on a quarterly basis.
- (2) Any directors and executives with a potential conflict of interest shall not participate in consideration of such a transaction. The Board of Directors shall oversee compliance with regulations on related transactions through the Audit report of the transactions.

Policy	Process	Practice
1. The Board of Directors oversaw risk management and internal control.	<ul style="list-style-type: none">The policy and procedure manual indicated that any directors and executives with a potential conflict of interest should not participate in consideration of such transactions.Audit Committee considered related transactions or those with a potential conflict of interest to ensure reasonable arrangements.The Bank set the policy to prevent all staff from exploiting insider information which might impact the Bank's security prices.The Bank stipulated the duty of all directors and executives to disclose and report the Bank's securities holding and trading as required by SEC.	<ul style="list-style-type: none">The Bank disclosed the Audit Committee report regarding internal control in the annual report. The Audit Committee reported that there were no issues with conflict of interest found.

The Board of Directors' Oversight on Anti-Corruption and Whistleblow

The Board of Directors approved the annual review of the Anti-Corruption Policy, Director Code of Conduct, Employee Code of Conduct, Gift, Entertainment, Donation, Sponsorship Policy, and Whistleblowing Policy. Management was responsible for communicating and arranging the annual staff training and control procedure for implementation accordingly. The Board of Directors regularly followed up on the adequacy of internal control assessment from the Audit Committee report. The audit function conducted the internal control testing in business areas to ensure adherence to the established control. In addition, the Board of Directors

followed up on the progress of the actions taken to remediate the complaints or whistleblowing cases from the compliance function.

Corporate Governance Policy	Process	Practice
2. The Board of Directors approved the Anti-Corruption Policy and related measures such as Complaint Handling and Whistleblowing Policy.	<ul style="list-style-type: none"> ROC reviewed the Anti-Corruption Policy and endorsed it for the Board of Directors' approval. The Bank set the risk control self-assessment (RCSA) for assessing the corruption risk and regularly monitored the relevant internal control using the Three Lines of Defense Principle (3LOD). The Bank provided education or employee training with respect to the Anti-Corruption Policy and procedures for understanding. 	<ul style="list-style-type: none"> The Bank disclosed that it joined the Private Sector Collective Action Coalition Against Corruption (CAC). All employees attended the mandatory e-learning courses on Anti-Corruption every year.

6.2 Business Ethics

According to the Bank's **vision**: "To become the recommended bank of choice by our customers," the Bank has communicated to employees to understand the **corporate culture** "I CARE," and the Board of Directors has overseen the establishment of **codes of conduct for directors and employees** (Full details of the code of conduct are disclosed on the Bank's website) whereby all directors and employees have signed and are obliged to strictly adhere to the codes of conduct as ethical principles in their regular work setting. This leads to the creation of stakeholders' trust.

- Employees perform work with honesty and confidentiality without exploiting inside information** for the sake of themselves and others. The Bank established the measure to grant access rights to relevant employees and set the internal audit process to review such measure to ensure information leakage prevention regularly.
- Employees do not accept gifts that may influence their operational decisions. Employees do not use their positions to take any actions in ways that bring advantages to them and other person(s) involved.** Employees shall follow the laws and the Bank's regulations. In this matter, the Bank established the written process to ensure that when contacting stakeholders, such as counterparties, customers, investors, and regulators, the Bank's employees have taken actions in compliance with the specified code of conduct.

- **Employees do not express any behavior that violates human rights; and they are responsible for society and environment conservation.** The Bank encourages employees to participate in activities or projects that reduce natural resource consumption, develop innovations or products that serve customer needs, and mitigate the environmental impact.

Vision	Corporate Culture	Banking Industry Code of Conduct
To become the recommended bank of choice by our customers	<p>The Bank establishes corporate culture, “I CARE,” comprising five core values:</p> <p>Integrity - integrity and trust creation in working together;</p> <p>Challenge Status Quo - dare to do different things and always challenge the status quo;</p> <p>Agility - forward-looking, embracing changes, and initiating new ideas;</p> <p>Respect - work in collaboration, place importance on different opinions, and treat each other with respect;</p> <p>Execution - aim for the best results with discipline in everything we do and pursue accomplishments.</p>	<ol style="list-style-type: none"> 1. Business Ethics to build stakeholders’ confidence <ul style="list-style-type: none"> • Employees comply with the specified rules; • Business operations align with the anti-corruption guideline • Establish an anti-money laundering policy 2. The Board of Directors’ roles in accordance with Good Corporate Governance <ul style="list-style-type: none"> • Promoting Corporate Culture • Risk management • Sub-committees assist the Board of Directors in screening matters in the delegated areas 3. Establish service standards <ul style="list-style-type: none"> • Provide employee training for service standards understanding • Set up 3LOD duties to monitor the control risks from the service process 4. Provide employees with the good working environment <ul style="list-style-type: none"> • Set a safe workplace • Pay fair compensation • Encourage the development of employees’ skills • Maintain the confidentiality of employee’s personal information • Provide channels for complaints and whistleblowing 5. Responsible to customers <ul style="list-style-type: none"> • Sub-committees screening new products before • Set a guideline for disclosing all product features in compliance with regulations tion guideline • Set a process to take care of vulnerable customers • Set a complaint channel

Vision	Corporate Culture	Banking Industry Code of Conduct
		<p>6. Prevent conflict of interest</p> <ul style="list-style-type: none"> • Establish a no-gift guideline and measures for gift offering • Establish an insider list and a guideline to prevent insider trading • Establish a guideline for business partners to declare that they had no conflict of interest with the Bank before entering into service agreements. • Establish a channel for external whistleblowing in which the issues on non-compliance with code of conduct can be reported. <p>7. Information management</p> <ul style="list-style-type: none"> • Establish a process to oversee PDPA compliance <p>8. Compliance oversight</p> <ul style="list-style-type: none"> • Oversee employees' practices in compliance with the three lines of defense (3LOD) • Establish a channel for external whistleblowing in which the issues on non-compliance with code of conduct can be reported. <p>9. Business competition</p> <ul style="list-style-type: none"> • No intellectual property rights infringement • Establish a guideline to prohibit offering government officers any property or benefit for convenience's sake.

Full Corporate Governance Policy and Code of Conduct are disclosed on the Bank's Website:

<https://www.ttbbank.com/th/about-us/code-of-conduct>

6.3 Development of Corporate Governance

6.3.1 Significant Development of Corporate Governance and Board of Directors Charters

The Board of Directors has considered and approved the Corporate Governance policy according to the business settings endorsed by the Nomination, Remuneration and Corporate Governance Committee. The Corporate Governance policy has been applied to cover the following items as per CG Code 8: Commercial Banks' Code of Conduct:

- Encourage shareholders' participation, grant the rights of shareholders, and ensure equitable treatment to shareholders
- Promote innovations and business conducts responsible for the roles of stakeholders
- Disclose information and ensure transparency
- Responsibilities of the Board of Directors
- Nominate and develop top executives and oversee human resources management
- Set key goals for the Bank's sustainability
- Promote effective Board of Directors
- Oversee risk management and internal control

6.3.2 Rationale for Failures to Implement Certain Corporate Governance Principles

The Bank established Corporate Governance according to CG Code for listed companies 2017 issued by the Securities and Exchange Commission and the Stock Exchange of Thailand, and Corporate Governance for the listed companies issued by the Thai Institute of Directors. Some practices differed from those guidelines of Good Corporate Governance Principles due to the following reasons:

1. Practice guidelines which limited the number of directors to 12:

The Bank's consideration: **As of 31 December 2022, The Bank had 14 directors** as per the resolution of the Extraordinary General Meeting (EGM) of Shareholders No. 2/2019 dated 28 November 2019. The EGM approved the increased number of directors from 12 to 14 in order to align with the proportion of the changes of the shareholders according to the business transfer project from Thanachart Bank to TMB Bank.

2. Practice guidelines on complete disclosure of shareholders in detail:

The Bank's consideration: Regarding nominee shareholders, it was a normal practice for foreign investors to have a custodian to look after the shares. Therefore, the Bank was unable to disclose their information according to the aforesaid rationale.

3. Guidelines that require directors and executives to notify the Board of Directors 1 day in advance before trading the Bank's securities:

The Bank's consideration: The Bank complied with the rules and regulations which required the directors and executives to report their interests and their related persons' interests to the Bank. Also, the Bank has established the Corporate Governance Policy, which requires the directors, executives, and related persons to report their holding of the Bank's securities to the Board of Directors on a monthly basis. In addition, the Bank has established a procedure to prohibit any securities trading by using inside information for their personal gains or other persons' gains. The Bank also issued reminders of the blackout period to the directors and executives before the disclosure of the quarterly and annual financial statements and 24 hours after the disclosure.

6.3.3 Other Corporate Governance Practices

The Bank implemented Corporate Governance guidelines in accordance with the Good Corporate Governance Principles of listed companies prescribed by the Principles of Good Corporate Governance for Listed Companies by SEC's Corporate Governance Code for Listed Companies, Criteria of Corporate Governance Report of Thai Listed Companies - CGR by IOD, and international standards such as the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), Sustainability Disclosure Standard (GRI standard) and Sustainability Reporting Disclosure (SDG).

In 2022, the Board of Directors considered the following principles related to their roles and responsibilities to oversee the Bank's compliance with regulations and environmental settings, which have been changed due to different factors:

- Principle 1: Realize the roles of the Board of Directors as a leader to create sustainable value for the organization
- Principle 2: Set up the organization's objectives and goals for business sustainability
- Principle 3: Promote the effective Board of Directors
- Principle 4: Nominate and develop top executives and oversee human resources management
- Principle 5: Support innovation and promote responsible business conduct
- Principle 6: Oversee proper risk management and internal control
- Principle 7: Maintain the financial reliability and the soundness of financial information disclosure
- Principle 8: Support shareholders' participation and communication

The Bank implemented the aforesaid principles, along with additional practices, as follows:

- Establish corporate governance principles for the companies with the Bank’s investment to ensure that the appropriate and prudent corporate governance has been set and aligned with changing situations. The companies under the Bank’s oversight are classified by investment proportion, role, and nature of business, whereas there are three internal governance mechanisms: (1) Board of Directors and board committees (2) Management overseeing the governance through Chief Executive Committee (3) Representative directors of the Bank. In addition, the Bank had set the scope of governance to cover five aspects: (1) Strategic Direction (2) Finance and Performance Management (3) Risk Management and Control (4) Good Governance and Sustainability (5) HR Governance.
- Increase the percentage of female directors by appointing one more female independent director. Accordingly, the number of the Bank’s female directors at present is 3, from the total number of 14.

The Bank applies the Corporate Governance Report (CGR), ASEAN CG Scorecard, and the AGM Checklist in the shareholder’s meeting arrangement as follows:

<p>The Bank is aware of the shareholder’s rights and provided the measures as below:</p>	<ul style="list-style-type: none"> • Propose the director remunerations as agenda for the shareholder’s meeting approval annually • Agenda item regarding the director nomination is voted by the shareholder for each director • Disclose the minutes of the shareholder’s meeting that the external party validated the vote resolution • Allow the minority shareholder to propose the agenda and questions with respect to the shareholder’s meeting as well as investors to participate in the meeting • Disclose the policy to facilitate and encourage shareholders and institutional investors to attend the shareholders’ meeting • Establish the specific agenda of the shareholder meeting • Establish the agenda of director nomination by providing the director profile for the shareholder consideration • Establish the agenda of auditor appointment by providing the profile of the auditor in order to consider the appropriateness and audit fee • Establish the dividend payment agenda by disclosure the dividend policy, and number of dividend payments with rationale • Invitation of shareholder meeting indicates the objective and rational of each agenda as well as providing the Board of Directors’ opinions on each agenda • No additional agenda proposed during the meeting without proposing the detail in the invitation letter • Minutes of shareholder meetings record the directors’ names who participated in the meeting and the process of voting, and voting result is disclosed the following day after the meeting date
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<p>The Bank serves the shareholder on an equivalent basis by providing the following processes:</p>	<ul style="list-style-type: none"> • Minority shareholder is allowed to nominate a person to be a director • Establish a policy regarding inside information with which employees and directors are subject to comply • Establish the connected transaction operating procedure, which requires the disclosure process according to the SET requirements • The related party transaction shall be conducted under the fair price and on an arm's length basis • Facilitate the shareholder by providing the proxy form • Disclose the invitation letter for the shareholder's meeting on the website 30 days in advance before the meeting date
<p>The Bank is aware of all stakeholder interests and provided the following measures:</p>	<ul style="list-style-type: none"> • Establish the workplace safety policy and guidelines for fair compensation and provident fund • Establish the guidelines regarding employee learning and development • Establish the human rights policy • Establish the measures regarding customer, competitor, business partner, creditor, environment, community, and natural resource • Establish the anti-corruption policy and anti-bribery and its relevant risk assessment and control process • Provide employee training with respect to anti-corruption measures.
<p>The Bank transparently discloses the information on website, which complies with certain criteria.</p>	<p>The disclosed information includes the Bank's Articles of Association, shareholding structure, directors and their holdings of the Bank's security, and annual report published within 120 days after the fiscal year ended. The Bank also reveals other information such as the long-term goals, financial and operational reports, performance indicators, nature of business, business group, key risk indicator, dividend payout policy, whistleblowing policy, director profile, management compensation, director remuneration unveiled in detail by each director, director training and development during the year, related party transaction and the director interest reporting, and investor relation.</p>

The Board of Directors is aware of the duties in oversight of the business in accordance with the Good Corporate Governance Practice as follows:

- Approve vision and mission and annually review the Bank's vision, mission, and strategy.
- Monitor the implementation of the Bank's strategy via the sub-committee.
- Establish the Corporate Governance Policy, Risk Management Policy, Conflict of Interest Policy, Code of Conduct for Directors and Employees, and Policy on holding a position of managing director in other companies
- Differentiate between the functions of directors and management
- Consider the adequacy of the internal control and risk management measure, disclose them in the annual report, and describe the Board of Directors' responsibility regarding the financial statement for the Audit Committee's opinion on the overall measurement.
- Engage in Thai Private Sector Collective Action Coalition
- Assess the CEO's annual performance
- Set up Compliance and Internal Audit Function as well as Company Secretary
- Arrange the annual meeting schedule and disclose the details of the meeting participation of each director
- Arrange the meeting among non-executive directors
- The structure of the business group was not found with transactions that may lead to conflicts of interest
- There were no cases where the company violated labor, employment, consumer, competition, and environmental laws
- No critical events were announced later than the period set by the authorities
- There were no records of violations against the SEC and SET rules
- No non-executive directors resigned due to the corporate governance issue
- There were no cases of the Bank's negative reputation due to the Board of Directors' oversight failure

The Board of Directors considered and concurred with the reviewed Corporate Governance Policy as endorsed by the Nomination, Remuneration and Corporate Governance Committee. The Policy is implemented by incorporating the CG Code in the following principles:

Rights of Shareholders

Annual General Meeting of Shareholders

The Bank has a policy to encourage all groups of shareholders, including minority shareholders, institutional shareholders, and foreign shareholders, to attend the annual general meeting of shareholders. In 2022, the Annual General Meeting of Shareholders via electronic means (e-AGM) was held on 12 April 2022 at the Auditorium, 7th Floor, TTB Head Office, 3000 Phahon Yothin Road, Chom Phon, Chatuchak, Bangkok. The Bank supports the shareholders to exert their fundamental shareholder rights and the right to access the information.

Before the Meeting Date

- For the 2022 Annual General Meeting of Shareholders via e-meeting (e-AGM), the shareholders were informed of the date and agenda of the meeting via SET's communication system on 11 March 2022 or 32 days prior to the meeting date. The Bank also disclosed the invitation letter with documents regarding the section "Investor Relations" under the title of "Annual General Meeting of Shareholders" in both languages, Thai and English, on the Bank's website (www.tmbbank.com) to enable the shareholders to have sufficient time to study the information.
- The Bank also assigned its registrar, Thailand Securities Depository Co., Ltd. (TSD), to deliver aforesaid documents in printed copies to the shareholders via the registered e-mail on 22 March 2022 or 21 days before the meeting date, which was aligned with policy and longer than the legal requirement.
- The invitation letter contained objectives and rationale as well as the opinions of the Board of Directors on each agenda item, accompanied by complete and sufficient details of each item for consideration. The shareholders were clearly informed which item would be for consideration and which for acknowledgment.
- The Bank has published its notice of the shareholders' meeting in a local newspaper for at least three consecutive days in advance of the meeting in compliance with the Public Limited Companies Act, B.E. 2535 (1992) (and its amendments).
- A proxy form was also enclosed to allow the shareholders to appoint any directors/independent directors or other persons as their proxies in case they could not attend the meeting.

On the Meeting Date

- The shareholders' meeting of the Bank via electronic means (e-AGM) was held in accordance with and in compliance with the Emergency Decree on Electronic Meetings B.E. 2563 (2020) and other relevant regulations.
- The meeting was carried out with transparency, fairness, and equitable treatment of all shareholders. Appropriate registration procedure was prepared by the Bank, with facilities provided by Bank staff, classified by type of attendees, i.e., shareholders attending in person and proxies attending on shareholders' behalf.
- Before starting the meeting, the Chairperson assigned the Company Secretary to clearly inform the voting and counting methods.
- During the meeting, the Chairperson proceeded with the meeting in order of the items on the agenda. The Chairperson also encouraged the shareholders to cast votes and raise questions and comments via two electronic communication channels: online text message and VDO conference.

- The Bank undertook the vote casting and vote counting openly and transparently. The representatives of Capital Law Co., Ltd., an external legal consultant, were invited as witnesses in the voting, collecting of ballots, counting methods and validating of the voting results on all agenda items. The Company Secretary announced the voting result of all agenda items.

After the Meeting

- After the meeting, the Bank informed the resolutions of the meeting via the SET system, with voting details, i.e., approved, disapproved, and abstained, of each agenda item.
- The Bank submitted the minutes of the meeting, which contained complete details without the additional agenda not presented in the invitation letter, to the SET and related agencies within 14 days after the meeting date and posted on the Bank's website (www.ttbbank.com), on Thai and English version, for shareholders verification. The details included the attendance record of the directors, clarification on key items, and a summary of questions, answers, and comments during the meeting.

Equitable Treatment of Shareholders

The Bank places importance on and assures all shareholders of their rights to fair and equitable treatment, i.e., major shareholders, minority shareholders, institutional investors, and foreign shareholders. All shareholders are treated with fairness and equality as summarized below:

Right to regularly and timely obtain adequate information on business performance

- The Bank ensures that the shareholders are provided with complete news and information apart from those disclosed via the SET's communication system. All significant and updated information is posted on the Bank's website (www.ttbbank.com).

Right to attend the shareholders' meeting

- All shareholders have an equitable right to attend the meeting. Opportunity is open to those unable to attend the meeting in person to appoint proxies to attend at the meeting on their behalf. The Bank has arranged to have available for appointment as proxies its directors/ independent directors who do not have interests in the business on the agenda.

Right to propose agenda, director nominees, and questions for AGM

- The Bank allows the shareholders to propose agenda items, nominate persons to be elected as directors before the meeting, and submit questions for AGM in advance. The shareholders must comply with the criteria specified by the Bank. In this regard, no nominated persons or agendas were proposed to the Bank for consideration.

Right to vote for the election of directors individually and determine directors' remuneration

- At every Annual General Meeting of Shareholders, one-third of the total number of the directors of the Bank shall retire. The Bank has set an agenda item concerning the election of the Bank's directors. The shareholders are allowed to vote for the election of directors individually. The shareholders have the right to choose the person(s) considered qualified to perform the director's duties to safeguard the shareholders' interests. This will enable the Bank to have directors from diverse fields representing the shareholders. Details of a qualified person in the invitation letter of a particular agenda, such as name, age, education, experience, position in other listed companies, type of directorship, number of attendances, and the tenor of directorship, will be provided for the shareholders' information and consideration.
- The shareholders have the right to consider and approve the directors' remuneration. The Bank provided adequate information on directors' remuneration to support the shareholders' consideration.

Right to appoint auditors and determine audit fees

- The Bank has set an agenda for the appointment of the Bank's auditors and consideration of the audit fees. The Bank also provides sufficient details of the proposed auditors (name of auditor, audit firm, experience, and independent of auditors) and audit fees for shareholders' consideration.

Role of Stakeholders

Policy for Shareholders

The Bank has a policy to protect the interest of shareholders and equitable treatment of all shareholders, including major shareholders, minority shareholders, institutional investors, and foreign shareholders.

The Bank's guidelines for shareholders

The Bank ensures that business operation is transparent and corruption-free, taking into account sustainable and long-term growth based on the Bank's full potential and capability. This is to enhance the Bank's value in terms of both share price and attractive dividend payment.

Policy for Employees

The Bank supports and develops the capability of employees for the highest performance capacity. The employment shall be fair and appropriate for employees with career advancement opportunities and returns that reflect their ability. The Bank shall welcome employees' opinions and promote teamwork spirit. Employees shall be treated with politeness, and their individuality shall be respected with no double standard criteria. The Bank shall provide good welfare and a good work environment with occupational safety standards and shall concern for all employees' well-being.

The Bank's guidelines for employees

The Bank shall provide good benefits and a favorable work environment by determining occupational health and safety standards and assuring the comprehensive well-being of all employees. The Bank offers loans to help alleviate employees' difficulties, i.e., staff welfare loans. The Bank has internal procedures aligned with the human rights principle and the Audit Committee regularly oversees such relevant control procedures. Details of the Human Rights Policy were disclosed on the Bank's website (www.ttbbank.com).

Policy for Customers

The Bank has a policy to apply a customer-centric strategy to provide the customers with a versatile range of services and products that can respond well to their needs and maximize their satisfaction.

The Bank's guidelines for customers

employees and encourage all employees to work towards the same goal: To help Thai people achieve better financial well-being.

Policy for Suppliers/Vendors

The Bank has set the regulations and criteria for Suppliers/Vendors. The Bank shall implement a process of Suppliers/Vendors selection to add to its Vendor List and conducts cost comparison before any procurement, hiring, leasing, and hire purchase. In addition, the Bank carefully and concisely complies with the criteria without corruption.

The Bank's guidelines for suppliers/vendors:

The quality assessment management is implemented with Tier 1 and Tier 2 partners. Tier 1 partners, "Strategic partners," can provide products or services adjustable to the Bank's needs or special requirements, significantly impacting the Bank's business. Tier 2 partners, "Preferred Supplier/Vendor," are sellers providing specific products and services that are important at a business unit level, yet other choices are available in the market. Moreover, changing partners requires time. Each team selects the Tier 1 and Tier 2 partners for quality assessments regarding the social and environmental aspects; the human rights aspect is a part of the quality assessment and partner management.

The Bank's guidelines for suppliers/vendors selection:

In the suppliers/vendors selection, the Bank shall consider type of goods or services, expertise and experience of business, financial status, history of business, faithfulness and experience of executive management, and information on goods' safety.

1. In the selection process, participants are screened by inspection and analysis in due diligence and KYC to ensure that all candidates are fully qualified. The Bank shall review and verify the Vendor List within a set time frame specified in the Bank's Procurement Policy.
2. The Bank has determined guidelines for performing duties and responsibilities related to conflict of interest and included them in the Bank's Employee Code of Conduct.
3. The Bidding Working Team is appointed to validate the suppliers/vendors at a specified transaction value. The Bidding Working Team also certifies the suppliers/vendors selection is transparently arranged. The Legal Department reviews the agreement between the Bank and the suppliers/vendors for fairness of both parties.

Policy for Creditors

The Bank has a policy to honor and strictly conform to the contract and commitment with creditor, including conditions, guarantee, cash management, non-default of debt, and other matters agreed upon with creditors. The Bank shall make a loan and interest repayment completely and timely to all creditors and rigorously comply with the loan conditions.

The Bank's guidelines for creditors:

The Bank requires the Treasury Department to report to creditors with the Bank's financial status and information with accuracy, completeness, and good liquidity management for timely debt repayment to the creditors.

Policy for Competitors

The Bank has a code of conduct and policy to ensure its business runs on a fair and free competition basis with honesty, integrity, corruption-free. The Bank shall not damage, sabotage, destroy, or obstruct the competitors' business activities.

The Bank's guidelines for competitors:

The Bank shall offer the products and services that suit the customer's needs based on fair treatment. The customers can choose the product and services with which they are satisfied. The Bank shall not engage in any dishonest or inappropriate action in order to obtain the competitors' confidential information and shall refrain from attacking the competitors' reputation with false allegations. In this matter, there was no conflict between the Bank and its competitors during the last year.

Policy for Investors

The Bank shall disclose correct, complete, and sufficient information for investors' decisions in a timely and appropriate manner.

The Bank's guidelines for investors:

See more details in "Disclosure and Transparency".

Policy for Government Agencies

The Bank has a policy to ensure its business operations are strictly compliant with the laws, rules and regulations, and relevant regulatory requirements. The Bank also provide good cooperation to the regulators such as to comply with Thai law the national anti-corruption law, etc.

Policy on Social and Environmental Responsibility

The Bank operates its business and encourages the employee's awareness based on Corporate Social Responsibility (CSR) principles, supporting various activities and managing energy consumption efficiency to promote sustainable quality development of the society and environment.

Policy on Compliance with International Human Rights Principle

The Bank places importance on the equality of all stakeholders and shall not commit any conduct that violates human rights, including discrimination on the grounds of the difference in origin, race, language, age, education, institution, gender, disability, physical or health condition, personal status, economic or social standing.

The Bank's guidelines for non-violation of human rights

All employees must treat all stakeholders with politeness, respect, and honor and not behave inappropriately or violate human rights regarding discrimination via verbal cues and grounds of the difference in origin, race, religion, language, age, education, gender, disability, physical or health condition, personal status, and economic or social standing. In the past year, the Bank has not received any complaints about human rights violations.

Policy on Non-Violation Against Intellectual Property Rights or Copyrights

The Board of Directors oversees the Bank's non-violation against intellectual property rights and ensures non-action to seek benefits or take advantage of works protected by copyrights or intellectual property rights unless the copyright owners legally permit the Bank.

The Bank's guidelines on non-violation against intellectual property rights or copyrights:

In terms information technology, system development, and procurement of IT programs and equipment, the Bank complies with the Copyright Act and certifies its legality according to the Department of Intellectual Property. The Bank also welcomes inspection by the copyright owner. In addition, the Bank ensures that the employees do not copy, modify, or publicize the copy or original materials in part or whole. Programs that are not licensed to the Bank/ .exe file/ songs/ games/ and other automatically-installed links are also strictly prohibited.

Gift, Entertainment, Donation, and Sponsorship Policy

The Bank places importance on the problem of corruption, which is an obstacle to the country's economic and social development, and creates unfair business advantages. In this regard, the Bank has established Gift, Entertainment, Donation, and Sponsorship Policy to guide all employees in not accepting gifts or entertainment in a business context. Any case of providing gifts or entertainments shall be arranged with clear guidelines on necessary or traditional practices.

The Bank's guidelines on gift, entertainment, donation, and sponsorship policy:

The Bank communicates to all employees to strictly follow the Gift, Entertainment, Donation, and Sponsorship Policy on an annual basis. An offering of gifts or entertainment must be in accordance with the aforesaid policy, and all transactions must be recorded in the Bank's system.

Policy on Whistleblowing or Complaints

The Bank provides channels to enable the stakeholders to report or make complaints in writing or through the Bank's website. Policies and procedures are in place to ensure that the complaints will be forwarded to the concerned work units for quick investigation and correction, as well as reported to the Board of Directors and the Audit Committee for acknowledgment on a quarterly basis. The whistleblowers will be notified of the Bank's action.

In addition, the Bank has measures to protect whistleblowers from harassment, harm, penalty, demotion, or threats from whistleblowing.

The Bank's guidelines on whistleblowing or complaints:

The Bank provides channels for the stakeholder to report any violation or complaint case either written via email or the Bank's website. The reporter will be protected from harassment, harm, penalty, demotion, or threats from whistleblowing.

Policy on Management of Conflict of Interest

The Bank imposes strict measures on the management of conflicts of interest or related transactions or connected transactions. The important transactions that may pose a conflict of interest are considered and approved by the Board of Directors in accordance with the rules and regulations of the related agencies. These transactions are treated in the same manner as those made with outsiders (on an arm's length basis), and the stakeholders shall not participate in the approval process. The Bank establishes the policy on employees' transactions that may pose a conflict of interest to ensure that the transactions that may pose a conflict of interest are considered and approved by the Board of Directors and disclosed in the annual report.

At the Board of Directors' meeting, directors shall inform the Board of their conflict of interest before consideration of such particular agenda item and Secretary to the Board shall minute such conflicts of interest. The director with conflict of interest shall also abstain from participating in the discussion on such agenda item.

The Bank's guidelines on conflict of interest management:

All management and employee shall report, avoid, and prevent any conflict of interest issues by informing their supervisor of such potential conflicts of interest. All management and employee shall not attend to the consideration of the transactions that may lead to conflicts of interest. The approval or consideration of such transactions shall be conducted by other persons or the management at a higher level to prevent conflict of interest issues. In addition, directors and managements, under the SEC definition, must prepare the disclosure regarding their own and their related person's share equity held in other companies in order to prevent any conflict of interest or misuse of internal information issues. In 2022, no non-compliance issues regarding the above guidelines were found.

Policy on Internal Control

The Bank sets out Internal Control Policy for both managing and operational levels and puts in place efficient, appropriate, and adequate internal control systems with regular assessment. The Audit Committee of Independent Directors is assigned to oversee the internal control system. The Audit Department, which directly reports to the Audit Committee, must audit the performance of all units to ensure that the operations are in accordance with the related rules, regulations, and applicable laws.

Anti-Fraud Policy and Anti-Corruption Policy

With the commitment to the responsibilities to all stakeholders, the Bank has established the Anti-Fraud Policy and Anti-Corruption Policy to ensure transparency and freedom from all forms of corruption. All employees are prohibited from accepting or offering a bribe. The Anti-Corruption Policy is aligned with the guideline of the Private Sector Collective Action Coalition Against Corruption (CAC). The Bank

closely supervises the directors and employees to follow this Policy strictly. There are punishment guidelines for employees who do not comply with this policy, the creation of awareness and responsibility to prevent corruption and the assertion of zero-tolerance culture on anti-corruption in place. Moreover, the Bank has measured to protect and give fairness to employees who deny or inform on corruption from harassment, harm, penalty, demotion, or threats.

In addition, the Bank has regularly performed a risk assessment, control testing, and risk monitoring on fraud and corruption risks via Risk & Control Self-Assessment (RCSA) process.

The Bank's guidelines on anti-fraud and anti-corruption:

The Bank communicates to all employees to acknowledge and understand the content of the policy on an annual basis. The e-learning courses regarding Fraud Risk Management and Anti-Corruption were set as the mandatory courses for every employee every year. The Bank has joined the activity on "Anti-Corruption Day," which this year the activity was arranged on 9 December 2022 via online.

Disclosure and Transparency

Disclosure

The Bank's financial and non-financial information relevant to the business and operating results are disclosed in Thai and English correctly, completely, sufficiently, transparency, and timely, reflecting its actual business operation and financial status. All stakeholders have equal access to the information. The important information is disclosed to the public in accordance with the criteria and regulations concerning the disclosure of information of the SET and SEC, and the Good Corporate Governance Principles, such as submitting the financial report to the SET and SEC within the specified timeframe. The Bank's financial statements did not contain any transactions with the auditor's qualified opinion. The financial statements have never been revised under the order of the SET and SEC. In addition, the Bank performs Management Discussion and Analysis (MD&A) on a quarterly basis and discloses such information on the Bank's website to inform the investors and enable them to better understand changes in the Bank's financial position and operating results in each quarter. The Bank also discloses remuneration of the directors and executives in Form 56-1 (One report).

Investor Relations

The Bank places importance on managing investor relations, including domestic and international, institutional and individual investors, taking into account the quality, correctness, completeness, transparency, adequacy, and timeliness of information disclosed to investors and equity analysts. The Bank also ensures its management's regular meetings with investors and equity analysts.

In 2022, the Bank regularly provided analysts and investors with information and arranged physical and virtual meetings as requested. The meeting activities in 2022 can be summarized in the table below:

Type of Events	Number of Attendees	Number of Companies	Frequency
Interview (Meeting Request) and Conference Call	54	29	24
Analyst Meeting and Live Webcast	462	410	8
Investor Conference	206	165	14
Virtual Non-deal Roadshow	88	36	14
Joining the Stock Exchange of Thailand's Activities	69	69	5
Total	879	709	65

Board of Director Responsibilities

The Board of Directors' Responsibility for Financial Reports

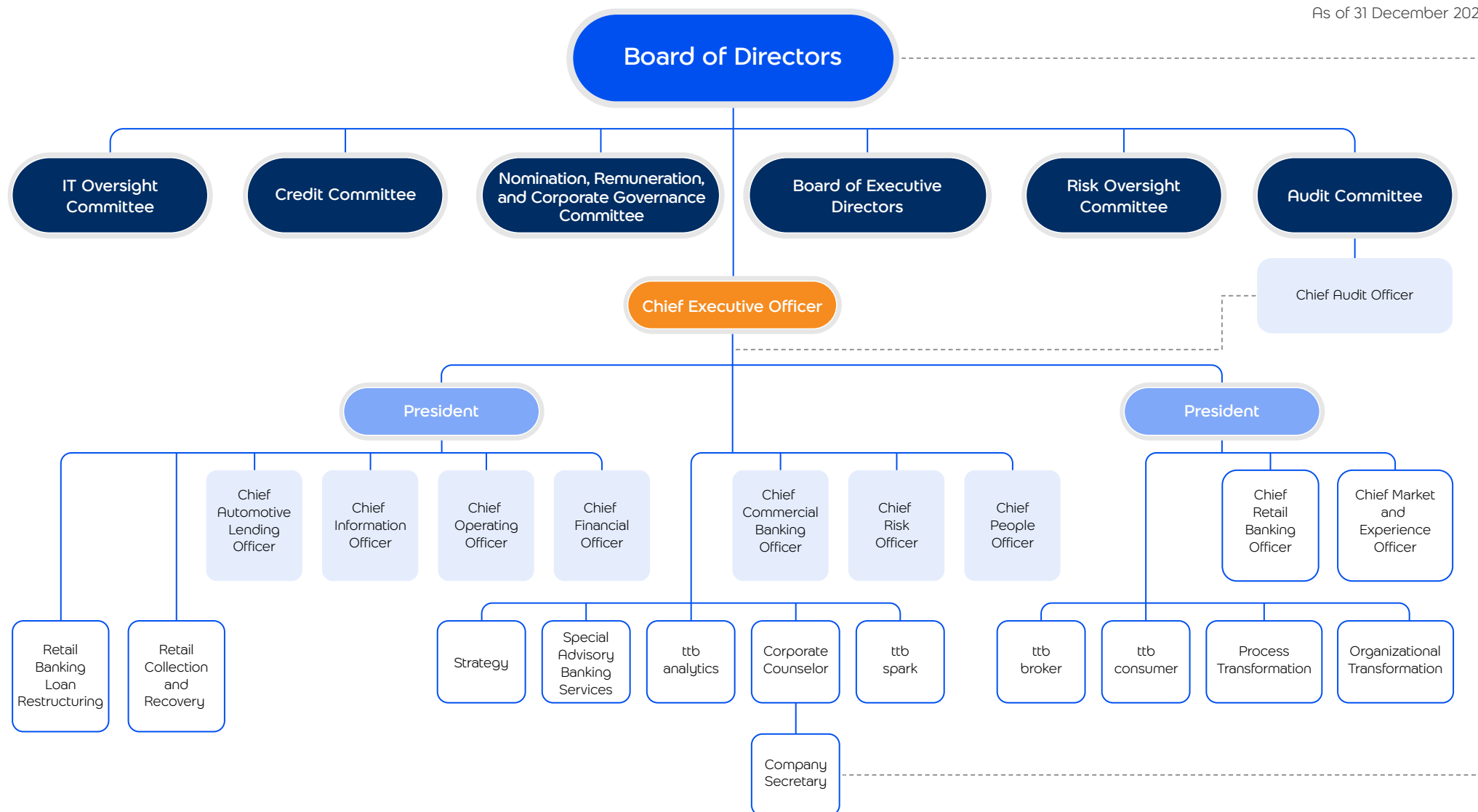
The Board has presented responsibilities concerning the Bank's financial reports alongside the auditor's report in the company's annual report. In 2022, there was no SEC issue with respect to the financial statement.

- The Board of Directors' role and responsibility (presented in Topic 7 Corporate Governance Structure)
- Establish the responsible business (presented in Topic 8 Report on Important Operational Results of Corporate Governance)
- Establish risk management and internal control (presented in Topic 9 Risk Management and Internal Control)

7. Corporate Governance Structure

7.1 Organization Chart

As of 31 December 2022



7.2 Details of the Board of Directors

7.2.1 The Board of Directors

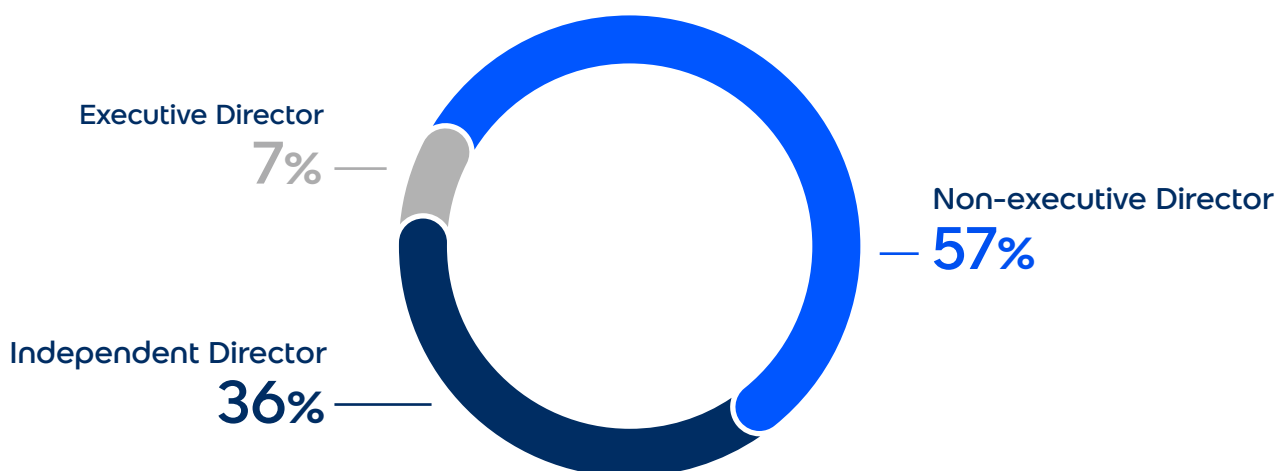
The Bank requires that the Board of Directors' structure has a diversity of necessary experiences, professional skills, expertise, and gender. The Board shall contain a proper composition of members according to the resolution of annual general meeting. The Board shall also establish a clear scope of responsibilities with a balance of management power without allowing any person or group of persons to have unlimited power. For the recruitment of directors, the qualification of directors must be aligned with the Bank's strategy. The Bank considers board diversity, including professional skills, expertise, experiences, and gender. In some cases, the Bank recruits directors by considering Director Pool database. (see topic 8.1 Recruitment of Independent Director, Non-executive director). The summary of the director's expertise is disclosed via the Bank's website. <https://www.ttbbank.com/en/about-us/board-of-directors>

Composition of the Board of Directors

The Board shall comprise non-executive directors, independent directors, and executive directors. The independent directors shall have at least the number set by the Capital Market Supervisory Board. Each independent director must have qualifications according to the criteria as prescribed by the Bank of Thailand and the Bank, which are more stringent than the criteria set by the Capital Market Supervisory Board with respect to the percentage holding of the Bank's equity stock, not more than 0.5%.

The Board of Directors consists of 14 directors (3 women, 11 men) who have knowledge, experience, professional skill, and expertise in diversified fields as follows:

- 5 Independent Directors (or 36%)
- 8 Non-executive Directors (or 57%)
- 1 Executive Director (or 7%)



7.2.2 Details of the Board of Directors

Stakeholders are assured of the Board's independently performing duties as shareholders' representative, with proper checks and balances. The Board's meeting is organized once a month, except in case of urgency in which a special session may be arranged as necessary. In this matter, Mrs. Manika Sitthichai has been appointed to be Secretary to the Board of Directors (commencing her duty on 3 May 2022).

In this regard, the average age of all 14 directors is 59, whereas the average term of office of the Board is three years and nine months. Details are as follows:

1. Mr. Ekniti Nitithanprapas

Position	Chairman of the Board
Type of Director	Non-executive Director
Age (year)	51
Date of Appointment	13 February 2020
Term of Office (as of 31 Dec 2022)	2 years 10 months 18 days
Expertise	Financial Expert, Banking Business, and Governance

2. Mr. Suphadej Poonpipat

Position	<ul style="list-style-type: none">Vice Chairman of the BoardVice Chairman of the Board of Executive Directors
Type of Director	Non-executive Director
Age (year)	72
Date of Appointment	3 December 2019
Term of Office (as of 31 Dec 2022)	3 years 28 days
Expertise	Strategic Planning, Marketing, and Risk Management
Director Nomination	Existing director being re-elected for the past year

3. Gen. Apinun Kumproh

Position	Director
Type of Director	Non-executive Director
Age (year)	60
Date of Appointment	8 March 2021
Term of Office (as of 31 Dec 2022)	1 year 9 months 23 days
Expertise	Strategic Planning and Human Resource Management

4. Mr. Philippe G.J.E.O. Damas

Position	<ul style="list-style-type: none"> • Director • Chairman of the Board of Executive Directors • Chairman of the Nomination, Remuneration, and Corporate Governance Committee
Type of Director	Non-executive Director
Age (year)	72
Date of Appointment	28 December 2007
Term of Office (as of 31 Dec 2022)	14 years 11 months 28 days
Expertise	Strategic Planning, Management of Major Project, and Governance

5. Mrs. Charita Leelayudth

Position	<ul style="list-style-type: none"> • Independent director • Chairman of the Audit Committee
Type of Director	Independent director
Age (year)	61
Date of Appointment	3 February 2022
Term of Office (as of 31 Dec 2022)	10 months 28 days
Expertise	Risk Management, Internal Control, and Review of Financial Statements

6. Mr. Willem Frederik Nagel

Position	<ul style="list-style-type: none"> • Independent director • Chairman of the Risk Oversight Committee • Member of the Nomination, Remuneration, and Corporate Governance Committee • Member of the IT Oversight Committee
Type of Director	Independent director
Age (year)	66
Date of Appointment	23 April 2020
Term of Office (as of 31 Dec 2022)	2 years 8 months 8 days
Expertise	Banking, Risk Management, and Information Technology
Director Nomination	Existing director being re-elected for the past year

7. Mr. Yokporn Tantisawetrat

Position	<ul style="list-style-type: none"> Director Chairman of the Credit Committee Member of the Risk Oversight Committee
Type of Director	Non-executive Director
Age (year)	67
Date of Appointment	1 June 2015
Term of Office (as of 31 Dec 2022)	7 years 7 months
Expertise	Strategic Planning and Risk and Credit Oversight Mechanism

8. Mr. Teeranun Srihong

Position	<ul style="list-style-type: none"> Independent director Chairman of the IT Oversight Committee Member of the Risk Oversight Committee Member of the Nomination, Remuneration, and Corporate Governance Committee
Type of Director	Independent director
Age (year)	57
Date of Appointment	17 December 2019
Term of Office (as of 31 Dec 2022)	3 years 14 days
Expertise	Information Technology, Risk Management, and Human Resources Management

9. Mr. Somjate Moosirilert

Position	<ul style="list-style-type: none"> Director Member of the Credit Committee Member of the Board of Executive Directors Member of the Nomination, Remuneration, and Corporate Governance Committee
Type of Director	Non-executive Director
Age (year)	67
Date of Appointment	3 December 2019
Term of Office (as of 31 Dec 2022)	3 years 28 days
Expertise	Strategic Planning, Risk Management, Governance, and Nomination and Remuneration
Director Nomination	Existing director being re-elected for the past year

10. Mr. Prinya Hom-anek

Position	<ul style="list-style-type: none">Independent directorMember of the Audit CommitteeMember of the Risk Oversight CommitteeMember of the IT Oversight Committee
Type of Director	Independent Director
Age (year)	53
Date of Appointment	17 December 2019
Term of Office (as of 31 Dec 2022)	3 years 14 days
Expertise	Information Technology, Risk Management, and Internal Control

11. Mr. Michal Jan Szczurek

Position	<ul style="list-style-type: none">DirectorMember of the Board of Executive DirectorsMember of the Risk Oversight Committee
Type of Director	Non-executive Director
Age (year)	51
Date of Appointment	17 December 2019
Term of Office (as of 31 Dec 2022)	3 years 14 days
Expertise	Strategic Planning and Retail Banking

12. Mrs. Chananyarak Phetcharat

Position	<ul style="list-style-type: none">Independent directorMember of the Audit CommitteeMember of the IT Oversight Committee
Type of Director	Independent Director
Age (year)	59
Date of Appointment	1 April 2020
Term of Office (as of 31 Dec 2022)	2 years 9 months
Expertise	Financing, Marketing, and Information Technology
Director Nomination	Existing director being re-elected for the past year

13. Mrs. Patricia Mongkhonvanit

Position	<ul style="list-style-type: none"> Director Member of the Board of Executive Directors Member of the Nomination, Remuneration, and Corporate Governance Committee
Type of Director	<ul style="list-style-type: none"> Member of the IT Oversight Committee
Age (year)	Non-executive Director
Date of Appointment	51
Term of Office (as of 31 Dec 2022)	2 November 2021
Expertise	1 year 1 month 29 days Law, Economics, Tax, Audit, and National e-Payment

14. Mr. Piti Tantakasem

Position	<ul style="list-style-type: none"> Director Member of the Board of Executive Directors Member of the Risk Oversight Committee Member of Credit Committee Member of the IT Oversight Committee Chief Executive Officer
Type of Director	Executive Director
Age (year)	52
Date of Appointment	1 January 2018
Term of Office (as of 31 Dec 2022)	5 years
Expertise	Strategic Planning, Risk Management, Banking business, and Credit Facilities
Remark	Authorized director to sign on behalf of the Bank, with the Bank's seal affixed.

