

Form 56-1 One Report 2023

TMBThanachart Bank Public Company Limited



The Next 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

Amidst the backdrop of the unfurling COVID-19 crisis in 2023, Thailand's economic landscape continued to grapple with volatility due to the interest rate trend and inflation, compounded by the high household debt. However, the ability to adapt to various challenges during the post-merger period was a testament to the success of TMBThanachart or ttb, steering its trajectory towards the vision of becoming "The Bank of Financial Well-being."

In 2023, the Bank has taken steps to create The Next REAL Change through comprehensive financial solutions. With digitalization, we enhance our capacity to deliver products and services through the Ecosystem Play. We offer tailored solutions to meet the diverse needs of individuals across all segments and all life stages for salaryman, car owners, and home owners, leveraging our expertise and existing customer base. To reinforce our mission, ttb has integrated the B+ESG (Business, Environmental, Social, and Governance Sustainability) framework to align business directions with environmental, social, and good corporate governance, serving as a fundamental aspect for setting directions and strategic plan towards becoming a sustainable bank, aiming for elevating Thais' Financial Well-being.

Throughout the preceding year, the Board of Directors and Management Team have joined hands to orchestrate policies and support measures to foster all stakeholders' adaptability to the emerging economic conditions buttressed by the Bank's credit measures. We offered Debt Consolidation program for car loan, home loan, and personal loan to help our clients ease their debt burdens. Additionally, welfare loans were extended to our salary person clients holding ttb payroll accounts, while vulnerable groups were supported through various assistance

measures to restore their ability to repay debts. We were also planning to develop additional assistance measures in the future. Furthermore, our commitment to delivering financial literacy through digital platforms encapsulated 4 essential dimensions: Mindful Spending & Smart Saving, Healthy Borrowing, Investing for Future, and Sufficient Protection. For the business segment, we arranged events and seminars to fortify the resilience of SMEs to be adaptive to challenging industry landscape in the digital age.

ttb aimed to move towards sustainable growth with strategies to fortify its business in the short, medium, and long term by using digital channels as the main platforms to build relationships with and support clients. Meanwhile, the Bank emphasized the importance of the environment, catalyzing the transition of the business sector towards sustainable practices, thereby mitigating environmental footprints. The Bank provided green financing solutions, such as Green Bonds and Blue Bonds, underscored our dedication to environmental sustainability. Moreover, ttb's unwavering commitment to sustainable corporate social responsibility initiatives generated new values and positive impacts for youth, communities, and Thai society. Initiatives such as **"fai-fah learning centers by ttb,"** a hub that inspires youth

and communities to improve sustainably; and the 2nd edition of Fun for Fin **“fai-fah youths learn how to save and spend,”** a program that cultivates wisdom in mindful spending and smart saving so that they can utilize their knowledge to develop themselves and their families and help change the society around them for the better.

The pinnacle of ttb’s achievements was affirmed by its continued dominance in “Fair Finance 2023,” securing No.1 ranking for the fifth consecutive year, according to the assessment by Fair Finance Thailand. This accolade was a testament to ttb’s dedication to consumer protection through meticulous complaint management and expanding accessible financial services, thereby enhancing convenience and improving Financial Well-being for all client groups. This achievement highlighted the Bank’s dedication towards multifaceted growth. The Bank also constantly received numerous prestigious awards from the following leading institutions:

- Receiving the evaluation results assessed by Corporate Governance Report of Thai Listed Companies 2023 as “Excellent” level for the fifteenth consecutive year
- Selected to be included in the FTSE4Good Index Series 2023 for the eighth consecutive year
- Listed in Thailand Sustainability Investment (THSI) 2023 for the sixth consecutive year, with an ‘AA’ rating assessed by SET ESG Ratings
- Awarded Best ESG by Institutional Investor’s 2023 Asia (ex-Japan) Executive Team
- Awarded Best Environmental Sustainability Bank 2023 from International Finance Awards

- Included in MSCI Global Standard Indexes 2023, with a BBB rating assessed by MSCI ESG Rating

For 2024, it is undeniable that climate change remains loom large along with economic challenges. The Bank, with the awareness of this circumstance, has turned the Net-zero Commitment into tangible action, aligning with Thailand’s environmental objectives. Our strategic roadmap includes providing Transition Finance solutions to bring small and medium-sized business sectors into a low-carbon economy and setting the goal to support sustainable financing going forward.

On behalf of representatives of the Board of Directors, executives, employees, and affiliated companies, I extend profound gratitude towards our shareholders, business partners, clientele across all sectors, and all involved parties for your enduring trust in TMBThanachart. I believe in the Bank’s potential to promptly move forward to Make REAL Change to elevate our services while delivering financial solutions and innovations that cater to the diverse needs of our clients at every life stage. Our overarching mission remains steadfast to enhanced Sustainable Financial Well-being of Thai people.

Mr. Ekniti Nitithanprapas
Chairman of the Board





Message from Chief Executive Officer

For more than 2 years, Thailand has been able to recover from the COVID-19 pandemic and moved towards economic normalization. The recovery path, however, remained challenging in 2023 due to various uncertainties, including inflationary pressure, a rising interest rate trend, a delay in government formation, and persistent structural issues such as a high household debt.

Along with the macroeconomic headwinds, the Thai banking sector has indeed faced industry-specific factors. In recent years, banks have had to deal with fast-changing customer financial behavior and lifestyle, cyber security issues, and regulatory changes. The prominent adoption of electric vehicles or EVs has also affected banks' lending approaches and asset quality.

Amidst such challenges, TMBThanachart Bank or ttb remained resilient and able to tackle the downside pressures. Through 2 key strategic focuses on maintaining a prudent business direction and enhancing financial position, ttb was able to achieve operational targets, deliver returns to all stakeholders, and continue to pursue our mission to Make REAL Change for Thais' Financial Well-being.

Focusing on prudent business direction

Against the increasing macroeconomic uncertainties, ttb maintained a prudent business direction. Alongside this, we continued to execute a synergy realization plan to enhance revenue generation, optimize cost efficiency, and bolster profitability. Additionally, we further strengthened all aspects of financial position, including risk absorption capability, liquidity position, and capital adequacy. Our primary objective

is to establish strong fundamentals and resilience against any economic circumstances.

Guided by this objective, our strategic focus for 2023 remained on balance sheet management to ensure the quality of all balance sheet components and to optimize assets, liabilities, and capital utilization, with a goal to maximize overall returns.

For the loan strategy, in particular, the Bank maintained the prudent loan growth policy by targeting customer segments that were aligned with our expertise, allowing us to truly understand customers' needs and risk profiles. And by leveraging our post-merger strengths and leading positions in the housing and auto market, we strategically expanded our cash your car (CYC), cash your home (CYH), and consumer loans. As a result, we could increase the portion of retail loans, which helped improve overall loan yield while ensuring the quality of the new loan book.

To ensure loan portfolio quality, ttb continued to support customers by providing targeted financial assistance especially to the vulnerable group in parallel with maintaining a proactive approach on NPL resolution. Furthermore, with our accurate market assessment and strategic adjustments implemented early in the year, ttb could safeguard the used

car portfolio's quality from the changes in the auto market and the used car price trends.

For investment portfolios, the Bank's investment policy is set for liquidity management purposes. We have invested mainly in highly liquid and low-risk financial instruments and strictly stayed away from any risky instruments or speculative digital assets. This prudent approach helped shield ttb from various default cases that arose in the bond market in 2023 and from a highly volatile situation in the digital asset market, especially during the first half of the year.

In terms of deposits, our direction is to expand the retail deposit base to mitigate concentration risk from large depositors. On the equity side, we prioritized efficient capital utilization and the maintenance of capital adequacy to ensure our capability for future growth opportunities.

Further strengthening financial positions

With the prudent business direction and successful synergy realization, ttb saw an improvement in operating performance including revenue generation and cost management both operational and risk costs. This translated to a net profit of THB 18,462 million in 2023, coupled with a strengthening financial position as reflected in the following metrics:

Asset quality: The Bank successfully managed and continued to reduce NPLs as reflected by a declining NPL ratio from the peak level during COVID-19 at 2.98% to 2.73% in 2022 and

further down to 2.62% at the end of 2023. Such a level was in line with our target and comparatively lower than those of D-SIB peers.

Risk absorption capability: NPL coverage ratio, a cushion against potential downside risks, significantly rose from 120% pre-merger to 138% in 2022 and reached 155% by year-end 2023. This substantiated our continuous improvement in risk absorption capability.

Liquidity: Liquidity Coverage Ratio or LCR, which is one of the liquidity indicators, consistently stays at a high level. Throughout 2023, the Bank maintained the LCR within the high range of 175% to 199%, compared to the Bank of Thailand's minimum requirement of 100%.

Capital position: Tier 1 and CAR ratios stood robustly at 17.0% and 20.7% at the end of 2023, indicating a stronger position when compared to pre-merger levels of around 14% and 18%, respectively. These figures also positioned ttb among the industry's top tiers and were well above the Bank of Thailand's minimum requirement for D-SIBs at 9.5% and 12.0% respectively.

Creating values for all stakeholders

The robust financial position has served as a solid buffer against potential downside risks, safeguarding our capability to deliver on our business plan and commitments to all stakeholders.

These initiatives undertaken in 2023 exemplify our commitment to creating stakeholders' value sustainably.

Ongoing mission to assist customers: Since the onset of COVID-19, ttb has remained steadfast in supporting customers, particularly vulnerable groups. Moreover, to gear towards a sustainable deleveraging, we also support and promote a debt consolidation program. In 2023, the Bank successfully engaged around 17,000 customers in the debt consolidation program and helped reduce customers' interest burdens by approximately THB 1.2 billion.

Increasing shareholders' value: From the beginning of the merger transaction, ttb has received strong support from our shareholders. Particularly during the fundraising activity, the Bank committed to unlocking the synergy values in 3 key areas of balance sheet synergy, cost synergy, and revenue synergy. The expected synergy value to be realized was approximately THB 14-20 billion in a 5-year time horizon (2020-2024).

With the right business direction and the commitment to the synergy realization execution, ttb could overcome operational challenges brought by the COVID-19 and successfully complete the merger process. Remarkably, the Bank was able to achieve merger benefits of THB 20.7 billion by 2023 or within a 4-year horizon, which was ahead of plan and better than the initial projection.

Building upon our merger achievements and consistent improvement in financial positions, ttb has enhanced shareholders' values. The increase in return on equity (ROE) was one of the

proof points. The ratio rebounded from a 5% level during the COVID-19 crisis to 6.6% in 2022 and 8.2% in 2023. Furthermore, the dividend payout ratio was uplifted from 30%-35%, a pre-merger level, to 50% in 2022 and 55% in 2023. In terms of market value, ttb share price has exhibited a positive trajectory along with the improvement in the Bank's fundamentals.

Raising employees' compensation and motivation: ttb was the first D-SIBs to pioneer the Employee Joint Investment Program (EJIP) worth THB 270 million. This program goes beyond traditional compensation structure such as monthly salaries and bonuses, providing employees under ttb's financial group with the opportunity to become shareholders and the entitlements of shareholder benefit. In addition, this initiative encourages a sense of shared ownership and aligns employees' goal with the Bank's direction to drive for sustainable quality growth.

Driving towards social and environmental sustainability: In addition to longstanding CSR initiatives such as financial literacy programs, fai-fah projects, and the punboon program, ttb has embedded sustainability in the Bank's core business as part of B+ESG strategy. This reflected our aspiration to create a positive ripple effect through the Bank's business operations, considering environmental, social, and governance aspects. One of the examples of business and sustainability integration is our ongoing green finance program. In 2023, ttb granted approximately THB 17.8 billion of green loans, exceeding an initial target of THB 9.0 billion. ttb was also the first Thai bank to issue blue bonds for environmental and marine sustainability, raising over USD 210 million.

Ready for 2024 to continue our mission to Make REAL Change for Thais' Financial Well-being

With the emergence of COVID-19, Thailand's financial fragility in the household sector has been brought to the surface, prompting sector-related regulatory changes and measures imposed.

For ttb, the direction of the government and the Bank of Thailand to address household debt issues and promote responsible lending does not derail our business direction. Indeed, such a direction reinforces our strategy as it is well-aligned with our core mission to improve customers' life-long financial well-being. We have embedded such aspiration in our strategy and business operation by offering financial solutions designed to answer unique customers' financial needs whether they are homeowners, car owners, or salarymen. Our goal is to help our customers to be equipped with comprehensive solutions to manage personal finance covering areas of savings, borrowings, investments as well as life and health insurance.

In terms of business operations, we will maintain our prudent approaches against the backdrop of a highly uncertain economic outlook. Our key strategies in 2024 will focus on efficient balance sheet utilization to further improve revenue generation and profitability. On top of that, we will ensure cost efficiency both funding cost and risk cost as well as continue leveraging our ecosystem to ensure the quality of new loan growth and accelerate fee income recovery.

Moreover, the Bank will continue to drive for the business transformation journey under a Digital-First operating model, driving towards Humanized Digital Banking. We will also streamline processes and ways of work for both the back and front office to be best fit with the evolving banking landscape. Our objectives are to enhance customer acquisition capabilities, drive revenue generation, and optimize our cost structure. Ultimately, this is to build the platform for future business models, and we will emphasize businesses that are relevant to customers and their better financial well-being.

Leveraging our robust financial position, proven competencies, and the unwavering commitment of ttb's people, I am confident in ttb's ability to achieve financial deliverables for 2024 and to remain on track for our long-term plan. Lastly, I would like to express my sincere gratitude to all stakeholders for their unfaltering confidence and support to ttb. **We remain committed to the highest standards of good corporate governance and transparency, striving to build a banking business that achieves both business goals and aspirations to Make REAL Change to all stakeholders in a sustainable way.**

P. Tantakam .

Mr. Piti Tantakam
Chief Executive Officer



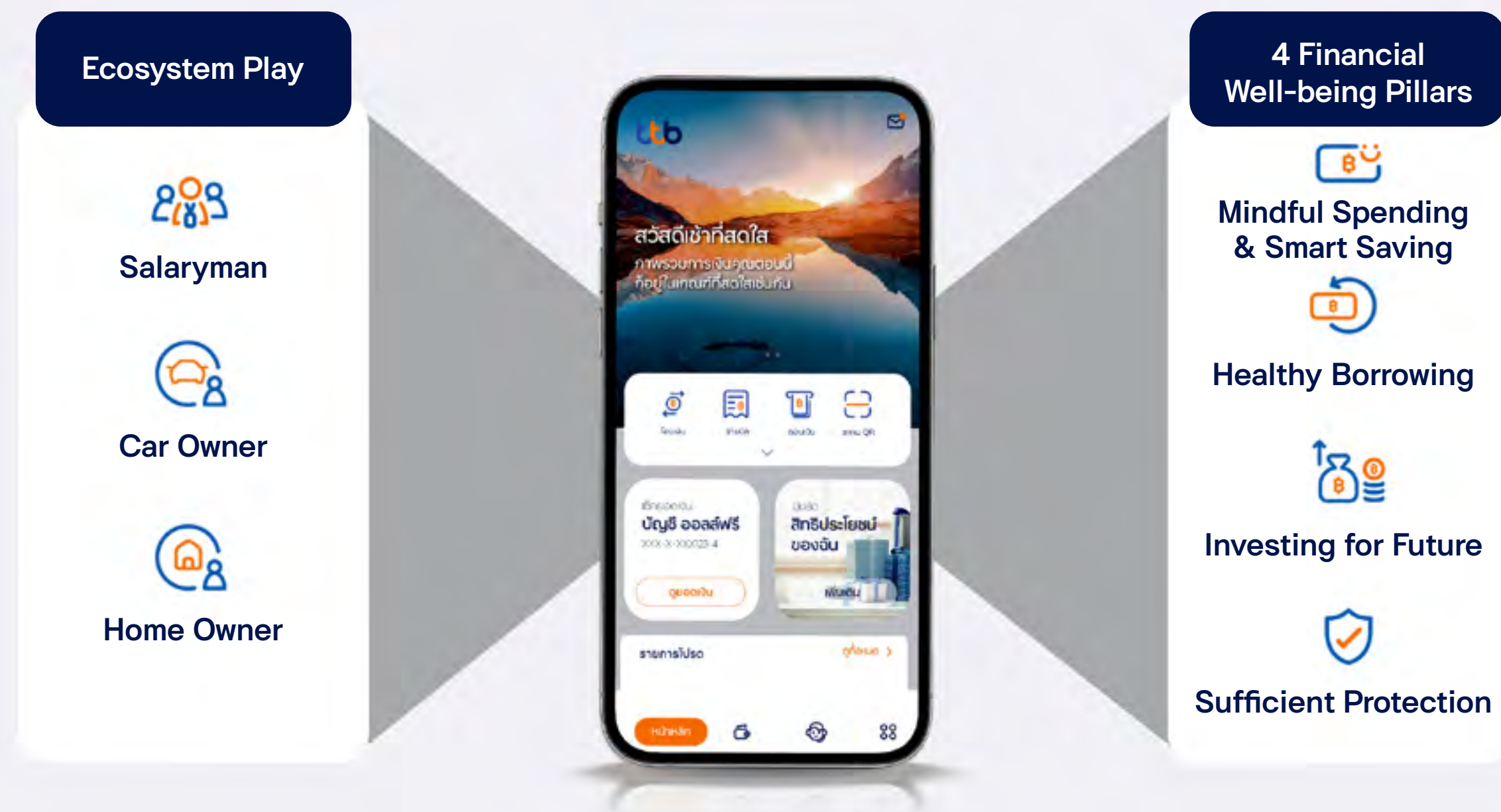
The Next REAL Change

For Thais' Financial Well-being

The next step...
to make REAL
meaningful change,
a better life-long
Financial Well-being
for Thais

The Next REAL Change...to continue our mission to improve the life-long Financial Well-being of Thais

This is a crucial step for TMBThanachart (ttb) to make the meaningful change under the three key strategies and Sustainable Banking concept:



Humanized Digital Banking

Synergy Realization: Leveraging our strengths and fortitude from the merger to improve financial solutions that meet customer's needs

After the merger, ttb has strengthened its position with customer base of over 10 million, which makes the Bank ready in terms of its robust potential and an investment budget up to 4 billion baht per year to enhance financial products and customer experiences. It also builds on the strengths of its product groups, from car loan, home loan, transactional account, ttb savings account, and ttb payroll account, to ttb cash your car, ttb cash your home, ttb payday loan, and car insurance products with outstanding offers that can help customers facing liquidity challenges amid this year's volatile economy.

Digitalization: Elevating financial experience and improving banking efficiency through a new version of ttb touch

ttb has brought digital technology onto new solutions to deliver customers a better financial experience and to drive better organizational efficiency. By elevating and pushing the boundaries of the ttb touch application, the Bank can offer the so-called Segment-of-One, a customized offering to serve the needs of individual customers in order to enhance customer experience through i.e., personalized products, services, and promotions that meet

customer's needs. The Bank is committed to making the next change to the Digital-first Operating Model through the ttb touch application, which enables customers to easily access personalized banking services anywhere and anytime.

Ecosystem Play: Contributing to the Financial Well-being of the Salaryman, Car Owner, and Home Owner in every aspect

ttb moves forwards to evolve with a New Business Model, focusing on Salaryman, Car Owner and Home Owner which are the primary customer groups that the Bank has expertise in. This helps customers manage important matters comprehensively by emphasizing on working with internal teams and collaborating with Partnership, powered by ttb touch.

B+ESG: Embedding sustainability into business towards becoming a Sustainable Banking

ttb has embraced the concept of B+ESG as the basis for ongoing strategic planning across the organization. It is moving towards becoming a sustainable bank with the belief that business operations and sustainability must be driven together and strives to support sustainable growth for customers, business partners, and society. For the fifth consecutive year, ttb was awarded the "Fair Finance" from Fair Finance Thailand with the highest rating among Thai banks in ESG category.

The Next REAL Change...for the better Thais' Financial Well-being with well-rounded solutions covering all four dimensions of financial fundamentals

ttb prioritizes every customer group by creating and providing products, services, and solutions tailored to meet the unique needs of each group. The Bank aims to contribute to the enhanced Financial Well-being of the three focused groups of customers: Salaryman, Car Owner, and Home Owner. Ecosystem Play strategy covers four essential dimensions of financial fundamentals, including Mindful Spending & Smart Saving, Healthy Borrowing, Investing for Future, and Sufficient Protection. The Bank has joined hands with the leading partners to ensure better Financial Well-being for the customer groups of Salaryman, Car Owner, and Home Owner.



1. Salaryman Ecosystem

Help ease debt burdens with the ttb welfare loan, an unsecured loan with no collateral required that consolidates high-interest debts into a single loan with lower interest rate starting at 7.99% per annum. 1,214 private companies, state enterprises, and government agencies have signed the Memorandum of Understandings (MoUs) with ttb.

Plan the taxes with **My Tax** on the ttb touch application. This complete personal assistant feature makes tax deductions easier with the automatic tax calculation function. It also recommends personalized tax deduction options such as SSF, RMF, and other suitable insurances, all available in one app. Currently, there are up to 70,000 users utilizing **My Tax** feature on ttb touch.

Remark: Data as of 31 December 2023

2. Car Owner Ecosystem



Manage all aspects about the cars with **My Car** feature on ttb touch. This feature provides a wide range of convenient experiences for car owners, including Easy Pass balance check or credit refill, car insurance payments, Compulsory Motor Insurance renewal, car price estimation along with announcing sales and promotions for car care. There are now over 682,000 registered cars and over 1.3 million active users of **My Car** feature.

Roddonjai platform, an online marketplace of all-rounder for buying and selling pre-owned cars with

a fair assessment and suitable price. With its goal to be the No.1 leader in the used car market, this online platform ensures buyers will discover the right car without any hassle. It has over 3,000 car dealer partners, and sold over 10,000 cars with a total loan amount up to 4,200 million baht. Roddonjai is one of ttb's strategies to take care of car users at any stage, from buying a car and car loan to car insurance and trade-in for a new one.

Remark: Data as of 31 December 2023

3. Home Owner Ecosystem

Help increase financial liquidity with ttb cash your home with easy and fast approval and low interest at the average rate of 6.18% per annum over the first three years. The Bank has helped 4,918 customers consolidate liquid debts with a total amount of 4,810 million baht. The customers save from paying a total high-interest amount of 686 million baht. Moreover, refinancing with the Bank ttb allows the customers to request an additional loan.

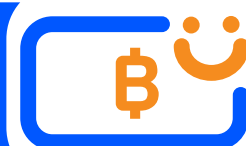
Offer wow-worthy benefits for home lovers. ttb joined forces with a strong partner like Siam Global House to launch ttb Global House credit card and cash card, which are well received by the market, with over 50,000 issues of ttb Global House credit card.



Determination in Bringing Better Financial Well-being to Customers



Mindful Spending
& Smart Saving



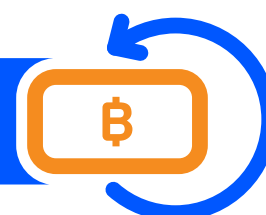
More than **2.1m** customers
got free coverage through ttb all free accounts

Processed **10,300** cases
of PA insurance claims

Covered medical expenses for
customer's family members
over **160** mb



Healthy Borrowing

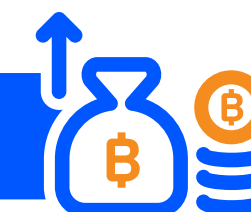


Engaging over **17,000** customers
or **6,700** mb
of loan outstanding
in Debt Consolidation program

Reducing customers' interest burden
by approximately
1,200 mb



Investing for Future



Got customers started towards their
investment goals with ttb smart port
totaling **16,100** mb

Over **1,900** customers
regularly investing in DCA



Sufficient Protection



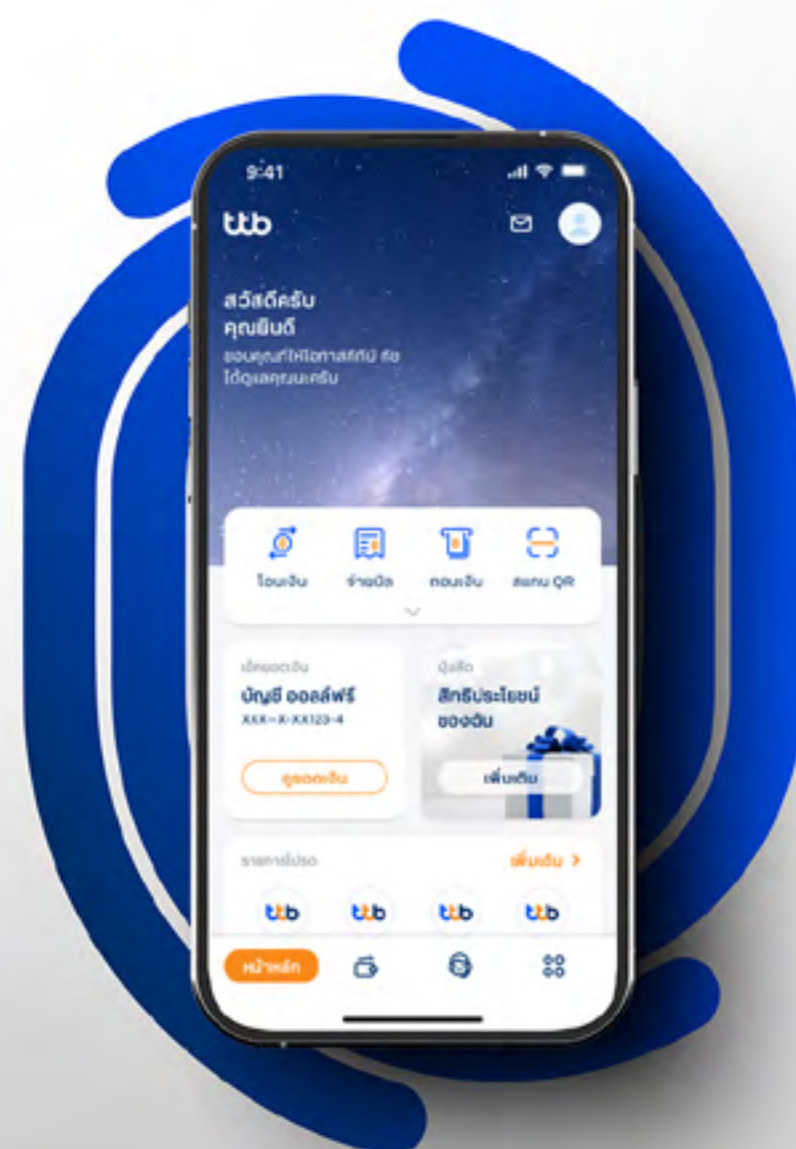
Helped customers find
the right coverage

	Policies
Health Insurance	26,600
Savings Insurance	43,380
Life Insurance	496,600
Car Insurance	441,600

The Next Solutions Accommodating Your Financial Lifestyle Needs

ttb continues to develop its financial services and products to meet the needs of every Thais' lifestyle, allowing them to manage their financial lives comprehensively. With digital financial solutions, ttb enhances client financial experience, improves its banking efficiency, and creates overall better Financial Well-being for customers.

Life changes



in a touch.

ttb touch application

The Next REAL Change...to upgrade digital banking platform for better Financial Well-being

Life changes in a touch. ttb touch is a comprehensive digital banking and financial solution as a Financial Control Panel allowing users to overview, control, and manage all financial aspects for better Financial Well-being.

More security and stability to keep you feel safe when using ttb touch with our new Security Checkup feature.

Attention to every transaction detail for you to experience an easier life with Smart Search, Smart Protect, and Savings goal.

Personalization down to the smallest detail to ensure that your important transactions are never overlooked, and exclusive benefits are offered to you precisely when they are most relevant

Provide banking services to your hand, convenience with every touch without going to the Bank. Document request, status tracking, and subscribe to receive documents via e-mail. Touch more to get more with reward redemption in **My Benefit** for every transaction.

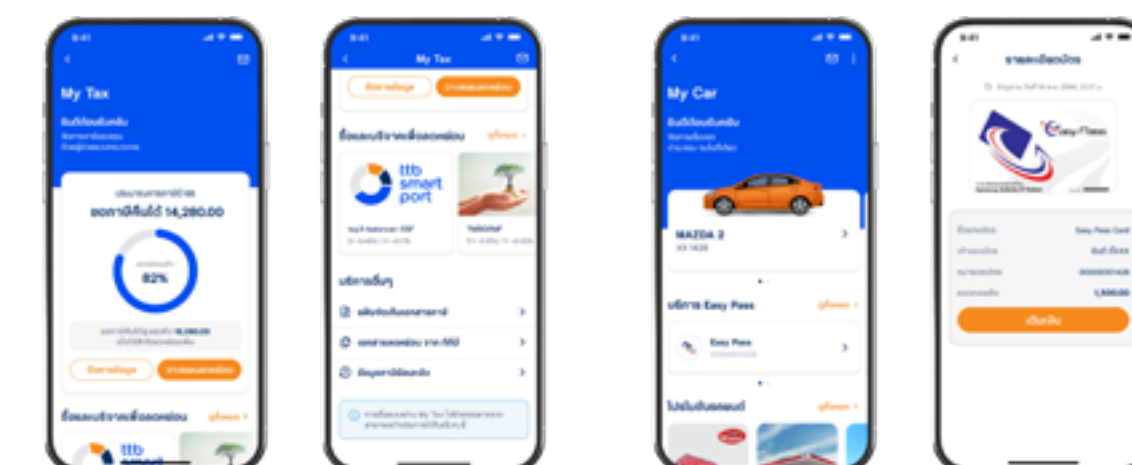
All-inclusive suite of services for Salaryman, Car Owner, and Home Owner.

My Tax: Make tax matters easier. Planning and goal setting on tax deduction for full tax refund. Recommend suitable tax-deductible products and document storage filing.

My Car: Manage all matters about your car in one app – Easy Pass top-up and balance check, buy a compulsory motor insurance, vehicle tax renewal, and car price estimation along with announcing sales via online car auctions or Roddonjai.com.

ttb has more features allowing you to manage all life matters easily "in a touch".

[Learn More](#)



ttb all free

The Next REAL Change... to support customers to let's live your life like all free

Amidst the current economic situation, most people have now shifted to make the most of money savings and spending. ttb all free account is beyond a typical savings account as it helps customers reduce their expenses for their "let's live your life like all free" and truly better Financial Well-being. The Bank provides free personal accident insurance to Thai citizens nationwide without insurance premium payments or hidden costs. Customers can receive this free benefit by depositing money in their savings accounts. Customers can receive this free benefit by maintaining a daily ending balance of not lower than 5,000 baht throughout the month from the first day until the last day. In addition, customers can conveniently make payments or transactions without fees. This can be done through ttb touch or by using the ATM of any bank for transfers, payments, and top-ups. With ttb all free debit card, customers can make international transactions conveniently without a 2.5% FX rate fee.


[Learn More](#)

ttb credit card

The Next REAL Change...to continue the worthy and meet every lifestyle need

Different lifestyles come with different financial goals. ttb has designed credit card products that meet the needs of each lifestyle. So you can live your life worthwhile...every day.



ttb absolute credit card

Perfect for travelers who enjoys exclusive lifestyle.
Reduce foreign currency transaction fees from 2.5% to 1%.
Exclusive privileges offered.
Free airport lounge access.
No entrance fee and annual fee.



ttb so fast credit card

Fit for points collectors who seek to redeem points and enjoy life experience.
Earn points faster for every purchase.
Earn 1 point for every 10 baht spent.
No entrance fee and annual fee.



ttb so smart credit card

Worth for a thrifty with great value in mind.
Earn 1% cashback into ttb no fixed account on all purchases.
No need to wait for promotion.
No entrance fee and annual fee.



ttb so chill credit card

Best for a fighter who wants financial agility for credit or cash.
Exempt from a 3% cash advance withdrawal fee.
No entrance fee and annual fee.

[Learn More](#)

ttb Global House

Shop house decors and save more



ttb Global House credit card

A card for a real home lover.
Get 3% off when you buy products at Global House.
(except construction materials)
Enjoy 5% off for service fee at Global House.
No entrance fee and annual fee.

[Learn More](#)

ttb Global House cash card

A card for a house decorator.
0% installment payment up to 36 months at Global House.
24hr-ready-to-withdraw cash advances.
No cash advance fee, entrance fee, and annual fee.

[Learn More](#)

ttb cash your home

The Next REAL Change...to improve loan for Home Owner

Financial liquidity remains a significant challenge in 2023. With increasing interest rates and household debts, customers are facing escalating financial predicament. Holding true to our mission to create Financial Well-being for Thais, ttb offers "cash your home" solution for home owners that allows customers to use debt-free house or condominium as collateral to receive a lump-sum loan with low interest rate to help manage personal expenses and liquidity, or expand business. For house currently under installment, we offer a refinance program with top-up loan option to save interest rate with additional capital for financial flexibility. For customers facing serious debt accumulation issues, ttb offers "Debt Consolidation" program together with

cash your home service to consolidate high-interest rate debts to low-interest single loan to enhance financial liquidity. This "ttb debt consolidation" is well-received by customers as it helps to reduce monthly installments pertaining to customers' ability to pay. In 2023, this service has approved more than 3,200 million Baht loan amount and helped customers save over 400 million Baht interest payments. With our comprehensive product offerings, ttb is proud to be a part of the solution to help our customers manage better financial liquidity, reduce debt burden and create a sustainable Financial Well-being.

[Learn More](#)



Roddonjai.com

Where quality meets variety...only at Roddonjai.com



Nowadays, more and more customers have shifted behavior from in-store to online purchase. ttb's used car tent partners and personal car sellers are also affected by this change of digital disruption. To serve both our partners and customers better, ttb DRIVE launched an innovative "Roddonjai" online platform to capture digital sales channel and increase competitiveness for used

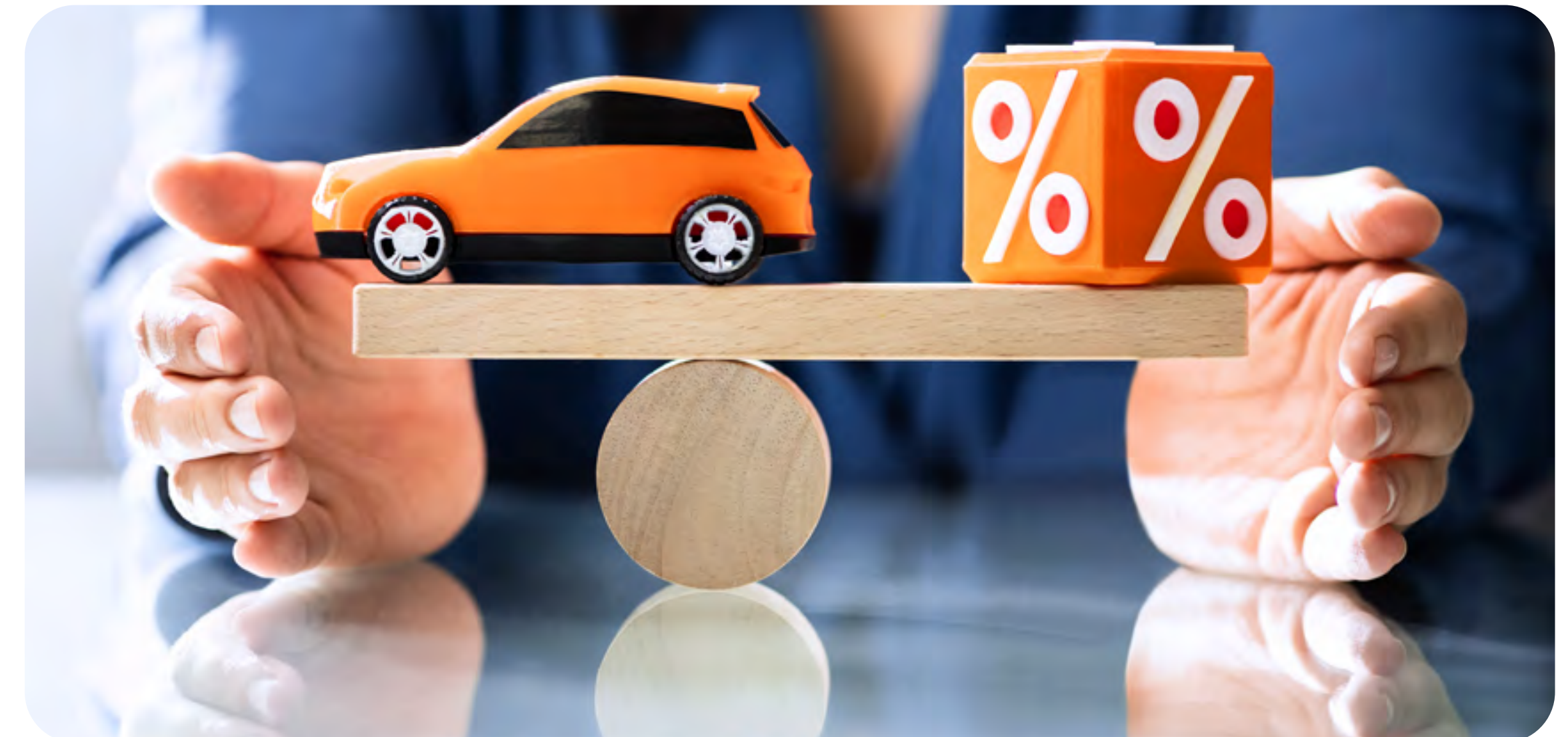
car sellers. Roddonjai website is equipped with state-of-the-art technology to facilitate ease of sales both for sellers and buyers offering peace of mind throughout online journey experience. It gathers quality pre-owned cars from various trusted sources with market price indicators and all-in-one loan services through ttb DRIVE.

What makes Roddonjai stand out is that buyers can be confident with verifiable sellers from more than 3,000 ttb DRIVE partners nationwide. Every car on Roddonjai.com undergo maximum 274 car inspection items with international standard from creditable third-parties. Buyers can be certain of car quality in good condition, never have been in a severe accident or flood.

What sets Roddonjai apart from other platforms are our Donjai Quality Car Collection available only at Roddonjai.com namely low-mileage premium executive cars, 5-star under 5 years cars, test drive showroom cars, well-maintained cars, and warranty cars.

Only four months after the official launch in September, over 22,000 used cars were on sales on Roddonjai.com and over 9,000 were sold. This is only the beginning, ttb DRIVE continues to enhance new services to further develop Roddonjai.com including linking interface to **My Car** feature on ttb touch and launching new campaigns together with business partners. With our continuous improvement, we hold true to our mission to drive sustainable Car Owner Ecosystem answering to all car-related needs and make real change to become **"More than just car loan provider, to make your life better."**

[Learn More](#)



Mutual Fund

Complete financial solutions to support kids' education journey until graduation



In a world of rising competitiveness, especially in education, many families recognize the importance of planning their children's overseas education. To prepare your children step forwards to sustainable success, ttb offers a wide range of investment solutions that help allocating and managing funds at every stage, from planning, and preparing to study abroad. The various options of investment products increase your chances of earning higher returns, including structured notes, foreign currency bonds, term funds, or structured funds that protect the

invested money and earn optimal returns whether the stock market goes up or down. Moreover, a USD Foreign Currency Deposit account (FCD) with high-interest rates minimizes exchange rate fluctuations and allows you to manage fees in advance. International money transfer service with a special fee on your convenience, available in 18 currencies to 34 destination countries, facilitates security, and auditability of all foreign currency transaction. These services by ttb help you ensure the best future for your loved ones and transfer wealth seamlessly.

[Learn More](#)

ttb easy care plus – family version

"Share Health Insurance Plan for Your Family Members"

The First Medical-sharing Coverage in a Single Health Insurance Policy

Each of your family members can claim the shared amount, catering to all medical needs. In a single policy, the plan offers actual healthcare expenses coverage shared among up to five members, including inpatients and outpatients. With ttb easy care plus, customers can live their lives as planned with peace of mind while creating the foundation for better Financial Well-being.

The shared amount is not only limited to your parents and children but also includes your family-like bonding persons, such as spouses, relatives, and LGBTQ+ life partners. We are assured that these two products will help Thai people access easier and more comprehensive life and health insurance plans with coverage that suits the needs of each family.

Family sharing: One policy covers every kind of the entire family. (up to 5 family members)

Flexible sharing: Members can be adjusted as your need.

Great value and all-inclusive sharing: Lump sum protection includes room and medical fees for inpatients. One of the available plans is worth up to 5 million baht coverage.

The Bank is truly confident that ttb easy care plus – family version can truly meet customer's family needs.

[Learn More](#)



ttb payroll

If your life is calling for help, let ttb payroll handle it now

Debt among Thai people is an urgent issue that needs to be solved. In particular, financial problems among salaryman cause stress and result in reduced working efficiency. ttb is committed to improving the Financial Well-being of ttb payroll account's customers. The Bank recognizes financial problems with the ambition to cater to salaryman's needs; therefore, it provides great value solutions covering all financial dimensions. It helps tackle debt burdens and limitations of a salaryman's life under the concept "if your life is calling for help, let ttb payroll handle it now". Its elevated benefits are as follows:

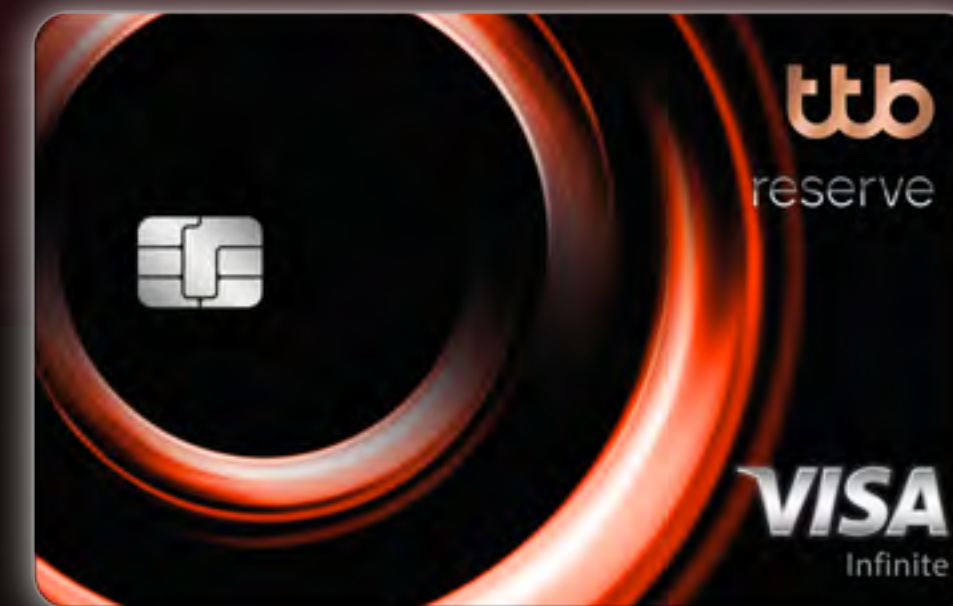


- ttb welfare loan offers organizations signing MoUs with ttb, with a 3 times lower interest rate with no collateral required. The low interest rate starts at 7.99% per year, from the regular rate of 25% per year.
- ttb home loan refinance offers a 0.25% interest rate per year, lower than the usual rate for regular customers.
- ttb cash your home for debt consolidation offers a 0.77% interest rate per year, lower than the usual rate for regular customers.
- ttb DRIVE cash your car offers an interest rate discount of up to 0.4% per year.
- Payroll Privileges campaign offers selected privileges exclusively for ttb payroll account's customer. Use lower wow points and get discount codes for selected leading brands rotated to serve office people's lifestyles. Redeem your privileges by clicking on "My benefit" tab at ttb touch.

[Learn More](#)

ttb reserve - Maximize Your Infinite Wealth for Generations

The Next-level Financial Solutions for Wealth customers



ttb reserve is a platform that combines financial solutions and services for wealth customers under the concept of "Maximize Your Infinite Wealth for Generations". This exclusive solution serves financial, investment, and lifestyles purposes with personalized customer support by a financial advisor to accumulate and preserve your infinite wealth for generations, plus exclusive benefits as ttb reserve card holders.

- Access to distinctive privileges with earned points. Eligible customers can redeem points to further their financial and investment purposes, under the concept **"Earn Fast – Burn Smart"** e.g. investment money, discount for insurance premiums, gifts, or discount for expenses.
- A comprehensive financial solution that accumulate your wealth with experts providing advices and supporting your needs.
- Get more benefits, such as discounts for fees and access to exclusive financial, investment, and lifestyle events.

[Learn More](#)

The Next Step to Sustainable Business Growth

ttb strives to be a trusted partner for corporate and SME clients, with our team of experts giving advice and providing support the Thai business sector in all situations. The Bank offers a comprehensive range of products, services and solutions to meet clients' needs in a digital era and environmental sustainability. ttb has transformed our role from a financial service provider to the trusted partner in order to support our clients towards success and sustainable growth corresponding with the Bank's concept of Make REAL Change.



Financial Solutions for SME Customers

Total Digital Collection Solutions

Increase sales opportunities

The total digital collection of financial products and services by ttb supports both online and offline transactions to elevate business efficiency and to increase sales opportunities for SME entrepreneurs.



ttb quick pay

Service that helps business to collect online payments through a simple process of sharing payment link to customers to pay via debit card or credit card anywhere and anytime without the need to visit business storefront.

ttb digital invoice management

The solution that aggregates invoices and delivers them digitally to pay clients via SMS and email with an added convenience and send proof of payment back to business partners.

ttb smart shop

Store management application that helps SME entrepreneurs efficiently manage store and receive payment flawlessly via QR code from any banks. All payments will be notified instantly and no more concern collecting cash. Business owners can set permission for their employees within the application to easily manage storefront.

[Learn More](#)

Total Trade – FX Solutions

Facilitate international traders

The international trade transactions, and foreign exchange solutions and services through our best in class digital channels, designed for export and import SMEs. Service SME entrepreneurs with the professional consultancy by our international trade



specialist teams to make SME's export and import business run efficiently and successfully.

ttb multi-currency account

Multi-currency account combines THB and 11 foreign currencies, allowing SME entrepreneurs and corporate clients to receive funds in various currencies, placed into this account under foreign currencies and earn interest rate immediately. It allows SME entrepreneurs and corporate clients to do international transfer, convert currency and view e-statement in a convenient way through ttb digital channels.

OD for importers

An overdraft that supports working capital for import SME entrepreneurs to make a payment to their trading partners simply via ttb digital channels.

ttb outward remittance

Outward remittance service for payment of goods and services via SWIFT for importer or other purposes. The transaction can be done via ttb digital channels that gives SME entrepreneurs and corporate clients more confidence with the money transfer status notification e-mail.

[Learn More](#)

ttb SME smart biz – Loans for SME Business Growth

Improve business agility with smart solutions



SME credit package with collateral requirement that includes long-term loan and revolving facilities for working capital and asset investment / acquisition or refinancing to fulfill SME's business needs with a maximum credit limit up to 50 million baht.

ttb SME Relationship Managers who ready to meet SME entrepreneurs nationwide to give advice, assist in analysis, and planning, and seek appropriate funding sources that save cost. Enabling entrepreneurs to enhance liquidity.

Reduce unnecessary business costs. ttb SME clients can make money transfer without transaction fees through ttb digital channels.

A full range of international transactions covering international money transfer, trade service and trade finance.

Service SME entrepreneurs with the professional consultancy by our Relationship Manager teams. ttb provides the knowledge-sharing program to elevate our clients towards operation excellence and sustainable growth.

[Learn More](#)

Financial Solutions for Corporates

ttb business one – Digital Banking Platform for Corporates

Strengthen your business – all in one place



ttb business one is the completed digital banking platform for corporate and SME clients that helps you to fully control your business anywhere, anytime. All your business needs can be managed in one platform with 3-core competencies.

ONE Platform: A single platform that shares the same experience in all devices such as computer, tablet and smartphone.

ONE to Control: A platform that can access full suite of payment and collection services both domestic and international transactions with a single log-in.

ONE to Command: A platform that all transactions can be viewed with a consolidated financial summary, can be approved in a single location and can be presented in dashboard for your convenience.

[Learn More](#)



ttb fleet card

Optimize your fuel-cost management

An advance expense management tool that helps corporate and SME clients to control gasoline spending efficiently at participating gas service stations nationwide through our credit program. The solution comes with online reports, point-of-sales tax invoice, real time USSD credit checking for drivers and more customized solutions tailored to business needs.



- Granular level of control in gasoline spending through layers of credit limits, type of gasoline, eligible car via license plate, and much more to support clients' needs.
- Detailed information of fleet card usage is available for clients to review their fuel efficiency via ttb web fleet online reporting tools.
- Allow the company's drivers to easily check total remaining balance on their cards in real time using USSD from their mobile phones without extra charge.

ttb local currency service

Mitigate currency risk for efficient cost management

[Learn More](#)



ttb local currency service is a foreign exchange hedging product to minimize the risks of exchange rate volatility. Multi-currency support including CNY, MYR, IDR, SGD, and more, enables businesses to reduce import and export risks associated with the high fluctuating value of US dollars. Using local currencies in business transactions can ease cost management and mitigate currency fluctuation risks.

The Next Chapter to Strengthen Financial Literacy

Throughout 2023, ttb moved forward to build awareness and educate customers in all groups as well as the employees on financial literacy, which is an essential foundation of prudent financial management for secured and sustainable Financial Well-being.

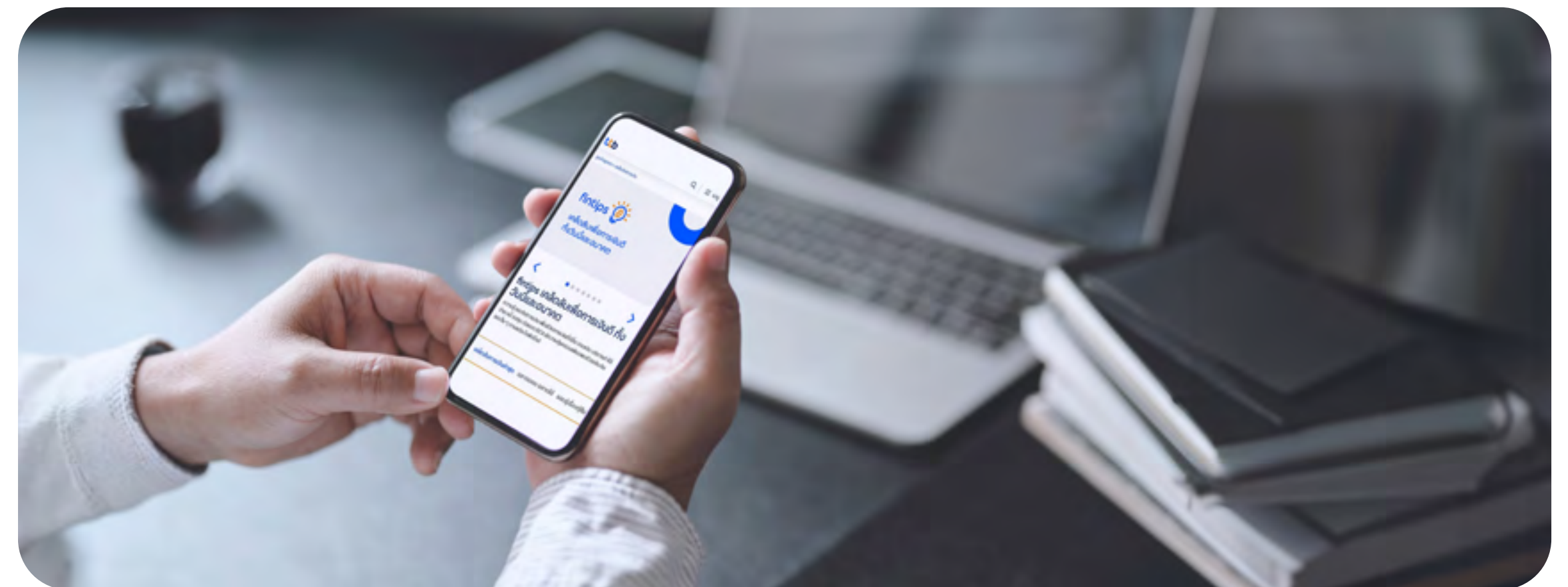
ttb provides financial knowledge, including various financial tips, that cover across all financial dimensions and align with economic conditions and ever-changing trends. With clear, easy-to-understand content that fit with audiences' lifestyle, it also addresses the diverse needs and goals of customers at various age groups, who can put that knowledge into practice and achieve actual results. The educational content is delivered through 4 digital platforms across channels that can be accessed easily at anytime anywhere as follows:



fin tips by ttb

fin tips by ttb is a financial tips hub on ttbbank.com and ttb's social media for Gen Y and new generation customers. With audience behavior in mind, ttb has delivered financial knowledge and tips through various

channels that can reach the new generation like TikTok, which more than 730,000 people are following ttb bank TikTok (as of 31 December 2023).

[Learn More](#)


fin live & learn by ttb

fin live & learn by ttb is a personal Financial Literacy program for employees of the companies that use ttb payroll and benefits services. These active learning programs are designed to encourage learners to participate in activities and change their behavior. The program offering can also be tailored to meet specific interests of each corporate customer.

[Learn More](#)



finbiz by ttb

finbiz by ttb, the All-in-One Learning Hub to Learn, Grow and Thrive for Sustainability, is a financial knowledge enrichment program to drive ttb customers to become a Smart SME that can overcome challenges for sustainable growth. This program empowers SMEs with in-depth content and insight of each industry for business sustainability in the digital age. Financial knowledge is delivered through various platforms such as seminars, online content on social media and website, and more. Entrepreneurs can elevate work efficiency and strengthen their business financial health in order to adapt to change and grow sustainably.

[Learn More](#)

fintools by ttb

fintools by ttb is an online tool for financial planning and goal setting available on ttb website. With personalized content and solutions, fintools helps you plan and set your financial goals for your enhanced Financial Well-being. .

- Discover your financial personality across 16 types of athletes to learn more about yourself in three aspects: spending habits, saving habits, and investment readiness.
- Set your financial goals.
- Find your suitable insurance plan via ttb smart protect.

- Planning and setting your investment goals with ttb smart port.

In 2023, ttb has connected financial literacy content across its platforms as Financial Literacy Ecosystem to facilitate individual accessibility for every group of customers. With a more personalized learning experience, the content is designed to suit audience at any life stage at the right time—for example, Financial Tips for Salaryman, Home Owner, and Car Owner.

In addition, ttb has launched the **“Debt-free Program”**, a pilot project initiated for ttb employees. This project aims to educate on and enhance financial skills in order to strengthen the employees’ immunity against debt matters and help them resolve their debt burden correctly and sustainably. The Bank plan to expand Debt-free Program to the companies and corporates that use payroll services in 2024 onwards. Debt-free Program consists of three main activities as follows:

- 1. Financial Health Check:** A tool as a starting point that let you know your financial health and provide initial advices that can be implemented in your daily life right away for your better Financial Well-being. Over 5,600 employees were now aware of their financial health from participated in the Financial Health Check last year.
- 2. Learning based on Your Financial Health Level:** Over 1,200 employees attended finance courses



specially developed by financial experts last year. These online courses can be accessed anytime anywhere. Workshops also provided for deep understanding with hands-on experiences that allows you to apply knowledge and tools in daily lives, leading to truly improved and sustainable Financial Well-being.

- 3. Debt-free Coach Consultation:** A free 1-on-1 advisory session to help employees manage and resolve their debt problem correctly and sustainably. In 2023, 19 volunteered Debt-free Coaches passed a special training course designed by Certified Financial Planner (CFP®) to solve debt problems for ttb employees. Since the project was launched in the third quarter, 33 employees had received an advisory session with Debt-free Coach.

[Learn More](#)

The Next REAL Change...Conducting business in tandem with sustainability, driven by B+ESG to become “Sustainable Banking”

ttb regards sustainability as an essential principle to support customers, counterparties, business partners, and society to live a life or run the business with security, sustainability, and corporate governance. ttb has been committed to propelling its organization towards building

Financial Well-being for the Thais, embedding the B+ESG framework as a strategic planning principle to infuse business operations with sustainability for all stakeholders, and to support adaptation to change with efficient knowledge and solutions.



Business

Environment

Social

Governance

Business Sustainability

ttb believes that conducting business and sustainability cannot be separated. Therefore, every business strategy and guideline of the Bank must be based on creating growth and sustainability for all stakeholders, including customers, counterparties, business partners, communities, and society.

Throughout the business journey, ttb has supported Financial Well-being with a wide range of financial solutions that enables retail customers to move forward despite a crisis. ttb offered 2.1 million free accident insurance for customers with ttb all free accounts, while encouraging indebted customers to relieve their high-interest burdens with ttb debt consolidation program that has them save interest payment in the total amount of 1,200 million baht. New features on ttb touch, like My Tax and My Car, comprehensively support Salaryman and Car Owner in managing life matters.



Regarding corporate clients, ttb has launched "Roddonjai", the online platform for good-quality used cars that allows customers to arrange car finance with ttb DRIVE under the Car Owner Ecosystem. ttb encourages used cars tent owners to keep up with the digital trends and change their business model to online channel for sustainability.

Additionally, ttb has provided its corporate clients with essential knowledge through LEAN for Sustainable Growth by ttb and brought ESG as part of a training course. It also established an insights knowledge center that provides useful information for business under the name of finbiz by ttb. Moreover, the Bank has also organized online and offline seminars continuously.

Environmental Sustainability

ttb has supported various companies prioritizing sustainability by providing sustainable financial solutions and responsible lending to create a ripple effect in driving the environmental agenda on a large scale.

ttb is the first Bank that issued green and blue bonds in which green and blue loan worth approximately 17,829 million baht were issued in 2023. ttb aims to issue more green and blue loan worth over 20 billion baht within 2024. Currently, the Bank is the market leader in EV car loans, with approximately 11,485 million baht of lending.

Social Sustainability

Punboon by ttb is a platform that allows foundations or public charity organizations to better access to donators with online money donations, aligned with the lifestyle of the younger generation in the digital era. It facilitates the foundations in comprehensive financial management, including manage donations from various channels, manage fundraising activities and manage documentation. Presently, 322 foundations participated in punboon by ttb, raising over 600 million baht in donations.

ttb has given precedence to Corporate Social Responsibility (CSR) and has done so continuously. With the idea of "Teaching how to fish instead of giving a fish," the Bank focuses on promoting social sustainability for youths and communities. Therefore, ttb initiated fai-fah, a key project to inspire youths and communities to make sustainable change. There are 5 fai-fah centers in Bangkok Metropolitan Region



with an aim to encourage youths to spend their freetime productively without any cost. There are also projects in which over 3,000 ttb employees nationwide participated as volunteers to inspire communities to make better change by using their knowledge and skills.

Corporate Governance & Business Ethics

ttb recognizes the importance of corporate governance and business ethics by establishing a committee of experts, and experienced professionals who guide and craft policies that are ethical and fair to all stakeholders. With the concentration of this focus, the Bank managed to win the Fair Finance Awards from Fair Finance Thailand with the highest scores in ESG among banking sector for the fifth consecutive year. Most recently, the Bank achieved the highest ESG ranking among financial institutions in Thailand and the second rank in Asia for the Mid/Small Cap category and ASEAN Countries (excluding China and Japan) from Institutional Investor's 2023 Asia (ex-Japan) Executive Team. This reflects the Bank's consistent dedication and sincerity towards ESG initiatives.

All of this is part of ttb's dedication to support all groups of stakeholders, including customers, counterparties, business partners, communities, and society to grow sustainably with enhanced Financial Well-being.

2023 Sustainability Performance

Anchored by the B+ESG principle, we strive to integrate sustainability into our business, ensuring that our strategic objectives not only meet short-term goals, but also contribute to long-term sustainable growth.



Business Sustainability



>50 mb

of accident protection and life insurance claims for ttb all free customers



>3,000 mb

Debt consolidation program

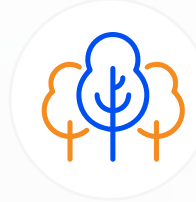


>6,800 mb

Welfare loan, a personal loan with special interests for ttb payroll's employees

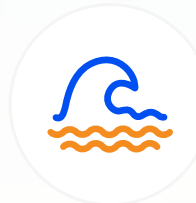


Environmental Sustainability



>17,829 mb

Green and blue loans new setup



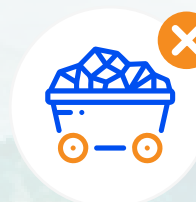
3,000 mb

Sustainability-linked loan to support blue finance



↓48%

Reduction of coal-fired power plants exposure compared to 2021

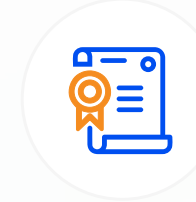


↓35%

Reduction of coal mining exposure compared to 2021



Social Sustainability



4,813 employees

from 61 payroll companies participated in fin live & learn (financial literacy programs)



384 mb

Home loan for same-sex couples



Nano loan

piloting a digital-only small-sized loan to promote financial inclusion, scheduled to be launched in Q2 2024

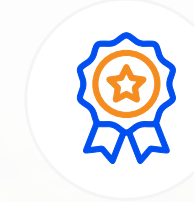


220 mb

donation via Punboon from > 275,000 donors



Corporate Governance and Business Ethics



#1

in Fair Finance Thailand for 5 consecutive years



Excellent rating

Corporate Governance Score for 15 consecutive years



0 case

of significant data breach

The Next REAL Change... to Inspire Youths and Communities for the Sustainable Betterment

This year, CSR campaigns by ttb continue to promote sustainably better lives for youths and communities, anchored by the concept of Make REAL Change with the following key strategies:

1. The Youth Inspiration

2. The Community Inspiration

3. The Cultural Inspiration



1. The Youth Inspiration

fai-fah learning centers by ttb

Currently, there are altogether 5 fai-fah learning centers, including fai-fah Pracha-Uthit, fai-fah Chan, fai-fah Bangkok Noi, fai-fah Samut Prakan, 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 give them 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 communities. This year, financial literacy has been included in the regular life-skill curriculum called "Fun for Fin : fai-fah youths learn how to save and spend", a program that cultivates wisdom in Mindful Spending and Smart Saving. The class will be scheduled annually from July to October.





Tae Young Thai by fai-fah ttb

This year, the project's content and format have been adjusted to be more modern and consistent with the current situation. ttb supported the competition to reduce bullying problems and inspire youth across the country to "be cool, not a bully". The winner would receive the royal trophy bestowed by Her Royal Highness Princess Maha Chakri Sirindhorn and a scholarship award. This year, 3,541 students from 351 schools across the country submitted projects to the competition through www.เท่อย่างไทย.com

[Learn More](#)

ttb | Thanachart Insurance parkrun 2023 – charity mini marathon

ttb strives to make a meaningful change for Thais' better quality of life and reduce societal inequality. Recognizing the importance of raising children to become well-rounded adults, it pushes forward the mission that all the proceeds from fundraising go toward charity foundations in order to pass on support to children who lack opportunities. This aligns with ttb's concept of inviting everyone to Make REAL Change, to create meaningful change for society and people around to lead the better lives. Therefore, ttb held the 11th parkrun charity mini marathon under the concept of "Run for Change," with an aim to change...every power into a gift for children in 3 foundations evenly: Operation Smile Thailand, FOOD FOR GOOD by Yuvabadhana Foundation and fai-fah by ttb foundation. In 2023, funds raised from ticket sales, donations, and contributions from ttb was 6,008,520 baht.



2. The Community Inspiration

fai-fah for Communities

In 2023, ttb continued to encourage employees to give back through activities to empower communities for sustainable change. The goal is to execute in line with Sustainable Development Goals (SDGs). There are 26 projects nationwide with more than 3,000 ttb volunteers bringing their knowledge and expertise to help communities and public charity organizations, including Branch Teams, Automotive Lending Teams, Talent teams and Passionate Teams.



Ar-Sar...Chuay-Kan-Tam

This activity united ttb volunteers in a more compact form by inviting ttb volunteers to create 15,000 pieces of craft to solve problems for the communities nationwide, including foundations, hospitals, and schools. For example, DIY handbooks for kids, sorting medical supplies, exercise balls for the elderly, knowledge flashcards, and more.



ttb Red Cross Lottery

ttb has raised funds for Thai Red Cross Society by selling 220,000 ttb Red Cross lotteries. This year, the Bank increased prizes to 716 with a Mercedes Benz over 2.7 million baht as the 1st prize and the remaining 715 prizes of gold bars and necklaces.

3. The Cultural Inspiration

Garuda Museum by TMBThanachart

Garuda Museum is a place that inspires and shines with the essence of Thai culture, offering free public access on Friday and Saturday throughout the year. There were over 9,000 visitors in 2023. The museum constructed the strategic planning, emphasizing public relations, networking with related organizations, and promoting the grace of Garuda through the role model activity – Grateful Youth, which was co-organized with schools in Samut Pprakarn and neighboring areas. Another pride of ttb is that Garuda Museum was awarded the Outstanding Glorified Thai Museum (Thai Museum San Sern) Award in 2023 by The Museum Association of Thailand as Garuda Museum is the outstanding role model of a learning center for sustainable development.



TMBThanachart's Royal Kathin Robes Presentation

The Bank was graciously bestowed by His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun to offer the Royal Kathin Robes for 17 consecutive years. This year's Royal Kathin Robes Presentation was held at Wat Phrathat Chae Haeng, Nan, with donations reaching 18.5 million baht. In addition, Wat Phrathat Chae Haeng donated merit money in a total value of 6 million baht to not only local schools and hospitals, but also Foundation for Children with Disabilities and more than 280 charitable organizations under "Punboon".

TMBThanachart remains committed to moving forward to inspire youths and communities in a sustainable way, reflecting our philosophy of Make REAL Change. For more information, please visit www.ttbfoundation.org

[Learn More](#)

2023 Awards

1. Fair Finance Awards 2023

Category Rank No.1 in "Fair Finance" assessment
By (The 5th consecutive year)
based on Fair Finance Guide
International Fair Finance Thailand

2. Bloomberg Gender-Equality Index 2023

Category Member of Bloomberg
Gender-Equality Index (GEI)
By (The 2nd consecutive year)
Bloomberg Gender-Equality Index - GEI

3. Red Hat APAC Innovation Awards 2023

Category Cloud-native Development
By Red Hat

4. International Finance Awards 2023

Category Best Environment Sustainability Bank
By International Finance Magazine

5. International Finance Awards 2023

Category Best Investor Relations Bank
By International Finance Magazine

6. The Asiamoney Private Banking Awards 2023

Category Best for Wealth Transfer /
Succession Planning in Thailand
By Asiamoney

7. Global SME Banking Innovation Awards 2023

Category Best SME Bank in Thailand
By The Digital Banker

8. Global Retail Banking Innovation Awards 2023

Category Best AI Initiative
By The Digital Banker

9. Global Retail Banking Innovation Awards 2023

Category Mortgage Product of the Year
By The Digital Banker

10. Global Retail Banking Innovation Awards 2023

Category Best Digital Sales Initiative
By The Digital Banker

11. LINE Thailand Awards 2022

Category Best LINE Ads : Bank & Finance
By LINE Company (Thailand) Co., Ltd.
Remark : Award announcement and ceremony was held in 2023

12. Car of the Year 2023

Category Best EV Finance Brand 2023
By Grand Prix International PCL.

