



>  
TO BE A  
BETTER  
BANK







> Better  
Growth

# BALANCE IS NOT SOMETHING YOU FIND, IT'S SOMETHING YOU CREATE.



## **High-quality, balanced growth.**

Our strategies chart a route that navigates the narrow path between maintaining solid returns and providing comprehensive risk management, and because these are tied to effective cost control, we are able to focus on the growth of our wealth management business. Beyond this, we are always working hard to expand our capabilities, especially with regard to our digital services, and as our customer base expands, we are building a business ecosystem that is allowing us to leverage our access to digital data and technology to respond ever more effectively to consumer demand.



> Better  
Serve

# TOGETHER WE CAN FACE ANY CHALLENGES.



## **Always at our clients' side.**

We provide the foundations on which our partners and clients can thrive, and so together, we can be confident of secure and successful business growth. In a volatile environment that in just a few years has been rocked by crises as diverse and dangerous as the Covid-19 pandemic, the war in Ukraine, the sudden surge in inflation, and an almost unprecedented cycle of interest rate hikes, we are ready to battle alongside our clients to turn every crisis into another opportunity for mutual growth and success.



> Better  
Sustainability

**THE LOFTIER  
THE BUILDING,  
THE DEEPER MUST  
THE FOUNDATION  
BE LAID.**



**The cornerstone of a flourishing and  
sustainable future for SCBX.**

By ensuring strong returns and secure and sustainable profits, we are helping to build impressive rates of growth for companies operating within the SCBX Group, and with us at its base, the Group's future as the most admired regional financial technology group is assured.

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# 2022 Highlights



Assets

**3.4**

Baht trillion



Loans

**2.3**

Baht trillion



Deposits

**2.6**

Baht trillion



CASA

**83%**



CET1

**15.5%**

Net profit

**54.2**

Baht billion

Non-NII growth

**+5.8%**

Operating  
profit growth

**+52%**

Cost-to-income  
ratio

**41.7%\***



Digital users  
on all platforms

**25**  
million



SCB EASY  
users

**14.2**  
million

Digital loan  
growth

**+84%**

Digital  
service

**85.5%**

\* Excluding gain on sale of investment in subsidiaries and Joint Ventures, and business transfer

# Message from the Board of Directors



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**SCB remains committed  
to its vision of becoming  
“the Most Admired Bank”**

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## Dear Shareholders,

2022 marked another year of a significant breakthrough for Siam Commercial Bank (SCB) after the Extraordinary General Meeting of Shareholders (EGM) No. 1/2021 held on November 15, 2021 approved the establishment of SCB X Public Company Limited (SCBX) as the parent company of SCBX Financial Group with the vision to be “the Most Admired Financial Technology Group in ASEAN.” Following the completion of the shareholding restructuring in late April 2022, SCB became a subsidiary of SCBX, which is a major shareholder owning 99.16% equity in SCB, and delisted its securities from the Stock Exchange of Thailand. The transfer of subsidiaries and businesses related to credit cards and unsecured personal loans in accordance with the group restructuring roadmap was completed in December 2022.

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Guided by the group restructuring roadmap, SCB reorganized its governance and management structure to ensure that its Board of Directors and Audit Committee are not the same as those of its parent company with a view to promoting the independence of oversight and aligning the policies of the group and SCB which remains the group’s core business. Further, in response to the resignation of the Chief Executive Officer and the Presidents to serve in SCB’s parent company and other SCBX’s subsidiaries, the Board of Directors appointed a new Chief Executive Officer, effective in August 2022, to achieve management continuity.

Amid such changes, SCB remains committed to its vision of becoming “the Most Admired Bank” for all stakeholders and operates businesses with the aspiration “To Be a Better Bank,” aiming to generate reasonable and sustainable returns with responsibility towards its customers, employees, society, and the environment.

In 2022, Thailand’s overall economy recovered significantly from the economic crisis in 2021 triggered by COVID-19 pandemic and recorded

the GDP growth of 2.6%, which was mainly driven by the tourism sector, while export and investment saw a slower momentum. Due to swelling costs of living and costs of business, household income growth in certain income groups was outpaced by rising living expenses and an uneven recovery was seen across different business sectors. The number of vulnerable households increased considerably by 24% to 2.1 million over the past two years during the COVID-19 pandemic.

Against this backdrop, SCB has been constantly providing relief programs to alleviate financial hardships of affected customers and proactively helping customers to arrive at sustainable solutions by prioritizing the comprehensive debt restructuring program under the Bank of Thailand’s framework to ensure their long-term survival, which means keeping business afloat for corporate customers and restoring financial health for retail customers. Meanwhile, SCB is pivoting from a universal banking model towards targeted areas of specialization, especially in wealth management and bancassurance businesses, with a digital technology and digital

banking focus. As for asset growth, SCB is focusing on quality rather than quantity by carefully weighing risk and return tradeoffs.

Guided by the aforementioned business direction, SCB's 2022 consolidated net profit totaled Baht 54,200 million, an increase of 52.3% year-on-year driven by robust net interest income growth, profits from the divestment of subsidiaries and business transfers according to the group restructuring plan, lower provisions, and effective cost management. The non-performing loan (NPL) ratio decreased to 3.27% at the end of 2022, from 3.79% in 2021, largely as a result of proactive loan classifications and NPL sales. The NPL coverage remained strong at 151.2%, while the capital adequacy ratio decreased from 18.8% in 2021, to 16.6% in 2022, largely because of the special dividend payouts of Baht 61 billion from SCB's 2021 net profit and retained earnings to SCBX to support the business transfers mentioned above.

SCB expects to see the Thai economy growing at 3.4% in 2023 with tourism as a tailwind, especially after the reopening of the People's Republic of China, which will drive private consumption, while potential drastic economic slowdown presents looming threats amid rising global uncertainties. Given this business outlook, SCB will continue to conduct business according to its strategies with an aim of achieving wealth management and digital banking excellence based on a customer-centric business model, delivering satisfactory customer experiences, optimizing its systems to enhance its digital service channels and expand its omnichannel platform, while prioritizing quality asset management and effective cost management.

In closing, the Board of Directors would like to thank our customers and shareholders for your continued support for SCB throughout all these years, and also our executive managements and employees for their earnest dedication and contribution to driving SCB toward becoming "the Most Admired Bank" and for playing a key role in the success of SCBX Financial Group.



**Dr. Vichit Suraphongchai**

Chairman of the Board of Directors



**Mr. Kris Chantanotoke**

Director and Chief Executive Officer

# Board of Directors and Executives

## Board of Directors



**Mr. Vichit Suraphongchai**

Chairman of the Board and Chairman of the  
Corporate Social Responsibility Committee



**ACM. Satitpong Sukvimol**

Director and Member of the  
Corporate Social Responsibility Committee



**Mr. Prasan Chuaphanich**

Director, Chairman of the Executive Committee  
and Member of the Technology Committee



**Mr. Kan Trakulhoon**

Independent Director, Chairman of the Nomination,  
Compensation and Corporate Governance Committee,  
and Member of the Executive Committee



**Mr. Chaovalit Ekabut**

Independent Director and  
Chairman of the Audit Committee



**Mr. Kirk Vanikkul**

Independent Director and Chairman of the Risk Oversight Committee



**Mr. Thaweesak Koanantakool**

Independent Director,  
Chairman of the Technology Committee,  
and Member of the Nomination, Compensation  
and Corporate Governance Committee



**Pol.Col. Thumnithi Wanichthanom**

Director and Member of the Executive Committee<sup>1</sup>



**Mr. Arthid Nanthawithaya**

Director, Member of the Executive Committee and Member of the Technology Committee

Remark: <sup>1</sup> He was appointed as Member of the Executive Committee and vacated his position as Member of the Corporate Social Responsibility Committee on January 17, 2023.



**Mr. Chakkrit Parapuntakul**

Director, Member of the Executive Committee  
and Member of Risk Oversight Committee



**Mr. Pasu Decharin**

Independent Director,  
Member of the Audit Committee,  
and Member of the Risk Oversight Committee



**Miss Lackana Leelayouthayotin**

Independent Director, Member of the Nomination,  
Compensation and Corporate Governance Committee  
and Member of the Corporate Social  
Responsibility Committee



**Mrs. Pantip Sripimol**

Director and Member of the  
Corporate Social Responsibility Committee



**Mr. Prasong Vinaiphat**

Independent Director and Member of the Nomination, Compensation and Corporate Governance Committee



**Mrs. Prisana Praharnkhasuk**

Independent Director and Member of the Audit Committee



**Miss Kulaya Tantitemit**

Newly Appointed Director  
(as of January 24, 2023)



**Mr. Kris Chantanotoke**

Director, Chief Executive Officer,  
Member of the Executive Committee,  
Member of the Risk Oversight Committee and  
Member of the Technology Committee

## Executives

### President and Senior Executive Vice President

(As of February 16, 2023)



**Mr. Orapong Thien-Ngern**

President & Chief Technology Officer



**Mr. Yunyong Thaicharoen**

Senior Executive Vice President, Chief Wholesale Banking Officer and Senior Executive Vice President, Chief Wealth Banking Officer



**Miss Poramasiri Manolamai**

Senior Executive Vice President, Chief Insurance Business Officer



**Mr. Vitoon Pornsakulvanich**

Senior Executive Vice President, Chief Integrated Channels Officer and Senior Executive Vice President, Chief Retail and Business Banking Officer (Acting)



**Mrs. Pikun Srimahunt**

Senior Executive Vice President, Chief SME Banking Officer



**Mr. Chalee Asavathiratham**

Senior Executive Vice President,  
Chief Digital Banking Officer



**Mr. Krieng Wongnongtaey**

Senior Executive Vice President,  
Chief Risk Officer



**Mr. Narong Srichukrin**

Senior Executive Vice President,  
Chief Unsecured Business Officer



**M.L. Chiradej Chakrabandhu**

Senior Executive Vice President,  
Chief Credit Officer

## First Executive Vice President

(As of February 16, 2023)

No	Name		
1	Mr.	Seksan	Pornpairin
2	Mr.	Kiradit	Arromdee
3	Mrs.	Nataya	Sukhum
4	Mr.	Tanik	Tarawisid
5	Miss	Pitiporn	Phanaphat
6	Ms.	Pornpat	Ongnithiwat
7	Mr.	Parnu	Chotiprasidhi
8	Miss	Lalitphat	Toranavikrai
9	Miss	Wannarat	Phanjan
10	Mr.	Worawat	Suvagondha
11	Miss	Soramom	Inkatanuvatana
12	Mr.	Somprawin	Manprasert
13	Miss	Araya	Phuphanich

## Executive Vice President

(As of February 16, 2023)

No	Name		
1	Mr.	Tapakorn	Siritanawutichai
2	Mr.	Seksom	Intralawan
3	Mr.	Ekkapol	Apinun
4	Mr.	Patrick	Poulier
5	Miss	Kanokwan	Jaisri
6	Mr.	Kanabadee	Pholyasrisawat
7	Mr.	Kanin	Rangkla
8	Miss	Chunpen	Vitchichunthakhron
9	Miss	Jinda	Chobpattana
10	Mr.	Chirawat	Chamrasromran
11	Mr.	Chalitti	Nuangchamnong
12	Mr.	Thitipong	Srisomburananont
13	Mrs.	Natthakan	Kanpachai
14	Mr.	Natawat	Saigosoom
15	Mrs.	Tadporn	Hiranyasthiti

No	Name		
16	Mr.	Thanawatn	Kittisuwan
17	Mr.	Theeradate	Sritarachiyanon
18	Mr.	Nuntawat	Surawatsatien
19	Miss	Nipaporn	Kullertprasert
20	Mr.	Patiphan	Lerdprasertsiri
21	Miss	Parichart	Changprai
22	Miss	Piyaahpa	Charoenvej
23	Miss	Phanee	Prachantrikal
24	Mr.	Pornsit	Kridsadapradit
25	Mr.	Yossavee	Suttikulpanich
26	Miss	Ravigunya	Kosaisaevee
27	Mr.	Rungsan	Ongsaranakom
28	Mr.	Rungsi	Vongkitbuncha
29	Miss	Ruttaya	Tongrut
30	Miss	Vachiraporn	Ngaothammasarn
31	Miss	Wijitar	Pumichartpong
32	Mr.	Wittawat	Autsawanapakas
33	Miss	Vipasiri	Chantanumat
34	Mr.	Visit	Yindisiriwong
35	Mr.	Sornchai	Suneta
36	Mr.	Sarunyu	Asavanich
37	Miss	Salisa	Hanpanich
38	Mr.	Sakda	Dumnakkaew
39	Miss	Siriwan	Mangkornkanok
40	Mr.	Somnuek	Siriwan
41	Mr.	Somsakul	Vinichbutr
42	Mrs.	Sakara	Asvaraksh
43	Mr.	Sakkawat	Itthisawad
44	Mr.	Siri	Ruttanawetwong
45	Miss	Soontharee	Rajitprueksa
46	Mrs.	Apiradee	Synsukpermpoon
47	Mr.	Artapong	Porndhiti
48	Miss	Aroonrath	Sangalungkarn
49	Mr.	Akkarapol	Sa-ngasoongsong
50	Miss	Anchalee	Suriyanta
51	Mr.	Arnon	Tonmukayakul

## 5-Year Key Financial Statistics

### Financial Status (Consolidated)

As of December 31,

Unit: Billion Baht

	2022 (TFRS 9)	2021 (TFRS 9)	2020 (TFRS 9)	2019	2018
Total assets	3,367.8	3,314.6	3,278.4	2,963.7	3,187.3
Loans *	2,306.7	2,301.8	2,255.2	2,113.8	2,140.6
Loans and accrued interest receivables, net	2,187.9	2,165.5	2,130.3	2,002.5	2,040.6
Total liabilities	2,946.6	2,871.9	2,866.6	2,562.9	2,806.4
Deposits	2,577.4	2,467.5	2,420.5	2,159.4	2,159.6
Total shareholders' equity	421.3	442.6	411.8	400.8	381.0

\* After deducting deferred revenue

### Financial Results (Consolidated)

For the year ended December 31,

Unit: Billion Baht

	2022 (TFRS 9)	2021 (TFRS 9)	2020 (TFRS 9)	2019	2018
Interest income	125.4	112.2	118.4	135.0	129.1
Less interest expenses	18.9	17.0	21.5	35.6	32.8
Net interest income	106.5	95.2	96.9	99.4	96.4
Non-interest income	58.4*	55.2	47.9	66.7	41.9
Total income	164.8*	150.3	144.8	166.1	138.2
Less operating expenses	64.1	63.5	64.3	70.5	64.6
Pre-provision operating profit	100.7	86.8	80.4	95.6	73.6
Less expected credit loss/impairment loss of loans and debt securities	32.7	42.0	46.6	36.2	24.0
Less income tax and non-controlling interests	13.8	9.2	6.6	18.9	9.5
Net profit (attributable to owners of the Bank)	54.2	35.6	27.2	40.4	40.1

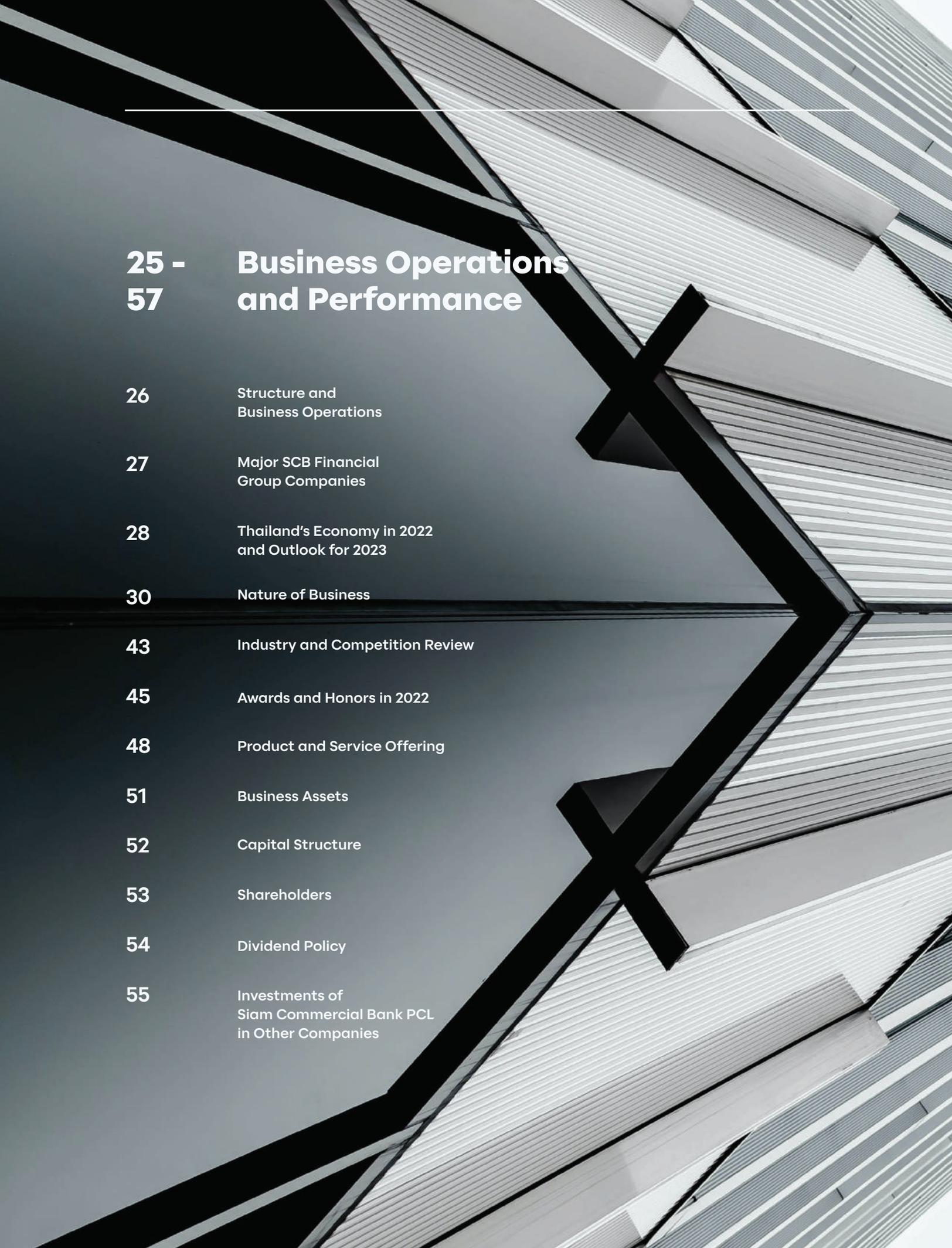
\* Including gain on sale of investment in subsidiaries and Joint Ventures, and business transfer

## Key Financial Ratios (Consolidated)

Unit: Percent

	2022 (TFRS 9)	2021 (TFRS 9)	2020 (TFRS 9)	2019	2018
Profitability ratio					
Return on assets (ROA)	1.6	1.1	0.9	1.3	1.3
Return on equity (ROE)	12.6	8.4	6.7	10.4	10.8
Net interest margin (NIM)	3.3	3.0	3.2	3.3	3.2
Non-interest income to total income	30.8*	36.7	33.1	40.2	30.3
Efficiency ratio					
Cost to income ratio	41.7*	42.3	44.4	42.5	46.8
Cost to assets	1.9	1.9	2.1	2.3	2.1
Financial ratio					
Equity to assets	12.5	13.3	12.5	13.5	11.9
Loans to deposits	89.5	93.3	93.2	97.9	99.1
Capital adequacy ratios of the bank under Basel III framework					
Total capital to risk-weighted assets	16.6	18.8	18.1	16.5	16.6
Tier 1 capital to risk-weighted assets	15.5	17.7	17.0	15.4	14.6
Tier 2 capital to risk-weighted assets	1.1	1.1	1.1	1.1	2.0
Asset quality ratio					
Non-performing loans to total loans	3.27	3.79	3.68	3.41	2.85
Total allowance to non-performing loans (Coverage ratio)	151.2	139.4	140.8	134.1	146.7
Allowance for expected credit loss/doubtful accounts on loans to total loans	5.9	6.6	6.2	5.4	4.8

\* Excluding gain on sale of investment in subsidiaries and Joint Ventures, and business transfer (in case of including gain on sale of investment in subsidiaries and Joint Ventures, and business transfer, non-interest income to total income will be 35.4%, while cost to income ratio will be 38.9%)



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# Business Operations and Performance

## Vision and Core value

### Vision

To be “The Most Admired Bank.”  
In other words, the Bank aspires to be recognized by each of its constituents as follows:

#### Customers

The Most PREFERRED Partner

#### Employees

The Most CARING Employer

#### Shareholders

The Most SUSTAINABLE  
RETURN Company

#### Society and Environment

The Most RESPONSIBLE  
Corporate Citizen

#### Regulators

The Most PRUDENT Bank

### Core Value

The Bank’s core values are known as CRIS, which stands for (CRIS)



**C** : Customer Centricity



**R** : Risk Culture

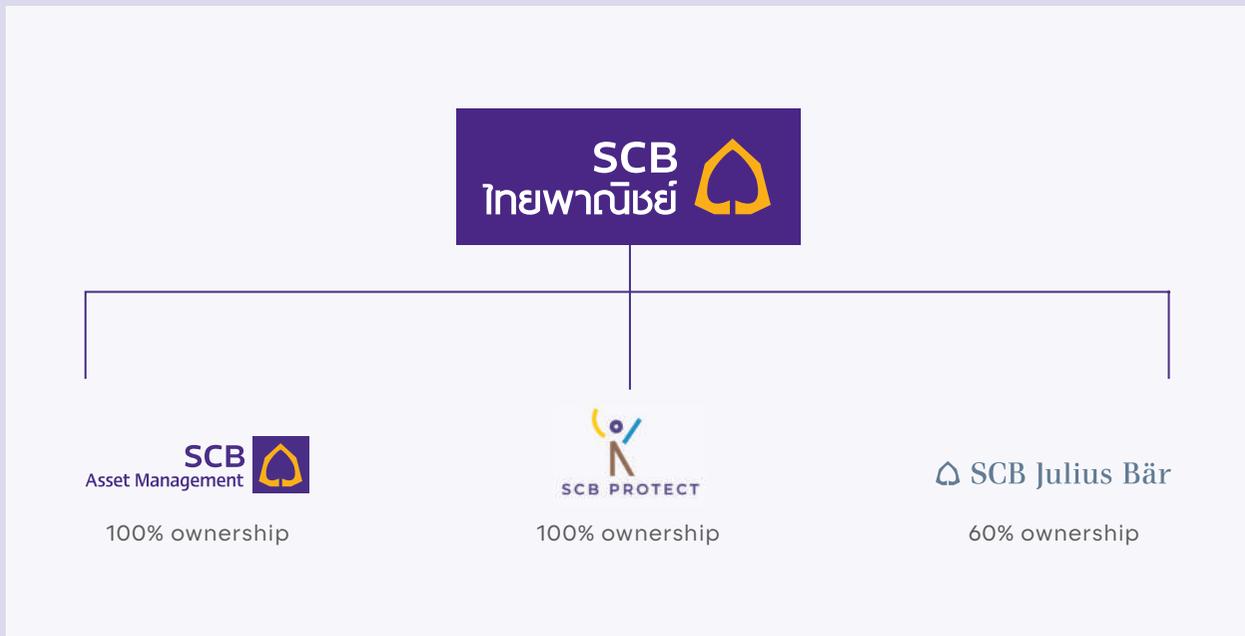


**I** : Innovation



**S** : Speed

## Major SCB Financial Group Companies



### Background

Siam Commercial Bank (SCB) was founded on January 30, 1906 by Royal Charter to serve as the first indigenous bank in Thailand. Throughout its 116 years of operations, the Bank has played a pivotal role in shaping the country's financial services landscape through countless business cycles and political changes. Backed by the strong support of its major shareholders, the Bank has successfully navigated the ups and downs of these changes to become a better and stronger bank today.

Following the Asian financial crisis in 1997, the Bank undertook major recapitalization by joining the Ministry of Finance's Tier 1 Capital Support Scheme

(also known as the August 14, 1998 Measure). As a result, the Ministry of Finance became one of the two largest shareholders of the Bank in May 1999, along with the Crown Property Bureau. The Ministry of Finance subsequently established the Vayupak Fund 1 and transferred a substantial part of its stake to the Fund on December 1, 2003. SCB restructured its organization on April 22, 2022 by establishing a parent company under the name "SCBX" that aims to transform the organization into a regional financial technology group. SCB shares were delisted from the stock exchange and transferred the shareholders to SCBX where SCB operates commercial banking business as a subsidiary under SCBX Public Company Limited.

# Thailand's Economy in 2022 and Outlook for 2023

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The Thai economy  
was expected to  
expand by

**2.6%** in 2022

following recovery  
in the tourism sector,  
private consumption,  
and private investment

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The Thai economy  
is expected to  
grow at

**3.4%** in 2023

driven mainly by tourism  
and private consumption



**The Thai economy in 2022 was expected to expand by 2.6% following recovery in the tourism sector, private consumption, and private investment** after the country reopened with the relaxation of COVID-19 measures in July. The arrival of 11.2 million tourists was higher than expected. Private consumption grew as economic activity was on path to resume normalcy, with support from a labor market that saw the unemployment rate drop for four consecutive quarters to 1.2%, close to the pre-COVID-19 level, in line with improving labor income, especially in the tourism and service sectors. In addition, farm income increased significantly due to high agricultural prices. However, recovery was uneven as merchandise exports, formerly a key driver of the Thai economy, plunged late in the year following a slowdown in global demand. Meanwhile, government stimulus measures subsided after the full disbursement of special COVID-19 loans. **Headline inflation in 2022 accelerated to 6.1% due to high energy and food prices and peaked in the third quarter of 2022 after a slowdown in global energy prices.** However, high inflation had been broadening impacts extended to other goods and services, with increasing signs of cost pass-through to consumer prices. As a result, core inflation sped up, adding more pressure on some households whose incomes grew slower than expenses and were accompanied by high debt.

**The Thai economy in 2023 is expected to grow at 3.4%, driven mainly by tourism and private consumption.** The number of foreign tourists is expected to reach 30 million in 2023, partly thanks to China's lifting of Zero-COVID measures. At least 4.8 million Chinese tourists are expected to visit Thailand this year, which will benefit the tourism sector and related services. In addition, domestic tourism is expected to be near the pre-COVID-19 level, supporting buoyant consumption. However, the outlook for merchandise exports is not that bright in line with a global economic slowdown amid high uncertainty. Thai exports may also face additional pressure from new import tariffs imposed by key trading partners such as Europe and India, which will partially take effect this year. As a result, the value of Thai merchandise exports may grow slightly at only 1.2%. Meanwhile, government spending may decline following a smaller budget deficit. The government will scale down its role in stimulating the economy amid recovery from the COVID-19 pandemic.

**Thai inflation in 2023 will gradually decline but remain above the target.** Headline inflation is expected to be 3.2% due to persistently high domestic energy and food prices, higher than the BOT's target. Core inflation will accelerate partly due to a higher cost pass-through rate. At the same time, labor income will face high uncertainty as the labor market has not yet returned to normal. Hence, the real income of private-sector employees is growing slowly. **Going forward, businesses tend to recover unevenly.** Companies that support domestic consumption recovery or satisfy global trends will recover quickly. In contrast, some businesses will face risks and slow recovery due to global downturn or disruptions from new mega trends such as climate change, innovative technology, and aging societies.

**Thailand's monetary policy tightening was undertaken later than other countries, with an initial policy rate hike in the second half of 2022.** The MPC gradually raised the policy rate 4 times, from 0.5% to 1.50% in January 2023. **For 2023, the policy rate is expected to be hiked two times, to 2% at the end of 2023.** Such a gradual normalization approach would align the monetary policy stance with Thailand's long-term economic growth path, which is expected to return to its potential level by the end of next year. In addition, the end of a temporary cut in financial institutions' contributions to the Financial Institutions Development Fund (FIDF fees) and the quick appreciation of the Thai baht compared to regional currencies will contribute to tightening financial conditions in 2023. Regarding the exchange rate, the Thai baht tends to appreciate in line with the depreciation of the US dollar and will benefit from China's reopening and improvements in Thai economic fundamentals such as the current account surplus and capital inflows to the Thai financial market. Hence, the baht is expected to appreciate and end 2023 at 32-33 baht per US dollar.



## Nature of Business

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In 2022, the Retail  
& Wealth Segment  
contributed

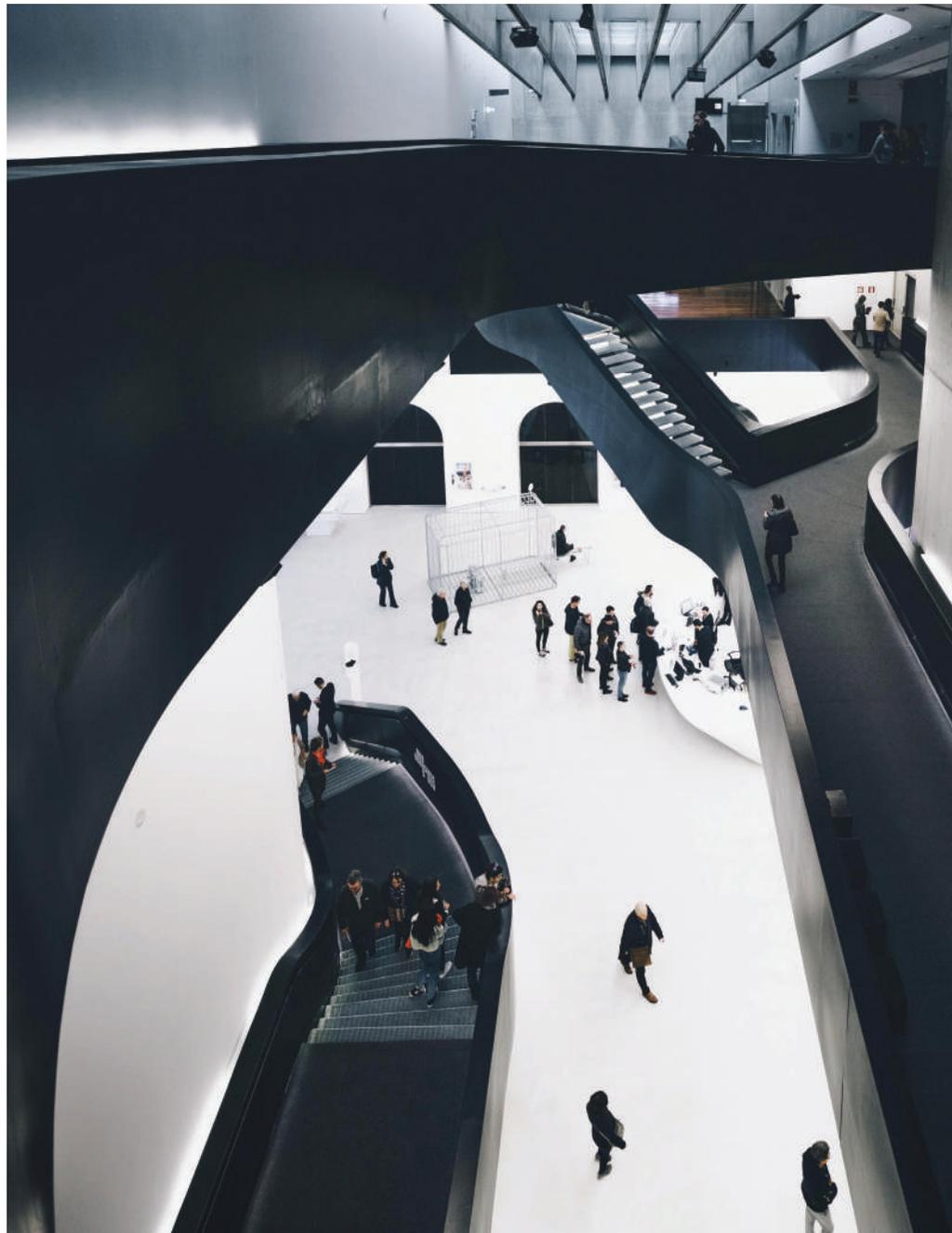
**56%**

of the Bank's revenue

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In 2022, the consolidated  
net profit of SCB  
and its subsidiaries  
totaled up

**52.3%** yoy



## Business Overview and Strategy

### SCB Today

As one of the leading universal banks in Thailand, SCB provides a wide array of financial products and services. Complementing its core transaction services related to deposits and loans, the Bank provides a comprehensive range of products and services to meet all customer segment needs. Retail services include home loans, personal loans, car hire-purchase, credit cards, debit cards, currency exchange facilities, and overseas remittances, as well as investment and bancassurance products. For corporate and SME customers, the Bank offers business cash management services, lending products, trade finance, treasury products, bond and equity products, investment banking & corporate advisory, and other related financial services with a comprehensive service network in line with the ever-advancing world. In addition, there are also services offered by the Bank's subsidiaries as financial specialists meeting specific customer needs. For example, SCB Asset Management Co., Ltd., manages mutual funds, provident funds, and private funds. SCB Protect Co., Ltd., operates a comprehensive life and non-life insurance brokerage business. SCB Julius Baer Co., Ltd., a strategic joint venture, delivers wealth management and impactful advice and solutions to high- and ultra-high-net-worth clients in Thailand.

The Bank's revenue came from three key segments: Corporate, SME, and Retail & Wealth. In 2022, the Retail & Wealth Segment contributed 56% of the Bank's revenue, followed by the Corporate and SME Segments. Given the Bank's strategic direction to grow fee income from bancassurance and wealth management, the contribution from the Retail & Wealth Segment is expected to rise over time. The table below shows a breakdown of the Bank's revenue by customer segment.

Under the new structure, SCB Bank remains the core engine for SCBX. It is positioned to deliver satisfying returns while establishing a robust, secured and sustainable profit base. Continually striving to "Be a Better Bank", SCB Bank aspires toward becoming "the number one digital bank in wealth management, ready to deliver a seamless service experience across channels." The Bank also recognizes the importance of maintaining a well-balanced credit portfolio in order to promote long-term growth. The Bank will now concentrate its operations on secured loans, with the goals of steady expansion of credit and satisfactory returns given the level of risk taken. In times of rising interest rates and a volatile economy, the Bank will give preference to its highest quality customers in order to maintain and improve the quality of its assets. The Bank's operations, including customer service and internal management, will prioritize sustainability practices.

Share of Revenue by Customer Segment (Consolidated)	2022	2021	2020
Corporate Segment	16%	16%	19%
SME Segment	15%	14%	14%
Retail & Wealth Segment	56%	56%	55%
Others *	13%	14%	12%

\* Including Group Treasury, equity investments, subsidiaries, and affiliates whose revenue is not included in customer segments.

## Performance in 2022

Thailand reopened its borders and further eased COVID-19 curbs in July 2022, enabling the banking industry to expand in line with better economic conditions backed by increased tourism, consumption, and private investment. Nevertheless, with uneven and fragile economic growth prospects amid mounting uncertainties, the banking industry will continue to face challenges on multiple fronts, in particular from affected corporate and retail customers. Moreover, intensified competition from new players, especially tech companies, will inevitably affect the Bank's costs and performance. In light of such business environments, the Bank has carefully planned the way forward with a great focus on operations that will tightly control multi-faceted risks and deal with elevated uncertainties. At the same time, the Bank continued to provide assistance to customers under the Bank of Thailand's financial rehabilitation measures for examples, the comprehensive debt restructuring program, the asset warehousing and the debt consolidation, and improved access to credit and financial products, especially for SME and vulnerable low-income customers.

Throughout 2022, the Bank continued to help customers battle through hardships from various crises, including COVID-19 and the Russia - Ukraine war, that have undermined economic conditions both in terms of elevating energy costs and interest rates. The Bank believes such support will help hasten its customers' return to normalcy whilst benefiting their business expansion. With such regard, as of the end of 2022, the loans of SCB Bank under the Blue Scheme comprehensive debt restructuring program stood at 12% of total loans, compared to 10% in 2021.

In 2022, SCB Bank's consolidated net profit totaled Baht 54,200, up 52% yoy, primarily due to gain from sales of subsidiaries and transfer business. The net interest income increased to Baht 106.5 billion boosted by loan growth, wider net interest margins from lower debt restructuring loans, the upward interest rate trend, and strict pricing discipline. However, non-interest income (excluding gains on divestitures and business transfers) continued to see pressures from lower wealth management fees and profits from investments according to unfavorable market conditions. Meanwhile, operating expenses were still under effective cost control, thereby sustaining the cost-to-income ratio (excluding extraordinary items) at 41.7% in 2022.

With a particular focus on quality growth, the Bank was able to optimize returns within its risk tolerance. In light of such a strategy, loan growth in 2022 was largely driven by housing loans and unsecured loans. Meanwhile, deposits increased accordingly, mainly from current and savings deposits. The non-performing loan (NPL) ratio in 2022 improved to 3.27% largely as a result of NPL sales. Nonetheless, as of the end of December 2022, the NPL coverage and capital adequacy ratio remained high at 151.2%

Given a broadened customer reach thanks to new channels, including the SCB EASY App and digital lending platforms that increased the digital customer base and expanded the breadth of offerings, the number of SCB EASY App users surged from 13.1 million at the end of 2021 to 14.2 million at the end of 2022, an increase of 8.4%. Furthermore, SCB EASY App monthly active users stood at 82%. On the other hand, the number of traditional branches throughout the country, including express service points, fell from 792 in 2021 to 766 in 2022.

## Business Plan and Key Performance Targets for 2023

For 2023, the Siam Commercial Bank PCL has set an objective of becoming a “Better Bank”. Key strategic aspirations within three years include building a reputation as a digital bank that offers the best wealth management services in tandem with a seamless omnichannel experience. Highlights of the Bank’s endeavors are as follows:

- **Undertaking full-fledged digital process transformations** to uplift the efficiency and stability of operations. Highlight strategies include developing digital products and services and extending seamless connectivity between customer service points in the digital and physical spaces. At the same time, focus will be put on upgrading and modernizing infrastructure to increase flexibility and widen service coverage. The Bank aims to increase the proportion of digital transactions to 90% of total transactions with such initiatives.
- **Strengthening wealth management capabilities for all customer segments** to offer a comprehensive range of wealth management services according to three strategic pillars, namely 1) offering holistic services designed to answer customer needs with the incorporation of personal wealth management and business aspects, 2) improving the quality of financial advisory services by upgrading the skills of Relationship Managers and leveraging digital advisory tools, and 3) forming partnerships in various fields to provide a complete range of wealth management services.
- **Balancing loan portfolios** and optimizing risk-adjusted returns to deliver satisfactory returns under prudent risk control with appropriate and disciplined operating cost management. The Bank strives to maintain the cost-to-income ratio at 40%, thereby prioritizing high-quality customer segments to improve asset quality amid rising interest rate trends and highly uncertain economic conditions.
- **Endorsing practices that are consistent with sustainability standards.** The Bank aims to become a leading sustainability player that supports customers’ Net Zero transition via offering green loans and financial solutions, in addition to elevating operations to be in line with international Environmental, Social, and Governance (ESG) standards.

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## Corporate Segment

The Bank is committed to playing the role of a “Strategic Business Partner” to meet every need of corporate business customers in a comprehensive manner, including funding support, fundraising, overseas business expansion, electronic financial transactions, and developing new financial products and services that meet the needs of all parties in the business ecosystem of corporate customers, including business owners, business partners, and employees.

In 2023, the Thai economy is likely to expand due to the country’s reopening as well as the reopening of other countries in the region. However, geopolitical issues and the trend of tightening global financial conditions remain key risk factors.

The bank therefore continues to focus on balancing business growth with appropriate credit quality management, as well as taking care of vulnerable debtors, especially when interest rates are on an upward trend.

### Key strategic initiatives are as follows:

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#### 1. Loan portfolio optimization

through adjusting loan portfolios to achieve a rate of return against the level of risk in an appropriate ratio, including closely and efficiently managing NPLs to create long-term sustainability of the Bank’s business.



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## 2. Focus on sustainable growth by targeting potential customers,

especially expanding the customer base of mid-size corporates, and increasing the wallet share of international trade transactions as well as the development of bank products to create new fee income sources.

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## 3. To be a leader in sustainable growth

by applying the Equator Principles as a guideline for project finance as well as inventing other innovative financial products such as Sustainability-Linked Products and Green Bonds/Loans to support the transition to an environmentally and socially friendly low-carbon society. Moreover, the bank also provides investment support that is in line with the country's development direction toward a green economy, including clean energy businesses, electric vehicles, and carbon credit-related businesses.

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## 4. To be a leader in digital products and platforms

such as B2P (Blockchain Solution for Procure-to-Pay) that enhance business process efficiency. It can meet the financial needs of the supply chain network of corporates, as well as focus on reducing service costs and bring in-depth analytics capabilities to better respond to the needs of customers.

Overall, the Bank is committed to creating sustainability for customers, shareholders, and other key stakeholders by being a leader in developing financial products that meet the needs of its customers, being responsible for society and the environment to support sustainable development goals and supporting the Bank's and Thailand's net zero goal in 2050.



## SME Segment

Given the gradual recovery of the Thai economy, economic activities have been restored to their dominant role. Steady recovery may take some time to reach pre-pandemic levels, while the Bank is playing an important role as a catalyst, supporting customers in resuming their business capabilities as soon as possible. The Bank focuses on supporting customers' quality growth for long-term sustainability, including focusing on providing close advisory and services to help SME customers reach their business goals. In 2023, the Bank looks forward supporting the SMEs OF THE FUTURE, mainly by improving their strategies, tactics, and business models to incorporate changes in technology and customer behavior. Moreover, the Bank works on increasing their competitive advantages to align with current business situations and the near future economic context.

### The strategic initiatives seek to:

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#### 1. Focus on understanding customer needs in-depth

to offer the appropriate products, together with improving their knowledge by providing full advisory services to continuously support their business growth.

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#### 2. Focus on portfolio rebalancing

to create optimal portfolios focusing on loan quality with appropriate cost and revenue management as well as a long-term sustainability dimension.

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#### 3. Create a "Digital Commerce Ecosystem"

to accommodate SME entrepreneurs in sustainably growing and expanding their businesses in an era of digital dependency, e.g., the ease and convenience of financial services, digital commerce advisory services, and recommendations to help customers reach online services and expand their business opportunities.

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#### **4. Use technology to uplift business levels and reduce costs**

in every essential aspect of future business operations. Develop digital platforms to stimulate sustainable growth and leverage in-depth data analytics in credit approval efficiency and offer more customized products and services.

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#### **5. The Bank plans to create academy courses for SME entrepreneurs**

to drive business development toward their goals. Courses emphasize sustainable business adaptation while focusing on awareness of the environment, society, and governance (ESG), including in-depth courses by industry, such as:

- Courses to help female entrepreneurs develop innovation-based organizations, including product innovation, process

innovation, as well as adjusting their business models to increase their competitive advantage and help them become business leaders

- Courses for enhancing the productivity of production lines or factories by using new information and technology to analyze productivity and process improvement, reducing wasted work time and production costs, including improving team capabilities, especially business related to ESG
- Courses for professional SME entrepreneurs in various industries, including providing intensive training to assist them with business opportunities to strengthen business growth, transforming business progress to generate wealth and strong growth, and enhancing the potential to inherit a business sustainably from generation to generation

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## **Wealth segment**

The Bank continues to strengthen its wealth management capabilities by providing comprehensive financial solutions and boosting the advisory skills of its wealth advisors. Additionally, the development of digital wealth will be pursued to deliver the best in customer experiences and holistic advisory services personalized to individual customers. The Bank also strongly emphasizes growing its wealth customer base and assets under management, which will eventually result in sustainable profit growth.

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### **Key strategic initiatives are to:**

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#### **1. Provide holistic financial solutions using open architecture frameworks**

to offer a variety of quality product choices meeting diverse customer needs. The Bank is also known as a leader in offering investment products suitable for market challenges, and also provides comprehensive life insurance products offering financial protection, savings, and investment through collaboration with strategic partners.



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## 2. Focus on client portfolio performance

to create good and sustainable short- and long-term returns through various asset allocation frameworks. This will sustainably grow customer wealth even further.

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## 3. Continuously uplift wealth advisory capabilities

to meet international standards through an intensive development program, along with leveraging data and advanced digital technology to enhance customized advisory services and elevate advisory expertise in more sophisticated insurance and investment products.

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## 4. Strategically develop digital wealth projects

to provide hyper-personalized solutions and seamless omnichannel experiences with a human touch.

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## 5. Pursue wealth business through collaboration among SCBX subsidiaries

to create synergy and foster business competency with holistic solution offerings. Partnering with leading Swiss private banking group Julius Baer has enabled the Bank to provide world-class wealth management advisory to meet customer needs both in Thailand and for offshore investment.



## Retail segment

Reflecting the Bank's new "To Be A Better Bank" strategic direction, the strategic priorities of the Retail Segment are to focus on quality growth and long-term sustainability, with a strong emphasis on driving customer engagement by utilizing digital technology capabilities and leveraging ecosystems for the best possible customer experience.

### Key strategic initiatives are to:

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#### 1. Grow a quality portfolio and customer base

by focusing on good quality lending and maintaining market share in housing and auto loans as well as stabilizing a high CASA to Deposit ratio through good customer segments, e.g., payroll, youth, the self-employed, and small entrepreneurs.

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#### 2. Drive engagement through a superior customer experience by directly offering "Credit Power"

to shift power to quality customers in making lending decisions and launching new attractive product value propositions to capture all focused segments. For example, enhancing the LET'S SCB Debit Card with new CVPs and upgrading PLANET SCB with new features, etc.

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#### 3. Go beyond banking through digital innovation and leveraging ecosystems

to grow and engage quality customers, and developing new digital platforms such as, "HOME 360," "SCB Auto Solutions," and "Auto Sales Tool," as well as expanding banking agents and e-KYC coverage to support cross-border payments and the SCBX Group.



## Digital Banking

The Bank's overarching goal in digital banking is to convert the power of advanced data and analytics into products and services which are ever-present, effortless, empathetic, and engaging. We take a unique approach toward digital banking by combining digital products, digital platforms, and analytics into a single organizational unit, providing a coherent and streamlined approach to innovate and monetize our digital products. Our digital banking initiatives work together with our offline team so that our customers enjoy a seamless omnichannel experience when interacting with our bank. We focus on four key strategies:

**Key strategic initiatives are to:**

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### 1. Driving customer engagement

Beyond meeting their daily lifestyle needs and providing information through digital channels, we also create a more superior experience through spending insights, savings notifications, and personalized experiences through data-powered platforms.

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### 2. Innovating new products

This includes new financial solutions and non-financial services that extend beyond traditional banking, especially in payments, secured lending, investment, and insurance for retail customers and small business owners. Our products also provide a seamless experience across digital and omnichannel platforms.

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### 3. Enhanced stability and efficiencies across digital channels

to accommodate the various needs of customers and larger transactions.

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### 4. Personalized assistant services to provide analytics-driven advice to customers

at the right moment based on insights into their behavior and lifestyle through chatbots that help empower customers so that they can achieve their financial objectives

## SCB Asset Management Co., Ltd. (SCBAM)



The Bank provides asset management services by offering products in the form of mutual funds, provident funds, and private funds through its wholly owned subsidiary, SCB Asset Management Co., Ltd. As of December 31, 2022, SCBAM remained the largest asset management company in Thailand in terms of assets under management (AUM), with a total AUM of Baht 1.6 trillion (including mutual funds for resolving financial institution problems). However, AUM at the end of 2022 was 2.9% lower than the prior year, reflecting the industry's net outflows from various types of mutual funds. Meanwhile, inflation has elevated and also propelled the ensuing policy rates spike. With high market volatility, investors' confidence has taken a back seat as markets have plummeted with the looming signs of global recession.

The diversity of our solutions provides clients with more choices to address a wider range of investment offerings, despite the negative impact of market movements. For the mutual fund business, solid investment performance and effective distribution through SCB have enabled SCBAM to gain an 18.3% market share, which amounts to Baht 892 billion in AUM. This total AUM, which represents a decrease of 5.5% from the prior year, includes Baht 192 billion of property funds (Type I) and infrastructure funds, as well as Baht 71 billion of real estate investment trusts (REITs) in net asset value under SCBAM trusteeship.

The company's AUM reached Baht 536 billion at the end of 2022 for the private fund business, a decrease in the growth rate of 0.9%, while AUM for the provident fund business grew 4.2% annually to Baht 183 billion at the end of 2022.

In 2022, SCBAM won several awards from leading Thai and international publications and institutions, including the SET Awards 2022 for Best Asset Management Company Awards - ESG and Outstanding Asset Management Company Awards and Best Overall Asset & Fund Manager of the Year 2022 in Thailand; Best Risk-adjusted Returns in ESG Principal Investment from Alpha Southeast Asia (HK); Best Mutual Fund of the Year 2022 from Money & Banking Magazine in the of SSF Equity Fund (SCBS&P500-SSF) & SSF Fixed Income Fund (SCBSFFPLUS-SSF) categories; and Best Thailand Short Term Bond (SCBRF) from Morningstar Research (Thailand) Limited.



## SCB-Julius Baer Securities Co., Ltd.

SCB-Julius Baer Securities Co., Ltd. ("SCBJB") was established in 2018 as a joint venture between Siam Commercial Bank Public Company Limited ("SCB") with 60 percent shareholdings and Julius Baer Group AG ("Julius Baer") with 40 percent shareholdings. This strategic move combines SCB's strong brand and domestic expertise with Julius Baer's full offerings of international wealth management capabilities for Thai clients. SCB-Julius Baer offers a holistic approach to managing wealth through global investment platforms. SCB-Julius Baer received an industry

accolade for "2022 Best International Private Bank Thailand" from Asian Private Banker. The award truly emphasizes the company's strength and capability in providing international wealth management services.

In 2023, SCB-Julius Baer plans to transform the processes and improve business efficiency in providing best in class services and experience to a wider group of clients; for example, the simplification of account opening process and documentation.



## SCB Protect Company Limited

SCB Protect Company Limited is a wholly owned subsidiary of Siam Commercial Bank. Holding a life and non-life brokerage license, it offers a comprehensive range of insurance products for individual and corporate customers. SCB Protect started expanding into the life insurance business in 2020. Amid the pandemic, Siam Commercial Bank noticed the growing importance of financial protection for the mass market. SCB Protect's mission is to foster financial security in Thai society by working with our insurance partners to provide easy-to-understand insurance products and services that not only respond well to customers' needs but also offer the best value through its distribution channels – Protection Consultants, Telesales, and Digital platforms.

Recording strong operating results in 2022, SCB Protect delivered insurance protection to more than 180,000 customers, representing, a 77% increase in customers from 2021. Insurance premiums from life- and non-life insurance policies totaled 1.7 billion baht, up by 145% from the previous year. Total revenue also rose by 139% year-on-year. In 2022, SCB Protect increased its online insurance product offerings in response to consumers' fast digital adoption. Its platform is

now available on SCB Easy and the platforms of major partners, thus enhancing accessibility to insurance protection for a wider group of consumers. Another key initiative for 2022 is to expand into motor insurance broking, especially with EV cars, by collaborating with several EV partners.

In 2023, SCB Protect plans to drive its growth and profitability further via the integration of online and offline service/sales channels to ensure a seamless customer experience. Regional centers will be set up in key provincial areas to facilitate end-to-end customer services, deliver customer satisfaction, and aid in business expansion. It will continue to deliver excellent insurance services to customers in the mass segments to help strengthen the Thai economy and financial stability at the individual and corporate levels.

## Industry and Competition Review

In 2022, the Thai economy continued to revive following a recovery in the tourism sector, private consumption, and private investment. However, the Thai economy still faces an uneven recovery from a slowdown in the export sector due to a reduction in global demand. In addition, the global economy in 2022 still faced uncertainties continuing from the geopolitical conflict between Russia and Ukraine, bringing challenges to the Thai banking industry. Moreover, Thai banks continue to face stiff competition from digital banking and the uncertainties of global financial markets from rising policy interest rates worldwide. Nevertheless, the industry has been building a strong capital buffer over the years and will remain a key pillar supporting the nation's economic recovery.

In terms of industry size and composition, there were 17 banks operating in Thailand at the end of 2022, 13 of which were commercial banks, a retail bank, and 3 foreign subsidiaries

### Comparison of SCB's performance with the Thai commercial banking sector\*

as of December 31, 2022

Unit: Baht billion

Consolidated	Thai commercial banking sector*		Change yoy	SCB 2022	SCB's market share
	2022	2021			
Assets	21,749	20,908	4.0	3,368	15.5
Gross loans	14,526	14,109	3.0	2,307	15.9
Deposits	15,297	14,786	3.5	2,577	16.9
Net profit	203	183	10.9	54.2	26.7

\* The Thai commercial banking sector as defined here consists of 10 companies in financial industry group classified in banking sector listed on the Stock Exchange of Thailand.

In 2022, banking sector's aggregate net profit surged 10.9% yoy largely due to lower provisioning expenses after banks set aside a strong level of loan loss provision throughout the COVID-19 period. Operating profit rose 3% yoy driven by higher interest income, mainly from both loan expansion and multiple interest rate increases, with the Bank of Thailand increasing its policy rate three times in 2022 to a record high of 125 bps. On the other hand, non-interest income dropped, largely due to the fair value adjustment of financial instruments, which aligned with market conditions.

Total loan volume in the Thai commercial banking sector grew by 3% yoy in 2022, largely driven by loan growth in the corporate and retail sectors. Although the Bank of Thailand has gradually adjusted various COVID-19 relief measures back to normal to align with economic conditions and policy rate directions, commercial banks are still cautious in lending and maintain their underwriting criteria to focus on higher quality customers.

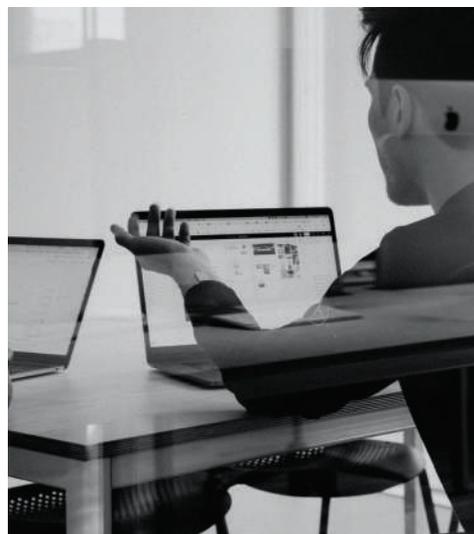
Sector deposits grew 3.5% yoy primarily from savings deposits. SCB's market share as of December 31, 2022, stayed steady at 16.9%, while the market share for loans rose slightly to 15.9%.

The Thai commercial banking sector demonstrated a strong capital position with a 19.4% capital adequacy ratio on a bank-only basis as of December 31, 2022, which far exceeded the minimum capital required under Basel III rules.

As of December 31, 2022, the non-performing loan (NPL) ratio of Thai commercial banks declined by 24 bps to 3.04% from commercial banks' loan portfolio management. Nevertheless, commercial banks still closely monitor the credit quality of certain groups of retail customers with incomes that have not yet recovered.

Overall, commercial banks have lowered their expected credit losses, while maintaining the sector's coverage ratio at 170.4% as of December 31, 2022, to support the trend of credit quality.

Given the current economic uncertainty and on-going disruptions, banks are likely to remain vigilant and maintain a high level of capital to accommodate future changes and uncertainties. As a medium-term objective, banks must continue to innovate and adapt to today's fast-changing world.



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**In 2022, banking sector's  
aggregate net profit surged**

**10.9%** yoy

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**The Thai commercial banking  
sector demonstrated a strong  
capital position with a**

**19.4%** capital adequacy ratio  
on a bank-only basis

which far exceeded the minimum capital  
required under Basel III rules

# Awards and Honors in 2022

## Best Bank in Thailand Awards

- Best Domestic Bank Thailand 2022 (Asiamoney)
- The Banker Awards: Best Bank in Asia Pacific 2022 (The Banker)
- The Banker Awards: Bank of the Year 2022 (The Banker)

SCB is also selected as an excellent bank of the year in Asia-Pacific, being the first and only bank in Thailand to receive this honorary award. SCB also receive the best bank of the year in Thailand in 2022 for the 3<sup>th</sup> consecutive year within 5 years from awards ceremony "Bank of the Year 2022" held by The Banker, the provider of in-depth economic and financial information within The Financial Times Group.

## Sustainability Awards

A member of Dow Jones Sustainability Indices (DJSI) for the World Index and the Emerging Markets Index in the banking sector for the 5<sup>th</sup> year.

- Sustainability Awards Silver Class (S&P Global)
- SET Awards 2022 - Sustainability Excellence for Commended (The Stock Exchange of Thailand)
- Low carbon and Sustainability Awards 2022 – Rising star level (Thailand Greenhouse Gas Management Organization (Public Organization))

## Thailand Corporate Excellence Awards From Thailand Management Association

- Financial Management Excellence
- Leadership Excellence
- Innovation and Creativity Excellence



## Asian Banking & Finance (S.G.) ABF Corporate & Investment Banking Awards 2022

- Corporate & Investment Bank of the Year - Thailand
- Debt Deal of the Year - Thailand

## Alpha SEA (H.K.) The 16<sup>th</sup> Annual Alpha Southeast Asia's Awards 2022

- Best Investment Banking in Thailand
- Best FX Bank for Hedging requirements (Corporates, FIs, Onshore Middle Market & SMEs) – CCS, IRS, Forward & Option
- Best FX Bank for Interest Rates, FX Research and Market Coverage

## Global Business Outlook (U.K.) 8<sup>th</sup> Annual Global Business Outlook Awards

- Most Innovative Digital Transformation Bank - Thailand 2022
- Most Innovative Digital Bank - Thailand 2022
- Best Investment Bank - Thailand 2022

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### The Asset

- Transport Deal of the Year , Thailand
- Editors' Triple Star for PayZave
- Best Service Provider - Trade Finance

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### Asiamoney

- Market Leader (Domestic Banks) for Cash Management in Thailand as voted by corporations

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### The Digital Banker

- Outstanding Supply Chain Solution

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### Refinitiv

- Best USD/THB FX Bank
- First Runner Up Best Foreign Currency FX Bank
- Best Contributor for Overnight Index Swap
- Best Contributor for Interest Rate Swap
- Best Contributor for Local CCY
- Best Contributor for FX Matching

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### The Stock Exchange of Thailand

- Outstanding Deal Awards
- Business Excellence - Deal of the Year Awards 2022 Deal (M&A) including Public Offering (PO) of SIAM MAKRO PUBLIC COMPANY LIMITED
- Best Asset Management Company Awards – ESG (SCBAM)
- Outstanding Asset Management Company Awards (SCBAM)

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### Awards by Business Banking Group

- SMEs Excellence Awards 2022 (TMA)
- Best SME Bank (The Global Economics )
- Best SME Bank in Thailand (Alpha SEA (H.K.))
- Best SME Service Provider (World Business Outlook (H.K.))
- Best SME Bank Thailand 2022 (Global Business Review Magazine)

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### Retail Banking Group

- Best domestic private bank in Thailand 2022 (Asiamoney)
- Best for ESG Investing in Thailand 2022 (Asiamoney)
- Best Private bank for digital wealth planning (PWM)
- Highly Acclaimed , Best Private Bank – Thailand (The Digital Banker)
- Best Private bank for customer service (PWM and Banker magazine)
- Outstanding Private Bank SEA (Private banker international)
- Best Private bank in Thailand (Global Finance)
- Best Domestic Private Bank - Digital and Innovation Services (Asian Private Banker)
- Best Domestic Private Bank - CIO Office (Asian Private Banker)
- Best Domestic Private Bank - Discretionary Portfolio Management (Asian Private Banker)
- Digital CX Awards 2022 (The Digital Banker)
- Domestic Retail Bank of the Year – Thailand (Asian Banking & Finance)
- Digital Business Banking Initiative of the Year – Thailand (Asian Banking & Finance)
- The Innovators (Global Finance)
- Best Retail Bank – Thailand (Retail Banker International)
- Best Debit Card Initiative (Retail Banker International)
- Best Loan Offering (Retail Banker International)
- Best Retail Bank (World Economic Magazine)
- Most Innovative Retail Bank (World Economic Magazine)
- Best Retail Banking Product (World Economic Magazine)



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### Digital Banking Awards

- Thailand Technology Excellence Awards in AI – in the Banking category (The Asian Business Review)
- Thailand Technology Excellence Awards in Connectivity in the Banking category (The Asian Business Review)
- Best in Lending Award (Global Finance)
- Best Frictionless Customer Relationship Management award (The Asian Banker), Thailand Customer Experience of the Year Award - in the Banking category (The Asian Business Review)
- Best Use of Customer Feedback award (The Digital Banker)
- Best Use of CX Technology Award (CX Network)
- Digital Marketing & Sales Award (Quorus-Accenture)

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### Other Awards

- Best places to work in Thailand 2022 (WorkVenture)
- Dream Employer of the Year Award (HRD Congress)
- Outstanding Contribution on Health and Wellness Award (HRD Congress)
- World Asia's Best Employer Brand Awards 2022 (HRD Congress)
- HR Asia Best Companies to Work for in Asia 2022 (HR Asia)
- The Best Learning and Development (PMAT)

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### Marketing Awards

- Excellence in COVID-19 Related Campaign (Marketing-Interactive)
- Excellence in Social Media Marketing (Marketing-Interactive)
- The Most Powerful Brands of Thailand 2022 (Chulalongkorn University)
- Best Brand Performance on Social Media (THAILAND ZOCIAL AWARDS 2022)

# Product and Service Offering

## Funding Policy

The Bank has a policy to ensure balanced growth between sources and uses of funds, taking into account the costs, revenue, and maturity profiles of both sources and uses of funds. The objective is to remain consistent with market conditions without relying on a single source of funding. The Bank's primary source of funding is deposits, and it has developed a policy to maintain a stable deposit base in all market conditions.

## Lending Activities

The Bank has established a clear set of credit policies, strategies, and lending targets, focusing on maintaining credit quality in line with market opportunities, and on adapting to situations and trends following the increasing role of technology and dependence on digital systems and platforms. To increase the ease and convenience of financial services even further, the Bank has combined technology with data to create a digital banking service model. This new approach will enable the Bank to reach out to new customers while satisfying existing customers at a lower cost and with greater efficiency.

These credit-related goals and strategies are determined jointly by business units and the Risk Management Group and are subject to regular review. The Bank's lending policy upholds good environmental, social, and governance practices by adhering to regulatory requirements while considering overall economic growth and specific business trends. The Bank will not fund projects that will have a significant negative impact on society or the environment, or that do not meet international standards. Instead, the Bank places a priority on ensuring that the entire credit process is conducted in accordance with Fair Lending Guidelines to create sustainable value for the Bank and all of its stakeholders.

The Bank marked another key milestone by becoming a signatory of the Equator Principles (EPs) Association in 2021, allowing the Bank to apply the internationally recognized EPs designed for financial institutions as a framework for identifying, assessing, and managing environmental and social risk when financing large projects. This adoption will raise the bar for the Thai banking industry and ensure that the Bank supports projects with appropriate environmental and social risk management implemented to suit the nature and risk level of projects.

As part of its efforts to promote sustainable development and maintain the confidence of the public, the Bank will consider regulatory requirements, overall economic growth, and trends for each type of business, while maintaining adaptability, resilience, the ability to deal with new risk factors, and continually assessing emerging risks.

The Bank defines its Credit Policy Guide (CPG) as the framework of credit operations that will enable the Bank to increase the effectiveness and efficiency of its credit procedures and upgrade operation standards in accordance with applicable regulations, international best practices, and the SCBX Group Risk Management Policy. Underwriting standards have been implemented to serve as a tool for monitoring and outlining strategy in dealing with existing and new clients by specifying target clients, strategies for each client group, strategic objectives, minimum underwriting standards, or other services for target clients or target businesses.

The Bank places a high value on appropriate credit underwriting checks and balances by maintaining a clear distinction between business units and credit approval units.

Business units are responsible for managing relationships, acquiring new clients, creating new markets, and originating loans. These business units are organized based on the nature of each business to best serve different clients, which are categorized into Corporate, SME, SSME, Wealth, and Retail segments.

Credit approval units under the Credit Risk Management Division provide independent advice and recommendations in accordance with the Credit Policy Guide to support authorized approvers in making credit decisions.

In addition, credit approval authority is assigned to reflect different risk profiles and is governed by the three-signature rule.

For the Bank's Retail SSME and Wealth customers, credit approval will be carried out in accordance with product programs or test programs approved by the Executive Committee, the Retail Credit Committee, or the Wealth Credit Committee. Credit approval authority and criteria, including exceptions, are clearly and explicitly specified.

### **Lending Policy**

The Bank's lending policy covers a wide range of business segments, including Retail, Wealth, SSME, SME, and Corporate customers. For business lending, the Bank targets high-potential, high-growth businesses among both existing and new clients. The Bank makes credit decisions based on a customer's cash flow and using alternative data (if any) to analyze the ability to repay, including considering the quality of collateral used for risk mitigation. Recognizing the importance of conserving energy and the environment, the Bank has developed financial products and services to assist customers in migrating to environmentally friendly business operations, including sustainability-linked loans and a variety of green finance facilities.

When information-based lending is required for its retail and small business customers, the Bank shall ensure that any alternative data used is accurate, reasonable, and dependable, and that clear standards and practices are in place.

For Wealth customers, the Bank focuses on providing personal/family loans for wealth management and will analyze repayment ability and loan structure based on product type.

### **Credit Underwriting and Approval Process**

The Bank strives to achieve appropriate risk diversification and reasonable risk-adjusted returns in its credit underwriting process. Each employee involved in the credit process, regardless of his or her level of credit approval authority, is expected to use professional judgment, avoid any conflict of interest, and comply with the Bank's Credit Policy Guide and underwriting standards.

Credit approval authority is delegated to both employees and committees within the Bank. Employees having credit approval authority include: 1) the chief executive officer, 2) the chief risk officer, 3) the chief credit officer, 4) credit risk management, 5) senior credit officers, and 6) credit officers, depending on the individual's experience and expertise.

Approval authority for retail and SSME loans will be delegated to qualified personnel who have met the necessary criteria and passed the necessary tests according to the criteria of the responsible functions.

Committees with credit approval authority are as follows:

1. The Board of Directors has the authority to consider, review, and approve loans within the scope set forth by SCB's rules on credit approval authority. Any lending to SCB-related business entities, SCB major shareholders or their related parties falls within the approval authority of the Board of Directors.

2. The Executive Committee has the authority to consider, review, and approve loans within the scope set forth by SCB's rules on credit approval authority and to make recommendations to the Board of Directors concerning cases that require the Board's approval.
3. The Credit Committee, Retail Credit Committee, Wealth Credit Committee, and Special Assets Committee are responsible for approving loans under their areas of authority and for making recommendations to the Executive Committee or the Board of Directors for cases beyond their scopes of authority.

### **Credit Quality Control and Review**

After a loan has been approved, the Bank will monitor the customer's account regularly as well as conduct periodic customer reviews with an analytic objective that goes beyond ex-post rationalization. The Bank focuses on forward-looking analysis to gain insight on both positive and negative changes in a specific industry or business pertaining to each customer, as well as the customer's future financial status. This approach enables the Bank to review and monitor the risks of each customer in order to formulate appropriate business strategies and action plans going forward.

Each relationship manager and special business officer is responsible for conducting customer reviews when warranted by events that have material impact on customers or by routine customer reviews within a specified timeframe at least once a year. Reports on customer reviews shall be prepared according to a specified format and submitted for approval.

The Bank reviews customer risk ratings for retail and small business clients in order to gain insight into customer behavior and build an appropriate portfolio management plan. It will serve to assess the quality of assets for the development of an early warning system. The reviews are undertaken at least annually, or more frequently if there is a significant change in the risk ratings of the clients.

Depending on a borrower's risk assessment, the Bank will pursue alternative collection techniques for retail and small business customers with delinquent payments, allowing the Collection Unit and/or the Special Business Unit to monitor and reach prompt resolutions.

For Wealth customers, the Bank will monitor return on investment and financial ratios to determine the status of their investments before they become NPLs.

For Corporate and SME customers, the Bank has a policy to enhance monitoring efficiency and asset quality assessment to ensure quick, thorough, and accurate identification of problem loans. The Special Business Unit works closely with business units to oversee and manage customers to prevent NPLs by approaching customers to understand their problems and challenges in order to remedy and prevent loans from turning into NPLs. Moreover, there is a qualitative loan classification that reflects customer quality to ensure that adequate provision is set aside for potential losses.

However, once a loan is classified as non-performing, collection responsibility shall be transferred to the Special Business Unit within one month from the date of NPL classification, for further action by work-out specialists. NPLs that are not transferred to the Special Business Unit shall be approved by the Credit Committee or Retail Credit Committee, as the case may be, to allow business units to continue taking responsibility for their NPLs.

# Business Assets

## Main Fixed Assets for Business Operations

### Premises and equipment, net

As at December 31, 2022 and 2021, the net premises and equipment were as follows:

(Consolidated)	2022	2021
Land	23,401	23,749
Premises and building improvements	27,537	27,684
Equipment	19,210	19,224
Others	281	175
Right-of-use assets	2,739	2,987
<b>Total</b>	<b>73,168</b>	<b>73,819</b>
Less Accumulated depreciation	(29,384)	(28,505)
Allowance for impairment	(126)	(118)
<b>Premises and equipment, net</b>	<b>43,658</b>	<b>45,196</b>

## Investment Policy

The Bank's investments in subsidiaries, affiliates, and other companies as of 31 December 2022 follow two distinct investment management approaches.

### 1. Investment in subsidiaries in SCBX Financial Group

In 2022, SCB Financial Group was restructured by which SCBX Public Company Limited ("SCBX") was founded as a parent company of the Financial Group aiming for overall strategic consistency and management of new business investment. As part of SCBX Financial Group Restructuring plan, SCB transferred its ownership in some subsidiaries to SCBX. SCB currently retains its direct investment in 9 subsidiaries which are in SCBX Financial Group Companies. SCB, in the new chapter of "To Be A Better Bank" strategy, will still focus on quality growth, seamless connectivity between SCB and its subsidiaries.

### 2. Investment in Other Businesses

For investments outside of SCBX Financial Group, the Bank's objectives are to generate investment returns in the form of dividends and capital gains within an appropriate timeframe and/or to build long-term relationship with business partners and customers.

### Investment Oversight and Risk Management

The Bank's investment oversight covers policy formulation, business operations, and risk management for both the overall group and individual business entities by regularly monitoring performance and assessing risk. Moreover, the Bank also has its executives serve as board members of invested companies to ensure that these businesses are operated in a way that meets the Bank's expectations.

## Capital Structure

### The Bank's Stock

#### Registered capital and paid-up capital

Registered capital, as of October 12, 2022, stood at Baht 70,000 million and comprised:

3,417,350,520 ordinary shares with a par value of Baht 10  
3,582,649,480 preferred shares with a par value of Baht 10

Paid-up capital, as of October 12, 2022, stood at Baht 33,992 million and comprised:

3,395,667,075 ordinary shares with a par value of Baht 10 and one voting right per share  
3,525,123 preferred shares with a par value of Baht 10 and one voting right per share

Details about the Bank's shares are available on [www.scb.co.th](http://www.scb.co.th) under the section "Stock Information"

## Shareholders

Principal shareholders (as of October 12, 2022)

No.	Name	Ordinary shares	Preferred shares	Total shares	Percentage of shares
1	SCB X Public Company Limited	3,364,250,368	2,856,918	3,367,107,286	99.06
2	HSBC BANK PLC - ABU DHABI INVESTMENT AUTHORITY RE INSEA	2,728,263	-	2,728,263	0.08
3	STATE STREET EUROPE LIMITED	2,211,402	-	2,211,402	0.07
4	HSBC BANK PLC - HSBC AS DEPOSITARY OF ROYAL LONDON ASIA PACIFIC EX JAPAN EQUITY TILT FUND	1,815,600	-	1,815,600	0.05
5	CLEARSTREAM NOMINEES LIMITED	1,211,555	-	1,211,555	0.04
6	BNP PARIBAS SECURITIES SERVICES, PARIS, SUCCURSALE DE ZURICH	973,226	-	973,226	0.03
7	B.V. Holding Co., Ltd.	904,000	-	904,000	0.03
8	THE BANK OF NEW YORK MELLON DR	842,600	-	842,600	0.02
9	THE BANK OF NEW YORK MELLON DR.	818,572	-	818,572	0.02
10	STATE STREET BANK AND TRUST COMPANY	790,000	-	790,000	0.02
11	OTHERS	19,121,489	668,205	19,789,694	0.58
	<b>TOTAL ISSUED AND PAID-UP SHARES</b>	<b>3,395,667,075</b>	<b>3,525,123</b>	<b>3,399,192,198</b>	<b>100.00</b>

Shareholder structure (as of October 12, 2022)

THAI SHAREHOLDERS	3,376,658,799	3,486,496	3,380,145,295	99.44
FOREIGN SHAREHOLDERS	19,008,276	38,627	19,046,903	0.56
<b>TOTAL ISSUED AND PAID-UP SHARES</b>	<b>3,395,667,075</b>	<b>3,525,123</b>	<b>3,399,192,198</b>	<b>100.00</b>

Remark: Based on issued and paid-up shares (common shares and preferred shares).