Information of Director who Resigned During the Year

Director	Position	The Board of Directors' Meeting	Shareholders' Meeting	Remuneration (Million THB)	Bonus (Million THB)	Non-financial Remuneration
Mr. Praisun Wongsmith	<ul style="list-style-type: none"> Independent Director Chairman of the Audit Committee 	1/1	Did not attend the Meeting	272,800	1,497,467.69	None

Principles for Directors

1. Understand and execute their oversight role, including understanding inherent risk exposures of the Bank and the connection with capital level and liquidity positions.
2. Exercise their fiduciary, loyalty, and duty of care to the Bank under applicable Thai laws and supervisory standards.
3. Avoid conflicts of interest and the appearance of such conflicts, and institute and enforce measures to monitor and avoid potential conflicts by the Bank's personnel in dealings with other persons and organizations.
4. The Board is collectively responsible to make sure no directors are allowed to influence decision making in such a way that the outcome does not represent the best balance between the interests of all stakeholders.
5. Fully contribute time and expertise to the assigned duties and responsibilities.
6. Avoid direct participation in day-to-day management of the Bank except executive director.
7. Secure information from management to enable the Board to fulfill its functions. It is the Board's responsibility to decide what information it wants.
8. Make a sensible decision or vote based on sufficient information. The directors must have sufficient information before they make any decision or vote on any issues to ensure that such decision or vote has been made based on reasonable business grounds that should be expected from professional financiers and bankers.
9. Excuse themselves from decisions when they themselves or someone related to or connected with them have a conflict of interest.
10. Provide oversight of the senior management of the Bank by exercising their duty and authority to question and insist upon straightforward explanations from management, and receive on a timely basis sufficient information to judge the performance of management.
11. Ensure that the Bank's confidential information and customer information is not given either inadvertently or deliberately to third parties and shall not use the information to seek gains without the Bank's consent or permission by law.

7.2.3 Role and Responsibilities of the Board of Directors and Sub-committees

Segregation of Duties and Balance of Power of Non-executive Directors

The Chairman of the Board of Directors and Chief Executive Officer shall not be the same person to prevent any person or group of persons from having unlimited power and to ensure the balance of power. The Chairman of the Board of Directors shall not serve in any position on the committees.

Segregation of Duties, Roles, and Responsibilities between the Board of Directors and Executive

Member of the Board (except the executive directors) shall not be the Bank's staff and shall not be involved in the Bank's normal daily executive activities. The Board of Directors has set the Charter or the Corporate Governance Policy, which indicates the authorities, roles, and responsibilities of the Board of Directors that specify the function framework to be referred to when supervising.

Roles and Responsibilities of Chairman of the Board of Directors

The chairman is responsible for leading the Board. The chairman's duties should at least cover the following matters:

1. Oversee, monitor, and ensure that the Board efficiently carries out its duties to achieve the company's objectives.
2. Ensure that all directors contribute to the company's ethical culture and good corporate governance, joint consider with Chief Executive Officer in determine the Board of director's meeting agenda and oversee that significant issues were incorporated in the agenda.
3. Promote a culture of openness and debate through ensuring constructive relations between executive and non-executive directors, and between the Board and management.

Chairman shall be chairman in the Board of Directors meeting and the Bank's shareholders' meeting. Chairman of the Board of Directors is non-executive director which in line with the Bank of Thailand Notification Re: Corporate Governance of Financial Institutions which stated that Chairman could be independent director or non-executive director.

The Bank established a balance of power between the Board of Directors and the management by requiring the Chairman of the Board to be Independent director or non-executive director. The Chairman of the Board is not involved in the Bank's regular management, which is According to the principle of separating duties between supervision and administration. In addition, the Bank has set the role and duties of the chairman. The Chairman shall be the chairman over the Board of Directors' meeting and ensures that the Board meetings run efficiently.

Roles and Responsibilities of Chief Executive Officer

The Chief Executive Officer's principal duties are to implement the Bank's strategies, plan, and ensure the smooth functioning of the Bank according to the policies set by the Board. The Chief Executive Officer has ultimate responsibility for the performance of the Bank.

Executive Succession Plan

The Bank prepares the executive succession plan as it is a key component of the personnel strategic planning. The Bank has a policy, work plans, and procedures in connection with its vision, mission, business goal and

organizational culture to ensure smooth executive succession. The Bank also prepares the succession personnel to ensure continuous operations of the Bank.

The Board of Directors

Overseeing the Bank's compliance with the specified Corporate Governance Policy is considered an important duty and responsibility of the Board of Directors. It is also employees' duty to follow the policy in order to push the Bank's business forward to ensure its efficient and effective operations are carried out consistently and sustainably.

Principles of Corporate Governance of the Bank

1. To ensure the Bank operates its business with care, efficiency, and effectiveness for stability and sustainable growth in accordance with its organizational culture, I CARE, which comprises five core values:
 - (1) Integrity
 - (2) Challenge Status Quo
 - (3) Agility
 - (4) Respect
 - (5) Execution
2. To ensure the Bank's business operation complies with Good Corporate Governance Principles without fraud and corruption and is based on key fundamentals of accountability, responsibility, equitable treatment, and transparency.
3. To protect the Bank's benefits whilst taking into account the stakeholders' benefits, rights, and equality, which will enhance the confidence of both domestic and foreign stakeholders and contribute to increasing the Bank's share value.
4. To ensure the Bank's business operation is in compliance with laws, rules and regulations, and relevant regulatory requirements.
5. To determine guidelines for the Bank's directors and employees in treating stakeholders with fairness and transparency.
6. To prevent any conflict of interest among the Bank, directors, employees, and stakeholders, and to determine the scope of responsibilities of the Board and executives to stakeholders.
7. To determine comprehensive operational procedures, efficient internal control, and risk management system at international standards.
8. To facilitate the Bank's accurate, complete, and timely disclosure of its financial report and information affecting the decision-making.

Roles and Responsibilities of the Board of Directors

The Board has delegated the management and day-to-day running of the Bank to the Chief Executive Officer, including implementing the strategy approved by the Board. The Board plays an important role in determining policies and overseeing the Bank to ensure appropriate and adequate processes and resources to enable operations in accordance with those policies, and to ensure monitoring, control, and audit of the implementation. In addition, the Board approves vision, mission, and strategy and ensure that the management puts the vision, mission, and strategy into action. The Board shall review the vision, mission, and strategy annually according to the change in the economy and business competition.

The Board of Directors has the authority to make decisions and supervise the Bank's operations in accordance with the Bank's Article of Association, except for the following matters, which the Board of Directors must obtain approval from the Shareholders Meeting prior to proceeding.

- (1) Sale or transfer of the whole or a substantial part of the Company's business to other persons
- (2) Purchase or acceptance of the transfer of business from other public companies or private companies to the Company
- (3) Conclusion, amendment, or termination of contracts relating to the lease of the whole or a substantial part of the business of the Company; assignment to any other persons to undertake the business of the Company; or consolidation of business with other persons with the objective of profit and loss sharing
- (4) Increase of registered capital through the issuance of new shares
- (5) Decrease of registered capital through reduction of the par value of each share or the number of shares, but to the extent not lower than that prescribed by the law
- (6) Borrowing through the issuance of debentures to the public
- (7) Amalgamation of the Company with other public or private companies
- (8) Dissolution of the Company; and
- (9) Amendment to the Memorandum of Association or the Articles of Association of the Company.

The sub-committee's role is described in Committee Charters, which discloses via the Bank website. The summary of the role is as follows. (Appendix 5: Corporate Governance Policy, Code of Conduct, and Master Committee Charter were disclosed via the Bank's website: <https://www.ttbbank.com/th/about-us/scope-and-responsibility>)

Board of Executive Directors (BoED)

The BoED shall review and propose the Bank's annual budget, business plan, capital planning, follow-up on performance tracking by business lines, and oversight on the performances of the Bank's subsidiaries and the companies with the Bank's investments to be in compliance with the Bank's policies. In addition, the BoED shall review and propose or approve large-scale investment schemes relating to the plan and strategy under its

authority, review and propose a new business plan which is the Bank's business strategy, prepare planning for investment in other companies, monitor the progress of the branding and corporate communications programs, and perform other tasks assigned by the Board of Directors.

In addition, it was the BoED's duty to consider business plans and budgets and acknowledge the performances of the companies in which the Bank has invested. For example, for the companies with the Bank's investment of over 50%, the BoED shall consider the companies' business plans and budgets so as to ensure that they are in line with the Bank's business plan before submitting the said companies' performances to the Board of Directors for endorsement and acknowledgment. For the companies with the Bank's investment of lower than 50%: the BoED shall acknowledge the synergies between the Bank and the said companies and the performances of those companies as deemed appropriate.

Audit Committee (AC)

The primary responsibilities of AC are to ensure that the Bank has an effective internal control system as well as an accurate and sufficient financial reporting system; to review to ensure the Bank's compliance with the securities and stock exchange laws, regulations of the SET, and the laws relating to the Bank's business; to take charge of the consideration, selection, and appointment of an independent person to perform as the Bank's auditor; to propose remuneration for the auditor; to supervise the Bank's internal audit function; and to ensure companies in the financial business group formulate accurate and complete financial reports in compliance with relevant regulations as well as performing. The chairman of the audit committee must not be the chairman of the Board of Directors, Risk Oversight Committee, or Nomination, Remuneration, and Corporate Governance Committee.

Nomination, Remuneration, and Corporate Governance Committee (NRCC)

The primary responsibilities of NRCC are to screen and nominate individuals to the Board for its consideration to appoint them as directors, members of sub-committees, CEO, or senior executives at some levels; to review remuneration for directors and senior executives for consistency with the Bank's culture, objectives, strategies, and internal control environment; to ensure Good Corporate Governance Policies' effectiveness; and to perform other tasks as assigned by the Board.

The NRCC shall also consider, screen, and nominate an individual to the Board in case of assigning the senior executive and the CEO as the Bank's representatives to be directors in financial institutions as well as to consider the CEO as a director in both the company the Bank invested in and other companies.

The chairman of this committee must be an independent or non-executive director, and the committee must consist of at least three persons of independent or non-executive directors.

Risk Oversight Committee (ROC)

The primary responsibilities of ROC are to oversee and give advice to the Board on risk appetite, risk tolerance, risk strategy, risk management system, risk control and monitoring, risk identification, evaluation, collection, control, and report; to align strategies with the Bank's risk management policy; to ensure appropriate risk level of the financial institution; to maintain a culture that supports appropriate risk management by implementing procedures, providing training, and conducting leadership actions to enable all employees to realize the wide impacts of their actions on the Bank and their business unit; and to monitor risks, by extension those of the financial business group and companies with the Bank's investment as appropriate and in line with the shareholding percentage of the Bank as well as performing to perform other tasks as assigned by the Board.

Credit Committee (CC)

The primary responsibilities of CC are credit approval, correction and restructuring, NPL write-off, NPA acquisition/transfer, NPA sales, and NPA write-off that exceeds the management's approval authority. The CC also has responsibilities to review specific credit proposals before submission for the Board's approval; to review the credit decisions of the management's credit committee; and to approve credit risk and other related risks for transactional investments or underwriting commitments which exceeds the management's approval authority.

IT Oversight Committee (ITOC)

The primary responsibilities of ITOC are oversight of IT Strategy, IT Management, IT Operations, IT Investment, and expenditures budget to ensure the alignment with the Bank's strategy, and oversight of IT Risk Management of both normal situations and crises, as well as oversight development programs for staffs to have sufficient knowledge on information technology and IT risk awareness.

For an appointment of the sub-committees, the NRCC shall consider, give endorsement, and submit to The Board for consideration and appointment thereof. To appoint the sub-committees, the Board shall consider the requirements of profound expertise in respect of the roles and responsibilities of each board committee. Qualified persons shall have competence, professional experience, and specialized qualifications without conflict of interest to hold the position. Each board committee shall also have all compositions and qualifications in accordance with the regulatory requirements.

7.3 Sub-committee Structure

7.3.1 Sub-committees

To achieve effective and efficient performance, the Board has appointed sub-committees to relieve its burden in monitoring or consideration of important businesses of the Bank. The sub-committees have the authority to make decision on behalf of the Board subject to the Board's delegation of authority.

The Board has determined the scope of duties and responsibilities of the sub-committees in accordance with their missions. The segregation of duty is clearly defined without duplication of work, as well as in compliance with the regulatory requirements. In addition, the sub-committees' meetings must be held on a regular basis to report their performance for the Board's acknowledgment.

1. Board of Executive Directors
2. Audit Committee
3. Nomination, Remuneration, and Corporate Governance Committee
4. Risk Oversight Committee
5. Credit Committee
6. IT Oversight Committee

7.3.2 Details of the Sub-committees are as Follows:

(1) Board of Executive Directors

As of 31 December 2022, the Board of Executive Directors comprised six members as below. The Board of Executive Directors' meeting is usually held twice a month or as deemed necessary and instructed by the Chairman of the Board of Executive Directors:

Name	Position	Note
1. Mr. Philippe G.J.E.O. Damas	Chairman	Non-executive Director
2. Mr. Suphadej Poonpipat	Vice Chairman	Non-executive Director
3. Mr. Somjate Moosirilert	Committee Member	Non-executive Director
4. Mrs. Patricia Mongkhonvanit	Committee Member	Non-executive Director
5. Mr. Michal Jan Szczurek	Committee Member	Non-executive Director
6. Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)

Mrs. Manika Sittichai is Secretary to the Board of Executive Directors.

(2) Audit Committee

As of 31 December 2022, the Audit Committee comprised three members whose qualifications must conform to the Securities and Exchange Commission's requirements. The Audit Committee's meeting is usually held once a month or as deemed necessary and instructed by the Chairman of the Audit Committee as below:

Name	Position	Note
1. Mrs. Charita Leelayudth	Chairman	Independent Director
2. Mrs. Chananyarak Phetcharat	Committee Member	Independent Director
3. Mr. Prinya Hom-anek	Committee Member	Independent Director

Mrs. Charita Leelayudth is a member of the Audit Committee with good experience in reviewing financial statements and graduated with an Accounting major. She is also a Certified Public Accountant.

Mrs. Chananyarak Phetcharat graduated with an Accounting major.

Ms. Pittimart Sanguansook is Secretary to the Audit Committee.

(3) Nomination, Remuneration, and Corporate Governance Committee

As of 31 December 2022, the Nomination, Remuneration, and Corporate Governance Committee comprised five non-executive directors as below, whose terms of office followed the annual director election. The meeting of this Committee is usually held once a month or as deemed necessary and instructed by the Chairman of the Nomination, Remuneration, and Corporate Governance Committee:

Name	Position	Note
1. Mr. Philippe G.J.E.O. Damas	Chairman	Non-executive Director
2. Mr. Somjate Moosirilert	Committee Member	Non-executive Director
3. Mrs. Patricia Mongkhonvanit	Committee Member	Non-executive Director
4. Mr. Teeranun Srihong	Committee Member	Independent Director
5. Mr. Willem Frederik Nagel	Committee Member	Independent Director

Mrs. Vijitra Thumponthong is Secretary to the Nomination, Remuneration, and Corporate Governance Committee until 31 December 2022.

Mrs. Prapasiri Kositthanakorn is secretary to the Nomination, Remuneration, and Corporate Governance Committee starting from 1 January 1, 2023.

(4) Risk Oversight Committee

As of 31 December 2022, the Risk Oversight Committee comprised seven members. The meeting of this Committee is on a quarterly basis or as deemed necessary and instructed by the Chairman of the Risk Oversight Committee.

	Name	Position	Note
1.	Mr. Willem Frederik Nagel	Chairman	Independent Director
2.	Mr. Teeranun Srihong	Committee Member	Independent Director
3.	Mr. Prinya Hom-aneek	Committee Member	Independent Director
4.	Mr. Yokporn Tantisawetrat	Committee Member	Non-executive Director
5.	Mr. Michal Jan Szczurek	Committee Member	Non-executive Director
6.	Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)
7.	Mr. Johannes Franciscus Grisel	Committee Member	Management (Chief Risk Officer)

Ms. Chaowanat Kitpracha is Secretary to Secretary to the Risk Oversight Committee.

(5) Credit Committee

As of 31 December 2022, the Credit Committee was composed of 4 members. The Credit Committee's meeting is usually held twice a month or as deemed necessary and instructed by the Chairman of the Credit Committee.

	Name	Position	Note
1.	Mr. Yokporn Tantisawetrat	Chairman	Non-executive Director
2.	Mr. Somjate Moosirilert	Committee Member	Non-executive Director
3.	Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)
4.	Mr. Johannes Franciscus Grisel	Committee Member	Management (Chief Risk Officer)

Mr. Ekanat Kieatinapasin is Secretary to the Credit Committee.

(6) IT Oversight Committee

As of 31 December 2022, the IT Oversight Committee comprised six members. The meeting of this Committee was conducted at least once a quarter or as deemed necessary and instructed by the Chairman of the IT Oversight Committee.

			Name	Position	Note
1.	Mr. Teeranun Srihong	Chairman			Independent Director
2.	Mr. Prinya Hom-anek	Committee Member			Independent Director
3.	Mrs. Chananyarak Phetcharat	Committee Member			Independent Director
4.	Mrs. Patricia Mongkhonvanit	Committee Member			Non-executive Director
5.	Mr. Willem Frederik Nagel	Committee Member			Independent Director
6.	Mr. Piti Tantakasem	Committee Member			Executive Director (Chief Executive Officer)

Mr. Sutthikan Rungsrithong is Secretary to IT Oversight Committee.

7.4 Executives

Executives and Remuneration

As of 31 December 2022, the Bank's executives comprised 38 persons, as shown in the below table. During the fiscal year that ended on 31 December 2022, the Bank's executives received remuneration in a total amount of THB 377 million, consisting of salary, bonus, provident fund, and other benefits.

"Executives" as defined by the Bank and aligned with the definition of SEC, refer to managers or the following four executives succeeding the manager, the persons holding equivalent position to the fourth executive, and shall include the persons holding the position of manager or equivalent in accounting or finance department and staff who may know the financial information before being publicly disclosed.

Name-Surname	Position
1. Mr. Piti Tantakasem	Chief Executive Officer
2. Mr. Praphan Anupongongarch	President and Acting Chief Automotive Lending Officer
3. Mr. Thakorn Piyapan ⁽¹⁾	President
4. Mr. Anuwat Luengtaweekul	Chief Retail Banking Officer
5. Mr. Saranya Phuphatana ⁽²⁾	Chief Commercial Banking Officer
6. Mr. Johannes Franciscus Grisel	Chief Risk Officer
7. Mrs. Prapasiri Kositthanakorn ⁽³⁾	Chief Financial Officer
8. Mrs. Vijitra Thumpothong ⁽⁴⁾	Chief People Officer
9. Mrs. Kanchana Rojvatuny	Chief Market and Experience Officer
10. Mrs. Pittimart Sanguansook	Chief Audit Officer
11. Mrs. Rattana Arkachaisri	Chief Operating Officer
12. Mr. Sutthikan Rungsrithong	Chief Information Officer
13. Mr. Mate Kanokpibool	Financial Controller
14. Miss Somkid Preechasammakul ⁽⁵⁾	Head of Finance Intelligence and Business Partner
15. Miss Pimolwan Puarattana-aroonkorn	Head of Finance Business Partner - Subsidiary Management_CEO
16. Miss Preediorn Klungnark	Head of Finance Business Partner - Bank-wide Managerial Report and Corporate Functions
17. Miss Tharinee Totab	Head of Finance Business Partner - CALO_COO

Name-Surname	Position
18. Miss Arunee Eiampreecha ⁽⁶⁾	Head of Finance Business Partner - CIO
19. Miss Watthanawadee Kumthongmak ⁽⁷⁾	Head of Finance Business Partner - CRBO
20. Miss Supajanee Thirakhupt ⁽²⁾	Head of Finance Business Partner - CRO_Collection and
21. Mr. Andrew Kent Jan	Bad Bank Management
22. Mr. Chalermchai Paisithmongkol	Head of Central Treasury
23. Mrs. Kwanhatai Sukhumtammarat	Head of Financial Application and System Management
24. Miss Suwipa Phansatan ⁽²⁾	Head of Asset and Liability Management
25. Miss Waree Thanmongkolswad	Head of Financial Regulatory Management
26. Mrs. Suphavadee Wuthithien	Head of Regulatory Analysis - BoT Reporting
27. Mr. Prayut Boonlerd	Head of Accounting Control
28. Miss Rochana Ratana-Ubol	Head of Financial Payment and Control
29. Mr. Pichan Ruechuzed	Head of Tax Strategy & Compliance
30. Mr. Pakpoom Visawameteekul	Head of Capital and Balance Sheet Strategy
31. Mr. Surapong Chanthasittiporn	Head of Business Intelligence
32. Miss Jiranun Nitnun	Head of Regulatory Analysis - Financial Reporting
33. Miss Ratinat Puttinan	Head of Business Performance and ALM Application
34. Miss Thanaporn Chanchanasophon	Head of Financial Governance Policy and Analysis – CRBO_Bank-wide
35. Mr. Borripart Tanyong ⁽⁸⁾	Head of Financial Governance Policy and Analysis - CALO_SABs
36. Miss Sopirada Keoplung ⁽⁸⁾	Head of Financial Governance Policy and Analysis - CCBO
37. MR. Charnwit Kunsapsak ⁽⁸⁾	Head of Accounting and Financial Service - Subsidiary
38. Mrs. Pimchaya Thammasorn	Executive Finance Business Partner

Remark:

⁽¹⁾ Appointment effective on 1 May 2022.

⁽²⁾ Appointment effective on 1 April 2022.

⁽³⁾ Taking position of Chief Financial Officer until 31 December 2022 and taking position of Chief of Staff from 1 January 2023.

⁽⁴⁾ Retired on 1 January 2023.

⁽⁵⁾ Taking position of Head of Finance Intelligence and Business Partner until 31 December 2022 and taking position of Chief Financial Officer from 1 January 2023.

⁽⁶⁾ Appointment effective on 16 January 2022.

⁽⁷⁾ Appointment effective on 1 January 2022.

⁽⁸⁾ Appointment effective on 1 July 2022.

7.5 Employees

7.5.1 Number of Employees

As of 31 December 2022, the Bank has a total number of 14,620 employees, which could be broken down by group in below table. In terms of group level, the Bank and its subsidiaries have a total number of 15,556 employees.

As of 31 December 2022	No. of Staff
Commercial Banking	907
Retail Banking	6,353
Auto Lending Business	1,835
Support Business Units	5,525
Total Bank's Employees	14,620
Subsidiaries' Employees	936
Total ttb Group's Employees	15,556

Changes in the Number of Employees During the Past Three Years

Changes in the number of employees during the past three years were shown in table below. The decline in the Bank's employees was due mainly to branch rationalization in response to the increasing adoption of digital banking among customers, which was similar to the industry trend and stabilized in 2022. In addition, some of the Bank's employees were transferred to subsidiaries following the group's restructuring. As a result, the number of employees in subsidiaries increased. Overall, the changes in the group's employees were in line with the group's business direction.

No. of Headcounts	2563	2564	2565
Bank's employees	17,009	15,102	14,620
Subsidiaries' employees	341	376	936
ttb group's employees	17,350	15,478	15,556

7.5.2 Staff's Compensation and Benefits

In 2022, total compensation for the Bank's employees given in the forms of salary, cost of living allowance, other allowances related to work, variable pay by performance, and others accounted for THB 15,486 million. Total compensation for the Bank and its subsidiaries was THB 16,006 million.

Types of Compensation for Employees

The Bank is well aware that employees are its valued resources and key contributors to its success and achievement. Therefore, the Bank gives priority to boosting the employees' morale and ensuring that they receive compensation based on their performance, skills, and competence, as well as other welfare and benefits that are reasonable, fair, and comparable to other financial institutions. Therefore, compensation is divided into three types.

1. Fixed remuneration: This is in the form of a structured base salary that is competitive to the financial institutions and fairly managed for internal equality according to the role and responsibilities of an individual. The Bank has continued to review and update the information to ensure a proper compensation package, including the required working tools to be aligned with the scope of work and responsibilities, regardless of the corporate title or ranking. Annual increment is considered based on economic and financial market situations.
2. Variable remuneration: This includes performance bonuses and incentives designed to drive the **"Pay for Performance"** culture depending on the performance of the Bank and employees.
3. Benefits and welfare: The well-being of our employees is our passion, either financial or non-financial perspective. This part mainly includes provident fund, welfare, and competitive benefits.

3.1 Provident fund

The Bank and Employees have jointly established The Registered Provident Fund of TMBThanachart Bank Public Company Limited, which is managed by The Board of Directors of The Registered Provident Fund of TMB Bank Public Company Limited comprising employers, which come from the appointment and employees which come from the election from the member. The fund is managed under the Employee's Choice scheme in which the employee can choose to save at the rate of 2-15% of their salary while the Bank contributes 5-10% to the fund.

The fund has been managed by Eastspring Investments (Thailand) Co., Ltd., which operates and complies with Investment Governance Code: I-Code and Environmental and Social Responsibility methodology. This is to provide the highest benefits to staff on their retirement plan.

3.2 Subsidies, welfare, and fringe benefits

The Bank commits to the well-being of our employees. Accordingly, the Bank has provided subsidies, welfare, and fringe benefits to support three core dimensions as follows:

1st dimension Physical & Mental Well-being: The Bank provides our employees with health and dental insurance, annual health checkups, an in-house medical clinic with specialized physicians at the Head Office and other offices of the Bank with a high volume of employees, fitness, and canteen. In order to take care of mental well-being, many enthusiastic arts and musical activities and consultation sessions with a psychologist were arranged and provided throughout the year.

2nd dimension Financial Well-being: The Bank provides subsidies and monetary support on several occasions, e.g., weddings, child's birth, ordination, Islamic pilgrimage, disaster, funeral, and scholarships for staff's children. Besides, employees are eligible for welfare loans and special interest rate loans.

3rd dimension Security Well-being: To ensure our employees and their families a certain level of security, the Bank provides group life insurance, severe diseases insurance, personal accident insurance, and medical financial support for an accident from work which covers 24 hours for both working hours and overtime. Those who work in four high-risk southern provinces are provided with a top-up life insurance and medical financial support in case of accident that might occur from work.

The Bank has always monitored the situation in order to provide prompt support to our employees once needed. In 2022, COVID-19 existed. The Bank actively provided free vaccines for our employee and their families, as well as ATK and other health preventive kits. A special team was set up to provide advice and coordination with hospitals as well as closely monitor our employees on their health and illness. The instruction on health prevention had been communicated throughout the year. For the severe flood and disasters unfortunately arose, the Bank also provided a special subsidy to support the rental cost of temporary shelter for those who were flood victims.

7.5.3 Key Labor Disputes (ttb Only)

- None -

7.5.4 Human Resources Development

Training roadmap for the Bank's staff has been designed to strengthen Core and Leadership Competency for our people. We customized training contents and topics to fit staff and executives at all levels by analyzing key behaviors and skills required for the Bank's employees at different proficiency levels.

As of December 2022, the Bank provided training courses for staff in various courses for developing their knowledge and skill as below. On average, employees had 61 training hours per person.

Overall staff training 2022	Average hour
Men	51
Women	66
Overall training by average hour	61

7.6 Other Significant Information

Other Support Functions for Corporate Governance and Transparency Measure are as Follows:

1. Comptroller
2. Compliance
3. Internal Audit
4. Company Secretary
5. Investor Relations

7.6.1 Details of the Appointment of Support Functions

1. Financial Control

- The Bank has appointed Mrs. Prapasiri Kositthanakorn to hold the position of Chief Financial Officer until 31 December 2022 and appointed Miss Somkid Preechasammakul as Chief Financial Officer effective from 1 January 2023.
- The Bank has appointed Mr. Mate Kanokpibool to hold the position of Financial Control.
(see more detail of education, work experience, and training via the Bank's website)

2. Head of Compliance

- The Bank has appointed Ms. Panita Chaowpet to hold the position of Head of Compliance until 28 February 2023 and appointed Mrs. Chirdprapa Chaladsoontornvatee as Head of Compliance effective from 1 March 2023.
- Compliance is the 2nd Line of Defense function, reporting to the CRO to oversee compliance risk. Compliance develops Compliance Policies to ensure that the compliance risks are properly managed. Compliance also supervises and reviews the adequate implementation of Market Conduct regulation and PDPA. In the context of PDPA, the Head of Compliance acts as Data Protection Officer (DPO).
(see more detail of education, work experience, and training via the Bank's website)

3. Head of Internal Audit

- The Bank has appointed Mrs. Pitimart Saguansook to hold the position of Chief Audit Officer (Head of Internal Audit).
(see more detail of education, work experience, and training via the Bank's website)

4. Company Secretary

- The Board of Directors has appointed Mrs. Manika Sitthichai to hold the position of Company Secretary, in replacement of Mr. Naris Aruksakunwong effective from 3 May 2022.
(see more detail of education, work experience, and training via the Bank's website)

The Company Secretary's roles and responsibilities are to perform duty in compliance with laws and follow up activities of the Board of Directors and Sub-committees, Management, and the Bank to be in line with relevant laws, regulations, and articles of association of the Bank. The Company Secretary is also to support the Board of Directors, board committee, management, and the Bank to implement operations in line with good corporate governance.

The Company Secretary has roles and responsibilities as follows:

1. For the Bank

- 1.1 To monitor and supervise the Bank's overall operation to comply with relevant laws and regulatory requirements, including resolution of the Board of Directors and resolution of the annual general meeting of shareholders.
- 1.2 To file and keep the Bank's important documentation such as certificates, memorandum & articles of association, shareholder register, licenses, and power of attorney.
- 1.3 To push for guidelines so the Bank shall formulate policies, comply with Good Corporate Governance and conduct regular reviews.
- 1.4 To act as a contact person for the Bank.

2. For the Board

- 2.1 To advise the Board of Directors and management on laws and regulations relevant to their duties.
- 2.2 To oversee meetings of the Board and sub-committees established by the Board of Directors to be in line with laws, regulations, articles of association, charters, and best practices.
- 2.3 To Manage to serve as the Board's secretary and sub-committees' secretary as assigned, including Chief Executive Committee, record accurate and complete minutes, inform relevant executives of the resolution, and follow up on the resolution implementation.

- 2.4 To oversee the changes of directors and examine director's qualifications in case of appointment of new directors and director to replace a director who resigned by rotation in line with regulatory requirements and the Bank's strategy and business direction, including proposing the issue to the Bank of Thailand for endorsement.
- 2.5 To review the director's qualifications during the directorship period to ensure that the qualifications are always in line with regulatory requirements.
- 2.6 To oversee insider information and conflict of interest practices of directors.
- 2.7 To facilitate directors' training and development.
- 2.8 To provide the Board and Sub-committees' performance assessment.
- 2.9 To arrange Directors and Officers Liability Insurance (D&O Insurance) for the directors and management.

3. For the Shareholders

- 3.1 To conduct shareholders' meetings to be in line with laws, articles of association, and Good Corporate Governance Principles, as well as to perform the secretary's duty to the shareholders' meeting.
- 3.2 To oversee the right of shareholders and create a good relationship with shareholders.

5. Investor Relations

Ms. Dararat Urapanthamat, Head of Investor Relations, communicates with investors, securities analytics, and other relevant parties and provides them with accurate and complete information about the Bank, both financial and general information, in a timely manner and in accordance with the relevant laws or regulations. This is to support the decision-making, create confidence, and enhance the good image of the Bank. The Bank's Investor Relations can be contacted on Floor 30, Head Office, Telephone number 02-242-3475, IR Webpage: <https://www.ttbank.com/th/ir> for Thai Language and <https://www.ttbank.com/en/ir> for English Language. Besides, shareholder services can be contacted at Corporate Counselor Floor 28, Head Office, Telephone number 02-299-2729 and Fax. number 02-299-2758.

7.6.2 Auditor's Remuneration

7.6.2.1 Audit fees

The Bank and its subsidiaries paid audit fees to:

- The auditors of the Bank and its subsidiaries in the previous accounting year amounting to THB 14,845,000.

Company	Auditors	Audit Fees (THB)
1. TMBThanachart Bank Public Company Limited	KPMG Phoomchai Audit Ltd. (Mr. Chokechai Ngamwutikul)	13,450,000
2. TBCO Public Company Limited	KPMG Phoomchai Audit Ltd. (Mr. Chanchai Sakulkoedsin)	100,000
3. TMBThanachart Broker Company Limited	KPMG Phoomchai Audit Ltd. (Mr. Chokechai Ngamwutikul)	400,000
4. Phahonyothin Asset Management Company Limited	KPMG Phoomchai Audit Ltd. (Mr. Chokechai Ngamwutikul)	615,000
5. TTB Consumer Company Limited	KPMG Phoomchai Audit Ltd. (Mr. Chokechai Ngamwutikul)	160,000
6. TMBThanachart Bank Public Company Limited Cayman Branch	KPMG Phoomchai Audit Ltd. (Mr. Chokechai Ngamwutikul)	120,000
Total Audit Fees		14,845,000

- The respective audit company, including individuals or entities related to the Bank's auditor and the respective audit company in the previous accounting year: None

7.6.2.2 Non-audit fees

The Bank and its subsidiaries paid fees for non-audit services, i.e., special purpose audit and engagements to perform agreed-upon procedures to:

- The auditor of the Bank and its subsidiaries in the previous accounting year, together with future payments due to incomplete work in the previous accounting year: None
- The respective audit company, including individuals or entities related to the Bank's auditor and the respective audit company in the previous accounting year, together with future payments due to incomplete work in the previous accounting year: None

8. Corporate Governance Report

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

In 2022, the Board of Directors reviewed Vision, Purpose, and Core Values to ensure that all matters are up-to-date and comply with the Bank's business directions, approved strategic directions and policies of the Bank's financial business group, reviewed the annual business plan and budget, and reviewed the adequacy of an internal control system and appropriate risk management framework. The Board of Directors also supervised, reviewed, and monitored management in effectively carrying out actions that aligned with the designated policies, corporate strategy, and business plans and were in accordance with the rules and regulatory requirements of related government agencies and the resolutions of the shareholders meeting. The Management was assigned to report the Bank's operational results to the Board of Directors meetings monthly.

8.1.1 Nomination of the Board of Directors and Executives

Qualifications of Independent Director and Audit Committee Member

In the nomination of directors, NRCC must sort and screen the qualified people according to the regulations and the Bank's Articles of Association, including the independent directors and audit committee member qualification in accordance with the relevant announcements.

Independent Director and Director Nomination Criteria

1. Recruitment of Independent Director

The Bank has been aware that independent directors take a vital role in safeguarding the interests of the Bank and the minor shareholders. To enhance the independence of the Board of Directors and manage conflicts of interest pursuant to the regulatory criteria and the corporate governance principles, the Board has formulated criteria for the nomination of independent directors from professionals of diversified fields with proper qualifications

and experience who can deliver independent opinions and have fairness in the performance of duty by applying skill matrix as the tools for consideration. The Nomination, Remuneration, and Corporate Governance Committee shall make preliminary consideration of the nomination of independent directors before submission to the Board meeting or the shareholders' meeting (as the case may be) for appointment thereof. The Bank shall define the basic qualifications of an independent director, which are more stringent than that under the criteria set by the Capital Market Supervisory Board.

The Board of Directors establishes the independent director qualification that indicates the term of independent director at most 9 years consecutively. Any independent director who has their term for 9 years could be re-elected for another term of independent director after their resignation for 2 years.

Qualification of Independent Directors

1. Not hold shares above 0.5 percent of total voting shares of the Bank, or the Bank's parent company, subsidiary, associated company, major shareholder, or any person with controlling power over the Bank, while the number of shares held by any related person of that independent director must also be counted.
2. Not be and have not been a director participating in a management role, an employee, an officer, an advisor who receives a regular salary, or a person having controlling power over the Bank, the Bank's parent company, subsidiary, associated company, subsidiary at the same level, or major shareholder, unless such independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.
3. Not be a person who has a relationship either through the bloodline or legal registration as the father, mother, spouse, sibling, and child, as well as the spouse of a child of other directors, executives, major shareholders, a person having controlling power, or a person to be nominated as the director and executive or that who has controlling power over the Bank or its subsidiary.
4. Have no or have had no business relationship with the Bank or its parent company, subsidiary, associated company, major shareholder, or person having controlling power over the Bank, in a manner that may prevent his/her due and independent use of discretion. The independent director shall not be and have not been a shareholder in a material respect or a person who has controlling power over the person with a business relationship with the Bank, its parent company, subsidiary, associated company, major shareholder, or a person having controlling power over the Bank, unless such independent director has not been a person referred to above for at least two years prior to the date of his/her appointment.

Business relationship in the above paragraph shall cover any ordinary course of business or trade for business engagement purposes, property rent, transaction relevant to asset or service, giving or receiving financial assistance in the form of loan or guarantee, offering assets as collateral, and any other similar conduct, which causes the Bank or its counterparty to be liable for debt settlement to another party in an amount equivalent to 3 percent or more of the net tangible assets of the Bank or twenty million baht or more, whichever is lower. The calculation of the said debt is in accordance with the calculation of a connected transaction prescribed in the Capital Market Supervisory Board's notification regarding criteria on connected transactions mutatis mutandis. However, consideration of the said debt shall include the debt incurred one year before the date on which such business relationship takes place.

5. Not be and have not been an auditor of the Bank, its parent company, subsidiary, associated company, major shareholder, or a person having controlling power. The independent director shall not be and have not been a shareholder in material respect, a person having controlling power, a partner of an auditing firm for which the auditor of the Bank, or that of its parent company, subsidiary, major shareholder, or a person with controlling power over the Bank has been working unless such independent director has not been a person referred to above for at least two years before the date of his/her appointment.
6. Not be and have not been a professional advisor, including legal or financial advisor, who obtains a fee of more than two million baht a year from the Bank, its parent company, subsidiary, associated company, major shareholder, or a person having controlling power. The independent director shall not be and have not been a shareholder in a material respect, a person with controlling power, or a partner of such professional service provider unless the independent director has not been a person referred to above for at least two years before the date of his/her appointment.
7. Not be a director who has been appointed as a representative of the Bank's director, the major shareholder, or the shareholder related to the Bank's major shareholder.
8. Not engage in a business of the same nature as or competing with that of the Bank or its subsidiary. The independent director shall not be a partner in a material respect in a partnership, or director participating in a management role, an employee, officer, or advisor obtaining regular salary, or a shareholder holding more than one percent of total voting shares of any other company which engages in the business of the same nature as or competing with that of the Bank or its subsidiary.

9. Not maintain in the independent director position longer than for 9 years unless they have been discharged from such positions or status for at least 2 years prior to the day of the appointment.
10. No characteristics that prevent the director from giving independent opinions on the Bank's operations.

In this regard, any revision/amendment/relaxation of the criteria or qualifications of the independent directors to be announced later on by the Capital Market Supervisory Board, the Securities and Exchange Commission, the Stock Exchange of Thailand, or the Bank of Thailand shall be applied accordingly.

2. Recruitment of Non-executive Directors

The Board of Directors has put in place a definite and transparent director nomination policy and process. The Nomination, Remuneration, and Corporate Governance Committee is responsible for selecting, screening, and nominating qualified persons to the Board of Directors for consideration before proposing to the shareholders' meeting for further election as directors of the Bank. In some cases, the Bank recruits directors by considering the Director Pool data base. Apart from the qualifications prescribed in the Bank's Articles of Association and the appropriate personal qualifications, the persons nominated must be competent, knowledgeable, and experienced in banking and relevant business operations with the possession of leadership skills and visionary and strategic ideas that can lead the Bank to strong and long-term sustainable growth and must be able to dedicate their time for the optimum benefits of the Bank.

In case of vacancy due to the resignation of a director before finishing the term, the Board of Directors shall appoint a person to fill the vacant position through the nomination made by the Nomination, Remuneration, and Corporate Governance Committee. The said new director shall hold office only for the remaining term of office of the director whom he/she has replaced unless the remaining duration of the director's term of office is less than two months.

The shareholders are allowed to vote for the election of directors individually. This voting uses the majority votes of the shareholders who attend the meeting and have voting rights.

3. Appointment of Member of the Board Committees

For the appointment of board committees' members, the Nomination, Remuneration, and Corporate Governance Committee shall consider and endorse the nominees before submission for approval and appointment by the Board of Directors. The selection is based on the expertise required for each board committee. Members of the board committees shall have professional skills and specific experience and be free from conflict of interest. In addition, each committee shall have the composition and qualifications as prescribed by the regulatory criteria and the Board Skills Matrix.

4. Recruitment of Executive

In the appointment process of the executive at the “Head of” level and above, the Nomination, Remuneration, and Corporate Governance Committee is responsible for consideration to acquire and screen qualified persons from both internal and external sources as defined by the Bank’s rules and regulations. Moreover, criminal and NCB checks are required. Then the nominated persons will be proposed to the Board of Directors for approval as well as other required functions to comply with laws and regulations of government authorities related to the financial service business.

The succession plan for key positions has been established and reviewed annually. In this regard, the recruitment process to fill the executive position who will soon complete a specific term shall be made by the Nomination, Remuneration, and Corporate Governance Committee duly in advance.

Performance Appraisal of the Chief Executive Officer

Nomination, Remuneration, and Corporate Governance Committee have been assigned to appraise the CEO’s performance and year-end 2022 in profitability, cost efficiency, ability to generate future income, risk management, digital transformation, people’s culture, and sustainability.

Assumption of Position in Other Companies by Chief Executive Officer

The Bank’s Chief Executive Officer shall perform full-time duties for the Bank. An assumption by the Chief Executive Officer of any position in other companies or organizations shall require approval by the Board.

Terms of Directorship

The terms of directorship shall be in accordance with Clause 17 of the Bank’s Article of Association, which states that at each annual general shareholders’ meeting, at least one-third of the directors shall retire. Should the total number of directors cannot be divided exactly by 3, the number of directors closest to the 1/3 ratio shall apply. Retiring directors may be re-elected. Term of directorship for independent director was indicated in the Bank’s policy that each independent director shall have a term of directorship for at most 9 consecutive years starting from the appointed date. If any independent director has a term of directorship for 9 consecutive years, he or she must retire for at least 2 years before being re-elected as an independent director.

Role Assumption of Directorship in Other Companies

To ensure that the directors have adequate time to perform their duties for the Bank, the Board limits directors from assuming a position in other companies as per regulations of the SET, the SEC, and the Bank of Thailand, taking into account the effectiveness of the directors assuming a position in companies. Details are as follows:

1. A director of the Bank may assume directorship in at most 5 listed domestic and offshore companies. (ttb and the other four listed companies)
2. Directors of the Bank are able to assume a position or several positions, including Chairman of the Board, Executive Director, or an authorized signatory director in other companies in not more than 3 business groups (excluding ttb). A company, not a part of a business group, shall be treated as one business group.
3. Directors shall disclose the information regarding the assumption of directorship in other companies to the Bank per regulatory requirements and the Bank's regulation.

Directors' Performance Assessment

The NRCC had considered the method, scope, and criteria of assessing directors' performance of duties in the Board and Board Committees as well as individual directors by applying self-evaluation and cross-evaluation before submission to the Board meeting for approval. This reflects their performance efficiency and problems and obstacles during the year. The recommendation will be gathered for improvement consideration and will send the approved assessment form to all directors.

Topic	The Board of Directors	Sub-committees
1. Assess the Efficiency		
1.1 The Board of Directors	✓	
1.2 Sub-committees		✓
2. Individual Self-assessment	✓	
3. Individual Peer (Cross) assessment	✓	

Assessment's Criteria

- The criteria for assessment of the Board of Directors cover various areas, including (1) Structure of the Board, (2) Board meeting, (3) Board and Board Committees' Performance of Duties, (4) Relationship with Management, (5) Self-development of Directors, (6) Board's Practice of Roles, and (7) Responsibilities of the Board.
- The criteria for assessment of the Board Committees cover (1) Structure of the Board, (2) Board Meeting, (3) Board Committees' Performance of Duties, (4) Relationship with Management, (5) Self-development of Directors, and (6) Board Committees Practices of Roles and Responsibilities.
- The criteria for individual self-assessment consist of (1) Roles and Responsibilities according to the Charter, (2) Dedication, (3) Independence, (4) Meeting Participation, and (5) Understanding of Banking Business.
- The criteria for the Individual peer (cross-assessment) cover (1) Role and Responsibilities according to the Charter, (2) Dedication, (3) Independence, (4) Meeting Participation, and (5) Understanding of the Banking Business.

