

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

Interim financial statements
for the three-month and six-month periods ended
30 June 2022
and
Independent Auditor's Report

Independent Auditor's Report

To the Board of Directors of TMBThanachart Bank Public Company Limited

Audit Report

Opinion

I have audited the interim consolidated and the Bank's financial statements of TMBThanachart Bank Public Company Limited and its subsidiaries (the "Group"), and of TMBThanachart Bank Public Company Limited, (the "Bank"), respectively, which comprise the consolidated and the Bank's statements of financial position as at 30 June 2022, the consolidated and the Bank's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying interim 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 30 June 2022 and their financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards (TFRSs) and the regulations of Bank of Thailand.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the interim Consolidated and the Bank only Financial Statements* section of my report. I am independent of the Group and the Bank in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the interim consolidated and the Bank only financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 interim consolidated and the Bank only financial statements of the current period. These matters were addressed in the context of my audit of the interim consolidated and the Bank only financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Allowance for expected credit loss for loans to customers	
For disclosures related to credit risk, loans to customers and allowance for expected credit loss for loans to customers, refer to notes 4, 13 and 14 the financial statements.	
The key audit matter	How the matter was addressed in the audit
As at 30 June 2022, loans to customers represented 76.43% and 76.55% of the total assets of interim consolidated and the Bank only financial statements, respectively, against which an allowances for expected credit loss ("ECL") of Baht 55,022 million and Baht 55,002 million, respectively were provided. Management's estimation of ECL on loans to customers measured at amortised cost is based on credit models which are dependent on significant management judgements and estimates including selection of model, the use of forward-looking macroeconomic forecast, establishing the criteria for determining whether credit risk has increased significantly since initial recognition, qualitative assessment of significant increase in credit risk and credit impaired, and consideration for post model adjustments. In particular, the ongoing economic situation and relief program provided to the customer resulting from COVID-19 adds further complexity to management's estimation process especially for consideration of post model adjustments. Accordingly, it is considered a Key Audit Matter.	In planning my audit procedures, I performed a risk assessment by considering internal and external factors which could affect the performance of individual customers, industry sectors or customer segments, or other factors which could influence the judgments and estimates. I inspected of the Group and the Bank accounting policies and credit risk policy to determine whether this has been set up in accordance with the requirements of TFRS 9, the relevant Bank of Thailand notification and guidance. My audit procedures included testing the design and operating effectiveness of controls over credit review, model monitoring and post model adjustments. I sampled loans as identified in my risk assessment to perform credit review procedures, including a detailed review of the individual credit profile and other relevant information, from which I formed my own independent assessment. Selected key technical decisions, assumptions and model methodologies were tested, where appropriate, including involvement of my own credit risk specialists to inspect model documentation, model validation report performed by expert engaged by the Group and the Bank's management and back-testing results. I and my credit specialist assessed assumptions and methodology used by the management in the identification and estimation of post model adjustments. I assessed whether the financial statement disclosures are adequate and appropriately reflect the Bank and its subsidiaries' exposures to credit risk.

Valuation of financial instruments in the statements of financial position	
For disclosures related to financial instruments and fair values, refer to notes 5 to the financial statements.	
The key audit matter	How the matter was addressed in the audit
As at 30 June 2022, financial assets measured at fair value in the interim consolidated and the Bank's financial statements amounted to Baht 163,233 million and Baht 163,233 million, respectively. Financial liabilities measured at fair value in the interim consolidated and the Bank's financial statements amounted to Baht 11,941 million and Baht 11,941 million, respectively. Of these amounts, as at 30 June 2022, financial assets and liabilities designated at level 2 and 3 fair value in the interim consolidated financial statements amounted to Baht 163,005 million and Baht 11,941 million respectively, and in the Bank's interim financial statements, they amounted to Baht 163,005 million and Baht 11,941 million respectively, for which the fair value is based upon inputs other than quoted prices in active markets or valuation techniques incorporating those inputs. The use of different valuation techniques and assumptions could produce different estimates of fair value. Accordingly, it is considered a Key Audit Matter.	In planning my audit procedures, I performed a risk assessment by considering the factors which could affect the fair value of financial instruments, both in terms of the inputs used for valuation and the appropriateness of valuation techniques applied. For financial instruments, I sampled to check for selected pricing inputs that were externally sourced and were correctly input into pricing models. I and my own valuation specialists assessed that the selected models and assumptions were appropriate and valued a selection of the Group's and the Bank's equity securities, debt securities, and derivative positions and compared their valuation to the Group's and the Bank's valuation on a sample basis. I assessed the adequacy of the disclosure in accordance with Thai Financial Reporting Standards.

Responsibilities of Management and Those Charged with Governance for the Interim Consolidated and the Bank only Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the interim consolidated and the Bank only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the interim consolidated and the Bank only financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim consolidated and the Bank only financial statements, including the disclosures, and whether the interim consolidated and the Bank only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the interim consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

Review Report

I have also reviewed the accompanying interim consolidated and the Bank's statements of profit or loss and other comprehensive income for the three-month period ended 30 June 2022 of TMBThanachart Bank Public Company Limited and its subsidiaries (the "Group"), and of TMBThanachart Bank Public Company Limited (the "Bank") respectively. Management is responsible for the preparation and presentation of these interim consolidated and the Bank's statements of profit or loss and other comprehensive income 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 these interim consolidated and the Bank's statements of profit or loss and other comprehensive 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 these interim consolidated and the Bank's statements of profit or loss and other comprehensive for the three-month period ended 30 June 2022 are 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
23 August 2022

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of financial position

		Consolidated		Bank only	
		30 June	31 December	30 June	31 December
Assets	Note	2022	2021	2022	2021
<i>(in thousand Baht)</i>					
Cash		12,949,489	16,011,325	12,949,400	16,011,307
Interbank and money market items, net	8	199,947,037	158,872,946	199,940,385	158,862,707
Financial assets measured at fair value through					
profit or loss	9	1,734,226	1,420,900	1,734,217	1,420,891
Derivative assets	10	12,004,210	6,913,323	12,004,210	6,913,323
Investments, net	11	174,515,850	180,228,573	174,515,850	180,228,573
Investments in subsidiaries and associates, net	12	8,622,234	8,620,165	5,143,948	5,113,948
Loans to customers and accrued interest receivables, net	13,14	1,344,937,029	1,324,200,919	1,344,209,507	1,323,467,715
Properties for sale, net	15	10,912,178	8,626,358	10,911,796	8,626,358
Premises and equipment, net	16	20,727,037	21,625,316	20,650,711	21,561,367
Goodwill and other intangible assets, net	17	23,016,826	22,818,660	22,985,044	22,787,237
Deferred tax assets	18	54,965	8,986	740,590	-
Other assets, net		12,541,681	8,822,089	12,363,160	8,684,367
Total assets		1,821,962,762	1,758,169,560	1,818,148,818	1,753,677,793
Liabilities and equity					
<i>Liabilities</i>					
Deposits	19	1,394,947,389	1,339,195,173	1,399,570,544	1,343,728,377
Interbank and money market items	20	84,806,018	84,966,047	84,806,018	85,317,306
Liabilities payable on demand		6,515,347	5,325,121	6,515,347	5,325,121
Financial liabilities measured at fair value through					
profit or loss	21	434,002	436,865	434,002	436,865
Derivative liabilities	10	11,507,059	6,595,107	11,507,059	6,595,107
Debts issued and borrowings	22	68,948,392	68,398,493	63,928,392	63,098,493
Provisions for employee benefits	23	3,493,217	3,783,621	3,418,796	3,739,815
Provisions for other liabilities	24	2,648,997	2,026,446	2,648,363	2,025,812
Deferred tax liabilities	18	-	922,138	-	246,901
Deferred revenue	25	18,524,343	19,164,458	18,524,980	19,165,460
Other liabilities	26	17,274,456	16,520,396	17,015,748	16,201,500
Total liabilities		1,609,099,220	1,547,333,865	1,608,369,249	1,545,880,757

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

TMBThanachart Bank Public Company Limited and its Subsidiaries
Statements of financial position

		Consolidated		Bank only	
		30 June	31 December	30 June	31 December
Liabilities and equity	Note	2022	2021	2022	2021
<i>(in thousand Baht)</i>					
Equity					
Share capital					
Authorised share capital					
97,830,583,125 ordinary shares of Baht 0.95 each					
(31 December 2021: 96,864,354,380 ordinary shares					
of Baht 0.95 each)	29	92,939,054	92,021,137	92,939,054	92,021,137
Issued and paid-up share capital					
96,622,874,580 ordinary shares of Baht 0.95 each	29	91,791,731	91,791,731	91,791,731	91,791,731
Premium on share capital		43,344,840	43,344,840	43,344,840	43,344,840
Other reserves		3,903,285	5,172,257	4,857,576	6,117,180
Retained earnings					
Appropriated					
Legal reserve	30	10,091,000	10,091,000	10,091,000	10,091,000
Unappropriated		63,731,551	60,434,727	59,694,422	56,452,285
Equity attributable to equity holders of the Bank		212,862,407	210,834,555	209,779,569	207,797,036
Non-controlling interest		1,135	1,140	-	-
Total equity		212,863,542	210,835,695	209,779,569	207,797,036
Total liabilities and equity		1,821,962,762	1,758,169,560	1,818,148,818	1,753,677,793

Mr. Piti Tantakasem
Chief Executive Officer

Mr. Ekniti Nitithanprapas
Chairman of the Board

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

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

	Consolidated		Bank only	
	Three-month period ended		Three-month period ended	
	30 June		30 June	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Interest income	15,884,586	16,063,721	15,870,347	7,371,951
Interest expenses	3,470,993	3,281,417	3,462,907	2,371,785
Net interest income	12,413,593	12,782,304	12,407,440	5,000,166
Fees and service income	3,527,475	3,615,823	3,354,295	2,790,688
Fees and service expenses	882,684	1,178,741	946,126	656,105
Net fees and service income	2,644,791	2,437,082	2,408,169	2,134,583
Gain on financial instruments measured				
at fair value through profit or loss	347,214	387,836	347,214	257,393
Gain on investments, net	1,408	80,823	58	90,836
Share of profit from investment using equity method	62,495	112,339	-	-
Other operating income	419,118	290,676	653,869	3,498,699
Total operating income	15,888,619	16,091,060	15,816,750	10,981,677
Other operating expenses				
Employee expenses	3,884,977	3,824,368	3,763,879	3,765,948
Directors' remuneration	28,968	36,208	28,968	32,295
Premises and equipment expenses	1,126,447	1,416,588	1,115,301	887,747
Taxes and duties	368,889	393,398	367,775	273,072
Others	1,852,341	1,922,598	1,827,129	1,174,003
Total other operating expenses	7,261,622	7,593,160	7,103,052	6,133,065
Expected credit loss	4,381,966	5,490,639	4,442,906	3,405,373
Profit from operations before income tax	4,245,031	3,007,261	4,270,792	1,443,239
Income tax	806,705	472,268	783,373	(280,368)
Profit for the period	3,438,326	2,534,993	3,487,419	1,723,607
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	(535,491)	75,506	(530,014)	(35,724)
Loss on cash flow hedges	(5,208)	(89,318)	(5,208)	(38,278)
Gain arising from translating the financial statements of				
foreign operations	78,578	10,146	78,578	10,146
Income tax relating to items that will be reclassified				
subsequently to profit or loss	92,424	733	91,328	12,771
	(369,697)	(2,933)	(365,316)	(51,085)