# Dividend Policy

## SCB's Dividend Policy

The Bank's Board of Directors has set a policy to pay the maximum dividend with consideration for prudential capital levels and regulatory requirements, which are payable in any year of positive profits net of all legal reserves and other reserve requirements, provided that there is no accumulated loss and the Bank maintains sufficient capital to meet legal requirements.

In 2022, the Bank paid a dividend from 2021 operational results of Baht 4.06 per share to ordinary and preferred shareholders totaling Baht 13,801 million, or 38.8% of the Bank's 2021 consolidated net profit, which was consistent with the Bank of Thailand's circular letter dated November 11, 2021 stipulating that financial institutions can pay dividends from 2021 operational results in an amount not exceeding 50 percent of 2021 net profit. The dividend payout ratio under the BOT circular letter was calculated based on banks' net profit under unconsolidated (bank-only) financial statements.

The dividend payment from the Bank's 2022 operational results will be proposed for approval at the Annual General Meeting of Shareholders in March 2023. In this regard, as the Bank of Thailand stated, the financial institution system remains

strong, with adequate loan loss provision and capital and an improved COVID-19 situation. It should be noted that on June 30, 2022, the Bank of Thailand issued a circular letter on the dividend payment policy, providing a guideline noting that financial institutions are allowed to pay dividends from net profits by maintaining a cautious approach in accordance with their performance and risks that may arise in the future.

## Dividend Policies of SCB Subsidiaries

For a subsidiary over which the Bank has full control and which is not listed on the Stock Exchange of Thailand (SET), dividends shall be paid at the maximum amount of net profits after appropriation for legal reserves or at an appropriate level given the subsidiary's business requirements.

In the case of a subsidiary being a SET-listed company or a company over which the Bank does not have full control, dividend payment will depend on the individual company's dividend policy and shall comply with applicable laws, rules, and regulations.

## Investments of Siam Commercial Bank PCL in Other Companies

As of December 31, 2022 the Bank owned 10% or more of the issued shares of the following companies.

No.	Company name and Address	Type of business	Type of shares	Issued and paid-up capital (Baht)	Paid-up shares	Number of shares	Percentage of ownership*	Amount (Baht)*
<b>Group 1 SCBX Financial Group Companies</b>								
1	THE SIAM COMMERCIAL BANK MYANMAR LTD. Sule Square Office Tower, Unit No.18-06/07, 221 Sule Pagoda Rd., Kyauktada Township, Yangon, Myanmar Tel. +95-9-774-555559, +95-9-773-999919	Banking	Ordinary	USD 150,000,000	1,500,000	1,500,000	100.00%	4,513,500,000
2	CAMBODIAN COMMERCIAL BANK LTD. <sup>(1)</sup> 26 Monivong Rd., Sangkat Phsar Thmei 2, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia Tel: +855 (23) 426-145, 213-601-2	Banking	Ordinary	USD 75,000,000	750,000	750,000	100.00%	2,687,888,635
3	SCB-JULIUS BAER SECURITIES CO., LTD. 108 Sukumvit Rd., North Klongton, Wattana, Bangkok 10110 Tel: 0-2098-9999	Securities	Ordinary	2,650,000,000	265,000,000	158,999,999	60.00%	1,589,999,990
4	SCB PROTECT CO., LTD. G Tower Grand Rama 9, 20 <sup>th</sup> Floor, 9 Rama 9 Rd., Huai Khwang, Huai Khwang, Bangkok 10310 Tel. 0-2037-7899	Insurance broker	Ordinary	513,800,000	83,000,000	82,999,997	100.00%	513,799,970
5	SCB TRAINING CENTRE CO., LTD. 9 Rutchadaphisek Rd., Jatujak, Jatujak, Bangkok 10900 Tel: 081-847-9297	Training center	Ordinary	549,000,000	5,490,000	5,490,000	100.00%	389,504,400
6	SCB ASSET MANAGEMENT CO., LTD. SCB Park Plaza Bldg., Tower 1, 7 <sup>th</sup> - 8 <sup>th</sup> Floor, 18 Rutchadaphisek Rd., Jatujak, Jatujak, Bangkok 10900 Tel: 0-2949-1500	Asset management	Ordinary	100,000,000	20,000,000	20,000,000	100.00%	221,573,983

The Siam Commercial Bank Public Company Limited

Company name and Address	Type of business	Type of shares	Issued and paid-up capital (Baht)	Paid-up shares	Number of shares	Percentage of ownership*	Amount (Baht)*
7 MAHISORN CO., LTD. <sup>(1)</sup> SCB Park Plaza, 18 - 19 Rutchadaphisek Rd., Jatujak, Jatujak, Bangkok 10900 Tel: 0-2937-5400	Property management	Ordinary	66,949,000	669,490	669,490	100.00%	88,168,273
8 RUTCHAYOTHIN ASSETS MANAGEMENT CO., LTD. 9 Rutchadaphisek Rd., Jatujak, Jatujak, Bangkok 10900 Tel: 0-2795-4131	Asset management	Ordinary	25,000,000	2,500,000	2,500,000	100.00%	25,000,000
9 SCB PLUS CO., LTD. G Tower Grand Rama 9, 12nd and 14 <sup>th</sup> Floor, 9 Rama 9 Rd., Huai Khwang, Huai Khwang, Bangkok 10310 Tel: 0-2792-3900	Collection	Ordinary	1,000,000	100,000	100,000	100.00%	1,000,000
<b>Group 2 Non-SCBX Financial Group Companies</b>							
10 WELAB SKY LIMITED Units 05-12, 22/F, K11 Atelier King Rd., 728 King Road, Quarry Bay, Hong Kong	Holding Company	Preferred	USD 188,000,000	403,647,780	50,000,000	12.39%	1,728,120,000
11 THAI OBAYASHI CORP., LTD. O-NES Tower, 9 <sup>th</sup> Floor, 6 Soi Sukhumvit 6, Sukhumvit Rd., Khlong Toei, Khlong Toei, Bangkok 10110 Tel: 0-2252-5200	Construction	Ordinary	10,000,000	20,000	2,000	10.00%	1,484,234,300
12 SCB-JULIUS BAER (SINGAPORE) PTE. LTD. <sup>(2) (3)</sup> 9 Straits View, #08-10A, Marina One West Tower, Singapore 018937 Tel: +65-6973-2020	Securities	Ordinary	SGD 16,700,000	16,700,000	16,700,000	100.00%	394,206,000
13 BCI (THAILAND) CO.,LTD 5/13 Moo 3, 4th Floor, Chaengwattana Rd., Khlongkluea, Pakkret, Nonthaburi 11120 Tel. 088-597-4790	Blockchain platform	Ordinary	530,000,000	53,000,000	11,750,000	22.17%	117,500,000
14 NATIONAL ITMX CO., LTD. 5/13 Moo 3, Chaengwattana Rd., Khlongkluea, Pakkret, Nonthaburi 11120 Tel: 0-2558-7555	Payment system service provider	Ordinary	50,000,000	500,000	114,259	22.85%	103,708,523
15 ESSE COMPLEX LIMITED Suite 5508, 55th Floor, Central Plaza 18 Harbour Rd., Wanchai, Hong Kong.	Property investment	Ordinary	USD 3,800,000	3,800,000	380,000	10.00%	13,133,712

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Company name and Address	Type of business	Type of shares	Issued and paid-up capital (Baht)	Paid-up shares	Number of shares	Percentage of ownership*	Amount (Baht)*
16 RUAMRUDEE ABOVE LIMITED Suite 5508, 55 <sup>th</sup> Floor, Central Plaza 18 Harbour Rd., Wanchai, Hong Kong.	Property investment	Ordinary	USD 3,500,000	3,500,000	350,000	10.00%	12,096,840
17 SAHAVIRIYA STEEL INDUSTRIES PCL <sup>(4)</sup> Prapawit Bldg., 2nd-3 <sup>rd</sup> Floor, 28/1 Surasak Rd., Silom, Bangrak, Bangkok 10500 Tel. 0-2238-3063-82	Steel industry	Ordinary	11,113,018,280	11,113,018,280	4,469,534,816	40.22%	1
18 SIAM SAT NETWORK CO., LTD. <sup>(2) (3)</sup> SCB Park Plaza Bldg., Tower 2 West, 21 <sup>st</sup> Floor 18 Rutchadaphisek Rd., Jatujak, Jatujak, Bangkok 10900	Sattelite service	Ordinary	112,500,000	11,250,000	9,182,012	81.62%	-
19 SIAM TECHNOLOGY SERVICE CO., LTD. <sup>(1) (3)</sup> SCB Park Plaza Bldg., Tower 1 West, 18 Rutchadaphisek Rd., Jatujak, Jatujak, Bangkok 10900	Consultant	Ordinary	30,000,000	3,000,000	2,249,993	75.00%	-
20 SIAM MEDIA AND COMMUNICATION CO., LTD. <sup>(3)</sup> SCB Park Plaza Bldg., Tower 2 West, 17 <sup>th</sup> - 22 <sup>nd</sup> Floor, 18 Rutchadaphisek Rd., Jatujak, Jatujak, Bangkok 10900	Holding Company	Ordinary	700,000,000	7,000,000	2,333,800	33.34%	-
21 SUPERNAP (THAILAND) CO., LTD. Sindhorn Tower 3 Bldg. 18 <sup>th</sup> Floor, 130-132 Wittayu Rd. Lumpini, Pathumwan, Bangkok 10330 Tel: 0-3312-5100	Data center	Ordinary	2,000,000,000	200,000,000	20,000,000	10.00%	-
22 THAI U.S. LEATHER CO., LTD. <sup>(3)</sup> 39/98 Rama II Rd., Banghrachao, Muang, Samutsakhon 74000 Tel: 034-490-082-7	Leather Industry	Ordinary	193,750,000	25,000,000	2,500,000	10.00%	-
23 NAVUTI CO., LTD. 920/4 Moo7, Mae Fah Luang, Mae Fah Luang, Chiang Rai 57110 Tel. 053-767-015 (HO.Chiang Rai), 02-252-7114	Agribusiness	Ordinary	60,000,000	600,000	60,000	10.00%	-

## Remarks

\* In case of indirect investment by bank affiliates, in which the Bank hold more than 30% of their shares, the figures will depict the aggregate percentage of shareholding and value of investment of the Bank and its affiliates. (under Section 258 of Securities and Exchange Act.)

(1) Company held jointly by the Bank and a Bank affiliate in which the Bank holds more than 30% of shares.

(2) Company held by a Bank affiliate in which the Bank holds more than 30% of shares.

(3) Discontinued operations, or in process of dissolution or liquidation.

(4) Debt restructuring investment.

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**58 - Risk Management  
77 and Risk Factor**

**59** Risk Management

**65** Key Risk Factors for the Banking Business

# Risk Management

Under the organizational structure of the SCBX Financial Group (“the Group”), the Bank retains oversight of the risk management of its subsidiaries. To ensure that the Bank and its subsidiaries have adequate risk management and adhere to the Group’s risk management guidelines as specified by the parent company, the Bank has established a risk management framework for the Bank and its subsidiaries that enables operators to understand risk, risk management, and the transparency of risk management at all levels. It will ensure that the Board of Directors, relevant committees, and all personnel are cognizant of and accountable for risk management in all activities in accordance with applicable laws and Bank of Thailand regulations.

Risk management aims to create long-term stability for the business to achieve its goals within its risk appetite. It also mitigates risks in critical or uncontrollable situations. SCB is committed to continuously developing and strengthening its entire risk management system, including risk identification, risk assessment and measurement, risk control and mitigation, and risk monitoring to be prepared for ongoing and future challenges.

The backbone of SCB’s risk management consists of the policy formulation process, implementation framework, and audit process, in tandem with building a strong risk management culture by empowering our people with knowledge and accountability so that they can all participate in this crucial discipline.

SCB’s overall risk management structure, policy, and system comprise the following:

## Risk Management System

SCB’s risk management system has four major components:

### 1. Risk identification

Major risks of the Bank include transactions and activities involving customers and counter parties. These risks include strategic risk, credit risk, market risk, interest rate risk in the banking book, liquidity risk, operational risk, model risk, reputational risk, people risk, technology risk, legal risk, and compliance risk. These risk categories are discussed in detail in the section below titled “Key Risk Factors for the Banking Business.”

### 2. Risk assessment and measurement

To assess and measure each type of risk, the Bank employs a wide range of quantitative and qualitative methods based on internal rating-based approaches and/or other appropriate internal models:

- **For strategic risk**, the Bank relies on and develops an assessment using primarily qualitative risk factors and quantitative economic indicators.
- **For credit risk**, measures include borrower risk ratings to gauge the probability of default (PD). The Bank applies credit scoring, such as application scores, and behavioral scores to assess risk profiles of retail clients and small SMEs. In addition, the Bank has developed risk models to estimate loss given default (LGD) and exposure at default (EAD). For derivative products, the Bank relies upon potential future exposure (PFE) methodology to measure credit risk exposure.

- **For market risk**, measurements include both statistical tools, such as value at risk (VaR), and non-statistical methods, including risk-factor sensitivity analysis, position measures, and stress testing for trading book exposures.
- **For interest rate risk in the banking book (IRRBB)**, the Bank assesses risk by measuring the impact of interest rate fluctuation on net interest income and economic value of equity (EVE) using interest rate volatility assumptions under stress scenarios.
- **For liquidity risk**, the measures cover balance-sheet structure, cash flows of assets and liabilities, and off-balance-sheet items. Liquidity risk measurements include liquidity coverage ratio (LCR), net stable funding ratio (NSFR), liquidity ratio, and maximum cumulative outflow (MCO).
- **For operational risk** measurement, the Bank has developed a risk and control self-assessment (RCSA) as a tool to identify and assess risks and controls, as well as loss incident data, to determine operational risk and internal control effectiveness for each of the Bank's business units and products. It has also established key risk indicators (KRIs) to identify causes of risks and track movement of risk trends as an early warning tool to effectively manage risks. A tolerance level is defined for each KRI, and KRI reporting is required to be performed within a defined period. All relevant business units and product teams are required to acknowledge their roles and responsibilities as defined in internal RCSA and KRI regulations to ensure consistent and transparent operational risk management practices. Moreover, as part of its risk mitigation process, the Bank has established a Business Continuity Management (BCM) function to ensure the continuity of key activities during any crisis event that might disrupt business. Additionally, the Bank has defined an effective new product and process approval internal regulation to govern all new

products and processes and any material changes to existing products and processes in order to protect or mitigate impacts on the Bank and to ensure that all new products and processes undergo a thorough risk profile review prior to launch. This strategy guarantees that operational risk remains within the Bank's risk tolerance in order to mitigate the potential impact of operational risk incidents.

- **For model risk**, the performance of a model is measured using statistical quantitative factors, including key performance indicators and other qualitative indicators to validate that the employed model is suitable. Qualitative analysis and measurement are also conducted to validate risks arising from usage of a model.
- **For reputational risk**, technology risk, and people risk, the Bank mainly applies risk analysis, including quantitative and qualitative risk management.

To implement forward-looking risk management, the Bank also performs stress tests in addition to other risk measurement tools, particularly for market risk, credit risk, and liquidity risk.

### 3. Risk control and mitigation

To guide its overall risk considerations and controls, the Bank has formulated a risk appetite statement (RAS) aligned with its long-term goals and the RAS of the SCBX Financial Group. The Bank regularly evaluates its capital adequacy, and monitors and controls risk by defining key risk indicators and risk limits for the Bank's exposure at various organizational, customer, product, transaction, and other levels. The Bank has a mechanism of internal control to manage risks in compliance with its policies and procedures.

### 4. Risk monitoring

Risks in all categories are monitored and reported promptly and accurately to relevant functions and management on a regular basis to ensure effective risk management and control. Risk monitoring reports are created at the product level, the function level, and the Bank level.

## Risk Governance Structure

The risk governance structure comprises five key components:

### 1. Policies

The Board of Directors has the responsibility to review and approve the Bank's major risk management policies, such as the Risk Management Policy of SCB and subsidiaries, Credit Policy Guide, Internal Capital Adequacy Assessment Process Policy (ICAAP Policy), Recovery Plan Policy, Stress Testing Policy, Market Risk Policy, Trading Book Policy, Interest Rate Risk in the Banking Book Management Policy, Liquidity Risk Management Policy, Operational Risk Policy, Business Continuity Management (BCM), Crisis Management Policy, and Strategic Risk Management Policy.

In addition, the Board of Directors approves the other key related policies, such as the Reputational Risk Management Policy, People Risk Management Guidelines, Technology Risk Management Policy, and Model Risk Management Policy.

### 2. Authority

The Board of Directors has the responsibility to delegate approval authority to management and other committees. The authority includes credit approvals and decisions to underwrite different types of risks based on the underlying risk level (risk-based authority).

### 3. Committees with significant roles in risk management

Committees with significant roles in risk management have been categorized into two levels as specified below:

#### 3.1 Sub-Board committees

The Board of Directors has delegated its risk management duties to management and other committees. The following committees have been appointed to oversee the Bank's risk management implementation:

**3.1.1 The Executive Committee** is responsible for considering and approving matters related to the business of the Bank according to the Bank's regulations

such as for credit, debt restructuring, and investments and for administering related functions as assigned by the Board of Directors.

**3.1.2 The Risk Oversight Committee** is responsible for reviewing the adequacy and efficiency of overall risk management policy, strategies, and risk tolerance to ensure that they are effective and efficient, as mandated by the Board of Directors.

**3.1.3 The Audit Committee** comprises independent directors who are responsible for reviewing the adequacy of the Bank's internal control as well as the effectiveness of risk management implementation of the Bank and subsidiaries.

**3.1.4 The Technology Committee** is responsible for providing support to the Board of Directors in forecasting long-term technology trends and developing corresponding strategies, addressing the integrity of technology services, and managing technology risk.

**3.2 Management committees** involved in risk management of the Bank In addition to the above-mentioned sub-board committees, the following management committees have also been set up to oversee the Bank's risk management processes:

**3.2.1 The Risk Management Committee** is responsible for developing risk management strategies in line with the SCB and subsidiaries' risk management framework, including reviewing the adequacy of overall risk management policies/guidelines and overseeing the SCB Group's compliance with its risk management policy and strategies. The Committee also manages the overall risk of the Bank.

**3.2.2 The Assets and Liabilities Management Committee** is responsible for managing

liquidity risk and interest rate risk in the banking book.

### **3.2.3 The Equity Investment Management**

**Committee** is responsible for approving investment in equities within its approval authority and has authority to set the investment process, operation process, and other management pertaining to investment, including managing risk of the Bank's equity investment portfolio.

### **3.2.4 The Credit Committee,**

Retail Credit Committee, Wealth Credit Committee, and Special Assets Committee are responsible for approving loans within their approval authority. Any loan exceeding a committee's authority level requires approval from the Executive Committee or the Board of Directors as set forth in the Credit Approval Authority Regulation and the NPL and NPA Approval Authority Regulation. However, any loan involving Bank-related businesses, major shareholders, or related persons must be approved by the Board of Directors. Loans viewed by the Executive Committee as contentious and having potential reputational risk shall be proposed to the Board of Directors for approval as deemed appropriate.

With regards to the consideration of non-performing assets (NPAs), the Management Committee is responsible for approving NPAs within its approval authority. Any NPA having a fair market value exceeding the Management committee's authority level requires approval from the Executive Committee or the Board of Directors as set forth in the NPL and NPA Approval Authority Regulation.

**3.2.5 The Underwriting Risk Committee** is responsible for reviewing and approving underwriting limits based on market risk considerations. The Committee makes recommendations to the Executive

Committee or the Board of Directors for approval in any case of a high-risk transaction or when an underwriting limit exceeds its approval authority.

### **3.2.6 The Model Risk Management Committee**

is responsible for validating and overseeing all internal models employed by the Bank to ensure that model risk management frameworks perform as expected. The Committee is also responsible for approving models as well as the validation of results.

**3.2.7 Other committees,** such as the Investment Committee.

## **4. Risk governance**

### **4.1 Credit risk governance**

The Bank has long emphasized the importance of proper checks and balances in its organizational structure by separating business functions and credit approval functions for effective internal control. Credit approval authority is determined in accordance with the risk level or expected loss, which will depend on the credit line, borrower risk rating, and severity class. For non-retail credit, the Bank assigns approval authority to both credit committees and individuals. For retail credit, the Bank monitors and controls retail lending by means of the established Credit Policy Guide and approval authority as well as underwriting criteria according to Product Program/Risk Program approved by the Executive Committee or the Retail Credit Committee. In addition, the Bank assesses and measures credit risk by product and/or customer segment.

### **4.2 Market risk governance**

The Bank sets a variety of market risk limits for its trading and banking portfolios, and these limits have been endorsed by the Risk Oversight Committee and approved by the Board of Directors. For the Bank's key market risks, which are interest rate risk, foreign exchange risk, and investment risk in the banking book, the Committee sets risk limits for trading and banking book positions. These limits are based

on information from a number of risk monitoring and assessment tools, such as value at risk (VaR), risk sensitivity measures (basis point value), position measures, and stress testing. In addition, trading portfolio performance is monitored and controlled by using management action triggers (MATs).

#### **4.3 Interest rate risk in the banking book (IRRBB) governance**

The Bank sets risk limits for IRRBB by measuring the impact of interest rate fluctuations on net interest income and the economic value of equity (EVE) using interest rate volatility assumptions under stress scenarios. To monitor IRRBB, the Bank produces repricing gap reports for risk analysis and risk assessment. The analysis, assessment, and risk management strategies are then reported to the Assets and Liabilities Management Committee (ALCO) for further action.

#### **4.4 Liquidity risk governance**

The Bank manages and controls liquidity risk to ensure that it maintains adequate sources of liquidity in order to maintain sufficient future cash flows to cover its activities under both normal and stressful situations by using cash flow reports or liquidity gap reports. The Bank's policy is to maintain its liquidity coverage ratio (LCR), net stable funding ratio (NSFR), and liquidity ratio (liquid assets as a percentage of total deposits) at the appropriate level and to monitor net cash outflows over different time horizons to ensure that the Bank will be able to meet its liquidity needs on a timely basis.

#### **4.5 Operational risk governance**

The Bank has adopted the "Three Lines of Defense" model as a fundamental tenet of its risk management procedures. The first line of defense consists of business units and support units responsible for detecting relevant risks in their own activities, conducting analyses based on the complexity and size of the business, and implementing risk management and control principles in their day-to-day operations (i.e., continuous

monitoring of key activities such as suspicious access to customer data). The centralized functions are the second line of defense, providing consultation, support, and scrutiny regarding the way in which the first line manages its operational risk. It comprises functions such as operational risk management, compliance, IT security, and fraud management. The third line of defense comprises independent assurance providers (e.g., internal audit and other independent assurance providers), which provide independent review and objective assurance on the effectiveness of the Bank's internal control system. In addition, the third line of defense also provides assurance to the Audit Committee and the Bank's Board of Directors that the Bank and its financial group companies have effective and sufficient operational risk control.

The Risk Management Function holds regular meetings with business-level committees to discuss operational risk issues, and it provides risk management information to management across key functions to facilitate their business decision-making.

#### **4.6 People risk governance**

The Bank applies the Three Lines of Defense model to manage people risk in the same manner as it does for operational risk. The first line of defense involves the People Function, business functions, and relevant support functions. The second line of defense involves a shared service group, which is responsible for providing recommendations, support, alerts, and testing for approaches adopted by the People Function to manage people risks. The shared service group comprises Operational Risk Management, Compliance & Operational Control, Technology Security & Risk, Fraud Control, and others. Lastly, the third line of defense is carried out by independent units, which conduct tests on processes and procedures set out by the People Function (including the people risk management process). The last line of defense, which is under the responsibility of the Audit Division, provides assurance to the Audit

Committee and the Board of Directors that the Bank and SCB Financial Group companies have effective control measures for people risk.

#### 4.7 Model risk management governance

The Bank has established a unit responsible for Model Risk Management to have a balance of authority and work independently to validate models and to increase the effectiveness of model usage as the second line of defense and serve to offer consultation, support, and validation to the first line of defense. Model risk management oversight covers the validation of models using both quantitative and qualitative approaches to ensure that the usage of models achieves the target and that controls have been put in place according to model governance to prevent any misuse of models and minimize model risks.

Regarding risk management of SCB and subsidiaries, the Bank as the parent company has an oversight responsibility for the risk management of subsidiary companies. The Bank's subsidiaries are responsible for establishing risk and internal control policies and practices to ensure effective risk management at a level equivalent to that of the Bank and consistent with the Bank of Thailand's guidelines on consolidated supervision. The Board of Directors has approved the Risk Management Policy of SCB and subsidiaries, which requires each subsidiary to formulate a risk management policy, set up an appropriate organizational structure, set risk tolerance limits, establish risk management approaches, and prepare risk reports as specified by the Bank's risk management guidelines, which depend on the nature of the subsidiary's business.

For transactions between SCB and companies in the SCBX Financial Group, the Bank adheres strictly to the Bank of Thailand's consolidated supervision criteria for both quantitative and qualitative aspects, as well as the SCBX Intra-transaction policy, by conforming to good governance principles and requiring that

these transactions be conducted with transparency, fairness, using market prices or with conditions stipulated on an arm's length basis, as well as taking into account the risks of the group, including all stakeholders, comprehensively.

#### 5. Chief Risk Office

The Chief Risk Office, under the Chief Risk Officer (CRO) who reports directly to the Chief Executive Officer, is responsible for setting the risk management framework, making risk policy recommendations, and reporting and monitoring major types of risk. The Chief Risk Office is responsible for bringing the Bank's risk management policies and practices up to global standards, the SCBX Group Risk Management Policy, and for ensuring that the Bank and its subsidiaries have a comprehensive and integrated risk management framework. Moreover, other relevant functions are responsible for specific risks. For example, the Chief Financial Office is responsible for liquidity risk and interest rate risk in the banking book (IRRBB); the Chief People Office is in charge of people risk; and the Chief Strategy Office handles strategic risk.

# Key Risk Factors for the Banking Business

## Risks from Economic Uncertainties

The Thai economy in 2022 was expected to expand by 2.6% following recovery in the tourism sector, private consumption, and private investment after the country reopened with the relaxation of COVID-19 measures in July. The arrival of 11.2 million tourists was higher than expected. Private consumption grew as economic activity was on path to resume normalcy, with support from a labor market that saw the unemployment rate drop for four consecutive quarters to 1.2%, close to the pre-COVID-19 level, in line with improving labor income, especially in the tourism and service sectors. In addition, farm income increased significantly due to high agricultural prices. However, recovery was uneven as merchandise exports, formerly a key driver of the Thai economy, plunged late in the year following a slowdown in global demand. Meanwhile, government stimulus measures subsided after the full disbursement of special COVID-19 loans. **Headline inflation in 2022 accelerated to 6.1% due to high energy and food prices and peaked in the third quarter of 2022 after a slowdown in global energy prices.** However, high inflation had been broadening impacts extended to other goods and services, with increasing signs of cost pass-through to consumer prices. As a result, core inflation sped up, adding more pressure on some households whose incomes grew slower than expenses and were accompanied by high debt.

**The Thai economy in 2023 is expected to grow at 3.4%, driven mainly by tourism and private consumption.** The number of foreign tourists is expected to reach 30 million in 2023, partly thanks to China's lifting of Zero-COVID measures. At least

4.8 million Chinese tourists are expected to visit Thailand this year, which will benefit the tourism sector and related services. In addition, domestic tourism is expected to be near the pre-COVID-19 level, supporting buoyant consumption. However, the outlook for merchandise exports is not that bright in line with a global economic slowdown amid high uncertainty. Thai exports may also face additional pressure from new import tariffs imposed by key trading partners such as Europe and India, which will partially take effect this year. As a result, the value of Thai merchandise exports may grow slightly at only 1.2%. Meanwhile, government spending may decline following a smaller budget deficit. The government will scale down its role in stimulating the economy amid recovery from the COVID-19 pandemic.

**Thai inflation in 2023 will gradually decline but remain above the target.** Headline inflation is expected to be 3.2% due to persistently high domestic energy and food prices, higher than the BOT's target. Core inflation will accelerate partly due to a higher cost pass-through rate. At the same time, labor income will face high uncertainty as the labor market has not yet returned to normal. Hence, the real income of private-sector employees is growing slowly. **Going forward, businesses tend to recover unevenly.** Companies that support domestic consumption recovery or satisfy global trends will recover quickly. In contrast, some businesses will face risks and slow recovery due to global downturn or disruptions from new mega trends such as climate change, innovative technology, and aging societies.

**Thailand's monetary policy tightening was undertaken later than other countries, with an initial policy rate hike in the second half of 2022.**

The MPC gradually raised the policy rate 4 times, from 0.5% to 1.50% in January 2023. **For 2023, the policy rate is expected to be hiked two times, to 2% at the end of 2023.** Such a gradual normalization approach would align the monetary policy stance with Thailand's long-term economic growth path, which is expected to return to its potential level by the end of next year. In addition, the end of a temporary cut in financial institutions' contributions to the Financial Institutions Development Fund (FIDF fees) and the quick appreciation of the Thai baht compared to regional currencies will contribute to tightening financial conditions in 2023. Regarding the exchange rate, the Thai baht tends to appreciate in line with the depreciation of the US dollar and will benefit from China's reopening and improvements in Thai economic fundamentals such as the current account surplus and capital inflows to the Thai financial market. Hence, the baht is expected to appreciate and end 2023 at 32-33 baht per US dollar.

As for the Bank's management of risk in the face of uncertain economic conditions, SCB robustly monitors the credit quality of its borrowers on a regular basis in order to ensure an adequate allowance for expected credit loss. Similarly, the Bank closely monitors its portfolios in terms of the concentration of credit loans in order to react promptly in the face of an economic shock. In addition, SCB conducts stress tests in order to appraise the adequacy of funds. This process is part of the internal capital adequacy assessment process (ICAAP) that the Bank of Thailand requires of all commercial banks.

## **1. Credit Risk**

### **1.1 Concentration risk**

Concentration risk relates to any single exposure or group of exposures in an entity or a business sector with a potential to produce large losses for the Bank if problems arise in that entity or sector.

The Bank manages credit concentration risk by setting concentration limits based on loss potential for each borrower group. For large borrower concentrations, the Bank controls and monitors lending ratios under the Bank of Thailand's guidelines whereby lending, investment, contingent liabilities, or lending-like transactions with any major borrower and related parties or projects must not exceed 25% of solo consolidated capital.

Additionally, the Bank requires that lending not be concentrated in any one specific industry. This is determined by industry trends, business opportunity, probability of loss, and probability of default. The Bank has applied statistical tools to determine industry limits, such as the Herfindahl-Hirschman Index (HHI), which is an index adopted for measuring industry concentration.

The economic impact of COVID-19 has affected credit quality, especially in tourism-related industries and the real estate business, which may need a longer recovery period and require comprehensive debt restructuring from the Bank. However, the borrowers are leading companies in these industries, and collateral values are high in proportion to loans outstanding, which will help mitigate potential losses to the Bank.

### **1.2 Counterparty risk**

Counterparty risk is the risk of losses from counterparties violating contract agreements, particularly for derivatives contracts, such as interest-rate swaps, currency swaps, equity instruments, and forward rate agreements. Generally, the Bank enters into derivative contracts with customers that need to square their positions and minimize their risk exposure. To keep market risk exposure under the limit, the Bank may hedge its risk exposure in part or in whole by entering into off-setting agreements (back-to-back) with foreign banks in the OTC derivatives markets, which creates

counterparty risk with these banks.

The Bank sets a risk limit for each counterparty based on the same underwriting process as for credit customers. To determine counterparty limits, specifically for financial institutions (FIs), the Bank takes into consideration the counterparty's credit ratings and level of Tier 1 capital. The Bank also establishes a country limit for each country. For risk monitoring, the Bank closely monitors counterparties' credit conditions based on aggregate exposure, credit default swap (CDS) spread, changes in credit ratings, and changes in equity prices. This information is reported to senior management on a daily basis as input to assist with keeping the risk level within the Bank's risk appetite during normal and stressful situations.

To mitigate counterparty risk, the Bank signs ISDA credit support annexes (CSAs) with its major counterparties, which require posting collateral in the form of cash or highly liquid securities when a contract's fair market value changes more than the threshold.

The situation of the COVID-19 outbreak in the past year has had a reduced impact as customers in affected industries have adapted to the situation and managed risks better. This has led to a reduction in credit risk for counterparties, as reflected in a decrease in Credit Valuation Adjustment (CVA). Banks have evaluated, monitored, and controlled risk closely in this regard.

### 1.3 Country risk

When the Bank engages in international lending or a cross-border transaction, it undertakes not only customer credit risk but also country risk arising from the economic, social, and political conditions of the country. The Bank sets out a risk management framework to ensure that adequate policies

and processes are in place to identify, measure, evaluate, monitor, report, and control or mitigate country risk, both direct and indirect, on a timely basis.

The Bank manages country risk by setting a maximum exposure limit and a country limit for each country, based on a sovereign scorecard model, external credit ratings, and the Bank's level of Tier 1 capital.

From the COVID-19 outbreak, central banks in several countries have begun to implement a Tight Monetary Policy, which has an impact on the economic situation of some countries with high levels of foreign debt. This is reflected in a decrease in credit ratings from credit rating institutions. The Bank has suspended country limits for such countries and has closely measured, monitored, and controlled such associated risk and has also reported this to the appropriate Bank committees.

### 1.4 Non-performing loan (NPL) risk

NPLs arise when borrowers fail to repay debts according to schedule, which may cause the Bank to lose not only interest income, but sometimes part of or all the principal, with an impact on the Bank's profitability and capital adequacy.

In response to the outbreak of COVID-19, the Bank of Thailand has provided a relief program to assist retail borrowers as well as non-retail debtors, under which SCB has established such measures as installment reductions, postponement of principal repayment, ceiling rate cuts, and other assistance. As of December 31, 2022, SCB's outstanding loans to customers under the blue scheme relief program comprised 12% of the Bank's total loans. Note: For non-retail customers, the amount is measured at the customer level. This includes some accounts that are not under the relief program.

Although the domestic economy has recovered, the Bank faces economic uncertainties arising from external factors such as the Russia-Ukraine conflict, which led to increasing inflation, interest rate hikes, an interruption of international trade, rising energy prices, etc. This would decelerate the business's recovery to return to pre-COVID levels and affect the repayment ability of households due to rising living costs, exposing the Bank to a higher risk of loan defaults compared to normal circumstances. In addition, the Bank is exposed to risks resulting from the deteriorating financial position and financial ratio of debtors, whereby there is, 1) a higher tendency to breach covenants, which the Bank may be forced to relax, 2) an increasing proportion of Stage 2 loans due to worsening credit ratings, and 3) a higher required provisioning. The Bank will closely monitor and review loan quality and credit concentration to ensure that the Bank has set aside provisions that are adequate to mitigate the impact of portfolio deterioration.

At the end of 2022, NPLs stood at Baht 91,139 million, or 3.3%, declining from Baht 109,114 million, or 3.8%, in 2021. Note: Further explanation regarding NPLs is provided in the Management Discussion and Analysis section of this Annual Report.

The Bank manages its NPL risk by setting aside adequate expected credit loss. At the end of 2022, the Bank had a total expected credit loss of Baht 137,783 million, covering 151.2% of NPLs.

### **1.5 Off-balance-sheet risk**

To adhere to the Thai Financial Reporting Standards, some of the Bank's obligations with customers and counterparties are classified as off-balance-sheet items, which have underlying credit risk from the potential of failure to comply with contract terms.

At the end of 2022, the Bank's obligations from aval and guarantees, liabilities under yet-to-mature import bills, and letters of credit amounted to Baht 480,767 million, decrease by 0.5% from the year before.

To manage this off-balance-sheet exposure, the Bank treats such obligations as a form of loan, and business units are required to follow the normal credit approval process. The Bank controls this risk by setting a counterparty risk limit for each customer along with the country risk limit. Monitoring is also done by keeping abreast of the current situation and related information.

For the credit risk of a derivative transaction, unlike general credit risk in which losses are often one-sided, both sides of a contract can face losses as a result of a change in the contract's value from market movements. To quantify the credit equivalent amount of a derivative transaction, the Bank uses the Monte Carlo simulation and current exposure method, depending on product type, to determine the credit exposure of a derivative transaction with a counterparty.

Derivative transactions introduce additional market risk arising from changes in a contract's value. The Bank controls its derivatives risk exposure to market volatility by setting limits using a variety of risk indicators, such as VaR, and risk sensitivities that include option greeks, loss action triggers, and stress testing.

### **1.6 Risk from impairment in value of real estate collateral**

Because most collateral is in the form of real estate, a sluggish property market and lower house prices will negatively affect the value of the Bank's collateral, which may result in higher losses from NPLs. The Bank has established the Collateral and Non-Performing

Assets Appraisal Policy as part of the Credit Risk Management Policy to ensure that collateral and NPA values reflect fair market values, especially for setting expected credit loss and capital calculation as well as for consideration in credit approval and debt restructuring.

The Bank has managed impairment risk through the Collateral and Non-Performing Assets Appraisal Policy as mentioned above, which requires collateral for credit lines of Baht 20 million or more to be reassessed every five years. Collateral for non-performing loans (NPLs) is reassessed every three years unless any decision needs to be made that depends on collateral value, such as restructuring of a problem loan. In that case, collateral value must be reassessed within one year to reflect fair market value. For non-performing assets, collateral is re-appraised every year per the BOT's requirement.

For the choice of appraiser, the Bank is authorized by the BOT to use its internal appraiser for loans of any size. According to the policy of the Bank, either an internal appraiser or an external appraiser may be an appropriate choice. The Bank has established a list of qualified criteria for use in selecting any external appraiser in order to be confident that they conform to professional standards and ethics.

The criteria must be approved by the Risk Management Committee and reviewed annually so that the Acceptance Valuation Assessment Committee (AVA Committee) can use them as a guideline for selecting external valuation companies. The companies on the qualified list are reviewed every six months.

To ensure transparency and prevent conflicts of interest, the Bank's internal appraisal process is independent from the credit approval function. The Bank's internal appraiser

together with the AVA Committee are responsible for monitoring and updating property price movements in the market and reporting them to the Credit Committee annually.

The COVID-19 pandemic may have caused collateral value to depreciate as a result of the economic downturn, which will cause the Bank to face higher losses by exacerbating NPL problems. To address this risk, the Bank takes into account a borrower's delinquency probability and collateral depreciation in formulating a resolution strategy to mitigate losses for the Bank. The Bank's debt management approach may involve debt restructuring, debt consolidation, NPL sales, or legal action.

## **2. Market Risk and Interest Rate Risk in the Banking Book (IRRBB)**

### **2.1 Foreign exchange risk**

Fluctuation in exchange rates affects the value of the Bank's foreign currency-denominated assets and liabilities. Transactions exposed to foreign exchange risk include proprietary trading transactions and money transfers as well as payments related to international trade and foreign investment, which may result in the Bank's net currency position being short or long at any point in time. Thai baht appreciation against the currency in which the Bank has a net long position will result in foreign exchange losses, whereas baht depreciation will result in foreign exchange gains. On the other hand, if the Bank is in a net short position, the Bank will make a gain on the position when the baht strengthens but a loss when the baht weakens.

The Bank controls foreign exchange risk by setting risk limits on foreign exchange risk exposure both in terms of statistical limits, such as VaR, and monetary limits, such as net open position, open position by currency, and management action triggers, and other limits.

As of December 31, 2022, the Bank's foreign currency position was a net open position equivalent to USD 42.28 million, with a VaR in the foreign exchange rate portfolio of Baht 25 million.

## 2.2 Interest rate risk

Interest rate fluctuation affects the Bank's interest income and expenses as well as the economic value of equity. Four main sub-types of interest rate risk are defined as follows:

- Repricing risk is the risk from maturity / timing mismatches of the Bank's assets and liabilities, which cause interest rates at reset to differ due to yield curve movements. For example, assuming all other factors are constant, if the Bank's assets can be repriced faster than liabilities (positive gap), interest margins increase when interest rates rise. On the other hand, if the Bank's ability to reprice assets is slower than liabilities (negative gap), then interest margins narrow when interest rates rise.
- Yield curve risk arises from interest rates at different maturities changing differently.
- Basis risk occurs when the Bank's assets and liabilities are based on different reference interest rates, e.g., fixed-deposit rates, interbank lending rates, THBFIX interest rates, etc. Therefore, any change in reference rates will affect interest rates tied with assets and liabilities differently.

- Options risk arises from implicit and explicit options in the Bank's assets and liabilities and off-balance-sheet items, where exercising these options might affect the Bank's revenue and costs. For example, an option on a three-month deposit that allows early withdrawal before maturity will, if exercised, cause the Bank's costs to rise sooner than expected.

The Bank and its subsidiaries adopt various tools for interest rate risk management which include risk tolerance limits for both the Trading book and non-Trading book. For Trading book exposures, there are limits on Value-at-Risk (VaR), sensitivities to yield curves and basis shifts (basis point value), and stress testing. For Non-Trading book exposures, limits are determined based on impact assessments on Net Interest Income (NII) and Economic Value of Equity (EVE).

As of December 31, 2022, the VaR of the interest rate risk portfolio in the trading book was Baht 50.3 million. For interest rate risk in the banking book in the event that interest rates rise by 1%, within 1 year the Bank would be impacted by decreasing NII (before behavioral adjustment) by Baht 6.00 billion or 6.23% and increasing NII (after behavioral adjustment) by Baht 6.74 billion or 7.00%. The Bank adopted a behavior model in measuring interest rate risk in the banking book to better reflect the risk by adjusting asset and liability repricing tenors, i.e., maturity of non-maturity deposits (NMDs), fixed-rate loans subject to prepayment risk, and term deposits subject to early redemption risk, as well as adjusting the relationship of loan and deposit interest rate to the policy rate. The behavior adjustment is in accordance with the Bank of Thailand's notification number Sor. Kor. Sor.1. 2/2564 dated 19 August 2021, regarding the Supervisory Criteria of Pillar 2 Capital Requirement.

### 3. Liquidity risk

Liquidity risk is the risk that the Bank and its subsidiaries may not be able to meet their obligations as they fall due because of an inability to realize assets or to cover funding requirements at an appropriate price, thus resulting in losses to the Bank and its subsidiaries.

In order to manage liquidity risk, the Bank and its subsidiaries established the Liquidity Risk Management Policy. The policy has been approved by the Board of Directors, with the Assets and Liabilities Management Committee (ALCO) taking an oversight responsibility to ensure compliance with the policy.

The Bank manages and controls liquidity risk to ensure that it maintains adequate sources of liquidity in order to maintain sufficient future cash flows to cover its activities during both normal and stressful situations by using cash flow reports or liquidity gap reports to monitor and control the Bank's overall liquidity risk. The Bank's policy is to maintain its Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), and Liquidity Ratio (liquid assets to deposits) at appropriate levels and to monitor net cash outflows over different time horizons to ensure that the Bank will be able to meet its liquidity needs on a timely basis.

Additionally, the Bank conducts stress testing on a regular basis under BoT scenarios and the Bank's own scenarios. Stress test results are incorporated into the Bank's contingency funding plan, which establishes scenario-specific action plans and explicit roles and responsibilities for liquidity management in the event of crisis.

The Bank has a policy to maintain its daily liquidity ratio at 20% or higher, measured as liquid assets to deposits.

As of 31 December 2022, the Bank's liquidity ratio stood at 34.6% of deposits (2021: 33.0%). In addition,

the Bank's average month-end liquidity coverage ratio (LCR) for the fourth quarter of 2022 was 216%, which shows that there will be adequate liquidity under both normal and crisis situations.

### 4. Strategic risk

"Strategic risk" means the risk of current or prospective impact on the Bank's earnings, capital, reputation, or standing arising from changes in the environment the Bank operates in and from adverse strategic decisions, improper implementation of decisions, or lack of responsiveness to industry, economic, or technological changes.

The Board of Directors has adopted a Strategic Risk Management Policy as a framework to formalize and provide a structured approach in managing strategic risk. Strategic risk is managed throughout the strategy setting process itself and through the assessment of strategic risk. The strategy process — including 1) strategic planning, 2) alignment and change management, 3) implementation and monitoring, and performance and, 4) evaluation and feedback — is designed to ensure the sufficiency of information taken into consideration in formulating and implementing strategy. Risk assessment, which is a part of the Bank's risk materiality assessment framework, is performed to monitor potential strategic risk arising from both external and internal factors.

The Strategy Group is currently the strategy process owner responsible for supporting the Board and senior management in formulating and reviewing strategy as well as recommending remedial action (if required). The Strategy Group is also responsible for conducting strategic risk assessment on a regular basis.

### 5. Operational risk

The Bank defines operational risk, based on the Basel II definition, as the risk of losses resulting

from inadequacy or failure of internal processes, people, systems, or from external events, which also includes legal risk, and the impact on reputation from operational risk, but excluding strategic risk. Note: Details regarding reputational risk are discussed in item No. 6 below. Operational risk factors can arise from both internal and external environments, such as changes in key personnel, organizational structure, processes, systems, products, natural disasters, riots, and others.

The Bank realizes that its businesses must face operational risks and therefore places great emphasis on operational risk management, and has continually improved this crucial process over time.

Business and support functions within the Bank are responsible for managing their operational risk by applying the methodologies and approaches that the Bank has developed as well as those indicated in the Operational Risk Management Policy for SCB and subsidiaries and related internal regulations, which are the Risk Control Self-Assessment (RCSA) and Key Risk Indicator (KRI) internal regulations. Each function performs an RCSA, which entails identifying key risks, evaluating the effectiveness of controls, and establishing action plans to mitigate or prevent these risks to limit them to within the level of risk appetite appropriate for each function. In 2022, the Bank monitored related operational risks to ensure compliance with the Bank's Operational Risk Management Policy, and key risks have been identified, effectively managed, controlled, and monitored to ensure compliance with defined appetite levels and to achieve business objectives. The Bank has reviewed the previous RCSAs and identified key risks at the Bank level for which senior management must establish mitigation and prevention measures to control such risks to maintain them within the stated risk appetite. Each function must specify KRIs for certain important risks that require monitoring to ensure

that these key risks are within the risk appetite and managed in a timely fashion. In any case of loss, the Bank not only has a process to rectify the issue systematically, but also capitalizes on lessons learned by collecting the information to guide future prevention and mitigation plans.

The Bank's risk assessment and control process undergoes periodic reviews to identify new emerging risks and detect ineffective controls that worsen existing risks. The results are reported to relevant committees and senior management for approval and to determine action plans to reduce or eliminate such risks. Throughout 2022, the Bank focused on RCSAs to cover all units and also to perform key control effectiveness assessments in the dimensions of key control design and key control performance by key control owners or independently appointed units to conduct key control testing to assess key control effectiveness. In case any key control gaps have been identified, the key control owner is required to develop an action plan to close the gap with consultation from the operational risk management unit.

Throughout 2019 and 2020, SCB formed a multidisciplinary taskforce to execute a privacy program to comply with the spirit of the Thai government's Personal Data Protection Act (PDPA). The PDPA was published in the Government Gazette in May 2019 with the effective date in June 2022. SCB has been working toward PDPA readiness, such as by adopting many privacy-by-design techniques in enhancing the client's privacy journey. The Bank has been using this additional time to further strengthen our privacy protection and upgrade existing controls to embrace global best practices. SCB has completed such privacy protection enhancements as follows:

- Updated our Data Privacy and Protection Policy and upgraded numerous internal procedures and standards to comply with the PDPA.

- Rolled out internal training on online privacy and role-based privacy training.
- Published our Privacy Notice.
- Developed consent messages and enhanced our consent management system.
- Performed third party and cross-border data transfer assessments.
- Developed a data subject right handling process and exercised privacy breach management handling.
- Performed data privacy impact assessment and identified mitigation and control actions for high-risk data processing processes.

Risk pertaining to changes in statutory policies, laws, rules, and regulations is part of operational risk. Besides the operational risks already mentioned, the Bank, as a financial institution, has a duty to comply with laws, statutory rules, and regulations of several regulatory agencies, such as the Bank of Thailand, the Securities and Exchange Commission, the Stock Exchange of Thailand, the Anti-Money Laundering Office, and others. The Bank's Compliance and Operational Control Function is responsible for providing regulatory advice, clarifications, and recommendations to other related functions to ensure that the Bank and subsidiaries comply with laws, regulations, and internal rules. The Compliance Function reports any material regulatory risks to senior management and related committees to ensure effective regulatory risk management.

Furthermore, the Bank has prepared for handling crises by putting in place Business Continuity Plan and Crisis Management Plan, which are ready to be used when needed. SCB promptly activated its Business Continuity Plan and Crisis Management Plan after COVID-19 emerged and the government

issued measures to contain the outbreak. The pandemic has forced the Bank to change its internal work processes to accommodate these containment measures and social distancing requirements, such as screening customers on entry to branches, altering the provision of service to branch customers, and assigning most employees to work from home. During the pandemic, the Bank must manage operational risks around providing service to borrowers who may require more servicing time while simultaneously ensuring customer satisfaction.

## 6. Reputational risk

Maintaining an organization's reputation is a critical part of running a business, especially for any financial business, and the Bank's reputation results from the confidence and trust that have been built up over many years. Reputation is not easy to build and is easy to lose.

Recognizing the importance of reputational risk, SCB has developed a Reputational Risk Management Policy and Process, which is applied to the Bank and its subsidiaries. Each business is required to take necessary preventive measures against potential reputational risk from both internal operations and external factors, regardless of whether its operations are income generating.

Application of the Reputational Risk Management Policy depends on the nature of the business in terms of reputational risk exposure. SCB's subsidiaries that are highly exposed to reputational risk must implement a reputation risk management policy with a clear reputational risk management process, whereas companies with non-material reputational risks are required to report any reputational risk incidents to senior management.

Any transaction that could negatively affect the Bank's reputation requires prior approval by the Executive Committee and may be reported to the Board of Directors if deemed appropriate by the

Chairman of the Executive Committee.

The Chief Risk Function is responsible for working closely with other internal functions and SCB's subsidiary companies to determine reputational risk factors as well as for assessing and reporting reputational risk issues to the senior management and related committees.

## 7. People risk

People risk refers to an organization's exposure to risk from the actions or negligence of its people, and, vice versa, the risks to people from an organization's actions or negligence. As people are the most important assets of an organization, people risk can influence other risk types, e.g., credit risk, market risk, liquidity risk, reputational risk, operational risk, and strategic risk.

SCB recognizes the importance of people risk in the business and has made serious efforts to address this risk. The Board of Directors has set an effective framework for people risk management as well as for conducting overall risk review. Senior management oversees people risk management and control within their functions and coordinates with the People Function and other relevant functions.

The People Function, together with business functions and relevant support functions, is responsible for identifying people risks based on appropriate analysis given the business complexity of each function, as well as for assessing, controlling, monitoring, and reporting risks to the Bank's management, with periodic reviews and updates regarding potential risks.

The people risk management framework involves three major considerations:

- 1. People capability and capacity:** SCB's business approach is based on transforming employees and equipping them with the right skills and capabilities for future banking, as well as engaging them with

the work and performance of the functions. The Bank expands the scope of employees' decision-making authority, increases their capabilities, and provides learning opportunities and a conducive working environment to enable them to reach their fullest potential.

- 2. People conduct:** SCB's business approach is based on requiring all employees to adhere to the highest level of integrity; promoting risk ownership; defining accountabilities and collaboration among business units for a positive work culture; objectively achieving positive employee relations; and good governance. The Bank accepts complaints and grievances, including via the Whistle Blower Policy. The committee considers the matter and initiates a prevention plan. The Bank upholds the utmost privacy of its employees with regard to the privacy act.

- 3. People health and safety:** SCB's business approach is based on a strong commitment to creating a safe working environment for people with due consideration to both their physical and emotional health, extending to employees' families and communities.

Failure to put any of the above considerations into practice may lead to varying degrees of people risk depending on the situation. Therefore, it is critical to assess, control, and mitigate people risks within the Bank's risk appetite.

People are vital resources in the banking business. Not only must the Bank provide suitable products and services that meet customer needs, but there are also rules and regulations on customer protection with which the Bank and its staff must comply to avoid market misconduct. Therefore, the Bank needs people capacity and capabilities to help achieve its business goals in a sustainable manner. SCB duly recognizes the importance of human resources, which have been subject to

significant and constant challenges in today's environment.

A key challenge is the advent of new technologies, which may replace existing service delivery platforms and put pressure on an organization to reform or transform itself. Such broad-scale organizational change increases the demands on human resources in terms of both quality and quantity. Specifically, an organization requires knowledgeable, well-rounded, and adaptable people to drive change within the organization. SCB has taken measures to mitigate such risks by building a risk culture whereby risk awareness and ownership are the norm, and risk mitigation and prevention are the responsibilities of all staff. Moreover, the Bank established the SCB Academy to build additional skills and knowledge for its people, such as product knowledge and data analytics skills related to business analysis and planning. as well as putting an emphasis on helping people build their career paths to ensure business success and sustainable growth. The Bank places importance on providing a safe and conducive work environment to foster employee engagement.

For people risk management, the Bank and subsidiaries also apply the "Three Lines of Defense" principle used in operational risk management to ensure the effectiveness of people risk management and internal control.

## **8. Technology risk**

Today's technology is changing rapidly. If the Bank cannot adapt or come up with a long-term plan to accommodate such change, the Bank's business may not be sustainable. Specifically, the Bank may not be able to serve customers effectively in terms of meeting their product or pricing needs. Moreover, technology risk may also cause business and service disruptions, which may lead to lower profitability and market share for the Bank.

Because of these wide-ranging and interrelated impacts, managing technology risk is the Bank's priority. SCB has adopted a comprehensive technology risk management framework with the following key components: 1) risk identification, 2) risk assessment, 3) risk response, and 4) monitoring and reporting. Furthermore, the Bank emphasizes, and has taken steps to build and enhance, the organization's risk culture, particularly for technology risk, by educating and training people; managing knowledge platforms on technology risk to ensure that they are accurate and up-to-date; applying risk management tools that meet international standards; along with continually improving its risk management framework to be in line with global practices.

The technology risk management process enables the Bank to adequately manage technology risk at both the strategic and operational levels. At the strategic level, the Bank aims to build a modern, flexible and secure IT architecture to support omnichannel service delivery for customers, along with providing data management capabilities for marketing and credit management analysis. At the operational level, the Bank takes into consideration the IT organizational structure; system procurement and development; system accuracy and security; and critical data management, such as customer data. The Bank also builds system capacity to support transaction workloads, including service continuity in case of any emergency or critical situation; IT third party management; and other factors, which help increase its competitiveness and profitability.

Due to the COVID-19 pandemic and the New Normal, the Bank may face higher cybersecurity risk as a result of many employees working from home and requiring remote access to the Bank's IT system, which could open up an opportunity for data theft or cyber-attack. At the same time, the pandemic has caused the use of mobile banking applications to grow exponentially. The

Bank must therefore make sure the cyber risk management and its mobile applications system can accommodate a high volume of transactions and, upon encountering problems, can be restored within the fastest possible recovery time to ensure that the Bank can provide continuous service to customers.

### Capital Adequacy

Since January 1, 2013, Siam Commercial Bank PCL (SCB) has adopted the Standardized Approach (SA) under the Basel III framework of the Bank of Thailand (BOT) to assess regulatory capital adequacy for credit risk, market risk, and operational risk. Furthermore, in September 2017, the BOT designated SCB as one of the Domestic Systemically Important Banks (D-SIBs), resulting in a requirement to maintain the minimum regulatory capital shown in the table below.

<b>Minimum regulatory capital requirements</b>	
Common Equity Tier 1 (CET1 ratio)	4.50%
Tier 1 Capital	6.00%
Total Capital	8.50%
<b>Capital buffer</b>	
Capital Conservation Buffer	2.50%
D-SIB Buffer	1.00%
<b>Total minimum regulatory capital requirements</b>	
Common Equity Tier 1 (CET1 ratio)	8.00%
Tier 1 Capital	9.50%
Total Capital	12.00%

Maintaining adequate capital is crucial for the financial stability of the Bank as it provides a cushion against risk arising from business operations. SCB manages risk through the internal capital adequacy assessment process (ICAAP), which includes developing estimates for future capital requirements and stress testing, as well as developing its own recovery plan to ensure that the Bank is well-prepared to respond effectively to risk events and shocks that may jeopardize each bank's financial soundness, as well as the financial sector as a whole. Furthermore, in order to encourage market discipline, the BOT requires commercial banks to disclose key information on capital structure and adequacy, risk exposure, as well as risk assessment and management, on a semi-annual basis. This information appears on SCB's website under the heading "Pillar III Disclosure."

As of December 31, 2022, under the Basel III framework, the Bank had total capital of Baht 369 billion (16.6% of risk-weighted assets), of which Baht 345 billion was classified as CET1/Tier 1 capital (15.5% of risk-weighted assets) and Baht 24 billion (1.1% of risk-weighted assets) was classified as Tier 2 capital.

SCB completed the restructuring process in 2022 by establishing SCB X Public Company Limited ("SCBX") as the parent company of the financial group and listing on the Stock Exchange of Thailand on April 22, 2022. SCBX's tender offer was accepted by 99.06% of SCB shareholders, and a one-time dividend of Baht 61 billion to SCBX was approved by the BOT. Although the one-time dividend payment to SCBX significantly reduced the Bank's capital position, as an intra-group transaction, it had no effect on the capital position of SCBX financial group.

After the group restructuring, SCB is still subject to BOT regulations and is required to maintain the minimum capital requirements including additional buffers as prescribed by the BOT. The policy of maintaining capital levels well above the minimum regulatory requirements, as well as adequate loan loss provisions, remains in place to allow the Bank to absorb unexpected events and new types of risks that may arise from new businesses in the future.

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# Management Discussion and Analysis

## 2022 Operating performance

SCB Bank reported consolidated net profit of Baht 54.2 billion for 2022, a 52.3% yoy increase from Baht 35.6 billion in 2021. The increase was mainly from a robust growth of net interest income (NII), lower

expected credit loss, gain on sale of investment in subsidiaries and joint venture and business transfer, which was partly offset by higher income tax and higher operating expenses (OPEX).

## Statement of profit and loss

Unit : Baht million

Consolidated	2022	2021	% yoy
Net interest income	106,455	95,171	11.9%
Non-interest income	58,385	55,171	5.8%
Total operating income	164,840	150,342	9.6%
Operating expenses	64,143	63,547	0.9%
<b>Pre-provision operating profit</b>	<b>100,697</b>	<b>86,795</b>	<b>16.0%</b>
Expected credit loss	32,703	42,024	-22.2%
Income tax	14,367	9,376	53.2%
Non-controlling interests	(574)	(204)	NM
<b>Net profit (attributable to owners of the Bank)</b>	<b>54,200</b>	<b>35,599</b>	<b>52.3%</b>
ROAE	12.6%	8.4%	
ROAA	1.6%	1.1%	

Remark: NM denotes "not meaningful"

**Net interest income** in 2022 increased 11.9% yoy to Baht 106.5 billion, driven by a combination of selective loan growth and NIM expansion from lower volume of debt restructuring, the upward interest rate trend and pricing discipline.

**Non-interest income** increased 5.8% yoy to Baht 58.4 billion largely due to higher gain on sale of investment in subsidiaries and joint venture and business transfer. If excluding one-time gain on

sale of investment in subsidiaries and joint venture and business transfer, non-NII was under pressure from lower wealth management fees and lower investment gains from weak market sentiment. However, bancassurance and wealth businesses were still the key drivers for non-NII of the Bank.

**Total operating income** stood at Baht 164.8 billion mainly driven by a robust NII, although non-NII was weak as mentioned above.

**OPEX** was under control. The Bank's cost discipline will continue to be a key focus, resulting in a cost to income ratio (excluding one-time gain) of 42% in 2022.

In 2022, expected credit losses declined 22.2% yoy to Baht 32.7 billion (142 bps of total loans) following higher provisions in the previous years coupled with the Bank's proactive debt restructuring under the blue scheme.

### Statement of financial position

Unit : Baht million

Consolidated	2022	2021	(% yoy)
Loans	2,306,747	2,301,835	0.2%
Deposits	2,577,411	2,467,495	4.5%
Non-Performing Loans (gross NPLs)	91,139	109,114	-16.5%
Gross NPL ratio	3.3%	3.8%	-0.5%
Total allowance to NPLs (Coverage ratio)	151.2%	139.4%	11.8%
Capital Adequacy Ratio (Bank-only)	16.6%	18.8%	-2.2%

The Bank continued with its growth with quality strategy. Even though its loan growth was below the industry average, the Bank was able to optimize returns within its risk tolerance. Loans grew only 0.2% yoy largely due to the spin-off of certain credit card and unsecured lending business to CardX. Excluding the spin off, loans grew 3.0% yoy driven by housing loans, corporate loans and unsecured loans. Deposits increased 4.5% yoy due mainly to higher CASA.

At the end of December 2022, loans under the CDR program (blue scheme only) stood at Baht 277 billion or 12% of total loans and the payments profile of involved customers has been well within expectations.

Non-performing loans improved yoy to 3.3% at the end of December 2022 from 3.8% at the end of 2021 mainly driven by NPL sales. At the end of December 2022, the Bank's coverage ratio remained high at 151.2%

On the Bank-only basis, CAR ratio decreased significantly yoy to 16.6% in 2022 from 18.8% due mainly to a one-off dividend payment of Baht 61 billion from retained earnings of the Bank to shareholders. The Bank believes that its capital position, which is currently well above the minimum regulatory requirement, in combination with high loan loss provisions will enable the Bank to withstand unforeseen adverse shocks and pursue any growth opportunities within the BOT's regulatory boundary.

# Credit ratings

Credit Ratings of Siam Commercial Bank PCL	December 31, 2022
<b>Moody's Investors Service</b>	
Outlook	Stable
Bank Deposits	Baa1/P-2
Senior Unsecured MTN	(P) Baa1
Other Short Term	(P) P-2
<b>S&amp;P Global Ratings</b>	
Issuer Credit Rating	BBB/A-2
Outlook	Stable
Senior Unsecured (Long Term)	BBB
Senior Unsecured (Short Term)	A-2
<b>Fitch Ratings</b>	
<u>Foreign Currency</u>	
Long Term Issuer Default Rating	BBB
Short Term Issuer Default Rating	F2
Outlook	Stable
<u>National</u>	
Long Term Rating	AA+(tha)
Short Term Rating	F1+(tha)
Outlook	Stable

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# General Information and Other Important Information

## THE SIAM COMMERCIAL BANK PUBLIC COMPANY LIMITED

Type of business	Banking
Head office	
Address:	9 Ratchadapisek Road, Jatujak, Bangkok 10900

Company registration number	0107536000102
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Website:	www.scb.co.th
Tel:	+66-2544-1000
SCB Customer Center	+66-2777-7777
SCB Business Call Center	+66-2722-2222

## Registrar

Ordinary and Preferred Shares	The Thailand Securities Depository Company Limited 93 Ratchadapisek Road, Dindaeng Dindaeng, Bangkok 10400 Tel: +66-2009-9000 Fax: +66-2009-9991
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Senior Unsecured Notes USD 500 million 2.75% due May 2023	Deutsche Bank Luxembourg S.A 2 Boulevard Konrad Adenauer L-1115 Luxembourg Luxembourg
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Senior Unsecured Notes USD 500 million 3.90% due February 2024	Deutsche Bank Luxembourg S.A 2 Boulevard Konrad Adenauer L-1115 Luxembourg Luxembourg
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Senior Unsecured Notes USD 500 million 4.40% due February 2029	Deutsche Bank Luxembourg S.A 2 Boulevard Konrad Adenauer L-1115 Luxembourg Luxembourg
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## Fiscal Agent

Senior Unsecured Notes USD 500 million 2.75% due May 2023	Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre 1 Austin Road West, Kowloon Hong Kong
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Senior Unsecured Notes  
USD 500 million 3.90% due February 2024

Deutsche Bank AG, Hong Kong Branch  
Level 52, International Commerce Centre  
1 Austin Road West, Kowloon

### Hong Kong

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Senior Unsecured Notes  
USD 500 million 4.40% due February 2029

Deutsche Bank AG, Hong Kong Branch  
Level 52, International Commerce Centre  
1 Austin Road West, Kowloon  
Hong Kong

### Auditor

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Ms. Orawan Chunchakitpaisan  
or Ms. Pantip Gulsantithamrong  
or Ms. Thitima Pongchaiyong

Certified Public Accountant (Thailand) Registration No. 6105  
Certified Public Accountant (Thailand) Registration No. 4208  
Certified Public Accountant (Thailand) Registration No. 10728

### KPMG Phoomchai Audit Ltd.

Empire Tower, 50<sup>th</sup> Floor,  
1 South Sathorn Road Yannawa,  
Sathorn Bangkok 10120, Thailand  
Tel: +66-2677-2000

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## Legal Disputes

SCB did not have any unsettled legal disputes with the potential to negatively impact its assets, with no claimed amount worth over 5% of net equity according to financial statements for the accounting year ending December 31, 2022.

# Report of Holdings of SCB Ordinary Shares by SCB Directors and Members of Senior Management

Name	as of Dec 31, 2022			as of Dec 31, 2021			Change: increase/ (decrease)
	Number of shares held by a director or a senior management member	Number of shares held by (a) related person(s) **	Total	Number of shares held by a director or a senior management member	Number of shares held by (a) related person(s) **	Total	
1. Mr. Vichit Suraphongchai Chairman of the Board and Chairman of the Corporate Social Responsibility Committee	-	-	-	-	-	-	-
2. Mr. Chaovalit Ekabut Independent Director and Chairman of the Audit Committee	-	-	-	-	-	-	-
3. Mr. Kan Trakulhoon Independent Director, Chairman of the Nomination, Compensation, and Corporate Governance Committee, and Member of the Executive Committee	-	-	-	-	-	-	-
4. Mr. Krirk Vanikkul Independent Director and Chairman of the Risk Oversight Committee	-	-	-	-	50,480	50,480	(50,480)
5. Mr. Thaweesak Koanantakool Independent Director, Chairman of the Technology Committee, and Member of the Nomination, Compensation, and Corporate Governance Committee	-	-	-	-	-	-	-
6. Mr. Prasan Chuaphanich Director, Chairman of the Executive Committee and Member of the Technology Committee	-	-	-	-	1,000	1,000	(1,000)
7. ACM. Satitpong Sukvimol Director and Member of the Corporate Social Responsibility Committee	-	-	-	-	-	-	-
8. Pol. Col. Thumnithi Wanichthanom Director and Member of the Corporate Social Responsibility Committee	50	-	50	-	-	-	50

The Siam Commercial Bank Public Company Limited

Name	as of Dec 31, 2022			as of Dec 31, 2021			Change: increase / (decrease)
	Number of shares held by a director or a senior management member	Number of shares held by (a) related person(s) **	Total	Number of shares held by a director or a senior management member	Number of shares held by (a) related person(s) **	Total	
9. Mr. Pasu Decharin Independent Director, Member of the Audit Committee, and Member of the Risk Oversight Committee	-	-	-	-	-	-	-
10. Miss Lackana Leelayouthayotin Independent Director, Member of the Nomination, Compensation, and Corporate Governance Committee, and Member of the Corporate Social Responsibility Committee	-	-	-	-	-	-	-
11. Mr. Chakkrit Parapuntakul Director, Member of the Executive Committee, and Member of the Risk Oversight Committee	-	-	-	-	-	-	-
12. Mrs. Pantip Sripimol Director and Member of the Corporate Social Responsibility Committee	-	-	-	-	-	-	-
13. Mrs. Prisana Praharnkhasuk Independent Director and Member of the Audit Committee	-	-	-	-	-	-	-
14. Mr. Prasong Vinaiphath Independent Director and Member of the Nomination, Compensation and Corporate Governance Committee	-	-	-	-	-	-	-
15. Mr. Arthid Nanthawithaya Director, Member of the Executive Committee and Member of the Technology Committee	-	-	-	-	-	-	-
16. Mr. Kris Chantanotoke Director, Chief Executive Officer, Member of the Executive Committee, Member of the Risk Oversight Committee, and Member of the Technology Committee	-	-	-	-	-	-	-
17. Mrs. Wallaya Kaewrungruang SEVP, Chief Legal and Control Officer	-	-	-	-	-	-	-

Name	as of Dec 31, 2022			as of Dec 31, 2021			Change: increase / (decrease)
	Number of shares held by a director or a senior management member	Number of shares held by (a) related person(s) **	Total	Number of shares held by a director or a senior management member	Number of shares held by (a) related person(s) **	Total	
18. Mrs. Pikun Srimahunt SEVP, Chief SME Banking Officer	-	-	-	-	-	-	-
19. Miss Poramasiri Manolamai SEVP, Chief Insurance Business Officer	-	-	-	-	-	-	-
20. Mrs. Patraporn Sirodom SEVP, Chief People Officer	-	-	-	-	-	-	-
21. Mr. Chiradej Chakrabandhu SEVP, Chief Credit Officer	-	-	-	-	-	-	-
22. Mr. Chalee Asavathiratham SEVP, Chief Digital Banking Officer	-	-	-	-	-	-	-
23. Mr. Manop Sangiambut SEVP, Chief Financial Officer	-	-	-	-	-	-	-
24. Mr. Vitoon Pornsakulvanich SEVP, Chief Integrated Channels Officer and SEVP, Chief Retail and Business Banking Officer (Acting)	-	-	-	-	-	-	-
25. Mr. Krieng Wongnongtaey SEVP, Chief Risk Officer	-	-	-	-	-	-	-
26. Mr. Yunyong Thaicharoen SEVP, Chief Wholesale Banking Officer and SEVP, and Chief Wealth Banking Officer	-	-	-	-	-	-	-
27. Mr. Trirat Suwanprateeb Chief Technology Officer (Acting)	-	-	-	-	-	-	-
28. Mr. Narong Srichukrin SEVP, Chief Unsecured Business Officer	-	-	-	-	-	-	-

## Remarks

Executive no. 17 retired and executives nos. 20 and 23 resigned from SCB as of 1 January 2023

\*\*Related person(s) of directors or senior management members include(s):

- (1) Spouse or a minor child of a director or senior management member.
- (2) A juristic person in which aggregate shareholding by a director or senior management member and (1) exceeds 30 percent of the total number of voting rights of such juristic person.
- (3) A juristic person in which aggregate shareholding by a director or senior management member and (1) and (2) exceeds 30 percent of the total number of voting rights of such juristic person.
- (4) A juristic person in which a person described under (3) holds its shares and its shareholders in all levels of downward shareholding, beginning from the shareholder in the juristic person under (3), provided that shareholding in each level exceeds 30 percent of the total number of voting rights of the juristic person in the immediate lower level.

## Information on Executives' Directorships held in Other Companies

Information on Executives' Directorships held in Other Companies as of December 31, 2022

Name	Position	Company
1 Mr. Kris Chantanotoke Chief Executive Officer	Independent Director Independent Director	Mc Group PCL TALIS Asset Management Company Limited
2 Mrs. Wallaya Kaewrungruang  SEVP, Chief Legal and Control Officer and Chief Legal Officer	Chief Legal Officer and Chief Compliance Officer Audit Committee  Director Director Director	SCB X PCL.  InnovestX Securities Co., Ltd.  MONIX Co., Ltd. SCB DATAX Co., Ltd. AUTO X Co., Ltd.
3 Miss Poramasiri Manolamai SEVP, Chief Insurance Business Officer	Director and Chief Executive Officer	SCB Protect Co., Ltd.
4 Mrs. Patraporn Sirodom SEVP, Chief People Officer	Chief People Officer Director	SCB X PCL. SCB Protect Co., Ltd.
5 ML. Chiradej Chakrabandhu  SEVP, Chief Credit Officer	Director  Director	Siam Commercial Bank Myanmar Limited Cambodian Commercial Bank
6 Mr. Manop Sangiambut SEVP, Chief Financial Officer	Chief Finance & Strategy Officer Director Director	SCB X PCL. SCB-Julius Baer Securities Co., Ltd. MONIX Co., Ltd.
7 Mr. Yunyong Thaicharoen SEVP, Chief Wholesale Banking Officer and SEVP, Chief Wealth Banking Officer	Director Director and Director of Risk Management Committee  Director	BanRuamtangfun Co., Ltd. SCB Asset Management Co., Ltd.  SCB-Julius Baer Securities Co., Ltd.