Assessment's Process

The self-assessment is undertaken as follows:

1. Assessment on the whole Board of Directors' performance, the performance of each Sub-committee (i.e., the Board of Executive Directors, Audit Committee, Nomination, Remuneration, and Corporate Governance Committee, Risk Oversight Committee, Credit Committee, and IT Oversight Committee)
2. Self-assessment on an individual Board member
3. Cross-assessment

NRCC shall report the result from the assessment and propose to the Board of Directors for acknowledgment and report the result of the Board of Directors and the Sub-committee. In 2022, the assessment result was rated as **"Excellent."**

New Director Orientation and Director Development Program

The Bank provides an orientation for new directors whenever a director changes. Director's manual, documents, and useful information are provided to support the important information and prepare the new directors to perform his/her duty through electronic media. In this regard, the Company Secretary and Corporate Counselor shall have the following responsibilities:

- To provide the Bank's Information such as the Bank's history, important official documents, major shareholders, vision and mission, financial statements, business structure, management structure, term of directorship, directors' remuneration, etc.
- To provide information on the regulations and best practices for directors, e.g., rules and regulations for directors of related regulatory agencies, the Bank's policies and practices for directors, do's and don'ts for the Bank's directors, director fiduciary duty checklist, directors & officers liability, and corporate reimbursement insurance.
- Furthermore, the Bank also provides internal training for directors to enhance knowledge about the Bank's business and director's responsibilities.

Summary of the Training and Seminar During the Year 2022

In 2022, a total of 14 Directors attended training courses and seminars, or 100% of the total number of Directors. Details are as follows:

Directors	Courses
1. Mr. Ekniti Nitithanprapas	<ul style="list-style-type: none"> Wellness & Healthcare Business Opportunity Program for Executives (WHB) class 2 The Cullinan: The Making of Digital Board class 1/2022, the Ministry of Digital Economy and Society in collaboration with the Digital Economy Promotion Agency (depa) and Thailand Management Association (TMA) ESG as a vehicle for Business Transformation, Thai Institute of Directors Association (IOD) Decentralized Finance (DeFi), TMBThanachart Bank Plc. Digital Marketing 5.0 for Financial Solutions, TMBThanachart Bank Plc. Open Banking - Virtual Banking, TMBThanachart Bank Plc. ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.
2. Mr. Suphadej Poonpipat	<ul style="list-style-type: none"> Decentralized Finance (DeFi), TMBThanachart Bank Plc. Digital Marketing 5.0 for Financial Solutions, TMBThanachart Bank Plc. Open Banking - Virtual Banking, TMBThanachart Bank Plc. ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.
3. Gen. Apinun Kumproh	<ul style="list-style-type: none"> Decentralized Finance (DeFi), TMBThanachart Bank Plc. Digital Marketing 5.0 for Financial Solutions, TMBThanachart Bank Plc. Open Banking - Virtual Banking, TMBThanachart Bank Plc. ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.
4. Mr. Philippe G.J.E.O. Damas	<ul style="list-style-type: none"> Digital Marketing 5.0 for Financial Solutions, TMBThanachart Bank Plc. Open Banking - Virtual Banking, TMBThanachart Bank Plc. ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.

Directors	Courses
5. Mrs. Charita Leelayudth	<ul style="list-style-type: none"> • Director Certification Program (DCP 322/2022), Thai Institute of Directors Association (IOD) • Director Accreditation Program (DAP 191/2022), Thai Institute of Directors Association (IOD) • Advanced Audit Committee Program (AACP 43/2022), Thai Institute of Directors Association (IOD) • Digital Marketing 5.0 for Financial Solutions, TMBThanachart Bank Plc. • Open Banking - Virtual Banking, TMBThanachart Bank Plc. • Easy listening: Easy Listening: Accounting Tips that AC should not miss EP. 2, The Securities and Exchange Commission (SEC) • ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.
6. Mr. Willem Frederik Nage	<ul style="list-style-type: none"> • Open Banking - Virtual Banking, TMBThanachart Bank Plc. • ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.
7. Mr. Yokporn Tantisawetrat	<ul style="list-style-type: none"> • The Cullinan: The Making of Digital Board class 1/2022, the Ministry of Digital Economy and Society in collaboration with the Digital Economy Promotion Agency (depa) and Thailand Management Association (TMA) • Decentralized Finance (DeFi), TMBThanachart Bank Plc. • Digital Marketing 5.0 for Financial Solutions, TMBThanachart Bank Plc. • Open Banking - Virtual Banking, TMBThanachart Bank Plc. • ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.
8. Mr. Teeranun Srihong	<ul style="list-style-type: none"> • 2022 Cyber Resilience Leadership, The Bank of Thailand • Decentralized Finance (DeFi), TMBThanachart Bank Plc. • Digital Marketing 5.0 for Financial Solutions, TMBThanachart Bank Plc. • Open Banking - Virtual Banking, TMBThanachart Bank Plc. • ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.
9. Mr. Somjate Moosirilert	<ul style="list-style-type: none"> • PDPA Enforcement Action Board of Directors Responsibility, Digital Business Consult • Decentralized Finance (DeFi), TMBThanachart Bank Plc. • Digital Marketing 5.0 for Financial Solutions, TMBThanachart Bank Plc. • Open Banking - Virtual Banking, TMBThanachart Bank Plc. • ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.

Directors	Courses
10. Mr. Prinya Hom-anek	<ul style="list-style-type: none"> • The Cullinan: The Making of Digital Board class 1/2022, the Ministry of Digital Economy and Society in collaboration with the Digital Economy Promotion Agency (depa) and Thailand Management Association (TMA) • Successful Formulation & Execution of Strategy (SFE 38/2022), Thai Institute of Directors Association (IOD) • Easy listening: Easy Listening: Accounting Tips that AC should not miss EP. 2, The Securities and Exchange Commission (SEC) • Decentralized Finance (DeFi), TMBThanachart Bank Plc. • Digital Marketing 5.0 for Financial Solutions, TMBThanachart Bank Plc. • Open Banking - Virtual Banking, TMBThanachart Bank Plc. • ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.
11. Mrs. Chananyarak Phetcharat	<ul style="list-style-type: none"> • The Cullinan: The Making of Digital Board class 1/2022, the Ministry of Digital Economy and Society in collaboration with the Digital Economy Promotion Agency (depa) and Thailand Management Association (TMA) • Financial Statement for Directors (FSD 47/2022), Thai Institute of Directors Association (IOD) • Decentralized Finance (DeFi), TMBThanachart Bank Plc. • Digital Marketing 5.0 for Financial Solutions, TMBThanachart Bank Plc. • Open Banking - Virtual Banking, TMBThanachart Bank Plc. • ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.
12. Mrs. Patricia Mongkhonvanit	<ul style="list-style-type: none"> • The Cullinan: The Making of Digital Board class 1/2022, the Ministry of Digital Economy and Society in collaboration with the Digital Economy Promotion Agency (depa) and Thailand Management Association (TMA) • Decentralized Finance (DeFi), TMBThanachart Bank Plc. • Digital Marketing 5.0 for Financial Solutions, TMBThanachart Bank Plc. • Open Banking - Virtual Banking, TMBThanachart Bank Plc. • ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.
13. Mr. Michal Jan Szczurek	<ul style="list-style-type: none"> • Open Banking - Virtual Banking, TMBThanachart Bank Plc. • ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.
14. Mr. Piti Tantakasem	<ul style="list-style-type: none"> • Decentralized Finance (DeFi), TMBThanachart Bank Plc. • Digital Marketing 5.0 for Financial Solutions, TMBThanachart Bank Plc. • Open Banking - Virtual Banking, TMBThanachart Bank Plc. • ESG - Environmental, Social, Governance, TMBThanachart Bank Plc.

8.1.2 Meeting Attendance

Board Meeting

The Board meeting shall be held at least once a month. In an urgent case, the Board may arrange a special meeting as deemed necessary. The meeting date shall be scheduled in advance so that the Board members are able to plan their attendance at every meeting. The meeting agenda shall be endorsed by the Chief Executive Officer and approved by the Board Chairman.

The Bank sends the meeting documents and invitation letter to directors at least 5 business days in advance so that the directors will have sufficient time to study and consider the information to support their decision-making on each agenda. The directors can additionally request necessary information regarding the meeting agenda from the Management. The average length of the meeting is approximately 3 hours. The Chairman shall declare the meeting open and proceed with the business on the agenda. The time shall be adequately allocated for the Management to present the information and for the Board members to carefully consider before making decisions. The voting on each agenda, the Board almost passes unanimously. The Chairman shall summarize issues as the meeting resolution. Directors with a conflict of interest on that agenda shall leave the meeting and shall have no right to vote.

The Board Secretary is responsible for preparing written minutes of the meeting, arranging systematic filing for inspection, and submitting the minutes to the government agencies within the specified period.

In 2022, Directors in the Board of Directors attended the meeting on average, 99.05% of the total meetings arranged during the year. In the meeting, the directors freely asked questions and provided useful recommendations for the Bank's business in accordance with the Bank's corporate governance policy.

The Board of Directors Meeting

In 2022, details of the meeting attendance of the Board of Directors and board committee members were as follows:

Name-Last name	The Board of Directors	Non-executive Directors	The Board of Executive Directors	Audit Committee	Nomination, Remuneration, and Corporate Governance Committee	Risk Oversight Committee	Credit Committee	IT Oversight Committee	AGM 2022
Total number of meetings from Jan - Dec 2022	15	4	22	13	12	7	20	10	1
1. Mr. Ekniti Nitithanprapas ⁽¹⁾	15/15	4/4							1
2. Mr. Suphadej Poonpipat ⁽²⁾	15/15	4/4	22/22						1
3. Gen. Apinun Kumproh ⁽³⁾	15/15	4/4							1
4. Mr. Philippe G.J.E.O. Damas ⁽⁴⁾	15/15	4/4	19/22		12/12				1
5. Mr. Prinya Hom-anek ⁽⁵⁾	15/15	3/4		13/13		7/7		10/10	1
6. Mr. Teeranun Srihong ⁽⁶⁾	15/15	4/4			12/12	7/7		10/10	1
7. Mr. Michal Jan Szczurek ⁽⁷⁾	15/15	4/4	16/22			5/7			1
8. Mr. Yokporn Tantisawetrat ⁽⁸⁾	15/15	4/4				7/7	20/20		1
9. Mrs. Charita Leelayudth ⁽⁹⁾	14/14	3/3		11/11					1
10. Mr. Somjate Moosirilert ⁽¹⁰⁾	15/15	4/4	21/22		11/12		20/20		1
11. Mr. Willem Frederik Nagel ⁽¹¹⁾	14/15	4/4			11/12	7/7		9/10	1
12. Ms. Chananyarak Phetcharat ⁽¹²⁾	15/15	4/4		13/13				10/10	1
13. Mrs. Patricia Mongkhonvanit ⁽¹³⁾	15/15	4/4	21/22		12/12			10/10	1
14. Mr. Piti Tantakasem ⁽¹⁴⁾	15/15	-	22/22			7/7	20/20	10/10	1
Average meeting attendance (%)	99.05	96.15	91.67	100	96.67	95.24	100	98.33	100

Remarks: Directors who attended the meetings electronically were as detailed below:

- (1) Mr. Ekniti Nitithanprapas
- The Board of Directors Meetings No. 1/2022, No. 6/2022, No. 9/2022, No. 10/2022, and Special Session (No. 2/2022)
 - Non-executive Directors Meetings No. 1/2022 - No. 4/2022
- (2) Mr. Suphadej Poonpipat
- The Board of Directors Meetings No. 1/2022 - No. 12/2022, Special Session (No. 1/2022) - Special Session (No. 2/2022)
 - Non-executive Directors Meetings No. 1/2022 - No. 4/2022
 - The Board of Executive Directors Meetings No. 1/2022 - No. 21/2022, and Special Session (No. 1/2022)
- (3) Gen. Apinun Kumproh
- The Board of Directors Meetings No. 1/2022 - No. 12/2022, Special Session (No. 1/2022), and Special Session (No. 2/2022)
 - Non-executive Directors Meetings No. 1/2022 - No. 4/2022
- (4) Mr. Philippe G.J.E.O. Damas is a director who does not reside in Thailand
- The Board of Directors Meetings No. 1/2022, No. 2/2022, No. 5/2022, No. 10/2022, No. 11/2022, No. 12/2022, Special Session (No. 2/2022), and Special Session (No. 3/2022)
 - Non-executive Directors Meetings No. 1/2022 and No. 4/2022
 - The Board of Executive Directors Meetings No. 1/2022 - No. 5/2022, No. 7/2022, No. 9/2022, No. 10/2022, No. 12/2022, No. 15/2022, No. 17/2022, No. 18/2022, No. 20/2022, No. 21/2022, and Special Session (No. 1/2022)
 - The Nomination, Remuneration, and Corporate Governance Committee Meetings No. 1/2022, No. 2/2022, No. 5/2022, and No. 10/2022 - No. 12/2022
- (5) Mr. Prinya Hom-anek
- The Board of Directors Meetings No. 1/2022 - No. 12/2022, and Special Session (No. 2/2022)
 - Non-executive Directors Meetings No. 2/2022, No. 3/2022, and No. 4/2022
 - The Audit Committee Meetings No. 1/2022 - No. 12/2022 and Special Session (No. 1/2022)
 - The Risk Oversight Committee Meetings No. 1/2022 - No. 7/2022
 - The IT Oversight Committee Meetings No. 1/2022 - No. 7/2022, and Special Session (No. 1/2022 - No. 3/2022)
- (6) Mr. Teeranun Srihong
- The Board of Directors Meetings No. 1/2022, No. 5/2022, No. 6/2022, No. 8/2022, Special Session (No. 2/2022), No. 9/2022, and No. 12/2022
 - Non-executive Directors Meetings No. 1/2022 - No. 4/2022
 - The Nomination, Remuneration, and Corporate Governance Committee Meetings No. 1/2022 - No. 12/2022
 - The Risk Oversight Committee Meetings No. 1/2022 - No. 7/2022
 - The IT Oversight Committee Meetings No. 1/2022 - No. 5/2022, No. 7/2022, and Special Session (No. 1/2022) - Special Session (No. 3/2022)
- (7) Mr. Michal Jan Szczurek
- The Board of Directors Meetings No. 1/2022 - No. 3/2022, Special Session (No. 1/2022), No. 5/2022 - No. 8/2022, Special Session (No. 2/2022), No. 10/2022, No. 11/2022, Special Session (No. 3/2022), and No. 12/2022
 - Non-executive Directors Meetings No. 1/2022, No. 3/2022, and No. 4/2022
 - The Board of Executive Directors Meetings No. 2/2022 - No. 5/2022, No. 7/2022 - No. 8/2022, No. 10/2022, No. 12/2022, No. 13/2022, No. 16/2022, No. 17/2022, No. 19/2022, No. 21/2022, and Special Session (No. 1/2022)
 - The Risk Oversight Committee Meeting No. 1/2022, No. 2/2022, No. 4/2022, No. 5/2022, and No. 7/2022

- (8) Mr. Yokporn Tantisawetrat
- The Board of Directors Meetings No. 1/2022, No. 2/2022, Special Session (No. 1/2022), No. 4/2022, Special Session (No. 2/2022), No. 9/2022, No. 11/2022, and No. 12/2022
 - Non-executive Directors Meetings No. 1/2022 - No. 4/2022
 - The Risk Oversight Committee Meetings No. 1/2022 - No. 7/2022
 - The Credit Committee Meetings No. 1/2022 - No. 20/2022
- (9) Mrs. Charita Leelayudth (*has become ttb's director since the effective date of the appointment on 3 February 2022, and attended her first ttb's Board of Directors Meeting in the Board's Meeting No. 2/2022 on 23 February 2022.*)
- The Board of Directors Meeting No. 5/2022, No. 6/2022, No. 9/2022, No. 11/2022, No. 12/2022, and Special Session (No. 2/2022)
 - Non-executive Directors Meetings No. 3/2022 and No. 4/2022
 - The Audit Committee Meeting No. 6/2022 and No. 11/2022
- (10) Mr. Somjate Moosirilert
- The Board of Directors Meetings No. 1/2022 - No. 12/2022, Special Session (No. 1/2022), and Special Session (No. 2/2022)
 - Non-executive Directors Meetings No. 1/2022 - No. 4/2022
 - The Board of Executive Directors Meetings No. 1/2022 - No. 7/2022, No. 9/2022 - No. 21/2022, and Special Session (No. 1/2022)
 - The Nomination, Remuneration, and Corporate Governance Committee Meetings No. 2/2022 - No. 12/2022
 - The Credit Committee Meeting No. 1/2022 - No. 20/2022
- (11) Mr. Willem Frederik Nagel
- The Board of Directors Meetings No. 1/2022 - No. 3/2022, Special Session (No. 1/2022), No. 4/2022, and No. 6/2022 - No. 12/2022
 - Non-executive Directors Meetings No. 1/2022 - No. 4/2022
 - The Nomination, Remuneration, and Corporate Governance Committee Meetings No. 1/2022 - No. 9/2022, No. 11/2022, and No. 12/2022
 - The Risk Oversight Committee Meetings No. 1/2022 - No. 7/2022
 - The IT Oversight Committee Meetings No. 1/2022 - No. 7/2022, Special Session (No. 1/2022), and Special Session (No. 3/2022)
- (12) Mrs. Chananyarak Phetcharat
- The Board of Directors Meeting No. 1/2022, Special Session (No. 1/2022), No. 4/2022 - No. 7/2022, Special Session (No. 2/2022), No. 9/2022, No. 11/2022, and No. 12/2022
 - Non-executive Directors Meetings No. 1/2022 - No. 4/2022
 - The Audit Committee Meetings No. 1/2022 - No. 4/2022, No. 12/2656, and Special Session (No. 1/2022)
 - The IT Oversight Committee Meetings No. 1/2022, No. 2/2022, No. 4/2022, No. 5/2022, Special Session (No. 1/2022), No. 7/2022, Special Session (No. 2/2022), and Special Session (No. 3/2022)
- (13) Mrs. Patricia Mongkhonvanit
- The Board of Directors Meetings No. 1/2022 - No. 12/2022, Special Session (No. 1/2022), and Special Session (No. 2/2022)
 - Non-executive Directors Meetings No. 1/2022 - No. 4/2022
 - The Board of Executive Directors Meeting No. 1/2022 - No. 10/2022, No. 12/2022 - No. 21/2022, and Special Session (No. 1/2022)

- The Nomination, Remuneration, and Corporate Governance Committee Meeting No. 1/2022 - No. 12/2022
- The IT Oversight Committee Meeting No. 1/2022 - No. 7/2022, and Special Session (No. 1/2022) - Special Session (No. 3/2022)

⁽¹⁴⁾ Mr. Piti Tantakasem

- The Board of Directors Meetings No. 1/2022 and No. 10/2022
- The Board of Executive Directors Meetings No. 1/2022 - No. 5/2022, No. 7/2022, No. 9/2022, No. 10/2022, No. 12/2022, No. 15/2022, No. 17/2022, No. 18/2022, No. 19/2022, and Special Session (No. 1/2022)
- The Risk Oversight Committee Meetings No. 1/2022 - No. 7/2022
- The Credit Committee Meetings No. 1/2022 - No. 20/2022
- The IT Oversight Committee Meetings No. 1/2022, No. 2/2022, No. 4/2022, No. 5/2022, No. 7/2022, Special Session (No. 1/2022), and Special Session (No. 2/2022)

Non-executive Directors Meeting

Non-executive and independent directors had allocated time to meet among themselves without the involvement of the executive directors to discuss key issues and align with the Good Corporate Governance Principles. In 2022, there were 4 meetings:

- No. 1 on 26 January 2022
- No. 2 on 27 April 2022
- No. 3 on 24 August 2022
- No. 4 on 26 October 2022

In addition, on 10 August 2022 and 29 November 2022, the Bank arranged meetings between the Risk Oversight Committee and the Audit Committee as an open floor discussion regarding assessing the effectiveness and efficiency of the Bank's risk management.

Remuneration for Directors

The Bank has set the directors' remuneration criteria, compositions, and amounts based on Fiduciary Duty at an appropriate level. In addition, the directors' remuneration shall be in accordance with the accountability and responsibility of the directors compared with the companies in the same industry and similar size. In addition, directors' remuneration must be sufficient and attractive to nominate qualified directors and retain directors who have the knowledge and capability to perform their duty and dedicate themselves to contribute to the Bank. The Nomination, Remuneration, and Corporate Governance Committee reviews the directors' remuneration annually, then proposes to the Board for endorsement and also put it on the agenda of the Annual General Meeting of Shareholders for approval annually.

Directors' Remuneration Criteria

1. Monthly fees consist of
 - 1.1 Retaining Fee • Director is entitled to the retaining fee for one position only.
 - 1.2 Committee Fee • Director is entitled to the committee fee for every board and committee he/she sits on.
2. Attendance Fee • Director is entitled to the attendance fee for every meeting where he/she is present.

Remuneration by Committee is as Follows:

		Remuneration (baht)		
		Retaining Fee (Per Year)	Committee Fee (Per Year)	Attendance Fee (Per Meeting)
The Board of Directors	Chairman	1,800,000	1,800,000	40,000
	Vice Chairman	420,000	420,000	35,000
	Member	384,000	384,000	30,000
Board of Executive Directors	Chairman	1,440,000	1,440,000	40,000
	Vice Chairman	420,000	420,000	35,000
	Member	384,000	384,000	30,000
Audit Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
Nomination, Remuneration, and Corporate Governance Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
Risk Oversight Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
Credit Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600
IT Oversight Committee	Chairman	696,000	696,000	32,400
	Member	374,400	374,400	24,600

The Bank's executive directors do not receive remuneration according to the Bank's regulations. As well as, the representative directors who are the employees of ING Bank N.V. will not receive remuneration under ING's policy.

In case additional remuneration is required for newly formed committees, the Board of Directors shall provide such remuneration and ensure that the total remuneration for the directors shall not exceed THB 45 million as approved by the shareholders' meeting.

In 2022, the Annual General Meeting of Shareholders approved the distribution of directors' bonuses at the 0.5 percent dividend paid among the directors for 2021 operational performance, and the Board will be granted the authority to set up detail of the allocation. In this regard, the director, who is the Bank's executive and the directors who are employees of ING Bank N.V. will not receive the directors' bonus.

In 2022, the directors received remuneration for serving on the Board of Directors and other committees in THB 41,376,600 and a directors' bonus amount of THB 18,343,979.22. The details are as follows:

Name of Directors	Details of Directors' Remuneration as TTB Director	Details of Directors' Remuneration as PAMCO (subsidiary) Director
1. Mr. Ekniti Nitithanprapas	Received THB 4,360,000 for serving as the Chairman of the Board of Directors. Received THB 2,246,201.54 for directors' bonus.	Not applicable
2. Mr. Suphadej Poonpipat	Received THB 2,695,000 for serving as the Vice Chairman of the Board of Directors and the Vice Chairman of Board of Executive Directors. Received THB 1,497,467.69 for directors' bonus.	Not applicable
3. Gen. Apinun Kumproh (being appointed with effect from 8 March 2021)	Received THB 1,338,000 for serving as the Board of Directors. Received THB 1,247,889.74 for directors' bonus.	Not applicable
4. Mr. Philippe G.J.E.O. Damas	Received THB 5,678,800 for serving as the Board of Directors, the Chairman of the Board of Executive Directors, and Chairman of Nomination, Remuneration, and Corporate Governance Committee. Received THB 1,497,467.69 for directors' bonus.	Not applicable
5. Mrs. Charita Leelayudth (being appointed with effect from 3 February 2022)	Received THB 2,494,400 for serving as the Board of Directors and the Chairman of the Audit Committee.	Not applicable
6. Mr. Willem Frederik Nagel	Received THB 3,783,600 for serving as the Board of Directors, the Chairman of the Risk Oversight Committee, a member of the Nomination, Remuneration, and Corporate Governance Committee, and a member of IT Oversight Committee. Received THB 1,497,467.69 for directors' bonus.	Not applicable

Name of Directors	Details of Directors' Remuneration as TTB Director	Details of Directors' Remuneration as PAMCO (subsidiary) Director
7. Mr. Yokporn Tantisawetrat	Received THB 3,540,600 for serving as the Board of Directors, the Chairman of the Credit Committee, and a member of the Risk Oversight Committee. Received THB 1,497,467.69 for directors' bonus.	Received THB 51,000 for serving as a member of the Advisory Board.
8. Mr. Teeranun Srihong	Received THB 3,886,200 for serving on the Board of Directors, the Chairman of the IT Oversight Committee, a member of the Nomination, Remuneration, and Corporate Governance Committee, and a member of the Risk Oversight Committee. Received THB 1,497,467.69 for directors' bonus.	Not applicable
9. Mr. Somjate Moosirilert	Received THB 3,863,400 for serving as the Board of Directors, a member of the Board of Executive Directors, a member of the Nomination, Remuneration, and Corporate Governance Committee, and a member of the Credit Committee. Received THB 1,497,467.69 for directors' bonus.	Received THB 51,000 for serving as a member of the Advisory Board.
10. Mr. Prinya Hom-anek	Received THB 3,169,200 for serving as the Board of Directors, a member of the Audit Committee, a member of the Risk Oversight Committee, and a member of the IT Oversight Committee. Received THB 1,497,467.69 for directors' bonus.	Not applicable
11. Mr. Michal Jan Szczurek	Not entitled to receive the monetary remuneration and directors' bonus as per the criteria of ING Bank N.V.	Not applicable
12. Mrs. Chananyarak Phetcharat	Received THB 2,652,600 for serving as the Board of Directors, a member of the Audit Committee, and a member of the IT Oversight Committee. Received THB 1,497,467.69 for directors' bonus.	Not applicable

Name of Directors	Details of Directors' Remuneration as TTB Director	Details of Directors' Remuneration as PAMCO (subsidiary) Director
13. Mrs. Patricia Mongkhonvanit (being appointed with effect from 2 November 2021)	Received THB 3,642,000 for serving as the Board of Directors, a member of the Board of Executive Directors, a member of the Nomination, Remuneration, and Corporate Governance Committee, and a member of IT Oversight Committee. Received THB 249,577.95 for directors' bonus.	Not applicable
14. Mr. Piti Tantakasem	Not entitled to receive monetary remuneration and directors' bonus as per the criteria of the Bank.	(not entitled to receive the monetary remuneration)
15. Mr. Praisun Wongsmith ⁽¹⁾ (resigned effective from 27 January 2022)	Received THB 272,800 for serving as the Board of Directors and the Chairman of the Audit Committee. Received THB 1,497,467.69 for directors' bonus.	Did not receive the remuneration for advisory service to the Board as the director had resigned from his post
16. Mr. Chumpol Rimsakorn ⁽¹⁾ (resigned effective from 1 October 2021)	Received THB 1,123,100.78 for directors' bonus.	Not applicable

Note: (1) Not currently a board member

Other Benefits

- None -

Directors' Bonus

The Board has an important role in setting policy and overseeing the Bank's performance, with solid and sustained performances. The Board fairly sets the directors' bonus at the proper rate and consistent with the Bank's performance as well as comparable to that of the industry in which the Bank operates. The Nomination, Remuneration, and Corporate Governance shall consider the directors' bonus and then propose it to the Board for endorsement and include it in the agenda of the annual general meeting of shareholders for approval. The Board shall ensure that the Bank discloses the bonus of each individual director in the reports such as Form 56-1 One Report in compliance with the regulatory requirements.

8.1.3 Subsidiaries Supervision

The Bank has considered nominated 11 executives to be representative directors in 2 subsidiaries namely Phahonyothin Asset Management Company Limited and TMBThanachart Broker, for which the mentioned executives have been nominated and approved by the Bank's Board of Directors from time to time. The determined scope of duties and responsibilities of the representative directors and important transactions such as connected transactions, acquisition, asset disposition, and information disclosure were defined in the Consolidated Supervision Policy, which was approved by the Board of Directors.

Representative Director Appointment

The objective is to manage and control the subsidiaries carefully under a consolidated supervision policy. The Bank sets a guideline for representative director appointment as follows:

1. The Bank nominates directors by the proportion of the Bank's shareholding.
2. Chairman of the Board must be appointed by the Bank's Board of Directors.
3. Managing Director or Chief Executive Officer's nomination must be endorsed by the Bank's Board of Directors. (The nomination of the Managing Director of all companies in Solo Consolidation Group must be approved by the Bank of Thailand).
4. Chief supervising the subsidiaries companies propose the Bank's executives as representative directors by:
 - Propose to the Board of Directors (BoD) the appointment of new representative directors through the Chief Executive Committee (CEC), and Nomination, Remuneration, and Corporate Governance Committee (NRCC), respectively, or other guidelines that will be set up by the Board of Directors in the future.
 - Review existing representatives, and propose to NRCC for approval with CEC endorsement and BoD acknowledgment.
5. The Bank may consider appointing an outside expert as a director as appropriate.
6. Representative's core qualifications:
 - The person with no conflict of interest with the company business
 - The person with no prohibited characters (referred to BOT requirements)
 - The person in relevant function(s) or the company business is in areas of an expert.
 - The person who complied with specific authority requirements (if any), i.e., SEC and OIC
7. The person appointed to be a representative director could be appointed as Chairman, authorized director, or others. However, such person must only be appointed in the aforementioned positions in 3 business groups.
8. Bank's representative director has no conflict of interest with the Company to which the Bank will send the representative director.

Duty of Representative Directors

1. All representative directors shall not receive any remuneration in terms of cash and non-cash for being representative directors.
2. Attend all Group Companies' Board meetings to determine the Group Companies' Policies and Strategies to align with the Bank, which a lead director will work with
 - 2.1 Strategy and Transformation to ensure timely communication of direction and strategy from the Bank to representative Directors regarding business matters.
 - 2.2 Related Chief/BU regarding oversight in TTB risk management area shall regularly report the summary of risk issues of the group companies to ROC of the bank every 6 months or as deem appropriate.
3. Supervise the operation of the subsidiaries to be compliance with Bank's policies, plans, rules, and regulations efficiently and effectively, as well as ensure no Conflict of Interest issues.
4. Propose policy, strategy, performance, and opinion to the Bank.
5. Report performance of the subsidiaries or any material change that may have an impact on the Bank, such as capital increase/decrease of the subsidiaries, business sale, and purchase/merging, change in financial status, change in a business group, or change in rules/regulatory bodies/specific laws of each business.
6. Monitor and protect all benefits of the Bank.
7. Other duty as specified by the Bank.

Transactions that Require Approval by the Bank before Voting in the Subsidiaries' Board Meetings

1. Policy and strategy to significantly impact on going business operation or nature of business.
2. Increase or decrease of registered capital.
3. Approvals of dividend payout.
4. Investment or divestiture of other companies in which the subsidiary holds more than 10% of paid-up capital.
5. Selling of core assets.
6. Entering a business contract/agreement worth more than 15% of a net tangible asset (NTA).
7. Liquidation/ Debt Moratorium /Bankruptcy.
8. Transactions related to the Bank and connected persons to the company following Compliance Policy.
9. Borrowing transactions over 15% of NTA and Letter of Guarantee to a third party with a transaction over 15% of NTA.
10. Change of image, business format, or brand.
11. Other matters significant impacts on the Bank's business and the liability of representative directors.

Subsidiaries Supervision

The Bank has determined the subsidiaries' management and control structure in order to generate a strategic plan and nominate representative directors to jointly manage the subsidiaries and reorganize to take responsibility for the subsidiaries as appropriate.

Mechanism for Supervision

The Bank has a mechanism to supervise subsidiaries for controlling the operation of subsidiaries in which to keep benefits covering investment. The Board of Directors has determined the **“Consolidated Supervision Policy,”** which includes policies as follows.

- **Accounting Policy**

To determine the accounting and financial report policy for the Bank to collect related information from the subsidiaries for generating consolidated financial reports correctly, in the same direction and in compliance with the Bank of Thailand's rules and regulations and analyzing performance and financial status of the subsidiaries correctly and promptly for controlling and following.

- **Corporate Governance Policy and Policy on Confidential & Insider Information and Conflicts of Interest**

Corporate Governance Policy determines the policy for the subsidiaries to conduct under business ethics, and the morality and the best practices are concerning in good corporate governance and best practices which should be in line with Good Corporate Governance Policy.

Policy on Confidential & Inside Information and Conflicts of Interest is applied to both the bank and the subsidiary companies to prevent conflict of interest issues and misusing the internal information and aligned with the Bank's policy.

- **Anti-Corruption Policy**

Anti-Corruption Policy determines the policy for the subsidiaries to conduct in the same manner as the Bank, as well as applying the relevant laws on such matters. This supports the bank and subsidiaries' intention in anti-corruption and anti-bribery dealing with either government or private sector.

- **Risk Management Policy**

To determine the risk management policy of the subsidiaries covering various aspects of risk relating to companies' performance and impacting the stability of the Group Companies, including market risk management, liquidity risk management, operational risk management, credit risk management, market conduct risk management, and recovery plan.

- **Compliance Policy**

To determine the policy for the subsidiaries to conduct under Compliance Policy and relevant Regulatory Policy such as Regulatory Compliance, Bank of Thailand's Regulatory, Compliance and Know your Customer, Anti-Money Laundering Act, and Counter-Terrorism Financing Act.

- **Corporate Communication Policy**

To determine the policy for the subsidiaries to conduct in the same way and promote the Bank image in an aspect of name and brand and disclose information of the subsidiaries.

- **Audit Policy**

To determine the roles of Internal Audit (AUD) and the Audit Committee's oversight role in conjunction with the Bank management and external auditor's roles in auditing, controlling, and monitoring the Group Companies. The ultimate objective is to ensure sound control culture and good governance throughout the Financial Business Group.

8.1.4 Compliance with the Policies

8.1.4.1 Protection Against Abuse of Inside Information & Insider Information and Conflicts of Interest Policy

The Bank has written policy and guidelines for keeping and preventing abuse of inside information, which is defined in the **Employee Code of Conduct, Confidential & Insider Information and Conflicts of Interest** policy as well as preparing an operating manual on transactions that may or may be considered to have a conflict of interest and an operating manual on buying/selling and investing in the Bank securities in order to guide directors, executives, and employees in case any person has an interest or involvement + transaction under consideration, such person shall not participate in the mentioned transaction.

The Bank requires that the **directors and executives** sign the acknowledgment of the relevant guidelines that need directors and executives for reporting to the Securities and Exchange Commission (SEC) in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (including as amended) via online system within 3 working days from the date of change in securities held by them as well as notify the Bank's secretary to prepare a record of the change and summarize the number of securities of directors and executives together with related parties in order to **present to the Board of Directors on a monthly basis**. It also provides penalties for violations or non-compliance with such requirements.

In addition, **Compliance** will support the Management to enforce compliance with the policy and operating manual, as well as provide appropriate mechanisms to monitor the implementation of such policy and operating manuals, including relevant laws and regulations.

Last year, Compliance reviewed the Bank transactions with transaction sizes of 20 million baht or more. It was found that none of the items were related to the Bank's Board of Directors, Executives, and employees.

8.1.4.2 Prevention of the Use of Inside Information

The Bank has established policies and guidelines for the retention and prevention of the use of inside information in writing and information that the Bank does not yet disclose to the public, which is significant to the change of price or value of share. The Bank has regulation on the use of inside information and also ensure strict compliance to prevent any **director, executive, or employee** in the position or status from having an opportunity to access the Bank's inside information, or related persons which defined by government agencies from exploiting such information for his/her own benefits or for others' benefits such as trading of securities is prohibited during the 1 month before the financial statements are made public or before the information is publicly available, using details or confidential information of the Bank/customers to operate business competing with the Bank's/customers' businesses or exploit any benefit from his/her authority and responsibility.

The Bank is aware of the importance of monitoring the use of inside information, especially non-public information that may impact its share price. As such, The Bank has assigned **Financial Regulatory Management** to be the only unit responsible for submitting the financial statements and all financial reports to the SET and the SEC after undergoing a correctness and completeness review by the Audit Committee and the Board of Directors, respectively to make sure The Bank's inside information is not prematurely disclosed to the public.

For guidelines to control on the use of inside information, the Bank has established guidelines regarding disciplinary and unethical acts against employees (Code of Conduct) for both executives and employees. This is to operate the bank business according to the banking industry code of conduct and transparency as well as equal treatment of all stakeholders, which is in line with the Securities and Exchange Commission Act regarding the use of inside information. The Bank **prohibited the executives and staff who have permanent or occasionally potential access to the Bank's inside information to trading securities** until 24 hours after disclosure of information to the public. The executives and staff shall not disclose the Bank's inside information to any of their family members and/or other persons even though the staff and/or their family members do not sell/buy the securities and/or do not gain any benefit in any form and to prevent for personal benefits and whatsoever or the others' benefits. Moreover, if there is any event that may affect The Bank's securities price. Bank will set an additional period to prohibit relevant covered persons from trading The Bank securities.

The Bank requires that the directors, Chief Executive Officer, Chiefs, Senior Executive Vice President, Executive Vice President or Heads (or equivalent), and Team Heads (or equivalent) in Finance Control, Financial Planning and Analysis, Balance Sheet Management, and other persons defined by Chief Financial Officer shall disclose and report to the Securities and Exchange Commission (SEC) in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (including as amended) via online system within 3 working days from the date of change in the Bank-issued securities held by them, their spouses and minor children, as well as any changes thereof, such as sale, purchase, transfer or acceptance of transfer of those securities in the report format and within the period specified by the SEC.

In addition, the Management is required to report on a monthly basis the Bank-issued securities held by **directors, Management, their spouses, and minor children** to the Board for acknowledgment and to prepare a summary report on any changes of the Bank-issued securities held by directors, Management, their spouses, and minor children and disclose such information in the annual report.

Control on the Use of Inside Information

The Bank has the procedure with respect to the non-compliance issue against the Financial Business Act B.E. 2551 and the related notifications, insider trading according to Securities and Exchange Act B.E. 2535 (as amended), including regulations regarding disciplinary offenses and unethical acts of employees in order to ensure the Management and the staff perform duties with transparency and based on professional code of conduct and treat all stakeholders fairly.

Penalty Measures

The Bank's punishment for the violating of Financial Institution Business Act, using inside information accords with the provisions of the Securities and Exchange Act, violating of Non-violation Against Intellectual Property Rights or Copyrights, Anti-corruption, Anti-bribery for the Bank's benefit or Anti-bribery in business dealing with government and private organization and all other relevant rules and regulations of the authorities. In addition, the Bank has also imposed punishment for employees' disciplinary misconduct regarding the business code of conduct and ethics to ensure the Management and the staff perform duties transparently and based on the professional code of conduct and treat all stakeholders fairly.

8.1.4.3 Anti-Corruption Policy

The Board of Director considered the appropriateness and approved the annual review of The Anti-Corruption Policy. The Bank **established the corruption risk management process**, which is aligned with the guideline of the Private Sector Collective Action Coalition Against Corruption (CAC). The Bank oversees directors and employees to abide by this policy strictly, and the Bank has measured to protect and give fairness to employees who deny or inform clue action on corruption from harassment, harm, penalty, demotion, or threats. **All staff**

needs to attend the Anti-Corruption training on an annual basis. The course is classified as a mandatory course for all employees. **Audit Committee supervises the adequacy of the internal control** for preventing corruption risk.

8.1.4.4 Whistleblowing Policy

The Bank provides a channel for reporting whistleblowing. Audit Committee, as an independent body, considers and supervises the whistleblowing cases reported by Compliance. In 2022, there were 2 cases of whistleblowing which were regarding fraud or corruption. The relevant business units shall report the result of the corrective actions to the reporter within the required timeline. The reporter's right shall be protected according to the Bank's policy. The restricted right to access whistleblowing cases was granted solely to the proper person.

8.2 Performance Result Report of the Audit Committee during the Past Year (AC)

Disclosure on website: <https://www.ttbbank.com/en/about-us/scope-and-responsibility-audit-committee-report>

Performance Result Report of Audit Committee is disclosed in **Appendix 6**, detail of meetings and attendance of directors in Audit Committee is disclosed in topic 8.1.2 Board of Director Meetings and Director's Remuneration

8.3 Performance Result Reports of Other Board Committees (NRCC, ROC, BOED, CC, ITOC)

Disclosure on website: <https://www.ttbbank.com/en/about-us/scope-and-responsibility>

Performance Result Report of Other Board Committees is disclosed in **Appendix 6**, detail of meetings and attendance of directors in Other Board Committee is disclosed in topic 8.1.2 Board of Director Meetings and Director's Remuneration

9. Internal Control and Related Party Transactions

9.1 Internal Control

BoD's Opinions on Internal Control and Risk Management

Effective Internal control and Risk Management are important cornerstones of the Bank's operating model and strategic direction at both management and operational levels. The Board of Directors (through the Audit Committee, Risk Oversight Committee, and Nomination, Remuneration, and Corporate Governance Committee, Credit Committee, and IT Oversight Committee) have been tasked with oversight of internal controls, risk management policies & processes, and good corporate governance.

Internal Audit reviews the Bank's overall operations and related and connected transactions and reports findings to the Audit Committee, and the Audit Committee reports to the Board of Directors accordingly. The result of the audit report is also a tool for Management to develop processes and improve internal controls as deemed appropriate.

The Board of Directors meeting no. 12/2022 held on 21 December 2022, attended by members representing the Audit Committee, has reviewed the report on the Bank's internal control assessment proposed by Chief Audit Officer. Internal auditors conducted the assessment based on the Internal Control Core Components; (1) Control Environment (2) Risk Assessment (3) Control Activities (4) Information and Communication (5) Monitoring Activities.

The Board of Directors has acknowledged the status and the appropriateness of the TMBThanachart Bank's internal control and risk management system. There is continuous monitoring and improvement in response to the changing world, including the financial system's instability, changing business environment, new financial technology, and changing consumer behavior resulting from digital trends. These changes have led the Bank to change its operational approach and

create new banking innovation based on the sound risk management framework, good corporate governance in line with the three lines of defense principle, and responsible innovation to support sustainable growth. The Board of Directors continues to work closely with Management to ensure up-to-date and effective internal control and risk management framework that is forward-looking and addresses the emerging risks with the key basis of bank-wide risk culture promoting alignment to the Bank's strategy. In addition, the Board of Directors has monitored the development of internal control improvement by Management appropriately; the Audit Committee has recommended Management and monitored actions in addressing identified deficiencies from the Audit with reporting progress to the Audit Committee and the Board of Directors on a regular basis.

Statement of the Audit Committee

The statement of the Audit Committee is disclosed on the Bank's website regarding Board Committees' reports and can be viewed from the following link:

<https://www.ttbbank.com/en/about-us/scope-and-responsibility-audit-committee-report>

9.2 Transactions With Related Parties That Occurred During the Year

Related party disclosures, which comprised of definitions and characteristics of the relationship, pricing policy, related party transactions with key management and other related parties, outstanding balances with related parties, senior management personnel compensation, and other benefits payable to the senior management personnel, were disclosed in notes to financial statements for the year ended 31 December 2022.

9.3 Measures or Procedures to Approve the Making of Related Transactions

In conducting its business, the Bank shall adhere to its principles, integrity, and transparency and maximize its interest by emphasizing the prevention of conflicts of interest and also to related party transactions and connected transactions according to the regulatory requirements. To that effect, the Bank requires its Directors and Senior Management at Head level and higher to disclose their relations or connections in any business with any conflicts of interest on a quarterly basis. Moreover, the Policy on Confidential & Insider Information and Conflicts of Interest and a Procedure Manual have been issued and enforced in order to eradicate conflicts of interest. Transactions with related parties or connected persons are carried out by the Bank on an arm's length basis. In addition, the Bank's Directors and Executives who may have conflicts of interest in such transactions are neither allowed to participate in the approval thereof nor to vote in a meeting.

The Bank has no policy to grant any direct loan to Directors, or Senior Management. Loans provided to or investments in any entity in which the Bank, its Directors or Senior Management have a conflict of interests are subject to the consideration of the project's viability, operational performance, or feasibility analysis with terms,

conditions, and prices to be the same as those approved for other clients in general. The loan or investment amount must be controlled so that it will not exceed an appropriate limit and is subject to unanimous approval of the Board of Directors. The concerned Directors or Executives shall not participate in the approval of such transaction, and the approval must be consistent with the regulations of related authorities.

The Bank has assigned the Audit Committee to prevent and mitigate conflicts of interest. Those transactions with potential conflicts of interest that exceed the set threshold values or limits must be submitted to the Audit Committee for validation and/or approval prior to execution. Related and/or connected transactions will be disclosed on a complete and transparent basis according to the criteria of the relevant regulators.