13. Thai Museum San Sern Award in 2023

Category Outstanding Role Model of a Learning
Center for Sustainable Development
By The Museum Association of Thailand

14. IAA Awards for Listed Companies 2022 – 2023

Category Outstanding CEO
By Investment Analysts Association (IAA)

15. IAA Awards for Listed Companies 2022 – 2023

Category Outstanding CFO
By Investment Analysts Association (IAA)



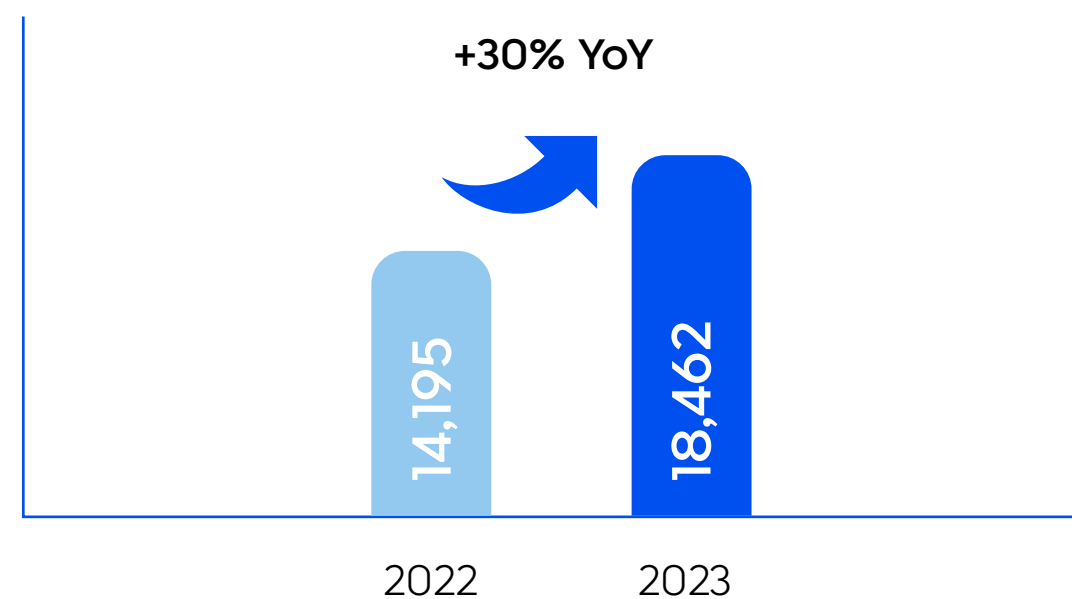
Financial Highlight

Maintaining prudent business direction and strengthening financial positions further

Amid economic recovery that still faced with headwinds, TTB continued to focus on prudent business operations and to leverage the Bank's post-merger strengths to enhance profitability. At the same time, we continue to build up our financial strengths in every aspect including asset quality, risk absorption capability, and capital position. This was to ensure a solid buffer against impacts from future downside risk and uncertainties.

Net profit increased, supported by merger synergy realization

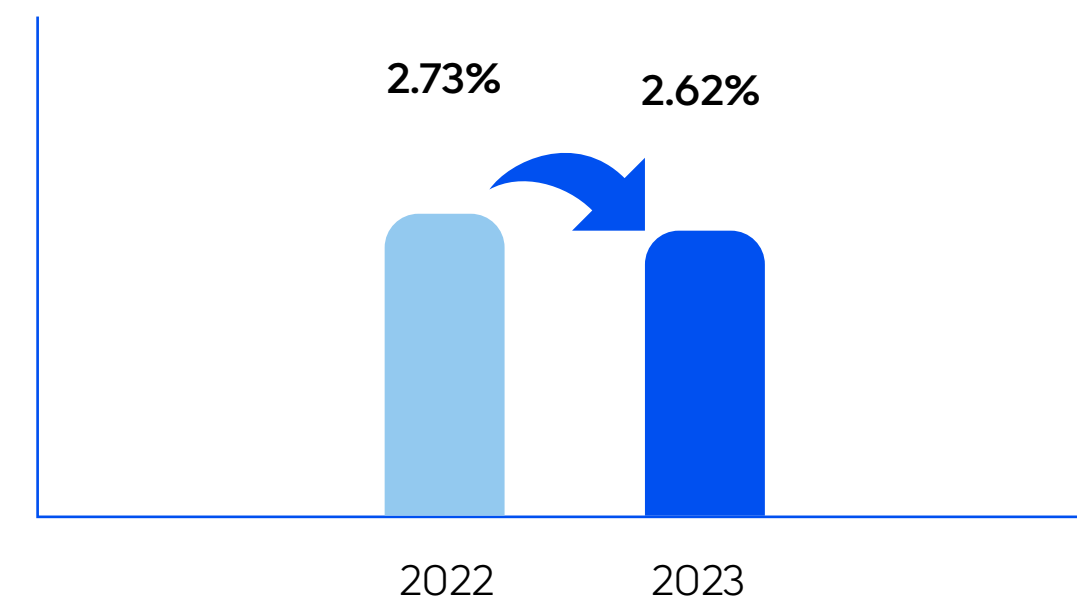
THB million



- ttb reported **THB 18,462 million of net profit** in 2023, an increase of 30% YoY.
- **Key driver was merger synergy realization**, underpinning revenue generation and cost management.

Well-contained portfolio quality with relatively low NPL ratio

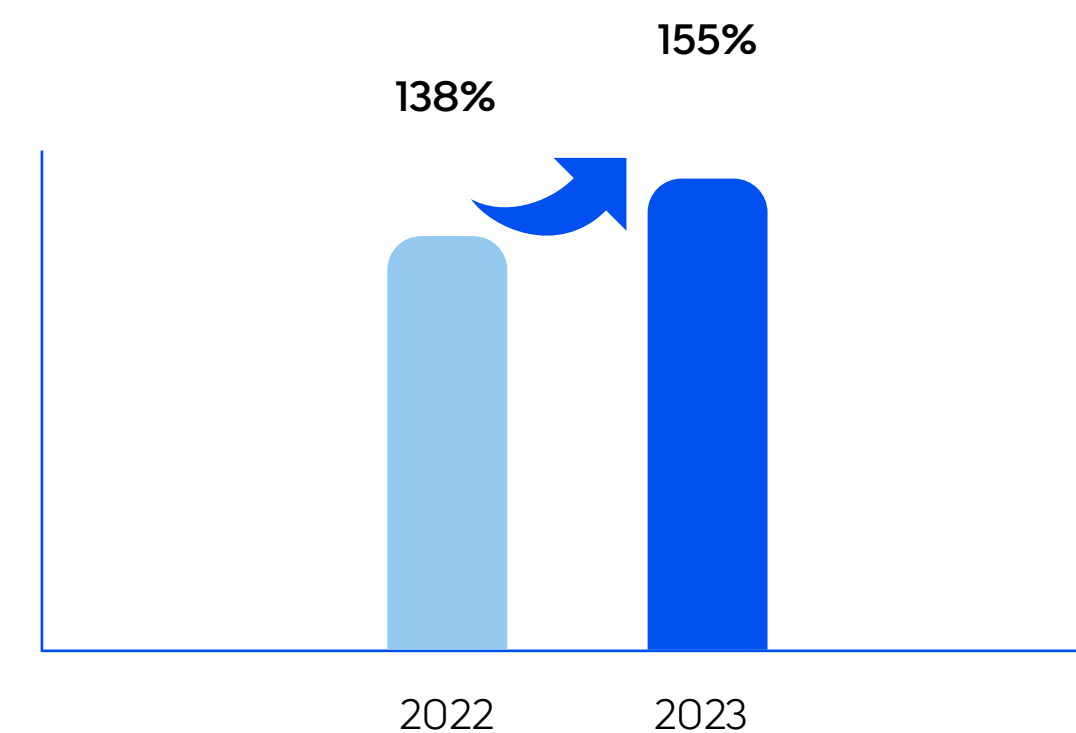
Non-performing loan or NPL ratio



- With quality growth strategy, right financial assistant to customers, and proactive NPL management, **portfolio quality was well-contained.**
- **NPL ratio continued to decline** from 2.98% during COVID-19 period to 2.73% in 2022 and 2.62% in 2023.

Built up stronger risk absorption capability

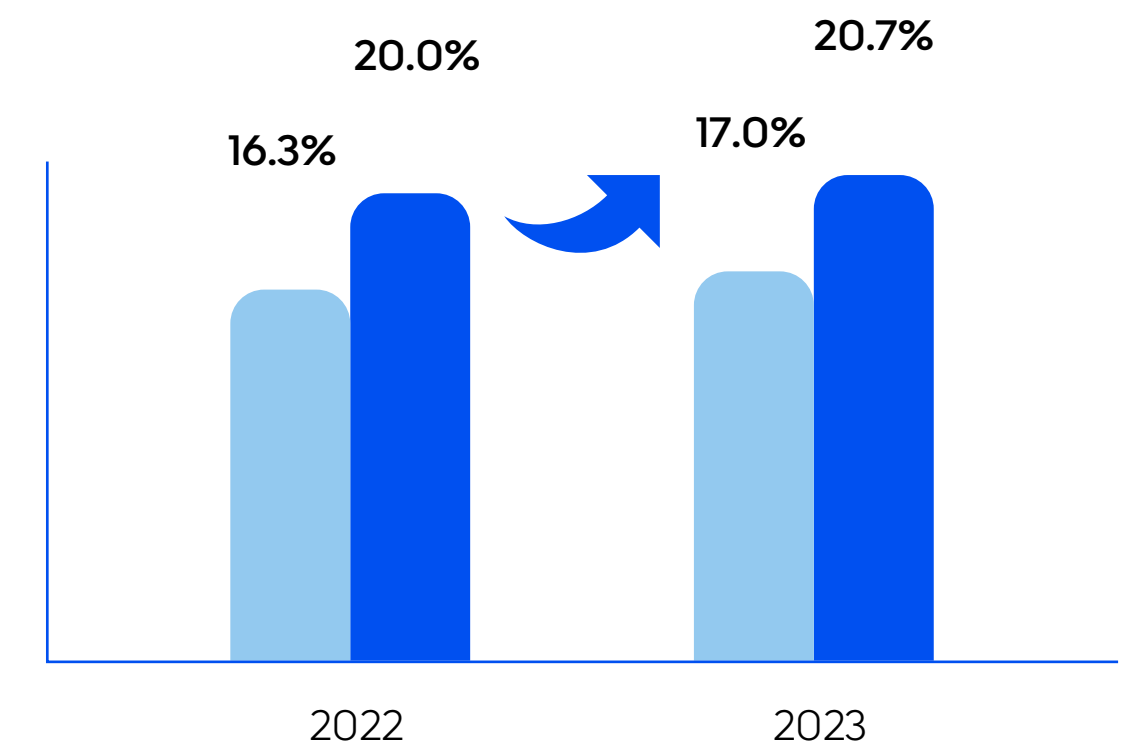
Coverage ratio



- **The Bank strengthened the risk absorption capability** by setting aside special provision of THB 4.9 billion.
- As a result, **coverage ratio increased significantly** to 155% from 138% in 2022.

Robust capital position

● Tier 1
● CAR



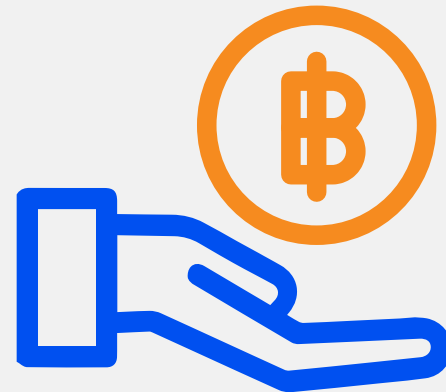
- **The Bank's capital position remained robust and stable.**
- Tier 1 and CAR ratio stood at 17.0% and 20.7%, respectively, well above BOT's minimum requirement and among the top tiers in the banking industry.

Delivering benefits to all stakeholders

Improving profitability and financial strengths allowed ttb to deliver returns to shareholders, customers, employees, and society. The financial achievements in 2023 firmly reflected ttb's potentials and readiness for 2024. We will continue to adhere to our mission towards all stakeholders while supporting government initiatives aimed at solving household debt problems and promoting responsible lending as such direction is in line with our aspiration to sustainably improve customers' life-long financial well-being.

Value creation to all stakeholders

Shareholders



- ROE increased to 8.2% from 6.6% in 2022.
- Total dividend payment in 2023 rose 44% YoY to THB 10,196 million, equivalent to a dividend payout ratio of 55%, continuously improving from 50% in 2022 and a pre-merger level of 30%-35%.

Customers



TTB continued to provide ongoing support to customers since COVID-19. The Bank successfully engaged approx. 17,000 customers in the debt consolidation and helped reduce their interest payment by approx. THB 1.2 billion.

Employees



The first D-SIBs to initiate an Employee Joint Investment Program (EJIP) worth THB 270 million to increase long-term employee benefits.

Society and Environment



Moving forward with the B+ESG strategy, granting approx. THB 17.8 billion of green loans and blue loans. Also, issuing blue bonds for environmental and marine sustainability, raising over USD 210 million.

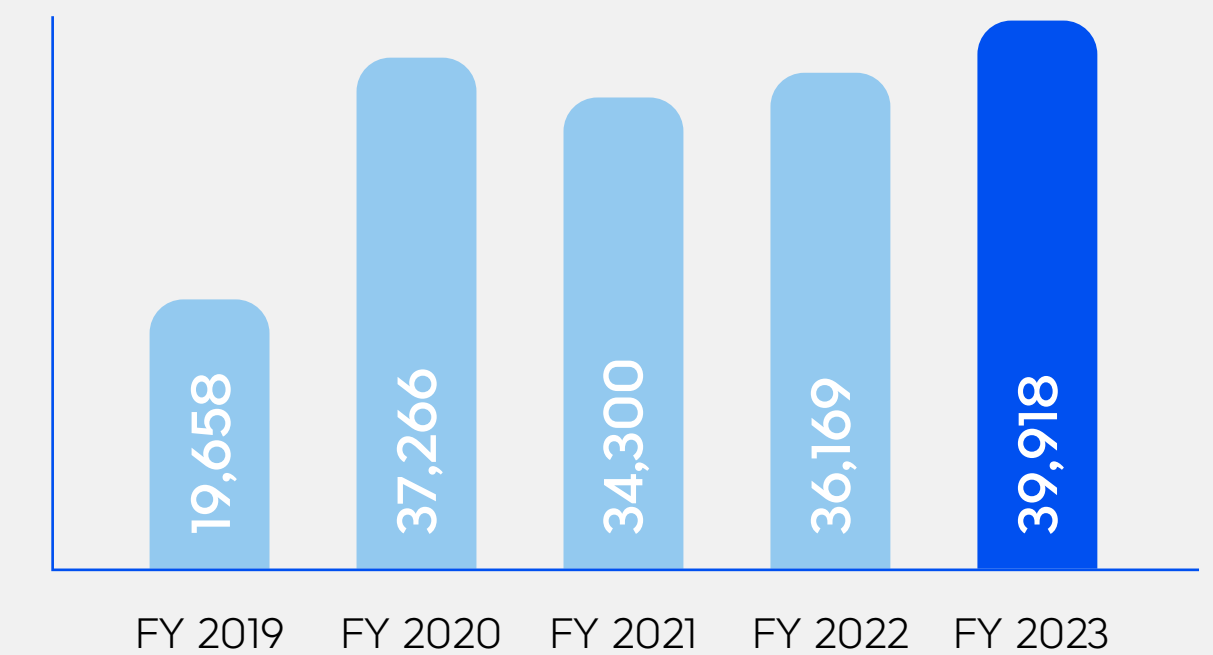
Historical Financial Performance

Consolidated financial statements (Unit: THB million)					
Selected statements of profit or loss and other comprehensive income items	FY2023	FY2022	FY2021*	FY2020*	FY2019*
Interest income	79,134	65,627	64,239	72,320	39,837
Interest expenses	21,926	14,010	13,239	18,515	12,972
Net interest income	57,207	51,617	51,000	53,805	26,865
Net fees and service income and other operating income	13,754	14,236	14,537	15,541	12,956
Total operating income	70,961	65,852	65,537	69,346	39,821
Other operating expenses	31,280	29,952	31,219	32,177	20,674
Impairment loss on loans and debt securities	0	0	0	0	10,337
Expected credit loss	22,199	18,353	21,514	24,831	0
Income tax	-980	3,352	2,327	2,223	1,588
Profit for the year	18,462	14,195	10,477	10,115	7,222
Equity holders of the Bank	18,462	14,195	10,474	10,112	7,222
Non-controlling interest	0	0	3	3	0
Total other comprehensive income for the year, net of income tax	1,545	-550	-274	309	1,287
Total comprehensive income for the year	20,007	13,645	10,203	10,424	8,509
Basic earnings per share (THB/Share)	0.19	0.15	0.11	0.10	0.15

Core-operating performance

Pre-provision operating profit (PPOP)

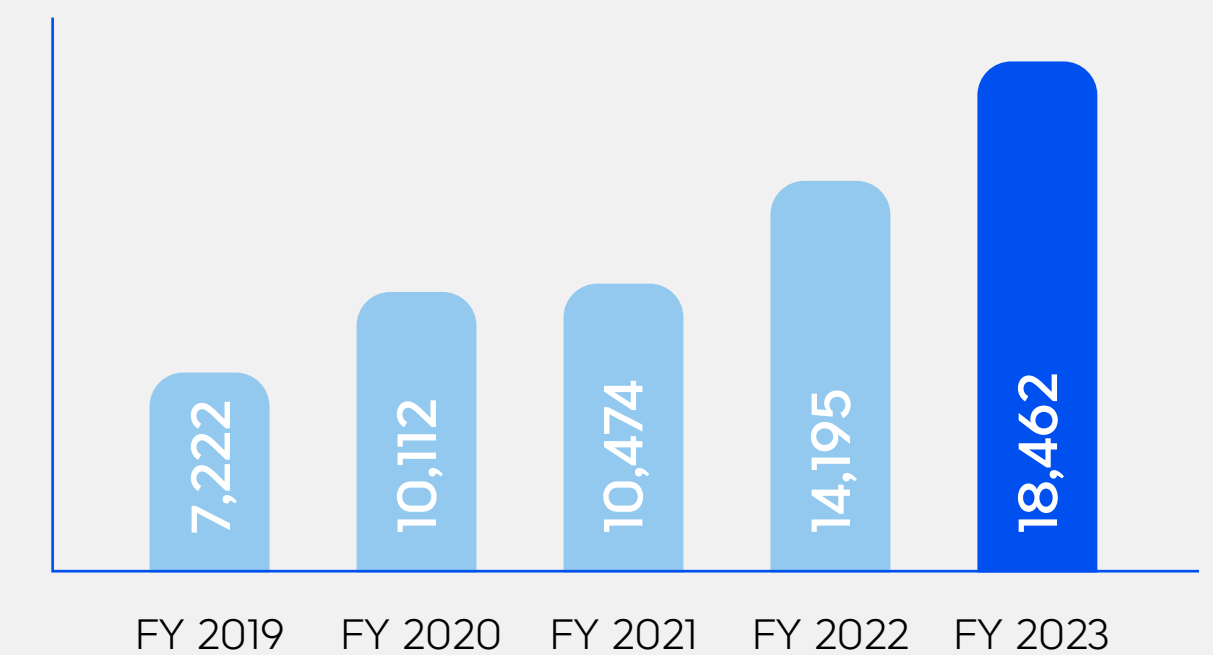
(THB million)



Net profit

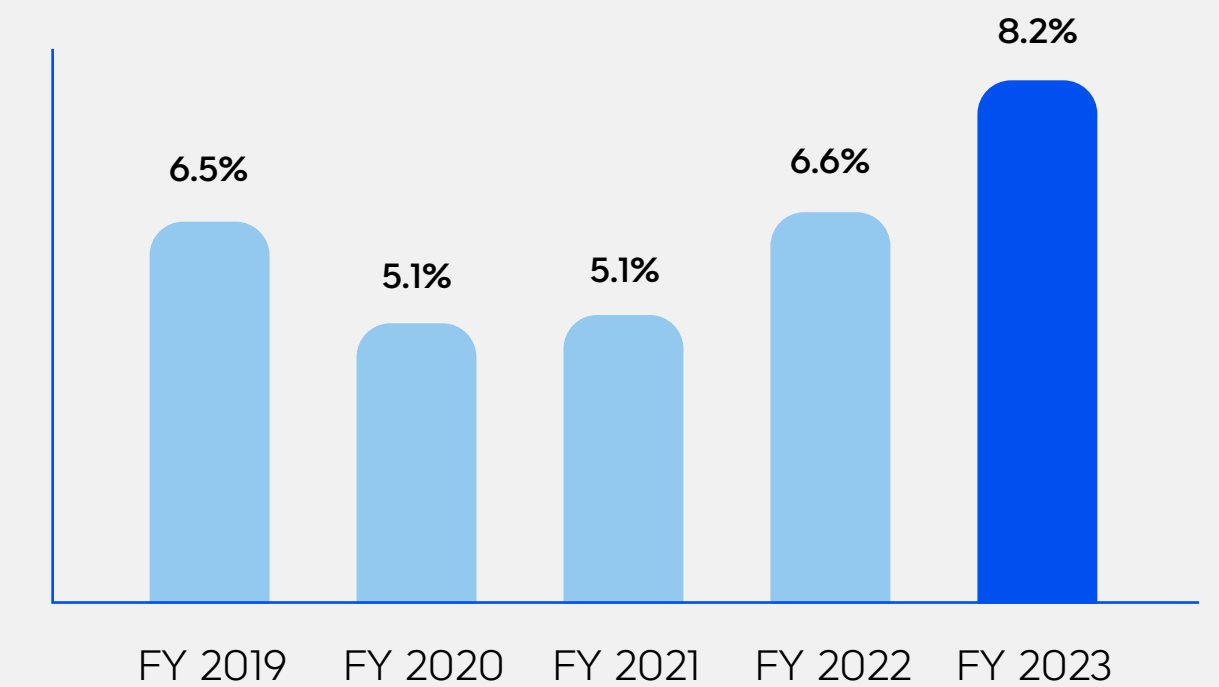
Net profit to equity holders of the Bank

(THB million)



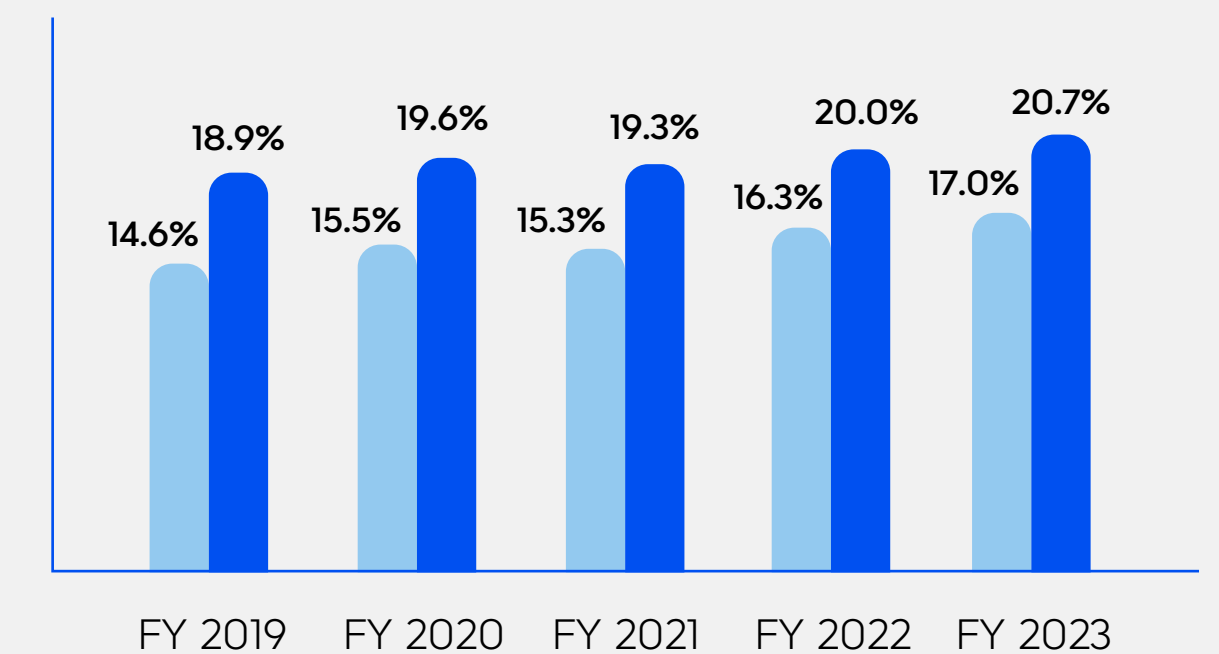
Consolidated financial statements		(Unit: THB million)				
Selected statements of financial position items		FY2023	FY2022	FY2021*	FY2020*	FY2019*
Loans to customers and accrued interest receivables		1,336,638	1,383,895	1,378,673	1,400,447	1,394,108
Total assets		1,824,434	1,826,279	1,758,170	1,808,332	1,858,190
Deposits		1,386,581	1,399,247	1,339,195	1,373,408	1,398,112
Total liabilities		1,595,087	1,607,271	1,547,334	1,603,582	1,663,379
Total equity		229,347	219,008	210,836	204,750	194,811
Equity attributable to equity holders of the Bank		229,347	219,006	210,835	204,713	194,777
Non-controlling interest		0	1	1	37	35
Key financial ratios (Consolidated financial statements)						
Profitability						
Return on equity (ROE)		8.2%	6.6%	5.1%	5.1%	6.5%
Return on assets (ROA)		1.0%	0.8%	0.6%	0.5%	0.7%
Cost to income ratio ^{1/}		43.6%	45.1%	47.6%	45.8%	50.6%
Net interest margin (NIM)		3.24%	2.95%	2.97%	3.00%	2.81%
Liquidity						
Loan to deposit (LDR) ^{2/}		96%	98%	103%	101%	100%
Current and saving accounts to total deposits (CASA) ^{3/}		68%	83%	88%	86%	70%
Capital adequacy (Consolidated financial statements)						
Tier I ratio (Tier I)		17.0%	16.3%	15.3%	15.5%	14.6%
Capital adequacy ratio (CAR)		20.7%	20.0%	19.3%	19.6%	18.9%

Return on equity (ROE)



Capital adequacy

- Tier 1 ratio (Tier 1)
- Capital adequacy ratio (CAR)



Consolidated financial statements

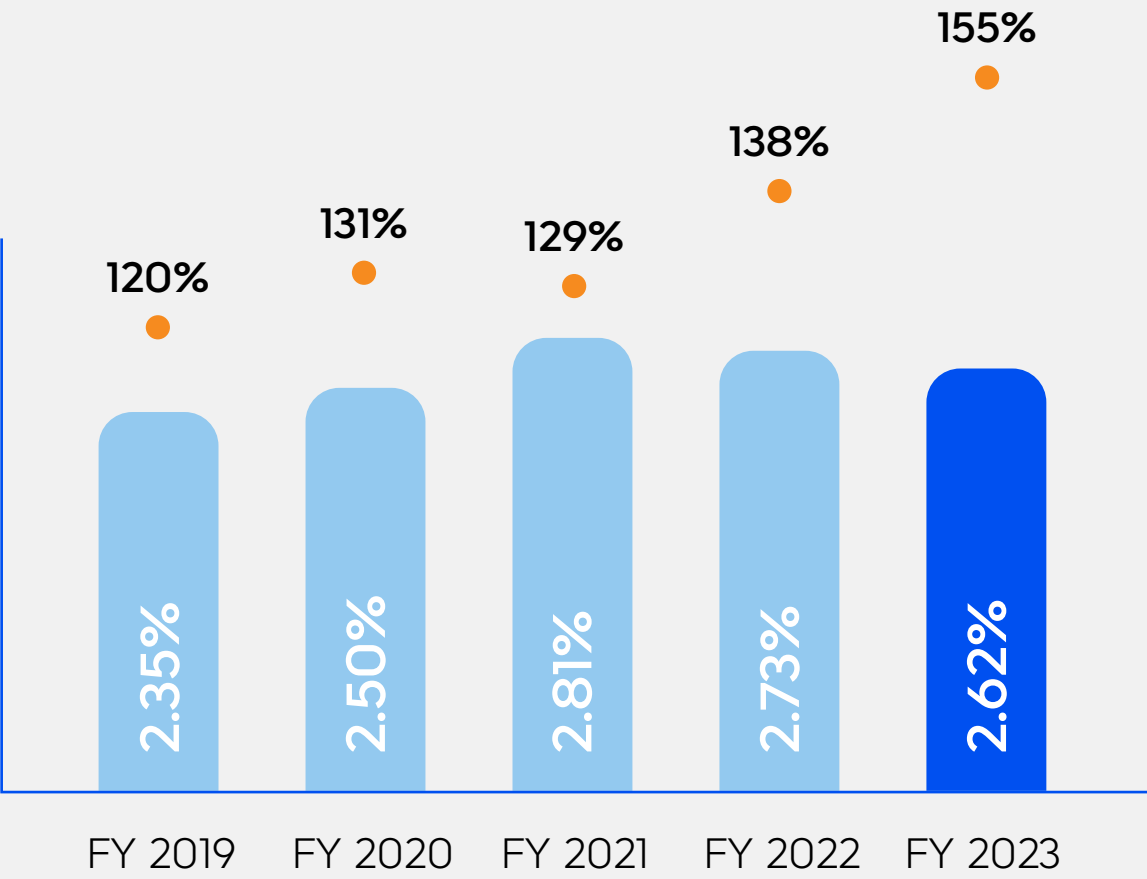
Key financial ratios (Consolidated financial statements)	FY2023	FY2022	FY2021*	FY2020*	FY2019*
Asset quality					
NPL ratio	2.62%	2.73%	2.81%	2.50%	2.35%
Coverage ratio	155%	138%	129%	131%	120%
Others					
Book value per share (THB/Share)	2.36	2.26	2.18	2.12	2.02
Number of employees ^{4/}	15,320	15,556	15,102	17,009	19,432
Number of branches	532	569	636	733	895
Number of ATMs and ADMs	3,015	3,296	3,894	4,372	4,837

Note : * Changes in accounting practice
2019 : 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
2020 : TFRS 9 Adoption and certain accounts in the 2020 financial statement, have been reclassified to conform to the presentation in the 2021 financial statements.
2021 : Reclassified HP subsidy income as part of loans to customer

^{1/} Excluded extra ordinary items and credit related items
^{2/} Excluded interbank and money market items
^{3/} FY2019-2020 CASA included No Fixed, ME and Ultra Saving and excluded NCD
^{4/} From 2022 onwards, employee data included subsidiaries data

Asset quality

- NPL ratio
- Coverage ratio



Board of Directors



1. Mr. Ekniti Nitithanprapas

- Chairman

2. Mr. Suphadej Poonpipat

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

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

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

4. Mrs. Charita Leelayudth

- Independent Director
- Chairperson of the Audit Committee

5. 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

6. Mr. Yokporn Tantisawetrat

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

7. 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

Remark: Data as of 31 December 2023

Board of Directors



8. General Apinun Kumproh

- Director

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. Mrs. Chananyarak Phetcharat

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

12. Mrs. Patricia Mongkhonvanit

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

13. Mr. Johannes Franciscus Grisel

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



Mr. Piti Tantasem
Chief Executive Officer



Mr. Thakorn Piyapan
President and Acting Chief Retail Banking Officer



Mr. Anuwat Luengtaweekul
Chief Automotive Lending Officer



Mr. Saranya Phuphatana
Chief Commercial Banking Officer

Management Team



Mrs. Prapasiri Kositthanakorn
Chief of Staff



Mr. Vikran Paovarojkit
Chief Risk Officer



Mr. Sutthikan Rungsritthong
Chief Information Officer



Mrs. Rattana Arkachaisri
Chief Operating Officer



Mrs. Pittimart Sanguansook
Chief Audit Officer



Miss Somkid Preechasammakul
Chief Financial Officer



Mrs. Kanchana Rojvatuny
Chief Market and Experience Officer

Part 1

Business Operations and Performance

Structure and Business Operations

Risk Management

Steering Business Towards Sustainability

Management Discussion and Analysis

General Information and Other Significant Information

1. Structure and Business Operations

1.1 Policy and Business Overview

1.1.1. Background

TMB Bank Public Company Limited. (“TMB” or “the Bank”) was established on 5 November 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 military personnel both in-service and out-of-service.

The year 1982 marked a milestone for the Bank as His Majesty King Bhumibol Adulyadej 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 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 declared TMBThanachart Bank to be one of the Domestic Systemically Important Banks (D-SIBs).

1.1.2 The Bank’s Strategy for the Next 5 Years

Vision : To become the recommended bank of choice by our customers

Mission : To improve our customers’ life-long financial well-being

The Bank has formulated 7 Strategic Intents to drive the Bank’s target as follows:

1. Customer Centricity

TMBThanachart places emphasis on the customer at a center of business operation by gathering and analyzing customer’s behaviour to develop financial products and services to meet their needs and provide better customer experience. Moreover, TMBThanachart also measures customer satisfaction to continuously improve the Bank’s products and services.

2. Build Deposit and Transactional Banking Product Excellence

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

3. Continue Leading in Auto Loan and Lending products

TMBThanachart has been a leader in auto lending business, which equipped with available personnel, car dealer network, and brand’s strength to cater customer’s needs. With comprehensive financial product offerings and services, it enhances the Bank’s ability to cope with the change 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 on building sustainable non-interest income capability. Building non-interest income capability allows the Bank to effectively manage capital because of the minimal capital requirement compared to credit-related income, for example, bancassurance products and mutual fund products. Moreover, non-interest income will help ensure sustainable bottom line through business cycles. TMBThanachart applied business model of distributor and open architecture by searching for suitable business partners and best product to be available on the Bank’s shelf. This is to ensure the best offering which cater to variety needs of our customers.

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 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 balance sheet to generate incremental return.

6. Enhance Digital Capability and Solutions

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

- 1) Reduce costs and operational burden by serving customer via digital channel
- 2) Deepen customer’s engagement through personalization
- 3) Generate sustainable growth in traditional revenue stream, and
- 4) Create revenue from new business and ecosystem

The Bank’s digital strategy has geared towards beyond banking services and ecosystem play developed with strategic partners in order 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, automotive industry where the Bank is the leader in 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 for owing a car.

7. Align Organization and Workforce Structure to Digital-First Operating Model

With well-developed digital capability foundation and implementation Digital-first operating model, this enables the Bank to leverage the capability to streamline operational activities and adopt more digital end-to-end process. The Bank has also strengthened the employer branding to attract tech talent in order to build up digital capability internally. As a result, the organization and workforce structure are required to change in accordance with Digital-first direction for sustainable business model and realize benefits of lower cost-to-serve from streamlining the offline operations.

1.1.3 Significant Changes and Development

Significant Changes and Development in the Past Years

Stage	Key Highlights	Result
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

Stage	Key Highlights	Result
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 with customers' needs Physical channel optimization Brand enhancement 	<ul style="list-style-type: none"> Successfully grew customer base through improvement of quality services and products which matched with 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 relationship with customers to offer the right products that answer customers' needs Better quality of assets (larger proportion of SME lending) Introduced integrated channel with focus on digital transformation 	<ul style="list-style-type: none"> Successful release of flagship transactional products Cross-selling based on customer understanding at industry and segment level Optimization of loan portfolio Offer best-in-class E-Channels
4. Induce a game change and enter into new business 2015-2018	<ul style="list-style-type: none"> Focused on building the right digital platform that address customer needs and lifestyles to empower them to make the most of their lives Developed employee capability and restructure organization to allow the employees to work at their full potential Potentially entered into new businesses that suit customer needs Built Data analytics capability to leverage on data enrichment to be able to offer right products and services to the customers at better efficiency 	<ul style="list-style-type: none"> Infrastructure readiness for digital platform to serve National E-Payment Reduced employee corporate layer down from 6 to 5 to improve agility Introduced customer data roadmap to improve in data completeness, quality, and enrichment Prepared IT capability to ensure digital channel stability Formed a partnership with Eastspring Investments (Singapore) from a deal to sell 65% stake in TMBAM
5. Leapfrog via inorganic growth and Covid-19 relief program 2019-2021	<ul style="list-style-type: none"> Introduce new way of work and revamp key process 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 debt relief program for customers impacted from Covid-19 so they can continue their business amid the difficult circumstances 	<ul style="list-style-type: none"> "Agile way of work" to shorten 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 for debt relief program

Stage	Key Highlights	Result
6. Build digital foundation and capture synergy 2022-2023	<ul style="list-style-type: none"> Maximize the potential of the merged bank's customers thru financial well-being, serving banking and beyond consumers' needs for banking, and become a top-tier digital platform Revamp group structure to unlock value and optimize return Fully realized synergy as per target 	<ul style="list-style-type: none"> Expanded secured loan business (cash your car and cash your home) and continued launching new product innovation 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 business more efficiently through digital Launch new mobile banking (ttb touch)
7. Transformation towards digital-first business model 2024-onwards	<ul style="list-style-type: none"> Develop products and services under "Digital-First" principle Double down on humanized digital banking (vs. a pure digital bank) while optimizing for a leaner physical network with enhanced productivity. Digital Investment starts generating business impacts from new digital revenue model at lower cost-to-serve Shift of loan mix towards retail enabled by ecosystem play leading to deepened customer engagement Rollout of Digital-First branch under the principle of "Digital-First" operating model" for 532 branches nationwide 	<ul style="list-style-type: none"> Deepened engagement and better customer experience through 3 target ecosystems with new acquisition model, e.g., Roddonjai for used car business Create more opportunity for cross-selling through personalization and results in >50% digital sales growth in key products Digital has become a mainstream channel for new business generation and serve as a platform for future business model shift Improved cost structure from optimizing front/back-office towards Digital-First principles Shifted workforce mix significantly towards digital talents with initial success in talent attraction through ttb Spark and Spark Academy

Significant Changes and Development in 2023

- The Bank launched “Roddonjai,” an online platform facilitating the trading of high-quality used cars, which has partnered with more than 80 partners. It focuses on expanding online market. “Roddonjai” is a transparent intermediary platform that increases confidence and reliability to both buyers and sellers of cars in terms of quality standards of the car and appropriate pricing. This is to ensure customers are taken care of through all life stages; from car purchase, auto loan financing, motor insurance purchase, tax payment, loan credit limit increase request, and sale of car to change to new car.
- The Bank has added new features “My Car” in ttb touch application in order to deliver good customer experiences, especially for those who own and are frequent users of car vehicles. Car owners can conduct car-related transactions through My Car features easily in many aspects such as checking balance in Easy pass, checking real-time oil price, purchasing compulsory insurance, renewing car insurance, and paying automotive, lending bills, and selling their car through the online auctions.
- The Bank has launched new features “My Tax” on its mobile application ttb touch as a personal assistant that can support tax saving planning in advance, can assist calculate personal income tax deductions, and suggest tax deductions suitable to each customer. This corresponds to employees’ financial need under the concept to improve employees’ life-long financial well-being.
- The Bank collaborated with Siam Global House to launch new co-branded credit card and flash card “ttb Global House” for Thais to purchase construction materials and home decoration in a more efficient manner through great deals and personalized offers, helping to build brand loyalty to the Bank and its partners.
- The Bank has launched unsecured “ttb multi-purpose welfare loan” for both private companies and state enterprises that desire to improve life-long financial well-being of company’s employees to lighten the burden of debts.

- The Bank has announced its readiness in launching PromptBiz, a financial and payment infrastructure for business sector that supports full digitization of trade transaction and payment. The service of PromptBiz has offer features responding to buyers and sellers needs and offers both trade and payment and lending services.

The Bank has also been awarded several recognitions in 2023 due to determination for customer experience focus, effective corporate governance, and transparency. The awards can be summarized as following categories.

Sustainability Awards:

- The Bank was awarded the 1st rank with the highest overall score of ESG for 5 consecutive years from Fair Finance Thailand assessment. This reflects to the Bank’s good governance, the integration of sustainable banking principles, and the consideration of society and the environment in business operations.
- The Bank was awarded “Best Environmental Sustainability Bank” from International Finance Awards 2023, organized by International Finance Magazine (IFM), a world-leading business and finance magazine in England. This is the result of the Bank’s strong focus on the environment through sustainable financial solutions, especially financial products that help reduce environmental impacts.

Listed Companies and Investor Relations Awards:

- The Bank was awarded “Outstanding CEO” and “Outstanding CFO” from IAA Awards for Listed Companies 2022-2023, organized by Investment Analysts Association. This exhibits the Bank’s outstanding management and communication excellence.

- The Bank was awarded “Best Investor Relations Bank” from International Finance Awards 2023. This exhibits the Bank’s outstanding performance and continued activities with investors’ high engagement, which is well recognized by both local and international analysts.
- The Bank was awarded 8 regional awards from Institutional Investor’s 2023 Asia (ex-Japan) Executive Team. Firstly, TMBThanachart has earned the designation of “Most Honored Company”, a recognition for listed companies that achieve top-ranking positions across core voting aspects. Under Banking and Non-Bank Finance sector, TMBThanachart was also ranked the 2nd in 7 award categories such as “Company Board”, “ESG”, “Best CEO”, “Best CFO”, and “Best Investor Relations”, notably receiving the highest position among Thai Banks and at the 2nd place in Asia (Mid/Small Cap) and Rest of Asia (excluding Mainland China and Japan) as voted by sell-side analysts.

Products and Services Development Awards:

- The Bank was awarded “Best LINE Ads” in Bank & Finance category from LINE Thailand Awards 2022, announced in March 2023. This exhibits marketing and digital business success on Line platform in 2022, which is due to the fact that the Bank has promoted its products and services via LINE efficiently with continuous advertisements.
- TMBThanachart was awarded “Best SME Bank in Thailand” from Global SME Banking Innovation Awards 2023 by the Digital Banker. The award guarantees ttb being a trustworthy partner to SME entrepreneur to help drive SME business to success.
- The Bank was awarded “The Best for Wealth Transfer/Success Planning in Thailand” form Asiamoney Private Banking Awards 2023. This award was recognized by the Bank’s wealth solutions ttb reserve credit card and through the offering of ttb reserve credit card and wealth accumulation solution.
- The Bank was awarded “Red hat APAC Innovation Awards” in 2023 under cloud-native development. ttb was recognized for outstanding creative use of open source to develop applications to provide digital products and services to customers.

1.2 Nature of Business

1.2.1 Income Structure

Income structure of the Bank and its subsidiaries consisted of interest income, fees and service income and other operating income. Details are in the following income structure table for the year ended 31 December 2021-2023:

(Unit: THB million)

Income Structure	For the Year Ended 31 December					
	2023	%	2022	%	2021	%
Interest income	79,134	82.0	65,627	78.6	64,239	77.7
Interbank and money market items	4,468	4.6	1,489	1.8	1,060	1.3
Investments and trading transactions	55	0.1	27	-	66	0.1
Investments in debt securities	2,910	3.0	1,782	2.1	1,247	1.5
Loans to customers	48,902	50.7	39,493	47.3	39,827	48.1
Hire purchase and finance leases	22,798	23.6	22,834	27.4	22,034	26.7
Others	1	-	2	-	5	-
Fees and service income	14,007	14.5	14,025	16.8	15,190	18.4
Gain on financial instruments measured at fair value through profit or loss, net	1,666	1.7	1,693	2.0	1,480	1.8
Gain on investments, net	52	0.1	7	-	182	0.2
Share of profit from investment using equity method	284	0.3	261	0.3	346	0.4
Other operating income	1,390	1.4	1,883	2.3	1,280	1.5
Total income	96,533	100.0	83,496	100.0	82,717	100.0

1.2.2 Products and Services

TMBThanachart offers financial products and services, ranging from deposit, loans, investment product and bancassurance. However, each customer segment has different financial needs. As a customer centric organization, understanding customer’s needs is one of TMBThanachart key success factors. TMBThanachart business is organized into 2 key customer segments as follows:

Product and Services for Commercial Banking Customers

- Corporate Banking segment: customer group with annual sales turnover more than THB 400 million.
- Small and Medium Enterprise (SME): customer group with annual sales per year up to THB 400 million.

Key Products for Commercial Customers:

Type	Products and Services
Deposit	Business accounts (ttb SME One Bank) International accounts
Loan and Financing	Working capital Long term loan Supply chain solutions Auto loan Special funding program for SME (ttb SME Smart Biz)
Domestic transactions	Payment service Collection service Liquidity management

Type	Products and Services
International Transactions	International transfer services International trade finance service Foreign exchange risk management Interest rate risk management
Bancassurance & business protection	ttb certificate of finance ttb one life business insurance ttb non-life business insurance
Others	Corporate card Agency service Investment banking and investment advisor Letter of guarantee Business payment service Solution for Foundations “punboon by ttb”

Products and Service for Retail Customers

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

Key Products for Retail Customers:

Type	Products and Services
Deposit	Transactional account (Transactional deposit) and debit card High interest saving accounts Term deposit Foreign currency deposit accounts
Loan	Home loan Auto loan Credit card loan Personal loan & Welfare loan
Investment	Mutual fund: ttb Open Architecture and ttb smart port Structured fund Structured note Bond
Insurance	Savings toward 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 as the first Thai bank that offered open architecture platform for all group of customers. The Bank set a long-term strategy to distribute under an open-architecture platform and offered a wide variety of mutual fund products to match various client needs and risk-return profiles.

In 2023, the Bank has strong 11 partners with leading asset managements both domestic and international asset managements, 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, KWI Asset Management Co., Ltd, One Asset Management Co., Ltd, Principal Asset Management Co., Ltd, SCB Asset Management Co., Ltd, TISCO Asset Management Co., Ltd, and 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 has been a strategic bancassurance partnership with Prudential Life Assurance (Thailand) Public Company Limited (“Prudential Thailand”), a subsidiary of Prudential plc since 1 Jan 2021, with an initial term of 15–20 years, to provide Prudential’s leading product offerings of health and wealth solutions to the whole network of the Bank.

Prudential Life Assurance (Thailand), a leading life insurer which has operated in Thailand for more than 24 years and is a member of Prudential PLC. Prudential Life Insurance 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 on technology to better serve our customers.

For Non-life insurance business, the Bank offers insurance for loan collateral in association with non-life insurance companies. The Bank has leveraged on its strong auto loans & housing loans customer base which can generate substantially sustainable 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 and Banking Industry

Thai Economy in 2023

Thai Economy in 2023 further improved from the previous year thanks to continued recovery in the tourism sector and supports from cost-of-living subsidizing measures, which contributed to continuous expansion in domestic spending along with improvements in households’ purchasing power. Regarding the inflation outlook, Thai inflation rates continued to drop and returned to the target range after reaching its peak in the previous year. Despite the return of the Thai economy back to pre-crisis levels, the recovery remained lagged and yet to be in a broad-based manner, particularly manufacturing and tourism sectors where recovery patterns are slower-than-expected. Domestic consumption was restrained by persistently high household debt while government spending remained in contraction due to lower-than-expected budget disbursement. Merchandise exports improved during the fourth quarter of 2023 as orders increased at the end of the year, following a decline in trading partners’ inventory levels.

Economic Outlook for 2024

Thai economy would likely improve from the previous year with the growth projection less than 3.0% due to downside risks from government spending following delays in processing Budget Act for 2024. Nevertheless, there remain supports from private consumption and a gradual recovery in tourism sector. For preliminary assessments, ttb analytics forecast that the number of foreign tourists in 2024 would be 33.1 million persons while merchandise exports in 2024 would grow at 2.0%, which partly reflects low-base effects in the previous year and production cycles of capital goods that started to expand well.

Regarding the financial market, it is projected that the Monetary Policy Committee (MPC) would maintain the policy rate at 2.50% throughout the year 2024. However, should there be any significant downward risks to inflation and signs of worsening economic recovery compared to the previous assessment, it is possible to have a more loosening monetary policy this year. On currency, fluctuation of Thai baht against the US dollar is still expected, which is mainly induced by external factors, especially geopolitical issues, and anticipation towards the US policy rate cuts throughout the year.

However, there are chances that Thai baht would appreciate in some periods following the fundamentals and recovering patterns of Thai economy. Hence, Thai baht is projected to move within 33.75–35.75 against the US dollar in 2024.

Banking Industry in 2023

Overall Thai commercial bank system in 2023 was stable and resilient as reflected from the amount of capital funds of THB 3.16 trillion as of the end of 2023, equaling to the BIS ratio of 20.1% and Liquidity Coverage Ratio (LCR) of 204.4%. In the fourth quarter of 2023, commercial bank loans’ growth slightly contracted at 0.3%, compared to the same period of last year as a result of debt repayments from the business sector after accelerated growth in loans for liquidity needs during the COVID-19 periods, especially SMEs and large corporations in the manufacturing and public sectors, coupled with commercial banks’ debt quality management. Meanwhile, retail loans expanded from personal loans. On loan quality, outstanding loans in stage 3 or non-performing loans (NPL) relative to total loans slightly decreased to THB 492.8 billion, equaling 2.66% of total loans. This was owing to debt management and debt repayment while outstanding NPL of consumer loans increased in all types of loans. Meanwhile, the proportion of Significant Increase in Credit Risk: SICR to total loans or loans in stage 2 was significantly higher with 5.86% growth compared to the previous quarter.

Net profits of commercial bank system improved from the same period of last year. This was due to the continuation of interest rate hikes in the previous year, which led to higher net interest income. Meanwhile, non-interest income was lower from net fee income. Financial costs increased from higher deposit rates and normalized rate of Financial Institutions Development Fund (FIDF) as well as high levels of operating and reserve expenses. As such, net profit in the fourth quarter of 2023 stood at THB 50.3 billion, decreasing by THB 60.3 billion from the same period of last year or contracting by 16.4%. In addition, net interest margin (NIM) increased to 3.17%.

Banking Industry Outlook in 2024

Thai commercial banking business would cautiously recover as economic conditions and income levels are yet to fully recover, contrasting to elevated financial costs of commercial banks from the continuation of policy rate hikes in the previous periods that have come to an end. In addition, Responsible Lending is encouraged by financial institutions, which add to more restricted financial access of entrepreneurs and individuals, and thus may affect net interest margin from net interest income.

Nevertheless, the loan quality of the commercial banking system is expected to be lower, especially loan quality in retail loans. This is reflected by the significant increase in ratios of non-performing loans, which adds to credit risks that have already been elevated. Thus, these factors would pose higher pressure on capital reserve that could not be much reduced as it is needed to be held against future risks.

For more details on economic and industry research from ttb analytics, please visit the following website:

<https://www.ttbbank.com/en/analytics>

2) Product and Service Marketing Strategy

Commercial Banking

Our Intent

TMBThanachart is committed to delivering innovative solutions, creative new financial products and services that continuously add value to business customers to deliver a seamless experience to business clients effectively. TMBThanachart will continue to offer E2E digital solution and value-added products and services for business customers 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.

2023 Summary

TMBThanachart has continued to grow as a main operating bank for our customers through digital transactional banking and supply chain solution. The Bank has continued to advance "Business One" the internet banking platform for business customers with new features and improved user experience resulted in strong growth of business digital transactions and active users. In the past year, the Bank has enriched its digital cash collection solution as well as expense management tool and was trusted by many industry leaders in Thailand to provide comprehensive digital cash solutions to their businesses.

TMBThanachart has been working with strategic partners in target industries to create an ecosystem that linked business customers with small and medium-sized companies as well as to support retail business. TMBThanachart has also supported business for sustainability by issuing green loan, EV car credit, green cane loan, and green bond to support the use of clean energy in the business sector. In addition, TMBThanachart has supported 322 non-profit foundations through holistic digital cash management solution and advisory service which contribute to sustainable societies.

The Bank's strategy to optimize portfolio through quality of new customer acquisition and proactively optimize existing asset has yielded great results. In 2023, the Bank was awarded "The Best SME Bank 2023" by The Digital Banker. The award is a testament to SME clients' trust in TMBThanachart and a confirmation of the Bank's role for its commitment to help SME and supporting the Thai business sector to grow sustainably.

Plan for 2024

TMBThanachart continues to commit to be customers' strategic partner together with being an advisor that helps unleash potential and assist business to build competitiveness and grow sustainability through 360 degree support: business activities, owner wealth management as well as financial well-being of their employees. TMBThanachart will continue to develop value-added financial and business solutions to support SME and business customers.

- 1. Industry-based solution with end-to-end digital supply chain:** Riding on the established footprint of supply chain solution, TMBThanachart continues to develop B2B2C eco-system for strategic target industries with seamlessly link solution for end-users (retail customers), focusing on strategic ecosystem, e.g. My Car (Auto ecosystem), My Home (Real-estate ecosystem), My Life and My Health. This digital supply chain program will also reinforce quality-acquisition of SME dealers and suppliers as well as support the Bank's Retail business.

2. **Digital transactional banking solution and digital customer engagement:** TMBThanachart will continue to grow digital transactional banking and secure main-bank status through digital platform to support business customers both financial and operational transactions of business. This will also help improving operational efficiency of business customers as well as support their business growth. In addition, The Bank will continue to deliver seamless and superior customer experience by deploying an optimal mix of human interactions and digital self-service platform.
3. **Productivity and profitability improvement:** TMBThanachart continues to drive sustainable growth by focusing on portfolio optimization and long-term revenue management including increasing the average customer lifetime value. We will continue to aggressively expand quality customer base especially small and mid-sized customers while emphasize on proactive monitoring activities.
4. **Business transition toward Sustainability (B+ESG):** TMBThanachart will empower business customers in transition toward Environmental, Social and Governance sustainability (B+ESG). The Bank will equip and support customers throughout the transition process with various initiatives including raising awareness, knowledge sharing, funding support as well as advisory service.

Retail Banking

Our Intent

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

2023 Summary

TMBThanachart is committed to developing financial solutions that meet customer needs through products, services, and solutions that enhance the overall financial experience. This is particularly crucial for key customer segments, which are wealth customers, salarymen, car owners, and homeowners. These are the ecosystems that ttb has strong competitive advantage in and aims to expand. ttb has also improved service efficiency through the new version of ttb touch mobile banking application, with the goal of becoming the preferred and recommended bank for customers. Our four main strategies are:

Strategy 1 Expand retail customer base: ttb places importance on customers across all segments, thus developing and offering products, services, and solutions that address the diverse needs of each customer group in every dimension. For wealth customer, ttb engages customers with ttb reserve credit card with product and service differentiation and better meet customer needs. Simultaneously, the Bank expands customer base through 3 Ecosystem Play Business Model, focusing on target customer groups where ttb has expertise and an existing customer base, namely salarymen, car owners, and homeowners. This is aimed at helping customers in all segments efficiently manage crucial aspects of their lives, beyond just financial matters.

Strategy 2 Develop products based on customer needs to create an improved financial well-being: ttb aims to design products to create a better financial life both today and in the future through our 4 financial well-being pillars: Mindful Spending & Smart Saving, Healthy Borrowing, Investing for Future, and Sufficient Protection. This involves offering a diverse range of products that cater to customers' needs throughout different life stages. This includes deposit accounts for daily use, savings accounts, high-interest rate deposit accounts, and credit cards tailored to individual lifestyles. Additionally, the Bank continues to develop products that focus on meeting the primary needs of customers, such as debt consolidation through quality credit facilities like home equity loans and car equity loans. Furthermore, the Bank provides investment plans suitable for various risk preferences, along with insurance products that aid in planning for life and health protection, offering peace of mind to everyone in the family.

In 2023, TMBThanachart was honored with “The Best for Wealth Transfer/Succession Planning in Thailand” award from The Asiamoney Private Banking Awards. This recognition was earned through the presentation of ttb reserve platform, which seamlessly integrates financial solutions across various products with the benefits of holding ttb reserve credit card. This approach ensures that customers derive maximum benefits under the concept of “Maximize your infinite wealth for generations.” The financial solution goes beyond addressing financial and investment aspects, also encompassing lifestyle considerations. Moreover, it involves personalized care through dedicated personal advisors, aiming to perpetuate wealth from one generation to the next without limits. The Bank has established an Investment Office and expanded its Wealth Management services as part of its ongoing efforts to grow and diversify its customer base. This expansion involves presenting a more diverse range of financial and investment solutions, carefully selected to suit the current market conditions, for high-net-worth customers and ttb reserve credit cardholders. Seminars are conducted to guide customers on wealth-building strategies, covering various market perspectives, new investment opportunities, and wealth management through insurance solutions. This approach aims to help customers achieve sustainable financial stability and extend their knowledge across business management, education, lifestyle, and the creation of a secure future for their descendants. The Bank has also developed new financial and investment solutions under the concept of Wellness Investment, designed to be low risk yet offer higher returns than traditional deposits. Examples include derivative-linked notes as an option for investors seeking higher returns with simultaneous capital protection. Additionally, wealth management through insurance solutions is emphasized to ensure long-term financial security for customers.

TMBThanachart emphasizes its leading role in the mortgage lending sector by providing debt consolidation service alongside home equity loans. This serves as a solution for homeowners seeking to alleviate interest burdens and enhance their overall financial flexibility. The Bank was honored with the Mortgage Product of the Year award at the Global Retail Banking Innovation Awards 2023, hosted by The Digital Banker. This accolade reflects ttb’s in-depth understanding of customer needs, leading to the development of loan products that effectively address and resolve customer challenges. It underscores the Bank’s commitment to excellence and its continuous efforts to contribute to an improved financial landscape for Thai people.

Debt is a significant financial challenge and a major obstacle to achieving improved financial well-being for many Thai people. Among them, salarymen face one of the most severe debt burdens. ttb is taking proactive steps to help Thai people overcome debt burdens by providing non-collateralized welfare loans to enhance the financial well-being of employees from partner

companies. Through the signing of Memorandums of Understanding (MOUs) for the Welfare Loan Program with over 1,200 private companies, government agencies, and state enterprises, encompassing approximately 360,000 employees. The Bank aims to alleviate debt burdens and enhance financial flexibility. By consolidating high-interest debts into a single source, the Bank facilitates quicker debt relief. This underscores ttb’s commitment to being a bank that genuinely transforms the overall financial well-being of salaryman.

In 2023, TMBThanachart in collaboration with Prudential Thailand, introduced 2 new solutions for investment-linked life insurance products. “ttb Flexi Life Protect (Unit Link)” is the first solution in the insurance market that does not charge policy fees for the entire contract period. The product addresses diverse financial planning needs for customers, catering to both heads of families looking to establish a secure foundation for their loved ones and business owners seeking assurance that unexpected events will not burden their families with debts. This solution reflects ttb’s commitment to providing comprehensive protection and addressing the varied financial needs of its customers, ensuring that unforeseen circumstances do not pass on financial burdens to families or hinder the progress of businesses. The second product “ttb Global Index Principle 15/5” is a short-term premium payment life insurance that offers the opportunity for returns from global investments, providing a chance to increase savings while simultaneously securing life protection. Furthermore, TMBThanachart, Prudential Thailand, and BDMS jointly launched the product “Family Comprehensive Insurance”, including “ttb prakan mhao jop jop @BDMS – family version” and “ttb Easy Care Plus – family version”. This marks the first time for life and health insurance products that allow sharing of medical coverage among family members, with coverage for both inpatient and outpatient care. This initiative provides reassurance to customers, enabling them to lead their lives according to their family’s plans and contribute to building a more secure financial foundation.

In 2023, ttb collaborated with Siam Global House, a leading business in the distribution of construction materials and home decoration products, to launch co-branded credit and cash card products named “ttb Global House”. This collaboration aimed to provide both parties’ customers with various benefits and privileges. Customers not only receive exclusive discounts when purchasing products or utilizing services at Global House but also have access to comprehensive financial solutions, including home loans, car loans, and personal loans, available at the ttb Financial Center for Global House. This facility is offered at the 6 major branches and pop-up stores in other branches of Global House nationwide. In 2023, the Bank successfully approved over 54,000 ttb Global House credit cards.

Strategy 3 Elevate Sales and Service Channels: The Bank continued to emphasize mobile banking as the primary channel for serving individual customers, following the Digital First strategy under the concept of Humanized Digital Banking. This approach aims to provide a user-friendly digital experience, being tools where customers can perform financial transactions, apply for a variety of products tailored to their needs and check promotions, benefits, and access other services anytime, anywhere. Each customer receives personalized financial offering for their financial well-being. In 2023, ttb has enhanced services through ttb touch app, such as tax management, car sales, and informing customers about their benefits to elevate services and create an experience that surpasses customers' expectations. Additionally, the Bank has developed systems to align with the security policies of the Bank of Thailand to prevent digital fraud, facial recognition paired with password entry for transactions exceeding a certain amount or a daily limit change. Despite a significant reduction in the number of bank customers falling victim to digital fraud, ttb continues to enhance security systems on ttb touch, ensuring customers can use mobile banking with confidence.

As for branch services, the Bank has improved the efficiency of branch operations and ATMs to provide customers with a better experience across all channels. The Bank has also revamped the branch operation system, starting with a trial run in 33 branches in 2023, allowing customers to perform transactions by themselves/assisted by staff (Digital-First) through digital channels or electronic branches (ATM/CDM/All-in-One Machine). This is aimed at creating convenience and speed while offering customers a positive experience that aligns with the changing financial behaviors.

Strategy 4 Employees: Employees are the heart of the organization. The Bank continues to proactively develop the capabilities and skills of its employees such as Digital Sales/Advisory. This enables employees to expand their knowledge and acquire new skills, allowing them to provide accurate and tailored advice to customers based on their needs. ttb is also committed to enhancing operational efficiency to facilitate quick and convenient service for customers. Additionally, the Bank has ongoing programs to take care of its employees, aiming to maintain their loyalty to the Bank and reduce staff turnover.

Plans for 2024

Our mission remains to become the most recommended bank of choice for our retail customer by improving our customers' life-long financial well-being through trusted advisory solutions. The Bank has a plan for the year 2024 through a comprehensive strategy in four areas:

1. **Customer Strategy:** We always keep customer segmentation in mind for better insightful customer understanding and to be able to provide advisory for customer financial well-being from need-based appropriate product holding. These segments include Wealth customers and 3 ecosystem groups: salarymen, homeowners, and car owners. Loyalty programs are implemented to ensure customer engagement and retention.
 2. **Product Strategy:** We continue to offer 4 financial well-being pillars tailored to individual customer needs within each segment. These 4 pillars are Mindful Spending & Smart Saving, Healthy Borrowing, Investing for Future, and Sufficient Protection.
 3. **Service and Sales Channel Strategy:** We transform the role of sales staff to focus more on financial consultancy. Transactional services are increasingly conducted through digital channels, aiming to provide convenience to customers and allow branch staff more time for advising on suitable and complex financial products. Moreover, we have further developed and emphasized new wealth, model to ensure we properly take care of our wealth customers.
 4. **Employee Strategy:** We continuously develop employee capabilities in knowledge, financial advice, and consultancy skills. This is aimed for better financial well-being of customers today and in the future. The Bank also aims to enhance operational efficiency to deliver a better service experience to customers.
- **Customer Strategy:** For Wealth customers, who have more sophisticated needs, ttb has implemented a consultative approach through the allocation of Private banker and wealth relationship managers. The advisors take into account the individual suitability of products for each customer, including considering the inheritance plans of Wealth customers, serving as true 720-degree financial advisors. The Bank also utilizes data management systems to manage and monitor customer relationships systematically. Moreover, the Bank assists customers in tracking market trends and evaluating their investment portfolios. It conducts systematic evaluations of investment portfolio performance, providing recommendations and adjusting investment strategies to align with customers' goals.

ttb focuses on maintaining and expanding its customer base from 3 Ecosystem groups: salarymen, car owners and homeowners. The goal is to enhance customers’ financial well-being through various products such as All Free, No Fixed, home loan products, auto loan products, and also by emphasizing various debt consolidation services to meet the comprehensive daily banking needs through an Omni-Channel approach in various dimensions.

The Bank prioritizes the care of its existing customers as much as acquiring new ones. This is evident through various loyalty programs and the development of new products or services tailored to meet customer needs, such as My Tax and others. Additionally, efforts are made to enhance customer usage of digital channels, aiming to provide an even better customer experience in 2024.

- **Product Strategy:** ttb is dedicated to developing and improving both products and services to promote an enhanced customers financial well-being, catering to a broader range of customer needs through the 4 financial well-being pillars. **Mindful Spending & Maximizing Savings:** through savings, transactional accounts, and credit cards that match lifestyle. Notable flagship products include All Free and credit cards, providing flexibility for daily transactions. These financial products seamlessly connect through ttb touch as digital solution. Additionally, the Bank offers a diverse range of savings products with high-interest rates, including ME Save, No-Fixed, and fixed-term deposits, allowing customers to choose according to their needs. **Healthy Borrowing:** addressing the prevalent issue of household debt, a significant societal concern in Thailand, the Bank aims to assist customers with a good repayment history, those without a history of bad debts, or individuals who have yet to establish a banking history be able to access to credit through a debt consolidation service, emphasizing the evaluation and approval of high-quality loans. This approach is designed to ensure that customers receive improved and favorable lending services. **Investing for the Future:** the Bank consistently introduces new products in the form of Wellness Solutions, offering low-risk options that safeguard the principal, mitigate risks, and provide higher returns than traditional deposits. This aims to instill confidence in customers to re-engage in investment activities. **Sufficient Protection:** through a diverse array of insurance solutions, covering various aspects such as life insurance, health insurance, and other asset insurance, including auto insurance and travel insurance, ensuring a sense of security for customers across different life stages.

- **Service and Sales Channel Strategy:** ttb focuses on developing and transforming service channels with an emphasis on the digital experience. The goal is to provide convenience and deliver the best possible experience to customers. Branches will serve as centers for financial advice and consultation, functioning as middle offices to enhance service and sales. Customer service will increasingly pivot towards a digital-first approach, utilizing channels such as Mobile Banking and electronic branches (ATM/CDM/All-in-One Machine). Staff will guide customers on utilizing these platforms, fostering familiarity with digital transactions for future interactions. Branch staff will focus on advising customers on complex products, such as life insurance, mutual funds, home loans, mortgage refinancing, and car loan refinancing. The Bank is committed to a customer-centric approach, placing customers at the forefront to address the diverse needs of different customer segments.

- **Employee Strategy:** The Bank continues to enhance the capabilities of bank staff, focusing on skills in finance, investment, portfolio planning and knowledge across various bank products. This ensures that employees are well-equipped to recommend comprehensive products that meet the evolving needs of customers in different time frames and situations.

With the aforementioned strategies, we are confident that we can lead the Bank towards achieving the mission of creating “customers’ life-long financial well-being”.

Automotive Lending

Our Intent

Aspiring to maintain the leadership in Auto Finance, the Automotive Lending Business Unit has set its directions and strategies to drive and continually improve to a higher capability with more agile business unit. Our business aspiration is **“Be the Most Admired Bank in Auto Finance for Customers and Partners in the Automotive Ecosystem”** by uplifting our services through digital channel as one of the key channels. We have developed My Car and My Credit Widget on ttb touch, our mobile banking solution, to deliver experiences beyond expectation throughout the customers’ journey.

Furthermore, the Automotive Lending Business unit also prudently consider holistic view of all Auto Stakeholders which are 1) Upstream: Car Producer (OEM) 2) Midstream: Car Dealer, Tent and Insurance Companies and 3) Downstream: Garages, Gas Station, etc. We have crafted our 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 with our commitment to develop the best products, services, and financial innovations, including car insurance and loan protection, to serve customers throughout every life stage, moment of life, and create seamless omni channel to deliver experiences beyond expectation.

2023 Summary

Thai economy continued to recover amid weaker economic momentum and the high level of household debt. Inflation also remained high from rising global crude oil prices as well as increases in cost pass-through. Financial institutions need to tighten credit policy to manage credit risk. By these, the automotive industry has shrunk in 2023. The total number of domestic car sales decreased by approximately 9% YoY. However, the economy has tailwinds which are 1) tourism industry picked up as international travel restrictions were lifted, and 2) private consumption and investment have recovered.

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 as well as focusing on developing digital platform to cope with changes in customer behavior. 2023 in overall, the Automotive Lending Business unit still maintained leadership in Auto Finance, continued to grow its loan balance, and maintained its NPL being lower than the industry’s average.

Plan for 2024

Thai economy was expected to continue to recover in 2024. Key drivers included the improvement of tourism industry and the recovery in private consumption from various government measures to stimulate the economy such as the measures to tackle the rising cost of living, Easy E-receipt measure, raising minimum wage policy, and so on. In terms of the automotive industry, ttb Analytics expects the total number of domestic car sales to expand by 2% from previous year to 790,000 units,

led by the improvement of the Thai economy as well as the country’s reopening and more relaxed international travel measures.

Furthermore, Electric Vehicle (EV) segment as a substitute product for Internal Combustion Engine (ICE) vehicle continues to play a vital role in automotive industry due to rising in oil price and measures to support the use of electric vehicles, Phase 2 (EV 3.5) over a period of 4 years (67-70) approved by the cabinet. Nonetheless, economic uncertainty still looms largely from high household debts. An interest rate also remains high, impacting consumers’ decision to purchase cars.

In 2024, the Automotive Lending Business unit strives to maintain its leadership in Auto Finance business by considering holistic view of all Automotive Stakeholders and more understanding their needs and pains to create the right solutions from their point of view. We plan to develop and launch digital loan application via a new widget which called MyCredit to uplift customer experience. Furthermore, we aim to enhance all digital channels related to car hire purchase loan to be best in class platform in becoming customers’ main used bank. Accordingly, the Automotive Lending Business unit commits to prudently develop total financial solution in Auto Finance in order to offer the right solution to the right customer at the right time and last but not least to serve customers throughout their life stage and create seamless omni-channel best experience.