Name	Position	Company
8 Mr. Trirat Suwanprateeb Chief Technology Officer (Acting)	Director and Chief Executive Officer	SCB TECH X Co., Ltd.
9 Mr. Kiradit Arromdee FEVP, Credit Product Function	Director	Saimake Co., Ltd.
10 Ms. Soramon Inkatanuvatana FEVP, Corporate Banking 1 Function	Director	SUPERNAP (Thailand) Co., Ltd.
11 Miss Araya Phuphanich FEVP, Internal Communication Function, FEVP, CSR Function	Director Director and Secretary Committee	Navuti Co., Ltd. Rattana Rajasuda Informatics Award Foundation 100 years Thai Public Health Foundation
12 Miss Wannarat Phanjan FEVP, Head of Operations	Chairman of the Board Chairman of the Board Chairman of the Board	Mahisorn Co., Ltd. SCB Training Centre Co., Ltd. SCB Plus Co., Ltd.
13 Ms. Pitiporn Phanaphat FEVP, Digital Platforms and Products Function	Director	SCB-Julius Baer (Singapore) Pte. Ltd.
14 Miss Lalitphat Toranavikrai FEVP, Private Banking Function	Director and Chief Executive Officer Director Managing Director	SCB-Julius Baer Securities Co., Ltd. SCB-Julius Baer (Singapore) Pte. Ltd. THE CRESTCENT CO., LTD.
15 Mr. Somprawin Manprasert FEVP, Chief Economist and FEVP, Chief Strategy Officer	Director Director Director	SCB-Julius Baer Securities Co., Ltd. The Erawan Group Public Company Limited Fine Water (Thailand) Company Limited Thailand Development Research Institute (TDRI)
16 Mr. Tanik Tarawisid FEVP, Investment Banking and Capital Markets Function	Director	Thai Bond Market Association

Name	Position	Company
17 Mr. Ekkapol Apinun EVP, Legal Function	Director Director Director	SCB Plus Co., Ltd. Mahisorn Co., Ltd. SCB Training Centre Co., Ltd.
18 Mr. Thanawatn Kittisuwan EVP, GTS and Ecosystems Function	Director	BCI (Thailand) Company Limited
19 Mr. Rungsi Vongkitbuncha EVP, Client Coverage 2.4 Division	Director	UD Drugstore (2001) Co., Ltd.
20 Mr. Somsakul Vinichbutr EVP, Client Coverage 1.7 Division	Subcommittee	Expressway Authority of Thailand
21 Mr. Kanin Rangkla  EVP, Head of Special Business	Chairman and Managing Director Director	Rutchayothin Assets Management Co., Ltd. SCB Plus Co., Ltd.
22 Mrs. Siribunchong Uthayophas EVP, Company Secretary	Director Director	Kler Kaew Korkij Co., Ltd. Krabingern Food Co., Ltd.
23 Ms. Vipasiri Chantanumat EVP, Client Coverage 3.2 Division	Authorized Director	VP Professional Co., Ltd.
24 Mr. Sakda Dumnakkaew EVP, Group Treasury Function	Director Director  Chairman Investment sub committee	Cambodian Commercial Bank The Provident Fund The Staff Of Siam Commercial Bank PLC. S.C.B. Staff Savings Co-operative Ltd.
25 Mr. Chalitti Nuangchamnong EVP, Securities and Corporate Law Division	Director Director	Baan Bueng Holdings Co., Ltd. SCB Asset Management Co., Ltd.
26 Mrs. Apiradee Synsukpermpoon EVP, International Banking Function	Director	Cambodian Commercial Bank

	<b>Name</b>	<b>Position</b>	<b>Company</b>
27	Mr. Parnu Chotiprasidhi FEVP, Corporate Banking 2 Function	Director Director	Nuntawan Co.Ltd Nuntawan Management Co.Ltd
28	Mr. Sakkawat Itthisawad EVP, Direct Sales Channels Function	Deputy Chairman Chairman, Credit Risk Subcommittee Director, Land Development Sub-Committee Deputy Chairman, Risk Management Subcommittee	S.C.B. Staff Savings Co-operative Ltd.
29	Mr. Patiphan Lerdprasertsiri EVP, Finance Function and EVP, Financial Planning and Analysis Function	Director Director and Audit Committee Director	Cambodian Commercial Bank SCB Asset Management Co., Ltd. Rutchayothin Assets Management Co., Ltd.
30	Mr. Sornchai Suneta EVP, Investment Office and Product Function and EVP, CIO Office	Director	CFA Thailand Association
31	Mrs. Sakara Asvaraksh EVP, Banking Law Division	Director	SCB-Julius Baer (Singapore) Pte. Ltd.
32	Ms. Nipaporn Kullertprasert EVP, Head of Audit	Director	Honda Tha Phra Co.,Ltd
33	Mr. Tapakorn Siritanawutichai EVP, Head of IT Infrastructure	Director	BCI (Thailand) Company Limited
34	Mr. Thitipong Srisomburananont EVP, Wholesale Banking Data, Strategy and Segment Management Function	Director Director	Toyota Thaitani Company Limited Toyota Buengkan Company Limited

Note: The above executives do not hold any current position as chairman, executive director, authorized director, or all of the aforementioned positions in other companies exceeding 3 business groups.

# Banking Network

as at December 31, 2022

Area Office	37	Offices
Branch, nationwide	660	Branches
Express	106	Service points
Investment Center	4	Branches
Business Center	1	Branch
Express	3	Centers
Overseas Branch	5	Branches
Affiliated Bank (Cambodian Commercial Bank)	4	Branches
Affiliated Bank (Siam Commercial Myanmar Limited)	1	Branch
Representative Office	1	Office
SME Center	27	Centers
Bangkok and its vicinity	11	Centers
Upcountry	16	Centers
International Trade Service Center	43	Centers
Foreign Exchange Service Center	36	Centers
Bangkok	16	Centers
Tourist locations, Upcountry	20	Centers
ATM	8,399	Machines
Bangkok	1,781	Machines
Upcountry	6,618	Machines

## Overseas Branches

### Shanghai Branch

General Manager: Ms. June Qiong Fu  
Address: Room 74 T15, 74<sup>th</sup> Floor,  
Shanghai World  
Financial Center  
No. 100 Century Avenue,  
Shanghai, P.R. China 200120  
Telephone: +86-21-60587777  
Swift: SICOCNSH  
E-Mail: june.fu@scb.co.th

### Vientiane Branch

General Manager: Ms. Weeranuch Tharmasakti  
Address: 117 Lanexang-Samsenthai  
Road, Ban Sisaket,  
Muang Chanthaburi,  
Vientiane, Lao P.D.R.  
Telephone: +856-21-213-501  
Fax: +856-21-213-502  
Swift: SICOLALA  
Email: weeranuch.tharmasakti@  
scb.co.th

### Hong Kong Branch

General Manager: Mr. Weijian Wan  
Address: Suite 3209, 32/F, Jardine House,  
Connaught Place, Central,  
Hong Kong  
Telephone: +852-2524-4085  
Fax: +852-2845-0293  
Swift: SICOHKHH  
E-Mail: weijian.wan@scb.co.th

### Ho Chi Minh Branch

General Manager: Mrs. Trieu Thi Minh Ngoc  
Address: Room 605-609, Floor 6,  
Kumho Asiana Plaza, Saigon,  
39 Le Duan Street, District 1,  
Ho Chi Minh City, Vietnam  
Telephone: +848-6285-6608  
Fax: +848-3822-6556  
Swift: SICOVNVX  
E-Mail: ngoc.trieu@scb.co.th

### Singapore Branch

General Manager: Ms. Vitita Theeraporn  
Address: 61 Robinson Road #10-03,  
Robinson Centre,  
Singapore 068893  
Telephone: +65-6536-4290  
Fax: +65-6536-4728  
Swift: SICOSGSG  
E-Mail: vitita.theeraporn@scb.co.th

## AFFILIATED BANKS

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### Cambodian Commercial Bank - Head Office - Phnom Penh

Director and  
General Manager: Mr. Rajesh Ahuja  
Address: 26, Preah Monivong Blvd,  
Sangkat Phsar Thmei 2,  
Khan Daun Penh,  
Phnom Penh, Cambodia  
Telephone: +855-23-213-601,  
+855-23-213-602,  
+855-23-426-145  
Fax: +855-23-426-116  
Swift: SICOKHPP  
E-Mail: rajesh.ahuja@ccb.com.kh

### Cambodian Commercial Bank - Battambang Branch

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### Cambodian Commercial Bank - Sihanoukville Branch

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### Cambodian Commercial Bank - Siem Reap Branch

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## REPRESENTATIVE OFFICES

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# Corporate Governance

The Board of Directors of the Siam Commercial Bank PCL (“the Bank” or “SCB”) recognizes the importance of corporate governance (CG) and is determined to ensure that SCB’s business governance is efficient, transparent, and fair to all stakeholders in order to bolster their trust, including shareholders, customers, employees, business partners, creditors, society, and regulators, and to strengthen the Bank’s competitiveness with ethics and social responsibility to achieve sustainable growth both for the Bank and society at large.

In addition to strictly complying with laws, rules, and regulations governing commercial banks and public companies, the Bank observes the Subsidiaries and Associates Supervision Policy of SCBX Public Company Limited, the SCB Corporate Governance Policy, the SCB Articles of Association, and SCB internal rules and regulations while simultaneously applying the corporate governance principles to its business context as appropriate to bolster trustworthiness in relation to its transparency and fairness to all stakeholders.

## 1. Corporate Governance Policy

### 1.1 Overview of Corporate Governance Policy and Guidelines

The Board has assigned the Nomination, Compensation and Corporate Governance (NCCG) Committee to formulate the Corporate Governance Policy and monitor compliance therewith as well as to regularly review and update the policy to ensure that it is appropriate and in line with regulatory guidelines pertaining to the Bank. The Bank’s Corporate Governance Policy is available on the Bank’s website at [www.scb.co.th](http://www.scb.co.th) under the “Corporate Governance” section.

The Bank’s Corporate Governance Policy and guidelines are based on the following core elements and address various dimensions relating to the Board of Directors, shareholders, and stakeholders:

- **Vision and Core Values**
  - Vision: To be “The Most Admired Bank.”  
In other words, the Bank aspires to be recognized by each of its constituents as follows:
    - Customers: The Most PREFERRED Partner
    - Employees: The Most CARING Employer
    - Shareholders: The Most SUSTAINABLE RETURN Company
    - Society and Environment: The Most RESPONSIBLE Corporate Citizen
    - Regulators: The Most PRUDENT Bank
  - Core values: The Bank’s core values are known as CRIS, which stands for Customer centricity, Risk culture, Innovation, and Speed.
  - Code of Business Conduct

The Board has approved SCB Codes of Conduct which encompass the Code of Business Conduct and the Code of Conduct for Directors, Executives, and Employees that must be complied with by all directors, executives, and employees.

Under its Code of Business Conduct, the Bank prioritizes and monitors the following aspects: 1) Compliance with business ethics; 2) Strengthening the trust of customers and stakeholders through service standards; 3) Providing resources to all employees in support of their performance efficiency; 4) Customer centricity and responsible

treatment of customers demonstrated through, among others, the Bank's business operations, which are intended to offer quality and fair financial services in accordance with the Bank of Thailand's Market Conduct, sustainable customer relationships, and offer products and services that are suitable for customers in light of their needs and capabilities; 5) Implementing measures to manage conflicts of interests in the course of business operations; 6) Prioritizing the confidentiality and management of information of the Bank and its customers, employees, and business partners through the adoption of rigorous information management practices; 7) Operating businesses in strict compliance with relevant laws, regulations, the Bank's policies and rules, and corporate governance principles; 8) Operating businesses efficiently and sustainably; and 9) Operating businesses with social and environmental responsibility.

Further, the Bank's Code of Conduct for Directors, Executives, and Employees provides ethical standards governing: 1) corporate governance, 2) protecting SCB's interest, image, honor, reputation, and virtue, 3) conflicts of interest, 4) information integrity, 5) information confidentiality, 6) insider trading, 7) anti-money laundering and combating the financing of terrorism and proliferation of weapons of mass destruction, 8) anti-corruption and bribery, 9) gambling, alcohol, and drugs, 10) giving and receiving gifts and entertainment, 11) corporate assets, 12) outside employment or other commercial activities, 13) harassment, and 14) whistleblowers.

The Code of Business Conduct and the Code of Conduct for Directors, Executives, and Employees are regularly reviewed by the Board to achieve alignment with the guidelines set forth by SCBX and are available on the Bank's website at [www.scb.co.th](http://www.scb.co.th) under the "Code of Conduct" section.

- **Corporate Governance Structure:** To establish an operating framework for key duties of the Board, the policy clearly enumerates the composition, authority, duties and responsibilities of the Board; meetings of the Board; tenure of directors; nomination and election of directors;

onboarding programs for new directors; development programs for directors; holding of positions in other companies/entities by directors; Board committees; segregation of positions between the Chairman of the Board and the Chief Executive Officer; compensation and performance assessment of directors; matters related to persons with management authority such as their performance assessment, their compensation, and succession planning for key positions; and roles and functions of the Company Secretary.

- **Rights and Treatment of Stakeholders:** The Bank recognizes the rights of all stakeholders, such as shareholders, customers, employees, business partners, competitors, creditors, suppliers, society, communities, and the environment. This awareness underpins the Bank's vision and codes of conduct, emphasizing the Bank's commitment to ensuring that each group of stakeholders can fully enjoy and exercise their rights based on the principle of fairness for sustainable growth among all. Stakeholders can directly contact the relevant units of the Bank and raise suggestions, make comments, or register complaints with the Board and the management of the Bank via multiple channels provided. Further, the Bank has set forth a disclosure policy to ensure that its disclosures to shareholders and all groups of stakeholders are transparent, complete, appropriate, fair, and timely.
- **Internal Controls:** The Bank implements internal controls to prevent conflicts of interest and the use of inside information by directors and employees. These controls include the reporting of conflicts of interest of directors and persons with management authority, criteria and procedures for connected transactions that address their pricing, conditions, and approvals; and the SCB Anti-Corruption and Bribery Policy which is based on SCBX Group's guidelines.

## **1.2 Major Changes and Developments in Corporate Governance Policy, Practices, and Guidelines in 2022**

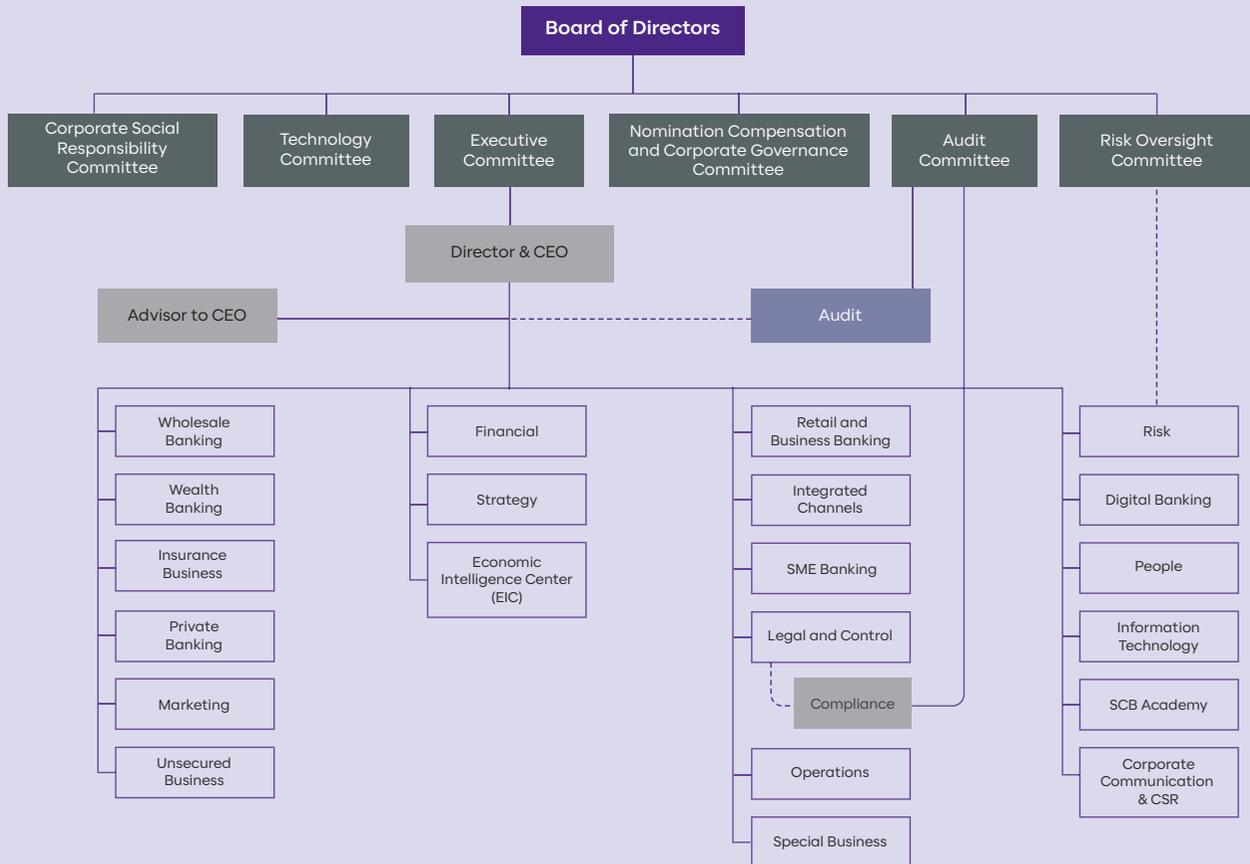
On April 27, 2022, the Bank delisted its securities from the Stock Exchange of Thailand. This was part of the SCBX Financial Group's business restructuring roadmap, according to which SCB X Public Company Limited is a parent company of the financial group with a view to empowering the group to generate significant corporate value through new businesses in the digital financial industry, which is characterized by high growth potential, and providing greater clarity in the group's business operations, hence allowing the group to nimbly expand into and grow new businesses.

In tandem with the group's business restructuring, the Bank reorganized its governance and management structure. Mr. Arthid Nanthawithaya vacated his seat as Chief Executive Officer of the Bank on July 31, 2022, but remained Chief Executive Officer of SCB X Public Company Limited, while the three presidents of the Bank, namely, Mr. Sarut Ruttanaporn, Mrs. Apiphan Charoenanusorn, and Mr. Arak Sutivong vacated their seats as presidents of the Bank and presently serve as chief executive officers of companies in the SCBX Group. In support

of the Bank's management continuity and the group's strategy implementation and goals, the Board appointed Mr. Kris Chantanotoke as Chief Executive Officer of the Bank, effective August 1, 2022. To observe the Bank of Thailand's guidelines on the supervision of commercial bank financial groups operating digital assets, the Bank reorganized its management structure in a bid to promote independence by ensuring its Board of Directors is not entirely served by directors of SCBX and that the Audit Committees of SCB and SCBX are not served by the same individuals. As of December 31, 2022, there were eight SCB directors who also served as directors of SCBX, namely 1) Mr. Vichit Suraphongchai, 2) ACM. Satitpong Sukvimol, 3) Pol. Col. Thumnithi Wanichthanom, 4) Mr. Kan Trakulhoon, 5) Mr. Prasan Chuaphanich, 6) Mr. Thaweesak Koanantakool, 7) Mrs. Pantip Sripimol, and 8) Mr. Arthid Nanthawithaya.

## 2 Governance Structure, Important Information about the Board, Board Committees, Executives and Employees, and Other Information

### 2.1 Corporate Governance Structure of the Bank



## 2.2 Board of Directors

### ▪ Board Composition

At the end of 2022, the Bank had 16 directors. The Bank selects its Board members based on the criteria set forth by relevant regulators and with the aim of fostering diversity in terms of gender, nationality, race, age, education, professional experience, skills, knowledge, and other key attributes to maintain diversity in the Board composition and hence a wide variety of perspectives and insights which will ultimately benefit all stakeholders and the Bank's sustainable growth.

Of the total 16 directors, there were three women and 13 men with diverse professional backgrounds in banking, accounting and finance, organizational management, strategic planning, risk management, social development, corporate governance, law and technology, and other experience that is considered beneficial and relevant to the Bank's business. Composition of the Board is as follows:

- o Eight independent directors<sup>1\*</sup> (representing 50 percent of the total directors): 1. Mr. Chaovalit Ekabut, 2. Mr. Kan Trakulhoon, 3. Mr. Krirk Vanikkul, 4. Mr. Thaweesak Koanantakool, 5. Mr. Pasu Decharin, 6. Miss Lackana Leelayouthayotin, 7. Mrs. Prisana Praharnkhasuk, and 8. Mr. Prasong Vinaiphath.
- o Seven non-executive directors (representing 43.75 percent of the total directors): 1. Mr. Vichit Suraphongchai, 2. ACM Satitpong Sukvimol, 3. Pol. Col. Thumnithi Wanichthanom, 4. Mr. Prasan Chuaphanich, 5. Mr. Chakkrit Parapuntakul, 6. Mrs. Pantip Sripimol, and 7. Mr. Arthid Nanthawithaya.
- o An executive director (representing 6.25 percent of the total directors): Mr. Kris Chantanotoke.

<sup>1</sup> The term "independent director" has the meaning as specified in the Bank of Thailand's Notification No. SorNorSor. 10/2561 Re: Corporate Governance of Financial Institutions, and the Capital Market Supervisory Board's Notification No. TorJor. 39/2559, Re: Application and Approval for Offering Newly Issued Shares, and/or their amendments (if any). Moreover, the number of shares held by an independent director and his/her related parties combined shall not exceed 0.5 percent of the total voting shares of the Bank, or the Bank's parent company, subsidiaries, associate companies, or major shareholders, or the persons having the authority to control the Bank. This shareholding restriction of no more than 0.5 percent is the Bank's standard and is stricter than the standard set by the Capital Market Supervisory Board, which prohibits an independent director from holding more than one percent of the total voting shares of the company of which he/she is a director.

**Board of Directors** (As of December 31, 2022)

Name	Position	Date of appointment	Number of years in directorship
1. Mr. Vichit Suraphongchai	Chairman of the Board and Chairman of the Corporate Social Responsibility Committee	December 10, 1999	23 years 1 month
2. Mr. Chaovalit Ekabut	Independent Director and Chairman of the Audit Committee	April 5, 2019	3 years 9 months
3. Mr. Kan Trakulhoon	Independent Director, Chairman of the Nomination, Compensation and Corporate Governance Committee; and Member of the Executive Committee	April 5, 2016	6 years 9 months
4. Mr. Krirk Vanikkul	Independent Director and Chairman of the Risk Oversight Committee	November 1, 2015	7 years 2 months
5. Mr. Thaweesak Koanantakool	Independent Director, Chairman of the Technology Committee, and Member of the Nomination, Compensation and Corporate Governance Committee	April 5, 2016	6 years 9 months
6. Mr. Prasan Chuaphanich	Director, Chairman of the Executive Committee and Member of the Technology Committee	April 4, 2013	9 years 9 months
7. ACM. Satitpong Sukvimol	Director and Member of the Corporate Social Responsibility Committee	June 13, 2018	4 years 7 months
8. Pol. Col. Thumnithi Wanichthanom	Director and Member of the Corporate Social Responsibility Committee	June 13, 2018	4 years 7 months
9. Mr. Pasu Decharin	Independent Director, Member of the Audit Committee, and Member of the Risk Oversight Committee	October 19, 2018	4 years 2 months
10. Miss Lackana Leelayouthayotin	Independent Director, Member of the Nomination, Compensation and Corporate Governance Committee; and Member of the Corporate Social Responsibility Committee	April 5, 2019	3 years 9 months
11. Mr. Chakkrit Parapuntakul	Director, Member of the Executive Committee and Member of the Risk Oversight Committee	November 25, 2015 January 18, 2021	1 <sup>st</sup> Round: 4 years 10 months (2015–2020) 2 <sup>nd</sup> Round: 1 year 11 months
12. Mrs. Pantip Sripimol	Director and Member of the Corporate Social Responsibility Committee	April 8, 2021	1 year 9 months
13. Mrs. Prisana Praharnkhasuk	Independent Director and Member of the Audit Committee	June 2, 2022	7 months
14. Mr. Prasong Vinaiphath	Independent Director and Member of the Nomination, Compensation and Corporate Governance Committee	June 2, 2022	7 months

Name	Position	Date of appointment	Number of years in directorship
15. Mr. Arthid Nanthawithaya	Director, Member of the Executive Committee, and Member of the Technology Committee	April 2, 2015	7 years 9 months
16. Mr. Kris Chantanotoke	Director, Chief Executive Officer, Member of the Executive Committee, Member of the Risk Oversight Committee, and Member of the Technology Committee	August 1, 2022	5 months

The positions of the Chairman of the Board and the top-ranking executive are assumed by different individuals. The positions and authority of the Chairman of the Board and the Chief Executive Officer are clearly segregated to enhance performance effectiveness, governance, and transparency as detailed below.

Chairman of the Board - Pursuant to the Bank's Corporate Governance Policy, the Chairman of the Board must be an independent director or a non-executive director. The Chairman of the Board is not involved in the Bank's routine management. This conforms to the principle of segregation of policy-making and oversight duties from those in operations management. The key roles and responsibilities of the Chairman of the Board are: to oversee the Board's adherence to corporate governance principles and established policies; to ensure that Board meetings are conducted effectively and matters that are essential to the Bank's operations and/or performance are placed on the meeting agenda; to allocate sufficient time for management to present clear and timely information; to allow attending Board members to voice their opinions and ask questions; and to ensure that Board resolutions are clear and the meeting minutes are complete and correct. The Chairman of the Board also presides over shareholder meetings. Another key responsibility of the Chairman is to ensure that the Bank's governance practices comply with established policies.

Chief Executive Officer - The Chief Executive Officer is the Bank's top-ranking executive who is chiefly responsible for directing and driving the Bank's business and operations toward the policies, strategies, and goals as set forth by the Board; recommending alternatives and strategies

that are fit for the evolving business environment to achieve sustainable growth; and considering and approving matters according to the Bank's regulations and as assigned by the Board and/or the Board committees. The Chief Executive Officer also assumes the key responsibility in building corporate culture.

▪ **Duties and Roles of the Board**

The Board is committed to pursuing the highest standards of ethics. The Board has the authority, duties, and responsibilities to manage the Bank in accordance with the objectives specified by law, the Bank's Articles of Association, and the resolutions of the Board and shareholder meetings. It is also responsible for ensuring that the Bank has in place effective control, supervision, and audit mechanisms and for ongoing monitoring to ensure that the Bank operates its businesses within the frameworks of ethics, transparency, and responsibility toward all stakeholders in accordance with corporate governance principles. Details are available on the Bank's website at [www.scb.co.th](http://www.scb.co.th) under the "Charter and Independent Director Definition" section.

**2.3 Board Committees**

The Bank has appointed six Board committees to assist the Board in screening and overseeing specific matters, namely the (1) Executive Committee, (2) Audit Committee, (3) Nomination, Compensation and Corporate Governance Committee, (4) Risk Oversight Committee, (5) Technology Committee, and (6) Corporate Social Responsibility Committee.

The composition, duties, and responsibilities of each Board committee are clearly specified in its charter, which is available

on the Bank's website at [www.scb.co.th](http://www.scb.co.th) under the "Charter and Independent Director Definition" section. Details are summarized below.

**(1) Executive Committee**

The major duties and roles of the Executive Committee are to oversee and ensure that the Bank's businesses and operations are in line with its strategies, policies, and regulations and to perform tasks as assigned by the Board. The key responsibilities include screening all matters that are proposed to the Board for consideration, excluding those matters under responsibility and/or authority of other specific committees, and approving credit requests, investments, and matters that are within the scope of authority delegated by the Board and stipulated in the charter of the Executive Committee.

**(2) Audit Committee**

The Audit Committee's scope of duties and responsibilities encompasses financial reporting, internal controls, internal audits, and oversight of compliance with regulations, codes of ethics, codes of conduct, and risk management principles. These duties and responsibilities include, among others, reviewing the accuracy and adequacy of the Bank's financial statements; ensuring that the management of the Bank has established appropriate and effective internal control and internal audit systems; reviewing the effectiveness of the Bank's regulatory and legal compliance monitoring system; reviewing the efficiency of the Bank's risk management system; and performing other duties as stipulated in the charter of the Audit Committee. Another major duty of the Audit Committee is to propose the appointment and discharge of external auditors, including the corresponding audit fees, to the Board for consideration prior to obtaining approval at the meeting of shareholders on an annual basis. Furthermore, the Audit Committee is responsible for evaluating the performance of external auditors.

**(3) Nomination, Compensation and Corporate Governance Committee**

The four main duties and responsibilities of the Nomination, Compensation and Corporate Governance Committee are: 1) To nominate qualified persons as directors, Board committee members, senior executives, persons with management authority and advisors of the Bank, and directors and executives of the Bank's subsidiaries; 2) To propose appropriate remuneration for members of the Board and Board committees to the Board and ensure that remuneration of senior executives is commensurate with their duties and responsibilities; 3) To consider and provide opinions on HR policies based on corporate strategies, formulate succession planning policies and direct the development of succession plans for the Chief Executive Officer and persons with management authority, and to consider and provide opinions on corporate culture cultivation and development plans; and 4) To formulate the Bank's corporate governance policy and oversee the Bank's compliance therewith.

**(4) Risk Oversight Committee**

The Risk Oversight Committee's duties and responsibilities are to provide advice to the Board regarding the risk oversight framework of the Bank and its subsidiaries and to review the adequacy and effectiveness of overall risk management policies and strategies and risk tolerance to ensure that said policies and strategies comprehensively address all relevant risks, including emerging risks, and are effectively and efficiently implemented. The Risk Oversight Committee is also responsible for reporting to the Board the Bank's risk positions, risk management effectiveness, status of risk culture adoption, significant risk factors and issues, and risk management policy/strategy gaps. The Risk Oversight Committee is also responsible for providing advice to the Board with regard to organization-wide risk culture cultivation; supervising culture adoption and management's compliance with risk

management policies/strategies and risk appetite framework; and rendering opinions on or participating in the evaluation of the performance efficiency and effectiveness of the Chief Risk Officer.

**(5) Technology Committee**

The Technology Committee's duties and responsibilities are to steward the Bank's technology strategy and system architecture in alignment with the Bank's goals and objectives, to address the integrity of technology services, to manage technology-related risks, to promote the adoption of technology-related best practices based on the Bank's core values, and to perform other

duties as stipulated in the charter of the Technology Committee.

**(6) Corporate Social Responsibility Committee**

The duties and responsibilities of the Corporate Social Responsibility Committee are to establish the corporate social responsibility policy and framework of the Bank, to formulate relevant operating policies, to work in collaboration with the Siam Commercial Foundation, and to deliberate on the allocation of resources and budget to relevant projects and activities of the Bank and the Siam Commercial Foundation.

**2.4 Executives of the Bank**

Executives of the Bank at the Senior Executive Vice President Level and Higher (As of December 31, 2022)

Name	Position
1. Mr. Kris Chantanotoke	Chief Executive Officer
2. Mrs. Wallaya Kaewrungruang	Senior Executive Vice President, Chief Legal and Control Officer
3. Mrs. Pikun Srimahunt	Senior Executive Vice President, Chief SME Banking Officer
4. Miss Poramasiri Manolamai	Senior Executive Vice President, Chief Insurance Business Officer
5. Mrs. Patraporn Sirodom	Senior Executive Vice President, Chief People Officer
6. M.L. Chiradej Chakrabandhu	Senior Executive Vice President, Chief Credit Officer
7. Mr. Chalee Asavathiratham	Senior Executive Vice President, Chief Digital Banking Officer
8. Mr. Manop Sangiambut	Senior Executive Vice President, Chief Financial Officer
9. Mr. Vitoon Pornsakulvanich	Senior Executive Vice President, Chief Integrated Channels Officer, and Acting Chief Retail and Business Banking Officer
10. Mr. Krieng Wongnongtaey	Senior Executive Vice President, Chief Risk Officer
11. Mr. Yunyong Thaicharoen	Senior Executive Vice President, Chief Wholesale Banking Officer, and Chief Wealth Banking Officer
12. Mr. Trirat Suwanprateeb	Acting Chief Information Technology
13. Mr. Narong Srichukrin	Senior Executive Vice President, Chief Unsecured Business Officer

Remark: Mrs. Wallaya Kaewrungruang retired from the Bank while Mrs. Patraporn Sirodom and Mr. Manop Sangiambut resigned from the Bank on January 1, 2023.

**Executive Remuneration**

The Nomination, Compensation and Corporate Governance Committee is responsible for proposing remuneration for executives to the Board for approval, including the Chief Executive Officer and

senior executives at the Executive Vice President level and higher. To build a solid foundation for the sustainable success of the Bank, remuneration is deemed, after due consideration by the NCCG

Committee, appropriate and in line with the Bank's policies as well as reflecting short-term and long-term corporate performance and individual performance that is evaluated and benchmarked against KPIs, which include financial indicators, customer-related indicators, and indicators relating to work process improvement and people development. Remuneration is determined based on transparent criteria, scopes of responsibility, and the Bank's competitiveness as compared to peer banks and other leading companies in Thailand.

In 2022, the total number of the Bank's executives based on the Bank of Thailand's definition, i.e., Executive Vice President level and higher, was 80 (inclusive of nine executives who resigned during the year), and collectively they received remuneration in the form of monthly salaries, bonuses, and allowances of Baht 1,193.51 million and severance pay of Baht 78.64 million.

The Bank's executives are entitled to welfare and other benefits similar to those offered to other employees and in accordance with the Bank's regulations, such as medical benefits, annual medical check-up, life and accident insurance, welfare loans, and provident fund contribution. In 2022, the Bank's provident fund contribution for the 80 executives (inclusive of nine executives who resigned during the year), as defined by the Bank of Thailand, i.e., Executive Vice President level and higher, was 39.39 million in total.

## 2.5 Employees and Employee Remuneration

At the end of 2022, the total number of the Bank's employees was 20,840, and employee and benefit expenses totaled Baht 23,213 million. These expenses included, among others, salaries, overtime pay, cost-of-living allowances, car allowances, bonuses, and contributions to the social security fund and provident fund.

The number of SCB employees classified by function and level is as follows:

Employee Level	Wholesale Banking	SME Banking	Retail Banking	Wealth Banking	Other Functions
EVP and higher	18	6	0	4	40
AVP-FSVP	509	205	64	154	1,873
Staff-Officer	424	559	110	709	16,165

The number of SCB employees has continuously declined throughout the past three years as a result of unreplaced vacancies due to resignation of branch employees following the closure of many branches in response to the increasing adoption of digital banking among customers. The decrease

was also attributable to the voluntary early retirement programs implemented by the Bank in 2020 and 2021 and the resignation of employees who joined new companies under SCBX Group in 2021 and 2022.

The number of SCB employees in the past three years is as follows:

Year	2020	2021	2022
Number of SCB employees	23,977	22,051	20,840

In addition, employees of SCB and its major subsidiaries were encouraged to join the provident fund program. The number and proportion of employees who are provident fund members are as follows:

Company	Number of employees who are provident fund members (persons)	Percentage of employees who are provident fund members (%)
Siam Commercial Bank Public Company Limited	19,698	93%
SCB Plus Company Limited	1,227	94%
SCB Asset Management Company Limited	256	97%
SCB-Julius Baer Securities Company Limited	69	94%
SCB Protect Company Limited	271	83%

## 2.6 Board Support Units

The Bank recognizes the importance of and provides support to the following functions and their personnel who are responsible for ensuring the Bank's proper compliance with laws and regulations as well as the Board's adherence to statutory and good corporate governance practices:

### (1) Audit

The Audit Function is an independent and business-neutral unit that has been established to improve and enhance internal control, including policies, practices and procedures of the Bank and its subsidiaries with an aim of ensuring compliance of the Bank and its subsidiaries with applicable regulations. The Audit Function also conducts regular audits, identifies matters requiring attention, provides advice, and makes improvement-related recommendations on internal control, risk management systems, and corporate governance practices. The Audit Function is led by Miss Nipaporn Kullertprasert, Executive Vice President, Chief Audit Officer, who is responsible for ensuring that the responsibilities of the Audit Function are effectively carried out in accordance with the aforesaid purposes and reports directly to the Audit Committee in an independent manner. The Audit Committee is responsible for providing the Board with recommendations about the qualifications, nomination, appointment, and removal of the Chief Audit Officer.

### (2) Compliance

The Compliance Function serves as the

Bank's regulatory center, providing consultation and advice pertaining to regulatory requirements and the Bank's policies, rules, regulations, operating procedures, and internal controls as well as coordinating with regulators on behalf of the Bank. The Compliance Function is also in charge of formulating internal policies, rules, and regulations that govern the regulatory and legal compliance of all employees and executives of the Bank. It is also responsible for conducting due diligence on persons nominated as directors or executives of the Bank and its subsidiaries to ensure that the nominees possess appropriate qualifications that meet legal and regulatory requirements. The Compliance Function is led by Mr. Chirawat Chamrasromran, Executive Vice President, Head of Compliance, who functionally reports to the Senior Executive Vice President, Chief Legal and Control Officer, and independently reports to the Chief Executive Officer and the Audit Committee in relation to key regulatory compliance matters.

### (3) Company Secretary

The Board has appointed a Company Secretary whose key roles are to support the Board in all relevant aspects as assigned by the Board and to support the Bank's observance of corporate governance standards. Mrs. Siribunchong Uthayophas has been appointed by the Board as the Company Secretary. Functions of the Company Secretary are shown on [www.scb.co.th](http://www.scb.co.th) under the "Company Secretary" section.

### 3. Report on Key Corporate Governance Practices

#### (A) Corporate Governance Practices

In 2022, in addition to complying with the laws governing public limited companies and corporate governance guidelines for financial institutions, the Bank voluntarily adopted the Corporate Governance Code for Listed Companies in a bid to preserve its integrity as a bank with good corporate governance standards. Highlights of the Bank's corporate governance practices are as follows:

#### 1. Rights of Shareholders and Equitable Treatment of Shareholders

The Bank ascertains that shareholders may appropriately enjoy and equitably exercise their rights, such as the right to attend shareholder meetings, to buy or sell shares, and to receive dividends and information about the Bank. In addition, the Bank encourages all shareholders to exercise their rights to the fullest extent permissible by law and does not violate or derogate the rights of shareholders by any means.

##### 1.1 Shareholder Meeting

On April 4, 2022, the Annual General Meeting of Shareholders No. 199 ("AGM") of the Bank, as a SET-listed company at that time, was held via electronic means and with the Bank's commitment to ensuring shareholders' ability to exercise their rights related to shareholder meetings in accordance with laws and corporate governance practices as follows:

- 1) To ensure that shareholders receive clear, accurate, and complete information, have sufficient time to consider agenda items of the AGM, and are able to easily access the AGM notice and accompanying documents, the Bank posted the AGM notice and relevant documents on its website and assigned Thailand Securities Depository Company Limited (TSD), as its securities registrar

to send AGM-related documents to shareholders at least seven days prior to the meeting date.

- 2) The Bank recognized shareholders' rights to know and gain full access to information and allowed shareholders to submit questions in advance of the 2022 AGM through various channels in accordance with guidelines published on the Bank's website. Questions were contemplated and proposed to the Board by the Nomination, Compensation and Corporate Governance Committee.
- 3) To encourage and facilitate the participation of all shareholders in the shareholder meeting and so as for them to exercise their rights in an equitable manner, the Bank delivered Proxy Form B which contained thorough details about proxy appointments to shareholders together with the AGM notice and advised the shareholders that they could opt to appoint proxies to attend the meeting on their behalf, whereby such proxies could be either one of the independent directors nominated by the Bank as proxies or any other individuals as the shareholders deemed appropriate.
- 4) To facilitate attendance by all shareholders and proxy holders in an equitable manner, the AGM was held during business hours and on a working day. In addition, the e-AGM system was made accessible early to allow shareholders to register their attendance at least two hours in advance of the meeting.
- 5) Prior to proceeding in accordance with the meeting agenda, the Company Secretary announced the

voting procedure and vote counting practices for each agenda item. Holders of the Bank's ordinary and preferred shares, including proxy holders who attended the meeting, were entitled to cast their votes on a one-share-one-vote basis. Shareholders were able to cast online votes from their personal electronic devices. This means offered great convenience for voters and the vote tabulation could be swiftly processed after the voting was closed. In addition, the Bank assigned representatives from an independent law firm to inspect the validity of the proxy appointments, adequacy of the quorum, and tabulation and reporting of votes.

- 6) The Chairman of the Board presided as the chairman of the shareholder meeting. All 17 directors of the Bank attended the 2022 AGM. The chairman of the meeting allowed shareholders to ask questions, express opinions, and make recommendations as appropriate on an equitable basis and provided responses to all questions or issues raised.
- 7) Following the adjournment of the AGM, the Bank prepared the minutes of the meeting within the timeframe specified by law and disclosed the minutes of the meeting (in both Thai and English) on its website.

## 1.2 Dividend Payment

Given the restructuring of SCBX Group, the Board has set a policy to pay maximum dividend with consideration for prudential capital levels and regulatory requirements. Dividend payments will be considered when the Bank records a net profit after deduction of all statutory and other reserves, provided that there is no accumulated loss and the Bank is able to maintain

adequate capital funds to comply with the regulatory requirements and to adequately preserve capital for its future business needs.

At the 2022 AGM (prior to the completion of the business restructuring), the shareholders resolved to approve a dividend payment from the Bank's 2021 operating results to holders of the Bank's preferred and ordinary shares at the rate of Baht 4.06 per share, equivalent to a total of Baht 13,801 million or 40.0 percent of the Bank's 2021 net profit under the bank-only financial statements. As an interim dividend at the rate of Baht 1.43 per share was paid to shareholders on September 23, 2021, the remaining dividend was Baht 2.63 per share and was paid to holders of the Bank's preferred and ordinary shares on April 22, 2022.

Following the completion of the group's business restructuring, the Bank paid dividends from its retained earnings to holders of the Bank's preferred and ordinary shares at Baht 17,94544 per share, equivalent to a total of approximately Baht 61,000 million on September 29, 2022. Subsequently, the Bank paid an interim dividend from its first-half 2022 net profit to holders of the Bank's preferred and ordinary shares at Baht 1.50, equivalent to a total of approximately Baht 5,099 million on October 27, 2022.

## 1.3 Election of Director on an Individual Basis

Pursuant to the Bank's Articles of Association, one-third of the directors shall retire by rotation at every AGM. The Bank arranged for shareholders to elect directors to replace the outgoing directors by independently directing their votes toward each individual nominee as opposed to a slate director election. Profiles and important information of each nominated

candidate are disclosed in the notice of the shareholder meeting to support shareholders' decisions on the election of qualified candidates as directors of the Bank. The voting results for each candidate nominated for the election were clearly specified in the meeting minutes.

## 2. Roles Toward Stakeholders

### 2.1 Treatment of Stakeholders

Recognizing that listening and responding to the expectations of stakeholders are essential foundations in the path toward inclusive growth and sustainable development, the Bank has consistently attached importance to the engagement of stakeholders through different communication channels and in various forms. The Bank's treatment of each group of its stakeholders is as summarized below.



#### ▪ Customers

The Bank prioritizes the strict adherence to market conduct requirements and principles and established a data privacy policy, data privacy management, and cyber security systems in accordance with international standards. Furthermore, short-term and long-term assistance and relief programs have been implemented to help customers affected by the COVID-19 crisis. The Bank communicates with its customers through various channels, such as face-to-face meetings, special activities, websites, social media, and satisfaction surveys, and used its service centers as a channel for receiving customer complaints and feedback.



#### ▪ Employees

The Bank provides its employees with a welfare and work environment conducive to a good quality of life and adopted a "Work from Anywhere" program. The Bank has implemented compensation management and performance assessment systems that are fair and equitable as well as developed and arranged training in critical professional skills for the digital era. Channels for communication with employees included, for example, an intranet, social media, employee engagement surveys, training, and performance assessments.



#### ▪ Shareholders

The Bank encourages all shareholders to exercise their rights to the fullest extent permissible by law and does not violate or derogate the rights of shareholders by any means, while ascertaining that shareholders receive adequate, timely, and complete information about the Bank and that all disclosures are transparently and accurately made in accordance with law. The Bank also strategizes and optimizes its operations to achieve solid and sustainable returns and effective risk management amid change. Communications with shareholders are made through channels such as shareholder meetings, annual reports, and the SCB website.



#### ▪ Community and Environment

Holistic social development programs have been implemented by the Bank to foster the revenue and

business growth of small business owners, youth education and development, and community well-being. The Bank also provides in-cash and in-kind support to disaster-stricken citizens and promoted the offering of products and services that address environmental, social and governance (ESG) concerns. Corporate social activities and projects, the SCB website, and social media are among the communication approaches and channels used by the Bank in this respect.



- **Regulators**

In addition to corporate governance principles, the Bank adopts proactive risk management and strictly complies with legal and regulatory rules, particularly market conduct guidelines and requirements. The Bank communicates with regulators through channels such as hearings about regulatory guidelines and compliance practices and examinations by regulators.



- **Business Partners**

The Bank emphasizes conformity to procurement regulations and has adopted vendor/supplier selection processes that are based on the principle of fair and equitable competition. The SCB Supplier Code of Conduct is enforced by the Bank to urge its business partners to conduct their businesses ethically and with respect for the freedom and rights of others in accordance with the principles of labor and human rights and occupational health, safety, and environmental standards. Business and partner meetings, a “Vendor Communication Day”,

which is an annual event for the dissemination of procurement policy and practices, and an annual assessment of business partners are examples of communication channels between the Bank and its business partners.



- **Competitors**

The Bank treats competitors ethically and transparently and avoids actions that may impede fair competition or constitute an infringement of intellectual property rights. The Bank communicates with its competitors through various discussion and consultation forums, which include meetings held by the Thai Bankers’ Association.



- **Creditors**

The Bank strictly complies with obligations and agreements made with its creditors, including guarantee conditions and obligations regarding capital and liquidity management. Channels for communicating with creditors include creditor meetings and visits, letters via post and electronic media, and the SCB website.

## 2.2 Anti-Corruption

The Bank has been a certified member of Thailand’s Private Sector Collective Action Coalition Against Corruption (CAC) since 2014. This underlines its determination and commitment to fight corruption in all forms as well as its aspiration to promote a culture of zero tolerance of corruption and bribery. The Bank has re-certified its CAC membership every three years and, as part of the re-certification process, each CAC member is required to complete an anti-corruption self-assessment which is based on a highly rigorous standard.

Anti-corruption practices:

- 1) The Bank has enforced its Anti-Corruption and Bribery Policy, which serves as anti-corruption guidelines and communicates the policy to directors, executives, and employees at all levels to ensure that they recognize and understand their obligations and responsibilities in this respect and apply the policy in the workplace to the best of their abilities.
- 2) All employees are required to enroll in relevant training courses, such as e-learning courses on anti-money laundering/combating the financing of terrorism (AML/CFT), and other anti-corruption and bribery measures. They must pass relevant tests to complete these mandatory courses and must periodically enroll in refresher courses within a specified time frame.
- 3) In 2022, the Bank continued to strictly uphold its No-Gift Policy to promote a culture of transparency and integrity and to prevent corruption.
- 4) The Bank has disseminated its Anti-Corruption and Bribery policy to external parties and stakeholders through its website and encourages its suppliers, as key stakeholders of the Bank, to adopt the same principles and concepts to extend anti-corruption and bribery initiatives to a wider context. In addition, the "SCB Supplier Code of Conduct" has been established as a guiding framework for the Bank's suppliers.
- 5) The Bank has set up channels, such as the Whistleblower Program, to receive complaints about wrongdoing or suspected fraud or corruption. To actively monitor and evaluate compliance with the Anti-Corruption Policy, the Bank regularly assesses its

corruption and bribery exposure, with the Audit Committee being responsible for overseeing the Bank's internal controls to ensure that they are adequate and effective in protecting the Bank from the risk of corruption and bribery as well as reporting the results to the Board of Directors.

### 2.3 Contact Channels for Stakeholders

Each group of stakeholders are provided with channels to directly contact the relevant units of the Bank as follows:

- Customers or third parties can communicate with the Bank through branch staff, or relationship managers/officers, or through the Call Center at 0-2777-7777, or by writing to senior executives of the Bank. All communications are recorded, monitored, and responded to within a specified period.
- Employees can voice their opinions and report on any unfair treatment, fraudulent activity, or suspicion of misconduct directly to their supervisors or through the following channels:
  - SCB's Whistleblower Policy provides a channel through which employees can report complaints, acts that may cause damage, fraud or non-compliance with the Bank's regulations, rules, and codes of conduct; including any unfair treatment they might have suffered. The aim is to ensure the Bank's adherence to the principles of transparency and corporate governance. There are multiple reporting channels available to employees, e.g., via e-mail (whistleblower@scb.co.th) or via post to P.O. Box 177, Chatuchak Delivery Post Office 10900, or via telephone (at 0-2544-2000). A brief report on actions taken in this regard is presented

to the Audit Committee every quarter.

It is the Bank's policy to maintain strict confidentiality to protect whistle-blowing employees from retaliation or adverse consequences. An independent investigation team will be set up to investigate reported issues or suspicious behavior. If there are proven grounds for a complaint, the matter will be escalated in accordance with the complaint resolution processes. Employees at all levels are encouraged to report incidents or cases that may have adverse impact on the Bank via channels provided so that the Bank can initiate relevant processes and actions. In addition, the HR Call Center at 0-2544-4444 or Suzy247 (Chat Robot via Microsoft Teams) are channels through which employees can submit their inquiries relating to employment and/or benefits or share opinions with the Bank.

Further, all stakeholders can raise complaints, or make suggestions or comments to the Board and the management of the Bank through the following channels:

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**Via post to the Company Secretary at the following address:**

The Siam Commercial Bank PCL  
Shareholder Services and  
Corporate Governance Division  
9 Ratchadapisek Road,  
Chatuchak, Bangkok 10900



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**Via e-mail to :** [company\\_secretary@scb.co.th](mailto:company_secretary@scb.co.th)

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The Bank has also established a clear policy and procedure for handling complaints from customers, employees, and other stakeholders. All complaints received are kept confidential, investigated, resolved, and reported to the Audit Committee and the Board.

### **3. Disclosure and Transparency**

#### **3.1 Disclosure Policy and Practices**

The Bank has set forth a disclosure policy to ensure that its disclosures to shareholders and all groups of stakeholders are complete, appropriate, fair, and timely. The Bank has empowered the Chief Executive Officer, the Chief Financial Officer, the Company Secretary, and persons delegated by the Board of Directors to disclose information of the Bank, and such disclosures are made through, for example, the Bank's website ([www.scb.co.th](http://www.scb.co.th)) and press releases.

#### **3.2 Auditors**

Auditor qualifications are vetted by the Audit Committee in terms of their independence, suitability, accountability, and absence of any conflict of interest with respect to the Bank, its subsidiaries, management, and major shareholders or their related parties. It is also required that auditors must be on the approved lists of the Bank of Thailand and the Securities and Exchange Commission (SEC). The Audit Committee reviews annual audit fees based on the scope of the audit and proposes qualified auditors and audit fees to the Board for consideration prior to proposing there of to the AGM for approval.

In 2022, total audit fees of the Bank and its subsidiaries were Baht 30.3 million. In addition, the Bank and its subsidiaries paid fees for services other than statutory audits as follows:

- Compliance review of the Bank's financial business group restructuring plan

- Audits and examination as required by regulators, i.e., examination of banking returns
- Penetration testing
- Credit review
- Tax services

Non-audit fees were Baht 31.6 million, of which Baht 14.3 million was paid in fiscal year 2022, while the remaining outstanding amount of Baht 17.3 million will be paid in 2023.

#### **4. Responsibilities of the Board**

##### **4.1 Nomination of Directors and Senior Executives**

The Nomination, Compensation and Corporate Governance Committee is responsible for nominating to the Board qualified candidates whose qualifications match the Bank's strategic requirements to serve on the Board and the Board committees. Nominations are based on each candidate's knowledge, abilities, expertise, and professional experience in relation to each vacancy's requirements, a board skill matrix that is employed as a screening tool, and, in the case of independent directors, the independence of the candidates. The Bank proceeds with its due diligence process to ensure that the qualifications of nominated individuals are not contrary to relevant law and conform to the Bank's policies. Director nominations and elections are proposed to the Nomination, Compensation and Corporate Governance Committee, the Board, the Board of SCB X Public Company Limited, the Bank of Thailand, and the meetings of shareholders (where required by law).

To ensure that the director nomination and selection are in line with the Bank's strategic and business directions, the Nomination, Compensation and Corporate Governance Committee has defined the qualification screening

criteria, which sets out three aspects of attributes and expertise that constitute desired qualifications of directors: 1) knowledge, expertise, or experience in macro-level management, 2) knowledge, expertise, or experience specific to the management of financial institutions, and 3) knowledge, expertise, or experience in other fields deemed useful to the Board.

Additionally, the Nomination, Compensation and Corporate Governance Committee is responsible for reviewing and screening qualifications of candidates for positions at the level of Executive Vice President and higher. Such nominations will be proposed to the Board (and to the Board of SCB X Public Company Limited in case of the nominations for the positions of Chief Executive Officer and senior executives based on the SEC's definitions) and subsequently to the Bank of Thailand for endorsement. The Nomination, Compensation and Corporate Governance Committee also oversees the formulation of policies, criteria, and procedures for the nomination and remuneration of directors and persons with management authority of the Bank's subsidiaries.

The process for nomination, selection, and appointment of directors and executives, and the oversight of the formulation of policies, criteria, and procedures for the nomination and remuneration of directors and persons with management authority of the Bank's subsidiaries as mentioned above, are conducted by the Bank without any discrimination on race, religion, gender, marital status, or physical disability.

##### **4.2 Directors' Term of Office**

One-third of the total number of directors must retire by rotation at every annual general meeting of shareholders, whereby directors who have held office for the longest time shall retire. In case

the total number of directors is not divisible by three, the number of directors to retire shall be the number closest to one-third of all directors. Directors retiring by rotation may be re-elected to continue their office.

To promote transparency and compliance with good corporate governance principles and the Bank of Thailand's stipulations governing corporate governance of financial institutions, the Bank has limited the office term of independent directors to nine consecutive years, inclusive of their tenure as independent directors of companies in the SCBX Group.

#### **4.3 Directorships in Other Companies**

The Bank has established a clear policy on the holding of positions by the Bank's directors and senior executives in other companies. The Bank's directors are not allowed to hold directorships in more than five listed companies in Thailand and other countries. Furthermore, to comply with the Bank of Thailand's Notification Re: Corporate Governance of Financial Institutions, the holding of positions by directors, managers, persons with management authority, and advisors of the Bank as a chairman and/or an executive director and/or an authorized director of other companies shall be limited to three business groups only.

In addition to the policies stated above, the Bank has an internal guideline pertaining to the holding of positions in other companies, which requires the Bank's directors to notify the Nomination, Compensation and Corporate Governance Committee of their positions in other companies or organizations so that the Nomination, Compensation and Corporate Governance Committee may review whether such appointment is appropriate and in compliance with relevant regulations. The Company Secretary will report

changes in such positions held by each director to the Board. Information on positions held by the Bank's directors and executives in other companies, which is disclosed to shareholders in this Annual Report, indicates that the holding of positions by directors and executives of the Bank (at Executive Vice President levels and higher) is in accordance with relevant regulations.

#### **4.4 Director Orientation**

Upon the appointment of new directors, the Bank arranges orientation meetings in which the Chief Executive Officer and/or senior executives of the Bank will brief new directors on the vision, strategies, key business targets, and performance highlights of the Bank and the SCBX Group and desired practices applicable to directors of commercial banks. Also, important documents are provided to new directors to support their performance of duties as directors.

#### **4.5 Director, Executive, and Employee Development**

##### **▪ Director Development**

The Bank consistently attaches importance to director development and encourages directors to regularly participate in courses or activities to enhance their knowledge relevant to their roles and duties as members of the Board and Board committees. Directors are also offered opportunities to attend overseas seminars and activities related to corporate governance practices and are informed of useful training courses. Details of each director's participation in training courses are shown in the annex to this Corporate Governance Report under the "Director Information" Section.

##### **▪ Executive and Employee Development**

To build a solid foundation for its strategic endeavors "To Be A Better Bank" and to foster sustainable

growth, the Bank focuses on the continuous development of executives and employees at all levels to equip them with diverse skill sets, to maximize their potential and to build future leaders who can lead highly effective teams, drive the organization toward its goals, and adapt to changes with ambidexterity.

In 2022, the Bank further refined the leadership development programs for managers and executives of the Bank based on the five dimensions of ambidextrous leadership: 1) Leading strategy – Ability to devise a long-term change plan and work around existing strategies to take advantage of short-term opportunities. Apart from managing and achieving goals, leaders must be able to bring about changes and identify new opportunities; 2) Leading execution – Ability to drive execution, manage operations effectively, and experiment with audacity to consistently deliver results; 3) Leading teams – Ability to build a positive team environment that is supportive of members' pursuit and achievement of established goals, function as a coach, and develop highly effective teams; 4) Leading people – Ability to help employees realize their growth potential, be attentive to team members, and achieve excellence; and 5) Leading self - Ability to engender self-awareness and growth ambition which are qualities of an inspiring leader.

In addition, the Bank encouraged executives and employees at all levels to develop fundamental skills for present and future workplaces and strengthen their professional mindsets, skill sets, and tool sets that would enable them to cope with changes and adopt new ways of thinking and working befitting the future workplace. These self-learning and development

modules are available on the Bank's in-house learning platform, which can be easily accessed at anytime from anywhere and any device, and are designed around the three categories of essential professional skills: 1) Critical thinking – Ability to think creatively and critically, find solutions to complex problems, and make decisions; 2) Interacting with others – Ability to work with, communicate with, motivate, and convince others; and 3) Staying relevant: Ability to direct and develop one's capacity to learn, adapt to evolving digital technologies and new work contexts, demonstrate self-awareness and learning agility to effectively function in the 21<sup>st</sup> century workplace, and learn how to learn in order to accelerate employees' capacity to develop new digital skills through self-learning.

To become a learning organization, the Bank consistently encourages learning and development from within the organization and designs learning and development programs that are diverse, behavioral-based, and practical to real-life situations based on the 70:20:10 model. Learners obtain 70 percent of their knowledge from experiential learning or learning by doing assignments or project works, 20 percent from social learning or learning from others such as experts or coaches, and 10 percent from formal learning such as training courses, seminars, online self-learning modules, and micro-learning on the Bank's website.

Besides its endeavors throughout the past five years to uplift the learning and skills of its employees, the Bank has encouraged employees to learn from mistakes and apply their experience and lessons from such mistakes for future improvement.

This approach fosters a learning culture and new ways of work that will create business impact through employees' real-life application of data, lean, agile and design thinking to effectively satisfying customer needs which are at the heart of the business.

In cultivating a learning culture, the Bank emphasizes not only job-specific skills but also other fields of knowledge that are of employees' interest, such as lifestyle and work. The Bank also nurtures the development of new skills and capabilities of emerging technologies among the general public through collaboration with various partners with a view to maximizing the knowledge, potential, and sustainable competitiveness of Thais in today's rapidly changing world.

#### **4.6 Board and Senior Executive Evaluation**

- **Board and Board Committee Evaluation**

The Board evaluation is conducted annually and is divided into four parts: 1) Board evaluation, 2) Board committee evaluation, 3) individual director evaluation, and 4) Board Chairman evaluation. An evaluation form is sent to each director at the end of each year by the Company Secretary, who is also in charge of compiling and presenting the evaluation results to the Nomination, Compensation and Corporate Governance Committee. The evaluation results and recommendations gathered are subsequently presented to the Board for acknowledgment and discussion regarding further improvement of the Board's performance. The Bank also engages an external consulting firm that has experience and expertise in corporate

governance to conduct the Board evaluation process every three years or when appropriate.

In 2022, both self-evaluation and cross-evaluation were applied to the Board evaluation and the average rating of the four sections was "Very Good (Exceeding Expectations)." According to the Board's opinions, the Board was comprised of directors who possessed diverse abilities and experiences and had displayed a satisfactory independence in its operation. In addition, the Board partook in and rendered opinions on the Board restructuring, the nomination of the new Chief Executive Officer, and the Bank's business reorientation, which contributed to the continuity in business management and smooth transition. In addition, the Board worked closely with management on the deliberation and implementation of the SCBX Group's strategy and was involved in the review of business management and subsidiary supervision frameworks to ensure that they can effectively respond to digital transformation in the financial service industry.

- **Senior Executive Evaluation**

The performance evaluation of the Chief Executive Officer is conducted by the Nomination, Compensation and Corporate Governance Committee and is referred to the Board for approval. The performance of senior executives at the level of Executive Vice President and above is evaluated by the Chief Executive Officer against predetermined criteria, and the evaluation results are proposed to the Nomination, Compensation and Corporate Governance Committee and

subsequently to the Board for approval. These performance evaluations are conducted annually.

#### **4.7 Succession Planning**

The Nomination, Compensation and Corporate Governance Committee is assigned by the Board to be responsible for succession planning to ensure that the Bank has in place a succession plan that incorporates nomination, selection, and training for key positions, particularly the positions of Chief Executive Officer and executives at the level of Executive Vice President or higher. This is to ensure the continuity of the Bank's management and business operations when executive positions become vacant due to new appointments, job transfers, retirements, resignations, or any other reasons.

The Bank's succession plans are systematically developed in accordance with well-defined processes and are regularly reviewed.

#### **4.8 Board Meetings**

Meetings of the Board are held in accordance with the rules and procedures specified in the charter of the Board and the Corporate Governance Policy. The Board meeting is scheduled to be held once every month (except December), and the meeting schedule is planned in advance for the entire year. The Chairman of the Board determines

the agenda of each Board meeting, whereby directors and the Chief Executive Officer may propose agenda items through the Company Secretary. In addition, the Board has a policy to call a meeting of non-executive directors where necessary and appropriate as a forum for non-executive directors to independently discuss and exchange opinions on management issues without participation by executive directors.

A Board meeting invitation, meeting agenda, and supporting documents are sent to all directors at least five business days prior to the meeting date so that directors may have sufficient time to study such information, except in the case of an urgent meeting that is required to protect the Bank's rights or benefits. Directors can request additional information through the Company Secretary.

In addition, the Board has specified in its charter that at least two-thirds of all directors should be present during the voting procedure.

In 2022, there were a total of 18 Board meetings. The meeting attendance of the Board was 99 percent and the meeting attendance of every director was above 75 percent, which is in compliance with the Board charter.

## Meeting Attendance of Individual Directors in 2022

Unit: Meeting (No. of meetings attended/held)

Name	Position	Board of Directors	Meeting						
			Executive Committee	Audit Committee	Nomination, Compensation and Corporate Governance Committee	Risk Oversight Committee	Technology Committee	Corporate Social Responsibility Committee	AGM
1. Mr. Vichit Suraphongchai	Chairman of the Board and Chairman of the Corporate Social Responsibility Committee	16/18						4/6	1/1
2. Mr. Chaovalit Ekabut	Independent Director and Chairman of the Audit Committee	18/18		12/12					1/1
3. Mr. Kan Trakulhoon	Independent Director, Chairman of the Nomination, Compensation and Corporate Governance Committee, and Member of the Executive Committee	18/18	26/26		14/14				1/1
4. Mr. Krirk Vanikkul	Independent Director and Chairman of the Risk Oversight Committee	18/18				13/13			1/1
5. Mr. Thaweesak Koanantakool	Independent Director, Chairman of the Technology Committee, and Member of the Nomination, Compensation and Corporate Governance Committee	17/18			14/14		10/10		1/1
6. Mr. Prasan Chuaphanich	Director, Chairman of the Executive Committee, and Member of the Technology Committee	18/18	17/17	3/3			4/6		1/1
7. ACM. Satitpong Sukvimol	Director and Member of the Corporate Social Responsibility Committee	18/18						6/6	1/1
8. Pol. Col. Thumnithi Wanichthanom	Director and Member of the Corporate Social Responsibility Committee	18/18						6/6	1/1
9. Mr. Pasu Decharin	Independent Director, Member of the Audit Committee, and Member of the Risk Oversight Committee	18/18		12/12		13/13			1/1
10. Miss Lackana Leelayouthayotin	Independent Director, Member of the Nomination, Compensation and Corporate Governance Committee, and Member of the Corporate Social Responsibility Committee	18/18	9/9		6/6			3/3	1/1
11. Mr. Chakkrit Parapuntakul	Director, Member of the Executive Committee, and Member of the Risk Oversight Committee	18/18	26/26		8/8	8/8			1/1
12. Mrs. Pantip Sripimol	Director and Member of the Corporate Social Responsibility Committee	18/18				5/5		3/3	1/1
13. Mrs. Prisana Praharnkhasuk	Independent Director and Member of the Audit Committee	10/10		7/7					n/a

Name	Position	Meeting							
		Board of Directors	Executive Committee	Audit Committee	Nomination, Compensation and Corporate Governance Committee	Risk Oversight Committee	Technology Committee	Corporate Social Responsibility Committee	AGM
14. Mr. Prasong Vinaiphath	Independent Director and Member of the Nomination, Compensation and Corporate Governance Committee	10/10			6/6				n/a
15. Mr. Arthid Nanthawithaya	Director, Member of the Executive Committee and Member of the Technology Committee	18/18	25/26			4/5	8/10		1/1
16. Mr. Kris Chantanotoke	Director, Chief Executive Officer, Member of the Executive Committee, Member of the Risk Oversight Committee, and Member of the Technology Committee	7/7	12/12			5/6	3/3		n/a
Directors resigning during the year									
1. Mr. Weerawong Chittmittrapap	Independent Director and Member of the Nomination, Compensation and Corporate Governance Committee	8/8		8/8				1/1	
2. Mr. Pailin Chuchottaworn	Independent Director, Member of the Executive Committee, and Member of the Technology Committee	8/8	9/9				4/4		1/1
3. Miss Jareeporn Jarukornsakul	Director, Member of the Technology Committee, and Member of the Corporate Social Responsibility Committee	8/8				4/4	3/3	1/1	
4. Miss Chunhachit Sungmai	Director and Member of the Risk Oversight Committee	14/14				9/9			1/1

Remark: Changes in the Board and Board committees are detailed in the annex to this Corporate Governance Report.

#### 4.9 Director Remuneration

The Board has a policy that director remuneration shall be commensurate with the functional duties of directors, who must fulfill the expectations of various groups of stakeholders and comply with applicable laws and regulations. It is thus required that the Bank's directors possess appropriate experience and qualifications and each director's remuneration reflect his/her contributions, responsibilities, and any associated risks. The Nomination, Compensation and Corporate Governance Committee is responsible

for proposing remuneration of members of the Board and Board committees to the Board for consideration and, subsequently, to shareholders for approval each year.

At the 2022 AGM, the shareholders resolved to approve remuneration at the rate of Baht 1.8 million per year for the Board Chairman and at the rate of Baht 1.2 million per year for each Board member. These rates have been unchanged since 2000.

At the same AGM, shareholders approved a collective bonus pool for directors at the rate of no more than 0.5 percent of dividends and authorized the Board to determine the appropriate bonus amount and allocation within the said

limit. Shareholders approved the 2021 dividends at Baht 4.06 per share or Baht 13,801 million in total and the 2021 collective bonus pool for directors was set at Baht 54 million in total or 0.39 percent of the dividends.

Remuneration of the Board committees in 2022 as approved by the 2022 AGM is shown below.

<b>Committee</b>	<b>Monthly Remuneration (Baht)</b>	<b>Attendance Fee (Baht/Meeting)</b>
<b>Executive Committee</b>		
Chairman	150,000	-
Member	100,000	-
<b>Audit Committee</b>		
Chairman	75,000	15,000
Member	50,000	10,000
<b>Nomination, Compensation and Corporate Governance Committee</b>		
Chairman	45,000	15,000
Member	30,000	10,000
<b>Risk Oversight Committee</b>		
Chairman	45,000	15,000
Member	30,000	10,000
<b>Technology Committee</b>		
Chairman	45,000	15,000
Member	30,000	10,000
<b>Corporate Social Responsibility Committee</b>		
Chairman	45,000	15,000
Member	30,000	10,000

Remark: Director who is an executive of the Bank does not receive remuneration for serving on Board committees.

### Monetary remuneration of individual directors in 2022

In 2022, director remuneration paid by the Bank totaled Baht 91.59 million as detailed below.

(Unit: Baht million)

Name	Board of Directors	Executive Committee	Audit Committee	Nomination, Compensation and Corporate Governance Committee	Risk Oversight Committee	Technology Committee	Corporate Social Responsibility Committee	Director bonus for 2021 performance
1. Mr. Vichit Suraphongchai	1.80						0.60	4.72
2. Mr. Chaovalit Ekabut	1.20		1.00					3.15
3. Mr. Kan Trakulhoon	1.20	1.82		0.75				3.15
4. Mr. Krirk Vanikkul	1.20				0.74			3.15
5. Mr. Thaweesak Koanantakool	1.20			0.50		0.68		3.15
6. Mr. Prasan Chuaphanich	1.20	1.05	0.28			0.24		3.15
7. ACM. Satitpong Sukvimol	1.20						0.42	3.15
8. Pol. Col. Thumnithi Wanichthanom	1.20						0.42	3.15
9. Mr. Pasu Decharin	1.20		0.72		0.49			3.15
10. Miss Lackana Leelayouthayotin	1.20	1.12		0.27			0.24	3.15
11. Mr. Chakkrit Parapuntakul	1.20	1.82		0.23	0.29			3.00
12. Mrs. Pantip Sripimol	1.20				0.20		0.24	2.31
13. Mrs. Prisana Praharnkhasuk	0.70		0.43					
14. Mr. Prasong Vinaiphath	0.70			0.27				
15. Mr. Arthid Nanthawithaya	1.20							3.15
16. Mr. Kris Chantanotoke	0.50							
Directors resigning during the year								
1. Mr. Weerawong Chittmittrapap	0.50			0.23				3.15
2. Mr. Pailin Chuchottaworn	0.50	1.12				0.19		3.15
3. Miss Jareeporn Jarukornsakul	0.50					0.19	0.18	3.15
4. Miss Chunchachit Sungmai	0.90				0.36			2.75
5. Mr. Prapas Kong-ied								0.27
<b>Total</b>	<b>20.50</b>	<b>6.93</b>	<b>2.43</b>	<b>2.25</b>	<b>2.08</b>	<b>1.30</b>	<b>2.10</b>	<b>54.00</b>

Remark: 1. Changes in the Board and Board committees in 2022 are detailed in the annex to this Corporate Governance Report. In this regard, Mr. Prapas Kong-ied resigned as director of the Bank on February 1, 2021.  
2. For each joint meeting of the Board committees, entitlement to the attendance fee of each director is limited to only one Board committee (in case the director serves on several Board committees).

Directors are entitled to other benefits and welfare in accordance with the Bank's regulations. Their medical benefits, including an annual medical check-up, are equivalent to those offered to the Bank's executives at the Executive Vice President level or higher.

**(B) Oversight of Subsidiaries**

The Bank attaches importance to aligning the business direction of subsidiaries to its policies and processes and the business plan of the SCBX Group to achieve synergy and operational effectiveness for the Group.

The Board is responsible for considering key matters of the Bank's subsidiaries, such as their annual business and budget plans, appointments of directors of subsidiaries, and nomination of the Bank's executives as directors of subsidiaries. In addition, the Board delegates the Board committees to oversee the policymaking of subsidiaries as well as to control, supervise, and monitor their implementation of relevant policies in order to ensure that operations of subsidiaries are in accordance with the Bank's policies and in line with the business plan of the SCBX Group.

**(C) Prevention of Conflicts of Interest**

To manage conflicts of interest arising from its business operations, the Bank implemented the following measures which are based on ethical principles and supervised by the Audit Committee:

- Adopt controlling, monitoring, and preventive measures for transactions involving potential conflicts of interest or inappropriate connected or related party transactions by establishing policies, procedures, and processes for considering and approving such transactions.
- Compile reports on conflicts of interest of directors and persons with management authority. The Bank requires its directors and persons with management authority to report any conflict of interest concerning themselves and their related parties to the Bank through the Company Secretary

on an annual basis as well as to notify the Bank of any changes related to their holding of positions in other entities. This information is used by the Bank to monitor transactions between the Bank and directors, persons with management authority, and/or their related parties in accordance with applicable legal requirements.