For future related party transactions, the Bank shall continue to adhere to its principles to maximize the interest of the Bank and our shareholders, whereby at minimum pricing and terms and conditions will be on an arm's length basis in accordance with the above-mentioned Policy and Operational Guidelines. Also, the Policy and the Operational Manual will be updated to be in line with the changes of the regulatory requirements and internal criteria.

9.4 Persons Who May Have Conflicts of Interest to Hold More Than a 5% of Stake in a Subsidiary Company or Associated Company Instead of Direct Shareholding by the Bank

The Bank has not allowed any person who may have conflicts of interest to hold more than a 5% of stake in a subsidiary company or associated company on its behalf.



Section 3

Financial Statements

Financial Statements
Summary of Audit Report
Summary of Consolidated Financial Statements over the Past Three Years

Key Financial Information

Investors are recommended to read the Management discussion and analysis together with the Bank's financial statements, which contain a summary of the key accounting policy. In certain cases, the Management has to exercise subjective judgments and estimates on the projected assumption of any such business items for the preparation of the Bank's financial statements in conformity with Thai Financial Reporting Standards.

1. Financial Statements

The financial statements for the year ended 31 December 2020 - 2021 were audited by Mr. Chanchai Sakulkoedsin, CPA No. 6827, of KPMG Phoomchai Audit Limited.

The financial statements for the year ended 31 December 2022 were audited by Mr. Chokechai Ngamwutikul, CPA No. 9728, of KPMG Phoomchai Audit Limited.

2. Summary of Audit Report

Summary of the audit report for the years ended 31 December 2020 - 2022

Mr. Chanchai Sakulkoedsin of KPMG Phoomchai Audit Limited audited the consolidated and bank-only financial statements for the year ended 31 December 2020 - 2021 in accordance with Thai Standards on Auditing and expressed an unqualified opinion on financial statements for the year ended 31 December 2020 and expressed an unqualified opinion with an emphasis note on the completion of the entire business transfer of TMBThanachart Bank Public Company Limited to financial statements for the year ended 31 December 2021.

Mr. Chokechai Ngamwutikul of KPMG Phoomchai Audit Limited audited the consolidated and bank-only financial statements for the year ended 31 December 2022 in accordance with Thai Standards on Auditing and expressed an unqualified opinion on financial statements for the year ended 31 December 2022.

3. Summary of Consolidated Financial Statements over the Past Three Years (the following pages)

Consolidated statements of financial position

(Unit: THB million)

Assets	2022	2021*	2020
Assets			
Cash	15,506	16,011	21,943
Interbank and money market items, net	187,563	158,873	211,185
Financial assets measured at fair value through profit or loss	1,533	1,421	3,788
Derivative assets	10,376	6,913	11,959
Investments, net	211,432	180,229	134,351
Investments in subsidiaries and associates, net	8,574	8,620	8,599
Loans to customers	1,376,118	1,371,304	1,392,925
<i>Add</i> accrued interest receivables and undue interest income	7,777	7,369	7,522
<i>Less</i> allowance for expected credit loss	(57,390)	(54,472)	(51,967)
Total loans to customers and accrued interest receivables, net	1,326,505	1,324,201	1,348,480
Properties for sale, net	12,152	8,626	6,037
Premises and equipment, net	19,788	21,625	24,039
Goodwill and other intangible assets, net	22,890	22,819	22,546
Deferred tax assets	830	9	1,980
Other assets, net	9,130	8,823	13,425
Total assets	1,826,279	1,758,170	1,808,332

Consolidated statements of financial position (continued)

(Unit: THB million)

Liabilities and equities	2022	2021*	2020
Liabilities			
Deposits	1,399,247	1,339,195	1,373,408
Interbank and money market items	84,770	84,966	75,909
Liabilities payable on demand	5,586	5,325	3,895
Financial liabilities measured at fair value through profit or loss	438	437	432
Derivative liabilities	9,499	6,595	9,268
Debts issued and borrowings	59,644	68,398	88,965
Provisions for employee benefits	3,872	3,784	4,366
Provisions for other liabilities	2,662	2,026	2,820
Deferred tax liabilities	-	922	3,500
Deferred revenue	17,950	19,164	20,885
Other liabilities	23,603	16,522	20,134
Total liabilities	1,607,271	1,547,334	1,603,582
Equity			
Share capital			
Authorised share capital			
97,830,583,125 ordinary shares of Baht 0.95 each (31 December 2021: 96,864,354,380 ordinary shares and 31 December 2020: 106,223,552,373 ordinary shares)	92,939	92,021	100,912
Issued and paid-up share capital			
96,776,073,897 ordinary shares of Baht 0.95 each (31 December 2021: 96,622,874,580 ordinary shares and 31 December 2020: 96,409,416,880 ordinary shares)	91,937	91,792	91,589
Premium on share capital	43,360	43,345	43,322
Other reserves	4,456	5,172	5,798
Retained earnings			
Appropriated - Legal reserve	10,091	10,091	10,091
Unappropriated	69,163	60,435	53,913
Equity attributable to equity holders of the Bank	219,007	210,835	204,713
Non-controlling interest	1	1	37
Total equity	219,008	210,836	204,750
Total liabilities and equity	1,826,279	1,758,170	1,808,332

Note:

* Certain accounts in the 2021 financial statements, have been reclassified to conform to the presentation in the 2022 financial statements.

Consolidated statements of profit or loss and other comprehensive income

(Unit: THB million)

	2022	2021	2020
Interest income	65,627	64,239	72,320
Interest expenses	14,010	13,239	18,515
Net interest income	51,617	51,000	53,805
Fees and service income	14,025	15,190	16,139
Fees and service expenses	3,634	3,941	4,791
Net fees and service income	10,391	11,249	11,348
Gain on financial instruments measured at fair value through profit or loss	1,693	1,480	1,726
Gain on investments, net	7	182	678
Share of profit from investment using equity method	261	346	363
Other operating income	1,883	1,280	1,426
Total operating income	65,852	65,537	69,346
Other operating expenses			
Employee expenses	16,006	16,480	17,142
Directors' remuneration	60	74	66
Premises and equipment expenses	4,864	5,622	6,171
Taxes and duties	1,510	1,573	1,799
Others	7,512	7,470	6,999
Total other operating expenses	29,952	31,219	32,177
Profit from operations before expected credit loss and income tax	35,900	34,318	37,169
Expected credit loss	18,353	21,514	24,831
Profit from operations before income tax	17,547	12,804	12,338
Income tax	3,352	2,327	2,223
Profit for the year	14,195	10,477	10,115

Consolidated statements of profit or loss and other comprehensive income (continued) (Unit: THB million)

	2022	2021	2020
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Gain (loss) on investments in debt instruments at fair value through other comprehensive income	(587)	(1,038)	114
Loss on cash flow hedges	(37)	(18)	(21)
Gain (loss) arising from translating the financial statements of foreign operations	58	(20)	(21)
Income tax relating to items that will be reclassified subsequently to profit or loss	113	215	(14)
	(453)	(861)	58
Items that will not be reclassified subsequently to profit or loss			
Change in revaluation surplus on assets	(119)	(51)	(179)
Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income	(17)	588	(187)
Actuarial gain on post-employment benefit plan	15	197	680
Income tax relating to items that will not be reclassified subsequently to profit or loss	24	(147)	(63)
	(97)	587	251
Total other comprehensive income for the year, net of income tax	(550)	(274)	309
Total comprehensive income for the year	13,645	10,203	10,424

Consolidated statements of profit or loss and other comprehensive income (continued) (Unit: THB million)

	2022	2021	2020
Profit attributable to:			
Equity holders of the Bank	14,195	10,474	10,112
Non-controlling interest	-	3	3
Profit for the year	14,195	10,477	10,115
Total comprehensive income attributable to:			
Equity holders of the Bank	13,645	10,200	10,421
Non-controlling interest	-	3	3
Total comprehensive income for the year	13,645	10,203	10,424
Earnings per share			
Basic earnings per share (in Baht)	0.1469	0.1086	0.1049
Diluted earnings per share (in Baht)	0.1462	0.1083	0.1047

Consolidated statements of cash flows

(Unit: THB million)

Cash flows from operating activities	2022	2021	2020
Profits from operations before income tax	17,547	12,804	12,338
Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities			
Depreciation and amortisation	4,145	4,802	4,312
Expected credit loss	18,353	21,514	24,831
Impairment loss on premises and equipment (reversal of)	(52)	182	23
Impairment loss on properties for sale and other assets	255	282	4
Reversal of impairment loss on intangible assets	-	-	(30)
Provisions for liabilities	809	535	353
Loss (gain) on revaluation of investments measured at FVTPL	(73)	8	(29)
Loss on written-off of intangible assets	141	87	17
Loss (gain) on disposal of premises and equipment	(54)	15	19
Gain on disposal of investments	(7)	(182)	(678)
Unrealised loss (gain) on exchange and revaluation	358	3,941	(277)
Reserve in relation to share-based payments	122	261	117
Share of profit from investments accounted for using the equity method	(261)	(346)	(363)
Deferred revenue	(2,200)	(2,920)	(2,831)
Net interest income	(51,617)	(51,000)	(53,805)
Dividend income	(174)	(91)	(84)
Interest received	65,977	61,363	65,775
Interest paid	(11,034)	(11,473)	(19,955)
Income tax paid	(3,278)	(2,269)	(8,341)
Profits from operations before changes in operating assets and liabilities	38,957	37,513	21,396

Consolidated statements of cash flows (continued)

(Unit: THB million)

	2022	2021	2020
Decrease (increase) in operating assets			
Interbank and money market items	(28,723)	52,371	25,540
Financial assets measured at fair value through profit or loss	(39)	2,359	3,505
Loans to customers	(24,032)	(1,446)	(23,733)
Properties for sale	(858)	3,875	4,699
Other assets	(412)	5,475	1,549
Increase (decrease) in operating liabilities			
Deposits	60,045	(34,213)	(24,659)
Interbank and money market items	(196)	9,125	(10,717)
Liabilities payable on demand	261	1,430	513
Provisions for liabilities	(692)	(1,895)	(2,728)
Other liabilities	4,903	(3,277)	2,071
Net cash provided by (used in) operating activities	49,214	71,317	(2,564)

Consolidated statements of cash flows (continued)

(Unit: THB million)

Cash flows from investing activities	2022	2021	2020
Interest received	1,775	1,166	2,048
Dividend received	482	416	801
Purchase of investments measured at FVOCI	(45,177)	(143,094)	(160,923)
Proceeds from investments measured at FVOCI	41,021	96,191	186,172
Purchase of investments measured at amortised cost	(27,873)	-	-
Purchase of investments in subsidiaries	-	-	(859)
Purchase of premises and equipment	(1,057)	(1,223)	(1,877)
Purchase of intangible assets	(1,603)	(2,255)	(1,804)
Proceeds from disposals of premises and equipment	185	463	1,917
Net cash provided by (used in) investing activities	(32,247)	(48,336)	25,475

Consolidated statements of cash flows (continued)

(Unit: THB million)

Cash flows from financing activities	2022	2021	2020
Cash receipts on debenture issued and borrowings	21,998	9,169	14,958
Cash paid for redemption of debenture and repayment of borrowings	(31,515)	(31,743)	(36,570)
Interest paid on debts issued and borrowings	(2,418)	(1,943)	(2,324)
Increase in issued and fully paid-up - ordinary shares	8	-	105
Expenses in relation to issuance of ordinary shares	(2)	(1)	(1)
Dividend paid to equity holders of the Bank	(5,601)	(4,359)	(968)
Cash paid for capital return to non-controlling interests	-	(16)	-
Net cash used in financing activities	(17,530)	(28,893)	(24,800)
Change in translation adjustments of foreign operations	58	(20)	(21)
Net decrease in cash	(505)	(5,932)	(1,910)
Cash at 1 January	16,011	21,943	23,853
Cash at 31 December	15,506	16,011	21,943



Section 4

Attachments

Attachments Available on Website (Attachment 1-6)

Report of the Board of Directors' Responsibility for Financial Reports

Independent Auditor's Report

Financial Statements and Notes to the Financial Statements

The disclosure of attachments on the Bank's website at www.ttbbank.com

Attachment 1:

Details of the Bank's Directors, Executive Officers, and Company Secretary, and Change in TTB Shares held by Directors and Chiefs

Attachment 2:

Details of Directors and Management who are nominated in Subsidiaries and Associated Companies

Attachment 3:

Details of the Bank's Head of Internal Audit and Head of Compliance

Attachment 4:

Details of Appraised Value of Assets
-None-

Attachment 5:

Full Corporate Governance Policy, Code of Conduct, and the Board of Directors Charter

Attachment 6:

Performance Results Report of the Sub-committees

The disclosure of attachments in F56-1 One Report (in the following section)

Report of the Board of Directors' Responsibility for Financial Reports
Independent Auditor's Report, Financial Statements, and Notes to the Financial Statements

Please find more details of the attachments on the websites

Group Structure	https://www.ttbbank.com/en/about-us/corporate-group-structure
Board of Directors and Management Team	https://www.ttbbank.com/en/about-us/board-of-directors
Corporate Governance	https://www.ttbbank.com/en/about-us/corporate-governance
Investor Relations	https://www.ttbbank.com/en/ir

Report of the Board of Directors' Responsibility for Financial Reports

The Board of Directors is responsible for the Bank's financial statements, the consolidated financial statements of the Bank and its subsidiaries, and all financial information appearing in the Annual Report. The financial statements for the year ended 31 December 2022 have been prepared in accordance with Thai Financial Reporting Standards, with appropriate accounting policies applied on a conservative and consistent basis. Judgment and estimates, where required, have been applied with careful and reasonable considerations, with adequate material information disclosures made available in the notes to the financial statements that are useful to all shareholders and investors. These financial statements have been audited by independent auditors who have given their unqualified opinions.

The Board of Directors has also adopted and maintained appropriate and effective risk management, internal control, internal audit, and compliance, whereby the Bank can ensure financial records are accurate and complete and protections are appropriate for the Bank's assets. These controls also serve as preventive measures against any significant operational risk of the Bank. The Board of Directors has appointed the Audit Committee comprising entirely of independent directors responsible for the quality of the Bank's financial reporting, the internal control systems, as well as complete and appropriate disclosure of connected transactions. The opinion of the Audit Committee regarding these matters appears in the Report of the Audit Committee in this Annual Report.

The Board of Directors is of the view that the Bank has maintained an effective internal control system that provides an adequate and appropriate level of protection and, therefore, can assure the reliability of the Bank's financial statements and the consolidated financial statements of the Bank and its subsidiaries for the year ended 31 December 2022 to be correct, complete, and accurate according to Thai Financial Reporting Standards, related laws and regulations.



Mr. Piti Tantakasem
Chief Executive Officer



Mr. Ekniti Nitithanprapas
Chairman of the Board

**TMBThanachart Bank Public Company Limited
and its Subsidiaries**

Financial statements for the year ended

31 December 2022

and

Independent Auditor's Report

Independent Auditor's Report

To the shareholders of TMBThanachart Bank Public Company Limited

Opinion

I have audited the consolidated and the Bank's financial statements of TMBThanachart Bank Public Company Limited and its subsidiaries (the "Group"), and of TMBThanachart Bank Public Company Limited, (the "Bank"), respectively, which comprise the consolidated and the Bank's statements of financial position as at 31 December 2022, the consolidated and the Bank's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and the Bank's financial statements present fairly, in all material respects, the financial position of the Group and the Bank, respectively, as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs) and the regulations of Bank of Thailand.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and the Bank only Financial Statements* section of my report. I am independent of the Group and the Bank 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 is relevant to my audit of the consolidated and the Bank only financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and the Bank only financial statements of the current year. These matters were addressed in the context of my audit of the consolidated and the Bank only financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Allowance for expected credit loss for loans to customers	
For disclosures related to credit risk, loans to customers and allowance for expected credit loss for loans to customers, refer to notes 4, 13 and 14 the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2022, loans to customers represented 75.35% and 75.43% of the total assets of consolidated and the Bank only financial statements, respectively, against which an allowance for expected credit loss ("ECL") of Baht 57,390 million and Baht 55,796 million, respectively were provided.</p> <p>Management's estimation of ECL on loans to customers measured at amortised cost is based on credit models which are dependent on significant management judgements and estimates including selection of model, the use of forward-looking macroeconomic forecast, establishing the criteria for determining whether credit risk has increased significantly since initial recognition, qualitative assessment of significant increase in credit risk and credit impaired, and consideration for post model adjustments. In particular, the ongoing economic situation and relief program provided to the customer resulting from COVID-19 adds further complexity to management's estimation process especially for consideration of post model adjustments.</p> <p>Accordingly, it is considered a Key Audit Matter.</p>	<p>In planning my audit procedures, I performed a risk assessment by considering internal and external factors which could affect the performance of individual customers, industry sectors or customer segments, or other factors which could influence the judgments and estimates.</p> <p>I inspected of the Group and the Bank accounting policies and credit risk policy to determine whether this has been set up in accordance with the requirements of TFRS 9, the relevant Bank of Thailand notification and guidance.</p> <p>My audit procedures included testing the design and operating effectiveness of controls over credit review, model monitoring, forward-looking macro-economic factors and post model adjustments.</p> <p>I sampled loans as identified in my risk assessment to perform credit review procedures, including a detailed review of the individual credit profile and other relevant information, from which I formed my own independent assessment.</p> <p>Selected key technical decisions, assumptions and model methodologies were tested, where appropriate, including involvement of my own credit risk specialists to inspect model documentation, model validation report performed by expert engaged by the Group and the Bank's management and back-testing results.</p> <p>I and my credit specialist assessed assumptions and methodology used by the management in the identification and estimation of post model adjustments.</p> <p>I assessed whether the financial statement disclosures are adequate and appropriately reflect the Bank and its subsidiaries' exposures to credit risk.</p>

Valuation of financial instruments in the statements of financial position	
For disclosures related to financial instruments and fair values, refer to notes 5 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
<p>As at 31 December 2022, financial assets measured at fair value in the consolidated and the Bank's financial statements amounted to Baht 174,235 million and Baht 174,235 million, respectively. Financial liabilities measured at fair value in the consolidated and the Bank's financial statements amounted to Baht 9,937 million and Baht 9,937 million, respectively.</p> <p>Of these amounts, as at 31 December 2022, financial assets and liabilities designated at level 2 and 3 fair value in the consolidated financial statements amounted to Baht 174,038 million and Baht 9,937 million respectively, and in the Bank's financial statements, they amounted to Baht 174,038 million and Baht 9,937 million respectively, for which the fair value is based upon inputs other than quoted prices in active markets or valuation techniques incorporating those inputs. The use of different valuation techniques and assumptions could produce different estimates of fair value.</p> <p>Accordingly, it is considered a Key Audit Matter.</p>	<p>In planning my audit procedures, I performed a risk assessment by considering the factors which could affect the fair value of financial instruments, both in terms of the inputs used for valuation and the appropriateness of valuation techniques applied.</p> <p>For financial instruments, I sampled to check for selected pricing inputs that were externally sourced and were correctly input into pricing models. I and my own valuation specialists assessed that the selected models and assumptions were appropriate and valued a selection of the Group's and the Bank's equity securities, debt securities, and derivative positions independently and compared their valuation to the Group's and the Bank's valuation on a sample basis.</p> <p>I assessed the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.</p>

Other Information

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

My opinion on the consolidated and the Bank only financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and the Bank only financial statements, my 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 consolidated and the Bank only financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

In preparing the consolidated and the Bank only financial statements, management is responsible for assessing the Group's 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 Group 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 Group's and the Bank's financial reporting process.

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

My objectives are to obtain reasonable assurance about whether the consolidated and the Bank only 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 my 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 the Bank only financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and the Bank only 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 my 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 Group's 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 Group's and the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and the Bank only financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the Bank only financial statements, including the disclosures, and whether the consolidated and the Bank only 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 Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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



(Chokechai Ngamwutikul)
Certified Public Accountant
Registration No. 9728

KPMG Phoomchai Audit Ltd.
Bangkok
21 February 2023

Statements of financial position

		Consolidated		Bank only	
		31 December		31 December	
Assets	Note	2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Cash		15,505,583	16,011,325	15,505,582	16,011,307
Interbank and money market items, net	8	187,563,316	158,872,946	187,545,416	158,862,707
Financial assets measured at fair value through					
profit or loss	9	1,533,033	1,420,900	1,533,024	1,420,891
Derivative assets	10	10,375,799	6,913,323	10,375,799	6,913,323
Investments, net	11	211,431,500	180,228,573	211,431,500	180,228,573
Investments in subsidiaries and associates, net	12	8,573,610	8,620,165	5,143,948	5,113,948
Loans to customers and accrued interest receivables, net	13,14	1,326,504,537	1,324,200,919	1,323,737,079	1,323,467,715
Properties for sale, net	15	12,152,366	8,626,358	10,613,877	8,626,358
Premises and equipment, net	16	19,788,332	21,625,316	19,718,903	21,561,367
Goodwill and other intangible assets, net	17	22,890,214	22,818,660	22,843,092	22,787,237
Deferred tax assets	18	829,779	8,986	1,398,594	-
Other assets, net		9,130,807	8,822,089	8,663,928	8,684,367
Total assets		1,826,278,876	1,758,169,560	1,818,510,742	1,753,677,793
Liabilities and equity					
Liabilities					
Deposits	19	1,399,246,571	1,339,195,173	1,400,077,734	1,343,728,377
Interbank and money market items	20	84,769,857	84,966,047	84,769,857	85,317,306
Liabilities payable on demand		5,586,302	5,325,121	5,586,281	5,325,121
Financial liabilities measured at fair value through					
profit or loss	21	438,041	436,865	438,041	436,865
Derivative liabilities	10	9,499,240	6,595,107	9,499,240	6,595,107
Debts issued and borrowings	22	59,644,222	68,398,493	54,644,222	63,098,493
Provisions for employee benefits	23	3,872,429	3,783,621	3,744,549	3,739,815
Provisions for other liabilities	24	2,662,494	2,026,446	2,661,860	2,025,812
Deferred tax liabilities	18	-	922,138	-	246,901
Deferred revenue	25	17,950,211	19,164,458	17,951,986	19,165,460
Other liabilities	26	23,601,927	16,520,396	23,239,904	16,201,500
Total liabilities		1,607,271,294	1,547,333,865	1,602,613,674	1,545,880,757

The accompanying notes are an integral part of these financial statements.

TMBThanachart Bank Public Company Limited and its Subsidiaries
Statements of financial position

		Consolidated		Bank only	
		31 December		31 December	
Liabilities and equity	Note	2022	2021	2022	2021
		(in thousand Baht)			
Equity					
Share capital					
Authorised share capital					
97,830,583,125 ordinary shares of Baht 0.95 each					
(31 December 2021: 96,864,354,380 ordinary shares					
of Baht 0.95 each)	29	92,939,054	92,021,137	92,939,054	92,021,137
Issued and paid-up share capital					
96,776,073,897 ordinary shares of Baht 0.95 each					
(31 December 2021: 96,622,874,580 ordinary shares					
of Baht 0.95 each)	29	91,937,270	91,791,731	91,937,270	91,791,731
Premium on share capital		43,360,227	43,344,840	43,360,227	43,344,840
Other reserves		4,455,714	5,172,257	5,413,835	6,117,180
Retained earnings					
Appropriated					
Legal reserve	30	10,091,000	10,091,000	10,091,000	10,091,000
Unappropriated		69,162,228	60,434,727	65,094,736	56,452,285
Equity attributable to equity holders of the Bank		219,006,439	210,834,555	215,897,068	207,797,036
Non-controlling interest		1,143	1,140	-	-
Total equity		219,007,582	210,835,695	215,897,068	207,797,036
Total liabilities and equity		1,826,278,876	1,758,169,560	1,818,510,742	1,753,677,793

P. Tantakam .

Mr. Piti Tantakasem
Chief Executive Officer

Ekni Nitithanprapas

Mr. Ekni Nitithanprapas
Chairman of the Board

The accompanying notes are an integral part of these financial statements.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of profit or loss and other comprehensive income

		Consolidated		Bank only	
		For the year ended 31 December		For the year ended 31 December	
	Note	2022	2021	2022	2021
		(in thousand Baht)			
Interest income	38	65,626,627	64,239,369	65,551,297	46,560,095
Interest expenses	39	14,009,703	13,239,602	13,965,721	11,483,531
Net interest income		51,616,924	50,999,767	51,585,576	35,076,564
Fees and service income	40	14,025,343	15,189,834	13,405,279	13,052,907
Fees and service expenses	40	3,634,371	3,941,349	3,846,852	2,970,725
Net fees and service income		10,390,972	11,248,485	9,558,427	10,082,182
Gain on financial instruments measured					
at fair value through profit or loss	41	1,692,722	1,480,359	1,692,722	1,259,016
Gain (loss) on investments, net	42	6,721	181,993	(3,631)	190,517
Share of profit from investment using equity method		261,352	345,521	-	-
Other operating income		1,883,800	1,280,592	2,423,231	5,457,505
Total operating income		65,852,491	65,536,717	65,256,325	52,065,784
Other operating expenses					
Employee expenses		16,006,486	16,480,286	15,486,081	14,584,162
Directors' remuneration		59,698	73,596	59,698	63,599
Premises and equipment expenses		4,864,135	5,622,117	4,821,917	4,504,468
Taxes and duties		1,510,348	1,573,466	1,504,126	1,318,442
Others		7,511,440	7,469,508	7,446,680	5,860,705
Total other operating expenses		29,952,107	31,218,973	29,318,502	26,331,376
Expected credit loss	43	18,353,241	21,514,212	18,478,224	17,010,786
Profit from operations before income tax		17,547,143	12,803,532	17,459,599	8,723,622
Income tax	18	3,351,947	2,326,860	3,353,827	954,849
Profit for the year		14,195,196	10,476,672	14,105,772	7,768,773
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Loss on investments in debt instruments					
at fair value through other comprehensive income		(586,912)	(1,038,368)	(570,410)	(1,060,666)
Gain (loss) on cash flow hedges		(37,519)	(17,416)	(37,519)	156,721
Gain (loss) arising from translating the financial statements of					
foreign operations		58,187	(20,292)	58,187	(20,292)
Income tax relating to items that will be reclassified					
subsequently to profit or loss	18	113,249	215,215	109,949	184,847
		(452,995)	(860,861)	(439,793)	(739,390)

The accompanying notes are an integral part of these financial statements.

TMBThanachart Bank Public Company Limited and its Subsidiaries
Statements of profit or loss and other comprehensive income

		Consolidated		Bank only	
		For the year ended 31 December		For the year ended 31 December	
	Note	2022	2021	2022	2021
		(in thousand Baht)			
Items that will not be reclassified subsequently to profit or loss					
Change in revaluation surplus on assets		(119,455)	(51,146)	(119,455)	(51,146)
Gain (loss) on investments in equity instruments					
designated at fair value through other comprehensive income		(16,530)	587,808	(16,530)	491,861
Actuarial gain on post-employment benefit plan	23	14,370	197,454	19,828	195,756
Income tax relating to items that will not be reclassified					
subsequently to profit or loss	18	24,323	(146,823)	23,232	(127,294)
		(97,292)	587,293	(92,925)	509,177
Total other comprehensive income for the year,					
net of income tax		(550,287)	(273,568)	(532,718)	(230,213)
Total comprehensive income for the year		13,644,909	10,203,104	13,573,054	7,538,560
Profit attributable to:					
Equity holders of the Bank		14,195,190	10,474,045	14,105,772	7,768,773
Non-controlling interest		6	2,627	-	-
Profit for the year		14,195,196	10,476,672	14,105,772	7,768,773
Total comprehensive income attributable to:					
Equity holders of the Bank		13,644,906	10,200,487	13,573,054	7,538,560
Non-controlling interest		3	2,617	-	-
Total comprehensive income for the year		13,644,909	10,203,104	13,573,054	7,538,560
Earnings per share					
	44				
Basic earnings per share (in Baht)		0.1469	0.1086	0.1459	0.0805
Diluted earnings per share (in Baht)		0.1462	0.1083	0.1453	0.0803

P. Tantakam

Mr. Piti Tantakam
Chief Executive Officer

Ekni Nitithanprapas

Mr. Ekni Nitithanprapas
Chairman of the Board

The accompanying notes are an integral part of these financial statements.

TMBThanachart Bank Public Company Limited

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Year ended 31 December 2021											
Balance as at 1 January 2021											
Transactions with owners, recorded directly in equity											
Contributions by and distribution to owners of the bank											
		91,588,946	43,321,601	69,563	-	5,369,508	486,481	(133,932)	(30,316)	5,761,304	203,452,509
		-	-	260,900	-	-	-	-	-	260,900	260,900
		202,785	24,377	(227,162)	-	-	-	-	-	(227,162)	-
		-	(1,138)	-	-	-	-	-	-	-	(1,138)
		-	-	-	-	-	-	-	-	-	-
32		-	-	-	-	-	-	-	-	-	(4,338,321)
		202,785	23,239	33,738	-	-	-	-	-	33,738	(4,078,559)
Comprehensive income for the year											
		-	-	-	-	-	-	-	-	-	7,768,773
		-	-	-	-	(40,917)	(455,044)	125,377	(16,234)	(386,818)	(230,213)
Total comprehensive income for the year											
		-	-	-	-	(40,917)	(455,044)	125,377	(16,234)	(386,818)	7,538,560
		-	-	-	884,526	-	-	-	-	884,526	884,526
		-	-	-	-	(147,404)	(28,166)	-	-	(175,570)	-
		91,791,731	43,344,840	103,301	884,526	5,181,187	3,271	(8,555)	(46,550)	6,117,180	207,797,036
Year ended 31 December 2022											
Balance as at 1 January 2022											
Transactions with owners, recorded directly in equity											
Contributions by and distribution to owners of the bank											
		-	-	122,089	-	-	-	-	-	122,089	122,089
28,29		137,248	17,429	(154,677)	-	-	-	-	-	(154,677)	-
29		8,291	-	-	-	-	-	-	-	-	8,291
28		-	(2,042)	-	-	-	-	-	-	-	(2,042)
		-	-	-	-	-	-	-	-	-	(5,601,360)
32		-	-	-	-	-	-	-	-	-	(5,601,360)
		145,539	15,387	(32,588)	-	-	-	-	-	(32,588)	(5,473,022)
Comprehensive income for the year											
		-	-	-	-	-	-	-	-	-	14,105,772
		-	-	-	-	(95,564)	(469,552)	(30,015)	46,550	(548,581)	(532,718)
Total comprehensive income for the year											
		-	-	-	-	(95,564)	(469,552)	(30,015)	46,550	(548,581)	13,573,054
		-	-	-	-	(122,176)	-	-	-	(122,176)	-
		91,937,270	43,360,227	70,713	884,526	4,963,447	(466,281)	(38,570)	-	5,413,835	215,897,068

The accompanying notes are an integral part of these financial statements.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of cash flows

	Consolidated		Bank only	
	For the year ended		For the year ended	
	31 December		31 December	
	2022	2021	2022	2021
	(in thousand Baht)			
Cash flows from operating activities				
Profit from operations before income tax	17,547,143	12,803,532	17,459,599	8,723,622
Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities				
Depreciation and amortisation	4,145,105	4,802,165	4,114,474	3,579,785
Expected credit loss	18,353,241	21,514,212	18,478,224	17,010,786
Impairment loss on premises and equipment (reversal of)	(52,598)	182,105	(52,598)	182,105
Impairment loss on properties for sale and other assets	255,412	282,039	255,692	209,615
Provisions for liabilities	809,433	534,755	794,444	607,317
Loss (gain) on revaluation of investments measured at FVTPL	(72,870)	8,161	(72,870)	42
Impairment loss on investment	-	-	-	89,700,000
Loss (gain) on disposal and written-off of intangible assets	140,983	87,321	140,983	(45)
Loss (gain) on disposal of premises and equipment	(54,094)	15,068	(50,032)	(57,524)
Loss (gain) on disposal of investments	(6,721)	(181,993)	3,631	(190,517)
Unrealised loss on exchange and revaluation	357,475	3,940,844	357,475	3,497,846
Reserve in relation to share-based payments	122,089	260,900	122,089	260,900
Share of profit from investments using the equity method	(261,352)	(345,521)	-	-
Deferred revenue	(2,200,364)	(2,919,745)	(2,203,452)	(2,919,745)
Net interest income	(51,616,924)	(50,999,767)	(51,585,576)	(35,076,564)
Dividend income	(174,354)	(91,048)	(482,261)	(93,045,676)
Interest received	65,977,124	61,362,859	65,901,790	42,968,887
Interest paid	(11,033,744)	(11,473,188)	(11,039,957)	(8,791,630)
Income tax paid	(3,278,110)	(2,269,388)	(3,198,286)	(583,249)
Profit from operations before changes in operating assets and liabilities	38,956,874	37,513,311	38,943,369	26,075,955
Decrease (increase) in operating assets				
Interbank and money market items	(28,722,798)	52,371,165	(28,715,137)	71,919,066
Financial assets measured at fair value through profit or loss	(39,263)	2,358,823	(39,263)	(66,781)
Loans to customers	(24,031,706)	(1,445,930)	(22,116,281)	(25,180,413)
Properties for sale	(857,666)	3,875,499	680,542	(162,130)
Other assets	(411,924)	5,474,502	(92,732)	5,265,631
Increase (decrease) in operating liabilities				
Deposits	60,044,704	(34,212,712)	55,991,404	70,719,414
Interbank and money market items	(196,190)	9,124,969	(196,190)	(84,577,951)
Liabilities payable on demand	261,180	1,430,446	261,159	1,045,440
Provisions for other liabilities	(692,327)	(1,895,220)	(755,953)	(77,998)
Other liabilities	4,902,702	(3,277,528)	4,888,351	(326,363)
Net cash provided by operating activities	49,213,586	71,317,325	48,849,269	64,633,870

The accompanying notes are an integral part of these financial statements.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of cash flows

	Consolidated		Bank only	
	For the year ended		For the year ended	
	31 December		31 December	
	2022	2021	2022	2021
	(in thousand Baht)			
Cash flows from investing activities				
Interest received	1,774,842	1,166,297	1,774,842	817,095
Dividend received	482,261	415,536	482,261	93,045,676
Cash paid for the entire business transfer	-	-	-	(161,412,133)
Cash received from capital return from a subsidiary	-	-	-	68,619,379
Purchase of investments measured at FVOCI	(45,176,552)	(143,094,111)	(45,176,552)	(95,269,992)
Proceeds from investments measured at FVOCI	41,021,002	96,190,760	41,021,002	70,056,909
Purchase of investments measured at amortised cost	(27,873,317)	-	(27,873,317)	-
Purchase of investments in subsidiaries	-	-	(30,000)	(273,125)
Purchase of premises and equipment	(1,057,483)	(1,223,034)	(1,033,888)	(1,105,290)
Purchase of intangible assets	(1,602,694)	(2,255,065)	(1,577,839)	(2,221,155)
Proceeds from disposals of premises and equipment	184,395	463,320	180,162	459,450
Net cash used in investing activities	(32,247,546)	(48,336,297)	(32,233,329)	(27,283,186)
Cash flows from financing activities				
Cash receipts on debenture issued and borrowings	21,998,420	9,169,300	5,458,420	669,300
Cash paid for redemption of debenture and repayment of borrowings	(31,515,098)	(31,742,348)	(14,675,098)	(28,542,348)
Interest paid on debts issued and borrowings	(2,418,180)	(1,942,725)	(2,368,063)	(1,942,725)
Increase in issued and fully paid-up - ordinary shares	8,291	-	8,291	-
Expenses in relation to issuance of ordinary shares	(2,042)	(1,138)	(2,042)	(1,138)
Dividend paid to equity holders of the Bank	(5,601,360)	(4,358,626)	(5,601,360)	(4,338,321)
Cash paid for capital return to non-controlling interests	-	(16,415)	-	-
Net cash used in financing activities	(17,529,969)	(28,891,952)	(17,179,852)	(34,155,232)
Change in translation adjustments of foreign operations	58,187	(20,292)	58,187	(20,292)
Net increase (decrease) in cash	(505,742)	(5,931,216)	(505,725)	3,175,160
Cash at 1 January	16,011,325	21,942,541	16,011,307	12,836,147
Cash at 31 December	15,505,583	16,011,325	15,505,582	16,011,307

The accompanying notes are an integral part of these financial statements.

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Notes to the financial statements

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For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Board of Directors on 21 February 2023.

1 General information

TMBThanachart Bank Public Company Limited, (the "Bank"), is incorporated in Thailand and has its registered office at 3000 Phahonyothin Road, Chomphon, Chatuchak, Bangkok.

The Bank was listed on the Stock Exchange of Thailand on 23 December 1983.

The principal business of the Bank is operating commercial banking businesses. The subsidiaries are incorporated as company under Thai laws and have been operating in Thailand, with its core businesses being provision of asset management and brokerage service. Details of the Bank's subsidiaries and associates as at 31 December 2022 and 2021 are given in note 12.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standards; guidelines promulgated by the Federation of Accounting Professions and; applicable rules and regulations of the Thai Securities and Exchange Commission and the Bank of Thailand ("BoT") notification number Sor Nor Sor 21/2561, regarding to *Preparation and Announcement of Financial Statements of a Commercial Bank and a Holding Company that is the Parent Company of a Financial Group*; and other additional BoT notification.

The financial statements are prepared and presented in Thai Baht, which is the Bank and its subsidiaries' functional currency. All financial information is presented in Thai Baht and has been rounded to the nearest thousand and in the notes to financial statements to the nearest million unless otherwise stated.

From 1 January 2022, the Bank and its subsidiaries have adopted TFRS 9 *Financial Instruments* and TFRS 7 *Financial Instruments: Disclosures* which are amended regarding to Interbank Offer Rate (IBOR) reform - Phase 2 (Phase 2 amendments).

The Phase 2 amendments are applicable when an existing interest rate benchmark is replaced by another interest rate benchmark. The Phase 2 amendments provide a practical expedient that modifications to asset and liability values as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change), can be accounted for by only updating the effective interest rate.

The Bank and its subsidiaries applied the Phase 2 amendments retrospectively and elect to apply the exceptions for not to restate comparatives for the prior periods. As a result, the Bank and its subsidiaries have no impact on the beginning retained earnings of 2022.

Revised TFRS are effective for annual accounting periods beginning on or after 1 January 2022 which have no material impact on the financial statements.

The COVID-19 pandemic is still on going. Due to uncertainty of the situation since 2020, the BoT has provided measures, which are intended to support the financial institutions and to help the borrowers and industries that are affected by COVID-19 and by Thai economic situations. Additional measures continue to be provided.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

In 2021, the Bank and its subsidiaries applied accounting relief provided by the BoT in response to impact from the situation of COVID-19 which includes the application of the BoT optional treatments as follows:

- (1) The application of BoT circular letter number Tor Por Tor For Nor Sor (23) Wor 276/2563 dated 28 February 2020, regarding to The relief programs for customers affected by Thai economic situations and BoT circular letter number Tor Por Tor Kor Por Nor Wor 480/2564 dated 14 May 2021, regarding to The assistance measures for retail customers during COVID-19 pandemic situations Phase 3 as follows:
 - The use of new Effective Interest Rate (EIR) at the time of contracts are changed.
- (2) Sor Nor Sor. 4/2564, regarding “*Measurement of asset warehousing for debt repayment*” of which details are given in note 15

In 2022, the Bank and its subsidiaries applied the following accounting relief provided by the BoT in response to impact from the situation of COVID-19 which includes the application of the BoT optional treatments which are in line with BoT circular letter number For Nor Sor 2 Wor 802/2564 dated 3 September 2021, regarding to *Guidelines regarding the provision of financial assistance to the debtors affected by the COVID-19 (sustainable debt resolution)* and accounting guidelines according to the announcement from Federation of Accounting Professions letter number 37/2564 dated 3 December 2021, regarding to *Guidelines regarding the provision of financial assistance to the debtors affected by the COVID-19*:

- (1) The Debt restructuring which aims to reduce the repayment other than term extension: Under this restructuring, the Bank and its subsidiaries will have an option to apply temporary accounting relief measure for classification and provisioning. (1st form of financial assistance)
- (2) Debt restructuring by term extension only: Under this restructuring, the Bank and its subsidiaries are required to classify loan's staging and provisioning in accordance with relevant financial reporting standards. (2nd form of financial assistance)

The Bank and its subsidiaries will provide both form of financial assistance and have chosen to apply temporary accounting relief measures in accordance with this accounting guidance for the 1st form of financial assistance:

- Non-NPL customers can be classified as performing loan when new restructuring includes principal and interest repayment which is clearly specified in the modification contract.
- The use of new Effective Interest Rate (EIR) at the time of contracts are changed.

Details of Sor Nor Sor. 4/2564, regarding “*Measurement of asset warehousing for debt repayment*” are given in note 15.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of the Bank and its subsidiaries' accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about judgments made in applying accounting policies that have significant effects on the amounts recognised in the financial statements, and information about assumption and estimation uncertainties at 31 December 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are included in the following notes:

- | | |
|--------|---|
| Note 4 | Loan staging, determining the criteria for assessing if there has been a significant increase in credit risk and expected credit loss models, determination of inputs into the model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information; |
| Note 5 | Measurement of the fair value of financial instruments with significant unobservable inputs. |

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except those stated in note 2.

3.1 Basis of consolidation

The consolidated financial statements relate to the Bank and its subsidiaries (together referred to as “the Bank and its subsidiaries”)

Business combinations

The Bank and its subsidiaries’s apply the acquisition method for all business combinations when control is transferred to the Bank and its subsidiaries, as described in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Bank and its subsidiaries to the previous owners of the acquiree, and equity interests issued by the Bank and its subsidiaries. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Bank and its subsidiaries incur in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in equity. The surplus or discount will be transferred to retained earnings upon divestment or dissolution of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Bank. The Bank and its subsidiaries control an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The subsidiaries’ financial statements are prepared using the same significant accounting policies as the Bank.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Non-controlling interests

At the acquisition date, the Bank and its subsidiaries measure any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Bank and its subsidiaries interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Bank and its subsidiaries lose control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss from loss of control over a subsidiary is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Bank and its subsidiaries' interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Bank and its subsidiaries have significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Bank and its subsidiaries' share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Significant intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gain arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Bank and its subsidiaries' interest in the investee. Unrealised loss is eliminated in the same way as unrealised gain, but only to the extent that there is no evidence of impairment.

The consolidated financial statements include the accounts of the Head Office, all domestic and overseas branches and the Bank and its subsidiaries. All inter-company transactions and balances within this Group have been eliminated.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate announced by the Bank of Thailand at the reporting date.

Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- Equity investments that have been elected to be measured at FVOCI
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective
- Qualifying cash flow hedges to the extent that the hedge is effective

Foreign operations

The assets and liabilities of foreign operations are translated into Thai Baht at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Thai Baht at the exchange rates at the dates of the transactions.

The financial statements of overseas branches are translated into Thai Baht at the reference rates announced by the Bank of Thailand at the reporting dates. Foreign exchange differences arising on translation are recognised in other comprehensive income until dissolution of the branch's business.

3.3 Cash

Cash includes cash in hand and cash on collection.

3.4 Financial instruments

3.4.1 Recognition and initial measurement

The Bank and its subsidiaries initially recognise financial instruments (including regular-way purchases and sales of financial assets) on the trade date, which is the date on which the Bank and its subsidiaries become a party to the contractual provisions of the instrument except for investment in debt instruments which are recognised on the settlement date.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

3.4.2 Derecognition

Derecognition of financial assets

The Bank and its subsidiaries derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank and its subsidiaries neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank and its subsidiaries are recognised as a separate asset or liability.

Disposal of investments

For debt and equity securities, cost of both investments sold and those still held are determined using the weighted average method.

Derecognition of financial liabilities

The Bank and its subsidiaries derecognise a financial liability when its contractual obligations are discharged or cancelled or expire.

3.4.3 *Classification and measurement of financial instruments*

Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

Financial assets - debt instruments

Classification of debt instruments included loan and investments in debt securities depend on Business model assessment and assessment of whether contractual cash flows are solely payments of principle and interest.

Business model assessment

The Bank and its subsidiaries make an assessment of the objective of a business model in which an asset is held. The information considered includes:

- the stated policies and objectives for the financial assets and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the financial asset is evaluated and reported to the Bank and its subsidiaries' management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank and its subsidiaries' stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principle and interest

In assessing whether the contractual cash flows are SPPI, the Bank and its subsidiaries consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank and its subsidiaries consider:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- terms that limit the Bank and its subsidiaries' claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Based on business model and the contractual term of cash flows assessment, there are three categories into which the Bank and subsidiaries classify and measure debt instruments:

Amortised cost

Debt instruments are measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

Debt instruments measured at amortised cost is initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method adjusted by impairment loss. Interest income, foreign exchange gain and loss and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Fair value through Other Comprehensive income (FVOCI)

Debt instruments are measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

For debt instruments measured at FVOCI, these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gain and loss and impairment are recognised in profit or loss. Other net gain and loss are recognised in OCI. On derecognition, gain and loss accumulated in OCI are reclassified to profit or loss.