3) Channels and Network

Digital Channel Strategy

The Bank has aligned its business plan with the Digital-First strategy and created seamless omni-channel experience to provide customers with smooth experiences through tablets used in branches and ttb touch application. Additionally, the Bank plans to improve the system architecture to enhance stability and accommodate the increasing number of users and transactions, as well as to efficiently adapt to the development of new services or products. In 2023, the Bank has developed ttb touch to elevate customers’ financial experiences. Key initiatives were as follows.

- Enhancing the overall user experience and making customer communication more “personalized”.
- Developing to support account opening through e-KYC by diversifying and expanding the channels for identity verification.

- Expanding post-sales service offerings to empower customers to perform tasks independently, conveniently, and quickly through e-document and in-app chat & call services, without the need to visit branches or contact the Call Center.
- Improving the efficiency of digital sales channels from product search to product matching, ensuring a more tailored product search experience and streamlining the product application process. The steps and experiences are aligned across each product, allowing customers to apply for multiple products simultaneously in one go.

For commercial customers, the Bank continues to launch a comprehensive marketing and public relations campaign to promote digital platform and focusing more this year on developing a new feature known as the ‘Personalized Banner.’ This strategic enhancement is designed to ensure that our commercial customers receive tailored suggestions and recommendations, guiding them toward the most fitting products and services for their business needs. Moreover, the Bank remains committed to the ongoing enhancement of services through humanized digital banking. This initiative is geared towards creating an improved and seamless experience for our commercial customers, accessible through the Bank’s primary digital platform, ttb business one.

Due to the emergence of online cybercrime that has been widespread and caused significant damage in our country over the past year, the Bank has accelerated the development of security systems and increased our platform’s capabilities to prevent online threats that might affect our customers. Our mobile application incorporates advanced security features designed to fortify defenses against fraud. These features ensure the protection of sensitive information, detect suspicious patterns, and maintain platform integrity. As a result, our customers can be assured of the safety while accessing our digital platform, ttb business one.

In terms of expanding customer’s based, we continue to emphasize on using face recognition technology for verifying customer identities, which helped to reduce time and process of applying for digital services along with improving system stability. Consequently, our customers and transaction volume shown an exponential growth this year.

As of 31 December 2023

Summary of Distribution Channel and Network	
1. Branches and Business Centers	
Domestic Branches	532 branches
Overseas Branches	-
Zone Offices	<ul style="list-style-type: none"> • 33 zone offices for SME customers • 12 zone offices for Business Banking
2. Electronic Channels	
ATMs and ADMs	<ul style="list-style-type: none"> • ATMs 2,086 Machines • CDMs 305 Machines • All-in-Ones 624 Machines
3. Digital Banking	
Mobile Banking	<ul style="list-style-type: none"> • ttb Touch Application for individual customers • ttb Business One Application internet banking for business customers
Internet Banking	<ul style="list-style-type: none"> • Internet Banking service for business customers through the website www.ttbbusinessone.com and www.ttbbusinessclick.com

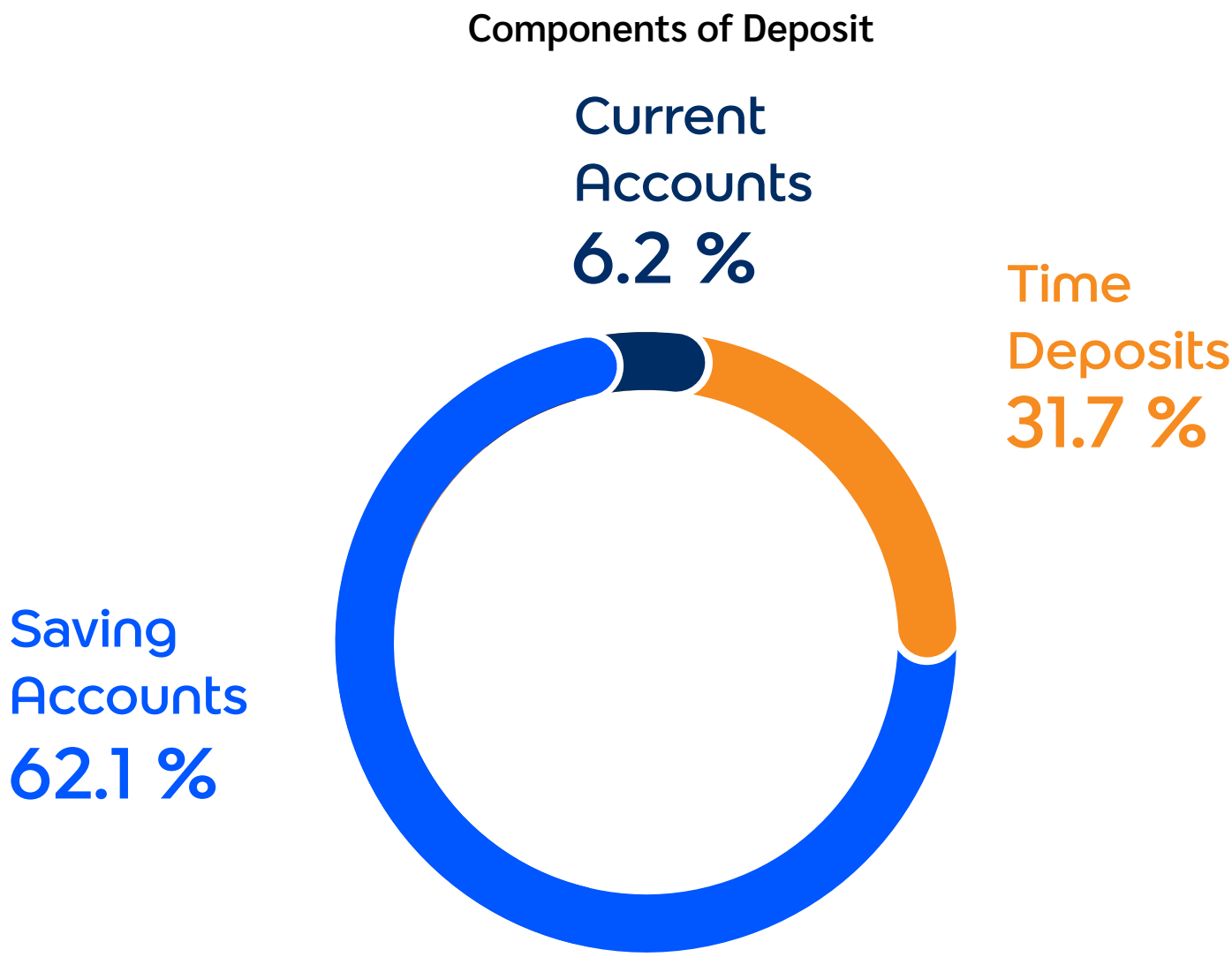
Summary of Distribution Channel and Network	
4. Phone Banking	
Personal	
ttb contact center	1428
ttb investment line	1428 press #4
International call	+66 2241 1428
ttb reserve	
ttb reserve line	0-2010-1428
ttb absolute line	0-2020-1428
Corporate	
ttb corporate call center	0-2643-7000
ttb international trade service center	https://www.ttbbank.com/en/contact/international-trade-center

For more information of ttb network and other services, please visit ttb website: <https://www.ttbbank.com/en/contact>

1.2.4 Source of Funds

1) Source of Funds

Major source of funds for TMBThanachart are deposits, interbank and money market items and borrowings. As of 31 December 2023, the Bank had total deposits (Consolidated) of THB 1,386,581 million, where saving account, time deposits, and current account represented 62.1%, 31.7% and 6.2% respectively.



Total deposits that were represented 90.4% of total funds. In addition, the Bank reported interbank and money market items of THB 87,794 million and borrowings of THB 59,531 million, making up 5.7% and 3.9% of total funds respectively.

The following table illustrates source of funds of the Bank

(Consolidated)	2023		2022		2021	
	Amount (THB million)	As % of total fund	Amount (THB million)	As % of total fund	Amount (THB million)	As % of total fund
Time Deposits	440,022	28.7	231,726	15.0	157,885	10.6
Saving Accounts	861,412	56.2	1,083,097	70.2	1,093,116	73.2
Current Accounts	85,147	5.6	84,424	5.5	88,194	5.9
<i>Total Deposits</i>	<i>1,386,581</i>	<i>90.4</i>	<i>1,399,247</i>	<i>90.6</i>	<i>1,339,195</i>	<i>89.7</i>
Interbank and money market items	87,794	5.7	84,770	5.5	84,966	5.7
Borrowings	59,531	3.9	59,644	3.9	68,398	4.6
<i>Total Borrowings</i>	<i>147,325</i>	<i>9.6</i>	<i>144,414</i>	<i>9.4</i>	<i>153,364</i>	<i>10.3</i>
Total Funding	1,533,906	100.0	1,543,661	100.0	1,492,559	100.0

2) Policy on Funding and Pricing

The Bank has a policy to mobilize funds from the sources mentioned above 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, national economic trends, and other such factors.

3) Policy on Liability Management

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

4) Capital Adequacy

(Unit: percentage)

Capital Ratios (Under Basel III Framework)	31 December 2023	31 December 2022	31 December 2021
Capital Adequacy Ratio/Total Risk-Weighted Asset The BOT's Minimum Requirement*	20.66 12.00	19.95 12.00	19.33 11.00
Tier 1 Capital Ratio/Total Risk-Weighted Asset The BOT's Minimum Requirement*	16.95 9.50	16.30 9.50	15.33 8.50
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset The BOT's Minimum Requirement*	16.73 8.00	15.67 8.00	14.35 7.00

* 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 fixed assets of the Bank and its subsidiaries as of 31 December 2021-2023 are as follows:

(Unit: THB million)

Item	As of 31 December		
	2023	2022	2021
1. Land	12,134	10,953	11,769
2. Building	11,990	11,834	12,744
3. Right-of-use assets-premise	1,500	1,773	1,913
4. Leasehold improvements	1,342	1,613	1,599
5. Equipment	7,234	7,660	7,330
6. Right-of-use assets-equipment	712	770	1,707
Total	34,912	34,603	37,062
<u>Less</u> Accumulated depreciation	13,880	14,672	15,175
Allowance for impairment losses	173	143	262
Premises & equipment and right-of-use assets, net	20,859	19,788	21,625

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 2,155 contracts for rental-terms ranging from 1 year to 30 years, with total rentals payable of about THB 920 million per year.

Leasehold Right	Remaining Rental Terms	No. of Contracts
Land and building	< 1 year	1,203
Land and building	> 1-5 years	945
Land and building	≥ 5 years	7
Total		2,155

3) Intangible Assets

As of 31 December 2023, the Bank's service marks and trademarks registered with the Department of Intellectual Property, Ministry of Commerce, with the validity of registration for 10 years from the registration date and renewable every 10 years.

4) Investment in Subsidiary and Associated Companies

Policy on Investments in Subsidiary 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 2023, details of the Bank’s investments in subsidiaries and associated companies compared to its total assets as shown in the financial statements (bank-only) are tabulated below:

Item (Bank-Only)	Net Investment (THB million)	Percentage of Investments to Total Asset
Investments in subsidiaries	445	0.02%
Investments in associates	4,389	0.24%
Investment in subsidiaries and associates	4,834	0.27%
Total assets	1,815,190	100.00%

Policy on Operations of Subsidiaries and Associated Companies

The Policy is developed by using the guideline of BOT’s Consolidated Supervision Policy that requires commercial banks under BOT’s supervision to comply with. The scope of the Bank’s supervision is divided into various aspects to cover the implementation of the Financial Business Group. The Policy comprises 1 core policy and 7 supporting policies as follows:

Core Policy

Governance Structure

To determine the management and control structure of the Group Companies in aspect of generating strategic plan and nominating representative directors to jointly manage the Group Companies and reorganize to take responsibility of the Group Companies as appropriate. The Bank determines the guideline of representative director nomination covering investment in other companies in 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 consolidated financial report correctly, in the same direction and in compliance with the BOT’s rule and regulation and analyzing performance and financial status of the Group Companies correctly 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 ethic 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 as conflict of interest or breach the bank regulation regarding insider trading.

3. Anti-Corruption Policy

This policy and the relevant policies are setting to manifests the Bank’s and the subsidiaries intention on anti-corruption. Giving and accepting a bribe of improper benefit either from the officer/unit of the bureau office or private sector is prohibited. In this regard, each subsidiary shall be notified in writing of the policy in order to complied with this Anti-Corruption Policy and relevant policies included the relevant 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:

- Market Risk Management
- Liquidity Risk Management
- Operational Risk Management
- 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 outsider for the Group Companies to conduct in the same way and promote the Bank image in 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 roles of the Bank management and external auditor on 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

It is defined as a company which operates as a credit or the business-like credit which has the specific law regulated institution and 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-Solo Consolidation

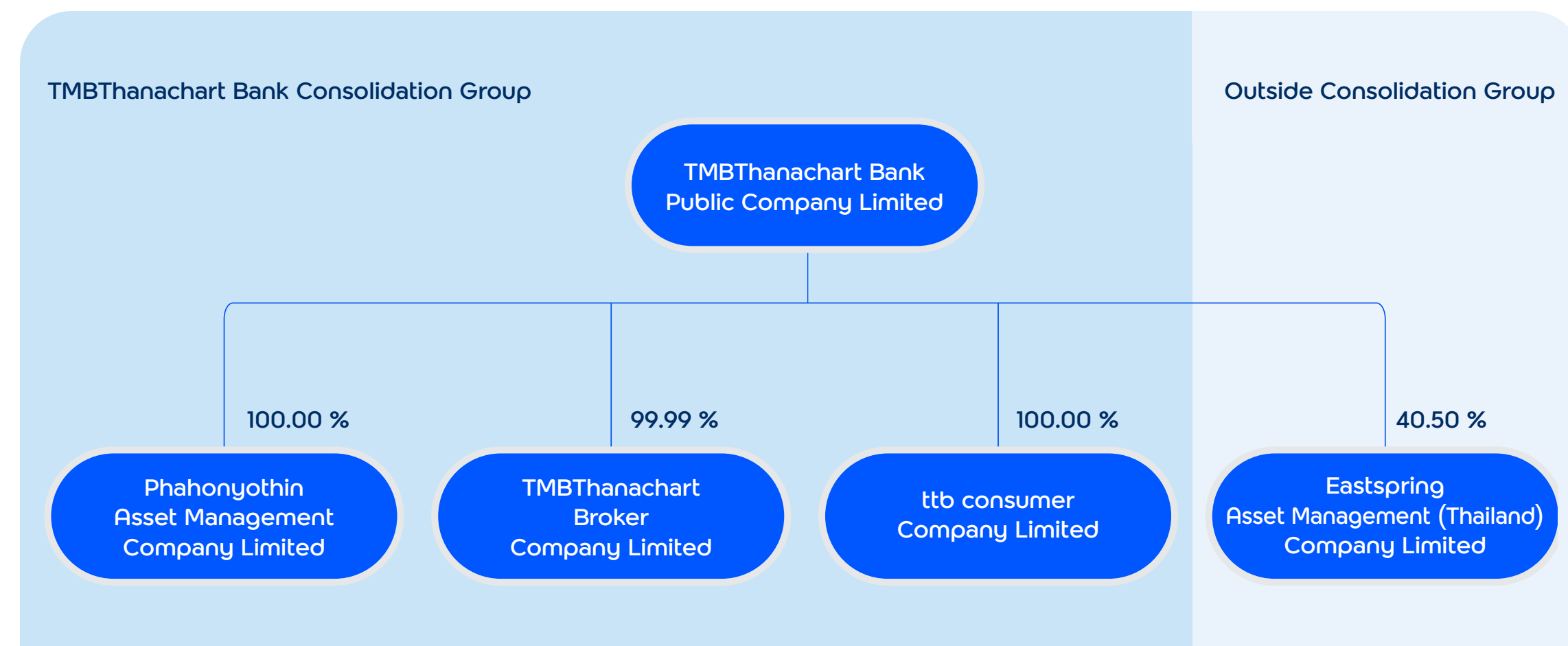
It comprises companies engaging in the financial business and businesses supporting the Bank's operations, as follows:

- **Financial business group** is defined as a company which operates financial business, and the Bank holds at least 50% of its issued and paid-up share capital, which such business has the specific law regulated such as security business, life insurance business, non-life insurance business, credit card business, personal loan under regulated, retail lending, and asset management business.
- **Supporting business group** is defined into 2 types:
 - (1) Operating company which engages in function tasks that are normal banking operation or tasks that are directly support the operations of the Bank for Business Continuity Plan (BCP).

- (2) Fintech business that provides the supporting business or support the financial information for the customers in requesting the lending from the financial institutions. The supporting company is the company that the Bank holds at least 50% of its issued and paid-up share capital.

1.3.2 The Bank's Group Structure

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 tb consumer Co., Ltd. are subsidiaries of the Full Consolidation group.

1.3.3 Business Description of Subsidiary and Associated Companies

As of 31 December 2023, TMBThanachart had invested in subsidiary and associated companies as described below:

Name	Type of Business	Investment Value by Cost Method as of 31 Dec 2023 (THB million)	% of Shareholding by ttb as of 31 Dec 2023
Subsidiary Companies			
1. Phahonyothin Asset Management Co., Ltd.	Asset management	298	100.00
2. TMBThanachart Broker Co., Ltd.	Insurance brokerage	117	99.99
3. ttb consumer Co., Ltd.	Brokerage	30	100.00
Total investment in subsidiary companies		445	
Associate Companies			
1. Eastspring Asset Management (Thailand) Co., Ltd.	Fund management	4,389	40.50
Total investment in associated companies		4,389	

Remark: As of 31 December 2023, the Bank has no investment in TBCO PCL. (formerly Thanachart Bank PCL.) as TBCO PCL. had completed liquidation process and registered the liquidation at Ministry of Commerce since 10 November 2023.

- **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 insurance brokerage and life insurance brokerage business. The company was established to maximize insurance business potential from the Bank’s customer base, with motor insurance focus.
- **ttb consumer** – Established as brokerage business for providing financial services by offering ttb’s credit card and personal loan products such as credit cards, cash2go loan, and cash chill chill loan. 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. Eastspring Asset Management (Thailand) Co., Ltd. aims to give a good customer experience in their investment from blending expertise in Thai and international investment to enable customers to achieve their investment objectives.

1.3.4 Investment in Other Companies Holding More Than 10% of the Paid-Up Capitals

Investment in other companies as of 31 December 2023, holding more than 10% of the paid-up capital in each company were as follows:

Data as of 31 December 2023

Company	Head Office Location	Type of Business	Type of Capital	Paid-Up Capital (Share)	Holding (Share)	Percentage (%)	Value Amount (THB)
1 PHAHONYATHIN 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 COMPANY LIMITED Tel. 0-2528-7299	Bangkok	Service	Common Stock	3,000,000	3,000,000	100.00	30,000,000.00
3 TMBTHANACHART BROKER CO., LTD. Tel. 0-2783-0200	Bangkok	Finance	Common Stock	10,000,000	9,999,000	99.99	116,843,292.25
4 EASTSPRING ASSET MANAGEMENT (THAILAND) CO., LTD. Tel. 1725	Bangkok	Finance	Common Stock	20,000,000	8,100,000	40.05	4,388,542,475.58
5 THANACHART INSURANCE PUBLIC CO., LTD. Tel. 0-2308-9300	Bangkok	Finance	Common Stock	493,000,000	49,300,000	10.00	1,101,700,587.00
6 THANACHART SECURITIES PUBLIC CO., LTD. Tel. 0-2779-9000	Bangkok	Finance	Common Stock	3,000,000,000	300,000,000	10.00	503,426,930.00
7 TRIS CORPORATION LIMITED Tel. 0-2231-3011	Bangkok	Service	Common Stock	1,000,000	178,200	17.82	30,346,308.00
8 METROPOLITAN INDUSTRIAL LEASING CO., LTD. Tel. 0-2258-0108	Bangkok	Service	Common Stock	2,500,000	250,000	10.00	299,420.00
9 WING GROUP CO., LTD.	Chiang Mai	Garment Manufacturer	Common Stock	9,000	2,250	25.00	0.00
10 THAI CHAREONPHOL INDUSTRY CO., LTD.	Phrae	Production	Common Stock	15,500	2,500	16.13	0.00
11 M-THAI ESTATE CO., LTD. Tel. 0-2261-1144	Bangkok	Real Estate	Common Stock	30,000,000	3,000,000	10.00	0.00

1.3.5 Shareholders

1) Major Shareholders

The table below represents the top 10 shareholders, the number of shares, and the %shareholding, including their related persons and persons under common control in the same group. Such information was reported on the record date of 10 October 2023 for the shareholders entitled to receive dividends paid based on the operating result during the operating period from 1 January 2023 to 30 June 2023.

Major shareholders consisted of Thanachart Capital Plc. holding 24.31%, ING Bank N.V. holding 22.85%, Ministry of Finance holding 11.70%, and VAYUPAK FUND1 holding 10.35% of the Bank’s total shares.

Major Shareholders	Number of Ordinary Shares (Shares)	% Shareholding
Thanachart Capital Plc.	23,608,317,525	24.31
ING BANK N.V.	22,190,033,791	22.85
Ministry of Finance	11,364,282,005	11.70
VAYUPAK FUND1	10,047,618,815	10.35
THAI NVDR Company Limited	5,636,418,068	5.80
SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	1,559,939,891	1.61
STATE STREET EUROPE LIMITED	956,385,482	0.98
MR. HENDRIK ROBERTUS CASTENDIJK	755,250,000	0.78
Armed Forces *	744,611,497	0.77
Mrs. Somporn Juangroongruangkit	559,655,100	0.58
Others	19,678,975,803	20.27
Total issued and paid-up shares	97,101,487,977	100.00

Note :

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

2) Report on Changes in TTB Shares Held by Directors and Executives in 2023

No.	Name	Position	TTB Shares Held as of 31 Dec 2022	TTB Shares Held as of 31 Dec 2023	Net Increase/ (Decrease) in TTB Shares Held in 2023
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	Independent Director	-	-	-
	Spouse and minor children		-	-	-
6	Mr. Willem Frederik Nagel	Independent Director	-	-	-
	Spouse and minor children		-	-	-

No.	Name	Position	TTB Shares Held as of 31 Dec 2022	TTB Shares Held as of 31 Dec 2023	Net Increase/ (Decrease) in TTB Shares Held in 2023
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		-	-	-
11	Mrs. Chananyarak Phetcharat	Independent Director	-	1,000,000 ¹	1,000,000
	Spouse and minor children		-	-	-
12	Mrs. Patricia Mongkhonvanit	Director	-	-	-
	Spouse and minor children		-	-	-

No.	Name	Position	TTB Shares Held as of 31 Dec 2022	TTB Shares Held as of 31 Dec 2023	Net Increase/ (Decrease) in TTB Shares Held in 2023
13	Mr. Johannes Franciscus Grisel ²	Director	-	-	-
	Spouse and minor children		-	-	-
14	Mr. Piti Tantakasem	Director and Chief Executive Officer	18,268,694	24,687,021	6,418,327
	Spouse and minor children		-	-	-
15	Mr. Thakorn Piyapan	President and Acting Chief of Retail Banking Officer ³	-	4,656,244	4,656,244
	Spouse and minor children		-	-	-
16	Mr. Saranya Phuphatana	Chief Commercial Banking Officer	3,434,260	7,848,934	4,414,674
	Spouse and minor children		-	-	-
17	Mr. Anuwat Luengtaweekul	Chief Automotive Lending Officer	8,236,900	11,435,282	3,198,382
	Spouse and minor children		-	-	-

No.	Name	Position	TTB Shares Held as of 31 Dec 2022	TTB Shares Held as of 31 Dec 2023	Net Increase/ (Decrease) in TTB Shares Held in 2023
18	Mrs. Prapasiri Kositthanakorn	Chief of Staff ⁴	5,886,400	8,995,530	3,109,130
	Spouse and minor children		-	-	-
19	Mrs. Kanchana Rojvatunyu ⁵	Chief Marketing and Experience Officer	14,078,688	16,010,012	1,931,324
	Spouse and minor children		-	-	-
20	Mrs. Pittimart Sanguansook	Chief Audit Officer	3,429,000	4,650,621	1,221,621
	Spouse and minor children		-	-	-
21	Mr. Vikran Paovarojkit ⁶	Chief Risk Officer	5,443,807	9,239,189	3,795,382
	Spouse and minor children		-	-	-
22	Mrs. Rattana Arkachaisri	Chief Operating Officer	7,000,000	11,389,540	4,389,540
	Spouse and minor children		-	-	-
23	Mr. Sutthikan Rungsritthong	Chief Information Officer	4,747,350	7,388,424	2,641,074
	Spouse and minor children		-	-	-

No.	Name	Position	TTB Shares Held as of 31 Dec 2022	TTB Shares Held as of 31 Dec 2023	Net Increase/ (Decrease) in TTB Shares Held in 2023
24	Miss Somkid Preechasammakul ⁷	Chief Financial Officer	5,492,300	7,625,822	2,133,522
	Spouse and minor children		-	-	-

Remark:

- ¹ Holding 0.00103 percent of total voting shares of the Bank, which is not more than %shareholding according to the qualifications of independent directors as prescribed by the notification of the Capital Market Supervisory Board and the Bank.
- ² Being appointed, effective from 1 July 2023
- ³ End of Acting Chief Retail Banking Officer position, effective from 1 January 2024
- ⁴ Has taken a position of Chief of Staff (changed role and responsibility) since 1 January 2024 due to organizational restructuring
- ⁵ Early Retired, effective from 1 January 2024
- ⁶ Being appointed, effective from 1 June 2023
- ⁷ Being appointed, effective from 1 January 2023

Report of Change in TTB Shares Held by Directors and Executives is also presented on the Bank’s Website:

<https://www.ttbbank.com/en/about-us/annual-shareholder-report>

1.4 Capitals

The Bank’s Capitals

As of 31 December 2023, the Bank’s registered capital was THB 92,939,053,968.75, of which THB 92,246,413,578.15 had been paid up, comprising 97,101,487,977 ordinary shares with a 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”) in an amount of not exceeding 996,228,745 units to the Bank’s shareholders, in proportion to their respective shareholdings, provided that the Bank could not allocate for the preferential public offering (PPO), at no cost, at an allocation ratio of 100 existing shares to 1 unit of the TTB-W1 warrant.

In this regard, the term of TTB-W1 is 3 years from the issuance date of 11 May 2022 to the maturity date of 10 May 2025 and will cease to be listed securities on the following date.

The exercise date will be at the end of each quarter, starting from 30 June 2022 until maturity date, totaling 13 times. TTB-W1 warrant holders may exercise their rights to purchase newly issued ordinary shares of the Bank at the exercise ratio of 1 unit of TTB-W1 warrants for 1 newly issued ordinary share at the exercise price of 0.95 Baht per share.

As of 31 December 2023, the number of remaining shares reserved for TTB-W1 totaled 710,482,826 shares, after the 6th exercise date on 2 October 2023 which was disclosed via the Stock Exchange of Thailand’s website on 3 October 2023.

However, the number of the aforementioned remaining shares excludes the number of shares which are 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), which stipulates 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”.

Thai Trust Fund

As of 31 December 2023, there was no Thai Trust Fund issued by the Bank.

Non-Voting Depository Receipt - NVDR

NVDR or non-voting depository receipt is a trading instrument issued by Thai NVDR Co., Ltd., a subsidiary wholly owned by Stock Exchange of Thailand (SET). NVDR holders will receive all financial benefits including dividends, rights to subscribe additional NVDRs or warrants, as if they have invested in the company’s ordinary shares. Unlike ordinary shareholders, they are not entitled to exercise the voting rights in the company’s 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, whereas the voting rights of other shareholders will increase.

As of 10 October 2023, the latest shareholder record date, Thai NVDR Co., Ltd. issued NVDRs with the Bank shares as securities underlying the NVDRs amounting to 5,636,418,068 shares or 5.80% of the Bank’s issued and paid-up ordinary shares. However, the number of the Bank’s shares for NVDR issuance is not under the Bank’s control. Investors may check the information on the number of NVDR shares from the SET’s website at www.set.or.th/nvdr

1.5 Other Securities

As of 31 December 2023, details of the Bank’s other securities are summarized as follows:

Type	Interest Rate (%)	Year of Redemption	Number and Value Not Yet Redeemed (as of 31 December 2023)
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 TERM SOFR 6M + 1.47826% per annum	June 2025	USD 60 million (Equivalent to THB 2,053 million)
3. Senior Bond (SME Bond)	Floating interest rate TERM SOFR 6M + 1.47826% per annum	December 2025	USD 90 million (Equivalent to THB 3,080 million)
4. Senior Euro Bond	Fixed interest rate 0.85% per annum	November 2024	EUR 155 million (Equivalent to THB 5,895 million)
5. Senior Bond (Green Bond 2022)	Floating interest rate TERM SOFR 6M + 1.15% per annum	August 2027	USD 100 million (Equivalent to THB 3,422 million)
6. Senior Bond (Blue Bond 2022)	Floating interest rate TERM SOFR 6M + 1.15% per annum	October 2027	USD 50 million (Equivalent to THB 1,711 million)
7. Additional Tier 1	Fixed interest rate 4.90% per annum	Perpetual	USD 187.236 million (Equivalent to THB 6,409 million)

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	Number and Value Not Yet Redeemed (as of 31 December 2023)
1. Senior-Secured Debentures 3/2566 Tranche I	Fixed interest rate 2.80% per annum	June 2024	THB 500 million
2. Senior-Secured Debentures 3/2566 Tranche II	Fixed interest rate 2.57% per annum	February 2024	THB 270 million
3. Senior-Secured Debenture 4/2566	Fixed interest rate 2.57% per annum	February 2024	THB 530 million
4. Senior-Secured Debenture 5/2566 Tranche I	Fixed interest rate 2.50% per annum	January 2024	THB 2,000 million
5. Senior-Secured Debenture 5/2566 Tranche II	Fixed interest rate 2.80% per annum	June 2024	THB 3,600 million

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

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

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 as well as 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 dividend shall not be paid other than out of profits, and if the Bank 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, deemed appropriate to make the payment, and report the interim dividend payments to the shareholders at its next shareholders’ meeting.

Policy of Subsidiary Companies

Subsidiary companies’ dividend payments are subject to the approval of their respective boards of directors and 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

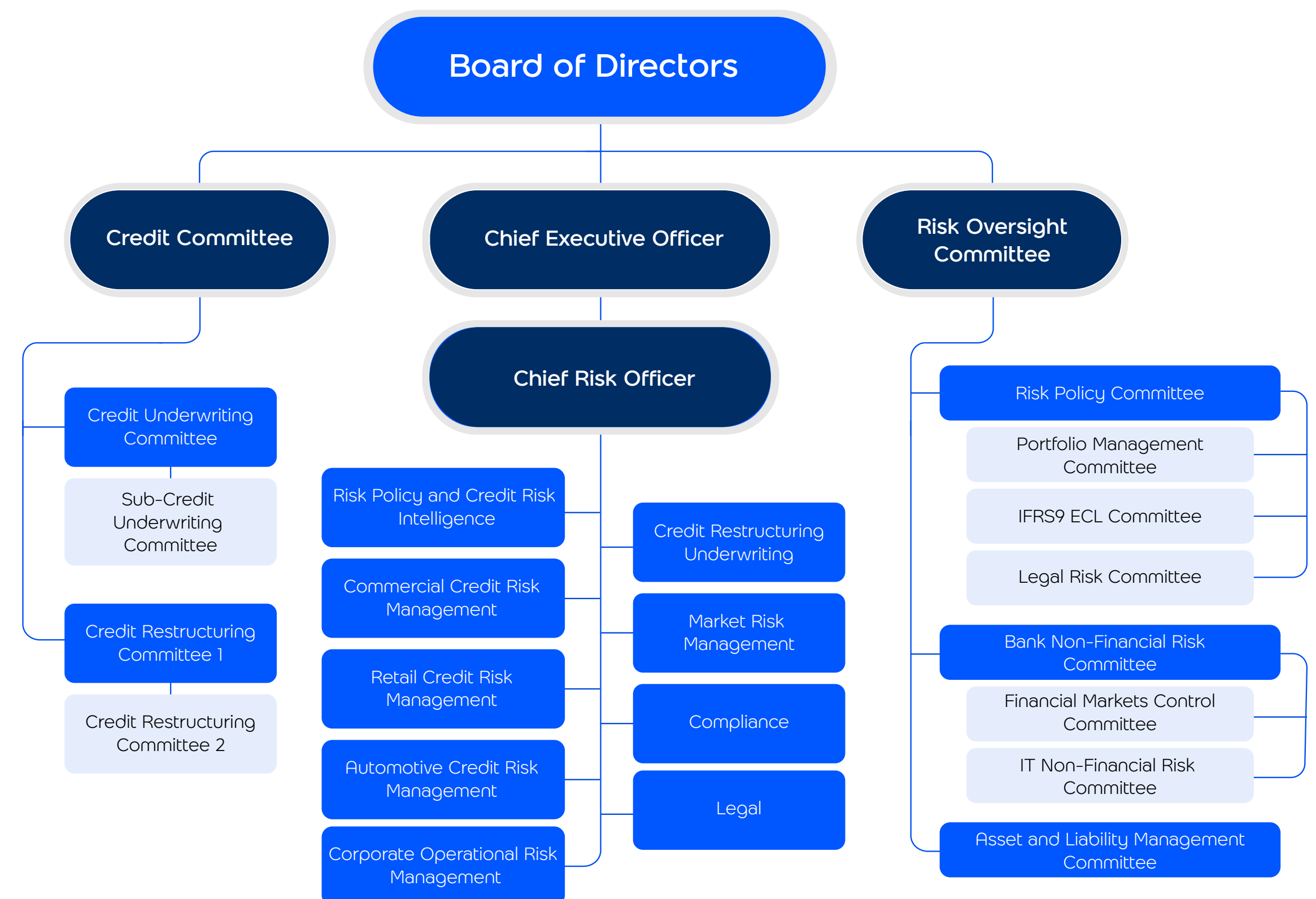
Risk management is an integral part of the Bank's business activities and strategic planning with the objective to optimize risks and returns and create sustainable shareholder value whilst remaining in compliance with regulatory requirements. The Bank has established a solid risk governance framework 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 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 reporting line to both the Risk Oversight Committee and Chief Risk Officer.

The Bank's Risk Governance Structure



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

The Risk Oversight Committee (ROC)

The Risk Oversight Committee 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 the 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 assure 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 performed to meet both Business Functions and Risk Function strategic short and long term goals.
3. **IFRS9 ECL Committee:** Considers and approves the level of provisions under 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 into Bank Non-Financial Risk Committee.

6. **Financial Market Control Committee:** Serves as a cross-functional forum for Business and Risk Management Functions with a primary focus on business practices, risk and control environment and end-to-end value chain of the Bank's financial market activities and its product approval and review. The Financial Market Control Committee reports to Bank Non-Financial Risk Committee.

7. **Asset and Liability Management Committee:** Assists the ROC in all matters related to the 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). The CRO, as a member of the Bank's Chief Executive Committee (CEC) and reporting directly to the Chief Executive Officer, 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 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 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 has the responsibility to review and approve the Bank’s Master Risk Management Policies which govern all key aspects of risk management and 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 5 key risk management processes:

- 1) **Risk Appetite Setting:** The Bank annually sets risk appetites for various risk types (Credit, Market and 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 on the basis of these risk appetites.
- 2) **Risk Identification:** The Bank classifies risks that are arising in daily business activities into 6 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 and Control:** The Bank regularly monitors, controls and mitigates risks by setting key risk indicators, risk limits, as well as risk appetite at 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 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.

Three Lines of Defense:

Over the last 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, provide oversight and monitor the 1st line of defense and actively challenge 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 and undertaking contingent liabilities, and also from 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 thorough knowledge of our borrowers and executed by well-trained staff according to our 3 lines of defense risk management framework. The 3 lines of defense principle helps us to mitigate credit risk within the Bank and consists of 3 principles:

- Management and staffs of the Bank’s business units have primary responsibility and accountability for the effective control of 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 operates as the **“3rd line of defense”**. Audit is to provide an independent assurance of the design and effectiveness of internal controls over the credit risks inherent to the Bank’s business performance.

In addition, the Bank is committed to conduct the business in a responsible manner to achieve a long-term sustainable growth. The Bank has integrated ESG risk management into credit risk management and established Environmental and Social Responsibility Policy to ensure that environmental and social risks are taken into consideration, properly assessed and managed. The Bank adopted Environmental and Social Management System (ESMS) which is the process to translate the commitment to the environmental and social responsibility into practice by assessing, and managing environmental and social risks that may occur from the business engagement with customers. The processes consist of screening out transactions which are under exclusion list, due diligence, decision making, control, monitoring and reporting. The Bank also adheres to BOT’s corporate governance by building strong credit culture and adhering to the sound credit risk principles covering portfolio management, checks and balances, sound credit granting, standards for professionalism and monitoring and control.

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 monitoring and reviewing the status of our borrowers and/or counterparties constantly, both at an individual and at portfolio level. Also, here the 3 lines of defense approach is applicable: dedicated Relationship Managers monitor their Commercial Customers at an individual level. For Retail portfolio, the monitoring is performed on a portfolio level. Early warning triggers, Qualitative Risk Score, 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. Since 2022, the Bank properly provided sustainable debt relief measures to assist customers who have financial difficulties to ensure their viability and ability to have sufficient funding and liquidity. In addition, the Bank sets a framework to ensure prudent staging and provisioning for customers under these relief measures and closely monitors these customers through a monthly dashboards and performance tracking.

The Bank closely monitors and reviews loan quality to mitigate the impact from portfolio deterioration and to ensure that the Bank has set aside adequate loan loss provisions in accordance with guidelines from the Bank of Thailand (BOT). Expected Credit Loss is calculated using PD (probability of default) based on account and customer level, EAD (exposure at default) based on loan types or debtor types, and LGD (loss given default) based on cure rates and collateral types. The Bank furthermore performs both regulatory as well as internal stress testing of the underlying assumptions to assess the appropriateness of the provision level.

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 and globally. 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 collaterals 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 guideline 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 the 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 from 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 industry, industry cluster, countries, group of customers and individual customer by establishing Bank-wide Maximum Industry Exposure Limit at 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 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 credits, the loans are classified by debtors based on the worst of all accounts. The Bank sets aside provision 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 for Off - Balance Sheet Contingent Liabilities

The Bank estimates provisions on off-balance sheet items to make appropriate provision 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 sets 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, fast track measures to restructure under-performing loans and convert to stage 1 – performing loans, and resolve non-performing loans with the objective of Credit Underwriting to ensure quality of debt restructuring at all stages, as well as the accuracy of loan staging. SABS takes care of Stage3 debtors as well as debtors who start to be delinquent or be under-performing on their credit facilities or show sign of a significant deterioration in their risk profile. These debtors are required 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 short term liquidity problem, the Bank may consider term extension, re-align credit facilities, etc. In case of long term problem such as significant decrease in sale, serious problem in operation, high uncollectible account receivable etc., the Bank may consider long-term restructuring based on debt service ability.

To comply with the laws and regulations as well as approval, SABS will coordinate with Legal Team to prepare any document or agreements. To monitor the implementation, SABS will closely follow up on all actions related to contracts to ensure that the risk is controlled until the accounts are converted back to normal.

For stage 3 who mostly are pursued litigation by the Bank, Special Advisory Banking Services will work with the Legal Team to ensure the Bank's legal right is reserved and receive benefit in legal aspect before negotiating with debtors. In order to effectively manage the size of stage 3, the Bank may sell or write off stage 3 exposures that have low chance of recovery 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 and guidelines, which set frameworks, measures and guidelines for market risk management. The business units designated with the responsibility for market risk management accomplish this task under the frameworks and measures set in the policies, while Market Risk Management independently monitors the bank-wide market risk. The Bank also considered potential impact from environmental and climate change risk to market risk and found that the direct impact is likely to be immaterial.

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 Defence) is responsible for managing foreign exchange positions of the Bank's Trading Book. In addition, the Market Risk Management (2nd Line of Defence) puts in place a framework of market risk management measures. These measures are designed to minimize any excessive risk from unfavourable 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: Defined as the rate of change of the position value with respect to changes in the price of underlying asset.
2. Gamma: Defined as the rate of change of the delta with respect to changes in the price of the underlying asset.
3. Vega: Defined as the rate of change of the option value with respect to the volatility of the underlying asset.

Within these risk limits, the Global Markets and International Transaction Banking is responsible for trading and managing the portfolio to optimize the return. 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, Economic Value of Equity. The Asset and Liability Management Committee (ALCO) is delegated by the Board of Directors to oversee the bank-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 of 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 are 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 the 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 situation at least once a year, or under special situation

due to material changes that may impact the Bank's position. This is to ensure the alignment with the Bank's core policy, the organization structure, the 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 and 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 in compliance with the approved risk appetite statements and risk limits. The Market Risk Management is responsible for identifying, monitoring and controlling the 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. The Bank also considered potential impact from environmental and climate change risk to liquidity risk and found that the direct impact is likely to be immaterial.

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 further strengthen its financial position and operating results 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, etc.

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 policy 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 oversight on 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, Balance Sheet Management and Investment Office products and services, including the approval of related products and services, and Credit Fraud Forum (CFF, chaired by CRO) to consider 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 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 the 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, that 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 are 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 coverage of the non-financial risks.

Audit operates as the “3rd Line of Defense”. Their mission is to provide an independent assurance of the design and effectiveness of internal controls established by the first (BU/SUs) and the second (CORM, Compliance, Legal, 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 the operational risk 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 to identify and assess key risks and controls as well as to determine the mitigating actions. The Bank has also established KRI’s at corporate and business level to be a warning signal for all levels of management, enabling them to proactively manage and control their non-financial risks. Incident management is established to enable detection, resolution, analysis of non-financial risk incidents, as well as 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 of RAS is done through the non-financial risk dashboard (NFRD) on a quarterly basis which aims to promote a pro-active 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 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 management of such risks with proper controls and within the Bank’s risk appetite.

The Bank has established its Business Continuity Management (BCM) Policies and Standards which covers continuity risks from to environmental changes and climate change to provide guidance and standards for all units to develop a Business Continuity Plan. The Business Continuity Management is set up to oversee the implementation of BCM Policies and Standards, monitor and lead the co-ordination 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 building 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 or 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 from 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 images or reduced confidence in the Bank or the Bank's products or services. Such events may negatively impact 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 to 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 GRC system looking at reputational risk identified during the year and presents the consolidated result of reputational risk assessment to Bank Non-Financial Risk Committee (BNFRC) for acknowledgement in the 1st quarter of the following year.

2.2.6 Strategic Risk

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

In order to manage the strategic risk, the Bank has set 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.

With risks arising from the Environmental, Social and Governance (ESG), the Bank has incorporated those risks to be an important factor to develop strategic direction and strategic risk assessment; this is to ensure the Bank can not only meet changing expectations from customers, employees, shareholders and regulators but also adopt ESG factor as a catalyst to change the way to operate business and create positive impact to social and environment. The Bank's ESG risk factors and related policies have been updated to ensure alignment with regulatory requirements and international standards.

In all, the Bank is strongly determined to maintain a high level of strategic risk management. Starting from the process of strategic planning, organization restructuring, staffing and project implementation as well as performance monitoring, all must be in line with the Bank's key strategies. In addition, the strategic plan itself is reviewed regularly to ensure it stays relevant with 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 put 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 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., 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, the Life Insurance Act and the Non-Life Insurance Act, Office of Insurance Commission's Regulations and Notifications, the Anti Money Laundering Act, the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act and their Royal Decrees. In addition, foreign act which substantial impact to the banking industry has 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 the year 2023, the Regulators who regulated Financial Institutions have issued guidelines including several regulations for the Financial Institutions. The summary of the significant regulations are as follows:

The Bank of Thailand (BOT) has revised the guidelines on good corporate governance and internal control mechanisms of financial institutions and financial business group to enable financial institutions and financial business groups to operate under good governance and grow sustainably, support future changes and take into account all stakeholders in all aspects by defining principles on matters such as qualifications and appointment of directors. manager, management authority or

advisor, role, duties and composition of various committees or senior executives in determining direction, strategic goals, and key policies. This includes the composition of various sub-committees and senior executives of financial institutions and parent company of the financial business group as well as in the areas of compliance and internal audit of financial institutions and financial business group. Also, revise the criteria and conditions regarding processes and procedures related to credit support measures to business operators to be clear and effective. This is in line with the Cabinet's resolution extending the validity of measures to support loans to business operators for a period of 1 year and support the business sector under the special and adaptation loan measures. The remaining credit line of the measures to support the transfer of collateral assets for debt repayment after the measures expire shall be transferred to be included as a credit line under the measures to support lending to business operators. Issue guidelines for fraud management from financial transactions by requiring financial institutions to formulate policies, guidelines and procedures related to corruption management and supervise to ensure strict compliance with the policies and guidelines laid down. This includes assessing compliance with the policy guidelines and making clear plans for closing gaps, reporting fraud incidents to the BOT, issuing guidelines on biometric technology in financial services, and allowing financial institutions to follow the implementation of biometric technology in financial services. Besides, in 2023, the BOT has prepared to announce its guidelines for responsible lending. It emphasizes on loan products, covering the entire debt cycle, from offering new quality debt, taking care of existing debt especially bad debt and persistent debt, legal proceeding and transferring of debt sold, including promoting the provision of information to stimulate customer behavior (nudge) throughout the debt cycle. Those are for having new quality debt, promoting a good credit culture, and promoting financial discipline to customers, which will be an important part in solving the household debt problem sustainably.

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

The Office of Insurance Commission (OIC) In 2023, the Office of the Insurance Commission has revised its criteria regarding the method of issuance and offering insurance policies and compensation claiming according to insurance contracts by using electronic means 2023 (casualty insurance/life insurance). In essence, the Bank, as an insurance broker, is required to conduct an annual review of IT systems that have previously registered electronic.

2.3.3 Emerging Risk

A solid risk management framework must encompass a forward-looking view, considering the constantly evolving risk landscape influenced by internal and external factors. For the continued success of our business, it is important to identify

these risk factors earlier on to be able 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 the 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 continuously improving our mobile banking application, ‘ttb touch’, to offer a wide range of products that has 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.
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 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, direct environmental footprint, etc.) and approaches (e.g., exclusion list, clear timeline to exit industries with controversial environmental and social issues, etc.) to ensure the effectiveness and advancement in sustainable banking. The Bank is providing specialized advisory services to assist our clients in transitioning towards more sustainable business practices and prepare them for upcoming regulatory changes, ensuring a seamless adaptation to the evolving economic landscape.

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, investment services, etc.) to customers. Rapid technological change and the increased gap created by the COVID-19 pandemic also come with the rise in sophisticated scam operations, notably call center fraud, poses a significant threat. Scammers impersonating friends, government officials, or bank representatives use social engineering tactics to deceive customers into transferring money or revealing sensitive information. These scams have become more prevalent and convincing, leveraging technology and psychological manipulation. 	<ul style="list-style-type: none"> Creation of new business models, products, and services that could affect business strategy, customer experience, and market expectations. Non-banks are also regulated by the Bank of Thailand. Depending on the degree of regulation that is enforced on nontraditional financial service providers, this could potentially impact the competitiveness and fairness of the playing field. As digital banking grows, the risk of data breaches, fraud, and cyberattacks increases, potentially leading to financial losses, reputational damage, and regulatory penalties. 	<ul style="list-style-type: none"> The Bank is moving towards 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. The Bank has implemented the modernized Security Operation Center (SOC) and Security Orchestration and Automated Response (SOAR) to detect and rapidly test the software to fix security issues after discovery of sophisticated cyber-attacks such as ransomware or Distributed Denial-Of-Service (DDOS) attack. The Bank has frequently upgraded the mobile banking app “ttb touch” with advanced security features to effectively prevent scammers from using screenshots or screen recordings, ensuring the financial transactions remain safe and secure against any scam activity. The Bank also trained the employees as front-line defense to identify and prevent malicious activities by organizing Cybersecurity Risk Awareness training which is mandatory for every employee and communicating regularly through internal channels such as emails, posters, or digital panels.

2.4 Shareholder Risk

Shareholder risk may arise if the return from 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 payment 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 in the beginning of each year and shareholder 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 performance and dividend payments e.g. domestic and global economic trends, domestic political stability, capital movements, changes in BOT's supervision which impact banking system. Hence, shareholders must be aware of all risk factors in which out of the Bank's control and decide on investment to suit their acceptable risk levels.

3. Steering Business Towards 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, B+ESG, 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:

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

For more details on the policies, please visit

<https://www.ttbbank.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	2023 Key Performance Indicators	2023 Target	2023 Performance
<div> <div>Business Sustainability</div> </div> <div> <div>Environmental Sustainability</div> </div> <div> <div>Social Sustainability</div> </div> <div> <div>Corporate Governance and Business Ethics</div> </div>	Number of complaints to regulators ¹	48% reduction for retail segment and 44% reduction for commercial segment compared to 2022	2% reduction for retail segment ² and 36% reduction for commercial segment compared to 2022
	Green and blue loan setup	THB 9,000 mn	THB 17,829 mn
	Energy and water reduction	12% compared to 2019	Energy reduction by 20% and water reduction by 25% compared to 2019 ³
	Debt consolidation	THB 2,000 mn	THB 3,083 mn
	Good corporate governance and effectiveness of the Board of Directors	Corporate governance score ≥ 93%	Corporate governance score of 106%
	Internal audit/compliance issues posing critical and high non-financial risk	≤5% overdue	1%

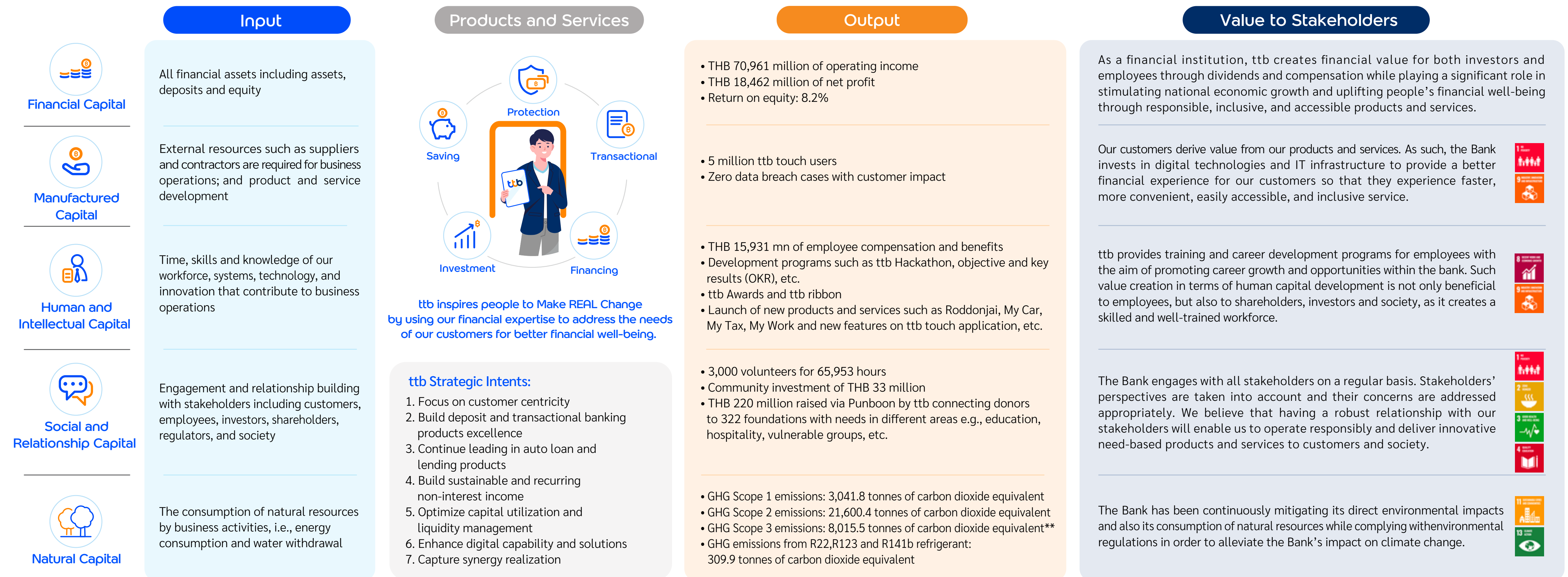
¹ Regulators include the Bank of Thailand (BOT), the Office of Insurance Commission (OIC), The Securities and Exchange Commission, Thailand (SEC), and the Office of the Consumer Protection Board (OCPB).

² Excluding complaints on digital fraud which was an emerging topic in 2023.

³ The performance and target covers only the head office building.

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 are dependent on our relationships with stakeholders, business activities, and how well we understand our stakeholders' needs and expectations. Thus, effective stakeholder engagement and collaboration are crucial to our ability to proactively respond to sustainability challenges, opportunities, and stakeholders' needs.



**GHG Scope 3 emissions are calculated from activities: paper usage, waste management, business travel and transportation operated by external parties, leased assets, and LPG usage by lessee.

In 2023, ttb conducted a group-wide biennial materiality assessment in line with double-materiality approach. The assessment considered the impacts of ESG topics to Environment, Society and Governance as well as the financial value of the Bank.

Stakeholders	Engagement approach	Needs and expectations	Response to
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 Enquiries submitted through ttb website Investor Relations contact Whistleblower and complaint channel 	<ul style="list-style-type: none"> Business performance 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	Communication with HR Business Partners <ul style="list-style-type: none"> Employee engagement survey Orientation for new employees Town Halls Regular emails and other online communication Whistleblower and complaint channel 	<ul style="list-style-type: none"> Organizational culture after bank- integration Career growth and development 	<ul style="list-style-type: none"> Sustainability Report 2023

Stakeholders	Engagement approach	Needs and expectations	Response to stakeholders' interests
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 Whistleblower and complaint channel 	<ul style="list-style-type: none"> 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 2023
Partners	<ul style="list-style-type: none"> Procurement channel Whistleblower 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 Whistleblower 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, climate strategy. 	<ul style="list-style-type: none"> Sustainability Report 2023 Disclosure of financial information and relevant documents on ttb website, https://www.ttbbank.com/en/ir

Stakeholders	Engagement approach	Needs and expectations	Response to stakeholders' interests
Regulators	<ul style="list-style-type: none"> Banking sector activities, seminars, trainings and events hosted by regulators and external parties Whistleblower 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, climate strategy. Compliance to legal requirements e.g., PDPA 	<ul style="list-style-type: none"> Sustainability Report 2023 Reports submitted to the Bank of Thailand
Communities	<ul style="list-style-type: none"> fai-fah Centers Community Relations Community survey Whistleblower and complaint channel 	<ul style="list-style-type: none"> Creating positive change from youth and community development programs Environmental and social risks management from bank's lending business 	<ul style="list-style-type: none"> Sustainability Report 2023

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 guideline 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, which can lead to a decrease in asset value or even create 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. In 2023, the Board of Directors approved the net-zero commitment of our own operations and aligning our portfolio with Thailand's net-zero commitment of 2065, all the while expediting this crucial journey whenever feasible. Our Climate Strategy is built on three pillars: 1) reducing greenhouse gas emissions in our operations 2) financing and advising clients' transition to net-zero and 3) managing environmental and climate-related risks. In addition, the Bank also discloses information of the year 2023 in accordance with the Task Force on Climate-related Financial Disclosures or the TCFD for the first time. In 2023 ttb made substantial progress with the following highlights below:



- 100% of commercial lending aligns with ESR Policy.



- 35% reduction in coal mining and exploration lending and 48% reduction in coal-fired power plant lending compared to 2021, with the commitment to reduce exposure and eventually exit coal mining, exploration, and power generation by 2028.



- Green lending setup was at 17,829 million baht in 2023 which exceeded the set target by THB 9,000 million.

Environmental Management

The Bank has been continuously improving energy efficiency in buildings under the Bank's operational control since 2019. We focus on 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 the promotion and awareness building of environmental conservation initiatives. The Bank has established operational eco-efficiency targets to reduce 12% of the Bank's head office building's electricity consumption and water consumption by 2023, compared to the 2019 baseline. The following list below is the key environmental performance for 2023:



- Reduced electricity and water consumption in the head office building by 20% and 25% respectively, compared to 2019 by improving the effectiveness of resource consumption within the building.



- GHG Scope 1 and 2 reduced 17% and 2% compared to 2022.



- In 2023, 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. The regulation of water pressure in office buildings was also implemented; moreover, the water supplied to the cooling tower is being managed 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 to animal feed. Hazardous waste is handled according to protocol and legal requirements.



- Apart from managing indoor environmental quality, the Bank has also embraced a low-carbon approach to transportation by transitioning some of its pool cars to electric vehicles. The Bank plans to increase this adoption and install EV chargers at the head office and hubs.



- 2,221 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 2023 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 2023 related to these measures include:



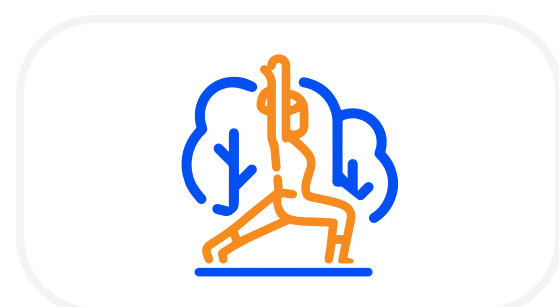
- 41 average training hours per employee compared to target set at 40 hours per employee (the Bank only)
- 39 average training hours per employee. (the Bank and subsidiaries)



- All employees completed 8 mandatory training i.e., PDPA, AML/CTPF, market conduct, non-financial risk management, fraud risk management, anti-corruption, cybersecurity risk awareness, and code of conduct.



- Beyond mandatory training, the Bank also established a leadership development program for 700 People Managers, leading to a 20% reduction in employee attrition compared to 2022.

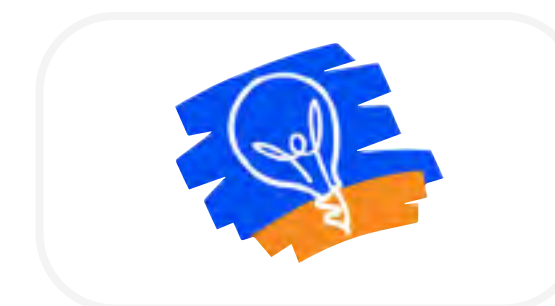


- In addition to training, the Bank has initiated activities to improve the mental and physical health of employees, including music in the garden, garden exercises, stress relief through breathing exercises, and the I CARE Star program for offering encouragement and appreciation to fellow employees.

Social Development

ttb's philosophy-- "Make REAL Change" establishes the way the Bank operates; ranging from delivering the best products and services for customers to creating value for the community and society. The Bank is committed to three strategic goals: fai-fah for youth, fai-fah for communities, and cultural inspiration, all of which echo our mission for community development, "Change for the sustainable well-being of youths and communities."

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 26 projects which lead to 5 projects organized by fai-fah youths that benefited over 50,000 community members and 6,000 youths across Thailand with a social investment value of THB 33 million.



- Over 65,953 paid working hours were volunteered by more than 3,000 ttb volunteers in the fai-fah project.



- punboon by ttb, a donation platform, bridges Thai organizations in need with donors. In 2023, the platform welcomed 322 organizations and facilitated donations exceeding THB 220 million, marking a 35% increase from 2022.

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 has acknowledged the vital role of enhancing employees' financial literacy and health as a core part of its mission. Consequently, the Bank initiated the "Debt coach" program aimed at improving financial protection and facilitating debt liberation. The program is structured into three main segments:

1. Financial health assessment
2. Customized financial training courses and
3. Personalized 1:1 advisory coaching session.

The Bank has developed programs and tools available through both online and offline platforms for its customers and the public to enrich financial understanding and literacy and ensure effective money management.



- 61 payroll companies participated in Fin live & learn program where 4,813 of their employees received training on financial literacy programs.



- 441 participants from 362 SME clients are engaged both offline and online via the finbiz program.



- Over 250,000 visitors to the fintools by ttb website. The tools designed to help financial well-being includes:



Financial personality assessment through 16 types of athletes



Financial well-being goal-setting tool



Suitable insurance finder tool



Investment goal setting and planner tool



- Providing home loans to same-sex couples for more than THB 384 million in 2023.



- The value of SME loans that made positive environmental and 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 was at THB 318 million.



- Offering free personal accident insurance to all ttb free account holders, benefiting 2.1 million customers with a total value of THB 51 million in 2023.

Human Rights

Respecting human rights is the Bank's utmost priority, particularly in our line of business, as being a financial intermediary entail 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, the Bank has integrated the human rights risk management concept, as stated in our Environmental and Social Responsibility (ESR) Policy, into both 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 2023, 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 2024.

Please refer to Sustainability Report 2023 for more information and ttb's sustainability data assurance statement.

4. Management Discussion and Analysis

Executive Summary

Economic uncertainty and Thailand's overhanging structural issues, especially household debt, could hinder businesses from sustainable growth. Being aware of such operating environments, TMBThanachart Bank (ttb) has set a clear business direction to keep focus on the Bank's core strengths while avoiding unnecessary risks. With that, ttb has strengthened balance sheet position and improved operating performance throughout 2023, backed by 3 key strategic moves: efficiently managing asset-liability and liquidity utilization by recycling low yield assets to higher yield for better returns, maintaining stringent cost discipline, and controlling asset quality with prudent risk management. As a result, ttb registered the full-year net profit of THB 18,462 million in 2023, an increase of 30% YoY supported by core operating income and well-managed asset quality.

Resumed building up deposit level ahead of higher market competition prospect: As pre-funded liquidity acquired since 1Q22 has been utilized and run down, the Bank strategically resumed acquiring deposit volumes in 4Q23 aligned with the deposit strategy in preparation for the year 2024. As of December 2023, the total deposit reported at THB 1,387 billion, slightly declined by -1% YTD. Still, we tactically acquired deposits thru TD-Up and Up to attract new customers and secure existing rate sensitive customers churn from no-fixed accounts, resulting in changes +91% YTD and -33% YTD, respectively. Another flagship product like all-free deposit continued to grow as planned by +4% YTD. Going forward, the Bank will continue to selectively manage deposit growth while leveraging digital platform to efficiently manage interest spread and hold up overall margin.

Gearing loan mix towards high-yield retail lending on track amid conservative loan growth: ttb continued to selectively grow loans with a focus on acquiring quality loans and freeing up low-yield loans to redeploy in higher-yield retail segment especially consumer lending. As of December 2023, total loan to customers was at THB 1,328 billion, decreasing by -4% YTD, while loan mix shift plan to higher-yield retail loans was well-executed. Such decrease was owing to low-yield commercial lending strategically run down to redeploy in better risk-adjusted return lending. The targeted high-yield retail products grew

as planned: Cash Your Car (CYC) +24% YTD, Cash Your Home (CYH) +20% YTD, personal loans +21% YTD, and credit cards +18% YTD. To ensure portfolio quality, TTB puts priority on quality of new loans by leveraging existing customer base and cross-selling to good risk-profile customers together with utilizing digital platform to capture better risk-adjusted returns.

Positive momentum on core revenue growth: With balance sheet strategy to optimize liquidity utilization and efficiently manage asset-liability under interest rate rise environment, ttb's core profitability has improved showing net interest income (NII) and net interest margin (NIM) enhancement. For 12M23, NII increased by +11% YoY from better earning asset yield against pressure on funding costs. NIM also expanded 29 bps YoY to 3.24%, compared to 12M22 at 2.95%, thanks to higher yields from loan mix shift, investment portfolio management, and pre-funding deposit strategy that helped maintain margin. However, it was still a challenging year for Non-NII growth, which dropped by -3% YoY, mainly from one-time gain on AT1 partial buyback in 2022. For fees and service income growth, it was quite stable YoY in which key strategic fees, such as loan related fees and credit card fees, continued to grow with good traction, while bancassurance (BA) and mutual funds (MF) fees remained soft during unfavorable market sentiment. Total operating income, therefore, increased by +8% YoY to THB 70,961 million in 12M23.

Apart from revenue side, efficient cost management helped sustain PPOP growth: For 12M23, ttb reported OPEX at THB 31,280 million, an increase of 4% YoY, which is due mainly to higher staff cost and selling and marketing expenses following the business expansion plan. The Bank always ensures efficiency of cost management where expenditures and investment plan were aligned with business direction and long-term revenue growth pace. Thus, cost-to-income ratio could improve to 44% in 12M23, compared to 45% of 12M22. As a result, pre-provision operating profit (PPOP) increased by 10% YoY, which recorded at THB 39,918 million for 12M23.

Stable asset quality supported strong 12-month earnings growth: Over the past years, TTB has focused on growing quality loan, de-risking weak loans and closely monitoring portfolio quality. As a result, stage-3 loan was stable, while NPL formation remained in control. As of December 2023, NPL totaled to THB 41,006 million which decreased from December 2022 and NPL ratio stood at 2.62%, well-contained within the target guidance. Besides, the Bank, continued to strengthen risk absorption ability and with financial capability, the Bank could uplift LLR further by setting aside a special expected credit loss (ECL) in 4Q23 amounting THB 4,886 million against future uncertainties. Therefore, 12M23 expected credit loss (ECL) was THB 22,199 million, but if excluded special provision, the ECL level of 2023 was at THB 17,313 million, equivalent to credit cost of 128 bps, ended within the target. The coverage ratio has been strengthened solidly to 155% as of December 2023 from 138% as of December 2022.

After provision and tax benefit, ttb reported THB 18,462 million of net profit for the 12-month of 2023 which increased by +30% YoY, representing an improving ROE of 8.2% from 6.6% of 12M22.

In November 2023, TBCO (formerly Thanachart Bank (TBANK)), a subsidiary company of ttb, has registered liquidation completion with the Ministry of Commerce. The Bank had tax losses from investment in such company which can be utilized when liquidation process was completed. Tax benefit from the investment loss is recognized upon profit achieved in the period so the Bank had no corporate income tax expense in 2023. As of December 2023, the remaining tax benefit amounting THB 15.5 billion can be subsequently recognized within 2028. The recognition will not be on a straight-line basis but will be subject to the estimation of future net profit stream.

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

Analysis of Operating Performance

Analysis of operating performance for the accounting year ended 31 December 2023, in comparison to the year ended 31 December 2022, is as follows.

Figure 1: Selected Statement of Comprehensive Income Items

(THB Million)	FY 2023	FY 2022	YoY (%)
Interest income	79,134	65,627	20.6%
Interest expenses	21,926	14,010	56.5%
Net interest income	57,207	51,617	10.8%
Fees and service income	14,007	14,025	-0.1%
Fees and service expenses	3,645	3,634	0.3%
Net fees and service income	10,362	10,391	-0.3%
Other operation income	3,392	3,845	-11.8%
Non-interest income	13,754	14,236	-3.4%
Total operating income	70,961	65,852	7.8%
Total other operating expenses	31,280	29,952	4.4%
Expected credit loss	22,199	18,353	21.0%
Profit before income tax expense	17,482	17,547	-0.4%
Income tax expense	-980	3,352	-129.2%
Profit for the period	18,462	14,195	30.1%
Profit (loss) to non-controlling interest of subsidiaries	0.027	0.006	350.0%
Profit to equity holders of the Bank	18,462	14,195	30.1%
Other comprehensive income	1,545	-550	N/A
Total comprehensive income	20,007	13,645	46.6%
Basic earnings per share (THB/share)	0.19	0.15	29.3%

Note: Consolidated financial statements

4.1 Operating Income

In 2023, the Bank generated THB 70,961 million of total operating income, which increased by 7.8% from last year, thanks mainly to the recovery in net interest income. With the balance sheet strategy to optimize liquidity utilization and efficiently manage asset-liability under the interest rate rise environment, ttb's core profitability has improved showing net interest income (NII) and net interest margin (NIM) enhancement. For 12M23, net interest income increased by +11% YoY from better earning asset yield against pressure on funding costs. NIM also expanded 29 bps YoY to 3.24%, compared to 12M22 at 2.95%, thanks to higher yields from loan mix shift, investment portfolio management, and pre-funding deposit strategy that helped maintain margin. However, it was still a challenging year for non-interest income growth, which dropped by 3% YoY mainly from one-time gain on AT1 partial buyback in 2022. For net fees growth, it was quite stable YoY in which key strategic fees, such as loan related fees and credit card fees, continued to grow with good traction, while bancassurance (BA) and mutual funds (MF) fees remained soft during unfavorable market sentiment. Total operating income, therefore, increased by 8% YoY to THB 70,961 million in 12M23. Details of the Bank's operating performance is as follows.