- Prevention of Misuse of Inside Information
  - Impose non-trading periods to prohibit directors, executives, and employees involved in the preparation of financial statements from trading securities and securities having ordinary shares of SCB X Public Company Limited as underlying assets during the one-month period preceding the public release of the quarterly, semiannual, and annual financial statements and during the 24-hour period after such public release.
  - Require the separation of workplace locations among units whose operations might involve conflicts of interest in order to prevent information leakage.
- Related Party and Connected Transactions
  - Establish regulations governing connected transactions and a prudent consideration process to protect the best interests of the Bank and its share holders.
  - Require that related party transactions between the Bank and its executives, major shareholders, and related parties shall in no way constitute the transfer of the Bank's benefits to related parties.
  - Prohibit employees of the Bank who have a stake in or are related to any transactions from participating in the consideration process of such transactions to ensure that the decisions on such transactions are fully for the benefit of the Bank.
- Giving and Receiving Gifts, Entertainment, and Other Benefits

- o Giving and receiving gifts, entertainments, and other benefits are intended as business courtesies and must be discreet, prudent, reasonable, and appropriate in terms of value, occasion, and customary practice.
- o Do not offer, respond to, or solicit bribes or any other benefits directly or indirectly to/from customers, government agencies, private entities, or third parties, for the purpose of influencing their objectivity and discretionary decisions or performance of duty, or to gain undue benefits.

**(D) Misuse of Inside Information for Undue Gains**

The Bank establishes ethical standards within the framework of prevention against conflicts of interest and misuse of inside information. In doing so, the Bank lays emphasis on the confidentiality and management of information of the Bank and its customers and adopts rigorous information management practices as follows:

**1. Information Management**

- Protect, retain, and treat non-disclosable information of customers and the Bank in accordance with relevant law. The collection, handling, protection, and use of customers' personal information must be appropriately conducted.
- Do not disclose information of customers and the Bank, unless consent is granted by customers or the Bank, as applicable, or otherwise required by relevant law.

**2. Communications**

- The Bank aims to disclose its information to shareholders, investors, and the public in an accurate, complete, comprehensive, and timely manner, and in compliance with related laws and regulations.
- Any communication, statement, or release of information about the Bank and its businesses and customers must be accurate and appropriate. Such communication, statement, or release

of information to any press or media must be conducted only by persons designated to release information on behalf of the Bank.

**(E) Measures for Compliance with the Corporate Governance Policy and Practices**

To ensure compliance with the established Corporate Governance Policy and practices, the Bank initially builds awareness in this respect among employees and executives at all levels through the dissemination of important policies and regulations that are related to corporate governance via its website. The Bank also offers training courses specifically related to, for example, codes of conduct, risk management, and anti-corruption. These courses are mandatory for new joiners, and all employees are required to take relevant refresher courses every year. For matters related to directors and executives, the Bank assigns executives of relevant functions, such as executives of the Audit Function, Legal Function, Compliance Function and Human Resources Function, Company Secretary, and secretaries of Board committees, to provide support to the Board in order that the Board can operate in compliance with applicable legal and regulatory requirements. To that end, relevant policies must be cascaded across relevant departments and discussions with such departments about suitable practices must be regularly held. At each Board meeting, the Board monitors corporate governance matters through the reports from the Board committees.

**(F) Reports of Board Committees**

# Report of the Executive Committee

The Executive Committee's key duties and responsibilities are to ensure that the operations of the Bank are in accordance with its policies, strategies, business targets, and regulations. As set forth in the Charter of the Executive Committee, the Executive Committee is empowered to administer and manage the Bank's businesses and perform tasks assigned by the Board of Directors to achieve the Bank's vision, support the Bank's mission, and promote the Bank's core values. In addition, the Executive Committee is vested with the power to grant approval on credit requests, investments, and business undertakings according to its scope of authority.

The Executive Committee presently consists of six directors, i.e., a non-executive director who serves as the Chairman of the Executive Committee, an independent director, three non-executive directors, and an executive director as detailed below.

1. Mr. Prasan Chuaphanich  
Chairman of the Executive Committee  
(since June 1, 2022)
2. Mr. Kan Trakulhoon  
Independent Director
3. Mr. Chakkrit Parapuntakul  
Director
4. Mr. Arthid Nanthawithaya  
Director  
(served as the Chairman of the Executive Committee from April 5, 2019, to May 1, 2022)
5. Pol. Col. Thumnithi Wanichthanom  
Director  
(since January 17, 2023)
6. Mr. Kris Chantanotoke  
Chief Executive Officer (since August 1, 2022)

Following the SCBX Group restructuring, which resulted in the incorporation of SCB X Public Company Limited ("SCBX") as the group's parent company with the vision to be "the Most Admired Financial Technology Group in ASEAN," the Executive Committee's top priorities in 2022 were anchored around the group's vision and strategy. In addition to organizational restructuring, the Bank refocused its operating model with the aspiration "To Be A Better Bank" by prioritizing loan optimization over loan growth, targeting growth in the wealth management and bancassurance businesses, and fully transforming into a digital bank while effectively managing costs to generate reasonable and sustainable returns. In parallel, the Bank developed an environmental, social, and governance (ESG) strategy with the ambition of becoming a leading sustainable bank and demonstrating a net zero commitment, which is a key mission of the SCBX Group.

Major undertakings and achievements of the Executive Committee in 2022 are summarized below.

1. **Support for shareholding restructuring and business operations of SCBX and companies in the SCBX Group:** The Executive Committee undertook careful deliberation and proposed to the Board of Directors key matters such as the divestment of equity in the Bank's subsidiaries and the transfer of businesses to SCBX or SCBX subsidiaries under the group restructuring roadmap.

- 2. Review of SCB business strategy:** The Executive Committee reviewed and proposed to the Board of Directors the SCB business strategy in consideration of the prevailing business landscape, with the aim of achieving loan optimization in parallel with effective cost management. Shaped by the Bank's aspiration to become the best digital bank in wealth management, the business strategy is designed to enable seamless service delivery to all customer groups through the Bank's omni-channel and digital platforms, optimize loan portfolios with a proper risk-return balance; maximize portfolio resilience to risks, particularly climate risk, and promote projects or business that address sustainability and ESG issues.
- 3. Fossil Fuel Financing Statement:** In support of the group's net zero commitment, the Executive Committee reviewed and proposed the Fossil Fuel Financing Statement to the Board of Directors as a restrictive framework for financing new projects or activities having long-term impact on greenhouse gas emissions. This endeavor directly contributes to the Bank's loan portfolio adjustment towards fewer greenhouse gas emissions and is supportive of the sustainable banking principles and sustainability policies of the Bank and the financial group.
- 4. Monitoring of support programs for SCB customers affected by the COVID-19 pandemic:** The Executive Committee continuously followed up on debt relief efforts and progress and proactively refined the comprehensive debt restructuring

program to help corporate customers keep their businesses afloat both during the crisis and in the long run, as well as to restore the financial health of retail customers.

- 5. Credit approvals:** The Executive Committee considered, approved, and, where applicable, screened credit requests according to its scope of authority prior to proposing them to the Board of Directors. The Executive Committee also considered and laid out guidelines to resolve major problem loans as well as monitored the status of major loans on a regular basis, including reports of business impacts from various situations to ensure appropriate management.
- 6. Financials:** The Executive Committee considered, approved, and, where applicable, screened finance-related matters according to its scope of authority prior to proposing them to the Board of Directors. These matters include financial results, financial targets, business plans, the annual budget, and other material matters related to businesses of the Bank and its subsidiaries.

In 2022, the Executive Committee held 26 meetings.



**Mr. Prasan Chuaphanich**

Chairman of the Executive Committee

# Report of the Audit Committee

The Audit Committee of Siam Commercial Bank PCL has performed its duties in accordance with the scope of responsibilities defined in the Audit Committee Charter endorsed by the Board of Directors. This is in line with the Securities and Exchange Commission's guidelines on best practice. The purpose of the Audit Committee is to provide a structured, systematic oversight of SCB and its subsidiaries' governance, risk management, and internal control practices, and to review the accuracy and adequacy of financial reports of SCB and its subsidiaries.

The Audit Committee comprises the following Independent Directors:

1. Mr. Prasan Chuaphanich  
Chairman of the Audit Committee  
(January – March 2022)
2. Mr. Chaovalit Ekabut  
Chairman of the Audit Committee  
(Since April 2022)  
Member of the Audit Committee  
(January – March 2022)
3. Mr. Pasu Decharin  
Member of the Audit Committee
4. Mrs. Prisana Praharnkhasuk  
Member of the Audit Committee  
(Since June 2022)

Ms. Nipaporn Kullertprasert, Executive Vice President, Head of Audit, serves as Secretary to the Audit Committee.

In 2022, the Audit Committee held 12 meetings with management and senior executives in charge of concerned functions, in addition to regular meetings with representatives of the Audit Function, the Compliance Function, the Finance

Function, the Risk Management Function, and the Credit Review Function. The Audit Committee also met with external auditors, both with and without management's presence at meetings. Summaries of the deliberations and recommendations of each Audit Committee meeting were presented to the Board of Directors to both inform the Board and, if appropriate, to seek direction on significant matters.

The Audit Committee placed particular emphasis on risk culture to keep the business operations of SCB and its subsidiaries in line with corporate governance, risk management systems, internal control, and regulatory compliance. The committee also ensured adherence to the Three Lines Model by leveraging IT systems to maximize capabilities across operating functions and business units (first line), the Compliance Function (second line), and the Audit Function (third line) for more effective and efficient operations and compliance control, and to prevent activities that are against the law or the Bank's regulations, thus reducing the chance of fraud. Highlights of the Audit Committee's performance are as follows:

- **Review of Financial Reporting**

The Audit Committee reviewed SCB and its subsidiaries' quarterly, half-yearly, and annual financial reports, including consolidated financial statements, related transactions, and transactions prone to conflicts of interest involving SCB and its subsidiaries. The financial reports were prepared in accordance with Thai Financial Reporting Standards (TFRS) and the requirements of the Bank of Thailand as well as those of the Securities and Exchange Commission.

The Audit Committee regularly met with external auditors and the Bank's Finance Function executives to review material issues, such as the accuracy and completeness of financial reports; significant accounting adjustments; accounting estimates; the appropriateness of accounting policies; the scope of audits, which include key audit matters related to SCB and its subsidiaries; correct, complete, and adequate information disclosure; and the independence of the external auditor. The Audit Committee received explanations from auditors and the Bank's finance executives to ensure that SCB and its subsidiaries' financial reports reflected financial transactions and events that were material to SCB and its subsidiaries and were in accordance with legal requirements and Thai Financial Reporting Standards, and were reliable and timely, with adequate information disclosure useful for users of the financial reports.

The Audit Committee also met with auditors without management's presence to discuss the independence of audit performance, information received, and the audits. This meeting particularly concerned material matters in the preparation of financial reports, risk control, and management regarding SCB and its subsidiaries' new platforms and innovations, and suspicious behavior prone to fraud or violations of the law related to the performance of directors and executives under Section 89/25 of the Securities and Exchange Act, B.E. 2559 (2016). In 2022, the auditors did not discover any material findings or receive reports of any suspicious behavior.

- **Review of Risk Management**

The Audit Committee reviewed the effectiveness and appropriateness of SCB and its subsidiaries' risk management processes and policies and held monthly meetings with executives in charge of the Risk Management Function. The meetings were

to acknowledge risk management guidelines and plans for risks that might affect the performance of SCB and its subsidiaries; to monitor potential risk issues; and to provide recommendations for improvement. With emphasis on technology risk and cyber security management, the Audit Committee encouraged management to have control and monitoring processes in place for such risks and systematically prepare data for readiness to cope with various situations.

The Audit Committee and management discussed internal and external risk factors and significant risk issues, particularly credit risk issues, provision adequacy, and the Bank's credit approval process for project financing/ corporate banking businesses to ensure that SCB and its subsidiaries' risk management guidelines and measures are adequately effective in addressing potential risks from current operations and future risk scenarios. The Audit Committee also discussed the adequacy of the risk management systems and procedures under the supervision of the Risk Management Function, the Risk Management Committee, and the Risk Oversight Committee. Comments and recommendations of the Risk Oversight Committee on significant matters were considered to ensure that SCB and its subsidiaries' risk management keeps up with acceptable risk levels and is ready to cope with unanticipated incidents.

The Audit Committee reviewed the performance of the credit review function to ensure that the end-to-end credit process is in accordance with SCB and its subsidiaries' procedures. The Audit Committee received reports on the progress of the credit review function on a monthly basis, including problems and obstacles in reviewing credit processes, so as to identify weaknesses and take corrective actions in a timely manner.

- **Review of Internal Control and Audit**  
Review of the effectiveness of the internal control system

The Audit Committee considered the adequacy of the internal control system following the Committee of Sponsoring Organizations of the Treadway Commission (COSO) 2013 framework, which covers the following five areas: 1) control environment, 2) risk assessment, 3) control activities, 4) information and communication and 5) monitoring activities. The Audit Committee also considered management's internal control adequacy assessment following the guidelines on internal control practice, and disclosed 2022 assessment results in the annual report. Key matters in each area considered are summarized in the related sections of this annual report.

The Audit Committee placed importance on compliance with law, related regulations, and management according to the Three Lines Model. The Audit Committee considered audit reports presented by the Audit Function on a monthly basis, and reviewed internal control adequacy assessment by management, the external auditor, the Bank of Thailand, and other regulators overseeing SCB and its subsidiaries. The Audit Committee monitored performance to ensure that corrective actions with respect to critical risk issues were completely taken by management, and root causes were fixed to prevent recurrence, particularly of high-risk issues, fraud, or serious operational errors. The Audit Committee also met with the audit committees of key subsidiaries to exchange opinions and to ensure that key risk issues have been audited and monitored.

Because information technology is especially crucial to the Bank, the Audit Committee regularly met with executives in charge of IT functions to acknowledge and monitor issues regarding IT operations to ensure that SCB and its subsidiaries are prepared for coming

changes in terms of hardware and software as well as people development and recruitment.

On a quarterly basis, the Audit Committee acknowledged a summary of complaints, mainly received through the Bank's whistle-blower channel, and assessed them for any indication of potential fraud, misconduct, or corrupt practices. Further, the Audit Committee held meetings with units concerned with complaint management to ensure that the complaint management process is appropriate and transparent.

Oversight of internal auditing

In 2022, the Audit Committee considered the independence of internal audit performance, approved the review of the Internal Audit Charter, reviewed the annual strategic plan, and approved the annual audit plan. On a monthly basis, the Audit Committee followed up the Audit Function's performance as per the plan and audit findings, provided recommendations, and followed up corrective actions on significant issues raised by internal auditors and as per comments from the Bank of Thailand and other related regulators, so as to promote good corporate governance and increase the effectiveness and efficiency of audit performance.

The Audit Committee also provided recommendations about technology-assisted audits for continuous auditing. To prevent potential losses that SCB and its subsidiaries may incur, Audit rules were developed based on data analytics and processing on an audit platform to help auditors save time with auditing and improve prevention and solutions for issues arising from operational mistakes in working processes.

Considering the activities discussed above, the Audit Committee concluded that SCB and its subsidiaries' overall internal control environment was appropriate and adequate

for their business operations. This conclusion was in line with the opinion of the external auditor of SCB and its subsidiaries. Furthermore, the Audit Committee was of the opinion that the Executive Vice President, Head of Audit has appropriately and effectively supervised and monitored the operations of the Audit Function. An annual merit increase was based on the assessment of her performance (A profile of the Executive Vice President, Head of Audit is shown in the annex to this Corporate Governance Report under the "Information of Personnel Responsible for the Board's Support" Section).

- **Regulatory Compliance Review**

The Audit Committee reviewed SCB and its subsidiaries' regulatory compliance with applicable laws and regulations of state regulators such as the Bank of Thailand, the Anti-Money Laundering Office, the Securities and Exchange Commission, and the Office of Insurance Commission, especially regarding the Anti-Corruption and Bribery Policy and Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regulations, through monthly meetings with the executives in charge of the Compliance Function. The Audit Committee acknowledged and discussed issues to ensure effective monitoring and control over key regulatory compliance issues of SCB and its subsidiaries, and improvements in operational processes in accordance with concerned regulations.

In 2022, the Audit Committee continued to promote SCB and its subsidiaries' good corporate governance and transparency in line with the financial institutions' compliance guidelines, with an emphasis on market conduct to ensure that customers receive fair and quality services. The Audit Committee met regularly with management to ensure that SCB and its subsidiaries have a fair customer service policy and strict operational measures, staff in charge of overseeing

operations, and punishment provisions for inappropriate staff activities. The Audit Committee also periodically followed up with management on compliance with the Personal Data Protection Act (PDPA), which took full effect in 2022, to ensure SCB and its subsidiaries' readiness, including knowledge and awareness of PDPA on the part of staff.

The Audit Committee reported to the Board of Directors all critical issues and significant regulatory changes that may affect the operations of SCB and its subsidiaries and endorsed the annual compliance report before submission to the Bank of Thailand and the Securities and Exchange Commission.

- **Review of Related Party Transactions and Conflicts of Interest**

The Audit Committee reviewed, supervised, and commented on any significant related party transactions, particularly those that may involve a conflict of interest, in line with regulatory compliance norms, before proposing such transactions to the Board of Directors and/or shareholders, as required. This is to ensure that those transactions are transparent, reasonable, and the interests of the Bank and its shareholders are protected. In 2022, SCB and its subsidiaries did not have any materially connected transactions to be disclosed in accordance with the regulations of the Stock Exchange of Thailand. Information about other connected transactions is disclosed in the notes to the financial statements.

- **Consideration of Annual External Auditor Appointment and Audit Fees**

The Audit Committee considers, on an annual basis, the appointment of external auditors and audit fees. Following its recommendation and the Board's endorsement thereof, the shareholders appointed KPMG Phoomchai Audit Ltd. as the auditor for SCB and its subsidiaries at the 2022 Annual General Meeting, except in some countries where SCB

has a representative office but needed to appoint another firm in accordance with the governing law in such countries.

The appointment of recommended external auditors was based on the auditor's qualifications, knowledge, capability, audit experience in the industry of SCB and its subsidiaries, audit approach, independence in accordance with ethical requirements by the Federation of Accounting Professions and the requirements of the Securities and Exchange Commission, the quality of audits over the past year, and the appropriateness of audit fees.

The Audit Committee has set criteria for considering and approving the hiring of non-audit services from the audit firm and its affiliates. In 2022, non-audit services of the audit firm and its affiliates were in accordance with the criteria set forth.

- **Others**

In 2022, the Audit Committee members undertook a self-assessment to enhance the efficiency of the Committee's performance.

The Audit Committee performed its duties as assigned by the Board of Directors and in line with the responsibilities stated in the Audit Committee Charter. The Audit Committee exercised its knowledge and capabilities, and adequately adhered to the principles of integrity, prudence, transparency, and independence, and provided constructive comments and recommendations for the

equal benefit of stakeholders, with the Bank's and stakeholders' ultimate interest as a priority.

The Audit Committee is of the opinion that the financial reports of SCB and its subsidiaries have been prepared accurately and are complete, with adequate disclosure, in accordance with financial reporting standards. It is also of the opinion that the external auditor for SCB and its subsidiaries is independent and has performed all their duties professionally. The Audit Committee sees that the non-audit services other than auditing did not affect the auditor's independence in auditing SCB and its subsidiaries' financial reports. The Audit Committee notes that SCB and its subsidiaries place a high level of importance on its internal control systems, as well as ensure that risk management policies, procedures, and systems are adequate and appropriate for their business operations.

Furthermore, the Audit Committee opines that SCB and its subsidiaries have sound corporate governance, adequate risk management, and appropriate and effective internal controls and internal audits. SCB and its subsidiaries have monitored change so that they are well prepared to face any potential risks that may arise in the future.



**Mr. Chaovalit Ekabut**

Chairman of the Audit Committee

## Report of the Nomination, Compensation and Corporate Governance Committee

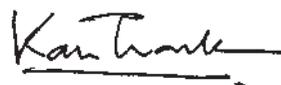
The Nomination, Compensation and Corporate Governance (NCCG) Committee consists of four independent directors, namely Mr. Kan Trakulhoon (Chairman of the NCCG Committee), Mr. Thaweesak Koanantakool, Miss Lackana Leelayouthayotin, and Mr. Prasong Vinaiphath. The key responsibilities of the NCCG Committee are as set forth in the NCCG Committee Charter and the Corporate Governance Policy.

As a result of the restructuring of SCBX Group in 2022, SCB X Public Company Limited was incorporated as the parent company of the business group, which has SCB as a subsidiary operating the group's core business and was listed on the Stock Exchange of Thailand in replacement of SCB. In response to the transformation, SCB underwent a major reorganization in a bid to support the achievement of strategies and visions established by SCB and SCBX and to comply with the Bank of Thailand's consolidated supervision guidelines applicable to commercial banks. SCB also redesigned its management structure to promote independence and prevent intra-group conflicts of interest by ensuring that its Board of Directors is not entirely served by directors of SCBX and that its Audit Committee and Chief Executive Officer are not the same as those of SCBX. The NCCG Committee played a key role in the nomination of directors to fill the vacancies resulting from such reorganization and in the selection of talented and qualified candidates for the positions of Chief Executive Officer and senior executives to drive SCB's vision, strategy, and goals toward success under the new organizational structure. Corporate governance remains a top priority of the NCCG Committee. This commitment is manifested in the NCCG Committee's policy that SCB shall follow corporate governance best practices and standards where appropriate to operate within the corporate governance framework albeit its current status as a non-listed company.

In 2022, the NCCG Committee held 14 meetings. In its major undertakings related to the Board of Directors, corporate governance, and human resources, the NCCG Committee:

1. Reviewed and proposed for the Board's approval the SCB Corporate Governance Policy and the Charter of the NCCG Committee to ensure alignment thereof with relevant rules and regulations governing commercial bank business operated by public limited companies. The NCCG Committee also exercised oversight to ensure compliance with the SCB Corporate Governance Policy and the corporate governance principles selectively adopted by the Bank as appropriate to its business context to bolster the Bank's trustworthiness, transparency, and fairness to all stakeholders in its operations.
2. Selected and nominated candidates for directorship in accordance with a rigorous qualification vetting process and subsequently proposed the nominations to the SCB Board of Directors, the SCBX Board of Directors, the Bank of Thailand and, where required by law, the shareholders.
3. Considered and proposed nominations for the positions on Board committees to the Board for approval.
4. Determined appropriate compensation for the Chairman of the Board, directors, and Board committees by taking into account their assigned scope of duties and responsibilities, corporate performance, general economic conditions, and relevant industry benchmarks prior to proposal thereof to the SCB Board of Directors and the SCBX Board of Directors for endorsement and subsequently to shareholders for approval.

5. Arranged for the performance evaluation of the Board, including the Chairman of the Board, individual directors, and Board committees. To optimize performance evaluation efficiency, the evaluation questions were reviewed and updated to solicit additional opinions from directors.
6. Considered and proposed for the Board's approval the 2022 e-AGM arrangement guidelines based on laws and procedures applicable to e-meetings and ensured the convenience of meeting participants in order that shareholders could properly and equally exercise their rights.
7. Considered and proposed for the Board's approval the appointment of senior executives of different functions to ensure appropriateness, transparency, checks and balances, and management efficiency.
8. Considered and proposed for the Board's approval rotation among senior executives as part of the professional development program designed for executives at all levels. In addition to training, job rotation is another important skill development approach that helps executives gain new experience and insights conducive to continuous development.
9. Arranged for the performance evaluation of the Chief Executive Officer and senior executives of the Bank against established targets and performance criteria. The NCCG Committee also reviewed management's proposal on the compensation policy and appropriate compensation and benefit plans applicable to the aforesaid executives based on their assigned scope of duties and responsibilities, performance, general economic conditions, and relevant industry benchmarks, prior to obtaining approval from the Board.
10. Exercised oversight and provided recommendations on the review of succession plans for critical positions and strategic positions to facilitate a smooth transition in these key positions.
11. Formulated nomination and compensation policies, criteria, and procedures applicable to directors and persons with management authority of SCB's subsidiaries to ensure that these positions are assumed by individuals who are considered fit and proper in light of the responsibilities and nature of work of these positions, and that the compensation is clearly specified, transparent, and commensurate with associated risks, duties, responsibilities, and nature of work.



**Mr. Kan Trakulhoon**

Chairman of the Nomination, Compensation  
and Corporate Governance Committee

# Report of the Risk Oversight Committee

## 1. Introduction

The Risk Oversight Committee (ROC) is a board sub-committee appointed by the Board of Directors to oversee risk management. Changes of ROC members have been summarized as follows:

January – May	Mr. Krirk Vanikkul Mr. Pasu Decharin Mrs. Pantip Sripimol Ms. Chunchachit Sungmai Mr. Arthid Nanthawithaya
June – July	Mr. Krirk Vanikkul Mr. Pasu Decharin Ms. Chunchachit Sungmai Mr. Chakkrit Parapuntakul
August – September	Mr. Krirk Vanikkul Mr. Pasu Decharin Ms. Chunchachit Sungmai Mr. Chakkrit Parapuntakul Mr. Kris Chantanotoke
October – Present	Mr. Krirk Vanikkul Mr. Pasu Decharin Mr. Chakkrit Parapuntakul Mr. Kris Chantanotoke

Currently, the ROC is made up of 4 members, comprising 2 independent directors, namely Mr. Krirk Vanikkul and Mr. Pasu Decharin; 1 non-executive director, namely Mr. Chakkrit Parapuntakul; and 1 executive member, namely Mr. Kris Chantanotoke, Chief Executive Officer. The ROC is chaired by Mr. Krirk Vanikkul, an independent director.

## 2. Duties

The ROC has the following duties:

- 2.1 Overseeing the risk management system through the Risk Management Committee, which is responsible for screening, controlling, and monitoring risk in accordance with the specified risk framework before proposing to the Board of Directors.
- 2.2 Ensuring that the Bank has an appropriate conceptual framework for risk identification, measurement, control, mitigation, and monitoring to manage different types of risk. The framework shall be concise, easy to understand, and have clear accountability.
- 2.3 Promoting a risk culture throughout the organization to an adequate level, without sacrificing operational efficiency.

## 3. Performance (January – December 2022)

The ROC held a total of 13 meetings with a focus on monitoring and controlling five key risk categories, which are strategic risk, credit risk, liquidity risk, market risk, and operational risk, and ensuring that the Bank set aside an adequate level of reserves and capital to deal with uncertainties. In 2022, financial institutions continued to experience impacts from economic instability from the Russia-Ukraine conflict despite improvements in the domestic economy. The

tension between Russia-Ukraine triggered surges in commodity prices, interest rate hikes, and a slowdown of international trade which weakened the recovery businesses after the pandemic. It also worsened household's debt repayment ability due to rising living costs. In addition, the ROC reviewed important matters proposed by the Risk Management Committee as follows:

3.1 Relief measures for customers affected by the COVID-19 pandemic and impact from the Russia-Ukraine War

The widespread outbreak of COVID-19 affected five of the Bank's risk categories. The ROC requested that management assess and report the pandemic's impact on each risk type, relief measures offered to debtors in accordance with the Bank of Thailand's guidelines, and liquidity assistance offered to debtors. The ROC provided recommendations to management regarding risk measurement and monitoring, which might differ from normal circumstances, and reviewed the Bank's business plan. Management regularly updated the ROC on the relief program, whereby debtors are triaged into borrowers whose ability to pay remains intact, borrowers whose ability to pay is temporarily affected thereby requiring continuous assistance to recover, and borrowers whose ability to pay has significantly deteriorated. Such information is useful for undertaking qualitative assessment and estimating additional provisions to mitigate potential future losses. Moreover, the impact from the Russia-Ukraine war on the portfolio were assessed, which included higher production costs and

interest rates. The ROC regularly monitors the status of each risk type via a risk dashboard on a monthly basis.

In 2022, the ROC continued to focus on monitoring and providing assistance to debtors, especially hotel businesses, small and medium-size enterprises (SMEs), and retail customers, to ensure that they could get through the troubled times. During the past year, the Bank focused on utilizing data and machine learning to develop early warning signal to improve risk monitoring. The Bank chose not to apply the BOT relaxation on loan classification of high-risk customers. Meanwhile, the provision for bad debt and doubtful accounts remained high, to accommodate the potential uncertainty of the Bank's credit portfolio. Market risk remained within the acceptable level and was closely monitored due to high market volatility. The interest rate risk in the banking book was reported via the IRRBB dashboard to ensure that the portfolio was managed appropriate to the interest rate trend. Regarding liquidity risk, the Bank's excess liquidity remained high, and the ROC emphasized managing the concentration of funding. Lastly, regarding operational risk, past experience has taught the Bank to be more prudent. However, because the Bank has increasingly embraced technology as a means of doing business, technology risk, as part of operational risk, has become more and more important and the Bank cannot afford to overlook such risk. This issue will be reported separately in a later section.

### 3.2 Provision and Capital

The ROC has a key duty to ensure the Bank's financial strength and soundness while striking a balance and sustaining shareholders' returns during any period in which economic conditions create negative external risk factors that affect customers' repayment ability. The ROC reviewed the framework for setting provisions to absorb potential future credit portfolio losses from the deterioration of the economy based on the principle of forward-looking assessment of expected credit cost under TFRS 9, which became effective on January 1, 2020. In 2022, the ROC carried on monitoring and reviewing the provision framework and provided guidance to management to perform stress testing under various COVID-19 and Russia-Ukraine conflict scenarios. The stress test results were used for determining the provision and management overlay level, which was appropriate to the assessed risk level. In addition, due to reorganization, during which SCB become a subsidiary under SCBX, the ROC would ensure that the Bank maintains sufficient a capital buffer to meet regulatory requirements as a domestic systemically important bank (D-SIBs) and guard against future uncertainties.

### 3.3 Environment, Social, and Governance (ESG) Risk Management

The Bank strives to create sustainable growth. In 2021, the ROC reviewed its risk management policy to integrate the Equator Principles to ensure that large-scale project finance

appropriately considered any associated potential impacts on the environment and supervised process enhancement to align with the Fair Lending Principle and Responsible Lending framework.

### 3.4 Technology Risk Report

Apart from credit risk, the ROC also reviewed risks related to technology, which is one of the engines driving the digital banking strategy. As the most knowledgeable expert in this area, the Technology Committee has the responsibility for directly supervising technology risk under the oversight of the ROC. Accordingly, the ROC and the Technology Committee held joint meetings to discuss issues and build a dashboard to monitor risks in order to strengthen the three lines of defense and enhance efficiency, focusing on improving the capability of coping with an increasing number of transactions, preventing digital fraud, and enhancing cyber security.

### 3.5 Risk Culture

Building a robust risk culture in the organization is a high priority for the ROC. The ROC has started revamping credit processes to strengthen the risk culture foundation at the individual level. The Committee also assigned risk management units to consistently raise risk awareness by collecting data on seven types of operational risk, based on incidents reported by employees, while promoting the "Tone from the Top" practice by the Board of Directors and the Bank's executives. In 2022, the task

of building a risk culture centered on increasing recognition of the Bank's awareness and focusing on developing a risk culture for employees across the organization, including creating excellence, leadership, and the use of innovation to help manage risks. Furthermore, the Bank developed knowledge and understanding about personal data protection in accordance with the Personal Data Protection Act B.E. 2562 (2019) in order to prepare executives and employees at all levels for the law's implementation in June 2022.

#### 4. Roadmap for 2023

The ROC will continue to embrace a conceptual framework for the five areas of risk, in line with that of the Bank of Thailand, by focusing on the following areas:

1. Relief measures, which have continued since 2020 as a means to assist debtors affected by the pandemic, focusing on regular monitoring to assess the level of risk of assisted debtors according to industry, severity level, recovery period, adaptation of debtors, and collateral. Such tasks will be carried out using various data and machine learning to create early warning signals in order to clearly classify debtors based on the appropriate risk level. This information will assist the Bank in setting loan staging, provisioning, and management overlays to cover potential losses.

2. ESG risk management, on which the Bank has placed great importance corresponding to the Sustainability Policy under SCBX. The Bank places emphasis on the development of an ESG risk model, promoting green loans, and reducing exposures to activities which are considered harmful to the environment and community.
3. Supporting the Technology Committee in the management and monitoring of technology and cyber risks, which are currently among the most important risks, by improving indicators that accurately reflect risk levels and early warning signals to strengthen the potential for monitoring and managing this risk.

As an implementation framework, the ROC will focus on strengthening the risk management processes in accordance with SCBX Group risk management policy to create long-term benefits for shareholders, customers, and depositors.



**Mr. Krirk Vanikkul**

Chairman of the Risk Oversight Committee

# Report of the Technology Committee

The Technology Committee is a sub-committee appointed by the SCB Board of Directors to set forth direction and oversee technology services driven by strong technology architecture, the Bank's data usage in line with its future business goal, good data governance, stable and resilient systems with appropriate adaptability to changes in business services, as well as innovations and new technologies as an especially crucial business driver for the digital age, to support the SCB Board of Directors in formulating long-term technology strategies for the Bank.

The current Technology Committee comprises one independent director, two non-executive directors, and one executive director, totaling 4 members as follows:

1. Mr. Thaweesak Koanantakool  
Chairman of the Technology Committee
2. Mr. Prasan Chuaphanich  
Technology Committee member
3. Mr. Arthid Nanthawithaya  
Technology Committee member
4. Mr. Kris Chantanotoke  
Technology Committee member

Mr. Trirat Suwanprateeb, Chief Executive Officer, SCB Tech X Co., Ltd. and Chief Technology Officer (acting) for SCB's Information Technology Function serves as the secretary to the Technology Committee.

In 2022, the Technology Committee held 10 meetings in line with a requirement of the Technology Committee's Charter (10 meetings). There was a special meeting with the Technology Committee of SCB X PCL to oversee technology

integration among the SCB X subsidiaries and a special meeting with the Audit Committee and the Risk Oversight Committee to consider an overview of the Three Lines of Defense's collaboration on incident reporting to the SCB Executive Committee and Board of Directors to ensure that oversight by the Bank's sub-committees was comprehensive and complete, with different perspectives in terms of technology, risks, and impacts on customers. The Technology Committee's performance has been proposed to the SCB Board of Directors for acknowledgment or to seek advice on corrective actions for certain issues, as detailed in the Technology Committee's report shown in this annual report.

## The Technology Committee's Performance in 2022

The Technology Committee is aware of the prominent role of technology in business development and operations. It merges into people's lifestyles through a digital technology-driven social structure. Technology plays an important role in transforming the customer experience in making financial transactions when performing their daily digital errands. Apart from oversight in compliance with law, regulatory requirements, and international standards, the Technology Committee places importance on developing innovations, creating effective and stable financial platforms with cyber security and data privacy protection, and developing system availability and capacity to handle increasing customer usage to deliver the best products and experience to SCB customers and to maintain the Bank's leadership amid an ever-changing competitive environment.

In 2022, the Technology Committee's performance included providing advice and recommendations on policies, oversight, and governance in terms of technology operations to ensure that they were in line with the business transformation strategy toward a technology-driven financial business group and the technology policy of SCB X PCL. The latter covers technology architecture and platforms to support the increasing number of financial transactions, data governance, and digital banking services to support the growth, stability, and availability of SCB digital platforms, technology risk control, and cyber security enhancement to raise awareness of protection and readiness for coping with possible cyber threats. The Technology Committee considered and reviewed technology-related policies to ensure that they are comprehensive and up to date before presenting them to the SCB Board of Directors. The Technology Committee considered technology standards and procedures for risk oversight and technology readiness for compliance with the Personal Data Protection Act and the Cyber Security Act.

Emphasizing technology integration among SCBX subsidiaries, the Technology Committee held a meeting with the Technology Committee of SCB X PCL to discuss and exchange opinions on cyber security oversight. The Technology Committee placed importance on the Three Lines of Defense's technology risk oversight and collaboration. There was a meeting with the Audit Committee and the Risk Oversight Committee to discuss incident reporting to the SCB Executive Committee and Board of Directors,

to ensure that oversight by the Bank's sub-committees was comprehensive and complete with different perspectives in terms of impacts on customers, and for the Three Lines of Defense's better performance and more agile operations.

Further to the new business group's structure for operations in a context of the new world, the Technology Committee strongly supported extensive technology adaptation and future technology operations that are flexible, quick, relevant, and timely in responding to any arising issues. In the past year, the Technology Committee and executives of SCB X PCL accompanied some directors of the SCB Board of Directors to a meeting in the USA to exchange opinions with some 10 world-class FinTech leaders. Experts were invited to present their views on technological influence and changes and an analysis of their impacts on the banking industry for further adaptation in the future to support the Bank's readiness to pursue its goal of becoming a FinTech leader.



**Mr. Thaweesak Koanantakool**

Chairman of the Technology Committee

# Report of the Corporate Social Responsibility Committee

## Introduction

Members of the CSR Committee are appointed by the Board of Directors, comprising no less than three members whose terms are equal to their tenure on the Board. As of December 31, 2022, the CSR Committee comprised five non-executive directors, namely Mr. Vichit Suraphongchai (Chairman of the CSR Committee), Air Chief Marshal Satitpong Sukvimol (Director), Police Colonel Thumnithi Wanichthanom (Director), Miss Lackana Leelayouthayotin (Director), and Mrs. Pantip Sripimol (Director). In 2022, the CSR Committee held six meetings, and notable achievements of the CSR Committee are hereby listed in this annual report.

## Mission

Siam Commercial Bank has made it a priority to act responsibly toward the local communities, the greater society, and the environment in which it operates. The CSR Committee is responsible for establishing policies, directions, and operational frameworks, as well as for assisting with and overseeing the execution of social activities that are both in line with and complementary to the Bank's business operations. These activities included those that the Bank initiates and implements, as well as those that collaborate with a network of public and private sector alliances to integrate knowledge, expertise, and resources to make projects successful, effective, developed, or lead to problem-solving, thereby alleviating hardships for communities and society. To reach the ultimate goal of achieving sustainable national progress, the Bank's corporate social responsibility operational framework primarily focused on the following three missions:

1. Learning enhancement and youth and educator development
2. Disaster relief and improving the quality of life and the environment
3. Promoting volunteerism among staff members

## Notable Achievements in 2022



### Learning enhancement and youth and educator development

Siam Commercial Bank continues its education and youth development projects to promote learning opportunities and cultivate key skills for young people at all levels of education so that they are prepared for changes inherent in the digital age with knowledge and integrity. These efforts included increasing the capabilities of educational personnel and institutions, which are the primary engines in imparting knowledge helpful to the young in order to assist them in achieving success and becoming a significant force in the country's continued development. Important projects include the following:

#### 1. Scholarships for Youngsters, Organizations, and Institutions

In 2022, SCB supported education for young people by awarding 833 scholarships that focused on two groups: youths with talents in science and technology in order to create the workforce necessary for the development of the country, and those seeking educational opportunities to improve their quality of life. Scholarships were provided to the following individuals, organizations, and educational institutes:

- **290 scholarships for remarkable youngsters in the fields of science and technology:** Scholarships were awarded to support young people demonstrating outstanding academic achievement and an interest in science and technology to continue their studies past high school. Awarded students were also given the opportunity to attend youth development camps in order to better prepare them for careers as scientists and researchers, who will be a vital part of the nation's future success. The Bank supported scholarships through various initiatives, projects, and foundations, including education and research scholarships for Vidyasirimedhi Institute of Science's School of Information Science and Technology (VISTEC's School of IST), various scholarships for the National Science and Technology Development Agency (NSTDA), royally sponsored scholarships awarded by the Prince Mahidol Foundation for students in the fields of medicine, dentistry, and pharmacy, and royally sponsored scholarships awarded by the Ananda Mahidol Foundation for sending students to pursue their education abroad and bring back their knowledge and expertise to help develop the country.

- **543 scholarships to create educational opportunities:** SCB granted scholarships for students from secondary school to higher education, including vocational education, to create educational inclusivity for young people with outstanding academic achievement but lacking the necessary means to pursue their studies through various initiatives and organizations through the Sufficiency Economy Scholarship Program, the Crown Property Bureau Scholarship Program, the Border Patrol Police School Alumni Scholarship Program, the Princess Maha Chakri Sirindhorn Foundation Scholarship Program, Ban Khai College's Vocational Development Scholarship in Rayong Province, and scholarships offered through various educational institutions across the country.

## 2. The 17<sup>th</sup> SCB Challenge Project

The SCB Challenge is an annual youth development program that seeks to cultivate necessary 21<sup>st</sup>-century skills, such as critical thinking, collaboration, communication, and creativity through age-appropriate team competitions. At the elementary school level, students work in teams to compete in art projects designed to instill appreciation and pride in their identities, cultures, and local knowledge, while allowing them to apply knowledge and skills to think, analyze, adapt, communicate, and express their imagination through their work on huge canvases. This year, 824 youngsters representing 206 schools participated in the project. Students in secondary schools and vocational colleges will compete on projects that use science, technology, and innovation to tackle community problems. Students must utilize both classroom and extracurricular expertise to implement their projects in the real world. By utilizing this strategy, these young adults will be able to put forward their ideas and skills, resulting in inventive problem-solving for their own communities and cultures. Among the remarkable projects in 2022 were the Vacuum Pump Project by Chakkarat Wittaya School in Nakhon Ratchasima Province,

Remarkable youngsters in the fields of science and technology

**290**  
scholarships

Create educational opportunities

**543**  
scholarships

### The 17<sup>th</sup> SCB Challenge Project

Participated in the project

**1,481**  
students

**425**  
schools

### Financial Literacy Project

# 111

teachers

# 3,225

students

# 278

schools

which helps farmers ease the burden of pumping water into agricultural plots by using a siphon and hydraulic ram; the Banana Tree Cultural Project by Wat Sa Thong Municipal School in Roi-Et Province, that helps increase the value of banana plants for extra income while preserving their cultural identity; and the Automatic Silk Bleaching and Dyeing Machine Project that helps develop the silk production process by Pathumthep Wittayakarn School in Nong Khai Province. In 2022, 657 students participated in the competition, representing 219 schools.

### 3. Development of the “Khrudeegital” online learning platform

The Bank has taken the most promising aspects of the CONNEXT ED project's innovations in education and applied them to the development of a self-learning platform available at [www.khrudeegital.com](http://www.khrudeegital.com), allowing educators and others interested in the field to participate in a virtual learning community at any time and from any location. Teachers and those interested can take advantage of the project's prospects for continuous professional upskilling and reskilling, which will ultimately result in a process of learning that can be put to the test by students. Content from a variety of curricula can help teachers structure lessons in a student-centered manner. This method will empower students to seek answers, analyze problems, and find solutions on their own. Rolling out in mid-2021, the platform now features eight courses, such as money management, Thai language, and problem-based learning.

### 4. Financial Literacy Project

SCB is aware of the importance of building financial discipline and savings when it comes to improving financial health and resolving



household debt. In order to reach this objective, the Bank launched a campaign called "SCB Savings Hero" to increase financial literacy among teachers and students at its network of schools. The "Sufficiency Finance" principle has been applied as part of the project's financial management component for both online and local activities involving 111 teachers, 3,225 students, and 278 schools. The project gave educators the opportunity to implement sufficient finance knowledge in line with the sufficiency economy philosophy, thereby helping their students develop the self-control necessary to make responsible financial decisions.

### 5. Tor Kla Vocational Project

To promote the potential of vocational students and teachers in applying their vocational skills and knowledge of electronic and computer technology into community development, the "Tor Kla Vocational" project was initiated by SCB, the Siam Commercial Foundation, and the National Electronics and Computer Technology Center (NECTEC) under the National Science and Technology Development Agency (NSTDA). Outstanding projects submitted in 2022 included a lemon sorting machine project by the IRPC Technology College in Rayong Province, a smart vegetable growing set with an aeroponic system by the Phetchaburi College of Agriculture and Technology in Phetchaburi Province, and a young crab nursery kit project to add value to seafood for coastal communities along the Gulf of Thailand by the Surat Thani Polytechnic College in Surat Thani Province.

## 6. Balance Bike Park Project for kids

Due to the positive response among parents and their children between the ages of two and five who have used the Balance Bike Park at the Happy and Healthy Bike Lane, SCB has brought the success of the project to public parks in Bangkok. In 2022, SCB supported the Bangkok Metropolitan Administration in establishing the "Ruam Suk Balance Bike Park" at Wachirabenchathat Park (Suan Rot Fai) so that it could be opened to the public and promote children's health, coordination, and balance skills. The facility serves as a safe place for family enjoyment and leisure. To further encourage exercise, sportsmanship, and a healthy lifestyle, SCB partnered with Airports of Thailand PCL and the "Happy and Healthy Bike Lane" to host the "Super Balancing Thailand 2022" national balance bike championship for children.



### Disaster relief, and improving the quality of life and the environment

Disasters and the ongoing COVID-19 issue have impacted the well-being and livelihood of the populace. SCB is committed to contributing to caring for society and offering timely assistance to disaster victims to enable them to return to regular life as quickly as possible. In addition, the Bank funded a variety of programs and organizations involved in quality-of-life development in an effort to improve living standards.

## 1. SCB Blood Donation Project

SCB recognizes the importance of the National Blood Center of the Thai Red Cross Society in ensuring a safe and adequate blood supply for Thai patients. For over 27 years, the Bank has worked closely with the National Blood Center to raise awareness, facilitate blood donation activities, and provide support for blood donation operations at the Bank's headquarters and branches, all in an effort to improve the health and well-being of the Thai people. Additionally, the Bank frequently supports blood donation activities with provincial Red Cross Offices and sends volunteers to facilitate blood donors on important occasions at the National Blood Service Center, all while raising awareness to broaden the network of donors amongst employees and the general public. Despite the persistent impact of the COVID-19 virus on the number of blood donors in 2022, SCB was able to collect 60 million ccs of blood from 150,000 donors, sufficient to save approximately 450,000 lives, making it the largest financial institution to provide blood supplies. In honor of the 90th birthday of the Queen Mother Her Majesty Queen Sirikit, SCB donated two 4-bed blood donation mobile units to the National Blood Service Center of the Thai Red Cross Society, along with necessary equipment, such as weighing and shaking equipment for blood bags, a refrigerator for storing blood bags, and other medical supplies. These blood donation centers on wheels were

### SCB Blood Donation Project

SCB was able to collect	<b>60</b>
	million ccs of blood
From	<b>150,000</b>
	donors
Save approximately	<b>450,000</b>
	lives

### SCB Disaster Relief Project

Delivered a total of "Namjai SCB" survival bags	<b>7,500</b>
	bags
Restore, renovate, and provide support for the affected schools' educational equipment.	<b>21</b>
	schools
Sent	<b>5,000</b>
	blankets

constructed on smaller vehicles to facilitate transportation and maneuverability, making it easier for the National Blood Center to acquire the blood it needs to treat patients across the country. From 2011 to 2015, SCB donated ten 8-bed mobile blood donation units to the National Blood Center for use in Bangkok and other provinces.

## 2. SCB Disaster Relief Project

Under the SCB Disaster Relief project, the Bank has collaborated for more than ten consecutive years with provincial agencies, organizations, and alliance networks to aid victims of disasters by providing both immediate assistance and long-term rehabilitation services to help them get back on their feet after a devastating event.

- **Urgent support:** SCB delivered a total of 7,500 "Namjai SCB" survival bags to help flood victims in various provinces, including Phra Nakhon Si Ayutthaya, Sing Buri, Sukhothai, Nakhon Ratchasima, Chaiyaphum, Khon Kaen, Ubon Ratchathani, Rayong, Surat Thani, Yala, Pattani, Narathiwat, and others. Alliances between the headquarters of the Royal Thai Armed Forces, the Royal Thai Air Force, the Royal Thai Navy, the Royal Thai Police, local government agencies, and The Mall Group's "Thais Never Leave Another" initiative were crucial to the success of the operations in restoring happiness to Thai disaster victims.
- **Rehabilitation support:** After floods devastated 21 schools in the provinces of Sing Buri and Sisaket, SCB worked with the Royal Thai Air Force and the Siam Commercial Foundation to restore, renovate, and provide support for the affected schools' educational equipment.

The Bank also sent 5,000 blankets to areas in the North and Northeast that have been hit hardest by the cold through the Royal Air Force, Royal Thai Navy, and the Royal Thai Armed Forces Headquarters.

### Sustainable community water resources management and development projects

Benefited from the project

**2,678**  
households

Water management

**163,940**  
cubic meters

### Water supply to enhance the Quality-of-Life Project

Provided clean water to communities

**388**  
families



## 3. Consumption water resources management and development projects

### Sustainable community water resources management and development projects

This project improves water supply security and supports the rehabilitation of the original water sources in order to expand water storage areas for agricultural purposes, enabling communities in drought- and flood-prone regions of the



country to engage in sustainable water management. Since 2008, SCB has collaborated with the Utokapat Foundation, which is under royal patronage, and the Hydro Informatics Institute (a public institution) to enhance water management in rural areas. The project has produced maps for connecting water networks and building drinking water systems using scientific and technological methodologies. In 2022, under an operational plan supported by the Bank, nine communities in six provinces, with a total of 2,678 households, benefited from the project, which covered 11,189 rais of agricultural land and 163,940 cubic meters of water management.

In addition, 707 households in three villages in flood prone areas have benefited from the Friends in Need (of "PA") Volunteers Foundation of the Thai Red Cross Society's Community Disaster Warning Network Project to assist with awareness of and preparation for flood disasters.

▪ **Water supply to enhance the Quality-of-Life Project**

Due to the shortage of clean drinking water in many parts of the country, the Bank collaborates with the Royal Thai Air Force's Disaster Relief Center to implement the

**The "You Take Care of the Forest, We Take Care of You" Project**

Support community woodlands

**1,386**  
rais

**The OUR Khung BangKachao Project**

The "SCB - Let's Ride to Plant" initiative encouraged volunteer employees to ride bicycles to plant

**800**  
forest trees

**The "One Tree for the World, One Tree for Us" Project**

Planted

**5,000**  
trees

"Providing Drinking Water to Enhance the Quality of Life Project" by providing water tanks, water filters, and other necessary structures and equipment to schools and communities that lack access to clean drinking water across the country. The drinking water filtration system is powered by solar energy. In order to ensure sustainable maintenance following project completion, communities are required to form a community committee from the onset of project implementation. In 2022, the project provided clean water to six schools and communities in six provinces in Nakhon Pathom, Songkhla, Chiang Mai, Phitsanulok, Sa Kaeo, and Udon Thani, benefiting 388 families or 2,513 people.

**4. Initiatives aimed at addressing the impact of COVID-19**

The COVID-19 crisis continues to impact the economy, society, and lives of people in every way. The Bank supported government agencies and private organizations in their efforts to reduce these effects, allowing people to lead as normal a life as possible.

▪ **Donation to the "Chaipattana COVID-19 Aid Fund (and other pandemics)"**

Proceeds were used for the installation of negative pressure units and conversion of regular in-patient rooms to semi-ICUs at hospitals.



### Environmental Protection

Siam Commercial Bank prioritizes environmental responsibility and reducing carbon emissions, and actively promotes knowledge and understanding in raising awareness of conservation efforts in order for the SCBX Group to achieve its goal of reaching net-zero emissions by 2030.

#### 1. The “You Take Care of the Forest, We Take Care of You” Project

SCB joined forces with the Mae Fah Luang Foundation under royal patronage to assist communities in caring for forests in Chiang Rai Province's Wiang Chiang Rung and Mae Fah Luang districts as a source of carbon dioxide absorption and to promote the development of a carbon credit exchange system. The endeavor lets the community earn a living without destroying forests and serves as a model for expanding the results across the nation in anticipation of future private sector demand for carbon credits. In 2022, support went to 1,386 rais of community woodlands.

#### 2. The OUR Khung BangKachao Project

SCB has joined the Chaipattana Foundation as a partner organization in order to maintain, promote, and develop the Khung Bang Kachao area in Phra Pradaeng District, Samut Prakan Province. The neighborhood is a source of clean air due to its abundance of natural resources and biodiversity. SCB was assigned the responsibility for green area development, waste management, and youth development in order to meet the project's goals of conserving natural resources, expanding green areas, and improving the quality of life for sustainability. This effort will make this district a powerful lung that produces oxygen for the locals, including Bangkok residents. As part of the green area development missions, the “SCB - Let's Ride to Plant” initiative encouraged volunteer employees to ride bicycles to plant 800 forest trees in the Khung Bang Kachao area. SCB was also involved in the development of the Bang Kor Bua Forest Plantation as a learning environment and source of income for the local community, in addition to conducting online

- **Support for the construction of a waiting lounge facility for the Bamrasnaradura Infectious Diseases Institute**

Commemorating Her Majesty Queen Sirikit The Queen Mother's 90th birthday, Siam Commercial Bank and the SCG Foundation donated a waiting lounge facility to the Bamrasnaradura Infectious Diseases Institute to ease the problem of overcrowding and properly support those using services at the institute, consequently enhancing Thailand's public health system and quality of life.

#### 5. Project to improve housing for low-income and less privileged individuals

SCB has supported the First Army Area for four years in a row in carrying out a housing improvement project for low-income and disadvantaged residents of Bangkok's impoverished neighborhoods and 25 provinces in the Central Region. In 2022, SCB delivered three homes in the provinces of Samut Songkhram and Ang Thong.

training courses for teachers on waste reduction and management. Training was provided to 400 teachers from eleven schools in the Bang Kachao area.

### 3. The “One Tree for the World, One Tree for Us” Project

SCB launched a tree planting project to boost oxygen and green space by inviting employees and raising awareness among them about the importance of planting trees to support a healthy environment. Each employee was given two saplings to plant in public and private places. The project also included participation in Bangkok Governor Chadchart Sittipunt's initiative to increase green areas in the city by planting one million trees. The Bank intends to plant 100,000 trees by 2026. In 2022, 5,000 trees were planted in Wachirabenchathat Park (Suan Rot Fai), locations near the Wat Samian Nari SRT Dark Red Line station, and sites along the Khlong Prapa canal near Prachachuen Road. Planting a further 30,000 trees is planned for 2023.

SCB employees participating in carrying out royal volunteer project

**1,456**  
hours

Throughout 2022, SCB employees participating in volunteer activities

**75,398**  
hours



### Promoting volunteerism among staff members

Volunteerism is a crucial motivator for achieving many goals that benefit society. SCB has a policy that encourages its employees to volunteer in the community, with the goal of instilling a culture of caring and positivity among them. Through their active involvement in volunteer work, employees will develop a sense of social and civic duty. SCB staff members engage in community service initiatives like the “We Do Good Deeds by Hearts” royal volunteer project which is run in conjunction with the government and other organizations. The “SCB, Let's Do Good” project is an example of the Bank's efforts to encourage its employees to give back to the community by organizing volunteer events that center on the Bank's core social activities, such as fostering youth development, promoting education, efforts to help alleviate hardship and improve the quality of life for all members of society, and environmental protection. Throughout 2022, SCB employees spent a total of 1,456 hours participating in carrying out the “We Do Good Deeds by Hearts” royal volunteer project and 75,398 hours for its “SCB, Let's Do Good” volunteer activities.

**Mr. Vichit Suraphongchai**

Chairman of the Corporate Social  
Responsibility Committee

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# Annex to the Corporate Governance Report

## Changes in the Board and Board Committees in 2022

1. Mr. Chaovalit Ekabut was appointed as Chairman of the Audit Committee on April 4, 2022.
2. Mr. Prasan Chuaphanich's status as independent director and his tenure as Chairman of the Audit Committee ended on April 4, 2022, when his independent directorship reached the nine-year limit. He was appointed as Chairman of the Executive Committee and Member of the Technology Committee on June 1, 2022.
3. Miss Lackana Leelayouthayotin was appointed as Member of the Nomination, Compensation and Corporate Governance Committee and Member of the Corporate Social Responsibility Committee and vacated her position as Member of the Executive Committee on June 1, 2022.
4. Mr. Chakkrit Parapuntakul was appointed as Member of the Risk Oversight Committee and vacated his position as Member of the Nomination, Compensation and Corporate Governance Committee on June 1, 2022.
5. Mrs. Pantip Sripimol was appointed as Member of the Corporate Social Responsibility Committee and vacated her position as Member of the Risk Oversight Committee on June 1, 2022.
6. Mr. Arthid Nanthawithaya vacated his position as Member of the Risk Oversight Committee and Chairman of the Executive Committee on June 1, 2022.
7. Mr. Weerawong Chittmittrapap Mr. Pailin Chuchottaworn and Miss Jareeporn Jarukornsakul resigned as Director on June 1, 2022.
8. Mrs. Prisana Praharnkhasuk was appointed as Director and Member of the Audit Committee on June 2, 2022.
9. Mr. Prasong Vinaiphath was appointed as Director and Member of the Nomination, Compensation and Corporate Governance Committee on June 2, 2022.
10. Mr. Kris Chantanotoke was appointed as Director, Chief Executive Officer, Member of the Executive Committee, Member of the Risk Oversight Committee, and Member of the Technology Committee on August 1, 2022.
11. Miss Chunhachit Sungmai resigned as Director on October 1, 2022.

## Changes in the Board and Board Committees from January 1, 2023, to January 24, 2023

1. Pol. Col. Thumnithi Wanichthanom was appointed as Member of the Executive Committee and vacated his position as Member of the Corporate Social Responsibility Committee on January 17, 2023.
2. Miss Kulaya Tantitemit was appointed as Director on January 24, 2023.

## Director Information

(as of December 31, 2022)

### 1. Mr. Vichit Suraphongchai

<b>Age</b>	77 years
<b>Current position</b>	<ul style="list-style-type: none"> <li>- Chairman of the Board</li> <li>- Chairman of the Corporate Social Responsibility Committee</li> </ul>
<b>Date of appointment</b>	10 December 1999
<b>No. of years on the board</b>	23 years 1 month
<b>Education</b>	<ul style="list-style-type: none"> <li>- B.Sc. (Engineering), Chulalongkorn University</li> <li>- M.Sc. (Engineering), University of California, Berkeley, U.S.A.</li> <li>- M.B.A. (Management), Graduate School of Management, UCLA, U.S.A.</li> <li>- Ph.D., Graduate School of Management, UCLA, U.S.A.</li> </ul>
<b>Training program</b>	<ul style="list-style-type: none"> <li>- Role of the Chairman Program, Thai Institute of Directors Association</li> <li>- Cyber Security and Technology Risk, The Siam Commercial Bank PCL and PwC Thailand</li> <li>- Exclusive Workshop for SCB Boardroom: Vision-Driven Purpose, The Siam Commercial Bank PCL, and Thai Institute of Directors Association</li> </ul>
<b>Experience in the past 5 years</b>	
1997-2017	Advisor, The Crown Property Bureau
1999-2017	Director, Kempinski AG
2006-2017	Director, CPB Equity Co., Ltd.
2016-2018	Member of Advisory Board, Centre for Asian Philanthropy and Society (CAPS)
1999-2019	Director and Chairman of the Executive Committee, The Siam Commercial Bank PCL
2016-2019	Board member, International Advisory Board, The Chubb Group of Companies
2009-2021	Chairman of the Board, X-Zell Biotec Co., Ltd.
<b>Positions in listed companies</b>	
2021-Present	Chairman of the Board and Chairman of the Corporate Social Responsibility Committee, SCB X PCL
<b>Positions in non-listed companies/entities</b>	
2015-Present	Chairman of the Executive Committee, Cycling Track Management Co., Ltd.
2019-Present	Advisor, The Crown Property Bureau
2019-Present	Chairman of the Board, Siam Commercial Foundation
2021-Present	Director, X-Zell Biotec Co., Ltd.

**SCB shareholding**

- |  |      |
|--|------|
| ▪ Number of shares held by director        | None |
| ▪ Number of shares held by related persons | None |

<b>Family relationship with director and management</b>	None
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Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

**2. Mr. Chaovalit Ekabut**

<b>Age</b>	64 years
<b>Current position</b>	- Independent Director - Chairman of the Audit Committee
<b>Date of appointment</b>	5 April 2019
<b>No. of years on the board</b>	3 years 9 months
<b>Education</b>	- B.Sc. (Engineering), Chulalongkorn University - M.Sc. (Engineering), Asian Institute of Technology
<b>Training program</b>	- Director Accreditation Program, Thai Institute of Directors Association - Director Certification Program, Thai Institute of Directors Association - Role of Chairman Program, Thai Institute of Directors Association - Cyber Resilience for Directors of Financial Institutions, Bank of Thailand - Collaboration for the Future of Finance, Bank of Thailand - National Director Conference 2019, Thai Institute of Directors Association - Exclusive Workshop for SCB Boardroom: Vision-Driven Purpose, The Siam Commercial Bank PCL and Thai Institute of Directors Association - Bangkok Sustainable Banking Forum 2019, Bank of Thailand - Bank's Preparations for Compliance with Personal Data Protection Act (PDPA) and Cyber Security Act, Baker & McKenzie and PwC Thailand - Cyber Resilience Leadership: Tone from the Top 2020, Bank of Thailand in collaboration with Securities and Exchange Commission and Office of Insurance Commission - Cyber Resilience Leadership: Herd Immunity, Bank of Thailand in collaboration with Securities and Exchange Commission and Office of Insurance Commission - BOT Digital Finance Conference 2022, Bank of Thailand - Cyber Resilience Leadership 2022, Bank of Thailand

**Experience in the past 5 years**

2013-2018	Vice President - Finance and Investment, Siam Cement PCL and SCG Companies
2015-2018	Director, Thai Plastic and Chemicals PCL
2011-2019	Director, Cementhai Ceramics Co., Ltd.
2011-2019	Director, SCG Performance Chemicals Co., Ltd.
2011-2019	Commissioner, PT Chandra Asri Petrochemical Tbk, Indonesia
2013-2019	Chairman of the Board, Siam GNE Solar Energy Co., Ltd.
2013-2019	Director, Chulalongkorn University Intellectual Property Foundation
2021-2022	Independent Director and Member of the Audit Committee, SCB X PCL

**Positions in listed companies**

2018-Present	Director, SCG Ceramics PCL
2019-Present	Advisor to the President and Chief Executive Officer, Siam Cement PCL
2022-Present	Independent Director, Bangchak Corporation PCL

**Positions in non-listed companies/entities**

2015-Present	Director and Treasurer, Friends of AIT Foundation
2019-Present	Executive Director, SCG Foundation
2019-Present	Member of the Executive Committee and Chairman of the Audit Committee, Asian Institute of Technology
2020-Present	Director, Operational Integration Strategy Committee, Foundation for Industrial Development
2021-Present	Director, Thailand Productivity Institute

**SCB shareholding**

▪ Number of shares held by director	None
▪ Number of shares held by related persons	None

**Family relationship with director and management**

None

Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

**3. Mr. Kan Trakulhoon**

<b>Age</b>	67 years
<b>Current position</b>	- Independent Director - Chairman of the Nomination, Compensation and Corporate Governance Committee - Member of the Executive Committee
<b>Date of appointment</b>	5 April 2016
<b>No. of years on the board</b>	6 years 9 months

**Education**

- B.Eng. (Electrical Engineering) (1st Class Hons.), Chulalongkorn University
- M.S. (Engineering), Georgia Institute of Technology, U.S.A.
- M.S. (Management), Georgia Institute of Technology, U.S.A.
- Honorary Doctorate (Engineering), Chulalongkorn University
- Honorary Doctorate (Production Engineering), Mahasarakham University
- Advanced Management Program, Harvard University, U.S.A..

**Training program**

- Director Certification Program, Thai Institute of Directors Association
- Exponential Manufacturing Thailand 2019, Singularity University, U.S.A.
- Cyber Resilience for Directors of Financial Institutions, Bank of Thailand
- Exclusive Workshop for SCB Boardroom: Vision-Driven Purpose, The Siam Commercial Bank PCL and Thai Institute of Directors Association
- Bangkok Sustainable Banking Forum 2019, Bank of Thailand
- Bank's Preparations for Compliance with Personal Data Protection Act (PDPA) and Cyber Security Act, Baker & McKenzie and PwC Thailand
- Cyber Resilience Leadership: Herd Immunity, Bank of Thailand in collaboration with the Securities and Exchange Commission and Office of Insurance Commission
- National Director Conference 2021: Leadership Behind Closed Doors, Thai Institute of Directors Association
- BOT Digital Finance Conference 2022, Bank of Thailand

**Experience in the past 5 years**

2011-2018	Global Advisor, Kubota Corporation (Japan)
2014-2018	Member, National Competitiveness Development Committee
2015-2018	Member, National Intellectual Property Policy Committee
2015-2018	Member of the Advisory Board, Nomura Holding Inc.
2016-2018	Member, Governing Committee of Food Innopolis
2016-2018	Member, Committee for Screening Projects according to the Regional Development Plan for the Strengthening and Sustainability of the Local Economy
2017-2018	Advisor, Strategic National Administration Committee
2017-2018	Member, Eastern Economic Corridor Policy Committee
2017-2018	Member, National Research and Innovation Policy Council
2017-2018	Member, Super Board on Procurement
2017-2018	Member, Committee on National Strategy Preparation for Thailand 4.0
2017-2018	Member, National Reform Committee on State Administration
2017-2018	Advisor, Subcommittee on Industrial and Digital Innovation Promotion
2017-2018	Subcommittee on Screening Projects according to the Regional Development Plan for the Strengthening and Sustainability of the Local Economy (Fiscal Year 2018)
2015-2019	Head of Private Sector for Public-Private Partnership Committee on Innovation and Digitalization
2015-2019	Head of Private Sector for Public-Private Partnership Committee on

2015-2019	Legal Reform and Public Sector System Improvement Member, Public-Private Partnership Committee on Educational Reform and Leadership Development
2015-2019	Member, Executive Board, Chulalongkorn Hospital
2017-2019	Member, Executive Board, Queen Savang Vadhana Memorial Hospital
2018-2019	Advisor to the Executive Board on Driving Value-Based Economy Towards Thailand 4.0 Policy through Innovation Hubs
2017-2021	Independent Director, Chairman of the Leadership Development and Compensation Committee, Member of the Nomination and Governance Committee, Member of the Strategic and Organizational Review Committee, and Member of the Corporate Social Responsibility Committee for Sustainable Development, Intouch Holdings PCL
2020-2022	Member, National Reform Committee on State Administration

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**Positions in listed companies**

2006-Present	Director and Member of CSR Committee for Sustainable Development, Siam Cement PCL
2016-Present	Independent Director, Chairman of the Board, Chairman of the Leadership Development and Compensation Committee and Chairman of Sustainable Development Committee, Advanced Info Service PCL
2017-Present	Independent Director, Bangkok Dusit Medical Services PCL
2021-Present	Chairman of the Board and Independent Director, Intouch Holdings PCL
2021-Present	Independent Director, Chairman of the Nomination, Compensation and Corporate Governance Committee and Member of the Executive Committee, SCB X PCL

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**Positions in non-listed companies/entities**

2013-Present	Advisor, Federation of Thai Industries
2013-Present	Honorary Advisor, Environmental Engineering Association of Thailand
2013-Present	Advisor to the Executive Committee, Mahidol University Foundation
2013-Present	Executive Board Member, Engineering Division of the Anandamahidol Foundation
2013-Present	Member, Advisory Board, Sasin Graduate Institute of Business Administration
2015-Present	Director, Advanced Wireless Network Co., Ltd.
2017-Present	Member, National Strategy Committee
2018-Present	Honorary Advisor, Eastern Economic Corridor Policy Committee
2019-Present	Honorary Advisor, Committee on Policy Framework, Strategy and Roadmap Drafting and Budgeting Framework Drafting for Science, Research and Innovation Initiatives, Office of National Higher Education, Science, Research and Innovation Policy Council
2019-Present	Chairman, Committee on Performance Evaluation of Secretary-General of Eastern Economic Corridor Policy Office
2019-Present	Advisor, Steering Committee on Higher Education, Science, Research and Innovation Reform
2019-Present	Member, Executive Board for Medical Services, Thai Red Cross Society
2019-Present	Chairman, Thailand Science, Research and Innovation Monitoring

2020-Present	and Evaluation Committee
2020-Present	Director, State Enterprise Policy Office
2020-Present	Director, SCB 10X Co., Ltd.
2020-Present	Member (Science and Technology), Council of Experts, Office of National Higher Education, Science, Research and Innovation Policy Council
2020-Present	Member, Cluster Promoting Committee on Innovation Ecosystem and Statutory and Regulatory Development
<b>SCB shareholding</b>	
▪ Number of shares held by director	None
▪ Number of shares held by related persons	None
<b>Family relationship with director and management</b>	None
Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.	

#### 4. Mr. Krirk Vanikkul

<b>Age</b>	69 years
<b>Current position</b>	- Independent Director - Chairman of the Risk Oversight Committee
<b>Date of appointment</b>	1 November 2015
<b>No. of years on the board</b>	7 years 2 months
<b>Education</b>	- LL.B., (2nd Class Hons.), Chulalongkorn University - Barrister-at-Law, Thai Bar Association - B.A. in Jurisprudence (Hons. Oxon), University of Oxford, U.K. - Barrister-at-Law, Middle Temple, U.K.
<b>Training program</b>	- Advanced Management Program, Harvard University, U.S.A. - Director Certification Program, Thai Institute of Directors Association - Chartered Director Course, Thai Institute of Directors Association - Improving the Quality of Financial Reporting, Thai Institute of Directors Association - Advanced Leadership Program, Capital Market Academy - Thailand Insurance Leadership Program, Office of Insurance Commission - Cyber Security and Technology Risk, The Siam Commercial Bank PCL and PwC Thailand - Cyber Resilience for Directors of Financial Institutions, Bank of Thailand - Exclusive Workshop for SCB Boardroom: Vision-Driven Purpose, The Siam Commercial Bank PCL and Thai Institute of Directors Association

- Solving the Banking Crisis, Bank of Thailand
- Bangkok Sustainable Banking Forum 2019, Bank of Thailand
- Bank's Preparations for Compliance with Personal Data Protection Act (PDPA) and Cyber Security Act, Baker & McKenzie and PwC Thailand

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**Experience in the past 5 years**

2015-2017	Independent Director, Italian-Thai Development PCL
2015-2018	Independent Director and Expert Commission Member, Office of Knowledge Management and Development (Public Organization)
2021-2022	Independent Director and Chairman of the Risk Oversight Committee, SCB X PCL

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**Positions in listed companies**

2016-Present	Independent Director and Member of the Audit Committee, Osotspa PCL
2018-Present	Independent Director, Member of the Audit Committee and Member of the Nomination, Remuneration, and Good Corporate Governance Committee, L. P. N. Development PCL

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**Positions in non-listed companies/entities**

2014-Present	Member of the Council of State, Office of the Council of State
2015-Present	Executive Board Member, Chulalongkorn Hospital, Thai Red Cross Society
2021-Present	Chairman of the Board, LPP Property Management Co., Ltd.

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**SCB shareholding**

▪ Number of shares held by director	None
▪ Number of shares held by related persons	None

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<b>Family relationship with director and management</b>	None
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Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

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**5. Mr. Thaweesak Koanantakool**

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<b>Age</b>	69 years
<b>Current position</b>	- Independent Director - Chairman of the Technology Committee - Member of the Nomination, Compensation and Corporate Governance Committee
<b>Date of appointment</b>	5 April 2016
<b>No. of years on the board</b>	6 years 9 months
<b>Education</b>	- B.Sc. (Electrical Engineering), Imperial College, University of London, U.K.

- Ph.D.(Electrical Engineering), Imperial College, University of London, U.K.

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**Training program**

- Role of the Chairman Program, Thai Institute of Directors Association
- Director Certification Program, Thai Institute of Directors Association
- Cyber Security and Technology Risk, The Siam Commercial Bank PCL and PwC Thailand
- Cyber Resilience for Directors of Financial Institutions, Bank of Thailand
- Collaboration for the Future of Finance, Bank of Thailand
- National Director Conference 2019, Thai Institute of Directors Association
- Bangkok Sustainable Banking Forum 2019, Bank of Thailand
- Bank's Preparations for Compliance with Personal Data Protection Act (PDPA) and Cyber Security Act, Baker & McKenzie and PwC Thailand
- Cyber Resilience Leadership: Tone from the Top 2020, Bank of Thailand in collaboration with Securities and Exchange Commission and Office of Insurance Commission
- e-Factoring Workshop, Bank of Thailand
- Advanced Management Program, Harvard Business School
- Cyber Armor: Capital Market Board Awareness about Cybersecurity and Intelligence Threats Assessment, Securities and Exchange Commission
- BOT Digital Finance Conference 2022, Bank of Thailand

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**Experience in the past 5 years**

2002-2017	Vice Chairman, Member of the Executive Committee and Member of the Risk Management Committee, Internet Thailand PCL
2008-2017	Chairman of the Board, T-Net Co., Ltd.
2015-2017	Member, National Reform Steering Assembly
2016-2018	Expert Member, Khon Kaen University Council
2003-2019	Director, Internet Foundation for the Development of Thailand
2018-2019	Advisor to Chairman of the Board, Internet Thailand PCL
2017-2022	Expert Member on Information Technology, Public Sector Audit and Evaluation Committee
2017-2022	Member, National Economic Reform Committee, National Economic and Social Development Council
2019-2022	Director, InnoSpace Co., Ltd.
2019-2022	Chairman of the Mahidol University Internal Audit Committee, Mahidol University
2020-2022	Chairman of Ad-Hoc Subcommittee No. 1, Public Sector Audit and Evaluation Committee
2020-2022	Senior advisor to the President, National Science and Technology Development Agency

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**Positions in listed companies**

2019-Present	Chairman of the Board, Internet Thailand PCL
2021-Present	Director, Member of the Audit Committee and Chairman of the Corporate Governance and Sustainable Development Committee, Betagro PCL

2021-Present	Independent Director, Member of the Technology Committee and Member of the Nomination, Compensation and Corporate Governance Committee, SCB X PCL
<b>Positions in non-listed companies/entities</b>	
2016-Present	Expert Member of Mahidol University Council, Mahidol University
2016-Present	Director and Deputy Secretary General, Information Technology Projects Under the Initiative of H.R.H. Princess Maha Chakri Sirindhorn Foundation
2017-Present	Member, National Economic and Social Development Council
2017-Present	Chairman, Ratanarajasuda Information Technology Award Foundation
2018-Present	Director and Member of the State Enterprise Board Screening Committee, Board of State Enterprise Policy Office
2019-Present	Chairman, Public Administration and Security System Re-Balancing and Development Committee, National Economic and Social Development Council
2019-Present	Council Member, Chitralada Technology Institute
2019-Present	Chairman of the Board, Thailand Institute of Nuclear Technology
2021-Present	Director (without management authority) and Member of the Audit Committee, InnovestX Securities Co., Ltd.
2021-Present	Member, Subcommittee on Evaluation of Outcomes and Impact of Promotion of Public Participation in Anti-Corruption Efforts
2021-Present	Honorary Member, Prince of Songkla University Council
2022-Present	Director, Card X Co., Ltd.
2022-Present	Director, SCB DataX Co., Ltd.
<b>SCB shareholding</b>	
▪ Number of shares held by director	None
▪ Number of shares held by related persons	None
<b>Family relationship with director and management</b>	None
Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.	