Fair value through Profit or loss (FVTPL)

Unless debt instruments are classified as measured at amortised cost or FVOCI, debt instruments are classified as measured at FVTPL.

On initial recognition, the Bank and subsidiaries may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For debt instruments measured at FVTPL, these assets are subsequently measured at fair value. Net gain and loss, including any interest are recognised in profit or loss.

Financial assets - Equity instruments

All equity instruments included equity investment measured at fair value.

On initial recognition of an equity investment that is not held for trading, the Bank and subsidiaries may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Unless equity investments are elected to present subsequent changes in fair value in OCI, equity instruments are classified as measured at FVTPL.

For equity instruments measured at FVTPL, these assets are subsequently measured at fair value. Net gain and loss, including any dividend income are recognised in profit or loss.

For equity instruments measured at FVOCI, these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gain and loss are recognised in OCI and are never reclassified to profit or loss.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank and its subsidiaries change its business model for managing financial assets.

Classification of financial liabilities

On initial recognition, financial instrument is classified as financial liability in accordance with the substance of the contractual arrangement.

The Bank and its subsidiaries classify its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

The Bank and its subsidiaries have designated certain financial liabilities as at FVTPL in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities measured at FVTPL are subsequently measured at fair value and net gain and loss, including any interest expense, are recognised in profit or loss.

For financial liabilities measured at amortised cost, these liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gain and loss are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4.4 *Interest recognition*

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired financial assets, the Bank and its subsidiaries estimate future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

3.4.5 *Modifications of financial assets and financial liabilities*

Modifications of financial assets

If the terms of a financial asset are modified, then the Bank and its subsidiaries evaluate whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank and its subsidiaries first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognise the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is recognised as a part of expected credit loss. In other cases, it is presented as interest income calculated using the effective interest rate method.

3.4.6 *Impairment of financial assets*

The Bank and its subsidiaries recognise loss allowance for expected credit loss (ECL) on the following financial instruments that are not measured at FVTPL and no impairment loss is recognised on equity investments.

Measurement of ECL

Expected credit loss are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward-looking information.

ECL are a probability-weighted estimate of credit loss. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows in accordance with the contract and the cash flows that the Bank and its subsidiaries expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank and its subsidiaries if the commitment is drawn down and the cash flows that the Bank and its subsidiaries expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank and its subsidiaries expect to recover.

Estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

Staging

For ECL recognition, financial assets are classified in any of the below 3 stages at each reporting date. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

- Stage 1: Financial assets that have not had a significant increase in credit risk

Financial assets that have not had a significant increase in credit risk (SICR) since initial recognition (i.e. no Stage 2 or 3 triggers apply) or debt investment that considered to have low credit risk at each reporting date with the exception of purchased or originated credit impaired (POCI) assets. The provision for ECL is 12-month ECL. 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

- Stage 2: Financial assets have a SICR

When financial assets have a SICR since initial recognition, expected credit loss are recognised for possible default events over the lifetime of the financial assets. SICR is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk. (see details in Note 6.1) Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

- Stage 3: Lifetime ECL credit impaired

Financial assets that are credit-impaired or in default represent those that are at least 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the customers are unlikely to repay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets.

Expected credit loss of credit-impaired financial assets are determined based on the difference between the present value of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, discounted with the financial assets' original effective interest rate, and the gross carrying value of the financial assets prior to any credit impairments.

Staging and provisioning on modified portfolio

The Bank established the staging and provisioning guideline on modified portfolio, as well as upstaging criteria, to ensure the prudent staging and the sufficient provision level to cover potential credit loss of modified portfolio. The Bank has also applied certain accounting relief according to accounting guideline (see note 2). The key factors to determine staging and provisioning consists of the customer's credit quality, repayment type and monitoring period.

Improvement in credit risk

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes instances where management actions led to instruments being classified as stage 2, requiring that action to be resolved before loans are reclassified to stage 1.

Financial asset that is in stage 3 will move back to stage 2 when, as at the reporting date, it is no longer considered to be credit-impaired.

Loss allowance for ECL are presented in the statement of financial position

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision; and
- financial assets measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, expected credit loss is recognised in profit or loss.

3.4.7 Derivative held for risk management purposes and hedge accounting

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position.

The Bank and its subsidiaries designate certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Bank and its subsidiaries formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Bank and its subsidiaries make an assessment, both on inception of the hedging relationship and on an ongoing basis, of whether the hedging instrument(s) is(are) expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item(s) during the period for which the hedge is designated, and whether the actual results of each hedge are within a specific range. For a cash flow hedge of a forecast transaction, the Bank and its subsidiaries make an assessment of whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

These hedging relationships are discussed below.

Fair value hedge

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in profit or loss. The change in fair value of the hedged item attributable to the hedged risk is recognised in profit or loss. If the hedged item would otherwise be measured at cost or amortised cost, then its carrying amount is adjusted accordingly.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in OCI and presented in the hedging reserve within equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in the hedging reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and OCI.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

If the hedged cash flows are no longer expected to occur, then the Bank and its subsidiaries immediately reclassify the amount in the hedging reserve from OCI to profit or loss. For terminated hedging relationships, if the hedged cash flows are still expected to occur, then the amount accumulated in the hedging reserve is not reclassified until the hedged cash flows affect profit or loss; if the hedged cash flows are expected to affect profit or loss in multiple reporting periods, then the Bank and its subsidiaries reclassify the amount in the hedging reserve from OCI to profit or loss on a straight-line basis.

For derivatives used to dynamic hedge of assets or liabilities, the Bank and its subsidiaries continue using an accrual basis of derivatives.

Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Bank and its subsidiaries account for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of IFRS 9;
- the host contract is not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss unless they form a part of a qualifying cash flow or net investment hedging relationship.

3.5 *Securities purchased under resale agreements/Securities sold under repurchase agreements*

The Bank and its subsidiaries enter into agreements to purchase securities or to sell securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased subject to a resale commitment are presented as assets under the caption of "Interbank and money market items, net (assets)" or "Loans to customers", depending upon the type of its counterparty, in the statements of financial position, and the underlying securities are treated as collateral to such receivables. Securities sold subject to repurchase commitments are presented as liabilities under the caption of "Interbank and money market items (liabilities)" or "Debt issued and borrowings", depending upon the type of its counterparty, in the statements of financial position, at the amounts received from the sale of those securities, and the underlying securities are treated as collateral.

The difference between the purchase and sale considerations is recognised as interest income or expenses, as the case may be, over the transaction periods.

3.6 *Investments in subsidiaries and associates*

Investments in subsidiaries and associates as stated in the Bank only financial statements are accounted for using the cost method less allowance for impairment loss, (if any). Impairment loss are recorded as expenses in profit or loss. Investment in associates in the consolidated financial statements are accounted for using equity method.

If the Bank and its subsidiaries receive shares as a result of debt restructuring of a borrower, which cause them to hold more than 50% or 20% of the paid-up share capital of such company, they will not treat that investee company as a subsidiary or an associate, respectively.

The Bank and its subsidiaries do not treat investments in any mutual funds in which they hold more than 50% or 20% of the issued units of the fund as investments in a subsidiary or an associate, respectively, because the Bank and its subsidiaries do not have control or influence over the financial and operating policies of these funds, which are independently managed by the fund managers in accordance with the details stipulated in the mutual fund prospectus and under the supervision of the Office of Securities and Exchange Commission.

3.7 *Bill purchased, trade finance and factoring*

The Bank and its subsidiaries classify bill purchased transactions, trade finance transactions by purchasing, discounting or rediscounting bills under letters of credit, and factoring transactions as assets based on the business type of the counterparty whom the Bank and its subsidiaries have their legal recourses. In case that there is acceptance, aval or guarantee by other financial institutions, the Bank and its subsidiaries will classify the recorded transactions as assets, which are presented under the caption of "Interbank and money market items, net (assets)". In case that there is no acceptance, aval or guarantee by other financial institutions, the Bank will classify the recorded transactions as assets, which are presented under the caption of "Loans to customers" or "Interbank and money market items, net (assets)" depending upon the business type of its counterparty.

The Bank and its subsidiaries recognise the difference between purchase price and the face value of bill as unearned discounts which are presented as deductions against "Loans to customers" or "Interbank and money market items, net (assets)" as the case may be and gradually amortises such unearned discounts as interest income using the effective interest rate over the term of discounting or rediscounting periods.

3.8 *Properties for sale*

Properties for sale are stated at the lower of cost or net realisable value. Impairment loss is recognised as an expense in profit or loss. Gain or loss on disposal is recognised in profit or loss when a disposal is made.

Cost of properties for sale as a result of settlement from a debtor is stated at fair value to the extent that this does not exceed the carrying value of the debt plus non-booked interest receivable to which the Bank and its subsidiaries are legally entitled. Cost of properties for sale through a public auction process is the purchase price plus transfer costs.

The Bank and its subsidiaries consider net realisable value for each unit of properties for sale. Net realisable value is the recoverable value from disposal of properties for sale less estimated selling expenses. The recoverable value from disposal of properties for sale is assessed with reference to the appraisal value of each unit of properties for sale and is adjusted down by varying discount rates, taking into consideration the quality of assets (location, infrastructure and property usage potential), holding period, historical disposal experience and market demand.

In accordance with asset warehousing, the assets are transferred to the Bank for repayment based on agreed price with the buy-back conditions not over 5 years and rent-back conditions for business operation. The Bank derecognises loans to customers and presents transferred assets as properties for sale in accordance with the ownership of the transferred assets. The transferred assets have the same measurement as other properties for sale. Income that the Bank receives is recorded as other income.

3.9 *Premises and equipment*

Land is measured at revalued amount less allowance for impairment loss (if any), buildings are measured at revalued amount less accumulated depreciation and allowance for impairment loss (if any), and equipment is measured at cost less accumulated depreciation and allowance for impairment loss (if any).

The Bank and its subsidiaries initially record premises and equipment at their costs on the acquisition dates. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of premises and equipment have different useful lives, they are accounted for as separate items (major components) of premises and equipment.

The cost of replacing a part of an item of premises and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its subsidiaries, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of assets are recognised in profit or loss as incurred.

The Bank and its subsidiaries thereafter, arrange to have the independent valuers appraise the land and buildings on a regular basis and records them at the revalued amount (Revalued amounts are determined by the independent valuer using the market approach for land and the depreciated replacement cost approach for buildings) such that the carrying values of such assets as at the end of the reporting period do not materially differ from their fair values.

The Bank and its subsidiaries recognise surplus/deficit arising as a result of revaluation of their assets as follows:

- (1) When an asset's carrying amount is increased as a result of a revaluation of the assets, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in other reserve under the heading of "Revaluation surplus on assets". However, if the asset is previously devalued and the Bank and its subsidiaries used to recognise such revaluation decrease as an expense in profit or loss, a revaluation increase from this revaluation is then recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- (2) When an asset's carrying amount is decreased as a result of a revaluation of the asset, the decrease is recognised in profit or loss. However, if the asset was previously revalued and an outstanding balance of revaluation surplus remains in other reserve under the heading of "Revaluation surplus on assets", the revaluation decrease is then charged to other comprehensive income to the extent that it does not exceed the amount already held in "Revaluation surplus on assets" in respect of the same asset and the revaluation decrease in excess of the amount already held in "Revaluation surplus on assets" in respect of the same asset is recognised in profit or loss.

Depreciation of buildings and equipment is calculated by reference to their cost or the revalued amounts, on a straight-line basis over the following estimated periods of useful lives. (Depreciation of fixed assets of overseas branches is computed at a rate specified by the applicable laws, which is at the rate of 20% of the cost or the estimated useful life of 5 years.)

Buildings	Appraised by independent professional appraisers (average at 50	years)
Leasehold improvement		6 - 20 years
Equipment		3 - 10 years

Depreciation is charged to profit or loss. No depreciation is determined for land and assets under construction and installation. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The revaluation surplus on assets is amortised, using the straight-line method, over the estimated remaining periods of those assets' estimated useful lives and directly charged to retained earnings. The remaining of revaluation surplus on an item of land and buildings, that is derecognised of, is transferred directly to retained earnings when the asset is derecognised of.

An item of premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is recognised in profit or loss when the asset is derecognised.

3.10 Leases

At inception of a contract, the Bank and its subsidiaries assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement the Bank and its subsidiaries allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component.

The Bank and its subsidiaries recognise a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which are recognised as expenses on a straight-line basis over the respective lease terms.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of premises and equipment.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank and its subsidiaries' incremental borrowing rate and subsequently at amortised cost using the effective interest method.

The lease liability is remeasured when there is a modification, change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank and its subsidiaries present right-of-use assets in premises and equipment/intangible assets and lease liabilities in 'other liabilities' in the statement of financial position.

When the Bank and its subsidiaries acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Bank and its subsidiaries recognise lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of other income.

The Bank and its subsidiaries recognise hire purchase receivables/finance lease receivables at the amount of the Bank and its subsidiaries' net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value. Hire purchase/finance lease income is allocated to accounting years to reflect a constant periodic rate of return on the Bank and its subsidiaries net investment outstanding in respect of the leases.

The Bank and its subsidiaries derecognise, modified cashflow of hire purchase/finance lease receivables and determine impairment on the lease receivables as disclosed in note 3.4.2, 3.4.5 and 3.4.6.

3.11 Goodwill and other intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3.1 Subsequent to initial recognition, goodwill is measured at cost less allowance for impairment loss.

Other intangible assets

Other intangible assets that are acquired by the Bank and its subsidiaries and have finite useful lives are measured at cost less accumulated amortisation and allowance for impairment loss.

Other intangible assets include car dealer relationship. These intangible assets were acquired in a business combination. These intangible assets are initially measured at their fair value at the date of acquisition and subsequently stated at cost less accumulated amortisation and allowance for impairment loss.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives of computer software and car dealer relationship for the current and comparative years are 3 - 14 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.12 *Impairment*

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. Impairment loss recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.13 *Employee benefits*

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post employment benefits and other long-term employee benefits

Defined contribution plan

The Bank and its subsidiaries and the employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Bank and its subsidiaries. The fund's assets are held in a separate trust fund and the Bank and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Bank and its subsidiaries treat the severance payments they must make to employees upon retirement under labour law and other benefit (if any) as a post-employment benefit plan and the obligation to provide memorable gifts to employees when the employees have worked for the specified length of years in service as other long-term employee benefit plan.

Provisions for post-employment benefit plan and other long-term employee benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. These actuarial techniques involve assumptions with reference to various variables such as demographic assumptions (e.g. staff turnover rate, mortality rate, etc.) and financial assumptions (e.g. salary incremental rate, discount rate, etc.).

Actuarial gain or loss arising from a post-employment benefit plan is recognised in other comprehensive income and taken as a part of retained earnings.

Actuarial gain or loss arising from other long-term employee benefit plan is recognised in profit or loss.

Share-based payments

The cost of the TTB Stock Retention Program is recognised when services are rendered by employees. The cost of the share-based payment plan is measured by reference to the fair value of the issued shares on the grant date (date of offering of new ordinary shares to the employees).

The cost of the share-based payment plan is recognised as expenses in profit or loss with a corresponding increase in "Other reserve - share-based payments" in equity over the periods in which the performance and service conditions are fulfilled. The cumulative expenses, which involve the Bank and its subsidiaries' management best estimate of number or ordinary shares that will ultimately vest, is recognised for the share-based payment plan at each reporting period-end until the vesting date. The expenses or reversal of expenses for a period represented the movement in cumulative expenses recognised as at the beginning and at the end of the reporting year.

3.14 Provisions

A provision is recognised if, as a result of a past event, the Bank and its subsidiaries have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Provisions for contingent liabilities as a result of obligation having credit risk exposures

The Bank and its subsidiaries provide provisions for those off-balance sheet items having credit risk exposures, such as loan guarantees, avals or commitments irrevocable by financial institutions, or obligation according to letter of guarantee of which the Bank and its subsidiaries were claimed against, using the same criteria and methods applied to allowance for expected credit loss that are described in note 3.4.6.

3.15 Measurement of fair values

'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 or, in its absence, the most advantageous market to which the Bank and its subsidiaries has access at that date. The fair value of a liability reflects its non-performance risk.

The Bank and its subsidiaries have an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Bank and its subsidiaries Audit Committee.

When measuring the fair value of an asset or a liability, the Bank and its subsidiaries use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.16 Fee and commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Fees which are not integral to the effective interest rate on a financial asset or financial liability are recognised as revenue on an accrual basis and service income is recognised as revenue when services are rendered, taking into account the stage of completion of the services provided and conditions in the contract. Fee received in advance is recorded as "Deferred revenue" in the statements of financial position and recognised as revenue when services are rendered. In case that the Bank and its subsidiaries provide customer loyalty programmes, such as award points to redeem goods or services, etc. to their customers to motivate them to become their loyal customers, the Bank and its subsidiaries shall allocate the fair value of the award points earned by customers each time they use services of the Bank and its subsidiaries from considerations received on services they provide each time. The amount is recorded as "Deferred revenue" in the statements of financial position and it will be recognised as revenue in profit or loss when the customers redeem the award points.

Fees and service expenses

The Bank and its subsidiaries recognise fees and service expenses which are not integral to the effective interest rate on a financial asset or financial liability on an accrual basis.

3.17 Dividend income

Dividend income is recognised when the right to receive income is established. Dividend income is presented in other operating income.

3.18 Net trading income and foreign exchange transactions

Net trading income comprises gain less loss related to trading assets and liabilities, and includes all fair value changes and foreign exchange differences.

Net income on trading and foreign exchange transactions are recognised based on the remeasurement to fair value of the underlying instruments in profit or loss on an accrual basis.

3.19 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2022

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Bank and its subsidiaries take into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Bank and its subsidiaries believe that their accruals for tax liabilities are adequate for all open tax years based on their assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Bank and its subsidiaries to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the year that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Future taxable profit are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profit, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Bank and its subsidiaries. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.20 *Earnings per share*

The Bank and its subsidiaries present basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of potential ordinary shares from TTB Stock Retention Program and warrants.

3.21 *Related parties*

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Bank and its subsidiaries; a person or entity that are under common control or under the same significant influence as the Bank and its subsidiaries; or the Bank and its subsidiaries have direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

3.22 *Segment reporting*

Segment results that are reported to the Bank Executive Committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items are not included in reporting segment operating results.

3.23 Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the statements of financial position when the Bank and its subsidiaries have a legal, enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

4 Risk management

Risk management approach

Risk management is an integral part of the Bank and its subsidiaries' business activities and strategic planning with the objective to optimize risks and returns and create sustainable shareholder value whilst remaining in compliance with regulatory requirements. The Bank and its subsidiaries have established a solid risk governance framework which serves as the foundation for consistent and effective risk management. The risk governance framework mainly consists of a clear risk governance structure, risk appetite, risk management policies, consistent risk management processes and an embedded risk culture. All of this translates into a straight-forward risk management strategy in which:

- Products and portfolios are structured, underwritten, priced, approved and managed appropriately and within established risk appetites;
- Compliance with internal and external regulations and guidelines is monitored continuously;
- Our risk profile and risk appetite are transparent and consistent;
- Delegated authorities are consistent with the Bank's overall strategy and risk appetite;
- Communication to internal and external stakeholders on risk management and value creation is transparent.

4.1 Credit risk

Credit risk is the risk of potential loss as a result of borrowers and/or counterparties failing to meet their financial and contractual obligations in accordance with agreed terms. It arises primarily from granting loans and undertaking contingent liabilities, and also from certain off-balance sheet items products such as derivatives.

The objective of credit risk management is to optimize the Bank's risk-adjusted return by balancing the risk /return and by building a sustainable competitive advantage by integrating risk management into business activities and strategic planning.

The Bank has established frameworks which set out Credit Risk Appetite, Credit Risk Policies and Guidelines and processes covering the measurement and management of credit risk.

Credit Risk Appetite Statement (Credit RAS)

Credit RAS is a formally documented statement of the maximum level of credit risk that the Bank and its subsidiaries are willing to accept in pursuit of its business objectives. The Bank and its subsidiaries develop and review its Credit RAS at Bank-wide level, BU level and Portfolio level, covering all relevant credit risk metrics to monitor the quality of credit portfolio and control obligor concentration.

Credit Risk Policies and Guidelines

The Bank has put in place Master Credit Risk Management Policy to govern all key aspects of credit risk management in compliance with the Bank of Thailand's regulatory requirements and the Bank's strategic direction. In addition, credit risk management sub policies, guidelines are established to provide the guidance in each credit risk aspect stated in Master Credit Risk Management Policy. The Board of Directors has the responsibility to review and approve the Bank's Master Credit Risk Management Policy and has delegated the approval authority of underlying credit risk management sub policies, guidelines to Sub-Committees as deemed appropriate. All relevant business units and support units are required to formulate supplementary credit policies, guidelines, framework, standards, criteria, processes and procedures specific to their respective businesses.

Credit Risk Management Processes

Credit Risk Management consists of 5 key processes:

- 1) **Risk appetite setting:** The Bank annually sets credit risk appetites which are input for and aligned with the business planning process, are discussed in and endorsed by the relevant Sub-Committees, and ultimately approved by the Board of Directors as part of Master Risk Appetite. Actual credit performance is regularly measured against and reported on the basis of credit risk appetites.
- 2) **Risk Identification:** The Bank identifies and manages credit risk inherent in all products and activities. The risks of new products and activities are subject to adequate risk management procedures and controls before being introduced or undertaken and approved in advance by relevant Committees.
- 3) **Risk Assessment & Measurement:** The Bank uses different methods and tools to measure credit risk in both quantitative and qualitative aspects. In addition, the Bank also conducts credit risk stress testing to measure the quality and resilience of the Bank's credit portfolio and the Bank's capacity to absorb the impact resulting from various stress event scenarios.
- 4) **Risk Monitoring and Control:** The Bank regularly monitors, controls and mitigates credit risk by setting key credit risk indicators, credit risk limits, as well as credit risk appetite at Bank-wide, BU, Portfolio and other levels as deemed appropriate.
- 5) **Risk Reporting & Communication:** The Bank regularly reports the status of credit risk as well as actions taken / to be taken are reported to relevant parties / committees and top management on a regular basis. The risk reports cover product level, portfolio level, functional level, and the bank-wide level.

Credit Approval Process

In managing credit risk, the Bank and its subsidiaries segregate the roles and responsibilities of the credit marketing function from the credit granting function to ensure proper checks and balances. Individual credit risk is analyzed and assessed by experienced credit officers and approved by an appropriate authority depending on the size and credit rating of customer.

Where appropriate, the Bank and its subsidiaries demand the placement of adequate collateral by customers in various forms, for example, land and building, bank deposits, securities, and personal/corporate guarantees, etc.

The Bank and its subsidiaries have contingent liabilities by issuing payment and other forms of guarantees, as well as issuing letters of credit and endorsing AVAL on commercial bills and notes for its customers. Such contingent transaction activities require assessment of financial condition of customers in the same manner as done for direct lending. The Bank and its subsidiaries also make a standard practice to set conditions to mitigate the elements of risk in the same manner as for direct lending procedures.

The Bank has established Credit Risk Management Departments in accordance with size of the customers and product offering, comprising of 1) Commercial Credit Risk Management, responsible for risk approval, measurement and management for the commercial clients, which is separated according to size of the business to enhance risk management efficiency, including large, medium and small corporates 2) Retail Credit Risk Management, responsible for risk approval, measurement and management for secured and unsecured lending to individuals and small non-juristic businesses and 3) Automotive Credit Risk Management, responsible for risk approval, measurement and management for Automotive Lending Portfolio.

Independent Unit related to Risk Management

Independent Credit Review and Quality Assurance is an independent unit to conduct credit review to support the quality of the Bank's credit exposures by timely and completely performing independent credit reviews based on the Bank's risk evaluating result and BoT's requirement and identifying weaknesses in credit related controls.

The Audit unit, an independent unit, is responsible for performing the assessments and making recommendations to improve the adequacy and effectiveness of credit-related processes and the credit risk management processes.

Internal Rating and External Rating Framework

Risk ratings are typically based on credit analysis factors and/or market condition indicators, considering both the quantitative and qualitative information. The Bank and its subsidiaries developed internal credit risk models for supporting all bank-wide activities starting from setting of risk appetite statements, underwriting process, monitoring/measuring and predicting changes in portfolio quality, early response to deterioration trends, to serving as communication tool within the organization.

The Bank and its subsidiaries have developed credit risk models to consider probability that the debtor will default (PD), the estimate of the exposures when the debtor defaults (EAD), and the percentage of damage that may occur when the debtor defaults on the debt (LGD). All models are based on analytical principles based on quantitative and qualitative data. Qualitative data is collected from historical data or from external service providers. The implementation of these credit risk models is in addition to those used in the credit process mentioned above. It is also intended to be used to set an allowance for loss as well as estimation of regulatory capital and economic capital.

The Bank and its subsidiaries set up Risk Rating Guideline to provide the logic and use of creating and verifying model-based Risk Ratings. The Bank and its subsidiaries use different risk rating models according to different borrower segment.

The credit risk level depends on the estimation of the debtor's default risk and risk rating. The Bank and its subsidiaries have designed two types of credit risk assessment models: (1) Internal rating models for Commercial portfolio; Use information based on the latest financial position and quality assessments of borrowers and (2) Internal rating models for small business, Retail and Automotive Lending portfolio which are based on behavioral study and/or credit limit utilization history together with reliable statistical methods to categorize credit risk grade or determine the appropriate probability of default according to the debtor's risk level.

Exposures and the corresponding credit risk grades are subject to review at a frequency stipulated in the Guideline. Risk rating models, and the performance of the models are subject to regular monitoring. This is a process to keep both risk grade and models up to date and qualified.

A credit risk grade is ranked from lowest to highest. The lower the number in the rank, the lower the probability of default. The highest rating represents stage3 loans with probability of default of 100%.

In addition to the internal rating, the Bank and its subsidiaries also use external ratings from an international rating agency as references for credit risk grade of investment related activities/portfolios.

Information related to expected credit loss (ECL)

Significant increase in credit risk (SICR)

Quantitative factors include an assessment of whether there has been significant increase in the forward-looking probability of default (PD) since origination. A forward-looking PD is one that is adjusted for future economic conditions to the extent these are correlated to changes in credit risk. If the thresholds are exceeded, the instrument is considered to have experienced a significant increase in credit risk.

Qualitative factors assessed include those linked to current credit risk management processes. Indicators could include weak operating results or observed liquidity issues among various other factors.

Definition of default

Financial assets are assessed for credit-impairment at each reporting date and more frequently when circumstances warrant further assessment. Evidence of credit-impairment includes arrears of over 90 days on any material credit obligation, indications that the borrower is experiencing significant financial difficulty, a breach of contract, bankruptcy or distressed restructuring.

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Write-off

The write off is an internal accounting process to properly reflect the absence/loss of real value of the Bank's assets. The Bank allows both full write-off and partial write-off 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, the Bank still maintains its legal rights, both in terms of debt collection and legal proceeding for loan repayment from borrowers.

Loan Loss Provisioning, TFRS9, and ECL

Since 1 January 2020, the Bank and its subsidiaries have recognised loss allowance based on the ECL model of TFRS9, which is designed to be forward-looking. The TFRS9 impairment requirements are applicable to on-balance sheet financial assets measured at amortised cost or fair value through other comprehensive income (FVOCI), such as loans and debt securities, as well as off-balance sheet items such as undrawn loan commitments, certain financial guarantees, and undrawn committed revolving credit facilities. These financial assets are divided into three stages (Staging) based on credit quality. The ECL model is assessed according to statistical techniques and supported by expert judgment.

Forward-looking factors expected to occur in the future

TFRS 9 requires consideration of the impact of changes in economic or so-called forward-looking factors to estimate the expected credit loss by including the forecast of the economic condition.

The Bank and its subsidiaries have procedures for foresee data creation. The first step is to prepare macroeconomic projections from external sources such as consensus economic data or forecasts published by government agencies. Then, statistical techniques are applied to transform the different types of simulation data. The final step is to use the simulation scenario as a variable in calculating potential credit loss and in determining the credit quality of the financial assets as described previously.

The Bank and its subsidiaries formulate three forward-looking economic scenarios; a base case, which is the baseline scenario, and two less likely scenarios, one upside and one downside scenario. Macroeconomic variables include economic data and forecasts. Examples of the macro-economic variables used in the forward-looking information are Gross Domestic Product (GDP), unemployment rate and private investment.

Management Overlay

The Bank and its subsidiaries calculated the ECL based on the model. However, management overlays were considered when underlying assumptions or data used to estimate ECLs do not reflect current circumstances, events or conditions, emerging issues and possible future deterioration in credit quality of high-risk portfolio or exposure of the Bank and its subsidiaries at the reporting date as post-model adjustments to ascertain the overall provision adequacy of the Bank and its subsidiaries.

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4.1.1 Credit quality

The following tables set out information about the credit quality as at 31 December 2022 and 2021 of loans to customers without taking into account collateral or other credit enhancement. The Bank and its subsidiaries classified a risk level based on most recent financial position, behaviours and qualitative factors.

Risk level	Consolidated 2022			Total
	Stage 1	Stage 2	Stage 3	
	(in million Baht)			
<i>Loans to customers and accrued interest receivables - net</i>				
Low	934,938	720	15	935,673
Medium	289,948	67,895	2	357,845
High	462	48,225	16	48,703
NPLs	-	-	41,674	41,674
Gross carrying amount	1,225,348	116,840	41,707	1,383,895
Less allowance for expected credit loss	(13,325)	(24,469)	(19,596)	(57,390)
Carrying amount	1,212,023	92,371	22,111	1,326,505

Risk level	Consolidated			Total
	2021			
	Stage 1	Stage 2	Stage 3	
		(in million Baht)		
<i>Loans to customers and accrued interest receivables - net</i>				
Low	844,358	537	-	844,895
Medium	377,628	43,150	11	420,789
High	1,676	68,833	51	70,560
NPLs	-	-	42,429	42,429
Gross carrying amount	1,223,662	112,520	42,491	1,378,673
Less allowance for expected credit loss	(12,413)	(22,052)	(20,007)	(54,472)
Carrying amount	1,211,249	90,468	22,484	1,324,201

Risk level	Bank Only			Total
	2022			
	Stage 1	Stage 2	Stage 3	
	(in million Baht)			
<i>Loans to customers and accrued interest receivables - net</i>				
Low	935,077	720	15	935,812
Medium	289,946	67,895	2	357,843
High	462	48,225	16	48,703
NPLs	-	-	37,175	37,175
Gross carrying amount	1,225,485	116,840	37,208	1,379,533
Less allowance for expected credit loss	(13,325)	(24,469)	(18,002)	(55,796)
Carrying amount	1,212,160	92,371	19,206	1,323,737

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Risk level	Bank Only 2021			Total
	Stage 1	Stage 2	Stage 3	
	(in million Baht)			
Loans to customers and accrued interest receivables - net				
Low	844,357	537	-	844,894
Medium	377,628	43,150	11	420,789
High	1,676	68,833	51	70,560
NPLs	-	-	41,677	41,677
Gross carrying amount	1,223,661	112,520	41,739	1,377,920
Less allowance for expected credit loss	(12,413)	(22,052)	(19,987)	(54,452)
Carrying amount	1,211,248	90,468	21,752	1,323,468

Investment in debt securities

Major investment in debt securities of the Bank are investment in government and state enterprise securities which are considered as low-risk financial assets, except investment in debt securities of a public company approximately Baht 315 million are considered as non-performing financial assets. (2021: Baht 315 million)

4.1.2 Collateral held and other credit enhancements

In addition to determining counterparty credit quality through risk rating, the Bank also uses collateral as one type of credit risk mitigation to reduce potential credit loss to the Bank and its subsidiaries. The type of eligible collateral consists of financial and non-financial collaterals which valued primarily based on their quality and liquidity. The value of collateral is primarily assessed on a prudent basis to ensure that the value assigned to the collateral remains current.

The assessment of the suitability of collateral for a specific credit transaction is part of the credit decision making which undertaken in a conservative way, including collateral haircuts that are applied. The Bank and its subsidiaries strives to avoid “wrong-way” risk characteristics where the borrower’s counterparty risk is positively correlated with the risk of deterioration in the collateral value.

For “guarantee”, the process for the analysis of the guarantor’s creditworthiness is aligned to the credit assessment process for borrowers.

For examples

- Credit evaluation process - different risk levels require different LTVs
- Credit approval process - LTV is one of the factors to determine the level of approval authorities. At present, the Bank defines the approval authority based on business type, industry, the customer’s risk rating as well as LTV criteria whereby LTV criteria is applied for Commercial Banking customer at appropriate level depend on industry. For mortgage Loan, 70% to 110% LTV criteria is applied. For Automotive Lending, 50% to 100% LTV criteria is applied, depending on risk level of customer and product type.

Collateral Appraisal Approach:

The appraisal shall be conducted by applying one or more of the approaches specified in the codes of professional ethics and standards of appraisal practice stipulated by the Office of the Securities and Exchange Commission (SEC) and is under responsibility of Asset Appraisal Department. The following are example of collateral appraisal approach:

- Immovable property for commercial purpose shall be appraised by the cost approach, or the direct sales comparison approach, or the income approach.
- Immovable property for residential purpose shall be appraised by the direct sales comparison approach, or the cost approach.
- Other immovable properties shall be appraised by the cost approach, or the direct sales comparison approach, or the income approach.
- Machinery and vehicle shall be appraised by the direct sales comparison approach, or the cost approach

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- Criteria for appraising marketable equity securities and debt securities collateral shall be established in writing and agreed among the Appraisal Committee members.

The following table sets out the principal types of collateral held against different types of loan to customer and accrued interest receivables as at 31 December 2022 and 2021

	Consolidated		
	2022	2021	
	(in million Baht)		
Type of credit exposures			Principal type of collateral held
Loans to customers and accrued interest receivables			
- Loans to corporate customers	566,806	597,199	Properties, plant, equipment and/or guarantee by government unit
- Retail mortgage lending	317,345	307,745	Properties
- Hire purchase	411,056	393,866	Vehicle
- Others	88,688	79,863	None
	Bank only		
	2022	2021	
	(in million Baht)		
Type of credit exposures			Principal type of collateral held
Loans to customers and accrued interest receivables			
- Loans to corporate customers	562,618	596,496	Properties, plant, equipment and/or guarantee by government unit
- Retail mortgage lending	317,236	307,705	Properties
- Hire purchase	411,056	393,866	Vehicle
- Others	88,623	79,853	None

4.1.3 Concentrations of credit risk

The Bank and its subsidiaries monitor concentration in different dimensions including sector. Concentrations of credit risk from loans to customers and accrued interest receivables as at 31 December 2022 and 2021 is shown below.

Concentration by sector	Consolidated	
	2022	2021
	(in million Baht)	
Agricultural and mining	13,568	19,070
Real estate and construction	58,281	58,171
Public utilities and services	133,719	125,039
Retail mortgage lending	317,345	307,745
Manufacturing and commerce	339,308	374,814
Hire purchase	411,056	393,866
Others	110,618	99,968
Total	1,383,895	1,378,673

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	Bank only	
	2022	2021
	(in million Baht)	
<i>Concentration by sector</i>		
Agricultural and mining	13,340	19,057
Real estate and construction	57,965	58,166
Public utilities and services	132,972	125,020
Retail mortgage lending	317,235	307,705
Manufacturing and commerce	336,294	374,156
Hire purchase	411,056	393,866
Others	110,671	99,950
Total	1,379,533	1,377,920

4.2 Market risk

Market risk refers to loss that may happen due to the fluctuations of foreign exchange rates, interest rates, and prices of equity securities, all of which may impact the value of the Bank's assets, liabilities, and off-balance sheet items.

The Bank and its subsidiaries have established various market risk policies, which set standards and guidelines for market risk management. The sub-committee holds the responsibility to assist the BOD and the Risk Oversight Committee (ROC) to ensure that bank-wide market risk management complies with the relevant risk policies and defined levels of risk appetite. The Bank and its subsidiaries classify the overall market risk management into two parts: trading book and banking book. The Bank and its subsidiaries have developed a policy to set standards on the book definitions and transaction classification criteria as well as the treatment of each book.

Market risk in the trading book

Market risk in the trading book consists of market risk from exposures of financial instruments that are held with trading intent or for hedging other positions in the trading book as well as all financial derivatives which have not been used for hedging positions in the Banking Book. The Bank and its subsidiaries have established the market risk policies for trading book to ensure the proper management of market risks in the trading book as well as impose limits to control the risks to be within the Bank and its subsidiaries' risk appetite.

Market risk in the banking book

Market risk in the banking book consists of market risks incurred from the Bank and its subsidiaries' both on and off-balance sheet items, and derivatives designated to hedge other banking book items.

The Bank and its subsidiaries have established the market risk policies for banking book, which outlines the approach for managing market risks in the banking book and setting the relevant limits appropriate to the positions of the risks in the book and in line with the Bank and its subsidiaries' risk appetite.

The Bank and its subsidiaries also analyse risks and regularly assess the impact, the results of which are used as tools to manage the Bank's assets and liabilities structure to be in line with the changing market environment.

Managing interest rate benchmark reform (IBOR reform)

The Board of Directors delegates the Asset and Liability Committee (committee) to monitor and manage the transition to alternative rates. The committee evaluates the readiness of IBOR reform with regards to contracts revision and communication on IBOR reform with counterparties and other internal relevant units. The committee reports to the ROC and the Board of Directors on quarterly basis. In addition, the working team provides periodic reports to management of interest rate risk and other risks arising from IBOR reform.

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As at 31 December 2022, the Bank's main IBOR exposure was indexed to USD LIBOR and THBFIX. The Bank plans to finish the process of amending contractual terms for all of the USD LIBOR indexed exposures to incorporate USD Fallback SOFR by 30 June 2023. In respect of THBFIX exposures, the Bank has introduced fallback provision clause in loan agreements to ensure smooth transition. The fallback provision clause switches the instruments from THBFIX to Fallback Rate (THBFIX) when THBFIX ceases. In case clients decided to switch to THOR interest rate benchmark, the bank has new THOR loan contract for negotiation to comply with the Bank of Thailand's Active Transition. Derivatives are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements in which most counterparties have adhered to ISDA 2020 IBOR Fallbacks Protocol. Certain counterparties will be amended by bilateral agreement.

The following table shows the total amounts of financial instruments which have impact from IBOR transition and have yet to transit to alternative benchmark rates. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their notional amounts.

<i>Key reference rate under the existing contracts</i>	Consolidated and Bank only	
	USD LIBOR	THBFIX
	<i>(in million Baht)</i>	
At 31 December 2022		
Loans to customers	9,845	12,031
Derivatives	12,609	13,300
Debts issued and borrowings	5,182	-

4.2.1 Interest rate risk

Interest rate risk is the risk from future movements in market interest rates including changes in interest rates of rate sensitive assets and liabilities that will have negative impact to the Bank's and its subsidiaries' operating results, cash flows and economic value.

The Bank and its subsidiaries' principal financial assets, namely loans to customers mostly earn interest at floating rates, based on MRR, MLR, MOR, interest rates of time deposits or other benchmark floating rates such as BIBOR, LIBOR, etc.

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As at 31 December 2022 and 2021, significant financial assets and liabilities classified by interest repricing periods were as follows:

	Consolidated 2022					
	Repricing periods					
	Within 3 months	Over 3 months to 1 year	Over 1 year <i>(in million Baht)</i>	Non- performing assets	Non- interest bearing	Total
Financial assets						
Cash	-	-	-	-	15,506	15,506
Interbank and money market items net of deferred revenue	168,458	259	-	-	18,879	187,596
Financial assets measured at fair value through profit or loss	1,106	-	-	-	427	1,533
Investments, net*	32,809	42,566	133,221	-	2,856	211,452
Investments in subsidiaries and associates, net	-	-	-	-	8,574	8,574
Loans to customers net of deferred revenue	770,462	183,688	358,604	41,707	21,657	1,376,118
Other financial assets - net	723	-	-	-	7,022	7,745
Total financial assets	973,558	226,513	491,825	41,707	74,921	1,808,524
Financial liabilities						
Deposits	1,190,335	91,510	77,465	-	39,937	1,399,247
Interbank and money market items	64,060	224	15,827	-	4,659	84,770
Liabilities payable on demand	-	-	-	-	5,586	5,586
Financial liabilities measured at fair value through profit or loss	438	-	-	-	-	438
Debts issued and borrowings	5,693	9,691	44,248	-	12	59,644
Other financial liabilities	3,847	-	-	-	19,755	23,602
Total financial liabilities	1,264,373	101,425	137,540	-	69,949	1,573,287

* For Investments in debt securities measured at amortised costs, the presented investments were not deducted by allowance for expected credit loss.

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	Consolidated 2021					
	Repricing periods					
	Within 3 months	Over 3 months to 1 year	Over 1 year <i>(in million Baht)</i>	Non- performing assets	Non- interest bearing	Total
Financial assets						
Cash	-	-	-	-	16,011	16,011
Interbank and money market items net of deferred revenue	136,453	171	10	-	22,258	158,892
Financial assets measured at fair value through profit or loss	1,043	-	-	-	378	1,421
Investments, net	28,575	19,904	128,859	-	2,891	180,229
Investments in subsidiaries and associates, net	-	-	-	-	8,620	8,620
Loans to customers net of deferred revenue	777,862	159,301	373,909	42,120	18,112	1,371,304
Other financial assets - net	1,864	-	-	-	5,711	7,575
Total financial assets	945,797	179,376	502,778	42,120	73,981	1,744,052
Financial liabilities						
Deposits	1,192,313	58,467	44,374	-	44,041	1,339,195
Interbank and money market items	60,856	10,344	9,741	-	4,025	84,966
Liabilities payable on demand	-	-	-	-	5,325	5,325
Financial liabilities measured at fair value through profit or loss	437	-	-	-	-	437
Debts issued and borrowings	2,210	16,870	49,299	-	19	68,398
Other financial liabilities	963	9	-	-	15,463	16,435
Total financial liabilities	1,256,779	85,690	103,414	-	68,873	1,514,756

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	Bank only 2022					
	Repricing periods			Non- performing assets (in million Baht)	Non- interest bearing	Total
	Within 3 months	Over 3 months to 1 year	Over 1 year			
Financial assets						
Cash	-	-	-	-	15,506	15,506
Interbank and money market items net of deferred revenue	168,457	259	-	-	18,862	187,578
Financial assets measured at fair value through profit or loss	1,106	-	-	-	427	1,533
Investments, net*	32,809	42,566	133,221	-	2,856	211,452
Investments in subsidiaries and associates, net	-	-	-	-	5,144	5,144
Loans to customers net of deferred revenue	770,602	183,688	358,601	37,208	21,657	1,371,756
Other financial assets - net	723	-	-	-	6,623	7,346
Total financial assets	973,697	226,513	491,822	37,208	71,075	1,800,315
Financial liabilities						
Deposits	1,190,809	91,510	77,465	-	40,294	1,400,078
Interbank and money market items	64,060	224	15,827	-	4,659	84,770
Liabilities payable on demand	-	-	-	-	5,586	5,586
Financial liabilities measured at fair value through profit or loss	438	-	-	-	-	438
Debts issued and borrowings	5,193	5,191	44,248	-	12	54,644
Other financial liabilities	3,847	-	-	-	19,393	23,240
Total financial liabilities	1,264,347	96,925	137,540	-	69,944	1,568,756

* For Investments in debt securities measured at amortised costs, the presented investments were not deducted by allowance for expected credit loss.

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	Bank only 2021					
	Repricing periods					
	Within 3 months	Over 3 months to 1 year	Over 1 year (in million Baht)	Non- performing assets	Non- interest bearing	Total
Financial assets						
Cash	-	-	-	-	16,011	16,011
Interbank and money market items net of deferred revenue	136,453	171	-	-	22,258	158,882
Financial assets measured at fair value through profit or loss	1,043	-	-	-	378	1,421
Investments, net	28,575	19,904	128,859	-	2,891	180,229
Investments in subsidiaries and associates, net	-	-	-	-	5,114	5,114
Loans to customers net of deferred revenue	777,862	159,301	373,908	41,368	18,112	1,370,551
Other financial assets - net	1,864	-	-	-	5,566	7,430
Total financial assets	945,797	179,376	502,767	41,368	70,330	1,739,638
Financial liabilities						
Deposits	1,196,456	58,467	44,374	-	44,431	1,343,728
Interbank and money market items	60,856	10,344	9,741	-	4,376	85,317
Liabilities payable on demand	-	-	-	-	5,325	5,325
Financial liabilities measured at fair value through profit or loss	437	-	-	-	-	437
Debts issued and borrowings	10	13,770	49,299	-	19	63,098
Other financial liabilities	963	-	-	-	15,130	16,093
Total financial liabilities	1,258,722	82,581	103,414	-	69,281	1,513,998

4.2.2 Foreign exchange risk

Foreign exchange risk is the risk that the value of the financial instruments will be affected by changes in foreign exchange rates.