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 June		30 June	
	Note	2022	2021	2022	2021
		(in thousand Baht)			
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Change in revaluation surplus on assets		(52,043)	(10,702)	(52,043)	(10,702)
Gain on investments in equity instruments					
designated at fair value through other comprehensive income		21,643	128,460	21,643	55,713
Actuarial gain (loss) on post-employment benefit plan		279,343	(103,437)	279,343	(53,651)
Income tax relating to items that will not be reclassified					
subsequently to profit or loss		(49,788)	(2,864)	(49,788)	1,728
		<u>199,155</u>	<u>11,457</u>	<u>199,155</u>	<u>(6,912)</u>
Total other comprehensive income for the period,					
net of income tax		(170,542)	8,524	(166,161)	(57,997)
Total comprehensive income for the period		<u>3,267,784</u>	<u>2,543,517</u>	<u>3,321,258</u>	<u>1,665,610</u>
Profit (loss) attributable to:					
Equity holders of the Bank		3,438,326	2,534,108	3,487,419	1,723,607
Non-controlling interest		-	885	-	-
Profit for the period		<u>3,438,326</u>	<u>2,534,993</u>	<u>3,487,419</u>	<u>1,723,607</u>
Total comprehensive income attributable to:					
Equity holders of the Bank		3,267,785	2,542,616	3,321,258	1,665,610
Non-controlling interest		(1)	901	-	-
Total comprehensive income for the period		<u>3,267,784</u>	<u>2,543,517</u>	<u>3,321,258</u>	<u>1,665,610</u>
Earnings per share	43				
Basic earnings per share (in Baht)		<u>0.0356</u>	<u>0.0263</u>	<u>0.0361</u>	<u>0.0179</u>
Diluted earnings per share (in Baht)		<u>0.0353</u>	<u>0.0262</u>	<u>0.0358</u>	<u>0.0178</u>

Mr. Piti Tantakasem
Chief Executive Officer

Mr. Ekniti Nitithanprapas
Chairman of the Board

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

Statements of profit or loss and other comprehensive income

		Consolidated		Bank only	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
	Note	2022	2021	2022	2021
		(in thousand Baht)			
Interest income	37	31,562,008	32,413,781	31,538,678	14,911,712
Interest expenses	38	6,739,388	6,759,323	6,723,251	4,825,942
Net interest income		24,822,620	25,654,458	24,815,427	10,085,770
Fees and service income	39	6,854,704	7,984,940	6,590,556	6,039,316
Fees and service expenses	39	1,747,759	2,188,031	1,782,201	1,260,218
Net fees and service income		5,106,945	5,796,909	4,808,355	4,779,098
Gain on financial instruments measured					
at fair value through profit or loss	40	861,750	809,744	861,750	590,477
Gain on investments, net	41	12,394	107,489	5,500	141,763
Share of profit from investment using equity method		154,621	205,011	-	-
Other operating income		704,583	640,814	916,818	4,090,565
Total operating income		31,662,913	33,214,425	31,407,850	19,687,673
Other operating expenses					
Employee expenses		7,595,681	8,567,942	7,411,015	6,775,635
Directors' remuneration		38,068	49,633	38,068	42,373
Premises and equipment expenses		2,417,014	2,798,102	2,398,562	1,697,020
Taxes and duties		723,747	798,625	722,094	552,823
Others		3,473,997	3,586,566	3,434,276	2,034,919
Total other operating expenses		14,248,507	15,800,868	14,004,015	11,102,770
Expected credit loss	42	9,190,405	10,970,744	9,291,921	6,552,621
Profit from operations before income tax		8,224,001	6,442,813	8,111,914	2,032,282
Income tax	18	1,590,774	1,125,141	1,533,371	(206,441)
Profit for the period		6,633,227	5,317,672	6,578,543	2,238,723
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Loss on investments in debt instruments					
at fair value through other comprehensive income		(1,623,430)	(138,634)	(1,611,717)	(183,257)
Gain (loss) on cash flow hedges		46,693	(127,872)	46,693	46,796
Gain arising from translating the financial statements of					
foreign operations		58,187	20,292	58,187	20,292
Income tax relating to items that will be reclassified					
subsequently to profit or loss	18	303,710	49,243	301,367	23,234
		(1,214,840)	(196,971)	(1,205,470)	(92,935)

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

Statements of profit or loss and other comprehensive income

		Consolidated		Bank only	
		Six-month period ended		Six-month period ended	
		30 June		30 June	
	Note	2022	2021	2022	2021
		(in thousand Baht)			
Items that will not be reclassified subsequently to profit or loss					
Change in revaluation surplus on assets		(67,144)	(28,982)	(67,144)	(28,982)
Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income		(9,440)	152,593	(9,440)	55,707
Actuarial gain on post-employment benefit plan	23	330,265	168,980	330,265	165,104
Income tax relating to items that will not be reclassified subsequently to profit or loss	18	(50,736)	(58,522)	(50,736)	(38,366)
		202,945	234,069	202,945	153,463
Total other comprehensive income for the period, net of income tax		(1,011,895)	37,098	(1,002,525)	60,528
Total comprehensive income for the period		5,621,332	5,354,770	5,576,018	2,299,251
Profit (loss) attributable to:					
Equity holders of the Bank		6,633,230	5,316,063	6,578,543	2,238,723
Non-controlling interest		(3)	1,609	-	-
Profit for the period		6,633,227	5,317,672	6,578,543	2,238,723
Total comprehensive income attributable to:					
Equity holders of the Bank		5,621,337	5,353,167	5,576,018	2,299,251
Non-controlling interest		(5)	1,603	-	-
Total comprehensive income for the period		5,621,332	5,354,770	5,576,018	2,299,251
Earnings per share					
Basic earnings per share (in Baht)	43	0.0687	0.0551	0.0681	0.0232
Diluted earnings per share (in Baht)		0.0683	0.0550	0.0677	0.0232

Mr. Piti Tantakasem
Chief Executive Officer

Mr. Ekniti Nitithanprapas
Chairman of the Board

TMBThanachart Bank Public Company Limited and its Subsidiaries
Statements of changes in equity

		Consolidated												
		Other reserves							Retained earnings					
		Translation adjustment arising from translating the financial statements of foreign operations, net (in thousand Baht)												
		Issued and paid-up share capital	Premium on share capital	Other reserve - share-based payments	Revaluation surplus on assets, net	Revaluation surplus (deficit) on investments, net	Cash flow hedge reserve (effective portion)	Total other reserve	Legal reserve	Unappropriated	Equity attributable to equity holders of the Bank	Non-controlling interest	Total equity	
Note														
Six-month period ended 30 June 2021														
	Balance at 1 January 2021	91,588,946	43,321,601	69,563	5,369,508	434,305	(45,269)	(30,316)	5,797,791	10,091,000	53,913,289	204,712,627	37,098	204,749,725
Transactions with owners, recorded directly in equity														
Contributions by and distribution to owners of the bank														
	Reserve in relation to share-based payments	-	-	93,465	-	-	-	93,465	-	-	93,465	-	93,465	
31	Dividend paid	-	-	-	-	-	-	-	-	(4,338,321)	(4,338,321)	-	(4,338,321)	
	Total contributions by and distribution to owners of the bank	-	-	93,465	-	-	-	93,465	-	(4,338,321)	(4,244,856)	-	(4,244,856)	
Comprehensive income for the period														
	Profit for the period	-	-	-	-	-	-	-	-	5,316,063	5,316,063	1,609	5,317,672	
	Other comprehensive income	-	-	-	(23,186)	11,136	(102,263)	16,234	(98,079)	135,183	37,104	(6)	37,098	
	Total comprehensive income for the period	-	-	-	(23,186)	11,136	(102,263)	16,234	(98,079)	5,451,246	5,353,167	1,603	5,354,770	
	Transfer to retained earnings	-	-	-	(56,664)	(52,181)	-	(108,845)	-	108,845	-	-	-	
	Balance at 30 June 2021	91,588,946	43,321,601	163,028	5,289,658	393,260	(147,532)	(14,082)	5,684,332	10,091,000	55,135,059	205,820,938	38,701	205,859,639
Six-month period ended 30 June 2022														
	Balance at 1 January 2022	91,791,731	43,344,840	103,301	5,181,187	(6,513)	(59,168)	(46,550)	5,172,257	10,091,000	60,434,727	210,834,555	1,140	210,835,695
Transactions with owners, recorded directly in equity														
Contributions by and distribution to owners of the bank														
	Reserve in relation to share-based payments	-	-	75,311	-	-	-	75,311	-	-	75,311	-	75,311	
31	Dividend paid	-	-	-	-	-	-	-	-	(3,668,796)	(3,668,796)	-	(3,668,796)	
	Total contributions by and distribution to owners of the bank	-	-	75,311	-	-	-	75,311	-	(3,668,796)	(3,593,485)	-	(3,593,485)	
Comprehensive income for the period														
	Profit for the period	-	-	-	-	-	-	-	-	6,633,230	6,633,230	(3)	6,633,227	
	Other comprehensive income	-	-	-	(53,715)	(1,306,295)	37,355	46,550	(1,276,105)	264,212	(1,011,893)	(2)	(1,011,895)	
	Total comprehensive income for the period	-	-	-	(53,715)	(1,306,295)	37,355	46,550	(1,276,105)	6,897,442	5,621,337	(5)	5,621,332	
	Transfer to retained earnings	-	-	-	(68,178)	-	-	(68,178)	-	68,178	-	-	-	
	Balance at 30 June 2022	91,791,731	43,344,840	178,612	5,059,294	(1,312,808)	(21,813)	3,903,285	10,091,000	63,731,551	212,862,407	1,135	212,863,542	

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

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of changes in equity

		Bank only										
		Other reserves								Retained earnings		
										Translation adjustment arising from translating the financial statements of foreign operations, net		
										Total other reserve		
Note	Issued and paid-up share capital	Premium on share capital	Other reserve - share-based payments	Surplus on business combination under common control	Revaluation surplus on assets, net	Revaluation surplus (deficit) on investments, net	Cash flow hedge reserve (effective portion)			Legal reserve	Unappropriated	Total equity
(in thousand Baht)												
Six-month period ended 30 June 2021												
	91,588,946	43,321,601	69,563	-	5,369,508	486,481	(133,932)	(30,316)	5,761,304	10,091,000	52,689,658	203,452,509
Transactions with owners, recorded directly in equity												
Contributions by and distribution to owners of the bank												
	-	-	93,465	-	-	-	-	-	93,465	-	-	93,465
31	-	-	-	-	-	-	-	-	-	-	(4,338,321)	(4,338,321)
Total transactions with owners, recorded directly in equity	-	-	93,465	-	-	-	-	-	93,465	-	(4,338,321)	(4,244,856)
Comprehensive income for the period												
	-	-	-	-	-	-	-	-	-	-	2,238,723	2,238,723
	-	-	-	-	(23,186)	(102,040)	37,437	16,234	(71,555)	-	132,083	60,528
Total comprehensive income for the period	-	-	-	-	(23,186)	(102,040)	37,437	16,234	(71,555)	-	2,370,806	2,299,251
Transfer to retained earnings	-	-	-	-	(56,664)	-	-	-	(56,664)	-	56,664	-
Balance at 30 June 2021	91,588,946	43,321,601	163,028	-	5,289,658	384,441	(96,495)	(14,082)	5,726,550	10,091,000	50,778,807	201,506,904
Six-month period ended 30 June 2022												
	91,791,731	43,344,840	103,301	884,526	5,181,187	3,271	(8,555)	(46,550)	6,117,180	10,091,000	56,452,285	207,797,036
Transactions with owners, recorded directly in equity												
Contributions by and distribution to owners of the bank												
	-	-	75,311	-	-	-	-	-	75,311	-	-	75,311
31	-	-	-	-	-	-	-	-	-	-	(3,668,796)	(3,668,796)
Total transactions with owners, recorded directly in equity	-	-	75,311	-	-	-	-	-	75,311	-	(3,668,796)	(3,593,485)
Comprehensive income for the period												
	-	-	-	-	-	-	-	-	-	-	6,578,543	6,578,543
	-	-	-	-	(53,715)	(1,296,927)	37,355	46,550	(1,266,737)	-	264,212	(1,002,525)
Total comprehensive income for the period	-	-	-	-	(53,715)	(1,296,927)	37,355	46,550	(1,266,737)	-	6,842,755	5,576,018
Transfer to retained earnings	-	-	-	-	(68,178)	-	-	-	(68,178)	-	68,178	-
Balance at 30 June 2022	91,791,731	43,344,840	178,612	884,526	5,059,294	(1,293,656)	28,800	-	4,857,576	10,091,000	59,694,422	209,779,569