## 6. Mr. Prasan Chuaphanich

<b>Age</b>	70 years
<b>Current position</b>	- Director - Chairman of the Executive Committee - Member of the Technology Committee
<b>Date of appointment</b>	4 April 2013
<b>No. of years on the board</b>	9 years 9 months
<b>Education</b>	- B.Acc. (2nd Class Hons.), Chulalongkorn University

- Diploma in Auditing, Chulalongkorn University
- Honorary Doctorate (Accounting), Kasem Bundit University
- ASEAN Chartered Professional Accountant
- Certified Public Accountant
- Executive Management Program, Ivey School of Business, University of Western Ontario, Canada
- Leading Professional Services Firms, Harvard Business School, U.S.A.

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**Training program**

- Director Certification Program, Thai Institute of Directors Association
- Financial Institutions Governance Program, Thai Institute of Directors Association
- Board Matters and Trends, Thai Institute of Directors Association
- Australian Governance Summit 2019, Thai Institute of Directors Association
- Cyber Security and Technology Risk, The Siam Commercial Bank PCL and PwC Thailand
- Cyber Resilience for Directors of Financial Institutions, Bank of Thailand
- National Director Conference 2019, Thai Institute of Directors Association
- Bangkok Sustainable Banking Forum 2019, Bank of Thailand
- Bank's Preparations for Compliance with Personal Data Protection Act (PDPA) and Cyber Security Act, Baker & McKenzie and PwC Thailand
- Board Nomination and Compensation Program, Thai Institute of Directors Association
- Director Leadership Certification Program, Thai Institute of Directors Association
- National Director Conference 2021, Thai Institute of Directors Association
- Cyber Armor: Capital Market Board Awareness about Capital Market Threat Landscape, Securities and Exchange Commission
- Cyber Resilience Leadership 2022, Bank of Thailand

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**Experience in the past 5 years**

2012-2017	Expert Committee Member, General Insurance Fund, Ministry of Finance
2014-2017	President, Federation of Accounting Professions under the Royal Patronage of His Majesty the King
2014-2017	Member, Advisory Committee on Corporate Governance and Policy, Thai Institute of Directors Association
2015-2017	Director and Chairman of the Audit Committee, Thai Institute of Directors Association
2016-2019	Independent Director and Chairman of the Audit Committee, PTT Global Chemical PCL
2014-2020	Commission Member by Expertise (Accounting) and Chairman of the Audit Committee, Office of Insurance Commission
2013-2021	Independent Director, Member of the Audit Committee, and Chairman of the Nomination and Remuneration Committee, Thai Solar Energy PCL

2016-2021	Commissioner, OIC Advanced Insurance Institute
2017-2021	Chairman, Thai Institute of Directors Association
2017-2021	Council Member, Thailand's Private Sector Collective Action Coalition against Corruption Council
2017-2021	Independent Director, Member of the Audit and Risk Committee, and Chairman of the Sustainable Development Committee, Advanced Info Service PCL
2017-2021	Independent Director, Advanced Wireless Network Co., Ltd.
2013-2022	Independent Director and Chairman of the Audit Committee, The Siam Commercial Bank PCL
2016-2022	Member of the Mahidol University Internal Audit Committee, Mahidol University Council
2019-2022	Commissioner (Accounting), Securities and Exchange Commission
<b>Positions in listed companies</b>	
2019-Present	Independent Director and Chairman of the Audit Committee, Kerry Express (Thailand) PCL
2021-Present	Director, Chairman of the Risk Oversight Committee and Member of the Technology Committee, SCB X PCL
2022-Present	Independent Director and Chairman of the Audit Committee, Singha Estate PCL
<b>Positions in non-listed companies/entities</b>	
2014-Present	Expert Member on Accounting, Dumping, and Subsidies Committee under the Ministry of Commerce
2015-Present	Member of the Finance and Property Management Committee, King Mongkut's University of Technology Thonburi
2017-Present	Expert Member on Accounting, Public Sector Audit and Evaluation Committee
2017-Present	Chairman, Audit Advisory Panel, Advisory Committee for Fund Raising and Listed Company Oversight, Securities and Exchange Commission
2018-Present	Member, State Enterprise Director List Committee, Ministry of Finance
2018-Present	Member, State Enterprise Board Screening Committee under the Board of State Enterprise Policy Office
2018-Present	Expert Member, Board of Directors, Thailand Arbitration Center, Ministry of Justice
2020-Present	Director, State Enterprise Policy Office
2020-Present	Member, Efficiency and Performance Evaluation Steering Committee, National Research Council of Thailand
2020-Present	Expert Member, Public Organization Development and Promotion Committee
2020-Present	Member, Advisory Council to the Prime Minister, Office of the Prime Minister
2020-Present	Expert Member, Life Insurance Fund Management Committee, Ministry of Finance
2021-Present	Honorary Chairman and Advisor to the Board, Thai Institute of Directors Association
2022-Present	Expert Member (Accounting), Public Sector Audit and Evaluation Committee, Office of the Public Sector Development Commission
2022-Present	Chairman of the Board, Auto X Co., Ltd.

2022-Present	Director, SCB DataX Co., Ltd.
<b>SCB shareholding</b>	
▪ Number of shares held by director	None
▪ Number of shares held by related persons	None
<b>Family relationship with director and management</b>	
None	
Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.	

### 7. Air Chief Marshal Satitpong Sukvimol

<b>Age</b>	73 years
<b>Current position</b>	- Director - Member of the Corporate Social Responsibility Committee
<b>Date of appointment</b>	13 June 2018
<b>No. of years on the board</b>	4 years 7 months
<b>Education</b>	B.A. (Mass Communication), Chiang Mai University
<b>Training program</b>	- Flying Training School Class N. 54-16-3, Royal Thai Air Force - Squadron Officer School Class 43 - Air Command and Staff College Class 29 - Air War College Class 27 - Customer Experience and Value Creation, The Siam Commercial Bank PCL
<b>Experience in the past 5 years</b>	
2017-2018	Private Secretary to His Majesty King Maha Vajiralongkorn / Grand Chamberlain, Bureau of the Royal Household
<b>Positions in listed companies</b>	
2018-Present	Chairman of the Board and Member of the CSR Committee for Sustainable Development, Siam Cement PCL
2021-Present	Director and Member of the Corporate Social Responsibility Committee, SCB X PCL
<b>Positions in non-listed companies/entities</b>	
2018-Present	Private Secretary to His Majesty King Maha Vajiralongkorn / Lord Chamberlain, Bureau of the Royal Household
2018-Present	Chairman and Director-General, The Crown Property Bureau
2018-Present	Trustee of H.M. Private Property, H.M. Private Property Office
2018-Present	President Courtier to His Majesty King Maha Vajiralongkorn
2018-Present	Chairman of CPB Equity Co. Ltd. and its groups of companies as being assigned

2021-Present	Director, Siam Commercial Foundation
2022-Present	Director, Card X Co., Ltd.
2022-Present	Director, SCG Chemicals PCL
<b>SCB shareholding</b>	
▪ Number of shares held by director	None
▪ Number of shares held by related persons	None
<b>Family relationship with director and management</b>	None
Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.	

## 8. Police Colonel Thumnithi Wanichthanom

<b>Age</b>	64 years
<b>Current position</b>	- Director - Member of the Corporate Social Responsibility Committee <sup>1</sup>
<b>Date of appointment</b>	13 June 2018
<b>No. of years on the board</b>	4 years 7 months
<b>Education</b>	- B.P.A., Royal Police Cadet Academy - M.P.A., Western Kentucky University, U.S.A.
<b>Training program</b>	Customer Experience and Value Creation, The Siam Commercial Bank PCL
<b>Experience in the past 5 years</b> 1997-2017	Deputy Chamberlain, Personal Affairs Division of His Royal Highness the Crown Prince, Bureau of the Royal Household
<b>Positions in listed companies</b>	
2018-Present	Director and Member of the CSR Committee for Sustainable Development, Siam Cement PCL
2021-Present	Director and Member of the Executive Committee, SCB X PCL
2022-Present	Director, SCG Packaging PCL
<b>Positions in non-listed companies/entities</b>	
2017-Present	Grand Chamberlain, Bureau of the Royal Household
2017-Present	Director, Office of Privy Purse, Bureau of the Royal Household
2018-Present	Director and Deputy Director-General, The Crown Property Bureau
2018-Present	Vice Chairman, CPB Equity Co., Ltd. and its groups of companies as being assigned
2019-Present	Director, Siam Commercial Foundation
2022-Present	Director, Alpha X Co., Ltd.
2022-Present	Director, Auto X Co., Ltd.

**SCB shareholding**

- |  |      |
|--|------|
| ▪ Number of shares held by director        | 0.0% |
| ▪ Number of shares held by related persons | None |

**Family relationship with director and management**

None

Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

<sup>/1</sup> He was appointed as Member of the Executive Committee and vacated his position as Member of the Corporate Social Responsibility Committee on January 17, 2023.

**9. Mr. Pasu Decharin**

<b>Age</b>	54 years
<b>Current position</b>	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Member of the Audit Committee</li> <li>- Member of the Risk Oversight Committee</li> </ul>
<b>Date of appointment</b>	19 October 2018
<b>No. of years on the board</b>	4 years 2 months
<b>Education</b>	<ul style="list-style-type: none"> <li>- B.B.A. (General Management), Chulalongkorn University</li> <li>- M.B.A., University of Colorado, Boulder, U.S.A.</li> <li>- Ph.D. (Technology Management), Asian Institute of Technology</li> </ul>
<b>Training program</b>	<ul style="list-style-type: none"> <li>- Director Accreditation Program, Thai Institute of Directors Association</li> <li>- Executive Development Program, Thai Listed Companies Association</li> <li>- Leadership Development Program, Thai Listed Companies Association</li> <li>- Director Certification Program, Thai Institute of Directors Association</li> <li>- Cyber Resilience for Directors of Financial Institutions, Bank of Thailand</li> <li>- Exclusive Workshop for SCB Boardroom: Vision-Driven Purpose, The Siam Commercial Bank PCL and Thai Institute of Directors Association</li> <li>- Bank's Preparations for Compliance with Personal Data Protection Act (PDPA) and Cyber Security Act, Baker &amp; McKenzie and PwC Thailand</li> <li>- Battle Strategy EPISODE II: Don't Waste a Good Crisis, Kao Hoon Newspaper</li> <li>- Director Leadership Certification Program, Thai Institute of Directors Association</li> <li>- Ethical Leadership Program, Thai Institute of Directors Association</li> <li>- National Director Conference 2021: Leadership Behind Closed Doors, Thai Institute of Directors Association</li> <li>- Cyber Armor: Capital Market Board Awareness about Capital Market Threat Landscape, Securities and Exchange Commission</li> </ul>

- Cyber Armor: Capital Market Board Awareness about Cybersecurity and Intelligence Threats Assessment, Securities and Exchange Commission
- Advanced Audit Committee Program, Thai Institute of Directors Association

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**Experience in the past 5 years**

2014-2018	Director and Member of the Audit Committee, Islamic Bank of Thailand
2011-2019	Dean, Faculty of Commerce and Accountancy, Chulalongkorn University
2016-2019	Independent Director and Member of the Audit Committee, Krungthai Car Rent and Lease PCL
2017-2020	Director, AUA Language Center
2018-2022	Chairman of the Board and Independent Director, Warrix Sport Co., Ltd.
2021-2022	Independent Director, Member of the Audit Committee and Member of the Risk Oversight Committee, SCB X PCL

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**Positions in listed companies**

2018-Present	Independent Director, Member of the Audit Committee and Member of the Nomination and Remuneration Committee, Thai Oil PCL
2019-Present	Independent Director, Chairman of the Audit Committee and Member of the Governance and Nomination Committee, Siam Cement PCL
2022-Present	Chairman of the Board and Independent Director, Warrix Sport PCL

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**Positions in non-listed companies/entities**

1993-Present	Lecturer, Faculty of Commerce and Accountancy, Chulalongkorn University
2015-Present	Independent Director, Aksorn Education PCL
2019-Present	Director, Decharin (2018) Co., Ltd.
2021-Present	Director (without management authority), InnovestX Securities Co., Ltd.
2021-Present	Chairman of the Audit Committee and Expert Board Member, National Science Museum Thailand, Ministry of Higher Education, Science, Research and Innovation

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**SCB shareholding**

▪ Number of shares held by director	None
▪ Number of shares held by related persons	None

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**Family relationship with director and management**

None

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Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

**10. Miss Lackana Leelayouthayotin**

<b>Age</b>	69 years
<b>Current position</b>	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Member of the Nomination Compensation and Corporate Governance Committee</li> <li>- Member of the Corporate Social Responsibility Committee</li> </ul>
<b>Date of appointment</b>	5 April 2019
<b>No. of years on the board</b>	3 years 9 months
<b>Education</b>	<ul style="list-style-type: none"> <li>- B.Sc. (Chemistry), Chulalongkorn University</li> <li>- M.B.A., Catholic University of Leuven, Belgium</li> <li>- Ph.D. (Business Administration), University of Southern Queensland, Australia</li> </ul>
<b>Training program</b>	<ul style="list-style-type: none"> <li>- Executive Development Program, Kellogg North Western University, U.S.A.</li> <li>- Director Certification Program, Thai Institute of Directors Association</li> <li>- Public Director Certification Program, Public Director Institute</li> <li>- TLCA Leadership Development Program, IMD</li> <li>- Cyber Resilience for Directors of Financial Institutions, Bank of Thailand</li> <li>- National Director Conference 2019, Thai Institute of Directors Association</li> <li>- Exclusive Workshop for SCB Boardroom: Vision-Driven Purpose, The Siam Commercial Bank PCL and Thai Institute of Directors Association</li> <li>- BOT Digital Finance Conference 2022, Bank of Thailand</li> <li>- Cyber Resilience Leadership 2022, Bank of Thailand</li> </ul>
<b>Experience in the past 5 years</b>	
2007-2017	Director, Tipco F&B Co., Ltd.
2013-2017	Director and Advisor, Cerebos Thailand Ltd.
2015-2017	Director, The One Enterprise Co., Ltd.
2015-2018	Director, GMM Channel Co., Ltd.
2017-2019	Director, Aisance Co., Ltd.
2015-2021	Director, GMM Grammy PCL
2021-2022	Independent Director and Member of the Executive Committee, SCB X PCL
2013-2022	Advisor, Brand's Suntory (Thailand) Co., Ltd.
2016-2022	Managing Director, Advisor and Beyond Co., Ltd.
<b>Positions in listed companies</b>	
2015-Present	Independent Director and Member of Nomination Committee, Lam Soon (Thailand) PCL
2016-Present	Independent Director, Chairman of the Audit Committee and Member of the Nomination and Remuneration Committee, Techno Medical PCL
2020-Present	Chairman of the Board, Rojukiss International PCL

**Positions in non-listed companies/entities**

1997-Present	Chairman, Voluntary Blood Donors Subcommittee under the Recruitment and Promotion of Voluntary Blood Donors Committee, Thai Red Cross Society
2014-Present	Chairman, Foundation for Education, Marketing Association of Thailand
2016-Present	Independent Director and Member of the Audit Committee, Shera PCL
2017-Present	Independent Director, Bangchak Retail Co., Ltd.
2018-Present	Member, Fund for Patients and Hospital Affairs Committee, Somdet Phra Nyanasamvara Somdet Phra Sangharaj Wat Bovoranives Vihara Foundation under Royal Patronage
2019-Present	Vice President, Chulalongkorn University Alumni Association
2021-Present	Chairman, Capital Management Committee, Thailand Institute of Scientific and Technological Research
2022-Present	Director, Siam Commercial Foundation

**SCB shareholding**

▪ Number of shares held by director	None
▪ Number of shares held by related persons	None

**Family relationship with director and management**

None

Remark: She does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

**11. Mr. Chakkrit Parapuntakul**

<b>Age</b>	63 years
<b>Current position</b>	- Director - Member of the Executive Committee - Member of the Risk Oversight Committee
<b>Date of appointment</b>	1 <sup>st</sup> Round: November 25, 2015 2 <sup>nd</sup> Round: 18 January 2021
<b>No. of years on the board</b>	1 <sup>st</sup> Round: 4 years 10 months (2015 – 2020) 2 <sup>nd</sup> Round: 1 year 11 months
<b>Education</b>	- B. Acc., Thammasat University - M.B.A., Angelo State University, Texas, U.S.A.
<b>Training program</b>	- Director Accreditation Program, Thai Institute of Directors Association - Audit Committee Program, Thai Institute of Directors Association - Ethical Leadership Program, Thai Institute of Directors Association - Board Matters and Trends, Thai Institute of Directors Association

- Bangkok Sustainable Banking Forum 2018, Bank of Thailand
- Cyber Security and Technology Risk, The Siam Commercial Bank PCL and PwC Thailand
- Customer Experience and Value Creation, The Siam Commercial Bank PCL

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**Experience in the past 5 years**

2015-2017	Director-General, Treasury Department
2015-2017	Chairman of the Board, Dhanarak Asset Development Co., Ltd.
2015-2017	Director, Real Estate Information Center
2003-2018	Independent Director and Chairman of the Audit Committee, MPG Corporation PCL
2016-2018	Director, Siam Commercial Foundation
2017-2018	Director, Tris Corporation Co., Ltd.
2018-2019	Chairman of the Board, Vending Corporation Co., Ltd.
2018-2019	Chairman of the Board, ASEAN Potash Chaiyaphum PCL
2015-2020	Director, Member of the Executive Committee and Member of the Nomination, Compensation and Corporate Governance Committee, The Siam Commercial Bank PCL
2017-2020	Deputy Permanent Secretary, Ministry of Finance
2017-2020	President, Federation of Accounting Professions under the Royal Patronage of His Majesty the King
2017-2020	Independent Director, Esso (Thailand) PCL
2020-2020	Independent Director, Thai Airways International PCL
2020-2020	Acting President, Thai Airways International PCL
2014-2021	Independent Director and Member of the Audit Committee, Pinthong Industrial Park Co., Ltd.
2018-2021	Chairman of the Board, NBD Healthcare Co., Ltd.
2019-2021	Independent Director and Chairman of the Audit Committee, Synnex (Thailand) PCL
2019-2021	Independent Director, Member of the Audit Committee, and Member of the Nomination and Remuneration Committee, RS PCL
2020-2021	Vice Chairman and Member of the Rehabilitation Planners Committee, Thai Airways International PCL
2020-2022	Director and Chairman of the Audit Committee, Master Style Co., Ltd.
2021-2022	Director, Member of the Executive Committee, and Member of the Nomination, Compensation and Corporate Governance Committee, SCB X PCL

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**Positions in listed companies**

2017-Present	Chairman of the Good Corporate Governance Committee, MFC Asset Management PCL
2019-Present	Chairman of the Board and Chairman of the Audit Committee, Sabuy Technology PCL
2021-Present	Independent Director and Chairman of the Audit and Risk Committee, Intouch Holdings PCL
2021-Present	Independent Director and Member of the Audit Committee, WHA Corporation PCL

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**Positions in non-listed companies/entities**

2022-Present	Director, WHA Industrial Development PCL
2022-Present	Chairman of the Board and Chairman of the Risk Oversight Committee, Card X Co., Ltd.
2022-Present	Independent Director, Chairman of the Audit Committee, and Member of the Nomination and Remuneration Committee, Master Style PCL
2022-Present	Honorary Member of Thammasat University Council, Thammasat University
2022-Present	Independent Director and Chairman of the Audit Committee, Petchsrivichai Enterprise Co., Ltd.

**SCB shareholding**

▪ Number of shares held by director	None
▪ Number of shares held by related persons	None

<b>Family relationship with director and management</b>	None
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Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

**12. Mrs. Pantip Sripimol**

<b>Age</b>	60 years
<b>Current position</b>	- Director - Member of the Corporate Social Responsibility Committee
<b>Date of appointment</b>	8 April 2021
<b>No. of years on the board</b>	1 year 9 months
<b>Education</b>	- B.B.A., Ramkhamhaeng University - LL.B., Ramkhamhaeng University - M.P.A., Chulalongkorn University
<b>Training program</b>	- Role of the Nomination and Governance Committee, Thai Institute of Directors Association - Audit Committee Program, Thai Institute of Directors Association - Director Certification Program, Thai Institute of Directors Association - Tourism Management Program for Executives, TAT Academy - Capital Market Leader Program, Capital Market Academy - Energy Science Leadership Program, Thailand Energy Academy - Diploma, National Defence College, The Joint State - Private Sector Course - Politics and Governance in Democracy for Executives, King Prajadhipok's Institute

- Senior Justice Administrator, Judicial Training Institute
- Cyber Resilience Leadership 2022, Bank of Thailand

**Experience in the past 5 years**

2012-2019	Director and Member of the Audit Committee, Krung Thai Card PCL
2014-2019	Director and Member of the Risk Management Committee, MCOT PCL
2016-2019	State Enterprise Development Advisor, State Enterprise Policy Office, Ministry of Finance
2019-2021	Deputy Permanent Secretary, Ministry of Finance
2019-2021	Director and Chairman of the Audit Committee, Tourism Authority of Thailand
2020-2021	Director and Chairman of the Screening Subcommittee, Bank for Agriculture and Agricultural Cooperatives
2021-2021	Independent Director, Esso (Thailand) PCL
2017-2022	Director, Don Muang Tollway PCL

**Positions in listed companies**

2021-Present	Director and Member of the Corporate Social Responsibility Committee, SCB X PCL
2021-Present	Director and Member of the Corporate Governance and Sustainability Committee, PTT Global Chemical PCL

**Positions in non-listed companies/entities**

2021-Present	Director-General, State Enterprise Policy Office, Ministry of Finance
2022-Present	Director, Siam Commercial Foundation

**SCB shareholding**

▪ Number of shares held by director	None
▪ Number of shares held by related persons	None

**Family relationship with director and management**

None

Remark: She does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

**13. Mrs. Prisana Praharnkhasuk**

<b>Age</b>	68 years
<b>Current position</b>	- Independent Director - Member of the Audit Committee
<b>Date of appointment</b>	2 June 2022
<b>No. of years on the board</b>	7 months
<b>Education</b>	- Bachelor of Business Administration, Chulalongkorn University - Bachelor of Business Administration (Accounting), Krirk University - Master of Business Administration, Tarleton State University, U.S.A.

<b>Training program</b>	<ul style="list-style-type: none"> <li>- Certificate of Insurance, College of Insurance, London, UK</li> <li>- Sasin Senior Executive Program, Sasin Graduate Institute of Business Administration of Chulalongkorn University</li> <li>- Certificate of Completion CFO Certification Program, Federation of Accounting Professions</li> <li>- Certificate of NIDA-Wharton Executive Leadership Program, Wharton University of Pennsylvania</li> <li>- Director Certification Program, Thai Institute of Directors</li> <li>- Advanced Audit Committee Program Thai Institute of Directors</li> <li>- The Board's Role in Mergers and Acquisitions, Thai Institute of Directors</li> <li>- Top Executive Program, Capital Market Academy, Stock Exchange of Thailand</li> <li>- PTT Executive Leadership Development, GE Crotonville, U.S.A.</li> <li>- Financial and Fiscal Management Program for Senior Executive</li> <li>- Cyber Resilience Leadership 2022, Bank of Thailand</li> </ul>
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**Experience in the past 5 years**

2005-2017	Director and Chairman of the Management Accounting Profession Committee, Federation of Accounting Professions under the Royal Patronage of His Majesty the King
2012-2018	Director, Member of the Executive Committee, Chairman of the Investment Committee, Dhipaya Insurance PCL
2015-2018	Director, Workmen's Compensation Fund Committee, Social Security Office
2016-2019	Director, Chairman of the Audit Committee and Member of Nomination and Compensation Committee, Thai Credit Guarantee Corporation
2017-2019	Director, Chairman of the Audit Committee, Industrial Estate Authority of Thailand
2017-2019	Independent Director and Member of the Audit Committee, Siam Solar Power PCL
2019-2021	Director, Chairman of the Audit Committee, OKEA ASA - Oslo Stock Exchange (OSE)

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**Positions in listed companies**

2016-Present	Independent Director, Member of the Audit Committee, and Chairman of the Nomination and Remuneration Committee, Bangchak Corporation PCL
2016-Present	Independent Director, Chairman of the Audit Committee, and Member of the Nomination and Remuneration Committee, TOA Paint (Thailand) PCL
2017-Present	Independent Director and Chairman of the Audit Committee, Siamese Asset PCL
2018-Present	Advisor to Chairman of the Board, Dhipaya Insurance PCL

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**Positions in non-listed companies/entities**

None

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**SCB shareholding**

▪ Number of shares held by director	None
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- Number of shares held by related persons None

**Family relationship with director and management** None

Remark: She does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

#### 14. Mr. Prasong Vinaiphat

**Age** 72 years

**Current position**

- Independent Director
- Member of the Nomination, Compensation and Corporate Governance Committee

**Date of appointment** 2 June 2022

**No. of years on the board** 7 months

**Education**

- Bachelor of Laws, Thammasat University
- Doctoral Degree in Laws, The University of Toulouse, France

**Training program**

- Directors Certification Program, Thai Institute of Directors
- The Role of Chairman, Thai Institute of Directors
- Cyber Resilience Leadership 2022, Bank of Thailand

**Experience in the past 5 years ended 2020** Advisor, Legal for General Counsel Group, The Siam Commercial Bank PCL

2019-2022 Chairman of the Board, SCB Securities Co., Ltd.

**Positions in listed companies**

2016-Present Advisor to the Audit Committee, The Siam Cement PCL

**Positions in non-listed companies/entities**

2003-Present Councilor of State, Office of the Council of State

2011-Present Legal Advisor, SCG Legal Counsel Co., Ltd.

2012-Present Expert Member, Committee on Administrative Procedure

2019-Present Member of the Audit Committee, Eastern Economic Corridor

**SCB shareholding**

- Number of shares held by director None
- Number of shares held by related persons None

**Family relationship with director and management** None

Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

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**15. Mr. Arthid Nanthawithaya**

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<b>Age</b>	55 years
<b>Current position</b>	<ul style="list-style-type: none"> <li>- Director</li> <li>- Member of the Executive Committee</li> <li>- Member of the Technology Committee</li> </ul>
<b>Date of appointment</b>	2 April 2015
<b>No. of years on the board</b>	7 years 9 months
<b>Education</b>	<ul style="list-style-type: none"> <li>- B.A. (Economics), Chulalongkorn University</li> <li>- M.B.A. (Finance), Sasin Graduate Institute of Business Administration</li> </ul>
<b>Training program</b>	<ul style="list-style-type: none"> <li>- Director Accreditation Program, Thai Institute of Directors Association</li> <li>- Advanced Leadership Program, Capital Market Academy</li> <li>- Leadership Program, Office of Justice Affairs</li> <li>- Energy Science Leadership Program, Thailand Energy Academy</li> <li>- Diploma, National Defence College, The Joint State - Private Sector Course</li> <li>- Cyber Security and Technology Risk, The Siam Commercial Bank PCL and PwC Thailand</li> <li>- Advanced Executive Program on Bangkok Metropolitan Development</li> <li>- Advanced Executive Program, Institute of Business and Industrial Development</li> <li>- Exclusive Workshop for SCB Boardroom: Vision-Driven Purpose, The Siam Commercial Bank PCL and Thai Institute of Directors Association</li> <li>- Bangkok Sustainable Banking Forum 2019, Bank of Thailand</li> <li>- Bank's Preparations for Compliance with Personal Data Protection Act (PDPA) and Cyber Security Act, Baker &amp; McKenzie and PwC Thailand</li> </ul>
<b>Experience in the past 5 years</b>	
2015-2019	Director, Siam Commercial Foundation
2017-2019	Chairman of the Board, Digital Ventures Co., Ltd.
2018-2019	Director, Mrigadayavan Palace Foundation
2015-2022	Chief Executive Officer, The Siam Commercial Bank PCL
<b>Positions in listed companies</b>	
2021-Present	Director, Chief Executive Officer, Member of the Executive Committee, Member of the Risk Oversight Committee, and Member of the Technology Committee, SCB X PCL
<b>Positions in non-listed companies/entities</b>	
2017-Present	Director, Princess Pa Foundation
2017-Present	Honorary Council Member, Vidyasirimedhi Institute of Science and Technology
2018-Present	Chairman of the Board, SCB-Julius Baer Securities Co., Ltd.

2018-Present	Director, Electronic Transactions Development Agency (Public Organization)
2020-Present	Chairman of the Board, SCB 10X Co., Ltd.
2021-Present	Director, SCB Tech X Co., Ltd.
2021-Present	Chairman of the Board, Alpha X Co., Ltd.
2021-Present	Chairman of the Board, AISC Co., Ltd.
2022-Present	Chairman of the Board, InnovestX Securities Co., Ltd.
2022-Present	Director, SCB DataX Co., Ltd.

**SCB shareholding**

- |  |      |
|--|------|
| ▪ Number of shares held by director        | None |
| ▪ Number of shares held by related persons | None |

**Family relationship with director and management**

None

Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

**16. Mr. Kris Chantanotoke**

<b>Age</b>	47 years
<b>Current position</b>	<ul style="list-style-type: none"> <li>- Director</li> <li>- Chief Executive Officer</li> <li>- Member of the Executive Committee</li> <li>- Member of the Risk Oversight Committee</li> <li>- Member of the Technology Committee</li> </ul>
<b>Date of appointment</b>	1 August 2022
<b>No. of years on the board</b>	5 months
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor of Business Administration, Assumption University</li> <li>- Master of Business Administration, Assumption University</li> </ul>
<b>Training program</b>	<ul style="list-style-type: none"> <li>- Director Certification Program, Thai Institute of Directors Association</li> <li>- Financial Statements for Directors, Thai Institute of Directors Association</li> <li>- Corporate Governance for Capital Market Intermediaries, Thai Institute of Directors Association</li> <li>- Six Sigma Black Belt, General Electric Company</li> <li>- Thailand Insurance Super Leadership Program, OIC Advance Insurance Institute</li> <li>- OIC Advanced Insurance Institute, Office of Insurance Commission</li> <li>- Top Executive Program in Commerce and Trade, Commerce Academy</li> <li>- Capital Market Academy Leadership Program, Capital Market Academy</li> </ul>

- Corporate Governance Program for Entrepreneurs in the Capital Market, Thai Institute of Directors Association

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**Experience in the past 5 years**

2016-2017	Senior Executive Vice President, Thai Life Insurance PCL
2017-2020	Chief Agency Officer, AIA Thailand
2019-2022	Independent Director, Gunkul Engineering PCL
2021-2022	Director, AIA Wellness Co., Ltd.
2021-2022	Director, Rid Development Co., Ltd.
2021-2022	Director, Dejo Property Co., Ltd.
2021-2022	Director, Regional Holdings Co., Ltd.
2021-2022	Chief Executive Officer, AIA Thailand

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**Positions in listed companies**

2020-Present	Independent Director, Mc Group PCL
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**Positions in non-listed companies/entities**

2015-Present	Independent Director, Talis Asset Management Co., Ltd.
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**SCB shareholding**

▪ Number of shares held by director	None
▪ Number of shares held by related persons	None

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**Family relationship with director and management**

None

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Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

## Newly Appointed Director Information

(as of January 24, 2023)

### Miss Kulaya Tantitemit

<b>Age</b>	50 years
<b>Current position</b>	Director
<b>Date of appointment</b>	24 January 2023
<b>No. of years on the board</b>	-
<b>Education</b>	<ul style="list-style-type: none"> <li>- Bachelor of Economics, Thammasat University</li> <li>- M.A., Economics, Boston University</li> <li>- M.S., International Economics and Finance, Brandeis University</li> <li>- Ph.D., International Economics and Finance, Brandeis University</li> </ul>
<b>Training program</b>	<ul style="list-style-type: none"> <li>- Ethical Leadership Program, Thai Institute of Directors Association</li> <li>- Directors Certification Program, Thai Institute of Directors Association</li> <li>- Board Matters and Trends, Thai Institute of Directors Association</li> </ul>
<b>Experience in the past 5 years</b>	
2016-2018	Inspector General, Ministry of Finance
2016-2018	Director, Director of the Board of Executive Directors and Member of the Corporate Governance and Social Responsibility Committee, Krungthai Bank PCL
2016-2018	Director, PTT International Trading Pte. Ltd.
2018-2020	Executive Director, World Bank Group
2020-2020	Inspector General, Ministry of Finance
2020-2021	Inspector General, Ministry of Finance, acting as Director of the Fiscal Policy Office
2021-2021	Director-General, The Fiscal Policy Office
2021-2021	Director, Aeronautical Radio of Thailand Ltd.
2021-2022	Director and Chairman of the Risk Management Committee, Krungthai Asset Management PCL
2021-2022	Director, Member of the Risk Oversight Committee and Member of the Corporate Governance and Social Responsibility Committee, Krungthai Bank PCL
2021-2022	Director, Bangchak Corporation PCL
<b>Positions in listed companies</b>	
2023-Present	Director and Member of the Risk Oversight Committee, SCB X PCL
<b>Positions in non-listed companies/entities</b>	
2021-Present	Comptroller-General, The Comptroller General's Department, Ministry of Finance
2022-Present	Honorary Advisor, Krungthai Asset Management PCL

**SCB shareholding**

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|--|------|
| ▪ Number of shares held by director        | None |
| ▪ Number of shares held by related persons | None |

<b>Family relationship with director and management</b>	None
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Remark: She does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

**Bank Executives Information**

(as of December 31, 2022)

**1. Mrs. Wallaya Kaewrungruang**

<b>Age</b>	60 years
<b>Current position</b>	Senior Executive Vice President, Chief Legal and Control Officer
<b>Education/Training Program</b>	<ul style="list-style-type: none"> <li>- LL.B., Chulalongkorn University</li> <li>- Barrister-at-Law, Institute of Legal Education of Thai Bar Association</li> <li>- LL.M. in Business Law, Chulalongkorn University</li> <li>- LL.M. in International Banking Law, Boston University, U.S.A. (Scholarship)</li> <li>- Thai Listed Companies Association, Corporate Secretary Development Program</li> <li>- Public Director Institute (PDI), Corporate Governance for Directors and Senior Executives of State Enterprises and Public Organizations</li> <li>- Thai Institute of Directors Association (IOD), Financial Institution Governance Program (FGP)</li> <li>- The Securities and Exchange Commission, Compliance Knowledge for Head of Compliance</li> <li>- National Defense College, National Defense Course for Joint State-Private Sectors (NCD)</li> <li>- Office of the Administrative Court, Administrative Justice for Executives Course (AJE)</li> <li>- The Program for Senior Executives on Justice Administration (BYS)</li> <li>- Anti-Corruption Strategic Management for Senior Executives</li> </ul>
<b>Experience in the past 5 years</b>	None
<b>Positions in listed companies</b> 2021-Present	Chief Legal Officer and Chief Compliance Officer, SCB X PCL

**Positions in non-listed companies/entities**

2022-Present	Member of the Audit Committee, InnovestX Securities Co., Ltd.
2022-Present	Director, MONIX Co., Ltd.
2022-Present	Director, SCB DataX Co., Ltd.
2022-Present	Director, Auto X Co., Ltd.

<b>SCB shareholding</b>	None
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<b>Family relationship with director and management</b>	None
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Remark: 1) She does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

2) She retired from the Bank on January 1, 2023.

**2. Mrs. Pikun Srimahunt**

<b>Age</b>	54 years
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<b>Current position</b>	Senior Executive Vice President, Chief SME Banking Officer
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<b>Education/Training Program</b>	- Bachelor of Economics (2nd Class Honors), Chiang Mai University - M.S, Development Economic, National Institute of Development Administration
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**Experience in the past 5 years**

2016-2017	First Executive Vice President, Head of Small SME and Head of Mortgage Products
2017-2018	Senior Executive Vice President, Head of SME Segment

<b>Positions in listed companies</b>	None
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<b>Positions in non-listed companies/entities</b>	None
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<b>SCB shareholding</b>	None
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<b>Family relationship with director and management</b>	None
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Remark: She does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

**3. Miss Poramasiri Manolamai**

<b>Age</b>	50 years
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<b>Current position</b>	Senior Executive Vice President, Chief Insurance Business Officer
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<b>Education/Training Program</b>	- Bachelor's Degree in Business Administration, Assumption University - Master of Science (Computer Information Systems), Assumption University
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- Chartered Institute of Marketing (U.K.) Certificate Marketing

<b>Experience in the past 5 years</b>	
2015-2017	Member of AXA Group Senior Executives, FWD Life Insurance Public Co., Ltd.
2018-2020	Chief Executive Officer, FWD Life Insurance Public Co., Ltd.
<b>Positions in listed companies</b>	None
<b>Positions in non-listed companies/entities</b>	
2020-Present	Director and Chief Executive Officer, SCB Protect Co., Ltd.
<b>SCB shareholding</b>	None
<b>Family relationship with director and management</b>	None

Remark: She does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

#### 4. Mrs. Patraporn Sirodom

<b>Age</b>	50 years
<b>Current position</b>	Senior Executive Vice President, Chief People Officer
<b>Education/Training Program</b>	- Bachelor of Economics, Chulalongkorn University - Master of Marketing, George Washington University
<b>Experience in the past 5 years</b>	
2014-2019	Head of Human Resources at TMB
2019-2019	First Executive Vice President, Chief People Officer
<b>Positions in listed companies</b>	
2021-Present	Chief People Officer, SCB X PCL
<b>Positions in non-listed companies/entities</b>	
2020-Present	Director, SCB Protect Co., Ltd.
<b>SCB shareholding</b>	None
<b>Family relationship with director and management</b>	None

Remark: 1) She does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

2) She resigned as executive of the Bank on January 1, 2023, to take an executive position at SCB X PCL

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**5. ML. Chiradej Chakrabandhu**


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<b>Age</b>	55 years
<b>Current position</b>	Senior Executive Vice President, Chief Credit Officer
<b>Education/Training Program</b>	<ul style="list-style-type: none"> <li>- Bachelor of Economics, University of Thai Chamber of Commerce</li> <li>- MBA, SASIN Graduate Institute of Business Administration of Chulalongkorn University</li> <li>- Executive Development Program, Thai Listed Companies Association (TLCA)</li> </ul>
<b>Experience in the past 5 years</b>	
2016-2017	Executive Vice President, Multi-Corporate Segment 2 Division
2017-2019	First Executive Vice President, Head of Credit Risk Management
2019-2019	First Executive Vice President, Credit Risk Management Function
<b>Positions in listed companies</b>	None
<b>Positions in non-listed companies/entities</b>	
2020-Present	Director, Siam Commercial Bank Myanmar Limited
2021-Present	Director, Cambodian Commercial Bank
<b>SCB shareholding</b>	None
<b>Family relationship with director and management</b>	None

Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

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**6. Mr. Chalee Asavathiratham**


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<b>Age</b>	49 years
<b>Current position</b>	Senior Executive Vice President, Chief Digital Banking Officer
<b>Education/Training Program</b>	<ul style="list-style-type: none"> <li>- Bachelor's in Electrical Engineering and Computer science, Massachusetts Institute of Technology (MIT)</li> <li>- Master's Degree in Electrical Engineering and Computer Science, Massachusetts Institute of Technology (MIT)</li> <li>- Ph.D. in Electrical Engineering and Computer Science, Massachusetts Institute of Technology (MIT)</li> </ul>
<b>Experience in the past 5 years</b>	
2015-2017	Deputy Chief Research Officer, Worldquant
2018-2018	Co-Chief Research Officer, Worldquant
2018-2019	Chief Research Officer, Worldquant
2012-2020	General Manager, Thailand, Worldquant
2019-2020	Senior MD, Central Research Intelligence, Worldquant
2020-2020	Senior Executive Vice President, Chief Data Officer

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<b>Positions in listed companies</b>	None
<b>Positions in non-listed companies/entities</b>	None
<b>SCB shareholding</b>	None
<b>Family relationship with director and management</b>	None

Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

## 7. Mr. Manop Sangiambut

<b>Age</b>	50 years
<b>Current position</b>	Senior Executive Vice President, Chief Financial Officer
<b>Education/Training Program</b>	- BA in Accounting Information Systems, Chulalongkorn University - MBA in Finance, Carnegie Mellon University, U.S.A.
<b>Experience in the past 5 years</b>	
2016-2017	Executive Vice President, China Business Division
2017-2019	Executive Vice President, China Business Development
2019-2019	Executive Vice President, China Business Development Function
2019-2020	Executive Vice President, China Business Function
2020-2020	First Executive Vice President, China Business Function
2020-2020	First Executive Vice President, Chief Financial Officer
<b>Positions in listed companies</b>	
2021-Present	Chief Finance & Strategy Officer, SCB X PCL
<b>Positions in non-listed companies/entities</b>	
2019-Present	Director, SCB-Julius Baer Securities Co., Ltd.
2022-Present	Director, MONIX Co., Ltd.
<b>SCB shareholding</b>	None
<b>Family relationship with director and management</b>	None

Remark: 1 He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

2) He resigned as executive of the Bank on January 1, 2023, to take an executive position at SCB X PCL

**8. Mr. Vitoon Pornsakulvanich**

<b>Age</b>	52 years
<b>Current position</b>	Senior Executive Vice President, Chief Integrated Channels Officer and Senior Executive Vice President, Chief Retail and Business Banking Officer (Acting)
<b>Education/Training Program</b>	<ul style="list-style-type: none"> <li>- Bachelor's degree in marketing, Assumption University</li> <li>- Master's degree in Marketing and International Business, Southern New Hampshire University, U.S.A.</li> <li>- Certificate of Special Studies in Administration and Management, Harvard University, U.S.A.</li> </ul>
<b>Experience in the past 5 years</b>	
2016-2019	EVP, Branch Network Bangkok Division
2019-2020	EVP, Retail & SSME Distribution Channel and Channel Strategy Function, EVP, Retail & SSME Distribution Network-BKK Division, and EVP, Channel Strategy Division (Acting)
2019-2020	FEVP, Retail & Business Banking Distribution Channel and Channel Strategy Function, FEVP, Retail & Business Banking Distribution Network-BKK Division, and FEVP, Channel Strategy Division (Acting)
2020-2020	FEVP, Head of Integrated Channels
<b>Positions in listed companies</b>	None
<b>Positions in non-listed companies/entities</b>	None
<b>SCB shareholding</b>	None
<b>Family relationship with director and management</b>	None

Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

**9. Mr. Krieng Wongnongtaey**

<b>Age</b>	57 years
<b>Current position</b>	Senior Executive Vice President, Chief Risk Officer
<b>Education/Training Program</b>	<ul style="list-style-type: none"> <li>- Bachelor of Business Administration in Accounting, Thammasat University</li> <li>- Master of Accounting, Thammasat University</li> <li>- Advanced Management Program, Wharton School, University of Pennsylvania, U.S.A.</li> <li>- Banking and Financial Institution Executive Seminar</li> </ul>

**Experience in the past 5 years**

2016-2019	First Executive Vice President, Head of Audit
2020-2020	First Executive Vice President, Chief Audit Officer
2021-2021	Senior Executive Vice President, Chief Audit Officer

**Positions in listed companies** None

**Positions in non-listed companies/entities** None

**SCB shareholding** None

**Family relationship with director and management** None

Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

**10. Mr. Yunyong Thaicharoen**

**Age** 53 years

**Current position** Senior Executive Vice President, Chief Wholesale Banking Officer, and Senior Executive Vice President, Chief Wealth Banking Officer

**Education/Training Program**

- Bachelor's Degree in economics, Massachusetts Institute of Technology
- Ph.D. in Economics, Massachusetts Institute of Technology

**Experience in the past 5 years**

2017-2020	First Executive Vice President, Head of Economic Intelligence Center
2021-2021	Senior Executive Vice President, Chief Economist
2021-2022	Senior Executive Vice President, Chief Wholesale Banking Officer

**Positions in listed companies** None

**Positions in non-listed companies/entities**

2006-Present	Director, Ban Ruamtangfun Co., Ltd.
2018-Present	Director and Member of the Risk Management Committee, SCB Asset Management Co., Ltd.
2022-Present	Director, SCB-Julius Baer Securities Co., Ltd.

**SCB shareholding** None

**Family relationship with director and management** None

Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

**11. Mr. Trirat Suwanprateeb**

<b>Age</b>	53 years
<b>Current position</b>	Chief Technology Officer, (Acting)
<b>Education/Training Program</b>	<ul style="list-style-type: none"> <li>- Bachelor's in electrical engineering, Chulalongkorn University</li> <li>- Master's in Business Administration, Chulalongkorn University</li> <li>- Siam Commercial Bank Senior Executive Program, The Wharton School University of Pennsylvania</li> <li>- ITIL V3, IBM Thailand</li> <li>- Leader Readiness learning Lab, IBM Thailand Exchange in Los Angeles, US, IBM US</li> <li>- Geographically Dispersed Parallel Sysplex workshop in Montpellier France, IBM France</li> <li>- Z Series Infrastructure Architecture Workshop, IBM US</li> </ul>
<b>Experience in the past 5 years</b>	
2016-2017	Executive Vice President, Head of Technology Operations, Testing & Platforms
2018-2018	First Executive Vice President, Head of Technology Operations, Testing & Platforms
2018-2019	First Executive Vice President, Head of Cloud, Technology Operations and Platforms
2019-2019	First Executive Vice President, Head of Cloud, Technology Operations and Platforms and Chief Technology Officer (Acting)
2020-2020	Senior Executive Vice President, Chief Technology Officer
<b>Positions in listed companies</b>	None
<b>Positions in non-listed companies/entities</b>	
2021-Present	Director and Chief Executive Officer, SCB TECH X Co., Ltd.
<b>SCB shareholding</b>	None
<b>Family relationship with director and management</b>	None

Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

**12. Mr. Narong Srichukrin**

<b>Age</b>	58 years
<b>Current position</b>	Senior Executive Vice President, Chief Unsecured Business Officer
<b>Education/Training Program</b>	- Bachelor of Arts in Economics (2nd Class Honors), Thammasat University - M.B.A. in Finance and Banking, San Francisco State University, U.S.A.
<b>Experience in the past 5 years</b>	
2016-2017	Senior Executive Vice President, Head of Wealth Segment, Head of Wealth Products, and Head of Small SME Solutions
2016-2019	Senior Executive Vice President, Head of Wealth Segment and Head of Wealth Products
2019-2020	Director, SCB-Julius Baer (Singapore) Pte. Ltd.
2019-2022	Senior Executive Vice President, Chief Wealth Banking Officer
<b>Positions in listed companies</b>	None
<b>Positions in non-listed companies/entities</b>	None
<b>SCB shareholding</b>	None
<b>Family relationship with director and management</b>	None

Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

## Information of Personnel Responsible for the Board's Support

(as of December 31, 2022)

### 1. Miss Nipaporn Kullertprasert

<b>Age</b>	46 years
<b>Current position</b>	Executive Vice President, Head of Audit
<b>Education/Training Program</b>	Bachelor in Accounting, Thammasat University
<b>Experience in the past 5 years</b>	
2014-2017	Manager, Audit Development and Subsidiaries
2018-2020	Senior Vice President, Audit Development and Subsidiaries
2021-2021	First Senior Vice President, Audit Process Function
<b>Positions in listed companies</b>	
2022-Present	Head of Audit (Acting), SCB X PCL
<b>Positions in non-listed companies/entities</b>	
2005-Present	Director, Honda Thapra Co., Ltd.
<b>SCB shareholding</b>	None
<b>Family relationship with director and management</b>	None

Remark: She does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

### 2. Mr. Chirawat Chamrasromran

<b>Age</b>	41 years
<b>Current position</b>	Executive Vice President, Head of Audit
<b>Education/Training Program</b>	- Bachelor's in LLB Bachelor of Laws, Assumption University - Master's in LLM International Trade Law, Brunel University, U.K.
<b>Experience in the past 5 years</b>	
2016-2017	VP Manager Compliance, The Siam Commercial Bank PCL
2017-2019	Senior Director Compliance Department, CIMB Thai Bank PCL
2019-2020	SVP, Business Compliance
2020-2021	SVP, Retail and Business Banking Compliance Division
<b>Positions in listed companies</b>	None
<b>Positions in non-listed companies/entities</b>	None
<b>SCB shareholding</b>	None

**Family relationship with director and management** None

Remark: He does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

### 3. Mrs. Siribunchong Uthayophas

<b>Age</b>	61 years
<b>Current position</b>	Executive Vice President, Company Secretary
<b>Education/Training Program</b>	<ul style="list-style-type: none"> <li>- B.A. (Hons.) in Economics, Thammasat University</li> <li>- M.B.A., Sasin Graduate Institute of Business Administration</li> <li>- Director Certification Program, Thai Institute of Directors Association</li> <li>- Company Secretary Program, Thai Institute of Directors Association</li> <li>- Financial Institutions Governance Program, Thai Institute of Directors Association</li> </ul>
<b>Experience in the past 5 years</b>	
2016-2018	Executive Vice President, Head of Corporate Office
2018-2021	Executive Vice President, Corporate Office and Company Secretary Function
<b>Positions in listed companies</b>	
2021-Present	Head of Corporate Office and Company Secretary, SCB X PCL
<b>Positions in non-listed companies/entities</b>	
2010-Present	Director, Kler Kaew Kor Kit Co., Ltd.
2015-Present	Director, Krabi Ngern Foods Co., Ltd.
<b>SCB shareholding</b>	None
<b>Family relationship with director and management</b>	None

Remark: 1) She does not hold any current position as chairman, or executive director, or authorized director, or any of the aforementioned positions in other companies exceeding 3 business groups.

2) She resigned as executive of the Bank on January 1, 2023, to take an executive position at SCB X PCL. In this regard, she is still the Company Secretary of the Bank.

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**185 - Information on  
188 Directors of  
Subsidiaries**

## Information on Directors of Subsidiaries

### Positions of Directors and Executives in Subsidiary, Associated and Related Companies

Subsidiary Company*	Siam Commercial Bank Myanmar Limited	The Cambodian Commercial Bank Ltd.	SCB-Julius Baer Securities Co., Ltd.	SCB Protect Co., Ltd.	SCB Asset Management Co., Ltd.	Rutchayothin Assets Management Co., Ltd.
Name of Director						
1 Mr. Vichit Suraphongchai						
2 Mr. Prasan Chuaphanich						
3 Mr. Arthid Nanthawithaya			X			
4 Mr. Krirk Vanikkul						
5 Mr. Thaweesak Koanantakool						
6 Mr. Kan Trakulhoon						
7 ACM. Satitpong Sukvimol						
8 Pol.Col. Thumnithi Wanichthanom						
9 Mr. Pasu Decharin						
10 Miss Lackana Leelayouthayotin						
11 Mr. Chaovalit Ekabut						
12 Mr. Chakkrit Parapuntakul						
13 Mrs. Pantip Sripimol						
14 Mrs. Prisana Praharnkhasuk						
15 Mr. Prasong Vinaiphath						
16 Mr. Kris Chantanotoke						
17 M.L. Chiradej Chakrabandhu	/	/				
18 Miss Poramasiri Manolamai				/		
19 Mrs. Patraporn Sirodom				/		
20 Mr. Manop Sangiambut			/			
21 Mr. Yunyong Thaicharoen			/		/	
22 Mr. Patiphan Lerdprasertsiri		/			/	/

Remark: X = Chairman

/ = Director

\* None holds the position in Associate and Related Companies.

## Directors of Subsidiary Companies

Subsidiary Company	Siam Commercial Bank Myanmar Limited	The Cambodian Commercial Bank Ltd.	SCB-Julius Baer Securities Co., Ltd.	SCB Protect Co., Ltd.	SCB Training Centre Co., Ltd.	SCB Asset Management Co., Ltd.	Mahisorn Co., Ltd.	Rutchayothin Assets Management Co., Ltd.	SCB Plus Co., Ltd.	SCB-Julius Baer (Singapore) Pte. Ltd.*
Name of Director										
1 Mr. Arthid Nanthawithaya			X							
2 Mr. Kamalkant Agarwal	X	X								
3 M.L. Chiradej Chakrabandhu	/	/								
4 Mrs. Patraporn Sirodom				/						
5 Mr. Manop Sangiambut			/							
6 Mr. Yunyong Thaicharoen			/			/				
7 Miss Pitiporn Phanaphat										/
8 Miss Wannarat Phanjan					X		X		X	
9 Mr. Somprawin Manprasert			/							
10 Mr. Chalitti Nuangchamnong						/				
11 Mr. Patiphan Lerdprasertsiri		/				/		/		
12 Mr. Sakda Dumnakkaew		/								
13 Mrs. Sakara Asvaraksh										/
14 Mrs. Apiradee Symsukpermpoon		/								
15 Mr. Ekkapol Apinun					/		/		/	
16 Miss Nathanashsorn Pummalee							/			
17 Miss Narasa Wiruchpun				/						
18 Mrs. Patnarin Suwintawong									/	
19 Miss Wipa Sangiamsil					/					
20 Mr. Rajesh Balraj Ahuja		/								
21 Mr. Kanin Rangkla								X	/	
22 Miss Chalinee Silakong										/
23 Mr. Narongsak Plodmechai						/				

Remark: X = Chairman

/ = Director

\* Discontinued operations, or in process of dissolution

Subsidiary Company	Siam Commercial Bank Myanmar Limited	The Cambodian Commercial Bank Ltd.	SCB-Julius Baer Securities Co., Ltd.	SCB Protect Co., Ltd.	SCB Training Centre Co., Ltd.	SCB Asset Management Co., Ltd.	Mahisorn Co., Ltd.	Rutchayothin Assets Management Co., Ltd.	SCB Plus Co., Ltd.	SCB-Julius Baer (Singapore) Pte. Ltd. *
Name of Director										
24 Mr. Teerapon Tansatcha					/		/			
25 Miss Poramasiri Manolamai				/						
26 Miss Pimjai Tongmee									/	
27 Miss Lalitphat Toranavikrai			/							/
28 Mr. Lee Kong Eng			/							
29 Mrs. Kittiya Todhanakasem						X				
30 Mr. Jason Yi Sin Moo			/							/
31 Mr. Chairat Panthuraamphorn				/						
32 Miss Teerin Ratanapinyowong	/									
33 Mr. Nipat Wattanatittan	/									
34 Mr. Prakid Punyashthiti	/	/								
35 Mr. Yothin Pibulkasetkij		/								
36 Mr. Rajesh Manwani			/							
37 Mr. Leong Yip Lam			/							
38 Mr. Sarut Ruttanaporn			/							
39 Mrs. Salinee Wongtal						/				

Remark: X = Chairman

/ = Director

\* Discontinued operations, or in process of dissolution

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**189 - Internal Control  
196 and Related Party  
Transactions**

**190** Internal Control and  
Risk Management

**195** Related Party  
Transactions

# Internal Control and Risk Management

Amid an ever-changing business environment driven by digital technology, SCB needs to adjust its business models to prepare for challenges, uncertainty, and any risks that may arise. This effort is to ensure that its current and future businesses can deliver sustainable values and fulfill its goal of becoming a better bank for its customers, shareholders, and employees.

SCB has an Audit Committee to oversee the operations of SCB and its subsidiaries to ensure their compliance with policies and sound internal control. The Internal Audit Function is in charge of regular internal control audits and reports findings to the Audit Committee.

The Board of Directors, the Audit Committee, and Management set the Bank's internal controls based on the 2013 Internal Control Practice Guidelines of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Internal Audit Function assesses the adequacy of the Bank's internal control system, following the Securities and Exchange Commission's assessment form. Assessments of the internal control system are presented for the Audit Committee's consideration and endorsement before approval by the Board of Directors.

According to COSO's internal control practice guidelines, there are five necessary components for internal control, namely: 1) control environment; 2) risk assessment; 3) control activities; 4) information and communications; and 5) monitoring activities. The Bank's activities involving each of these components are outlined below:

## 1. Control environment

The Bank is determined that all business and functional units, including those under the umbrella of SCB and its subsidiaries, maintain a culture and environment providing for a sound and effective internal control system, together with a commitment by employees at every level to adhere to the principles of integrity and transparency. The Bank understands that a sound internal control system is a critical foundation for SCB and its subsidiaries in meeting their business objectives in a sustainable manner, as well as to ensure effective and efficient operations, trustworthy financial reporting, and regulatory compliance. Furthermore, the Bank recognizes the importance of embedding environmental, social, and governance criteria, or ESG, into its business processes. SCB is the first Thai bank participating as a member of the Equator Principles Association. The Equator Principles are risk management concepts adopted by financial institutions all over the world to define, assess, and manage social and environmental project risks. The Bank is committed to implementing the Equator Principles and International Finance Corporate (IFC) Guidelines in policy formulation and developing environmental and social risk management processes for credit approval of project financing.

With formal policies and procedures in place, the Bank requires management and staff at every level in the organization to have roles, duties, and responsibilities in maintaining sound internal control. The Bank has established a sound internal control structure, with an organizational structure clearly defining supervisory lines, scopes

of authority, and responsibilities for management and staff, all of which are under the Board of Directors' oversight. The Board of Directors is independent from management, and it oversees the development and effectiveness of the internal control environment.

Management, as the overseer after the Board of Directors, has promoted the development of tools to create a preventive system for business operations to cope with changing risks, as follows:

### 1.1) Promoting a risk awareness culture

- Developed annual mandatory e-learning courses to educate and promote awareness among staff at all levels, so that they understand their roles and responsibilities as well as concerned products and processes. Video communications by top management are also disseminated to further cultivate a risk awareness culture.
- Developed a formal policy to promote and drive the Three Lines Model. The Bank encourages business units or the primary risk owners and controls the risk (First Line), compliance units (Second Line), and audit units (Third Line) to continuously apply the model in performing their duties, from risk assessment to control, monitoring, and evaluation.
- Promoted concrete operations in line with regulatory guidelines on the market conduct of financial institutions. The Bank has set a fair customer service policy. The Board of Directors and senior executives have designated personnel in charge of overseeing operations and have established punishment provisions for inappropriate staff performance. In addition, the Bank reviewed its KPI & Incentives Policy to ensure that it encourages staff at every level to treat customers fairly and with integrity and accountability for every action in line with the Bank's policy.
- The Bank continues its No Gift Policy as a guideline for staff and executives at all

levels, covering what is appropriate when giving or receiving gifts and other benefits. Strict compliance with the policy is strongly emphasized.

### 1.2) Whistleblowing

The Bank has whistle-blower channels to receive complaints and notifications from staff and external stakeholders that may indicate non-compliance with corporate governance, the code of conduct, regulations, anti-corruption law and policies, potential fraud, or corrupt practices. Whistle-blower channels include a Whistle-Blower Hotline and an e-mail inbox (whistleblower@scb.co.th) directed to the Chief Audit Officer and the Chief People Officer. The Bank has also established a clear procedure for complaint management. The results and actions taken are reported to the Audit Committee on a quarterly basis. Such whistleblowing helps promote management and staff in performing their duties with transparency and integrity, and their performance is routinely reviewed to gain the trust of every stakeholder.

As for complaints from external parties, the Bank has gathered customer and third-party complaints from all channels and conducted deep complaint analysis of root causes to find corrective actions.

## 2. Risk assessment

SCB and its subsidiaries have a strong risk management culture with a mechanism to encourage executives and staff at every level to be aware of the importance of risk management amid changes in both internal and external factors affecting business. The Bank considers risk management an essential component in every process of the business operations of SCB and its subsidiaries. For overall risks, there is systematic management through the Bank's sub-board committees, while operational risks are under the responsibility of executives in charge of each operation. The key sub-board committees having primary roles and responsibilities related to risk management are the Executive Committee,

the Risk Oversight Committee, the Technology Committee, and the Audit Committee.

In addition to the above-mentioned sub-board committees, management committees have also been set up to oversee the Bank's risk management matters. They include the Risk Management Committee, the Assets and Liabilities Management Committee, the Equity Investment Management Committee, and more.

The Bank considers external factors led by changes in the business environment that may affect its business in order to help define its overall strategy. The Bank has developed a risk materiality assessment process covering all material risks, including strategic risk, credit risk, investment risk, liquidity risk, market risk, technology & cyber and information security risk, operational risk, legal and compliance risk, reputational risk, people risk, model and artificial intelligence risk, and ESG risk. The process is reviewed annually to ensure that it is continuously and regularly exercised, with appropriate risk management, control, and monitoring.

In risk management, the Bank considers the chance of fraud or operational risk, as well as any direct, indirect, or potential impacts on its business.

The risk management policy of SCB and its subsidiaries requires that executives manage and monitor key risks to ensure that they are at acceptable levels and report significant risks to concerned senior executives and committees. The Bank applies the management control model according to the Three Lines Model to increase effectiveness and check the accuracy of each process. Risk control self-assessment (RCSA) is used as a tool for preliminary risk management by each unit to best mitigate risks.

### **3. Control activities**

The Bank has established formal operational control policies, regulations, operational procedures,

and manuals. They are reviewed and updated on a regular basis or upon a significant change in events. These include general controls for information systems, which cover data center operations, data networks, systems development and testing, technology system maintenance, IT procurement, physical access, and IT security management.

Further, the Bank has specified scopes of duty and approval authority for executives at each level in the Bank's operational regulations, such as those for credit approval, procurement, administrative expenses, capital budget, and investment approval. They emphasize the segregation of duties in operations processes to maintain a system of checks and balances, particularly for activities prone to risk or involving potential conflicts of interest.

The Bank has placed high importance on information security system development and customer data privacy, with an information security policy in place for acknowledgment and compliance by all staff of SCB and its subsidiaries. Based on the confidentiality-integrity-availability (CIA) principle, the information security policy clearly defines duties and responsibilities for the development, usage, and monitoring of policy compliance. The Technology Committee has a duty to screen and support operations to ensure policy compliance, and to review and assess appropriate levels of information security systems to suit the Bank's strategy. The Internal Audit Function has a duty to audit and provide recommendations on improving the effectiveness of this information security policy.

The Bank places the utmost importance on customer data protection to ensure top security in terms of customer data maintenance and management, with operational guidelines in compliance with the Bank of Thailand's regulations, the Personal Data Protection Act, and other related laws. As for guidelines on fair customer service, the Bank has prepared and reviewed its

Market Conduct Policy, the SCB Data Governance Framework, the Data Privacy and Protection Policy for SCB and its subsidiaries, and regulations on confidential customer information protection and customer information disclosure. These regulations cover customer data protection, levels of SCB information confidentiality, duties and responsibilities of units concerned with customer data maintenance and management, related approval authority for using customer data, and technology adoption for customer data protection to ensure that these operations are careful and effective. As for data management, the Bank has set requirements on data confidentiality classification, data retention and destruction, data access control, and the administration of authorized data and system access by staff and ensure that these requirements remain up to date.

#### 4. Information and communications

The Bank has focused on enhancing the business competitiveness of SCB and its subsidiaries in terms of effective IT and communication to keep up with new global challenges led by continual changes in financial technology, the business environment, and consumer behavior rapidly responding to digital trends. As data is the key to increasing business competitiveness, the Bank has continuously improved the effectiveness of policy and strategic decision-making with in-depth data analytics. The SCB Data Governance Framework was developed as a guideline for effective and efficient data management. Multi-Factor Authentication (MFA) was introduced to strengthen access security for SCB systems and data, protect confidential customer data, and prevent data leakage.

##### 4.1) IT systems

The Bank has continuously upgraded its development of data governance and protection and cyber security covering its digital applications and platforms to ensure that they are thorough, vigilant, and adequate to cope with new threats. To safeguard its customers' personal data, the Bank has

multi-layered security controls and protective measures in place, including surveillance technology and an in-depth screening process to restrict access to databases. The Bank continually upskills and reskills our IT people while developing an IT structure to support the growth of our digital platforms.

The Bank has also set forth an IT Outsourcing Policy, which covers practice guidelines on cloud computing services, system and data security, system and data integrity, and consumer protection.

##### 4.2) Communications

The Bank provides internal communication channels for SCB and its subsidiaries to circulate policies, regulations, procedures, manuals, and other essential information. These communications are designed to keep all executives and staff knowledgeable and informed, and to facilitate proper compliance with policies, procedures, and regulations in a timely manner.

#### 5. Monitoring activities

The Bank has internal control monitoring and assessment in place to ensure that the internal control system remains effective and efficient, with complete and appropriate monitoring and assessment to tackle changing risks.

##### 5.1) The Compliance Function

is responsible for reviewing and monitoring all units' operations within SCB and its subsidiaries to ensure their compliance with important regulations, laws, rules, and regulatory requirements.

##### 5.2) The Credit Review Function,

which is independent from the credit approval process, is responsible for reviewing credit-related operational processes, following up actions taken with troubled debtors, ensuring the accuracy of debt classification and provision, and handling non-compliance issues.

**5.3) The Audit Function**

performs independent assurance and consulting, so that the organization's internal processes are regulated with sound governance, risk management, and internal control. The Audit Function also considers the root cause of findings as well as risks found during audits.

The three functions report directly to the Audit Committee on a monthly basis and follow up on corrective actions to ensure that issues are resolved.

The Audit Committee and the Board of Directors have considered the results of the internal control adequacy assessment and discussed actions to be taken in line with recommendations for internal control development with the Bank's management. The Audit Committee's and the Board of Directors' opinion is that the Bank's internal control and risk management systems are appropriate and adequate for its business operations. This conclusion was in line with the opinion of the external auditor.

## Related Party Transactions

The Bank places great emphasis on safeguarding against the misuse of internal information for personal gain by directors and staff. Accordingly, the Bank has set policies, rules, and approval procedures for related party transactions, as well as guidelines on related party transaction execution and disclosure to prevent and manage any potential conflict of interest in a transparent and fair manner.

The Bank's rules and approval procedures for related party transactions and conflict of interest transactions are as follows:

- The Bank strictly complies with regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission, as well as notifications of the Capital Market Supervisory Board, regarding related party transactions and conflict of interest transactions. If any director or executive has a conflict of interest related to a transaction, the Bank would exclude him or her from the deliberations and decision-making on such a transaction. Furthermore, SCB's Company Secretary would note in meeting minutes a formal record of directors or executives related to the issue under consideration, if applicable.
- The Bank observes a policy to deal with pricing and terms and conditions for transactions between the Bank and related entities on an "arm's length" basis and, broadly, on the same terms as those applied to transactions with unrelated third parties.
- The Board of Directors (excluding any director who has a conflict of interest) has approval authority for loans, investments, obligations, or lending-like transactions with the Bank's major shareholders or related businesses, as defined by the Financial Institution Business Act B.E. 2551 (2008).
- The Bank has established an Intra-Group Transactions Policy to ensure compliance with applicable regulations and to prevent conflicts of interest and has developed the Joint Policy Statement as a business practice guideline of the group to prevent any conflict between the interests of group companies that might arise from companies that operate an asset management business (asset management company). SCB also complies with the Joint Policy Statement between the Bank of Thailand and the Securities and Exchange Commission of Thailand on the Consolidated Supervision of Financial Groups that Operate Fund Management Businesses. This is to ensure that the Bank is committed to providing the utmost benefits to customers and investors.

### **Intra-Group Transactions Policy and SCB Group Risk Management Policy** **Governance on Intra-Group Transactions**

The Bank has established the Intra-Group Transaction Policy to enhance transparency regarding intra-group transactions within the SCB Group and to avoid any conflict of interest

between SCB and other shareholders in businesses that are not wholly owned by SCB, which has been approved by the Board of Directors and is reviewed annually by the Board. This policy entails risk management for intra-group transactions and controls for material transactions, which are classified into two types of significant transactions, namely, credit transactions (loans, investments, and obligations or lending-like transactions) and non-credit transactions (those other than loans, investments, or obligations). The policy ensures that such transactions comply with regulations and requirements of the Bank of Thailand, the Stock Exchange of Thailand, and the Securities and Exchange Commission, as well as local laws and regulations in the countries where SCB's subsidiaries operate.

A key part of this policy requires that intra-group transactions be executed without special terms and conditions that are materially different from other risk-equivalent transactions. In the absence of equivalent transactions, intra-group transactions must follow standard market practices with enforceable contracts, proper documentation, record keeping, and approval authority based on risk and materiality.

### **Related Party Transaction Trends and Policy Outlook**

SCB's emphasis on good governance principles has led to a clear policy on related party transactions to comply with laws, regulations, and notifications of the Stock Exchange of Thailand and the Securities and Exchange Commission, which include the acquisition and disposal of assets of listed companies, as well as compliance with the Bank of Thailand's notifications.

SCB's related party transactions may arise as part of its normal business operations, for which the Bank has clear and appropriate internal approval measures and procedures.

### **Information Disclosure**

The Bank's policy on disclosure of market-sensitive information focuses on timely, transparent, and adequate disclosure of all material information and prohibits the misuse of internal information, either directly or indirectly.

The Bank discloses related party transactions and connected transactions, as defined by the Stock Exchange of Thailand in the notes to the financial statements in the Annual Report in accordance with information disclosure requirements and guidelines. Related party transactions are reported to the Audit Committee on a quarterly basis.

During 2022, the Bank's financial business group was restructured by changing its name to SCBX Financial Group and SCB X Public Company Limited ("SCBX"), which became listed on the Stock Exchange of Thailand as the group's parent company. In addition to reporting connected transaction information to the Audit Committee, the Bank has also reported such information to SCBX for consolidation and disclosure in accordance with relevant requirements.

In 2022, the Bank did not have any related party transactions with sufficient materiality to require disclosure per the Stock Exchange of Thailand's criteria. Information pertaining to other related party transactions is disclosed in the notes to the financial statements.

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# Financial report

Report of the Board of Directors' Responsibility for Financial Statements

Independent Auditor's Report

Financial report

# Report of the Board of Directors' Responsibility for Financial Statements

The Board of Directors of the Siam Commercial Bank Public Company Limited places utmost importance on fulfilling its duties and responsibilities in supervising the business undertakings of the Bank in compliance with the Statement of Corporate Governance Principles. The Board of Directors is responsible for the Bank's financial statements and the consolidated financial statements of the Bank and its subsidiaries that are provided in this Annual Report. The financial statements are prepared in accordance with Thai Financial Reporting Standards, using appropriate accounting policies that are applied on a consistent basis. The financial statements are also prepared after careful consideration and, when applicable, use of appropriate estimates and judgments. All significant information related to the accounting policies and the financial statements, including the conventions and practices used for the preparation of these financial statements, are adequately disclosed in the notes to the financial statements in order to facilitate understanding and use, as well as for the benefit of the shareholders and general users of the financial statements. The financial statements have been audited by independent certified public accountants whose unqualified opinions are stated in the audit report.

The Board of Directors has required the management of the Bank to adopt and maintain effective internal control and risk management systems to provide reasonable assurance on the accuracy, reliability, and adequacy of the Bank's accounts; the safeguarding of its assets; and the prevention against fraud and irregularities which have material effects on the accuracy and reliability of the Bank's financial reports.

The Audit Committee, entirely comprising independent directors, has been assigned by the Board of Directors the responsibility for overseeing the quality of the Bank's financial reports and internal control system. In this respect, the Audit Committee's opinion regarding such matters is stated in this Annual Report under the Audit Committee's Report.

