

**TMBThanachart Bank Public Company Limited
and its Subsidiaries**

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 2023
and
Independent auditor's review report

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of TMBThanachart Bank Public Company Limited

I have reviewed the accompanying consolidated and the Bank only statements of financial position of TMBThanachart Bank Public Company Limited and its subsidiaries (the "Group"), and of TMBThanachart Bank Public Company Limited (the "Bank") respectively, as at 30 September 2023; the consolidated and the Bank only statements of profit or loss and other comprehensive income for the three-month and for the nine-month periods ended 30 September 2023, changes in equity and cash flows for the nine-month period ended 30 September 2023; and the condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting" and the regulations of the Bank of Thailand. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting", and the regulations of the Bank of Thailand.

(Chokechai Ngamwutikul)
Certified Public Accountant
Registration No. 9728

KPMG Phoomchai Audit Ltd.
Bangkok
9 November 2023

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of financial position

		Consolidated		Bank only	
		30 September	31 December	30 September	31 December
		2023	2022	2023	2022
Assets	Note	(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Cash		13,571,774	15,505,583	13,571,614	15,505,582
Interbank and money market items, net		170,250,113	187,563,316	170,234,264	187,545,416
Financial assets measured at fair value through					
profit or loss		978,969	1,533,033	978,960	1,533,024
Derivative assets		11,331,298	10,375,799	11,331,298	10,375,799
Investments, net	5	183,019,017	211,431,500	183,019,017	211,431,500
Investments in subsidiaries and associates, net	6	8,660,928	8,573,610	5,143,948	5,143,948
Loans to customers and accrued interest receivables, net	7,8	1,313,283,714	1,326,504,537	1,310,412,135	1,323,737,079
Properties for sale, net		12,520,385	12,152,366	11,068,478	10,613,877
Premises and equipment, net		20,836,269	19,788,332	20,774,525	19,718,903
Goodwill and other intangible assets, net		23,372,842	22,890,214	23,326,502	22,843,092
Deferred tax assets		1,599,251	829,779	2,066,032	1,398,594
Other assets, net		12,619,772	9,130,807	12,244,008	8,663,928
Total assets		1,772,044,332	1,826,278,876	1,764,170,781	1,818,510,742
Liabilities and equity					
Liabilities					
Deposits		1,329,427,643	1,399,246,571	1,331,346,813	1,400,077,734
Interbank and money market items		93,822,981	84,769,857	93,822,981	84,769,857
Liabilities payable on demand		5,882,426	5,586,302	5,882,337	5,586,281
Financial liabilities measured at fair value through					
profit or loss		1,132,568	438,041	1,132,568	438,041
Derivative liabilities		10,350,537	9,499,240	10,350,537	9,499,240
Debts issued and borrowings	9	59,974,850	59,644,222	53,874,850	54,644,222
Provisions for employee benefits		3,837,210	3,872,429	3,688,219	3,744,549
Provisions for other liabilities		2,070,516	2,662,494	2,070,017	2,661,860
Deferred revenue		17,050,168	17,950,211	17,050,817	17,951,986
Other liabilities		24,854,288	23,601,927	24,408,159	23,239,904
Total liabilities		1,548,403,187	1,607,271,294	1,543,627,298	1,602,613,674

The accompanying notes form an integral part of the interim financial statements.

Statements of financial position

		Consolidated		Bank only	
		30 September	31 December	30 September	31 December
		2023	2022	2023	2022
Liabilities and equity	Note	(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Equity					
Share capital					
Authorised share capital					
97,830,583,125 ordinary shares of Baht 0.95 each	15	92,939,054	92,939,054	92,939,054	92,939,054
Issued and paid-up share capital					
96,865,567,796 ordinary shares of Baht 0.95 each					
(31 December 2022: 96,776,073,897 ordinary shares					
of Baht 0.95 each)	15	92,022,289	91,937,270	92,022,289	91,937,270
Premium on share capital		43,358,905	43,360,227	43,358,905	43,360,227
Other reserves		4,946,629	4,455,714	5,915,193	5,413,835
Retained earnings					
Appropriated					
Legal reserve		10,091,000	10,091,000	10,091,000	10,091,000
Unappropriated		73,221,177	69,162,228	69,156,096	65,094,736
Equity attributable to equity holders of the Bank		223,640,000	219,006,439	220,543,483	215,897,068
Non-controlling interest		1,145	1,143	-	-
Total equity		223,641,145	219,007,582	220,543,483	215,897,068
Total liabilities and equity		1,772,044,332	1,826,278,876	1,764,170,781	1,818,510,742

Mr. Piti Tantakasem
Chief Executive Officer

Mrs. Charita Leelayudth
Chairman of the Audit Committee

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of profit or loss and other comprehensive income (Unaudited)

	Consolidated		Bank only	
	Three-month period ended		Three-month period ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Interest income	20,217,228	16,518,691	20,184,302	16,498,372
Interest expenses	5,552,444	3,550,456	5,520,836	3,540,100
Net interest income	14,664,784	12,968,235	14,663,466	12,958,272
Fees and service income	3,415,693	3,438,073	3,192,737	3,303,458
Fees and service expenses	910,464	904,257	1,017,604	1,014,537
Net fees and service income	2,505,229	2,533,816	2,175,133	2,288,921
Gain on financial instruments measured at fair value through profit or loss	378,172	432,969	378,172	432,969
Gain (loss) on investments, net	13,149	(8,504)	-	(11,370)
Share of profit from investment using equity method	81,341	46,739	-	-
Other operating income	356,903	376,001	552,999	526,982
Total operating income	17,999,578	16,349,256	17,769,770	16,195,774
Other operating expenses				
Employee expenses	4,198,740	4,138,450	3,999,066	3,975,025
Directors' remuneration	21,749	9,821	21,749	9,821
Premises and equipment expenses	1,186,414	1,177,485	1,172,955	1,165,523
Taxes and duties	481,787	367,503	478,494	366,684
Others	1,888,760	1,754,065	1,876,007	1,743,589
Total other operating expenses	7,777,450	7,447,324	7,548,271	7,260,642
Expected credit loss	4,353,756	4,360,744	4,536,277	4,273,067
Profit from operations before income tax	5,868,372	4,541,188	5,685,222	4,662,065
Income tax	1,133,476	826,549	1,077,090	914,247
Profit for the period	4,734,896	3,714,639	4,608,132	3,747,818
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Gain (loss) on investments in debt instruments at fair value through other comprehensive income	(493,287)	49,810	(478,481)	53,938
Gain (loss) on cash flow hedges	22,936	(79,400)	22,936	(79,400)
Income tax relating to items that will be reclassified subsequently to profit or loss	94,070	5,918	91,109	5,093
	(376,281)	(23,672)	(364,436)	(20,369)

The accompanying notes form an integral part of the interim financial statements.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of profit or loss and other comprehensive income (Unaudited)

	Consolidated		Bank only	
	Three-month period ended		Three-month period ended	
	30 September		30 September	
Note	2023	2022	2023	2022
	(in thousand Baht)			
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Change in revaluation surplus on assets	(1,038)	(17,940)	(1,038)	(17,940)
Loss on investments in equity instruments				
designated at fair value through other comprehensive income	(64,810)	(18,629)	(66,125)	(18,629)
Actuarial gain on post-employment benefit plan	215,692	69,369	215,692	69,369
Income tax relating to items that will not be reclassified				
subsequently to profit or loss	(29,969)	(6,560)	(29,706)	(6,560)
	<u>119,875</u>	<u>26,240</u>	<u>118,823</u>	<u>26,240</u>
Total other comprehensive income for the period, net of income tax	<u>(256,406)</u>	<u>2,568</u>	<u>(245,613)</u>	<u>5,871</u>
Total comprehensive income for the period	<u>4,478,490</u>	<u>3,717,207</u>	<u>4,362,519</u>	<u>3,753,689</u>
Profit attributable to:				
Equity holders of the Bank	4,734,890	3,714,636	4,608,132	3,747,818
Non-controlling interest	6	3	-	-
Profit for the period	<u>4,734,896</u>	<u>3,714,639</u>	<u>4,608,132</u>	<u>3,747,818</u>
Total comprehensive income attributable to:				
Equity holders of the Bank	4,478,484	3,717,205	4,362,519	3,753,689
Non-controlling interest	6	2	-	-
Total comprehensive income for the period	<u>4,478,490</u>	<u>3,717,207</u>	<u>4,362,519</u>	<u>3,753,689</u>
Earnings per share	14			
Basic earnings per share (in Baht)	<u>0.0489</u>	<u>0.0384</u>	<u>0.0476</u>	<u>0.0388</u>
Diluted earnings per share (in Baht)	<u>0.0486</u>	<u>0.0380</u>	<u>0.0473</u>	<u>0.0383</u>

Mr. Piti Tantakasem

Chief Executive Officer

Mrs. Charita Leelayudth

Chairman of the Audit Committee

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of profit or loss and other comprehensive income (Unaudited)

	Consolidated		Bank only	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Interest income	58,134,122	48,080,699	58,035,534	48,037,050
Interest expenses	15,874,630	10,289,844	15,790,209	10,263,351
Net interest income	42,259,492	37,790,855	42,245,325	37,773,699
Fees and service income	10,461,546	10,292,777	9,836,528	9,894,014
Fees and service expenses	2,737,866	2,652,016	3,058,863	2,796,738
Net fees and service income	7,723,680	7,640,761	6,777,665	7,097,276
Gain on financial instruments measured at fair value through profit or loss	1,274,543	1,294,719	1,337,806	1,294,719
Gain (loss) on investments, net	51,687	3,890	(4,316)	(5,870)
Share of profit from investment using equity method	207,767	201,360	-	-
Other operating income	1,112,467	1,080,584	1,603,642	1,443,800
Total operating income	52,629,636	48,012,169	51,960,122	47,603,624
Other operating expenses				
Employee expenses	12,525,146	11,734,131	11,926,271	11,386,040
Directors' remuneration	99,392	47,889	99,392	47,889
Premises and equipment expenses	3,581,239	3,594,499	3,540,323	3,564,085
Taxes and duties	1,361,328	1,091,250	1,350,267	1,088,778
Others	5,376,624	5,228,062	5,347,918	5,177,865
Total other operating expenses	22,943,729	21,695,831	22,264,171	21,264,657
Expected credit loss	12,873,541	13,551,149	12,908,959	13,564,988
Profit from operations before income tax	16,812,366	12,765,189	16,786,992	12,773,979
Income tax	3,216,658	2,417,323	3,177,901	2,447,618
Profit for the period	13,595,708	10,347,866	13,609,091	10,326,361
Other comprehensive income				
<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	(855,066)	(1,573,620)	(791,170)	(1,557,779)
Loss on cash flow hedges	(58,171)	(32,707)	(121,434)	(32,707)
Reclassify loss arising from translating the financial statements of foreign operations to profit or loss	-	58,187	-	58,187
Income tax relating to items that will be reclassified subsequently to profit or loss	182,647	309,628	182,520	306,460
	(730,590)	(1,238,512)	(730,084)	(1,225,839)