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

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of cash flows

	Consolidated		Bank only	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2022	2021	2022	2021
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Profit from operations before income tax	8,224,001	6,442,813	8,111,914	2,032,282
<i>Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities</i>				
Depreciation and amortisation	2,134,185	2,248,038	2,120,758	1,203,559
Expected credit loss	9,190,405	10,970,744	9,291,921	6,552,621
Impairment loss on premises and equipment (reversal of)	(91,076)	10,359	(91,076)	10,359
Impairment loss on properties for sale and other assets	143,335	140,252	143,335	127,268
Provisions for liabilities	348,167	281,281	343,364	360,694
Gain on revaluation of investments measured at FVTPL	(50,001)	(693)	(50,001)	(8,812)
Reversal of impairment loss on investment	-	-	-	(2,500,000)
Loss on written-off of intangible assets	57,494	87,366	57,494	-
Loss (gain) on disposal of premises and equipment	(19,248)	73,824	(18,752)	(22,100)
Gain on disposal of investments	(12,394)	(107,489)	(5,500)	(141,763)
Unrealised loss on exchange and revaluation	912,709	2,878,771	912,709	2,451,255
Expenses in relation to share-based payments	75,311	93,465	75,311	93,465
Share of profit from investments using the equity method	(154,621)	(205,011)	-	-
Deferred revenue	(1,066,474)	(1,199,556)	(1,067,990)	(1,190,728)
Net interest income	(24,822,620)	(25,654,458)	(24,815,427)	(10,085,770)
Dividend income	(138,761)	(86,113)	(291,313)	(133,153)
Interest received	31,737,510	32,837,874	31,714,180	14,822,463
Interest paid	(5,326,802)	(6,440,447)	(5,330,935)	(3,816,561)
Income tax paid	(1,004,008)	(1,804,496)	(958,457)	(164,191)
Profit from operations before changes in operating assets and liabilities	20,137,112	20,566,524	20,141,535	9,590,888
<i>Decrease (increase) in operating assets</i>				
Interbank and money market items	(41,080,313)	41,223,748	(41,083,899)	(38,834,849)
Financial assets measured at fair value through profit or loss	(263,325)	2,425,603	(263,325)	(5,170,489)
Loans to customers	(32,013,060)	17,869,555	(32,115,439)	(1,850,537)
Properties for sale	(136,662)	4,017,469	(136,280)	(19,610)
Other assets	(3,817,988)	4,673,872	(3,767,333)	3,475,457
<i>Increase (decrease) in operating liabilities</i>				
Deposits	55,748,422	(49,240,352)	55,487,113	44,577,928
Interbank and money market items	(160,029)	4,821,117	(160,029)	15,350,435
Liabilities payable on demand	1,190,226	1,668,992	1,190,226	1,177,251
Provisions for liabilities	(301,690)	(1,813,803)	(327,500)	(48,664)
Other liabilities	(982,546)	(2,363,660)	(936,350)	(8,384)
Net cash provided by (used in) operating activities	(1,679,853)	43,849,065	(1,971,281)	28,239,426

The accompanying notes are an integral part of these interim financial statements.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of cash flows

	Consolidated		Bank only	
	Six-month period ended		Six-month period ended	
	30 June		30 June	
	2022	2021	2022	2021
	(in thousand Baht)			
<i>Cash flows from investing activities</i>				
Interest received	722,812	699,938	722,812	350,824
Dividend received	291,313	213,808	291,313	133,153
Purchase of investments measured at FVOCI	(17,584,402)	(87,329,950)	(17,584,402)	(39,505,832)
Proceeds from investments measured at FVOCI	25,248,322	58,906,377	25,248,322	32,755,082
Purchase of investments measured at amortised cost	(3,779,202)	-	(3,779,202)	-
Purchase of investments in subsidiaries	-	-	(30,000)	(273,125)
Purchase of premises and equipment	(410,497)	(359,353)	(391,508)	(244,814)
Purchase of intangible assets	(899,545)	(1,156,728)	(895,902)	(1,128,874)
Proceeds from disposals of premises and equipment	93,643	120,937	93,145	117,067
Net cash provided by (used in) investing activities	3,682,444	(28,904,971)	3,674,578	(7,796,519)
<i>Cash flows from financing activities</i>				
Cash receipts on debenture issued and long-term borrowings	5,020,000	-	-	-
Cash paid for redemption of debenture and repayment of long-term borrowing	(5,307,903)	(15,494,837)	(7,903)	(15,494,837)
Interest paid on long-term debts issued and borrowings	(1,165,915)	(985,937)	(1,146,692)	(985,937)
Dividend paid to equity holders of the Bank	(3,668,796)	(4,338,321)	(3,668,796)	(4,338,321)
Net cash used in financing activities	(5,122,614)	(20,819,095)	(4,823,391)	(20,819,095)
Change in translation adjustments of foreign operations	58,187	20,292	58,187	20,292
Net decrease in cash	(3,061,836)	(5,854,709)	(3,061,907)	(355,896)
Cash at 1 January	16,011,325	21,942,541	16,011,307	12,836,147
Cash at 30 June	12,949,489	16,087,832	12,949,400	12,480,251

The accompanying notes are an integral part of these interim financial statements.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the six-month period ended 30 June 2022

For the three-month period ended 30 June 2022 (Unaudited)

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TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the six-month period ended 30 June 2022

For the three-month period ended 30 June 2022 (Unaudited)

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 interim 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 23 August 2022.

1 General information

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

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

The principal business of the Bank is operating commercial banking businesses. The subsidiaries are incorporated as company under Thai laws and have been operating in Thailand, with its core businesses being provision of asset management and brokerage service. Details of the Bank's subsidiaries and associates as at 30 June 2022 and 31 December 2021 are given in note 12.

2 Basis of preparation of the interim financial statements

The interim financial statements are prepared in accordance with Thai Financial Reporting Standards (TAS) No. 34 Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions and; applicable rules and regulations of the Thai Securities and Exchange Commission and the Bank of Thailand ("BoT") notification number Sor Nor Sor 21/2561, regarding to *Preparation and Announcement of Financial Statements of a Commercial Bank and a Holding Company that is the Parent Company of a Financial Group*; and other additional BoT notification.

The 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.

From 1 January 2022, the Bank and its subsidiaries have adopted TFRS 9 *Financial Instruments* and TFRS 7 *Financial Instruments: Disclosures* which are amended regarding to Interbank Offer Rate (IBOR) reform - Phase 2 (Phase 2 amendments). The Bank and its subsidiaries applied the Phase 2 amendments retrospectively and elect to apply the exceptions for not to restate comparatives for the prior periods. As a result, the Bank and its subsidiaries have no impact on the beginning retained earnings of 2022.

The COVID-19 pandemic is still on going. Due to uncertainty of the situation since 2020, the BoT has provided measures, which are intended to support the financial institutions and to help the borrowers and industries that are affected by COVID-19 and by Thai economic situations. Additional measures continue to be provided.

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:
 - i. The use of new Effective Interest Rate (EIR) at the time of contracts are changed.
- (2) Sor Nor Sor. 4/2564, regarding "*Measurement of asset warehousing for debt repayment*" of which details are given in note 15

In 2022, the Bank and its subsidiaries applied the following accounting relief provided by the BoT in response to impact from the situation of COVID-19 which includes the application of the BoT optional treatments which are in line with BoT circular letter number For Nor Sor 2 Wor 802/2564 dated 3 September 2021, regarding to *Guidelines regarding the*

provision of financial assistance to the debtors affected by the COVID-19 (sustainable debt resolution) and accounting guidelines according to the announcement from Federation of Accounting Professions letter number 37/2564 dated 3 December 2021, regarding to *Guidelines regarding the provision of financial assistance to the debtors affected by the COVID-19*:

- (1) The Debt restructuring which aims to reduce the repayment other than term extension: Under this restructuring, the Bank and its subsidiaries will have an option to apply temporary accounting relief measure for classification and provisioning. (1st form of financial assistance)
- (2) Debt restructuring by term extension only: Under this restructuring, the Bank and its subsidiaries are required to classify loan's staging and provisioning in accordance with relevant financial reporting standards. (2nd form of financial assistance)

The Bank and its subsidiaries will provide both form of financial assistance and have chosen to apply temporary accounting relief measures in accordance with this accounting guidance for the 1st form of financial assistance:

- i. Non-NPL customers can be classified as performing loan when new restructuring includes principal and interest repayment which is clearly specified in the modification contract.
- ii. The use of new Effective Interest Rate (EIR) at the time of contracts are changed.

Details of Sor Nor Sor. 4/2564, regarding "*Measurement of asset warehousing for debt repayment*" are given in note 15.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of the Bank and its subsidiaries' accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about judgments made in applying accounting policies that have significant effects on the amounts recognised in the financial statements, and information about assumption and estimation uncertainties at 30 June 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are included in the following notes:

- | | |
|--------------|---|
| Note 3 and 4 | Loan staging, determining the criteria for assessing if there has been a significant increase in credit risk and expected credit loss models, determination of inputs into the model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information; |
| Note 5 | Measurement of the fair value of financial instruments with significant unobservable inputs. |

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except those stated in note 2.

3.1 Basis of consolidation

The consolidated financial statements relate to the Bank and its subsidiaries (together referred to as "the Bank and its subsidiaries")

Business combinations

The Bank and its subsidiaries's apply the acquisition method for all business combinations when control is transferred to the Bank and its subsidiaries, as described in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Bank and its subsidiaries to the previous owners of the acquiree, and equity interests issued by the Bank and its subsidiaries. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Bank and its subsidiaries incur in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Acquisitions from entities under common control

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognizes assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in equity. The surplus or discount will be transferred to retained earnings upon divestment or dissolution of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Bank. The Bank and its subsidiaries control an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The subsidiaries' financial statements are prepared using the same significant accounting policies as the Bank.

Non-controlling interests

At the acquisition date, the Bank and its subsidiaries measure any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Bank and its subsidiaries interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Bank and its subsidiaries lose control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss from loss of control over a subsidiary is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Bank and its subsidiaries' interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Bank and its subsidiaries have significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Bank and its subsidiaries' share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation

Significant intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gain arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Bank and its subsidiaries' interest in the investee. Unrealised loss 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 and its subsidiaries. All inter-company transactions and balances within this Group have been eliminated.

3.2 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the spot exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate announced by the Bank of Thailand at the reporting date.

Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- Equity investments that have been elected to be measured at FVOCI
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective
- Qualifying cash flow hedges to the extent that the hedge is effective

Foreign operations

The assets and liabilities of foreign operations are translated into Thai Baht at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Thai Baht at the exchange rates at the dates of the transactions.

The financial statements of overseas branches are translated into Thai Baht at the reference rates announced by the Bank of Thailand at the reporting dates. Foreign exchange differences arising on translation are recognised in other comprehensive income until dissolution of the branch's business.

3.3 Cash

Cash includes cash in hand and cash on collection.

3.4 Financial instruments

3.4.1 Recognition and initial measurement

The Bank and its subsidiaries initially recognise financial instruments (including regular-way purchases and sales of financial assets) on the trade date, which is the date on which the Bank and its subsidiaries become a party to the contractual provisions of the instrument except for investment in debt instruments which are recognised on the settlement date.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

3.4.2 Derecognition

Derecognition of financial assets

The Bank and its subsidiaries derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank and its subsidiaries neither transfer nor retain substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain or loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank and its subsidiaries are recognised as a separate asset or liability.

Disposal of investments

For debt and equity securities, cost of both investments sold and those still held are determined using the weighted average method.

Derecognition of financial liabilities

The Bank and its subsidiaries derecognise a financial liability when its contractual obligations are discharged or cancelled or expire.

3.4.3 Classification and measurement of financial instruments

Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

Financial assets - debt instruments

Classification of debt instruments included loan and investments in debt securities depend on Business model assessment and assessment of whether contractual cash flows are solely payments of principle and interest.