In the context of the nature and scale of the Bank's business, the Board of Directors is of the view that the Bank's overall internal control system is adequate and appropriate and can provide reasonable assurance that the financial statements of the Bank, including the consolidated financial statements of the Bank and its subsidiaries for the year ended December 31, 2022, present fairly in all material respects, in accordance with Thai Financial Reporting Standards (TFRSs), the regulations of the Bank of Thailand, and related regulations.



**Dr. Vichit Suraphongchai**

Chairman of the Board of Directors and  
Chairman of the Corporate Social Responsibility  
Committee



**Mr. Kris Chantanotoke**

Director and Chief Executive Officer



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## Independent Auditor's Report

### To the Shareholders of The Siam Commercial Bank Public Company Limited

#### *Opinion*

I have audited the consolidated and the Bank's financial statements of The Siam Commercial Bank Public Company Limited and its subsidiaries (the "Group") and of The Siam Commercial Bank Public Company Limited (the "Bank"), respectively, which comprise the consolidated and the Bank's statements of financial position as at 31 December 2022, the consolidated and the Bank's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and the Bank's financial statements present fairly, in all material respects, the financial position of the Group and the Bank, respectively, as at 31 December 2022 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs) and the regulations of the 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's 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's 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's financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and the Bank's financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.



<b>Allowance for expected credit loss on loans to customers and accrued interest receivables</b>	
Refer to notes 3.3.5, 4.1, 12 and 13.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>As at 31 December 2022, loans to customers and accrued interest receivables, recorded in the consolidated and the Bank's financial statements amounted to Baht 2,324 billion and Baht 2,321 billion, respectively (approximately 69.01% and 69.05% of total assets, respectively), against which allowance for expected credit loss on loans to customers and accrued interest receivables in the consolidated and the Bank's financial statements amounted to Baht 133 billion and Baht 132 billion, respectively, were provided.</p> <p>TFRS 9 and the related Bank of Thailand ("BoT") notifications requires the Group to recognise expected credit losses ("ECL") on certain types of financial instruments including loans to customers and accrued interest receivables. The Group has developed methods and models in determining the allowance for ECL which involves significant judgment and estimation on relevant assumptions and data.</p> <p>The areas where management applied significant judgment and estimation include, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Selection of criteria to assess whether the financial instruments have a significant increase in credit risk ("SICR");</li> <li>• Development techniques to develop ECL model parameters, including the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD");</li> <li>• Determination of forward looking macroeconomic variables and probability-weighted scenarios; and</li> <li>• Qualitative adjustments including management overlays made to incorporate identified credit risks not captured in the ECL models such as the change in trends and risks in underlying portfolios as well as the impact of the COVID-19 pandemic amongst other factors.</li> </ul> <p>The impact of the COVID-19 pandemic, the related economic downturn and financial relief measures provided by the Group, have created higher estimation uncertainties in determining ECL.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• Performing a risk assessment by considering internal and external factors which could affect the performance of individual customers, industry sectors, customer segments, or which could influence the judgments and estimates.</li> <li>• Testing the design and/or operating effectiveness of relevant controls surrounding the credit and impairment process. The selected controls include but are not limited to the key controls over selection of criteria to assess SICR, ECL model risk management, determination of macroeconomics variables and the probability-weighted scenario and qualitative adjustments including the management overlay.</li> <li>• Testing the controls operating effectiveness over the criteria to assess whether the financial instruments have a SICR as well as improvement for credit risk consideration for those debtors under financial relief measures.</li> <li>• Testing a sample of credit reviews prepared by management for individual large exposures and loans to customers subject to restructuring and reschedule. I formed my own independent assessment based on the detailed review of the credit profile and other relevant information, which include but not limited to the reasonableness of the assumptions over ability to repay and collateral valuation, the appropriateness and accuracy of internal credit ratings and ECL parameters assigned for those customers.</li> <li>• Assessing and testing the reasonableness of the SICR and staging criteria applied by the Group for different types of loans to customers in order to evaluate whether the criteria applied are consistent with the Group credit risk management practices, requirements under TFRS 9 and related BoT notifications.</li> <li>• Involving my own credit specialists to assess key data, assumptions, method, models including mathematically theory to derive ECL model parameters on significant loans to customers portfolios. They also perform the test for reasonableness of macroeconomic factors used and probability-weighted multiple scenarios including the back-testing and assess methodology and data used by the management in the identification and estimation of qualitative adjustments including the management overlay.</li> </ul>



<b>Allowance for expected credit loss on loans to customers and accrued interest receivables</b>	
Refer to notes 3.3.5, 4.1, 12 and 13.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The carrying amount of allowance for expected credit loss on loans to customers and accrued interest receivables is considered a key audit matter due to the significance of aforementioned judgments and estimates made.</p>	<ul style="list-style-type: none"> <li>• Involving my own IT specialists to test reconciliations of data including ECL parameters among the underlying systems.</li> <li>• Testing the mathematical accuracy of the ECL calculation including qualitative adjustment on a sample basis.</li> <li>• Considering the adequacy of disclosures in accordance with Thai Financial Reporting Standards and BoT notifications and guidelines.</li> </ul>

<b>Valuation of financial instruments in the statement of financial position</b>	
Refer to notes 3.3.1, 3.3.2, 3.13, 8, 9, 10, 28.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>As at 31 December 2022, financial assets measured at fair value in the consolidated and the Bank's financial statements amounted to Baht 287 billion and Baht 287 billion, respectively. Financial liabilities measured at fair value in the consolidated and the Bank's financial statements amounted to Baht 60 billion and Baht 60 billion, respectively. As at 31 December 2022, financial assets measured at fair value classified as level 2 and 3 in the consolidated and the Bank's financial statements amounted to Baht 287 billion and Baht 287 billion, respectively. Financial liabilities measured at fair value classified as level 2 and 3 in the consolidated and the Bank's financial statements amounted to Baht 60 billion and Baht 60 billion, respectively.</p> <p>There is a risk that financial instruments classified as level 2 and level 3 in the fair value hierarchy may be mispriced in the statement of financial position because they are not based on objective external prices or, where these are not easily observable, the best estimate of what they may be.</p> <p>The valuation of financial instruments is considered a key audit matter due to the degree of complexity involved in valuing certain level 2 and 3 instruments and the significance of judgments and estimates involved.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> <li>• Performing 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.</li> <li>• Testing a sample of financial instruments that pricing inputs used were externally sourced and correctly input into pricing models for financial instruments, including the liquidity of prices, where applicable. Furthermore, I checked that the criteria used for determining the fair value measurement approach for financial instruments with significant unobservable inputs were appropriate. I used my own valuation specialists to assess that the models were appropriate and tested the fair value of a sample of the Group's financial instruments independently and compared their valuation to the Group's valuation.</li> <li>• Considering the adequacy of disclosures in accordance with Thai Financial Reporting Standards and BoT notifications and guidelines.</li> </ul>



### *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's 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 Bank's 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 Bank's 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 Bank's 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's Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated and the Bank's 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's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and the Bank's 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's Financial Statements*

My objectives are to obtain reasonable assurance about whether the consolidated and the Bank's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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's 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's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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's 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's financial statements, including the disclosures, and whether the consolidated and the Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and the Bank's 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.

A handwritten signature in blue ink, appearing to read 'Orawan'.

(Orawan Chuhakitpaisan)  
Certified Public Accountant  
Registration No. 6105

KPMG Phoomchai Audit Ltd.  
Bangkok  
16 February 2023

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**

**Statement of financial position**

<b>Assets</b>	<i>Note</i>	<b>Consolidated</b>		<b>The Bank</b>	
		31 December		31 December	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Cash		47,245,313	50,420,794	47,059,095	50,218,021
Interbank and money market items, net	7	522,355,879	618,268,620	510,604,220	606,102,663
Financial assets measured at fair value through profit or loss	8	42,155,725	68,707,387	42,155,725	49,153,992
Derivative assets	9	65,686,550	57,579,088	65,686,550	57,617,292
Investments, net	10	389,146,329	222,634,338	388,810,854	222,587,104
Investments in subsidiaries, associates and joint venture, net	11	893,171	781,207	10,016,224	30,184,820
Loans to customers and accrued interest receivables, net	12, 13, 14	2,187,916,180	2,165,455,869	2,185,053,610	2,160,069,924
Properties for sale, net	16	22,438,803	18,200,943	22,223,808	17,983,943
Investment properties, net		929,628	511,094	1,341,252	923,795
Premises and equipment, net	17	43,658,424	45,196,041	41,668,542	43,179,980
Goodwill and other intangible assets, net	18	16,174,700	18,384,743	17,088,491	17,346,287
Deferred tax assets	19	2,310,418	3,681,058	2,151,855	3,339,512
Other assets, net	20, 34	26,915,547	44,743,711	26,785,006	41,306,633
<b>Total assets</b>		<b>3,367,826,667</b>	<b>3,314,564,893</b>	<b>3,360,645,232</b>	<b>3,300,013,966</b>

## The Siam Commercial Bank Public Company Limited and its Subsidiaries

## Statement of financial position

	Note	Consolidated		The Bank	
		31 December		31 December	
Liabilities and shareholders' equity		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<b>Liabilities</b>					
Deposits	21	2,577,411,215	2,467,495,380	2,573,654,493	2,469,200,797
Interbank and money market items	22	136,830,156	180,961,455	137,338,754	182,306,436
Liabilities payable on demand		11,429,091	10,539,176	11,428,688	10,538,939
Financial liabilities measured at fair value through profit or loss		-	5,750	-	-
Derivative liabilities	9	60,414,754	49,200,116	60,414,857	49,645,817
Debt issued and borrowings	23	67,640,496	74,921,623	67,640,496	69,105,130
Provisions	24	13,994,966	20,342,267	13,453,075	19,715,987
Deferred tax liabilities	19	207,550	887,849	-	-
Other liabilities	25	78,635,524	67,596,366	77,230,762	62,530,400
<b>Total liabilities</b>		<b>2,946,563,752</b>	<b>2,871,949,982</b>	<b>2,941,161,125</b>	<b>2,863,043,506</b>
<b>Shareholders' equity</b>					
Share capital	29				
Authorised share capital					
3,582,649,480 preferred shares of Baht 10 each (31 December 2021: 3,582,667,230 preferred shares of Baht 10 each)		35,826,495	35,826,672	35,826,495	35,826,672
3,417,350,520 common shares of Baht 10 each (31 December 2021: 3,417,332,770 common shares of Baht 10 each)		34,173,505	34,173,328	34,173,505	34,173,328
Issued and paid-up share capital					
3,525,123 preferred shares of Baht 10 each (31 December 2021: 3,542,873 preferred shares of Baht 10 each)		35,251	35,429	35,251	35,429
3,395,667,075 common shares of Baht 10 each (31 December 2021: 3,395,649,325 common shares of Baht 10 each)		33,956,671	33,956,493	33,956,671	33,956,493
Premium on share capital					
Premium on preferred shares		13,786	13,855	13,786	13,855
Premium on common shares		11,110,405	11,110,336	11,110,405	11,110,336
Other reserves	30	22,066,109	22,837,505	20,607,035	21,633,291
Retained earnings					
Appropriated					
Legal reserve	30	7,000,000	7,000,000	7,000,000	7,000,000
Unappropriated		346,872,131	366,052,563	346,760,959	363,221,056
Total owners of the company		421,054,353	441,006,181	419,484,107	436,970,460
Non-controlling interests		208,562	1,608,730	-	-
<b>Total shareholders' equity</b>		<b>421,262,915</b>	<b>442,614,911</b>	<b>419,484,107</b>	<b>436,970,460</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,367,826,667</b>	<b>3,314,564,893</b>	<b>3,360,645,232</b>	<b>3,300,013,966</b>



(Mr. Kris Chantanotoke)

Director and Chief Executive Officer

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**

**Statement of profit or loss and other comprehensive income**

	Note	Consolidated		The Bank	
		For the year ended		For the year ended	
		31 December		31 December	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Interest income	38	125,403,227	112,176,572	123,495,758	111,063,711
Interest expenses	39	18,947,880	17,005,762	18,665,673	16,845,518
Net interest income		<u>106,455,347</u>	<u>95,170,810</u>	<u>104,830,085</u>	<u>94,218,193</u>
Fee and service income	40	47,852,786	50,355,543	41,833,169	43,549,253
Fee and service expenses	40	10,917,758	10,157,495	9,233,615	8,302,695
Net fee and service income	40	<u>36,935,028</u>	<u>40,198,048</u>	<u>32,599,554</u>	<u>35,246,558</u>
Net gain on financial instruments measured at fair value through profit or loss	41	7,675,905	11,090,364	4,957,275	6,566,242
Net gain on investments	42	6,082,744	145,987	6,512,540	146,486
Share of profit from investments in associates and joint venture		280,375	556,560	-	-
Dividend income		148,122	166,035	4,567,252	3,770,546
Other operating income	34	7,262,335	3,014,245	7,005,062	2,964,412
Total operating income		<u>164,839,856</u>	<u>150,342,049</u>	<u>160,471,768</u>	<u>142,912,437</u>
Other operating expenses					
Employee expenses		29,391,977	30,006,793	25,278,501	25,768,575
Directors' remuneration		122,054	111,658	99,834	84,346
Premises and equipment expenses		11,052,339	10,848,501	10,245,387	10,156,782
Taxes and duties		3,963,861	3,611,082	3,883,669	3,566,094
Other expenses	43	19,612,883	18,968,893	19,182,003	19,539,643
Total other operating expenses		<u>64,143,114</u>	<u>63,546,927</u>	<u>58,689,394</u>	<u>59,115,440</u>
Expected credit loss	44	32,703,213	42,024,476	31,572,516	41,665,279
Profit from operations before income tax expenses		<u>67,993,529</u>	<u>44,770,646</u>	<u>70,209,858</u>	<u>42,131,718</u>
Income tax expenses	19	14,367,415	9,375,857	13,229,913	7,652,557
<b>Net profit</b>		<b><u>53,626,114</u></b>	<b><u>35,394,789</u></b>	<b><u>56,979,945</u></b>	<b><u>34,479,161</u></b>

## The Siam Commercial Bank Public Company Limited and its Subsidiaries

## Statement of profit or loss and other comprehensive income

	Note	Consolidated		The Bank	
		For the year ended		For the year ended	
		31 December		31 December	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
Other comprehensive income (loss)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Loss on investments in debt instruments at fair value					
through other comprehensive income		(231,896)	(912,382)	(231,896)	(912,382)
Gain (loss) arising from translating the financial statements					
of foreign operations		(305,035)	113,218	(565,503)	(667,504)
Changes in hedge reserve		(6,125)	-	(6,125)	-
Income tax relating to components of other comprehensive income (loss)					
will be reclassified subsequently to profit or loss	19	47,604	182,476	47,604	182,476
		<u>(495,452)</u>	<u>(616,688)</u>	<u>(755,920)</u>	<u>(1,397,410)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain (Loss) on investments designated at fair value through					
other comprehensive income		5,757	(391,865)	5,421	(395,935)
Changes in revaluation surplus		-	8,960,197	-	8,444,909
Actuarial gain on defined benefit plans	24	1,713,438	493,992	1,654,935	480,577
Income tax relating to components of other comprehensive income (loss)					
will not be reclassified subsequently to profit or loss	19	(343,839)	(1,786,714)	(332,071)	(1,705,910)
		<u>1,375,356</u>	<u>7,275,610</u>	<u>1,328,285</u>	<u>6,823,641</u>
Total other comprehensive income (loss), net of income tax		<u>879,904</u>	<u>6,658,922</u>	<u>572,365</u>	<u>5,426,231</u>
<b>Total comprehensive income</b>		<b><u>54,506,018</u></b>	<b><u>42,053,711</u></b>	<b><u>57,552,310</u></b>	<b><u>39,905,392</u></b>
Net profit (loss) attributable to:					
Owners of the company		54,200,424	35,598,816	56,979,945	34,479,161
Non-controlling interests		(574,310)	(204,027)	-	-
Total comprehensive income (loss) attributable to:					
Owners of the company		55,078,576	42,254,764	57,552,310	39,905,392
Non-controlling interests		(572,558)	(201,053)	-	-
Earnings per share of the parent company					
Basic earnings per share <i>(in Baht)</i>	45	<u>15.95</u>	<u>10.47</u>	<u>16.76</u>	<u>10.14</u>



(Mr. Kris Chantanotoke)

Director and Chief Executive Officer

The Siam Commercial Bank Public Company Limited and its Subsidiaries  
Statement of changes in equity

Note	Consolidated											Total				
	Other reserves										Total owners of the company					
	Issued and paid-up share capital	Preferred shares	Common shares	Premium on share capital	Reserves for share-based payment	Gain (loss) on investments in debt instruments at fair value	Gain (loss) arising from translating the financial statements of a foreign operation	Gain (loss) on investments in debt instruments designated at fair value through comprehensive income	Changes in hedge reserve	Changes in revaluation surplus			Others	Total other reserves	Retained earnings	Legal reserve
	35,429	33,956,493	13,855	11,110,336	103,884	(418,367)	1,016,444	-	22,135,046	498	22,837,505	7,000,000	366,052,563	441,006,181	1,608,730	442,614,911
31	-	(178)	178	(69)	69	-	-	-	-	-	-	-	(75,038,663)	(75,038,663)	-	(75,038,663)
Capital contribution from a non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	947,652
Share-based payment transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(146,297)
Change in ownership interest in subsidiaries with a loss in control	-	-	-	-	2,788	-	-	-	-	-	2,788	-	-	-	2,788	2,058
Change in ownership interest in subsidiaries with a loss in control	-	-	-	-	(2,788)	-	70	-	-	(498)	(3,216)	-	3,216	-	(1,630,551)	(1,630,551)
<b>Total transactions with owners, recorded directly in equity</b>	<b>(178)</b>	<b>178</b>	<b>(69)</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>(498)</b>	<b>(428)</b>	<b>(498)</b>	<b>(428)</b>	<b>(75,038,663)</b>	<b>(75,038,663)</b>	<b>(827,610)</b>	<b>(827,610)</b>	<b>(75,863,013)</b>
<b>Comprehensive income (loss) for the year</b>																
Net profit (loss)	-	-	-	-	-	-	-	-	-	-	-	-	54,200,424	54,200,424	(574,310)	53,626,114
Other comprehensive income (loss)	-	-	-	-	-	(305,492)	4,605	(4,900)	(4,900)	-	(491,304)	-	1,369,456	878,152	1,752	879,904
<b>Total comprehensive income (loss) for the year</b>						<b>(305,492)</b>	<b>4,605</b>	<b>(4,900)</b>	<b>(4,900)</b>		<b>(491,304)</b>		<b>55,569,880</b>	<b>55,078,576</b>	<b>(572,558)</b>	<b>54,506,018</b>
Transfer to retained earnings	-	-	-	-	-	-	(518)	-	(279,146)	-	(279,664)	-	279,664	-	-	-
Gain on sale investments designated at fair value through other comprehensive income	-	-	-	-	-	-	(518)	-	(279,146)	-	(279,664)	-	4,999	4,999	-	4,999
<b>Balance at 31 December 2022</b>	<b>35,251</b>	<b>33,956,671</b>	<b>13,786</b>	<b>11,110,405</b>	<b>(81,633)</b>	<b>(723,859)</b>	<b>1,020,601</b>	<b>(4,900)</b>	<b>21,855,900</b>	<b>-</b>	<b>22,066,109</b>	<b>7,000,000</b>	<b>346,872,131</b>	<b>421,054,353</b>	<b>208,562</b>	<b>421,262,915</b>

The accompanying notes form an integral part of the financial statements.

The Siam Commercial Bank Public Company Limited and its Subsidiaries  
Statement of changes in equity

Note	Consolidated														
	Other reserves										Total				
	Issued and paid-up share capital	Preferred shares	Premium on share capital	Common shares	Gain (loss) on investments in debt instruments at fair value through other comprehensive income	Gain (loss) arising from translating the financial statements of foreign operations	Gain (loss) on investments designated at fair value through other comprehensive income	Changes in revaluation surplus	Other reserves	Total other reserves		Retained earnings	Non-controlling interests		
Preferred shares	Common shares	Preferred shares	Common shares	Gain (loss) on investments in debt instruments at fair value through other comprehensive income	Gain (loss) arising from translating the financial statements of foreign operations	Gain (loss) on investments designated at fair value through other comprehensive income	Changes in revaluation surplus	Other reserves	Total other reserves	Legal reserve	Unappropriated	Total owners of the company			
<b>Year ended 31 December 2021</b>															
	36,015	33,955,907	14,085	11,110,106	833,790	(528,799)	1,329,935	15,272,071	-	16,906,997	7,000,000	342,406,796	411,429,906	399,142	411,829,048
<b>Balance at 1 January 2021</b>															
<b>Transactions with owners, recorded directly in equity</b>															
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Conversion of preferred shares to common shares	(586)	586	(230)	230	-	-	-	-	-	-	-	(12,678,987)	(12,678,987)	-	(12,678,987)
Capital contribution from a non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	1,410,641	1,410,641
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	498	498	-	-	498	-	498
<b>Total transactions with owners, recorded directly in equity</b>	(586)	586	(230)	230	-	-	-	-	498	498	-	(12,678,987)	(12,678,987)	1,410,641	(11,267,848)
<b>Comprehensive income (loss) for the year</b>															
Net profit (loss)	-	-	-	-	-	-	-	-	-	-	-	35,598,816	35,598,816	(204,027)	35,394,789
Other comprehensive income (loss)	-	-	-	-	(729,906)	110,432	(313,491)	7,193,908	-	6,260,943	-	395,005	6,655,948	2,974	6,658,922
<b>Total comprehensive income (loss) for the year</b>	-	-	-	-	(729,906)	110,432	(313,491)	7,193,908	-	6,260,943	-	35,993,821	42,254,764	(201,053)	42,053,711
Transfer to retained earnings	-	-	-	-	-	-	-	(330,933)	-	(330,933)	-	-	-	-	-
<b>Balance at 31 December 2021</b>	35,429	33,956,493	13,855	11,110,336	103,884	(418,367)	1,016,444	22,135,046	498	22,837,505	7,000,000	366,052,563	441,006,181	1,608,730	442,614,911

The accompanying notes form an integral part of the financial statements.

The Siam Commercial Bank Public Company Limited and its Subsidiaries  
Statement of changes in equity

	The Bank												
	Other reserves					Retained earnings					Total		
	Gain (loss) on investments in debt instruments at fair value through other comprehensive income	Gain (loss) arising from translating the financial statements of a foreign operation	Gain (loss) on investments in debt instruments designated at fair value through other comprehensive income	Changes in revaluation surplus	Legal reserve	Unappropriated	Legal reserve	Unappropriated	Legal reserve	Unappropriated			
	Gain (loss) on investments in debt instruments at fair value through other comprehensive income	Gain (loss) arising from translating the financial statements of a foreign operation	Gain (loss) on investments in debt instruments designated at fair value through other comprehensive income	Changes in revaluation surplus	Legal reserve	Unappropriated	Legal reserve	Unappropriated	Legal reserve	Unappropriated	Total		
	<i>(in thousand Baht)</i>												
<b>Year ended 31 December 2022</b>													
Balance at 1 January 2022	35,429	33,956,493	13,855	11,110,336	103,883	(649,567)	1,013,256	-	21,165,719	21,633,291	7,000,000	363,221,056	436,970,460
<b>Transactions with owners, recorded directly in equity</b>													
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(75,038,663)	(75,038,663)
Conversion of preferred shares to common shares	(178)	178	(69)	69	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners, recorded directly in equity</b>	(178)	178	(69)	69	-	-	-	-	-	-	-	(75,038,663)	(75,038,663)
<b>Comprehensive income (loss) for the year</b>													
Net profit	-	-	-	-	-	-	-	-	-	-	-	56,979,945	56,979,945
Other comprehensive income (loss)	-	-	-	(185,517)	(565,503)	4,337	(4,900)	(4,900)	(751,583)	(751,583)	-	1,323,948	572,365
<b>Total comprehensive income (loss) for the year</b>	-	-	-	(185,517)	(565,503)	4,337	(4,900)	(4,900)	(751,583)	(751,583)	-	58,303,893	57,552,310
Transfer to retained earnings	-	-	-	-	-	(566)	(566)	(566)	(274,107)	(274,673)	-	274,673	-
<b>Balance at 31 December 2022</b>	35,251	33,956,671	13,786	11,110,405	(81,634)	(1,215,070)	1,017,027	(4,900)	20,891,612	20,607,035	7,000,000	346,760,959	419,484,107

The accompanying notes form an integral part of the financial statements.

The Siam Commercial Bank Public Company Limited and its Subsidiaries  
Statement of changes in equity

	The Bank											
	Other reserves										Total	
	Issued and paid-up share capital	Preferred shares	Common shares	Preferred shares	Premium on share capital	Common shares	Gain (loss) on investments in debt instruments at fair value through other comprehensive income	Gain (loss) arising from translating the financial statements of foreign operations through comprehensive income	Gain (loss) on investments designated at fair value through other comprehensive income	Changes in revaluation surplus		Legal reserve
36,015	33,956,493	14,085	11,110,106	833,789	17,937	1,330,004	14,737,314	16,919,044	7,000,000	340,708,898	409,744,055	
<b>Year ended 31 December 2021</b>												
Balance at 1 January 2021												
<b>Transactions with owners, recorded directly in equity</b>												
Dividend paid	(586)	-	-	-	-	-	-	-	-	-	-	(12,678,987)
Conversion of preferred shares to common shares	(586)	586	(230)	230	-	-	-	-	-	-	-	(12,678,987)
<b>Total transactions with owners, recorded directly in equity</b>												
<b>Comprehensive income (loss) for the year</b>												
Net profit	-	-	-	-	-	-	-	-	-	-	-	34,479,161
Other comprehensive income (loss)	-	-	-	-	(729,906)	(667,504)	(316,748)	6,755,927	5,041,769	-	-	5,426,231
<b>Total comprehensive income (loss) for the year</b>												
Transfer to retained earnings	-	-	-	-	-	-	(327,522)	(327,522)	-	-	-	327,522
<b>Balance at 31 December 2021</b>	<b>35,429</b>	<b>33,956,493</b>	<b>13,855</b>	<b>11,110,336</b>	<b>103,883</b>	<b>(649,567)</b>	<b>1,013,256</b>	<b>21,165,719</b>	<b>21,633,291</b>	<b>7,000,000</b>	<b>363,221,056</b>	<b>436,970,460</b>



(Mr. Kris Chantamotoke)

Director and Chief Executive Officer

The accompanying notes form an integral part of the financial statements.

The Siam Commercial Bank Public Company Limited

The Siam Commercial Bank Public Company Limited and its Subsidiaries

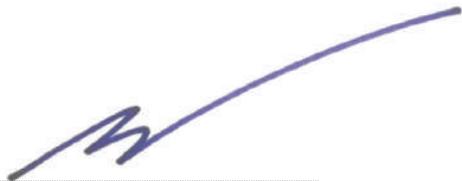
Statement of cash flows

	Note	Consolidated		The Bank	
		For the year ended 31 December		For the year ended 31 December	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<b>Cash flows from operating activities</b>					
Profit from operating before income tax expenses		67,993,529	44,770,646	70,209,858	42,131,718
<i>Adjustments to reconcile profit from operating before income tax expenses to cash receipts (payments) from operating activities</i>					
Depreciation and amortisation		8,822,945	9,489,865	8,429,317	9,032,226
Expected credit loss		36,467,015	45,115,421	35,323,235	44,751,388
(Reversal) impairment loss on premises and equipment		7,664	(225,123)	8,279	(225,767)
Impairment loss on properties for sale		220,968	648,522	220,968	649,426
Provisions expense		1,253,914	2,457,296	1,003,466	2,361,496
Share-based payment transactions		30,264	-	-	-
(Gain) loss on sale of premises and equipment		(1,770)	4,812	(1,764)	(2,334)
Loss from write-off of premises and equipment		14,273	139,752	4,351	129,695
Gain from sale of properties for sale		(1,368,289)	(1,167,399)	(1,368,232)	(1,166,451)
Loss from write-off of intangible assets		1,369	14,559	-	4,501
(Gain) loss on revaluation of investment properties		-	34,413	-	(94,341)
Net gain on financial instruments		(34,764,629)	(31,458,881)	(32,533,357)	(27,835,547)
Net gain on investments		(6,082,744)	(145,987)	(6,512,540)	(146,486)
Gain on transfer of credit card and unsecured personal loan business	34	(5,098,988)	-	(5,098,988)	-
Share of profit from investments in associates and joint venture		(280,375)	(556,560)	-	-
		<u>67,215,146</u>	<u>69,121,336</u>	<u>69,684,593</u>	<u>69,589,524</u>
Net interest income		(106,455,347)	(95,170,810)	(104,830,085)	(94,218,193)
Dividend income		(148,122)	(166,035)	(4,567,252)	(3,770,546)
Proceeds from interest		123,819,611	111,765,649	122,347,288	110,706,693
Interest paid		(19,099,429)	(17,936,395)	(18,825,829)	(17,787,350)
Proceeds from dividend		292,470	237,681	4,567,252	3,770,621
Income tax paid		<u>(10,278,625)</u>	<u>(11,103,076)</u>	<u>(9,126,489)</u>	<u>(10,219,690)</u>
Profit from operating before changes in operating assets and liabilities		55,345,704	56,748,350	59,249,478	58,071,059
<i>(Increase) decrease in operating assets</i>					
Interbank and money market items		87,169,095	(70,766,620)	95,661,508	(66,982,224)
Derivative assets		(11,760,034)	33,887,176	(9,682,617)	34,121,703
Investment in short-term securities		37,946,233	(8,827,364)	39,531,624	2,176,993
Loans to customers		(177,521,774)	(87,728,120)	(167,635,814)	(86,491,972)
Properties for sale		8,150,143	7,322,125	8,150,086	7,317,095
Other assets		16,529,906	(441,178)	21,471,739	417,291
<i>Increase (decrease) in operating liabilities</i>					
Deposits		109,915,835	47,039,954	104,453,696	39,421,273
Interbank and money market items		(44,131,299)	(17,529,549)	(44,967,682)	(16,053,067)
Liability payable on demand		889,915	272,266	889,749	272,259
Financial liabilities measured at fair value through profit or loss		35,015	1,979	-	-
Derivative liabilities		12,139,361	(30,071,689)	10,762,915	(30,129,749)
Short-term debt issued and borrowings		8,465,451	4,187,823	(1,160,056)	(1,194,710)
Other liabilities		<u>13,308,603</u>	<u>(2,590,473)</u>	<u>8,969,379</u>	<u>(3,196,229)</u>
<b>Net cash from (used in) operating activities</b>		<b><u>116,482,154</u></b>	<b><u>(68,495,320)</u></b>	<b><u>125,694,005</u></b>	<b><u>(62,250,278)</u></b>

## The Siam Commercial Bank Public Company Limited and its Subsidiaries

## Statement of cash flows

	Note	Consolidated		The Bank	
		For the year ended		For the year ended	
		31 December		31 December	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
<b>Cash flows from investing activities</b>					
Acquisition of instruments measured at fair value through other comprehensive income		(209,159,438)	(267,494,078)	(209,159,438)	(267,494,027)
Proceeds from sale of instruments measured at fair value through other comprehensive income		244,383,090	355,401,640	244,378,657	355,401,640
Acquisition of instruments at amortised cost		(208,119,282)	(1,254,306)	(206,356,461)	(520,530)
Proceeds from redemption of instruments at amortised cost		2,207,570	959,156	487,392	528,042
Payment for investments in subsidiaries, associates and joint venture		(75,000)	(164,888)	(5,405,800)	(5,393,888)
Proceeds from disposal of subsidiaries		35,614,594	-	32,082,228	-
Acquisition of premises and equipment		(846,963)	(712,727)	(712,861)	(558,246)
Proceeds from sale of premises and equipment		1,974	22,603	3,624	21,720
Acquisition of intangible assets		(5,026,105)	(5,380,768)	(4,605,847)	(4,976,261)
Proceeds from transfer of credit card and unsecured personal loan business	34	95,819,130	-	95,819,130	-
<b>Net cash from (used in) investing activities</b>		<b>(45,200,430)</b>	<b>81,376,632</b>	<b>(53,469,376)</b>	<b>77,008,450</b>
<b>Cash flows from financing activities</b>					
Proceeds from long-term debt issued		16,211,000	-	16,211,000	-
Repayment of long-term debt issued		(14,880,000)	(1,031,865)	(14,880,000)	(1,031,865)
Proceeds from long-term borrowings		-	3,533	-	3,533
Repayment of long-term borrowings		(67,021)	(99,048)	(67,021)	(99,048)
Payment of lease liabilities		(1,178,372)	(1,704,553)	(1,043,368)	(1,594,898)
Dividend paid to equity holders of the Bank	31	(75,038,663)	(12,678,987)	(75,038,663)	(12,678,987)
Capital contribution from a non-controlling interest of the subsidiaries		947,652	1,305,641	-	-
Payment to a non-controlling interests from liquidation of subsidiaries		(146,766)	-	-	-
<b>Net cash used in financing activities</b>		<b>(74,152,170)</b>	<b>(14,205,279)</b>	<b>(74,818,052)</b>	<b>(15,401,265)</b>
Gain (loss) arising from translating the financial statements of foreign operations		(305,035)	113,218	(565,503)	(667,504)
<b>Net decrease in cash</b>		<b>(3,175,481)</b>	<b>(1,210,749)</b>	<b>(3,158,926)</b>	<b>(1,310,597)</b>
<b>Cash at 1 January</b>		<b>50,420,794</b>	<b>51,631,543</b>	<b>50,218,021</b>	<b>51,528,618</b>
<b>Cash at 31 December</b>		<b>47,245,313</b>	<b>50,420,794</b>	<b>47,059,095</b>	<b>50,218,021</b>



(Mr. Kris Chantanotoke)

Director and Chief Executive Officer

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

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# The Siam Commercial Bank Public Company Limited and its Subsidiaries

## Notes to the financial statements

### For the year ended 31 December 2022

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 16 February 2023.

## 1 General information

The Siam Commercial Bank Public Company Limited, the “Bank”, is incorporated in Thailand and the Bank’s registered office at 9 Ratchadapisek Road, Jatujak, Bangkok.

The Bank was established by Royal Charter on 30 January 1906 and was listed on the Stock Exchange of Thailand on 6 February 1976. In April 2022, 99.06% of the Bank’s shares were acquired by SCB X Public Company Limited through the share swap transaction according to the Financial Business Group restructuring plan as mentioned in note 46. As a result, the controlling party of the Bank has changed to SCB X Public Company Limited and the Bank was delisted from the Stock Exchange of Thailand on 27 April 2022.

The principal activities of the Bank are the provision of financial products and services through its Head Office and branch network in Thailand, its branches in Singapore, Hong Kong, Laos, Vietnam, China and Cayman Islands and its subsidiaries in Thailand, Singapore, Cambodia and Myanmar. Details of the Bank’s subsidiaries as at 31 December 2022 and 31 December 2021 are given in note 11.

## 2 Basis of preparation of the financial statements

### 2.1 Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions, the regulations of the Bank of Thailand (BoT) and applicable rules and regulations of the Thai Securities and Exchange Commission (SEC); and presented in accordance with the BoT notification number Sor Nor Sor 21/2561 dated 31 October 2018, 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.

From 1 January 2022, the Bank and its subsidiaries have adopted TFRS 9 *Financial Instruments* and TFRS 7 *Financial Instruments: Disclosures* which have been amended to reflect Interbank Offer Rate (IBOR) reform - Phase 2 (Phase 2 amendments).

The Phase 2 amendments are applicable when an existing interest rate benchmark is replaced by another interest rate benchmark. The Phase 2 amendments provide a practical expedient that modifications to asset and liability values as a direct consequence of the interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately preceding the change), can be accounted for by only updating the effective interest rate.

The Bank and its subsidiaries applied the Phase 2 amendments and elected to apply the exceptions for not to restate comparatives for the prior periods. As a result, the Bank and its subsidiaries have no impact on the opening retained earnings of 2022.

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### Notes to the financial statements

#### For the year ended 31 December 2022

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. In 2021, the Bank and its subsidiaries applied accounting relief provided by the BoT in response to impact from the situation of COVID-19 which includes the application of the BoT optional treatments as follows:

- (1) The application of BoT circular letter number Tor Por Tor For Nor Sor (23) Wor 276/2563 dated 28 February 2020, regarding to *The relief programs for customers affected by Thai economic situations* and BoT circular letter number Tor Por Tor Kor Por Nor Wor 480/2564 dated 14 May 2021, regarding to *The assistance measures for retail customers during COVID-19 pandemic situations Phase 3* as follows:
  - Non-NPL customer can be classified as performing or stage 1 immediately if the Bank believes that such customer can perform according to the restructuring plans.
  - NPL customers can be classified as performing, or stage 1, immediately if they can adhere to repayment schedule specified in the restructuring plans for 3 consecutive months or 3 consecutive periods, whichever is longer.
  - In case where the debt restructuring causes original effective interest rate (EIR) to no longer reflect the projected cashflows from the loans, the Bank uses new effective interest rate to recalculate the gross carrying amount of restructured loans under the relief measures.

In 2022, the Bank and its subsidiaries applied accounting relief provided by the BoT in response to impact from the situation of COVID-19 which includes the application of the BoT optional treatments as follows:

- (1) The application of BoT circular letter number Tor Por Tor For Nor Sor 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* as follows:
  - 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. (1<sup>st</sup> form of financial assistance)
  - 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. (2<sup>nd</sup> form of financial assistance)

The Bank and its subsidiaries will provide both forms of financial assistance and have chosen to apply temporary accounting relief measures, meanwhile ensuring appropriateness of staging and provisioning to the quality and credit worthiness of the loans for the 1<sup>st</sup> form of financial assistance:

- Non-NPL customers can be classified as performing loan immediately without having to see whether they are able to comply with new restructuring plan or not if the plan is clearly specified in the modification contract and the Bank believes that such customer can perform according to the restructuring plans.
- NPL customers can be classified as performing loan if they can adhere to repayment schedule specified in the restructuring plans for 3 consecutive months or 3 consecutive periods, whichever is longer.

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### Notes to the financial statements

#### For the year ended 31 December 2022

- New loan can be provided to customers during the restructured period as for their financial support and enhance their business liquidity. It can be classified as performing loan immediately if the Bank believes that such customer can perform according to the conditions under new loan agreement.
- Loans which are more than 30 days past due or 1 month from the contract payment date will be classified as under performing loan.
- In case of restructuring where the effective interest rate (EIR) does not reflect the projected cash flows, the Bank can use the current EIR as the discounting rate of restructured loan under this relief measures.

As at 31 December 2022, approximately 12% of the Bank and its subsidiaries' loans to customers were under the comprehensive debt restructuring, blue scheme only (1<sup>st</sup> form of financial assistance) including various segments and industries. For non-retail customers, the amount is measured at the customer level. This includes some accounts that are not under the relief program. The Bank has additional internal processes and controls when applying the relief measures regarding loan's staging classification. (2021: 10% of the Bank and its subsidiaries' loans to customers)

The Bank has closely monitored the customer's ability to repay of the loans under the comprehensive debt restructuring according to the BoT's measures to ensure that the business recovery is in line with the industry condition. The Bank has also considered the credit risk and expected credit losses in addition to the economic uncertainties that may arise from external factors including any other circumstances that have impact to economic situation by providing additional provision through management overlay. As at 31 December 2022, the Bank considered management overlay for specific industries and customers which are financially fragile based on behavior consideration and available data as well as uncertainties arising from Russia-Ukraine conflicts that may negatively affect credit quality.

#### 2.2 *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Bank's functional currency.

#### 2.3 *Use of judgments and estimates*

The preparation of financial statements in conformity with TFRS 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.

##### 2.3.1 *Judgments*

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- |      |                   |   |
|------|-------------------|---|
| Note | 2.1               | The application of BoT's COVID-19 related circular on loan staging relief measures.   |
| Note | 3.3.5, 4.1 and 13 | Determining the criteria for assessing if there has been a significant increase in credit risk and expected credit loss models, including the choice of inputs relating to macroeconomic variables. This also involves expert credit judgment used by management in conjunction with internal and external information; and |

## The Siam Commercial Bank Public Company Limited and its Subsidiaries

### Notes to the financial statements

For the year ended 31 December 2022

Note 8, 9, 10 and 28 Determining the criteria for selecting the most appropriate fair value measurement approach and technique for financial instruments with significant unobservable inputs.

#### 2.3.2 Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 3.3.5, 4.1 and 13 Impairment of financial instruments: determination of inputs into the ECL measurement models and management overlay, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information; and

Note 8, 9, 10 and 28 Measurement of the fair value of financial instruments with significant unobservable inputs.

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except those stated in note 2.1.

#### 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”) and the Bank and its subsidiaries’ interest in associates and joint venture.

##### *Business combinations*

The Bank and its subsidiaries apply the acquisition method. The acquisition date is the date on which control is transferred to the Bank and its subsidiaries, other than those with entities under common control. Expenses in connection with a business combination are recognised as incurred.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interests in the acquiree, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the assets transferred, liabilities incurred by the Bank and its subsidiaries to the previous owners of the acquiree, any contingent consideration, and equity interests issued by the Bank and its subsidiaries.

Any contingent consideration is measured at fair value at the date of acquisition and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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.

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If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Bank and its subsidiaries report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

*Step acquisition*

When a business combination is achieved in stages, the Bank and its subsidiaries' previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

*Acquisitions from entities under common control*

Business combination under common control are accounted for using a method similar to the pooling of interest method, by recognising 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 deficit from business combinations under common control in shareholder's equity. The surplus or discount will be transferred to retained earnings upon divestment 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 year or the moment the businesses came under common control, whichever date is later, until control ceases.

*Subsidiaries*

Subsidiaries are entities controlled by the Bank and its subsidiaries. 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.

*Non-controlling interests*

At the acquisition date, the Bank and its subsidiaries measure any non-controlling interests at its proportionate interest in the identifiable net assets of the acquiree.

When there is a change in the Bank and its subsidiaries' interest in a subsidiary that do not result in a loss of control, any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received from the acquisition or disposal of the non-controlling interests with no change in control are accounted for as other surpluses or deficits in shareholders' equity.

## **The Siam Commercial Bank Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **For the year ended 31 December 2022**

##### *Loss of control*

When the Bank and its subsidiaries lose control over a subsidiary, they derecognise the assets and liabilities, and any related non-controlling interests and other components of equity of the subsidiary. Any resulting gain or loss 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 and joint venture.

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. A joint venture is an arrangement in which the Bank and its subsidiaries have joint control, whereby the Bank and its subsidiaries have rights to the net assets of the arrangement.

The Bank and its subsidiaries recognised investments in associates and joint venture using the equity method in the consolidated financial statements except for those interests held by, or indirectly held through an entity that is a venture capital organisation in which the Bank and its subsidiaries elect to measure investments at fair value through profit or loss. Under 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 subsidiaries' dividend income and share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

##### *Transactions eliminated on consolidation*

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 gains arising from transactions with associates and joint venture are eliminated against the investment to the extent of the Bank and its subsidiaries' interest in the investee. Unrealised losses are 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's subsidiaries. All inter-company transactions and balances within this Group have been eliminated.

### **3.2 Cash**

Cash includes cash in hand and cash on collection.

### **3.3 Financial instruments**

#### *3.3.1 Recognition and initial measurement*

The Bank and its subsidiaries initially recognise all 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 financial instrument, except for investments in debt instruments which are recognised on the settlement date.

Financial assets or financial liabilities that are not measured at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issuance.

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3.3.2 *Classification and subsequent measurement*

*Classification of financial assets*

On initial recognition, a financial asset is classified as measured at: amortised cost (AMC), fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at AMC 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 solely payments of principal and interest on the principal amount outstanding.

A debt instrument is 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 solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Bank and its subsidiaries may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes equity investments held by, or indirectly held through an entity that is a venture capital organisation and all derivative financial assets. On initial recognition, the Bank and its 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.

*Business model assessment of financial assets*

The Bank and its subsidiaries assess the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio 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 any related liabilities or expected cash outflows or realising cashflows through the sale of the assets;
- how the performance of the portfolio 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;
- how investment managers are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and

## The Siam Commercial Bank Public Company Limited and its Subsidiaries

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- the frequency, volume and timing of sales in prior years, 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.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Bank and its subsidiaries' continuing recognition of the assets.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

#### *Assessment of whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)*

For the purposes of this assessment,

- "Principal" is defined as the fair value of the financial asset on initial recognition.
- "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

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 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).

#### *Subsequent measurement and gain and loss of financial assets*

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gain and loss, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit loss. Interest income, foreign exchange gain and loss and expected credit loss are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

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Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gain and loss and expected credit loss 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.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends income are recognised as income in profit or loss on the date on which the Bank and its subsidiaries' right to receive payment is established, 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.

*Classification, subsequent measurement and gain and loss of financial liabilities*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain and loss, including any interest expense, are recognised in profit or loss. Other financial 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.

The Bank and its subsidiaries record their obligations to return borrowed collateral, in the form of securities for private repurchase or securities borrowing and lending transactions where these securities are used to further borrow or lend in other transactions in financial liabilities measured at FVTPL.

*Reclassification*

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank and its subsidiaries change their business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

**3.3.3 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 they transfer 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 they do not retain control of the financial asset.

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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 other comprehensive income is recognised in profit or loss.

Any cumulative gain or loss recognised in other comprehensive income in respect of equity instruments 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.

The Bank and its subsidiaries enter into transactions whereby they transfer assets recognised on their statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, because the Bank and its subsidiaries retain all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Bank and its subsidiaries neither retain nor transfer substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank and its subsidiaries continue to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

In certain transactions, the Bank and its subsidiaries retain the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset shall be recognised or a servicing liability if the fee to be received is not expected to compensate the entity adequately for performing the servicing.

*Derecognition of financial liabilities*

The Bank and its subsidiaries derecognise a financial liability when its contractual obligations are discharged or cancelled, or expire. The Bank and its subsidiaries also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

*3.3.4 Modifications of financial assets and financial liabilities (see note 2.1 for application on loans to customers subject to relief programmes)*

*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.

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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. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank and its subsidiaries plan to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

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 recognises 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 presented together with expected credit loss. In other cases, it is presented as interest income calculated using the effective interest rate method.

*Modifications of financial liabilities*

The Bank and its subsidiaries derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. The consideration paid includes any non-cash assets transferred and new liabilities assumed.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, 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 and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

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*3.3.5 Impairment of financial assets*

The Bank and its subsidiaries recognise allowance for expected credit loss (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

*Measurement of ECL*

An expected credit loss represents the present value of expected cash shortfalls over the residual term of a financial asset, undrawn commitment or financial guarantee. A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that are expected to be received over the contractual life of the instrument.

Expected credit losses 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.

Estimates of expected cash shortfalls are determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

Forward-looking macro-economic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk, such as Gross Domestic Product (GDP), unemployment rate, private consumption expenditure, farm income index and household debt to GDP. These assumptions are determined using all reasonable and supportable information, which includes both available internal and external information and are consistent with those used for financial and capital planning.

The period over which cash shortfalls are determined is generally limited to the maximum contractual period for which the Bank and its subsidiaries are exposed to credit risk where a behavioral life is estimated such as certain revolving and housing loans facilities.

The estimation of expected cash shortfalls on collateralised financial instruments reflects the expected amount and timing of cash flows from foreclosure of the collateral less the costs of obtaining and selling the collateral, regardless of whether the foreclosure is deemed probable or not.

Cash shortfalls are discounted using the effective interest rate.

When discounting the expected cash shortfalls to the present value, the following discount rates are used:

- financial assets other than purchased or originated credit-impaired (POCI) financial assets and lease receivables: the original effective interest rate of an approximation thereof;
- POCI assets: a credit-adjusted effective interest rate;
- lease receivables: the discount rate used in measuring the lease receivable;

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- undrawn loan commitments and financial guarantee contracts: the approximation of the rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows.

ECL are a probability-weighted estimate of credit losses. 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 due to the entity in accordance with the contract and the cash flows that the Bank and its subsidiaries expect 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 might be drawn down and the cash flows that the Bank and its subsidiaries expect 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.

In order to assess the expected credit loss, models are developed based on historical repayment, default information and other information indicating default risk behavior.

In case that the models cannot capture the risk, the management overlay principle, covering industry, model and other risks, will be applied.

*Staging (see note 2.1 for application on loans to customers subject to relief programmes)*

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:

- *Performing (Stage 1)*

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 instrument 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.

The Bank and its subsidiaries consider government and state enterprise securities to have low credit risk when its credit risk rating is equivalent to the globally understood definition of “investment grade”. The Bank and its subsidiaries do not apply the low credit risk exemption to any other financial instruments.

- *Under-performing (Stage 2)*

When financial assets have an SICR since initial recognition, expected credit losses are recognised for possible default events over the lifetime of the financial assets. The Bank and its subsidiaries consider reasonable and supportable information that is relevant and available without undue cost or effort when assessing SICR. This includes both quantitative and qualitative information and analysis, based on the Bank and its subsidiaries’ historical experience and expert credit assessment and including forward-looking information.

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Financial assets that are more than 30 days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Quantitative factors include an assessment of whether there has been a significant increase in the probability of default (PD) since origination. Increase in PD is determined from economic conditions that are relating to changes in credit risk such as internal credit rating downgrade or behavior scoring deterioration. If the changes exceed the thresholds, the financial assets are considered to have experienced a significant increase in credit risk.

Qualitative factor assessments are part of current credit risk management processes, such as an assessment of significant deterioration in the customers' ability to repay. Qualitative indicators include operating results, financial liquidity and other reliable indicators.

Financial assets can be transferred to stage 1 in case they have proven that their ability to repay are back to normal.

- *Non-performing (Stage 3)*

Financial assets that are credit-impaired or in default represent those that are more than 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 significant negative impact on the estimated future cash flows of the financial assets.

Inputs into the assessment of whether a financial instrument are credit-impaired or in default and their significant change may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Bank and its subsidiaries for regulatory capital purposes.

The Bank and its subsidiaries consider both qualitative and quantitative factors when determining a financial asset to be in default which can be evidenced by the observable data but not limited to the following events:

- The borrower is more than 90 days past due on any material credit obligation to the Bank and its subsidiaries. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding;
- The borrower is unlikely to repay its credit obligations to the Bank and its subsidiaries in full, without considering any payment that may be received from collateral, as a result of the customer's significantly reduced creditworthiness;
- The Bank consents to debt restructuring by material forgiveness or postponing principal, interest or fees as it deems that the financial condition of the debtor has deteriorated;
- The Bank has filed litigation against the debtor;
- The borrower has filed for protection under bankruptcy law or other creditors have filed bankruptcy against the debtor, therefore delaying debt repayment to the Bank; or
- The borrower is classified as a non-performing or a purchased or originated credit impaired asset under the BoT's notification number Sor Nor Sor 23/2561 dated 31 October 2018, regarding to *Regulations on Asset Classification and Provisioning of Financial Institutions*.

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For individual qualitative consideration of large corporate loans that are credit-impaired, there will be additional procedures where the Bank's Special Business Function consolidates and presents the qualitative information and/or expected credit loss to the Quality Credit Assessment Committee to review and propose to the Credit Committee for approval for such staging and/or expected credit losses.

For retail loans which comprise of a large number of loans with the shared similar characteristics, statistical estimates are used through credit scoring analysis. The retail loans are considered to be credit-impaired when they are more than 90 days past due or if the borrower has been filed for bankruptcy or the borrower ceases or closes its operations or qualitative consideration by management.

Expected credit losses 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.

Financial assets that are credit-impaired require a lifetime provision.

*Improvement in credit risk and staging (see note 2.1 for application on loans to customers subject to relief programmes)*

A period may elapse from the point at which instruments enter stage 2 or stage 3 and are reclassified back to stage 1.

For financial assets that are credit-impaired (stage 3), and have not been subject to modification, a transfer to stage 2 or stage 1 is only permitted where the instrument is no longer considered to be credit-impaired. An instrument will no longer be considered credit-impaired when there is no shortfall of cash flows compared to the original contractual terms.

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 transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, these factors must be resolved or operating results must be met by the conditions set by the Bank and its subsidiaries before loans are reclassified to stage 1.

*- Loans to customers under modification (see note 2.1 for application on loans to customers subject to relief programmes)*

For modified loans to customers, exposures under stage 3 can be transferred to stage 2 when the customer performs under the revised terms of the contract for 3 months or 3 periods, whichever is longer. A further 9 months or 9 periods, whichever is longer monitoring is required for such customers to be transferred to stage 1 on the basis that there is no overdue balance on the account and the customer is expected to repay its remaining obligations in full. When transferring to stage 1, credit risk will be reset at the transferring date.

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For modified loans to customers, exposures under stage 2 that were not previously credit-impaired can be transferred to stage 1 when the customer performs under the revised terms of the contract for 3 consecutive months or 3 periods, whichever is longer, and the customer is expected to repay its remaining obligations in full.

*Financial guarantee contracts held*

The Bank and its subsidiaries assess whether a financial guarantee contract held is an integral element of a financial asset that is accounted for separately. The factors that the Bank and its subsidiaries consider when making this assessment include whether:

- the guarantee is implicitly part of the contractual terms of the debt instrument;
- the guarantee is required by laws and regulations that govern the contract of the debt instrument;
- the guarantee is entered into at the same time as and in contemplation of the debt instrument; and
- the guarantee is given by the parent of the borrower or another company within the borrower's group.

If the Bank and its subsidiaries determine that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The Bank and its subsidiaries consider the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

If the Bank and its subsidiaries determine that the guarantee is not an integral element of the financial asset, then it recognises an asset representing any prepayment of guarantee premium and a right to compensation for credit losses. A prepaid premium asset is recognised only if the guaranteed exposure neither is credit-impaired nor has undergone a significant increase in credit risk when the guarantee is acquired. These assets are recognised in "other assets". The Bank and its subsidiaries present gain or loss on a compensation right in profit or loss in the line item "expected credit loss".

*Allowance for expected credit loss on purchased or originated credit impaired instruments (POCI)*

The Bank and its subsidiaries measure expected credit loss on a lifetime basis for POCI instruments. However, expected credit loss is not recognised in a separate allowance for expected credit loss on initial recognition for POCI instruments as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. The Bank and its subsidiaries recognise the change in lifetime expected credit losses arising subsequent to initial recognition in the income statement and the cumulative change as an allowance for expected credit loss. Where lifetime expected credit losses on POCI instruments are less than those at initial recognition, then the favorable differences are recognised as impairment gain in profit or loss and as impairment loss where the expected credit losses are greater.

*Presentation of allowance for ECL 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;
- where a financial instrument includes both a drawn and an undrawn component, the Bank and its subsidiaries separately present ECL of drawn component by deducting from the gross carrying amount while ECL of undrawn component is presented as a provision; and

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- debt instruments 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, the loss allowance is disclosed and is recognised in the other reserves.

#### *Write-off and reversal of impairment*

Loans and debt securities are written off (either partially or in full) after all the necessary procedures have been completed and the Bank and its subsidiaries have decided that there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case where the Bank and its subsidiaries determine that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-off. The applicable portion of the gross carrying amount is written off and included as expected credit loss line item in profit or loss.

Subsequent recoveries of amounts previously written off are recognised when cash is received and recorded as a decrease in the amount of the expected credit loss in profit or loss.

If, in a subsequent period, the amount of the expected credit loss decreases and the decrease can be related objectively to an event occurring after the expected credit loss was recognised, such as an improvement in the debtor's credit rating, the previously recognised expected credit loss is reversed by adjusting the expected credit loss account. The amount of the reversal is recognised in profit or loss.

#### 3.3.6 *Derivatives and hedge accounting*

##### *Derivatives 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 document the relationship between the hedging instruments and hedged items, 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 at inception of the hedge relationship and on an ongoing basis, whether the hedging instruments are expected to be effective hedge in offsetting the changes in the fair value or cash flows of the respective hedged items during the year 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 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 described below:

##### *Fair value hedges*

When a derivative is designated as the hedging instrument in the 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.

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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.

Any adjustments up to the point of discontinuation to a hedged item, for which the effective interest method is used, is amortised to profit or loss as an adjustment to the recalculated effective interest rate of the item over its remaining life.

On hedge discontinuation, any hedging adjustment made previously to a hedged financial instrument, for which the effective interest method is used, is amortised to profit or loss by adjusting the effective interest rate of the hedged item from the date on which amortisation begins. If the hedged item is derecognised, then the adjustment is recognised immediately in profit or loss when the item is derecognised.

#### *Cash flow hedges*

When a derivative is designated as the hedging instrument in the 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 other comprehensive income and presented in the hedging reserve within shareholders' 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 classified from other comprehensive income to profit or loss as a reclassification adjustment in the same year as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and other comprehensive income.

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.

#### *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 TFRS 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.

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##### 3.3.7 *Securities purchased under reverse sale-and-repurchase agreements / Securities sold under sale-and-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, net”, 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.

##### 3.3.8 *Liabilities to deliver security*

Liabilities to deliver security represents the Bank and its subsidiaries’ liability to return collateral, in the form of securities for private repurchase or securities borrowing and lending transactions where these securities are used to further borrow or lend in other transactions.

Gains or losses arising from securities sold short are included in determining profit or loss. Fees for borrowing and lending are recognised on an accrual basis.

#### 3.4 *Investments in subsidiaries, associates and joint venture*

Investments in subsidiaries, associates and joint venture in the Bank’s financial statements are measured at cost less impairment losses (if any).

The measurement of investments in subsidiaries, associates and joint venture in the consolidated financial statements is described in note 3.1.

##### *Disposal of investments in the Bank’s financial statements*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

#### 3.5 *Properties for sale*

Properties for sale consist of movable and immovable properties, are measured at the lower of cost or net realisable value, which is determined with reference to the latest appraisal value, less estimated cost to sell in accordance with the BoT notification number Sor Nor Sor 23/2561 dated 31 October 2018, regarding to *Regulations on Asset Classification and Provisioning of Financial Institutions*. Impairment losses are recognised as expenses in profit or loss.

The Bank also followed BoT notification number Sor Nor Sor 22/2552 dated 11 December 2009, regarding to *Foreclosed Properties* and Sor Nor Sor 23/2552 dated 11 December 2009, regarding to *Guidelines on Purchase or Possession of Real Estate Used as a Site for Business Operation or Employees or Workers of Financial Institutions*.

Gain or loss on sales of properties for sale are recognised as income or expenses in profit or loss based on condition stipulated in BoT notification number Sor Nor Sor 20/2561 dated 31 October 2018, regarding to *Regulations on Accounting of Financial Institutions*.

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**3.6 Premises and equipment**

*Recognition and measurement*

*Owned assets*

Premises and equipment are measured at cost less accumulated depreciation and impairment losses except for land and buildings which are measured at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing costs and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of premises and equipment are recognised in profit or loss.

*Revalued assets*

Revaluations are performed by independent professional valuers with sufficient regularity according to guidelines prescribed by BoT to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date. Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation surplus in shareholders' equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset, the increase is recognised in profit or loss. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not considered in calculating the gain or loss on disposal.

*Reclassification to investment properties*

When the use of a property changes from owner-occupied to investment property that is measured at fair value, the Bank and its subsidiaries shall remeasure the property to fair value and reclassified as investment property. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation surplus in equity. Any loss is recognised in other comprehensive income and presented in the revaluation surplus in equity to the extent that an amount had previously been included in the revaluation surplus relating to the specific property, with any remaining loss recognised immediately in profit or loss.

*Subsequent costs*

The cost of replacing a part of an item of premises and equipment is recognised in the carrying amount of the item when 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 amortised. The costs of the day-to-day servicing of premises and equipment are recognised in profit or loss as incurred.

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*Depreciation*

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land or assets under construction.

The estimated useful lives are as follows:

Premises	Appraised by independent professional appraisers	20 - 75 years
Building improvement		3 - 20 years
Furniture, fixtures, office equipment, equipment and vehicles		5 - 20 years
Others		5 - 10 years

**3.7 Investment properties**

Investment properties are measured at cost on initial recognition and subsequently at fair value prospectively, with any change recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss.

**3.8 Goodwill and other intangible assets**

*Goodwill*

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment. Internally generated goodwill and brands is recognised in profit or loss as incurred.

*Research and development*

Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Bank and its subsidiaries intend to and has sufficient resources to complete development and to use or sell the asset. Other development expenditure and expenditure on research activities are recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses. The expenditure cost includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Subsequent expenditure is capitalised only when it increases the future economic benefits.

*Other intangible assets*

Other intangible assets which are software licenses that are acquired by the Bank and its subsidiaries and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits.

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*Amortisation*

Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss. No amortization is provided on software under installation. The estimated useful lives are as follows:

Software licenses	3 - 10 years
Others	5 years

**3.9 Impairment of non-financial assets**

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 shareholders' equity, in which case it is charged to shareholders' 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.

*Reversals of impairment*

An impairment loss of other non-financial assets recognised in prior year 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.

**3.10 Contract liabilities**

A contract liability is the obligation to transfer services to the customer. A contract liability is recognised when the Bank and its subsidiaries receive or has an unconditional right to receive non-refundable consideration from the customer before the Bank and its subsidiaries recognise the related revenue.

**3.11 Employee benefits**

*Defined contribution plans*

Obligations for contributions to the Bank and its subsidiaries' provident fund are expensed as the related service is provided.

*Defined benefit plans*

The Bank and its subsidiaries' net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior years.

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The defined benefit obligations is discounted to the present value which performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Bank and its subsidiaries determine the interest expenses on the net defined benefit liability for the year by applying the discount rate used to measure the defined benefit obligations, taking into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expenses and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Bank and its subsidiaries recognise gain and loss on the settlement of a defined benefit plan when the settlement occurs.

#### *Other long-term employee benefits*

The Bank and its subsidiaries' net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior years. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the year in which they arise.

#### *Termination benefits*

Termination benefits are expensed at the earlier of when the Bank and its subsidiaries can no longer withdraw the offer of those benefits and when the Bank and its subsidiaries recognise costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting period, then they are discounted.

#### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Bank and its subsidiaries have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **3.12 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.

### **3.13 Fair value measurement**

Fair value is the price that would be received to sell an asset or pay 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 have access at that date. The fair value of a liability reflects its non-performance risk.

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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 an asset or a liability measured at fair value has a bid price and an ask price, then the Bank and its subsidiaries measure assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Bank and its subsidiaries determine that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

#### **3.14 Share capital**

##### *Preferred shares*

Preferred shares are classified as equity if they are non-redeemable, or redeemable only at the Bank's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within shareholders' equity upon approval by the Bank's shareholders.

##### *Common shares*

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares are recognised as a deduction from equity, net of any tax effects.

#### **3.15 Interest**

##### *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
- the AMC of the financial liability.

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When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank and its subsidiaries estimate future cash flows considering all contractual terms of the financial instrument, but not expected credit loss. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit loss.

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 AMC 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 AMC 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 AMC of the financial asset. If the financial 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 AMC of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

**3.16 Fee and service income**

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.

Other fee and service income are recognised when a customer obtains control of the services in an amount that reflects the consideration to which the Bank and its subsidiaries expect to be entitled to. In addition, judgment is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. For the fee and service income that contain variable consideration, the Bank and its subsidiaries estimate and measure the amount of variable consideration based on the method established under TFRS 15. In determining the amount of variable consideration, the Bank and its subsidiaries also considers whether the extent of the amount recognised is highly probable that a significant reversal in the amount of cumulative fee and service income recognised will not occur.

Where the Bank and its subsidiaries act in the capacity of an agent and it recognises the net amount of consideration as commission revenue.

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**3.17 Long-term advances received from customer**

Long-term advances received from customer is recognised as revenue when the Bank and its subsidiaries transferred control over the services to the customer.

**3.18 Dividend income**

Dividend income is recognised in profit or loss when the right to receive income is established.

**3.19 Net gain on financial instruments measured at FVTPL**

Net gain on financial instruments comprises gain less loss related to trading, fair value changes, transfer of financial assets measured at FVTPL, foreign exchange differences or translation of assets and liabilities denominated in foreign currency into the functional currency.

**3.20 Contributions to the Deposit Protection Agency and Financial Institutions Development Fund**

Contributions to the Deposit Protection Agency and Financial Institutions Development Fund are recorded as expenses on an accrual basis.

**3.21 Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank and its subsidiaries currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**3.22 Financial guarantee and loan commitments**

Financial guarantees are contracts that require the Bank and its subsidiaries to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument. Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with TFRS 9.

**3.23 Income tax**

Income tax expenses for the year comprises current and deferred tax which is recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is recognised in respect of 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 periods.

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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 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 and joint venture 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. Current deferred tax assets and liabilities are offset if there is a legally enforceable right to offset.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. 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.

#### **3.24 Earnings per share**

Since 10 May 2009, the conversion option of the preferred shares expired. Therefore, the preferred shares' rights are equivalent to the common shares. Basic earnings per share is calculated by dividing the profit attributable to common shareholders of the Bank by the number of common shares and preferred shares outstanding.

#### **3.25 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 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.

#### **3.26 Segment reporting**

Segment results that are reported to the 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.

#### **3.27 Foreign currency**

##### *Foreign currency transactions*

Transactions in foreign currencies are translated into the respective functional currencies of the Bank and its subsidiaries at the spot exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate announced by the BoT 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.

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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 other comprehensive income:

- an investment in equity securities designated as 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; and
- 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 approximating exchange rates at the dates of the transactions.

Foreign exchange differences arising on translation are recognised in other comprehensive income until disposal of the business.

**3.28 Leases**

At inception of a contract, the Bank and its subsidiaries assesses whether 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.

*As a lessee*

At commencement or on modification of a contract, 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. However, for the leases of property the Bank and its subsidiaries has elected not to separate non-lease components and account for the lease and non-lease components as a single lease 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 losses, 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 lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that shall be paid under the lease, discounted using the Bank's marginal funding rate to the present value. The Bank and its subsidiaries derive their marginal funding rates from the average cost of funding in the prevailing market which reflects the respective terms of the lease payments.

The lease liability is measured at amortised cost using effective interest method. It is remeasured when there is a lease modification or a change in the assessment of options specified in the lease. 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.

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*As a lessor*

At inception or on modification of a contract the Bank and its subsidiaries allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Bank and its subsidiaries consider to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Bank and subsidiaries is an intermediate lessor, the Bank and its subsidiaries classify the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Those right-of-use assets are presented as investment properties.

The Bank and its subsidiaries recognise finance lease receivables or hire purchase receivables at the net investment of lease, which comprises the present value of the lease payments and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease or hire purchase 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 recognise lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the accounting year in which they are earned.

The Bank and its subsidiaries derecognise, modified cashflow and determine impairment on the finance lease receivables or hire purchase receivables as disclosed in note 3.3.3 to 3.3.5.

#### **4 Financial risk management**

*Risk management framework*

The Board of Directors has overall responsibility for the establishment and oversight of the Bank and its subsidiaries' risk management framework. The Board has established at the Bank and, to the extent required, at its subsidiaries, the sub-board committees, e.g. Risk Oversight Committee, Executive Committee, Audit Committee and Technology Committee, which are collectively responsible for developing, implementing and monitoring the Bank and its subsidiaries' risk management policies in specified areas.

The Bank's Risk Oversight Committee is responsible for overseeing the adequacy and effectiveness of the overall risk management framework in relation to the risks faced by the Bank and its subsidiaries.

The Bank's Audit Committee is responsible for reviewing the adequacy of the Bank's internal control as well as the effectiveness of the Bank and its subsidiaries. The Bank's Audit Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Bank's Audit Committee.

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In addition, the management committees, which are Risk Management Committee, Credit Committee, Model Risk Management Committee, Asset and Liability Management Committee (ALCO) and Equity Investment Management Committee, have been established to oversee the Bank's risk management processes and reporting regularly to sub-board committees and the Board of Directors on their activities. Risk Management Committee is responsible for reviewing risk management policies and frameworks for risk management and control. Credit Committee is responsible for approving loans within their approval authority. Model Risk Management Committee is responsible for overseeing all internal risk models including TFRS 9 ECL models employed by the Bank to ensure that models remain effective for assessing risks and model risk is under control. Asset and Liability Committee (ALCO) is responsible for managing risk in the Bank's statement of financial position. Equity Investment Management Committee is responsible for managing risk in the Bank's equity investment portfolio.

The Bank and its subsidiaries' risk management policies, Internal Capital Adequacy Assessment Policy (ICAAP Policy) and Recovery Plan Policy are established to identify and analyse the risks faced by the Bank and its subsidiaries, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. These policies are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank and its subsidiaries, through implementing and monitoring appropriate policies, procedures and measures, aim to establish an effective and efficient internal control environment, in which all employees understand their roles and obligations.

#### **4.1 Credit risk**

Credit risk is the risk arising from a borrower and/or counterparty to financial instruments fails to meet its contractual obligations or to comply with conditions or contracts. Credit risk covers all types of financial products: transactions on-financial reporting such as loans, overdrafts, bills of exchange and other types of debts; and those off-financial reporting such as derivatives trading, letters of guarantee etc.

The Bank and its subsidiaries have significant credit risk management policies and frameworks which have been approved by the Board of Directors. For example:

- Credit Policy Guide
- Asset Classification and Provisioning for Financial Asset and Obligations that may be irrevocable and Write Off Policy
- Collateral and NPA Appraisal Policy
- Counterparty Risk Management Policy
- Country Risk Management Policy
- Model Risk Management Policy
- TFRS 9 Governance Policy

Since credit risk varies by type of credit, different risk measurement methods are applied, ranging from basic statistical tools to more advanced ones, or using individual risk assessment of expert credit judgment, to appropriately reflect the credit risk of each type of product/ transaction.

The Bank and its subsidiaries have credit risk reporting on a regular basis. The Bank and its subsidiaries credit risk report, including but not limited to loan growth, credit quality, credit concentration, is presented to the Risk Management Committee and Risk Oversight Committee on a monthly basis.

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*Credit approval/ credit review*

The Bank attaches great importance to proper checks and balances in credit underwriting by establishing a clear separation between business origination and credit approval functions.

Business origination units are responsible for managing relationships to expand business, acquiring new clients, creating new markets and proposing for lending. Credit approval units provide independent advice and recommendations in accordance with the Credit Policy Guide to support authorised approvers in making credit decisions.

In addition, credit approval authority has been assigned to reflect different risk profiles and governed by the three-signature rule.

For the Bank's retail customers and SSMEs, credit approval will be carried out in accordance with product programs/ test programs which have been approved by the Executive Committee or the Retail Credit Committee. Credit approval authority and criteria, including exceptions, have been clearly and explicitly specified.

After a loan has been approved, the Bank will monitor the customer's account regularly as well as conducting periodic customer reviews with an objective that goes beyond ex-post rationalisation. The Bank focuses on forward-looking analysis to gain insight on both positive and negative changes in a specific industry or business related to each customer, as well as the customer's future financial status. This approach enables the Bank to review and monitor risk of each customer in order to formulate appropriate business strategies and action plans going forward.

Relationship manager/ Special business officer is responsible for conducting routine customer reviews within a specified timeframe at least once a year as well as conducting additional reviews when warranted by events that have material impacts on customers. Reports on customer reviews shall be prepared according to a specified format and submitted for approval from authorised persons.

For non-retail customers, the Bank reviews customer risk rating to gain insight on customer behavior and formulate an appropriate strategy for portfolio management by using an early warning system or using payment behavior to determine the risk level via PD Pool segmentation. The review is conducted at least once a year or more frequently if warranted by material changes in customers' risk rating. For retail customers and SSMEs, the Bank reviews customer risk rating by using National Credit Bureau (NCB) and payment behavior to determine the risk level via PD pool segmentation.

COVID-19 pandemic including other factors has continued to impact the creditworthiness of the customers. The Bank offers assistances to retail and business customers depending on the severity of the impact by providing restructuring programmes and additional credit lines to support liquidity (see note 2.1 for application on loans to customers subject to relief programmes). The Bank has closely monitored the customer under relief measures by measuring credit risk by its characteristics e.g., industry, remaining tenor, types of measures as well as qualitative factors. In addition, the Bank has adopted both BoT's loan classification criteria and the Bank's internal criteria to ensure that loans under relief measures are classified appropriately to the loan qualities and the provision level is sufficient to cover potential credit losses. The Bank also considers management overlay adjustment to the ECL models, where possible, if the risk parameters deviate.

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**4.1.1 Maximum Exposure to Credit Risk**

The following table presents the Bank and its subsidiaries' maximum exposure to credit risk of on-financial reporting and off-financial reporting items, without taking into account of any collateral held or other credit enhancements. For on-financial reporting items, the exposure to credit risk equals their carrying amount. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Bank and its subsidiaries would have to pay if the obligations of the instruments issued are called upon. For loan commitments, the maximum exposure to credit risk is the full amount of the undrawn credit loan facilities granted to customers.