The accompanying notes form an integral part of the interim financial statements.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of profit or loss and other comprehensive income (Unaudited)

	Consolidated		Bank only	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
Note	2023	2022	2023	2022
	(in thousand Baht)			
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Change in revaluation surplus on assets	2,283,108	(85,084)	2,283,108	(85,084)
Loss on investments in equity instruments designated at fair value through other comprehensive income	(489,021)	(28,069)	(490,336)	(28,069)
Actuarial gain on post-employment benefit plan	173,938	399,634	173,938	399,634
Income tax relating to items that will not be reclassified subsequently to profit or loss	(393,605)	(57,296)	(393,342)	(57,296)
	<u>1,574,420</u>	<u>229,185</u>	<u>1,573,368</u>	<u>229,185</u>
Total other comprehensive income for the period, net of income tax	<u>843,830</u>	<u>(1,009,327)</u>	<u>843,284</u>	<u>(996,654)</u>
Total comprehensive income for the period	<u>14,439,538</u>	<u>9,338,539</u>	<u>14,452,375</u>	<u>9,329,707</u>
Profit attributable to:				
Equity holders of the Bank	13,595,691	10,347,866	13,609,091	10,326,361
Non-controlling interest	17	-	-	-
Profit for the period	<u>13,595,708</u>	<u>10,347,866</u>	<u>13,609,091</u>	<u>10,326,361</u>
Total comprehensive income attributable to:				
Equity holders of the Bank	14,439,521	9,338,542	14,452,375	9,329,707
Non-controlling interest	17	(3)	-	-
Total comprehensive income for the period	<u>14,439,538</u>	<u>9,338,539</u>	<u>14,452,375</u>	<u>9,329,707</u>
Earnings per share	14			
Basic earnings per share (in Baht)	<u>0.1404</u>	<u>0.1071</u>	<u>0.1406</u>	<u>0.1069</u>
Diluted earnings per share (in Baht)	<u>0.1398</u>	<u>0.1063</u>	<u>0.1399</u>	<u>0.1061</u>

Mr. Piti Tantakasem
Chief Executive Officer

Mrs. Charita Leelayudth
Chairman of the Audit Committee

The accompanying notes form an integral part of the interim financial statements.

Statements of changes in equity (Unaudited)

The accompanying notes form an integral part of the interim financial statements.

Statements of changes in equity (Unaudited)

		Bank only										
		Other reserves								Retained earnings		

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of cash flows (Unaudited)

	Consolidated		Bank only	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2023	2022	2023	2022
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Profit from operations before income tax	16,812,366	12,765,189	16,786,992	12,773,979
<i>Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities</i>				
Depreciation and amortisation	2,950,760	3,133,407	2,925,060	3,112,351
Expected credit loss	12,873,541	13,551,149	12,908,959	13,564,988
Impairment loss on premises and equipment (reversal of)	50,153	(92,167)	50,153	(92,167)
Impairment loss on properties for sale and other assets	302,434	218,701	299,399	218,770
Provisions for liabilities	336,900	482,935	322,787	474,408
Gain on revaluation of investments measured at FVTPL	(38,717)	(36,883)	(38,717)	(36,883)
Loss on disposal and written-off of intangible assets	5,750	61,152	5,750	61,152
Gain on disposal of premises and equipment	(3,368)	(34,231)	(3,368)	(33,634)
Loss (gain) on disposal of investments	(51,687)	(3,890)	4,316	5,870
Unrealised loss on exchange and revaluation	738,560	2,228,336	675,297	2,228,336
Reserve in relation to share-based payments	94,500	116,005	94,500	116,005
Share of profit from investments using the equity method	(207,767)	(201,360)	-	-
Deferred revenue	(1,590,730)	(1,602,074)	(1,593,194)	(1,604,314)
Net interest income	(42,259,492)	(37,790,855)	(42,245,325)	(37,773,699)
Dividend income	(205,028)	(147,326)	(615,023)	(299,879)
Interest received	57,332,236	48,449,694	57,234,005	48,405,959
Interest paid	(12,831,449)	(8,616,625)	(12,834,259)	(8,620,499)
Income tax paid	(4,937,873)	(3,168,607)	(4,825,811)	(3,106,888)
Profit from operations before changes in operating assets and liabilities	29,371,089	29,312,550	29,151,521	29,393,855
<i>Decrease (increase) in operating assets</i>				
Interbank and money market items	17,314,426	(13,443,731)	17,312,374	(13,443,091)
Financial assets measured at fair value through profit or loss	592,781	(153,803)	592,781	(153,803)
Loans to customers	(1,471,885)	(36,959,729)	(1,395,666)	(34,925,839)
Properties for sale	79,135	(1,094,284)	(4,411)	485,523
Other assets	(3,124,001)	(7,555,062)	(3,208,461)	(7,548,309)
<i>Increase (decrease) in operating liabilities</i>				
Deposits	(69,559,179)	34,426,218	(68,471,173)	30,421,484
Interbank and money market items	9,053,124	13,575,694	9,053,124	13,575,694
Liabilities payable on demand	296,124	48,276	296,056	48,276
Financial liabilities measured at fair value through profit or loss	901,056	-	901,056	-
Provisions for liabilities	(655,787)	(370,296)	(662,629)	(447,269)
Other liabilities	(4,589,101)	(999,843)	(4,587,015)	(925,636)
Net cash provided by (used in) operating activities	(21,792,218)	16,785,990	(21,022,443)	16,480,885

The accompanying notes form an integral part of the interim financial statements.

Statements of cash flows (Unaudited)

	Consolidated		Bank only	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2023	2022	2023	2022
	(in thousand Baht)			
<i>Cash flows from investing activities</i>				
Interest received	1,549,426	810,255	1,549,426	810,255
Dividend received	326,528	292,529	615,023	292,529
Purchase of investments measured at FVOCI	(24,007,291)	(23,003,196)	(24,007,291)	(23,003,196)
Proceeds from investments measured at FVOCI	58,069,704	38,606,193	58,069,704	38,606,193
Purchase of investments measured at amortised cost	(6,813,199)	(27,870,596)	(6,813,199)	(27,870,596)
Purchase of investments in subsidiary	-	-	-	(30,000)
Purchase of premises and equipment	(460,499)	(540,042)	(456,698)	(516,456)
Purchase of intangible assets	(1,252,207)	(1,185,432)	(1,244,344)	(1,179,276)
Proceeds from disposals of premises and equipment	21,610	128,095	21,610	127,484
Net cash provided by (used in) investing activities	27,434,072	(12,762,194)	27,734,231	(12,763,063)
<i>Cash flows from financing activities</i>				
Cash receipts on debenture issued and borrowings	5,200,000	10,497,000	-	3,557,000
Cash paid for redemption of debenture and repayment of borrowings	(6,112,136)	(8,286,501)	(2,012,137)	(1,066,501)
Interest paid on debts issued and borrowings	(1,618,127)	(1,554,484)	(1,588,234)	(1,528,669)
Increase in issued and fully paid-up - ordinary shares	85,019	6,757	85,019	6,757
Expenses in relation to issuance of ordinary shares	(1,322)	(1,340)	(1,322)	(1,340)
Dividend paid to equity holders of the Bank	(5,129,082)	(5,601,360)	(5,129,082)	(5,601,360)
Dividend paid to non-controlling interest	(15)	-	-	-
Net cash used in financing activities	(7,575,663)	(4,939,928)	(8,645,756)	(4,634,113)
Change in translation adjustments of foreign operations	-	58,187	-	58,187
Net decrease in cash	(1,933,809)	(857,945)	(1,933,968)	(858,104)
Cash at 1 January	15,505,583	16,011,325	15,505,582	16,011,307
Cash at 30 September	13,571,774	15,153,380	13,571,614	15,153,203

The accompanying notes form an integral part of the interim financial statements.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

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These notes form an integral part of the interim financial statements.

The interim 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 Audit Committee on 9 November 2023.

1 General information

TMBThanachart Bank Public Company Limited, (the "Bank"), is incorporated in Thailand and has its registered office at 3000 Phahonyothin Road, Chomphon, Chatuchak, Bangkok.

The Bank was listed on the Stock Exchange of Thailand on 23 December 1983.

The principal business of the Bank is operating commercial banking businesses. The subsidiaries are incorporated as company under Thai laws and have been operating in Thailand, with its core business being provision of asset management and brokerage service. Details of the Bank's subsidiaries and associates as at 30 September 2023 and 31 December 2022 are given in note 6.

2 Basis of preparation of the interim financial statements

(a) *Statement of compliance*

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis ("interim financial statements") in accordance with Thai Accounting Standard (TAS) No. 34 Interim Financial Reporting, 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. The interim financial statements are presented in accordance with the BoT notification number Sor Nor Sor 21/2561, regarding to *Preparation and Announcement of Financial Statements of a Commercial Bank and a Holding Company that is the Parent Company of a Financial Group*; and other additional BoT notification.

The interim financial statements do not include all of the financial information required for annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank and its subsidiaries for the year ended 31 December 2022 and for the six-month period ended 30 June 2023.

The interim financial statements are prepared and presented in Thai Baht, which is the Bank and its subsidiaries' functional currency. All financial information is presented in Thai Baht and has been rounded to the nearest thousand and in the notes to financial statements to the nearest million unless otherwise stated.