Business model assessment

The Bank and its subsidiaries make an assessment of the objective of a business model in which an asset is held. The information considered includes:

- the stated policies and objectives for the financial assets and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the financial asset is evaluated and reported to the Bank and its subsidiaries' management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank and its subsidiaries' stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principle and interest

In assessing whether the contractual cash flows are SPPI, the Bank and its subsidiaries consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Bank and its subsidiaries consider:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- terms that limit the Bank and its subsidiaries' claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Based on business model and the contractual term of cash flows assessment, there are three categories into which the Bank and subsidiaries classify and measure debt instruments:

Amortised cost

Debt instruments are measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

Debt instruments measured at amortised cost is initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method adjusted by impairment loss. Interest income, foreign exchange gain and loss and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Fair value through Other Comprehensive income (FVOCI)

Debt instruments are measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

For debt instruments measured at FVOCI, these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gain and loss and impairment are recognised in profit or loss. Other net gain and loss are recognised in OCI. On derecognition, gain and loss accumulated in OCI are reclassified to profit or loss.

Fair value through Profit or loss (FVTPL)

Unless debt instruments are classified as measured at amortised cost or FVOCI, debt instruments are classified as measured at FVTPL.

On initial recognition, the Bank and subsidiaries may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For debt instruments measured at FVTPL, these assets are subsequently measured at fair value. Net gain and loss, including any interest are recognised in profit or loss.

Financial assets - Equity instruments

All equity instruments included equity investment measured at fair value.

On initial recognition of an equity investment that is not held for trading, the Bank and subsidiaries may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

Unless equity investments are elected to present subsequent changes in fair value in OCI, equity instruments are classified as measured at FVTPL.

For equity instruments measured at FVTPL, these assets are subsequently measured at fair value. Net gain and loss, including any dividend income are recognised in profit or loss.

For equity instruments measured at FVOCI, these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gain and loss are recognised in OCI and are never reclassified to profit or loss.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank and its subsidiaries change its business model for managing financial assets.

Classification of financial liabilities

On initial recognition, financial instrument is classified as financial liability in accordance with the substance of the contractual arrangement.

The Bank and its subsidiaries classify its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost or FVTPL.

The Bank and its subsidiaries have designated certain financial liabilities as at FVTPL in either of the following circumstances:

- the liabilities are managed, evaluated and reported internally on a fair value basis; or
- the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities measured at FVTPL are subsequently measured at fair value and net gain and loss, including any interest expense, are recognised in profit or loss.

For financial liabilities measured at amortised cost, these liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gain and loss are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4.4 *Interest recognition*

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments other than credit-impaired financial assets, the Bank and its subsidiaries estimate future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

3.4.5 *Modifications of financial assets and financial liabilities*

Modifications of financial assets

If the terms of a financial asset are modified, then the Bank and its subsidiaries evaluate whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank and its subsidiaries first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognise the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is recognised as a part of expected credit loss. In other cases, it is presented as interest income calculated using the effective interest rate method.

3.4.6 *Impairment of financial assets*

The Bank and its subsidiaries recognise loss allowances for expected credit loss (ECL) on the following financial instruments that are not measured at FVTPL and no impairment loss is recognised on equity investments.

Measurement of ECL

Expected credit loss are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward-looking information.

ECL are a probability-weighted estimate of credit loss. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows in accordance with the contract and the cash flows that the Bank and its subsidiaries expects to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank and its subsidiaries if the commitment is drawn down and the cash flows that the Bank and its subsidiaries expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank and its subsidiaries expect to recover.

Estimate of expected cash shortfalls is determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

Staging

For ECL recognition, financial assets are classified in any of the below 3 stages at each reporting date. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

- Stage 1: Financial assets that have not had a significant increase in credit risk

Financial assets that have not had a significant increase in credit risk (SICR) since initial recognition (i.e. no Stage 2 or 3 triggers apply) or debt investment that considered to have low credit risk at each reporting date with the exception of purchased or originated credit impaired (POCI) assets. The provision for ECL is 12-month ECL. 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

- Stage 2: Financial assets have a SICR

When financial assets have a SICR since initial recognition, expected credit loss are recognised for possible default events over the lifetime of the financial assets. SICR is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk. (see details in Note 6.1) Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

- Stage 3: Lifetime ECL credit impaired

Financial assets that are credit-impaired or in default represent those that are at least 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the customers are unlikely to repay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets.

Expected credit loss of credit-impaired financial assets are determined based on the difference between the present value of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, discounted with the financial assets' original effective interest rate, and the gross carrying value of the financial assets prior to any credit impairments.

Staging and provisioning on modified portfolio

The Bank established the staging and provisioning guideline on modified portfolio, as well as upstaging criteria, to ensure the prudent staging and the sufficient provision level to cover potential credit loss of modified portfolio. The Bank has also applied certain accounting relief according to accounting guideline (see note 2). The key factors to determine staging and provisioning consists of the customer's credit quality, repayment type and monitoring period.

Improvement in credit risk

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes instances where management actions led to instruments being classified as stage 2, requiring that action to be resolved before loans are reclassified to stage 1.

Financial asset that is in stage 3 will move back to stage 2 when, as at the reporting date, it is no longer considered to be credit-impaired.

Loss allowances for ECL are presented in the statement of financial position

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision; and
- financial assets measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, expected credit loss is recognised in profit or loss.

3.4.7 *Derivative held for risk management purposes and hedge accounting*

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position.

The Bank and its subsidiaries designate certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Bank and its subsidiaries formally documents the relationship between the hedging instrument(s) and hedged item(s), including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Bank and its subsidiaries make an assessment, both on inception of the hedging relationship and on an ongoing basis, of whether the hedging instrument(s) is(are) expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged item(s) during the period for which the hedge is designated, and whether the actual results of each hedge are within a specific range. For a cash flow hedge of a forecast transaction, the Bank and its subsidiaries make an assessment of whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

These hedging relationships are discussed below.

Fair value hedge

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in profit or loss. The change in fair value of the hedged item attributable to the hedged risk is recognised in profit or loss. If the hedged item would otherwise be measured at cost or amortised cost, then its carrying amount is adjusted accordingly.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in OCI and presented in the hedging reserve within equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in the hedging reserve is reclassified from OCI to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and OCI.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

If the hedged cash flows are no longer expected to occur, then the Bank and its subsidiaries immediately reclassify the amount in the hedging reserve from OCI to profit or loss. For terminated hedging relationships, if the hedged cash flows are still expected to occur, then the amount accumulated in the hedging reserve is not reclassified until the hedged cash flows affect profit or loss; if the hedged cash flows are expected to affect profit or loss in multiple reporting periods, then the Bank and its subsidiaries reclassify the amount in the hedging reserve from OCI to profit or loss on a straight-line basis.

For derivatives used to dynamic hedge of assets or liabilities, the Bank and its subsidiaries continue using an accrual basis of derivatives.

Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Bank and its subsidiaries account for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of IFRS 9;
- the host contract is not itself carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognised in profit or loss unless they form a part of a qualifying cash flow or net investment hedging relationship.

3.5 *Securities purchased under resale agreements/Securities sold under repurchase agreements*

The Bank and its subsidiaries enter into agreements to purchase securities or to sell securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased subject to a resale commitment are presented as assets under the caption of "Interbank and money market items, net (assets)" or "Loans to customers", depending upon the type of its counterparty, in the statements of financial position, and the underlying securities are treated as collateral to such receivables. Securities sold subject to repurchase commitments are presented as liabilities under the caption of "Interbank and money market items (liabilities)" or "Debt issued and borrowings, 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.

3.6 *Investments in subsidiaries and associates*

Investments in subsidiaries and associates as stated in the Bank only financial statements are accounted for using the cost method less allowance for impairment loss, (if any). Impairment loss are recorded as expenses in profit or loss. Investment in associates in the consolidated financial statements are accounted for using equity method.

If the Bank and its subsidiaries receive shares as a result of debt restructuring of a borrower, which cause them to hold more than 50% or 20% of the paid-up share capital of such company, they will not treat that investee company as a subsidiary or an associate, respectively.

The Bank and its subsidiaries do not treat investments in any mutual funds in which they hold more than 50% or 20% of the issued units of the fund as investments in a subsidiary or an associate, respectively, because the Bank and its subsidiaries do not have control or influence over the financial and operating policies of these funds, which are independently managed by the fund managers in accordance with the details stipulated in the mutual fund prospectus and under the supervision of the Office of Securities and Exchange Commission.

3.7 *Bill purchased, trade finance and factoring*

The Bank and its subsidiaries classify bill purchased transactions, trade finance transactions by purchasing, discounting or rediscounting bills under letters of credit, and factoring transactions as assets based on the business type of the counterparty whom the Bank and its subsidiaries have their legal recourses. In case that there is acceptance, aval or guarantee by other financial institutions, the Bank and its subsidiaries will classify the recorded transactions as assets, which are presented under the caption of "Interbank and money market items, net (assets)". In case that there is no acceptance, aval or guarantee by other financial institutions, the Bank will classify the recorded transactions as assets, which are presented under the caption of "Loans to customers" or "Interbank and money market items, net (assets)" depending upon the business type of its counterparty.

The Bank and its subsidiaries recognise the difference between purchase price and the face value of bill as unearned discounts which are presented as deductions against “Loans to customers” or “Interbank and money market items, net (assets)” as the case may be and gradually amortises such unearned discounts as interest income using the effective interest rate over the term of discounting or rediscounting periods.

3.8 Properties for sale

Properties for sale are stated at the lower of cost or net realisable value. Impairment loss is recognised as an expense in profit or loss. Gain or loss on disposal is recognised in profit or loss when a disposal is made.

Cost of properties for sale as a result of settlement from a debtor is stated at fair value to the extent that this does not exceed the carrying value of the debt plus non-booked interest receivable to which the Bank and its subsidiaries are legally entitled. Cost of properties for sale through a public auction process is the purchase price plus transfer costs.

The Bank and its subsidiaries consider net realisable value for each unit of properties for sale. Net realisable value is the recoverable value from disposal of properties for sale less estimated selling expenses. The recoverable value from disposal of properties for sale is assessed with reference to the appraisal value of each unit of properties for sale and is adjusted down by varying discount rates, taking into consideration the quality of assets (location, infrastructure and property usage potential), holding period, historical disposal experience and market demand.

In accordance with asset warehousing, the assets are transferred to the Bank for repayment based on agreed price with the buy-back conditions not over 5 years and rent-back conditions for business operation. The Bank derecognises loans to customers and presents transferred assets as properties for sale in accordance with the ownership of the transferred assets. The transferred assets have the same measurement as other properties for sale. Income that the Bank receives is recorded as other income.

3.9 Premises and equipment

Land is measured at revalued amount less allowance for impairment loss (if any), buildings are measured at revalued amount less accumulated depreciation and allowance for impairment loss (if any), and equipment is measured at cost less accumulated depreciation and allowance for impairment loss (if any).

The Bank and its subsidiaries initially record premises and equipment at their costs on the acquisition dates. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of premises and equipment have different useful lives, they are accounted for as separate items (major components) of premises and equipment.

The cost of replacing a part of an item of premises and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its subsidiaries, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of assets are recognised in profit or loss as incurred.

The Bank and its subsidiaries thereafter, arrange to have the independent valuers appraise the land and buildings on a regular basis and records them at the revalued amount (Revalued amounts are determined by the independent valuer using the market approach for land and the depreciated replacement cost approach for buildings) such that the carrying values of such assets as at the end of the reporting period do not materially differ from their fair values.

The Bank and its subsidiaries recognise surplus/deficit arising as a result of revaluation of their assets as follows:

- (1) When an asset's carrying amount is increased as a result of a revaluation of the assets, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in other reserve under the heading of "Revaluation surplus on assets". However, if the asset is previously devalued and the Bank and its subsidiaries used to recognise such revaluation decrease as an expense in profit or loss, a revaluation increase from this revaluation is then recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- (2) When an asset's carrying amount is decreased as a result of a revaluation of the asset, the decrease is recognised in profit or loss. However, if the asset was previously revalued and an outstanding balance of revaluation surplus remains in other reserve under the heading of "Revaluation surplus on assets", the revaluation decrease is then charged to other comprehensive income to the extent that it does not exceed the amount already held in "Revaluation surplus on assets" in respect of the same asset and the revaluation decrease in excess of the amount already held in "Revaluation surplus on assets" in respect of the same asset is recognised in profit or loss.