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements, as at 31 December 2022 and 2021, the Bank and its subsidiaries' net foreign currency positions categorised by major foreign currencies were as follows:

	Consolidated and Bank only					
	2022			2021		
	USD	Euro ^(*)	Other currencies ^(*) (in USD million)	USD	Euro ^(*)	Other currencies ^(*)
Spot	217	(176)	302	253	(238)	345
Forward	(202)	173	(306)	(255)	238	(347)
Net position	15	(3)	(4)	(2)	-	(2)

^(*) Balance denominated in Euro and other currencies are stated in USD equivalents.

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4.2.3 Equity price risk

Equity price risk is the risk that the Bank and its subsidiaries' earnings or value of financial assets may fluctuate due to changes in the price of equities.

The equity portfolio of the Bank and its subsidiaries are managed by specific units depending on the strategy, the types of business of the issuers of underlying securities, and the objectives for holding such equities. The equity investment management is under the supervision of the Asset and Liability Management Committee (ALCO) and/or the Chief Executive Committee (CEC) and/or Board of Executive Directors (BoED). All equity investments must comply with the bank-wide investment policy and framework, and related risk policies. The Bank and its subsidiaries have a policy to manage market risk by setting manageable limits on transactions, such as position limit and loss limits. The Risk Control Unit, which is separated from front office and back office functions, is responsible for control of risk and reporting on compliance with the various limits to the related business unit and related management, in order to facilitate responsive risk management.

As at 31 December 2022, the Bank had equity investments are listed on Stock Exchange of Thailand at Baht 230 million (2021: Baht 227 million) with the mark to market value at Baht 197 million (2021: Baht 197 million).

4.2.4 Sensitivity analysis

Market risk in the trading book

The Bank and its subsidiaries use a number of sensitivity measurements to monitor the market risk in a trading book. The key measurements are PV01 and FX Delta. PV01 is used to monitor interest rate risk in which it measures the impact on portfolio value due to the increase in interest rate of 1 basis point. FX Delta is the rate of change of the portfolio value with respect to changes of foreign currency. FX Delta is used to monitor the foreign exchange risk of each currency.

As at 31 December 2022 and 2021, the key sensitivities are as follows:

	Consolidated and Bank only	
	2022	2021
	(in thousand Baht)	
<i>Interest rate sensitivities (PV01)</i>		
THB	(144)	193
USD	41	441
Other currencies	-	(65)
Total	(103)	569

	Consolidated and Bank only	
	2022	2021
	(in thousand USD)	
<i>Exchange rate sensitivities (FX Delta)</i>		
USD	4,226	(2,463)
EUR	(1,348)	(160)
Other currencies	870	334
Total	3,748	(2,289)

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Market risk in the banking book

The Bank and its subsidiaries use the repricing gap approach to determine the impact of interest rate changes on net interest income and economic value of equity on a monthly basis. The repricing gap uses the remaining term or next repricing date as stipulated in the contract. There are established interest rate risk limits to monitor and control the impact of interest rate changes on the net interest income and economic value. Impacts on the net interest income and economic value are computed assuming different size shocks in interest rate yield curves. As at 31 December 2022 and 2021, the effect of changes in interest rates to earnings (net) by 100 bps parallel shift in the next 1 year were as follows:

	Consolidated	
	2022 Upward shift 100 bps	2021 Upward shift 100 bps
	<i>(in million Baht)</i>	
THB	(2,332)	(2,794)
USD	89	124
Others	(6)	(7)
Total effect of change in interest rate	(2,249)	(2,677)

	Bank only	
	2022 Upward shift 100 bps	2021 Upward shift 100 bps
	<i>(in million Baht)</i>	
THB	(2,312)	(2,796)
USD	89	124
Others	(6)	(7)
Total effect of change in interest rate	(2,229)	(2,679)

4.3 Liquidity risk

Liquidity risk refers to the risk that the Bank and its subsidiaries fail to meet its obligations as and when they fall due as a result of an inability to liquidate assets into cash in time or is unable to raise funds necessary for its operations, causing damage to the Bank.

The ALCO is responsible for assisting the BOD and the ROC in supervising the liquidity risk management of the Bank in compliance with the BoT's regulations and ensuring that the Bank has sufficient liquidity for its operations in both normal and crisis situations. In addition, the ALCO is responsible for ensuring that appropriate funding sources are secured in line with the changing market environment.

The Balance Sheet Management unit is responsible for overall liquidity management. The Global Markets and International Transaction Banking unit is responsible for day-to-day liquidity management. Additionally, the responsibilities of the Balance Sheet Management unit include liquidity risk measurement and reporting the performance of the liquidity management to the ALCO. The Market Risk Management unit is responsible for identifying, monitoring and controlling the liquidity risk. The Bank has the Liquidity Risk Management Policy, which is reviewed at least once a year or when necessary, to ensure that it is appropriate with the prevailing environment. The Bank and each company in the Bank's financial business group manage their liquidity risk separately.

In order to manage liquidity, the Bank and its subsidiaries continually monitor its funding sources and access to capital markets. Derivatives are used for balance sheet management to hedge the portfolio of loans, deposits and debts issued and borrowings. The Bank and its subsidiaries recognise the importance of holding highly liquid assets that can be quickly converted into cash or used as collateral for raising funds.

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Risk indicators are used as tools to measure and monitor liquidity risk. These comprise financial ratios such as Loans to Deposits Ratio (LDR), Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR), as well as cash flow models incorporating Contractual Liquidity Gap and Behavioral Liquidity Gap. The Bank and its subsidiaries set risk limits and indicators in order to maintain its liquidity risk within the Bank and its subsidiaries' approved risk appetite. The liquidity position is monitored and reported on daily and monthly basis to the ALCO.

Stress tests are performed under various scenarios, in accordance with the BoT's guidelines, in order to assess the Bank and its subsidiaries' ability to withstand a crisis. In addition, the liquidity contingency plan is prepared for various crisis situations, whereby the roles of the relevant responsible units are defined, as well as funding plans and communication plans to customers, etc.

The Bank will disclose Liquidity Coverage Ratio (LCR) information of statements of financial position, as at 31 December 2022 on the Bank's website (www.ttbbank.com/en/ir/financial-information/lcr) within April 2023

The significant financial assets and liabilities classified by remaining periods to maturity, counted from the date of statements of financial position, as at 31 December 2022 and 2021 were summarised as follows:

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	Consolidated 2022				No maturity	Total
	At call ⁽¹⁾	Within 1 year	1 - 5 year	Over 5 years		
	(in million Baht)					
Financial assets						
Cash	-	-	-	-	15,506	15,506
Interbank and money market items net of deferred revenue	29,029	158,049	518	-	-	187,596
Financial assets measured at fair value through profit or loss	-	1,106	-	-	427 ⁽²⁾	1,533
Investments, net						
Investments in debt instruments measured at AMC ⁽⁴⁾	-	-	11,158	37,968	-	49,126
Investments in debt instruments measured at FVOCI	-	67,153	82,343	9,659	315	159,470
Investments in equity instruments designated at FVOCI	-	-	-	-	2,856 ⁽²⁾	2,856
Investments in subsidiaries and associates, net	-	-	-	-	8,574 ⁽²⁾	8,574
Loans to customers net of deferred revenue	113,855	383,336	484,854	352,366	41,707 ⁽³⁾	1,376,118
Other financial assets - net	463	574	-	369	6,339	7,745
Total financial assets	143,347	610,218	578,873	400,362	75,724	1,808,524
Financial liabilities						
Deposits	1,168,017	153,760	77,470	-	-	1,399,247
Interbank and money market items	13,376	55,568	15,819	7	-	84,770
Liabilities payable on demand	5,586	-	-	-	-	5,586
Financial liabilities measured at fair value through profit or loss	-	438	-	-	-	438
Debts issued and borrowings	5	5,020	54,595	24	-	59,644
Other financial liabilities	1,131	6,345	845	-	15,281	23,602
Total financial liabilities	1,188,115	221,131	148,729	31	15,281	1,573,287
Net liquidity gap	(1,044,768)	389,087	430,144	400,331	60,443	235,237

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

⁽⁴⁾ The presented investments were not deducted by allowance for expected credit loss.

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For the year ended 31 December 2022

	Consolidated 2021				No maturity	Total
	At call ⁽¹⁾	Within 1 year	1 - 5 year	Over 5 years		
	(in million Baht)					
Financial assets						
Cash	-	-	-	-	16,011	16,011
Interbank and money market items net of deferred revenue	31,168	127,291	433	-	-	158,892
Financial assets measured at fair value through profit or loss	-	1,043	-	-	378 ⁽²⁾	1,421
Investments, net						
Investments in debt instruments measured at FVOCI	-	27,864	130,793	18,367	315	177,339
Investments in equity instruments designated at FVOCI	-	-	-	-	2,890 ⁽²⁾	2,890
Investments in subsidiaries and associates, net	-	-	-	-	8,620 ⁽²⁾	8,620
Loans to customers net of deferred revenue	133,518	372,031	462,145	361,490	42,120 ⁽³⁾	1,371,304
Other financial assets - net	587	1,479	-	399	5,110	7,575
Total financial assets	165,273	529,708	593,371	380,256	75,444	1,744,052
Financial liabilities						
Deposits	1,181,489	113,289	44,417	-	-	1,339,195
Interbank and money market items	17,455	57,770	9,704	37	-	84,966
Liabilities payable on demand	5,325	-	-	-	-	5,325
Financial liabilities measured at fair value through profit or loss	-	-	437	-	-	437
Debts issued and borrowings	5	14,071	54,291	31	-	68,398
Other financial liabilities	1,124	1,901	-	386	13,024	16,435
Total financial liabilities	1,205,398	187,031	108,849	454	13,024	1,514,756
Net liquidity gap	(1,040,125)	342,677	484,522	379,802	62,420	229,296

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

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For the year ended 31 December 2022

	Bank only 2022					
	At call ⁽¹⁾	Within 1 year	1 - 5 year	Over 5 years	No maturity	Total
	(in million Baht)					
Financial assets						
Cash	-	-	-	-	15,506	15,506
Interbank and money market items net of deferred revenue	29,011	158,049	518	-	-	187,578
Financial assets measured at fair value through profit or loss	-	1,106	-	-	427 ⁽²⁾	1,533
Investments, net						
Investments in debt instruments measured at AMC ⁽⁴⁾	-	-	11,158	37,968	-	49,126
Investments in debt instruments measured at FVOCI	-	67,153	82,343	9,659	315	159,470
Investments in equity instruments designated at FVOCI	-	-	-	-	2,856 ⁽²⁾	2,856
Investments in subsidiaries and associates, net	-	-	-	-	5,144 ⁽²⁾	5,144
Loans to customers net of deferred revenue	113,995	383,336	484,854	352,363	37,208 ⁽³⁾	1,371,756
Other financial assets - net	463	565	-	369	5,949	7,346
Total financial assets	143,469	610,209	578,873	400,359	67,405	1,800,315
Financial liabilities						
Deposits	1,168,848	153,760	77,470	-	-	1,400,078
Interbank and money market items	13,376	55,568	15,819	7	-	84,770
Liabilities payable on demand	5,586	-	-	-	-	5,586
Financial liabilities measured at fair value through profit or loss	-	438	-	-	-	438
Debts issued and borrowings	5	20	54,595	24	-	54,644
Other financial liabilities	1,131	6,271	845	-	14,993	23,240
Total financial liabilities	1,188,946	216,057	148,729	31	14,993	1,568,756
Net liquidity gap	(1,045,477)	394,152	430,144	400,328	52,412	231,559

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

⁽⁴⁾ The presented investments were not deducted by allowance for expected credit loss.

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(3) Non-performing loans.

5 Fair value of financial assets and financial liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for the financial instruments measured at fair value as at 31 December 2022 and 2021.

	Consolidated				
	Carrying amount	Level 1	Fair value		Total
			Level 2	Level 3	
			(in million Baht)		
At 31 December 2022					
Financial assets					
Financial assets measured at FVTPL	1,533	23	1,106	404	1,533
Derivative assets					
Foreign exchange rate	9,507	-	9,507	-	9,507
Interest rate	869	-	869	-	869
Total	10,376	-	10,376	-	10,376
Investments, net					
Investments in debt instruments measured at AMC	49,106	-	48,367	-	48,367
Investments in debt instruments measured at FVOCI	159,470	-	159,155	315	159,470
Investments in equity instruments designated at FVOCI	2,856	174	-	2,682	2,856
Total	211,432	174	207,522	2,997	210,693
Loans to customers and accrued interest receivables, net					
	1,326,505	-	925,515	404,643	1,330,158
Total financial assets	1,549,846	197	1,144,519	408,044	1,552,760
Financial liabilities					
Deposits	1,399,247	-	1,399,489	-	1,399,489
Financial liabilities measured at FVTPL	438	-	438	-	438
Derivative liabilities					
Foreign exchange rate	8,727	-	8,727	-	8,727
Interest rate	772	-	772	-	772
Total	9,499	-	9,499	-	9,499
Debts issued and borrowings	59,644	-	59,185	-	59,185
Total financial liabilities	1,468,828	-	1,468,611	-	1,468,611

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	Carrying amount	Level 1	Consolidated Fair value		Total
			Level 2	Level 3	
			(in million Baht)		
At 31 December 2021					
Financial assets					
Financial assets measured at FVTPL	1,421	-	1,043	378	1,421
Derivative assets					
Foreign exchange rate	4,503	-	4,503	-	4,503
Interest rate	2,410	-	2,410	-	2,410
Total	6,913	-	6,913	-	6,913
Investments, net					
Investments in debt instruments measured at FVOCI	177,339	-	177,024	315	177,339
Investments in equity instruments designated at FVOCI	2,890	197	-	2,693	2,890
Total	180,229	197	177,024	3,008	180,229
Loans to customers and accrued interest receivables, net					
	1,324,201	-	938,734	389,564	1,328,298
Total financial assets	1,512,764	197	1,123,714	392,950	1,516,861
Financial liabilities					
Deposits	1,339,195	-	1,339,235	-	1,339,235
Financial liabilities measured at FVTPL	437	-	437	-	437
Derivative liabilities					
Foreign exchange rate	4,269	-	4,269	-	4,269
Interest rate	2,326	-	2,326	-	2,326
Total	6,595	-	6,595	-	6,595
Debts issued and borrowings	68,398	-	70,468	-	70,468
Total financial liabilities	1,414,625	-	1,416,735	-	1,416,735

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	Carrying amount	Level 1	Bank only Fair value Level 2 (in million Baht)	Level 3	Total
<i>At 31 December 2022</i>					
<i>Financial assets</i>					
Financial assets measured at FVTPL	1,533	23	1,106	404	1,533
<i>Derivative assets</i>					
Foreign exchange rate	9,507	-	9,507	-	9,507
Interest rate	869	-	869	-	869
Total	10,376	-	10,376	-	10,376
<i>Investments, net</i>					
Investments in debt instruments measured at AMC	49,106	-	48,367	-	48,367
Investments in debt instruments measured at FVOCI	159,470	-	159,155	315	159,470
Investments in equity instruments designated at FVOCI	2,856	174	-	2,682	2,856
Total	211,432	174	207,522	2,997	210,693
Loans to customers and accrued interest receivables, net	1,323,737	-	922,747	404,643	1,327,390
Total financial assets	1,547,078	197	1,141,751	408,044	1,549,992
<i>Financial liabilities</i>					
Deposits	1,400,078	-	1,400,320	-	1,400,320
Financial liabilities measured at FVTPL	438	-	438	-	438
<i>Derivative liabilities</i>					
Foreign exchange rate	8,727	-	8,727	-	8,727
Interest rate	772	-	772	-	772
Total	9,499	-	9,499	-	9,499
Debt issued and borrowings	54,644	-	54,185	-	54,185
Total financial liabilities	1,464,659	-	1,464,442	-	1,464,442

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	Carrying amount	Level 1	Bank only Fair value Level 2 (in million Baht)	Level 3	Total
At 31 December 2021					
Financial assets					
Financial assets measured at FVTPL	1,421	-	1,043	378	1,421
Derivative assets					
Foreign exchange rate	4,503	-	4,503	-	4,503
Interest rate	2,410	-	2,410	-	2,410
Total	6,913	-	6,913	-	6,913
Investments, net					
Investments in debt instruments measured at FVOCI	177,339	-	177,024	315	177,339
Investments in equity instruments designated at FVOCI	2,890	197	-	2,693	2,890
Total	180,229	197	177,024	3,008	180,229
Loans to customers and accrued interest receivables, net	1,323,468	-	938,001	389,564	1,327,565
Total financial assets	1,512,031	197	1,122,981	392,950	1,516,128
Financial liabilities					
Deposits	1,343,728	-	1,343,768	-	1,343,768
Financial liabilities measured at FVTPL	437	-	437	-	437
Derivative liabilities					
Foreign exchange rate	4,269	-	4,269	-	4,269
Interest rate	2,326	-	2,326	-	2,326
Total	6,595	-	6,595	-	6,595
Debt issued and borrowings	63,098	-	65,168	-	65,168
Total financial liabilities	1,413,858	-	1,415,968	-	1,415,968

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

- Cash:

The fair value is approximated based on its carrying value.

- Interbank and money market items (assets):

The fair value is approximated based on the carrying amount of interbank and money market items, except for the fair value of fixed rate items with remaining maturity period greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at market interest rates.

- Financial assets measured at FVTPL and investments:

The fair value of investments in government-sector debt securities is determined, using yield rates or prices quoted on the Thai Bond Market Association ("ThaiBMA"). The fair value of investments in other debt securities issued locally is determined based on market value appraised by the reliable institutions, their respective yields, or the ThaiBMA's yield rates adjusted by appropriate risk factors. For defaulted debt securities, the fair value is determined based on estimated recovery by considering the credit risk.

The fair value of marketable equity securities is determined at the last bid price quoted on the last working day of the Stock Exchange of Thailand of the reporting period. The fair value of an investment unit is determined using the net asset value announced on the reporting period-end date.

The fair value of non-marketable equity securities is determined mainly based on common valuation techniques with price and/or variables from the market as well as dividend discounted model, book value or adjusted book value.

Dividend discounted is calculated from profit under business plan covering 5 years period together with the estimated growth rates of market. Dividend payout ratio is based on entities' policies. The discount rate used is reference to industry cost of capital (k_e). The terminal growth rate derived from long-term GDP adjusted with the expectation of the business growth.

- Loans to customers and accrued interest receivable, net:

The fair value is based on the carrying amount except for the fair value of fixed rate hire purchase which is calculated based on the present value of future cash flow of principal and interest, discounted at interest rate currently being offered on similar loans net of allowance for expected credit loss.

- Other financial assets:

The fair value is approximated based on its carrying value.

- Deposits and interbank and money market items (liabilities):

The fair value is approximated based on the carrying amount of deposits or interbank and money market items, except for the fair value of fixed rate items with remaining maturity period greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at interest rates currently being offered on such deposits or interbank and money market items or similar deposits.

- Financial liabilities measured at fair value through profit or loss:

Fair value is calculated based on a valuation model, using market data obtained from reliable sources.

- Debts issued and borrowings:

The fair value is approximated based on their carrying amount, except for the fair value of fixed rate items with remaining maturity period greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at the market interest rate at the reporting dates, in cases where there is no active market, and the market value, in cases where there is an active market.

- Other financial liabilities:

The fair value is approximated based on its carrying value.

- Derivatives:

In cases where there is an active market, the Bank and its subsidiaries use the market value as the fair value of derivatives. For simple over-the-counter derivative, fair values are based on inputs which are observable from independent and reliable market data sources, mainly based on exchange-traded prices, broker/dealer quotations, or counterparties' quotations. Those inputs are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values of over-the-counter derivative reflect the credit risk of the instrument and include adjustments to take account of the counterparty and own entity credit risk when appropriate.

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between levels of the fair value hierarchy during the year ended 31 December 2022 and 2021.

Reconciliation of investments in equity instruments designated at FVOCI using significant unobservable inputs (level 3)

	Consolidated	Bank only
	<i>(in million Baht)</i>	
<i>For the year ended 31 December 2022</i>		
Beginning balance	2,693	2,693
Loss recognised in other comprehensive income	(11)	(11)
Ending balance	<u>2,682</u>	<u>2,682</u>
	Consolidated	Bank only
	<i>(in million Baht)</i>	
<i>For the year ended 31 December 2021</i>		
Beginning balance	607	459
Purchased	1,605	1,605
Disposal during the year	(57)	(56)
Acquisition through Entire Business Transfer	-	164
Gain recognised in other comprehensive income	538	521
Ending balance	<u>2,693</u>	<u>2,693</u>

6 Maintenance of capital fund

The Bank and its subsidiaries maintain its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. The Bank and its subsidiaries are required to calculate its Capital Fund in accordance with Basel III. As at 31 December 2022 and 2021, the consolidated supervision and the Bank only's total capital funds could be categorised as follows:

	Consolidated supervision	
	2022	2021
	<i>(in million Baht)</i>	
<i>Tier 1 Capital</i>		
Common Equity Tier 1 Capital (CET1)		
Paid-up share capital	91,937	91,792
Share premium	43,360	43,345
Legal reserve	10,091	10,091
Net profit after appropriation	61,467	49,585
Other comprehensive income	3,776	4,673
Capital adjustment items on CET1	(20)	(30)
Capital deduction items on CET1	(24,816)	(23,172)
Total Common Equity Tier 1 Capital	<u>185,795</u>	<u>176,284</u>
<i>Addition Tier 1 Capital</i>		
Subordinated debentures classified as additional Tier 1 Capital	7,425	12,089
Total Tier 1 Capital	<u>193,220</u>	<u>188,373</u>
<i>Tier 2 Capital</i>		
General provision	13,302	13,627
Subordinated debentures classified as additional Tier 2 Capital	30,000	35,430
Total Tier 2 Capital	<u>43,302</u>	<u>49,057</u>
Total Capital Funds	<u>236,522</u>	<u>237,430</u>
Total Risk-Weighted Assets	<u>1,185,415</u>	<u>1,228,574</u>

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	The BoT's regulatory minimum requirement*	2022	The BoT's regulatory minimum requirement* (%)	2021
Capital Adequacy Ratio/Total Risk-Weighted Asset	12.0	19.95	11.0	19.33
Tier 1 Capital Ratio/Total Risk-Weighted Asset	9.5	16.30	8.5	15.33
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.0	15.67	7.0	14.35

* The BoT requires commercial banks to maintain an additional buffer on top of minimum regulatory required Common Equity Tier 1 consists of conservation buffer of 2.50% and D-SIB buffer of 1.0%

	Bank only	
	2022	2021
	(in million Baht)	
Tier 1 capital		
Common Equity Tier 1 capital (CET1)		
Paid-up share capital	91,937	91,792
Share premium	43,360	43,345
Legal reserve	10,091	10,091
Net profit after appropriation	57,429	48,351
Other comprehensive income	3,850	4,733
Other transaction from changes in equity	885	885
Capital adjustment items on CET1	(20)	(29)
Capital deduction items on CET1	(25,356)	(23,822)
Total Common Equity Tier 1 Capital	182,176	175,346
Addition Tier 1 Capital		
Subordinated debentures classified as additional Tier 1 Capital	7,425	12,089
Total Tier 1 Capital	189,601	187,435
Tier 2 capital		
General provision	13,182	13,627
Subordinated debentures classified as additional Tier 2 Capital	30,000	35,430
Total Tier 2 Capital	43,182	49,057
Total Capital Funds	232,783	236,492
Total Risk-Weighted Assets	1,175,368	1,216,927

	The BoT's regulatory minimum requirement*	2022	The BoT's regulatory minimum requirement* (%)	2021
Capital Adequacy Ratio/Total Risk-Weighted Asset	12.0	19.81	11.0	19.43
Tier 1 Capital Ratio/Total Risk-Weighted Asset	9.5	16.13	8.5	15.40
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.0	15.50	7.0	14.41

* The BoT requires commercial banks to maintain an additional buffer on top of minimum regulatory required Common Equity Tier 1 consists of conservation buffer of 2.50% and D-SIB buffer of 1.0%

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

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Disclosures of capital maintenance information under the Bank of Thailand on the Public Disclosures of Capital Maintenance for Commercial Banks, the Public Disclosures of Capital Maintenance for Financial Group, and the Public Disclosures of Liquidity Coverage Ratio, the Bank and its subsidiaries disclose as follows:

Location of disclosure	The Bank's website under Investor Relations section at www.ttbank.com/en/ir/financial-information/pillar3
Disclosure period requirement	Within 4 months after the year end date as indicated in the BOT notification
Lasted information as of	30 June 2022

The disclosure as at 31 December 2022 will be provided within April 2023 on the Bank's website as noted above.

Capital management

The Bank and its subsidiaries' capital management approach is driven by its desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirements and to maintain appropriate credit ratings.

7 Classification of financial assets and financial liabilities

	Consolidated					
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Financial instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
	(in million Baht)					
At 31 December 2022						
Financial assets						
Cash	-	-	-	-	15,506	15,506
Interbank and money market items - net	-	-	-	-	187,563	187,563
Financial assets measured at FVTPL	1,533	-	-	-	-	1,533
Derivatives assets	8,818	-	1,558	-	-	10,376
Investments - net	-	-	159,470	2,856	49,106	211,432
Loans to customers and accrued interest receivables - net	-	-	-	-	1,326,505	1,326,505
Other financial assets - net	-	-	-	-	7,745	7,745
Total	10,351	-	161,028	2,856	1,586,425	1,760,660
Financial liabilities						
Deposits	-	-	-	-	1,399,247	1,399,247
Interbank and money market items	-	-	-	-	84,770	84,770
Liabilities payable on demand	-	-	-	-	5,586	5,586
Financial liabilities measured at fair value through profit or loss	438	-	-	-	-	438
Derivatives liabilities	8,142	-	1,357	-	-	9,499
Debts issued and borrowings	-	-	-	-	59,644	59,644
Other financial liabilities	-	-	-	-	23,602	23,602
Total	8,580	-	1,357	-	1,572,849	1,582,786

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	Consolidated				Financial instruments measured at amortised cost	Total
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Financial instruments designated at FVOCI		
	(in million Baht)					
At 31 December 2021						
Financial assets						
Cash	-	-	-	-	16,011	16,011
Interbank and money market items - net	-	-	-	-	158,873	158,873
Financial assets measured at FVTPL	1,421	-	-	-	-	1,421
Derivatives assets	5,558	-	1,355	-	-	6,913
Investments - net	-	-	177,339	2,890	-	180,229
Loans to customers and accrued interest receivables - net	-	-	-	-	1,324,201	1,324,201
Other financial assets - net	-	-	-	-	7,575	7,575
Total	6,979	-	178,694	2,890	1,506,660	1,695,223
Financial liabilities						
Deposits	-	-	-	-	1,339,195	1,339,195
Interbank and money market items	-	-	-	-	84,966	84,966
Liabilities payable on demand	-	-	-	-	5,325	5,325
Financial liabilities measured at fair value through profit or loss	437	-	-	-	-	437
Derivatives liabilities	5,609	-	986	-	-	6,595
Debts issued and borrowings	-	-	-	-	68,398	68,398
Other financial liabilities	-	-	-	-	16,435	16,435
Total	6,046	-	986	-	1,514,319	1,521,351

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	Bank only					
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Financial instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
	(in million Baht)					
<i>At 31 December 2022</i>						
<i>Financial assets</i>						
Cash	-	-	-	-	15,506	15,506
Interbank and money market items, net	-	-	-	-	187,545	187,545
Financial assets measured at FVTPL	1,533	-	-	-	-	1,533
Derivatives assets	8,818	-	1,558	-	-	10,376
Investments, net	-	-	159,470	2,856	49,106	211,432
Loans to customers and accrued interest receivables, net	-	-	-	-	1,323,737	1,323,737
Other financial assets - net	-	-	-	-	7,346	7,346
Total	10,351	-	161,028	2,856	1,583,240	1,757,475
<i>Financial liabilities</i>						
Deposits	-	-	-	-	1,400,078	1,400,078
Interbank and money market items	-	-	-	-	84,770	84,770
Liabilities payable on demand	-	-	-	-	5,586	5,586
Financial liabilities measured at fair value through profit or loss	438	-	-	-	-	438
Derivatives liabilities	8,142	-	1,357	-	-	9,499
Debts issued and borrowings	-	-	-	-	54,644	54,644
Other financial liabilities	-	-	-	-	23,240	23,240
Total	8,580	-	1,357	-	1,568,318	1,578,255

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	Bank only				Financial instruments measured at amortised cost	Total
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Financial instruments designated at FVOCI		
	(in million Baht)					
<i>At 31 December 2021</i>						
<i>Financial assets</i>						
Cash	-	-	-	-	16,011	16,011
Interbank and money market items, net	-	-	-	-	158,863	158,863
Financial assets measured at FVTPL	1,421	-	-	-	-	1,421
Derivatives assets	5,558	-	1,355	-	-	6,913
Investments, net	-	-	177,339	2,890	-	180,229
Loans to customers and accrued interest receivables, net	-	-	-	-	1,323,468	1,323,468
Other financial assets - net	-	-	-	-	7,430	7,430
Total	6,979	-	178,694	2,890	1,505,772	1,694,335
<i>Financial liabilities</i>						
Deposits	-	-	-	-	1,343,728	1,343,728
Interbank and money market items	-	-	-	-	85,317	85,317
Liabilities payable on demand	-	-	-	-	5,325	5,325
Financial liabilities measured at fair value through profit or loss	437	-	-	-	-	437
Derivatives liabilities	5,609	-	986	-	-	6,595
Debts issued and borrowings	-	-	-	-	63,098	63,098
Other financial liabilities	-	-	-	-	16,093	16,093
Total	6,046	-	986	-	1,513,561	1,520,593

8 Interbank and money market items, net (assets)

	Consolidated	
	2022	2021
	(in million Baht)	
<i>Domestic items</i>		
Bank of Thailand and Financial Institutions Development Fund	136,760	122,910
Commercial banks	12,812	80
Specialised financial institutions	1	8,711
Other financial institutions	23,330	15,406
Total	172,903	147,107
Add accrued interest and undue interest income	31	13
Less allowance for expected credit loss	(66)	(15)
Total domestic items	172,868	147,105
<i>Foreign items</i>		
US Dollar	13,286	10,452
Japanese Yen	412	328
Euro	437	245
Other currencies	558	760
Total	14,693	11,785
Add accrued interest and undue interest income	16	11
Less allowance for expected credit loss	(14)	(28)
Total foreign items	14,695	11,768
Total domestic and foreign items	187,563	158,873

	Bank only	
	2022	2021
	(in million Baht)	
<i>Domestic items</i>		
Bank of Thailand and Financial Institutions Development Fund	136,760	122,910
Commercial banks	12,794	70
Specialised financial institutions	1	8,711
Other financial institutions	23,330	15,406
Total	172,885	147,097
Add accrued interest and undue interest income	31	13
Less allowance for expected credit loss	(66)	(15)
Total domestic items	172,850	147,095
<i>Foreign items</i>		
US Dollar	13,286	10,452
Japanese Yen	412	328
Euro	437	245
Other currencies	558	760
Total	14,693	11,785
Add accrued interest and undue interest income	16	11
Less allowance for expected credit loss	(14)	(28)
Total foreign items	14,695	11,768
Total domestic and foreign items	187,545	158,863

9 Financial assets measured at fair value through profit or loss

		Consolidated	
		2022	2021
		(in million Baht)	
Financial assets held for trading			
Government and state enterprise securities		1,106	1,043
Total		<u>1,106</u>	<u>1,043</u>
Financial assets - others			
Marketable equity securities - domestic		23	-
Non-marketable equity securities - domestic		404	378
Total		<u>427</u>	<u>378</u>
Total financial assets measured at fair value through profit or loss		<u>1,533</u>	<u>1,421</u>
		Bank only	
		2022	2021
		(in million Baht)	
Financial assets held for trading			
Government and state enterprise securities		1,106	1,043
Total		<u>1,106</u>	<u>1,043</u>
Financial assets - others			
Marketable equity securities - domestic		23	-
Non-marketable equity securities - domestic		404	378
Total		<u>427</u>	<u>378</u>
Total financial assets measured at fair value through profit or loss		<u>1,533</u>	<u>1,421</u>

10 Derivatives

As at 31 December 2022 and 2021, fair value of derivatives held for trading book, derivatives held for risk management, and hedge derivative with notional amount classified by type of risks were as follows:

Consolidated and Bank only								
Type of risks	2022				2021			
	Fair Value		Notional amount		Fair Value		Notional amount	
	Assets	Liabilities	Within 1 year	Over 1 year	Assets	Liabilities	Within 1 year	Over 1 year
	(in million Baht)							
Foreign currency related								
- Trading Book	7,628	7,354	411,163	14,552	3,119	3,267	473,050	13,446
- Derivative held for risk management	321	5	4,105	-	29	16	7,281	-
- Cash flow hedge	1,558	1,357	11,296	17,621	1,355	986	5,283	23,962
- Fair value hedge	-	11	361	-	-	-	-	-
Interest rate related								
- Trading Book	869	772	25,923	71,727	2,410	2,326	49,149	128,429
Total	10,376	9,499	452,848	103,900	6,913	6,595	534,763	165,837

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10.1 Hedging derivatives

10.1.1 Fair value hedge

The Bank and its subsidiaries use forwards contract to limit exposure to the foreign currency risk on its unrecognised firm commitments resulting from changes in foreign exchange rates during a period and use interest rate swaps to exchange fixed rate for floating rates on funding to match floating rates received on asset or exchange fixed rates on assets to match the floating rates paid on funding.

For qualifying hedges, the fair value changes of the derivatives are substantially matched by corresponding fair value changes of the hedged items, both of which are recognized in profit or loss. For the year ended 31 December 2022 and 2021, the Bank and its subsidiaries recognised gain (loss) on fair value hedges in profit or loss as following;

	Consolidated		Bank only	
	For the year ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Gain (loss) on fair value hedges in profit or loss	-	(35)*	-	-

*Including amount recognised from unwinding hedging instruments

10.1.2 Cash flow hedge

The Bank and its subsidiaries use cross-currency interest rate swaps to manage the variability in future cash flow on its assets and liabilities, mainly investments and borrowings, and cost in foreign currencies. The cross-currency interest rate swaps are contracts which involve the exchange of principal and interest in different currencies with counterparties for a specified period.

Gain or loss arising on the effective portion of the hedges are deferred in other comprehensive income until the variability on the cash flow affects profit and loss, at which time the gain or loss are transferred to profit or loss. For the year ended 31 December 2022 and 2021, the Bank and its subsidiaries recognised gain (loss) as following;

	Consolidated		Bank only	
	For the year ended 31 December		For the year ended 31 December	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Gain (loss) on cash flow hedges in other comprehensive income	(38)	(17)	(38)	157
Gain (loss) reclassified from the hedge reserve to profit or loss	(131)	(81)*	(131)	(209)

* Including gain recognised from unwinding hedging instruments

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11 Investments, net

11.1 Classified by type of investments

	Consolidated and Bank only		Dividend income	
	Amortized cost/ fair value		For the year	For the year
	2022	2021	ended 31	ended 31
	(in million Baht)		December	December
	2022	2021	2022	2021
	(in million Baht)		(in million Baht)	
<i>Investments in debt securities measured at amortised costs</i>				
Government and state enterprise securities	49,126	-		
Total	49,126			
Less allowance for expected credit loss	(20)	-		
Net	49,106			
<i>Investments in debt securities measured at FVOCI</i>				
Government and state enterprise securities	137,116	151,561		
Private debt securities	9,388	11,992		
Foreign debt securities	12,966	13,786		
Total	159,470	177,339		
Allowance for expected credit loss	(2,972)	(2,953)		
<i>Investments in equity securities designated at FVOCI</i>				
Marketable equity securities - domestic	174	198	-	-
Non-marketable equity securities - domestic	2,676	2,686	169	135
Non-marketable equity securities - overseas	6	6	-	-
Total	2,856	2,890	169	135
Total investments - net	211,432	180,229		

In June 2022, the Bank has initiated new business model, held-to-collect, for investment in debt securities, and reassessed investment items in response to investment objective. As a result, the Bank transferred investments in debt securities with carrying value of Baht 21,253 million from FVOCI to amortised costs. Unrealised loss associated with the transferred investment of Baht 1,932 million were reversed in other comprehensive income.

As of 31 December 2022, the fair value of the transferred investment was Baht 20,232 million, the unrealised loss amounting Baht 1,022 million would have been recognized in other comprehensive income if the investment had not been transferred.

11.2 Derecognised investments

Derecognised investments in equity securities designated at fair value through other comprehensive income arising from sale and shareholding reduction during the year ended 31 December 2022 and 2021 as following;

	Consolidated					
	Fair value at		Dividend income		Gain (Loss)	
	derecognised date					
	2022	2021	2022	2021	2022	2021
	<i>(in million Baht)</i>					
Derecognised investments	-	812	-	25	-	100

	Bank only					
	Fair value at		Dividend income		Gain (Loss)	
	derecognised date					
	2022	2021	2022	2021	2022	2021
	<i>(in million Baht)</i>					
Derecognised investments	-	57	-	9	-	35

11.3 Investments in entities in which the Bank and its subsidiaries hold 10% or more

As at 31 December 2022 and 2021, the Bank and its subsidiaries had investments in entities in which the Bank and its subsidiaries hold 10% or more of the paid-up share capital of the investee companies but such companies are not treated as its subsidiaries and associates summarised below.

	Consolidated and Bank only	
	2022	2021
	<i>(in million Baht)</i>	
Property development and construction	-	4
Public utilities and services	123	126
Mutual funds and financial services	344	266
Others	1,974	2,071
Total investments	2,441	2,467

Interest in unconsolidated structured entity arising in the normal business

The Bank and its subsidiaries may enter into transactions with structured entities in the forms of investment in unit trusts, lending and derivative. Investment in unit trusts is summarised as equity securities. Lending and derivative transactions are provided under normal business terms and are managed the same way as other counterparties.

As at 31 December 2022 and 2021, the Bank and its subsidiaries did not have significant risks and transactions relating to structured entities to disclose in the financial statements.

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11.4 Investments in companies with problems in their financial position and operating results

As at 31 December 2022 and 2021, the Bank and its subsidiaries had the following investments in listed companies which meet the Stock Exchange of Thailand ("SET")'s criteria for delisting, and are in default on debt securities, or companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET. Those investments, which measured either at fair value through profit or loss, or through other comprehensive income, in the statement of financial position were summarised below.

	Consolidated and Bank only							
	2022				2021			
	No. of Com- panies	Cost value	Fair value (in million Baht)	Allowance for expected credit loss	No. of Com- panies	Cost value	Fair value (in million Baht)	Allowance for expected credit loss
- Listed companies under delisting conditions / defaulted debt securities	1	12	-	-	2	13	-	-
- Companies whose ability to continues as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET	10	3,893	315	2,885	12	3,893	315	2,885
Total	11	3,905	315	2,885	14	3,906	315	2,885

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12 Investments in subsidiaries and associates, net

12.1 Detail of investments in subsidiaries and associates

Companies	Type of Business	Percentage of ownership interest		Paid-up capital		Equity		Allowance for impairment		At Equity, net		Cost		Allowance for impairment		At cost, net		Dividend income for the year ended 31 December	
		2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
		(in million Baht)																	
Subsidiaries																			
Phahonyothin Asset Management Co., Ltd. TBCO Public Company Limited ⁽¹⁾ TMBThanachart Broker Co., Ltd. TTB Consumer Company Limited ⁽²⁾	Asset management	100.00	100.00	298	298	-	-	-	-	-	-	298	298	-	-	298	298	-	-
	Commercial bank	99.98	99.98	-	-	-	-	-	-	-	-	99,310	99,310	(99,000)	(99,000)	310	310	-	92,576
	Insurance brokerage service	99.99	99.99	100	100	-	-	-	-	-	-	117	117	-	-	117	117	-	135
	Brokerage service	100.00	-	30	-	-	-	-	-	-	-	30	-	-	-	30	-	-	-
Associates																			
TMB Asset Management Co., Ltd. ⁽³⁾ Thanachart Fund Management Co., Ltd. ⁽³⁾ Eastspring Asset Management (Thailand) Co., Ltd. ⁽³⁾	Fund management	-	35.00	-	100	-	4,479	-	-	4,479	-	197	-	-	-	197	80	176	
	Fund management	-	49.90	-	100	-	4,141	-	-	4,141	-	4,192	-	-	-	4,192	73	101	
	Fund management	40.50	-	200	-	8,574	8,620	-	-	8,574	8,620	104,144	104,114	(99,000)	(99,000)	5,144	5,114	155	308
Total						8,574	8,620	-	-	8,574	8,620	104,144	104,114	(99,000)	(99,000)	5,144	5,114	92,988	92,988

⁽¹⁾ The Company registered the dissolution with the Ministry of Commerce on 1 November 2021 and is currently in the process of liquidation.

⁽²⁾ New subsidiary registered with the Ministry of Commerce on 3 March 2022.

⁽³⁾ Eastspring Asset Management (Thailand) Co., Ltd. is a new company formed under the amalgamation of TMB Asset Management Co., Ltd. and Thanachart Fund Management Co., Ltd. on 11 July 2022. The remaining investment in this aforementioned company is subject to call and put options in the future.

12.2 Disclosure of the statement of cash flows of the asset management company

Statement of cash flows		
Phahonyothin Assets Management Co., Ltd.		
For the year ended 31 December		
	2022	2021
	(in million Baht)	
<i>Cash flows from operating activities</i>		
Profit from operations before income tax	128	40
<i>Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities</i>		
Reversal of expected credit loss	(219)	(96)
Provisions for liabilities	56	4
Net interest income	(50)	(13)
Interest received	19	9
Interest paid	(65)	(13)
Income tax paid	(21)	(10)
Loss from operations before changes in operating assets and liabilities	(152)	(79)
<i>(Increase) decrease in operating assets</i>		
Intercompany and money market items	4,186	(4,208)
Loans to customers	(2,166)	(1,280)
Properties for sale	(1,646)	-
Other assets	(94)	(14)
<i>Increase in operating liabilities</i>		
Other payables	2	2
Other liabilities	30	7
Net cash provided by (used in) operating activities	160	(5,572)
<i>Cash flows from investing activities</i>		
Purchase of premises and equipment	-	(1)
Net cash used in investing activities	-	(1)
<i>Cash flows from financing activities</i>		
Cash receipts on debenture issued and borrowings	23,020	8,500
Cash paid for redemption of debenture and repayment of borrowings	(23,180)	(3,200)
Increase in issued and fully paid-up - ordinary shares	-	273
Net cash provided by (used in) financing activities	(160)	5,573
Net decrease in cash	-	-
Cash at 1 January	-	-
Cash at 31 December	-	-

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13 Loans to customers and accrued interest receivables, net

13.1 Classified by loan type

	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Overdrafts	90,626	98,656	90,626	98,656
Loans	676,452	679,161	671,950	678,408
Bills	196,995	198,375	197,135	198,375
Hire purchase receivables	411,039	393,856	411,039	393,856
Finance lease receivables	910	997	910	997
Others	96	259	96	259
Total loans to customers	1,376,118	1,371,304	1,371,756	1,370,551
Add accrued interest receivables and undue interest income*	7,777	7,369	7,777	7,369
Total loans to customers and accrued interest receivables	1,383,895	1,378,673	1,379,533	1,377,920
Less allowance for expected credit loss	(57,390)	(54,472)	(55,796)	(54,452)
Total loans to customers and accrued interest receivables - net	1,326,505	1,324,201	1,323,737	1,323,468

* Accrued interest receivables and undue interest income of non-performing loans to customers presented net amount after allowance for expected credit loss.

13.2 Classified by residency of debtors

	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Domestic	1,364,223	1,357,583	1,359,861	1,356,830
Foreign	11,895	13,721	11,895	13,721
Total*	1,376,118	1,371,304	1,371,756	1,370,551

* Loans to customers net of deferred revenue.

13.3 Classified by stage

	Consolidated			
	2022		2021	
	Loans to customers and accrued interest receivables*	Allowance for expected credit loss	Loans to customers and accrued interest receivables*	Allowance for expected credit loss
	<i>(in million Baht)</i>			
Stage 1 (Performing)	1,225,348	13,325	1,223,662	12,413
Stage 2 (Under-performing)	116,840	24,469	112,520	22,052
Stage 3 (Non-performing)	41,707	19,596	42,491	20,007
Total	1,383,895	57,390	1,378,673	54,472

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	Bank only			
	2022		2021	
	Loans to customers and accrued interest receivables*	Allowance for expected credit loss	Loans to customers and accrued interest receivables*	Allowance for expected credit loss
	<i>(in million Baht)</i>			
Stage 1 (Performing)	1,225,485	13,325	1,223,661	12,413
Stage 2 (Under-performing)	116,840	24,469	112,520	22,052
Stage 3 (Non-performing)	37,208	18,002	41,739	19,987
Total	1,379,533	55,796	1,377,920	54,452

* Total loans to customers and accrued interest receivables in note 13.1

13.4 Non-performing loans

As at 31 December 2022 and 2021, the Bank and its subsidiaries' NPLs (including interbank and money market items) were summarised as follows:

	Consolidated		Bank only	
	2022	2021	2022	2021
NPLs				
NPLs <i>(in million Baht)</i>	41,707	42,120	37,208	41,368
Total loans <i>(in million Baht)</i>	1,529,135	1,499,031	1,524,775	1,498,279
Percentage of NPLs (%)	2.73	2.81	2.44	2.76

As at 31 December 2022 and 2021, Phahonyothin Asset Management Co., Ltd. has non-performing loans amounting to Baht 4,499 million and Baht 752 million respectively.