Figure 2: Net Interest Income (NII)

(THB Million)	FY 2023	FY 2022	YoY (%)
Interest income	79,134	65,627	20.6%
Interest on interbank and money market items	4,468	1,489	200.1%
Investments and trading transactions	55	27	100.7%
Investments in debt securities	2,910	1,782	63.3%
Interest on loans	48,901	39,492	23.8%
Interest on hire purchase and financial lease	22,798	22,834	-0.2%
Others	1.3	2.5	-45.8%
Interest expenses	21,926	14,010	56.5%
Interest on deposits	11,195	7,722	45.0%
Interest on interbank and money market items	1,732	482	259.4%
Contributions to the Deposit Protection Agency	6,434	3,279	96.2%
Interest on debt issued and borrowings	2,506	2,469	1.5%
Borrowing fee	22	27	-19.0%
Others	37	30	24.6%
Net interest income (NII)	57,207	51,617	10.8%

Note: Consolidated financial statements

Interest Income

For the year ended 31 December 2023, total interest income of the Bank and its subsidiaries was THB 79,134 million, increasing by 20.6% from 2022. The increase was primarily due to improving yield on earning assets following the liquidity utilization plan and the rising interest rate cycle amidst conservative loan growth. Key items are as follows.

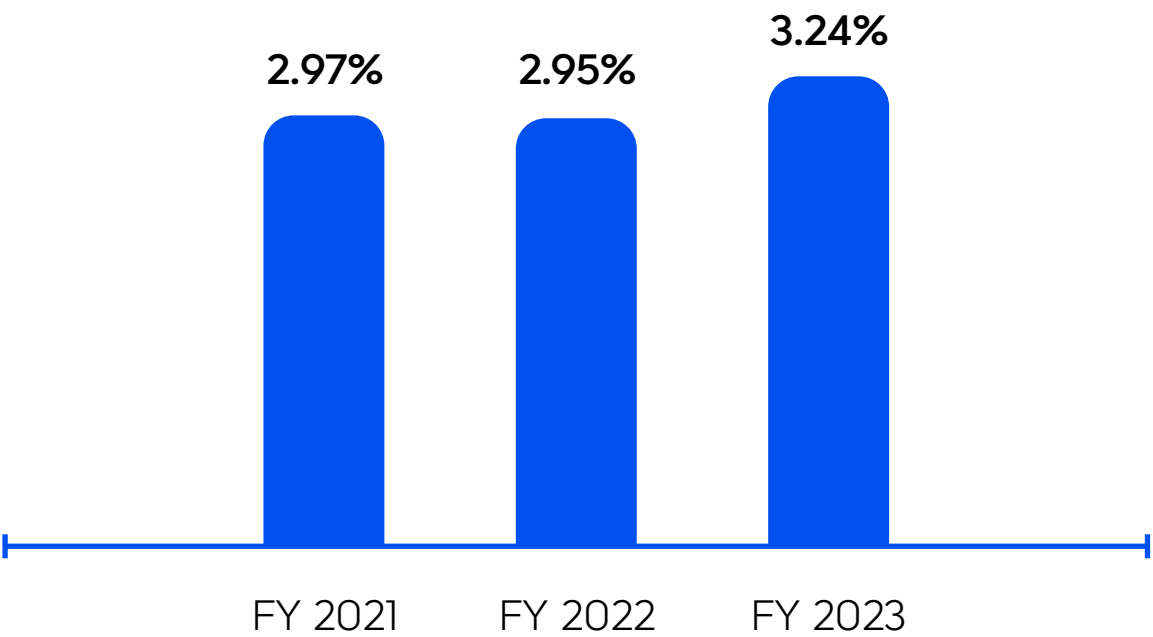
- Interest on loans increased by 23.8% YoY to THB 48,901 million.
- Interest on hire purchase and financial lease decreased marginally by 0.2% YoY to THB 22,798 million.
- Interest on interbank and money market items rose by 200.1% YoY to THB 4,468 million.
- Interest on investments in debt securities surged by 63.3 % YoY to THB 2,910 million.

Interest Expense

At the end of 2023, total interest expenses of the Bank and its subsidiaries was THB 21,926 million, an increase of 56.5% from last year, mainly owing to Financial Institutions Development Fund (FIDF) contribution resumption together with the interest rate hike. Details are shown below.

- Interest expense on deposits increased by 45.0% YoY to THB 11,195 million.
- Interest expense on interbank and money market items increased by 259.4% YoY to THB 1,732 million.
- Interest on debt issued and borrowing increased by 1.5% YoY to THB 2,506 million.

Figure 3: Net Interest Margin (NIM)



Net Interest Margin (NIM)

Net interest margin (NIM), rose by 29 bps to 3.24% from 2.95% in 12M22. Positive momentum of NIM improvement throughout 2023 was backed by continuous efforts on asset-liability management under such interest rate rising environment, leading to improving earning asset yield. Meanwhile, funding costs were well-managed thanks to the Bank’s pre-fund strategy ahead of interest rate hike cycle, alleviating pressures from deposit rate competition and FIDF resumption in 2023.

Although funding cost management will remain challenging next year due to deposit competition among commercial banks, specialized financial institutions (SFI) and government fund raising, ttb’s strong deposit base and the recycling strategy on loan side provide the Bank with flexibility to efficiently manage deposit growth strategy while enhance yields, which could help hold up the margin going forward.

Figure 4: Non-Interest Income (Non-NII)

(THB Million)	FY 2023	FY 2022	YoY (%)
Fees and service income	14,007	14,025	-0.1%
Acceptance, Aval & Guarantee	555	617	-10.0%
Other fees and service income	13,451	13,408	0.3%
Fees and service expenses	3,645	3,634	0.3%
Net fees and service income	10,362	10,391	-0.3%
Gain on financial instrument measured at fair value through profit or loss	1,666	1,693	-1.6%
Gain (loss) on invest ments, net	52	7	669.0%
Share of profit from investment using equity method	284	261	8.6%
Gain on sale of properties foreclosed, assets & other assets	278	336	-17.4%
Dividend income	229	174	31.1%
Others	884	1,373	-35.6%
Non-interest income	13,754	14,236	-3.4%

Note: Consolidated financial statements

Non-Interest Income (Non-NII)

In 2023, total non-interest income of the Bank and its subsidiaries declined by 3.4% YoY to THB 13,754 million, due to one-time gain from AT1 partial buyback in 4Q22. Key items are as follows.

- Net fees and service income was quite stable YoY at THB 10,362 million, mainly attributed to loan related fees, IB project fees and credit card fees, but BA and MF fee remained soft during challenging market environment.
- Gain on financial instruments measured at fair value through profit or loss decreased by 1.6% YoY to THB 1,666 million.
- Share of profit from investment using equity method increased by 8.6% YoY to THB 284 million.
- Dividend income increased by 31.1% YoY based on business performance of strategic investments.

Figure 5: Non-Interest Expenses

(THB Million)	FY 2023	FY 2022	YoY (%)
Employee expenses	16,673	16,006	4.2%
Directors' remunerations	123	60	105.4%
Premises and equipment expenses	4,817	4,864	-1.0%
Taxes and duties	1,831	1,510	21.2%
Other expenses	7,837	7,511	4.3%
Non-interest expenses	31,280	29,952	4.4%

Note: Consolidated financial statements

Non-Interest Expenses

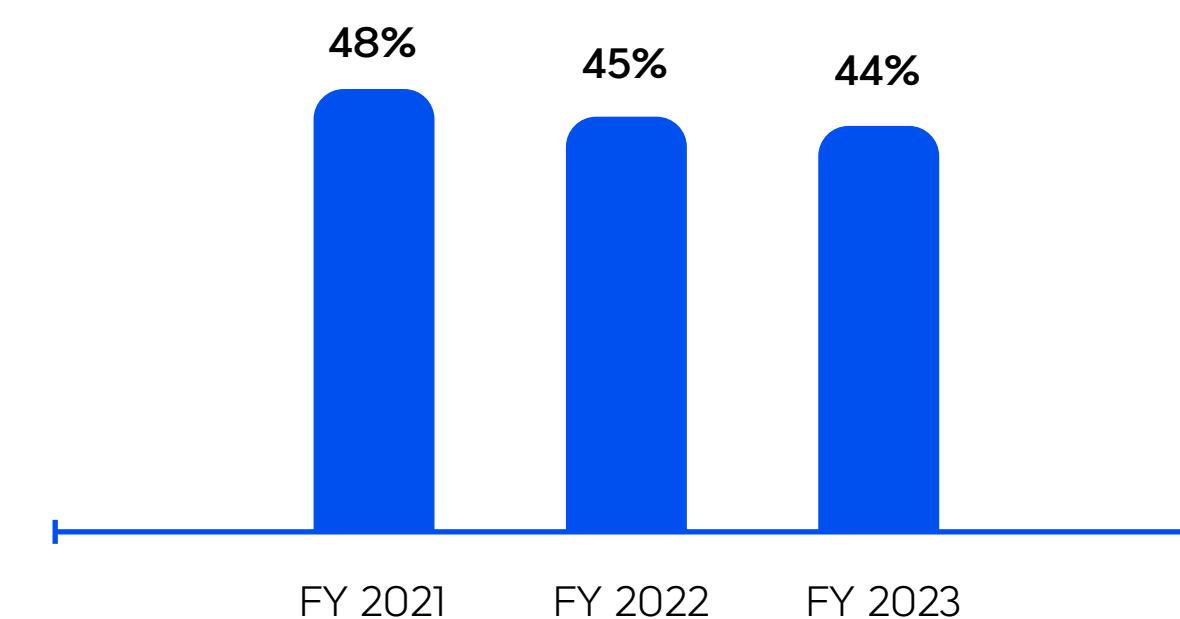
At the end of 2023, total non-interest expenses of the Bank and its subsidiaries increased by 4.4% YoY to THB 31,280 million. Key factors are as follows.

- Employee expenses rose by 4.2% YoY to THB 16,673 million due to higher staff cost, incentives, and employee program (EJIP) aligned with employee management plan and growing business volume.
- Premises and equipment expenses decreased by 1.0% YoY to THB 4,817 million, mainly resulted from lower depreciation expense.
- Other expenses increased by 4.3% YoY to THB 7,837 million, owing to selling and marketing aligned with business volumes.

Cost to Income (C/I) Ratio

For the year 2023, cost to income (C/I) ratio was at 44%, improved from 45% in 12M22. C/I improvement was benefited from post-merger cost saving synergies and continuous efforts on cost management. Going forward, the Bank will keep up business efficiency enhancement on both cost and revenue sides with support of digital-first business direction and aspire to achieve low-40s C/I in the next 3 years.

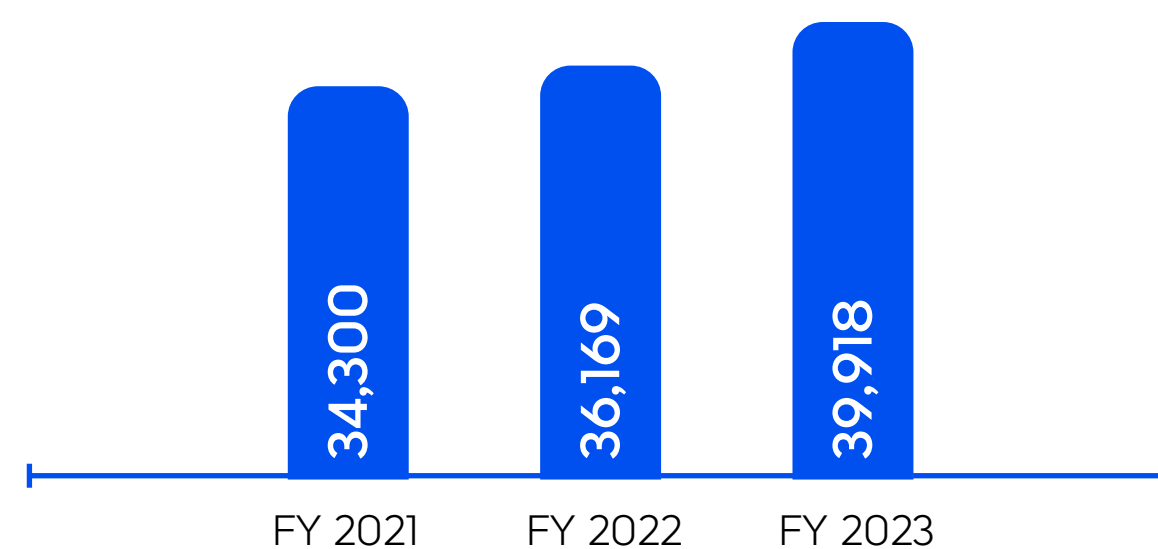
Figure 6: Cost to Income (C/I) Ratio



Note: Consolidated financial statements

Figure 7: Pre-Provision Operating Profit (PPOP)

THB Million



Note: Consolidated financial statements

Pre-Provision Operating Profit (PPOP)

The pre-provision operating profit or PPOP of the Bank and its subsidiaries was at THB 39,918 million or grew by 10.4% YoY.

Expected Credit Loss (ECL)

Asset quality management remained one of our priorities amid uncertain economic recovery. The Bank has maintained a prudent approach and closely monitored asset quality with prudent ECL model and considered forward-looking risks through Management Overlay. Over the past years, ttb has focused on growing quality loan, de-risking weak loans and closely monitoring portfolio quality. As a result, stage-3 loan was stable, while NPL formation remained in control.

Besides, the Bank continued to strengthen risk absorption ability and with financial capability, the Bank could uplift LLR further by setting aside a special expected credit loss (ECL) in 4Q23 amounting THB 4,886 million against future uncertainties. For the 12-month of 2023, the normal ECL level was at THB 17,313 million, which declined by 5.7% YoY, equivalent to the normal credit cost of 128 bps, ended within the target. When included the extra provision, the total ECL amounted to THB 22,199 million.

Profit Before Income Tax

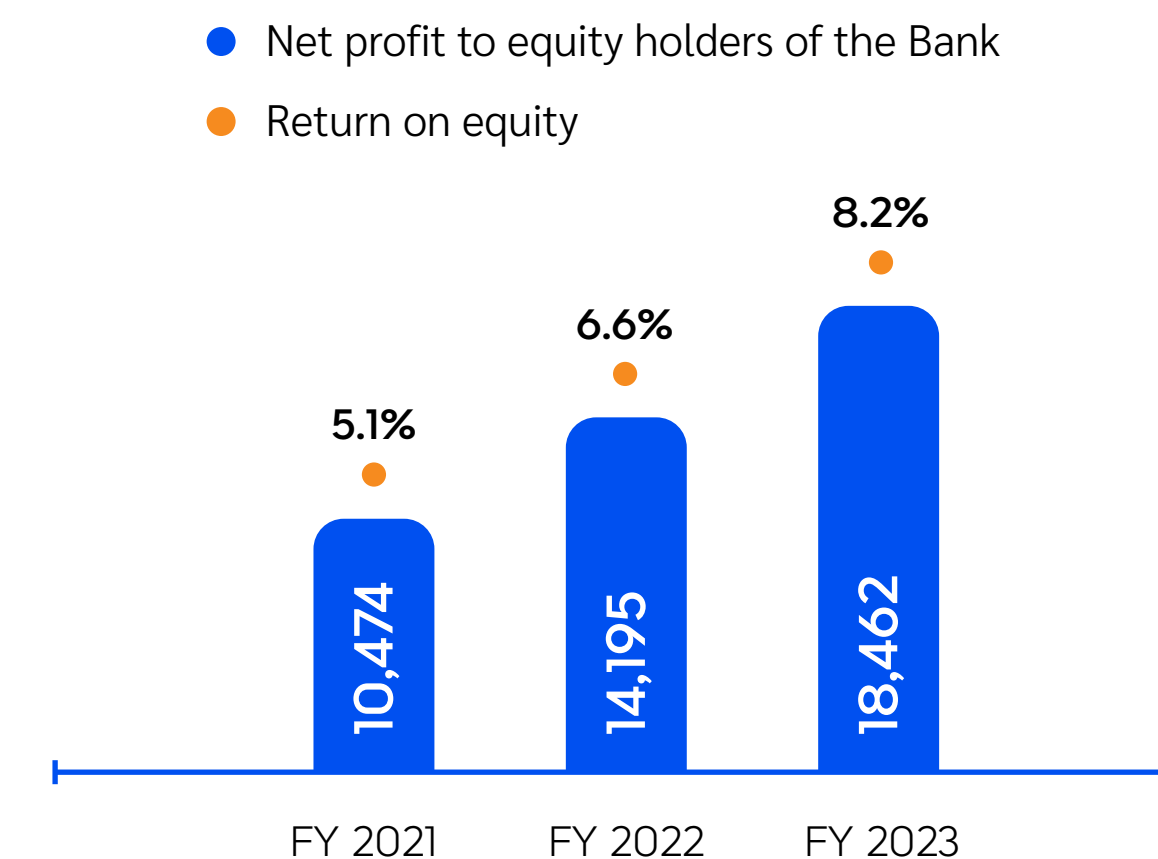
The Bank and its subsidiaries recorded profit before income tax at THB 17,482 million, decreased marginally by 0.4%, compared to the previous year. The Bank had no corporate income tax expense in 2023 as a result of tax benefit from the investment loss upon TBANK liquidation.

Net Profit to Equity Holders of the Bank

After provision and tax benefit, net profit to equity holders of the Bank in 2023 stood at THB 18,462 million, an increase of 30.1% YoY and represented ROE of 8.2%.

Figure 8: Net Profit and Return on Equity (ROE)

THB Million



Note: Consolidated financial statements

4.2 Financial Position

TMBThanachart Bank (ttb) has set a clear business direction to keep focus on the Bank's core strengths while avoiding unnecessary risks. With that, ttb has strengthened balance sheet position and improved operating performance throughout 2023, backed by 3 key strategic moves: efficient asset-liability management and liquidity utilization by recycling low yield assets to higher yield for better returns, maintaining stringent cost discipline, and controlling asset quality with prudent risk management. Key areas of 2023 financial position are as follows.

Figure 9: Selected Statements of Financial Position

(THB Million)	Dec-23	Dec-22	YTD (%)
Cash	15,487	15,506	-0.1%
Interbank and money market items, net	267,486	187,563	42.6%
Financial assets measured at fair value through profit or loss	2,470	1,533	61.1%
Derivative assets	7,236	10,376	-30.3%
Investment, net	179,088	211,432	-15.3%
Investment in subsidiaries and associate, net	8,614	8,574	0.5%
Total loans to customers	1,327,964	1,376,118	-3.5%
Add accrued interest receivables and undue interest receivables*	8,674	7,777	11.5%
Less allowance for expected credit loss	63,502	57,390	10.6%
Total loans to customers and accrued interest receivables, net	1,273,136	1,326,505	-4.0%
Properties for sale, net	12,312	12,152	1.3%
Premises and equipment, net	20,859	19,788	5.4%
Goodwill and other intangible assets, net	23,434	22,890	2.4%
Deferred tax assets	1,560	830	88.0%
Other assets, net	12,751	9,131	39.6%
Total assets	1,824,434	1,826,279	-0.1%
Deposits	1,386,581	1,399,247	-0.9%
Interbank and money market items	87,794	84,770	3.6%
Financial liabilities measured at fair value through profit or loss	1,816	438	314.7%
Debts issued and borrowings, net	59,531	59,644	-0.2%
Deferred revenue	16,741	17,950	-6.7%
Other liabilities	42,623	45,222	-5.7%
Total liabilities	1,595,087	1,607,271	-0.8%
Equity attributable to equity holders of the Bank	229,347	219,006	4.7%
Non-controlling interest	0	1	-96.2%
Total equity	229,347	219,008	4.7%
Total liabilities and equity	1,824,434	1,826,279	-0.1%
Book value per share (Baht)	2.36	2.26	4.4%

Note: Consolidated financial statements

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

Assets

As of 31 December 2023, total assets on consolidated basis were THB 1,824,434 million, relatively stable compared to 31 December 2022 (YTD). Key items are as follows.

1) Total Loans to Customers

As of December 2023, The Bank recorded total loans to customers (less deferred revenue) on consolidated basis of THB 1,328 billion, declined by 3.5% YTD. In this year, the low-yield commercial lending has been selectively running down on the back of our liquidity recycling strategy to capture better risk-adjusted returns. Indeed, the target segments of retail loan namely Cash Your Car (CYC), Cash Your Home (CYH), and consumer lending were growing on track and well-achieved as planned. Rather than pursuing aggressive growth, the growth momentum developed consistently with the Bank's strategy to optimize liquidity utilization, embed the clear direction to avoid unnecessary risks and keep business focus on the Bank's core strengths and expertise. Details are as follows.

- Retail lending on consolidated basis increased by 2.1% YTD, led by high-yield lending, such as consumer loans, CYC, and CYH. Given the Bank's ongoing effort to build up more fair share in consumer lending area, credit card loans rose by 17.8% YTD. In parallel, personal loans continued the positive momentum by growing 20.9% YTD.

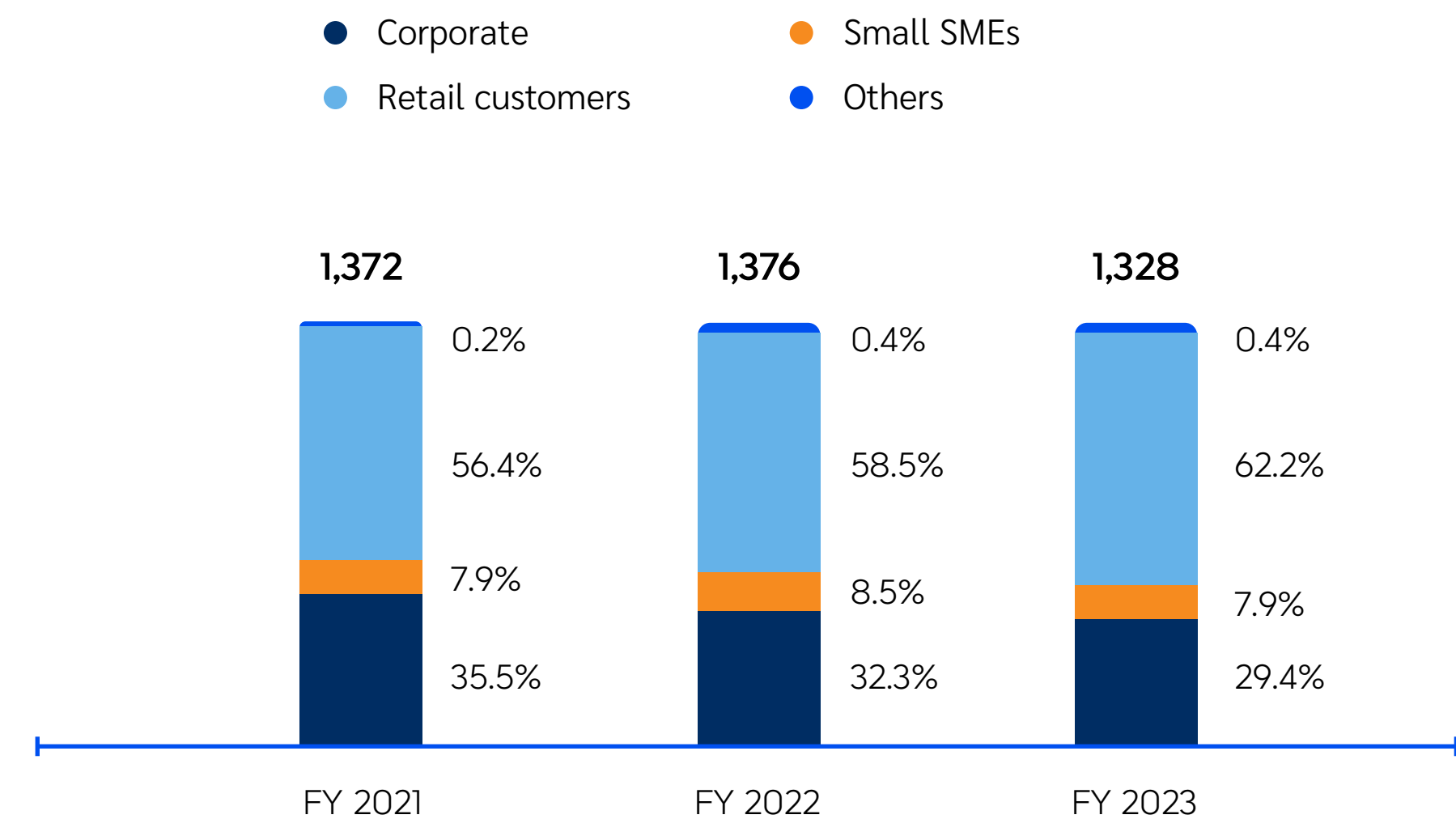
Given the clear direction to conservatively grow quality portfolio considering appropriated risk-adjusted returns and market situation, especially worsening used car prices, overall hire purchase portfolio recorded a flat growth YTD. Zooming in, the used car lending growth continued to decelerate as a part of our auto strategy as well as more tightening acquisition criteria. New car segment also softened due to the greater market competition. Having said that, ttb remains its leading market position in hire purchase. Nevertheless, the Bank still focuses on leveraging existing customer base for expanding towards target top-up loan, e.g., Cash Your Car (CYC), it rose on track by 24.5% YTD.

In the light of unfavorable environment for homebuyers, mortgage lending saw a marginal expansion of 1.3% YTD. However, the home equity Cash Your Home (CYH) continued to grow steadily by 20.1% YTD.

- Corporate lending on consolidated basis decelerated by 12.1% YTD, largely due to the declines in working capital and term loans, which were aligned with our strategic move in recycling liquidity from low-yield portfolio, and selectively growing towards secured higher-yield loan space. As a result, corporate loan mix declined to 29% of total loans from 32% in 2022.
- SME segment loan (Small and Medium SME) declined by 9.7% YTD, aligned with our stance to maintain conservative position by de-risking SME portfolio.

Figure 10: Total Loan Breakdown by Segment

THB Billion



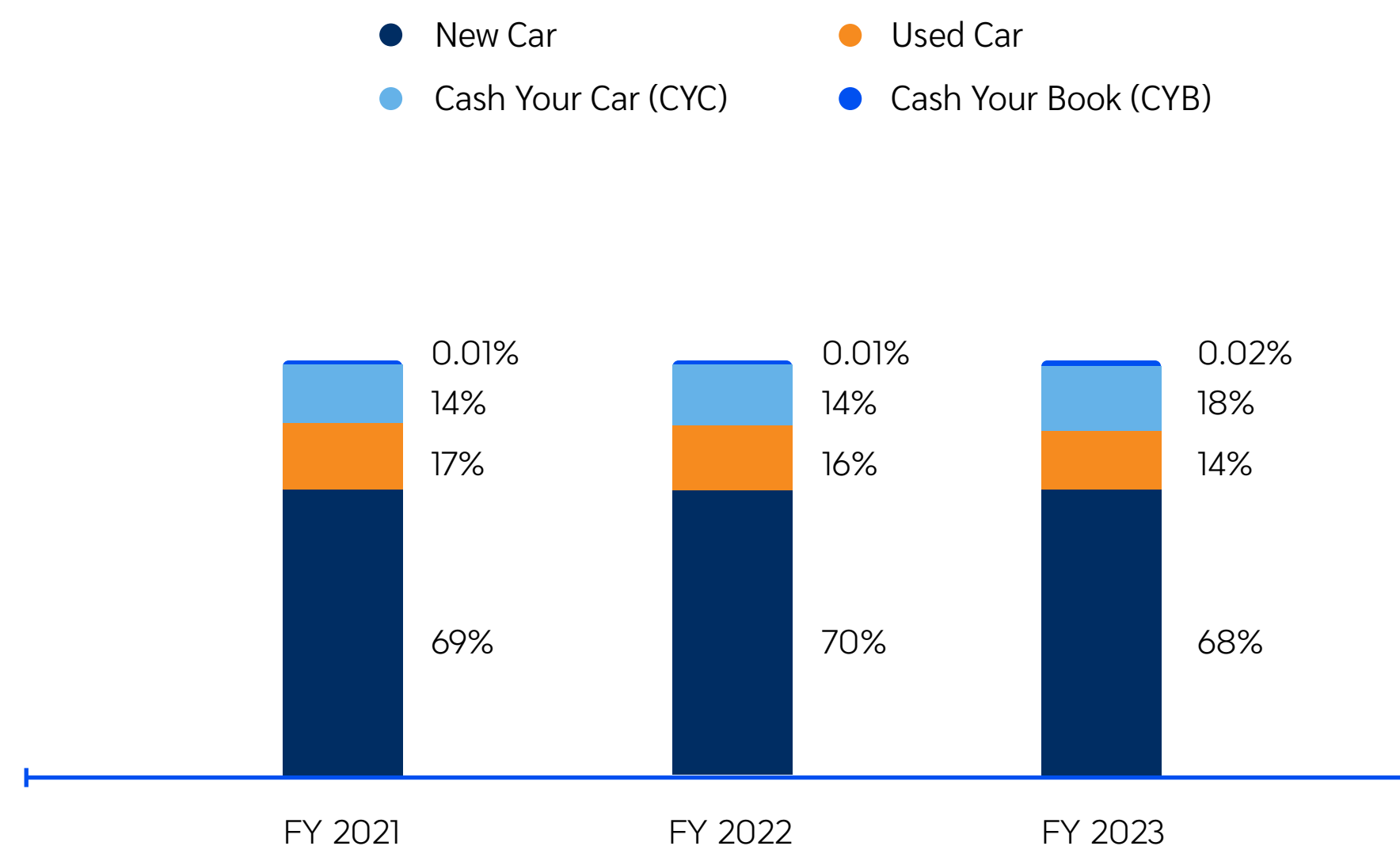
Note: Consolidated financial statements

In terms of loan breakdown by customer segments, the loan portfolio has diversified and shifted to retail segment since the merger. As of 31 December 2023, retail loans accounted for 63%, while corporate loans were 29% and SME were 8% of total portfolio.

In terms of key products, 31% of total loan was hire purchase, followed by mortgage of 25%, term loan of 17%, working capital (OD&RPN) of 15%, unsecured & credit card of 6%, trade finance of 5%, and others 1%, respectively.

Additional information: For Hire Purchase portfolio breakdown as of 31 December 2023, consisted of new car 68%, Cash Your Car (CYC) 18%, used car 14%, and Cash Your Book (CYB) of 0.2%, respectively.

Figure 11: Hire Purchase Portfolio Breakdown



Note: Consolidated financial statement

Stage-3 loans/non-performing loans (NPLs) and NPL ratio, excluded accrued interest receivables: According to the new accounting standard under TFRS9, which implemented on 1 January 2020, non-performing loans is classified as stage-3.

As of 31 December 2023, Stage-3 loans (NPLs), excluded accrued interest receivables on consolidated basis, was reported at THB 41,006 million, which declined slightly from THB 41,707 million at the end of December 2022. Stage-3 loans (NPLs) on bank-only basis amounted to THB 36,347 million, a decrease from THB 37,208 million at the end of December 2022.

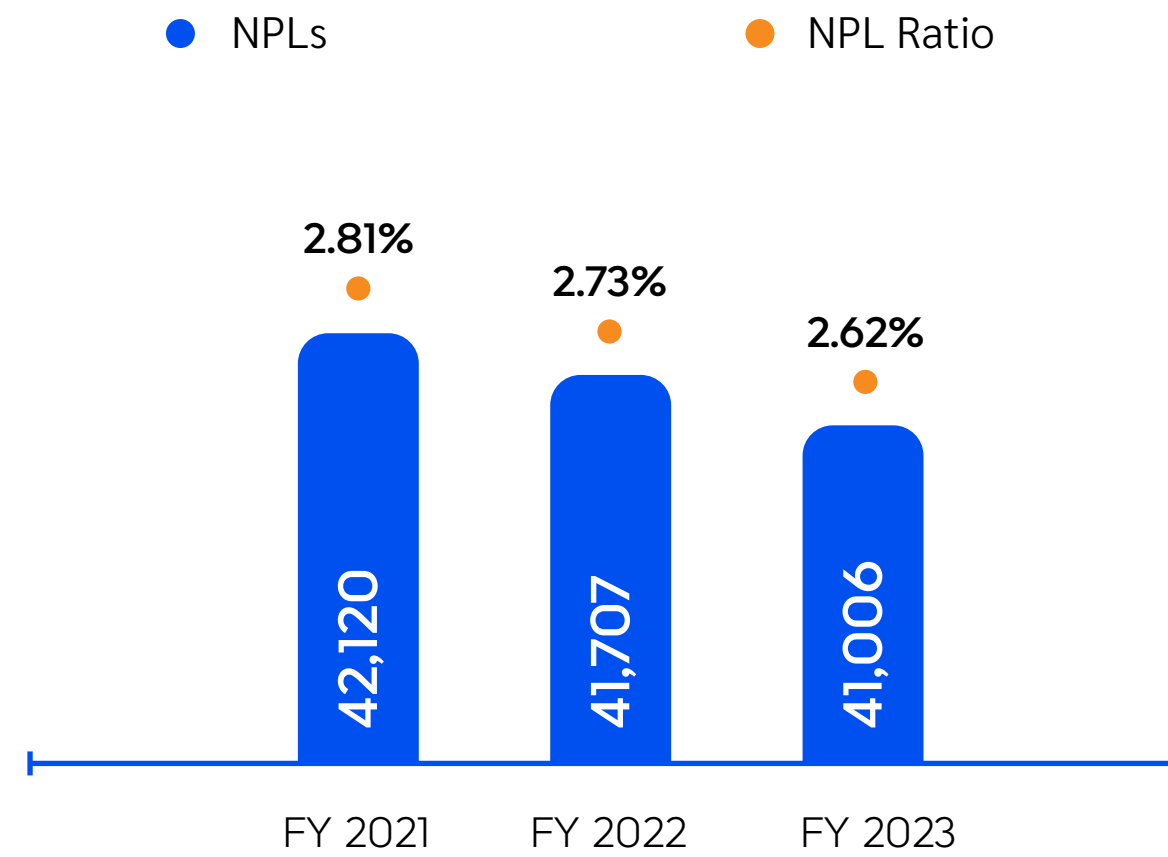
With the overall banking industry outlook, the market concern on portfolio quality has been raised amid uncertain and fragile macroeconomic environment, while potential downside risks stemming from global economic slowdown and geopolitical conflict remain. Potential weakness in hire purchase market is also spotted following the rising EV adoption. Having said that, with our quality growth strategy and stringent risk management principles, overall portfolio quality of the Bank remained stable; NPL formation remained under control.

Despite that, the Bank will continue to prudently monitor the portfolio quality and debt serviceability, especially vulnerable businesses and households that may have adverse impact from elevated financial costs and offer further assistance, ensuring overall soundness and stability of the Bank.

As of 31 December 2023, NPL ratio on consolidated basis was recorded at 2.62%, well-contained in comparison with 2.73% at the end of December 2022. Meanwhile, NPL ratio on bank-only basis stood at 2.33%, declining from 2.44% as of 31 December 2022. Overall, NPLs level remained at manageable level as a result of our conservative loan growth and prudent risk management. Stage-3 ratio was ended below the guidance of $\leq 2.9\%$.

Figure 12: Stage-3 Loans (NPLs) and NPL Ratio

THB Million



Note: Consolidated financial statements

Allowance for Expected Credit Loss

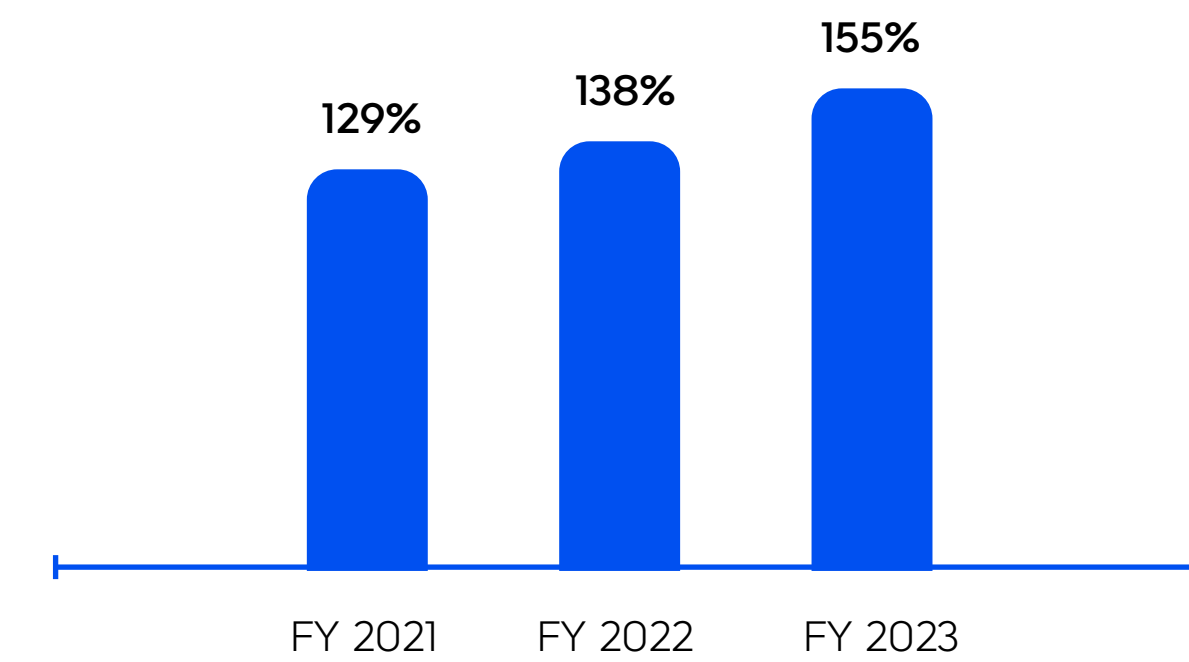
The Bank has continued to strengthen risk absorption ability. With our financial capability, ttb could further lift the level of allowance for expected credit loss by setting aside extra provision of THB 4,886 million in 4Q23 as a precautionary buffer against future uncertainties, strengthening the balance sheet position. As a result, as of 31 December 2023, the Bank and its subsidiaries reported the allowance for expected credit loss at THB 63,502 million, rising by 10.6% YoY. The coverage ratio was therefore built up to 155%, solidly rising from 138% at the end of December 2022.

At this LLR level, it would help safeguard the Bank's operational performance and dividend stream against unforeseen events and economic downturns. While during the upturns, this could give a flexibility to the Bank's investment activities as well as potential upside as a return for shareholders.

Coverage Ratio

Coverage ratio on consolidated basis was recorded at 155%, increased from 138% as of December 2022. The Bank consistently maintained coverage ratio at a prudent level.

Figure 13: Coverage Ratio



Note: Consolidated financial statements

2) Interbank and Money Market

As of 31 December 2023, net interbank and money market items increased by 42.6% YTD to THB 267,486 million. Such an increase was aligned with the tactical liquidity management prepared for re-deploying in selective assets, especially high-yield retail loans, while securing appropriate returns from the market rates.

3) Investment

Under TFRS9, investment items are classified into 3 categories: fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI), and measured at amortized cost. As of 31 December 2023, investments were classified as follows.

Figure 14: Net Investment

(Unit : THB Million)	31 Dec 2023	31 Dec 2022
Financial assets measured at FVTPL	2,470	1,533
Investments in debt securities measured at amortized cost	55,891	49,106
Investments in debt securities measured at FVOCI	120,973	159,470
Investments in equity securities measured at FVOCI	2,224	2,856
Net Investment*	179,088	211,432
Total Investment	181,558	212,965

Note: Consolidated financial statements

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

Liabilities

As of 31 December 2023, total consolidated liabilities were THB 1,595,087 million, a decrease by 0.8% from December 2022.

Details of key figures are as follows.

1) Deposits

As of 31 December 2023, the Bank and its subsidiaries reported total deposits on consolidated basis of THB 1,386,581 million which contracted marginally by 0.9% from the end of 2022.

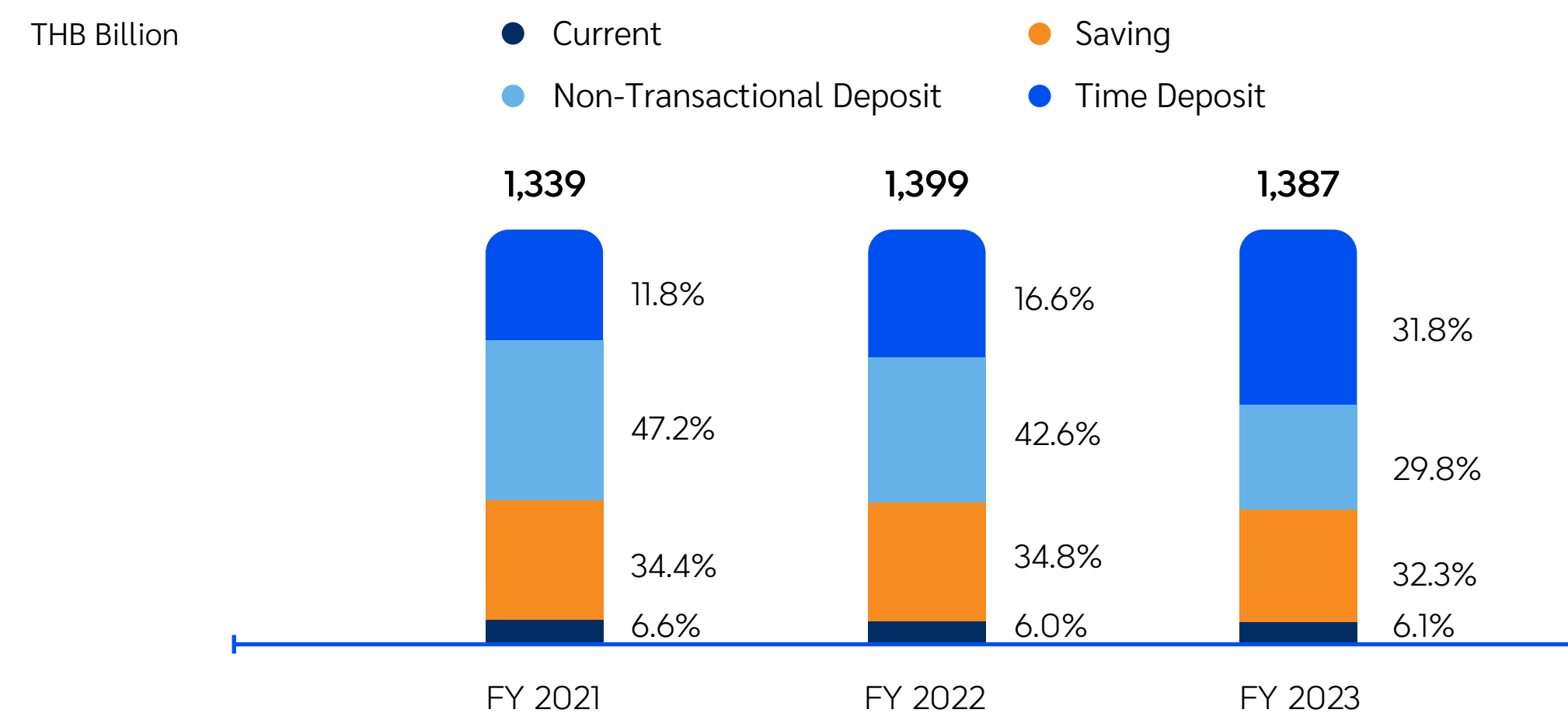
As pre-funded liquidity acquired since 1Q22 has been utilized and run down, the Bank strategically resumed acquiring deposit volumes in the 4Q23 as our liquidity preservation strategy in preparation for year 2024 in which ttb anticipates tightening deposit competition.

With that in mind, the Bank uses the tactical product called TD-Up and Up to attract new customers as well as safeguard existing customer by deposit churn from no-fixed account. Consequently, TD significantly grew by 90.7% YTD, resulting in TD mix shift to 32% of total deposit, compared to 17% as of the end of December 2022. This move was also a part of the liquidity matching plan aiming at securing term-funding base for our fixed loan book. In parallel,

no-fixed deposit declined by 33.0% YTD. However, our key flagship product like all-free deposit continued to grow as planned, increasing by 4.3% YTD.

Despite higher cost of fund incurred, the overall deposit momentum YTD was still in-line with the Bank's target guidance and liquidity management. The Bank's liquidity position improved significantly reflected by loan-to-deposit ratio (LDR) lowering to 96% from 98% as of December 2022. Going forward, the Bank will continue to selectively manage deposit volume, while leveraging digital platform to efficiently manage interest spread and hold up overall margin.

As of December 2023, retail deposit proportion represented 70% and commercial deposit represented 30% of total deposits. In terms of deposit structure, the ratio of non-transactional deposit to total deposit was reported at 30%, while transactional deposit (CASA-excluded no-fixed and ME Save) accounted for 38%, and TD accounted for 32%, respectively.

Figure 15: Deposits Breakdown by Products

Note: Consolidated financial statements

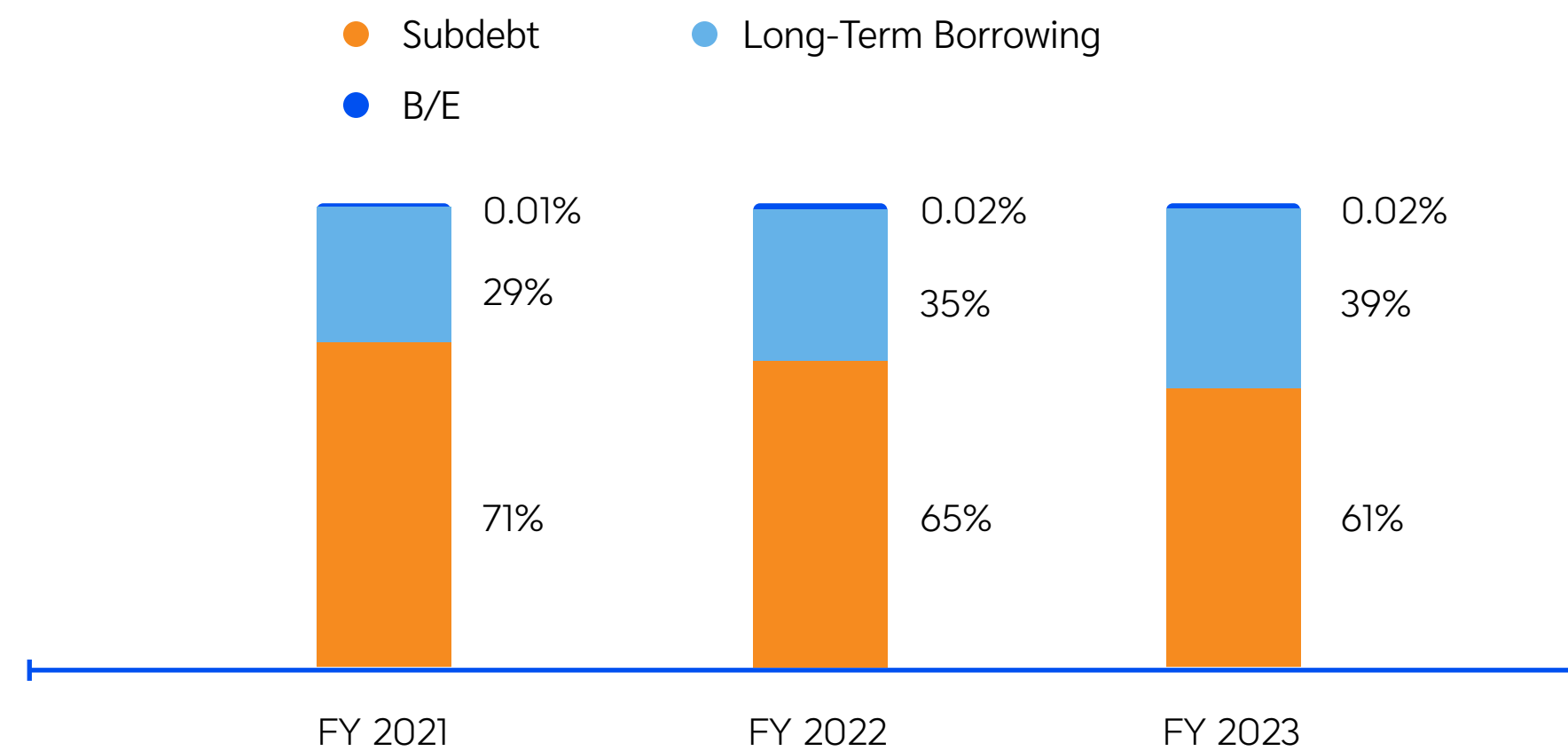
Remark: “TTB no-fixed” and “ME” are classified as savings accounts as they are not required to maintain minimum balance and have no restriction to term of deposit, presented in this graph as non-transactional deposit.

2) Borrowings

As of 31 December 2023, total borrowings of the Bank and its subsidiaries recorded at THB 59,531 million, which declined marginally by 0.2% YTD.

In terms of borrowing structure, 61% was sub-debt. This was followed by senior debentures 39% and Bill of Exchange (B/E) 0.02%.

Figure 16: Borrowings Breakdown



Note: Consolidated financial statements

3) Interbank and Money Market

Net interbank and money market items amounted to THB 87,794 million, which increased by 3.6% YTD, mainly due to the Bank's liquidity management.

Shareholder's Equity

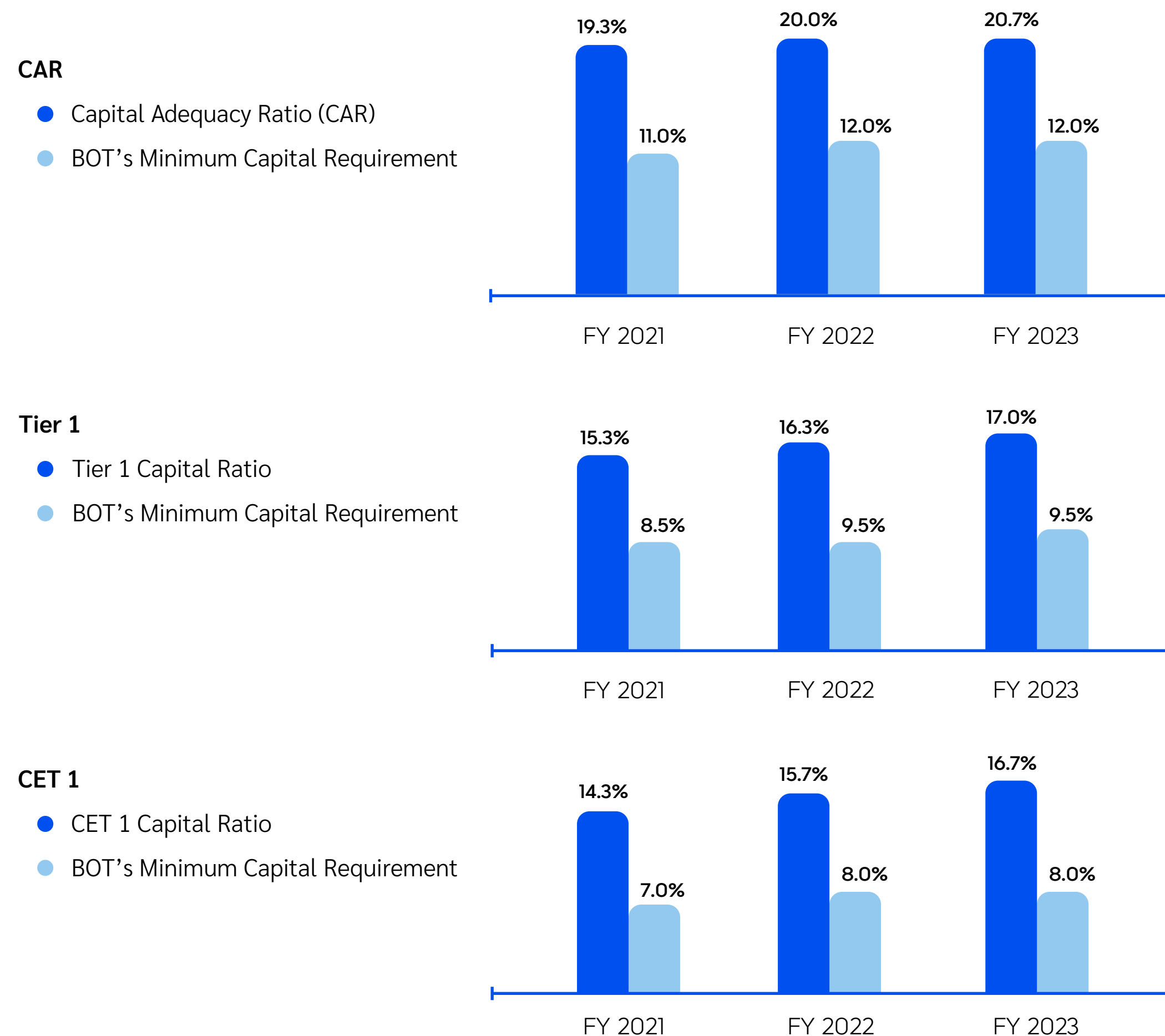
As of 31 December 2023, the consolidated equity was THB 229,347 million, increasing by 4.7% YTD. Such an increase was mainly due to accumulation of the net profit offsetting with dividend payment during 2023.

4.3 Liquidity and Capital Adequacy

The Bank has always ensured sufficient liquidity position, indicated by Liquidity Coverage Ratio (LCR). ttb's average LCR for 4Q23 was 194%, which improved from 180% for 4Q22. This level is well above the Bank of Thailand (BOT)'s minimum requirement at 100%.

The Bank consistently ensures robust capital base. As of 31 December 2023, Capital Adequacy Ratio (CAR) on consolidated basis under Basel III calculation was at 20.7%, while Tier 1 ratio and CET 1 ratio stayed at 17.0% and 16.7%, 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 statements

For the disclosure of full details of capital under BASEL III, please visit 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 who were affected from Covid-19 situation thru the debt relief program to ensure that they received proper assistance and could sustainably service their debts, the debt relief portfolio has decreased overtime on the expiry schedule. Currently, the debt relief was migrated to a comprehensive debt restructuring program and the Bank continues to give proper aids to customers amidst rising interest rate environment.

As of December 2023, ttb's total modified portfolio (which included legacy restructured loans before Covid-19 and all types of modified loans under debt restructuring program) stood at 11% of total loans, declined from 12% as of December 2022. Under the modified portfolio, approximately 7% of total loans was light modified terms, which was comparable to the BOT's orange scheme, and approximately 4% of total loans in deep modification, which was comparable to the BOT's blue scheme. The Bank has continued to proactively monitor this portfolio to ensure prudent asset quality control.

4.5 Driving Business for Sustainability

TMBThanachart is firmly committed to integrating sustainability into the Bank's business strategies and practices. Anchored by business, environmental, social sustainability, and corporate governance & business ethics (B+ESG), the Bank strives to achieve not only a robust financial commitment, but also a long-term sustainable growth for all stakeholders. With our ingrained 'Make REAL Change' philosophy, we fully leverage our potential post-merger to develop quality and holistic financial solutions and services. Our primary goal is to truly improve customers' life-long financial well-being by promoting financial literacy across four fundamental pillars: Spending & Start Saving, Healthy Borrowing, Investing for Future, and Sufficient Protection. Thus, customers would be equipped with suitable financial solutions at all stages of life.

In terms of business sustainability, the Bank has continued its digital transformation journey, focusing on building new capabilities, and strengthening the foundation. Doing so enables us to gain a better understanding of customer needs and offer them elevated and unique solutions, thereby deepening our relationship with them. In 2023, ttb touch application witnessed over 10 times of customer reach, compared to the physical channel. It is the key tool to execute ttb's strategy

“Ecosystem Play”, a new business model for growth focusing on car owners, payroll customers, and homeowners. Through features such as “My Car” launched in 2022, “Roddonjai”, “My Tax”, “My Work by ttb” launched in 2023, and the upcoming “My Home” to be featured in 2024, our customers can effortlessly manage their car, tax, and home concerns with utmost convenience at their fingertips.

The Bank acknowledges the crucial role as a financial institution in promoting Environmental Sustainability and supporting Thailand’s transition towards a low carbon economy. In 2023, the Board of Directors approved the Net-Zero Commitment of our own operations and aligning our portfolio with Thailand’s Net-Zero commitment of 2065, while expediting this crucial journey whenever feasible. Our Climate Strategy is built on three pillars:

- 1) reducing greenhouse gas emissions in our operations,
- 2) financing and advising clients’ transition to net-zero, and
- 3) managing environmental and climate-related risks.

We successfully reduced 20% of scope 1 and 2 emissions, compared to 2019, provided over THB 17 billion of ESG financing, and strengthened our Environmental and Social Responsibility (ESR) Policy to ensure that our commitment remains strong and current.

With the aim of easing the financial strain on the Thai people, the Bank has provided financial support to individuals and businesses through the debt consolidation program and welfare loan scheme, amounting to more than THB 3 billion and THB 6.8 billion, respectively. Over THB 50 million of accident protection and life insurance for ttb all free’s customers have been claimed during the year, ensuring financial stability, and the mitigation of loss for customers and families. Moreover, the Bank has actively promoted financial literacy among its employees, customers, and the public through diverse programs on our digital platforms, furthering our commitment to enhancing the financial well-being of Thai people. Going forward, the Bank remains committed to fostering fair banking principles and striving for a sustainable economy where environmental and social considerations are embraced.

For more details of the Bank’s sustainability, visit our sustainability report at
<https://www.ttbbank.com/en/sustainability/policies-and-reporting/reporting-and-publications>

4.6 Credit Ratings

The table below shows credit ratings of TMBThanachat Bank assigned by Standard & Poor’s, Moody’s Investor Services and Fitch Rating as of December 2023.

Moody’s Investors Service’s		
International rating		Outlook
Bank Deposits	Baa1/P-2	Stable
Baseline Credit Assessments (BCAs)	baa3	
Senior Unsecured	(P)Baa1	

Latest Changes: June 2020, Moody’s has affirmed long-term rating and revised outlook from positive 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: March 2022, Standard & Poor’s has downgraded long-term rating and revised 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: September 2021, Fitch Ratings has upgraded long-term IDR and support rating floor with 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	0 2299 1111
Contact Center	1428
Website	http://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 0 2009 9999	
2. Auditors	Mr. Waiyawat Kosamarnchaiyakij Or Ms. Pantip Gulsantithamrong Or Mrs. Wilai Buranakittisopon Or Mr. Chokechai Ngamwutikul	CPA Registered No. 6333 CPA Registered No. 4208 CPA Registered No. 3920 CPA Registered No. 9728
	KPMG Phoomchai Audit Ltd. 50th Floor, Empire Tower 1 South Sathorn Road Yannawa, Sathorn Bangkok 10120 Tel 0 2677 2000	

5.2 Factors Affecting Investment Decisions

Fine Penalty Settlement

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

Year	Regulatory Fine
2023	None
2022	None
2021	None
2020	None
2019	The Securities and Exchange Commission has fined the Bank according to section 113 of the Securities and Exchanges Act B.E.2535 in the amount of THB 4,254,000.

5.3 Legal Disputes

As of December 31, 2023, TMBThanachart Bank does not have any unsettled legal dispute that has the potential to negatively impact its assets, the claimed amount of which is worth over 5% of net equity according to financial statements of the Bank.

Part 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 is well aware of the importance and benefits of good corporate governance and thereby set out the written Corporate Governance Policy in alignment with the SEC's guideline which is based on the Stock Exchange of Thailand Principles of Good Corporate Governance for Listed Companies and aligned with the evolving relevant regulations and the Banking Industry Code of Conduct. The policy content focused on the good corporate governance with international standard 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 following principles:

In overseeing and strengthening the Bank's corporate governance, the Board of Directors establishes and includes objectives and principles of corporate governance in the Bank's Corporate Governance Policy.

Corporate Governance Code for the Bank

1. Establish clear leadership roles and responsibilities of the Board for sustainable value creation
2. Define main objectives and goals of the organization that promote sustainable value creation
3. Strengthen board effectiveness
4. Ensure effective CEO and people management
5. Nurture innovation and responsible business
6. Strengthen effective risk management and internal control
7. Ensure disclosure and financial integrity
8. Ensure engagement and communication with shareholders

Corporate Governance Objectives of the Bank

1. To ensure that the Bank operates business with care, efficiency, and effectiveness for stability and sustainable growth in accordance with its organization culture as the guideline to be applied to customers, business partners, and employees (I CARE), which comprises:
 - Integrity
 - Challenge Status Quo
 - Agility
 - Respect
 - Execution
2. To ensure that the Bank's business operations are in compliance with good corporate governance principles without fraud and corruption, and based on key fundamentals of accountability, responsibility, equitable treatment, loyalty, and transparency
3. To protect the Bank's benefits; while taking into account the benefits, right, and equality of stakeholders. This will enhance the confidence of both domestic and foreign shareholders and contribute to an increase of the Bank's value
4. To ensure that the Bank's business operations are in compliance with laws, rules, regulations, and relevant regulatory requirements
5. To encourage the Board of Directors and employees to provide all stakeholders with the fair and transparent treatment
6. To prevent conflicts of interest among the Bank, directors, employees, and stakeholders, and to set a framework of responsibilities of the Board and the Management for stakeholders
7. To ensure that the Bank puts in place the efficient and appropriate internal control system with risk management system that meets international standards
8. To ensure that the Bank discloses complete and accurate financial and non-financial information that is significant to decision-making in a timely manner

6.1.1 Policy and Procedure Related to Board of Directors

1. Strategies and Goals	
Policy	Corporate Governance Policy
Process	The Board of Directors ensures that the Bank establishes its objectives or goals with clarity and suitability and communicates clearly to staff to drive toward an aligned direction. The Board also advocates the key objectives and goals to be reflected in the staff performance in every tier to accomplish a corporate culture and ensures the formulation of strategies and annual business plans in alignment with such objectives or goals, as well as the annual review.
Practice	The Board of Directors monitors the Management's performance to ensure alignment with the policies and strategies set forth.
2. Risk Management	
Policy	Corporate Governance Policy
Process	The Board is 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 oversees the Management to control the Bank's risks at an appropriate and acceptable level, with regular review of risk management processes. The Board also acknowledges risk management result reports on a regular basis.
3. Internal Control	
Policy	Corporate Governance Policy
Process	The Board is 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 execution of the Three Lines of Defense with independence and efficiency.
Practice	The Board monitors the internal control regularly with periodical assessment of efficiency and adequacy of such internal control for its improvement to be more stringent and appropriate for the changing situations. The Board also acknowledges 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

The Board also approves oversight of companies with the Bank's investment to ensure proper and stringent compliance in alignment with the dynamic situations. Companies under its oversight are categorized into 4 groups based on investment proportion, roles, and business models as summarized below:

1. Business-related and the Bank's business direction supporting with more than 50% share
2. Business-related and the Bank's business direction supporting with less than 50% share
3. Government/Banking infrastructure supporting
4. Other investment and TDR companies

The Board implements the oversight through 3 mechanisms of the Bank: (1) the Board of Directors and sub-committees, (2) the Management through the Chief Executive Committee, and (3) representative directors of the Bank. Moreover, the Board specifies the oversight framework to cover the following 5 aspects:

1. Strategic Direction
2. Finance and Performance Management
3. Risk Management and Control
4. Good Governance and Sustainability
5. HR Governance

In this regard, the Bank reviews: (1) Corporate Governance Policy, (2) Consolidated Supervision Policy, and (3) Equity Investment Policy to be aligned with the oversight structure of the companies with the Bank's investment as approved by the Board.

Moreover, the Board's mandate is for the Bank's subsidiaries to adopt the Bank's policies, i.e. Inside Information Policy and Anti-Corruption Policy, into practice.

Practice

The Bank publishes the structure of its business group on the website: <https://www.ttbbank.com/en/about-us/corporate-group-structure>

5. Nomination, Development, and Performance Assessment

Nomination

Policy

Corporate Governance Policy

Process

The Nomination, Remuneration and Corporate Governance Committee reviews and proposes the policy, criteria, and processes of candidate selection and nomination to the Board for the appointments of the Bank's directors and sub-committees' chairman and members, with the skill matrix taken into consideration. The Committee also reviews policies, structure, overall practice, and remuneration within the Bank and its subsidiaries.

Practice

- The Board annually reviews the Board's structure. The Bank considers whether the directors' skill diversity remains suitable for the current business direction. The Board's structure consists of 14 directors, divided into 5 independent directors, 13 non-executive directors (including 5 independent directors) and 1 executive director. Check and balance between the Board and the Management are in place, with clearly designated roles and responsibilities for effective oversight.
- The Board approved the nomination of 5 directors whose terms of service ended in 2023 to the AGM for approval and re-election as directors for another term (2023-2026). The said 5 directors included Mr. Ekniti Nitithanprapas, General Apinun Kumproh, Mr Yokporn Tantisawetrat, Mr. Michal Jan Szczurek, and Mrs. Patricia Mongkhonvanit.
- The details of the qualified persons proposed to the 2023 AGM are disclosed in the annual shareholders' meeting invitation letter on the bank's website ⁽¹⁾
- The Bank provided an opportunity for the minority shareholders to exercise the right to nominate names of those qualified to be elected as the Bank's directors at the 2023 AGM in advance from 1 September 2022 to 30 November 2022. The Bank published the determined criteria and practices on its website at ⁽²⁾ However, upon the end of such period of time, no shareholder nominates any person to be considered and elected as a director.

Remark:

¹ <https://www.ttbbank.com/en/ir/shareholder-services/notification-of-the-shareholder-meeting>

² <https://www.ttbbank.com/en/ir/shareholder-services/propose-agenda-and-directors-by-minority>

5. Nomination, Development, and Performance Assessment

Development

Policy

Corporate Governance Policy

Process

The Board ensures its members' knowledge and understanding of the roles, business models, and relevant laws and encourages all directors to enhance their skills and knowledge pertinent to their duty performance on a regular basis.

Practice

The Bank prepares beneficial documents and information for duty performance of new directors, as well as orientation and introduction to business models and relevant laws to those new directors. Furthermore, the Bank also encourages and supports the provision of knowledge to 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 responsibilities as directors.

Performance Assessment

Policy

Corporate Governance Policy

Process

The Board ensures annual performance assessment of its directors and sub-committees' members consistently. The Nomination, Remuneration and Corporate Governance Committee proposes the policies, criteria, and methodology of the Board and sub-committees' performance assessment to the Board for approval.

Practice

The Bank publishes the Board's performance assessment criteria and methodology in its annual report.

6. Code of Conduct and Corporate Culture

Code of Conduct

Policy

The Bank's Code of Conduct

Process

The Board places importance on good corporate governance in accordance with the Banking Industry Code of Conduct, as well as the duty performance of directors, executives, and employees in compliance with applicable laws, rules, ethics, and regulations in connection with effective and transparent performance.

Practice

The Board requires the code of conduct of 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

The Board ensures that the Bank establishes its objectives or goals with clarity and suitability and communicates clearly to employees to drive toward an aligned direction. The Board also advocates the key objectives and goals to be reflected in employee performance in every tier to accomplish a corporate culture.

The Bank establishes a corporate culture as the guideline to be applied to customers, business partners, and employees (I CARE) as part of Corporate Governance Policy as follows:

1. Integrity
2. Challenge Status Quo
3. Agility
4. Respect
5. Execution

It is aimed for the Bank's business operations with prudence, efficiency, and effectiveness for its stability and sustainable and continued growth.

Practice

The Board cultivates a corporate culture as the guideline to be applied to customers, business partners, and employees (I CARE) as part of the key processes of the Bank to ensure that all employees perform duties professionally with integrity in business operations to deliver excellent customer experiences.

7. Conflict of Interest and Use of Inside Information

Policy	Confidential and Inside Information and Conflict of Interest Policy
Process	The Board ensures that all executives and employees participate in reporting, avoiding, and preventing a case of conflict of interest, as well as avoiding participating in consideration of transactions with potential conflicts of interest. Moreover, directors and executives as defined by the SEC are obliged to disclose information of their securities holding to prevent cases of conflicts of interest or the use of inside information.
Practice	The Bank determines the consideration process for transactions with related parties or potential conflicts of interest to ensure that such transactions are reasonable. Furthermore, the Bank establishes the guideline for data storage and prevention of the use of inside information significant to changes in security prices or values.