(b) *Use of judgements, estimates and accounting policies*

In preparing these interim financial statements, judgments, estimates and assumptions are made by management in applying the Bank and its subsidiaries' accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of assumptions and estimation uncertainties were the same as those that described in the financial statements for the year ended 31 December 2022 and for the six-month period ended 30 June 2023.

3 Fair value of financial assets and financial liabilities

3.1 Financial assets and financial liabilities measured at fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for the financial instruments measured at fair value as at 30 September 2023 and 31 December 2022.

	Carrying amount	Level 1	Consolidated Fair value		Total
			Level 2	Level 3	
			(in million Baht)		
At 30 September 2023					
Financial assets					
Financial assets measured at FVTPL	979	-	546	433	979
Derivative assets					
Foreign exchange rate	10,373	-	10,373	-	10,373
Interest rate	939	-	939	-	939
Others	19	-	19	-	19
Total	11,331	-	11,331	-	11,331
Investments, net					
Investments in debt securities measured at FVOCI	124,970	-	124,655	315	124,970
Investments in equity securities designated at FVOCI	2,152	157	-	1,995	2,152
Total	127,122	157	124,655	2,310	127,122
Total financial assets	139,432	157	136,532	2,743	139,432
Financial liabilities					
Financial liabilities measured at FVTPL	1,133	-	1,133	-	1,133
Derivative liabilities					
Foreign exchange rate	9,355	-	9,355	-	9,355
Interest rate	996	-	996	-	996
Total	10,351	-	10,351	-	10,351
Total financial liabilities	11,484	-	11,484	-	11,484

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

	Carrying amount	Level 1	Consolidated Fair value		Total
			Level 2	Level 3	
			(in million Baht)		
At 31 December 2022					
Financial assets					
Financial assets measured at FVTPL	1,533	23	1,106	404	1,533
Derivative assets					
Foreign exchange rate	9,507	-	9,507	-	9,507
Interest rate	869	-	869	-	869
Total	10,376	-	10,376	-	10,376
Investments, net					
Investments in debt securities measured at FVOCI	159,470	-	159,155	315	159,470
Investments in equity securities designated at FVOCI	2,856	174	-	2,682	2,856
Total	162,326	174	159,155	2,997	162,326
Total financial assets	174,235	197	170,637	3,401	174,235
Financial liabilities					
Financial liabilities measured at FVTPL	438	-	438	-	438
Derivative liabilities					
Foreign exchange rate	8,727	-	8,727	-	8,727
Interest rate	772	-	772	-	772
Total	9,499	-	9,499	-	9,499
Total financial liabilities	9,937	-	9,937	-	9,937
At 30 September 2023					
Financial assets					
Financial assets measured at FVTPL	979	-	546	433	979
Derivative assets					
Foreign exchange rate	10,373	-	10,373	-	10,373
Interest rate	939	-	939	-	939
Others	19	-	19	-	19
Total	11,331	-	11,331	-	11,331
Investments, net					
Investments in debt securities measured at FVOCI	124,970	-	124,655	315	124,970
Investments in equity securities designated at FVOCI	2,152	157	-	1,995	2,152
Total	127,122	157	124,655	2,310	127,122
Total financial assets	139,432	157	136,532	2,743	139,432
Financial liabilities					
Financial liabilities measured at FVTPL	1,133	-	1,133	-	1,133
Derivative liabilities					
Foreign exchange rate	9,355	-	9,355	-	9,355
Interest rate	996	-	996	-	996
Total	10,351	-	10,351	-	10,351
Total financial liabilities	11,484	-	11,484	-	11,484

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

	Carrying amount	Level 1	Bank only Fair value Level 2 (in million Baht)	Level 3	Total
At 31 December 2022					
Financial assets					
Financial assets measured at FVTPL	1,533	23	1,106	404	1,533
Derivative assets					
Foreign exchange rate	9,507	-	9,507	-	9,507
Interest rate	869	-	869	-	869
Total	10,376	-	10,376	-	10,376
Investments, net					
Investments in debt securities measured at FVOCI	159,470	-	159,155	315	159,470
Investments in equity securities designated at FVOCI	2,856	174	-	2,682	2,856
Total	162,326	174	159,155	2,997	162,326
Total financial assets	174,235	197	170,637	3,401	174,235
Financial liabilities					
Financial liabilities measured at FVTPL	438	-	438	-	438
Derivative liabilities					
Foreign exchange rate	8,727	-	8,727	-	8,727
Interest rate	772	-	772	-	772
Total	9,499	-	9,499	-	9,499
Total financial liabilities	9,937	-	9,937	-	9,937

Reconciliation of investments in equity instruments designated at FVOCI using significant unobservable inputs (level 3)

	Consolidated and Bank only (in million Baht)
For the three-month period ended 30 September 2023	
Beginning balance	2,257
Disposal during the period	(190)
Loss recognised in other comprehensive income	(72)
Ending balance	1,995

	Consolidated and Bank only (in million Baht)
For the nine-month period ended 30 September 2023	
Beginning balance	2,682
Disposal during the period	(190)
Loss recognised in other comprehensive income	(497)
Ending balance	1,995

	Consolidated and Bank only (in million Baht)
For the year ended 31 December 2022	
Beginning balance	2,693
Loss recognised in other comprehensive income	(11)
Ending balance	2,682

3.2 Financial assets and financial liabilities not measured at fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for the financial instruments not measured at fair value which have significant difference between carrying amounts and fair value as at 30 September 2023 and 31 December 2022.

	Carrying amount	Level 1	Consolidated		Total
			Fair value		
			Level 2	Level 3	
(in million Baht)					
At 30 September 2023					
Financial assets					
Investments in debt securities measured at amortised costs	55,897	-	52,988	-	52,988
Financial liabilities					
Debts issued and borrowings	59,975	-	59,432	-	59,432
At 31 December 2022					
Financial assets					
Investments in debt securities measured at amortised costs	49,106	-	48,367	-	48,367
Financial liabilities					
Debts issued and borrowings	59,644	-	59,185	-	59,185
	Carrying amount	Level 1	Bank only		Total
			Fair value		
			Level 2	Level 3	
(in million Baht)					
At 30 September 2023					
Financial assets					
Investments in debt securities measured at amortised costs	55,897	-	52,988	-	52,988
Financial liabilities					
Debts issued and borrowings	53,875	-	53,332	-	53,332
At 31 December 2022					
Financial assets					
Investments in debt securities measured at amortised costs	49,106	-	48,367	-	48,367
Financial liabilities					
Debts issued and borrowings	54,644	-	54,185	-	54,185

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

- Cash:

The fair value is approximated based on its carrying value.

- Interbank and money market items (assets):

The fair value is approximated based on the carrying amount of interbank and money market items, except for the fair value of fixed rate items with remaining maturity period greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at market interest rates.

- Financial assets measured at FVTPL and investments:

The fair value of investments in government-sector debt securities is determined, using yield rates or prices quoted on the Thai Bond Market Association ("ThaiBMA"). The fair value of investments in other debt securities issued locally is determined based on market value appraised by the reliable institutions, their respective yields, or the ThaiBMA's yield rates adjusted by appropriate risk factors. For defaulted debt securities, the fair value is determined based on estimated recovery by considering the credit risk.

The fair value of marketable equity securities is determined at the last bid price quoted on the last working day of the Stock Exchange of Thailand of the reporting period. The fair value of an investment unit is determined using the net asset value announced on the reporting period-end date.

The fair value of non-marketable equity securities is determined mainly based on common valuation techniques with price and/or variables from the market as well as dividend discounted model, book value or adjusted book value.

Dividend discounted is calculated from profit under business plan covering 5 years period together with the estimated growth rates of market. Dividend payout ratio is based on entities' policies. The discount rate used is reference to industry cost of capital (k_e). The terminal growth rate derived from long-term GDP adjusted with the expectation of the business growth.

- Loans to customers and accrued interest receivable, net:

The fair value is based on the carrying amount except for the fair value of fixed rate hire purchase which is calculated based on the present value of future cash flow of principal and interest, discounted at interest rate currently being offered on similar loans net of allowance for expected credit loss.

- Other financial assets:

The fair value is approximated based on its carrying value.

- Deposits and interbank and money market items (liabilities):

The fair value is approximated based on the carrying amount of deposits or interbank and money market items, except for the fair value of fixed rate items with remaining maturity period greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at interest rates currently being offered on such deposits or interbank and money market items or similar deposits.

- Financial liabilities measured at fair value through profit or loss:

Fair value is calculated based on a valuation model, using market data obtained from reliable sources.

- Debts issued and borrowings:

The fair value is approximated based on their carrying amount, except for the fair value of fixed rate items with remaining maturity period greater than 1 year which is calculated based on the present value of future cash flows of principal and interest, discounted at the market interest rate at the reporting dates, in cases where there is no active market, and the market value, in cases where there is an active market.

- Other financial liabilities:

The fair value is approximated based on its carrying value.

- Derivatives:

In cases where there is an active market, the Bank and its subsidiaries use the market value as the fair value of derivatives. For simple over-the-counter derivatives, fair values are based on inputs which are observable from independent and reliable market data sources, mainly based on exchange-traded prices, broker/dealer quotations, or counterparties' quotations. Those inputs are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values of over-the-counter derivative reflect the credit risk of the instrument and include adjustments to take account of the counterparty and own entity credit risk when appropriate.

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between levels of the fair value hierarchy during the nine-month period ended 30 September 2023 and 2022.