For the year ended 31 December 2022 and 2021, the Bank and its subsidiaries sold non-performing loans, with principal totalling approximately Baht 8,196 million and Baht 6,453 million, respectively (*Bank only: approximately Baht 12,318 million and Baht 6,809 million, respectively*), to asset management companies. The selling price in excess of the carrying amount of those non-performing loans was presented as a deduction from "Expected credit loss" in the statement of profit or loss and other comprehensive income for the year ended 31 December 2022 and 2021, respectively.

13.5 Modified loans to customers

During the year ended 31 December 2022 and 2021, the Bank and its subsidiaries have modified loans that have not resulted in derecognition, while they had a loss allowance measured at an amount equal to lifetime ECL, as follows:

	Consolidated	
	2022	2021
	<i>(in million Baht)</i>	
Loans to customers modified during the year		
Outstanding loan at modification date*	14,658	8,645
Net modification loss*	87	203
Loans modified since initial recognition - upgraded		
Outstanding of loans to customers upgraded from lifetime expected credit loss to 12-month expected credit loss in the year	2,089	1,358

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	Bank only	
	2022	2021
	(in million Baht)	
Loans to customers modified during the year		
Outstanding loan at modification date*	14,540	7,729
Net modification loss*	87	199

Loans modified since initial recognition - upgraded

Outstanding of loans to customers upgraded from lifetime expected credit loss to 12-month expected credit loss in the year	2,089	1,093
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* In 2022, this included 2nd form of financial assistance based on sustainable debt resolution as mentioned in note 2.

As at 31 December 2022, the outstanding modified loans of the Bank and its subsidiaries was approximately 12% of the total loans. (2021: 16% of the total loans).

13.6 Hire purchase and finance lease receivables

	Consolidated and Bank only			
	2022			
	Portion due within one year	Portion due after one year but within five years	Portion due after five years	Total
	(in million Baht)			
Hire purchase receivables	122,387	312,120	35,499	470,006
Finance lease receivables	388	583	-	971
Total gross investment under hire purchase contracts	122,775	312,703	35,499	470,977
Less unearned interest income				(59,028)
Present value of minimum lease payment receivables				411,949
Less allowance for expected credit loss				(10,973)
Lease receivables, net				400,976

	Consolidated and Bank only			
	2021			
	Portion due within one year	Portion due after one year but within five years	Portion due after five years	Total
	(in million Baht)			
Hire purchase receivables	116,303	302,806	32,310	451,419
Finance lease receivables	419	645	-	1,064
Total gross investment under hire purchase contracts	116,722	303,451	32,310	452,483
Less unearned interest income				(57,630)
Present value of minimum lease payment receivables				394,853
Less allowance for expected credit loss				(9,390)
Lease receivables, net				385,463

14 Allowance for expected credit loss

The movements in the allowance for expected credit loss during the year were as follows:

	Consolidated 2022			
	12-month ECL	Lifetime ECL, not credit impaired <i>(in million Baht)</i>	Lifetime ECL, credit impaired	Total
<i>Investments</i>				
Beginning balance	68	-	2,885	2,953
Changes from remeasurement of ECL	(2)	-	-	(2)
Purchased or acquired	68	-	-	68
Derecognition	(27)	-	-	(27)
Ending balance	<u>107</u>	<u>-</u>	<u>2,885</u>	<u>2,992</u>
<i>Loans to customers and accrued interest receivables</i>				
Beginning balance	12,413	22,052	20,007	54,472
Changes from stage reclassification	(1,327)	945	11,939	11,557
Changes from remeasurement of ECL	488	2,124	6,174	8,786
Originated	2,310	-	-	2,310
Derecognition	(559)	(652)	(4,671)	(5,882)
Write-off	-	-	(13,853)	(13,853)
Ending balance	<u>13,325</u>	<u>24,469</u>	<u>19,596</u>	<u>57,390</u>

	Consolidated 2021			
	12-month ECL	Lifetime ECL, not credit impaired <i>(in million Baht)</i>	Lifetime ECL, credit impaired	Total
<i>Investments</i>				
Beginning balance	54	5	1,708	1,767
Changes from remeasurement of ECL	4	(2)	1,177	1,179
Purchased or acquired	67	-	-	67
Derecognition	(57)	(3)	-	(60)
Ending balance	<u>68</u>	<u>-</u>	<u>2,885</u>	<u>2,953</u>
<i>Loans to customers and accrued interest receivables</i>				
Beginning balance	11,126	21,617	19,224	51,967
Changes from stage reclassification	(1,069)	1,172	13,122	13,225
Changes from remeasurement of ECL	953	126	8,616	9,695
Originated	1,982	219	111	2,312
Derecognition	(579)	(1,082)	(5,232)	(6,893)
Write-off	-	-	(15,834)	(15,834)
Ending balance	<u>12,413</u>	<u>22,052</u>	<u>20,007</u>	<u>54,472</u>

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	Bank only 2022			
	12-month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	Total
	(in million Baht)			
<i>Investments</i>				
Beginning balance	68	-	2,885	2,953
Changes from remeasurement of ECL	(2)	-	-	(2)
Purchased or acquired	68	-	-	68
Derecognition	(27)	-	-	(27)
Ending balance	<u>107</u>	<u>-</u>	<u>2,885</u>	<u>2,992</u>
<i>Loans to customers and accrued interest receivables</i>				
Beginning balance	12,413	22,052	19,987	54,452
Changes from stage reclassification	(1,327)	945	11,939	11,557
Changes from remeasurement of ECL	488	2,124	6,393	9,005
Originated	2,310	-	-	2,310
Derecognition	(559)	(652)	(6,464)	(7,675)
Write-off	-	-	(13,853)	(13,853)
Ending balance	<u>13,325</u>	<u>24,469</u>	<u>18,002</u>	<u>55,796</u>

	Bank only			
	2021			
	12-month	Lifetime	Lifetime	
	ECL	ECL,	ECL,	Total
		not credit	credit	
		impaired	impaired	
		(in million Baht)		
<i>Investments</i>				
Beginning balance	33	-	50	83
Acquisition through Entire Business Transfer	24	3	1,890	1,917
Changes from remeasurement of ECL	4	-	945	949
Purchased or acquired	50	-	-	50
Derecognition	(43)	(3)	-	(46)
Ending balance	<u>68</u>	<u>-</u>	<u>2,885</u>	<u>2,953</u>
<i>Loans to customers and accrued interest receivables</i>				
Beginning balance	4,904	14,495	11,932	31,331
Acquisition through Entire Business Transfer	5,613	7,425	7,829	20,867
Changes from stage reclassification	(432)	257	9,216	9,041
Changes from remeasurement of ECL	1,405	690	8,056	10,151
Originated	1,331	105	70	1,506
Derecognition	(408)	(920)	(4,914)	(6,242)
Write-off	-	-	(12,202)	(12,202)
Ending balance	<u>12,413</u>	<u>22,052</u>	<u>19,987</u>	<u>54,452</u>

From the economic conditions and the prolonged COVID-19 pandemic, management considered the impact to the financial assets based on available information and the potential impact on the initial ECL estimates. As at 31 December 2022 and 2021, management provided additional ECL as management overlay including for the customers under relief and impact from economic condition.

15 Properties for sale, net

As at 31 December 2022 and 2021, changes to the properties for sale, net were as follows:

	Beginning balance	Consolidated 2022		Ending balance
		Additions	Disposals/ Decrease	
		<i>(in million Baht)</i>		
Assets foreclosed in settlement of debts				
- Immovable assets	6,725	3,222	(276)	9,671
- Movable assets	296	6,723	(6,546)	473
Assets for sales	1,935	1,027	(481)	2,481
Total	8,956	10,972	(7,303)	12,625
Add (less) allowance for impairment loss	(330)	(808)	665	(473)
Net	8,626	10,164	(6,638)	12,152

	Beginning balance	Consolidated 2021		Ending balance
		Additions	Disposals/ Decrease	
		<i>(in million Baht)</i>		
Assets foreclosed in settlement of debts				
- Immovable assets	3,720	3,249	(244)	6,725
- Movable assets	565	6,918	(7,187)	296
Assets for sales	2,066	736	(867)	1,935
Total	6,351	10,903	(8,298)	8,956
Add (less) allowance for impairment loss	(314)	(793)	777	(330)
Net	6,037	10,110	(7,521)	8,626

	Beginning balance	Bank only 2022		Ending balance
		Additions	Disposals/ Decrease	
		<i>(in million Baht)</i>		
Assets foreclosed in settlement of debts				
- Immovable assets	6,725	3,196	(1,825)	8,096
- Movable assets	296	6,723	(6,546)	473
Assets for sales	1,935	1,027	(481)	2,481
Total	8,956	10,946	(8,852)	11,050
Add (less) allowance for impairment loss	(330)	(808)	702	(436)
Net	8,626	10,138	(8,150)	10,614

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			Bank only 2021		
	Beginning balance	Acquisition Through Entire Business Transfer	Additions (in million Baht)	Disposals/ Decrease	Ending balance
Assets foreclosed in settlement of debts					
- Immovable assets	2,372	1,383	3,187	(217)	6,725
- Movable assets	-	453	3,249	(3,406)	296
Assets for sales	942	1,173	419	(599)	1,935
Total	3,314	3,009	6,855	(4,222)	8,956
Add (less) allowance for impairment loss	(164)	(159)	(361)	354	(330)
Net	<u>3,150</u>	<u>2,850</u>	<u>6,494</u>	<u>(3,868)</u>	<u>8,626</u>

As at 31 December 2022 and 2021, the Bank and its subsidiaries had properties for sale with debtor's rights to buy back when complied with criteria in the agreement, with net book value amounting to Baht 400 million and Baht 1 million, respectively. *(Bank only: Baht 400 million and 1 million, respectively)*

As at 31 December 2022 and 2021, the Bank and its subsidiaries had properties for sale transferred under the Bank of Thailand's supportive measure for debt settlement through collateral assets transfers with buy-back options (Asset Warehousing) amounting to Baht 5,532 million and Baht 2,853 million, respectively. *(Bank only: Baht 5,532 million and 2,853 million, respectively)*

The value of immovable assets acquired from debt repayment was appraised by external and internal appraisers as at 31 December 2022 and 2021 as follows:

	Consolidated		Bank only	
	2022	2021	2022	2021
	(in million Baht)			
Assets foreclosed in settlement of debts				
Immovable assets				
- Appraised by external appraisers	9,665	6,710	8,090	6,710
- Appraised by internal appraisers	6	15	6	15
Total	<u>9,671</u>	<u>6,725</u>	<u>8,096</u>	<u>6,725</u>

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16 Premises and equipment, net

As at 31 December 2022 and 2021, changes in premises and equipment were as follows:

	Consolidated 2022												
	Cost				Accumulated depreciation			Allowance for impairment loss			Net book value as at 31 December 2022		
	Net book value as at 1 January 2022	Beginning balance	Increase/ transfers in	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written-off/ transfers out/ adjustments from revaluation	Ending balance	Beginning balance	Reversal of impairment during the year	Disposals/ written-off/ transfers out	Ending balance

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Consolidated 2021														
	Cost			Accumulated depreciation				Allowance for impairment loss						
	Net book value as at 1 January 2021	Beginning balance	Increase/ transfers in	Disposals/ written-off/ transfers out	Reclassified after Entire Business Transfer	Depreciation	Disposals/ written-off/ transfers out/ adjustments from revaluation	Reclassified after Entire Business Transfer	Ending balance	Beginning balance	Loss on impairment during the year	Disposals/ written-off/ transfers out	Ending balance	Net book value as at 31 December 2021
(in million Baht)														
Land														
- Cost	7,817	7,968	147	(614)	-	-	-	-	-	(151)	(12)	28	(135)	7,366
- Incremental revaluation*	4,348	4,348	-	(80)	-	-	-	-	-	-	-	-	-	4,268
Building under construction	59	59	-	(14)	-	-	-	-	-	-	-	-	-	45
Building														
- Cost	4,227	7,835	479	(495)	145	(458)	135	(143)	7,964	(3,607)	(20)	19	(2)	3,889
- Incremental revaluation*	1,867	4,960	-	(225)	-	(100)	172	-	4,735	(3,093)	-	-	-	1,714
Right-of-use assets														
- premise	1,151	1,808	659	(554)	-	(650)	483	-	1,913	(657)	-	-	-	1,089
Leasehold improvements	222	1,169	168	(181)	443	(129)	145	(200)	1,599	(947)	(20)	20	-	468
Equipment under construction and installation	107	107	386	(395)	-	-	-	-	98	-	-	-	-	98
Equipment	3,195	7,078	556	(1,312)	910	(866)	1,083	(1,151)	7,232	(3,883)	(125)	-	(125)	2,290
Right-of-use assets														
- equipment	1,046	1,816	217	(326)	-	(736)	197	-	1,707	(770)	-	-	-	398
Total	24,039	37,148	2,612	(4,196)	1,498	(2,939)	2,215	(1,494)	37,062	(12,957)	(177)	67	(262)	21,625

* The Bank's revaluation has been performed in 2019.

The gross amount of the Bank and its subsidiaries' fully depreciated premises and equipment that were still in use as at 31 December 2022 amounted to Baht 4,774 million (2021: Baht 5,849 million). Depreciation presented in the consolidated profit or loss for the year ended 31 December 2022 and 2021 amounted to Baht 2,361 million and Baht 2,939 million, respectively.

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	Bank only 2022													
	Cost					Accumulated depreciation				Allowance for impairment loss				
	Net book value as at 1 January 2022	Beginning balance	Increase/ transfers in	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written-off/ transfers out/ adjustments from revaluation	Ending balance	Beginning balance	Reversal of (loss) on impairment during the year	Disposals/ written-off/ transfers out	Ending balance	Net book value as at 31 December 2022
Land														
- Cost	7,366	7,501	-	(556)	6,945	-	-	-	-	(135)	(7)	14	(128)	6,817
- Incremental revaluation*	4,268	4,268	-	(260)	4,008	-	-	-	-	-	-	-	-	4,008
Building under construction	45	45	198	(208)	35	-	-	-	-	-	-	-	-	35
Building														
- Cost	3,889	7,964	279	(472)	7,771	(4,073)	(464)	270	(4,267)	(2)	(46)	46	(2)	3,502
- Incremental revaluation*	1,714	4,735	-	(707)	4,028	(3,021)	(91)	520	(2,592)	-	-	-	-	1,436
Right-of-use assets														
- premise	1,035	1,835	305	(449)	1,691	(800)	(581)	449	(932)	-	-	-	-	759
Leasehold improvements	468	1,599	118	(104)	1,613	(1,131)	(159)	93	(1,197)	-	(4)	4	-	416
Equipment under construction and installation	97	97	618	(532)	183	-	-	-	-	-	-	-	-	183
Equipment	2,281	7,212	568	(338)	7,442	(4,806)	(743)	324	(5,225)	(125)	37	75	(13)	2,204
Right-of-use assets														
- equipment	398	1,706	266	(1,203)	769	(1,308)	(301)	1,199	(410)	-	-	-	-	359
Total	21,561	36,962	2,352	(4,829)	34,485	(15,139)	(2,339)	2,855	(14,623)	(262)	(20)	139	(143)	19,719

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* The Bank's revaluation has been performed in 2019.

The gross amount of the Bank only's fully depreciated premises and equipment that were still in use as at 31 December 2022 amounted to Baht 4,747 million (2021: Baht 5,823 million). Depreciation presented in the Bank only's profit or loss for the year ended 31 December 2022 and 2021 amounted to Baht 2,339 million and Baht 2,215 million, respectively.

The gross amount of the Bank only's fully depreciated premises and equipment that were still in use as at 31 December 2022 amounted to Baht 4,747 million (2021 : Baht 5,823 million). Depreciation presented in the Bank only's profit or loss for the year ended 31 December 2022 and 2021 amounted to Baht 2,339 million and Baht 2,215 million, respectively.

17 Goodwill and other intangible assets, net

As at 31 December 2022 and 2021, changes in goodwill and other intangible assets were as follows:

	Consolidated 2022										Net book value as at 31 December 2022	
	Net book value as at 1 January 2022	Cost					Accumulated amortisation			Ending balance		
		Beginning balance	Additions	Written-off	Transfers in/ (out)	Ending balance <i>(in million Baht)</i>	Beginning balance	Amortisation during the year	Accumulated amortisation on transfer out			
Goodwill	14,105	-	-	-	-	14,105	-	-	-	-	-	14,105
Computer software	4,100	8,613	21	(2,015)	1,623	8,242	(4,513)	(1,203)	1,896	(3,820)	4,422	
Computer software under development	809	809	1,583	(2)	(1,644)	746	-	-	-	-	746	
Right-of-use assets - software	407	525	377	(42)	-	860	(118)	(281)	42	(357)	503	
Other intangible assets	3,398	3,964	-	-	-	3,964	(566)	(284)	-	(850)	3,114	
Total	22,819	28,016	1,981	(2,059)	(21)	27,917	(5,197)	(1,768)	1,938	(5,027)	22,890	

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	Net book value as at 1 January 2021	Consolidated 2021					Accumulated amortisation			Net book value as at 31 December 2021
		Cost		Transfers in/ (out)			Amortisation during the year		Accumulated amortisation on transfer out	
		Beginning balance	Additions	Written-off	Ending balance	Beginning balance	Amortisation during the year			
						(in million Baht)			Ending balance	
Goodwill	14,105	14,105	-	-	-	14,105	-	-	-	14,105
Computer software	3,966	10,615	15	(3,627)	1,610	8,613	(6,649)	(1,435)	3,571	(4,513)
Computer software under development	746	746	1,738	(80)	(1,595)	809	-	-	-	-
Right-of-use assets - software	48	112	482	(69)	-	525	(64)	(123)	69	(118)
Other intangible assets	3,681	3,964	-	-	-	3,964	(283)	(283)	-	(566)
Total	22,546	29,542	2,235	(3,776)	15	28,016	(6,996)	(1,841)	3,640	(5,197)
										3,398
										22,819

The gross amount of the Bank and its subsidiaries' fully amortised intangible assets that were still in use as at 31 December 2022 amounted to Baht 1,159 million (2021: Baht 3,845 million).

Amortisation presented in the consolidated profit or loss for the year ended 31 December 2022 and 2021 amounted to Baht 1,768 million and Baht 1,841 million, respectively.

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	Bank only 2022										
	Cost			Accumulated amortisation				Net book			
	Net book value as at 1 January 2022	Beginning balance	Additions	Written-off	Transfers in/ (out)	Ending balance	Beginning balance	Amortisation during the year	Accumulated amortisation on transfer out	Ending balance	Net book value as at 31 December 2022
						(in million Baht)					
Goodwill	14,105	14,105	-	-	-	14,105	-	-	-	-	14,105
Computer software	4,070	8,569	1	(2,015)	1,623	8,178	(4,499)	(1,194)	1,896	(3,797)	4,381
Computer software under development	808	808	1,578	(2)	(1,644)	740	-	-	-	-	740
Right-of-use assets - software	407	525	377	(42)	-	860	(118)	(281)	42	(357)	503
Other intangible assets	3,397	3,964	-	-	-	3,964	(567)	(283)	-	(850)	3,114
Total	22,787	27,971	1,956	(2,059)	(21)	27,847	(5,184)	(1,758)	1,938	(5,004)	22,843

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	Bank only											
	Cost				31 December 2021				Accumulated amortisation			
Net book value as at 1 January 2021	Beginning balance	Acquisition through Entire Business Transfer	Additions	Written-off	Transfers in/ (out)	Ending balance (in million Baht)	Beginning balance	Acquisition through Entire Business Transfer	Amortisation during the year	Accumulated Amortization on transfer out	Ending balance	Net book value as at 31 December 2021
Goodwill	-	14,105	-	-	-	14,105	-	-	-	-	-	14,105
Computer software	3,085	1,437	1	(3,615)	1,503	8,569	(6,158)	(856)	(1,085)	3,600	(4,499)	4,070
Computer software under development	592	-	1,738	(4)	(1,518)	808	-	-	-	-	-	808
Right-of-use assets - software	47	112	482	(69)	-	525	(65)	-	(122)	69	(118)	407
Other intangible assets	-	3,964	-	-	-	3,964	-	(425)	(142)	-	(567)	3,397
Total	3,724	9,947	2,221	(3,688)	(15)	27,971	(6,223)	(1,281)	(1,349)	3,669	(5,184)	22,787

The gross amount of the Bank only's fully amortised intangible assets that were still in use as at 31 December 2022 amounted to Baht 1,154 million (2021: Baht 3,839 million).

Amortisation presented in the Bank only's profit or loss for the year ended 31 December 2022 and 2021 amounted to Baht 1,758 million and Baht 1,349 million, respectively.

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Impairment testing for goodwill

For the purposes of impairment testing, goodwill has been allocated to Retail Banking segment which is identified as Cash Generating Unit (CGU).

The recoverable amount of goodwill is determined based on a value-in-use calculation, using discounted cash flow from business plan approved by the Board of Director covering 5 years period. The discount rate used for the computation of the net present value is reference to industry cost of capital (ke). The terminal growth rate derived from long term GDP is applied for cash flow beyond 5 years period.

The Bank conducts a review at each reporting date if there is any indication for impairment of goodwill.

As at 31 December 2022, the recoverable amount was greater than the carrying value of goodwill; hence, no impairment loss on goodwill was required.

18 Deferred tax and income tax

18.1 Deferred tax

Deferred tax assets and liabilities presented net by entity were as follows:

	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Deferred tax assets	830	9	1,399	-
Deferred tax liabilities	-	922	-	247
Net	830	(913)	1,399	(247)

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Movements in deferred tax assets and liabilities during the year ended 31 December 2022 and 2021 were as follows:

		Consolidated (Charged) / Credited to:			
	At 1 January 2022	Profit or loss	Other comprehensive income (note 18.2) (in million Baht)	Others	At 31 December 2022
<i>Deferred tax assets</i>					
Interbank and money market items	4	(1)	-	-	3
Financial assets measured at fair value					
through profit or loss	105	14	-	-	119
Investments	699	9	119	-	827
Loans to customers and accrued interest					
receivables	1,724	348	-	-	2,072
Properties for sale	82	59	-	-	141
Premises and equipment	132	(12)	-	-	120
Provisions for employee benefits	332	72	(3)	-	401
Provisions for other liabilities	406	172	-	(44)	534
Deferred revenue and other liabilities	1,583	423	-	-	2,006
Others	390	(25)	(4)	(7)	354
Total	5,457	1,059	112	(51)	6,577
<i>Deferred tax liabilities</i>					
Investments	1,768	3	(2)	-	1,769
Loans to customers and accrued interest					
receivables	563	(118)	-	-	445
Properties for sale	114	18	-	-	132
Premises and equipment	3,069	(143)	(24)	-	2,902
Others	856	(358)	1	-	499
Total	6,370	(598)	(25)	-	5,747
Net	(913)	1,657	137	(51)	830

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		Consolidated (Charged) / Credited to:			
	At 1 January 2021	Profit or loss	Other comprehensive income (note 18.2) (in million Baht)	Others	At 31 December 2021
<i>Deferred tax assets</i>					
Interbank and money market items	40	(33)	-	(3)	4
Financial assets measured at fair value					
through profit or loss	139	(34)	-	-	105
Investments	407	168	124	-	699
Loans to customers and accrued interest					
receivables	2,581	(857)	-	-	1,724
Properties for sale	82	-	-	-	82
Premises and equipment	35	97	-	-	132
Provisions for employee benefits	681	(309)	(40)	-	332
Provisions for other liabilities	564	(50)	-	(108)	406
Deferred revenue and other liabilities	1,273	310	-	-	1,583
Others	353	67	(14)	(16)	390
Total	6,155	(641)	70	(127)	5,457
<i>Deferred tax liabilities</i>					
Financial assets measured at fair value					
through profit or loss	34	(34)	-	-	-
Investments	1,816	(82)	34	-	1,768
Loans to customers and accrued interest					
receivables	-	563	-	-	563
Properties for sale	37	77	-	-	114
Premises and equipment	3,334	(255)	(10)	-	3,069
Others	2,455	(1,576)	(23)	-	856
Total	7,676	(1,307)	1	-	6,370
Net	(1,521)	666	69	(127)	(913)

		Bank only (Charged) / Credited to:			
	At 1 January 2022	Profit or loss	Other comprehensive income (note 18.2) (in million Baht)	Other	At 31 December 2022
Deferred tax assets					
Interbank and money market items	4	(1)	-	-	3
Financial assets measured at fair value					
through profit or loss	105	14	-	-	119
Investments	699	9	119	-	827
Loans to customers and accrued interest					
receivables	1,724	166	-	-	1,890
Properties for sale	82	37	-	-	119
Premises and equipment	132	(12)	-	-	120
Provisions for employee benefits	326	70	(4)	-	392
Provisions for other liabilities	405	172	-	(44)	533
Deferred revenue and other liabilities	1,582	414	-	-	1,996
Others	389	(25)	(4)	(7)	353
Total	5,448	844	111	(51)	6,352

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		Bank only			
	At	(Charged) / Credited to:			At
	1 January	Profit	Other		31 December
	2022	or loss	comprehensive	Other	2022
			income		
			(note 18.2)		
			(in million Baht)		
<i>Deferred tax liabilities</i>					
Investments	978	-	2	-	980
Loans to customers and accrued interest					
receivables	678	(233)	-	-	445
Properties for sale	114	18	-	-	132
Premises and equipment	3,069	(143)	(24)	-	2,902
Others	856	(362)	-	-	494
Total	5,695	(720)	(22)	-	4,953
Net	(247)	1,564	133	(51)	1,399

			Bank only (Charged) / Credited to:			
	At 1 January 2021	Acquisition through Entire Business Transfer	Profit or loss	Other Comprehensive income (note 18.2) (in million Baht)	Other	At 31 December 2021
<i>Deferred tax assets</i>						
Interbank and money market items	8	1	(2)	-	(3)	4
Financial assets measured at fair value through profit or loss	139	(34)	-	-	-	105
Investments	6	324	226	143	-	699
Loans to customers and accrued interest receivables	2,385	273	(934)	-	-	1,724
Properties for sale	52	32	(2)	-	-	82
Premises and equipment	32	51	49	-	-	132
Provisions for employee benefits	313	-	52	(39)	-	326
Provisions for other liabilities	289	269	(45)	-	(108)	405
Deferred revenue and other liabilities	912	307	363	-	-	1,582
Others	208	180	44	(27)	(16)	389
Total	4,344	1,403	(249)	77	(127)	5,448
<i>Deferred tax liabilities</i>						
Investments	121	828	-	29	-	978
Loans to customers and accrued interest receivables	-	840	(162)	-	-	678
Properties for sale	-	139	(25)	-	-	114
Premises and equipment	1,350	1,797	(68)	(10)	-	3,069
Others	55	1,058	(257)	-	-	856
Total	1,526	4,662	(512)	19	-	5,695
Net	2,818	(3,259)	263	58	(127)	(247)

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As at 31 December 2022 and 2021, the Bank had tax-deductible temporary differences in relation to investments in subsidiaries totalling Baht 19,800 million and Baht 19,800 million, respectively, for which deferred tax assets have not yet been recognised because certain recognition criteria were not met.

18.2 Income tax

Income tax recognised in profit or loss

		Consolidated		Bank only	
	Note	2022	2021	2022	2021
		<i>(in million Baht)</i>			
Current tax expenses					
Current year		4,992	2,962	4,917	1,233
Under (over) provided in prior year		17	31	1	(15)
		<u>5,009</u>	<u>2,993</u>	<u>4,918</u>	<u>1,218</u>
Deferred tax expenses					
Movements in temporary differences	18.1	(1,657)	(666)	(1,564)	(263)
		<u>(1,657)</u>	<u>(666)</u>	<u>(1,564)</u>	<u>(263)</u>
Total		<u>3,352</u>	<u>2,327</u>	<u>3,354</u>	<u>955</u>

Income tax recognised in other comprehensive income

	Consolidated					
	2022			2021		
	Before tax	Tax (expenses) benefit	Net of tax	Before tax	Tax (expenses) benefit	Net of tax
	<i>(in million Baht)</i>					
Investments	(603)	121	(482)	(450)	90	(360)
Premises and equipment	(119)	24	(95)	(51)	10	(41)
Provisions for employee benefits	14	(3)	11	197	(40)	157
Others	20	(5)	15	(39)	9	(30)
Total	<u>(688)</u>	<u>137</u>	<u>(551)</u>	<u>(343)</u>	<u>69</u>	<u>(274)</u>

	Bank only					
	2022			2021		
	Before tax	Tax (expenses) benefit	Net of tax	Before tax	Tax (expenses) benefit	Net of tax
	<i>(in million Baht)</i>					
Investments	(587)	117	(470)	(569)	114	(455)
Premises and equipment	(119)	24	(95)	(51)	10	(41)
Provisions for employee benefits	20	(4)	16	196	(39)	157
Others	20	(4)	16	136	(27)	109
Total	<u>(666)</u>	<u>133</u>	<u>(533)</u>	<u>(288)</u>	<u>58</u>	<u>(230)</u>

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Reconciliation of effective tax rate

	Consolidated			
	2022		2021	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax		17,547		12,804
Income tax using the Thai corporation tax rate	20	3,510	20	2,561
Deferred tax expenses which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the year	-	23	-	(45)
Deferred tax expenses which deductible temporary difference had not been met the recognition criteria during the year	-	-	151	19,328
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	(1)	(198)	(153)	(19,548)
Under (over) provided in prior year	-	17	-	31
Total	19	3,352	18	2,327

	Bank only			
	2022		2021	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax		17,460		8,724
Income tax using the Thai corporation tax rate	20	3,492	20	1,745
Deferred tax expenses which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the year	-	23	(1)	(45)
Deferred tax expenses which deductible temporary difference had not been met the recognition criteria during the year	-	-	206	17,940
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	(1)	(162)	(214)	(18,670)
Over provided in prior year	-	1	-	(15)
Total	19	3,354	11	955

19 Deposits

19.1 Classified by type of deposits

	Consolidated		Bank only	
	2022	2021	2022	2021
	(in million Baht)			
Current	84,424	88,194	84,780	88,584
Savings	1,083,097	1,093,116	1,083,472	1,097,159
Term	231,761	157,927	231,861	158,027
Total	1,399,282	1,339,237	1,400,113	1,343,770
Less prepaid interest expenses	(35)	(42)	(35)	(42)
Total	1,399,247	1,339,195	1,400,078	1,343,728

For the year ended 31 December 2022

	Consolidated					
	2022		2021			
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Thai Baht	1,376,635	13,944	1,390,579	1,311,073	13,285	1,324,358
US Dollar	6,480	1,017	7,497	13,840	281	14,121
Other currencies	1,159	12	1,171	705	11	716
Total	1,384,274	14,973	1,399,247	1,325,618	13,577	1,339,195

	Bank only					
	2022		2021			
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Thai Baht	1,377,466	13,944	1,391,410	1,315,606	13,285	1,328,891
US Dollar	6,480	1,017	7,497	13,840	281	14,121
Other currencies	1,159	12	1,171	705	11	716
Total	1,385,105	14,973	1,400,078	1,330,151	13,577	1,343,728

Interbank and money market (liabilities) as at 31 December 2022 and 2021 were as follows:

	Consolidated		Bank only	
	2022	2021	2022	2021
	(in million Baht)			
<i>Domestic items</i>				
Bank of Thailand and Financial Institutions Development Fund	16,000	16,120	16,000	16,120
Commercial banks	38,807	35,485	38,807	35,836
Specialised financial institutions	17,514	13,507	17,514	13,507
Other financial institutions	11,420	15,212	11,420	15,212
Total domestic items	83,741	80,324	83,741	80,675
<i>Foreign items</i>				
US Dollar	227	3,554	227	3,554
Other currencies	802	1,088	802	1,088
Total foreign items	1,029	4,642	1,029	4,642
Total domestic and foreign items	84,770	84,966	84,770	85,317

	Consolidated and Bank only	
	2022	2021
	(in million Baht)	
Borrowings	438	437
Total	438	437

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The effects of changes in that liability's all risk in profit or loss consisted of:

	Consolidated and Bank only
	2022
	2021
	(in million Baht)
The difference between the carrying amount and the amount would be contractually required to pay at maturity	138
	137

22 Debts issued and borrowings

	Interest rates as at			2022	Consolidated		2021	
	31 December 2022	Maturities	Domestic	Foreign	Total	Domestic	Foreign	Total
	(%)				(in million Baht)			
Subordinated debentures ⁽¹⁾	3.50, 4.00 and 4.90	2022 ⁽²⁾ - 2024 ⁽²⁾	30,000	8,491	38,491	35,430	13,368	48,798
Senior debentures	6mLibor+1.05, SOFR							
	6m+1.15 and 0.48-							
	2.09	2022 - 2027	5,000	16,077	21,077	5,300	14,207	19,507
Bills of exchange ⁽³⁾	2.15 and	At call and						
and promissory notes	0.05-2.50	2012	9	-	9	10	-	10
Other borrowings	0.00-0.75	2022 - 2031	12	55	67	19	64	83
Total			35,021	24,623	59,644	40,759	27,639	68,398

⁽¹⁾ Counted as a part of capital fund, which is determined under the conditions as specified in the BoT's Notification (note 6)

⁽²⁾ The years in which call option exercise periods start

⁽³⁾ The outstanding balance of bills of exchange maturing during the year 2012 were waiting for redeem by the holders.

	Interest rates as at			2022	Bank only		2021	
	31 December 2022	Maturities	Domestic	Foreign	Total	Domestic	Foreign	Total
	(%)				(in million Baht)			
Subordinated debentures ⁽¹⁾	3.50 ,4.00 และ 4.90	2022 ⁽²⁾ - 2024 ⁽²⁾	30,000	8,491	38,491	35,430	13,368	48,798
Senior debentures	6mLibor+1.05, SOFR							
	6m+1.15 and 0.48-							
	0.85	2022 - 2027	-	16,077	16,077	-	14,207	14,207
Bills of exchange ⁽³⁾	2.15 and	At call and						
and promissory notes	0.05-2.50	2012	9	-	9	10	-	10
Other borrowings	0.00-0.75	2022 - 2031	12	55	67	19	64	83
Total			30,021	24,623	54,644	35,459	27,639	63,098

⁽¹⁾ Counted as a part of capital fund, which is determined under the conditions as specified in the BoT's Notification (note 6)

⁽²⁾ The years in which call option exercise periods start

⁽³⁾ The outstanding balance of bills of exchange maturing during the year 2012 were waiting for redeem by the holders.

22.1 Subordinated debentures

22.1.1 On 29 May 2017, the Bank issued the Subordinated Debenture No.1/2560 to be counted as Tier 2 capital under Basel III requirement, amounting to Baht 5,430 million, which has a 10.5-year maturity period and carries a fixed interest rate of 3.50% per annum, payable quarterly in February, May, August and November of every year. The Bank can early redeem the Subordinated Debenture No.1/2560 after 5.5 years from the issue date or according to certain specified conditions. The Bank has to get the Bank of Thailand's approval before early redemption of the Subordinated Debenture.

The debenture was matured on 29 November 2022, which has already fully paid with the total amount of Baht 5,430 million.

22.1.2 On 28 June 2019, the Bank issued the Subordinated Debenture No.1/2562 to be counted as Tier 2 capital under Basel III requirement, amounting to Baht 30,000 million, which has a 10-year maturity period and carries a fixed interest rate of 4.00% per annum, payable quarterly in March, June, September and December of every year. The Bank can early redeem the Subordinated Debenture No.1/2562 after 5 years from the issue date or according to certain specified conditions. The Bank has to get the Bank of Thailand's approval before early redemption of the Subordinated Debenture.

22.1.3 On 2 December 2019, the Bank issued the Perpetual Additional Tier 1 Capital Securities amounting to USD 400 million, which has no expiration date and carries a fixed interest rate of 4.90% per annum, payable semi-annually in June and December of every year. The Bank can early redeem the Perpetual Additional Tier 1 Capital Securities after 5 years from the issue date or according to certain specified conditions. The Bank has to get the Bank of Thailand's approval before proceeding an early redemption. The Securities have been issued under the Bank's Euro Medium Term Note Programme.

During 26 August 2022 to 29 September 2022, with the approval from Bank of Thailand, the Bank repurchased the Perpetual Additional Tier 1 Capital Securities from investors amounting to USD 29 million.

During 26 October 2022 to 3 November 2022, with the approval from the Bank of Thailand, the Bank had made a tender offer and repurchased the Perpetual Additional Tier 1 Capital Securities from investors amounting to USD 125 million, the total value of the repurchase was USD 154 million, representing 38.58%. The outstanding balance remained at USD 246 million.

22.2 Senior debentures

22.2.1 On 5 June 2018, the Bank issued unsecured Senior Debentures (Green Bond) of USD 60 million, with a 7-year maturity and carrying a floating interest rate of 6M Libor + 1.05% per annum, payable semi-annually in June and December of every year. The proceeds from Green Bond issuance will be used to finance the loan to private sector on its investment in sustainable environment.

22.2.2 On 17 December 2018, the Bank issued unsecured Senior Debentures (SME Bond) of USD 90 million, with a 7-year maturity and carrying a floating interest rate of 6M Libor + 1.05% per annum, payable semi-annually in June and December of every year. The proceeds from SME Bond issuance will be used to support small and medium sized enterprises.

22.2.3 During 11 - 13 November 2019, the Bank issued unsecured Senior Debentures (Euro Bond) of EUR 525 million, with 1 - 5 years maturity and carrying a fixed interest rate of 0.10% - 0.85% per annum, payable semi-annually in May and November of every year.

The debentures were matured on 12 November 2020, 11 November 2021 and 14 November 2022, which have already fully paid with the total amount of EUR 370 million. Remaining balance is EUR 155 million.

22.2.4 On 27 August 2021, a subsidiary issued secured Senior Debentures of Baht 2,200 million with a 185-day maturity and carrying a fixed interest rate of 0.69% per annum, payable at the maturity which was fully guaranteed by the Bank.

The debenture was matured on 28 February 2022, which has already fully paid.

22.2.5 On 26 November 2021, a subsidiary issued secured Senior Debentures of Baht 3,100 million with a 181-day maturity and carrying a fixed interest rate of 0.75% per annum, payable at the maturity which was fully guaranteed by the Bank.

The debenture was matured on 26 May 2022, which has already fully paid.

22.2.6 On 8 December 2021, the Bank issued unsecured Senior Debentures of USD 20 million, with 10-month maturity and carrying a fixed interest rate of 0.85%. The Debenture has been issued under the Bank's Medium Term Note Programme.

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The debenture was matured on 4 October 2022, which has already fully paid with the total amount of USD 20 million.

- 22.2.7 On 28 February 2022, a subsidiary issued secured Senior Debentures of Baht 1,920 million with a 179-day maturity and carrying a fixed interest rate of 0.70% per annum, payable at the maturity which was fully guaranteed by the Bank.

The debenture was matured on 26 August 2022, which has already fully paid.

- 22.2.8 On 26 May 2022, a subsidiary issued secured Senior Debentures of Baht 3,100 million with a 132-day maturity and carrying a fixed interest rate of 0.83% per annum, payable at the maturity which was fully guaranteed by the Bank.

The debenture was matured on 5 October 2022, which has already fully paid.

- 22.2.9 On 5 August 2022, the Bank issued unsecured Senior Debentures (Green Bond 2022) of USD 100 million, with a 5-year maturity and carrying a floating interest rate of 6M SOFR + 1.15% per annum, payable semi-annually in February and August of every year. The proceeds from Green Bond issuance will be used to finance the loan to private sector on its investment in sustainable environment.

- 22.2.10 On 26 August 2022, a subsidiary issued secured Senior Debentures of Baht 1,920 million with a 111-day maturity and carrying a fixed interest rate of 1.00% per annum, payable at the maturity which was fully guaranteed by the Bank.

The debenture was matured on 15 December 2022, which has already fully paid.

- 22.2.11 On 6 October 2022, a subsidiary issued secured Senior Debentures of Baht 3,100 million with a 70-day maturity and carrying a fixed interest rate of 1.30% per annum, payable at the maturity which was fully guaranteed by the Bank.

The debenture was matured on 15 December 2022, which has already fully paid.

- 22.2.12 On 11 October 2022, the Bank issued unsecured Senior Debentures (Blue Bond 2022) of USD 50 million, with a 5-year maturity and carrying a floating interest rate of 6 months Term SOFR + 1.15% per annum, payable semi-annually in April and October of every year. The proceeds from Blue Bond issuance will be used to finance the loan to private sector on its investment in environmental and marine sustainability projects.

- 22.2.13 On 27 October 2022, a subsidiary issued secured Senior Debentures of Baht 500 million with a 70-day maturity and carrying a fixed interest rate of 1.30% per annum, payable at the maturity which was fully guaranteed by the Bank.

- 22.2.14 On 17 November 2022, a subsidiary issued secured Senior Debentures of Baht 1,500 million with a 29-day maturity and carrying a fixed interest rate of 1.20% per annum, payable at the maturity which was fully guaranteed by the Bank.

The debenture was matured on 16 December 2022, which has already fully paid.

- 22.2.15 On 15 December 2022, a subsidiary issued secured Senior Debentures of Baht 2,000 million with a 182-day maturity and carrying a fixed interest rate of 1.83% per annum, payable at the maturity which was fully guaranteed by the Bank.

- 22.2.16 On 15 December 2022, a subsidiary issued secured Senior Debentures of Baht 500 million with a 292-day maturity and carrying a fixed interest rate of 1.98% per annum, payable at the maturity which was fully guaranteed by the Bank.

- 22.2.17 On 19 December 2022, a subsidiary issued secured Senior Debentures of Baht 2,000 million with a 360-day maturity and carrying a fixed interest rate of 2.09% per annum, payable at the maturity which was fully guaranteed by the Bank.

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22.3 Other borrowings

Borrowings with specific uses (other borrowings) as at 31 December 2022 and 2021 were as follows:

		Consolidated and Bank only			
		2022		2021	
Borrowings from	Objectives of borrowings	Outstanding balances	Baht equivalent <i>(in million Baht)</i>	Outstanding balances	Baht equivalent <i>(in million Baht)</i>
National Science and Technology Development Agency	For enterprises involving in research and development activities	Baht 12 million	12	Baht 19 million	19
KfW Bankengruppe (KfW)	For small industry businesses	EUR 2 million	<u>55</u>	EUR 2 million	<u>64</u>
Total			67		83

23 Provisions for employee benefits

23.1 Defined contribution plan

The Bank, its subsidiaries and their employees have jointly established provident fund schemes under the Provident Fund Act B.E. 2530. The employees contribute to the funds at rates ranging from 2 - 15% of their basic salaries and the Bank and its subsidiaries contribute at rates ranging from 3 - 10%, depending on the number of years of service of each employee. The funds will be paid to the employees upon death, termination or dissolution of the business, in accordance with the rules of the funds. The fund assets are held separately from those of the Bank and its subsidiaries, under the management of the fund manager.

For the year ended 31 December 2022 and 2021, the Bank and its subsidiaries contributed Baht 758 million and Baht 778 million, respectively, to the funds (*Bank only: Baht 736 million and Baht 725 million, respectively*).