8. Anti-Corruption Oversight and Whistleblowing

Policy	Anti-Corruption Policy and Whistleblowing Policy
Process	The Bank consistently communicates to all directors, executives and employees for their acknowledgement and understanding of the contents of Anti-Fraud Policy and Anti-Corruption Policy every year. In addition, the Bank arranges channels for stakeholders to conveniently report information or file complaints and determines the measures to protect whistleblowers against any threats.
Practice	The Bank is a certified member of the Thai Private Sector Collective Action Against Corruption (CAC). In addition, the Bank includes the content of Anti-Corruption Policy as part of its new director orientation session and communicates to directors on the Anti-Corruption Policy and their director roles and responsibilities every year. Moreover, the Bank requires all executives and employees to attend the anti-corruption training courses every year.

6.1.2 Policies and Procedures Related to Shareholders and Stakeholders

The Board of Directors’ Oversight on Conflict of Interest and Use of Inside Information

The Board of Directors considers and approves the Corporate Governance Policy and the Confidential & Inside Information and Conflict of Interest Policy. In this matter, the Bank formulates the relevant operating measures based on the said policies for directors, executives, and employees to comply as follows:

1. Prevention of Conflict of Interest

Any directors and executives with a potential conflict of interest shall not participate in the consideration and approval of such conflict of interest transactions. In addition the Audit Committee shall oversee compliance of the regulations on related-party transactions and present audit reports of the related transaction properly in compliance with the regulatory requirements.

2. Prevention of Use of Inside Information

The directors and executives who have the Bank’s inside information are prohibited from using such information in gaining unlawful interests from the securities trading. The reports on beneficial interests and securities holding of directors and persons with management power and their related parties shall be proposed to the Board of Directors on a quarterly basis.

Corporate Governance Policy and Confidential & Inside Information and Conflict of Interest Policy	Process	Practice
<ol style="list-style-type: none"> The Board of Directors ensures that the Bank has the policy governing transactions with potential conflicts of interest in place to allow the transactions with potential conflicts of interest to be equally and transparently treated in compliance with regulatory requirements; and that the disclosure of such information shall be correctly and completely conducted in compliance with good corporate governance. The Board ensures that the Bank establishes written policies and guidelines for storing and preventing the inside information from being used. This includes the information not yet disclosed to the public but possibly influencing a change in the price or value of the securities. Moreover, the Board ensures the policies and guidelines compliance in order to prevent directors, executives, employees, and their related parties as defined by regulators who, by their position or status, possibly know the Bank’s inside information from seeking benefits of using such information for the sake of their own or others. 	<ul style="list-style-type: none"> It is stipulated by the policy that directors and executives relating to any transactions shall not participate in the consideration and approval of such transaction. In this matter, the operating manual is developed for communicating the said direction. The Audit Committee considers related transactions or those with potential conflicts of interest to ensure reasonable arrangements. The Bank sets the policy and guideline for storing and preventing the inside information significant to the change in the price and value of the securities from being used. The Bank stipulates that it is a duty of the Board and executives to disclose information and submit the report on securities holdings and changes in the securities holdings in the report form set by the SEC. 	<ul style="list-style-type: none"> The Bank discloses the report of the internal control oversight and audit in the annual report under the topic of Audit Committee Report, indicating that there is no issue with conflict of interest found.

The Board of Directors’ Oversight on Anti-Corruption and Whistleblowing

The Board of Directors approved the Anti-Corruption Policy, Director Code of Conduct, Employee Code of Conduct, Gift, Entertainment, Donation, Sponsorship Policy, and Whistleblowing Policy. The Management is responsible for communicating and arranging training courses for directors and employees to be aware of details of the policies every year. The Board continues monitoring the policy compliance through the Audit Committee report. The Board considers the report of the

Internal Audit function that reports on the results of internal control adequacy assessment based on regular internal control testing in business areas to ensure adherence to the established operating manual in which corruption risk and control measures are prescribed. In addition, the Board requires the progress report from the Compliance function on the actions taken to remediate the complaints or whistleblowing cases.

Corporate Governance Policy	Process	Practice
<ul style="list-style-type: none"> The Board of Directors oversees the Bank’s establishment of the policy, standards, and relevant operating procedures, with stringent measures to reduce the damage caused by frauds and corruptions. The Board ensures that the Bank’s Whistleblowing Policy and announcement regarding to employee whistleblowing are established for all stakeholders of the Bank to contact, communicate, blow the whistle, or file complaints of misconducts. The Board ensures that process and channels to accept and handle the complaints from whistle blowers are in place and disclosed on the Bank’s website or in the Annual Report. 	<ul style="list-style-type: none"> The Risk Oversight Committee reviews and approves the review of the Anti-Corruption Policy as assigned by the Board of Directors. The Bank develops the Risk Control Self-Assessment (RCSA) for the corruption risk assessment, the guideline for preventing and monitoring corporate risk, and the regular assessment of Anti-Corruption Policy compliance in accordance with 3 Lines of Defense (3LOD) principle. The Anti-Corruption Policy is disclosed on the Bank’s website to communicate and educate all directors, executives, and employees in the organization through the Bank’s electronic network. The Bank also provides training sessions for executives and employees to educate them about the Bank’s Anti-Corruption Policy and practice guideline. 	<ul style="list-style-type: none"> The Bank discloses on its website that it is a certified member of the Thai Private Sector Collective Action Against Corruption (CAC) and Anti-Corruption Policy. All executives and employees attend the mandatory e-learning course on anti-corruption every year. It is a compulsory course that requires new executives and employees, as well as existing executives and employees, to attend. In addition, the Bank communicates the Anti-Corruption Policy to directors as part of the orientation for new directors. The Anti-Corruption Policy including duties and responsibilities of directors is communicated to the directors every year.

6.2 Business Ethics

According to the Bank’s **vision**: “To become the recommended bank of choice by our Customer,” the Bank has set the corporate **mission**, that is “We are committed to improve customers’ financial well-being”. To achieve such mission, the Board oversees the establishment of **the code of conduct for the Bank, directors, and employees** whereby directors, executives, and employees across the organization adhere to and aligned with. All directors are aware of their objectives, roles, duties, and responsibilities. All executives and employees have signed and acknowledged of the code of conduct and their roles and responsibilities under the code of conduct.

The code of conduct is a practice framework to promote good work setting for executives and employees and strengthen the Bank’s good corporate governance, which reflects the effective and successful corporate image. The significant ethical principles under the code of conduct are as follows:

- **Employees perform duties with honesty and confidentiality without exploiting inside information** for the sake of themselves or others. The Bank determined the measure to grant access permission only to relevant employees and set the internal audit process to regularly review such measure to ensure the information leakage prevention.

- **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 have responsibilities for society and environment conservation.** The Bank encourages employees to participate in the activities or projects that reduce the natural resources consumption, develop innovations or products that serve customer needs and mitigate the environmental impact.

[\(Complete version of the document is published on the Bank’s website.\)](#)

In addition to the aforesaid code of conduct, the Board establishes and inculcates **the I CARE corporate culture** in the Bank’s executives and employees to promote ethical and moral behaviors in daily work. This will build trust and creditability with relevant stakeholders.

Vision	Corporate Culture	The Bank's Code of Conduct
<p>To become the recommended bank of choice by our customers</p>	<p>The Bank establishes corporate culture "I CARE" comprising 5 core values: Integrity work together with integrity and trust; Challenge Status Quo dare to do different things and always challenge status quo; Agility look forward, embrace changes, and initiate new ideas; Respect work in collaboration, place importance to different opinions, and treat each other with respect; Execution aim for the best results with discipline in everything we do and pursue accomplishments.</p>	<ol style="list-style-type: none"> Business ethics <ul style="list-style-type: none"> Employees of the Bank and members of its financial business group shall comply with laws, rules, and fundamental principles with honesty and integrity as a professional who has knowledge, competency, expertise, and caution. Employees of the Bank and members of its financial business group shall perform duties in accordance with the guidelines on the prevention of corruption, conflicts of interest, and use of inside information. The Bank establishes the Anti-Money Laundering/Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CTPF) Policy with regular reviews as part of risk management. Roles of directors and executives <ul style="list-style-type: none"> Directors and executives of the Bank and members of its financial business group shall perform duties and take responsibilities under the ethical and moral framework to good corporate governance at every level throughout the organization. Service standards <ul style="list-style-type: none"> Provide employees with trainings for their understanding of service standards Set up 3LOD's duties to monitor and review risks that may occur in the service process Employees in positive work environments <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 Accountability to customers <ul style="list-style-type: none"> Sub-committees screen new products before offering to customers. A guideline is set for disclosing all product features in compliance with regulations. A process is determined to take care vulnerable customers. Channels for compliant filing are established.

Vision	Corporate Culture	The Bank's Code of Conduct
		<ul style="list-style-type: none"> 6. Prevention of Conflict of interest <ul style="list-style-type: none"> • Establish a no-gift guideline and measures for gift giving • Establish an insider list and a guideline to prevent insider trading for unlawful interests • Establish a guideline for business partners to declare that they have no conflict of interest with the Bank before entering into service agreements • Establish channels for external whistleblowing in which the issues of non-compliance with the code of conduct can be reported 7. Information management <ul style="list-style-type: none"> • Establish a process to oversee PDPA compliance 8. Corporate governance <ul style="list-style-type: none"> • Establish a process to oversee employees' practices in compliance with the 3LOD • Establish channels for external whistleblowing in which the issues of non-compliance with the code of conduct can be reported 9. Business competition <ul style="list-style-type: none"> • Ensure free engagement in business activities with fair competition without any act that violates competition law or infringe intellectual property rights • Establish a guideline to prohibit any property or benefits offering to government officers for convenience's sake

The full Corporate Governance Policy and the Code of Conduct are published on the Bank's Website: <https://www.ttbbank.com/en/about-us/code-of-conduct>

In 2023, the Bank provided the code of conduct training, covering the prevention of use of insider information, conflicts of interest, and abuse of position, to all executives and employees totaling 14,345 people. The Bank has no case of breach of the Bank's ethics and code of conduct.

6.3 Development of Corporate Governance

6.3.1 Significant Development Related to the Reviews of Corporate Governance Policy, Guideline, and System or the Board of Directors Charter in the Previous Year

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 principles as per the Corporate Governance Code for Listed Companies 2017 (CG Code), which is referred to in Item 6.1: Corporate Governance Policy Framework and Banking Industry Code of Conduct, consisting of the following 9 principles:

1. Business ethics
2. Roles of directors and executives
3. Service standards
4. Employees and work environments
5. Responsibility for customers
6. Conflicts of interest
7. Data management
8. Corporate governance
9. Trade competition and dispute solution

6.3.2 Rationale for Pending Implementation of Certain Corporate Governance Principles

The Bank's corporate governance complies with the Corporate Governance Code for Listed Companies 2017 (CG Code) established by the Securities and Exchange Commission, and the Corporate Governance Report for Thai Listed Companies (CGR) by Thai Institute of Directors (IOD), Banking Industry Code of Conduct of the Thai Bankers Association. However, the Bank's certain practices differed from those regulatory guidelines due to the following reasons:

1. The practice regarding the limited number of directors up to 12

The Bank's consideration: **As of 31 December 2023, the Bank had 14 directors in total** in accordance with 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 be aligned with the proportion of the changes of the shareholders according to the business transfer project from Thanachart Bank to TMB Bank.

2. The practice of complete disclosure of shareholders in detail

The Bank's consideration: Regarding nominee shareholders, it was a normal practice of 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. The practice that requires 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 complies with the rules and regulations which requires the directors and executives to report their interests and their related persons' interests to the Bank. Also, the Bank establishes the Corporate Governance Policy, which requires the directors, executives, and related persons to report their holdings 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 within 24 hours after the disclosure.

6.3.3 Other Good Corporate Governance Practices

The Bank strictly implemented good corporate governance practices in accordance with the Corporate Governance Code for Listed Companies by the Securities and Exchange Commission, and the Corporate Governance Report for Thai Listed Companies (CGR) by Thai Institute of Directors (IOD), as well as international standards such as ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard), Sustainability Disclosure Standard (GRI standard) and Sustainability Reporting Disclosure (SDG).

In 2023, the Board of Directors considered the principles related to their roles and responsibilities to oversee the Bank’s compliance with regulations and contexts, which have been changed due to different factors. There are 8 principles according to the Bank’s good corporate governance principles, which are given under item 6.1: Corporate Governance Policy Framework. The Bank implemented the aforesaid principles, along with additional practices, as described below.

The Bank establishes 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 Bank classifies companies under its oversight by the investment proportion, role, and nature of business, regulated through 3 internal

governance mechanisms: (1) the Board of Directors and sub-committees; (2) the Management overseeing the governance through Chief Executive Committee; and (3) the representative directors of the Bank. In addition, the Bank sets the scope of governance to cover 5 aspects: (1) Strategic Direction; (2) Finance and Performance Management; (3) Risk Management and Control; (4) Good Governance and Sustainability; and (5) HR Governance.

The Bank applies the **Corporate Governance Report (CGR), ASEAN CG Scorecard, and the AGM Checklist** for the shareholders’ meeting arrangement, as follows:

<p>The Bank is aware of the shareholder’s rights and provides measures including:</p>	<ul style="list-style-type: none"> • Propose all types of director remuneration in the agenda for the shareholders’ approval annually • Regarding the voting for director election, the Bank provides an opportunity to shareholders to vote for each director individually. • Disclose the voting validation by external inspectors in the minutes of the shareholders’ meeting • Allow shareholders to propose an agenda, nominate persons to be considered and elected as directors, and raise questions with respect to the shareholders’ meeting in advance of the meeting date • Disclose the policy to facilitate and encourage shareholders, including institutional investors, to attend the shareholders’ meeting • Establish the clearly specified shareholders’ meeting agenda • Indicate names and profiles of nominated directors for shareholders’ consideration and election in the agenda of the election of directors to replace those retiring by rotation • Indicate names of auditors, their audit firm, profiles, or information to help support shareholders’ consideration of competency and appropriateness, along with audit fees in the agenda of the appointment of auditors • Disclose the dividend payment policy, proposed dividend pays, and rationale in the agenda of the dividend payment approval • Indicate objectives, rationale, and the Board of Directors’ opinions towards each agenda in the invitation letter to shareholders’ meeting • Record names of the directors who participate in the meeting, process of voting and vote counting in the minutes of shareholders’ meeting and disclose adopted resolutions as well as voting result in the following business day after the meeting in compliance with relevant regulations. • No additional agenda which is not included in the proposed agenda in the invitation letter to be proposed for consideration or approval during the meeting
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<p>The Bank treats shareholder equally through following practices:</p>	<ul style="list-style-type: none"> • Allow minority shareholders to take part in the nomination and appointment of persons to be elected as directors • Establish the policy regarding the use of inside information and notify employees, executives, and directors of the policy • Establish the operating procedure for connected transactions which require the disclosure or approval from shareholders according to the Stock Exchange of Thailand's requirement • Establish policies and guidelines for conducting related-party transactions under the fair price and on arm's length basis • Facilitate the shareholders who cannot attend the shareholders' meeting in person by providing the proxy form • Publish the invitation letter to the shareholders' meeting in both Thai and English on the Bank's website at least 28 days in advance before the meeting
<p>The Bank takes into account the role of every group of stakeholders and provides the following arrangements:</p>	<ul style="list-style-type: none"> • Establish policies and guidelines on health and safety at workplace • Establish policies and guidelines on compensation and employee welfare, as well as provident fund • Establish policies and guidelines on the employee learning and development • Establish policies that will not involve violations of human rights • Establish policies and guidelines regarding customers, competitors, business partners, creditors, environment, community, and effective use of natural resources • Establish policies of anti-corruption and anti-bribery and guidelines on managing and controlling risks from corruption activities • Provide trainings for directors, executives, and employees, and communicate with directors regarding the Anti-Corruption Policy and guidelines
<p>The Bank discloses the information on its website to ensure the transparency and regulatory compliance.</p>	<p>Disclosed information includes the Bank's Articles of Association, shareholding structure, directors and executives' direct and indirect holdings of the Bank's securities, annual report published within 120 days after the fiscal year end, audit fees paid to the audit firm, long-term goals, financial and operational reports, performance indicators, nature of business, structure of business group, key risk indicators, Dividend Payment Policy, Whistleblowing Policy, directors' profiles, Compensation Policy and criteria of senior executives and directors remuneration, remuneration for each director in detail, directors' individual training and development during the year, related-party transactions, the policy of reporting on directors' interests, investor relations, etc.</p>

The Board of Directors consistently oversees the business in compliance with the good corporate governance principles.

- Engage in the establishment of vision and mission and review the Bank’s vision, mission, and strategy developed in the previous fiscal year
- Oversee the implementation of the Bank’s strategy through sub-committees.
- Ensure the establishment of the Corporate Governance Policy, the Risk Management Policy, the Conflicts of Interest Policy, the Code of Conduct for directors and employees, and policy with respect to the managing director’s position in other companies
- Separate roles between the Board and the Management
- Consider the internal control and risk management measures and disclose in the annual report, and prepare a report on the Board of Directors’ responsibility towards the financial statements in the annual report, in which the Audit Committee expresses opinions on actions taken
- Join the Thai Private Sector Collective Action Coalition Against Corruption (CAC)
- Establish the assessment of CEO’s annual performance
- Set up Compliance and Internal Audit Functions as well as the Company Secretary
- Arrange the annual meeting schedule and disclose the number of meeting attendances of each director
- Arrange meetings among non-executive directors
- No business group structure with related-party transactions that might lead to any conflict of interest.
- No violation of laws of labor, employment, consumer, trade competition, and environment.
- No record of late disclosure of the important information
- No record of any violation against regulations of regulators, e.g. the SEC/SET, around conflicts of interest, use of inside information, disclosure of related-party transactions and asset trading
- No case of non-executive director’s resignation due to any corporate governance issues
- No case of negative reputation because of any failures of the Board of Directors’ oversight

The Board of Directors considered and concurred with the Nomination, Remuneration, and Corporate Governance Committee on the review of the Corporate Governance Policy, which consistently complied with the CG Code in the previous year, as well as the following principles:

Rights of Shareholders

Shareholders’ Meeting Arrangement

The Bank had a policy to encourage all groups of shareholders, including minority shareholders, institutional investors, and foreign shareholders, to attend the 2023 Annual General Meeting of Shareholders via electronic means (e-AGM) on 5 April

2023 in order to provide an opportunity for shareholders to remotely attend the meeting from anywhere. In this regard, the Bank proceeded the meeting according to the Emergency Decree on Electronic Meetings B.E. 2563 (2020) and other relevant laws and regulations. In addition, The Bank supported shareholders in exercising their fundamental rights and obtaining the information by taking actions as follows:

Before the Meeting Date

- Regarding the arrangement of e-AGM, the Bank informed shareholders of the schedule and agenda of the meeting through the SETLink system of the Stock Exchange of Thailand (“SET”) on 21 February 2023 and posted the invitation letter to the meeting and supporting documents both in Thai and English on the Bank’s website (www.ttbbank.com) on 7 March 2023,

or 29 days before the meeting, in the “Investor Relations” section under the topic “Annual General Meeting of Shareholders” to enable the shareholders to have sufficient time to study the information.

- The Bank also assigned its securities registrar, Thailand Securities Depository Co., Ltd. (TSD), to deliver the said documents in printed copies to the shareholders via the registered mail on 15 March 2023 or 21 days before the meeting date, which was in compliance with the policy and longer than the legal requirement. Such information contained the same details as that published for shareholders on the Bank’s website.
- The invitation letter contained objectives, rationale, and opinions of the Board of Directors on each agenda item, accompanied by complete and sufficient details of each item for decision-making. In each agenda item, the shareholders were clearly informed whether it was the matter proposed for consideration or acknowledgement.
- The Bank has published its notice of shareholders’ meeting in a local newspaper for at least 3 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, facilitating shareholders attending in person and proxies attending on shareholders’ behalf.
- Before starting the meeting, the Chairman assigned the Company Secretary to clearly inform the shareholders of the voting of each agenda item and counting methods.
- During the meeting, the Chairman proceeded with the meeting in order of the items on the agenda. The Chairman also encouraged the shareholders to cast votes and raise questions and comments via 2 electronic communication channels: online text message and VDO conference.
- The Bank carried out the vote casting and vote counting openly and transparently. The representatives of Capital Law Co., Ltd. and external legal consultant were invited as witnesses in casting, counting, and validating votes. 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 SETLink on the meeting day, including voting results, i.e. approved, disapproved, and abstained votes, of each agenda item.
- The Bank submitted the minutes of the meeting, which contained complete details without the additional agenda that was not presented in the invitation letter, to the SET and related regulators within 14 days after the meeting date and posted it on the Bank’s website (www.ttbbank.com) both in Thai and English versions, for shareholders verification. The minutes included the attendance record of the directors, the clarification on key items, and the summary of questions, answers, and comments during the meeting.

Equitable Treatment of Shareholders

The Bank places importance on all shareholders and ensures the rights to a fair and equitable treatment for major shareholders, minority shareholders, and institutional investors. All shareholders are treated with fairness and equality as summarized below:

Rights 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 SETLink. All significant and updated information is also posted on the Bank’s website (www.ttbbank.com).

Rights to attend the shareholders’ meeting

- All shareholders have an equitable right to attend the meeting. The opportunity is also opened to those who are unable to attend the meeting in person to appoint proxies to attend at the meeting on their behalves. The Bank arranges to allow shareholders to appoint directors/independent directors who do not have interests in the business on the agenda as their proxies.

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, and submit questions for AGM in advance before the meeting. The shareholders must comply with criteria specified by the Bank. In this regard, no director nominee or agenda was proposed for the Bank’s consideration.

Right to vote for each director individually and determine directors’ remuneration

- At every Annual General Meeting of Shareholders, one-third of the total number of 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 each director individually. The shareholders have the right to choose the person(s) qualified to perform the director’s duties to safeguard the shareholders’ interests. This will enable the variety of the directors who truly represent the shareholders. Details of a nominated person to be elected as a director, such as name, age, education, experience, position in other listed companies, type of directorship, number of the Board’s meeting attendances, and the tenor of directorship, will be provided in the invitation letter of a particular agenda for the shareholders’ information and consideration.
- Shareholders have the right to consider and approve the directors’ remuneration. The Bank provides adequate information on directors’ remuneration to support the shareholders’ consideration.

Right to appoint auditors and determine audit fees

- The Bank sets an agenda on appointment of the Bank’s auditors and fixing of the audit fees. The Bank also provides sufficient details of the proposed auditors (names of auditors, name of their audit firm, their experience, and independence of auditors) and audit fees for the shareholders’ consideration.

Roles of Stakeholders

Shareholders Policy

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

The guidelines for shareholders

The Bank ensures that business operation is transparent and corruption-free, by taking into account the 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 its share price and reasonable and attractive dividend payment.

Employees Policy

The Bank supports and develops the capability of employees for the highest performance capacity. The employment shall be fair and appropriate for all 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 good work environment and specify the occupational safety standards at workplace.

The guidelines for employees

The Bank shall provide good welfare and favorable work environment by providing an annual physical check-up, a provident fund, a group life insurance, a group personal accident insurance, and loans based on the human rights. The Audit Committee regularly oversees and ensures that such treatments are implemented. Details of the Human Right Policy were disclosed on the Bank’s website: www.ttbbank.com. The Bank established the Labor Relations Department to oversee and ensure the fair treatment for workers.

Customers Policy

The Bank applies a customer-centric strategy to provide the customers with a versatile range of services and products that can satisfy their needs well, maximize customer satisfaction, and foster good relationships with customers.

The guidelines for customers

The Bank’s “I CARE” culture is embedded into regular working processes with customers, counterparties, and employees. The Bank encourages all employees live and breathe the culture and work towards the same goal: To help Thai people achieve better financial well-being.

Suppliers/Vendors Policy

The Bank has set clear rules and guidelines for suppliers/vendors treatment. The Bank shall implement a process of partner selection to add to its vendor list and conduct cost comparison before any procurement, hiring, leasing, and hire purchase. In addition, the Bank carefully and concisely complies with the criteria without corruption.

The guidelines for suppliers/vendors

The suppliers/vendors quality assessment management is implemented, dividing partners into 2 tiers. Tier 1 partners, “Strategic Partners,” can provide products or services that are very specific or adjustable to the Bank’s needs with a significant impact on 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. However, changing this kind of partners takes time. Each team selects the Tier 1 and Tier 2 partners for quality assessments. The social and environmental aspects, including the human rights aspect, are considered part of the quality assessment and partner management.

The guidelines for suppliers/vendors selection

In the suppliers/vendors selection, the Bank shall consider types of goods or services, prices, expertise and experience of business, economic, social, and environmental aspects, financial status, history of business, faithfulness and experience of executive management, and safety of information and goods.

1. In the selection process, participants are screened by the inspection and analysis in Due Diligence and KYC processes 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 conflicts of interest and included them in the Bank’s Employee Code of Conduct.
3. The Procurement Committee is appointed to validate the suppliers/vendors at a costly transaction value as specified by the Bank. The Procurement Committee also certifies the bidding results to ensure that the suppliers/vendors selection is transparently arranged and fair for suppliers/vendors. The Bank’s Legal unit reviews the agreement between the Bank and the suppliers/vendors for fairness of both parties.

Creditors Policy

The Bank has policy to honor and strictly conform to contact and commitment with creditors, including conditions, guarantees, cash management, not-default of debt, and other matters agreed upon with creditors. The Bank shall completely and timely repay all loans and interest to all creditors and rigorously comply with the loan conditions according to the agreement without misuse of the loans.

The guidelines for creditors

The Bank requires the Balance Sheet Management Unit to report to creditors on the Bank’s financial status and information with accuracy, completeness, and good liquidity management to ensure its readiness for timely debt repayment to the creditors.

Competitors Policy

The Bank has a policy for competitors to ensure that its business is run on a fair and free competition basis with honesty, integrity, corruption-free. The Bank shall not damage, destroy, obstruct, or limit the competitors’ business activities.

The guidelines for competitors:

The Bank shall offer the products and services that suit the customer’s needs based on fair treatment. The customers can freely choose the products and services with which they are satisfied. The Bank shall not engage in any dishonest or inappropriate actions, such as giving bribes or compensation to employees of competitors, 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.

Investors Policy

The Bank shall disclose correct, complete, and sufficient information for investors to make decision in a timely and appropriate manner.

The guidelines for investors

Details are given in the item “Disclosure and Transparency”.

Government Agencies Policy

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

Social and Environmental Responsibility Policy

The Bank has a policy to operate its business while encouraging the employee’s awareness of the Corporate Social Responsibility (CSR), supporting various internal 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 Board places importance on the equality of all employees and shall not commit any conduct that violates human rights, including the discrimination on the grounds of the differences in origin, race, language, age, education, institution, gender, disability, physical or health condition, personal status, economic or social standing. Accordingly, the Bank includes the Policy on Compliance with International Human Rights Principle in its Code of Conduct and determines a fair and human rights-based approach for recruitment and employment, with a complete consideration of the candidates’ competencies. The Bank sets out and ensure the fair compensations to be aligned with the position structure for each defined position level by benchmarking such compensations against market data for each similar position level.

The guidelines on non-violations against human rights

All employees must treat all stakeholders with politeness, respect, and honor, and not behave inappropriately or violate human rights regarding the discrimination by verbal and visual cues and the grounds of the differences 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 did not receive 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 no action to seek benefits or take advantage of works protected by copyrights and intellectual property rights unless legal permission is granted by the copyright owners.

The guidelines on non-violation against intellectual property rights or copyrights

terms of 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 the 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, such as. exe file, songs, games, and other automatically installed links also strictly prohibited.

Policy on Gift, Entertainment, Donation and Sponsorship

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

The guidelines on gift, entertainment, donation and sponsorship

The Bank communicates to all directors and employees to strictly follow the Gift, Entertainment, Donation, and Sponsorship Policy on an annually 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 work system.

Policy on Whistleblowing and Complaints

The Bank has the Whistleblowing Policy and relevant guidelines on complaints for employees and all stakeholders to ensure that all stakeholders are able to communicate, report, or complain about misconduct.

The Bank provides channels to enable all stakeholders to report or file complaints conveniently. 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 Audit Committee, the Risk Oversight Committee, and the Board of Directors for their acknowledgement on quarterly basis. The whistleblowers will be notified of the Bank’s actions.

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

The guidelines on whistleblowing and complaints:

The Bank provides channels for all stakeholders to conveniently report on any violation or complaint cases either in writing or via the Bank’s website. The whistleblowers will be protected from threats.

Policy on Management of Conflict of Interest

The Bank imposes strict measures on the management of conflicts of interest or related-party transactions or connected transactions. The important connected transactions that may pose a conflict of interest are considered and approved by the Board of Directors and in accordance with the rules and regulations of the related agencies. These transactions are treated in the same manner as those made with the 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 conflicts of interest before consideration of such particular agenda item and the Secretary to the Board shall minutes such conflicts of interest. The directors with the conflicts of interest shall also abstain from participating in the discussion on such agenda item.

The guidelines on the management of conflicts of interest:

All executives and employees shall report, avoid, and prevent any conflict-of-interest issue by informing their supervisors of such potential conflicts of interest. All executives and employee shall not attend to the consideration of the transactions that may lead to a conflict of interest. The approval of such transactions shall be given by other persons or the executives next in line to prevent conflict-of-interest issues. In addition, the directors and executives under the SEC’s definition must disclose their own and related persons’ securities holdings in other companies in order to prevent any issues of conflicts of interest or misuse of internal information.

In 2023, there was no non-compliance issue regarding the above guidelines.

Internal Control Policy

The Bank sets out the Internal Control Policy for both managing and operational levels and provides an efficient, appropriate, and adequate internal control system with regular assessment. The Audit Committee of independent directors is assigned to review the internal control system. The Internal Audit audits the functioning of business units to ensure that the operations are in accordance with the related rules, regulations, and applicable laws. The Internal Audit also has the overall responsibility for providing reasonable assurance regarding the internal control environment, thereby supporting the achievement of ttb strategic business objectives, and reporting to the Audit Committee.

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 the Anti-Corruption Policy to ensure transparency and freedom from all forms of corruption. All employees are prohibited from accepting or offering bribes. The risk management process for such risks is formulated in alignment with the guideline of the Thai Private Sector Collective Action Against Corruption (CAC). The Bank closely oversees the practices of directors, executives, and employees to follow this policy strictly. There are punishments for employees who do not comply with this policy. The Bank also put its efforts in raising awareness and responsibility to prevent and combat the corruption and adhering to the zero-tolerance culture on anti-corruption. Moreover, the Bank has implemented measures to take care of and give fairness to employees who deny corruption or report corruption cases, and protect them from harassment, harm, penalty, demotion, or threats.

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

The guidelines on the anti-fraud and anti-corruption

The Bank communicates to all directors, executive, and employees to acknowledge and understand the content of the policy on an annual basis. Moreover, the Bank requires all executives and employees to attend e-learning courses regarding fraud risk management and anti-corruption, which are set as the mandatory courses for all existing and new executives and employees every year. In addition, the Bank joined the activity on “International Anti-Corruption Day (Thailand)” arranged on 8 December 2023.

Disclosure and Transparency

Disclosure

The Bank’s financial and non-financial information relevant to the business and performance are disclosed accurately, completely, sufficiently, and timely. Such information reflects the actual business operations and financial status of the Bank. All stakeholders are ensured that they have equal access to the information through provided channels. The significant information is disclosed to the public in accordance with the criteria and regulations concerning the disclosure of information of the SET, the SEC, and the good corporate governance principles, such as the submission of the financial report to the SET and the SEC within the specified timeframe. The Bank’s financial statements did not contain any transactions on which the auditor expresses a qualified opinion. The Bank has never been ordered to revise financial statements by the SET and the 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 performance in each quarter. The Bank also discloses remuneration of the directors and executives in the Form 56-1 One Report.

Investor Relations

The Bank gives priority to the investor relations management with all groups of investors, both individual and institutional investors, in domestic and foreign countries. In addition, the Bank always ensures the quality, accuracy, sufficiency, transparency, and timeliness of the public information disclosure, in accordance with the Bank’s disclosure principles and relevant regulations.

In addition, the Bank regularly engages in investor relations activities to create a corporate access and two-way communication among the Bank’s Management, investors, fund managers, analysts, and credit rating agencies. The Bank also participates in events and activities arranged by external parties, including securities companies and the Stock Exchange of Thailand. The activities in 2023 can be summarized in the table below.

Investor Relations Activities	No. of Events	No. of Companies	No. of Attendees
One-on-One Meeting and Conference Call	36	48	91
Analyst Meeting	8	313	434
Investor Conference	15	103	138
Non-Deal Roadshow (NDR)	21	35	50
Opportunity Day Organized by the Stock Exchange of Thailand	4	*	*
Total	84	499	713

*The Opportunity Day event is organized through online channels; there is no limit on participants. The number of viewers is shown on the website of the Stock Exchange of Thailand.

The Board of Directors' Responsibilities

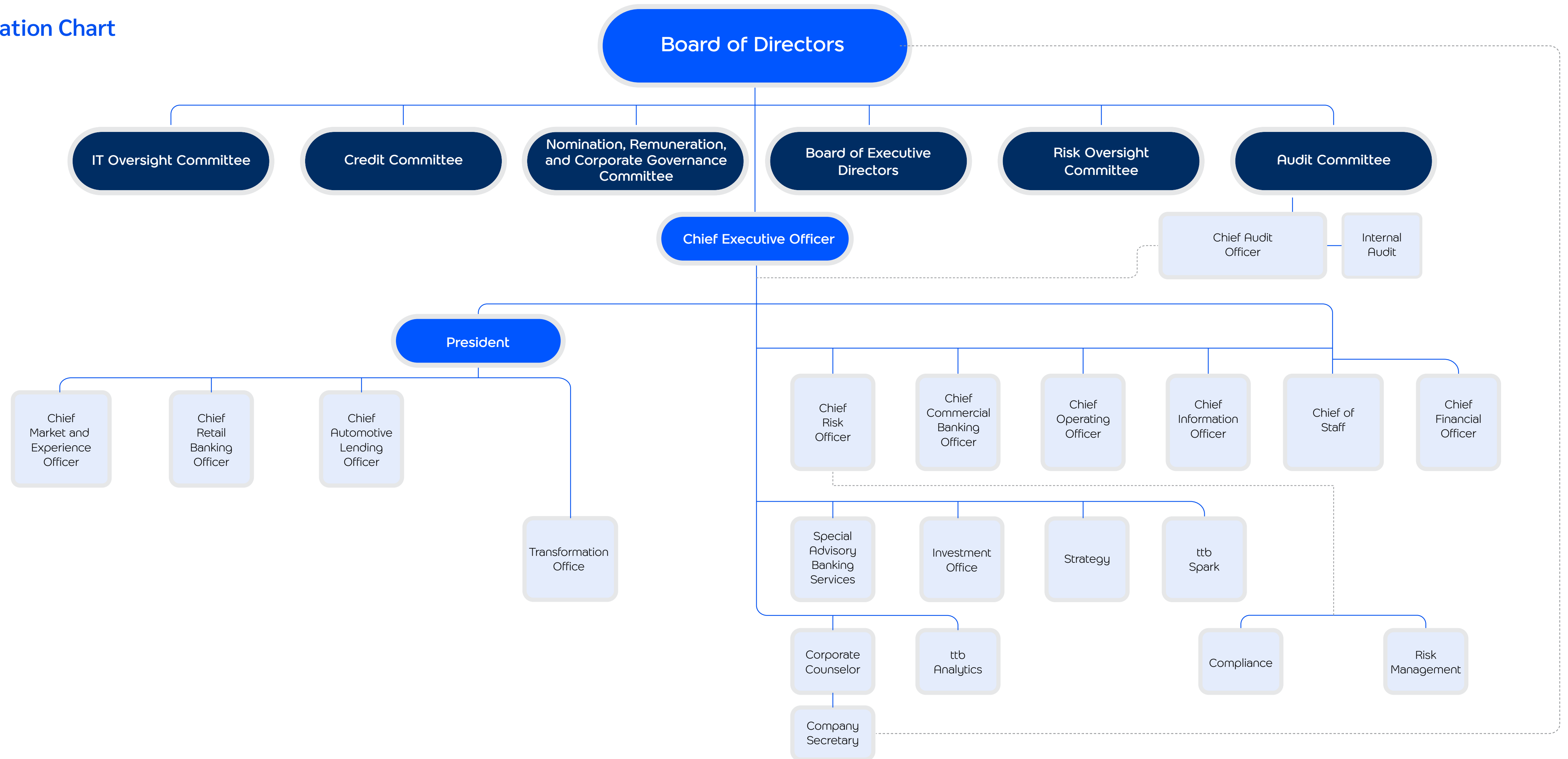
The Board of Directors' Responsibility for Financial Reporting

The Board has presented its responsibilities in terms of financial reporting along with the auditor's report in the company's annual report. Last year, there was no amendment order by the SEC with respect to the financial statement.

- Determine the Board of Directors' roles and responsibilities (presented in item 7: Corporate Governance Structure)
- Determine the guidelines for responsible business operation (presented in item 8: Report on Important Operational Results of Corporate Governance)
- Determine the guidelines for risk management and internal control (presented in item 9: Risk Management and Internal Control)

7. Corporate Governance Structure

7.1 Organization Chart



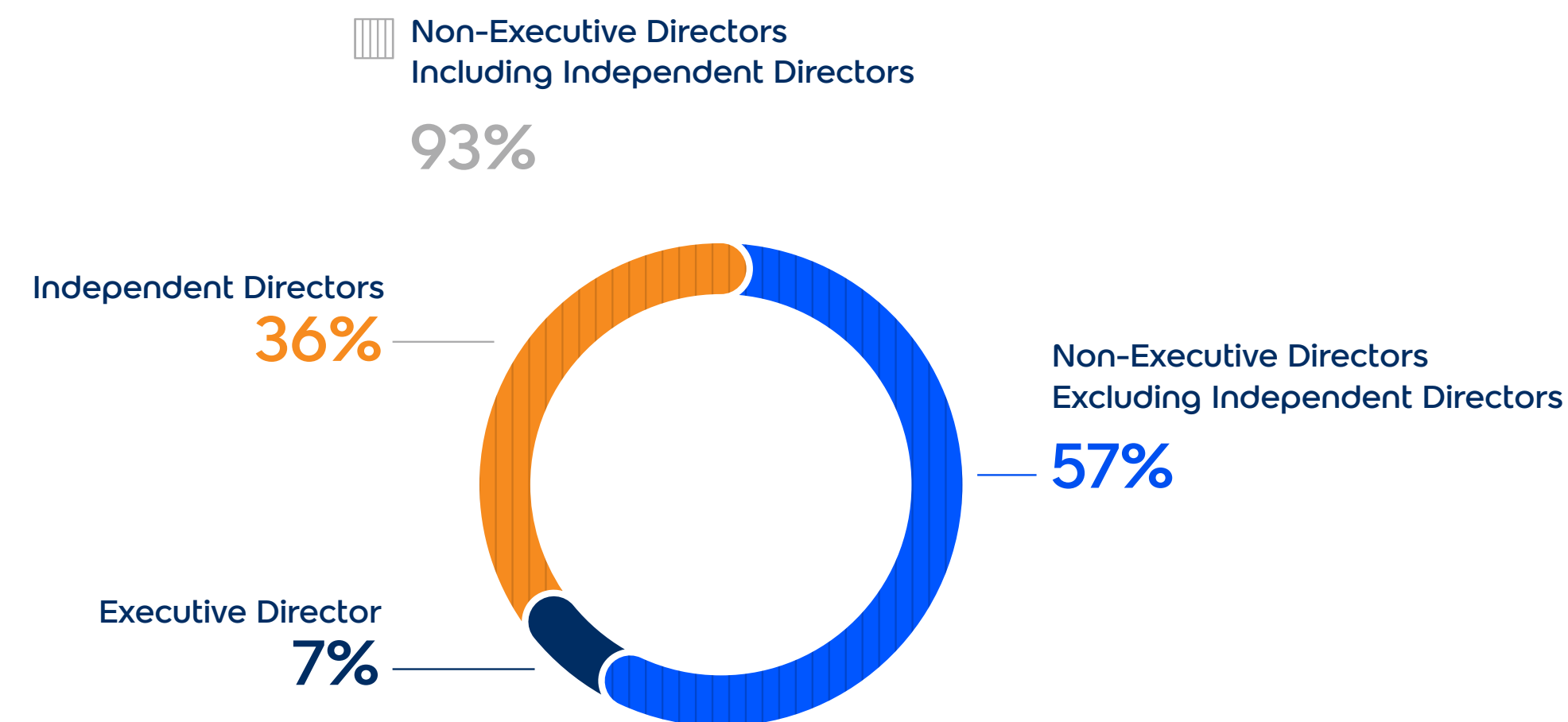
7.2 Details of the Board of Directors

7.2.1 The Board of Directors

Composition of the Board of Directors

The Board of Directors shall comprise independent directors, non-executive directors, and executive directors, totaling at least 9 but not more than 22 directors. The number of directors is subject to the Bank's shareholders' meeting, which will determine it occasionally. At least one-third of the total number of directors but not less than 3 persons must be independent directors. Moreover, there must be at least 3 independent directors in the Audit Committee. In this regard, each independent director must possess qualifications according to the criteria as prescribed by the Bank of Thailand and the Capital Market Supervisory Board, and their term of office shall not exceed 9 consecutive years from the date of being appointed as the Bank's independent director for the first time. In addition, the Bank requires the board diversity in different aspects, including leadership, professional skills, knowledge, expertise, necessary business experience, and skill matrix, without gender discrimination, properly in line with the size, complexity, nature of business, and risk exposures, and the Bank's business strategy. In this regard, there must be at least 1 director who has sufficient knowledge and experience in the information technology field, and at least 1 director who has sufficient knowledge and experience to review and assure the reliability of the Bank's financial statements. The Board also establishes a clear scope of duties and responsibilities with the balance of management power, without allowing any person or group of persons to have unlimited power. For the nomination of directors, the qualifications of directors must be aligned with the Bank's strategy (see sub-topic regarding Nomination Criteria of Independent Directors and Non-Executive Directors in item 8.1.1)

At present, the Board of Directors consists of 14 directors (3 females and 11 males), comprising 5 independent directors (or 36%), 13 non-executive directors (including the independent directors) (or 93%), and 1 executive director (or 7%). The number of directors is appropriate in accordance with the resolution of the shareholders' meeting and the Bank's business direction, strategy, and sustainable development.



Directors' profiles are disclosed on the Bank's website

<https://www.ttbbank.com/th/about-us/board-of-directors>

Segregation of Positions and Balance of Power of Non-Executive Directors

The Bank requires that the Chairman of the Board and the Chief Executive Officer shall not be the same person to prevent any person from having unlimited power and to ensure the proper balance of power. In addition, the Chairman of the Board shall not serve in any position in sub-committees.

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

The Bank's directors (except executive directors) shall neither be the Bank's employees nor be involved in the Bank's regular management. The Board shall perform its supervision function. In this regard, the Board has set the Charter or the Corporate Governance Policy that indicates the authorities, duties, and responsibilities of the Board in order to specify the function framework to be referred to when supervising.

7.2.2 Details of the Board of Directors

Stakeholders are assured of the Boards independent performance of duty as the shareholders' representative, with a proper balance of power. 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 the Secretary to the Board of Directors (commencing her duty on 3 May 2022).

In this regard, the average age of all 14 directors is 61.78 years, whereas the average term of office of the Board is 4 years and 8 months. Details are as follows:

1. Mr. Ekniti Nitithanprapas	
Position	Chairman of the Board of Directors
Type of Director	Non-Executive Director
Age (year)	52
Date of Appointment	13 February 2020
Term of Office (as of 31 Dec 2023)	3 years, 10 months, and 17 days
Experience and Expertise	Financial Expert, Banking Business, and Governance
Director Nomination	Incumbent directors re-elected in the previous year

3. General Apinun Kumproh	
Position	Director
Type of Director	Non-Executive Director
Age (year)	61
Date of Appointment	8 March 2021
Term of Office (as of 31 Dec 2023)	2 years, 9 months, and 24 days
Experience and Expertise	Strategic Planning and Human Resources Management
Director Nomination	Incumbent directors re-elected in the previous year

2. Mr. Suphadej Poonpipat	
Position	<ul style="list-style-type: none"> Vice Chairman of the Board of Directors Vice Chairman of the Board of Executive Directors
Type of Director	Non-Executive Director
Age (year)	73
Date of Appointment	3 December 2019
Term of Office (as of 31 Dec 2023)	4 years and 28 days
Experience and Expertise	Strategic Planning, Marketing, Risk Management, Banking, and Finance

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)	73
Date of Appointment	28 December 2007
Term of Office (as of 31 Dec 2023)	16 years and 3 days
Experience and Expertise	Strategic Planning, Management of Mega Project, and Governance

5. Mrs. Charita Leelayudth

Position	<ul style="list-style-type: none"> Independent Director Chairperson of the Audit Committee
Type of Director	Independent Director
Age (year)	62
Date of Appointment	3 February 2022
Term of Office (as of 31 Dec 2023)	1 year, 10 months, and 27 days
Experience and Expertise	Risk Management and Internal Control and Audit of Financial Statements

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)	68
Date of Appointment	1 June 2015
Term of Office (as of 31 Dec 2023)	8 years, 7 months, and 1 day
Experience and Expertise	Strategic Planning and Risk and Credit Oversight Mechanism
Director Nomination	Incumbent directors re-elected in the previous year

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)	67
Date of Appointment	23 April 2020
Term of Office (as of 31 Dec 2023)	3 years, 8 months, and 8 days
Experience and Expertise	Banking, Risk Management, and Information Technology

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)	58
Date of Appointment	17 December 2019
Term of Office (as of 31 Dec 2023)	4 years and 14 days
Experience and Expertise	Banking, 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 2023)	4 years and 28 days
Experience and Expertise	Strategic Planning, Risk Management, Corporate Governance, Nomination, and Remuneration, Banking, and Finance
Director Nomination	Incumbent directors re-elected in the previous year

11. Mrs. Chananyarak Phetcharat

Position	<ul style="list-style-type: none"> Independent Director Member of the Audit Committee Member of the IT Oversight Committee
Type of Director	Independent Director
Age (year)	60
Date of Appointment	1 April 2020
Term of Office (as of 31 Dec 2022)	3 years and 9 months
Experience and Expertise	Finance, Marketing, and Information Technology

10. Mr. Prinya Hom-anek

Position	<ul style="list-style-type: none"> Independent Director Member of the Audit Committee Member of the Risk Oversight Committee Member of the IT Oversight Committee
Type of Director	Independent Director
Age (year)	55
Date of Appointment	17 December 2019
Term of Office (as of 31 Dec 2023)	4 years and 14 days
Experience and Expertise	Information Technology, Risk Management, and Internal Control

12. 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 Member of the IT Oversight Committee
Type of Director	Non-Executive Director
Age (year)	52
Date of Appointment	2 November 2021
Term of Office (as of 31 Dec 2022)	2 years, 1 month, and 28 days
Experience and Expertise	Law, Economics, Audit, Banking Business, and Payment System
Director Nomination	Incumbent directors re-elected in the previous year

13. Mr. Johannes Franciscus Grisel

Position	<ul style="list-style-type: none"> • Director • Member of the Board of Executive Directors • Member of the Credit Committee • Member of the Risk Oversight Committee
Type of Director	Non-Executive Director
Age (year)	64
Date of Appointment	1 July 2023
Term of Office (as of 31 Dec 2022)	6 months and 2 days
Experience and Expertise	Banking, Risk Management, and Credit Management

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 the Credit Committee • Member of the IT Oversight Committee • Chief Executive Officer
Type of Director	Executive Director
Age (year)	53
Date of Appointment	1 January 2018
Term of Office (as of 31 Dec 2022)	6 years
Experience and Expertise	Strategic Planning, Risk Management, Banking Business, and Credit Granting
Remark	Authorized director to sign on behalf of the Bank, with the Bank's seal affixed.

Information of Director who Resigned/Retired from Position During the Year

Mr. Michal Jan Szczurek

Position	<ul style="list-style-type: none"> • Director • Member of the Board of Executive Directors • Member of the Risk Oversight Committee
Type of Director	Non-Executive Director
Age (year)	53
Date of Appointment	17 December 2019
Date of Resignation	1 July 2023

The Chairman of the Board of Directors is a non-executive director in compliance with corporate governance criteria as prescribed by the Bank of Thailand, stipulating that the Chairman of the Board of financial institution shall be an independent or non-executive director.

The fact that the Chairman of the Board is not an independent director does not affect the use of discretion in making independent decisions. The Bank has developed a mechanism with balance of power and transparency, and policies and processes to prevent conflicts of interest. The roles of the Chairman of the Board and the Chief Executive Officer are clearly defined in the Bank's Corporate Governance Policy. The Board is also required to make collective decisions on important issues of the Bank and perform duties as stipulated in the Board Charter.

Moreover, the Chairman of the Board shall neither be an authorized director nor the Chief Executive Officer of the Bank, and shall not have any position in other sub-committees of the Bank. As of 31 December 2023, the Board's structure consisted of independent directors, non-executive directors, and executive directors, in compliance with relevant regulations.

7.2.3 Roles and Responsibilities of the Board of Directors and Sub-Committees

7.2.3.1 The Board of Directors

The Board of Directors has duties and responsibilities to oversee the Bank’s compliance with laws, objectives, regulatory requirements, and resolutions of the shareholders’ meeting as prescribed in the Bank’s Articles of Association. The Board also oversees the Bank’s business operations by upholding highest standards of good corporate governance in line with the Bank’s corporate strategy, as well as embeds good corporate governance and risk awareness as part of corporate culture throughout the organization from the Board level to executive and employee levels in order to drive the Bank’s business to grow with efficiency and effectiveness consistently and sustainably.

Roles and Responsibilities of the Board of Directors

The Board of Directors has delegated the authority to the Chief Executive Officer to manage and operate the Bank’s business, which includes the implementation of the strategy approved by the Board. The Board plays an important role in establishing a policy to ensure that appropriate and adequate processes and resources are in place to enable the Bank to operate its business in accordance with the policies set forth, and to ensure that the policy implementation is monitored, controlled, and audited. In addition, The Board’s approval is required for the Bank’s vision, mission, strategy, and business operations, and ensure that the Management puts the vision, mission, and strategy into action. The Board shall also review the Bank’s vision, mission, and strategy annually to be aligned with the changing economic condition and business competition so that the Bank could achieve long-term sustainable growth.

The Board of Directors has determined the scope of the authorities and responsibilities of the Board in compliance with the Bank’s Articles of Association to make decision and supervise the Bank’s operations, except for the following matters, which the Board must obtain an approval from the shareholders’ meeting prior to proceeding: (1) Sale or transfer of the whole or a substantial part of the Bank’s business to other persons; (2) Purchase or acceptance of the transfer of business from other public companies or private companies to the Bank; (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 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 Bank.

The Board’s roles and responsibilities are prescribed in the Board of Directors Charter (which was a part of the Master Committee Charter). Details of the Board of Directors Charter are as given in appendix 5: Corporate Governance Policy, Code of Conduct, and Master Committee Charter, which is disclosed on the Bank’s website: <https://www.ttbbank.com/en/about-us/scope-and-responsibility>)

Principles for Directors in Duty Performance

1. Understand and execute their oversight roles, including understanding inherent risk exposures of the Bank and the connection with capital level and liquidity positions.
2. Perform their “duty of loyalty”, “duty of fiduciary”, and “duty of care” to the Bank under applicable Thai laws and supervisory standards.
3. Avoid conflicts of interest and the circumstances that may give rise to it, and institute and enforce measures to monitor and avoid potential conflicts by the Bank’s personnel in dealings with outsiders or other organizations.
4. Protect the Bank’s overall interests without limiting to any particular group of shareholders or individual and ensure no interference in decision-making.
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 for executive directors.
7. Secure information from management to enable the Board to fulfill its duties. It is the Board’s responsibility to decide what information is required.
8. Make a sensible decision or vote based on sufficient information. The Board must have sufficient information before making any decision or voting on any issues to ensure that such decision or vote has been made based on reasonable business grounds at the level that should be expected from financial and banking professionals.

9. Excuse themselves from decision-making when they themselves or someone related to or connected with them have conflicts of interest.
10. Provide oversight of senior management of the Bank by exercising their duty and authority to question, 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 deliberately or inadvertently to third parties and shall not use the information to seek gains without the Bank's consent or permission by law.
12. Promote a sound risk culture to support business operations to achieve vision, mission, and goals.

Roles of Chairman of the Board of Directors

The Chairman of the Board of Directors, as the Bank's director and the leader of the Board, has duties and responsibilities at least covering the following matters:

1. Oversee, monitor, and ensure that the Board efficiently performs its duties to achieve the Bank's objectives and goals
2. Ensure that all directors contribute to the Bank's ethical culture and good corporate governance, jointly consider with the Chief Executive Officer in determining the Board meeting agenda and overseeing the inclusion of significant issues in the meeting agenda
3. Promote constructive relations between executive and non-executive directors, and between the Board and the Management

The Chairman of the Board shall perform duty as the Chairman of the Board meeting and the Bank's shareholders' meeting to ensure effective meetings.

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 shall not be involved in the Bank's regular management in compliance with the principle of separation of duties between supervision and management.

Roles and Responsibilities of Chief Executive Officer

The Chief Executive Officer's roles and responsibilities are to implement the Bank's strategies and ensure 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 requires the executive succession planning as it is a key component of its personnel strategic planning. The Bank's policies, work plans, and processes are connected to its vision, mission, business goals and organizational culture to ensure the smooth executive succession. The Bank also prepares the employee succession plan to ensure the Bank's business continuity.

7.2.3.2 Sub-Committees

Board of Executive Directors (BoED)

The BoED shall review and propose the Bank’s annual budget, business plan, capital planning, operating results, and performance tracking by business lines, as well as oversee 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, consider plans for investment in other companies, follow up on the progress of corporate branding and communications, and perform other tasks assigned by the Board of Directors.

Audit Committee (AC)

The AC is responsible for ensuring that the Bank has effective internal control system as well as an accurate and sufficient financial reporting system. The AC is required to review and ensure the Bank’s compliance with the securities and exchange laws, regulations of the SET, and laws relating to the Bank’s business, take charge of the consideration, selection and appointment of an independent person to perform as the Bank’s auditor, propose remuneration for the auditor, supervise the Bank’s internal audit function, and ensure that companies in the financial business group formulate accurate and complete financial reports in compliance with relevant regulations.

In addition, the AC is required to concur the appointment, transfer, and termination of Head of Audit, and perform other tasks as assigned by the Board.

The Chairman of the Audit Committee must not be the Chairman of the Board of Directors, the Chairman of the Risk Oversight Committee, or the Chairman of Nomination, Remuneration, and Corporate Governance Committee.

Nomination, Remuneration, and Corporate Governance Committee (NRCC)

The responsibilities of NRCC are to screen and nominate individuals to the Board for its consideration to appoint them as directors, members of sub-committees, the CEO, or senior executives at certain levels; to review remuneration for directors

and senior executives for consistency with the Bank’s culture, objectives, strategies and internal control environment; to review and ensure the effectiveness of the Corporate Governance Policy; and to perform other tasks as assigned by the Board.

The NRCC shall also consider, screen, and nominate individuals to the Board in case of assigning the executives and the CEO as the Bank’s representatives to be directors in its financial business group as well as considering the CEO’s directorship in both the companies with the Bank’s investment and other companies.

In addition, NRCC is assigned by the Board to review and endorse the Sustainability Policy, Human Right Policy, sustainability-related issues, and sustainability strategic direction before proposing to the Board for approval.

The Chairman of Nomination, Remuneration, and Corporate Governance Committee must be an independent director; and the Nomination, Remuneration and Corporate Governance Committee must consist of at least 3 persons of independent directors or non-executive directors in compliance with the conditions as prescribed by the Bank of Thailand.

Risk Oversight Committee (ROC)

The responsibilities of ROC are to oversee and give advice to the Board of Directors on risk appetite, risk tolerance, risk strategy, risk management system, risk control and monitoring, risk identification, evaluation, collection, control, and report of risks; to align strategies with the Bank’s Risk Management Policy; to ensure appropriate risk level of the Bank; to preserve 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 units; to monitor risks, and by extension to those of the financial business group and companies with the Bank’s investment as appropriate and in line with the shareholding proportion of the Bank; and to perform other tasks as assigned by the Board.

In addition, the Risk Oversight Committee is assigned by the Board to review and endorse the Bank’s strategic direction and main policies; to oversee climate risk management, responsible lending, and environmental and social risk management

before being proposed to the Board for approval.

Credit Committee (CC)

The responsibilities of the CC are to approve the credit granting, debt correction and restructuring, NPL write-off, NPA acquisition/transfer, NPA sales, and NPA write-off that exceed the Management’s approval authority. The Credit Committee also has responsibilities to review specific credit proposals before submission for the Board’s approval, review the credit decisions of the Management-level credit committee, and approve credit risk and other related risks for transactional investments or underwriting commitments which exceed the Management’s approval authority.

IT Oversight Committee (ITOC)

The responsibilities of the ITOC are to oversee the IT strategic plans, IT operations, IT investment and budget, and IT expenditures to ensure that they are aligned with the Bank’s strategy. The ITOC also oversees appropriate IT policies and risk management in both normal situations and crises, and oversees development programs for employees to have sufficient knowledge and awareness of IT risks

In the appointment of the sub-committees, the Nomination, Remuneration, and Corporate Governance Committee shall consider, endorse, before further submit the appointment to the Board for consideration and approval thereof. To appoint members of sub-committees, the Board shall consider the profound expertise as required for the roles and responsibilities of each sub-committee. Qualified persons shall have professional skills, experiences, and specialized qualifications without any conflict of interest to hold the position. Each sub-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 of Directors has appointed sub-committees to relieve its burden in monitoring, overseeing or considering important businesses of the Bank in detail. The sub-committees have the authority to approve and make decision on behalf of the Board according to authorities and responsibilities delegated by the Board.

The Board has determined the scope of duties and responsibilities of the sub-committees in accordance with their assigned missions. The segregation of duty is clearly defined with no duplication and in compliance with the regulatory requirements. In addition, the sub-committees’ meetings must be held on a regular basis; and the committees’ performance reports must be proposed for the Board’s acknowledgement.

Sub-committees comprise:

1. The 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 Each Sub-Committee:

(1) The Board of Executive Directors

As of 31 December 2023, the Board of Executive Directors comprised 6 members. The Board of Executive Directors’ meeting is generally 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. Johannes Franciscus Grisel	Committee Member	Non-Executive Director
6. Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)

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

(2) Audit Committee

As of 31 December 2023, the Audit Committee comprised 3 members whose qualifications conform to the Securities and Exchange Commission’s requirements. The Audit Committee’s meeting is generally held once a month or as deemed necessary and instructed by the Chairperson of the Audit Committee.

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

Mrs. Charita Leelayudth is the Audit Committee member who has good knowledge and experience in reviewing financial statements and graduated with an accounting major. She is also a certified public accountant.

Mrs. Chananyarak Phetcharat has graduated with an accounting major.

Mrs. Pittimart Sanguansook is the Secretary to Audit Committee.

(3) Nomination, Remuneration and Corporate Governance Committee

As of 31 December 2023, the Nomination, Remuneration and Corporate Governance Committee comprised 5 non-executive directors; and the term of office is aligned with the annual election of directors. The Committee's meeting is generally held on a monthly basis 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. Willem Frederik Nagel	Committee Member	Independent Director
3. Mr. Teeranun Srihong	Committee Member	Independent Director
4. Mr. Somjate Moosirilert	Committee Member	Non-Executive Director
5. Mrs. Patricia Mongkhonvanit	Committee Member	Non-Executive Director

Mrs. Prapasiri Kositthanakorn is the Secretary to the Nomination, Remuneration and Corporate Governance Committee.

(4) Risk Oversight Committee

As of 31 December 2023, the Risk Oversight Committee comprised 7 members. The Committee's meeting is generally held at least once a quarter 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. Yokporn Tantisawetrat	Committee Member	Non-Executive Director
3. Mr. Teeranun Srihong	Committee Member	Independent Director
4. Mr. Prinya Hom-anek	Committee Member	Independent Director
5. Mr. Johannes Franciscus Grisel	Committee Member	Non-Executive Director
6. Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)
7. Mr. Vikran Paovarojkit	Committee Member	Management (Chief Risk Officer)

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

(5) Credit Committee

As of 31 December 2023, the Credit Committee composed 5 members. The Credit Committee's meetings are generally 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. Johannes Franciscus Grisel	Committee Member	Non-Executive Director
4. Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)
5. Mr. Vikran Paovarojkit	Committee Member	Management (Chief Risk Officer)

Mr. Ekanat Kieatinapasin is the Secretary to the Credit Committee.

(6) IT Oversight Committee

As of 31 December 2023, the IT Oversight Committee comprised 6 members. The Committee's meeting is generally held 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. Willem Frederik Nagel	Committee Member	Independent Director
3. Mr. Prinya Hom-anek	Committee Member	Independent Director
4. Mrs. Chananyarak Phetcharat	Committee Member	Independent Director
5. Mrs. Patricia Mongkhonvanit	Committee Member	Non-Executive Director
6. Mr. Piti Tantakasem	Committee Member	Executive Director (Chief Executive Officer)

Mr. Sutthikan Rungsrithong is the Secretary to the IT Oversight Committee.

7.4 Details of Executives

Executives and Remuneration

As of 31 December 2023, the Bank had recorded 37 executives as shown in the below table. During the fiscal year ended 31 December 2023, the Bank’s executives collectively received remuneration in a total amount of THB 383 million, which consisted of salary, bonus, provident fund and other benefits.

An “executive” as defined by the Bank and aligned with the definition of the Securities and Exchange Commission (SEC) refers to the manager or the persons in the first 4 executive-level positions below the manager, all persons holding the positions equivalent to the fourth executive-level position, as well as the persons holding management positions or higher or equivalent in the accounting or finance department, and employees in accounting or finance who may know the financial information prior to public disclosure.

No.	Name	Position
1	Mr. Piti Tantakasem	Chief Executive Officer
2	Mr. Thakorn Piyapan ⁽¹⁾	President and Acting Chief Retail Banking Officer
3	Mr. Anuwat Luengtaweekul ⁽²⁾	Chief Automotive Lending Officer
4	Mr. Saranya Phuphatana	Chief Commercial Banking Officer
5	Mr. Vikran Paovarojkit ⁽³⁾	Chief Risk Officer
6	Mrs. Prapasiri Kositthanakorn ⁽⁴⁾	Chief of Staff
7	Mrs. Kanchana Rojvatunyu ⁽⁵⁾	Chief Market and Experience Officer

No.	Name	Position
8	Mrs. Pittimart Sanguansook	Chief Audit Officer
9	Mrs. Rattana Arkachaisri	Chief Operating Officer
10	Mr. Sutthikan Rungsrithong	Chief Information Officer
11	Miss Somkid Preechasammakul ⁽⁶⁾	Chief Financial Officer
12	Miss Preediorn Klungnark	Head of Finance Intelligence and Business Partner
13	Miss Pimolwan Puarattana-aroonkorn	Head of Finance Business Partner - CCBO_COO_branch
14	Miss Tharinee Totab	Head of Finance Business Partner - CALO
15	Miss Arunee Eiampreecha	Head of Finance Business Partner - CIO
16	Miss Watthanawadee Kumthongmak	Head of Finance Business Partner - CRBO_non-branch
17	Miss Supajanee Thirakhupt	Head of Finance Business Partner - Bank-wide Subsidiaries and Corporate Functions
18	Mr. Thanaphon Apichartsatien ⁽⁷⁾	Head of Finance Business Partner - CRO_Collection and Bad Bank Management
19	Miss Kotchakorn Lappichate ⁽⁸⁾	Head of Finance Business Partner - Spark & CEO
20	Mr. Surapong Chanthasittiporn	Head of Business Intelligence
21	Mrs. Kwanhatai Sukhumtammarat	Head of Financial Application and System Management

No.	Name	Position
22	Miss Ratinate Puttinan	Head of Business Performance and ALM Application
23	Mr. Andrew Kent Jan	Head of Balance Sheet Management
24	Mr. Chalermchai Paisithmongkol ⁽⁹⁾	Head of Central Treasury
25	Miss Suwipa Phansatan	Head of Asset and Liability Management
26	Mr. Ratthaban Pongpipattanapan ⁽¹⁰⁾	Head of Capital and Balance Sheet Strategy
27	Mr. Mate Kanokpibool	Financial Controller
28	Miss Waree Thanmongkolswad	Head of Financial Regulatory Management
29	Mrs. Suphavadee Wuthithien	Head of Regulatory Analysis - BoT Reporting
30	Miss Kuntraphad Souwanweboon ⁽¹¹⁾	Head of Payment & Procurement Control
31	Miss Rochana Ratana-Ubol	Head of Financial Payment and Control
32	Mr. Pichan Ruechuzed	Head of Tax Strategy & Compliance
33	Miss Jiranun Nitnun	Head of Regulatory Analysis - Financial Reporting
34	Miss Thanaporn Chanchanasophon	Head of Financial Governance Policy and Analysis - CRBO_ Bank-wide
35	Mr. Borripart Tanyong	Head of Financial Governance Policy and Analysis - CALO_SABs

No.	Name	Position
36	Miss Sopirada Keoplung	Head of Financial Governance Policy and Analysis - CCBO
37	Mr. Charnwit Kunsapsak	Head of Accounting and Financial Service - Subsidiary

Remark : ⁽¹⁾ Acting Chief Retail Banking Officer since 1 July – 31 December 2023. End of Acting Chief Retail Banking Officer position commenced in 1 January 2024 due to organizational restructuring

⁽²⁾ Had been Chief Retail Banking Officer until 30 June 2023 and has taken a position of Chief Auto Lending Officer since 1 July 2023

⁽³⁾ Has taken the position since 1 June 2023

⁽⁴⁾ Was Chief of Staff from 1 January 2023 to 31 December 2023 and has taken a position of Chief of Staff (changed role and responsibility) since 1 January 2024 due to organizational restructuring

⁽⁵⁾ Early Retire from 1 January 2024

⁽⁶⁾ Has taken the position since 1 January 2023

⁽⁷⁾ Has taken the position since 1 November 2023

⁽⁸⁾ Has taken the position since 1 August 2023

⁽⁹⁾ Retire from 1 January 2024

⁽¹⁰⁾ Has taken the position since 27 November 2023

⁽¹¹⁾ Has take the position since 1 January 2023

Details of the executives movement in 2023

1. Mr. Praphan Anupongongarch President and Acting Chief Auto Lending Officer, early retired since 1 July 2023
2. Mr. Johannes Franciscus Grisel Chief Risk Officer until 31 May 2023, and appointed as the Bank’s director since 1 July 2023

7.5 Details of Employees

7.5.1 Number of Employees

As of 31 December 2023, the Bank had a total number of 14,328 employees, which could be broken down into business and supporting lines as presented in the below table. In this regard, the Bank and its subsidiaries had a total number of 15,320 employees.

As of 31 December 2023	No. of Employees
Commercial Banking	934
Retail Banking	6,258
Auto Lending Business	1,980
Support Business Units	5,156
The Bank's Employees	14,328
Subsidiaries' Employees	992
Total ttb Group's Employees	15,320

Changes in the Numbers of Employees Over the Past 3 Years

Changes in the number of employees over the past 3 years was shown in the below table. The number of the Bank's employees had declined until 2021 and stabilized in 2022. That was due mainly to branch rationalization in response to the increasing adoption of digital banking among customers, which was aligned with the industry trend. In addition, a certain number of the Bank's employees have been transferred to its subsidiaries following ttb group's restructuring. As a result, the numbers of employees of its subsidiaries increased. Overall, the changes in ttb group's employees are in line with ttb group's business direction..

No. of Headcounts	2021	2022	2023
The Bank's employees	15,102	14,620	14,328
Subsidiaries' employees	376	936	992
ttb group's employees	15,478	15,556	15,320

7.5.2 Employee Compensation and Benefits

In 2023, the total compensation for the Bank’s employees given in forms of salary, cost of living allowance, other allowances related to work, variable pay by performance and other benefits was recorded at THB 15,861 million. The total compensation for employees of the Bank and its subsidiaries was THB 16,673 million.