Depreciation of buildings and equipment is calculated by reference to their cost or the revalued amounts, on a straight-line basis over the following estimated periods of useful lives. (Depreciation of fixed assets of overseas branches is computed at a rate specified by the applicable laws, which is at the rate of 20% of the cost or the estimated useful life of 5 years.)

Buildings	Appraised by independent professional appraisers (average at 50	years)
Leasehold improvement		6 - 20 years
Equipment		3 - 10 years

Depreciation is charged to profit or loss. No depreciation is determined for land and assets under construction and installation. Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The revaluation surplus on assets is amortised, using the straight-line method, over the estimated remaining periods of those assets' estimated useful lives and directly charged to retained earnings. The remaining of revaluation surplus on an item of land and buildings, that is derecognised of, is transferred directly to retained earnings when the asset is derecognised of.

An item of premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is recognised in profit or loss when the asset is derecognised.

3.10 Leases

As a lessee

At inception of a contract, the Bank and its subsidiaries assess whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Bank and its subsidiaries apply TFRS 15 to allocate the consideration in the contract.

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 is recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any 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 estimated useful lives of right-of-use assets are determined on the same basis as those of premises and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Bank and its subsidiaries' incremental borrowing rate and subsequently at amortised cost using the effective interest method.

The lease liability is remeasured when there is a modification, change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Bank and its subsidiaries present right-of-use assets in premises and equipment/intangible assets and lease liabilities in 'other liabilities' in the statement of financial position.

As a lessor

When the Bank and its subsidiaries acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Bank and its subsidiaries recognise lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of other income.

The Bank and its subsidiaries recognise hire purchase receivables/finance lease receivables at the amount of the Bank and its subsidiaries' net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value. Hire purchase/finance lease income is allocated to accounting years to reflect a constant periodic rate of return on the Bank and its subsidiaries net investment outstanding in respect of the leases.

The Bank and its subsidiaries derecognise, modified cashflow of hire purchase/finance lease receivables and determine impairment on the lease receivables as disclosed in note 3.4.2, 3.4.5 and 3.4.6.

3.11 Goodwill and other intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 3.1 Subsequent to initial recognition, goodwill is measured at cost less allowance for impairment loss.

Other intangible assets

Other intangible assets that are acquired by the Bank and its subsidiaries and have finite useful lives are measured at cost less accumulated amortisation and allowance for impairment loss.

Other intangible assets include car dealer relationship. These intangible assets were acquired in a business combination. These intangible assets are initially measured at their fair value at the date of acquisition and subsequently stated at cost less accumulated amortisation and allowance for impairment loss.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives of computer software and car dealer relationship for the current and comparative years are 3 – 14 years.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.12 *Impairment*

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. Impairment loss recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.13 *Employee benefits*

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post employment benefits and other long-term employee benefits

Defined contribution plan

The Bank and its subsidiaries and the employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Bank and its subsidiaries. The fund's assets are held in a separate trust fund and the Bank and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Bank and its subsidiaries treat the severance payments they must make to employees upon retirement under labour law and other benefit (if any) as a post-employment benefit plan and the obligation to provide memorable gifts to employees when the employees have worked for the specified length of years in service as other long-term employee benefit plan.

Provisions for post-employment benefit plan and other long-term employee benefit plan are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. These actuarial techniques involve assumptions with reference to various variables such as demographic assumptions (e.g. staff turnover rate, mortality rate, etc.) and financial assumptions (e.g. salary incremental rate, discount rate, etc.).

Actuarial gain or loss arising from a post-employment benefit plan is recognised in other comprehensive income and taken as a part of retained earnings.

Actuarial gain or loss arising from other long-term employee benefit plan is recognised in profit or loss.

Share-based payments

The cost of the TTB Stock Retention Program is recognised when services are rendered by employees. The cost of the share-based payment plan is measured by reference to the fair value of the issued shares on the grant date (date of offering of new ordinary shares to the employees).

The cost of the share-based payment plan is recognised as expenses in profit or loss with a corresponding increase in "Other reserve - share-based payments" in equity over the periods in which the performance and service conditions are fulfilled. The cumulative expenses, which involve the Bank and its subsidiaries' management best estimate of number or ordinary shares that will ultimately vest, is recognised for the share-based payment plan at each reporting period-end until the vesting date. The expenses or reversal of expenses for a period represented the movement in cumulative expenses recognised as at the beginning and at the end of the reporting year.

3.14 Provisions

A provision is recognised if, as a result of a past event, the Bank and its subsidiaries have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Provisions for contingent liabilities as a result of obligation having credit risk exposures

The Bank and its subsidiaries provide provisions for those off-balance sheet items having credit risk exposures, such as loan guarantees, avals or commitments irrevocable by financial institutions, or obligation according to letter of guarantee of which the Bank and its subsidiaries were claimed against, using the same criteria and methods applied to allowance for expected credit loss that are described in note 3.4.6.

3.15 Measurement of fair values

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank and its subsidiaries has access at that date. The fair value of a liability reflects its non-performance risk.

The Bank and its subsidiaries have an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Bank and its subsidiaries Audit Committee.

When measuring the fair value of an asset or a liability, the Bank and its subsidiaries use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.16 Fee and commission

Fee and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the effective interest rate.

Fees which are not integral to the effective interest rate on a financial asset or financial liability are recognised as revenue on an accrual basis and service income is recognised as revenue when services are rendered, taking into account the stage of completion of the services provided and conditions in the contract. Fee received in advance is recorded as "Deferred revenue" in the statements of financial position and recognised as revenue when services are rendered. In case that the Bank and its subsidiaries provide customer loyalty programmes, such as award points to redeem goods or services, etc. to their customers to motivate them to become their loyal customers, the Bank and its subsidiaries shall allocate the fair value of the award points earned by customers each time they use services of the Bank and its subsidiaries from considerations received on services they provide each time. The amount is recorded as "Deferred revenue" in the statements of financial position and it will be recognised as revenue in profit or loss when the customers redeem the award points.

Fees and service expenses

The Bank and its subsidiaries recognise fees and service expenses which are not integral to the effective interest rate on a financial asset or financial liability on an accrual basis.

3.17 Dividend income

Dividend income is recognised when the right to receive income is established. Dividend income is presented in other operating income.

3.18 Net trading income and foreign exchange transactions

Net trading income comprises gain less loss related to trading assets and liabilities, and includes all fair value changes and foreign exchange differences.

Net income on trading and foreign exchange transactions are recognised based on the remeasurement to fair value of the underlying instruments in profit or loss on an accrual basis.

3.19 Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Bank and its subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Bank and its subsidiaries take into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Bank and its subsidiaries believe that their accruals for tax liabilities are adequate for all open tax years based on their assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Bank and its subsidiaries to change their judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the year that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Bank and its subsidiaries. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.20 Earnings per share

The Bank and its subsidiaries present basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of potential ordinary shares from TTB Stock Retention Program.

3.21 Related parties

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Bank and its subsidiaries; a person or entity that are under common control or under the same significant influence as the Bank and its subsidiaries; or the Bank and its subsidiaries have direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

3.22 Segment reporting

Segment results that are reported to the Bank Executive Committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items are not included in reporting segment operating results.

3.23 Offsetting

Financial assets and liabilities are offset, and the net amount is reported in the statements of financial position when the Bank and its subsidiaries have a legal, enforceable right to set off the recognised amounts and the transactions are intended to be settled on a net basis.

4 Risk management

Risk management approach

Risk management is an integral part of the Bank and its subsidiaries' business activities and strategic planning with the objective to optimize risks and returns and create sustainable shareholder value whilst remaining in compliance with regulatory requirements. The Bank and its subsidiaries have established a solid risk governance framework which serves as the foundation for consistent and effective risk management. The risk governance framework mainly consists of a clear risk governance structure, risk appetite, risk management policies, consistent risk management processes and an embedded risk culture. All of this translates into a straight-forward risk management strategy in which:

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

4.1 Credit risk

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

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

The Bank has established frameworks which set out Credit Risk Appetite, Credit Risk Policies and Guidelines and processes covering the measurement and management of credit risk.

Credit Risk Appetite Statement (Credit RAS)

Credit RAS is a formally documented statement of the maximum level of credit risk that the Bank and its subsidiaries are willing to accept in pursuit of its business objectives. The Bank and its subsidiaries develop and review its Credit RAS at Bank-wide level, BU level and Portfolio level, covering all relevant credit risk metrics to monitor the quality of credit portfolio and control obligor concentration.

Credit Risk Policies and Guidelines

The Bank has put in place Master Credit Risk Management Policy to govern all key aspects of credit risk management in compliance with the Bank of Thailand's regulatory requirements and the Bank's strategic direction. In addition, credit risk management sub policies, guidelines are established to provide the guidance in each credit risk aspect stated in Master Credit Risk Management Policy. The Board of Directors has the responsibility to review and approve the Bank's Master Credit Risk Management Policy and has delegated the approval authority of underlying credit risk management sub policies, guidelines to Sub-Committees as deemed appropriate. All relevant business units and support units are required to formulate supplementary credit policies, guidelines, framework, standards, criteria, processes and procedures specific to their respective businesses.

Credit Risk Management Processes

Credit Risk Management consists of 5 key processes:

- 1) **Risk appetite setting:** The Bank annually sets credit risk appetites which are input for and aligned with the business planning process, are discussed in and endorsed by the relevant Sub-Committees, and ultimately approved by the Board of Directors as part of Master Risk Appetite. Actual credit performance is regularly measured against and reported on the basis of credit risk appetites.
- 2) **Risk Identification:** The Bank identifies and manages credit risk inherent in all products and activities. The risks of new products and activities are subject to adequate risk management procedures and controls before being introduced or undertaken and approved in advance by relevant Committees.
- 3) **Risk Assessment & Measurement:** The Bank uses different methods and tools to measure credit risk in both quantitative and qualitative aspects. In addition, the Bank also conducts credit risk stress testing to measure the quality and resilience of the Bank's credit portfolio and the Bank's capacity to absorb the impact resulting from various stress event scenarios.
- 4) **Risk Monitoring and Control:** The Bank regularly monitors, controls and mitigates credit risk by setting key credit risk indicators, credit risk limits, as well as credit risk appetite at Bank-wide, BU, Portfolio and other levels as deemed appropriate.
- 5) **Risk Reporting & Communication:** The Bank regularly reports the status of credit risk as well as actions taken / to be taken are reported to relevant parties / committees and top management on a regular basis. The risk reports cover product level, portfolio level, functional level, and the bank-wide level.

Credit Approval Process

In managing credit risk, the Bank and its subsidiaries segregate the roles and responsibilities of the credit marketing function from the credit granting function to ensure proper checks and balances. Individual credit risk is analyzed and assessed by experienced credit officers and approved by an appropriate authority depending on the size and credit rating of customer.

Where appropriate, the Bank and its subsidiaries demand the placement of adequate collateral by customers in various forms, for example, land and building, bank deposits, securities, and personal/corporate guarantees, etc.

The Bank and its subsidiaries have contingent liabilities by issuing payment and other forms of guarantees, as well as issuing letters of credit and endorsing AVAL on commercial bills and notes for its customers. Such contingent transaction activities require assessment of financial condition of customers in the same manner as done for direct lending. The Bank and its subsidiaries also make a standard practice to set conditions to mitigate the elements of risk in the same manner as for direct lending procedures.

The Bank has established Credit Risk Management Departments in accordance with size of the customers and product offering, comprising of 1) Commercial Credit Risk Management, responsible for risk approval, measurement and management for the commercial clients, which is separated according to size of the business to enhance risk management efficiency, including large, medium and small corporates 2) Retail Credit Risk Management, responsible for risk approval, measurement and management for secured and unsecured lending to individuals and small non-juristic businesses and 3) Automotive Credit Risk Management, responsible for risk approval, measurement and management for Automotive Lending Portfolio.