4 Maintenance of capital fund

The Bank and its subsidiaries maintain its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. The Bank and its subsidiaries are required to calculate its Capital Fund in accordance with Basel III. As at 30 September 2023 and 31 December 2022, the consolidated supervision and the Bank only's total capital funds could be categorised as follows:

	Consolidated supervision	
	30 September 2023	31 December 2022
	<i>(in million Baht)</i>	
<i>Tier 1 Capital</i>		
Common Equity Tier 1 Capital (CET1)		
Paid-up share capital	92,022	91,937
Share premium	43,359	43,360
Legal reserve	10,091	10,091
Net profit after appropriation	66,600	61,467
Other comprehensive income	4,202	3,776
Capital adjustment items on CET1	(22)	(20)
Capital deduction items on CET1	(26,167)	(24,816)
Total Common Equity Tier 1 Capital	190,085	185,795
Addition Tier 1 Capital		
Subordinated debentures classified as additional Tier 1 Capital	2,518	7,425
Total Tier 1 Capital	192,603	193,220
<i>Tier 2 Capital</i>		
General provision	13,196	13,302
Subordinated debentures classified as additional Tier 2 Capital	30,000	30,000
Capital deduction items on CET2	(329)	-
Total Tier 2 Capital	42,867	43,302
Total Capital Funds	235,470	236,522
Total Risk-Weighted Assets	1,183,846	1,185,415

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

	The BoT's regulatory minimum requirement*	30 September 2023 (%)	31 December 2022
Capital Adequacy Ratio/Total Risk-Weighted Asset	12.0	19.89	19.95
Tier 1 Capital Ratio/Total Risk-Weighted Asset	9.5	16.27	16.30
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.0	16.06	15.67
* The BoT requires commercial banks to maintain an additional buffer on top of minimum regulatory required Common Equity Tier 1 consists of conservation buffer of 2.50% and D-SIB buffer of 1.0%			
Bank only			
30 September 2023 31 December 2022			
(in million Baht)			
Tier 1 Capital			
Common Equity Tier 1 Capital (CET1)			
Paid-up share capital		92,022	91,937
Share premium		43,359	43,360
Legal reserve		10,091	10,091
Net profit after appropriation		62,568	57,429
Other comprehensive income		4,286	3,850
Other transaction from changes in equity		885	885
Capital adjustment items on CET1		(22)	(20)
Capital deduction items on CET1		(26,609)	(25,356)
Total Common Equity Tier 1 Capital		186,580	182,176
Addition Tier 1 Capital			
Subordinated debentures classified as additional Tier 1 Capital		2,518	7,425
Total Tier 1 Capital		189,098	189,601
Tier 2 Capital			
General provision		13,092	13,182
Subordinated debentures classified as additional Tier 2 Capital		30,000	30,000
Capital deduction items on CET2		(329)	-
Total Tier 2 Capital		42,763	43,182
Total Capital Funds		231,861	232,783
Total Risk-Weighted Assets		1,174,866	1,175,368

	The BoT's regulatory minimum requirement*	30 September 2023 (%)	31 December 2022
Capital Adequacy Ratio/Total Risk-Weighted Asset	12.0	19.74	19.81
Tier 1 Capital Ratio/Total Risk-Weighted Asset	9.5	16.10	16.13
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.0	15.88	15.50

* The BoT requires commercial banks to maintain an additional buffer on top of minimum regulatory required Common Equity Tier 1 consists of conservation buffer of 2.50% and D-SIB buffer of 1.0%

As at 30 September 2023 and 31 December 2022, the Bank and its subsidiaries have no add-on arising from Single Lending Limit.

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

Disclosures of capital maintenance information under the Bank of Thailand on the Public Disclosures of Capital Maintenance for Commercial Banks, the Public Disclosures of Capital Maintenance for Financial Group, and the Public Disclosures of Liquidity Coverage Ratio, the Bank and its subsidiaries disclose as follows:

Location of disclosure	The Bank's website under Investor Relations section at www.ttbbank.com/en/ir/financial-information/pillar3
Disclosure period requirement	Within 4 months after the period end date as indicated in the BoT notification
Lasted information as of	30 June 2023

Capital management

The Bank and its subsidiaries' capital management approach is driven by its desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirements and to maintain appropriate credit ratings.

5 Investments, net**5.1 Classified by type of investments**

	Consolidated and Bank only			
	Amortised cost/ fair value		Dividend income	
	30 September 2023 (in million Baht)	31 December 2022 (in million Baht)	For the nine-month period ended 30 September 2023 (in million Baht)	30 September 2022 (in million Baht)
<i>Investments in debt securities measured at amortised costs</i>				
Government and state enterprise securities	55,921	49,126		
Total	55,921	49,126		
Less allowance for expected credit loss	(24)	(20)		
Net	55,897	49,106		
<i>Investments in debt securities measured at FVOCI</i>				
Government and state enterprise securities	97,832	137,116		
Private debt securities	7,668	9,388		
Foreign debt securities	19,470	12,966		
Total	124,970	159,470		
Allowance for expected credit loss	(2,954)	(2,972)		
<i>Investments in equity securities designated at FVOCI</i>				
Marketable equity securities - domestic	157	174	-	-
Non-marketable equity securities - domestic	1,988	2,676	200	142
Non-marketable equity securities - overseas	7	6	-	-
Total	2,152	2,856	200	142
Total investments - net	183,019	211,432		

5.2 Derecognised investments

Derecognised investments in equity securities designated at fair value through other comprehensive income arising from shareholding reduction during the nine-month period ended 30 September 2023 and 2022 as following:

	Consolidated					
	Fair value at		Dividend income		Cumulative gain (loss) from	
	derecognised date				derecognition	
	2023	2022	2023	2022	2023	2022
	<i>(in million Baht)</i>					
Derecognised investments	190	-	53	-	161	-

	Bank only					
	Fair value at		Dividend income		Cumulative gain (loss) from	
	derecognised date				derecognition	
	2023	2022	2023	2022	2023	2022
	<i>(in million Baht)</i>					
Derecognised investments	190	-	53	-	147	-

5.3 Investments in entities in which the Bank and its subsidiaries hold 10% or more

As at 30 September 2023 and 31 December 2022, the Bank and its subsidiaries had investments in entities in which the Bank and its subsidiaries hold 10% or more of the paid-up share capital of the investee companies but such companies are not treated as its subsidiaries and associates summarised below.

	Consolidated and Bank only	
	30 September 2023	31 December 2022
	<i>(in million Baht)</i>	
Public utilities and services	133	123
Mutual funds and financial services	-	344
Others	1,347	1,971
Total	1,480	2,438

Interest in unconsolidated structured entity arising in the normal business

The Bank and its subsidiaries may enter into transactions with structured entities in the forms of investment in unit trusts, lending and derivative transactions. Investment in unit trusts is summarised as equity securities. Lending and derivative transactions are provided under normal business terms and are managed the same way as other counterparties.

As at 30 September 2023 and 31 December 2022, the Bank and its subsidiaries did not have significant risks and transactions relating to structured entities to disclose in the financial statements.

5.4 Investments in companies with problems in their financial position and operating results

As at 30 September 2023 and 31 December 2022, the Bank and its subsidiaries had the following investments in listed companies which meet the Stock Exchange of Thailand ("SET")'s criteria for delisting, and are in default on debt securities, or companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET. Those investments, which measured either at fair value through profit or loss, or through other comprehensive income, in the statements of financial position were summarised below.

	Consolidated and Bank only							
	30 September 2023				31 December 2022			
	No. of Com- panies	Cost value	Fair value	Allowance for expected credit loss	No. of Com- panies	Cost value	Fair value	Allowance for expected credit loss
				(in million Baht)				(in million Baht)
- Listed companies under delisting conditions / defaulted debt securities	1	12	-	-	1	12	-	-
- Companies whose ability to continues as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET	10	3,893	315	2,885	10	3,893	315	2,885
Total	11	3,905	315	2,885	11	3,905	315	2,885

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Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

6 Investments in subsidiaries and associates, net

Companies	Type of Business	Consolidated												Bank only				Dividend income for the nine-month period ended	
		Percentage of ownership interest		Paid-up capital		Equity		Allowance for impairment		At Equity, net		Cost		Allowance for impairment		At cost, net			
		30	31	30	31	30	31	30	31	30	31	30	31	30	31	30	31	30	30
		September	December	September	December	September	December	September	December	September	December	September	December	September	December	September	December	September	September
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
		(%)		(in million Baht)															
Subsidiaries																			
Phahonyothin Asset Management Co., Ltd.																			
Management Co., Ltd.	Asset management	100.00	100.00	298	298	-	-	-	-	-	-	298	298	-	-	298	298	-	-
TBCO PCL. ⁽¹⁾	Commercial bank	99.98	99.98	-	-	-	-	-	-	-	-	99,310	99,310	(99,000)	(99,000)	310	310	-	-
TMBThanachart Broker Co., Ltd.	Insurance brokerage service	99.99	99.99	100	100	-	-	-	-	-	-	117	117	-	-	117	117	150	-
TTB Consumer Co., Ltd.	Brokerage service	100.00	100.00	30	30	-	-	-	-	-	-	30	30	-	-	30	30	139	-
Associates																			
TMB Asset Management Co., Ltd. ⁽²⁾																			
Fund management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80
Thanachart Fund Management Co., Ltd. ⁽²⁾																			
Fund management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	73
Eastspring Asset Management (Thailand) Co., Ltd. ⁽²⁾																			
Fund management		40.50	40.50	200	200	8,661	8,574	-	-	8,661	8,574	4,389	4,389	-	-	4,389	4,389	121	-
Total						8,661	8,574	-	-	8,661	8,574	104,144	104,144	(99,000)	(99,000)	5,144	5,144	410	153

⁽¹⁾ TBCO PCL. registered the dissolution with the Ministry of Commerce on 1 November 2021. In October 2023, the Annual General Meeting of TBCO PCL. has approved the liquidation results, and TBCO PCL. has transferred remaining cash to shareholders. Liquidation registration at Ministry of Commerce will be completed in November 2023.

⁽²⁾ Eastspring Asset Management (Thailand) Co., Ltd. is a new company formed under the amalgamation of TMB Asset Management Co., Ltd. and Thanachart Fund Management Co., Ltd. on 11 July 2022. The remaining investment in this aforementioned company is subject to call and put options in the future.

7 Loans to customers and accrued interest receivables, net

7.1 Classified by loan type

	Consolidated		Bank only	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	<i>(in million Baht)</i>			
Overdrafts	89,604	90,626	89,604	90,626
Loans	669,388	676,452	664,541	671,950
Bills	192,719	196,995	192,719	197,135
Hire purchase receivables	409,900	411,039	409,900	411,039
Finance lease receivables	734	910	734	910
Others	234	96	234	96
Total loans to customers	1,362,579	1,376,118	1,357,732	1,371,756
Add accrued interest receivables and undue interest income*	8,579	7,777	8,579	7,777
Total loans to customers and accrued interest receivables	1,371,158	1,383,895	1,366,311	1,379,533
Less allowance for expected credit loss	(57,874)	(57,390)	(55,899)	(55,796)
Total loans to customers and accrued interest receivables - net	1,313,284	1,326,505	1,310,412	1,323,737

* Accrued interest receivables and undue interest income of non-performing loans to customers presented net amount after allowance for expected credit loss.