As at 31 December 2022 and 2021, consolidated carrying amount and average maximum exposure to credit risk were summarised as follows:

	Consolidated		Average	
	Carrying amount 2022	2021	2022	2021
	<i>(in million Baht)</i>			
<b>Credit risk exposure of on-financial reporting items*</b>				
Interbank and money market items, net	522,356	618,269	551,830	541,057
Derivative assets	65,687	57,579	69,316	73,002
Loans to customers and accrued interest receivables, net	2,187,916	2,165,456	2,193,856	2,151,030
Government and state enterprise securities	387,251	224,448	321,337	262,129
Corporate debt instruments	6,033	7,017	7,281	7,159
Foreign debt instruments	24,636	31,602	29,314	22,269
<b>Credit risk exposure of off-financial reporting items</b>				
Financial guarantee contracts	270,611	247,164	260,037	234,656
Unused bank overdrafts	185,088	200,003	191,695	202,091
Loan commitments	25,068	36,057	24,520	39,430
<b>Total maximum credit risk exposure</b>	<b><u>3,674,646</u></b>	<b><u>3,587,595</u></b>	<b><u>3,649,186</u></b>	<b><u>3,532,823</u></b>

\* The exposure to credit risk is net of allowance for expected credit loss.

The Bank does not present the Bank only maximum exposure to credit risk since the exposure does not materially differ from the consolidated figures.

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**4.1.2 Collateral held and other credit enhancements**

The Bank and its subsidiaries hold collateral and other credit enhancements against certain of its credit exposures. The main types of collateral held by the Bank and its subsidiaries are land, building and financial securities. Upon granting credit decision, the Bank assesses the Loss Given Default (LGD), which is dependent on loan-to-value (LTV) ratio (ratio of the gross amount of loan to the value of collateral). The value of collateral is appraised and reviewed in accordance to risk of each collateral type and staging of the borrowers. This will be appraised by either internal collateral valuation experts or external collateral valuation experts (approved by Securities Exchange Commission (SEC)) which is approved by the Collateral Appraisal Committee to ensure that the value is reliable and up to date. The collateral value used also takes into account the expected loss from legal execution and public auction, which vary based on risk of each collateral type. The Bank also set up a discount rate based on collateral type to calculate LTV ratio. According to the underwriting criteria, higher the risk of the customer, higher amount of collateral will be required. It would help to offer the risk of the customers in the view of risk-return of the program, or the Bank may lower the credit limit to an appropriate risk level.

*Derivatives and reverse sale-and-repurchase agreements*

The Bank and its subsidiaries mitigate the credit risk of derivative transactions and reverse sale-and-repurchase agreements by entering into master netting agreements and the bank's counterparty collateral agreement, of which collateral are held in the form of cash or marketable securities. Quantification of the collateral arrangements relating to these transactions is disclosed in note 27.

*Residential mortgage loans*

Mortgage loans is one of the types of loans, which is secured by collateral. However, the level of required collateral might be different by customer characteristics. Moreover, the BoT also considers LTV as one of the factors to calculate the Risk Weighted Asset (RWA) for Standardised Approach. The Bank manages the risk of higher LTV by allowing loans to customers who have a good scorecard rating.

As at 31 December 2022, consolidated and the Bank's LTV ratio of mortgage loan is approximately 71% (2021: 71%).

*Loans to corporate customers*

The general creditworthiness of a non-retail customer tends to be the most relevant indicator of credit quality of a loan extended to it. However, collateral provides additional creditworthiness and reduces the credit risk of this group of customers. The Bank and its subsidiaries generally consider it as one of the credit enhancements tools where the collateral are in the form of a first charge over real estate, floating charges over all corporate assets and other liens and guarantees.

Since there are several types of collaterals and guarantees, the haircut of the collaterals and guarantees might be different based on the liquidity and quality of each collateral and guarantee, as reflected in the haircut in the Credit Policy Guide. This is to ensure that appropriate level of credit enhancement is considered in the credit approval and review processes.

**4.1.3 Information relating to ECL**

Inputs, assumptions and techniques used for estimating ECL are disclosed in note 3.3.5 and note 2.1 for application on loans to customers subject to relief programmes.

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*Incorporation of forward-looking information*

The Bank and its subsidiaries incorporate forward-looking information into the measurement of ECL.

The Bank and its subsidiaries formulate three economic scenarios: a base case, which is the central scenario, developed internally, and two less likely scenarios, one upside and one downside scenario. External information considered includes economic data and forecasts published by governmental bodies, selected private-sector and academic.

The scenario probability weightings applied in the model when measuring ECL are as follows:

Scenario probability weighting	<b>Consolidated</b>					
	Upside	2022 Base	Downside	Upside	2021 Base	Downside
	20	60	20	20	60	20

Scenario probability weighting	<b>The Bank</b>					
	Upside	2022 Base	Downside	Upside	2021 Base	Downside
	20	60	20	20	60	20

The Bank and its subsidiaries have identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, by estimating relationships between macroeconomic variables, credit risk and credit losses. A broad range of forward-looking information are incorporated into the credit risk factors. The key drivers may include Gross Domestic Product (GDP), unemployment rate and private consumption expenditure, farm income index and household debt to GDP, etc. These variables and scenario probability weighting are produced by the Bank's Economic Intelligence Center.

The future uncertain events from the impact of the COVID-19 are partly reflected in the forward-looking information of the Bank and its subsidiaries' ECL models since this impact remains uncertain and represents a material downside risk to the economy with mitigation from government and other support measures. The Bank and its subsidiaries apply long-term macroeconomic forward-looking information according to regulatory guidelines, including management overlay as a buffer against economic uncertainty.

*Management Overlay*

Management overlay are adjustment to the ECL balance as part of financial reporting process to reflect late updates adjustment including current market information, known model insufficiencies, expert credit judgment adjustment on forward-looking information, and economic risk.

The Bank and its subsidiaries have internal governance frameworks and controls in place to assess the appropriateness and completeness of management overlay. The aim of the Bank and its subsidiaries is to incorporate the management overlay adjustment to the ECL models, where possible, as part of the periodic model monitoring, model validation, and recalibration procedures.

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As at 31 December 2022 and 2021, the Bank and its subsidiaries applied the management overlay primarily covered downside as prescribed in note 2.1

**4.1.4 Concentrations of credit risk**

The Bank and its subsidiaries monitor concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk from loans to customers is given in note 12.2 and 12.4.

**4.1.5 Credit quality analysis**

The Bank and its subsidiaries allocate each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgment.

Credit risk grades are defined and calibrated such that the risk of default occurring accelerates as the credit risk grade deteriorates so, for example, the difference in risk of default between strong grade is smaller than the difference between higher risk grade.

Each exposure is allocated to a credit risk grade on initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring typically involves use of the following data:

- Payment record - this includes overdue status as well as payment behaviour
- Existing and forecast changes in business, financial and economic conditions
- Information obtained during periodic review of customer files - e.g. audited financial statements, management accounts, budgets and projections.
- Data from credit reference agencies, press articles, changes in external credit ratings
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities
- Internally collected data on customer behaviour e.g. historical past due information, transaction data
- Parental support and/or guarantors
- Information from National Credit Bureau (NCB)
- Credit covenants
- Requester for and granting of forbearance

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Bank and its subsidiaries collect performance and default information about its credit risk exposures analysed by jurisdiction, by type of product and borrower as well as by credit risk grading. Also, information purchased from external credit reference agencies is also used.

The Bank and its subsidiaries employ statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures.

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Credit quality is ranked from credit grades that are grouped as Strong to Impaired. This quality is used to reflect the ability for customers to meet financial obligation where:

- Strong customers are those that have a good capacity to meet financial obligations.
- Fair customers are those that have a fairly acceptable capacity to meet financial obligations.
- Weak customers are those that have uncertain capability to meet financial obligations.
- Impaired customers are those whose credit were impaired primarily from owing more than 90 days overdue payments or have other indications which reflect the inability to repay.

The following tables set out information about the credit quality as at 31 December 2022 and 2021 of loans to customers without taking into account collateral or other credit enhancement. (see note 2.1 for application and amount of loans to customers subject to relief programmes)

	<b>Consolidated</b>			
	2022			
	Stage 1	Stage 2	Stage 3	Total
	<i>(in million Baht)</i>			
<b>Loans to customers</b>				
Strong	945,278	1,616	-	946,894
Fair	862,540	19,914	-	882,454
Weak	242,896	143,364	-	386,260
Impaired	-	-	91,139	91,139
<b>Total</b>	<b>2,050,714</b>	<b>164,894</b>	<b>91,139</b>	<b>2,306,747</b>

	<b>Consolidated</b>			
	2021			
	Stage 1	Stage 2	Stage 3	Total
	<i>(in million Baht)</i>			
<b>Loans to customers</b>				
Strong	946,468	2,536	-	949,004
Fair	803,374	46,201	-	849,575
Weak	253,265	140,876	-	394,141
Impaired	-	-	109,114	109,114
<b>Total</b>	<b>2,003,107</b>	<b>189,613</b>	<b>109,114</b>	<b>2,301,834</b>

	<b>The Bank</b>			
	2022			
	Stage 1	Stage 2	Stage 3	Total
	<i>(in million Baht)</i>			
<b>Loans to customers</b>				
Strong	945,240	1,616	-	946,856
Fair	860,524	19,853	-	880,377
Weak	242,463	143,047	-	385,510
Impaired	-	-	90,550	90,550
<b>Total</b>	<b>2,048,227</b>	<b>164,516</b>	<b>90,550</b>	<b>2,303,293</b>

	<b>The Bank</b>			
	2021			
	Stage 1	Stage 2	Stage 3	Total
	<i>(in million Baht)</i>			
<b>Loans to customers</b>				
Strong	943,888	2,536	-	946,424
Fair	801,520	46,023	-	847,543
Weak	252,838	140,512	-	393,350
Impaired	-	-	108,051	108,051
<b>Total</b>	<b>1,998,246</b>	<b>189,071</b>	<b>108,051</b>	<b>2,295,368</b>

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**4.2 Liquidity risk**

Liquidity risk is the risk that the Bank and its subsidiaries may not be able to meet its obligations as they fall due, because of an inability to realise assets or to cover funding requirements at an appropriate price, thus resulting in losses to the Bank and its subsidiaries.

In order to manage liquidity risk, the Bank and its subsidiaries established the Liquidity Risk Management Policy. The policy has been approved by the Board of Directors, with the Assets and Liabilities Management Committee (ALCO) taking an oversight responsibility to ensure compliance with the policy.

The Bank manages and controls liquidity risk to ensure that it maintains adequate sources of liquidity in order to maintain sufficient future cash flows to cover its activities during both normal and stress situations by using cash flow reports or liquidity gap reports to monitor and control the Bank's overall liquidity risk. The Bank's policy is to maintain its Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR) and liquidity ratio (liquid assets to deposits) at the appropriate level and to monitor net cash outflows over different time horizons to ensure that the Bank will be able to meet its liquidity needs on a timely basis.

Additionally, the Bank conducts stress testing on a regular basis under scenarios of BoT and the Bank own scenarios. Stress test results are incorporated into the Bank's contingency funding plan, which establishes scenario-specific action plans and explicit roles and responsibilities for liquidity management in the event of crisis.

The Bank has a policy to maintain its daily liquidity ratio at 20% or higher, measured as liquid assets to deposits. As at 31 December 2022, the Bank's liquidity ratio stood at 34.6% of deposits (2021: 33.0%).

The Bank discloses the Liquidity Coverage Ratio (LCR) information under the BoT notification number Sor Nor Sor 2/2561 dated 25 January 2018, regarding to *Liquidity coverage ratio disclosure standards* as follows:

Location of disclosure	The Bank's website under Investor Relations section at <a href="https://www.scb.co.th/en/investor-relations/financial-information.html">https://www.scb.co.th/en/investor-relations/financial-information.html</a>
Disclosure period requirement	Within 4 months after the year end date as indicated in the BoT's notification.
Latest information as at	30 June 2022

The disclosure for the year ended 31 December 2022 will be provided on or before 30 April 2023 on the Bank's website as noted above.

**Loans to deposits ratio**

As at 31 December 2022, Loans to Deposits Ratio (excluding loans and deposits from financial institutions) was 89.5% in the Bank's financial statements (2021: 93.0%).

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As at 31 December 2022 and 2021, the expected cash flows to maturity counted from the date of statements of financial position (excluding derivatives contractual undiscounted cashflows which are disclosed in note 9) were summarised as follows:

	<b>Consolidated</b>						Total
	2022						
	At call	Within 1 year	1 - 5 years	Over 5 years	Non- Performing Loans	No maturity	
	<i>(in million Baht)</i>						
<b>Financial assets</b>							
Cash	-	-	-	-	-	47,245	47,245
Interbank and money market items*	22,812	498,911	-	-	-	746	522,469
Financial assets measured at FVTPL	-	1,349	2,879	6,862	-	31,066	42,156
Investments, net	-	117,603	170,987	98,935	-	1,621	389,146
Loans to customers	123,454	557,504	695,397	839,253	91,139	-	2,306,747
Accrued interest receivables and undue interest receivables	-	17,190	-	-	189	-	17,379
<b>Total financial assets</b>	<b>146,266</b>	<b>1,192,557</b>	<b>869,263</b>	<b>945,050</b>	<b>91,328</b>	<b>80,678</b>	<b>3,325,142</b>
<b>Financial liabilities</b>							
Deposits	2,128,708	438,184	10,519	-	-	-	2,577,411
Interbank and money market items	15,505	83,765	27,560	10,000	-	-	136,830
Debt issued and borrowings	-	18,311	32,991	16,338	-	-	67,640
Other financial liabilities	3	1,737	25	-	-	-	1,765
<b>Total financial liabilities</b>	<b>2,144,216</b>	<b>541,997</b>	<b>71,095</b>	<b>26,338</b>	<b>-</b>	<b>-</b>	<b>2,783,646</b>
<b>Net liquidity gap</b>	<b>(1,997,950)</b>	<b>650,560</b>	<b>798,168</b>	<b>918,712</b>	<b>91,328</b>	<b>80,678</b>	<b>541,496</b>

\* Before deducting allowance for expected credit loss amounting to Baht 113 million.

	<b>Consolidated</b>						Total
	2021						
	At call	Within 1 year	1 - 5 years	Over 5 years	Non- Performing Loans	No maturity	
	<i>(in million Baht)</i>						
<b>Financial assets</b>							
Cash	-	-	-	-	-	50,421	50,421
Interbank and money market items*	39,531	578,172	-	-	-	738	618,441
Financial assets measured at FVTPL	-	394	2,871	9,020	-	56,422	68,707
Investments, net	-	156,163	63,659	1,176	-	1,636	222,634
Loans to customers	178,004	552,756	746,339	715,621	109,114	-	2,301,834
Accrued interest receivables and undue interest receivables	-	14,807	-	-	224	-	15,031
<b>Total financial assets</b>	<b>217,535</b>	<b>1,302,292</b>	<b>812,869</b>	<b>725,817</b>	<b>109,338</b>	<b>109,217</b>	<b>3,277,068</b>
<b>Financial liabilities</b>							
Deposits	1,958,997	493,282	15,216	-	-	-	2,467,495
Interbank and money market items	21,136	124,686	24,483	10,656	-	-	180,961
Debt issued and borrowings	-	21,872	34,634	18,416	-	-	74,922
Other financial liabilities	2	2,097	38	-	-	-	2,137
<b>Total financial liabilities</b>	<b>1,980,135</b>	<b>641,937</b>	<b>74,371</b>	<b>29,072</b>	<b>-</b>	<b>-</b>	<b>2,725,515</b>
<b>Net liquidity gap</b>	<b>(1,762,600)</b>	<b>660,355</b>	<b>738,498</b>	<b>696,745</b>	<b>109,338</b>	<b>109,217</b>	<b>551,553</b>

\* Before deducting allowance for expected credit loss amounting to Baht 172 million.

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	<b>The Bank 2022</b>						
	At call	Within 1 year	1 - 5 years	Over 5 years	Non- Performing Loans	No maturity	Total
	<i>(in million Baht)</i>						
<b>Financial assets</b>							
Cash	-	-	-	-	-	47,059	47,059
Interbank and money market items*	18,562	492,104	-	-	-	-	510,666
Financial assets measured at FVTPL	-	1,349	2,879	6,862	-	31,066	42,156
Investments, net	-	117,282	170,982	98,935	-	1,612	388,811
Loans to customers	123,453	555,704	694,646	838,940	90,550	-	2,303,293
Accrued interest receivables and undue interest receivables	-	17,182	-	-	166	-	17,348
<b>Total financial assets</b>	<b>142,015</b>	<b>1,183,621</b>	<b>868,507</b>	<b>944,737</b>	<b>90,716</b>	<b>79,737</b>	<b>3,309,333</b>
<b>Financial liabilities</b>							
Deposits	2,125,544	437,591	10,519	-	-	-	2,573,654
Interbank and money market items	15,758	84,021	27,560	10,000	-	-	137,339
Debt issued and borrowings	-	18,311	32,991	16,338	-	-	67,640
Other financial liabilities	-	1,737	25	-	-	-	1,762
<b>Total financial liabilities</b>	<b>2,141,302</b>	<b>541,660</b>	<b>71,095</b>	<b>26,338</b>	<b>-</b>	<b>-</b>	<b>2,780,395</b>
<b>Net liquidity gap</b>	<b>(1,999,287)</b>	<b>641,961</b>	<b>797,412</b>	<b>918,399</b>	<b>90,716</b>	<b>79,737</b>	<b>528,938</b>

\* Before deducting allowance for expected credit loss amounting to Baht 62 million.

	<b>The Bank 2021</b>						
	At call	Within 1 year	1 - 5 years	Over 5 years	Non- Performing Loans	No maturity	Total
	<i>(in million Baht)</i>						
<b>Financial assets</b>							
Cash	-	-	-	-	-	50,218	50,218
Interbank and money market items*	34,092	572,147	-	-	-	-	606,239
Financial assets measured at FVTPL	-	369	2,782	8,907	-	37,096	49,154
Investments, net	-	156,138	63,659	1,170	-	1,620	222,587
Loans to customers	175,782	550,930	745,309	715,296	108,051	-	2,295,368
Accrued interest receivables and undue interest receivables	-	14,724	-	-	197	-	14,921
<b>Total financial assets</b>	<b>209,874</b>	<b>1,294,308</b>	<b>811,750</b>	<b>725,373</b>	<b>108,248</b>	<b>88,934</b>	<b>3,238,487</b>
<b>Financial liabilities</b>							
Deposits	1,961,248	492,737	15,216	-	-	-	2,469,201
Interbank and money market items	22,750	124,417	24,483	10,656	-	-	182,306
Debt issued and borrowings	-	16,055	34,634	18,416	-	-	69,105
Other financial liabilities	-	2,078	38	-	-	-	2,116
<b>Total financial liabilities</b>	<b>1,983,998</b>	<b>635,287</b>	<b>74,371</b>	<b>29,072</b>	<b>-</b>	<b>-</b>	<b>2,722,728</b>
<b>Net liquidity gap</b>	<b>(1,774,124)</b>	<b>659,021</b>	<b>737,379</b>	<b>696,301</b>	<b>108,248</b>	<b>88,934</b>	<b>515,759</b>

\* Before deducting allowance for expected credit loss amounting to Baht 136 million.

## **The Siam Commercial Bank Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

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#### **4.3 Market risk**

Market risk is the risk that the Bank and its subsidiaries income and/or shareholders' equity may be affected from the fluctuations of interest rates, foreign exchange rates and equity prices. The Bank and its subsidiaries classify market risk positions into Trading books and Non-Trading book. Trading books comprise trading transactions in the financial markets and short-term positions held for sale and/or trading or arbitrage, while Non-Trading book mainly comprise positions from Interest Rate Risk in Banking Book (IRRBB) and from Investment Risk Management.

The Bank and its Financial Group with material market risk exposures are required to have a Market Risk Policy or Trading Book Policy or Investment Policy for managing market risk. The policies must be submitted to the Group Risk Management Committee for reviewing prior to seek approval from Boards of Directors of respective companies. These policies must be reviewed at least once a year, or when deemed appropriate and/or upon any significant strategy or market change and materially affect these policies' compliance. The Bank and its Financial Group with material market risk exposure are required to set up an independent market risk management function which is responsible for measuring, evaluating, controlling, monitoring, and reporting market risk, as well as ensuring that market risk exposure stays below the predetermined limits.

To manage market risk exposures, the Bank and its Financial Group have adopted appropriate statistical and non-statistical tools for market risk assessment which depend on individual market risk characteristics and market risk positions. These tools include Value-at-Risk (VaR), stress testing, position size, sensitivity analysis, management action trigger, and others.

##### **4.3.1 Interest rate risk**

Interest rate fluctuation affects the Bank's interest income and expenses as well as economic value of equity. Four main sub-types of interest rate risk are defined as follows:

- Repricing risk is the risk from maturity / timing mismatches of the Bank's assets and liabilities, which cause interest rates at reset to differ due to yield curve movements. For example, assuming all other factors are constant, if the Bank's assets can be repriced faster than liabilities (positive gap), interest margins increase when interest rates rise. On the other hand, if the Bank's ability to reprice assets is slower than liabilities (negative gap), then interest margins narrow when interest rates rise.
- Yield curve risk arises from interest rates at different maturities changing differently.
- Basis risk occurs when the Bank's assets and liabilities are based on different reference interest rates, e.g., fixed-deposit rates, interbank lending rates, THBFIX interest rates, etc. Therefore, any change in reference rates will affect interest rates tied with assets and liabilities differently.
- Options risk arises from implicit and explicit options in the Bank's assets and liabilities and off-financial reporting items, where exercising these options might affect the Bank's revenue and costs. For example, an option on three-month deposit that allows early withdrawal before maturity will, if exercised, cause the Bank's costs to rise sooner than expected.

The Bank and its subsidiaries adopt various tools for interest rate risk management which includes risk tolerance limits for both the Trading book and non-Trading book. For Trading book exposures, there are limits on Value-at-Risk (VaR), sensitivities to yield curve and basis shifts (basis point value), and stress testing. For Non-Trading book exposures, limits are determined based on impact assessment on Net Interest Income (NII) and Economic Value of Equity (EVE).

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As at 31 December 2022 and 2021, the Bank's interest rate risk exposures based on the results of the aforementioned tools are as follows:

*Risk of interest rate portfolio in Trading book*

	<b>The Bank</b>	
	2022	2021
	<i>(in million Baht)</i>	
Aggregate 1-year historical Value-at-Risk (VaR)*	50.3	21.7

\* With 99% confidence level and 1-day holding period (in normal market situations)

The Bank has disclosed the VaR figures for interest rate risk in Trading book at the Bank level as the VaR for interest rate risk in Trading book of other subsidiaries of its Financial Group are insignificant and exposures at the consolidated level do not materially differ from the Bank level.

*Interest rate risk in Banking book*

Impact on Net interest Income (NII) in the event that interest rates rise by 1%

	<b>The Bank</b>	
	2022	2021
	<i>(in million Baht)</i>	
<b>Currency</b>		
THB	(5,789)	(3,961)
USD	(257)	(265)
EURO and other foreign currencies	50	91
<b>Total impact on net interest income</b>	<b>(5,996)</b>	<b>(4,135)</b>
<b>Change in net interest income (%)</b>	<b>(6.23)</b>	<b>(4.90)</b>

Impact on Economic Value of Equity (EVE) in the event that interest rates rise by 1%

	<b>The Bank</b>	
	2022	2021
	<i>(in million Baht)</i>	
<b>Currency</b>		
THB	(24,261)	(24,163)
USD	55	(34)
EURO and other foreign currencies	(106)	4
<b>Total impact on economic value of equity</b>	<b>(24,312)</b>	<b>(24,193)</b>
<b>Change in total capital (%)</b>	<b>(6.59)</b>	<b>(5.74)</b>

As at 31 December 2022, for interest rate risk in banking book in the event that interest rates rise by 1%, within 1 year the Bank would be impacted by decreasing NII (before behavioral adjustment) by Baht 6.00 billion or 6.23% and increasing NII (after behavioral adjustment) by Baht 6.74 billion or 7.00%. With a long-term economic measure, the Bank would be impacted by decreasing EVE (before behavioral adjustment) by Baht 24.31 billion or 6.59% and increasing EVE (after behavioral adjustment) by Baht 0.58 billion or 0.16%.

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In 2022, the Bank adopted a behavior model in measuring interest rate risk in the banking book to better reflect the risk by adjusting asset and liability repricing tenors i.e., maturity of non-maturity deposits (NMDs), fixed-rate loans subject to prepayment risk, and term deposits subject to early redemption risk, as well as adjusting the relationship of loan and deposit interest rate to the policy rate. The behavior adjustment is in accordance with the BoT notification number Sor. Kor. Sor.1. 2/2564 dated 19 August 2021, regarding to Pillar 2.

The Bank has disclosed the NII and EVE figures for interest rate risk in Banking book at the Bank level as these of other subsidiaries of its Financial Group are insignificant and the exposures at the consolidated level do not materially differ from the Bank level.

*Interest rate repricing analysis*

As at 31 December 2022 and 2021, significant financial assets and liabilities classified by interest repricing periods were as follows:

	<b>Consolidated</b>							Total
	2022							
	At call	3 months	Repricing within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non- Performing Loans	Non- interest bearing	
	<i>(in million Baht)</i>							
<b>Financial assets</b>								
Cash	-	-	-	-	-	-	47,245	47,245
Interbank and money market items *	14,328	478,718	4,478	-	-	-	24,945	522,469
Financial assets measured at FVTPL	-	8	1,341	2,879	6,862	-	31,066	42,156
Investments, net	-	73,159	68,457	146,974	98,935	-	1,621	389,146
Loans to customers	891,567	437,858	311,900	526,212	48,071	91,139	-	2,306,747
<b>Total financial assets</b>	<b>905,895</b>	<b>989,743</b>	<b>386,176</b>	<b>676,065</b>	<b>153,868</b>	<b>91,139</b>	<b>104,877</b>	<b>3,307,763</b>
<b>Financial liabilities</b>								
Deposits	2,044,632	204,387	227,137	6,819	-	-	94,436	2,577,411
Interbank and money market items	15,530	82,854	3,051	27,560	-	-	7,835	136,830
Debt issued and borrowings	-	67,293	297	-	-	-	50	67,640
<b>Total financial liabilities</b>	<b>2,060,162</b>	<b>354,534</b>	<b>230,485</b>	<b>34,379</b>	<b>-</b>	<b>-</b>	<b>102,321</b>	<b>2,781,881</b>
<b>Difference</b>	<b>(1,154,267)</b>	<b>635,209</b>	<b>155,691</b>	<b>641,686</b>	<b>153,868</b>	<b>91,139</b>	<b>2,556</b>	<b>525,882</b>

\* Before deducting allowance for expected credit loss amounting to Baht 113 million.

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	<b>Consolidated</b>							Total
	2021							
	At call	3 months	Repricing within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non- Performing Loans	Non- interest bearing	
	<i>(in million Baht)</i>							
<b>Financial assets</b>								
Cash	-	-	-	-	-	-	50,421	50,421
Interbank and money market items *	11,996	573,151	890	-	251	-	32,153	618,441
Financial assets measured at FVTPL	-	14	380	2,871	9,020	-	56,422	68,707
Investments, net	-	30,288	135,262	54,272	1,176	-	1,636	222,634
Loans to customers	914,294	433,860	153,831	518,996	171,739	109,114	-	2,301,834
<b>Total financial assets</b>	<b>926,290</b>	<b>1,037,313</b>	<b>290,363</b>	<b>576,139</b>	<b>182,186</b>	<b>109,114</b>	<b>140,632</b>	<b>3,262,037</b>
<b>Financial liabilities</b>								
Deposits	1,873,950	219,337	264,868	11,725	-	-	97,615	2,467,495
Interbank and money market items	13,421	100,052	35,044	24,483	656	-	7,305	180,961
Debt issued and borrowings	-	69,594	5,211	-	-	-	117	74,922
<b>Total financial liabilities</b>	<b>1,887,371</b>	<b>388,983</b>	<b>305,123</b>	<b>36,208</b>	<b>656</b>	<b>-</b>	<b>105,037</b>	<b>2,723,378</b>
<b>Difference</b>	<b>(961,081)</b>	<b>648,330</b>	<b>(14,760)</b>	<b>539,931</b>	<b>181,530</b>	<b>109,114</b>	<b>35,595</b>	<b>538,659</b>

\* Before deducting allowance for expected credit loss amounting to Baht 172 million.

	<b>The Bank</b>							Total
	2022							
	At call	3 months	Repricing within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non- Performing Loans	Non- interest bearing	
	<i>(in million Baht)</i>							
<b>Financial assets</b>								
Cash	-	-	-	-	-	-	47,059	47,059
Interbank and money market items *	14,328	475,031	3,381	-	-	-	17,926	510,666
Financial assets measured at FVTPL	-	8	1,341	2,879	6,862	-	31,066	42,156
Investments, net	-	72,857	68,438	146,969	98,935	-	1,612	388,811
Loans to customers	891,566	436,600	311,359	525,462	47,756	90,550	-	2,303,293
<b>Total financial assets</b>	<b>905,894</b>	<b>984,496</b>	<b>384,519</b>	<b>675,310</b>	<b>153,553</b>	<b>90,550</b>	<b>97,663</b>	<b>3,291,985</b>
<b>Financial liabilities</b>								
Deposits	2,042,398	203,821	227,109	6,819	-	-	93,507	2,573,654
Interbank and money market items	15,758	83,614	2,548	27,560	-	-	7,859	137,339
Debt issued and borrowings	-	67,293	297	-	-	-	50	67,640
<b>Total financial liabilities</b>	<b>2,058,156</b>	<b>354,728</b>	<b>229,954</b>	<b>34,379</b>	<b>-</b>	<b>-</b>	<b>101,416</b>	<b>2,778,633</b>
<b>Difference</b>	<b>(1,152,262)</b>	<b>629,768</b>	<b>154,565</b>	<b>640,931</b>	<b>153,553</b>	<b>90,550</b>	<b>(3,753)</b>	<b>513,352</b>

\* Before deducting allowance for expected credit loss amounting to Baht 62 million.

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	<b>The Bank</b>							Total
	2021							
	At call	Repricing within 3 months	Repricing within 3 - 12 months	1 - 5 years	Reprice over 5 years	Non- Performing Loans	Non- interest bearing	
								(in million Baht)
<b>Financial assets</b>								
Cash	-	-	-	-	-	-	50,218	50,218
Interbank and money market items *	11,970	571,474	593	-	-	-	22,202	606,239
Financial assets measured at FVTPL	-	-	369	2,782	8,907	-	37,096	49,154
Investments, net	-	30,050	135,475	54,272	1,170	-	1,620	222,587
Loans to customers	913,172	432,593	152,171	517,967	171,414	108,051	-	2,295,368
<b>Total financial assets</b>	<b>925,142</b>	<b>1,034,117</b>	<b>288,608</b>	<b>575,021</b>	<b>181,491</b>	<b>108,051</b>	<b>111,136</b>	<b>3,223,566</b>
<b>Financial liabilities</b>								
Deposits	1,877,509	218,894	264,765	11,725	-	-	96,308	2,469,201
Interbank and money market items	14,372	100,655	34,672	24,483	656	-	7,468	182,306
Debt issued and borrowings	-	67,504	1,484	-	-	-	117	69,105
<b>Total financial liabilities</b>	<b>1,891,881</b>	<b>387,053</b>	<b>300,921</b>	<b>36,208</b>	<b>656</b>	<b>-</b>	<b>103,893</b>	<b>2,720,612</b>
<b>Difference</b>	<b>(966,739)</b>	<b>647,064</b>	<b>(12,313)</b>	<b>538,813</b>	<b>180,835</b>	<b>108,051</b>	<b>7,243</b>	<b>502,954</b>

\* Before deducting allowance for expected credit loss amounting to Baht 136 million.

*Managing interest rate benchmark reform (IBOR reform)*

The risk management committee monitors and manages the Bank and subsidiaries' transition to alternative rates and provides periodic reports to management of interest rate risk and risks arising from IBOR reform.

The Bank and its subsidiaries' main IBOR exposure at 31 December 2022 was indexed to LIBOR and THBFIX. The Bank and its subsidiaries have finished the process of amending contractual terms for all of the LIBOR and THBFIX indexed exposures to incorporate with economically equivalent interest rate by 30 June 2023.

The Bank and its subsidiaries hold interest rate swaps for risk management purposes that are designated in fair value hedging relationships. The interest rate swaps have floating legs that are indexed to USD LIBOR. The Bank and its subsidiaries' derivative instruments are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements.

The Bank and its subsidiaries monitor the progress of transition from IBOR to new benchmark rate by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause.

The following table shows the total amounts of financial instruments which are subject to IBOR reform and have yet to transition to an alternative benchmark rates. The amounts of financial assets are shown at their carrying amounts and derivatives are shown at their notional amounts.

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<i>Key reference rate under the existing contracts</i>	<b>The Bank</b>	
	LIBOR	THBFX
	<i>(in million Baht)</i>	
<b>At 31 December 2022</b>		
Loan to customers	42,930	82,656
Derivatives	366,691	387,906

The Bank has disclosed the key reference rate under the existing contracts figures for managing interest rate benchmark reform at the Bank level as the key reference rate under the existing contracts figures for Managing interest rate benchmark reform of other subsidiaries of its Financial Group are insignificant and exposures at the consolidated level do not materially differ from the Bank level.

#### **4.3.2 Foreign exchange risk**

Fluctuation in exchange rates affects the value of the Bank and its subsidiaries foreign currency-denominated assets and liabilities. Transactions exposed to foreign exchange risk include proprietary trading transactions and money transfers as well as payments related to international trade and foreign investment, which may result in the Bank and its subsidiaries net currency position being short or long at any point in time. Thai Baht appreciation against the currency in which the Bank and its subsidiaries have a net long position will result in foreign exchange losses, whereas Baht depreciation will result in foreign exchange gain. On the other hand, if the Bank and its subsidiaries are in a net short position, the Bank and its subsidiaries will make a gain on the position when the Baht strengthens but a loss when the Baht weakens.

The Bank and its subsidiaries control foreign exchange risk by setting risk limits on foreign exchange risk exposure both in terms of statistical limits, such as Value at Risk (VaR), and monetary limits, such as net open position (Intra-day Position and Overnight Position), and management action triggers, etc.

As at 31 December 2022 and 2021, the Bank's foreign exchange risk based on the results of the aforementioned tools are as follows:

	<b>The Bank</b>	
	2022	2021
	<i>(in million US Dollars)</i>	
Net open long (short) position (US Dollar equivalent)	(42.3)	43.3

#### *Risk of foreign exchange rate portfolio in Trading book*

	<b>The Bank</b>	
	2022	2021
	<i>(in million Baht)</i>	
Aggregate 1-year historical Value-at-Risk (VaR)*	25.0	9.6

\* With 99% confidence level and 1-day holding period (in normal market situations)

As at 31 December 2022 and 2021, majority of the Bank's foreign currency exposures is in US Dollar.

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The Bank has disclosed the Net open long (short) position and VaR for foreign exchange risk at the Bank level as the Net open long (short) position and VaR for foreign exchange risk of other subsidiaries of its Financial Group are insignificant and the exposures at the consolidated level do not materially differ from the Bank level.

**4.3.3 Equity price risk**

Equity price risk is the risk arising from changes in the price of equities or common stock that may cause volatility in earning or fluctuations in the value of financial assets. The Bank and its subsidiaries have policies to manage the risk by maintaining long-term equity investments and investing in growth potential equities and/or those intended to support the business. The Bank has established the policy that only companies within the Financial Group that are engaged in the financial business with specific supervisory bodies and those permitted to engage in portfolio management can initiate action with respect to equity investments, as allowed under applicable regulations. The Bank has closely managed and monitored market situations to provide information for management to monitor the risk to the Bank. The Bank monitors the investment in listed equity using Value-at-Risk (VaR). For investment that does not have market price, expected loss estimation from historical data used as risk measurement and for risk limit control. (Further details of equity investments are provided under note 8 and 10 and further details on fair value of equity investments and framework are provided under note 28).

**5 Maintenance of capital fund**

The Bank maintains 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 BoT. As announced by BoT in circulars dated 8 November 2012 and 7 May 2019, the Bank is required to calculate its Capital Fund in accordance with Basel III.

As at 31 December 2022 and 2021, the Bank's total capital funds were categorised as follows:

	<b>Basel III</b>	
	<b>The Bank</b>	
	2022	2021
	<i>(in million Baht)</i>	
<b>Tier 1 capital</b>		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	33,992	33,992
Premium on share capital	11,124	11,124
Legal reserve	7,000	7,000
Net profit after appropriation	293,281	345,471
Other comprehensive income	18,775	20,131
Capital deduction items on CET1	(19,240)	(20,686)
<b>Total Tier 1 capital</b>	<b>344,932</b>	<b>397,032</b>
<b>Tier 2 capital</b>		
General provisions	24,250	24,612
<b>Total Tier 2 capital</b>	<b>24,250</b>	<b>24,612</b>
<b>Total capital funds</b>	<b>369,182</b>	<b>421,644</b>
<b>Total risk-weighted assets</b>	<b>2,220,000</b>	<b>2,238,352</b>

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	2022		2021	
	The BoT's regulation minimum requirement*	Capital ratio of the Bank	The BoT's regulation minimum requirement* (%)	Capital ratio of the Bank
Total capital funds / Total risk-weighted assets	12.0	16.6	12.0	18.8
Total Tier 1 capital / Total risk-weighted assets	9.5	15.5	9.5	17.7
Total CET 1 / Total risk-weighted assets	8.0	15.5	8.0	17.7
Total Tier 2 capital / Total risk-weighted assets		1.1		1.1

\* The BoT requires commercial banks to maintain an additional buffer on top of minimum regulatory required Common Equity Tier 1 consists of conservation buffer of 2.50% and D-SIB buffer of 1.0%

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

Disclosures of capital maintenance information under the BoT notification number Sor Nor Sor 4/2556 dated 2 May 2013, regarding to *Disclosure Requirement on Capital Adequacy for a Commercial Bank* and the BoT notification number Sor Nor Sor 14/2562 dated 7 May 2019, regarding to *Disclosure requirement on Capital Adequacy for a Commercial Bank (Volume 2)* were as follows:

Location of disclosure	The Bank's website under Investor Relations section at <a href="https://www.scb.co.th/en/investor-relations/financial-information.html">https://www.scb.co.th/en/investor-relations/financial-information.html</a>
Disclosure period requirement	Within 4 months after the year end date as indicated in the BoT's notification
Latest information as at	30 June 2022

The disclosure for the year ended 31 December 2022 will be provided on or before 30 April 2023 on the Bank's website as noted above.

#### *Capital management*

The Bank and its subsidiaries' policies are to maintain a strong capital base so as to provide a cushion against future uncertainties, engender market confidence in the Bank's robustness and to support business growth. Furthermore, the impact of the level of capital on shareholders' returns is also considered together with the need to maintain a balance between the higher returns that might be possible with higher gearing and the advantages and security afforded by a sound capital position.

The Bank and its subsidiaries complied with the BoT's imposed capital requirements throughout the year and, as noted in the table above, its capital level is well in excess of the minimum requirements.

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**6 Classification of financial assets and financial liabilities**

	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Consolidated 2022 Investments in equity instruments designated at FVOCI (in million Baht)	Financial instruments measured at AMC	Total
<b>Financial assets</b>					
Cash	-	-	-	47,245	47,245
Interbank and money market items, net	-	-	-	522,356	522,356
Financial assets measured at FVTPL*	42,156	-	-	-	42,156
Derivative assets	65,687	-	-	-	65,687
Investments, net	-	178,016	1,621	209,509	389,146
Loans to customers and accrued interest receivables, net	-	-	-	2,187,916	2,187,916
<b>Total</b>	<b>107,843</b>	<b>178,016</b>	<b>1,621</b>	<b>2,967,026</b>	<b>3,254,506</b>
<b>Financial liabilities</b>					
Deposits	-	-	-	2,577,411	2,577,411
Interbank and money market items	-	-	-	136,830	136,830
Liabilities payable on demand	-	-	-	11,429	11,429
Derivative liabilities	60,415	-	-	-	60,415
Debt issued and borrowings	-	-	-	67,640	67,640
<b>Total</b>	<b>60,415</b>	<b>-</b>	<b>-</b>	<b>2,793,310</b>	<b>2,853,725</b>

\* Financial assets measured at fair value through profit or loss in the consolidated financial statements at 31 December 2022 is the balance after the Bank disposed of its investment in direct and indirect subsidiaries to SCB X Public Company Limited in relation to the Financial Business Group restructuring plan. (see notes 11 and 46)

	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Consolidated 2021 Investments in equity instruments designated at FVOCI (in million Baht)	Financial instruments measured at AMC	Total
<b>Financial assets</b>					
Cash	-	-	-	50,421	50,421
Interbank and money market items, net	-	-	-	618,269	618,269
Financial assets measured at FVTPL	68,707	-	-	-	68,707
Derivative assets	57,579	-	-	-	57,579
Investments, net	-	213,450	1,636	7,548	222,634
Loans to customers and accrued interest receivables, net	-	-	-	2,165,456	2,165,456
<b>Total</b>	<b>126,286</b>	<b>213,450</b>	<b>1,636</b>	<b>2,841,694</b>	<b>3,183,066</b>

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	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Consolidated 2021 Investments in equity instruments designated at FVOCI (in million Baht)	Financial instruments measured at AMC	Total
<b>Financial liabilities</b>					
Deposits	-	-	-	2,467,495	2,467,495
Interbank and money market items	-	-	-	180,961	180,961
Liabilities payable on demand	-	-	-	10,539	10,539
Financial liabilities measured at FVTPL	6	-	-	-	6
Derivative liabilities	49,200	-	-	-	49,200
Debt issued and borrowings	-	-	-	74,922	74,922
<b>Total</b>	<b>49,206</b>	<b>-</b>	<b>-</b>	<b>2,733,917</b>	<b>2,783,123</b>
<b>The Bank 2022</b>					
	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	Investments in equity instruments designated at FVOCI (in million Baht)	Financial instruments measured at AMC	Total
<b>Financial assets</b>					
Cash	-	-	-	47,059	47,059
Interbank and money market items, net	-	-	-	510,604	510,604
Financial assets measured at FVTPL	42,156	-	-	-	42,156
Derivative assets	65,687	-	-	-	65,687
Investments, net	-	178,016	1,612	209,183	388,811
Loans to customers and accrued interest receivables, net	-	-	-	2,185,054	2,185,054
<b>Total</b>	<b>107,843</b>	<b>178,016</b>	<b>1,612</b>	<b>2,951,900</b>	<b>3,239,371</b>
<b>Financial liabilities</b>					
Deposits	-	-	-	2,573,654	2,573,654
Interbank and money market items	-	-	-	137,339	137,339
Liabilities payable on demand	-	-	-	11,429	11,429
Derivative liabilities	60,415	-	-	-	60,415
Debt issued and borrowings	-	-	-	67,640	67,640
<b>Total</b>	<b>60,415</b>	<b>-</b>	<b>-</b>	<b>2,790,062</b>	<b>2,850,477</b>

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	Financial instruments measured at FVTPL	Financial instruments measured at FVOCI	The Bank 2021 Investments in equity instruments designated at FVOCI (in million Baht)	Financial instruments measured at AMC	Total
<b>Financial assets</b>					
Cash	-	-	-	50,218	50,218
Interbank and money market items, net	-	-	-	606,103	606,103
Financial assets measured at FVTPL	49,154	-	-	-	49,154
Derivative assets	57,617	-	-	-	57,617
Investments, net	-	213,450	1,620	7,517	222,587
Loans to customers and accrued interest receivables, net	-	-	-	2,160,070	2,160,070
<b>Total</b>	<b>106,771</b>	<b>213,450</b>	<b>1,620</b>	<b>2,823,908</b>	<b>3,145,749</b>
<b>Financial liabilities</b>					
Deposits	-	-	-	2,469,201	2,469,201
Interbank and money market items	-	-	-	182,306	182,306
Liabilities payable on demand	-	-	-	10,539	10,539
Derivative liabilities	49,646	-	-	-	49,646
Debt issued and borrowings	-	-	-	69,105	69,105
<b>Total</b>	<b>49,646</b>	<b>-</b>	<b>-</b>	<b>2,731,151</b>	<b>2,780,797</b>

**7 Interbank and money market items, net (Assets)**

	Consolidated		The Bank	
	2022	2021	2022	2021
	(in million Baht)			
<b>Domestic items</b>				
Bank of Thailand and Financial Institutions Development Fund	462,462	550,843	462,462	550,843
Commercial banks	24,088	29,138	23,348	28,720
Specialised financial institutions*	-	3,000	-	3,000
Other financial institutions**	5,629	1,419	5,629	1,269
<b>Total</b>	<b>492,179</b>	<b>584,400</b>	<b>491,439</b>	<b>583,832</b>
Add accrued interest receivables and undue interest receivables	171	79	169	76
Less allowance for expected credit loss	(59)	(84)	(59)	(69)
<b>Total domestic items</b>	<b>492,291</b>	<b>584,395</b>	<b>491,549</b>	<b>583,839</b>

\* Specialised financial institutions are financial institutions incorporated by special laws e.g. Government Savings Bank, Bank for Agriculture and Agricultural Co-operatives, Government Housing Bank, SME Bank, Islamic Bank of Thailand, Export-Import Bank of Thailand and Secondary Mortgage Corporation excluding Thai Credit Guarantee Corporation.

\*\* Other financial institutions represent financial institutions other than above, such as Finance companies, Securities companies, Credit foncier companies, Life insurance companies, Cooperatives, the Federation of Savings and Credit Cooperatives of Thailand Limited and the Credit Union League of Thailand Limited.

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	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
<b>Foreign items***</b>				
US Dollar	25,377	28,587	14,505	17,257
Japanese Yen	468	455	468	455
Euro	89	157	89	157
Other currencies	4,150	4,753	3,993	4,458
<b>Total</b>	<b>30,084</b>	<b>33,952</b>	<b>19,055</b>	<b>22,327</b>
Add accrued interest receivables and undue interest receivables	35	10	3	4
Less allowance for expected credit loss	(54)	(88)	(3)	(67)
<b>Total foreign items</b>	<b>30,065</b>	<b>33,874</b>	<b>19,055</b>	<b>22,264</b>
<b>Total domestic and foreign items</b>	<b>522,356</b>	<b>618,269</b>	<b>510,604</b>	<b>606,103</b>

\*\*\* Certain amount under this item are under restrictions (Note 32).

## 8 Financial assets measured at fair value through profit or loss

	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	Fair value	Fair value	Fair value	Fair value
	<i>(in million Baht)</i>			
<b>Financial assets held for trading</b>				
Government and state enterprise securities	4,705	4,886	4,705	4,861
Corporate debt instruments	5,652	6,521	5,652	6,506
Foreign debt instruments	-	17	-	-
Domestic equity instruments	-	4,895	-	-
<b>Total</b>	<b>10,357</b>	<b>16,319</b>	<b>10,357</b>	<b>11,367</b>
<b>Others</b>				
Corporate debt instruments	381	496	381	387
Foreign debt instruments	19,657	30,149	19,657	30,088
Domestic equity instruments	660	1,396	660	1,272
Foreign equity instruments	11,101	20,347	11,101	6,040
<b>Total</b>	<b>31,799</b>	<b>52,388</b>	<b>31,799</b>	<b>37,787</b>
<b>Total financial assets measured at fair value through profit and loss</b>	<b>42,156</b>	<b>68,707</b>	<b>42,156</b>	<b>49,154</b>

Financial assets measured at fair value through profit or loss in the consolidated financial statements at 31 December 2022 is the balance after the Bank disposed of its investment in direct and indirect subsidiaries to SCB X Public Company Limited in relation to the Financial Business Group restructuring plan (see notes 11 and 46).

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**9 Derivatives**

Derivatives are financial instruments whose characteristics are derived from fair value of underlying assets, or from interest and exchange rates or indices. The following derivatives are currently used and outstanding by the Bank and its subsidiaries:

1. Forward exchange contracts which are agreements to buy or sell fixed amounts of currency at agreed rates of exchange on a specified future date.

Currency and interest rate swaps which are agreements to exchange, and on termination of the swap, re-exchange principal amounts denominated in different currencies and may also involve the exchange of related interest payments.

2. Interest rate swaps which are agreements that involve the exchange of interest obligations for a specified period without exchanging the underlying or notional principal.
3. Equity derivatives which are agreements that determined values based on level of the underlying equity's price or price of equity group or Equity Index.
4. Commodity derivatives which are a purchase or a sale of an underlying product or the exchange of cash flow calculated from a reference volume of product multiplied by the agreed price within a period of time and conditions as agreed in the contract.

The notional amount of derivatives at the year end does not represent the risk exposure arising from derivative transactions. The risks arising from derivatives will depend on the changes in the price of each derivative type before maturity of the contract.

As at 31 December 2022 and 2021, on a consolidated and the Bank basis, 100% and 100% of derivatives are over-the-counter derivative transactions. The notional amount of derivatives based on types of contracts were as follows:

	<b>Consolidated</b>			
	2022			
	Notional amount			
	Less than 1 year	Within 1 - 5 years	More than 5 years	Total
	<i>(in million Baht)</i>			
Forward exchange contracts	1,485,824	4,760	-	1,490,584
Interest rate swap contracts	745,064	966,640	439,557	2,151,261
Equity derivatives	7,632	5,109	-	12,741

	<b>Consolidated</b>			
	2021			
	Notional amount			
	Less than 1 year	Within 1 - 5 years	More than 5 years	Total
	<i>(in million Baht)</i>			
Forward exchange contracts	1,422,086	8,909	-	1,430,995
Interest rate swap contracts	590,306	1,011,455	504,492	2,106,253
Equity derivatives	12,819	3,419	562	16,800

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	<b>The Bank</b>			Total
	2022			
	Notional amount			
	Less than 1 year	Within 1 - 5 years	More than 5 years	
	<i>(in million Baht)</i>			
Forward exchange contracts	1,485,824	4,760	-	1,490,584
Interest rate swap contracts	745,064	966,640	439,557	2,151,261
Equity derivatives	7,632	5,109	-	12,741

	<b>The Bank</b>			Total
	2021			
	Notional amount			
	Less than 1 year	Within 1 - 5 years	More than 5 years	
	<i>(in million Baht)</i>			
Forward exchange contracts	1,421,941	9,124	-	1,431,065
Interest rate swap contracts	590,306	1,011,454	504,492	2,106,252
Equity derivatives	11,556	5,097	562	17,215

**9.1 Derivatives held for trading**

Type of risk	<b>Consolidated</b>					Notional amount
	2022		Notional amount	2021		
	Fair value			Fair value		
	Assets	Liabilities	Assets	Liabilities		
	<i>(in million Baht)</i>					
Foreign exchange rate	24,322	21,948	1,396,589	14,778	13,436	1,317,873
Interest rate	38,378	35,124	2,068,989	38,432	34,415	2,042,755
Equity derivatives	922	1,262	12,741	771	496	16,800
<b>Total</b>	<b>63,622</b>	<b>58,334</b>	<b>3,478,319</b>	<b>53,981</b>	<b>48,347</b>	<b>3,377,428</b>

Type of risk	<b>The Bank</b>					Notional amount
	2022		Notional amount	2021		
	Fair value			Fair value		
	Assets	Liabilities	Assets	Liabilities		
	<i>(in million Baht)</i>					
Foreign exchange rate	24,322	21,948	1,396,589	14,780	13,439	1,317,942
Interest rate	38,378	35,124	2,068,989	38,432	34,415	2,042,755
Equity derivatives	922	1,262	12,741	807	939	17,215
<b>Total</b>	<b>63,622</b>	<b>58,334</b>	<b>3,478,319</b>	<b>54,019</b>	<b>48,793</b>	<b>3,377,912</b>

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**9.2 Derivatives held for risk management in designated of hedge relationship**

*Fair value hedges*

The Bank and its subsidiaries use interest rate swaps to hedge its exposure to changes in the fair values of fixed-rate debt issued. The designated risk being hedged is the risk of changes in interest rate risk from fixed rate to USD LIBOR 3M. As at 31 December 2022 and 2021, there were no significant ineffectiveness in these hedging relationships and there is no net gain (loss) hedging.

Fair value and notional amount classified by type of risks were as follow:

Type of risk	Consolidated and the Bank		
	2022		Notional amount
	Assets	Liabilities	
	Fair value (in million Baht)		
Interest rate	-	1,506	51,843
<b>Total</b>	<b>-</b>	<b>1,506</b>	<b>51,843</b>

Type of risk	Consolidated and the Bank		
	2021		Notional amount
	Assets	Liabilities	
	Fair value (in million Baht)		
Interest rate	3,150	-	63,498
<b>Total</b>	<b>3,150</b>	<b>-</b>	<b>63,498</b>

*Cash flow hedges*

The Bank and its subsidiaries use interest rate swaps to hedge its exposure to variability in future cash flows attributable to movements in interest rates of investments in debt instruments. The designated risk being hedged is the risk of changes in interest rate from floating to fixed rate. Cash flow hedge reserve is cumulative amount of effective portion of fair value of hedging instruments which is recognized in other reserves. As at 31 December 2022 and 2021, there were no significant ineffectiveness in these hedging relationships and there is no net gain (loss) hedging.

Fair value and notional amount classified by type of risks were as follow:

Type of risk	Consolidated and the Bank		
	2022		Notional amount
	Assets	Liabilities	
	Fair value (in million Baht)		
Interest rate	25	31	30,429
<b>Total</b>	<b>25</b>	<b>31</b>	<b>30,429</b>

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Hedge accounting is applied where economic hedging relationships meet the hedge accounting criteria. In these hedging relationships, hedge effectiveness is assessed based on the following factors:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from the economic relationship.
- The hedge ratio of the hedging relationship is the same in the quantity.

The Bank and its subsidiaries establish a hedge ratio by aligning the par amount of the fixed-rate debt issued and the notional amount of the interest rate swap designated as a hedging instrument. The Bank and its subsidiaries apply a hedge ratio of 1:1.

**9.3 Derivatives held for risk management not designated in a hedge relationship**

Type of risk	Consolidated and the Bank					
	2022			2021		
	Fair value		Notional amount	Fair value		Notional amount
Assets	Liabilities	Assets		Liabilities		
Foreign exchange rate	2,040	544	93,995	448	853	113,122
<b>Total</b>	<b>2,040</b>	<b>544</b>	<b>93,995</b>	<b>448</b>	<b>853</b>	<b>113,122</b>

*(in million Baht)*

**10 Investments, net**

**10.1 Classified by type of investments**

	Consolidated		The Bank	
	2022	2021	2022	2021
	AMC	AMC	AMC	AMC
<i>Investments in debt instruments measured at AMC</i>				
Government and state enterprise securities	209,111	7,052	209,106	7,046
Corporate debt instruments	-	-	-	310
Foreign debt instruments	492	524	125	189
Less allowance for expected credit loss	(94)	(28)	(48)	(28)
<b>Total</b>	<b>209,509</b>	<b>7,548</b>	<b>209,183</b>	<b>7,517</b>

*(in million Baht)*

	Consolidated		The Bank	
	2022	2021	2022	2021
	Fair value	Fair value	Fair value	Fair value
<i>Investments in debt instruments measured at FVOCI</i>				
Government and state enterprise securities	173,499	212,510	173,499	212,510
Foreign debt instruments	4,517	940	4,517	940
<b>Total</b>	<b>178,016</b>	<b>213,450</b>	<b>178,016</b>	<b>213,450</b>
<b>Allowance for expected credit loss</b>	<b>(15)</b>	<b>(17)</b>	<b>(15)</b>	<b>(17)</b>

*(in million Baht)*

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	<b>Consolidated</b>		<b>The Bank</b>	
	2022 Fair value	2021 Fair value <i>(in million Baht)</i>	2022 Fair value	2021 Fair value
<b>Investments in equity instruments designated at FVOCI</b>				
Domestic equity instruments	1,616	1,631	1,608	1,616
Foreign equity instruments	5	5	4	4
<b>Total</b>	<b>1,621</b>	<b>1,636</b>	<b>1,612</b>	<b>1,620</b>
<b>Total investments, net</b>	<b>389,146</b>	<b>222,634</b>	<b>388,811</b>	<b>222,587</b>

Dividend income from investments in equity instruments designated at FVOCI recognised in the consolidated and the Bank's statement of profit or loss and other comprehensive income for the year ended 31 December 2022 amounting to Baht 26 million and 25 million, respectively. (2021: Baht 20 million and Baht 19 million, respectively).

**10.2 Investments in which the Bank and its subsidiaries hold 10% or more**

	<b>Consolidated</b>			
	2022 Number of Companies	2022 Fair value <i>(in million Baht)</i>	2021 Number of Companies	2021 Fair value <i>(in million Baht)</i>
Others *	9	3,238	16	3,735

	<b>The Bank</b>			
	2022 Number of Companies	2022 Fair value <i>(in million Baht)</i>	2021 Number of Companies	2021 Fair value <i>(in million Baht)</i>
Others *	9	3,238	8	1,516

\* Includes certain investment classified as financial instruments measured through profit or loss in Note 8 and investments in Note 10.1.

**10.3 Investments in companies with problems in their financial position and operating results**

As at 31 December 2022, the consolidated and the Bank's aggregate cost of investments in companies with problems in their financial position and operating results which were reported as part of investment classified as financial instruments measured through profit or loss in Note 8 and investments in Note 10.1 were amounting to Baht 247 million and Baht 245 million, respectively. These investments have zero fair value at reporting date. (2021: aggregate cost of Baht 285 million and Baht 245 million, respectively with zero fair value).

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**11 Investments in subsidiaries, associates and joint venture, net**

**11.1 Classified by type of investments in subsidiaries, associates and joint venture**

	Type of business	Type of share	Direct shareholding		Consolidated Investment value			
			2022	2021	Cost method 2022	Equity method 2022	Equity method 2021	Equity method 2021
			(%)		<i>(in million Baht)</i>			
<b>Associates</b>								
Blockchain Community Initiative (Thailand) Co., Ltd.	Blockchain platform	Common	22.2	22.2	117	117	73	85
National ITMX Co., Ltd.	Payment system service provider	Common	22.9	22.9	104	104	820	623
Sahaviriya Steel Industries PCL	Steel industry	Common	40.2	40.2	-	-	-	-
Dean & DeLuca Inc. <sup>1</sup>	Retailer of premium gourmet and delicatessen business	Common	-	26.5	-	-	-	-
<b>Joint venture</b>								
Alpha X Co., Ltd. <sup>2</sup>	Hire purchase, leasing, and refinancing business	Common	-	50.0	-	75	-	73
<b>Total investments in associates and joint venture, net</b>					<b>221</b>	<b>296</b>	<b>893</b>	<b>781</b>

<sup>1</sup> The Bank sold all its shares in Dean & DeLuca, Inc. in July 2022.

<sup>2</sup> The Bank sold all its shares to SCB X PCL. in September 2022.

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	Type of business	Type of share	Direct shareholding		Investment value		Dividend income	
			2022	2021	Cost method		for the year ended	
			2022		2021	2022	2021	
			(%)		(in million Baht)			
<b>Subsidiaries</b>								
Siam Commercial Bank Myanmar Ltd.	Banking	Common	100.0	100.0	4,513	4,513	-	-
Cambodian Commercial Bank Ltd.	Banking	Common	100.0	100.0	2,688	2,688	-	142
SCB-Julius Baer Securities Co., Ltd.	Securities	Common	60.0	60.0	1,590	1,590	-	-
SCB Protect Co., Ltd.	Insurance broker	Common	100.0	100.0	513	303	-	-
SCB Training Centre Co., Ltd.	Training center	Common	100.0	100.0	390	390	-	-
SCB Asset Management Co., Ltd.	Asset management	Common	100.0	100.0	222	222	1,443	1,571
Rutchayothin Assets Management Co., Ltd.	Asset management	Common	100.0	100.0	25	25	-	-
SCB Plus Co., Ltd.	Collection	Common	100.0	100.0	1	1	140	256
AISCB Co., Ltd. <sup>1</sup>	Digital lending	Common	-	50.0	-	300	-	-
SCB 10X Co., Ltd. <sup>2</sup>	Venture capital, venture builder and strategic investments	Common	-	100.0	-	17,250	2,770	-
InnovestX Securities Co., Ltd. (formerly SCB Securities Co., Ltd.) <sup>2</sup>	Securities	Common	-	100.0	-	2,207	-	1,616
MONIX Co., Ltd. <sup>2</sup>	Digital lending	Common	-	60.0	-	396	-	-
SCB Tech X Co., Ltd. <sup>2</sup>	Specialised technology services provider	Common	-	100.0	-	151	-	-
<b>Indirect subsidiaries</b>								
Digital Ventures Co., Ltd. <sup>3</sup>	Financial technology	Common	-	-	-	-	-	-
Purple Ventures Co., Ltd. <sup>3</sup>	E-Commerce and digital services	Common	-	-	-	-	-	-
Token X Co., Ltd. <sup>3</sup>	Initial Coin Offering Portal	Common	-	-	-	-	-	-
SCB Abacus Co., Ltd. <sup>3</sup>	Data analytics and digital lending	Common	-	-	-	-	-	-
Mahisorn Co., Ltd. <sup>4</sup>	Property management	Common	-	-	-	-	-	-
SCB-Julius Baer (Singapore) Pte. Ltd. <sup>5</sup>	Securities	Common	-	-	-	-	-	-
Trex Ventures Co., Ltd. <sup>6</sup>	Digital financial services	Common	-	-	-	-	-	-
<b>Associates</b>								
Blockchain Community Initiative (Thailand) Co., Ltd.	Blockchain platform	Common	22.2	22.2	117	117	-	-
National ITMX Co., Ltd.	Payment system service provider	Common	22.9	22.9	104	104	148	72
Sahaviriya Steel Industries PCL	Steel industry	Common	40.2	40.2	-	-	-	-
Dean & DeLuca Inc. <sup>7</sup>	Retailer of premium gourmet and delicatessen business	Common	-	26.5	-	-	-	-
<b>Joint venture</b>								
Alpha X Co., Ltd. <sup>2</sup>	Hire purchase, leasing, and refinancing business	Common	-	50.0	-	75	-	-
Total					10,163	30,332	4,501	3,657
Less allowance for impairment					(147)	(147)	-	-
<b>Total investments in subsidiaries, associates and joint venture, net</b>					<b>10,016</b>	<b>30,185</b>	<b>4,501</b>	<b>3,657</b>

<sup>1</sup> The Bank sold all its shares to SCB X PCL. in November 2022.

<sup>2</sup> The Bank sold all its shares to SCB X PCL. in September 2022.

<sup>3</sup> SCB 10X Co.,Ltd. sold all its shares to SCB X PCL. in September 2022.

<sup>4</sup> Subsidiary of SCB Plus Co., Ltd. (100% shareholding).

<sup>5</sup> Subsidiary of SCB-Julius Baer Securities Co., Ltd. (100% shareholding).

<sup>6</sup> The Company completed the registration of liquidation with the Department of Business Development, the Ministry of Commerce on 17 February 2022.

<sup>7</sup> The Bank sold all its shares in Dean & DeLuca, Inc. in July 2022.

All subsidiaries, associates and joint venture are registered and operated in Thailand except for the Siam Commercial Bank Myanmar Ltd., Cambodian Commercial Bank Ltd. and SCB-Julius Baer (Singapore) Pte. Ltd. which are registered and operate in Myanmar, Cambodia and Singapore respectively.

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**11.2 Material movements of investment in subsidiaries, associates and joint venture**

<i>Material movements for the year ended 31 December 2022</i>	<b>Consolidated (Equity)</b> <i>(in million Baht)</i>	<b>The Bank (Cost)</b>
<b>Additional investments in subsidiaries and joint venture</b>		
<i>Subsidiaries</i>		
SCB 10X Co., Ltd.	-	3,750
InnovestX Co., Ltd.	-	1,215
SCB Protect Co., Ltd.	-	210
SCB Tech X Co., Ltd.	-	155
<i>Joint venture</i>		
Alpha X Co., Ltd.	75	75
	<u>75</u>	<u>5,405</u>
<b>Disposed of investments to SCB X PCL.</b>		
<i>Subsidiaries</i>		
SCB 10X Co., Ltd.	-	21,000
InnovestX Co., Ltd.	-	3,422
MONIX Co., Ltd.	-	396
SCB Tech X Co., Ltd.	-	306
AISCB Co., Ltd.	-	300
<i>Joint venture</i>		
Alpha X Co., Ltd.	95	150
	<u>95</u>	<u>25,574</u>

The Bank and its subsidiaries sold subsidiaries and joint venture (“Disposal Groups”) according to the Financial Business Group restructuring plan. The selling price was determined to be higher of investment cost, net book value as of 31 December 2021 and net book value as of 31 August 2022 adjusted with new average price from the capital increase (if any).

On 29 September 2022, the Bank and its subsidiaries sold subsidiaries and joint venture according to the Financial Business Group restructuring plan. The selling price and carrying amount of disposal groups’ net assets in the consolidated financial statements were Baht 35,564 million and Baht 30,945 million, respectively. The group recognised a decreased in non-controlling in interests from change in ownership interest in subsidiaries with a loss in control of Baht 1,370 million and recognised a gain on disposal of Baht 5,989 million. The selling price and cost of the investments transferred from the Bank to SCB X Public Company Limited were Baht 31,732 million and Baht 25,274 million, respectively. The Bank recognised a gain on disposal of Baht 6,458 million in the Bank’s financial statements.

Subsequently, on 29 November 2022, the Bank sold the remaining subsidiary of the Bank according to the Financial Business Group restructuring plan. The selling price and carrying amount of net assets in the consolidated financial statements were Baht 300 million and Baht 522 million, respectively. The group recognised a decreased in non-controlling in interests from change in ownership interest in subsidiaries with a loss in control of Baht 261 million and recognised a gain on disposal of Baht 39 million. The selling price and cost of the investments transferred from the Bank to SCB X Public Company Limited were Baht 300 million and Baht 300 million, respectively. No gain on disposal recognised in the Bank’s financial statements.

**11.3 Interest in unconsolidated structured entities arising in the normal course of business**

The Bank and its asset management subsidiary have transactions with unconsolidated structured entities, through various activities such as involvement in the establishment process, fund management, acting as the trustee, as well as providing source of funds. These structured entities are normally in the form of mutual funds.

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The provision of funds is in the form of loans which are on normal business terms. These loans are managed in the same way as all other loans. The outstanding loans to these structured entities as at 31 December 2022 and 2021 amounted to Baht 6,495 million and Baht 6,449 million, respectively.

**12 Loans to customers and accrued interest receivables, net**

**12.1 Classified by type of loans**

	Consolidated		The Bank	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Overdrafts	85,793	73,570	85,233	73,174
Loans	1,642,754	1,684,682	1,641,206	1,675,502
Bills	388,024	322,588	386,678	325,698
Hire purchase receivables	189,840	220,650	189,840	220,650
Others	336	344	336	344
Total loans to customers	<u>2,306,747</u>	<u>2,301,834</u>	<u>2,303,293</u>	<u>2,295,368</u>
Add accrued interest receivables and undue interest receivables	<u>17,379</u>	<u>15,031</u>	<u>17,348</u>	<u>14,921</u>
Total loans to customers and accrued interest receivables and undue interest receivables	2,324,126	2,316,865	2,320,641	2,310,289
Less unamortised modification loss	(3,336)	(5,756)	(3,336)	(5,756)
Less allowance for expected credit loss	<u>(132,874)</u>	<u>(145,653)</u>	<u>(132,251)</u>	<u>(144,463)</u>
<b>Total *</b>	<b><u>2,187,916</u></b>	<b><u>2,165,456</u></b>	<b><u>2,185,054</u></b>	<b><u>2,160,070</u></b>

\* Balance as at 31 December 2022 is the balance after the transfer of credit card and unsecured personal loan to Card X Company Limited and Card X Asset Management Company Limited on 10 December 2022 (see note 46)

**12.2 Classified by residence of customer**

	Consolidated		The Bank	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Domestic	2,220,067	2,218,776	2,219,727	2,215,213
Foreign	<u>86,680</u>	<u>83,058</u>	<u>83,566</u>	<u>80,155</u>
<b>Total</b>	<b><u>2,306,747</u></b>	<b><u>2,301,834</u></b>	<b><u>2,303,293</u></b>	<b><u>2,295,368</u></b>

**12.3 Classified by stages**

	Consolidated		The Bank	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Stage 1	2,066,733	2,016,140	2,064,238	2,011,206
Stage 2	166,065	191,387	165,687	190,835
Stage 3	<u>91,328</u>	<u>109,338</u>	<u>90,716</u>	<u>108,248</u>
<b>Total *</b>	<b><u>2,324,126</u></b>	<b><u>2,316,865</u></b>	<b><u>2,320,641</u></b>	<b><u>2,310,289</u></b>

\* Includes accrued interest receivables and undue interest receivables.

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**12.4 Classified by business types and stages**

	<b>Consolidated</b>							
	2022				2021			
	Stage 1	Stage 2	Stage 3	Total *	Stage 1	Stage 2	Stage 3	Total *
	<i>(in million Baht)</i>							
Agriculture and mining	7,550	483	1,184	9,217	8,855	975	3,768	13,598
Manufacturing and commercial	619,290	63,373	44,422	727,085	536,571	47,292	47,887	631,750
Real estate and construction	149,077	8,581	10,617	168,275	152,034	7,685	18,458	178,177
Utilities and services	389,158	24,528	12,955	426,641	357,218	37,491	13,468	408,177
Housing loans	557,973	26,415	13,016	597,404	526,856	34,336	15,221	576,413
Others	327,666	41,514	8,945	378,125	421,573	61,834	10,312	493,719
<b>Total *</b>	<b>2,050,714</b>	<b>164,894</b>	<b>91,139</b>	<b>2,306,747</b>	<b>2,003,107</b>	<b>189,613</b>	<b>109,114</b>	<b>2,301,834</b>

\* Excludes accrued interest receivables and undue interest receivables.

	<b>The Bank</b>							
	2022				2021			
	Stage 1	Stage 2	Stage 3	Total *	Stage 1	Stage 2	Stage 3	Total *
	<i>(in million Baht)</i>							
Agriculture and mining	7,550	483	1,184	9,217	8,855	975	3,768	13,598
Manufacturing and commercial	617,172	63,070	44,234	724,476	538,852	46,876	47,783	633,511
Real estate and construction	149,023	8,581	10,216	167,820	151,986	7,685	17,658	177,329
Utilities and services	389,147	24,528	12,955	426,630	357,197	37,491	13,468	408,156
Housing loans	557,726	26,387	13,016	597,129	526,783	34,336	15,221	576,340
Others	327,609	41,467	8,945	378,021	414,573	61,708	10,153	486,434
<b>Total *</b>	<b>2,048,227</b>	<b>164,516</b>	<b>90,550</b>	<b>2,303,293</b>	<b>1,998,246</b>	<b>189,071</b>	<b>108,051</b>	<b>2,295,368</b>

\* Excludes accrued interest receivables and undue interest receivables.

**12.5 Non-Performing Loans**

The Bank used the guidelines specified in the BoT notification number Sor Nor Sor 23/2561 dated 31 October 2018, regarding to *Regulations Asset Classification and Provisioning of a Financial Institution*, in determining Non-Performing Loans. As at 31 December 2022 and 2021, the Bank and its subsidiaries have Non-Performing Loans (including loans to interbank and money market items) base on BoT's guidelines as follow:

	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
Non-Performing Loans* (gross)	91,139	109,114	90,550	108,051
% of Non-Performing Loans to total loans	3.3	3.8	3.3	3.8

\* See note 2.1 for application on loans to customers subject to relief programmes.

During the year ended 31 December 2022, the Bank sold and transferred right to receive debt payments of Non-Performing Loans to Card X Asset Management Company Limited and other Asset Management Companies with total principal amount of Baht 22,577 million. (2021: 6,874 million).