Independent Unit related to Risk Management

Independent Credit Review is an independent unit responsible to review end-to-end credit process to ensure the soundness of the credit process; including risk monitoring control post approval, loan classification, provisioning and write-off, compliance with policy and procedures, appropriate balance and alignment with regulatory requirements

The Audit unit, an independent unit, is responsible for performing the assessments and making recommendations to improve the adequacy and effectiveness of credit-related processes and the credit risk management processes.

Internal Rating and External Rating Framework

Risk ratings are typically based on credit analysis factors and/or market condition indicators, considering both the quantitative and qualitative information. The Bank and its subsidiaries developed internal credit risk models for supporting all bank-wide activities starting from setting of risk appetite statements, underwriting process, monitoring/measuring and predicting changes in portfolio quality, early response to deterioration trends, to serving as communication tool within the organization.

The Bank and its subsidiaries have developed credit risk models to consider probability that the debtor will default (PD), the estimate of the exposures when the debtor defaults (EAD), and the percentage of damage that may occur when the debtor defaults on the debt (LGD). All models are based on analytical principles based on quantitative and qualitative data. Qualitative data is collected from historical data or from external service providers. The implementation of these credit risk models is in addition to those used in the credit process mentioned above. It is also intended to be used to set an allowance for loss as well as estimation of regulatory capital and economic capital.

The Bank and its subsidiaries set up Risk Rating Guideline to provide the logic and use of creating and verifying model-based Risk Ratings. The Bank and its subsidiaries use different risk rating models according to different borrower segment.

The credit risk level depends on the estimation of the debtor's default risk and risk rating. The Bank and its subsidiaries have designed two types of credit risk assessment models: (1) Internal rating models for Commercial portfolio; Use information based on the latest financial position and quality assessments of borrowers and (2) Internal rating models for small business, Retail and Hire Purchase portfolio which are based on behavioral study and/or credit limit utilization history together with reliable statistical methods to categorize credit risk grade or determine the appropriate probability of default according to the debtor's risk level.

Exposures and the corresponding credit risk grades are subject to review at a frequency stipulated in the Guideline. Risk rating models, and the performance of the models are subject to regular monitoring. This is a process to keep both risk grade and models up to date and qualified.

A credit risk grade is ranked from lowest to highest. The lower the number in the rank, the lower the probability of default. The highest rating represents stage3 loans with probability of default of 100%.

In addition to the internal rating, the Bank and its subsidiaries also use external ratings from an international rating agency as references for credit risk grade of investment related activities/portfolios.

Information related to expected credit loss (ECL)

Significant increase in credit risk (SICR)

Quantitative factors include an assessment of whether there has been significant increase in the forward-looking probability of default (PD) since origination. A forward-looking PD is one that is adjusted for future economic conditions to the extent these are correlated to changes in credit risk. If the thresholds are exceeded, the instrument is considered to have experienced a significant increase in credit risk.

Qualitative factors assessed include those linked to current credit risk management processes. Indicators could include weak operating results or observed liquidity issues among various other factors.

Definition of default

Financial assets are assessed for credit-impairment at each reporting date and more frequently when circumstances warrant further assessment. Evidence of credit-impairment includes arrears of over 90 days on any material credit obligation, indications that the borrower is experiencing significant financial difficulty, a breach of contract, bankruptcy or distressed restructuring.

Write-off

The write off is an internal accounting process to properly reflect the absence/loss of real value of the Bank's assets. The Bank allows both full write-off and partial write-off when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, the Bank still maintains its legal rights, both in terms of debt collection and legal proceeding for loan repayment from borrowers.

Loan Loss Provisioning, TFRS9, and ECL

Since 1 January 2020, the Bank and its subsidiaries have recognised loss allowances based on the ECL model of TFRS9, which is designed to be forward-looking. The TFRS9 impairment requirements are applicable to on-balance sheet financial assets measured at amortised cost or fair value through other comprehensive income (FVOCI), such as loans and debt securities, as well as off-balance sheet items such as undrawn loan commitments, certain financial guarantees, and undrawn committed revolving credit facilities. These financial assets are divided into three stages (Staging) based on credit quality. The ECL model is assessed according to statistical techniques and supported by expert judgment.

Forward-looking factors expected to occur in the future

TFRS 9 requires consideration of the impact of changes in economic or so-called forward-looking factors to estimate the expected credit loss by including the forecast of the economic condition.

The Bank and its subsidiaries have procedures for foresee data creation. The first step is to prepare macroeconomic projections from external sources such as consensus economic data or forecasts published by government agencies. Then, statistical techniques are applied to transform the different types of simulation data. The final step is to use the simulation scenario as a variable in calculating potential credit loss and in determining the credit quality of the financial assets as described previously.

The Bank and its subsidiaries formulate three forward-looking economic scenarios; a base case, which is the baseline scenario, and two less likely scenarios, one upside and one downside scenario. Macroeconomic variables include economic data and forecasts. Examples of the macro-economic variables used in the forward-looking information are Gross Domestic Product (GDP), unemployment rate and manufacturing production index.

Management Overlay

The Bank and its subsidiaries calculated the ECL based on the model. However, management overlays were considered when underlying assumptions or data used to estimate ECLs do not reflect current circumstances, events or conditions, emerging issues and possible future deterioration in credit quality of high-risk portfolio or exposure of the Bank and its subsidiaries at the reporting date as post-model adjustments to ascertain the overall provision adequacy of the Bank and its subsidiaries.

4.1.1 Credit quality

The following tables set out information about the credit quality as at 30 June 2022 and 31 December 2021 of loans to customers without taking into account collateral or other credit enhancement. The Bank and its subsidiaries classified a risk level based on most recent financial position, behaviours and qualitative factors.

Risk level	Consolidated			Total
	30 June 2022			
	Stage 1	Stage 2	Stage 3	
	(in million Baht)			
<i>Loans to customers and accrued interest receivables - net</i>				
Low	941,486	601	-	942,087
Medium	297,930	65,883	-	363,813
High	1,051	51,677	5	52,733
NPLs	-	-	41,326	41,326
Gross carrying amount	1,240,467	118,161	41,331	1,399,959
Less allowance for expected credit loss	(12,778)	(23,941)	(18,303)	(55,022)
Carrying amount	1,227,689	94,220	23,028	1,344,937

Risk level	Consolidated			Total
	31 December 2021			
	Stage 1	Stage 2	Stage 3	
	(in million Baht)			
<i>Loans to customers and accrued interest receivables - net</i>				
Low	844,358	537	-	844,895
Medium	377,628	43,150	11	420,789
High	1,676	68,833	51	70,560
NPLs	-	-	42,429	42,429
Gross carrying amount	1,223,662	112,520	42,491	1,378,673
Less allowance for expected credit loss	(12,413)	(22,052)	(20,007)	(54,472)
Carrying amount	1,211,249	90,468	22,484	1,324,201

Risk level	Bank Only			Total
	30 June 2022			
	Stage 1	Stage 2	Stage 3	
	(in million Baht)			
<i>Loans to customers and accrued interest receivables - net</i>				
Low	941,484	601	-	942,085
Medium	297,930	65,883	-	363,813
High	1,051	51,677	5	52,733
NPLs	-	-	40,580	40,580
Gross carrying amount	1,240,465	118,161	40,585	1,399,211
Less allowance for expected credit loss	(12,778)	(23,941)	(18,283)	(55,002)
Carrying amount	1,227,687	94,220	22,302	1,344,209

Risk level	Bank Only			Total
	Stage 1	31 December 2021		
		Stage 2	Stage 3	
	(in million Baht)			
<i>Loans to customers and accrued interest receivables - net</i>				
Low	844,357	537	-	844,894
Medium	377,628	43,150	11	420,789
High	1,676	68,833	51	70,560
NPLs	-	-	41,677	41,677
Gross carrying amount	1,223,661	112,520	41,739	1,377,920
Less allowance for expected credit loss	(12,413)	(22,052)	(19,987)	(54,452)
Carrying amount	1,211,248	90,468	21,752	1,323,468

Investment in debt securities

Major investment in debt securities of the Bank are investment in government and state enterprise securities which are considered as low-risk financial assets, except investment in debt securities of a public company approximately Baht 315 million are considered as non-performing financial assets. (31 December 2021: Baht 315 million)

4.1.2 Collateral held and other credit enhancements

In addition to determining counterparty credit quality through risk rating, the Bank also uses collateral as one type of credit risk mitigation to reduce potential credit loss to the Bank and its subsidiaries. The type of eligible collateral consists of financial and non-financial collaterals which valued primarily based on their quality and liquidity. The value of collateral is primarily assessed on a prudent basis to ensure that the value assigned to the collateral remains current.

The assessment of the suitability of collateral for a specific credit transaction is part of the credit decision making which undertaken in a conservative way, including collateral haircuts that are applied. The Bank and its subsidiaries strives to avoid “wrong-way” risk characteristics where the borrower’s counterparty risk is positively correlated with the risk of deterioration in the collateral value.

For “guarantee”, the process for the analysis of the guarantor’s creditworthiness is aligned to the credit assessment process for borrowers.

For examples

- Credit evaluation process - different risk levels require different LTVs
- Credit approval process - LTV is one of the factors to determine the level of approval authorities. At present, the Bank defines the approval authority based on business type, industry, the customer’s risk rating as well as LTV criteria whereby LTV criteria is applied for Commercial Banking customer at appropriate level depend on industry. For mortgage Loan, 70% to 110% LTV criteria is applied. For Hire Purchase, 50% to 100% LTV criteria is applied, depending on risk level of customer and product type.

Collateral Appraisal Approach:

The appraisal shall be conducted by applying one or more of the approaches specified in the codes of professional ethics and standards of appraisal practice stipulated by the Office of the Securities and Exchange Commission (SEC) and is under responsibility of Asset Appraisal Department. The following are example of collateral appraisal approach:

- Immovable property for commercial purpose shall be appraised by the cost approach, or the direct sales comparison approach, or the income approach.
- Immovable property for residential purpose shall be appraised by the direct sales comparison approach, or the cost approach.
- Other immovable properties shall be appraised by the cost approach, or the direct sales comparison approach, or the income approach.

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the six-month period ended 30 June 2022

For the three-month period ended 30 June 2022 (Unaudited)

- Machinery and vehicle shall be appraised by the direct sales comparison approach, or the cost approach
- Criteria for appraising marketable equity securities and debt securities collateral shall be established in writing and agreed among the Appraisal Committee members.

The following table sets out the principal types of collateral held against different types of loan to customer and accrued interest receivables as at 30 June 2022 and 31 December 2021

Type of credit exposures	Consolidated		Principal type of collateral held
	30 June	31 December	
	2022	2021	
	(in million Baht)		
Loans to customers and accrued interest receivables			
- Loans to corporate customers	605,782	597,199	Properties, plant, equipment and/or guarantee by government unit
- Retail mortgage lending	312,874	307,745	Properties
- Hire purchase	400,543	393,866	Vehicle
- Others	80,760	79,863	None
Type of credit exposures	Bank only		Principal type of collateral held
	30 June	31 December	
	2022	2021	
	(in million Baht)		
Loans to customers and accrued interest receivables			
- Loans to corporate customers	605,084	596,496	Properties, plant, equipment and/or guarantee by government unit
- Retail mortgage lending	312,833	307,705	Properties
- Hire purchase	400,543	393,866	Vehicle
- Others	80,751	79,853	None

4.1.3 Concentrations of credit risk

The Bank and its subsidiaries monitor concentration in different dimensions including sector. Concentrations of credit risk from loans to customers and accrued interest receivables as at 30 June 2022 and 31 December 2021 is shown below.