7.2 Classified by stage

	Consolidated			
	30 September 2023		31 December 2022	
	Loans to customers and accrued interest receivables*	Allowance for expected credit loss	Loans to customers and accrued interest receivables*	Allowance for expected credit loss
	<i>(in million Baht)</i>			
Stage 1 (Performing)	1,210,491	13,576	1,225,348	13,325
Stage 2 (Under-performing)	120,388	25,949	116,840	24,469
Stage 3 (Non-performing)	40,279	18,349	41,707	19,596
Total	1,371,158	57,874	1,383,895	57,390

	Bank only			
	30 September 2023		31 December 2022	
	Loans to customers and accrued interest receivables*	Allowance for expected credit loss	Loans to customers and accrued interest receivables*	Allowance for expected credit loss
	<i>(in million Baht)</i>			
Stage 1 (Performing)	1,210,489	13,576	1,225,485	13,325
Stage 2 (Under-performing)	120,162	25,908	116,840	24,469
Stage 3 (Non-performing)	35,660	16,415	37,208	18,002
Total	1,366,311	55,899	1,379,533	55,796

* Total loans to customers and accrued interest receivables in note 7.1

7.3 Non-performing loans

As at 30 September 2023 and 31 December 2022, the Bank and its subsidiaries' NPLs (including interbank and money market items) were summarised as follows:

	Consolidated		Bank only	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
NPLs				
NPLs (in million Baht)	40,279	41,707	35,660	37,208
Total loans (in million Baht)	1,506,779	1,529,135	1,501,934	1,524,775
Percentage of NPLs (%)	2.67	2.73	2.37	2.44

As at 30 September 2023 and 31 December 2022, Phahonyothin Asset Management Co., Ltd. has non-performing loans amounting to Baht 4,619 million and Baht 4,499 million, respectively.

For the nine-month period ended 30 September 2023 and 2022, the Bank and its subsidiaries sold non-performing loans, with principal totalling approximately Baht 4,256 million and Baht 3,671 million, respectively (*Bank only: approximately Baht 6,133 million and Baht 7,793 million, respectively*), to asset management companies. The selling price in excess of the carrying amount of those non-performing loans was presented as a deduction from "Expected credit loss" in the statement of profit or loss and other comprehensive income for the nine-month period ended 30 September 2023 and 2022, respectively.

7.4 Modified loans to customers

During the nine-month period ended 30 September 2023 and 2022, the Bank and its subsidiaries have modified loans to customers that have not resulted in derecognition, while they had a loss allowance measured at an amount equal to lifetime ECL, as follows:

	Consolidated	
	2023	2022
	(in million Baht)	
Loans to customers modified during the nine-month period ended 30 September		
Outstanding loans to customers at modification date*	13,072	6,918
Net modification loss*	104	58
Loans to customers modified since initial recognition - upgraded		
Outstanding of loans to customers upgraded from lifetime expected credit loss to 12-month expected credit loss in the period*	412	221
	Bank only	
	2023	2022
	(in million Baht)	
Loans to customers modified during the nine-month period ended 30 September		
Outstanding loans to customers at modification date*	12,829	6,884
Net modification loss*	104	58
Loans to customers modified since initial recognition - upgraded		
Outstanding of loans to customers upgraded from lifetime expected credit loss to 12-month expected credit loss in the period*	412	221

* This included 2nd form of financial assistance based on sustainable debt resolution.

As at 30 September 2023, the outstanding modified loans to customers of the Bank and its subsidiaries was approximately 11% of the total loans to customers (31 December 2022: 12% of the total loans to customers).

7.5 Hire purchase and finance lease receivables

Consolidated and Bank only				
30 September 2023				
	Portion due within one year	Portion due after one year but within five years	Portion due after five years	Total
	<i>(in million Baht)</i>			
Hire purchase receivables	124,531	311,830	33,850	470,211
Finance lease receivables	397	388	-	785
Total gross investment under hire purchase contracts	124,928	312,218	33,850	470,996
Less unearned interest income				(60,362)
Present value of minimum lease payment receivables				410,634
Less allowance for expected credit loss				(15,457)
Lease receivables, net				395,177

Consolidated and Bank only				
31 December 2022				
	Portion due within one year	Portion due after one year but within five years	Portion due after five years	Total
	<i>(in million Baht)</i>			
Hire purchase receivables	122,920	312,793	35,513	471,226
Finance lease receivables	388	583	-	971
Total gross investment under hire purchase contracts	123,308	313,376	35,513	472,197
Less unearned interest income				(60,248)
Present value of minimum lease payment receivables				411,949
Less allowance for expected credit loss				(13,850)
Lease receivables, net				398,099

8 Allowance for expected credit loss

The allowance for expected credit loss as at 30 September 2023 and 31 December 2022 were as follows:

Consolidated				
30 September 2023				
	12-Month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	Total
<i>(in million Baht)</i>				
Interbank and money market items	60	-	-	60
Investments	93	-	2,885	2,978
Loans to customers and accrued interest receivables	13,576	25,949	18,349	57,874
Other financial assets	17	83	275	375
Loan commitments and financial guarantee	1,154	320	351	1,825

Consolidated				
31 December 2022				
	12-Month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	Total
<i>(in million Baht)</i>				
Interbank and money market items	80	-	-	80
Investments	107	-	2,885	2,992
Loans to customers and accrued interest receivables	13,325	24,469	19,596	57,390
Other financial assets	33	83	291	407
Loan commitments and financial guarantee	821	794	345	1,960

Bank only				
30 September 2023				
	12-Month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	Total
<i>(in million Baht)</i>				
Interbank and money market items	60	-	-	60
Investments	93	-	2,885	2,978
Loans to customers and accrued interest receivables	13,576	25,908	16,415	55,899
Other financial assets	17	83	275	375
Loan commitments and financial guarantee	1,154	320	351	1,825

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For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

		Bank only 31 December 2022		
	12-Month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	Total
		<i>(in million Baht)</i>		
Interbank and money market items	80	-	-	80
Investments	107	-	2,885	2,992
Loans to customers and accrued interest receivables	13,325	24,469	18,002	55,796
Other financial assets	33	83	291	407
Loan commitments and financial guarantee	821	794	345	1,960

The movements in the allowance for expected credit loss of loans to customers and accrued interest receivables during the period were as follows:

	Consolidated <i>(in million Baht)</i>	Bank only <i>(in million Baht)</i>
<i>Nine-month period ended 30 September 2023</i>		
Beginning balance	57,390	55,796
Changes from stage reclassification	8,856	8,870
Changes from remeasurement of ECL	5,348	5,039
Originated during the period	2,900	2,900
Derecognition during the period	(4,244)	(5,262)
Write-off	(12,376)	(11,444)
Ending balance	57,874	55,899

The movements in the allowance for expected credit loss of loans to customers and accrued interest receivables during the year were as follows:

	Consolidated <i>(in million Baht)</i>	Bank only <i>(in million Baht)</i>
<i>For the year ended 31 December 2022</i>		
Beginning balance	54,472	54,452
Changes from stage reclassification	11,557	11,557
Changes from remeasurement of ECL	8,786	9,005
Originated during the year	2,310	2,310
Derecognition during the year	(5,882)	(7,675)
Write-off	(13,853)	(13,853)
Ending balance	57,390	55,796

As at 30 September 2023, the Bank and its subsidiaries set up management overlay for some specific groups of commercial and retail customers who have vulnerable repayment capability due to macroeconomic uncertainties and for model development as part of model monitoring.

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9 Debts issued and borrowings

	Currency	Interest rates as at 30 September		Consolidated					
		2023 (%)	Maturities	30 September 2023		31 December 2022			
				Domestic	Foreign	Total (in million Baht)	Domestic	Foreign	Total
Subordinated debentures ⁽¹⁾	THB	4.00	2024 ⁽²⁾	30,000	-	30,000	30,000	-	30,000
Subordinated debentures ⁽¹⁾	USD ⁽⁴⁾	4.90	2024 ⁽²⁾	-	6,846	6,846	-	8,491	8,491
Senior debentures	THB	1.98 - 2.30	2023	6,100	-	6,100	5,000	-	5,000
Senior debentures	USD ⁽⁴⁾	6mLibor+1.05 and 6mSOFR+1.15	2025 - 2027	-	10,968	10,968	-	10,369	10,369
Senior debentures	EUR ⁽⁴⁾	0.85	2024	-	5,994	5,994	-	5,708	5,708
Bills of exchange ⁽³⁾ and promissory notes	THB	2.15 and 0.05 - 2.50	At call and 2012	9	-	9	9	-	9
Other borrowings	THB	0.00	2023 - 2024	3	-	3	12	-	12
Other borrowings	EUR ⁽⁴⁾	0.75	2023 - 2031	-	55	55	-	55	55
Total				36,112	23,863	59,975	35,021	24,623	59,644

⁽¹⁾ Counted as a part of capital fund, which is determined under the conditions as specified in the BoT's Notification (note 4)

⁽²⁾ The years in which call option exercise periods start

⁽³⁾ The outstanding balance of bills of exchange maturing during the year 2012 were waiting for redeem by the holders.

⁽⁴⁾ Balance denominated in USD and EUR currencies are stated in Baht equivalents.