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**12.6 Loans to customers having problems with financial position and operating results**

	<b>Consolidated and the Bank</b>							
	2022				2021			
	No. of companies	Loans and accrued interest receivables* (in million Baht)	Collateral	Allowance for expected credit loss	No. of companies	Loans and accrued interest receivables* (in million Baht)	Collateral	Allowance for expected credit loss
Listed companies identified for delisting	-	-	-	-	2	7,457	5,559	5,153
Delisted company	1	8,315	3,775	3,086	1	8,153	3,775	3,037

\* Excludes undrawn loan commitments and financial guarantee

**12.7 Hire purchase receivables**

	<b>Consolidated and the Bank</b>			
	2022			
	Within 1 year	1-5 years	Over 5 years	Total
Total gross investment under hire purchase contracts	51,515	134,541	36,267	222,323
Less unearned interest income				(32,483)
Present value of minimum lease payments				189,840
Less allowance for expected credit loss				(11,738)
Hire purchase receivables, net				<b>178,102</b>

	<b>Consolidated and the Bank</b>			
	2021			
	Within 1 year	1-5 years	Over 5 years	Total
Total gross investment under hire purchase contracts	60,368	159,898	36,447	256,713
Less unearned interest income				(36,063)
Present value of minimum lease payments				220,650
Less allowance for expected credit loss				(8,743)
Hire purchase receivables, net				<b>211,907</b>

**13 Allowance for expected credit loss**

	<b>Consolidated</b>			Total
	Performing (Stage 1)	Under-performing (Stage 2)	Non-performing (Stage 3)	
<i>Interbank and money market items</i>				
As at 1 January 2022	155	17	-	172
Changes from remeasurement of ECL	84	-	-	84
New interbank and money market items	2	12	-	14
Derecognition	(135)	(20)	-	(155)
Others	(2)	-	-	(2)
<b>As at 31 December 2022</b>	<b>104</b>	<b>9</b>	<b>-</b>	<b>113</b>

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	Performing (Stage 1)	Consolidated		Total
		Under- performing (Stage 2)	Non- performing (Stage 3)	
<i>(in million Baht)</i>				
<b>Investments in debt instruments</b>				
As at 1 January 2022	45	-	-	45
Changes from remeasurement of ECL	41	-	-	41
New investments in debt instruments	131	-	-	131
Derecognition	(98)	-	-	(98)
Others	(10)	-	-	(10)
<b>As at 31 December 2022</b>	<b>109</b>	<b>-</b>	<b>-</b>	<b>109</b>
<b>Loans to customers</b>				
As at 1 January 2022	43,603	40,039	62,011	145,653
Changes from stage reclassification	23,280	(34,349)	11,069	-
Changes from remeasurement of ECL	(24,917)	42,121	24,779	41,983
New loan to customers	5,028	3,306	1,124	9,458
Derecognition	(5,688)	(11,776)	(24,989)	(42,453)
Write-off	-	-	(21,455)	(21,455)
Others	10	(8)	354	356
Transfer out from disposal of subsidiaries	(318)	(204)	(146)	(668)
<b>As at 31 December 2022</b>	<b>40,998</b>	<b>39,129</b>	<b>52,747</b>	<b>132,874</b>
<b>Consolidated</b>				
	Performing (Stage 1)	Under- performing	Non- performing	Total
		(Stage 2)	(Stage 3)	
<i>(in million Baht)</i>				
<b>Interbank and money market items</b>				
As at 1 January 2021	107	7	-	114
Changes from remeasurement of ECL	72	3	-	75
New interbank and money market items	63	14	-	77
Derecognition	(89)	(7)	-	(96)
Others	2	-	-	2
<b>As at 31 December 2021</b>	<b>155</b>	<b>17</b>	<b>-</b>	<b>172</b>
<b>Investments in debt instruments</b>				
As at 1 January 2021	41	46	-	87
Changes from remeasurement of ECL	7	-	-	7
New investments in debt instruments	23	-	-	23
Derecognition	(24)	(46)	-	(70)
Others	(2)	-	-	(2)
<b>As at 31 December 2021</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>45</b>
<b>Loans to customers</b>				
As at 1 January 2021	48,378	30,616	58,324	137,318
Changes from stage reclassification	22,711	(37,659)	14,948	-
Changes from remeasurement of ECL	(26,832)	49,667	19,918	42,753
New loan to customers	4,452	2,793	770	8,015
Derecognition	(5,153)	(5,535)	(12,528)	(23,216)
Write-off	-	-	(19,855)	(19,855)
Others	47	157	434	638
<b>As at 31 December 2021</b>	<b>43,603</b>	<b>40,039</b>	<b>62,011</b>	<b>145,653</b>

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	<b>The Bank</b>			Total
	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	
	<i>(in million Baht)</i>			
<b><i>Interbank and money market items</i></b>				
As at 1 January 2022	133	3	-	136
Changes from remeasurement of ECL	63	-	-	63
New interbank and money market items	6	2	-	8
Derecognition	(138)	(5)	-	(143)
Others	(2)	-	-	(2)
<b>As at 31 December 2022</b>	<b>62</b>	<b>-</b>	<b>-</b>	<b>62</b>
<b><i>Investments in debt instruments</i></b>				
As at 1 January 2022	45	-	-	45
Changes from remeasurement of ECL	41	-	-	41
New investments in debt instruments	27	-	-	27
Derecognition	(40)	-	-	(40)
Others	(10)	-	-	(10)
<b>As at 31 December 2022</b>	<b>63</b>	<b>-</b>	<b>-</b>	<b>63</b>
<b><i>Loans to customers</i></b>				
As at 1 January 2022	43,384	39,870	61,209	144,463
Changes from stage reclassification	23,321	(34,269)	10,948	-
Changes from remeasurement of ECL	(24,904)	42,021	24,020	41,137
New loan to customers	4,789	3,203	981	8,973
Derecognition	(5,654)	(11,747)	(24,657)	(42,058)
Write-off	-	-	(20,615)	(20,615)
Others	10	(10)	351	351
<b>As at 31 December 2022</b>	<b>40,946</b>	<b>39,068</b>	<b>52,237</b>	<b>132,251</b>
	<b>The Bank</b>			
	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	Total
	<i>(in million Baht)</i>			
<b><i>Interbank and money market items</i></b>				
As at 1 January 2021	89	7	-	96
Changes from remeasurement of ECL	69	3	-	72
New interbank and money market items	62	-	-	62
Derecognition	(89)	(7)	-	(96)
Others	2	-	-	2
<b>As at 31 December 2021</b>	<b>133</b>	<b>3</b>	<b>-</b>	<b>136</b>
<b><i>Investments in debt instruments</i></b>				
As at 1 January 2021	41	46	-	87
Changes from remeasurement of ECL	7	-	-	7
New investments in debt instruments	23	-	-	23
Derecognition	(24)	(46)	-	(70)
Others	(2)	-	-	(2)
<b>As at 31 December 2021</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>45</b>

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	<b>The Bank</b>			Total
	Performing (Stage 1)	Under- performing (Stage 2)	Non- performing (Stage 3)	
	<i>(in million Baht)</i>			
<b><i>Loans to customers</i></b>				
As at 1 January 2021	48,270	30,537	57,500	136,307
Changes from stage reclassification	22,712	(37,639)	14,927	-
Changes from remeasurement of ECL	(26,784)	49,645	19,830	42,691
New loan to customers	4,272	2,694	586	7,552
Derecognition	(5,126)	(5,519)	(12,383)	(23,028)
Write-off	-	-	(19,666)	(19,666)
Others	40	152	415	607
<b>As at 31 December 2021</b>	<b><u>43,384</u></b>	<b><u>39,870</u></b>	<b><u>61,209</u></b>	<b><u>144,463</u></b>

#### 14 Modified loans to customers

During the year ended 31 December 2022 and 2021, the Bank and its subsidiaries have modified loans that have not resulted in derecognition, while they had a loss allowance measured at an amount equal to lifetime ECL, which excluded loans to customers modified under relief program that apply temporary accounting relief measures as mentioned in note 2.1, as follows:

	<b>Consolidated and the Bank</b>	
	2022	2021
	<i>(in million Baht)</i>	
<b><i>Loans modified during the year ended 31 December</i></b>		
Outstanding before modification*	27,435	7,134
Net modification loss*	(412)	(302)
	<b><u>27,023</u></b>	<b><u>6,832</u></b>
<b><i>Loans modified since initial recognition</i></b>		
Outstanding of loans to customers at the end of reporting date that have previously modified for which loss allowance has changed during the year from measured amount equal to lifetime expected credit losses to an amount equal to 12-month expected credit losses	2,967	818

\* In 2022, this included 2<sup>nd</sup> form of financial assistance based on sustainable debt resolution as mentioned in note 2.1

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**15 Disclosure of the statement of cash flows of the asset management company**

**Rutchayothin Assets Management Co., Ltd.**  
**Statement of cash flows**

	2022 (Unaudited)	2021 (Audited)
	<i>(in million Baht)</i>	
<b>Cash flows from operating activities</b>		
Profit (loss) from operating before income tax expenses	255	(24)
<i>Adjustments to reconcile profit (loss) from operating before income tax expenses to cash receipts (payments) from operating activities</i>		
(Reversal) expected credit loss	(269)	21
Reversal of impairment loss on properties for sale	-	(1)
Net interest expenses	<u>2</u>	<u>2</u>
Loss from operating before changes in operating assets and liabilities	(12)	(2)
<i>(Increase) decrease in operating assets</i>		
Intercompany and money market items	(116)	3
Investments	435	4
Properties for sale	-	3
<i>Increase (decrease) in operating liabilities</i>		
Short term debt issued and borrowings	(312)	(8)
Accrued expenses	<u>5</u>	<u>-</u>
Net cash from operating activities	<u>-</u>	<u>-</u>
Net increase in cash	-	-
Cash at 1 January	-	-
<b>Cash at 31 December</b>	<u>-</u>	<u>-</u>

**16 Properties for sale, net**

	<b>Consolidated</b>			Ending balance
	Beginning balance	Additions/ Transfer in	Disposals/ Transfer out	
	2022			
	<i>(in million Baht)</i>			
Foreclosed assets				
- Immovable assets	17,734	5,959	(2,101)	21,592
- Movable assets	<u>384</u>	<u>3,858</u>	<u>(3,494)</u>	<u>748</u>
Total foreclosed assets	18,118	9,817	(5,595)	22,340
Others	<u>1,705</u>	<u>335</u>	<u>(421)</u>	<u>1,619</u>
Total properties for sale	19,823	10,152	(6,016)	23,959
Less allowance for impairment	<u>(1,622)</u>	<u>(219)</u>	<u>321</u>	<u>(1,520)</u>
<b>Total properties for sale, net</b>	<u><b>18,201</b></u>	<u><b>9,933</b></u>	<u><b>(5,695)</b></u>	<u><b>22,439</b></u>

	<b>Consolidated</b>			Ending balance
	Beginning balance	Additions/ Transfer in	Disposals/ Transfer out	
	2021			
	<i>(in million Baht)</i>			
Foreclosed assets				
- Immovable assets	15,344	4,137	(1,747)	17,734
- Movable assets	<u>412</u>	<u>1,966</u>	<u>(1,994)</u>	<u>384</u>
Total foreclosed assets	15,756	6,103	(3,741)	18,118
Others	<u>1,877</u>	<u>341</u>	<u>(513)</u>	<u>1,705</u>
Total properties for sale	17,633	6,444	(4,254)	19,823
Less allowance for impairment	<u>(1,497)</u>	<u>(649)</u>	<u>524</u>	<u>(1,622)</u>
<b>Total properties for sale, net</b>	<u><b>16,136</b></u>	<u><b>5,795</b></u>	<u><b>(3,730)</b></u>	<u><b>18,201</b></u>

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
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	<b>The Bank</b>			Ending balance
	Beginning balance	Additions/ Transfer in	Disposals/ Transfer out	
	2022			
	(in million Baht)			
Foreclosed assets				
- Immovable assets	17,420	5,959	(2,095)	21,284
- Movable assets	384	3,858	(3,494)	748
Total foreclosed assets	17,804	9,817	(5,589)	22,032
Others	1,736	335	(421)	1,650
Total properties for sale	19,540	10,152	(6,010)	23,682
Less allowance for impairment	(1,556)	(219)	317	(1,458)
<b>Total properties for sale, net</b>	<b>17,984</b>	<b>9,933</b>	<b>(5,693)</b>	<b>22,224</b>
	2021			
	(in million Baht)			
Foreclosed assets				
- Immovable assets	15,027	4,137	(1,744)	17,420
- Movable assets	412	1,966	(1,994)	384
Total foreclosed assets	15,439	6,103	(3,738)	17,804
Others	1,908	341	(513)	1,736
Total properties for sale	17,347	6,444	(4,251)	19,540
Less allowance for impairment	(1,429)	(649)	522	(1,556)
<b>Total properties for sale, net</b>	<b>15,918</b>	<b>5,795</b>	<b>(3,729)</b>	<b>17,984</b>

For the year ended 31 December 2022, the Bank and its subsidiaries recognised gain on sale of properties for sale in the consolidated and the Bank's statement of profit or loss and other comprehensive income amounting to Baht 1,368 million and Baht 1,368 million, respectively (2021: the Bank and its subsidiaries recognised gain on sale of properties for sale in the consolidated and the Bank's statement of profit or loss and other comprehensive income amounting to Baht 1,167 million and Baht 1,166 million, respectively).

At 31 December 2022, the Bank and its subsidiaries have properties for sale which contain buy-back rights or first refusal rights from other debtors within the certain period and prices as specified in the debt restructuring agreements with the cost amounting to Baht 4,458 million. (2021: Baht 4,005 million).

As at 31 December 2022, the Bank 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 3,632 million.

At 31 December 2022 and 2021, all of the foreclosed immovable assets were appraised by internal appraisers.



**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
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	Cost			Accumulated depreciation			Ending balance	Allowance for impairment	Net balance
	Beginning balance	Additions/Transfer in	Disposals/Transfer out	Transfer to Investment properties	Disposals/Transfer out	Depreciation (in million Baht)			
Land	5,427	-	(59)	-	-	-	-	(77)	5,291
Cost	12,287	6,133	(39)	-	-	-	-	-	18,381
Appraisal increase*	-	-	-	-	-	-	-	-	-
Premises and building improvements	20,048	335	(274)	(384)	259	(871)	166	(41)	9,670
Cost	8,752	(472)	(23)	(298)	3,265	(392)	4	-	7,785
Appraisal increase*	18,889	674	(339)	-	297	(1,672)	-	-	2,284
Equipment	530	531	(886)	-	-	(47)	-	-	114
Others	1,110	77	(556)	-	387	(227)	-	-	316
Right-of-use assets	1,113	28	(895)	-	895	(302)	-	-	98
Office building	683	358	(160)	-	159	(235)	-	-	498
ATM	76	2	(43)	-	23	(22)	-	-	13
Vehicle	3,066	435	(2,315)	-	1,927	(926)	-	-	740
Booth	7	1	-	-	-	(1)	-	-	6
Branch	71,988	8,102	(5,589)	(682)	7,212	(4,695)	170	(118)	45,196
Others									
<b>Total</b>	<b>71,988</b>	<b>8,102</b>	<b>(5,589)</b>	<b>(682)</b>	<b>7,212</b>	<b>(4,695)</b>	<b>170</b>	<b>(118)</b>	<b>45,196</b>

\* Appraisal values are based on valuations completed in 2021 for the Bank and its subsidiaries.

The gross amount of the Bank and its subsidiaries' fully depreciated premises and equipment that were still in use as at 31 December 2022 amounted to Baht 24,556 million (2021: Baht 22,230 million).

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
**Notes to the financial statements**  
**For the year ended 31 December 2022**

	<b>The Bank 2022</b>											
	Beginning balance	Additions/Transfer in	Disposals/Transfer out	Transfer to Investment properties	Ending balance	Beginning balance	Depreciation	Disposals/Transfer out	Transfer to Investment properties	Ending balance	Allowance for impairment	Net balance
	<i>(in million Baht)</i>											
Land												
Cost	5,284	-	-	(23)	5,261	-	-	-	-	-	(77)	5,184
Appraisal increase*	17,223	-	-	(328)	16,895	-	-	-	-	-	-	16,895
Premises and building improvements												
Cost	19,103	67	(48)	(63)	19,059	(9,594)	(670)	61	(10,159)	(49)		8,851
Appraisal increase*	7,838	-	-	(90)	7,748	(173)	(335)	19	(489)	-		7,259
Equipment	18,762	555	(392)	-	18,925	(16,666)	(890)	-	(17,200)	-		1,725
Others	120	1,059	(977)	-	202	-	-	-	-	-		202
Right-of-use assets												
Office building	262	104	(38)	-	328	(121)	(99)	-	(195)	-		133
ATM	245	50	(182)	-	113	(146)	(89)	-	(53)	-		60
Vehicle	711	557	(229)	-	1,039	(308)	(173)	-	(252)	-		787
Booth	35	2	(21)	-	16	(22)	(13)	-	(13)	-		3
Branch	1,186	449	(904)	-	731	(446)	(622)	-	(164)	-		567
Others	6	-	(2)	-	4	(1)	-	-	(1)	-		3
<b>Total</b>	<b>70,775</b>	<b>2,843</b>	<b>(2,793)</b>	<b>(504)</b>	<b>70,321</b>	<b>(27,477)</b>	<b>(2,891)</b>	<b>80</b>	<b>(28,526)</b>	<b>(126)</b>		<b>41,669</b>

\* Appraisal values are based on valuations completed in 2021.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
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	Beginning balance		Additions/ Transfer in		Cost		Transfer to Investment properties		The Bank 2021 Accumulated depreciation (in million Baht)			Ending balance	Allowance for impairment	Net balance	
					Disposals/ Transfer out		Disposals/ Transfer out	Depreciation	Disposals/ Transfer out	Transfer to Investment properties	Ending balance	Allowance for impairment	Net balance		
Land															
Cost	5,346	-	(62)	-	-	5,284	-	-	-	-	-	(77)	5,207		
Appraisal increase*	11,573	5,689	(39)	-	-	17,223	-	-	-	-	-	-	17,223		
Premises and building improvements															
Cost	19,518	221	(252)	(384)	(384)	19,103	(384)	(765)	247	166	(9,594)	(41)	9,468		
Appraisal increase*	8,656	(497)	(23)	(298)	(298)	7,838	(298)	(387)	3,224	4	(173)	-	7,665		
Equipment	18,390	610	(238)	-	-	18,762	-	(1,622)	173	-	(16,666)	-	2,096		
Others	534	472	(886)	-	-	120	-	-	-	-	-	-	120		
Right-of-use assets															
Office building	553	42	(333)	-	-	262	-	(116)	333	-	(121)	-	141		
ATM	1,112	28	(895)	-	-	245	-	(301)	895	-	(146)	-	99		
Vehicle	587	282	(158)	-	-	711	-	(200)	158	-	(308)	-	403		
Booth	76	2	(43)	-	-	35	-	(22)	23	-	(22)	-	13		
Branch	3,066	435	(2,315)	-	-	1,186	-	(926)	1,927	-	(446)	-	740		
Others	6	-	-	-	-	6	-	-	-	-	(1)	-	5		
<b>Total</b>	<b>69,417</b>	<b>7,284</b>	<b>(5,244)</b>	<b>(682)</b>	<b>(5,244)</b>	<b>70,775</b>	<b>(682)</b>	<b>(4,339)</b>	<b>6,980</b>	<b>170</b>	<b>(27,477)</b>	<b>(118)</b>	<b>43,180</b>		

\* Appraisal values are based on valuations completed in 2021.

The gross amount of the Bank's fully depreciated premises and equipment that were still in use as at 31 December 2022 amounted to Baht 24,065 million (2021: Baht 21,696 million).

The fair values of land and premises are determined by using the market approach for land and the replacement cost approach for premises. The fair values are appraised by independent appraisers who are qualified as professionals and have appropriate experience. The fair values of land and premises are categorised as Level 3 in the fair value hierarchy.

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
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**18 Goodwill and other intangible assets, net**

	Consolidated 2022						Consolidated 2021						
	Cost		Accumulated amortisation		Allowance for impairment		Cost		Accumulated amortisation		Allowance for impairment		
	Beginning balance	Additions/Transfer in	Disposals/Transfer out	Ending balance	Beginning balance	Amortisation (in million Baht)	Disposals/Transfer out	Ending balance	Beginning balance	Amortisation (in million Baht)	Disposals/Transfer out	Ending balance	Net balance
Goodwill	1,270	-	-	1,270	-	-	-	1,270	-	-	-	-	1,270
Software licenses	33,894	4,734	(1,764)	36,864	(18,977)	(5,624)	830	(23,771)	(14,020)	(4,963)	6	(18,977)	14,914
Software under installation	2,140	1,141	(1,505)	1,776	-	-	-	-	-	-	-	-	2,140
Others	119	24	(26)	117	(58)	(23)	-	(81)	(35)	(23)	-	(58)	61
<b>Total</b>	<b>37,423</b>	<b>5,899</b>	<b>(3,295)</b>	<b>40,027</b>	<b>(19,035)</b>	<b>(5,647)</b>	<b>830</b>	<b>(23,852)</b>	<b>(14,055)</b>	<b>(4,986)</b>	<b>6</b>	<b>(19,035)</b>	<b>16,175</b>
	Cost		Accumulated amortisation		Allowance for impairment		Cost		Accumulated amortisation		Allowance for impairment		Net balance
	Beginning balance	Additions/Transfer in	Disposals/Transfer out	Ending balance	Beginning balance	Amortisation (in million Baht)	Disposals/Transfer out	Ending balance	Beginning balance	Amortisation (in million Baht)	Disposals/Transfer out	Ending balance	Net balance
Goodwill	1,270	-	-	1,270	-	-	-	1,270	-	-	-	-	1,270
Software licenses	28,221	5,790	(117)	33,894	(14,020)	(4,963)	6	(18,977)	(14,020)	(4,963)	6	(18,977)	14,914
Software under installation	3,017	395	(1,272)	2,140	-	-	-	-	-	-	-	-	2,140
Others	116	3	-	119	(35)	(23)	-	(81)	(35)	(23)	-	(58)	61
<b>Total</b>	<b>32,624</b>	<b>6,188</b>	<b>(1,389)</b>	<b>37,423</b>	<b>(14,055)</b>	<b>(4,986)</b>	<b>6</b>	<b>(19,035)</b>	<b>(14,055)</b>	<b>(4,986)</b>	<b>6</b>	<b>(19,035)</b>	<b>18,385</b>

The gross amount of the Bank and its subsidiaries' fully amortised intangible assets that were still in use as at 31 December 2022 amounted to Baht 10,046 million (2021: Baht 6,254 million).



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**19 Deferred tax**

	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Deferred tax assets	2,310	3,681	2,152	3,340
Deferred tax liabilities	(207)	(888)	-	-
<b>Net</b>	<b>2,103</b>	<b>2,793</b>	<b>2,152</b>	<b>3,340</b>

	At 1 January 2022	<b>Consolidated</b> Credited / (Charged) to:			At 31 December 2022
		Profit or loss	Other Comprehensive income <i>(in million Baht)</i>	Transfer out from disposal of subsidiaries	
<b>Deferred tax assets</b>					
Financial assets measured at					
FVTPL	41	111	-	(152)	-
Derivative assets	48	(18)	1	-	31
Investments in subsidiaries, associates and joint venture	309	(264)	-	-	45
Loans to customers and accrued interest receivables	4,524	(83)	-	(126)	4,315
Properties for sale	147	44	-	(1)	190
Other intangible assets	9	(4)	-	(5)	-
Provisions	4,053	(907)	(343)	(34)	2,769
Other liabilities	1,483	205	-	(105)	1,583
<b>Total</b>	<b>10,614</b>	<b>(916)</b>	<b>(342)</b>	<b>(423)</b>	<b>8,933</b>
<b>Deferred tax liabilities</b>					
Financial assets measured at					
FVTPL	(963)	(174)	-	-	(1,137)
Investments	(271)	3	46	1,020	798
Properties for sale	(24)	-	-	-	(24)
Investment properties	(85)	(80)	-	-	(165)
Premises and equipment	(6,293)	86	-	-	(6,207)
Other intangible assets	(3)	-	-	-	(3)
Other assets	(182)	90	-	-	(92)
<b>Total</b>	<b>(7,821)</b>	<b>(75)</b>	<b>46</b>	<b>1,020</b>	<b>(6,830)</b>
<b>Net</b>	<b>2,793</b>	<b>(991)</b>	<b>(296)</b>	<b>597</b>	<b>2,103</b>

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	At 1 January 2021	Consolidated Credited / (Charged) to:		At 31 December 2021
		Profit or loss <i>(in million Baht)</i>	Other Comprehensive income	
<b>Deferred tax assets</b>				
Financial assets measured at FVTPL	31	10	-	41
Derivative assets	47	1	-	48
Investments in subsidiaries and associate	44	265	-	309
Loans to customers and accrued interest receivables	4,956	(432)	-	4,524
Properties for sale	129	31	(13)	147
Other intangible assets	17	(8)	-	9
Other assets	29	(29)	-	-
Provisions	3,562	590	(99)	4,053
Other liabilities	1,189	294	-	1,483
<b>Total</b>	<b>10,004</b>	<b>722</b>	<b>(112)</b>	<b>10,614</b>
<b>Deferred tax liabilities</b>				
Financial assets measured at FVTPL	(342)	(621)	-	(963)
Investments	(494)	(38)	261	(271)
Properties for sales	(24)	-	-	(24)
Investment properties	(66)	(19)	-	(85)
Premises and equipment	(4,534)	(6)	(1,753)	(6,293)
Other intangible assets	(3)	-	-	(3)
Other assets	(168)	(14)	-	(182)
<b>Total</b>	<b>(5,631)</b>	<b>(698)</b>	<b>(1,492)</b>	<b>(7,821)</b>
<b>Net</b>	<b>4,373</b>	<b>24</b>	<b>(1,604)</b>	<b>2,793</b>
<b>The Bank</b>				
		Credited / (Charged) to:		
	At 1 January 2022	Profit or loss <i>(in million Baht)</i>	Other comprehensive income	At 31 December 2022
<b>Deferred tax assets</b>				
Derivative assets	48	(18)	1	31
Investments in subsidiaries and associate	309	(264)	-	45
Loans to customers and accrued interest receivables	4,443	(137)	-	4,306
Properties for sale	147	43	-	190
Provisions	3,943	(923)	(331)	2,689
Other liabilities	1,348	155	-	1,503
<b>Total</b>	<b>10,238</b>	<b>(1,144)</b>	<b>(330)</b>	<b>8,764</b>
<b>Deferred tax liabilities</b>				
Financial assets measured at FVTPL	(259)	142	-	(117)
Investments	(270)	3	46	(221)
Investment properties	(129)	(80)	-	(209)
Premises and equipment	(6,055)	85	-	(5,970)
Other intangible assets	(3)	-	-	(3)
Other assets	(182)	90	-	(92)
<b>Total</b>	<b>(6,898)</b>	<b>240</b>	<b>46</b>	<b>(6,612)</b>
<b>Net</b>	<b>3,340</b>	<b>(904)</b>	<b>(284)</b>	<b>2,152</b>

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	At 1 January 2021	<b>The Bank</b> Credited / (Charged) to:		At 31 December 2021
		Profit or loss	Other comprehensive income	
		<i>(in million Baht)</i>		
<b>Deferred tax assets</b>				
Derivative assets	47	1	-	48
Investments in subsidiaries and associate	44	265	-	309
Loans to customers and accrued interest receivables	4,939	(496)	-	4,443
Properties for sale	128	32	(13)	147
Provisions	3,466	573	(96)	3,943
Other liabilities	1,069	279	-	1,348
<b>Total</b>	<b>9,693</b>	<b>654</b>	<b>(109)</b>	<b>10,238</b>
<b>Deferred tax liabilities</b>				
Financial assets measured at FVTPL	(310)	51	-	(259)
Investments	(492)	(40)	262	(270)
Investment properties	(110)	(19)	-	(129)
Premises and equipment	(4,370)	(9)	(1,676)	(6,055)
Other intangible assets	(3)	-	-	(3)
Other assets	(168)	(14)	-	(182)
<b>Total</b>	<b>(5,453)</b>	<b>(31)</b>	<b>(1,414)</b>	<b>(6,898)</b>
<b>Net</b>	<b>4,240</b>	<b>623</b>	<b>(1,523)</b>	<b>3,340</b>

**Income tax recognised in profit or loss**

<i>For the year ended 31 December</i>	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
<b>Current tax expense</b>				
Current year	13,376	9,400	12,326	8,276
<b>Deferred tax expense</b>				
Movements in temporary differences	991	(24)	904	(623)
<b>Total income tax expenses</b>	<b>14,367</b>	<b>9,376</b>	<b>13,230</b>	<b>7,653</b>

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***Income tax recognised in other comprehensive income***

<b><i>For the year ended 31 December</i></b>	<b>Consolidated</b>					
	Before tax	2022 Tax income (expense)	Net of tax <i>(in million Baht)</i>	Before tax	2021 Tax income (expense)	Net of tax
Loss on investments in debt instruments at FVOCI	(232)	47	(185)	(912)	183	(729)
Gain (loss) on investments designated at FVOCI	6	(1)	5	(392)	78	(314)
Change in hedge reserve	(6)	1	(5)	-	-	-
Change in revaluation surplus	-	-	-	8,960	(1,766)	7,194
Actuarial gain on defined benefit plans	1,713	(343)	1,370	494	(99)	395
<b>Total</b>	<b>1,481</b>	<b>(296)</b>	<b>1,185</b>	<b>8,150</b>	<b>(1,604)</b>	<b>6,546</b>

<b><i>For the year ended 31 December</i></b>	<b>The Bank</b>					
	Before tax	2022 Tax income (expense)	Net of tax <i>(in million Baht)</i>	Before tax	2021 Tax income (expense)	Net of tax
Loss on investments in debt instruments at FVOCI	(232)	47	(185)	(912)	183	(729)
Gain (loss) on investment designated at FVOCI	5	(1)	4	(396)	79	(317)
Change in hedge reserve	(6)	1	(5)	-	-	-
Changes in revaluation surplus	-	-	-	8,445	(1,689)	6,756
Actuarial gain on defined benefit plans	1,655	(331)	1,324	481	(96)	385
<b>Total</b>	<b>1,422</b>	<b>(284)</b>	<b>1,138</b>	<b>7,618</b>	<b>(1,523)</b>	<b>6,095</b>

***Reconciliation of effective tax rate***

<b><i>For the year ended 31 December</i></b>	<b>Consolidated</b>			
	Rate (%)	2022 <i>(in million Baht)</i>	Rate (%)	2021 <i>(in million Baht)</i>
Profit before income tax expenses		67,994		44,771
Income tax using the Thai corporation tax rate	20.0	13,599	20.0	8,954
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		768		422
<b>Total</b>	<b>21.1</b>	<b>14,367</b>	<b>20.9</b>	<b>9,376</b>

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<i>For the year ended 31 December</i>	<b>The Bank</b>			
	2022		2021	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax expenses		<u>70,210</u>		<u>42,132</u>
Income tax using the Thai corporation tax rate	20.0	14,042	20.0	8,426
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net		(812)		(773)
<b>Total</b>	<b><u>18.8</u></b>	<b><u>13,230</u></b>	<b><u>18.2</u></b>	<b><u>7,653</u></b>

## 20 Other assets, net

	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	(in million Baht)			
Receivables from transfer of the credit card and unsecured personal loan	7,145	-	7,145	-
Collateral per Credit Support Annex	3,241	16,149	3,241	16,149
Securities business receivables and receivables from clearing house	-	3,301	-	-
Accrued service income	2,844	10,955	2,710	10,846
Receivable from purchase of investment in debt securities pending for settlement	1,944	1,629	1,944	1,629
Prepaid expenses	1,095	1,903	1,062	2,378
Receivables from sale of NPL	658	723	658	723
Sundry receivables	251	413	571	1,021
Accrued interest on investment and interest rate derivatives	1,050	1,053	1,050	1,052
Others	8,688	8,618	8,404	7,509
<b>Total</b>	<b><u>26,916</u></b>	<b><u>44,744</u></b>	<b><u>26,785</u></b>	<b><u>41,307</u></b>

## 21 Deposits

### 21.1 Classified by type of deposits

	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	(in million Baht)			
At call	123,229	118,954	122,300	117,866
Savings	2,005,479	1,840,043	2,003,244	1,843,382
Fixed				
- Less than 6 months	95,626	108,205	95,061	107,669
- 6 months and less than 1 year	140,843	157,551	140,815	157,543
- Over 1 year	212,234	242,742	212,234	242,741
<b>Total</b>	<b><u>2,577,411</u></b>	<b><u>2,467,495</u></b>	<b><u>2,573,654</u></b>	<b><u>2,469,201</u></b>

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**21.2 Classified by currency and residence of customer**

	<b>Consolidated</b>					
	2022		2021		Total	
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	2,529,835	1,708	2,531,543	2,424,118	1,250	2,425,368
US Dollar	25,183	13,644	38,827	24,180	12,135	36,315
Other currencies	3,223	3,818	7,041	2,390	3,422	5,812
<b>Total</b>	<b>2,558,241</b>	<b>19,170</b>	<b>2,577,411</b>	<b>2,450,688</b>	<b>16,807</b>	<b>2,467,495</b>

	<b>The Bank</b>					
	2022		2021		Total	
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	2,533,080	1,647	2,534,727	2,433,318	1,196	2,434,514
US Dollar	25,183	7,088	32,271	24,180	5,245	29,425
Other currencies	3,223	3,433	6,656	2,390	2,872	5,262
<b>Total</b>	<b>2,561,486</b>	<b>12,168</b>	<b>2,573,654</b>	<b>2,459,888</b>	<b>9,313</b>	<b>2,469,201</b>

**22 Interbank and money market items (Liabilities)**

	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
<b>Domestic items</b>				
Bank of Thailand and Financial Institutions Development Fund				
Commercial banks	27,400	35,504	27,400	35,504
Specialised financial institutions*	65,707	60,753	65,707	60,753
Other financial institutions**	9,687	45,646	9,687	45,646
<b>Total domestic items</b>	<b>27,411</b>	<b>27,448</b>	<b>27,743</b>	<b>28,583</b>
<b>Total domestic items</b>	<b>130,205</b>	<b>169,351</b>	<b>130,537</b>	<b>170,486</b>
<b>Foreign items</b>				
US Dollar	2,021	5,143	2,661	5,704
Japanese Yen	38	-	38	-
Euro	337	325	337	325
Chinese Yuan	2,016	3,886	2,016	3,886
Other currencies	2,213	2,256	1,750	1,905
<b>Total foreign items</b>	<b>6,625</b>	<b>11,610</b>	<b>6,802</b>	<b>11,820</b>
<b>Total domestic and foreign items</b>	<b>136,830</b>	<b>180,961</b>	<b>137,339</b>	<b>182,306</b>

\* Specialised financial institutions are financial institutions incorporated by special laws e.g. Government Savings Bank, Bank for Agriculture and Agricultural Co-operatives, Government Housing Bank, SME Bank, Islamic Bank of Thailand, Export-Import Bank of Thailand and Secondary Mortgage Corporation excluding Thai Credit Guarantee Corporation.

\*\* Other financial institutions represent financial institutions other than above, such as Finance companies, Securities companies, Credit foncier companies, Life insurance companies, Cooperatives, the Federation of Savings and Credit Cooperatives of Thailand Limited and the Credit Union League of Thailand Limited.

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**23 Debt issued and borrowings**

	Interest rate (%)	Year of maturity	2022		Consolidated		2021	
			Domestic	Foreign	Total	Domestic	Foreign	Total
<i>(in million Baht)</i>								
Debtentures								
- US Dollar	2.75 - 4.40	2023 - 2029	-	51,824	51,824	-	63,442	63,442
Structured notes								
- US Dollar	2.25 - 4.20	2023	660	-	660	246	-	246
- Baht	0.25 - 0.45 and floating*	2023 - 2024	16,612	-	16,612	7,967	-	7,967
Others	-	2023 - 2028	50	-	50	117	-	117
<b>Total</b>			<b>17,322</b>	<b>51,824</b>	<b>69,146</b>	<b>8,330</b>	<b>63,442</b>	<b>71,772</b>
Hedge accounting adjustment			-	(1,506)	(1,506)	-	3,150	3,150
<b>Total</b>			<b>17,322</b>	<b>50,318</b>	<b>67,640</b>	<b>8,330</b>	<b>66,592</b>	<b>74,922</b>

\* Compounded THOR Backward shift 5 Business day - 0.20%, 0.25%, 0.35%

	Interest rate (%)	Year of maturity	2022		The Bank		2021	
			Domestic	Foreign	Total	Domestic	Foreign	Total
<i>(in million Baht)</i>								
Debtentures								
- US Dollar	2.75 - 4.40	2023 - 2029	-	51,824	51,824	-	63,442	63,442
Structured notes								
- US Dollar	2.25 - 4.20	2023	660	-	660	246	-	246
- Baht	0.25 - 0.45 and floating*	2023 - 2024	16,612	-	16,612	2,150	-	2,150
Others	-	2023 - 2028	50	-	50	117	-	117
<b>Total</b>			<b>17,322</b>	<b>51,824</b>	<b>69,146</b>	<b>2,513</b>	<b>63,442</b>	<b>65,955</b>
Hedge accounting adjustment			-	(1,506)	(1,506)	-	3,150	3,150
<b>Total</b>			<b>17,322</b>	<b>50,318</b>	<b>67,640</b>	<b>2,513</b>	<b>66,592</b>	<b>69,105</b>

\* Compounded THOR Backward shift 5 Business day - 0.20%, 0.25%, 0.35%

**24 Provisions**

	Consolidated		The Bank	
	2022	2021	2022	2021
<i>(in million Baht)</i>				
Allowance for expected credit loss of loan				
commitments and financial guarantee contracts	4,837	6,307	4,703	6,236
Employee benefit obligations	7,956	9,232	7,548	8,677
Reserve for reward points	1,077	4,658	1,077	4,658
Others	125	145	125	145
<b>Total *</b>	<b>13,995</b>	<b>20,342</b>	<b>13,453</b>	<b>19,716</b>

\* Balance as at 31 December 2022 is the balance after the transfer of credit card and unsecured personal loan to Card X Company Limited and Card X Asset Management Company Limited on 10 December 2022 (see note 46)

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***Allowance for expected credit loss of loan commitments and financial guarantee contracts***

As of 31 December 2022, the allowance for expected credit loss of loan commitments and financial guarantee contracts increased from the net remeasurement and new loan commitments and financial guarantee contracts of Baht 3,286 million and Baht 3,183 million in the consolidated and the Bank's financial statements, respectively, while it decreased from the derecognition of loan commitments and financial guarantee of Baht 4,756 million and 4,716 million in the consolidated and the Bank's financial statements, respectively. (2021: increased from net remeasurement and new loan commitments and financial guarantee contracts of Baht 2,074 million and Baht 2,036 million in the consolidated and the Bank's financial statements, respectively, while it decreased from the derecognition of loan commitments and financial guarantee of Baht 1,166 million and 1,103 million).

***Employee benefits obligations***

The Bank and its subsidiaries operate a number of post-employment benefit and other long-term employee benefits. All benefit plans are unfunded.

	Consolidated		The Bank	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Severance Payment benefits scheme ("SP")	6,546	7,507	6,215	7,035
Other schemes ("Others")	1,410	1,725	1,333	1,642
<b>Total</b>	<b>7,956</b>	<b>9,232</b>	<b>7,548</b>	<b>8,677</b>

***Defined benefit plan and other long-term employee benefits***

The Bank and its subsidiaries operate a defined benefit plan and other long-term employee benefits based on the requirement of Thai Labour Protection Act B.E 2541 (1998) and the Bank and its subsidiaries' policy. These benefits will be provided once the employees fulfill the policy requirements or when employees retire based on pensionable remuneration and length of service.

The defined benefit plans and other long-term employee benefits expose actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

***Present value of the defined benefit plan and other long-term employee benefits***

	Consolidated			
	2022		2021	
	SP	Others	SP	Others
	<i>(in million Baht)</i>			
At 1 January	7,507	1,725	7,591	1,414
<b>Included in profit or loss:</b>				
Current service cost	549	76	803	37
Interest on obligation	161	36	118	22
Actuarial (gain) loss	-	(5)	-	2
	<b>710</b>	<b>107</b>	<b>921</b>	<b>61</b>
<b>Included in other comprehensive income:</b>				
Actuarial (gain) loss				
- Financial assumptions	(1,045)	(295)	(578)	213
- Experience adjustment	(271)	(102)	(190)	61
	<b>(1,316)</b>	<b>(397)</b>	<b>(768)</b>	<b>274</b>

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	<b>Consolidated</b>			
	2022		2021	
	SP	Others	SP	Others
	<i>(in million Baht)</i>			
<b>Others</b>				
Benefits paid	(181)	(25)	(237)	(24)
Transfer out from disposal of subsidiaries	(174)	-	-	-
	<u>(355)</u>	<u>(25)</u>	<u>(237)</u>	<u>(24)</u>
<b>At 31 December</b>	<u><b>6,546</b></u>	<u><b>1,410</b></u>	<u><b>7,507</b></u>	<u><b>1,725</b></u>
	<b>The Bank</b>			
	2022		2021	
	SP	Others	SP	Others
	<i>(in million Baht)</i>			
At 1 January	<u>7,035</u>	<u>1,642</u>	<u>7,180</u>	<u>1,355</u>
<b>Included in profit or loss:</b>				
Current service cost	476	59	735	28
Interest on obligation	152	36	113	21
Employees transfer to subsidiaries	(5)	-	(28)	(2)
Actuarial (gain) loss	-	(5)	-	2
	<u>623</u>	<u>90</u>	<u>820</u>	<u>49</u>
<b>Included in other comprehensive income:</b>				
Actuarial (gain) loss				
- Financial assumptions	(997)	(286)	(550)	207
- Experience adjustment	(279)	(93)	(191)	54
	<u>(1,276)</u>	<u>(379)</u>	<u>(741)</u>	<u>261</u>
<b>Others</b>				
Benefits paid	(167)	(20)	(224)	(23)
<b>At 31 December</b>	<u><b>6,215</b></u>	<u><b>1,333</b></u>	<u><b>7,035</b></u>	<u><b>1,642</b></u>

**Principal actuarial assumptions**

	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	(%)			
Discount rate	0.8 - 3.5	0.3 - 2.8	3.5	2.2
Future salary growth	2.0 - 11.0	2.0 - 11.0	5.0 - 7.0	5.0 - 7.0
Medical cost trend rate	5.0	5.0	5.0	5.0
Employee turnover	0.0 - 20.0	0.0 - 20.0	2.0 - 12.0	2.0 - 12.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

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**29 Share capital**

All preferred shares had a period of 10 years, which expired on 10 May 2009. Hence, rights of preferred shareholders have been the same as those of the common shareholders since then.

Holders of preferred shares are entitled to convert the shares they hold into common shares, with the conversion ratio of 1:1. The holders of common shares and preferred shares are entitled to receive dividends as declared, and are entitled to one vote per share at the shareholders' meeting of the Bank.

**30 Reserves**

Reserves comprise:

*Appropriations of profit and/or retained earnings*

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires the Bank and its subsidiaries which are public companies shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.

According to the Civil and Commercial Code, subsidiaries which are private companies must appropriate to a reserve fund at each distribution of dividend at least 5% of net profit until the reserve fund not less than 10% of the registered capital of the Company. Such reserve fund is not available for distribution as dividend.

*Other components of equity*

**Translation differences**

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

**Fair value reserve**

The fair value reserve comprises:

- the cumulative net change in the fair value of equity securities designated at FVOCI; and
- the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

**Revaluation reserve**

The revaluation reserve comprises the cumulative net change in the valuation of premises and equipment included in the financial statements at valuation until such premises and equipment are sold or otherwise disposed of.

## **The Siam Commercial Bank Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

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#### **26 Advance received from electronic payment**

In accordance with the BoT notification number Sor Nor Chor 7/2561 dated 16 April 2018, regarding to Regulations on Service Business relating to Electronic Money (E-Money) and Sor Nor Chor 2/2562 dated 20 December 2019 regarding to Regulations on Service Business relating to Electronic Fund Transfer (EFT), require the Bank to disclose advance received from electronic transactions. As at 31 December 2022, the Bank had advances received from electronic transactions, presented as liabilities in the amount of Baht 5,488 million (*31 December 2021 : Baht 1,275 million*)

The Bank has kept advance received from electronic transactions which is a part of cash in the statements of financial position as at 31 December 2022 in the amount of Baht 6,851 million (*31 December 2021 : Baht 2,251 million*).

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**27 Offsetting of financial assets and financial liabilities**

The Bank and its subsidiaries currently hold financial instruments agreements which do not meet the criteria for offsetting in the Consolidated and the Bank'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 and event of default, insolvency or bankruptcy of the Bank or the counterparties or following other predetermined events. For derivatives, the rights to call collateral 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 of significant offsetting of financial assets and financial liabilities are as follow:

	<b>Consolidated</b>					<i>Note</i>
	Gross amount	Amount offset in statements of financial position	Net amount presented in statements of financial position	Related amounts not offset in statement of financial position - Amount eligible for offsetting per contracts which does not meet accounting standards' conditions	Net amount	
	<i>(in million Baht)</i>					
<b>Financial assets</b>						
Reverse sale-and-repurchase	385,802	-	385,802	385,802	-	7
Derivative assets	14,646	-	14,646	13,100	1,546	9
<b>Total</b>	<b>400,448</b>	<b>-</b>	<b>400,448</b>	<b>398,902</b>	<b>1,546</b>	
<b>Financial liabilities</b>						
Sale-and-repurchase	67,955	-	67,955	67,955	-	22
Derivatives liabilities	11,123	-	11,123	3,235	7,888	9
<b>Total</b>	<b>79,078</b>	<b>-</b>	<b>79,078</b>	<b>71,190</b>	<b>7,888</b>	

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	<b>Consolidated</b>						
	2021						
	Gross amount	Amount offset in statements of financial position	Net amount presented in statements of financial position <i>(in million Baht)</i>	Related amounts not offset in statement of financial position - Amount eligible for offsetting per contracts which does not meet accounting standards' conditions <i>(in million Baht)</i>	Net amount	Items in statement of financial position	Note
<b>Financial assets</b>							
Reverse sale-and-repurchase	369,423	-	369,423	369,423	-	Interbank and money market items, net (Assets)	7
Derivative assets	10,786	-	10,786	3,571	7,215	Derivative assets	9
Securities business receivables	6,496	(1,788)	4,708	-	4,708	Other assets, net	20
<b>Total</b>	<b>386,705</b>	<b>(1,788)</b>	<b>384,917</b>	<b>372,994</b>	<b>11,923</b>		
<b>Financial liabilities</b>							
Sale-and-repurchase	59,303	-	59,303	59,303	-	Interbank and money market items (Liabilities)	22
Derivatives liabilities	18,033	-	18,033	16,145	18,888	Derivative liabilities	9
Securities business payables	4,192	(1,788)	2,404	-	2,404	Other liabilities	25
<b>Total</b>	<b>81,528</b>	<b>(1,788)</b>	<b>79,740</b>	<b>75,448</b>	<b>4,292</b>		

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	<b>The Bank</b>				<i>Note</i>
	2022				
	Gross amount	Amount offset in statements of financial position	Net amount presented in statements of financial position <i>(in million Baht)</i>	Related amounts not offset in statement of financial position - Amount eligible for offsetting per contracts which does not meet accounting standards' conditions <i>(in million Baht)</i>	Items in statement of financial position
<b>Financial assets</b>					
Reverse sale-and-repurchase	385,802	-	385,802	385,802	7
Derivative assets	14,646	-	14,646	13,100	9
<b>Total</b>	<b>400,448</b>	<b>-</b>	<b>400,448</b>	<b>398,902</b>	
<b>Financial liabilities</b>					
Sale-and-repurchase	67,955	-	67,955	67,955	22
Derivatives liabilities	11,123	-	11,123	3,235	9
<b>Total</b>	<b>79,078</b>	<b>-</b>	<b>79,078</b>	<b>71,190</b>	
			<b>Net amount</b>		
			<b>-</b>		Interbank and money market items, net (Assets)
			<b>1,546</b>		Derivative assets
			<b>1,546</b>		
			<b>-</b>		Interbank and money market items (Liabilities)
			<b>7,888</b>		Derivative liabilities
			<b>7,888</b>		

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	<b>The Bank</b>			
	2021			
	Amount offset in statements of financial position	Net amount presented in statements of financial position <i>(in million Baht)</i>	Related amounts not offset in statement of financial position - Amount eligible for offsetting per contracts which does not meet accounting standards' conditions <i>(in million Baht)</i>	Items in statement of financial position
	Gross amount		Net amount	<i>Note</i>
<b>Financial assets</b>				
Reverse sale-and-repurchase	369,423	369,423	369,423	7
Derivative assets	10,481	10,481	3,571	9
<b>Total</b>	<b>379,904</b>	<b>379,904</b>	<b>372,994</b>	
<b>Financial liabilities</b>				
Sale-and-repurchase	59,303	59,303	59,303	22
Derivatives liabilities	18,018	18,018	16,145	9
<b>Total</b>	<b>77,321</b>	<b>77,321</b>	<b>75,448</b>	

**The Siam Commercial Bank Public Company Limited and its Subsidiaries**  
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**28 Fair value of financial assets and financial liabilities**

**28.1 Financial assets and financial liabilities measured at fair value**

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

	2022			Consolidated		2021			Total
	Level 1	Fair value		Total	Level 1	Fair value			
		Level 2	Level 3	(in million Baht)		Level 2	Level 3		
<b>Financial assets</b>									
<b>Financial assets measured at FVTPL</b>	<b>660</b>	<b>30,012</b>	<b>11,484</b>	<b>42,156</b>	<b>6,167</b>	<b>41,594</b>	<b>20,946</b>	<b>68,707</b>	
<b>Derivative assets</b>									
- Foreign exchange rate	-	26,362	-	26,362	-	15,226	-	15,226	
- Interest rate	-	38,403	-	38,403	-	41,582	-	41,582	
- Others	-	922	-	922	-	771	-	771	
<b>Total</b>	<b>-</b>	<b>65,687</b>	<b>-</b>	<b>65,687</b>	<b>-</b>	<b>57,579</b>	<b>-</b>	<b>57,579</b>	
<b>Investments, net</b>									
- Investments in debt instruments measured at FVOCI	-	178,016	-	178,016	-	213,450	-	213,450	
- Investments in equity instruments designated at FVOCI	-	-	1,621	1,621	-	-	1,636	1,636	
<b>Total</b>	<b>-</b>	<b>178,016</b>	<b>1,621</b>	<b>179,637</b>	<b>-</b>	<b>213,450</b>	<b>1,636</b>	<b>215,086</b>	
<b>Total financial assets</b>	<b>660</b>	<b>273,715</b>	<b>13,105</b>	<b>287,480</b>	<b>6,167</b>	<b>312,623</b>	<b>22,582</b>	<b>341,372</b>	
<b>Financial liabilities</b>									
<b>Financial liabilities measured at FVTPL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>6</b>	
<b>Derivative liabilities</b>									
- Foreign exchange rate	-	22,492	-	22,492	-	14,289	-	14,289	
- Interest rate	-	36,661	-	36,661	-	34,415	-	34,415	
- Others	-	1,262	-	1,262	-	496	-	496	
<b>Total</b>	<b>-</b>	<b>60,415</b>	<b>-</b>	<b>60,415</b>	<b>-</b>	<b>49,200</b>	<b>-</b>	<b>49,200</b>	
<b>Total financial liabilities</b>	<b>-</b>	<b>60,415</b>	<b>-</b>	<b>60,415</b>	<b>6</b>	<b>49,200</b>	<b>-</b>	<b>49,206</b>	

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	2022				2021			
	Level 1	Fair value		Total	Level 1	Fair value		Total
		Level 2	Level 3	(in million Baht)		Level 2	Level 3	
<b>Financial assets</b>								
<b>Financial assets measured at FVTPL</b>								
	660	30,012	11,484	42,156	1,272	41,537	6,345	49,154
<b>Derivative assets</b>								
- Foreign exchange rate	-	26,362	-	26,362	-	15,228	-	15,228
- Interest rate	-	38,403	-	38,403	-	41,582	-	41,582
- Others	-	922	-	922	-	807	-	807
<b>Total</b>	<b>-</b>	<b>65,687</b>	<b>-</b>	<b>65,687</b>	<b>-</b>	<b>57,617</b>	<b>-</b>	<b>57,617</b>
<b>Investments, net</b>								
- Investments in debt instruments measured at FVOCI	-	178,016	-	178,016	-	213,450	-	213,450
- Investments in equity instruments designated at FVOCI	-	-	1,612	1,612	-	-	1,620	1,620
<b>Total</b>	<b>-</b>	<b>178,016</b>	<b>1,612</b>	<b>179,628</b>	<b>-</b>	<b>213,450</b>	<b>1,620</b>	<b>215,070</b>
<b>Total financial assets</b>	<b>660</b>	<b>273,715</b>	<b>13,096</b>	<b>287,471</b>	<b>1,272</b>	<b>312,604</b>	<b>7,965</b>	<b>321,841</b>
<b>Financial liabilities</b>								
<b>Derivative liabilities</b>								
- Foreign exchange rate	-	22,492	-	22,492	-	14,292	-	14,292
- Interest rate	-	36,661	-	36,661	-	34,415	-	34,415
- Others	-	1,262	-	1,262	-	939	-	939
<b>Total</b>	<b>-</b>	<b>60,415</b>	<b>-</b>	<b>60,415</b>	<b>-</b>	<b>49,646</b>	<b>-</b>	<b>49,646</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>60,415</b>	<b>-</b>	<b>60,415</b>	<b>-</b>	<b>49,646</b>	<b>-</b>	<b>49,646</b>

**Reconciliation of Level 3 fair values**

	Consolidated	The Bank
	(in million Baht)	
<b>Financial assets measured at FVTPL</b>		
At 1 January 2022	20,946	6,345
Acquisitions	6,702	5,069
Disposal	(651)	(206)
Transfers from Level 2	297	297
Transfers out of Level 3	(3,883)	-
Net change in fair value (including unrealised gain/loss and foreign currency translation)	3,096	(21)
Transfer out from disposal of subsidiaries	(15,023)	-
<b>At 31 December 2022</b>	<b>11,484</b>	<b>11,484</b>
<b>Financial assets measured at FVTPL</b>		
At 1 January 2021	6,489	3,794
Acquisitions	10,615	6,681
Disposal	(800)	(4,794)
Net change in fair value (including unrealised gain/loss and foreign currency translation)	4,642	664
<b>At 31 December 2021</b>	<b>20,946</b>	<b>6,345</b>

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**28.2 Financial assets and financial liabilities not measured at fair value**

Fair value of financial assets and financial liabilities which are not measured at fair value and for which there is a significant difference with carrying amount as at 31 December 2022 and 2021 were as follows:

	<b>Consolidated</b>					
	2022	2022	Fair value	Carrying	2021	Fair value
	Carrying	Fair value	Level 3	amount	Fair value	Fair value
	amount	Level 2	Level 3	amount	Level 2	Level 3
	<i>(in million Baht)</i>					
<b>Financial assets</b>						
Investments in debt instruments measured at AMC	209,509	209,831	422	7,548	7,593	502
	<b>The Bank</b>					
	2022	2022	Fair value	Carrying	2021	Fair value
	Carrying	Fair value	Level 3	amount	Fair value	Fair value
	amount	Level 2	Level 3	amount	Level 2	Level 3
	<i>(in million Baht)</i>					
<b>Financial assets</b>						
Investments in debt instruments measured at AMC	209,183	209,831	95	7,517	7,903	161

The following methods and assumptions are used in estimating fair values of financial instruments as disclosed herein:

Interbank and money market items (Assets):	Fair value calculated based on present value of estimated cash flows, using the current interest rate in the money market. The fair value has no significant difference with the carrying amount.
Financial assets measured at FVTPL and investments:	<p>The following methodologies are used to determine the fair value of securities held by the Bank.</p> <ul style="list-style-type: none"> <li>- The fair value of debt securities is estimated based on the Thai Bond Market Association's last average bid price for identical or similar instruments in active markets or other inputs that are observable market data. In situations where no auction prices are available, the fair value is estimated based on the last executed price. For debt instruments with no active market price, the fair value is estimated based on the yield curve of debt securities plus a risk premium.</li> <li>- The fair value of listed private sector equity instruments and listed unit trust is estimated by using the bidding prices at The Stock Exchange of Thailand on the last business day of the year.</li> <li>- The fair value of non-marketable equity instruments is measured based on different measurement approach that is most appropriate to the investee's business i.e. current adjusted book value, latest round funding price and other valuation models. The majority of exposures are measured using latest round funding price.</li> <li>- The fair value of non-listed unit trusts is estimated based on the net asset value at the reporting date.</li> </ul>

## The Siam Commercial Bank Public Company Limited and its Subsidiaries

### Notes to the financial statements

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- The fair value of foreign debt and equity instruments listed on foreign stock exchanges is estimated by using the bid prices at such exchanges as of the last business day of the year. The fair value of non-listed foreign debt and equity instruments is determined based on values quoted by reliable international financial institutions.
- Derivatives:
- In a liquid market, the prices quoted represent the best fair market value that are obtained from local or foreign sources announced by the independent data providers or brokers. On the other hand, fair values of derivatives in an illiquid market are an average of prices quoted from several sources. Alternatively, prices derived from a standard and reliable model (mark to model), or a benchmark price of the instrument that has a similar characteristic could also be used. In the case of derivative assets, fair values are also reflected the credit risk of counterparty.
- Loans to customers and accrued interest receivables:
- For variable-rate loans that are repriced frequently and have no significant change in credit risk, fair values are based on carrying amount.
  - The fair values of other loans are estimated using discounted cash flow analyses, using market interest rates or the fair value of collateral. There is no significant difference with the carrying amount.
- Deposits:
- The fair value of deposits which are payable on demand by the depositor are equal to the carrying amount.
  - Fair values for fixed-deposits are estimated using a discounted cash flow calculation that applies interest rates currently being offered on similar deposits.
- Interbank and money market items (Liabilities):
- The fair value has no significant difference with the carrying amount.
- Liabilities payable on demand:
- The fair value is approximated based on its carrying amount.
- Financial liabilities measured at FVTPL:
- The fair value is calculated based on valuation models using market data obtained from reliable sources.
- Debt issued and borrowings:
- The fair value of short-term borrowings maturing within 90 days approximated its carrying amount.
  - Fair values of other borrowings are estimated using discounted cash flow analyses based on the Bank's current borrowing rates for similar types of borrowing arrangements.

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**29 Share capital**

All preferred shares had a period of 10 years, which expired on 10 May 2009. Hence, rights of preferred shareholders have been the same as those of the common shareholders since then.

Holders of preferred shares are entitled to convert the shares they hold into common shares, with the conversion ratio of 1:1. The holders of common shares and preferred shares are entitled to receive dividends as declared, and are entitled to one vote per share at the shareholders' meeting of the Bank.

**30 Reserves**

Reserves comprise:

*Appropriations of profit and/or retained earnings*

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires the Bank and its subsidiaries which are public companies shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered capital. The legal reserve is not available for dividend distribution.

According to the Civil and Commercial Code, subsidiaries which are private companies must appropriate to a reserve fund at each distribution of dividend at least 5% of net profit until the reserve fund not less than 10% of the registered capital of the Company. Such reserve fund is not available for distribution as dividend.

*Other components of equity*

**Translation differences**

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

**Fair value reserve**

The fair value reserve comprises:

- the cumulative net change in the fair value of equity securities designated at FVOCI; and
- the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

**Revaluation reserve**

The revaluation reserve comprises the cumulative net change in the valuation of premises and equipment included in the financial statements at valuation until such premises and equipment are sold or otherwise disposed of.

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### 31 Dividends

The dividends paid by the Bank to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2022</i>				
Annual dividend 2021	4 April 2022	22 April 2022	2.63	8,940
Dividend payments from retained earnings	5 September 2022	29 September 2022	17.95	61,000
Interim dividend 2022	28 September 2022	27 October 2022	1.50	5,099
<b>Total</b>			<b>22.08</b>	<b>75,039</b>
<i>2021</i>				
Annual dividend 2020	8 April 2021	7 May 2021	2.30	7,818
Interim dividend 2021	24 August 2021	23 September 2021	1.43	4,861
<b>Total</b>			<b>3.73</b>	<b>12,679</b>

### 32 Assets pledged as collateral and under restriction

	Consolidated		The Bank	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Securities pledged as collateral	52,516	58,544	52,516	58,544
Deposits under restriction of overseas subsidiaries and branches	1,373	1,557	419	506
Others	80	81	75	75
<b>Total</b>	<b>53,969</b>	<b>60,182</b>	<b>53,010</b>	<b>59,125</b>

### 33 Contingent liabilities

	Consolidated		The Bank	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Avals to bills	5,424	6,624	5,424	6,624
Guarantees of loans	1,346	538	938	179
Liability under unmatured import bills	57,271	47,976	57,203	47,888
Letters of credit	30,051	30,280	29,982	30,158
Other contingencies				
- Unused bank overdrafts	185,088	200,003	184,359	199,168
- Other guarantees	176,519	161,746	175,250	160,580
- Receivables / payables from investments	5,880	22,972	5,880	22,972
- Others	70,325	56,867	70,325	56,867
<b>Total</b>	<b>531,904</b>	<b>527,006</b>	<b>529,361</b>	<b>524,436</b>

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### 34 Related parties

In April 2022, 99.06% of the Bank's shares were acquired by SCB X Public Company Limited. As a result, the controlling party of the Bank has changed to SCB X Public Company Limited.

#### 34.1 Assets, liabilities, and contingencies

	Consolidated		The Bank	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Parent company				
Loans*	1,463	-	1,463	-
Deposits	7,411	-	7,411	-
Subsidiaries**				
Investments	-	-	-	310
Loans*	-	-	-	4,520
Goodwill and other intangible assets, net	-	-	-	516
Other assets	-	-	475	2,079
Deposits	-	-	3,246	9,200
Interbank and money market items (liabilities)	-	-	1,099	1,748
Other liabilities	-	-	330	995
Contingencies (Notional amount)	-	-	142	7,918
Derivatives (Notional amount)	-	-	-	7,882
Associates				
Loans*	8,315	8,531	8,315	8,531
Deposits	346	345	346	345
Contingencies (Notional amount)	435	555	435	555
Joint venture				
Deposits	-	137	-	137
Other related parties**				
Interbank and money market items (Assets)*	1,100	-	1,100	-
Loans*	64,260	-	64,260	-
Goodwill and other intangible assets, net	1,517	-	1,517	-
Other assets	11,014	-	10,995	-
Deposits	14,200	-	14,200	-
Interbank and money market items (liabilities)	258	-	258	-
Other liabilities	1,590	-	1,580	-
Contingencies (Notional amount)	5,587	-	5,587	-
Derivatives (Notional amount)	5,569	-	5,569	-
Major shareholders (more than 10% ownership)				
Deposits	-	13,955	-	13,955
Related persons and their related entities				
Loans*	28,976	28,452	28,976	28,347
Deposits	49,984	21,411	49,984	21,411
Contingencies (Notional amount)	1,459	817	1,459	817

\* Before deducting allowance for expected credit loss.

\*\* The balance of disposal groups was reclassified from subsidiaries to other related parties due to change in ownership on 29 September 2022 (see note 11).

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**34.2 Income and expenses**

<i>For the year ended 31 December</i>	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Parent company				
Interest income	13	-	13	-
Interest expenses	18	-	18	-
Net gain on investments	6,028	-	6,458	-
Subsidiaries				
Interest income	-	-	138	61
Interest expenses	-	-	320	160
Fee and service income	-	-	3,022	4,499
Fee and service expenses and other expenses	-	-	2,497	2,993
Dividend income	-	-	4,353	3,585
Net gain (loss) on financial instruments measured at fair value through profit or loss	-	-	951	(5)
Associates				
Interest income	16	39	16	39
Interest expenses	1	1	1	1
Dividend income	148	72	148	72
Joint Venture				
Interest income	19	-	19	-
Other related parties				
Interest income	181	-	181	-
Interest expenses	77	-	77	-
Fee and service income	561	-	537	-
Fee and service expenses and other expenses	109	-	100	-
Net loss on financial instruments measured at fair value through profit or loss	(165)	-	(165)	-
Other operating income	5,099	-	5,099	-
Major shareholders (more than 10% ownership)				
Interest expenses	-	109	-	109
Other expenses	-	27	-	27
Related persons and their related entities				
Interest income	552	437	552	437
Interest expenses	181	119	181	119
Other expenses	182	193	182	193

During the year end 31 December 2022, the Bank did not transfer any non-marketable equity instrument to subsidiary. (2021: the Bank transferred non-marketable equity instruments to subsidiary at fair value on the date of transfer amounting to Baht 4,794 million).

During the year end 31 December 2022, the Bank sold subsidiaries and joint venture according to Financial Business Group restructuring plan as given in note 11 and 46. The selling price was determined to be higher of investment cost, net book value as of 31 December 2021 and net book value as of 31 August 2022 adjusted with new average price from the capital increased (if any).





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**38 Interest income**

<i>For the year ended 31 December</i>	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Interbank and money market items	3,963	2,611	3,888	2,589
Investments and trading transactions	484	492	475	458
Investments in debt securities	4,361	2,003	4,328	1,992
Loans	105,121	94,976	103,331	93,930
Hire purchase	11,339	12,050	11,339	12,050
Others	135	45	135	45
<b>Total</b>	<b>125,403</b>	<b>112,177</b>	<b>123,496</b>	<b>111,064</b>

**39 Interest expenses**

<i>For the year ended 31 December</i>	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Deposits	9,615	9,556	9,519	9,488
Interbank and money market items	1,211	816	1,025	724
Contributions to Deposit Protection Agency	6,057	5,734	6,057	5,734
Debt issued and borrowings	1,859	890	1,859	890
Others	206	10	206	10
<b>Total</b>	<b>18,948</b>	<b>17,006</b>	<b>18,666</b>	<b>16,846</b>

On 8 April 2020, BoT announced a reduction in rate of contribution from financial institutions to the Financial Institutions Development Fund (FIDF) from 0.46% of deposit base to 0.23% per annum temporarily for the year 2020 to 2021 which is retrospectively effective from 1 January 2020. On 19 August 2021, BoT extend the period of a reduction in rate of contribution from FIDF to end of the year 2022 which is effective from 1 January 2022.

**40 Net fee and service income**

<i>For the year ended 31 December</i>	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Fee and service income				
- Acceptances, avals and guarantees	1,448	1,523	1,431	1,509
- ATM, Debit cards, Credit Cards and other banking electronic	12,932	11,137	12,907	11,112
- Insurance commission and bancassurance related income	13,426	13,332	12,683	13,048
- Fund management fee	5,263	7,026	-	-
- Domestic and foreign fund transfer	4,551	5,334	4,476	5,296
- Others	10,233	12,004	10,337	12,584
Total fee and service income	47,853	50,356	41,834	43,549
Fee and service expenses	(10,918)	(10,158)	(9,234)	(8,302)
<b>Net fee and service income</b>	<b>36,935</b>	<b>40,198</b>	<b>32,600</b>	<b>35,247</b>

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**41 Net gain on financial instruments measured at fair value through profit or loss**

<i>For the year ended 31 December</i>	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
<b>Gain (loss) on trading and foreign exchange transactions</b>				
Foreign currencies and foreign exchange derivatives	5,693	7,284	5,583	6,392
Interest rate derivatives	(229)	(540)	(229)	(540)
Debt instruments	(559)	(590)	(609)	(622)
Equity instruments	(392)	239	-	-
Other derivatives	1,145	792	163	519
<b>Total</b>	<b>5,658</b>	<b>7,185</b>	<b>4,908</b>	<b>5,749</b>
<b>Gain (loss) on others</b>				
Derivatives held for risk management not designated in a hedge relationship				
- Foreign exchange derivatives	3,945	(889)	1,897	(889)
- Equity derivatives	-	13	-	13
Debt instruments	(1,269)	563	(1,228)	563
Equity instruments	(658)	4,218	(620)	1,130
<b>Total</b>	<b>2,018</b>	<b>3,905</b>	<b>49</b>	<b>817</b>
<b>Total net gain on financial instruments measured at fair value through profit or loss</b>	<b>7,676</b>	<b>11,090</b>	<b>4,957</b>	<b>6,566</b>

**42 Net gain on investments**

<i>For the year ended 31 December</i>	<i>Note</i>	<b>Consolidated</b>		<b>The Bank</b>	
		2022	2021	2022	2021
		<i>(in million Baht)</i>			
Net gain on sale of investment in debt instruments measured at FVOCI		5	146	5	146
Net gain on sale of investment in subsidiaries, associate and joint venture	34	6,078	-	6,508	-
<b>Total</b>		<b>6,083</b>	<b>146</b>	<b>6,513</b>	<b>146</b>

**43 Other expenses**

<i>For the year ended 31 December</i>	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Marketing expenses	6,160	7,121	4,522	5,877
Other service fees	4,225	3,645	5,897	3,379
Amortisation of intangible assets	5,647	4,986	5,453	4,711
Others	3,581	3,217	3,310	5,573
<b>Total</b>	<b>19,613</b>	<b>18,969</b>	<b>19,182</b>	<b>19,540</b>

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**44 Expected credit loss**

<i>For the year ended 31 December</i>	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Expected credit loss				
- Interbank and money market items	(59)	58	(74)	40
- Investment in debt instruments measured at FVOCI	(2)	(23)	(2)	(23)
- Investment in debt instruments measured at AMC	66	(19)	20	(19)
- Loans to customers and accrued interest receivables *	31,764	37,788	30,757	37,422
- Loan commitments and financial guarantee contracts	678	908	616	933
Modification loss	256	3,312	256	3,312
<b>Total</b>	<b>32,703</b>	<b>42,024</b>	<b>31,573</b>	<b>41,665</b>

\* Net of bad debts recovery.

**45 Basic earnings per share**

<i>For the year ended 31 December</i>	<b>Consolidated</b>		<b>The Bank</b>	
	2022	2021	2022	2021
	<i>(in million Baht / million shares)</i>			
Profit attributable to common shareholders of the Bank (basic)	54,200	35,599	56,980	34,479
Number of common and preferred shares outstanding	3,399	3,399	3,399	3,399
<b>Earnings per share (basic) (in Baht)</b>	<b>15.95</b>	<b>10.47</b>	<b>16.76</b>	<b>10.14</b>

**46 Financial Business Group restructuring plan**

At the Extraordinary General Meeting of Shareholders of the Bank held on 15 November 2021, the resolution approved Financial Business Group Restructuring Plan of the Bank and other related processes (the “Shareholding Restructuring Plan”).

*The completed phases of the Shareholding Restructuring Plan*

SCB X Public Company Limited (“the Company”) made a tender offer for all of the Bank’s securities to the shareholders of the Bank by issuing and offering newly-issued ordinary shares of the Company in exchange for the Bank’s ordinary shares and preferred shares, at a swap ratio of 1 ordinary share of the Bank for 1 ordinary share of the Company, and 1 preferred share of the Bank for 1 ordinary share of the Company (at present, the Bank’s preferred shares have the same rights as the Bank’s ordinary shares). The tender offer period ended on 18 April 2022 and the shareholder of the Bank accepted the tender offer in the total number of 3,367,107,286 shares which was equivalent to 99.06% of the total issued and outstanding shares of the Bank. On 22 April 2022, the Company allocated 3,367,107,286 newly issued ordinary shares, at the par value of Baht 10 per share to shareholders of the Bank who accepted the tender offer. The Company, consequently, acquired the ordinary shares and preferred shares of the Bank in the total number of 3,367,107,286 shares, at the par value of Baht 10 per share from the shareholders of the Bank who accepted the tender offer as part of the share swap. The Company registered for the amendment of the paid-up capital with the Department of Business Development, Ministry of Commerce on the same day.

## **The Siam Commercial Bank Public Company Limited and its Subsidiaries**

### **Notes to the financial statements**

#### **For the year ended 31 December 2022**

On 27 April 2022, the Company's ordinary shares are listed securities on the Stock Exchange of Thailand (the "SET"), in place of the securities of the Bank, which were delisted from the SET on the same day.

On 2 September 2022, the BoT gave its approval to the Bank to pay dividends from retained earnings of Baht 61,000 million to its shareholders and the Board of Directors meeting of the Bank held on 5 September 2022 approved the aforementioned dividend payments. The Company received a dividend in the amount proportional to its 99.06% stake and use a portion of the aforementioned dividends to purchase shares in subsidiaries and joint venture of the Bank and of SCB 10X Co., Ltd. in accordance with the Financial Business Group restructuring plan. The acquisition was completed totaling 9 companies on 29 September 2022 and 1 company on 29 November 2022 (see note 11).

On 10 December 2022, the Bank completed the transfer of the credit card and unsecured personal loan businesses to Card X Company Limited and Card X Asset Management Company Limited, which are either direct and indirect subsidiaries of the Company after obtaining relevant approvals from the BoT.

#### **47 Events after the reporting period**

The Board of Director's Meeting held on 16 February 2023 passed a resolution on the dividend payment from the 2022 operating results to the shareholders of the Bank at the rate of Baht 12.57 per share, totaling Baht 42,728 million. The resolution will be proposed to seek an approval from the Annual General Meeting of Shareholders on 20 March 2023. Dividend payout ratio is 75% based on 2022 net profit on the Bank only basis. On 27 October 2022, the Bank paid the interim dividend from the 2022 operating results to the shareholders of the Bank at the rate of Baht 1.50 per share, totaling of Baht 5,099 million. Accordingly, the remaining dividend to be paid under the resolution of this shareholders' meeting was Baht 11.07 per share, totaling Baht 37,629 million.

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