	Consolidated	
	30 June	31 December
	2022	2021
	(in million Baht)	
<i>Concentration by sector</i>		
Agricultural and mining	15,132	19,070
Real estate and construction	59,122	58,171
Public utilities and services	145,466	125,039
Retail mortgage lending	312,874	307,745
Manufacturing and commerce	363,517	374,814
Hire purchase	400,543	393,866
Others	103,305	99,968
Total	1,399,959	1,378,673

	Bank only	
	30 June 2022	31 December 2021
	(in million Baht)	
<i>Concentration by sector</i>		
Agricultural and mining	15,120	19,057
Real estate and construction	59,081	58,166
Public utilities and services	145,447	125,020
Retail mortgage lending	312,833	307,705
Manufacturing and commerce	362,901	374,156
Hire purchase	400,543	393,866
Others	103,286	99,950
Total	1,399,211	1,377,920

4.2 Market risk

Market risk refers to loss that may happen due to the fluctuations of foreign exchange rates, interest rates, and prices of equity securities, all of which may impact the value of the Bank's assets, liabilities, and off-balance sheet items.

The Bank and its subsidiaries have established various market risk policies, which set standards and guidelines for market risk management. The sub-committee holds the responsibility to assist the BOD and the Risk Oversight Committee (ROC) to ensure that bank-wide market risk management complies with the relevant risk policies and defined levels of risk appetite. The Bank and its subsidiaries classify the overall market risk management into two parts: trading book and banking book. The Bank and its subsidiaries have developed a policy to set standards on the book definitions and transaction classification criteria as well as the treatment of each book.

Market risk in the trading book

Market risk in the trading book consists of market risk from exposures of financial instruments that are held with trading intent or for hedging other positions in the trading book as well as all financial derivatives which have not been used for hedging positions in the Banking Book. The Bank and its subsidiaries have established the market risk policies for trading book to ensure the proper management of market risks in the trading book as well as impose limits to control the risks to be within the Bank and its subsidiaries' risk appetite.

Market risk in the banking book

Market risk in the banking book consists of market risks incurred from the Bank and its subsidiaries' both on and off-balance sheet items, and derivatives designated to hedge other banking book items.

The Bank and its subsidiaries have established the market risk policies for banking book, which outlines the approach for managing market risks in the banking book and setting the relevant limits appropriate to the positions of the risks in the book and in line with the Bank and its subsidiaries' risk appetite.

The Bank and its subsidiaries also analyse risks and regularly assess the impact, the results of which are used as tools to manage the Bank's assets and liabilities structure to be in line with the changing market environment.

Managing interest rate benchmark reform (IBOR reform)

The Board of Directors delegates the Asset and Liability Committee (committee) to monitor and manage the transition to alternative rates. The committee evaluates the readiness of IBOR reform with regards to contracts revision and communication on IBOR reform with counterparties and other internal relevant units. The committee reports to the ROC and the Board of Directors on quarterly basis. In addition, the working team provides periodic reports to management of interest rate risk and other risks arising from IBOR reform.

As at 30 June 2022, the Bank's main IBOR exposure was indexed to USD LIBOR and THBFIX. The Bank plans to finish the process of amending contractual terms for all of the USD LIBOR indexed exposures to incorporate USD Fallback SOFR by 30 June 2023. In respect of THBFIX exposures, the Bank has introduced fallback clause in agreements. The fallback clause switches the instruments from THBFIX to either THOR according to the Bank of Thailand's Active Transition or Fallback Rate (THBFIX) when THBFIX ceases. Some derivatives are governed by contracts based on the International Swaps and Derivatives Association (ISDA)'s master agreements.

The following table shows the total amounts of financial instruments which have impact from IBOR transition and have yet to transit to alternative benchmark rates. The amounts of financial assets and financial liabilities are shown at their carrying amounts and derivatives are shown at their notional amounts.

<i>Key reference rate under the existing contracts</i>	Consolidated and Bank only	
	USD LIBOR	THBFIX
	<i>(in million Baht)</i>	
At 30 June 2022		
Loans to customers	10,651	15,743
Derivatives	12,835	14,238
Debts issued and borrowings	5,295	-

4.2.1 Interest rate risk

Interest rate risk is the risk from future movements in market interest rates including changes in interest rates of rate sensitive assets and liabilities that will have negative impact to the Bank's and its subsidiaries' operating results, cash flows and economic value.

The Bank and its subsidiaries' principal financial assets, namely loans to customers mostly earn interest at floating rates, based on MRR, MLR, MOR, interest rates of time deposits or other benchmark floating rates such as BIBOR, LIBOR, etc.

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For the three-month period ended 30 June 2022 (Unaudited)

As at 30 June 2022 and 31 December 2021, significant financial assets and liabilities classified by interest repricing periods were as follows:

	Repricing periods			Consolidated 30 June 2022	Non- interest bearing	Total
	Within 3 months	Over 3 months to 1 year	Over 1 year (in million Baht)	Non- performing assets		
Financial assets						
Cash	-	-	-	-	12,949	12,949
Interbank and money market items net of deferred revenue	186,124	354	-	-	13,484	199,962
Financial assets measured at fair value through profit or loss	1,277	-	-	-	457	1,734
Investments, net	24,721	30,224	116,697	-	2,874	174,516
Investments in subsidiaries and associates, net	-	-	-	-	8,622	8,622
Loans to customers net of deferred revenue	783,568	184,803	363,889	41,331	19,017	1,392,608
Other financial assets - net	4,028	-	-	-	7,160	11,188
Total financial assets	999,718	215,381	480,586	41,331	64,563	1,801,579
Financial liabilities						
Deposits	1,209,291	76,107	69,353	-	40,196	1,394,947
Interbank and money market items	63,438	813	14,774	-	5,781	84,806
Liabilities payable on demand	-	-	-	-	6,515	6,515
Financial liabilities measured at fair value through profit or loss	434	-	-	-	-	434
Debts issued and borrowings	1,929	17,118	49,886	-	15	68,948
Other financial liabilities	832	-	-	-	16,347	17,179
Total financial liabilities	1,275,924	94,038	134,013	-	68,854	1,572,829

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For the three-month period ended 30 June 2022 (Unaudited)

	Consolidated 31 December 2021					
	Repricing periods					
	Within 3 months	Over 3 months to 1 year	Over 1 year <i>(in million Baht)</i>	Non- performing assets	Non- interest bearing	Total
Financial assets						
Cash	-	-	-	-	16,011	16,011
Interbank and money market items net of deferred revenue	136,453	171	10	-	22,258	158,892
Financial assets measured at fair value through profit or loss	1,043	-	-	-	378	1,421
Investments, net	28,575	19,904	128,859	-	2,891	180,229
Investments in subsidiaries and associates, net	-	-	-	-	8,620	8,620
Loans to customers net of deferred revenue	777,862	159,301	373,909	42,120	18,112	1,371,304
Other financial assets - net	1,864	-	-	-	5,711	7,575
Total financial assets	945,797	179,376	502,778	42,120	73,981	1,744,052
Financial liabilities						
Deposits	1,192,313	58,467	44,374	-	44,041	1,339,195
Interbank and money market items	60,856	10,344	9,741	-	4,025	84,966
Liabilities payable on demand	-	-	-	-	5,325	5,325
Financial liabilities measured at fair value through profit or loss	437	-	-	-	-	437
Debts issued and borrowings	2,210	16,870	49,299	-	19	68,398
Other financial liabilities	963	9	-	-	15,463	16,435
Total financial liabilities	1,256,779	85,690	103,414	-	68,873	1,514,756

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	Bank only 30 June 2022					
	Repricing periods			Non- performing assets	Non- interest bearing	Total
	Within 3 months	Over 3 months to 1 year	Over 1 year <i>(in million Baht)</i>			
Financial assets						
Cash	-	-	-	-	12,949	12,949
Interbank and money market items net of deferred revenue	186,123	353	-	-	13,479	199,955
Financial assets measured at fair value through profit or loss	1,277	-	-	-	457	1,734
Investments, net	24,721	30,224	116,697	-	2,874	174,516
Investments in subsidiaries and associates, net	-	-	-	-	5,144	5,144
Loans to customers net of deferred revenue	783,568	184,803	363,887	40,585	19,017	1,391,860
Other financial assets - net	4,028	-	-	-	6,944	10,972
Total financial assets	999,717	215,380	480,584	40,585	60,864	1,797,130
Financial liabilities						
Deposits	1,213,148	76,107	69,353	-	40,963	1,399,571
Interbank and money market items	63,438	813	14,774	-	5,781	84,806
Liabilities payable on demand	-	-	-	-	6,515	6,515
Financial liabilities measured at fair value through profit or loss	434	-	-	-	-	434
Debts issued and borrowings	9	14,018	49,886	-	15	63,928
Other financial liabilities	832	-	-	-	16,060	16,892
Total financial liabilities	1,277,861	90,938	134,013	-	69,334	1,572,146

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	Bank only					
	31 December 2021					
	Repricing periods			Non-performing assets	Non-interest bearing	Total
	Within 3 months	Over 3 months to 1 year	Over 1 year			
	(in million Baht)					
Financial assets						
Cash	-	-	-	-	16,011	16,011
Interbank and money market items net of deferred revenue	136,453	171	-	-	22,258	158,882
Financial assets measured at fair value through profit or loss	1,043	-	-	-	378	1,421
Investments, net	28,575	19,904	128,859	-	2,891	180,229
Investments in subsidiaries and associates, net	-	-	-	-	5,114	5,114
Loans to customers net of deferred revenue	777,862	159,301	373,908	41,368	18,112	1,370,551
Other financial assets - net	1,864	-	-	-	5,566	7,430
Total financial assets	945,797	179,376	502,767	41,368	70,330	1,739,638
Financial liabilities						
Deposits	1,196,456	58,467	44,374	-	44,431	1,343,728
Interbank and money market items	60,856	10,344	9,741	-	4,376	85,317
Liabilities payable on demand	-	-	-	-	5,325	5,325
Financial liabilities measured at fair value through profit or loss	437	-	-	-	-	437
Debts issued and borrowings	10	13,770	49,299	-	19	63,098
Other financial liabilities	963	-	-	-	15,130	16,093
Total financial liabilities	1,258,722	82,581	103,414	-	69,281	1,513,998

4.2.2 Foreign exchange risk

Foreign exchange risk is the risk that the value of the financial instruments will be affected by changes in foreign exchange rates.

In addition to the financial assets and liabilities denominated in foreign currencies already disclosed in the relevant notes to the financial statements, as at 30 June 2022 and 31 December 2021, the Bank and its subsidiaries' net foreign currency positions categorised by major foreign currencies were as follows:

	Consolidated and Bank only					
	30 June 2022			31 December 2021		
	USD	Euro ^(*)	Other currencies ^(*)	USD	Euro ^(*)	Other currencies ^(*)
	(in USD million)					
Spot	358	(252)	241	253	(238)	345
Forward	(363)	252	(239)	(255)	238	(347)
Net position	(5)	-	2	(2)	-	(2)

^(*) Balance denominated in Euro and other currencies are stated in USD equivalents.

4.2.3 Equity price risk

Equity price risk is the risk that the Bank and its subsidiaries' earnings or value of financial assets may fluctuate due to changes in the price of equities.

The equity portfolio of the Bank and its subsidiaries are managed by specific units depending on the strategy, the types of business of the issuers of underlying securities, and the objectives for holding such equities. The equity investment management is under the supervision of the Asset and Liability Management Committee (ALCO) and/or the Chief Executive Committee (CEC) and/or Board of Executive Directors (BoED). All equity investments must comply with the bank-wide investment policy and framework, and related risk policies. The Bank and its subsidiaries have a policy to manage market risk by setting manageable limits on transactions, such as position limit and loss limits. The Risk Control Unit, which is separated from front office and back office functions, is responsible for control of risk and reporting on compliance with the various limits to the related business unit and related management, in order to facilitate responsive risk management.

As at 30 June 2022, the Bank had equity investments are listed on Stock Exchange of Thailand at Baht 220 million (31 December 2021: Baht 227 million) with the mark to market value at Baht 195 million (31 December 2021: Baht 197 million).

4.2.4 Sensitivity analysis

Market risk in the trading book

The Bank and its subsidiaries use a number of sensitivity measurements to monitor the market risk in a trading book. The key measurements are PV01 and FX Delta. PV01 is used to monitor interest rate risk in which it measures the impact on portfolio value due to the increase in interest rate of 1 basis point. FX Delta is the rate of change of the portfolio value with respect to changes of foreign currency. FX Delta is used to monitor the foreign exchange risk of each currency.