	Currency	Interest rates as at 30 September		Bank only					
		2023 (%)	Maturities	30 September 2023		31 December 2022			
				Domestic	Foreign	Total (in million Baht)	Domestic	Foreign	Total
Subordinated debentures ⁽¹⁾	THB	4.00	2024 ⁽²⁾	30,000	-	30,000	30,000	-	30,000
Subordinated debentures ⁽¹⁾	USD ⁽⁴⁾	4.90	2024 ⁽²⁾	-	6,846	6,846	-	8,491	8,491
Senior debentures	USD ⁽⁴⁾	6mLibor+1.05 and 6mSOFR+1.15	2025 - 2027	-	10,968	10,968	-	10,369	10,369
Senior debentures	EUR ⁽⁴⁾	0.85	2024	-	5,994	5,994	-	5,708	5,708
Bills of exchange ⁽³⁾ and promissory notes	THB	2.15 and 0.05 - 2.50	At call and 2012	9	-	9	9	-	9
Other borrowings	THB	0.00	2023 - 2024	3	-	3	12	-	12
Other borrowings	EUR ⁽⁴⁾	0.75	2023 - 2031	-	55	55	-	55	55
Total				30,012	23,863	53,875	30,021	24,623	54,644

⁽¹⁾ Counted as a part of capital fund, which is determined under the conditions as specified in the BoT's Notification (note 4)

⁽²⁾ The years in which call option exercise periods start

⁽³⁾ The outstanding balance of bills of exchange maturing during the year 2012 were waiting for redeem by the holders.

⁽⁴⁾ Balance denominated in USD and EUR currencies are stated in Baht equivalents.

9.1 Subordinated debentures

9.1.1 On 2 December 2019, the Bank issued the Perpetual Additional Tier 1 Capital Securities amounting to USD 400 million, which has no expiration date and carries a fixed interest rate of 4.90% per annum, payable semi-annually in June and December of every year. The Bank can early redeem the Perpetual Additional Tier 1 Capital Securities after 5 years from the issue date or according to certain specified conditions. The Bank has to get the Bank of Thailand's approval before proceeding an early redemption. The Securities have been issued under the Bank's Euro Medium Term Note Programme.

During 26 August 2022 to 29 September 2022, with the approval from Bank of Thailand, the Bank repurchased the Perpetual Additional Tier 1 Capital Securities from investors amounting to USD 29 million.

During 26 October 2022 to 3 November 2022, with the approval from the Bank of Thailand, the Bank had made a tender offer and repurchased the Perpetual Additional Tier 1 Capital Securities from investors amounting to USD 125 million.

During 10-18 August 2023, with the approval from the Bank of Thailand, the Bank had made a tender offer and repurchased the Perpetual Additional Tier 1 Capital Securities from investors amounting to USD 58 million, the total value of the repurchase was USD 213 million, representing 53.18%. The outstanding balance remained at USD 187 million.

10 Assets pledged as collateral and under restriction

Assets pledged as collateral and under restriction as at 30 September 2023 and 31 December 2022 were as follows:

	Consolidated and Bank only	
	30 September 2023	31 December 2022
	<i>(in million Baht)</i>	
Investments in securities		
- Pledged as collateral against repurchase transactions	66,356	55,199
Property foreclosed under restriction	5,782	5,643
Total	72,138	60,842

11 Commitments and contingent liabilities

11.1 Commitments

	Consolidated	
	30 September 2023	31 December 2022
	<i>(in million Baht)</i>	
Avals to bills	914	1,001
Guarantees of loans/bond	118	39
Liability under unmatured import bills	2,522	2,680
Letters of credit	14,325	16,346
Other commitments		
- Other guarantees	74,710	75,903
- Amount of unused bank overdrafts	114,855	110,888
- Committed line	7,520	6,103
- Others ⁽¹⁾	1,089	934
Total	216,053	213,894

⁽¹⁾ As at 30 September 2023 and 31 December 2022, there is no financial assets accepted as collateral that had been sold or pledged.

	Bank only	
	30 September 2023	31 December 2022
	(in million Baht)	
Avals to bills	914	1,001
Guarantees of loans/bond	6,308	5,109
Liability under unmatured import bills	2,522	2,680
Letters of credit	14,325	16,346
Other commitments		
- Other guarantees	74,710	75,903
- Amount of unused bank overdrafts	114,855	110,888
- Committed line	7,520	6,103
- Others ⁽¹⁾	1,089	934
Total	222,243	218,964

⁽¹⁾ As at 30 September 2023 and 31 December 2022, there is no financial assets accepted as collateral that had been sold or pledged.

As at 30 September 2023 and 31 December 2022, the Bank and its subsidiaries had purchase and sales of investment in debt securities with net sales amounting to Baht 118 million and net buys amounting to Baht 51 million respectively (*Bank only: net sales amounting to Baht 118 million and net buys amounting to Baht 51 million, respectively*), for which the settlement was not due at the reporting date.

11.2 Litigation and other claims

- (a) As at 30 September 2023 and 31 December 2022, the Bank and its subsidiaries were claimed pursuant to obligations under the letters of guarantee and other claims for 131 cases and 127 cases, respectively (*Bank only: claims for 131 cases and 127 cases, respectively*). The said claims were made against the Bank and its subsidiaries for the approximate liability amounts of Baht 1,781 million ⁽¹⁾ and Baht 1,620 million ⁽¹⁾, respectively (*Bank only: Baht 1,781 million ⁽¹⁾ and Baht 1,620 million ⁽¹⁾, respectively*).
- (b) As at 30 September 2023 and 31 December 2022, the Bank and its subsidiaries have recognised provisions for possible loss from the litigation and other claims totalling Baht 198 million and Baht 578 million, respectively (*Bank only: Baht 198 million and Baht 578 million, respectively*). The management considers that the provision established for such potential loss due to the said litigation and other claims is adequate.

⁽¹⁾ Excluding the liabilities of the Bank and its subsidiaries as at 30 September 2023 and 31 December 2022 of Baht 687 million and Baht 683 million, respectively (*Bank only: Baht 687 million and Baht 683 million, respectively*), which the Court of First Instance and the Appeals Court dismissed the cases.

12 Related parties

For the purposes of these financial statements, parties are considered to be related to the Bank and its subsidiaries if the Bank and its subsidiaries have the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Definitions and characteristics of relationships

Related parties are as follows:

1. Major shareholders are the shareholders who own over 10% of the Bank's paid-up share capital.
2. Subsidiaries
3. Associates
4. Key management personnel of the Bank and its subsidiaries

5. Other related parties are:

- 5.1 Close family members of key management personnel
- 5.2 Entities in which key management personnel and their close family members hold over 10% of paid-up share capital
- 5.3 Entities of which key management personnel and their close family members are directors exercising control or having significant influence
- 5.4 Related companies of major shareholders
- 5.5 Entities in which related companies of major shareholders hold over 10% of paid-up share capital
- 5.6 Entities in which the Bank and its subsidiaries hold over 10% of paid-up share capital (excluding subsidiaries and associates)

The additional information on investments in subsidiaries and associates is disclosed in note 6.

Relationships with key management and other related parties were as follows:

Name of entity/Personnel	Country of incorporation/ Nationality	Nature of relationship
Key management personnel	Thai and other nationalities	Persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiaries
Ministry of Finance	Thailand	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
ING Bank N.V.	The Netherlands	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
Thanachart Capital PCL.	Thailand	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
Entities whose shares have been owned or have been controlled by the major shareholders	Thailand	Related through the major shareholder of the Bank, owning over 10% of the Bank's paid-up share capital
Phahonyothin Asset Management Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
TBCO PCL.	Thailand	Subsidiary, liquidator is a representative of the Bank
TMBThanachart Broker Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Bank
TTB Consumer Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
Thanachart Fund Management Co., Ltd. ⁽¹⁾	Thailand	Before 11 July 2022, Associated, 49.9% shareholding, less than 50% of directors are representatives of the Bank
TMB Asset Management Co., Ltd. ⁽¹⁾	Thailand	Before 11 July 2022, Associated, 35% shareholding, less than 50% of directors are representatives of the Bank
Eastspring Asset Management (Thailand) Co., Ltd. ⁽¹⁾	Thailand	Associated, 40.5% shareholding, less than 50% of directors are representatives of the Bank

⁽¹⁾ Eastspring Asset Management (Thailand) Co., Ltd. is a new company formed under the amalgamation of TMB Asset Management Co., Ltd. and Thanachart Fund Management Co., Ltd. on 11 July 2022.

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Interest rates of loans	Based on market rate and the collateral consideration process, the same as the Bank's normal course of business, except for the interest rates of staff welfare loans which are in accordance with the Bank's regulation.
Fee and service income	Registrar and related services, money transfer services for unit holders, agents and support services for funds managed by its associates are charged by the Bank at the rate based on conditions specified in contracts negotiated in the normal course of business, taking into account the size of funds and the purchase and sale volumes of investment units.
Interest rate on deposits and borrowings	Based on market rate
Fee and services income for other types of services	Based on market price
Branch office rental and related service	Based on market rate
Sale of non-performing assets to a subsidiary	Based on market price
Dividend income	At declared

12.1 Significant related parties transactions with key management and other related parties

Significant related parties transactions for the nine-month period ended 30 September 2023 and 2022 with key management and other related parties were as follows:

	Consolidated					
	Nine-month period ended 30 September 2023					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	<i>(in million Baht)</i>					
1. Major shareholders	315	11	1	-	-	11
2. Subsidiaries	-	-	-	-	-	-
3. Associates	-	1	837	4	-	-
4. Key management personnel of the Bank	2	4	-	-	-	-
5. Other related parties	901	471	951	1	200	376

	Consolidated					
	Nine-month period ended 30 September 2022					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	<i>(in million Baht)</i>					
1. Major shareholders	120	13	1	-	-	6
2. Subsidiaries	-	-	-	-	-	-
3. Associates	-	1	926	1	-	-
4. Key management personnel of the Bank	1	4	-	-	-	-
5. Other related parties	600	154	984	1	142	364

	Bank only					
	Nine-month period ended 30 September 2023					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	(in million Baht)					
1. Major shareholders	315	11	1	-	-	11
2. Subsidiaries	3	7	71	390	401	55
3. Associates	-	1	837	4	122	-
4. Key management personnel of the Bank	2	4	-	-	-	-
5. Other related parties	901	471	646	1	200	376

	Bank only					
	Nine-month period ended 30 September 2022					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	(in million Baht)					
1. Major shareholders	120	13	1	-	-	6
2. Subsidiaries	1	6	104	214	215	9
3. Associates	-	1	926	1	153	-
4. Key management personnel of the Bank	1	4	-	-	-	-
5. Other related parties	600	154	779	1	142	364

During the nine-month period ended 30 September 2023 and 2022, the Bank sold written-off non-performing loans to a subsidiary at selling price of Baht 91 million and Baht 66 million which presented as a deduction from "Expected credit loss" in the Bank only statement of profit or loss and other comprehensive income for the nine-month period ended 30 September 2023 and 2022, respectively.