Types of Compensation for Employees

The Bank ensures that all of its employees have high morale and motivation to work and receive the compensation based on their performance, skills and competence, as well as other welfare and benefits, which are reasonable, fair, and comparable to other financial institutions. Therefore, the compensation is divided into 3 types as follows:

1. Fixed remuneration: This is in the form of base salary which is structured to be properly aligned with the scope of duties and responsibilities and be comparable to such remuneration in financial and banking group and fairly managed for internal equality. The Bank provides working tools in alignment with the scope of roles and responsibilities. Moreover, an annual salary adjustment is conducted based on situations in banking industry.
2. Variable remuneration: This includes the payment of performance bonuses and incentives designed to drive the **“Pay for Performance”** culture, depending on performances of employees and the Bank.
3. Welfare and benefits for employees: Employees’ well-being is the Bank’s commitment. This part mainly includes provident fund, welfare and other comprehensive and competitive benefits. The important benefits include:

3.1 Employee 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 TMBThanachart Bank Public Company Limited, comprising members from employer’s side through appointment, and members from employee’s side through election by the Fund’s members. The Fund promotes employee savings through both the employee’s contribution at a desired rate and the employer’s contribution based on the employee’s year

of service. The Fund is managed under the Employee’s Choice scheme in which the employee can choose to make a contribution to the Fund at the rate ranging from 2% to 15% of their salary, while the Bank’s contribution rates to the Fund ranged from 5% to 10% of the employee’s salary as retirement savings for a secure livelihood.

The Bank places importance on the management of the contributions made to the provident fund for employees. Accordingly, the Bank sets a policy for selecting the provident fund manager (Eastspring Asset Management (Thailand) Co.,Ltd.) who complies with the Investment Governance Code: I-Code, analyzes, and reviews the securities for investment by adopting the Environmental and Social Responsibility (ESR) criteria in the investment analysis. Moreover, the Bank discloses the selection criteria for provident fund manager to the Fund’s members, which will maximize the long-term benefits for the members.

As of 31 December 2023, the number of the Bank’s employees was recorded at 14,328; and 13,046 employees or 91% of those participated in the provident fund.

3.2 Subsidies, Welfare, and Fringe Benefits that the Bank provides to support 3 core dimensions are as follows:

1st Dimension - Physical & Mental Well-Being: The Bank provides its employees with health and dental insurance, annual health checkup, in-house medical clinic with specialized physicians and nurses at its Head Office and other premises with a large number of employees, along with fitness, canteen, and convenient store. Those are to ensure that employees are convenient to purchase quality food and beverages in reasonable prices and good environment.

The Bank also places importance on the work-life balance. Accordingly, the Bank has organized activities to take care of physical well-being, such as running activities and yoga classes. For mental well-being, the Bank has been conducting various enthusiastic arts and musical activities, as well as the consultation sessions with a psychiatrist and a psychologist. All activities have been continuously provided and arranged throughout the year, both on-premise and online sessions by using technologies to support employees across the country in participating from anywhere.

2nd Dimension - Financial Well-Being: The Bank provides subsidies and monetary support on several occasions to, e.g. accident, wedding, child’s birth, ordination, Islamic pilgrimage, death of employee or their family member, disaster, funeral and scholarship for employees’ children. In addition, employees and their family members are eligible for welfare loan and loans with special interest rates.

3rd Dimension - Security Well-Being: To ensure employees and their families a certain level of security, the Bank provides group life insurance, severe diseases insurance, personal accident insurance with 24-hour coverage, for both working hours and non-working hours. Those who work in the four high-risk southern border provinces: Yala, Pattani, Narathiwat, and Songkhla are provided with life insurance and travel insurance for their performing of assigned duty.

The Bank always monitors situations to provide prompt support to employees upon their needs. In 2022, during the COVID-19 pandemic, the Bank actively provided free insurance and vaccines for employees and their families, along with COVID-19 Antigen Test Kits (ATK) and other health preventive kits. Moreover, the Bank’s premises were always kept clean. A dedicated team was set up to provide advice and assistance as well as closely monitor the employee health. The information, news, and knowledge on health prevention and safety measures had been consistently communicated for raising awareness among employees and their families. For the unfortunately severe flood, the Bank also provided 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

Last year, a training roadmap for the Bank’s employees was developed to strengthen core and leadership competency for executives and employees at every level.

As of December 2023, the Bank provided training courses to employees for their knowledge and skill development. The average hours of training were 41 hours per person (bank-only data).

Overall Employee Training in 2023	Average Hour
Male	37
Female	43
Average Training Hours	41

Including subsidiaries' data, the average hours of training of the Bank's group were 39 hours per person.

7.6 Other Significant Information

Other support functions for corporate governance and transparency measure are as follows:

- Financial Control
- Head of Compliance
- Head of Internal Audit
- Company Secretary
- Investor Relations

7.6.1 Details of the Appointment of Responsible Persons in Support Functions

1. Financial Control

- The Bank appointed Miss Somkid Preechasammakul as Chief Financial Officer, effective from 1 January 2023.
- The Bank appointed Mr. Mate Kanokpibool as Financial Controller.
(Details of the education, work experience, and professional training courses are as given on the Bank's website.)

2. Head of Compliance

- The Bank appointed Mrs. Chirdprapa Chaladsoontornvatee as Head of Compliance, effective from 1 March 2023.

Compliance is the 2nd Line of Defense function reporting to Chief Risk Officer. Compliance is responsible for developing the Compliance Policy to ensure that the compliance risk is managed to be at an acceptable level. Compliance also supervises and reviews the implementation and compliance with Market Conduct regulation and PDPA. In the context of PDPA, Head of Compliance acts as Data Protection Officer (DPO).

(Details of the education, work experience, and professional training courses are as given on the Bank's website).

3. Head of Internal Audit

- The Bank appointed Mrs. Pitimart Saguansook as Chief Audit Officer (Head of Internal Audit).
(Details of the education, work experience, and professional training courses are as given on the Bank's website.)

4. Company Secretary

- The Board of Directors appointed Mrs. Manika Sitthichai to hold the position of Company Secretary.
(Details of the education, work experience, and professional training courses are as given on the Bank's website.)

The Company Secretary's roles and responsibilities are to perform duties in compliance with laws and best practices, follow up on business activities of the Board of Directors and sub-committees, the Management, and the Bank in compliance with relevant laws, rules, relevant regulatory requirements, and the Bank's Articles of Association. The Company Secretary shall also support duty performances of the Board of Directors, sub-committee, the Management, and the Bank in compliance with good corporate governance.

Company Secretary's roles and responsibilities are as follows:

1. For the Bank

- 1.1 To monitor and supervise the Bank's overall business operations to comply with relevant laws, regulations, regulatory requirements, resolutions of the Board of Directors, and resolutions of the shareholders' meetings.
- 1.2 To file and keep the Bank's important documentation such as certificates, Memorandum of Association, and Articles of Association, shareholder register, licenses, and power of attorney.
- 1.3 To drive guidelines to ensure that the Bank formulates policies and complies with good corporate governance, and conduct regular reviews.
- 1.4 To act as contact person of the Bank.

2. For the Board

- 2.1 To advise the Board of Directors and senior executives on laws and regulations relevant to their duty performances.
- 2.2 To oversee the meetings of the Board of Directors and sub-committees established by the Board to ensure that they are in compliance with laws, Articles of Association, charters of each committee, and best practices.
- 2.3 To manage to serve as the Secretary to the Board's and sub-committees' meetings as assigned, including the Chief Executive Committee meeting, record accurate and complete minutes, inform relevant executives of the meeting resolutions, and follow up on the resolution compliance.
- 2.4 To oversee the changes of directors and examine the director's qualifications in case of the appointment of new directors, the retirement of directors by rotation in compliance with regulatory requirements, and propose 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 compliance with regulatory requirements
- 2.6 To oversee the directors' use of inside information
- 2.7 To facilitate the directors' development
- 2.8 To provide the Board and sub-committees' self-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 oversee shareholders' meetings in compliance with laws, the Bank's Articles of Association, and good corporate governance principles, as well as to perform the duty of the secretary to the shareholders' meeting.
- 3.2 To oversee the rights of shareholders and create good relationship with shareholders.

5. Investor Relations

Ms. Dararat Urapanthamat, Head of Investor Relations, is responsible for communicating with investors, securities analysts, etc., to inform them of accurate financial and general information of the Bank in accordance with the relevant laws or regulations to support their investment decisions. Investors can contact the Bank's Investor Relations for more information of the Bank at Investor Relations' office, Strategy Group, on the 30th Floor of TMBThanachart Bank Plc.'s Head Office,

Tel.: 02-242-3475 or webpage: <https://www.ttbbank.com/th/ir> for Thai Language and <https://www.ttbbank.com/en/ir> for English Language. In addition, such information can be downloaded. Those who have inquiries relating to shareholder information can contact Corporate Counselor on the 29th Floor of TMBThanachart Bank Plc.'s Head Office, Tel.: 02-299-2729 and Fax.: 02-299-2758.

7.6.2 Auditor's Remuneration

7.6.2.1 Audit Fee

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 15,250,000
- 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-

Company	Auditors	Audit Fees (THB)
1. TMBThanachart Bank Public Company Limited	KPMG Phoomchai Audit Ltd. (Mr. Chokechai Ngamwutikul)	14,020,000
2. TMBThanachart Broker Company Limited	KPMG Phoomchai Audit Ltd. (Mr. Chokechai Ngamwutikul)	420,000
3. Phahonyothin Asset Management Company Limited	KPMG Phoomchai Audit Ltd. (Mr. Chokechai Ngamwutikul)	550,000
4. TTB Consumer Company Limited	KPMG Phoomchai Audit Ltd. (Mr. Chokechai Ngamwutikul)	140,000
5. TMBThanachart Bank Public Company Limited Cayman Branch	KPMG Phoomchai Audit Ltd. (Mr. Chokechai Ngamwutikul)	120,000
Total Audit Fee		15,250,000

7.6.2.2 Non-Audit Fee

The Bank and its subsidiaries paid fees for non-audit services, i.e., special purpose audit engagement 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-

The Rotation of Auditor

As per the notification of the Capital Market Supervisory Board No. TorChor. 44/2556 regarding rules, conditions, and procedures for disclosure of the financial position and operating results of securities issuers (Codified), it is required that the listed companies shall rotate the auditor in case the auditor performs reviewing or auditing and expresses an opinion on the financial statements of the same listed company for the seven cumulative fiscal years. The listed company may re-appoint the auditor after five consecutive years of rotation. However, the Bank has strictly adhered to the announcement by rotating the auditor in 2022 and the current auditor has performed auditing in its second year in 2023.

8. Corporate Governance Report

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

In 2023, the Bank's Board of Directors has reviewed the vision, mission, and core values and approved strategic plans and operational budget of 2024 in alignment with the industry outlook. The Board has also approved key policies, including sustainable banking, with the emphasis on environmental, social, and governance factors within a sound risk governance framework as well as sufficient and suitable internal control processes, with a complete consideration of all stakeholders in every aspect under the good corporate governance principle. In this regard, the aim is for the Bank's ability to operate and compete sustainably in the long term, with readiness to accommodate future changes.

Moreover, the Board has delegated to sub-committees to monitor, assess, and oversee performance in various areas as per their authorities and responsibilities, prior to propose to the Board for consideration.

8.1.1 Nomination of the Board of Directors and Executives

Qualifications of Independent Directors and Audit Committee Members

In the nomination of directors, the Nomination, Remuneration and Corporate Governance Committee is responsible for selecting and screening the qualified candidates according to the regulations. The Bank also considers qualifications of directors including independent directors and audit committee members, aligned with the relevant announcements.

Nomination Criteria of Independent Directors and Non-Executive Directors

1. Nomination of Independent Directors

The Board of Directors has placed great importance on the roles and responsibilities of independent directors as a vital part in strengthening the Board's structure with sufficient check and balance in order to safeguard the interests of the Bank and its minor shareholders. Thus, to enhance independence of the Board of Directors and manage conflicts of interest pursuant to

the regulatory criteria as well as the corporate governance principles, the Board has formulated criteria for the nomination of independent directors from different industries, with proper qualifications as per the requirements of the Bank and relevant regulators. The nomination should have applicable knowledge and experience in alignment with the Bank's skills matrix, and the ability to provide independent opinions as well as integrity. The board has delegated to the nomination, remuneration, and corporate governance committee to consider, recruit, and select qualified candidates, prior to proposing to the Board for the appointment or to the shareholders for the election (as the case may be).

In this regard, to prevent candidates who nominated for independent directors from possessing any qualifications restricting their independent opinions, decision-making, or voting, the Board has established the policy that the tenure of an independent director should not exceed 9 consecutive years term limit from the date of the first appointment as an independent director. Upon reaching the maximum 9-year term of an independent director, the director has to vacate the position as the Bank's director no less than 2 years before resuming directorship if desired.

Qualification of Independent Directors

The Bank has defined "Independent Director" as a director who is independent from any major shareholders, executives, and related persons, with the ability to perform duties by protecting the interests of all shareholders equitably. Furthermore, the Bank's criteria in regard to independent directors' qualifications are also more stringent than that set by the Capital Market Supervisory Board as follows:

1. Hold less than 0.5 percent of total voting shares of the Bank, the Bank's parent company, subsidiaries, associated companies, major shareholders, or any person with management power over the Bank; shareholding of persons related to those independent directors shall also be counted.

2. Not be a current or former director participating in a management role, an employee, an officer, an advisor who receives regular salary, or a person with management power over the Bank, the Bank's parent company, subsidiaries, associated companies, subsidiaries on the same level, major shareholders or of a person with management power over the Bank, unless the independent directors have not been in such positions for over 2 years minimum prior to the date of appointment.
3. Not be a person who has a relationship either through bloodline or legal registration as the father, mother, spouse, sibling, and child, including the spouse of a child of other directors, executives, major shareholders, a person with management power, or a person to be nominated as the director and executive or one with management power over the Bank or its subsidiaries.
4. Does not have or has not had any business relationship with the Bank or its parent company, subsidiaries, associated companies, major shareholders, or person with management 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 with management power over the person with a business relationship with the Bank, its parent company, subsidiaries, associated companies, major shareholders, or a person with management 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 relationships in the first paragraph shall include any trading transaction in the ordinary course of business, lease taking or lease out of any property, transactions relevant to assets or services, granting or receiving financial assistance in form of loan or guarantee, offering assets as collateral, including 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 of the net tangible assets value of the Bank or THB 20 million or more, whichever is lesser. In this regard, the calculation of the said debt is in accordance with the calculation of a related transaction prescribed in the Capital Market Supervisory Board's notification regarding the criteria on related transactions mutatis mutandis. However, consideration of the said debt shall include the debt incurred during one year prior to the date on which such business relationship takes place.

5. Not be a current or former auditor of the Bank, its parent company, subsidiaries, associated companies, major shareholders, or a person with management power. The independent director shall not be and have not been a shareholder in material respect, a person with management power, a partner of an auditing firm for which the auditor of the Bank, or that of its parent company, subsidiaries, major shareholders, or a person with management power over the Bank has been working unless such independent director has not been in the said position for at least 2 years prior to the date of his/her appointment.
6. Not be a current or former professional advisor, including legal or financial advisor who obtains a fee of more than THB 2 million baht a year from the Bank, its parent company, subsidiaries, associated companies, major shareholders, or a person with management power. The independent director shall not be and have not been a shareholder in a material respect, a person with management power, or a partner of such professional service provider unless the independent director has not been in the said position for at least 2 years prior to the date of his/her appointment.
7. Not be a director who has been appointed as a representative of the Bank's directors, major shareholders, or shareholders related to the Bank's major shareholders.
8. Does not engage in a business of the same nature as or competing with that of the Bank or its subsidiaries. The independent director shall not be a partner in material respect in a partnership, or director participating in management role, an employee, an officer, or an advisor obtaining regular salary, or a shareholder holding more than 1 percent of total voting shares of any other company which engages in the business of which is the same as that of the Bank or its subsidiaries and which is competitive with the business of the Bank or its subsidiaries, in a material respect.
9. Not be in an independent director position for longer than 9 consecutive years, unless they have been discharged from such positions or status for at least 2 years prior to the day of the appointment.
10. Does not have any other characteristics that prevent the directors from giving independent opinions on the Bank's operations.

In this regard, any subsequent revision/amendment/relaxation of the criteria or qualifications of the independent directors announced 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. Nomination 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 as per regulatory requirements and the good corporate governance principle, with knowledge, expertise, skills, and experience in line with the Bank's skills matrix, prior to proposing to the Board or shareholders (as the case may be) for consideration and appointment. In some case, the Bank utilizes the Director Pool data base as an accompanying tool for recruitment of new directors.

Apart from the directors' qualifications mentioned above, candidates nominated to be directors shall have vision and strategic thinking, which could lead to the Bank's steady and sustainable growth, as well as dedication of their time to fully perform director's duties for the Bank's optimum benefits.

In case of vacancy before the completed term, the Board of Directors shall appoint a replacement for the vacant position through the nomination 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 is less than two months. The replacing directors shall be elected by the shareholders' meeting, in accordance with the Bank's Articles of Association.

The shareholders are allowed to vote for the election of directors individually, with the majority votes from the shareholders who attend the meeting and have voting rights required.

3. Appointment of Members of the Sub-Committees

For appointment of sub-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 specifically required for each sub-committee. Members of the sub-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 Bank's skills matrix.

4. Recruitment of Executives

The Nomination, Remuneration and Corporate Governance Committee (NRCC) considers the most qualified candidates for the executive level from both internal and external sources and proposes to the Board of Directors and relevant function units for approval which is in compliance with laws and regulations governed by the related regulators.

In this regard, the Bank establishes the succession plan for critical positions and reviews on an annual basis. In case the term of office for a particular position is clearly determined, the Nomination, Remuneration and Corporate Governance Committee will consider conducting the recruitment in advance before the end of the said term.

Performance Assessment of Chief Executive Officer

The Nomination, Remuneration and Corporate Governance Committee is assigned to conduct the CEO's performance assessment annually. In 2023, the assessment topics included profitability, efficiency, cost management, the ability to generate future income, risk management, digital transformation, and sustainable growth.

Assumption of Position in Other Companies by Chief Executive Officer

The Chief Executive Officer shall perform full-time duties for the Bank, unless approved by the Board of Directors to assume positions in other companies.

Terms of Directorship

The terms of directorship shall be in accordance with Clause 17 of the Bank’s Articles 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 who completed term may be re-elected.

Regarding the term of directorship for independent directors, the Bank has established the policy limiting the independent director’s term to be no more than 9 consecutive years from the date of the first appointment. If any independent director has a term of directorship for 9 consecutive years, he or she must retire for a least 2 years before being re-elected as an independent director.

Role Assumption of Directorship in Other Companies

To ensure that directors are able to dedicate adequate time to fully perform their duties for the Bank, the Bank has established the number of companies in which directors assume a position as per regulations of the SET, the SEC, and BOT as follows:

1. A director of the Bank may assume directorship in no more than 5 listed companies, both domestic and offshore companies (ttb and other four listed companies).
2. Directors of the Bank are able to assume one or several positions of chairman of the Board, executive directors, or an authorized signatory director in no more than 3 business groups (excluding ttb). A company that is not a part of a business group shall be treated as one business group.
3. Directors of the Bank shall disclose the information regarding assumption of directorship in other companies to the Bank as per regulatory requirements and the Bank’s regulation.

Directors’ Performance Assessment

The Bank annually conducts the performance assessment of the Board of Directors and sub-committees, with the objective for the Board to jointly consider results and issues for the development and improvement of performance. The Board would approve the assessment guidelines and forms previously endorsed by the Nomination, Remuneration and Corporate Governance Committee in advance of each annual assessment.

Criteria and assessment of directors’ performance include the following:

1. The Board and sub-committee overall performance assessment
2. Individual self-assessment
3. Individual peer (cross) assessment

Scope of Assessment

- **Performance assessment of the Board** : The topics include (1) Structure of the Board, (2) Board Meeting, (3) The Board’s Performance of Duties, (4) Relationship with Management, (5) Self-Development of Directors, (6) Roles and Responsibilities of the Board, (7) Strategy and Policy, (8) Oversight/Compliance, and (9) Organization.
- **Performance assessment of sub-committees** : The topics include (1) Structure of Committee, (2) Committee Meeting, (3) Committee’s Performance of Duties, (4) Relationship with Management, (5) Self-Development, and (6) Practice in Committee’s Responsibilities.
- **Performance assessment of individual director** : The topics include (1) Roles and Responsibilities of Directors, (2) Dedication, (3) Independence, (4) Meeting Participation, and (5) Understanding of Banking Business.
- **Peer (cross) performance assessment** : The topics include (1) Roles and Responsibilities of Directors, (2) Dedication, (3) Independence, (4) Meeting Participation, and (5) Understanding of Banking Business.

Upon complete assessment, the Bank would report the results of the Board and sub-committee performance assessment to the Nomination, Remuneration and Corporate Governance and the Board of Directors for acknowledgement, which in 2023, the Board performance assessment result was rated in “excellent” level.

New Director Orientation and Director Development Program

The Bank provides an orientation for new directors upon changes in directors. Director’s manuals, documents, and useful information are provided to support the important information and prepare the new directors to performing his/her duty through electronic media, with the Company Secretary to facilitate such orientation regarding various matters as follows:

- Providing common knowledge concerning the Bank and banking businesses such as the company profile, shareholding structure, vision and missions, business structure, management structure, term of directorship, and directors’ remuneration
- Providing information on the rules, regulations, and best practices for directors, e.g. applicable rules and regulations for directors by regulatory agencies, the Bank’s policies and practices for directors, dos and don’ts for the Bank’s directors, director fiduciary duty checklist, directors and officers liability insurance, etc.

In addition, the Bank has promoted and encouraged directors to participate in training courses regarding the Board’s performance of duties, good corporate governance, and the Bank’s business operations provided by external units, such as Thai Institute of Directors Association (IOD) and the Bank of Thailand, and by the Bank.

At present, all directors have already attended the training courses related to director practices.

Summary of Training and Seminars during the Year 2023

In 2023, 14 Directors attended training courses and/or 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"> • ESG in the Boardroom: A Practical Guide for Board (ESG 0/2023), The Thai Institute of Directors Association (IOD) • Hot Issue for Directors: Climate Governance (1/2023), The Stock Exchange of Thailand (SET) and The Thai Institute of Directors Association (IOD) • Director Forum: Engaging Board in ESG: The Path to Effective Sustainability, The Stock Exchange of Thailand (SET) with The Thai Institute of Directors Association (IOD) • Internal Ratings-Based Approach (IRB), TMBThanachart Bank Plc. • Overview of Fund Transfer Pricing (FTP), TMBThanachart Bank Plc. • Bank KPI Setting in Practice, TMBThanachart Bank Plc. • Generative AI in Banking, TMBThanachart Bank Plc.
2. Mr. Suphadej Poonpipat	<ul style="list-style-type: none"> • The Seminar “How AI and Chat GPT Would Transform Business”, Thanachart Capital Plc. • Internal Ratings-Based Approach (IRB), TMBThanachart Bank Plc. • Overview of Fund Transfer Pricing (FTP), TMBThanachart Bank Plc. • Bank KPI Setting in Practice, TMBThanachart Bank Plc. • Generative AI in Banking, TMBThanachart Bank Plc.
3. Gen. Apinun Kumproh	<ul style="list-style-type: none"> • Internal Ratings-Based Approach (IRB), TMBThanachart Bank Plc. • Overview of Fund Transfer Pricing (FTP), TMBThanachart Bank Plc. • Bank KPI Setting in Practice, TMBThanachart Bank Plc. • Generative AI in Banking, TMBThanachart Bank Plc.

Directors	Courses
4. Mr. Philippe G.J.E.O. Damas	<ul style="list-style-type: none"> Internal Ratings-Based Approach (IRB), TMBThanachart Bank Plc. Overview of Fund Transfer Pricing (FTP), TMBThanachart Bank Plc. Bank KPI Setting in Practice, TMBThanachart Bank Plc. Generative AI in Banking, TMBThanachart Bank Plc.
5. Mrs. Charita Leelayudth	<ul style="list-style-type: none"> Director Leadership Certification Program (DLCP 11/2023), The Thai Institute of Directors Association (IOD) Internal Ratings-Based Approach (IRB), TMBThanachart Bank Plc. Overview of Fund Transfer Pricing (FTP), TMBThanachart Bank Plc. Bank KPI Setting in Practice, TMBThanachart Bank Plc. Generative AI in Banking, TMBThanachart Bank Plc. Risk Culture for Sustainability, TMBThanachart Bank Plc.
6. Mr. Willem Frederik Nagel	<ul style="list-style-type: none"> Seminar on Climate Change, Credit Europe Bank in Amsterdam Internal Ratings-Based Approach (IRB), TMBThanachart Bank Plc. Overview of Fund Transfer Pricing (FTP), TMBThanachart Bank Plc. Bank KPI Setting in Practice, TMBThanachart Plc. Risk Culture for Sustainability, TMBThanachart Bank Plc.
7. Mr. Yokporn Tantisawetrat	<ul style="list-style-type: none"> Role of the Chairman Program (RCP 54/2023), The Thai Institute of Directors Association (IOD) Director Leadership Certification Program (DLCP 9/2023), The Thai Institute of Directors Association (IOD) Internal Ratings-Based Approach (IRB), TMBThanachart Bank Plc. Overview of Fund Transfer Pricing (FTP), TMBThanachart Bank Plc. Bank KPI Setting in Practice, TMBThanachart Bank Plc. Generative AI in Banking, TMBThanachart Bank Plc. Risk Culture for Sustainability, TMBThanachart Bank Plc.

Directors	Courses
8. Mr. Teeranun Srihong	<ul style="list-style-type: none"> The Board’s Role in Mergers & Acquisitions BMA 4/2023, The Thai Institute of Directors Association (IOD) Ethical Leadership Program (ELP 29/2023), The Thai Institute of Directors Association (IOD) Internal Ratings-Based Approach (IRB), TMBThanachart Bank Plc. Overview of Fund Transfer Pricing (FTP), TMBThanachart Bank Plc. Bank KPI Setting in Practice, TMBThanachart Bank Plc. Generative AI in Banking, TMBThanachart Bank Plc. Risk Culture for Sustainability, TMBThanachart Bank Plc.
9. Mr. Somjate Moosirilert	<ul style="list-style-type: none"> The Seminar “How AI and Chat GPT Would Transform Businesses”, Thanachart Capital Plc. Internal Ratings-Based Approach (IRB), TMBThanachart Bank Plc. Overview of Fund Transfer Pricing (FTP), TMBThanachart Bank Plc. Bank KPI Setting in Practice, TMBThanachart Bank Plc. Generative AI in Banking, TMBThanachart Bank Plc.

Directors	Courses
10. Mr. Prinya Hom-anek	<ul style="list-style-type: none"> Strategic Board Master Class (SBM 13/2023), The Thai Institute of Directors Association (IOD) Director Leadership Certification Program (DLCP 13/2023), The Thai Institute of Directors Association (IOD) Role of the Chairman Program (RCP 55/2023), The Thai Institute of Directors Association (IOD) Hot Issue for Directors: Climate Governance (2/2023), The Stock Exchange of Thailand (SET) with The Thai Institute of Directors Association (IOD) Internal Ratings-Based Approach (IRB), TMBThanachart Bank Plc. Overview of Fund Transfer Pricing (FTP), TMBThanachart Bank Plc. Bank KPI Setting in Practice, TMBThanachart Bank Plc. Generative AI in Banking, TMBThanachart Bank Plc. Risk Culture for Sustainability, TMBThanachart Bank Plc.
11. Mrs. Chananyarak Phetcharat	<ul style="list-style-type: none"> Director Leadership Certification Program (DLCP 10/2023), The Thai Institute of Directors Association (IOD) Role of the Chairman Program (RCP 53/2023), The Thai Institute of Directors Association (IOD) Subsidiary Governance Program (SGP 5/2023), The Thai Institute of Directors Association (IOD) The Executive Program in Energy Literacy for a Sustainable Future (TEA) class 18/2023, The Thailand Energy Academy Internal Ratings-Based Approach (IRB), TMBThanachart Bank Plc. Overview of Fund Transfer Pricing (FTP), TMBThanachart Bank Plc. Bank KPI Setting in Practice, TMBThanachart Bank Plc. Generative AI in Banking, TMBThanachart Bank Plc. Risk Culture for Sustainability, TMBThanachart Bank Plc.

Directors	Courses
12. Mrs. Patricia Mongkhonvanit	<ul style="list-style-type: none"> Successful Formulation & Execution of Strategy (SFE 42/2023), The Thai Institute of Directors Association (IOD) National Defence Course (Class 65), The National Defence College of Thailand Internal Rating-Based Approach (IRB), TMBThanachart Bank Plc. Overview of Fund Transfer Pricing (FTP), TMBThanachart Bank Plc. Bank KPI Setting in Practice, TMBThanachart Bank Plc. Generative AI in Banking, TMBThanachart Bank Plc.
13 Mr. Johannes Franciscus Gricel	<ul style="list-style-type: none"> Anti-Money Laundering and Combating the Financing of Terrorism, The Thai Bankers' Association Market Conduct, The Thai Bankers' Association Deposit Protection, The Thai Bankers' Association Personal Data Protection Act (PDPA), TMBThanachart Bank Plc. Anti-Corruption, TMBThanachart Bank Plc. Code of Conduct, TMBThanachart Bank Plc. Non-Financial Risk Management, TMBThanachart Bank Plc. Fraud Risk Management, TMBThanachart Bank Plc. Cybersecurity Risk Awareness, TMBThanachart Bank Plc. Top Team Dynamic Development, TMBThanachart Bank Plc. Bank KPI Setting in Practice, TMBThanachart Bank Plc. Generative AI in Banking, TMBThanachart Bank Plc. Risk Culture for Sustainability, TMBThanachart Bank Plc.
14. Mr. Piti Tantasem	<ul style="list-style-type: none"> Internal Ratings-Based Approach (IRB), TMBThanachart Bank Plc. Overview of Fund Transfer Pricing (FTP), TMBThanachart Bank Plc. Bank KPI Setting in Practice, TMBThanachart Bank Plc. Generative AI in Banking, TMBThanachart Bank Plc.

8.1.2 Meeting Attendance

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 of every meeting. The meeting agenda shall be endorsed by the Chief Executive Officer and approved by the Board's Chairman.

Furthermore, the Board of directors stipulates a policy for non-executive directors shall have their own meetings as necessary and appropriate, without the Management involved, to discuss matters or issues of their focus and inform the Chief Executive Officer of meeting results.

The Bank submits the meeting documents and invitation letters 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 agendas 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 the Board members to carefully consider it before making decisions. Voting on each agenda in the Board meeting shall be unanimous. In this regard, the Chairman shall make a conclusion as a meeting resolution. Moreover, directors with a conflict of interest on that agenda shall not participate in that meeting or cast a vote on the matter.

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

In 2023, the Board of Directors has attended the meetings at averagely 99.52% of the total arranged meetings. During the meetings, the Bank's directors freely asked questions and provided useful recommendations for the Bank in accordance with its Corporate Governance Policy.

The Board of Directors Meeting

In 2023, details of attendances of the Bank’s Board of Directors, sub-committees, and shareholders’ meetings are 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
Total number of meetings from January – December 2023	15	4	19	14	12	7	21	7	1
1. Mr. Ekniti Nitithanprapas ⁽¹⁾	15/15	4/4							1
2. Mr. Suphadej Poonpipat ⁽²⁾	15/15	4/4	19/19						1
3. Gen. Apinun Kumproh ⁽³⁾	15/15	4/4							1
4. Mr. Philippe G.J.E.O. Damas ⁽⁴⁾	14/15	4/4	19/19		12/12				1
5. Mr. Prinya Hom-anek ⁽⁵⁾	15/15	4/4		14/14		7/7		7/7	1
6. Mr. Teeranun Srihong ⁽⁶⁾	15/15	4/4			11/12	7/7		7/7	1
7. Mr. Yokporn Tantisawetrat ⁽⁷⁾	15/15	4/4				7/7	21/21		1
8. Mrs. Charita Leelayudth ⁽⁸⁾	15/15	4/4		14/14					1
9. Mr. Somjate Moosirilert ⁽⁹⁾	15/15	4/4	18/19		12/12		21/21		1
10. Mr. Willem Frederik Nagel ⁽¹⁰⁾	14/15	3/4			11/12	7/7		6/7	1

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
11. Mrs. Chananyarak Phetcharat ⁽¹¹⁾	15/15	4/4		14/14				7/7	1
12. Mrs. Patricia Mongkhonvanit ⁽¹²⁾	15/15	4/4	19/19		12/12			7/7	1
13. Mr. Johannes Franciscus Grisel ⁽¹³⁾	8/8	2/2	9/9			3/3	9/9		-
14. Mr. Piti Tantakasem ⁽¹⁴⁾	15/15		19/19			6/7	20/21	6/7	1
Directors who resigned during the year									
Mr. Michal Jan Szczurek ⁽¹⁵⁾	6/7	2/2	6/10			3/4			1

Remarks: Directors who attended the meetings electronically were as detailed below:

⁽¹⁾ Mr. Ekniti Nitithanprapas

- The Board of Directors Meetings No. 2/2023, No. 9/2023, and Special Session (No. 3/2023)
- Non-Executive Directors Meetings No. 1/2023 - No. 3/2023

⁽²⁾ Mr. Suphadej Poonpipat

- The Board of Directors Meetings No. 1/2023 - No. 12/2023, and Special Session (No. 3/2023)
- Non-Executive Directors Meetings No. 1/2023 - No. 3/2023
- The Board of Executive Directors Meetings No. 1/2023 - No. 18/2023, and Special Session (No. 1/2023)

⁽³⁾ Gen. Apinun Kumproh

- The Board of Directors Meetings No. 2/2023 - No. 3/2023, No. 5/2023 - No. 12/2023, Special Session (No. 1/2023), and Special Session (No. 3/2023)
- Non-Executive Directors Meetings No. 1/2023 - No. 4/2023

⁽⁴⁾ Mr. Philippe G.J.E.O. Damas is a director who does not have a residence in Thailand.

- The Board of Directors Meetings No. 3/2023, No. 5/2023, and No. 9/2023
- Non-Executive Directors Meetings No. 3/2023
- The Board of Executive Directors Meetings No. 3/2023, No. 5/2023, No. 7/2023, No. 8/2023, No. 10/2023, No. 13/2023, No. 14/2023, No. 16/2023, and Special Session (No. 1/2023)
- The Nomination, Remuneration, and Corporate Governance Committee Meetings No. 5/2023, No. 9/2023, and No. 10/2023

⁽⁵⁾ Mr. Prinya Hom-anek

- The Board of Directors Meetings No. 2/2023 - No. 6/2023, No. 8/2023 - No. 12/2023, and Special Session (No. 1/2023) - Special Session (No. 3/2023)
- Non-Executive Directors Meetings No. 1/2023 - No. 4/2023
- The Audit Committee Meetings No. 1/2023 - No. 12/2023
- The Risk Oversight Committee Meetings No. 1/2023 - No. 7/2023
- The IT Oversight Committee Meetings No. 1/2023 - No. 5/2023 and Special Session (No. 1/2023) - Special Session (No. 2/2023)

⁽⁶⁾ Mr. Teeranun Srihong

- The Board of Directors Meetings No. 2/2023, No. 5/2023, No. 9/2023, No. 10/2023, No. 12/2023, and Special Session (No. 1/2023)
- Non-Executive Directors Meetings No. 3/2023 - No. 4/2023
- The Nomination, Remuneration, and Corporate Governance Committee Meetings No. 1/2023 - No. 5/2023, No. 7/2023, and No. 9/2023 - No. 12/2023
- The Risk Oversight Committee Meetings No. 1/2023 - No. 7/2023
- The IT Oversight Committee Meetings No. 1/2023 - No. 5/2023 and Special Session (No. 1/2023) - Special Session (No. 2/2023)

⁽⁷⁾ Mr. Yokporn Tantisawetrat

- The Board of Directors Meetings Special Session (No. 1/2023)
- Non-Executive Directors Meetings No. 2/2023 - No. 4/2023
- The Risk Oversight Committee Meetings No. 1/2023 - No. 7/2023
- The Credit Committee Meetings No. 1/2023 - No. 21/2023

⁽⁸⁾ Mrs. Charita Leelayudth

- The Board of Directors Meetings No. 2/2023, No. 6/2023, No. 8/2023, No. 10/2023 - No. 12/2023, and Special Session (No. 3/2023)
- Non-Executive Directors Meetings No. 1/2023 - No. 4/2023
- The Audit Committee Meeting - (None) -

⁽⁹⁾ Mr. Somjate Moosirilert

- The Board of Directors Meetings No. 1/2023 - No. 12/2023, Special Session (No. 1/2023), and Special Session (No. 3/2023)
- Non-Executive Directors Meetings No. 1/2023 - No. 4/2023
- The Board of Executive Directors Meetings No. 1/2023 - No. 18/2023 and Special Session (No. 1/2023)
- The Nomination, Remuneration, and Corporate Governance Committee Meetings No. 1/2023 - No. 12/2023
- The Credit Committee Meeting No. 1/2023 - No. 21/2023

⁽¹⁰⁾ Mr. Willem Frederik Nagel

- The Board of Directors Meetings No. 1/2023 - No. 4/2023, No. 6/2023 - No. 9/2023, No. 12/2023, and Special Session (No. 1/2023)
- Non-Executive Directors Meetings No. 1/2023 - No. 3/2023
- The Nomination, Remuneration, and Corporate Governance Committee Meetings No. 1/2023 - No. 11/2023
- The Risk Oversight Committee Meetings No. 1/2023 - No. 7/2023
- The IT Oversight Committee Meetings No. 2/2023 - No. 5/2023, and Special Session (No. 1/2023) - Special Session (No. 2/2023)

⁽¹¹⁾ Mrs. Chananyarak Phetcharat

- The Board of Directors Meeting No. 1/2023, No. 3/2023. No. 5/2023, No. 6/2023, No. 8/2023, No. 9/2023, No. 11/2023, No. 12/2023, and Special Session (No. 1/2023)
- Non-Executive Directors Meetings No. 1/2023, No. 2/2023, and No. 4/2023
- The Audit Committee Meetings No. 2/2023, No. 4/2023, No.11/2023, No. 12/2023, and Special Session (No.1/2023)
- The IT Oversight Committee Meetings No. 1/2023 - No. 5/2023, and Special Session (No. 1/2023) - Special Session (No. 2/2023)

⁽¹²⁾ Mrs. Patricia Mongkhonvanit

- The Board of Directors Meetings No. 2/2023 - No. 12/2023, Special Session (No. 1/2023), and Special Session (No. 3/2023)
- Non-Executive Directors Meetings No. 1/2023 - No. 4/2023
- The Board of Executive Directors Meeting No. 1/2023 - No. 18/2023 and Special Session (No. 1/2023)
- The Nomination, Remuneration, and Corporate Governance Committee Meeting No.1/2023 - No.12/2023
- The IT Oversight Committee Meeting No. 1/2023 - No. 5/2023 and Special Session (No. 1/2023) - Special Session (No. 2/2023)

⁽¹³⁾ Mr. Johannes Franciscus Grisel (*has joined the Bank's Board of Directors, effective since 1 July 2023. His first Board meeting was the Board of Directors Meeting No. 7/2023 on 2 July 2023.*)

- The Board of Directors Meetings No. 7/2023 - No. 9/2023, No. 11/2023, No. 12/2023, and Special Session (No. 3/2023)
- Non-Executive Directors Meetings No. 3/2023 - No. 4/2023
- The Board of Executive Directors Meetings No. 10/2023 - No. 14/2023 and No. 16/2023 - No. 18/2023
- The Risk Oversight Committee Meetings No. 5/2023 - No. 7/2023
- The Credit Committee Meetings No. 13/2023 - No. 21/2023

⁽¹⁴⁾ Mr. Piti Tantakasem

- The Board of Directors Meeting - (None) -
- The Board of Executive Directors Meetings No. 3/2023 and No. 7/2023
- The Risk Oversight Committee Meetings No. 1/2023 - No. 5/2023 and No. 7/2023
- The Credit Committee Meetings No. 2/2023 - No. 21/2023
- The IT Oversight Committee Meetings No. 1/2023 - No. 3/2023, No. 5/2023, and Special Session (No. 1/2023) - Special Session (No. 2/2023)

⁽¹⁵⁾ Mr. Michal Jan Szczurek (resigned from TMBThanachart Bank Plc.'s Board of Directors and all sub-committees, effective from 1 July 2023 onwards. The final day of his directorship at the Bank was 30 June 2023.)

- The Board of Directors Meetings No. 1/2023 - No. 4/2023, No. 6/2023, and Special Session (No. 1/2023)
- Non-Executive Directors Meetings No. 1/2023 and No. 2/2023
- The Board of Executive Directors Meetings No. 1/2023, No. 2/2023, No. 4/2023, No. 6/2023, and No. 9/2023
- The Risk Oversight Committee Meetings No. 1/2023 - No. 3/2023

Non-Executive Directors

The Bank organizes meetings for non-executive directors, including independent directors, without executive directors involved, for discussion of key matters and in alignment with the good corporate governance principle. In 2023, there were 4 meetings as follows:

- No. 1 on 25 January 2023
- No. 2 on 26 April 2023
- No. 3 on 26 July 2023
- No. 4 on 25 October 2023

Meetings Between the Risk Oversight Committee and the Audit Committee

The Bank has arranged the meetings between the Risk Oversight Committee and the Audit Committee for an open-floor discussion regarding the assessment of the effectiveness and efficiency of the Bank’s risk management. In 2023, there were 2 meetings as follows:

- No. 1 on 12 September 2023
- No. 2 on 22 November 2023

Remuneration for Directors

The Bank sets the directors’ remuneration policy, criteria, composition, and amount based on Fiduciary Duty at an appropriate level. In addition, the directors’ remuneration shall be in accordance with accountability and responsibility of the directors on a comparable level with that of counterparts of similar industries and sizes.

In addition, directors’ remuneration is set to be sufficient and attractive for the nomination and retention of qualified directors with knowledge and ability to perform their duties and dedicate themselves to make contributions to the Bank. The Nomination, Remuneration, and Corporate Governance Committee conducts the annual review of the directors’ remuneration and propose it to the Board for endorsement and inclusion as an agenda item of the Annual General Meeting of Shareholders for further approval on an annual basis.

Directors’ Remuneration Criteria

1. Monthly fees include:
 - 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 that he/she sits on.
2. Attendance fee • Director is entitled to the attendance fee for every meeting where he/she presents.

Remuneration by Committee is as follows:

		Director Remuneration (THB)		
		Retaining Fee (Monthly)	Committee Fee (Monthly)	Attendance Fee (Per Meeting)
The Board of Directors	Chairman	150,000	150,000	40,000
	Vice chairman	35,000	35,000	35,000
	Member	32,000	32,000	30,000
The Board of Executive Directors	Chairman	120,000	120,000	40,000
	Vice chairman	35,000	35,000	35,000
	Member	32,000	32,000	30,000
Audit Committee	Chairman	58,000	58,000	32,400
	Member	31,200	31,200	24,600
Nomination, Remuneration, and Corporate Governance Committee	Chairman	58,000	58,000	32,400
	Member	31,200	31,200	24,600
Risk Oversight Committee	Chairman	58,000	58,000	32,400
	Member	31,200	31,200	24,600
Credit Committee	Chairman	58,000	58,000	32,400
	Member	31,200	31,200	24,600
IT Oversight Committee	Chairman	58,000	58,000	32,400
	Member	31,200	31,200	24,600

Directors who are the Bank’s executives will not receive the remuneration according to its regulations; representative directors from ING Bank N.V. will not receive the remuneration under the said Bank’s policy.

The Board of Directors may amend the director’s remuneration for the members of the Board of Directors and sub-committees as well as that of any additionally established sub-committees. In this regard, the total director remuneration shall not exceed THB 45 million as approved by the shareholders’ meeting.

In 2023, the Annual General Meeting of Shareholders has approved the distribution of directors’ bonus at a rate of 0.5 percent of the total dividend paid from the 2022 operating result; the Board is granted the authority to consider such allocation to each director. In this regard, the Bank’s executive directors and representatives of ING Bank N.V. will not receive the directors’ bonus.

In 2023, The Bank paid directors’ remuneration in the total amount of THB 40,837,800 and the total amount of directors’ bonus was THB 35,308,232.26. The details are as follows:

Name of Directors	Detail of ttb Directors’ Remuneration	Detail of the Subsidiary’s Director Remuneration (PAMCO)
1. Mr. Ekniti Nitithanprapas	Received THB 4,360,000 for serving as the Chairman of the Board of Directors Received THB 4,236,987.87 for the directors’ bonus	Not applicable
2. Mr. Suphadej Poonpipat	Received THB 2,590,000 for serving as the Vice Chairman of the Board of Directors and the Board of Executive Directors Received THB 2,824,658.58 for the directors’ bonus	Not applicable
3. Gen. Apinun Kumproh	Received THB 1,338,000 for serving on the Board of Directors Received THB 2,824,658.58 for the directors’ bonus.	Not applicable
4. Mr. Philippe G.J.E.O. Damas	Received THB 5,648,800 for serving on the Board of Directors and as the Chairman of the Board of Executive Directors and the Nomination, Remuneration, and Corporate Governance Committee Received THB 2,824,658.58 for the directors’ bonus	Not applicable
5. Mrs. Charita Leelayudth (The effective appointment date on 3 February 2022)	Received THB 2,799,600 for serving on the Board of Directors and as the Chairman of the Audit Committee Received THB 2,589,270.37 for the directors’ bonus	Not applicable
6. Mr. Willem Frederik Nagel	Received THB 3,679,800 for serving on the Board of Directors and as the Chairman of the Risk Oversight Committee, member of the Nomination, Remuneration and Corporate Governance Committee, and member of the IT Oversight Committee Received THB 2,824,658.58 for the directors’ bonus	Not applicable

Name of Directors	Detail of ttb Directors' Remuneration	Detail of the Subsidiary's Director Remuneration (PAMCO)
7. Mr. Yokporn Tantisawetrat	Received THB 3,573,000 for serving on the Board of Directors and as the Chairman of the Credit Committee and member of the Risk Oversight Committee Received THB 2,824,658.58 for the directors' bonus	Received THB 51,000 for serving as a member of the Advisory Board
8. Mr. Teeranun Srihong	Received THB 3,764,400 for serving on the Board of Directors and as the Chairman of the IT Oversight Committee, member of the Nomination, Remuneration and Corporate Governance Committee, and member of the Risk Oversight Committee Received THB 2,824,658.58 for the directors' bonus	Not applicable
9. Mr. Somjate Moosirilert	Received THB 3,822,600 for serving on the Board of Directors and as a member of the Board of Executive Directors, member of the Nomination, Remuneration and Corporate Governance Committee, and member of the Credit Committee Received THB 2,824,658.58 for the directors' bonus	Received THB 51,000 for serving as a member of the Advisory Board
10. Mr. Prinya Hom-anek	Received THB 3,150,000 for serving on the Board of Directors and as a member of the Audit Committee, member of the Risk Oversight Committee, and member of the IT Oversight Committee Received THB 2,824,658.58 for the directors' bonus	Not applicable
11. Mrs. Chananyarak Phetcharat	Received THB 2,603,400 for serving on the Board of Directors and as a member of the Audit Committee and member of the IT Oversight Committee Received THB 2,824,658.58 for the directors' bonus	Not applicable
12. Mrs. Patricia Mongkhonvanit	Received THB 3,508,200 for serving on the Board of Directors and as a member of the Board of Executive Directors, member of the Nomination, Remuneration and Corporate Governance Committee, and member of IT Oversight Committee Received THB 2,824,658.58 for the directors' bonus	Not applicable
13. Mr. Johannes Franciscus Grisel (The effective appointment date on 1 July 2023)	Not entitled to receive the monetary remuneration and the directors' bonus as per the criteria of ING Bank N.V.	Not applicable

Name of Directors	Detail of ttb Directors’ Remuneration	Detail of the Subsidiary’s Director Remuneration (PAMCO)
14. Mr. Piti Tantakasem	Not entitled to receive the monetary remuneration and the directors’ bonus as per the criteria of the Bank	Not entitled to receive the monetary remuneration and directors’ bonus as per the criteria of the Bank
15. Mr. Michal Jan Szczurek ⁽¹⁾ (The effective resignation date on 1 July 2023)	Not be entitled to receive the monetary remuneration and the directors’ bonus as per the criteria of ING Bank N.V.	Not applicable
16. Mr. Praisun Wongsmith ⁽¹⁾ (The effective resignation date on 27 January 2022)	Received THB 235,388.22 for the directors’ bonus	Not entitled to receive the remuneration for advisory service to the Board due to his resignation

Remark : ⁽¹⁾ Not currently a board member

Other benefits

- None –

Directors’ Bonus

The Board has an important role in setting strategies and policies and overseeing the Bank’s execution to ensure its target achievement as well as strong and sustainable performance. The Board sets the directors’ bonus at a proper rate in alignment with the Bank’s performance and on a comparable level with those of peers in the same industry. The Nomination, Remuneration, and Corporate Governance shall consider the directors’ bonus and then propose it to the Board for endorsement and inclusion as an agenda item of the annual general meeting of shareholders for approval. The Board shall ensure that the Bank discloses the bonus of each director in reports such as Form 56-1 One Report in compliance with the regulatory requirements.

8.1.3 Subsidiary Supervision

The Bank has considered nominating its executives to be representative directors in 3 subsidiaries, namely Phahonyothin Asset Management Company Limited, TMBThanachart Broker Company Limited, and TTB Consumer Company Limited. The nominations of such directors and executives are approved by the Board of Directors Meeting on a case-by-case basis. The Bank has established the scope of duties and responsibilities of the representative directors as well as important transactions such as related transactions, asset acquisition and disposition, and information disclosure in the Consolidated Supervision Policy approved by the Board of Directors.

Representative Director Appointment

For careful management and control of the subsidiaries as per the Consolidated Supervision Policy, the Board sets the guideline regarding representative director appointment as follows:

1. The Bank nominates directors by proportion of the Bank’s shareholding.
2. Chairmen of subsidiaries’ boards must be appointed by the Bank’s Board of Directors.
3. The nomination of a subsidiary’s Managing Director or Chief Executive Officer shall be endorsed by the Bank’s Board

of Directors. (The nomination of Managing Director of all companies in Solo Consolidation Group shall be approved by the Bank of Thailand)

4. The Bank’s Chiefs in charge of subsidiaries’ oversight shall propose executives as representative directors.
 - The appointment of new representative directors shall be proposed to the Bank’s Board of Directors for approval through the Chief Executive Committee (CEC), the Nomination, Remuneration, and Corporate Governance Committee (NRCC), or by other guidelines set forth by the Board of Directors in the future.
 - The re-appointment of existing representatives for another term shall be proposed to NRCC for approval, with the prior endorsement from CEC, and to the Board of Directors for acknowledgment.
5. The Bank may consider appointing an external expert as a representative director as deemed appropriate.
6. Representatives’ core qualifications include:
 - The person with no conflict of interests with group companies
 - The person with no prohibited characters as per the Bank of Thailand’s requirements
 - The person in relevant function(s) or with expertise of the company’s business
 - The person whose qualification complies with the requirements of relevant regulators, namely the Securities and Exchange Commission (SEC), the Office of Insurance Commission (OIC), etc.
7. The person appointed to be a representative director could be appointed as either a chairman, authorized director, or others in no more than 3 business groups.
8. The nominated person to be the Bank’s representative director shall have no conflict of interests with the company in which he/she is nominated as a director.

Scope of Duties and Responsibilities of Representative Directors

1. All representative directors shall not receive any remuneration in terms of cash and non-cash for being representative directors
2. Representative directors shall attend the subsidiary’s board meetings to determine the company’s policies and strategies in alignment with those of the Bank. Lead Director will work with
 - 2.1 Corporate Strategy, for the communication of the Bank’s current policies to representative directors
 - 2.2 Related BU/Chiefs in charge of the subsidiary’s oversight in order to ensure reports of risk management issues to the Risk Oversight Committee (ROC) every 6 months or as deem appropriate

3. Monitor and supervise the subsidiaries' operations to be compliant with the Bank's policies, plans, rules, and regulations set forth by the Bank and its regulators in an efficient and effective manner and ensure no issue of conflict of interest
4. Propose the subsidiary's policies, strategies, and performance results 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 acquisition/merger, or changes in the financial status, business groups, or rules/regulations/specific laws of each business
6. Monitor and protect the Bank's rights
7. Perform other duties as specified by the Bank

Matters Requiring Representative Directors to Obtain the Bank's Approval before Voting at the Subsidiaries' Board Meetings

1. Policies and strategies critical to business operations or changes
2. Increase or decrease in registered capital
3. Dividend payout or suspension
4. Investment in/divestiture of other companies for more than 10% of the company's paid-up capital
5. Sale of core assets
6. Entering a business contract/changes in products or marketing worth more than 15% of net tangible assets (NTA)
7. Liquidation/debt moratorium/bankruptcy
8. Related transactions with the Bank and related persons
9. Borrowing transactions with a size of 15% or greater of NTA and Letter of Guarantee to third parties with a transaction size of 15% or greater of NTA
10. Changes in image, business models, as well as corporate brand
11. Other matters related to the subsidiaries, which the Bank's representative directors or BUs in charge deem to have significant impacts on the Bank's business and their responsibilities as representative directors

Subsidiaries Supervision

The Bank has determined the subsidiaries' management and control structure, including the formulation of strategic plans, policies, and goals and nomination of representative directors to take part in managing the subsidiaries as well as the Bank's internal organizational management for supervision of the subsidiaries as appropriate.

Mechanism for Supervision

The Board has the mechanism enabling the control and oversight as well as accountability of subsidiaries' operations in order to safeguard the Bank's interests in terms of investment. Thus, the **"Consolidated Supervision Policy"** is established with the following areas of policies:

- **Accounting and Financial Reporting Policies**

It is the determination of the Accounting and Financial Reporting Policies so that the Bank could gather relevant information to formulate subsidiaries' consolidated financial reports in an accurate format and aligned with the direction of the Bank, in compliance with the Bank of Thailand's rules and regulations. The Bank also utilizes such financial and accounting information for the analysis of subsidiaries' performance and financial status in a correct and timely manner, for the sake of performance control and tracking.

- **Corporate Governance Policy and Policy on Confidential & Insider Information and Conflict of Interest**

Corporate Governance Policy is the policy for the subsidiaries to implement it in several areas under business and work ethics, in alignment with good corporate governance and best practice as well as the Bank's Corporate Governance Policy.

Policy on Confidential & Inside Information and Conflict of Interest is established for the subsidiaries to comply with it on transactions with persons who may have conflicts of interest and to prevent the use of inside information of subsidiaries.

- **Anti-Corruption Policy**

Anti-Corruption Policy is determined for the subsidiaries to comply with the Bank’s Anti-Corruption Policy and relevant policies, as well as the applicable laws on such matters. It is a testament to the determination of the Bank and its subsidiaries to combat corruption and bribery, from both officers/agencies in public and private sectors.

- **Risk Management Policy**

It is the determination of subsidiaries’ risk management policies, covering various aspects of their performance-related risks with impacts on their stability. This includes market risk management, liquidity risk management, operational risk management, credit risk management, Market Conduct Risk Management Policy, and Recovery Plan Policy.

- **Compliance Policy**

The Policy is determined to require and encourage the subsidiaries to adhere to the policy in order to ensure that their business operations align with the Compliance Policy of the Bank and regulatory requirements in several areas, such as regulatory compliance, adherence to the Bank of Thailand’s policies, notifications, and circular letters, Know Your Customer Guidelines, and the Anti-Money Laundering Act and Counter-Terrorism Financing Act.

- **Corporate Communication Policy**

The Policy is determined as a guideline for the subsidiaries to ensure that their operations align with the Bank’s direction and promote of the Bank’s image as a financial institution, including the use of names, trademarks, and information disclosure of the subsidiaries.

- **Audit Policy**

It is the determination of the roles and duties of the Bank’s Internal Audit and the Audit Committee’s oversight roles in conjunction with those of the Bank’s Management and external auditors in auditing, controlling, and supervising the subsidiaries. The Policy aims to ensure that the Bank’s and its subsidiaries have organizational culture concerning the sound internal control and good corporate governance.

8.1.4 Compliance with the Policies

8.1.4.1 Policies Against Conflict of Interest and Abuse of Inside Information

The Bank establishes the guidelines for overseeing the abuse of inside information in writing, specifically stipulated in **Employee Code of Conduct and Confidential & Insider Information and Conflict of Interest Policy**. Moreover, the Bank develops manuals on transactions with potential conflicts of interest and operating procedures on trading and investment in the Bank’s securities as guidelines for directors, executives, and employees. Upon consideration of related-party transactions, any person with vested interests or involvement shall not participate in the consideration of such transactions.

The Bank requires **directors, executives, and employees** to acknowledge and comply with applicable guidelines requiring directors, executives, and employees to report changes in securities holdings to the SEC, in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (and the amendments) via an online system within 3 business days from the date of the said changes. Moreover, they shall inform the Bank’s Company Secretary to record such changes and summarize the number of securities held by directors and executives as well as their related persons in order to **report to the Board of Directors for acknowledgment on a monthly basis**. Moreover, penalties for the violation or non-compliance with such requirements are notified.

In addition, the **Compliance** would support the Management in enforcing the policies and operating procedures and ensure proper mechanisms to monitor implementation of such policies and operating procedures, including relevant laws and regulations.

In the previous year, Internal Audit reviewed the Bank’s transactions of THB 20 million or more; 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 establishes policies and guidelines for the retention and prevention of the use of inside information in writing, which includes the information that the Bank does not yet disclose to the public and is significant to the changes in prices or value of its securities. The Bank ensures strict compliance to prevent **directors, executives, or employees** in the positions or status that allow them the access to inside information, including related persons as per regulators' definitions, from exploiting such information for their own or others' interests. Some examples are the prohibition of securities trading 1 month before public or general disclosure of financial statements, the use of information or confidential matters of the Bank and/or customers for competition against the Bank and/or its customers, and exploitation from one's authority and responsibility.

The Bank is aware of the importance of monitoring the use of inside information, especially non-public inside information that may impact its share price. Thus, 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 SEC after the review process to ensure accuracy and completion by the Audit Committee and the Board of Directors, respectively. In this regard, this is to ensure that the Bank's inside information will not be prematurely disclosed to the public.

For preventive guidelines against the use of inside information, the Bank sets out the Code of Conduct for executives and employees to perform their duties with transparency, adherence to their professional ethics, and equitable treatment of all stakeholders, in alignment with the Securities and Exchange Commission Act regarding the use of inside information. The Bank also prohibits **employees with a regular or an occasional access to inside information from securities trading** until passing 24 hours since the information is disclosed to the public. The Bank also prohibits the disclosure of inside information to any family members and/or other persons at all times even though the employees and/or their family members do not sell/buy the securities and/or do not gain any benefit in any form in order to prevent employees from such exploitation for their own or others' benefits. Moreover, in case of any event that may affect the Bank's securities price, the Bank will set an additional period to prohibit relevant persons from trading the Bank's securities.

The Bank requires that the directors, executives from the level of Chief Executive Officer, Chiefs, Senior Executive Vice President, or Executive Vice President or Heads or equivalent, and Team Heads or equivalent in Financial Control, Financial Planning and Analysis, Balance Sheet Management, and other persons defined by Chief Financial Officer shall disclose and report their securities holdings as well as those of their spouses and minor children to the SEC, with required reports of every change in securities holdings upon purchase, sale, and transfer of certain securities in accordance with the report format and within the period specified by the SEC.

In addition, the Bank requires the Management to provide monthly reports on the Bank's issued securities held by **directors, executives, and their spouses as well as minor children** to the Board for acknowledgment and to prepare a summary report on any changes in the Bank's issued securities held by directors, the Chief Executive Officer, chiefs, their spouses, and minor children, with disclose of such information in the annual report and on the Company's website <https://www.ttbbank.com/en/about-us/annual-shareholder-report>.

Control on the Use of Inside Information

The Bank has placed importance on the practice with respect to the non-compliance issues against the Financial Business Act B.E. 2551 (and the amendments), including notifications on insider trading according to the Securities and Exchange Act B.E. 2535 (and the amendments), and regulations regarding disciplinary offenses and unethical acts of employees in order to ensure that executives and employees perform duties with integrity, transparency, adherence to professional code of conduct, and equitable treatment of all stakeholders.

Penalty Measures

The Bank has its practice regarding penalties for non-compliance with the Financial Institution Business Act B.E. 2551 (and the amendments), insider trading according to the Securities and Exchange Act B.E. 2535 (and the amendments), non-violation against intellectual property rights or copyrights, anti-corruption, anti-bribery for business benefits or deals with both public and private sectors, and other relevant regulations. In addition, the Bank has determined regulations on employees' disciplinary misconduct and violation of code of conduct to ensure that executives and employees perform their

duties with integrity, transparency, adherence to professional code of conduct, and equitable treatment of all stakeholders. In 2023, the Bank provided 99 executives with the Related Transaction & Blackout Period training course, covering the topics around the use of inside information for trading and investing in the Bank’s securities. In this regard, the Bank found no wrongdoing related to the use of the inside information for trading the Bank’s securities; no punishment or accusation arose in regard to the use of inside information for trading the Bank’s securities by directors or executives.

8.1.4.3 Anti-Corruption Policy

The Board of Directors conducts an annual review of the Anti-Corruption Policy to ensure its suitability and sets **the process for risk assessment** of the business in order to identify the Bank’s execution with potential corruption in order to manage, **prevent, and monitor** risks from corruption, with the guideline of the Thai Private Sector Collective Action Coalition Against Corruption (CAC) is taken into consideration. The Bank has measures to take care of and be fair to employees who deny committing corruption or report clues of corruption, including protection measures against harassment, malice, punishment, demotion, or threats. The Bank ensures that directors and employees strictly adhere to the policy. **All employees are required to attend the mandatory Anti-Corruption training** and take comprehension examination on an annual basis. In 2023, 100% of employees completed the training. Moreover, the Bank has established that the **Audit Committee shall endorse review results** regarding the adequacy of comprehensive corruption risk control.

8.1.4.4 Whistleblowing

The Bank enables stakeholders to submit clues and complaints via the designated whistleblowing channels. The Audit Committee, as an independent body, would consider the cases, whereas the Compliance serves to filter clues and complaints. In 2023, there was 1 case regarding corruption. The Bank already took proper action on the case. The relevant business units shall report the result of the corrective action to the whistleblower. In order to protect the rights of well-intended whistleblowers and informants, the Bank would conceal and keep their information confidential, with limited access to such information granted to only the persons responsible for verifying the clues/complaints.

8.2 Performance Result Report of the Audit Committee during the Past Year

Disclosure on website: <https://www.ttbbank.com/en/about-us/scope-and-responsibility-audit-committee-report>

Performance Result report of the Audit Committee is disclosed in Attachment 6. Details of meetings and attendance of directors in Audit Committee meetings are disclosed in topic 8.1.2 Meeting Attendances and Remuneration for Directors

8.3 Performance Result Reports of Other Sub-Committees

Disclosure on website as follows:

Board of Executive Directors:

<https://www.ttbbank.com/en/about-us/scope-and-responsibility-board-of-executive-directors-report>

Risk Oversight Committee:

<https://www.ttbbank.com/en/about-us/scope-and-responsibility-risk-oversight-committee-report>

Credit Committee:

<https://www.ttbbank.com/en/about-us/scope-and-responsibility-credit-committee-report>

IT Oversight Committee:

<https://www.ttbbank.com/en/about-us/scope-and-responsibility-it-oversight-committee-report>

Nomination, Remuneration and Corporate Governance Committee:

<https://www.ttbbank.com/en/about-us/scope-and-responsibility-nomination-remuneration-and-corporate-governance-committee-report>

Performance Result Report of Other Sub-Committees is disclosed in **Attachment 6**. The detail of meetings and attendance of directors in sub-committees 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

The Board of Directors' Opinions on Internal Control and Risk Management

Effective internal control and risk management are an important cornerstone of the Bank's operating model and strategic direction, both at 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 and processes and good corporate governance.

The Internal Audit carries out reviews over the Bank's overall operations, related and connected transactions and reports on findings to the Audit Committee, and the Audit Committee reports to the Board of Directors accordingly. The result of audit report is also a tool for the Management to develop processes and improve internal controls as deemed appropriate.

The Board of Directors meeting no. 12/2023 held on 21 December 2023, attended by members represented in the Audit Committee, has reviewed the report on the Bank's internal control assessment proposed by the Chief Audit Officer. Internal auditors conducted the assessment based on the internal control core components of COSO (The Committee of Sponsoring Organizations of the Treadway Commission); (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, and (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 instability and fragility of the economic system, arising from household debt, technology advances, and digital trends that might impact consumer behavior, the Bank, its shareholders, and its stakeholders, as well as a sustainability-oriented business environment. These changes have led the Bank to transform its business, digital and technology, processes, and people, based on a sound risk management framework and good corporate governance in line with the 3 Lines of Defense principle, with the

aim of becoming the Bank of Sustainability. The Audit Committee emphasized and supported the B+ESG (Business Sustainability, Environmental Sustainability, Social Sustainability, Corporate Governance and Business Ethics) operational framework, integrating business and sustainability into all processes and business units with the tone from the top. This is expected to lead to efficient internal controls and long-term effectiveness. The Audit Committee continues to work closely with the Board of Directors, the Risk Oversight Committee, and the Management to ensure up-to-date and effective internal control and risk management framework that are forward looking and address the emerging risks on the key basis of bank-wide risk culture promoting align to the Bank's strategy.

In addition, the Board of Directors has monitored the progress of internal control improvement by the Management appropriately, which the Audit Committee has recommended Management and monitored actions in addressing identified deficiencies from the audit and reporting the progress to the Audit Committee and the Board of Directors of the Bank on a regular basis.

Statement of the Audit Committee

The statement of audit committee is disclosed in the topic Audit Committee (AC) Report on the Bank's website: <https://www.ttbbank.com/en/about-us/scope-and-responsibility-audit-committee-report>

9.2 Transactions with Related Parties Occurred During the Year

The Bank disclosed details of related parties, which comprised of definitions and characteristics of relationship, pricing policy, significant business transactions with key executives and other related parties, outstanding balances with related parties, senior executives' compensation, and other benefits payable to the senior executive, in the notes to financial statements for the year ended 31 December 2023.

9.3 Approval Measures or Procedures for Related Transactions

In conducting the business, the Bank shall adhere to its principles, integrity, transparency and interest by placing the importance on the prevention of conflicts of interest and related and connected transactions according to the regulatory requirements. To that effect, the Bank requires that its directors and head-level executives and higher shall 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 manual of making transactions with any persons with potential or relations to any conflicts of interest 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 arm's length basis in the same way of transactions with external persons. 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, in alignment with relevant regulatory requirements.

The Bank has no policy to grant any direct loan to directors, senior executives, and even related parties. Loan provisions or investments in any entity in which the Bank, its directors, or its senior executives have conflicts of interest are subject to the consideration of the project's viability, operational performance, or feasibility analysis with terms, conditions, and prices as 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 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 the 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 its interest of and shareholders, whereby at a minimum, pricing and terms and conditions will be on arm's length basis in accordance with the above-mentioned policies and operational guidelines. Also, the policies and the manual will be updated to be in line with the changes in the internal criteria and regulatory requirements.

9.4 Persons who May Have Conflicts of Interest to Hold More Than 5% of Shares in a Subsidiary Company or Associated Company Instead of Direct Shareholding by the Bank

The Bank has not allowed any person who may have a conflict of interest to hold more than 5% of shares in a subsidiary company or any associated company on its behalf.

Part 3

Financial Statements

Financial Statements

Summary of Auditor's Report

Summary of Consolidated Financial Statements over the Past Three Years

Part 3

Financial Statements

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 December 31, 2021 were audited by Mr. Chanchai Sakulkoedsin, CPA No. 6827, of KPMG Phoomchai Audit Limited.

The financial statements for the year ended December 31, 2022 and 2023 were audited by Mr. Chokechai Ngamwutikul, CPA No. 9728, of KPMG Phoomchai Audit Limited.

2. Summary of auditor's report

Summary of auditor's report for the year ended December 31, 2021-2023

Mr. Chanchai Sakulkoedsin of KPMG Phoomchai Audit Limited audited the consolidated and bank only financial statements for the year ended December 31, 2021 in accordance with Thai Standards on Auditing and expressed an unqualified opinion with an emphasis note on the completion of the entire business transfer of TMBThanachart Bank Public Company Limited.

Mr. Chokechai Ngamwutikul of KPMG Phoomchai Audit Limited audited the consolidated and bank only financial statements for the year ended December 31, 2022 and 2023 in accordance with Thai Standards on Auditing and expressed an unqualified opinion.