23.2 Defined benefit plans

23.2.1 Detail of defined benefit plans

	Consolidated		Bank only	
	2022	2021	2022	2021
		(in million Baht)		
Post-employment benefit plans	3,872	3,784	3,745	3,740
Total	3,872	3,784	3,745	3,740

23.2.2 Movement in post-employment benefit obligations

	Consolidated		Bank only	
	2022	2021	2022	2021
		(in million Baht)		
Beginning balance	3,784	4,356	3,740	2,507
Employee benefits obligations transferred in/ (out)	-	(4)	(75)	1,300
Included in profit or loss				
Current service cost	426	707	415	408
Past service cost	123	(323)	120	148
Interest on obligation	64	63	63	60
	613	447	598	616

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	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Included in other comprehensive income				
Actuarial gain	(14)	(197)	(20)	(196)
Others				
Benefits paid	(511)	(818)	(498)	(487)
	<u>(511)</u>	<u>(818)</u>	<u>(498)</u>	<u>(487)</u>
Ending balance	<u>3,872</u>	<u>3,784</u>	<u>3,745</u>	<u>3,740</u>

Actuarial gain recognised in other comprehensive income arising from:

	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Demographic assumptions	69	96	66	94
Financial assumptions	38	(213)	37	(210)
Experience adjustments	(121)	(80)	(123)	(80)
Total	<u>(14)</u>	<u>(197)</u>	<u>(20)</u>	<u>(196)</u>

23.2.3 Actuarial assumptions of post-employment benefit obligations

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(%)</i>			
Discount rate	2.45 – 3.19	1.80 - 2.14	2.66	1.80
Future salary growth	4.00	3.00	4.00	3.00
Staff turnover rates	0.00 – 25.00	0.00 - 25.00	0.00 – 25.00	0.00 - 25.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

23.2.4 Sensitivity analysis of post-employment benefit obligations

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

		Consolidated			Bank only	
		2022			2022	
	Change (+) in assumption	Post-employment benefit obligations increase (decrease)		Change (-) in assumption	Post-employment benefit obligations increase (decrease)	
		<i>(in million Baht)</i>			<i>(in million Baht)</i>	
Discount rate	+1%	(336)		-1%	385	
Future salary growth	+1%	369		-1%	(329)	
Turnover rate	+1%	(356)		-1%	229	
Future mortality	+1 year	18		-1 year	(18)	

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Consolidated 2021				
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)	Change (-) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)
Discount rate	+1%	(332)	-1%	381
Future salary growth	+1%	364	-1%	(324)
Turnover rate	+1%	(349)	-1%	228
Future mortality	+1 year	18	-1 year	(18)
Bank only 2022				
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)	Change (-) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)
Discount rate	+1%	(324)	-1%	371
Future salary growth	+1%	356	-1%	(317)
Turnover rate	+1%	(343)	-1%	222
Future mortality	+1 year	18	-1 year	(18)
Bank only 2021				
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)	Change (-) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)
Discount rate	+1%	(327)	-1%	375
Future salary growth	+1%	359	-1%	(319)
Turnover rate	+1%	(344)	-1%	225
Future mortality	+1 year	18	-1 year	(18)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

24 Provisions for other liabilities

The movement in provision for other liabilities during the year was as follows:

	Commitment from letters of guarantee issued, avals and other guarantees	Obligation for litigation cases (note 34.2)	Consolidated Allowance for expected loss of credit commitments and financial guarantee contracts	Others	Total
			(in million Baht)		
Beginning balance	132	738	1,603	347	2,820
Reclassified after Entire Business					
Transfer	(150)	82	148	(80)	-
Provision increase (decrease)	18	5	(413)	104	(286)
Paid during the year	-	(253)	-	(255)	(508)
At 31 December 2021	-	572	1,338	116	2,026
Provision increase (decrease)	-	52	622	144	818
Paid during the year	-	(46)	-	(136)	(182)
At 31 December 2022	-	578	1,960	124	2,662

	Commitment from letters of guarantee issued, avals and other guarantees	Obligation for litigation cases (note 34.2)	Bank only Allowance for expected loss of credit commitments and financial guarantee contracts	Others	Total
			(in million Baht)		
Beginning balance	-	16	1,289	140	1,445
Acquisition through Entire Business					
Transfer	-	822	520	5	1,347
Provision increase (decrease)	-	(12)	(471)	49	(434)
Paid during the year	-	(254)	-	(78)	(332)
At 31 December 2021	-	572	1,338	116	2,026
Provision increase (decrease)	-	52	622	144	818
Paid during the year	-	(46)	-	(136)	(182)
At 31 December 2022	-	578	1,960	124	2,662

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25 Deferred revenue

	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Deferred revenue				
- Funds and Bancassurance	17,156	18,472	17,156	18,472
- Credit card	498	405	498	405
- Others	296	287	298	288
Total	17,950	19,164	17,952	19,165

26 Other liabilities

	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Accrued expenses	6,843	6,078	6,640	5,899
Accrued interest expenses	849	394	845	386
Deposits and guarantees received	951	309	951	309
Collateral on derivative transactions	3,812	871	3,812	871
Suspense accounts electronic money and money transferred*	393	381	393	381
Lease liabilities**	1,577	1,837	1,529	1,778
Suspense accounts - others	2,949	2,715	2,944	2,711
Other payables	668	514	662	509
Corporate income tax payable	2,585	888	2,519	851
Others	2,975	2,533	2,945	2,507
Total	23,602	16,520	23,240	16,202

* The Bank has kept advance received from electronic transactions which is a part of cash in the statements of financial position.

** As at 31 December 2022, the amount recorded was calculated from total undiscounted lease liabilities of Baht 1,641 million and Baht 1,592 million in the consolidated and the Bank only's financial statements, respectively (31 December 2021: Baht 1,893 million and Baht 1,832 million in the consolidated and the Bank's financial statements, respectively).

27 Offsetting of financial assets and financial liabilities

The Bank and its subsidiaries currently hold agreements including derivatives and sale -and- repurchase agreements which do not meet the criteria for offsetting in the Consolidated and Bank only's statement of financial position because such agreements are created in the way that the parties have to agree a right of set-off the agreed amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Bank or the counterparties or following other predetermined events. For derivatives, the rights to call are agreed by both parties with specific call frequency and threshold. According to the agreements, the Bank and its subsidiaries receive and give collateral in form of cash and marketable securities. The details are as follow:

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Consolidated and Bank only					
	Gross Amount	Amount offset in statements of financial position	Amount presented in statements of financial position (in million Baht)	Amounts not offset in financial statements - Amount eligible for offsetting per contracts	Net amount
At 31 December 2022					
Financial assets					
Reverse sale-and-repurchase	60,311	-	60,311	(60,311)	-
Derivatives assets	7,687	-	7,687	(3,812)	3,875
Total	67,998	-	67,998	(64,123)	3,875
Financial liabilities					
Sale-and-repurchase	40,980	-	40,980	(40,980)	-
Derivatives liabilities	4,592	-	4,592	(707)	3,885
Total	45,572	-	45,572	(41,687)	3,885
Consolidated and Bank only					
	Gross Amount	Amount offset in statements of financial position	Amount presented in statements of financial position (in million Baht)	Amounts not offset in financial statements - Amount eligible for offsetting per contracts	Net amount
At 31 December 2021					
Financial assets					
Reverse sale-and-repurchase	65,853	-	65,853	(65,853)	-
Derivatives assets	4,243	-	4,243	(871)	3,372
Total	70,096	-	70,096	(66,724)	3,372
Financial liabilities					
Sale-and-repurchase	32,100	-	32,100	(32,100)	-
Derivatives liabilities	4,904	-	4,904	(1,849)	3,055
Total	37,004	-	37,004	(33,949)	3,055

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Reconciliation to the net amounts of financial assets and financial liabilities presented in the statement of financial position are as follow:

Type of financial instruments	Amount presented in statement of financial position (in million Baht)	Items in statement of financial position	Note	Consolidated	
				Carrying amount in statement of financial position (in million Baht)	Carrying amount in statement of financial position that are not qualify for offsetting
At 31 December 2022					
Financial assets					
Reverse sale-and-repurchase	60,311	Interbank and money market items (Assets)	8	187,563	127,252
Derivatives assets	7,687	Derivatives assets	10	10,376	2,689
Total	67,998			197,939	129,941
Financial liabilities					
Sale-and-repurchase	40,980	Interbank and money market items (Liabilities)	20	84,770	43,790
Derivatives liabilities	4,592	Derivatives liabilities	10	9,499	4,907
Total	45,572			94,269	48,697

Type of financial instruments	Amount presented in statement of financial position (in million Baht)	Items in statement of financial position	Note	Consolidated	
				Carrying amount in statement of financial position	Carrying amount in statement of financial position that are not qualify for offsetting
				(in million Baht)	
At 31 December 2021					
Financial assets					
Reverse sale-and-repurchase	65,853	Interbank and money market items (Assets)	8	158,873	93,020
Derivatives assets	4,243	Derivatives assets	10	6,913	2,670
Total	70,096			165,786	95,690
Financial liabilities					
Sale-and-repurchase	32,100	Interbank and money market items (Liabilities)	20	84,966	52,866
Derivatives liabilities	4,904	Derivatives liabilities	10	6,595	1,691
Total	37,004			91,561	54,557

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Type of financial instruments	Amount presented in statement of financial position (in million Baht)	Items in statement of financial position	Bank only		
			Note	Carrying amount in statement of financial position (in million Baht)	Carrying amount in statement of financial position that are not qualify for offsetting
At 31 December 2022					
Financial assets					
Reverse sale-and-repurchase	60,311	Interbank and money market items (Assets)	8	187,545	127,234
Derivatives assets	7,687	Derivatives assets	10	10,376	2,689
Total	67,998			197,921	129,923
Financial liabilities					
Sale-and-repurchase	40,980	Interbank and money market items (Liabilities)	20	84,770	43,790
Derivatives liabilities	4,592	Derivatives liabilities	10	9,499	4,907
Total	45,572			94,269	48,697

Type of financial instruments	Amount presented in statement of financial position (in million Baht)	Items in statement of financial position	Bank only Note	Carrying amount in statement of financial position	Carrying amount in statement of financial position that are not qualify for offsetting
				(in million Baht)	
At 31 December 2021					
Financial assets					
Reverse sale-and-repurchase	65,853	Interbank and money market items (Assets)	8	158,863	93,010
Derivatives assets	4,243	Derivatives assets	10	6,913	2,670
Total	70,096			165,776	95,680
Financial liabilities					
Sale-and-repurchase	32,100	Interbank and money market items (Liabilities)	20	85,317	53,217
Derivatives liabilities	4,904	Derivatives liabilities	10	6,595	1,691
Total	37,004			91,912	54,908

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the statement of financial position on the following bases:

- derivative assets and liabilities: fair value;
- assets and liabilities resulting from sale-and-repurchase agreements and reverse sale-and-repurchase agreements: amortised cost.

28 Share-based payments - TMBThanachart Stock Retention Program

Information of TMBThanachart Stock Retention Program

TMBThanachart Stock Retention Program 2021 (TTB Stock Retention Program 2021)

On 24 February 2021, the Board of Directors Meeting No.2/2021 approved the TTB Stock Retention Program 2021 (TTB TSRP 2021) which will offer newly issued ordinary shares of the Bank to the executives and employees of the Bank and Thanachart Bank who have qualifications under TTB TSRP 2021. The executives and employees under TTB TSRP 2021 shall be entitled to subscribe for the newly issued shares according to the conditions specified in TTB TSRP 2021. Summary of the program is detail below.

Term of continuing scheme:	3 years from the date on which the shareholders' meeting approves the TTB Stock Retention Program 2021
Number of ordinary shares to be offered:	Up to 305,000,000 shares in total at a par value of Baht 0.95 where such newly issued ordinary shares will be offered as a continuing program
Offering price per share:	The offering price per share to be offered to the executives and employees under TTB Stock Retention program 2021 is equivalent to Baht 1.15. Such offering price, which was not lower than the weighted average closing price of the Bank's shares traded on the Stock Exchange of Thailand during the period of 15 consecutive days before the date on which the Board of Directors' Meeting No. 2/2021 held on February 24, 2021 resolved to propose the TTB Stock Retention Program 2021 for the shareholders' meeting's consideration and approval.
Condition of subscription for the newly issued shares:	The executives and employees under TTB TSRP 2021 who will subscribe for the newly issued shares shall be executives or employees of the Bank or Thanachart Bank as of the subscription date of such newly issued shares (the rights for employees who retire pursuant to the Bank's regulation or death are still retained).

TMBThanachart Stock Retention Program 2019 (TTB Stock Retention Program 2019) (formerly TMB Stock Retention Program 2019)

On 18 December 2019, the Board of Directors Meeting No.11/2019 approved the TTB Stock Retention Program 2019 (TTB TSRP 2019) which offered newly issued ordinary shares of the Bank to employees of the Bank and Thanachart Bank who have qualifications under TTB TSRP 2019. The employees under TTB TSRP 2019 shall be entitled to subscribe for the newly issued shares according to the conditions specified in TTB TSRP 2019. Summary of the program is detail below.

Term of continuing scheme:	3 years starting from the first offering date.
Number of ordinary shares to be offered:	Not exceeding the total of 200,000,000 newly issued ordinary shares with the par value of Baht 0.95 each, which will be offered pursuant to the continuing scheme.
Offering price per share:	<p>The offering price per share to be offered to the employees under TTB TSRP 2019 is equivalent to the average closing price of ordinary shares of the Bank on the Stock Exchange of Thailand ("SET") on each trading day for the period of 7 calendar days prior to the first offering date of the newly issued shares.</p> <p>The offering price may be lower than 90% of the market price as prescribed in the notification of the Securities and Exchange Commission relating to the calculation of the offering price and the determination of the offering price for issuance of the newly issued shares.</p>

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In the case that the calculation of the offering price in any offering is lower than the par value of the ordinary shares of the Bank, the Bank is required to offer newly issued shares to the employees under TTB TSRP 2019 at the price equivalent to the par value of the ordinary shares of the Bank.

Condition of subscription for the newly issued shares:

The employees under TTB TSRP 2019 who will subscribe for the newly issued shares shall be employees of the Bank's or Thanachart Bank as of the subscription date of such newly issued shares (the rights for employees who retire pursuant to the Bank's regulation or death are still retained).

28.1 The offering of new ordinary shares

The Bank made the offering of ordinary shares with a par value of Baht 0.95 per share to its employees and executives, at a price of Baht 0.95 and Baht 1.15 per share, for TTB TSRP 2019 and TTB TSRP 2021 respectively. Details were as follows:

The offering of new ordinary shares	Par value	Offering Price	The offering of new ordinary shares	Ordinary shares issued to employees ⁽¹⁾	Balance of new ordinary shares unissued as at 31 December 2022
	(Baht/shares)			(shares)	
TTB TSRP 2019	0.95	0.95	200,000,000	(198,961,900)	1,038,100
TTB TSRP 2021	0.95	1.15	305,000,000	(209,029,800)	95,970,200

⁽¹⁾ The shares will be gradually issued on an annual basis over three years since the offering of such ordinary shares.

On 14 September 2022, the Bank additionally issued TTB TSRP 2019 of 57,324,400 ordinary shares with a par value of Baht 0.95 per share to its employees, at a price of Baht 0.95 per share.

On 30 September 2022, the Bank additionally issued TTB TSRP 2021 of 87,147,100 ordinary shares with a par value of Baht 0.95 per share to its employees, at a price of Baht 1.15 per share.

28.2 Reconciliation of issued and paid-up ordinary share capital, share premium and other reserve - share-based payments

	Consolidated and Bank only 2022			Other reserve
	Issued and paid-up ordinary share capital	Share premium	Share-based payments	
	(No. of shares)	(Baht)	(Baht)	
Balance - beginning of the year	96,622,874,580	91,791,730,851	43,344,839,532	103,301,708
Reserve in relation to share-based payments	-	-	-	122,089,454
Issued ordinary shares to employees	144,471,500	137,247,925	17,429,420	(154,677,345)
Issued ordinary shares under the TTB-W1 Warrants Program	8,727,817	8,291,426	-	-
Expenses in relation to issuance of ordinary shares	-	-	(2,041,965)	-
Balance - end of the year	96,776,073,897	91,937,270,202	43,360,226,987	70,713,817

29 Share capital

	Par value per share (in Baht)	2022		2021	
		Number	Amount (million shares / million Baht)	Number	Amount
Authorised shares at 31 December	0.95	<u>97,831</u>	<u>92,939</u>	<u>96,864</u>	<u>92,021</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	0.95	96,623	91,792	96,409	91,589
Issue of new shares	0.95	<u>153</u>	<u>145</u>	<u>214</u>	<u>203</u>
At 31 December					
- ordinary shares	0.95	<u>96,776</u>	<u>91,937</u>	<u>96,623</u>	<u>91,792</u>

On 12 April 2022, the 2022 Annual General Meeting of the Bank's shareholders passed resolutions approving as follows:

1. The reduction of the registered capital by Baht 229 million from Baht 92,021 million to Baht 91,792 million by writing off 241 million unissued and paid-up share capital at a par value of Baht 0.95 each.
2. The increase of the registered capital by Baht 1,147 million from Baht 91,792 million to Baht 92,939 million by issuing 1,207 million newly ordinary shares at a par value of Baht 0.95 each and allocate the newly issued ordinary shares as follows:
 - 2.1 Not exceeding 966 million shares at a par value of Baht 0.95 each under the TTB-W1 Warrants Program.
 - 2.2 Not exceeding 183 million shares at a par value of Baht 0.95 each under the 2021 TTB Stock Retention Program.
 - 2.3 Not exceeding 58 million shares at a par value of Baht 0.95 each under the 2019 TTB Stock Retention Program.

The reduction and increase of the registered capital were registered with the Department of Business Development, Ministry of Commerce on 21 April 2022 and 22 April 2022 respectively.

The Bank issued ordinary shares under the TTB-W1 Warrants Program of 7,112,826 ordinary shares with a par value of Baht 0.95 per share. The increase of the issued ordinary shares was registered with the Department of Business Development, Ministry of Commerce on 7 July 2022.

The Bank issued ordinary shares under the TTB TSRP 2019 of 57,324,400 ordinary shares with a par value of Baht 0.95 per share to its employees. The increase of the issued ordinary shares was registered with the Department of Business Development, Ministry of Commerce on 15 September 2022.

The Bank issued ordinary shares under the TTB TSRP 2021 of 87,147,100 ordinary shares with a par value of Baht 0.95 per share to its employees. The increase of the issued ordinary shares was registered with the Department of Business Development, Ministry of Commerce on 3 October 2022.

The Bank issued ordinary shares under the TTB-W1 Warrants Program of 1,614,991 ordinary shares with a par value of Baht 0.95 per share. The increase of the issued ordinary shares was registered with the Department of Business Development, Ministry of Commerce on 6 October 2022.

30 Legal reserve

Pursuant to section 116 of the Public Limited Company Act B.E. 2535 and under the Bank's Articles of Association, the Bank and its subsidiaries is required to set aside a statutory reserve at least 5 percent of its net earnings after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

31 Warrant - TTB-W1 Warrants Program

Information of TTB-W1 Warrants Program

On 12 April 2022, the 2022 Annual General Meeting of the Bank's shareholders passed resolutions approving the issuance and allocation of the Warrants (TTB-W1 Warrants Program) to current shareholders of the Bank. Summary of the program is detail below:

Issuance date:	11 May 2022
Number of warrants issued and allocated:	Not exceeding 966,228,745 units
Offered price per unit:	Baht 0 (Zero Baht) (at no cost)
Term of warrant:	3 years from the issuance date of the TTB-W1 Warrants
Exercise rate:	1 unit of the TTB-W1 Warrant for 1 ordinary share
Exercise price:	Baht 0.95 per share, unless the exercise price is adjusted otherwise pursuant to the conditions concerning the rights adjustment.
Exercise period:	Every last business day of March, June, September and December of every year throughout the term of the TTB-W1 Warrants

Details of exercised warrants during the period is mentioned in Note 29.

As at 31 December 2022, the outstanding balance of TTB-W1 Warrants was 958 million units.

32 Appropriation of profit and dividend payment

- (a) On 23 August 2022, the Board of Directors' Meeting of the Bank passed a resolution approving payment of an interim dividend of Baht 0.02 per share to the ordinary shareholders, or a total of Baht 1,933 million. The Bank paid such dividend to its shareholders on 22 September 2022.
- (b) On 12 April 2022, the 2022 Annual General Meeting of the Bank's shareholders passed resolutions approving the appropriation of the 2021 operating profit and dividend payment
 - (1) Not allocating net profit from 2021 operating results to the legal reserve as the Bank's legal reserve is sufficient as required by laws and the Bank's Articles of Association.
 - (2) Payment of a dividend of Baht 0.038 per share from the 2021 operating profit to the Bank's ordinary shareholders, totalling Baht 3,669 million. The Bank paid such dividend to its shareholders on 11 May 2022.
- (c) On 23 April 2021, the 2021 Annual General Meeting of the Bank's shareholders passed a resolution approving the appropriation of the 2020 operating profit and dividend payment
 - (1) Not allocating net profit from 2020 operating results to the legal reserve as the Bank's legal reserve is sufficient as required by laws and the Bank's Articles of Association.
 - (2) Payment of a dividend of Baht 0.045 per share from the 2020 operating profit to the shareholders for a totalling of Baht 4,338 million. The Bank paid such dividend to its shareholders on 20 May 2021.

33 Assets pledged as collateral and under restriction

Assets pledged as collateral and under restriction as at 31 December 2022 and 2021 were as follows:

	Consolidated and Bank only	
	2022	2021
	(in million Baht)	
Investments in securities		
- Pledged as collateral against repurchase transactions	55,199	30,694
Property foreclosed under restriction	5,643	2,923
Total	60,842	33,617

34 Commitments and contingent liabilities**34.1 Commitments**

	Consolidated	
	2022	2021
	(in million Baht)	
Avals to bills	1,001	205
Guarantees of loans/bond	39	45
Liability under unmatured import bills	2,680	4,081
Letters of credit	16,346	15,608
Other commitments		
- Other guarantees	75,903	85,821
- Amount of unused bank overdrafts	110,888	117,029
- Committed line	6,103	7,958
- Others ⁽¹⁾	934	14,117
Total	213,894	244,864

⁽¹⁾ As at 31 December 2022, there is no financial assets accepted as collateral that had been sold or pledged (As at 31 December 2021, this included the financial assets accepted as collateral that had been sold or pledged amounting to Baht 13,226 million. The Bank and its subsidiaries are obliged to return those securities in equivalent amount).

	Bank only	
	2022	2021
	(in million Baht)	
Avals to bills	1,001	205
Guarantees of loans/bond	5,109	5,366
Liability under unmatured import bills	2,680	4,081
Letters of credit	16,346	15,608
Other commitments		
- Other guarantees	75,903	85,821
- Amount of unused bank overdrafts	110,888	117,029
- Committed line	6,103	7,958
- Others ⁽¹⁾	934	14,117
Total	218,964	250,185

⁽¹⁾ As at 31 December 2022, there is no financial assets accepted as collateral that had been sold or pledged. (As at 31 December 2021, this included the financial assets accepted as collateral that had been sold or pledged amounting to Baht 13,226 million. The Bank is obliged to return those securities in equivalent amount).

As at 31 December 2022 and 2021, the Bank and its subsidiaries had purchase and sales of investment in debt securities with net buys amounting to Baht 51 million and net sales amounting to Baht 208 million respectively (Bank only: net buys amounting to Baht 51 million and net sales amounting to Baht 208 million, respectively), for which the settlement was not due at the reporting date.

34.2 Litigation

- (a) As at 31 December 2022 and 2021, the Bank and its subsidiaries were claimed pursuant to obligations under the letters of guarantee and other claims for 127 cases and 125 cases, respectively (*Bank only: claims for 127 cases and 125 cases, respectively*). The said claims were made against the Bank and its subsidiaries for the approximate liability amounts of Baht 1,620 million ⁽¹⁾ and Baht 2,241 million ⁽¹⁾, respectively (*Bank only: Baht 1,620 million ⁽¹⁾ and Baht 2,241 million ⁽¹⁾, respectively*).
- (b) As at 31 December 2022 and 2021, the Bank and its subsidiaries have recognised provisions for possible loss from the litigation cases totalling Baht 578 million and Baht 572 million, respectively (*Bank only: Baht 578 million and Baht 572 million, respectively*). The management considers that the provision established for such potential loss due to the said litigation cases is adequate.

⁽¹⁾ Excluding the liabilities of the Bank and its subsidiaries as at 31 December 2022 and 2021 of Baht 683 million and Baht 77 million, respectively (*Bank only: Baht 683 million and Baht 77 million, respectively*), which the Court of First Instance and the Appeals Court dismissed the cases.

35 Related parties

For the purposes of these financial statements, parties are considered to be related to the Bank and its subsidiaries if the Bank and its subsidiaries have the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Definitions and characteristics of relationships

Related parties are as follows:

1. Major shareholders are the shareholders who own over 10% of the Bank's paid-up share capital.
2. Subsidiaries
3. Associates
4. Key management personnel of the Bank and its subsidiaries
5. Other related parties are:
 - 5.1 Close family members of key management personnel
 - 5.2 Entities in which key management personnel and their close family members hold over 10% of paid-up share capital
 - 5.3 Entities of which key management personnel and their close family members are directors exercising control or having significant influence
 - 5.4 Related companies of major shareholders
 - 5.5 Entities in which related companies of major shareholders hold over 10% of paid-up share capital
 - 5.6 Entities in which the Bank and its subsidiaries hold over 10% of paid-up share capital (excluding subsidiaries and associates)

The additional information on investments in subsidiaries and associates is disclosed in note 12.

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For the year ended 31 December 2022

Relationships with key management and other related parties were as follows:

Name of entity/Personnel	Country of incorporation/ Nationality	Nature of relationship
Key management personnel	Thai and other nationalities	Persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiaries
Ministry of Finance	Thailand	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
ING Bank N.V.	The Netherlands	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
Thanachart Capital Public Company Limited	Thailand	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
Entities whose shares have been owned or have been controlled by the Ministry of Finance	Thailand	Related through the major shareholder of the Bank, owning over 10% of the Bank's paid-up share capital
Phahonyothin Asset Management Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
TBCO Public Company Limited	Thailand	Subsidiary, liquidator is a representative of the Bank
TMBThanachart Broker Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Bank
TTB Consumer Company Limited	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
Thanachart Fund Management Co., Ltd. ⁽¹⁾	Thailand	Before 11 July 2022, Associated, 49.9% shareholding, less than 50% of directors are representatives of the Bank
TMB Asset Management Co., Ltd. ⁽¹⁾	Thailand	Before 11 July 2022, Associated, 35% shareholding, less than 50% of directors are representatives of the Bank
Eastspring Asset Management (Thailand) Co., Ltd. ⁽¹⁾	Thailand	Associated, 40.5% shareholding, less than 50% of directors are representatives of the Bank

⁽¹⁾ Eastspring Asset Management (Thailand) Co., Ltd. is a new company formed under the amalgamation of TMB Asset Management Co., Ltd. and Thanachart Fund Management Co., Ltd. on 11 July 2022.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Interest rates of loans	Based on market rate and the collateral consideration process, the same as the Bank's normal course of business, except for the interest rates of staff welfare loans which are in accordance with the Bank's regulation.
Fee and service income	Registrar and related services, money transfer services for unit holders, agents and support services for funds managed by its associates are charged by the Bank at the rate based on conditions specified in contracts negotiated in the normal course of business, taking into account the size of funds and the purchase and sale volumes of investment units.
Interest rate on deposits and borrowings	Based on market rate
Fee and services income for other types of services	Based on market price
Branch office rental and related service	Based on market rate
Sale of non-performing assets to a subsidiary	Based on market price
Dividend income	At declared

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35.1 Significant related parties transactions with key management and other related parties

Significant related parties transactions for the year ended 31 December 2022 and 2021 with key management and other related parties were as follows:

	Interest income	Interest expenses	Consolidated 2022			
			Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
			<i>(in million Baht)</i>			
1. Major shareholders	197	21	1	-	-	8
2. Subsidiaries	-	-	-	-	-	-
3. Associates	-	2	1,192	1	-	-
4. Key management personnel of the Bank	2	5	-	-	-	-
5. Other related parties	844	236	1,344	1	169	497

	Interest income	Interest expenses	Consolidated 2021			
			Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
			<i>(in million Baht)</i>			
1. Major shareholders	114	15	1	-	1	25
2. Subsidiaries	-	-	-	-	-	-
3. Associates	-	-	2,056	-	5	-
4. Key management personnel of the Bank	2	6	-	-	-	-
5. Other related parties	730	192	1,351	-	66	635

	Interest income	Interest expenses	Bank only 2022			
			Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
			<i>(in million Baht)</i>			
1. Major shareholders	197	21	1	-	-	8
2. Subsidiaries	3	7	105	327	253	27
3. Associates	-	2	1,192	1	308	-
4. Key management personnel of the Bank	2	5	-	-	-	-
5. Other related parties	844	236	1,065	1	169	497

	Interest income	Interest expenses	Bank only 2021			
			Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
			<i>(in million Baht)</i>			
1. Major shareholders	114	4	1	-	-	22
2. Subsidiaries	282	218	426	172	94,042	37
3. Associates	-	-	1,520	-	278	-
4. Key management personnel of the Bank	1	5	-	-	-	-
5. Other related parties	520	135	969	-	54	408

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During the year ended 31 December 2022 and 2021, the Bank sold written-off non-performing loans to a subsidiary at selling price of Baht 66 million and 763 million which presented as a deduction from "Expected credit loss" in the Bank only statement of profit or loss and other comprehensive income for the year ended 31 December 2022 and 2021, respectively.

During the year ended 31 December 2022 and 2021, the Bank sold non-performing loans, with principal totalling approximately Baht 4,122 million and 734 million to a subsidiary, respectively. The selling price in excess of the carrying amount of those non-performing loans was presented as a deduction from "Expected credit loss" in the Bank only statement of profit or loss and other comprehensive income for the year ended 31 December 2022 and 2021.

During the year ended 31 December 2022, the Bank sold properties for sale, with carrying amount totalling Baht 1,566 million to a subsidiary. The selling price in excess of the carrying amount of those properties for sale was presented in "Other operating income" in the Bank only statement of profit or loss and other comprehensive income for the year ended 31 December 2022. *(During the year ended 31 December 2021, the Bank did not sell properties for sale to subsidiary.)*

35.2 Outstanding balances with related parties

As at 31 December 2022 and 2021, significant outstanding balances with related persons or parties were as follows:

35.2.1 Significant balances between the Bank and its subsidiaries and their major shareholders as at 31 December 2022 and 2021 were as follows:

	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net				
Ministry of Finance	25,164	4,266	25,164	4,266
Deposits (including interbank and money market items - liabilities)				
ING Bank N.V.	3	4	3	4
Thanachart Capital Public Company Limited	1,863	1,353	1,863	1,353

35.2.2 Significant balances between the Bank and its subsidiaries and associates as at 31 December 2022 and 2021 were as follows:

	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net				
Phahonyothin Asset Management Co., Ltd	-	-	140	-
Other assets				
TMBThanachart Broker Co., Ltd.	-	-	41	29
TTB Consumer Company Limited	-	-	1	-
Phahonyothin Asset Management Co., Ltd	-	-	1	-
TMB Asset Management Co., Ltd. ⁽¹⁾	-	70	-	70
Eastspring Asset Management (Thailand) Co., Ltd. ⁽¹⁾	103	-	103	-
Total	103	70	146	99

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For the year ended 31 December 2022

	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Deposits (including interbank and money market items - liabilities)				
TBCO Public Company Limited	-	-	322	352
TMBThanachart Broker Co., Ltd.	-	-	335	295
Phahonyothin Asset Management Co., Ltd.	-	-	53	4,239
TTB Consumer Company Limited	-	-	121	-
TMB Asset Management Co., Ltd. ⁽¹⁾	-	63	-	63
Thanachart Fund Management Co., Ltd. ⁽¹⁾	-	449	-	449
Eastspring Asset Management (Thailand) Co., Ltd. ⁽¹⁾	231	-	231	-
Total	231	512	1,062	5,398
Other liabilities				
TBCO Public Company Limited	-	-	-	1
Phahonyothin Asset Management Co., Ltd.	-	-	2	4
TTB Consumer Company Limited	-	-	39	-
Total	-	-	41	5
Commitments - Derivatives ⁽²⁾				
TMB Asset Management Co., Ltd. ⁽¹⁾	-	431	-	431
Commitments – Guarantee of bond issuance				
Phahonyothin Asset Management Co., Ltd.	-	-	5,070	5,321

⁽¹⁾ Eastspring Asset Management (Thailand) Co., Ltd. is a new company formed under the amalgamation of TMB Asset Management Co., Ltd. and Thanachart Fund Management Co., Ltd. on 11 July 2022.

⁽²⁾ Presented in notional amount

35.2.3 Significant balances between the Bank and its subsidiaries, and their key management personnel as at 31 December 2022 and 2021 were as follows:

	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net	60	60	60	60
Deposits	408	507	408	507

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35.2.4 Significant balances between the Bank and its subsidiaries, and other related parties as at 31 December 2022 and 2021 were as follows:

	Consolidated		Bank only	
	2022	2021	2022	2021
	(in million Baht)			
Interbank and money market items - assets				
and loans to customers and accrued interest				
receivables, net	29,574	33,973	29,568	33,970
Investments	1,972	2,069	1,972	2,069
Other assets	15	25	-	-
Deposits (including interbank and money market				
items - liabilities)	30,573	21,732	30,573	21,732
Debts issued and borrowings (including interbank				
and money market items - liabilities)	17,500	13,582	17,500	13,582
Other liabilities	24	26	11	1
Commitments - Derivatives ⁽¹⁾	69,541	88,523	69,541	88,523
Other commitments	1,664	1,403	1,664	1,403

⁽¹⁾ Presented in notional amount

35.3 Senior management personnel compensation

For the year ended 31 December 2022 and 2021, senior management personnel compensation, included in profit or loss, was classified as follows:

	Consolidated		Bank only	
	2022	2021	2022	2021
	(in million Baht)			
Short-term employee benefits - directors	60	74	60	64
Short-term employee benefits - management	930	758	892	730
Post-employment benefits	88	90	87	89
Share-based payments	116	146	116	146
Total	1,194	1,068	1,155	1,029

Senior management personnel of the Bank are directors, management personnel at the level "Head of" or executive vice president and above, and related management personnel of Accounting or Finance. Senior management personnel of the subsidiaries are those at the level of director and executive officer upwards.

35.4 Other benefits payable to the senior management personnel

The Bank's senior management personnel do not receive other benefits both in terms of monetary and non-monetary items, except for the benefits that are normally received as mentioned in note 35.3 such as monthly director remuneration, meeting allowance, salary and bonus. Directors who are the Bank's executives and the representative directors who are the executives of ING Bank N.V. shall not receive director remuneration as per the criteria of the Bank and ING Bank N.V. Nevertheless, directors with permanent residence abroad can reimburse travelling and accommodation expenses in connection with the operation of the Bank's business as actually incurred. Foreign executives are eligible for additional benefits, which are housing allowance, including utilities, telephone and home trip expenses in accordance with the established criteria.

36 Segment information

For management purposes, the Bank's businesses are divided into the following core segments, based on customer segmentation:

1. Commercial Banking

1.1 Wholesale Banking: This serves large-sized and medium-sized business customer. The main products and services are corporate loans, letters of guarantee, deposits, trade finance and foreign exchange, supply chain solution, financial management, and other financial services.

1.2 Small Enterprise: This serves small-size business customer. The main products and services are corporate loans, deposits and bancassurance.

2. Retail Banking: This represents individual persons. The main products and services are deposits, housing loans, hire purchase, finance lease, personal loans, cards services, bancassurance and mutual funds, and foreign currency services.

The Bank evaluates segment performance based on profit from operation, using the same accounting policies as those used in its preparation of the financial statements.

The operating segment information, as reported below, is reported in a manner consistent with the Bank's internal reports that are regularly reviewed by the Chief Operating Decision Maker in order to make decisions on the allocation of resources to the operating segments and assess their performance. The Chief Operating Decision Maker has been identified as the Chief Executive Committee.

*Information about reportable segments:**For the year ended**31 December 2022*

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	12,846	32,740	6,049	(18)	51,617
Net non-interest income	4,193	7,930	2,460	(364)	14,219
Total operating income	17,039	40,670	8,509	(382)	65,836
Operating expenses	(2,896)	(11,659)	(15,314)	201	(29,668)
Profit from operation	14,143	29,011	(6,805)	(181)	36,168
Expected credit loss					(18,621)
Profit before income tax					17,547
Income tax					(3,352)
Profit for the year					14,195

*For the year ended**31 December 2021*

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	12,643	34,239	4,130	(12)	51,000
Net non-interest income	8,290	8,773	5,882	(8,414)	14,531
Total operating income	20,933	43,012	10,012	(8,426)	65,531
Operating expenses	(3,208)	(13,254)	(16,064)	1,348	(31,178)
Profit from operation	17,725	29,758	(6,052)	(7,078)	34,353
Expected credit loss					(21,549)
Profit before income tax					12,804
Income tax					(2,327)
Profit for the year					10,477

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Reconciliation of reportable segment profit or loss

For the year ended

31 December 2022

	Net interest income	Consolidated Net non- interest income (in million Baht)	Operating expenses	Expected credit loss
Segment reporting	51,617	14,219	(29,668)	(18,621)
Expected credit loss	-	-	(206)	206
Others	-	16	(78)	62
Consolidated financial statements	<u>51,617</u>	<u>14,235</u>	<u>(29,952)</u>	<u>(18,353)</u>

For the year ended

31 December 2021

	Net interest income	Consolidated Net non- interest income (in million Baht)	Operating expenses	Expected credit loss
Segment reporting	51,000	14,531	(31,178)	(21,549)
Expected credit loss	-	-	(66)	66
Others	-	6	25	(31)
Consolidated financial statements	<u>51,000</u>	<u>14,537</u>	<u>(31,219)</u>	<u>(21,514)</u>

	Commercial Banking	Retail Banking	Consolidated 2022 Other segments (in million Baht)	Elimination	Total
Loan to customers	<u>499,560</u>	<u>833,910</u>	<u>42,221</u>	<u>427</u>	<u>1,376,118</u>
Deposits	<u>397,928</u>	<u>1,002,150</u>	<u>-</u>	<u>(831)</u>	<u>1,399,247</u>

	Commercial Banking	Retail Banking	Consolidated 2021 Other segments (in million Baht)	Elimination	Total
Loan to customers	<u>529,960</u>	<u>802,326</u>	<u>39,720</u>	<u>(702)</u>	<u>1,371,304</u>
Deposits	<u>367,072</u>	<u>976,657</u>	<u>-</u>	<u>(4,534)</u>	<u>1,339,195</u>

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Notes to the financial statements

For the year ended 31 December 2022

37 Financial position and results of operations classified by domestic and foreign business

37.1 As at 31 December 2022 and 2021, the financial position classified by domestic and foreign business was as follows:

	Consolidated					
	Domestic business	2022			2021	Total
		Foreign business	Total	Domestic business	Foreign business	
			(in million Baht)			
Total assets	1,826,204	75	1,826,279	1,757,806	364	1,758,170
Interbank and money market items, net (assets)	187,497	66	187,563	158,534	339	158,873
Financial assets measured at fair value through profit or loss	1,533	-	1,533	1,421	-	1,421
Investments, net	211,432	-	211,432	180,229	-	180,229
Investments in subsidiaries and associates, net	8,574	-	8,574	8,620	-	8,620
Loans to customers and accrued interest receivables, net	1,326,505	-	1,326,505	1,324,201	-	1,324,201
Deposits	1,399,247	-	1,399,247	1,339,195	-	1,339,195
Interbank and money market items (liabilities)	84,770	-	84,770	84,966	-	84,966
Debts issued and borrowings	51,153	8,491	59,644	55,031	13,367	68,398

37.2 The results of operations classified by domestic and foreign business for the year ended 31 December 2022 and 2021 were as follows:

For the year ended 31 December	Consolidated					
		2022			2021	
	Domestic	Foreign		Domestic	Foreign	
	business	business	Total	business	business	Total
			(in million Baht)			
Interest income	65,623	4	65,627	64,239	-	64,239
Interest expenses	(13,366)	(644)	(14,010)	(12,415)	(824)	(13,239)
Net interest income (expenses)	52,257	(640)	51,617	51,824	(824)	51,000
Net fees and service income	10,400	(9)	10,391	11,249	(1)	11,248
Total other operating income	3,329	515	3,844	3,377	(88)	3,289
Total other operating expenses	(29,947)	(5)	(29,952)	(31,214)	(5)	(31,219)
Profit (loss) from operations before expected credit loss and income tax	36,039	(139)	35,900	35,236	(918)	34,318

38 Interest income

For the year ended 31 December	Consolidated		Bank only	
	2022	2021	2022	2021
	(in million Baht)			
Interbank and money market items	1,489	1,060	1,489	1,214
Investments and trading transactions	27	66	27	56
Investments in debt securities	1,782	1,247	1,782	949
Loans to customers	39,493	39,827	39,417	33,517
Hire purchase and finance leases	22,834	22,034	22,834	10,819
Others	2	5	2	5
Total	65,627	64,239	65,551	46,560

39 Interest expenses

<i>For the year ended 31 December</i>	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Deposits	7,723	7,158	7,730	5,877
Interbank and money market items	482	276	482	248
Contribution to Deposits Protection Agency and BoT	3,279	3,240	3,279	2,596
Debt issued				
- Subordinated debentures	2,009	1,934	2,009	1,934
- Others	460	576	413	563
Borrowings	27	33	24	32
Others	30	22	29	234
Total	14,010	13,239	13,966	11,484

40 Net fees and service income

<i>For the year ended 31 December</i>	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Fees and service income				
- Acceptance, avals and guarantees	617	587	620	526
- ATM, Debit card, Credit card and other banking electronic	4,087	3,881	4,091	3,283
- Funds and Bancassurance	7,559	8,292	6,924	7,229
- Others	1,762	2,430	1,770	2,015
Total	14,025	15,190	13,405	13,053
Fees and service expenses				
- ATM, Debit card, Credit card and other banking electronic	(2,795)	(2,740)	(2,794)	(2,242)
- Others	(839)	(1,202)	(1,053)	(729)
Total	(3,634)	(3,942)	(3,847)	(2,971)
Net	10,391	11,248	9,558	10,082

41 Net gain (loss) on financial instruments measured at fair value through profit or loss

<i>For the year ended 31 December</i>	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Gain (loss) on trading and foreign exchange transactions				
- Foreign currencies and foreign exchange derivatives	1,319	1,360	1,319	1,235
- Interest rates derivatives	57	36	57	30
- Debt securities	(38)	(99)	(38)	(94)
- Others	-	1	-	-
Gain (loss) on financial instruments designated at FVTPL				
- Borrowings	(1)	(5)	(1)	(5)
Gain on derivative held for risk management	304	91	304	91
Gain on hedge accounting	-	94	-	-
Gain on others				
- Equity securities	52	2	52	2
Total	1,693	1,480	1,693	1,259

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42 Net gain (loss) on investments

Net gain (loss) on investments included in profit or loss for the year ended 31 December 2022 and 2021 were as follows:

<i>For the year ended 31 December</i>	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Gain (loss) on sales				
- Investment in debt instruments measured at FVOCI	7	182	(4)	191
Total	7	182	(4)	191

43 Expected credit loss

Expected credit loss for the year ended 31 December 2022 and 2021 were as follows:

<i>For the year ended 31 December</i>	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Interbank and money market items	56	(31)	56	(12)
Investment in debt instruments measured at FVOCI	19	1,289	25	958
Investments in debt securities measured at amortised costs	20	(1)	20	-
Loans to customers and accrued interest receivables	17,636	20,671	17,755	16,536
Loan commitments and financial guarantee contracts	622	(414)	622	(471)
Total	18,353	21,514	18,478	17,011

44 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the year ended 31 December 2022 and 2021 were based on the profit for the year attributable to equity holders of the Bank and the weighted average number of ordinary shares outstanding during the year as follows:

<i>For the year ended 31 December</i>	Consolidated		Bank only	
	2022	2021	2022	2021
Profit for the year attributable to equity holders of the Bank <i>(in million Baht)</i>	14,195	10,474	14,106	7,769
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	96,664	96,464	96,664	96,464
Basic earnings per share <i>(in Baht)</i>	0.1469	0.1086	0.1459	0.0805

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Diluted earnings per share

The calculations of diluted earnings per share for the year ended 31 December 2022 and 2021 were based on the profit for the year attributable to equity holders of the Bank and the weighted average number of ordinary shares outstanding during the year after adjusting for the effects of all dilutive potential ordinary shares as follows:

<i>For the year ended 31 December</i>	Consolidated		Bank only	
	2022	2021	2022	2021
Profit for the year attributable to equity holders of the Bank <i>(in million Baht)</i>	<u>14,195</u>	<u>10,474</u>	<u>14,106</u>	<u>7,769</u>
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	96,664	96,464	96,664	96,464
Effect of dilutive potential ordinary shares from TTB TSRP 2019, TTB TSRP 2021 and TTB-W1 Warrants <i>(in million shares)</i>	<u>430</u>	<u>278</u>	<u>430</u>	<u>278</u>
Weighted average number of diluted ordinary shares outstanding <i>(in million shares)</i>	<u>97,094</u>	<u>96,742</u>	<u>97,094</u>	<u>96,742</u>
Diluted earnings per share <i>(in Baht)</i>	<u>0.1462</u>	<u>0.1083</u>	<u>0.1453</u>	<u>0.0803</u>

45 Reclassification of accounts

Certain accounts in the 2021 financial statement, have been reclassified to conform to the presentation in the 2022 financial statements to better reflect the Bank's business. The reclassifications were as follows:

		Consolidated	
	Before reclassification	Reclassification (in million Baht)	After reclassification
Statements of financial position			
As at 31 December 2021			
Loans to customers and accrued interest receivables, net	1,325,212	(1,011)	1,324,201
Deferred revenue	20,175	(1,011)	19,164
		Bank only	
	Before reclassification	Reclassification (in million Baht)	After reclassification
Statements of financial position			
As at 31 December 2021			
Loans to customers and accrued interest receivables, net	1,324,479	(1,011)	1,323,468
Deferred revenue	20,176	(1,011)	19,165

46 Events after the reporting period

Issuances of ordinary shares under the TTB-W1 Warrants Program

The Bank issued ordinary shares under the TTB-W1 Warrants Program of 161,442 ordinary shares with a par value of Baht 0.95 per share. The increase of the issued ordinary shares was registered with the Department of Business Development, Ministry of Commerce on 17 January 2023.



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