During the nine-month period ended 30 September 2023 and 2022, the Bank sold non-performing loans, with principal totalling approximately Baht 1,877 million and Baht 4,122 million to a subsidiary, respectively. The selling price in lower and excess of the carrying amount of those non-performing loans were presented as "Expected credit loss" and presented as a deduction from "Expected credit loss" in the Bank only statement of profit or loss and other comprehensive income for the nine-month period ended 30 September 2023 and 2022, respectively.

During the nine-month period ended 30 September 2023, the Bank did not sell properties for sale to subsidiary. *(During the nine-month period ended 30 September 2022, the Bank sold properties for sale, with carrying amount totalling Baht 1,566 million to a subsidiary. The selling price in excess of the carrying amount of those properties for sale was presented in "Other operating income" in the Bank only statement of profit or loss and other comprehensive income for the nine-month period ended 30 September 2022.)*

12.2 Outstanding balances with related parties

As at 30 September 2023 and 31 December 2022, significant outstanding balances with related persons or parties were as follows:

12.2.1 Significant balances between the Bank and its subsidiaries and their major shareholders as at 30 September 2023 and 31 December 2022 were as follows:

	Consolidated		Bank only	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	(in million Baht)			
Loans to customers and accrued interest receivables, net				
Ministry of Finance	19,624	25,164	19,624	25,164

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	Consolidated		Bank only	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	(in million Baht)			
Deposits (including interbank and money market items - liabilities)				
ING Bank N.V.	4	3	4	3
Thanachart Capital PCL.	1,238	1,863	1,238	1,863
Other liabilities				
Thanachart Capital PCL.	4	-	4	-

12.2.2 Significant balances between the Bank and its subsidiaries and associates as at 30 September 2023 and 31 December 2022 were as follows:

	Consolidated		Bank only	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	(in million Baht)			
Loans to customers and accrued interest receivables, net				
Phahonyothin Asset Management Co., Ltd	-	-	-	140
Other assets				
Phahonyothin Asset Management Co., Ltd	-	-	2	1
TMBThanachart Broker Co., Ltd.	-	-	22	41
TTB Consumer Co., Ltd.	-	-	2	1
Eastspring Asset Management (Thailand) Co., Ltd.	95	103	95	103
Total	95	103	121	146
Deposits (including interbank and money market items - liabilities)				
Phahonyothin Asset Management Co., Ltd.	-	-	1,132	53
TBCO PCL.	-	-	309	322
TMBThanachart Broker Co., Ltd.	-	-	401	335
TTB Consumer Co., Ltd.	-	-	77	121
Eastspring Asset Management (Thailand) Co., Ltd.	408	231	408	231
Total	408	231	2,327	1,062
Other liabilities				
Phahonyothin Asset Management Co., Ltd.	-	-	4	2
TTB Consumer Co., Ltd.	-	-	43	39
Eastspring Asset Management (Thailand) Co., Ltd.	1	-	1	-
Total	1	-	48	41
Commitments - Derivatives ⁽¹⁾				
Eastspring Asset Management (Thailand) Co., Ltd.	191	-	191	-
Commitments - Guarantee of bond issuance				
Phahonyothin Asset Management Co., Ltd.	-	-	6,190	5,070

⁽¹⁾ Presented in notional amount

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- 12.2.3 Significant balances between the Bank and its subsidiaries, and their key management personnel as at 30 September 2023 and 31 December 2022 were as follows:

	Consolidated		Bank only	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net	52	60	52	60
Deposits	428	408	428	408
Financial liabilities measured at fair value through profit or loss - Structured notes	5	-	5	-

- 12.2.4 Significant balances between the Bank and its subsidiaries, and other related parties as at 30 September 2023 and 31 December 2022 were as follows:

	Consolidated		Bank only	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	<i>(in million Baht)</i>			
Interbank and money market items - assets and loans to customers and accrued interest receivables, net	30,083	29,574	30,076	29,568
Investments	1,347	1,972	1,347	1,972
Other assets	20	15	-	-
Deposits (including interbank and money market items - liabilities)	24,211	30,573	24,211	30,573
Debts issued and borrowings (including interbank and money market items - liabilities)	8,596	17,500	8,596	17,500
Financial liabilities measured at fair value through profit or loss - Structured notes	3	-	3	-
Other liabilities	114	24	88	11
Commitments - Derivatives ⁽¹⁾	52,528	94,972	52,528	94,972
Other commitments	609	1,664	609	1,664

⁽¹⁾ Presented in notional amount

12.3 Senior management personnel compensation

For the nine-month period ended 30 September 2023 and 2022, senior management personnel compensation, included in profit or loss, was classified as follows:

	Consolidated		Bank only	
<i>For the nine-month period ended 30 September</i>	2023	2022	2023	2022
	<i>(in million Baht)</i>			
Short-term employee benefits - directors	99	48	99	48
Short-term employee benefits - managements	857	771	839	740
Post-employment benefits	69	66	68	65
Share-based payments	46	54	46	54
Total	1,071	939	1,052	907

Senior management personnel of the Bank are directors, management personnel at the level "Head of" or executive vice president and above, and related management personnel of Accounting or Finance. Senior management personnel of the subsidiaries are those at the level of director and executive officer upwards.

12.4 Other benefits payable to the senior management personnel

The Bank's senior management personnel do not receive other benefits both in terms of monetary and non-monetary items, except for the benefits that are normally received as mentioned in note 12.3 such as monthly director remuneration, meeting allowance, salary and bonus. Directors who are the Bank's executives and the representative directors who are the executives of ING Bank N.V. shall not receive director remuneration as per the criteria of the Bank and ING Bank N.V. Nevertheless, directors with permanent residence abroad can reimburse travelling and accommodation expenses in connection with the operation of the Bank's business as actually incurred. Foreign executives are eligible for additional benefits, which are housing allowance, including utilities, telephone and home trip expenses in accordance with the established criteria.

13 Segment information

For management purposes, the Bank's businesses are divided into the following core segments, based on customer segmentation:

1. Commercial Banking

1.1 Wholesale Banking: This serves large-sized and medium-sized business customer. The main products and services are corporate loans, letters of guarantee, deposits, trade finance and foreign exchange, supply chain solution, financial management, and other financial services.

1.2 Small Enterprise: This serves small-size business customer. The main products and services are corporate loans, deposits and bancassurance.

2. Retail Banking: This represents individual persons. The main products and services are deposits, housing loans, hire purchase, finance lease, personal loans, cards services, bancassurance and mutual funds, and foreign currency services.

The Bank evaluates segment performance based on profit from operation, using the same accounting policies as those used in its preparation of the financial statements.

The operating segment information, as reported below, is reported in a consistent manner with the Bank's internal reports that are regularly reviewed by the Chief Operating Decision Maker in order to make decisions on the allocation of resources to the operating segments and assess their performance. The Chief Operating Decision Maker has been identified as the Chief Executive Committee.

Information about reportable segments:

*For the three-month period ended
30 September 2023*

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	3,980	9,647	1,048	(10)	14,665
Net non-interest income	961	1,894	556	(144)	3,267
Total operating income	4,941	11,541	1,604	(154)	17,932
Operating expenses	(790)	(3,062)	(3,905)	62	(7,695)
Profit from operation	4,151	8,479	(2,301)	(92)	10,237
Expected credit loss					(4,369)
Profit before income tax					5,868
Income tax					(1,133)
Profit for the period					4,735

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

*For the three-month period ended
30 September 2022*

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	3,307	8,190	1,477	(6)	12,968
Net non-interest income	1,040	1,869	604	(131)	3,382
Total operating income	4,347	10,059	2,081	(137)	16,350
Operating expenses	(722)	(2,910)	(3,816)	61	(7,387)
Profit from operation	3,625	7,149	(1,735)	(76)	8,963
Expected credit loss					(4,422)
Profit before income tax					4,541
Income tax					(826)
Profit for the period					3,715

*For the nine-month period ended
30 September 2023*

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	11,223	28,206	2,853	(23)	42,259
Net non-interest income	2,955	5,589	2,090	(381)	10,253
Total operating income	14,178	33,795	4,943	(404)	52,512
Operating expenses	(2,293)	(8,729)	(11,933)	194	(22,761)
Profit from operation	11,885	25,066	(6,990)	(210)	29,751
Expected credit loss					(12,939)
Profit before income tax					16,812
Income tax					(3,216)
Profit for the period					13,596

*For the nine-month period ended
30 September 2022*

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	9,387	23,619	4,796	(11)	37,791
Net non-interest income	3,280	5,915	1,226	(204)	10,217
Total operating income	12,667	29,534	6,022	(215)	48,008
Operating expenses	(2,143)	(8,434)	(11,033)	134	(21,476)
Profit from operation	10,524	21,100	(5,011)	(81)	26,532
Expected credit loss					(13,767)
Profit before income tax					12,765
Income tax					(2,417)
Profit for the period					10,348

Reconciliation of reportable segment profit or loss

*For the three-month period ended
30 September 2023*

	Net interest income	Net non- interest income	Consolidated Operating expenses (in million Baht)	Expected credit loss
Segment reporting	14,665	3,267	(7,695)	(4,369)
Expected credit loss	-	67	(13)	(54)
Others	-	-	(69)	69
Consolidated financial statements	14,665	3,334	(7,777)	(4,354)

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

*For the three-month period ended
30 September 2022*

	Net interest income	Consolidated Net non- interest income (in million Baht)	Operating expenses	Expected credit loss
Segment reporting	12,968	3,382	(7,387)	(4,422)
Expected credit loss	-	-	(34)	34
Others	-	(1)	(26)	27
Consolidated financial statements	<u>12,968</u>	<u>3,381</u>	<u>(7,447)</u>	<u>(4,361)</u>

*For the nine-month period ended
30 September 2023*

	Net interest income	Consolidated Net non- interest income (in million Baht)	Operating expenses	Expected credit loss
Segment reporting	42,259	10,253	(22,761)	(12,939)
Expected credit loss	-	171	(141)	(30)
Others	-	(53)	(42)	95
Consolidated financial statements	<u>42,259</u>	<u>10,371</u>	<u>(22,944)</u>	<u>(12,874)</u>