3. Summary of consolidated financial statements over the past three years are in the following pages.

Consolidated statements of financial position

(Unit: THB million)

Assets	2023	2022	2021*
Assets			
Cash	15,487	15,506	16,011
Interbank and money market items, net	267,486	187,563	158,873
Financial assets measured at fair value through profit or loss	2,470	1,533	1,421
Derivative assets	7,236	10,376	6,913
Investments, net	179,088	211,432	180,229
Investments in subsidiaries and associates, net	8,614	8,574	8,620
Loans to customers	1,327,964	1,376,118	1,371,304
Add accrued interest receivables and undue interest income	8,674	7,777	7,369
Less allowance for expected credit loss	(63,502)	(57,390)	(54,472)
Total loans to customers and accrued interest receivables, net	1,273,136	1,326,505	1,324,201
Properties for sale, net	12,312	12,152	8,626
Premises and equipment, net	20,859	19,788	21,625
Goodwill and other intangible assets, net	23,434	22,890	22,819
Deferred tax assets	1,560	830	9
Other assets, net	12,752	9,130	8,823
Total assets	1,824,434	1,826,279	1,758,170

Consolidated statements of financial position (continued)

(Unit: THB million)

Liabilities and equities	2023	2022	2021*
Liabilities			
Deposits	1,386,581	1,399,247	1,339,195
Interbank and money market items	87,794	84,770	84,966
Liabilities payable on demand	6,063	5,586	5,325
Financial liabilities measured at fair value through profit or loss	1,816	438	437
Derivative liabilities	5,707	9,499	6,595
Debts issued and borrowings	59,531	59,644	68,398
Provisions for employee benefits	4,230	3,872	3,784
Provisions for other liabilities	2,334	2,662	2,026
Deferred tax liabilities	-	-	922
Deferred revenue	16,741	17,950	19,164
Other liabilities	24,290	23,603	16,522
Total liabilities	1,595,087	1,607,271	1,547,334
Equity			
Share capital			
Authorised share capital 97,830,583,125 ordinary shares of Baht 0.95 each (31 December 2022: 97,830,583,125 ordinary shares and 31 December 2021: 96,864,354,380 ordinary shares)	92,939	92,939	92,021
Issued and paid-up share capital 97,101,487,977 ordinary shares of Baht 0.95 each (31 December 2022: 96,776,073,897 ordinary shares and 31 December 2021: 96,622,874,580 ordinary shares)	92,247	91,937	91,792
Premium on share capital	43,374	43,360	43,345
Other reserves	5,735	4,456	5,172
Retained earnings			
Appropriated - Legal reserve	10,091	10,091	10,091
Unappropriated	77,900	69,163	60,435
Equity attributable to equity holders of the Bank	229,347	219,007	210,835
Non-controlling interest	-	1	1
Total equity	229,347	219,008	210,836
Total liabilities and equity	1,824,434	1,826,279	1,758,170

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)

	2023	2022	2021
Interest income	79,134	65,627	64,239
Interest expenses	21,927	14,010	13,239
Net interest income	57,207	51,617	51,000
Fees and service income	14,007	14,025	15,190
Fees and service expenses	3,645	3,634	3,941
Net fees and service income	10,362	10,391	11,249
Gain on financial instruments measured at fair value through profit or loss, net	1,666	1,693	1,480
Gain on investments, net	52	7	182
Share of profit from investment using equity method	284	261	346
Other operating income	1,390	1,883	1,280
Total operating income	70,961	65,852	65,537
Other operating expenses			
Employee expenses	16,672	16,006	16,480
Directors' remuneration	123	60	74
Premises and equipment expenses	4,817	4,864	5,622
Taxes and duties	1,831	1,510	1,573
Others	7,837	7,512	7,470
Total other operating expenses	31,280	29,952	31,219
Profit from operations before expected credit loss and income tax	39,681	35,900	34,318
Expected credit loss	22,199	18,353	21,514
Profit from operations before income tax	17,482	17,547	12,804
Income tax	(980)	3,352	2,327
Profit for the year	18,462	14,195	10,477

Consolidated statements of profit or loss and other comprehensive income (continued) (Unit: THB million)

	2023	2022	2021
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	225	(587)	(1,038)
Loss on cash flow hedges	(55)	(37)	(18)
Reclassify loss (gain) arising from translating the financial statements of foreign operations to profit or loss	-	58	(20)
Income tax relating to items that will be reclassified subsequently to profit or loss	(34)	113	215
	136	(453)	(861)
Items that will not be reclassified subsequently to profit or loss			
Change in revaluation surplus on assets	2,282	(119)	(51)
Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income	(409)	(17)	588
Actuarial gain (loss) on post-employment benefit plan	(117)	15	197
Share of other comprehensive income of associates (equity method)	6	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(353)	24	(147)
	1,409	(97)	587
Total other comprehensive income for the year, net of income tax	1,545	(550)	(274)
Total comprehensive income for the year	20,007	13,645	10,203

Consolidated statements of profit or loss and other comprehensive income (continued) (Unit: THB million)

	2023	2022	2021
Profit attributable to:			
Equity holders of the Bank	18,462	14,195	10,474
Non-controlling interest	-	-	3
Profit for the year	18,462	14,195	10,477
Total comprehensive income attributable to:			
Equity holders of the Bank	20,007	13,645	10,200
Non-controlling interest	-	-	3
Total comprehensive income for the year	20,007	13,645	10,203
Earnings per share			
Basic earnings per share (in Baht)	0.19	0.15	0.11
Diluted earnings per share (in Baht)	0.19	0.15	0.11

Consolidated statements of cash flows

(Unit: THB million)

Cash flows from operating activities	2023	2022	2021
Profits from operations before income tax	17,482	17,547	12,804
Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities			
Depreciation and amortisation	3,994	4,145	4,802
Expected credit loss	22,199	18,353	21,514
Impairment loss on premises and equipment (reversal of)	50	(52)	182
Impairment loss on intangible assets	22	-	-
Impairment loss on properties for sale and other assets	528	255	282
Provisions for liabilities	554	809	535
Loss (gain) on revaluation of investments measured at FVTPL	(45)	(73)	8
Loss on disposal and written-off of intangible assets	41	141	87
Loss (gain) on disposal of premises and equipment	(6)	(54)	15
Gain on disposal of investments	(52)	(7)	(182)
Unrealised loss (gain) on exchange and revaluation	(490)	358	3,941
Reserve in relation to share-based payments	136	122	261
Share of profit from investments accounted for using the equity method	(284)	(261)	(346)
Deferred revenue	(2,122)	(2,200)	(2,920)
Net interest income	(57,207)	(51,617)	(51,000)
Dividend income	(229)	(174)	(91)
Interest received	77,853	65,977	61,363
Interest paid	(18,590)	(11,034)	(11,473)
Income tax paid	(5,050)	(3,278)	(2,269)
Profits from operations before changes in operating assets and liabilities	38,784	38,957	37,513

Consolidated statements of cash flows (continued)

(Unit: THB million)

	2023	2022	2021
Decrease (increase) in operating assets			
Interbank and money market items	(79,835)	(28,723)	52,371
Financial assets measured at fair value through profit or loss	(892)	(39)	2,359
Loans to customers	29,083	(24,032)	(1,446)
Properties for sale	228	(858)	3,875
Other assets	(1,566)	(412)	5,475
Increase (decrease) in operating liabilities			
Deposits	(10,773)	60,045	(34,213)
Interbank and money market items	3,024	(196)	9,125
Liabilities payable on demand	475	261	1,430
Financial liabilities measured at fair value through profit or loss	1,493	-	-
Provisions for liabilities	(704)	(692)	(1,895)
Other liabilities	234	4,903	(3,277)
Net cash provided by (used in) operating activities	(20,449)	49,214	71,317

Consolidated statements of cash flows (continued)

(Unit: THB million)

Cash flows from investing activities	2023	2022	2021
Interest received	2,942	1,775	1,166
Dividend received	477	482	416
Purchase of investments measured at FVOCI	(30,827)	(45,177)	(143,094)
Proceeds from investments measured at FVOCI	69,515	41,021	96,191
Purchase of investments measured at amortised cost	(6,813)	(27,873)	-
Purchase of premises and equipment	(831)	(1,057)	(1,223)
Purchase of intangible assets	(1,735)	(1,603)	(2,255)
Proceeds from disposals of premises and equipment	42	185	463
Net cash provided by (used in) investing activities	32,770	(32,247)	(48,336)

Consolidated statements of cash flows (continued)

(Unit: THB million)

Cash flows from financing activities	2023	2022	2021
Cash received on debenture and borrowings	12,098	21,998	9,169
Cash paid for redemption of debenture and repayment of borrowings	(12,217)	(31,515)	(31,743)
Interest paid on debts issued and borrowings	(2,469)	(2,418)	(1,943)
Increase in issued and fully paid-up - ordinary shares	234	8	-
Expenses in relation to issuance of ordinary shares	(2)	(2)	(1)
Dividend paid to equity holders of the Bank	(9,984)	(5,601)	(4,359)
Dividend paid to non-controlling interest	-	-	-
Remaining cash from liquidation of subsidiary paid to non-controlling interest	-	-	-
Cash paid for capital return to non-controlling interests	-	-	(16)
Net cash used in financing activities	(12,340)	(17,530)	(28,893)
Change in translation adjustments of foreign operations	-	58	(20)
Net decrease in cash	(19)	(505)	(5,932)
Cash at 1 January	15,506	16,011	21,943
Cash at 31 December	15,487	15,506	16,011

Part 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

Attachments

Attachment 1: Details of the Bank's Directors, Executive Officers and Company Secretary

and Change in TTB Shares held by Directors and Executives

Disclose on the Bank's website at <https://www.ttbbank.com/en/about-us>

Attachment 2: Detail of Director and Management who are nominated in Subsidiaries and Associated Companies

Disclose on the Bank's website at <https://www.ttbbank.com/en/about-us/corporate-group-structure>

Attachment 3: Details of the Bank's Head of Internal Audit and Head of Compliance

Disclose on the Bank's website at <https://www.ttbbank.com/en/about-us>

Attachment 4: Details of Appraised Value of Assets

-None-

Attachment 5: Full Corporate Governance Policy and Code of Conduct and Board of Directors' Charter

Disclose on the Bank's website at <https://www.ttbbank.com/en/about-us>

Attachment 6: Performance Result Reports of Board Committees

Disclose on the Bank's website at <https://www.ttbbank.com/en/about-us/scope-and-responsibility>

The disclose 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 on website for more details of the attachments

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 2023 have been prepared in accordance with Thai Financial Reporting Standards with appropriate accounting policies applied on a conservative and consistent basis. Judgement 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 is 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 assure financial records are accurate, 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 with regard to 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 which 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 2023 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 2023

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 2023, 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 2023 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 2023, loans to customers represented 72.79% and 72.88% of the total assets of consolidated and the Bank only financial statements, respectively, against which an allowance for expected credit loss ("ECL") of Baht 63,502 million and Baht 61,423 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 2023, financial assets measured at fair value in the consolidated and the Bank's financial statements amounted to Baht 132,903 million. Financial liabilities measured at fair value in the consolidated and the Bank's financial statements amounted to Baht 7,523 million.</p> <p>Of these amounts, as at 31 December 2023, financial assets and liabilities designated at level 2 and 3 fair value amounted to Baht 132,748 million and Baht 7,523 million in consolidated and the Bank's financial statements 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 and my own valuation specialist valued a selection of Group's and the Bank's derivative positions independently and sampled to check selected pricing inputs that were externally sourced and were correctly input into pricing models. I also 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 compared the 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, related safeguards.

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
20 February 2024

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of financial position

		Consolidated		Bank only	
		31 December		31 December	
Assets	Note	2023	2022	2023	2022
<i>(in thousand Baht)</i>					
Cash		15,487,258	15,505,583	15,487,258	15,505,582
Interbank and money market items, net	8	267,486,262	187,563,316	267,468,700	187,545,416
Financial assets measured at fair value through profit or loss	9	2,470,257	1,533,033	2,470,257	1,533,024
Derivative assets	10	7,236,364	10,375,799	7,236,364	10,375,799
Investments, net	11	179,087,531	211,431,500	179,087,531	211,431,500
Investments in subsidiaries and associates, net	12	8,614,449	8,573,610	4,833,511	5,143,948
Loans to customers and accrued interest receivables, net	13,14	1,273,135,869	1,326,504,537	1,270,223,673	1,323,737,079
Properties for sale, net	15	12,312,102	12,152,366	9,886,857	10,613,877
Premises and equipment, net	16	20,858,778	19,788,332	20,788,483	19,718,903
Goodwill and other intangible assets, net	17	23,433,891	22,890,214	23,382,161	22,843,092
Deferred tax assets	18	1,560,030	829,779	2,058,787	1,398,594
Other assets, net		12,750,927	9,130,807	12,266,705	8,663,928
Total assets		1,824,433,718	1,826,278,876	1,815,190,287	1,818,510,742
Liabilities and equity					
<i>Liabilities</i>					
Deposits	19	1,386,580,912	1,399,246,571	1,387,960,507	1,400,077,734
Interbank and money market items	20	87,794,128	84,769,857	87,794,128	84,769,857
Liabilities payable on demand		6,061,311	5,586,302	6,061,252	5,586,281
Financial liabilities measured at fair value through profit or loss	21	1,816,492	438,041	1,816,492	438,041
Derivative liabilities	10	5,706,921	9,499,240	5,706,921	9,499,240
Debts issued and borrowings	22	59,531,381	59,644,222	52,633,050	54,644,222
Provisions for employee benefits	23	4,230,460	3,872,429	4,070,633	3,744,549
Provisions for other liabilities	24	2,333,830	2,662,494	2,333,328	2,661,860
Deferred revenue	25	16,740,861	17,950,211	16,742,119	17,951,986
Other liabilities	26	24,290,289	23,601,927	23,870,059	23,239,904
Total liabilities		1,595,086,585	1,607,271,294	1,588,988,489	1,602,613,674

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	2023	2022	2023	2022
<i>(in thousand Baht)</i>					
Equity					
Share capital					
Authorised share capital					
97,830,583,125 ordinary shares of Baht 0.95 each	29	92,939,054	92,939,054	92,939,054	92,939,054
Issued and paid-up share capital					
97,101,487,977 ordinary shares of Baht 0.95 each					
(31 December 2022: 96,776,073,897 ordinary shares					
of Baht 0.95 each)	29	92,246,413	91,937,270	92,246,413	91,937,270
Premium on share capital		43,373,984	43,360,227	43,373,984	43,360,227
Other reserves		5,735,214	4,455,714	6,703,806	5,413,835
Retained earnings					
Appropriated					
Legal reserve	30	10,091,000	10,091,000	10,091,000	10,091,000
Unappropriated		77,900,479	69,162,228	73,786,595	65,094,736
Equity attributable to equity holders of the Bank		229,347,090	219,006,439	226,201,798	215,897,068
Non-controlling interest		43	1,143	-	-
Total equity		229,347,133	219,007,582	226,201,798	215,897,068
Total liabilities and equity		1,824,433,718	1,826,278,876	1,815,190,287	1,818,510,742

P. Tantakam

Mr. Piti Tantakasem
Chief Executive Officer

Ekni Nithithanprapas

Mr. Ekni Nithithanprapas
Chairman of the Board

The accompanying notes are an integral part of these financial statements.

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	2023	2022	2023	2022
(in thousand Baht)					
Interest income	39	79,133,805	65,626,627	78,996,783	65,551,297
Interest expenses	40	21,926,383	14,009,703	21,805,503	13,965,721
Net interest income		57,207,422	51,616,924	57,191,280	51,585,576
Fees and service income	41	14,006,711	14,025,343	13,115,829	13,405,279
Fees and service expenses	41	3,644,573	3,634,371	4,066,958	3,846,852
Net fees and service income		10,362,138	10,390,972	9,048,871	9,558,427
Gain on financial instruments measured at fair value through profit or loss, net	42	1,666,400	1,692,722	1,729,672	1,692,722
Gain (loss) on investments, net	43	51,687	6,721	(5,469)	(3,631)
Share of profit from investment using equity method		283,845	261,352	-	-
Other operating income		1,389,985	1,883,800	2,050,335	2,423,231
Total operating income		70,961,477	65,852,491	70,014,689	65,256,325
Other operating expenses					
Employee expenses		16,672,610	16,006,486	15,860,574	15,486,081
Directors' remuneration		122,646	59,698	122,646	59,698
Premises and equipment expenses		4,816,941	4,864,135	4,754,629	4,821,917
Taxes and duties		1,830,882	1,510,348	1,816,179	1,504,126
Others		7,836,776	7,511,440	7,787,825	7,446,680
Total other operating expenses		31,279,855	29,952,107	30,341,853	29,318,502
Expected credit loss	44	22,199,393	18,353,241	22,309,180	18,478,224
Profit from operations before income tax		17,482,229	17,547,143	17,363,656	17,459,599
Income tax	18	(979,979)	3,351,947	(1,062,734)	3,353,827
Profit for the year		18,462,208	14,195,196	18,426,390	14,105,772
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		224,856	(586,912)	288,785	(570,410)
Loss on cash flow hedges		(55,530)	(37,519)	(118,793)	(37,519)
Reclassify loss arising from translating the financial statements of					
foreign operations to profit or loss		-	58,187	-	58,187
Income tax relating to items that will be reclassified					
subsequently to profit or loss	18	(33,865)	113,249	(33,998)	109,949
		135,461	(452,995)	135,994	(439,793)

The accompanying notes are an integral part of these financial statements.

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	2023	2022	2023	2022
		(in thousand Baht)			
Items that will not be reclassified subsequently to profit or loss					
Change in revaluation surplus on assets		2,281,534	(119,455)	2,281,534	(119,455)
Loss on investments in equity instruments designated at fair value through other comprehensive income		(408,814)	(16,530)	(408,814)	(16,530)
Actuarial gain (loss) on post-employment benefit plan	23	(117,290)	14,370	(112,051)	19,828
Share of other comprehensive income of associates (equity method)		6,067	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	18	(352,300)	24,323	(352,134)	23,232
		<u>1,409,197</u>	<u>(97,292)</u>	<u>1,408,535</u>	<u>(92,925)</u>
Total other comprehensive income for the year, net of income tax		<u>1,544,658</u>	<u>(550,287)</u>	<u>1,544,529</u>	<u>(532,718)</u>
Total comprehensive income for the year		<u><u>20,006,866</u></u>	<u><u>13,644,909</u></u>	<u><u>19,970,919</u></u>	<u><u>13,573,054</u></u>
Profit attributable to:					
Equity holders of the Bank		18,462,181	14,195,190	18,426,390	14,105,772
Non-controlling interest		<u>27</u>	<u>6</u>	<u>-</u>	<u>-</u>
Profit for the year		<u><u>18,462,208</u></u>	<u><u>14,195,196</u></u>	<u><u>18,426,390</u></u>	<u><u>14,105,772</u></u>
Total comprehensive income attributable to:					
Equity holders of the Bank		20,006,840	13,644,906	19,970,919	13,573,054
Non-controlling interest		<u>26</u>	<u>3</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>20,006,866</u></u>	<u><u>13,644,909</u></u>	<u><u>19,970,919</u></u>	<u><u>13,573,054</u></u>
Earnings per share					
	45				
Basic earnings per share (in Baht)		<u>0.19</u>	<u>0.15</u>	<u>0.19</u>	<u>0.15</u>
Diluted earnings per share (in Baht)		<u>0.19</u>	<u>0.15</u>	<u>0.19</u>	<u>0.15</u>



Mr. Piti Tantakasem
Chief Executive Officer



Mr. Ekniti Nitithanprapas
Chairman of the Board

The accompanying notes are an integral part of these financial statements.

Statements of changes in equity

Consolidated														
Other reserves										Retained earnings				
Translation adjustment arising from translating the financial statements of foreign operations, net										Equity attributable to equity holders of the Bank				
Revaluation surplus (deficit) on investments, net										Share of other comprehensive income of associates				
Cash flow hedge reserve (effective portion)										Total other reserve				
Issued and paid-up share capital										Premium on share capital				
Other reserve - share-based payments										Revaluation surplus on assets, net				
Note										Total equity				
(in thousand Baht)														
Year ended 31 December 2022														
Balance as at 1 January 2022	91,791,731	43,344,840	103,301	5,181,187	(6,513)	(59,168)	(46,550)	-	5,172,257	10,091,000	60,434,727	210,834,555	1,140	210,835,695
Transactions with owners, recorded directly in equity														
Contributions by and distribution to owners of the bank														
Reserve in relation to share-based payments	-	-	122,089	-	-	-	-	-	122,089	-	-	122,089	-	122,089
Issued ordinary shares to employees	137,248	17,429	(154,677)	-	-	-	-	-	(154,677)	-	-	-	-	-
Issued ordinary shares under the TTB-W1 Warrants Program	8,291	-	-	-	-	-	-	-	-	-	-	8,291	-	8,291
Expenses in relation to issuance of ordinary shares	-	(2,042)	-	-	-	-	-	-	-	-	-	(2,042)	-	(2,042)
Dividend paid	33	-	-	-	-	-	-	-	-	-	(5,601,360)	(5,601,360)	-	(5,601,360)
Total contributions by and distribution to owners of the bank	145,539	15,387	(32,588)	-	-	-	-	-	(32,588)	-	(5,601,360)	(5,473,022)	-	(5,473,022)
Comprehensive income for the year														
Profit for the year	-	-	-	-	-	-	-	-	-	-	14,195,190	14,195,190	6	14,195,196
Other comprehensive income	-	-	-	(95,564)	(482,750)	(30,015)	46,550	-	(561,779)	-	11,495	(550,284)	(3)	(550,287)
Total comprehensive income for the year	-	-	-	(95,564)	(482,750)	(30,015)	46,550	-	(561,779)	-	14,206,685	13,644,906	3	13,644,909
Transfer to retained earnings	-	-	-	(122,176)	-	-	-	-	(122,176)	-	122,176	-	-	-
Balance as at 31 December 2022	91,937,270	43,360,227	70,713	4,963,447	(489,263)	(89,183)	-	-	4,455,714	10,091,000	69,162,228	219,006,439	1,143	219,007,582
Year ended 31 December 2023														
Balance as at 1 January 2023	91,937,270	43,360,227	70,713	4,963,447	(489,263)	(89,183)	-	-	4,455,714	10,091,000	69,162,228	219,006,439	1,143	219,007,582
Transactions with owners, recorded directly in equity														
Contributions by and distribution to owners of the bank														
Reserve in relation to share-based payments	28	-	-	135,459	-	-	-	-	135,459	-	-	135,459	-	135,459
Issued ordinary shares to employees	28,29	75,642	15,925	(91,567)	-	-	-	-	(91,567)	-	-	-	-	-
Issued ordinary shares under the TTB-W1 Warrants Program	29	233,501	-	-	-	-	-	-	-	-	-	233,501	-	233,501
Met the defined criteria under Employee Joint Investment Program	28	-	-	(48,999)	-	-	-	-	(48,999)	-	-	(48,999)	-	(48,999)
Expenses in relation to issuance of ordinary shares	28	-	(2,168)	-	-	-	-	-	-	-	-	(2,168)	-	(2,168)
Dividend paid	33	-	-	-	-	-	-	-	-	-	(9,983,982)	(9,983,982)	-	(9,983,982)
Total contributions by and distribution to owners of the bank	309,143	13,757	(5,107)	-	-	-	-	-	(5,107)	-	(9,983,982)	(9,666,189)	-	(9,666,189)
Distribution to non-controlling interest														
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	(15)	(15)
Liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(1,111)	(1,111)
Total distribution to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(1,126)	(1,126)
Comprehensive income for the year														
Profit for the year	-	-	-	-	-	-	-	-	-	-	18,462,181	18,462,181	27	18,462,208
Other comprehensive income	-	-	-	1,825,226	(147,167)	(44,422)	-	1,051	1,634,688	-	(90,029)	1,544,659	(1)	1,544,658
Total comprehensive income for the year	-	-	-	1,825,226	(147,167)	(44,422)	-	1,051	1,634,688	-	18,372,152	20,006,840	26	20,006,866
Transfer to retained earnings	-	-	-	(221,191)	(128,890)	-	-	-	(350,081)	-	350,081	-	-	-
Balance as at 31 December 2023	92,246,413	43,373,984	65,606	6,567,482	(765,320)	(133,605)	-	1,051	5,735,214	10,091,000	77,900,479	229,347,090	43	229,347,133

The accompanying notes are an integral part of these financial statements.

Statements of changes in equity

Bank only												
Other reserves										Retained earnings		
Note	Issued and paid-up share capital	Premium on share capital	Other reserve - share-based payments	Surplus on business combination under common control	Revaluation surplus on assets, net	Revaluation (deficit) on investments, net	Cash flow hedge reserve (effective portion)	Translation adjustment arising from translating the financial statements of foreign operations, net	Total other reserve	Legal reserve	Unappropriated	Total equity
(in thousand Baht)												
Year ended 31 December 2022												
Balance as at 1 January 2022	91,791,731	43,344,840	103,301	884,526	5,181,187	3,271	(8,555)	(46,550)	6,117,180	10,091,000	56,452,285	207,797,036
Transactions with owners, recorded directly in equity												
Contributions by and distribution to owners of the bank												
Reserve in relation to share-based payments	-	-	122,089	-	-	-	-	-	122,089	-	-	122,089
Issued ordinary shares to employees	137,248	17,429	(154,677)	-	-	-	-	-	(154,677)	-	-	-
Issued ordinary shares under the TTB-W1 Warrants Program	8,291	-	-	-	-	-	-	-	-	-	-	8,291
Expenses in relation to issuance of ordinary shares	-	(2,042)	-	-	-	-	-	-	-	-	-	(2,042)
Dividend paid	33	-	-	-	-	-	-	-	-	-	(5,601,360)	(5,601,360)
Total contributions by and distribution to owners of the bank	145,539	15,387	(32,588)	-	-	-	-	-	(32,588)	-	(5,601,360)	(5,473,022)
Comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	-	-	14,105,772	14,105,772
Other comprehensive income	-	-	-	-	(95,564)	(469,552)	(30,015)	46,550	(548,581)	-	15,863	(532,718)
Total comprehensive income for the year	-	-	-	-	(95,564)	(469,552)	(30,015)	46,550	(548,581)	-	14,121,635	13,573,054
Transfer to retained earnings	-	-	-	-	(122,176)	-	-	-	(122,176)	-	122,176	-
Balance as at 31 December 2022	91,937,270	43,360,227	70,713	884,526	4,963,447	(466,281)	(38,570)	-	5,413,835	10,091,000	65,094,736	215,897,068
Year ended 31 December 2023												
Balance as at 1 January 2023	91,937,270	43,360,227	70,713	884,526	4,963,447	(466,281)	(38,570)	-	5,413,835	10,091,000	65,094,736	215,897,068
Transactions with owners, recorded directly in equity												
Contributions by and distribution to owners of the bank												
Reserve in relation to share-based payments	28	-	-	135,459	-	-	-	-	135,459	-	-	135,459
Issued ordinary shares to employees	28,29	75,642	15,925	(91,567)	-	-	-	-	(91,567)	-	-	-
Issued ordinary shares under the TTB-W1 Warrants Program	29	233,501	-	-	-	-	-	-	-	-	-	233,501
Met the defined criteria under Employee Joint Investment Program	28	-	-	(48,999)	-	-	-	-	(48,999)	-	-	(48,999)
Expenses in relation to issuance of ordinary shares	28	-	(2,168)	-	-	-	-	-	-	-	-	(2,168)
Dividend paid	33	-	-	-	-	-	-	-	-	-	(9,983,982)	(9,983,982)
Total contributions by and distribution to owners of the bank	309,143	13,757	(5,107)	-	-	-	-	-	(5,107)	-	(9,983,982)	(9,666,189)
Comprehensive income for the year												
Profit for the year	-	-	-	-	-	-	-	-	-	-	18,426,390	18,426,390
Other comprehensive income	-	-	-	-	1,825,226	(96,021)	(95,035)	-	1,634,170	-	(89,641)	1,544,529
Total comprehensive income for the year	-	-	-	-	1,825,226	(96,021)	(95,035)	-	1,634,170	-	18,336,749	19,970,919
Transfer to retained earnings	-	-	-	-	(221,191)	(117,901)	-	-	(339,092)	-	339,092	-
Balance as at 31 December 2023	92,246,413	43,373,984	65,606	884,526	6,567,482	(680,203)	(133,605)	-	6,703,806	10,091,000	73,786,595	226,201,798

The accompanying notes are an integral part of these financial statements.

Statements of cash flows

	Consolidated		Bank only	
	For the year ended 31 December		For the year ended 31 December	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit from operations before income tax	17,482,229	17,547,143	17,363,656	17,459,599
<i>Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities</i>				
Depreciation and amortisation	3,994,289	4,145,105	3,959,427	4,114,474
Expected credit loss	22,199,393	18,353,241	22,309,180	18,478,224
Impairment loss on premises and equipment (reversal of)	49,823	(52,598)	49,823	(52,598)
Impairment loss on intangible assets	21,719	-	21,719	-
Impairment loss on properties for sale and other assets	527,433	255,412	524,214	255,692
Provisions for liabilities	553,851	809,433	533,521	794,444
Gain on revaluation of investments measured at FVTPL	(45,524)	(72,870)	(45,533)	(72,870)
Loss on written-off investment in subsidiary	-	-	1,153	-
Loss on disposal and written-off of intangible assets	40,569	140,983	40,569	140,983
Gain on disposal of premises and equipment	(5,871)	(54,094)	(5,871)	(50,032)
Loss (gain) on disposal of investments	(51,687)	(6,721)	4,316	3,631
Unrealised loss (gain) on exchange and revaluation	(490,002)	357,475	(553,265)	357,475
Reserve in relation to share-based payments	135,459	122,089	135,459	122,089
Share of profit from investments using the equity method	(283,845)	(261,352)	-	-
Deferred revenue	(2,121,872)	(2,200,364)	(2,125,174)	(2,203,452)
Net interest income	(57,207,422)	(51,616,924)	(57,191,280)	(51,585,576)
Dividend income	(228,641)	(174,354)	(764,995)	(482,261)
Interest received	77,852,894	65,977,124	77,758,892	65,901,790
Interest paid	(18,589,538)	(11,033,744)	(18,597,388)	(11,039,957)
Income tax paid	(5,049,687)	(3,278,110)	(4,925,391)	(3,198,286)
Profit from operations before changes in operating assets and liabilities	38,783,570	38,956,874	38,493,032	38,943,369
<i>Decrease (increase) in operating assets</i>				
Interbank and money market items	(79,834,584)	(28,722,798)	(79,834,922)	(28,715,137)
Financial assets measured at fair value through profit or loss	(891,700)	(39,263)	(891,700)	(39,263)
Loans to customers	29,082,978	(24,031,706)	29,082,778	(22,116,281)
Properties for sale	228,266	(857,666)	1,118,241	680,542
Other assets	(1,566,064)	(411,924)	(1,552,649)	(92,732)
<i>Increase (decrease) in operating liabilities</i>				
Deposits	(10,773,499)	60,044,704	(10,225,068)	55,991,404
Interbank and money market items	3,024,271	(196,190)	3,024,271	(196,190)
Liabilities payable on demand	475,009	261,180	474,972	261,159
Financial liabilities measured at fair value through profit or loss	1,493,057	-	1,493,057	-
Provisions for liabilities	(704,465)	(692,327)	(710,686)	(755,953)
Other liabilities	234,097	4,902,702	238,053	4,888,351
Net cash provided by (used in) operating activities	(20,449,064)	49,213,586	(19,290,621)	48,849,269

The accompanying notes are an integral part of these financial statements.

Statements of cash flows

	Consolidated		Bank only	
	For the year ended 31 December		For the year ended 31 December	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	2,942,134	1,774,842	2,942,134	1,774,842
Dividend received	476,501	482,261	764,995	482,261
Cash received from liquidation of subsidiary	-	-	309,284	-
Purchase of investments measured at FVOCI	(30,826,524)	(45,176,552)	(30,826,524)	(45,176,552)
Proceeds from investments measured at FVOCI	69,514,812	41,021,002	69,514,812	41,021,002
Purchase of investments measured at amortised cost	(6,813,199)	(27,873,317)	(6,813,199)	(27,873,317)
Purchase of investments in subsidiary	-	-	-	(30,000)
Purchase of premises and equipment	(830,699)	(1,057,483)	(825,433)	(1,033,888)
Purchase of intangible assets	(1,734,830)	(1,602,694)	(1,718,327)	(1,577,839)
Proceeds from disposals of premises and equipment	42,447	184,395	42,447	180,162
Net cash provided by (used in) investing activities	32,770,642	(32,247,546)	33,390,189	(32,233,329)
<i>Cash flows from financing activities</i>				
Cash received on debenture and borrowings	12,098,332	21,998,420	-	5,458,420
Cash paid for redemption of debenture and repayment of borrowings	(12,216,580)	(31,515,098)	(2,016,580)	(14,675,098)
Interest paid on debts issued and borrowings	(2,468,917)	(2,418,180)	(2,348,663)	(2,368,063)
Increase in issued and fully paid-up - ordinary shares	233,501	8,291	233,501	8,291
Expenses in relation to issuance of ordinary shares	(2,168)	(2,042)	(2,168)	(2,042)
Dividend paid to equity holders of the Bank	(9,983,982)	(5,601,360)	(9,983,982)	(5,601,360)
Dividend paid to non-controlling interest	(15)	-	-	-
Remaining cash from liquidation of subsidiary paid to non-controlling interest	(74)	-	-	-
Net cash used in financing activities	(12,339,903)	(17,529,969)	(14,117,892)	(17,179,852)
Change in translation adjustments of foreign operations	-	58,187	-	58,187
Net decrease in cash	(18,325)	(505,742)	(18,324)	(505,725)
Cash at 1 January	15,505,583	16,011,325	15,505,582	16,011,307
Cash at 31 December	15,487,258	15,505,583	15,487,258	15,505,582

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2023

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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 20 February 2024.

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 2023 and 2022 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.

Revised TFRS are effective for annual accounting periods beginning on or after 1 January 2023 which have no material impact on the financial statements.

Due to uncertainty of the situation of the COVID-19 pandemic since 2020, the Bank of Thailand ("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 until the end of 2023.

The Bank and its subsidiaries have 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) The 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)

Notes to the financial statements

For the year ended 31 December 2023

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.

The temporary accounting relief measures have been expired at 31 December 2023. From 1 January 2024, the loan's staging and provisioning of all modifications will be classified as per requirement of relevant financial reporting standards. The Bank and its subsidiaries have assessed the changes with no material impact to the financial statements.

In addition, details of Sor Nor Sor. 4/2564, regarding "*Measurement of asset warehousing for debt repayment*" are given in note 15.

For the TFRSs which will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2024, the Bank and its subsidiaries have made a preliminary assessment on the consolidated and the Bank's financial statements and expects that there will be no material impact in the first adoption period of initial application.

In addition to the above TFRSs, TFRS 17, Insurance Contracts, has been issued and will be effective for the financial statement periods beginning on or after 1 January 2025. Management is currently considering the potential impact from this TFRS on the financial statements in the initial period adopted.

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 2023 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.
Note 18	The unrecognised deferred tax assets for deductible temporary differences and unused tax loss are subjected to significant management judgement based upon the level of the Bank and its subsidiaries' estimated future taxable profits.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

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' 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.

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.

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).

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 4.1) 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 summarised 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 earlier of the end of the useful life of the right-of-use asset or 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 - 15 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.

The benefit from cumulative carry forward leave is recognised as a liability in the statements of financial position and employee's expenses in the statements of profit or loss and other comprehensive income when the employees render the service.

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 and Employee Joint Investment 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) and the date of the Bank contribution to employee, respectively.

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.

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 is 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 period, 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 all dilutive potential ordinary shares, which comprises share options granted to employees.

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 stage 3 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)

The Bank considers the following 4 guidelines to determine significant increase in credit risk (SICR).

- 1) Day Past Due is over 30 days.
- 2) Qualitative assessment consists of business operation, status and performance, debt repayment, impact from legal and fraud assessment as the Bank's defined criteria.
- 3) Significant PD shift: The Bank considers PD at the reporting date compared with PD at loan origination and in case of reaching the Bank's defined threshold, it is considered as significant increase in credit risk.
- 4) Staging of modified portfolio is based on the customer's credit quality, repayment type and repayment period in accordance with monitoring criteria.

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.

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 use the projection of economic factors or other possible factors as part of Expected Credit Loss (ECL) Model. Macroeconomic variables include Gross Domestic Product (GDP), unemployment rate, and private investment. The Bank and its subsidiaries derive the forward-looking base case economic scenario which reflect the view of future macroeconomic conditions. Probability weighting of each scenario is determined by management considering the risks and uncertainties surrounding the base case economic scenario at each measurement reporting date. As at 31 December 2023 and 2022, the Bank and its subsidiaries set up forward-looking scenarios with different weights as follows:

	Consolidated and Bank only	
	2023	2022
	(%)	
Upside scenario	20	20
Base scenario	40	40
Downside scenario	40	40

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.

As at 31 December 2023, the Bank and its subsidiaries set up management overlay for model improvement as part of model monitoring, exposures of customers under modified portfolio, and economic uncertainties that may impact collateral value as well as some specific groups of commercial and retail customers who have vulnerable repayment capability due to the uncertainties of economic recovery.

Notes to the financial statements

For the year ended 31 December 2023

4.1.1 Credit quality

The following tables set out information about the credit quality as at 31 December 2023 and 2022 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			Total
	Stage 1	2023		
		Stage 2	Stage 3	
	(in million Baht)			
Loans to customers and accrued interest receivables, net				
Low	889,411	209	-	889,620
Medium	285,413	62,582	-	347,995
High	28	57,989	-	58,017
NPLs	-	-	41,006	41,006
Gross carrying amount	1,174,852	120,780	41,006	1,336,638
Less allowance for expected credit loss	(15,602)	(28,195)	(19,705)	(63,502)
Carrying amount	1,159,250	92,585	21,301	1,273,136

Risk level	Consolidated			Total
	Stage 1	2022		
		Stage 2	Stage 3	
	(in million Baht)			
Loans to customers and accrued interest receivables, net				
Low	934,938	720	-	935,658
Medium	289,948	67,895	-	357,843
High	462	48,225	-	48,687
NPLs	-	-	41,707	41,707
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	Bank Only			Total
	Stage 1	2023		
		Stage 2	Stage 3	
	(in million Baht)			
Loans to customers and accrued interest receivables, net				
Low	889,410	209	-	889,619
Medium	285,413	62,422	-	347,835
High	28	57,818	-	57,846
NPLs	-	-	36,347	36,347
Gross carrying amount	1,174,851	120,449	36,347	1,331,647
Less allowance for expected credit loss	(15,602)	(28,130)	(17,691)	(61,423)
Carrying amount	1,159,249	92,319	18,656	1,270,224

Risk level	Bank Only 2022			Total
	Stage 1	Stage 2	Stage 3	
	<i>(in million Baht)</i>			
<i>Loans to customers and accrued interest receivables, net</i>				
Low	935,077	720	-	935,797
Medium	289,946	67,895	-	357,841
High	462	48,225	-	48,687
NPLs	-	-	37,208	37,208
Gross carrying amount	1,225,485	116,840	37,208	1,379,533
<i>Less allowance for expected credit loss</i>	<i>(13,325)</i>	<i>(24,469)</i>	<i>(18,002)</i>	<i>(55,796)</i>
Carrying amount	1,212,160	92,371	19,206	1,323,737

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 are considered as non-performing financial assets. As at 31 December 2023, the Bank has investment in debt securities which are classified as non-performing financial assets amounting to Baht 315 million (2022: 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 loan-to-value (LTV).
- 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, 60% 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.

- 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 loans to customers and accrued interest receivables as at 31 December 2023 and 2022.

Type of credit exposures	Consolidated		Principal type of collateral held
	2023	2022	
	(in million Baht)		
- Loans to corporate customers	505,962	567,692	Properties, plant, equipment and/or guarantee by government unit
- Retail mortgage lending	314,560	317,884	Properties
- Hire purchase	410,268	411,052	Vehicle
- Others	105,848	87,267	None

Type of credit exposures	Bank only		Principal type of collateral held
	2023	2022	
	(in million Baht)		
- Loans to corporate customers	500,979	563,337	Properties, plant, equipment and/or guarantee by government unit
- Retail mortgage lending	314,556	317,884	Properties
- Hire purchase	410,268	411,052	Vehicle
- Others	105,844	87,260	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 2023 and 2022 is shown below.

Concentration by sector	Consolidated		Bank only	
	2023	2022	2023	2022
	(in million Baht)			
Agricultural and mining	13,583	13,568	13,326	13,340
Real estate and construction	47,666	58,234	47,257	57,918
Public utilities and services	117,706	133,723	117,046	132,976
Retail mortgage lending	314,560	317,884	314,556	317,884
Manufacturing and commerce	307,730	339,306	304,257	336,291
Hire purchase	410,268	411,052	410,268	411,052
Others	125,125	110,128	124,937	110,072
Total	1,336,638	1,383,895	1,331,647	1,379,533

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.

As of 31 December 2023, the Bank completed the process of amending contractual terms for all of the USD LIBOR and THBFX exposures to Fallback SOFR and Fallback Rate THBFX. Derivative contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements have been amended according to ISDA 2020 IBOR Fallbacks Protocol. Other derivative contracts in which clients did not adhere to ISDA 2020 IBOR Fallback Protocol were completely amended via bilateral agreement.

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, USD SOFR, etc.

Notes to the financial statements

For the year ended 31 December 2023

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by interest repricing periods were as follows:

	Consolidated 2023					
	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	-	-	-	-	15,487	15,487
Interbank and money market items net of deferred revenue	250,302	151	-	-	16,956	267,409
Financial assets measured at fair value through profit or loss	2,037	-	-	-	433	2,470
Investments*	13,983	51,030	111,874	-	2,224	179,111
Loans to customers net of deferred revenue	759,702	137,407	364,290	41,006	25,559	1,327,964
Total financial assets	1,026,024	188,588	476,164	41,006	60,659	1,792,441
Financial liabilities						
Deposits	1,006,114	261,670	80,979	-	37,818	1,386,581
Interbank and money market items	66,101	124	17,743	-	3,826	87,794
Liabilities payable on demand	-	-	-	-	6,061	6,061
Financial liabilities measured at fair value through profit or loss	890	-	903	-	23	1,816
Debts issued and borrowings	13,074	46,410	45	-	2	59,531
Total financial liabilities	1,086,179	308,204	99,670	-	47,730	1,541,783

* For Investments in debt securities measured at amortised costs, the presented investments were not deducted by allowance for expected credit loss.

	Consolidated 2022					
	Repricing periods					
	Within 3 months	Over 3 months to 1 year	Over 1 year	Non- performing assets	Non- interest bearing	Total
	(in million Baht)					
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*	32,809	42,566	133,221	-	2,856	211,452
Loans to customers net of deferred revenue	770,462	183,688	358,604	41,707	21,657	1,376,118
Total financial assets	972,835	226,513	491,825	41,707	59,325	1,792,205
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	300	-	-	-	138	438
Debts issued and borrowings	5,693	9,691	44,248	-	12	59,644
Total financial liabilities	1,260,388	101,425	137,540	-	50,332	1,549,685

* For Investments in debt securities measured at amortised costs, the presented investments were not deducted by allowance for expected credit loss.

	Bank only 2023					
	Repricing periods			Non- performing assets	Non- interest bearing	Total
	Within 3 months	Over 3 months to 1 year	Over 1 year			
	(in million Baht)					
<i>Financial assets</i>						
Cash	-	-	-	-	15,487	15,487
Interbank and money market items net of deferred revenue	250,301	151	-	-	16,940	267,392
Financial assets measured at fair value through profit or loss	2,037	-	-	-	433	2,470
Investments*	13,983	51,030	111,874	-	2,224	179,111
Loans to customers net of deferred revenue	759,702	137,407	363,958	36,347	25,559	1,322,973
Total financial assets	1,026,023	188,588	475,832	36,347	60,643	1,787,433
<i>Financial liabilities</i>						
Deposits	1,007,432	261,670	80,979	-	37,880	1,387,961
Interbank and money market items	66,101	124	17,743	-	3,826	87,794
Liabilities payable on demand	-	-	-	-	6,061	6,061
Financial liabilities measured at fair value through profit or loss	890	-	903	-	23	1,816
Debts issued and borrowings	10,276	42,310	45	-	2	52,633
Total financial liabilities	1,084,699	304,104	99,670	-	47,792	1,536,265

* For Investments in debt securities measured at amortised costs, the presented investments were not deducted by allowance for expected credit loss.

	Bank only 2022					
	Repricing periods					
	Within 3 months	Over 3 months to 1 year	Over 1 year	Non- performing assets	Non- interest bearing	Total
	(in million Baht)					
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*	32,809	42,566	133,221	-	2,856	211,452
Loans to customers net of deferred revenue	770,602	183,688	358,601	37,208	21,657	1,371,756
Total financial assets	972,974	226,513	491,822	37,208	59,308	1,787,825
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	300	-	-	-	138	438
Debts issued and borrowings	5,193	5,191	44,248	-	12	54,644
Total financial liabilities	1,260,362	96,925	137,540	-	50,689	1,545,516

* For Investments in debt securities measured at amortised costs, the presented investments were not deducted by allowance for expected credit loss.

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 2023 and 2022, the Bank and its subsidiaries' net foreign currency positions categorised by major foreign currencies were as follows:

	Consolidated and Bank only					
	2023			2022		
	USD	Euro ^(*)	Other currencies ^(*)	USD	Euro ^(*)	Other currencies ^(*)
	(in USD million)					
Spot	(26)	(163)	398	217	(176)	302
Forward	37	161	(405)	(202)	173	(306)
Net position	11	(2)	(7)	15	(3)	(4)

^(*) Balance denominated in Euro and other currencies are stated in USD equivalents.

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.

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For the year ended 31 December 2023

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 2023, the Bank had equity investments are listed on Stock Exchange of Thailand at Baht 182 million (2022: Baht 237 million) with the mark to market value at Baht 155 million (2022: Baht 199 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 2023 and 2022, the key sensitivities are as follows:

	Consolidated and Bank only	
	2023	2022
	(in thousand Baht)	
Interest rate sensitivities (PV01)		
THB	713	(144)
USD	(110)	41
Other currencies	9	-
Total	612	(103)

	Consolidated and Bank only	
	2023	2022
	(in thousand USD)	
Exchange rate sensitivities (FX Delta)		
USD	5,674	4,226
EUR	(1,249)	(1,348)
SGD	(856)	(9)
Other currencies	(508)	879
Total	3,061	3,748

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 2023 and 2022, the effect of changes in interest rates to earnings (net) by 100 bps parallel shift in the next 1 year were as follows:

	Consolidated	
	2023 Upward shift 100 bps (in million Baht)	2022 Upward shift 100 bps (in million Baht)
THB	(950)	(2,332)
USD	(3)	89
Others	(13)	(6)
Total effect of change in interest rate	(966)	(2,249)

	Bank only	
	2023 Upward shift 100 bps (in million Baht)	2022 Upward shift 100 bps (in million Baht)
THB	(914)	(2,312)
USD	(3)	89
Others	(13)	(6)
Total effect of change in interest rate	(930)	(2,229)

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.

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.

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For the year ended 31 December 2023

The Bank will disclose Liquidity Coverage Ratio (LCR) information of statements of financial position, as at 31 December 2023 on the Bank's website (www.ttbbank.com/en/ir/financial-information/lcr) within April 2024.

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 2023 and 2022 were summarised as follows:

	Consolidated 2023					
	At call ⁽¹⁾	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
	<i>(in million Baht)</i>					
Financial assets						
Cash	-	-	-	-	15,487	15,487
Interbank and money market items net of deferred revenue	26,555	240,626	228	-	-	267,409
Financial assets measured at fair value through profit or loss	-	2,037	-	-	433 ⁽²⁾	2,470
Investments						
Investments in debt securities measured at amortised costs ⁽⁴⁾	-	-	14,996	40,918	-	55,914
Investments in debt securities measured at FVOCI	-	58,020	56,291	6,347	315	120,973
Investments in equity securities designated at FVOCI	-	-	-	-	2,224 ⁽²⁾	2,224
Loans to customers net of deferred revenue	103,505	362,448	460,388	360,617	41,006 ⁽³⁾	1,327,964
Total financial assets	130,060	663,131	531,903	407,882	59,465	1,792,441
Financial liabilities						
Deposits	947,082	358,497	81,002	-	-	1,386,581
Interbank and money market items	9,908	60,143	17,743	-	-	87,794
Liabilities payable on demand	6,061	-	-	-	-	6,061
Financial liabilities measured at fair value through profit or loss	-	518	1,298	-	-	1,816
Debts issued and borrowings	5	49,214	10,293	19	-	59,531
Total financial liabilities	963,056	468,372	110,336	19	-	1,541,783
Net liquidity gap	(832,996)	194,759	421,567	407,863	59,465	250,658

⁽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.

Notes to the financial statements

For the year ended 31 December 2023

	Consolidated 2022					
	At call ⁽¹⁾	Within 1 year	1 - 5 years	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	29,029	158,049	518	-	-	187,596
Financial assets measured at fair value through profit or loss	-	1,106	-	-	427 ⁽²⁾	1,533
Investments						
Investments in debt securities measured at amortised costs ⁽⁴⁾	-	-	11,158	37,968	-	49,126
Investments in debt securities measured at FVOCI	-	67,153	82,343	9,659	315	159,470
Investments in equity securities designated at FVOCI	-	-	-	-	2,856 ⁽²⁾	2,856
Loans to customers net of deferred revenue	113,855	383,336	484,854	352,366	41,707 ⁽³⁾	1,376,118
Total financial assets	142,884	609,644	578,873	399,993	60,811	1,792,205
Financial liabilities						
Deposits	1,168,117	153,660	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
Total financial liabilities	1,187,084	214,686	147,884	31	-	1,549,685
Net liquidity gap	(1,044,200)	394,958	430,989	399,962	60,811	242,520

⁽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.

Notes to the financial statements

For the year ended 31 December 2023

	Bank only 2023					
	At call ⁽¹⁾	Within 1 year	1 - 5 years	Over 5 years	No maturity	Total
	<i>(in million Baht)</i>					
Financial assets						
Cash	-	-	-	-	15,487	15,487
Interbank and money market items net of deferred revenue	26,538	240,626	228	-	-	267,392
Financial assets measured at fair value through profit or loss	-	2,037	-	-	433 ⁽²⁾	2,470
Investments						
Investments in debt securities measured at amortised costs ⁽⁴⁾	-	-	14,996	40,918	-	55,914
Investments in debt securities measured at FVOCI	-	58,020	56,291	6,347	315	120,973
Investments in equity securities designated at FVOCI	-	-	-	-	2,224 ⁽²⁾	2,224
Loans to customers net of deferred revenue	103,505	362,448	460,388	360,285	36,347 ⁽³⁾	1,322,973
Total financial assets	130,043	663,131	531,903	407,550	54,806	1,787,433
Financial liabilities						
Deposits	948,362	358,597	81,002	-	-	1,387,961
Interbank and money market items	9,908	60,143	17,743	-	-	87,794
Liabilities payable on demand	6,061	-	-	-	-	6,061
Financial liabilities measured at fair value through profit or loss	-	518	1,298	-	-	1,816
Debts issued and borrowings	5	42,316	10,293	19	-	52,633
Total financial liabilities	964,336	461,574	110,336	19	-	1,536,265
Net liquidity gap	(834,293)	201,557	421,567	407,531	54,806	251,168

⁽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 2023

		Bank only 2022				
	At call ⁽¹⁾	Within 1 year	1 - 5 years	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						
Investments in debt securities measured at amortised costs ⁽⁴⁾	-	-	11,158	37,968	-	49,126
Investments in debt securities measured at FVOCI	-	67,153	82,343	9,659	315	159,470
Investments in equity securities designated at FVOCI	-	-	-	-	2,856 ⁽²⁾	2,856
Loans to customers net of deferred revenue	113,995	383,336	484,854	352,363	37,208 ⁽³⁾	1,371,756
Total financial assets	143,006	609,644	578,873	399,990	56,312	1,787,825
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
Total financial liabilities	1,187,815	209,786	147,884	31	-	1,545,516
Net liquidity gap	(1,044,809)	399,858	430,989	399,959	56,312	242,309

⁽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.

5 Fair value of financial assets and financial liabilities

5.1 Financial assets and financial liabilities measured at fair value

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 2023 and 2022.

	Consolidated				
			2023		
	Carrying		Fair value		
	amount	Level 1	Level 2	Level 3	Total
			(in million Baht)		
<i>Financial assets</i>					
Financial assets measured at FVTPL	2,470	3	2,037	430	2,470
<i>Derivative assets</i>					
Foreign exchange rate	6,529	-	6,529	-	6,529
Interest rate	697	-	697	-	697
Others	10	-	10	-	10
Total	7,236	-	7,236	-	7,236
<i>Investments, net</i>					
Investments in debt securities measured at FVOCI	120,973	-	120,658	315	120,973
Investments in equity securities designated at FVOCI	2,224	152	-	2,072	2,224
Total	123,197	152	120,658	2,387	123,197
Total financial assets	132,903	155	129,931	2,817	132,903
<i>Financial liabilities</i>					
Financial liabilities measured at FVTPL	1,816	-	1,816	-	1,816
<i>Derivative liabilities</i>					
Foreign exchange rate	5,015	-	5,015	-	5,015
Interest rate	692	-	692	-	692
Total	5,707	-	5,707	-	5,707
Total financial liabilities	7,523	-	7,523	-	7,523

		Consolidated 2022			
	Carrying amount	Level 1	Fair value		Total
			Level 2	Level 3	
			(in million Baht)		
<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 securities measured at FVOCI	159,470	-	159,155	315	159,470
Investments in equity securities designated at FVOCI	2,856	174	-	2,682	2,856
Total	162,326	174	159,155	2,997	162,326
Total financial assets	174,235	197	170,637	3,401	174,235
<i>Financial liabilities</i>					
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
Total financial liabilities	9,937	-	9,937	-	9,937
		Bank only 2023			
	Carrying amount	Level 1	Fair value		Total
			Level 2	Level 3	
			(in million Baht)		
<i>Financial assets</i>					
Financial assets measured at FVTPL	2,470	3	2,037	430	2,470
<i>Derivative assets</i>					
Foreign exchange rate	6,529	-	6,529	-	6,529
Interest rate	697	-	697	-	697
Others	10	-	10	-	10
Total	7,236	-	7,236	-	7,236
<i>Investments, net</i>					
Investments in debt securities measured at FVOCI	120,973	-	120,658	315	120,973
Investments in equity securities designated at FVOCI	2,224	152	-	2,072	2,224
Total	123,197	152	120,658	2,387	123,197
Total financial assets	132,903	155	129,931	2,817	132,903
<i>Financial liabilities</i>					
Financial liabilities measured at FVTPL	1,816	-	1,816	-	1,816
<i>Derivative liabilities</i>					
Foreign exchange rate	5,015	-	5,015	-	5,015
Interest rate	692	-	692	-	692
Total	5,707	-	5,707	-	5,707
Total financial liabilities	7,523	-	7,523	-	7,523

	Carrying amount	Level 1	Bank only 2022 Fair value Level 2 Level 3 (in million Baht)	Total
Financial assets				
Financial assets measured at FVTPL	1,533	23	1,106	404
Derivative assets				
Foreign exchange rate	9,507	-	9,507	-
Interest rate	869	-	869	-
Total	10,376	-	10,376	-
Investments, net				
Investments in debt securities measured at FVOCI	159,470	-	159,155	315
Investments in equity securities designated at FVOCI	2,856	174	-	2,682
Total	162,326	174	159,155	2,997
Total financial assets	174,235	197	170,637	3,401
Financial liabilities				
Financial liabilities measured at FVTPL	438	-	438	-
Derivative liabilities				
Foreign exchange rate	8,727	-	8,727	-
Interest rate	772	-	772	-
Total	9,499	-	9,499	-
Total financial liabilities	9,937	-	9,937	-

Reconciliation of investments in equity securities designated at FVOCI using significant unobservable inputs (level 3)

	Consolidated and Bank only (in million Baht)
For the year ended 31 December 2023	
Beginning balance	2,682
Disposal during the year	(190)
Loss recognised in other comprehensive income	(420)
Ending balance	2,072
For the year ended 31 December 2022	
Beginning balance	2,693
Loss recognised in other comprehensive income	(11)
Ending balance	2,682

5.2 Financial assets and financial liabilities not measured at fair value

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 not measured at fair value which have significant difference between carrying amounts and fair value as at 31 December 2023 and 2022.

		Consolidated 2023			
	Carrying amount	Level 1	Fair value Level 2	Level 3	Total
			(in million Baht)		
<i>Financial assets</i>					
Investments in debt securities measured at amortised costs	55,891	-	54,587	-	54,587
<i>Financial liabilities</i>					
Debts issued and borrowings	59,531	-	59,526	-	59,526

			Consolidated 2022			
	Carrying amount	Level 1	Fair value			Total
			Level 2	Level 3		
			(in million Baht)			
Financial assets						
Investments in debt securities measured at amortised costs	49,106	-	48,367	-	48,367	
Financial liabilities						
Debts issued and borrowings	59,644	-	59,185	-	59,185	

			Bank only			
			2023			
	Carrying amount	Level 1	Fair value			
			Level 2	Level 3	Total	
			(in million Baht)			
Financial assets						
Investments in debt securities measured at amortised costs	55,891	-	54,587	-	54,587	
Financial liabilities						
Debts issued and borrowings	52,633	-	52,628	-	52,628	

		Bank only 2022			
	Carrying amount	Level 1	Fair value		Total
			Level 2	Level 3	
			(in million Baht)		
Financial assets					
Investments in debt securities measured at amortised costs	49,106	-	48,367	-	48,367
Financial liabilities					
Debts issued and borrowings	54,644	-	54,185	-	54,185

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.

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- 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 derivatives, 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 2023 and 2022.

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 2023 and 2022, the consolidated supervision and the Bank only's total capital funds could be categorised as follows:

	Consolidated supervision	
	2023	2022
	(in million Baht)	
<i>Tier 1 Capital</i>		
Common Equity Tier 1 Capital (CET1)		
Paid-up share capital	92,246	91,937
Share premium	43,374	43,360
Legal reserve	10,091	10,091
Net profit after appropriation	66,601	61,467
Other comprehensive income	5,092	3,776
Capital adjustment items on CET1	(17)	(20)
Capital deduction items on CET1	(26,411)	(24,816)
Total Common Equity Tier 1 Capital	190,976	185,795
Addition Tier 1 Capital		
Subordinated debentures classified as additional Tier 1 Capital	2,445	7,425
Total Tier 1 Capital	193,421	193,220
<i>Tier 2 Capital</i>		
General provision	12,731	13,302
Subordinated debentures classified as additional Tier 2 Capital	30,000	30,000
Capital deduction items on CET2	(308)	-
Total Tier 2 Capital	42,423	43,302
Total Capital Funds	235,844	236,522
Total Risk-Weighted Assets	1,141,434	1,185,415

	The BoT's regulatory minimum requirement*	2023 (%)	2022
Capital Adequacy Ratio/Total Risk-Weighted Asset	12.0	20.66	19.95
Tier 1 Capital Ratio/Total Risk-Weighted Asset	9.5	16.95	16.30
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.0	16.73	15.67

* 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	
	2023	2022
	(in million Baht)	
Tier 1 Capital		
Common Equity Tier 1 Capital (CET1)		
Paid-up share capital	92,246	91,937
Share premium	43,374	43,360
Legal reserve	10,091	10,091
Net profit after appropriation	62,568	57,429
Other comprehensive income	5,176	3,850
Other transaction from changes in equity	885	885
Capital adjustment items on CET1	(17)	(20)
Capital deduction items on CET1	(26,880)	(25,356)
Total Common Equity Tier 1 Capital	187,443	182,176
Addition Tier 1 Capital		
Subordinated debentures classified as additional Tier 1 Capital	2,445	7,425
Total Tier 1 Capital	189,888	189,601
Tier 2 Capital		
General provision	12,622	13,182
Subordinated debentures classified as additional Tier 2 Capital	30,000	30,000
Capital deduction items on CET2	(308)	-
Total Tier 2 Capital	42,314	43,182
Total Capital Funds	232,202	232,783
Total Risk-Weighted Assets	1,131,796	1,175,368

	The BoT's regulatory minimum requirement*	2023 (%)	2022
Capital Adequacy Ratio/Total Risk-Weighted Asset	12.0	20.52	19.81
Tier 1 Capital Ratio/Total Risk-Weighted Asset	9.5	16.78	16.13
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.0	16.56	15.50

* 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 2023 and 2022, the Bank and its subsidiaries have no add-on arising from Single Lending Limit.

Notes to the financial statements

For the year ended 31 December 2023

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.ttbbank.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 2023

The disclosure as at 31 December 2023 will be provided within April 2024 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 2023				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)					
Financial assets						
Cash	-	-	-	-	15,487	15,487
Interbank and money market items, net	-	-	-	-	267,486	267,486
Financial assets measured at FVTPL	2,470	-	-	-	-	2,470
Derivatives assets	7,236	-	-	-	-	7,236
Investments, net	-	-	120,973	2,224	55,891	179,088
Loans to customers and accrued interest receivables, net	-	-	-	-	1,273,136	1,273,136
Total	9,706	-	120,973	2,224	1,612,000	1,744,903
Financial liabilities						
Deposits	-	-	-	-	1,386,581	1,386,581
Interbank and money market items	-	-	-	-	87,794	87,794
Liabilities payable on demand	-	-	-	-	6,061	6,061
Financial liabilities measured at fair value through profit or loss	-	1,816	-	-	-	1,816
Derivatives liabilities	5,707	-	-	-	-	5,707
Debts issued and borrowings	-	-	-	-	59,531	59,531
Total	5,707	1,816	-	-	1,539,967	1,547,490

Notes to the financial statements

For the year ended 31 December 2023

	Consolidated 2022					
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI (in million Baht)	Financial instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
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	10,376	-	-	-	-	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
Total	11,909	-	159,470	2,856	1,578,680	1,752,915
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	9,499	-	-	-	-	9,499
Debts issued and borrowings	-	-	-	-	59,644	59,644
Total	9,499	438	-	-	1,549,247	1,559,184

Notes to the financial statements

For the year ended 31 December 2023

	Bank only 2023				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)					
Financial assets						
Cash	-	-	-	-	15,487	15,487
Interbank and money market items, net	-	-	-	-	267,469	267,469
Financial assets measured at FVTPL	2,470	-	-	-	-	2,470
Derivatives assets	7,236	-	-	-	-	7,236
Investments, net	-	-	120,973	2,224	55,891	179,088
Loans to customers and accrued interest receivables, net	-	-	-	-	1,270,224	1,270,224
Total	9,706	-	120,973	2,224	1,609,071	1,741,974
Financial liabilities						
Deposits	-	-	-	-	1,387,961	1,387,961
Interbank and money market items	-	-	-	-	87,794	87,794
Liabilities payable on demand	-	-	-	-	6,061	6,061
Financial liabilities measured at fair value through profit or loss	-	1,816	-	-	-	1,816
Derivatives liabilities	5,707	-	-	-	-	5,707
Debts issued and borrowings	-	-	-	-	52,633	52,633
Total	5,707	1,816	-	-	1,534,449	1,541,972

Notes to the financial statements

For the year ended 31 December 2023

	Bank only 2022				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		
	<i>(in million Baht)</i>					
Financial assets						
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	10,376	-	-	-	-	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
Total	11,909	-	159,470	2,856	1,575,894	1,750,129
Financial liabilities						
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	9,499	-	-	-	-	9,499
Debts issued and borrowings	-	-	-	-	54,644	54,644
Total	9,499	438	-	-	1,545,078	1,555,015

8 Interbank and money market items, net (assets)

	Consolidated	
	2023	2022
	(in million Baht)	
<i>Domestic items</i>		
Bank of Thailand and Financial Institutions Development Fund	234,817	136,760
Commercial banks	652	12,812
Specialised financial institutions	52	1
Other financial institutions	18,220	23,330
Total	253,741	172,903
Add accrued interest and undue interest income	113	31
Less allowance for expected credit loss	(35)	(66)
Total domestic items	253,819	172,868
<i>Foreign items</i>		
US Dollar	12,277	13,286
Japanese Yen	685	412
Euro	130	437
Other currencies	576	558
Total	13,668	14,693
Add accrued interest and undue interest income	18	16
Less allowance for expected credit loss	(19)	(14)
Total foreign items	13,667	14,695
Total domestic and foreign items	267,486	187,563
	Bank only	
	2023	2022
	(in million Baht)	
<i>Domestic items</i>		
Bank of Thailand and Financial Institutions Development Fund	234,817	136,760
Commercial banks	635	12,794
Specialised financial institutions	52	1
Other financial institutions	18,220	23,330
Total	253,724	172,885
Add accrued interest and undue interest income	113	31
Less allowance for expected credit loss	(35)	(66)
Total domestic items	253,802	172,850
<i>Foreign items</i>		
US Dollar	12,277	13,286
Japanese Yen	685	412
Euro	130	437
Other currencies	576	558
Total	13,668	14,693
Add accrued interest and undue interest income	18	16
Less allowance for expected credit loss	(19)	(14)
Total foreign items	13,667	14,695
Total domestic and foreign items	267,469	187,545

9 Financial assets measured at fair value through profit or loss

	Consolidated	
	2023	2022
	(in million Baht)	
Financial assets held for trading		
Government and state enterprise securities	2,037	1,106
Total	2,037	1,106
Financial assets - others		
Marketable equity securities - domestic	3	25
Non-marketable equity securities - domestic	430	402
Total	433	427
Total financial assets measured at fair value through profit or loss	2,470	1,533
	Bank only	
	2023	2022
	(in million Baht)	
Financial assets held for trading		
Government and state enterprise securities	2,037	1,106
Total	2,037	1,106
Financial assets - others		
Marketable equity securities - domestic	3	25
Non-marketable equity securities - domestic	430	402
Total	433	427
Total financial assets measured at fair value through profit or loss	2,470	1,533

10 Derivatives

As at 31 December 2023 and 2022, fair value of derivatives held for trading book, derivatives held for risk management, and hedging derivatives with notional amount classified by type of risks were as follows:

Type of derivatives / risks	Consolidated and Bank only							
	2023				2022			
	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)								
Trading Book								
- Foreign currency related	5,045	4,333	317,134	12,300	7,628	7,354	411,163	14,552
- Interest rate related	697	692	40,778	73,652	869	772	25,923	71,727
- Others	10	-	-	903	-	-	-	-
Derivatives held for risk management								
- Foreign currency related	-	11	665	-	321	5	4,105	-
Cash flow hedge								
- Foreign currency related	1,484	671	15,194	15,373	1,558	1,357	11,296	17,621
Fair value hedge								
- Foreign currency related	-	-	-	-	-	11	361	-
Total	7,236	5,707	373,771	102,228	10,376	9,499	452,848	103,900

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

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 2023 and 2022, there is no gain (loss) on fair value hedges in profit or loss.