*For the nine-month period ended
30 September 2022*

	Net interest income	Consolidated Net non- interest income (in million Baht)	Operating expenses	Expected credit loss
Segment reporting	37,791	10,217	(21,476)	(13,767)
Expected credit loss	-	-	(179)	179
Others	-	4	(41)	37
Consolidated financial statements	<u>37,791</u>	<u>10,221</u>	<u>(21,696)</u>	<u>(13,551)</u>

	Consolidated 30 September 2023			
	Commercial Banking	Retail Banking	Other segments (in million Baht)	Elimination
Loans to customers	<u>515,959</u>	<u>805,240</u>	<u>40,657</u>	<u>723</u>
Deposits	<u>367,035</u>	<u>964,312</u>	<u>-</u>	<u>(1,919)</u>
				<u>1,362,579</u>
				<u>1,329,428</u>

	Consolidated 31 December 2022			
	Commercial Banking	Retail Banking	Other segments (in million Baht)	Elimination
Loans to customers	<u>499,560</u>	<u>833,910</u>	<u>42,221</u>	<u>427</u>
Deposits	<u>397,928</u>	<u>1,002,150</u>	<u>-</u>	<u>(831)</u>
				<u>1,376,118</u>
				<u>1,399,247</u>

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2023 (Unaudited)

14 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2023 and 2022 were based on the profit for the period attributable to equity holders of the Bank and the number of ordinary shares outstanding during the period as follows:

<i>For the three-month period ended 30 September</i>	Consolidated		Bank only	
	2023	2022	2023	2022
Profit for the period attributable to equity holders of the Bank <i>(in million Baht)</i>	<u>4,735</u>	<u>3,715</u>	<u>4,608</u>	<u>3,748</u>
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	<u>96,856</u>	<u>96,637</u>	<u>96,856</u>	<u>96,637</u>
Basic earnings per share <i>(in Baht)</i>	<u>0.0489</u>	<u>0.0384</u>	<u>0.0476</u>	<u>0.0388</u>
<i>For the nine-month period ended 30 September</i>	Consolidated		Bank only	
	2023	2022	2023	2022
Profit for the period attributable to equity holders of the Bank <i>(in million Baht)</i>	<u>13,596</u>	<u>10,348</u>	<u>13,609</u>	<u>10,326</u>
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	<u>96,804</u>	<u>96,628</u>	<u>96,804</u>	<u>96,628</u>
Basic earnings per share <i>(in Baht)</i>	<u>0.1404</u>	<u>0.1071</u>	<u>0.1406</u>	<u>0.1069</u>

Diluted earnings per share

The calculations of diluted earnings per share for the three-month and nine-month periods ended 30 September 2023 and 2022 were based on the profit for the period attributable to equity holders of the Bank and the number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

<i>For the three-month period ended 30 September</i>	Consolidated		Bank only	
	2023	2022	2023	2022
Profit for the period attributable to equity holders of the Bank <i>(in million Baht)</i>	<u>4,735</u>	<u>3,715</u>	<u>4,608</u>	<u>3,748</u>
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	<u>96,856</u>	<u>96,637</u>	<u>96,856</u>	<u>96,637</u>
Effect of dilutive potential ordinary shares from TTB TSRP 2019, TTB TSRP 2021 and TTB-W1 Warrants <i>(in million shares)</i>	<u>477</u>	<u>1,187</u>	<u>477</u>	<u>1,187</u>
Weighted average number of diluted ordinary shares outstanding <i>(in million shares)</i>	<u>97,333</u>	<u>97,824</u>	<u>97,333</u>	<u>97,824</u>
Diluted earnings per share <i>(in Baht)</i>	<u>0.0486</u>	<u>0.0380</u>	<u>0.0473</u>	<u>0.0383</u>

<i>For the nine-month period ended 30 September</i>	Consolidated		Bank only	
	2023	2022	2023	2022
Profit for the period attributable to equity holders of the Bank <i>(in million Baht)</i>	<u>13,596</u>	<u>10,348</u>	<u>13,609</u>	<u>10,326</u>
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	96,804	96,628	96,804	96,628
Effect of dilutive potential ordinary shares from TTB TSRP 2019, TTB TSRP 2021 and TTB-W1 Warrants <i>(in million shares)</i>	<u>451</u>	<u>736</u>	<u>451</u>	<u>736</u>
Weighted average number of diluted ordinary shares outstanding <i>(in million shares)</i>	<u>97,255</u>	<u>97,364</u>	<u>97,255</u>	<u>97,364</u>
Diluted earnings per share <i>(in Baht)</i>	<u>0.1398</u>	<u>0.1063</u>	<u>0.1399</u>	<u>0.1061</u>

15 Share capital

	Par value per share <i>(in Baht)</i>	30 September 2023		31 December 2022	
		Number	Amount <i>(million shares / million Baht)</i>	Number	Amount
Authorised shares at 30 September / 31 December	0.95	<u>97,831</u>	<u>92,939</u>	<u>97,831</u>	<u>92,939</u>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	0.95	96,776	91,937	96,623	91,792
Issue of new shares	0.95	<u>90</u>	<u>85</u>	<u>153</u>	<u>145</u>
At 30 September / 31 December					
- ordinary shares	0.95	<u>96,866</u>	<u>92,022</u>	<u>96,776</u>	<u>91,937</u>

The Bank issued ordinary shares under the TTB-W1 Warrants Program of 161,442 ordinary shares with a par value of Baht 0.95 per share. The increase of the issued ordinary shares was registered with the Department of Business Development, Ministry of Commerce on 17 January 2023.

The Bank issued ordinary shares under the TTB-W1 Warrants Program of 1,420,100 ordinary shares with a par value of Baht 0.95 per share. The increase of the issued ordinary shares was registered with the Department of Business Development, Ministry of Commerce on 5 April 2023.

The Bank issued ordinary shares under the TTB-W1 Warrants Program of 87,912,357 ordinary shares with a par value of Baht 0.95 per share. The increase of the issued ordinary shares was registered with the Department of Business Development, Ministry of Commerce on 7 July 2023.

16 Warrant - TTB-W1 Warrants Program

Information of TTB-W1 Warrants Program

On 12 April 2022, the 2022 Annual General Meeting of the Bank's shareholders passed resolutions approving the issuance and allocation of the Warrants (TTB-W1 Warrants Program) to current shareholders of the Bank. Summary of the program is detail below:

Issuance date:	11 May 2022
Number of warrants issued and allocated:	Not exceeding 966,228,745 units
Offered price per unit:	Baht 0 (Zero Baht) (at no cost)
Term of warrant:	3 years from the issuance date of the TTB-W1 Warrants
Exercise rate:	1 unit of the TTB-W1 Warrant for 1 ordinary share
Exercise price:	Baht 0.95 per share, unless the exercise price is adjusted otherwise pursuant to the conditions concerning the rights adjustment.
Exercise period:	Every last business day of March, June, September and December of every year throughout the term of the TTB-W1 Warrants

Details of unexercised warrants were as follows:

Warrants	Par value (Baht/shares)	Exercise price	Number of warrants issued and allocated	Exercised warrants (Unites)	Balance of unexercised warrants as at 30 September 2023
TTB-W1 Warrants Program	0.95	0.95	965,000,849*	(98,221,716)	866,779,133

* Excluding the number of shares which were not allocated according to the Terms and Conditions Governing the Rights and Obligations of the Issuer and Holders of the Warrants to purchase the newly issued ordinary shares of TMBThanachart Bank Public Company Limited No. 1 (TTB-W1)

Details of exercised warrants during the period is mentioned in Note 15.

17 Appropriation of profit and dividend payment

- (a) On 26 September 2023, the Board of Directors' Meeting of the Bank passed a resolution approving payment of an interim dividend of Baht 0.05 per share from the Bank's first-half operating profit to the ordinary shareholders, or a total of Baht 4,855 million. The Bank paid such dividend to its shareholders on 25 October 2023.
- (b) On 5 April 2023, the 2023 Annual General Meeting of the Bank's shareholders passed resolutions approving/acknowledging as follows:
 - (1) Approving to not allocating net profit from 2022 operating results to the legal reserve as the Bank's legal reserve is sufficient as required by laws and the Bank's Articles of Association.
 - (2) Acknowledging the interim dividend payment to the Bank's ordinary shareholders on 22 September 2022.
 - (3) Approving the payment of a dividend of Baht 0.073 per share from the 2022 operating profit to the Bank's ordinary shareholders, totalling Baht 7,062 million. Since the Bank already paid the interim dividend from the net profit of the Bank's first-half operating profit at the rate of Baht 0.02 per share, totalling Baht 1,933 million to the Bank's ordinary shareholders on 22 September 2022 with approval from the Board of Directors' Meeting, the remaining dividend to be paid was at the rate of Baht 0.053 per share, totalling Baht 5,129 million. The Bank paid such dividend to its shareholders on 3 May 2023.

- (c) On 12 April 2022, the 2022 Annual General Meeting of the Bank's shareholders passed resolutions approving the appropriation of the 2021 operating profit and dividend payment
 - (1) Not allocating net profit from 2021 operating results to the legal reserve as the Bank's legal reserve is sufficient as required by laws and the Bank's Articles of Association.
 - (2) Payment of a dividend of Baht 0.038 per share from the 2021 operating profit to the Bank's ordinary shareholders, totalling Baht 3,669 million. The Bank paid such dividend to its shareholders on 11 May 2022.

18 Events after the reporting period

18.1 Issuances of ordinary shares under the TTB Stock Retention Program 2021

The Bank issued ordinary shares under the TTB Stock Retention Program 2021 of 79,623,874 ordinary shares with a par value of Baht 0.95 per share to its employees. The increase of the issued ordinary shares was registered with the Department of Business Development, Ministry of Commerce on 2 October 2023.

18.2 Issuances of ordinary shares under the TTB-W1 Warrants Program

The Bank issued ordinary shares under the TTB-W1 Warrants Program of 156,296,307 ordinary shares with a par value of Baht 0.95 per share. The increase of the issued ordinary shares was registered with the Department of Business Development, Ministry of Commerce on 4 October 2023.