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 2023 and 2022, the Bank and its subsidiaries recognised gain (loss) as following;

<i>For the year ended 31 December</i>	Consolidated		Bank only	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Loss on cash flow hedges in other comprehensive income	(56)	(38)	(119)	(38)
Gain (loss) reclassified from the hedge reserve to profit or loss	668	(131)	731	(131)

11 Investments, net

11.1 Classified by type of investments

	Consolidated and Bank only			
	Amortised cost/ fair value		Dividend income	
	2023	2022	For the year ended 31 December 2023	For the year ended 31 December 2022
	(in million Baht)		(in million Baht)	
<i>Investments in debt securities measured at amortised costs</i>				
Government and state enterprise securities	55,914	49,126		
Total	55,914	49,126		
Less allowance for expected credit loss	(23)	(20)		
Net	55,891	49,106		
<i>Investments in debt securities measured at FVOCI</i>				
Government and state enterprise securities	97,611	137,116		
Private debt securities	7,546	9,388		
Foreign debt securities	15,816	12,966		
Total	120,973	159,470		
Allowance for expected credit loss	(2,952)	(2,972)		
<i>Investments in equity securities designated at FVOCI</i>				
Marketable equity securities - domestic	152	174	-	-
Non-marketable equity securities - domestic	2,065	2,676	224	169
Non-marketable equity securities - overseas	7	6	-	-
Total	2,224	2,856	224	169
Total investments, net	179,088	211,432		

11.2 Derecognised investments

Derecognised investments in equity securities designated at fair value through other comprehensive income arising from shareholding reduction during the year ended 31 December 2023 and 2022 as following:

	Consolidated					
	Fair value at		Dividend income		Cumulative gain from	
	derecognised date				derecognition	
	2023	2022	2023	2022	2023	2022
	<i>(in million Baht)</i>					
Derecognised investments	190	-	53	-	161	-

	Bank only					
	Fair value at		Dividend income		Cumulative gain from	
	derecognised date				derecognition	
	2023	2022	2023	2022	2023	2022
	<i>(in million Baht)</i>					
Derecognised investments	190	-	53	-	147	-

11.3 Investments in entities in which the Bank and its subsidiaries hold 10% or more

As at 31 December 2023 and 2022, 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	
	2023	2022
	<i>(in million Baht)</i>	
Public utilities and services	134	123
Mutual funds and financial services	-	344
Others	1,423	1,971
Total	1,557	2,438

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 transactions. 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 2023 and 2022, the Bank and its subsidiaries did not have significant risks and transactions relating to structured entities to disclose in the financial statements.

11.4 Investments in companies with problems in their financial position and operating results

As at 31 December 2023 and 2022, 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 statements of financial position were summarised below.

	Consolidated and Bank only							
	2023				2022			
	No. of Com- panies	Cost value	Fair value	Allowance for expected credit loss	No. of Com- panies	Cost value	Fair value	Allowance for expected credit loss
				(in million Baht)				(in million Baht)
- Listed companies under delisting conditions / defaulted debt securities	1	12	-	-	1	12	-	-
- 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	10	3,893	315	2,885
Total	11	3,905	315	2,885	11	3,905	315	2,885

TMBThanachart Bank Public Company Limited and its Subsidiaries

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For the year ended 31 December 2023

12 Investments in subsidiaries and associates, net

12.1 Detail of investments in subsidiaries and associates

Consolidated										Bank only								Dividend income for the year ended 31 December	
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			
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		(%)										(in million Baht)							
Subsidiaries																			
Phahonyothin Asset Management Co., Ltd.																			
Management Co., Ltd.	Asset management	100.00	100.00	298	298	-	-	-	-	-	-	298	298	-	-	298	298	-	-
TBCO PCL. ⁽¹⁾	Commercial bank	-	99.98	-	-	-	-	-	-	-	-	-	99,310	-	(99,000)	-	310	-	-
TMBThanachart Broker Co., Ltd.	Insurance brokerage service	99.99	99.99	100	100	-	-	-	-	-	-	117	117	-	-	117	117	150	-
TTB Consumer Co., Ltd.	Brokerage service	100.00	100.00	30	30	-	-	-	-	-	-	30	30	-	-	30	30	138	-
Associates																			
TMB Asset Management Co., Ltd. ⁽²⁾																			
Fund management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80
Thanachart Fund Management Co., Ltd. ⁽²⁾																			
Fund management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73
Eastspring Asset Management (Thailand) Co., Ltd. ⁽²⁾																			
Fund management		40.50	40.50	200	200	8,614	8,574	-	-	8,614	8,574	4,389	4,389	-	-	4,389	4,389	248	155
Total						8,614	8,574	-	-	8,614	8,574	4,834	104,144	-	(99,000)	4,834	5,144	536	308

⁽¹⁾ TBCO PCL. registered the dissolution with the Ministry of Commerce on 1 November 2021. In October 2023, the Annual General Meeting of TBCO PCL. approved the liquidation results, and TBCO PCL. transferred remaining cash to shareholders. Liquidation registration at Ministry of Commerce had been completed since 10 November 2023.

⁽²⁾ 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		
	2023	2022
	(in million Baht)	
<i>Cash flows from operating activities</i>		
Profit from operations before income tax	102	128
<i>Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities</i>		
Depreciation and amortisation	2	-
Reversal of expected credit loss	(299)	(219)
Provisions for liabilities	12	56
Net interest income	(45)	(50)
Interest received	86	19
Interest paid	(135)	(65)
Income tax paid	(59)	(21)
Loss from operations before changes in operating assets and liabilities	(336)	(152)
<i>Decrease (increase) in operating assets</i>		
Intercompany and money market items	(734)	4,186
Loans to customers	194	(2,166)
Properties for sale	(880)	(1,646)
Other assets	(16)	(94)
<i>Increase (decrease) in operating liabilities</i>		
Other liabilities	16	32
Net cash provided by (used in) operating activities	(1,756)	160
<i>Cash flows from investing activities</i>		
Purchase of equipment	(2)	-
Net cash used in investing activities	(2)	-
<i>Cash flows from financing activities</i>		
Cash receipts on debenture issued and borrowings	16,558	23,020
Cash paid for redemption of debenture and repayment of borrowings	(14,800)	(23,180)
Net cash provided by (used in) financing activities	1,758	(160)
Net decrease in cash	-	-
Cash at 1 January	-	-
Cash at 31 December	-	-

13 Loans to customers and accrued interest receivables, net

13.1 Classified by loan type

	Consolidated		Bank only	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Overdrafts	76,932	80,673	76,932	80,673
Loans	680,699	686,405	675,708	681,903
Bills	159,359	196,995	159,359	197,135
Hire purchase receivables	410,251	411,039	410,251	411,039
Finance lease receivables	663	910	663	910
Others	60	96	60	96
Total loans to customers	1,327,964	1,376,118	1,322,973	1,371,756
Add accrued interest receivables and undue interest income*	8,674	7,777	8,674	7,777
Total loans to customers and accrued interest receivables	1,336,638	1,383,895	1,331,647	1,379,533
Less allowance for expected credit loss	(63,502)	(57,390)	(61,423)	(55,796)
Total loans to customers and accrued interest receivables, net	1,273,136	1,326,505	1,270,224	1,323,737

* 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	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Domestic	1,314,350	1,364,223	1,309,359	1,359,861
Foreign	13,614	11,895	13,614	11,895
Total	1,327,964	1,376,118	1,322,973	1,371,756

* Loans to customers net of deferred revenue.

13.3 Classified by stage

	Consolidated			
	2023		2022	
	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)	1,174,852	15,602	1,225,348	13,325
Stage 2 (Under-performing)	120,780	28,195	116,840	24,469
Stage 3 (Non-performing)	41,006	19,705	41,707	19,596
Total	1,336,638	63,502	1,383,895	57,390

* Total loans to customers and accrued interest receivables in note 13.1

	Bank only			
	2023		2022	
	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)	1,174,851	15,602	1,225,485	13,325
Stage 2 (Under-performing)	120,449	28,130	116,840	24,469
Stage 3 (Non-performing)	36,347	17,691	37,208	18,002
Total	1,331,647	61,423	1,379,533	55,796

* Total loans to customers and accrued interest receivables in note 13.1

13.4 Non-performing loans

As at 31 December 2023 and 2022, the Bank and its subsidiaries' NPLs (including interbank and money market items) were summarised as follows:

	Consolidated		Bank only	
	2023	2022	2023	2022
NPLs				
NPLs <i>(in million Baht)</i>	41,006	41,707	36,347	37,208
Total loans <i>(in million Baht)</i>	1,567,282	1,529,135	1,562,293	1,524,775
Percentage of NPLs (%)	2.62	2.73	2.33	2.44

As at 31 December 2023 and 2022, Phahonyothin Asset Management Co., Ltd. has non-performing loans amounting to Baht 4,659 million and Baht 4,499 million, respectively.

For the year ended 31 December 2023 and 2022, the Bank and its subsidiaries sold non-performing loans to asset management companies, with principal totalling approximately Baht 5,040 million and Baht 8,196 million, respectively (*Bank only: approximately Baht 7,503 million and Baht 12,318 million, respectively*). The selling price in lower and excess of the carrying amount of those non-performing loans were presented as "Expected credit loss" and 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 2023 and 2022, respectively.

13.5 Modified loans to customers

During the year ended 31 December 2023 and 2022, the Bank and its subsidiaries have modified loans to customers that have not resulted in derecognition, while they had a loss allowance measured at an amount equal to lifetime ECL, as follows:

	Consolidated	
	2023	2022
	<i>(in million Baht)</i>	
Loans to customers modified during the year		
Outstanding loans to customers at modification date*	18,256	14,658
Net modification loss *	164	87
Loans to customers 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*	651	1,053

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	Bank only	
	2023	2022
	(in million Baht)	
Loans to customers modified during the year		
Outstanding loans to customers at modification date*	17,417	14,540
Net modification loss*	164	87
Loans to customers 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*	651	1,053

* This included 2nd form of financial assistance based on sustainable debt resolution as mentioned in note 2.

As at 31 December 2023, the outstanding modified loans to customers of the Bank and its subsidiaries was approximately 11% of the total loans to customers (2022: 12% of the total loans to customers).

13.6 Hire purchase and finance lease receivables

	Consolidated and Bank only			
	2023			
	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	124,979	312,305	33,834	471,118
Finance lease receivables	372	334	-	706
Total gross investment under hire purchase contracts	125,351	312,639	33,834	471,824
Less unearned interest income				(60,910)
Present value of minimum lease payment receivables				410,914
Less allowance for expected credit loss				(16,543)
Lease receivables, net				394,371

	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	122,920	312,793	35,513	471,226
Finance lease receivables	388	583	-	971
Total gross investment under hire purchase contracts	123,308	313,376	35,513	472,197
Less unearned interest income				(60,248)
Present value of minimum lease payment receivables				411,949
Less allowance for expected credit loss				(13,850)
Lease receivables, net				398,099

14 Allowance for expected credit loss

The movements in the allowance for expected credit loss during the year were as follows:

	Consolidated 2023			
	12-month ECL	Lifetime ECL, not credit impaired <i>(in million Baht)</i>	Lifetime ECL, credit impaired	Total
<i>Investments</i>				
Beginning balance	107	-	2,885	2,992
Changes from remeasurement of ECL	(5)	-	-	(5)
Purchased or acquired	48	-	-	48
Derecognition	(60)	-	-	(60)
Ending balance	<u>90</u>	<u>-</u>	<u>2,885</u>	<u>2,975</u>
<i>Loans to customers and accrued interest receivables</i>				
Beginning balance	13,325	24,469	19,596	57,390
Changes from stage reclassification	(1,086)	1,702	10,911	11,527
Changes from remeasurement of ECL	81	2,867	8,789	11,737
Originated	4,270	-	-	4,270
Derecognition	(988)	(843)	(3,545)	(5,376)
Write-off	-	-	(16,046)	(16,046)
Ending balance	<u>15,602</u>	<u>28,195</u>	<u>19,705</u>	<u>63,502</u>

	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>

	Bank only 2023			
	12-month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	Total
	(in million Baht)			
<i>Investments</i>				
Beginning balance	107	-	2,885	2,992
Changes from remeasurement of ECL	(5)	-	-	(5)
Purchased or acquired	48	-	-	48
Derecognition	(60)	-	-	(60)
Ending balance	<u>90</u>	<u>-</u>	<u>2,885</u>	<u>2,975</u>
<i>Loans to customers and accrued interest receivables</i>				
Beginning balance	13,325	24,469	18,002	55,796
Changes from stage reclassification	(1,086)	1,640	10,977	11,531
Changes from remeasurement of ECL	81	2,864	8,227	11,172
Originated	4,270	-	-	4,270
Derecognition	(988)	(843)	(4,633)	(6,464)
Write-off	-	-	(14,882)	(14,882)
Ending balance	<u>15,602</u>	<u>28,130</u>	<u>17,691</u>	<u>61,423</u>
	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>

As at 31 December 2023, the Bank and its subsidiaries set up management overlay for model improvement as part of model monitoring, exposures of customers under modified portfolio, and economic uncertainties that may impact collateral value as well as some specific groups of commercial and retail customers who have vulnerable repayment capability due to the uncertainties of economic recovery.

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For the year ended 31 December 2023

15 Properties for sale, net

As at 31 December 2023 and 2022, changes in the properties for sale, net were as follows:

	Beginning balance	Consolidated 2023		Ending balance
		Additions	Disposals/ Decrease	
		<i>(in million Baht)</i>		
Assets foreclosed in settlement of debts				
- Immovable assets	9,671	789	(492)	9,968
- Movable assets	473	8,278	(8,024)	727
Assets for sales	2,481	224	(510)	2,195
Total	12,625	9,291	(9,026)	12,890
Add (less) allowance for impairment loss	(473)	(1,669)	1,564	(578)
Net	12,152	7,622	(7,462)	12,312

	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	Bank only 2023		Ending balance
		Additions	Disposals/ Decrease	
		<i>(in million Baht)</i>		
Assets foreclosed in settlement of debts				
- Immovable assets	8,096	727	(1,350)	7,473
- Movable assets	473	8,278	(8,024)	727
Assets for sales	2,481	224	(510)	2,195
Total	11,050	9,229	(9,884)	10,395
Add (less) allowance for impairment loss	(436)	(1,665)	1,593	(508)
Net	10,614	7,564	(8,291)	9,887

	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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As at 31 December 2023 and 2022, 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 442 million and Baht 400 million, respectively (*Bank only: Baht 442 million and 400 million, respectively*).

As at 31 December 2023 and 2022, 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 5,700 million and Baht 5,532 million, respectively (*Bank only: Baht 5,700 million and 5,532 million, respectively*).

The value of immovable assets acquired from debt repayment was appraised by external and internal appraisers as at 31 December 2023 and 2022 as follows:

	Consolidated		Bank only	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Assets foreclosed in settlement of debts				
immovable assets				
- Appraised by external appraisers	9,964	9,665	7,469	8,090
- Appraised by internal appraisers	4	6	4	6
Total	9,968	9,671	7,473	8,096

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16 Premises and equipment, net

As at 31 December 2023 and 2022, changes in premises and equipment were as follows:

	Cost					Consolidated 2023 Accumulated depreciation				Allowance for impairment loss				Net book value as at 31 December 2023
	Net book value as at 1 January 2023	Beginning balance	Increase/ transfers in/ adjustments from revaluation	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written-off/ transfers in/ transfers out/ adjustments from revaluation (in million Baht)	Ending balance	Beginning balance	Reversal of (loss) on impairment during the year	Disposals/ written-off/ transfers out	Ending balance	
Land														
- Cost	6,817	6,945	-	(115)	6,830	-	-	-	-	(128)	16	2	(110)	6,720
- Incremental revaluation*	4,008	4,008	1,350	(54)	5,304	-	-	-	-	-	-	-	-	5,304
Building under construction	35	35	211	(187)	59	-	-	-	-	-	-	-	-	59
Building														
- Cost	3,502	7,771	317	(140)	7,948	(4,267)	(436)	(24)	(4,727)	(2)	(64)	9	(57)	3,164
- Incremental revaluation*	1,436	4,028	53	(98)	3,983	(2,592)	(186)	980	(1,798)	-	-	-	-	2,185
Right-of-use assets				(568)			(545)		(949)					
- premise	802	1,773	295		1,500	(971)		567		-	-	-	-	551
Leasehold improvements	416	1,613	69	(340)	1,342	(1,197)	(113)	262	(1,048)	-	(9)	9	-	294
Equipment under construction and installation	183	183	614	(712)	85	-	-	-	-	-	-	-	-	85
Equipment	2,230	7,477	672	(1,000)	7,149	(5,234)	(776)	991	(5,019)	(13)	7	-	(6)	2,124
Right-of-use assets														
- equipment	359	770	168	(226)	712	(411)	(154)	226	(339)	-	-	-	-	373
Total	19,788	34,603	3,749	(3,440)	34,912	(14,672)	(2,210)	3,002	(13,880)	(143)	(50)	20	(173)	20,859

* The Bank's revaluation has been performed in 2023.

For the year ended 31 December 2023

* 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 2023 amounted to Baht 3,991 million (2022: Baht 4,774 million).

Depreciation presented in the consolidated profit or loss for the year ended 31 December 2023 and 2022 amounted to Baht 2,210 million and Baht 2,361 million, respectively.

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	Bank only													
	2023													
	Cost					Accumulated depreciation				Allowance for impairment loss				
	Net book value as at 1 January 2023	Beginning balance	Increase/ transfers in/ adjustments from revaluation	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written-off/ transfers in/ 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 2023
(in million Baht)														
Land														
- Cost	6,817	6,945	-	(115)	6,830	-	-	-	-	(128)	16	2	(110)	6,720
- Incremental revaluation*	4,008	4,008	1,350	(54)	5,304	-	-	-	-	-	-	-	-	5,304
Building under construction	35	35	211	(187)	59	-	-	-	-	-	-	-	-	59
Building														
- Cost	3,502	7,771	317	(140)	7,948	(4,267)	(436)	(24)	(4,727)	(2)	(64)	9	(57)	3,164
- Incremental revaluation*	1,436	4,028	53	(98)	3,983	(2,592)	(186)	980	(1,798)	-	-	-	-	2,185
Right-of-use assets														
- premise	759	1,691	276	(563)	1,404	(932)	(529)	562	(899)	-	-	-	-	505
Leasehold improvements	416	1,613	69	(340)	1,342	(1,197)	(113)	262	(1,048)	-	(9)	9	-	294
Equipment under construction and installation	183	183	614	(712)	85	-	-	-	-	-	-	-	-	85
Equipment	2,204	7,442	667	(1,000)	7,109	(5,225)	(769)	991	(5,003)	(13)	7	-	(6)	2,100
Right-of-use assets														
- equipment	359	769	168	(226)	711	(410)	(155)	226	(339)	-	-	-	-	372
Total	19,719	34,485	3,725	(3,435)	34,775	(14,623)	(2,188)	2,997	(13,814)	(143)	(50)	20	(173)	20,788

* The Bank's revaluation has been performed in 2023.

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	Cost					Bank only 2022 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 (in million Baht)	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

* 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 2023 amounted to Baht 3,959 million (2022: Baht 4,747 million).

Depreciation presented in the Bank only's profit or loss for the year ended 31 December 2023 and 2022 amounted to Baht 2,188 million and Baht 2,339 million, respectively.

17 Goodwill and other intangible assets, net

	Consolidated															
	2023															
	Cost						Accumulated amortisation				Allowance for impairment loss					
	Net book value as at						Amortisation		Accumulated		Loss on		Disposals/		Net book	
	1 January	Beginning			Transfers	Ending	Beginning	during	amortisation	Ending	Beginning	during	written-off/	Ending	31 December	
	2023	balance	Increase	Written-off	in/ (out)	balance	balance	the year	on transfer out	balance	balance	the year	out	balance	2023	
(in million Baht)																
Goodwill	14,105	14,105	-	-	-	14,105	-	-	-	-	-	-	-	-	-	14,105
Computer software	4,422	8,242	9	(78)	1,668	9,841	(3,820)	(1,010)	77	(4,753)	-	(22)	-	(22)	-	5,066
Computer software under development	746	746	1,726	(39)	(1,668)	765	-	-	-	-	-	-	-	-	-	765
Right-of-use assets - software	503	860	646	(105)	-	1,401	(357)	(482)	105	(734)	-	-	-	-	-	667
Other intangible assets	3,114	3,964	-	-	-	3,964	(850)	(283)	-	(1,133)	-	-	-	-	-	2,831
Total	22,890	27,917	2,381	(222)	-	30,076	(5,027)	(1,775)	182	(6,620)	-	(22)	-	(22)	-	23,434

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	Consolidated										
	2022										
	Net book value as at 1 January 2022	Cost					Accumulated amortisation				Net book value as at 31 December 2022
		Beginning balance	Increase	Written-off	Transfers in/ (out)	Ending balance	Beginning balance	Amortisation during the year	Accumulated amortisation on transfer out	Ending balance	
(in million Baht)											
Goodwill	14,105	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

The gross amount of the Bank and its subsidiaries' fully amortised intangible assets that were still in use as at 31 December 2023 amounted to Baht 1,285 million (2022: Baht 1,159 million).

Amortisation presented in the consolidated profit or loss for the year ended 31 December 2023 and 2022 amounted to Baht 1,775 million and Baht 1,768 million, respectively.

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	Bank only 2023														
	Cost						Accumulated amortisation				Allowance for impairment loss				
	Net book value as at						Amortisation		Accumulated		Loss on impairment		Disposals/ written-off/		Net book value as at
	1 January	Beginning			Transfers	Ending	Beginning	during	amortisation	Ending	Beginning	during	transfers	Ending	31 December
	2023	balance	Increase	Written-off	in/ (out)	balance	balance	the year	on transfer out	balance	balance	the year	out	balance	2023
	(in million Baht)														
Goodwill	14,105	14,105	-	-	-	14,105	-	-	-	-	-	-	-	-	14,105
Computer software	4,381	8,178	-	(78)	1,656	9,756	(3,797)	(998)	77	(4,718)	-	(22)	-	(22)	5,016
Computer software under development	740	740	1,718	(39)	(1,656)	763	-	-	-	-	-	-	-	-	763
Right-of-use assets - software	503	860	646	(105)	-	1,401	(357)	(482)	105	(734)	-	-	-	-	667
Other intangible assets	3,114	3,964	-	-	-	3,964	(850)	(283)	-	(1,133)	-	-	-	-	2,831
Total	22,843	27,847	2,364	(222)	-	29,989	(5,004)	(1,763)	182	(6,585)	-	(22)	-	(22)	23,382

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	Bank only										
	2022										
	Cost					Accumulated amortisation					
Net book value as at								Amortisation	Accumulated		Net book
1 January	Beginning			Transfers in/	Ending	Beginning	during	amortisation on	Ending	31 December	
2022	balance	Increase	Written-off	(out)	balance	balance	the year	transfer out	balance	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

The gross amount of the Bank only's fully amortised intangible assets that were still in use as at 31 December 2023 amounted to Baht 1,277 million (2022: Baht 1,154 million).

Amortisation presented in the Bank only's profit or loss for the year ended 31 December 2023 and 2022 amounted to Baht 1,763 million and Baht 1,758 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 2023, 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	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Deferred tax assets	1,560	830	2,059	1,399
Deferred tax liabilities	-	-	-	-
Net	1,560	830	2,059	1,399

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

Movements in deferred tax assets and liabilities during the year ended 31 December 2023 and 2022 were as follows:

		Consolidated (Charged) / Credited to:			
	At 1 January 2023	Profit or loss	Other comprehensive income <i>(note 18.2)</i> <i>(in million Baht)</i>	Others	At 31 December 2023
<i>Deferred tax assets</i>					
Interbank and money market items	3	(1)	-	-	2
Financial assets measured at fair value through profit or loss	119	16	-	-	135
Investments	827	27	(89)	-	765
Loans to customers and accrued interest receivables	2,072	277	-	-	2,349
Properties for sale	141	16	-	-	157
Premises, equipment, and intangible assets	120	(44)	-	-	76
Provisions for employee benefits	401	96	23	-	520
Provisions for other liabilities	533	(66)	-	-	467
Deferred revenue and other liabilities	2,340	305	-	-	2,645
Others	353	6	10	(12)	357
Total	6,909	632	(56)	(12)	7,473
<i>Deferred tax liabilities</i>					
Investments	152	13	(126)	-	39
Investments in subsidiaries and associates	1,617	-	-	-	1,617
Loans to customers and accrued interest receivables	445	(195)	-	-	250
Properties for sale	132	-	-	-	132
Premises, equipment, and intangible assets	3,235	(117)	456	-	3,574
Others	498	(197)	-	-	301
Total	6,079	(496)	330	-	5,913
Net	830	1,128	(386)	(12)	1,560

Notes to the financial statements

For the year ended 31 December 2023

	At 1 January 2022	Consolidated (Charged) / Credited to:			At 31 December 2022
		Profit or loss	Other comprehensive income	Others	
		(note 18.2)			
		(in million Baht)			
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	348	-	-	2,072
Properties for sale	82	59	-	-	141
Premises, equipment, and intangible assets	132	(12)	-	-	120
Provisions for employee benefits	332	72	(3)	-	401
Provisions for other liabilities	406	171	-	(44)	533
Deferred revenue and other liabilities	1,962	378	-	-	2,340
Others	389	(25)	(4)	(7)	353
Total	5,835	1,013	112	(51)	6,909
Deferred tax liabilities					
Investments	151	3	(2)	-	152
Investments in subsidiaries and associates	1,617	-	-	-	1,617
Loans to customers and accrued interest					
receivables	563	(118)	-	-	445
Properties for sale	114	18	-	-	132
Premises, equipment, and intangible assets	3,447	(188)	(24)	-	3,235
Others	856	(359)	1	-	498
Total	6,748	(644)	(25)	-	6,079
Net	(913)	1,657	137	(51)	830

		Bank only			
		(Charged) / Credited to:			
	At 1 January 2023	Profit or loss	Other comprehensive income	Others	At 31 December 2023
		(note 18.2)			
		(in million Baht)			
<i>Deferred tax assets</i>					
Interbank and money market items	3	(1)	-	-	2
Financial assets measured at fair value					
through profit or loss	119	16	-	-	135
Investments	827	27	(89)	-	765
Loans to customers and accrued interest					
receivables	1,890	222	-	-	2,112
Properties for sale	119	15	-	-	134
Premises, equipment, and intangible assets	120	(44)	-	-	76
Provisions for employee benefits	392	91	22	-	505
Provisions for other liabilities	533	(66)	-	-	467
Deferred revenue and other liabilities	2,320	298	-	-	2,618
Others	353	(8)	24	(13)	356
Total	6,676	550	(43)	(13)	7,170
<i>Deferred tax liabilities</i>					
Investments	152	-	(113)	-	39
Investments in subsidiaries and associates	828	-	-	-	828
Loans to customers and accrued interest					
receivables	445	(195)	-	-	250
Properties for sale	132	-	-	-	132
Premises, equipment, and intangible assets	3,226	(117)	456	-	3,565
Others	494	(197)	-	-	297
Total	5,277	(509)	343	-	5,111
Net	1,399	1,059	(386)	(13)	2,059

Notes to the financial statements

For the year ended 31 December 2023

	Bank only				
	(Charged) / Credited to:				
	At 1 January 2022	Profit or loss	Other comprehensive income	Others	At 31 December 2022
		(note 18.2)			
		(in million Baht)			
<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	166	-	-	1,890
Properties for sale	82	37	-	-	119
Premises, equipment, and intangible assets	132	(12)	-	-	120
Provisions for employee benefits	325	71	(4)	-	392
Provisions for other liabilities	406	171	-	(44)	533
Deferred revenue and other liabilities	1,949	371	-	-	2,320
Others	389	(25)	(4)	(7)	353
Total	5,815	801	111	(51)	6,676
<i>Deferred tax liabilities</i>					
Investments	151	-	1	-	152
Investments in subsidiaries and associates	828	-	-	-	828
Loans to customers and accrued interest receivables	677	(232)	-	-	445
Properties for sale	114	18	-	-	132
Premises, equipment, and intangible assets	3,436	(187)	(23)	-	3,226
Others	856	(362)	-	-	494
Total	6,062	(763)	(22)	-	5,277
Net	(247)	1,564	133	(51)	1,399

As at 31 December 2023, the Bank has the unused tax loss totaling 15,464 million arising from investment in a subsidiary company that has already completed the liquidation process, which will expire by 2028. The Bank has not recognised deferred tax assets in respect of this loss as the management assessed that there is an estimation uncertainty of the Bank's future taxable profits.

18.2 Income tax

Income tax recognised in profit or loss

		Consolidated		Bank only	
	Note	2023	2022	2023	2022
		(in million Baht)			
Current tax expense					
Current period		152	4,992	-	4,917
Under (over) provided in prior years		(4)	17	(4)	1
		<u>148</u>	<u>5,009</u>	<u>(4)</u>	<u>4,918</u>
Deferred tax expense					
Movements in temporary differences	18.1	(1,128)	(1,657)	(1,059)	(1,564)
		<u>(1,128)</u>	<u>(1,657)</u>	<u>(1,059)</u>	<u>(1,564)</u>
Total		(980)	3,352	(1,063)	3,354

Notes to the financial statements

For the year ended 31 December 2023

For the year ended 31 December 2023, the Bank has no income tax paid as it has utilised the tax loss arising from investment in a subsidiary company that has already completed the liquidation process.

Income tax recognised in other comprehensive income

	Consolidated					
	Before tax	2023 Tax (expense) benefit	Net of tax	Before tax	2022 Tax (expense) benefit	Net of tax
			(in million Baht)			
Investments	(183)	37	(146)	(603)	121	(482)
Premises and equipment	2,282	(457)	1,825	(119)	24	(95)
Provisions for employee benefits	(113)	23	(90)	14	(3)	11
Others	(55)	11	(44)	20	(5)	15
Total	1,931	(386)	1,545	(688)	137	(551)

	Bank only					
	Before tax	2023 Tax (expense) benefit	Net of tax	Before tax	2022 Tax (expense) benefit	Net of tax
			(in million Baht)			
Investments	(120)	24	(96)	(587)	117	(470)
Premises and equipment	2,282	(457)	1,825	(119)	24	(95)
Provisions for employee benefits	(112)	23	(89)	20	(4)	16
Others	(119)	24	(95)	20	(4)	16
Total	1,931	(386)	1,545	(666)	133	(533)

Reconciliation of effective tax rate

	Consolidated			
	Rate (%)	2023 (in million Baht)	Rate (%)	2022 (in million Baht)
Profit before income tax		17,480		17,547
Income tax using the Thai corporation tax rate	20	3,496	20	3,510
Deferred tax expenses which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the year	-	-	-	23
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	(26)	(4,472)	(1)	(198)
Under (over) provided in prior years	-	(4)	-	17
Total	(6)	(980)	19	3,352

Notes to the financial statements

For the year ended 31 December 2023

	Bank only			
	2023		2022	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax		17,364		17,460
Income tax using the Thai corporation tax rate	20	3,473	20	3,492
Deferred tax expenses which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the year	-	-	-	23
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	(26)	(4,532)	(1)	(162)
Under (over) provided in prior years	-	(4)	-	1
Total	(6)	(1,063)	19	3,354

19 Deposits

19.1 Classified by type of deposits

	Consolidated		Bank only	
	2023	2022	2023	2022
	(in million Baht)			
Current	85,147	84,424	85,209	84,780
Savings	861,412	1,083,097	862,630	1,083,472
Term	441,949	231,761	442,049	231,861
Total	1,388,508	1,399,282	1,389,888	1,400,113
Less prepaid interest expenses	(1,927)	(35)	(1,927)	(35)
Total	1,386,581	1,399,247	1,387,961	1,400,078

19.2 Classified by currency and residency of depositors

	Consolidated					
	2023			2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	(in million Baht)					
Baht	1,357,824	13,569	1,371,393	1,376,635	13,944	1,390,579
US Dollar	12,832	793	13,625	6,480	1,017	7,497
Other currencies	1,557	6	1,563	1,159	12	1,171
Total	1,372,213	14,368	1,386,581	1,384,274	14,973	1,399,247

	Bank only					
	2023			2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	(in million Baht)					
Baht	1,359,204	13,569	1,372,773	1,377,466	13,944	1,391,410
US Dollar	12,832	793	13,625	6,480	1,017	7,497
Other currencies	1,557	6	1,563	1,159	12	1,171
Total	1,373,593	14,368	1,387,961	1,385,105	14,973	1,400,078

20 Interbank and money market items (liabilities)

Interbank and money market (liabilities) as at 31 December 2023 and 2022 were as follows:

	Consolidated and Bank only	
	2023	2022
	(in million Baht)	
Domestic items		
Bank of Thailand and Financial Institutions Development Fund	17,942	16,000
Commercial banks	49,949	38,807
Specialised financial institutions	10,533	17,514
Other financial institutions	8,757	11,420
Total domestic items	87,181	83,741
Foreign items		
US Dollar	149	227
Other currencies	464	802
Total foreign items	613	1,029
Total domestic and foreign items	87,794	84,770

21 Financial liabilities measured at fair value through profit or loss

	Consolidated and Bank only	
	2023	2022
	(in million Baht)	
Structured notes	1,816	438
Total	1,816	438

The effects of changes in that liability's all risk in profit or loss consisted of:

	Consolidated and Bank only	
	2023	2022
	(in million Baht)	
The difference between the carrying amount and the amount would be contractually required to pay at maturity	23	138

22 Debts issued and borrowings

		Interest rates				Consolidated			
		as at				2023	2022		
	Currency	31 December 2023	Maturities	Domestic	Foreign	Total	Domestic	Foreign	Total
		(%)				(in million Baht)			
Subordinated debentures ⁽¹⁾	THB	4.00	2024 ⁽²⁾	30,000	-	30,000	30,000	-	30,000
Subordinated debentures ⁽¹⁾	USD ⁽⁴⁾	4.90	2024 ⁽²⁾	-	6,409	6,409	-	8,491	8,491
Senior debentures	THB	2.50 - 2.80	2023 - 2024	6,898	-	6,898	5,000	-	5,000
Senior debentures	USD ⁽⁴⁾	6mSOFR+1.47826 and 6mSOFR+1.15	2025 - 2027	-	10,267	10,267	-	10,369	10,369
Senior debentures	EUR ⁽⁴⁾	0.85	2024	-	5,895	5,895	-	5,708	5,708
Bills of exchange ⁽³⁾ and promissory notes	THB	2.15 and 0.05 - 2.50	At call and 2012	9	-	9	9	-	9
Other borrowings	THB	0.00	2023 - 2024	2	-	2	12	-	12
Other borrowings	EUR ⁽⁴⁾	0.75	2023 - 2031	-	51	51	-	55	55
Total				36,909	22,622	59,531	35,021	24,623	59,644

⁽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.

⁽⁴⁾ Balance denominated in USD and EUR currencies are stated in Baht equivalents.

Notes to the financial statements

For the year ended 31 December 2023

	Currency	Interest rates		Maturities	Domestic	Foreign	Bank only			
		as at					2023		2022	
		31 December 2023								
		(%)								
		(in million Baht)								
Subordinated debentures ⁽¹⁾	THB	4.00	2024 ⁽²⁾	30,000	-	30,000	30,000	-	30,000	
Subordinated debentures ⁽¹⁾	USD ⁽⁴⁾	4.90	2024 ⁽²⁾	-	6,409	6,409	-	8,491	8,491	
Senior debentures	USD ⁽⁴⁾	6mSOFR+1.47826	2025 - 2027	-	10,267	10,267	-	10,369	10,369	
		and 6mSOFR+1.15								
Senior debentures	EUR ⁽⁴⁾	0.85	2024	-	5,895	5,895	-	5,708	5,708	
Bills of exchange ⁽³⁾ and promissory notes	THB	2.15 and 0.05 - 2.50	At call and 2012	9	-	9	9	-	9	
Other borrowings	THB	0.00	2023 - 2024	2	-	2	12	-	12	
Other borrowings	EUR ⁽⁴⁾	0.75	2023 - 2031	-	51	51	-	55	55	
Total				30,011	22,622	52,633	30,021	24,623	54,644	

⁽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.

⁽⁴⁾ Balance denominated in USD and EUR currencies are stated in Baht equivalents.

22.1 Subordinated debentures

22.1.1 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

22.1.2 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.

During 10-18 August 2023, 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 58 million, the total value of the repurchase was USD 213 million, representing 53.18%. The outstanding balance remained at USD 187 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 6 months term SOFR +1.47826% 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.

Notes to the financial statements

For the year ended 31 December 2023

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 6 months term SOFR +1.47826% 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 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 6 months term 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.

22.2.5 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.

22.2.6 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.

The debenture was matured on 5 January 2023, which has already fully paid.

22.2.7 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.

The debenture was matured on 15 June 2023, which has already fully paid.

22.2.8 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.

The debenture was matured on 3 October 2023, which has already fully paid.

22.2.9 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.

The debenture was matured on 14 December 2023, which has already fully paid.

22.2.10 On 13 January 2023, a subsidiary issued secured Senior Debentures of Baht 1,600 million with a 153-day maturity and carrying a fixed interest rate of 1.55% per annum, payable at the maturity which was fully guaranteed by the Bank.

The debenture was matured on 15 June 2023, which has already fully paid.

22.2.11 On 23 June 2023, a subsidiary issued secured Senior Debentures of Baht 3,600 million with a 174-day maturity and carrying a fixed interest rate of 2.30% per annum, payable at the maturity which was fully guaranteed by the Bank.

The debenture was matured on 14 December 2023, which has already fully paid.

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22.2.12 On 10 November 2023, a subsidiary issued secured Senior Debentures of Baht 500 million with a 215-day maturity and carrying a fixed interest rate of 2.80% per annum, payable at the maturity which was fully guaranteed by the Bank.

22.2.13 On 10 November 2023, a subsidiary issued secured Senior Debentures of Baht 270 million with a 94-day maturity and carrying a fixed interest rate of 2.57% per annum, payable at the maturity which was fully guaranteed by the Bank.

22.2.14 On 15 November 2023, a subsidiary issued secured Senior Debentures of Baht 530 million with a 92-day maturity and carrying a discount rate of 2.57% per annum which was fully guaranteed by the Bank.

22.2.15 On 14 December 2023, a subsidiary issued secured Senior Debentures of Baht 2,000 million with a 43-day maturity and carrying a fixed rate interest rate of 2.50% per annum, payable at the maturity which was fully guaranteed by the Bank.

22.2.16 On 14 December 2023, a subsidiary issued secured Senior Debentures of Baht 3,600 million with a 182-day maturity and carrying a fixed rate interest rate of 2.80% per annum, payable at the maturity which was fully guaranteed by the Bank.

22.3 Other borrowings

Borrowings with specific uses (other borrowings) as at 31 December 2023 and 2022 were as follows:

Borrowings from	Objectives of borrowings	Consolidated and Bank only			
		2023		2022	
		Outstanding balances	Baht equivalent (in million Baht)	Outstanding balances	Baht equivalent (in million Baht)
National Science and Technology Development Agency	For enterprises involving in research and development activities	Baht 2 million	2	Baht 12 million	12
KfW Bankengruppe (KfW)	For small industry businesses	EUR 1.3 million	51	EUR 1.5 million	55
Total			53		67

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 2023 and 2022, the Bank and its subsidiaries contributed Baht 770 million and Baht 758 million, respectively, to the funds (*Bank only: Baht 741 million and Baht 736 million, respectively*).

23.2 Defined benefit plans

23.2.1 Detail of defined benefit plans

	Consolidated		Bank only	
	2023	2022	2023	2022
		(in million Baht)		
Post-employment benefit plans	4,230	3,872	4,071	3,745
Total	4,230	3,872	4,071	3,745

23.2.2 Movement in post-employment benefit obligations

	Consolidated		Bank only	
	2023	2022	2023	2022
		(in million Baht)		
Beginning balance	3,872	3,784	3,745	3,740
Employee benefits obligations transferred in/ (out)	-	-	(11)	(75)
Included in profit or loss				
Current service cost	431	426	415	415
Past service cost	33	123	32	120
Interest on obligation	97	64	94	63
	561	613	541	598
Included in other comprehensive income				
Actuarial (gain) loss	117	(14)	112	(20)
Others				
Benefits paid	(320)	(511)	(316)	(498)
	(320)	(511)	(316)	(498)
Ending balance	4,230	3,872	4,071	3,745

Actuarial (gain) loss recognised in other comprehensive income arising from:

	Consolidated		Bank only	
	2023	2022	2023	2022
		(in million Baht)		
Demographic assumptions	61	69	59	66
Financial assumptions	17	37	17	35
Experience adjustments	39	(120)	36	(121)
Total	117	(14)	112	(20)

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	
	2023	2022	2023	2022
		(%)		
Discount rate	2.62 - 3.11	2.45 - 3.19	2.62	2.66
Future salary growth	4.00	4.00	4.00	4.00
Staff turnover rates	0.00 - 26.00	0.00 - 25.00	0.00 - 26.00	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 2023				
	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%	(345)	-1%	396
Future salary growth	+1%	423	-1%	(375)
Turnover rate	+1%	(366)	-1%	232
Future mortality	+1 year	19	-1 year	(19)

Consolidated 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%	(336)	-1%	385
Future salary growth	+1%	369	-1%	(329)
Turnover rate	+1%	(356)	-1%	229
Future mortality	+1 year	18	-1 year	(18)

Bank only 2023				
	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%	(331)	-1%	379
Future salary growth	+1%	405	-1%	(359)
Turnover rate	+1%	(351)	-1%	224
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)

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:

	Consolidated			Total
	Obligation for litigation cases and other claims (note 35.2)	Allowance for expected loss of credit commitments and financial guarantee contracts	Others	
	(in million Baht)			
Beginning balance	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
Provision increase (decrease)	(87)	62	81	56
Paid during the year	(287)	-	(97)	(384)
At 31 December 2023	204	2,022	108	2,334

	Bank only			Total
	Obligation for litigation cases and other claims (note 35.2)	Allowance for expected loss of credit commitments and financial guarantee contracts	Others	
	(in million Baht)			
Beginning balance	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
Provision increase (decrease)	(87)	62	80	55
Paid during the year	(287)	-	(97)	(384)
At 31 December 2023	204	2,022	107	2,333

Notes to the financial statements

For the year ended 31 December 2023

25 Deferred revenue

	Consolidated		Bank only	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Deferred revenue				
- Funds and Bancassurance	15,836	17,156	15,836	17,156
- Credit card	614	498	614	498
- Others	291	296	292	298
Total	16,741	17,950	16,742	17,952

26 Other liabilities

	Consolidated		Bank only	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Accrued expenses	8,825	6,843	8,573	6,640
Accrued interest expenses	2,073	849	2,062	845
Deposits and guarantees received	461	951	459	951
Collateral on derivative transactions	2,483	3,812	2,483	3,812
Suspense accounts electronic money and money transferred*	445	393	445	393
Lease liabilities**	1,477	1,577	1,426	1,529
Suspense accounts - others	4,601	2,938	4,589	2,933
Other payables	529	668	524	662
Corporate income tax payable	64	2,585	-	2,519
Others	3,332	2,986	3,309	2,956
Total	24,290	23,602	23,870	23,240

* 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 2023 and 2022 in the amount of Baht 1,300 million and Baht 2,500 million, respectively.

** As at 31 December 2023, the amount recorded was calculated from total undiscounted lease liabilities of Baht 1,555 million and Baht 1,503 million in the consolidated and the Bank's financial statements, respectively (2022: Baht 1,641 million and Baht 1,592 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:

Notes to the financial statements

For the year ended 31 December 2023

Consolidated and Bank only 2023					
	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
Financial assets					
Reverse sale-and- repurchase	168,170	-	168,170	(168,170)	-
Derivatives assets	5,471	-	5,471	(2,483)	2,988
Total	173,641	-	173,641	(170,653)	2,988
Financial liabilities					
Sale-and-repurchase	56,500	-	56,500	(56,500)	-
Derivatives liabilities	2,449	-	2,449	(253)	2,196
Total	58,949	-	58,949	(56,753)	2,196

Consolidated and Bank only 2022					
	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
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

Notes to the financial statements

For the year ended 31 December 2023

Reconciliation to the net amounts of financial assets and financial liabilities presented in the statement of financial position are as follow:

Consolidated 2023					
Type of financial instruments	Amount presented in statement of financial position (in million Baht)	Items in statement of financial position	Note	Carrying amount in statement of financial position (in million Baht)	Carrying amount in statement of financial position that are not qualify for offsetting (in million Baht)
Financial assets					
Reverse sale-and-repurchase	168,170	Interbank and money market items (Assets)	8	267,486	99,316
Derivatives assets	5,471	Derivatives assets	10	7,236	1,765
Total	173,641			274,722	101,081
Financial liabilities					
Sale-and-repurchase	56,500	Interbank and money market items (Liabilities)	20	87,794	31,294
Derivatives liabilities	2,449	Derivatives liabilities	10	5,707	3,258
Total	58,949			93,501	34,552

Consolidated 2022					
Type of financial instruments	Amount presented in statement of financial position (in million Baht)	Items in statement of financial position	Note	Carrying amount in statement of financial position (in million Baht)	Carrying amount in statement of financial position that are not qualify for offsetting (in million Baht)
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

Notes to the financial statements

For the year ended 31 December 2023

			Bank only 2023		
Type of financial instruments	Amount presented in statement of financial position (in million Baht)	Items in statement of financial position	Note	Carrying amount in statement of financial position (in million Baht)	Carrying amount in statement of financial position that are not qualify for offsetting
Financial assets					
Reverse sale-and-repurchase	168,170	Interbank and money market items (Assets)	8	267,469	99,299
Derivatives assets	5,471	Derivatives assets	10	7,236	1,765
Total	173,641			274,705	101,064
Financial liabilities					
Sale-and-repurchase	56,500	Interbank and money market items (Liabilities)	20	87,794	31,294
Derivatives liabilities	2,449	Derivatives liabilities	10	5,707	3,258
Total	58,949			93,501	34,552

			Bank only 2022		
Type of financial instruments	Amount presented in statement of financial position (in million Baht)	Items in statement of financial position	Note	Carrying amount in statement of financial position (in million Baht)	Carrying amount in statement of financial position that are not qualify for offsetting
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

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).

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 1.15 per share for TTB TSRP 2021. Details were as follows:

The offering of new ordinary shares	Par value (Baht/ shares)	Offering Price	The offering of new ordinary shares	Ordinary shares issued to employees ⁽¹⁾	Unallocated ordinary shares ⁽²⁾	Balance of new ordinary shares unissued as at 31 December 2023
TTB TSRP 2021	0.95	1.15	305,000,000	(288,653,674)	(16,346,326)	-

⁽¹⁾ The shares will be gradually issued on an annual basis over three years since the offering of such ordinary shares.

⁽²⁾ The unallocated ordinary shares were the shares allocated to employees who did not meet the conditions of the program.

28.2 Reconciliation of issued and paid-up ordinary share capital, share premium and other reserve - share-based payments

	Consolidated and Bank only 2023			
	Issued and paid-up ordinary share capital		Share premium	Other reserve share-based payments
	(shares)	(Baht)	(Baht)	
Balance - beginning of the year	96,776,073,897	91,937,270,202	43,360,226,987	70,713,817
Reserve in relation to share- based payments	-	-	-	135,459,055
Issued ordinary shares to employees	79,623,874	75,642,680	15,924,775	(91,567,455)
Met the defined criteria under Employee Joint Investment Program	-	-	-	(48,999,015)
Issued ordinary shares under the TTB-W1 Warrants Program	245,790,206	233,500,696	-	-
Expenses in relation to issuance of ordinary shares	-	-	(2,167,734)	-
Balance - end of the year	97,101,487,977	92,246,413,578	43,373,984,028	65,606,402

29 Share capital

	Par value per share (in Baht)	2023		2022	
		Number	Amount (million shares / million Baht)	Number	Amount
Authorised shares at 31 December	0.95	97,831	92,939	97,831	92,939
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	0.95	96,776	91,937	96,623	91,792
Issue of new shares	0.95	325	309	153	145
At 31 December					
- ordinary shares	0.95	97,101	92,246	96,776	91,937

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.

The Bank issued ordinary shares under the TTB-W1 Warrants Program of 1,420,100 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 5 April 2023.

The Bank issued ordinary shares under the TTB-W1 Warrants Program of 87,912,357 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 2023.

The Bank issued ordinary shares under the TTB Stock Retention Program 2021 of 79,623,874 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 2 October 2023.

The Bank issued ordinary shares under the TTB-W1 Warrants Program of 156,296,307 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 4 October 2023.

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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 unexercised warrants were as follows:

Warrants	Par value (Baht/shares)	Exercise price	Number of warrants issued and allocated	Exercised warrants (Units)	Balance of unexercised warrants as at 31 December 2023
TTB-W1 Warrants Program	0.95	0.95	965,000,849*	(254,518,023)	710,482,826

* 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)

Details of exercised warrants during the period is mentioned in Note 29.

32 Employee Joint Investment Program

On 21 February 2023, the Board of Directors Meeting No. 2/2023 approved the Employee Joint Investment Program (EJIP). Summary of the program is detail below:

Program tenor:	2 years and 10 months (March 2023 - December 2025)
Eligibility:	Permanent staffs and executives of the Bank and its subsidiaries based on the Bank's defined criteria.
Share contribution:	2 times in March and June 2023.

Program features and operation:	<p>Share contribution consists of employee's contribution and the Bank's contribution based on the Bank's defined criteria.</p> <p>The Bank has delegated to the agent to buy the shares in SET under EJIP Program by the period of each contribution and allocate those shares to program participants' accounts.</p>
Silent period:	<p>Participated staffs and executives can sell their accumulated shares each year as follows:</p> <ul style="list-style-type: none">- By 20 December 2023, not exceeding 20%,- By 20 December 2024, not exceeding 50%,- By 20 December 2025, all accumulated shares can be sold.
Condition of program termination:	<p>The termination of program membership commences once the employee status ends and based on the Bank's defined criteria. The participated staffs must follow the defined criteria relating to shares under the Bank's contribution.</p>

33 Appropriation of profit and dividend payment

- (a) On 26 September 2023, the Board of Directors' Meeting of the Bank passed a resolution approving payment of an interim dividend of Baht 0.05 per share from the Bank's first-half operating profit to the ordinary shareholders, or a total of Baht 4,855 million. The Bank paid such dividend to its shareholders on 25 October 2023.
- (b) On 5 April 2023, the 2023 Annual General Meeting of the Bank's shareholders passed resolutions approving/acknowledging as follows:
- (1) Approving to not allocating net profit from 2022 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) Acknowledging the interim dividend payment to the Bank's ordinary shareholders on 22 September 2022.
 - (3) Approving the payment of a dividend of Baht 0.073 per share from the 2022 operating profit to the Bank's ordinary shareholders, totalling Baht 7,062 million. Since the Bank already paid the interim dividend from the net profit of the Bank's first-half operating profit at the rate of Baht 0.02 per share, totalling Baht 1,933 million to the Bank's ordinary shareholders on 22 September 2022 with approval from the Board of Directors' Meeting, the remaining dividend to be paid was at the rate of Baht 0.053 per share, totalling Baht 5,129 million. The Bank paid such dividend to its shareholders on 3 May 2023.
- (c) 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 as follows:
- (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.

Notes to the financial statements

For the year ended 31 December 2023

34 Assets pledged as collateral and under restriction

Assets pledged as collateral and under restriction as at 31 December 2023 and 2022 were as follows:

	Consolidated and Bank only	
	2023	2022
	(in million Baht)	
Investments in securities		
- Pledged as collateral against repurchase transactions	59,347	55,199
Property foreclosed under restriction	5,729	5,643
Total	65,076	60,842

35 Commitments and contingent liabilities

35.1 Commitments

	Consolidated	
	2023	2022
	(in million Baht)	
Avals to bills	933	1,001
Guarantees of loans/bond	124	39
Liability under unmatured import bills	2,620	2,680
Letters of credit	12,492	16,346
Other commitments		
- Other guarantees	73,582	75,903
- Amount of unused bank overdrafts	114,428	110,888
- Committed line	7,941	6,103
- Others ⁽¹⁾	2,874	934
Total	214,994	213,894

⁽¹⁾ As at 31 December 2023, this included the financial assets accepted as collateral that had been sold or pledged amounting to Baht 1,981 million. The Bank and its subsidiaries are obliged to return those securities in equivalent amount. (2022: there is no financial assets accepted as collateral that had been sold or pledged).

	Bank only	
	2023	2022
	(in million Baht)	
Avals to bills	933	1,001
Guarantees of loans/bond	7,092	5,109
Liability under unmatured import bills	2,620	2,680
Letters of credit	12,492	16,346
Other commitments		
- Other guarantees	73,582	75,903
- Amount of unused bank overdrafts	114,428	110,888
- Committed line	7,941	6,103
- Others ⁽¹⁾	2,874	934
Total	221,962	218,964

⁽¹⁾ As at 31 December 2023, this included the financial assets accepted as collateral that had been sold or pledged amounting to Baht 1,981 million. The Bank is obliged to return those securities in equivalent amount. (2022: there is no financial assets accepted as collateral that had been sold or pledged).

As at 31 December 2023 and 2022, the Bank and its subsidiaries had purchase and sales of investment in debt securities with net sales amounting to Baht 5,208 million and net buys amounting to Baht 51 million, respectively (Bank only: net sales amounting to Baht 5,208 million and net buys amounting to Baht 51 million, respectively), for which the settlement was not due at the reporting date.

Notes to the financial statements

For the year ended 31 December 2023

35.2 Litigation and other claims

- (a) As at 31 December 2023 and 2022, the Bank and its subsidiaries were claimed pursuant to obligations under the letters of guarantee and other claims for 141 cases and 127 cases, respectively (*Bank only: claims for 141 cases and 127 cases, respectively*). The said claims were made against the Bank and its subsidiaries for the approximate liability amounts of Baht 1,777 million ⁽¹⁾ and Baht 1,620 million ⁽¹⁾, respectively (*Bank only: Baht 1,777 million ⁽¹⁾ and Baht 1,620 million ⁽¹⁾, respectively*).
- (b) As at 31 December 2023 and 2022, the Bank and its subsidiaries have recognised provisions for possible loss from the litigation and other claims totalling Baht 204 million and Baht 578 million, respectively (*Bank only: Baht 204 million and Baht 578 million, respectively*). The management considers that the provision established for such potential loss due to the said litigation and other claims is adequate.

⁽¹⁾ Excluding the liabilities of the Bank and its subsidiaries as at 31 December 2023 and 2022 of Baht 660 million and Baht 683 million, respectively (*Bank only: Baht 660 million and Baht 683 million, respectively*), which the Court of First Instance and the Appeals Court dismissed the cases.

36 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.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2023

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 PCL.	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 major shareholders	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 PCL. ⁽¹⁾	Thailand	Before 10 November 2023, 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 Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
Thanachart Fund Management Co., Ltd. ⁽²⁾	Thailand	Before 11 July 2022, Associated, 49.9% shareholding, less than 50% of directors are representatives of the Bank
TMB Asset Management Co., Ltd. ⁽²⁾	Thailand	Before 11 July 2022, Associated, 35% shareholding, less than 50% of directors are representatives of the Bank
Eastspring Asset Management (Thailand) Co., Ltd. ⁽²⁾	Thailand	Associated, 40.5% shareholding, less than 50% of directors are representatives of the Bank

⁽¹⁾ Liquidation registration at Ministry of Commerce had been completed since 10 November 2023.

⁽²⁾ 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

Notes to the financial statements

For the year ended 31 December 2023

36.1 Significant related parties transactions with key management and other related parties

Significant related parties transactions for the year ended 31 December 2023 and 2022 with key management and other related parties were as follows:

	Consolidated 2023					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	<i>(in million Baht)</i>					
1. Major shareholders	440	16	2	-	-	16
2. Subsidiaries	-	-	-	-	-	-
3. Associates	-	1	1,088	4	-	-
4. Key management personnel of the Bank	2	5	-	-	-	-
5. Other related parties	1,241	674	1,277	218	236	309

	Consolidated 2022					
	Interest income	Interest expenses	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	162	169	336

	Bank only 2023					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	<i>(in million Baht)</i>					
1. Major shareholders	440	16	2	-	-	16
2. Subsidiaries	3	9	93	520	455	75
3. Associates	-	1	1,088	4	248	-
4. Key management personnel of the Bank	2	5	-	-	-	-
5. Other related parties	1,241	674	856	218	236	309

	Bank only 2022					
	Interest income	Interest expenses	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	162	169	336

During the year ended 31 December 2023 and 2022, the Bank sold written-off non-performing loans to a subsidiary at selling price of Baht 103 million and 66 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 2023 and 2022, respectively.

Notes to the financial statements

For the year ended 31 December 2023

During the year ended 31 December 2023 and 2022, the Bank sold non-performing loans, with principal totalling approximately Baht 2,463 million and Baht 4,122 million to a subsidiary, respectively. The selling price in lower and excess of the carrying amount of those non-performing loans were presented as “Expected credit loss” and 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 2023 and 2022, respectively.

During the year ended 31 December 2023 and 2022, the Bank sold properties for sale, with carrying amount totalling Baht 999 million and Baht 1,566 million to a subsidiary, respectively. 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 2023 and 2022, respectively.

36.2 Outstanding balances with related parties

As at 31 December 2023 and 2022, significant outstanding balances with related persons or parties were as follows:

36.2.1 Significant balances between the Bank and its subsidiaries and their major shareholders as at 31 December 2023 and 2022 were as follows:

	Consolidated		Bank only	
	2023	2022	2023	2022
	(in million Baht)			
Loans to customers and accrued interest receivables, net				
Ministry of Finance	19,626	25,164	19,626	25,164
Deposits (including interbank and money market items - liabilities)				
ING Bank N.V.	3	3	3	3
Thanachart Capital PCL.	332	1,863	332	1,863

36.2.2 Significant balances between the Bank and its subsidiaries and associates as at 31 December 2023 and 2022 were as follows:

	Consolidated		Bank only	
	2023	2022	2023	2022
	(in million Baht)			
Loans to customers and accrued interest receivables, net				
Phahonyothin Asset Management Co., Ltd	-	-	-	140
Other assets				
Phahonyothin Asset Management Co., Ltd	-	-	2	1
TMBThanachart Broker Co., Ltd.	-	-	24	41
TTB Consumer Co., Ltd.	-	-	2	1
Eastspring Asset Management (Thailand) Co., Ltd.	86	103	86	103
Total	86	103	114	146
Deposits (including interbank and money market items - liabilities)				
Phahonyothin Asset Management Co., Ltd.	-	-	787	53
TBCO PCL.	-	-	-	322
TMBThanachart Broker Co., Ltd.	-	-	473	335
TTB Consumer Co., Ltd.	-	-	119	121
Eastspring Asset Management (Thailand) Co., Ltd.	160	231	160	231
Total	160	231	1,539	1,062

Notes to the financial statements

For the year ended 31 December 2023

	Consolidated		Bank only	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Other liabilities				
Phahonyothin Asset Management Co., Ltd.	-	-	2	2
TTB Consumer Co., Ltd.	-	-	42	39
Total	-	-	44	41
Commitments - Derivatives ⁽¹⁾				
Eastspring Asset Management (Thailand) Co., Ltd.	34	-	34	-
Commitments - Guarantee of bond issuance				
Phahonyothin Asset Management Co., Ltd.	-	-	6,968	5,070

⁽¹⁾ Presented in notional amount

36.2.3 Significant balances between the Bank and its subsidiaries, and their key management personnel as at 31 December 2023 and 2022 were as follows:

	Consolidated		Bank only	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net	59	60	59	60
Deposits	395	408	395	408
Financial liabilities measured at fair value through profit or loss - Structured notes ⁽¹⁾	8	-	8	-

⁽¹⁾ Presented in principle amount and notional amount

36.2.4 Significant balances between the Bank and its subsidiaries, and other related parties as at 31 December 2023 and 2022 were as follows:

	Consolidated		Bank only	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Interbank and money market items - assets and loans to customers and accrued interest receivables, net	28,169	29,574	28,164	29,568
Investments	1,423	1,972	1,423	1,972
Other assets	90	108	62	94
Deposits (including interbank and money market items - liabilities)	30,355	30,573	30,355	30,573
Debts issued and borrowings (including interbank and money market items - liabilities)	10,513	17,500	10,513	17,500
Financial liabilities measured at fair value through profit or loss - Structured notes ⁽¹⁾	4	-	4	-
Other liabilities	84	83	84	71
Commitments - Derivatives ⁽²⁾	45,331	94,972	45,331	94,972
Other commitments	1,295	1,664	1,295	1,664

⁽¹⁾ Presented in principle amount and notional amount⁽²⁾ Presented in notional amount

Notes to the financial statements

For the year ended 31 December 2023

36.3 Senior management personnel compensation

For the year ended 31 December 2023 and 2022, senior management personnel compensation, included in profit or loss, was classified as follows:

	Consolidated		Bank only	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Short-term employee benefits - directors	123	60	123	60
Short-term employee benefits - managements	1,005	930	983	892
Post-employment benefits	93	88	92	87
Share-based payments	63	60	63	60
Total	1,284	1,138	1,261	1,099

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.

36.4 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 36.3 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.

37 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 consistent manner 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.

Notes to the financial statements

For the year ended 31 December 2023

*Information about reportable segments:**For the year ended
31 December 2023*

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	15,510	38,025	3,702	(30)	57,207
Net non-interest income	3,872	7,585	2,651	(513)	13,595
Total operating income	19,382	45,610	6,353	(543)	70,802
Operating expenses	(3,114)	(12,089)	(15,941)	264	(30,880)
Profit from operation	16,268	33,521	(9,588)	(279)	39,922
Expected credit loss					(22,440)
Profit before income tax					17,482
Income tax					980
Profit for the year					18,462

*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

*Reconciliation of reportable segment profit or loss**For the year ended
31 December 2023*

	Net interest income	Net non- interest income	Consolidated Operating expenses (in million Baht)	Expected credit loss
Segment reporting	57,207	13,595	(30,880)	(22,440)
Expected credit loss	-	212	(278)	66
Others	-	(53)	(122)	175
Consolidated financial statements	57,207	13,754	(31,280)	(22,199)

*For the year ended
31 December 2022*

	Net interest income	Net non- interest income	Consolidated Operating expenses (in million Baht)	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	51,617	14,235	(29,952)	(18,353)

	Commercial Banking	Retail Banking	Consolidated 2023 Other segments (in million Baht)	Elimination	Total
Loans to customers	476,040	809,768	41,258	898	1,327,964
Deposits	410,463	977,497	-	(1,379)	1,386,581

	Commercial Banking	Retail Banking	Consolidated 2022 Other segments (in million Baht)	Elimination	Total
Loans to customers	499,560	833,910	42,221	427	1,376,118
Deposits	397,928	1,002,150	-	(831)	1,399,247

38 Financial position and results of operations classified by domestic and foreign business

38.1 As at 31 December 2023 and 2022, the financial position classified by domestic and foreign business was as follows:

	Domestic business	2023 Foreign business	Consolidated 2023 Total (in million Baht)	Domestic business	2022 Foreign business	Total
Total assets	1,824,381	53	1,824,434	1,826,204	75	1,826,279
Interbank and money market items, net (assets)	267,437	49	267,486	187,497	66	187,563
Financial assets measured at fair value through profit or loss	2,470	-	2,470	1,533	-	1,533
Investments, net	179,088	-	179,088	211,432	-	211,432
Investments in subsidiaries and associates, net	8,614	-	8,614	8,574	-	8,574
Loans to customers and accrued interest receivables, net	1,273,136	-	1,273,136	1,326,505	-	1,326,505
Deposits	1,386,581	-	1,386,581	1,399,247	-	1,399,247
Interbank and money market items (liabilities)	87,794	-	87,794	84,770	-	84,770
Debts issued and borrowings	53,122	6,409	59,531	51,153	8,491	59,644

Notes to the financial statements

For the year ended 31 December 2023

- 38.2 The results of operations classified by domestic and foreign business for the year ended 31 December 2023 and 2022 were as follows:

For the year ended 31 December	Consolidated					
	2023			2022		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Interest income	79,132	2	79,134	65,623	4	65,627
Interest expenses	(21,540)	(387)	(21,927)	(13,366)	(644)	(14,010)
Net interest income (expenses)	57,592	(385)	57,207	52,257	(640)	51,617
Net fees and service income (expenses)	10,368	(6)	10,362	10,400	(9)	10,391
Total other operating income	3,325	67	3,392	3,329	515	3,844
Total other operating expenses	(31,276)	(4)	(31,280)	(29,947)	(5)	(29,952)
Profit (loss) from operations before expected credit loss and income tax	<u>40,009</u>	<u>(328)</u>	<u>39,681</u>	<u>36,039</u>	<u>(139)</u>	<u>35,900</u>

39 Interest income

For the year ended 31 December	Consolidated		Bank only	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Interbank and money market items	4,468	1,489	4,468	1,489
Investments and trading transactions	55	27	55	27
Investments in debt securities	2,910	1,782	2,910	1,782
Loans to customers	48,902	39,493	48,765	39,417
Hire purchase and finance leases	22,798	22,834	22,798	22,834
Others	1	2	1	2
Total	<u>79,134</u>	<u>65,627</u>	<u>78,997</u>	<u>65,551</u>

40 Interest expenses

For the year ended 31 December	Consolidated		Bank only	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Deposits	11,195	7,723	11,204	7,730
Interbank and money market items	1,732	482	1,732	482
Contribution to Deposits Protection Agency and BoT	6,434	3,279	6,434	3,279
Debts issued				
- Subordinated debentures	1,709	2,009	1,582	2,009
- Others	798	460	798	413
Borrowings	22	27	20	24
Others	37	30	36	29
Total	<u>21,927</u>	<u>14,010</u>	<u>21,806</u>	<u>13,966</u>

41 Net fees and service income

For the year ended 31 December	Consolidated		Bank only	
	2023	2022	2023	2022
	(in million Baht)			
Fees and service income				
- Acceptance, avals and guarantees	555	617	558	620
- ATM, Debit card, Credit card, Flash card and other banking electronic	4,349	4,087	4,358	4,091
- Sales representative of Funds and Bancassurance	7,122	7,476	6,222	6,841
- Others	1,981	1,845	1,978	1,853
Total	14,007	14,025	13,116	13,405
Fees and service expenses				
- ATM, Debit card, Credit card, Flash card and other banking electronic	(2,742)	(2,795)	(2,740)	(2,794)
- Others	(903)	(839)	(1,327)	(1,053)
Total	(3,645)	(3,634)	(4,067)	(3,847)
Net	10,362	10,391	9,049	9,558

42 Gain on financial instruments measured at fair value through profit or loss, net

For the year ended 31 December	Consolidated		Bank only	
	2023	2022	2023	2022
	(in million Baht)			
Gain (loss) on trading and foreign exchange transactions				
- Foreign currencies and foreign exchange derivatives	1,297	1,853	1,297	1,853
- Interest rates derivatives	106	57	106	57
- Other derivatives	(10)	-	(10)	-
- Debt securities	(3)	(38)	(3)	(38)
Loss on financial instruments designated at FVTPL				
- Structured notes	(25)	(1)	(25)	(1)
Gain (loss) on derivative held for risk management	268	(230)	331	(230)
Gain on others				
- Equity securities	34	52	34	52
Total	1,667	1,693	1,730	1,693

43 Gain (loss) on investments, net

Net gain (loss) on investments included in profit or loss for the year ended 31 December 2023 and 2022 were as follows:

For the year ended 31 December	Consolidated		Bank only	
	2023	2022	2023	2022
	(in million Baht)			
Gain (loss) from derecognition				
- Investments in debt securities measured at FVOCI	52	7	(4)	(4)
- Investments in subsidiary	-	-	(1)	-
Total	52	7	(5)	(4)

44 Expected credit loss

Expected credit loss (reversal) for the year ended 31 December 2023 and 2022 were as follows:

<i>For the year ended 31 December</i>	Consolidated		Bank only	
	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Interbank and money market items	(5)	56	(5)	56
Investments in debt securities measured at FVOCI	(20)	19	(12)	25
Investments in debt securities measured at amortised costs	3	20	3	20
Loans to customers and accrued interest receivables	22,159	17,636	22,261	17,755
Loan commitments and financial guarantee contracts	62	622	62	622
Total	22,199	18,353	22,309	18,478

45 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the year ended 31 December 2023 and 2022 were based on the profit for the year attributable to equity holders of the Bank and the number of ordinary shares outstanding during the year as follows:

<i>For the year ended 31 December</i>	Consolidated		Bank only	
	2023	2022	2023	2022
Profit for the year attributable to equity holders of the Bank <i>(in million Baht)</i>	18,462	14,195	18,426	14,106
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	96,876	96,664	96,876	96,664
Basic earnings per share <i>(in Baht)</i>	0.19	0.15	0.19	0.15

Diluted earnings per share

The calculations of diluted earnings per share for the year ended 31 December 2023 and 2022 were based on the profit for the year attributable to equity holders of the Bank and the 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	
	2023	2022	2023	2022
Profit for the year attributable to equity holders of the Bank <i>(in million Baht)</i>	18,462	14,195	18,426	14,106
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	96,876	96,664	96,876	96,664
Effect of dilutive potential ordinary shares from TTB TSRP 2019, TTB TSRP 2021 and TTB-W1 Warrants <i>(in million shares)</i>	415	430	415	430
Weighted average number of diluted ordinary shares outstanding <i>(in million shares)</i>	97,291	97,094	97,291	97,094
Diluted earnings per share <i>(in Baht)</i>	0.19	0.15	0.19	0.15

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 2,044,214 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 5 January 2024.



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