As at 30 June 2022 and 31 December 2021, the key sensitivities are as follows:

	Consolidated and Bank only	
	30 June 2022	31 December 2021
	(in thousand Baht)	
<i>Interest rate sensitivities (PV01)</i>		
THB	420	193
USD	262	441
Other currencies	10	(65)
Total	692	569

	Consolidated and Bank only	
	30 June 2022	31 December 2021
	(in thousand USD)	
<i>Exchange rate sensitivities (FX Delta)</i>		
USD	(7,480)	(2,463)
SGD	-	(381)
CNY	660	-
Other currencies	1,924	555
Total	(4,896)	(2,289)

Market risk in the banking book

The Bank and its subsidiaries use the repricing gap approach to determine the impact of interest rate changes on net interest income and economic value of equity on a monthly basis. The repricing gap uses the remaining term or next repricing date as stipulated in the contract. There are established interest rate risk limits to monitor and control the impact of interest rate changes on the net interest income and economic value. Impacts on the net interest income and economic value are computed assuming different size shocks in interest rate yield curves. As at 30 June 2022 and 31 December 2021, the effect of changes in interest rates to earnings (net) by 100 bps parallel shift in the next 1 year were as follows:

	Consolidated	
	30 June 2022	31 December 2021
	Upward	Upward
	shift 100 bps	shift 100 bps
	<i>(in million Baht)</i>	
THB	(2,439)	(2,794)
USD	149	124
Others	(7)	(7)
Total effect of change in interest rate	(2,297)	(2,677)

	Bank only	
	30 June 2022	31 December 2021
	Upward	Upward
	shift 100 bps	shift 100 bps
	<i>(in million Baht)</i>	
THB	(2,440)	(2,796)
USD	149	124
Others	(7)	(7)
Total effect of change in interest rate	(2,298)	(2,679)

4.3 Liquidity risk

Liquidity risk refers to the risk that the Bank and its subsidiaries fail to meet its obligations as and when they fall due as a result of an inability to liquidate assets into cash in time or is unable to raise funds necessary for its operations, causing damage to the Bank.

The ALCO is responsible for assisting the BOD and the ROC in supervising the liquidity risk management of the Bank in compliance with the BoT's regulations and ensuring that the Bank has sufficient liquidity for its operations in both normal and crisis situations. In addition, the ALCO is responsible for ensuring that appropriate funding sources are secured in line with the changing market environment.

The Balance Sheet Management unit is responsible for overall liquidity management. The Global Markets and International Transaction Banking unit is responsible for day-to-day liquidity management. Additionally, the responsibilities of the Balance Sheet Management unit include liquidity risk measurement and reporting the performance of the liquidity management to the ALCO. The Market Risk Management unit is responsible for identifying, monitoring and controlling the liquidity risk. The Bank has the Liquidity Risk Management Policy, which is reviewed at least once a year or when necessary, to ensure that it is appropriate with the prevailing environment. The Bank and each company in the Bank's financial business group manage their liquidity risk separately.

In order to manage liquidity, the Bank and its subsidiaries continually monitor its funding sources and access to capital markets. Derivatives are used for balance sheet management to hedge the portfolio of loans, deposits and debts issued and borrowings. The Bank and its subsidiaries recognise the importance of holding highly liquid assets that can be quickly converted into cash or used as collateral for raising funds.

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Risk indicators are used as tools to measure and monitor liquidity risk. These comprise financial ratios such as Loans to Deposits Ratio (LDR), Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR), as well as cash flow models incorporating Contractual Liquidity Gap and Behavioral Liquidity Gap. The Bank and its subsidiaries set risk limits and indicators in order to maintain its liquidity risk within the Bank and its subsidiaries' approved risk appetite. The liquidity position is monitored and reported on daily and monthly basis to the ALCO.

Stress tests are performed under various scenarios, in accordance with the BoT's guidelines, in order to assess the Bank and its subsidiaries' ability to withstand a crisis. In addition, the liquidity contingency plan is prepared for various crisis situations, whereby the roles of the relevant responsible units are defined, as well as funding plans and communication plans to customers, etc.

The Bank will disclose Liquidity Coverage Ratio (LCR) information of statements of financial position, as at 30 June 2022 on the Bank's website (www.tbbank.com/en/ir/financial-information/lcr) within October 2022

The significant financial assets and liabilities classified by remaining periods to maturity, counted from the date of statements of financial position, as at 30 June 2022 and 31 December 2021 were summarised as follows:

	Consolidated 30 June 2022					
	At call ⁽¹⁾	Within 1 year	1 - 5 year (in million Baht)	Over 5 years	No maturity	Total
Financial assets						
Cash	-	-	-	-	12,949	12,949
Interbank and money market items net of deferred revenue	89,705	109,551	706	-	-	199,962
Financial assets measured at fair value through profit or loss	-	173	749	355	457 ⁽²⁾	1,734
Investments, net						
Investments in debt instruments measured at AMC	-	-	11,162	13,859	-	25,021
Investments in debt instruments measured at FVOCI	-	54,737	91,569	-	315	146,621
Investments in equity instruments designated at FVOCI	-	-	-	-	2,874 ⁽²⁾	2,874
Investments in subsidiaries and associates, net	-	-	-	-	8,622 ⁽²⁾	8,622
Loans to customers net of deferred revenue	125,944	388,307	480,891	356,135	41,331 ⁽³⁾	1,392,608
Other financial assets - net	2,476	3,179	-	325	5,208	11,188
Total financial assets	218,125	555,947	585,077	370,674	71,756	1,801,579
Financial liabilities						
Deposits	1,199,255	126,308	69,384	-	-	1,394,947
Interbank and money market items	41,303	28,728	14,757	18	-	84,806
Liabilities payable on demand	6,515	-	-	-	-	6,515
Financial liabilities measured at fair value through profit or loss	-	-	300	134	-	434
Debts issued and borrowings	5	13,757	55,160	26	-	68,948
Other financial liabilities	773	3,811	568	-	12,027	17,179
Total financial liabilities	1,247,851	172,604	140,169	178	12,027	1,572,829
Net liquidity gap	(1,029,726)	383,343	444,908	370,496	59,729	228,750

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

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	Consolidated 31 December 2021				No maturity	Total
	At call ⁽¹⁾	Within 1 year	1 - 5 year (in million Baht)	Over 5 years		
Financial assets						
Cash	-	-	-	-	16,011	16,011
Interbank and money market items net of deferred revenue	31,168	127,291	433	-	-	158,892
Financial assets measured at fair value through profit or loss	-	-	703	340	378 ⁽²⁾	1,421
Investments, net						
Investments in debt instruments measured at FVOCI	-	27,864	130,793	18,367	315	177,339
Investments in equity instruments designated at FVOCI	-	-	-	-	2,890 ⁽²⁾	2,890
Investments in subsidiaries and associates, net	-	-	-	-	8,620 ⁽²⁾	8,620
Loans to customers net of deferred revenue	133,518	372,031	462,145	361,490	42,120 ⁽³⁾	1,371,304
Other financial assets - net	587	1,479	-	399	5,110	7,575
Total financial assets	165,273	528,665	594,074	380,596	75,444	1,744,052
Financial liabilities						
Deposits	1,185,922	108,856	44,417	-	-	1,339,195
Interbank and money market items	17,455	57,770	9,704	37	-	84,966
Liabilities payable on demand	5,325	-	-	-	-	5,325
Financial liabilities measured at fair value through profit or loss	-	-	300	137	-	437
Debts issued and borrowings	5	14,071	54,291	31	-	68,398
Other financial liabilities	1,124	1,901	-	386	13,024	16,435
Total financial liabilities	1,209,831	182,598	108,712	591	13,024	1,514,756
Net liquidity gap	(1,044,558)	346,067	485,362	380,005	62,420	229,296

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

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	Bank only 30 June 2022					
	At call ⁽¹⁾	Within 1 year	1 - 5 year (in million Baht)	Over 5 years	No maturity	Total
Financial assets						
Cash	-	-	-	-	12,949	12,949
Interbank and money market items net of deferred revenue	89,698	109,551	706	-	-	199,955
Financial assets measured at fair value through profit or loss	-	173	749	355	457 ⁽²⁾	1,734
Investments, net						
Investments in debt instruments measured at AMC	-	-	11,162	13,859	-	25,021
Investments in debt instruments measured at FVOCI	-	54,737	91,569	-	315	146,621
Investments in equity instruments designated at FVOCI	-	-	-	-	2,874 ⁽²⁾	2,874
Investments in subsidiaries and associates, net	-	-	-	-	5,144 ⁽²⁾	5,144
Loans to customers net of deferred revenue	125,944	388,307	480,891	356,133	40,585 ⁽³⁾	1,391,860
Other financial assets - net	2,475	3,178	-	325	4,994	10,972
Total financial assets	218,117	555,946	585,077	370,672	67,318	1,797,130
Financial liabilities						
Deposits	1,203,879	126,308	69,384	-	-	1,399,571
Interbank and money market items	41,303	28,728	14,757	18	-	84,806
Liabilities payable on demand	6,515	-	-	-	-	6,515
Financial liabilities measured at fair value through profit or loss	-	-	300	134	-	434
Debts issued and borrowings	5	8,737	55,160	26	-	63,928
Other financial liabilities	773	3,771	568	-	11,780	16,892
Total financial liabilities	1,252,475	167,544	140,169	178	11,780	1,572,146
Net liquidity gap	(1,034,358)	388,402	444,908	370,494	55,538	224,984

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

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	Bank only					
	31 December 2021					
	At call ⁽¹⁾	Within 1 year	1 - 5 year <i>(in million Baht)</i>	Over 5 years	No maturity	Total
<i>Financial assets</i>						
Cash	-	-	-	-	16,011	16,011
Interbank and money market items net of deferred revenue	31,158	127,291	433	-	-	158,882
Financial assets measured at fair value through profit or loss	-	-	703	340	378 ⁽²⁾	1,421
Investments, net						
Investments in debt instruments measured at FVOCI	-	27,864	130,793	18,367	315	177,339
Investments in equity instruments designated at FVOCI	-	-	-	-	2,890 ⁽²⁾	2,890
Investments in subsidiaries and associates, net	-	-	-	-	5,114 ⁽²⁾	5,114
Loans to customers net of deferred revenue	133,518	372,031	462,145	361,489	41,368 ⁽³⁾	1,370,551
Other financial assets - net	587	1,479	-	399	4,965	7,430
Total financial assets	165,263	528,665	594,074	380,595	71,041	1,739,638
<i>Financial liabilities</i>						
Deposits	1,185,922	113,389	44,417	-	-	1,343,728
Interbank and money market items	17,455	58,121	9,704	37	-	85,317
Liabilities payable on demand	5,325	-	-	-	-	5,325
Financial liabilities measured at fair value through profit or loss	-	-	300	137	-	437
Debts issued and borrowings	5	8,771	54,291	31	-	63,098
Other financial liabilities	1,124	1,892	-	386	12,691	16,093
Total financial liabilities	1,209,831	182,173	108,712	591	12,691	1,513,998
Net liquidity gap	(1,044,568)	346,492	485,362	380,004	58,350	225,640

⁽¹⁾ Including transactions with 1-day term.

⁽²⁾ Investment in equity securities.

⁽³⁾ Non-performing loans.

5 Fair value of financial assets and financial liabilities

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for the financial instruments measured at fair value as at 30 June 2022 and 31 December 2021.

	Carrying amount		Consolidated Fair value		
		Level 1	Level 2	Level 3	Total
			(in million Baht)		
At 30 June 2022					
Financial assets					
Financial assets measured at FVTPL	1,734	33	1,277	424	1,734
Derivative assets					
Foreign exchange rate	11,033	-	11,033	-	11,033
Interest rate	971	-	971	-	971
Total	12,004	-	12,004	-	12,004
Investments, net					
Investments in debt instruments measured at AMC	25,021	-	23,409	-	23,409
Investments in debt instruments measured at FVOCI	146,621	-	146,306	315	146,621
Investments in equity instruments designated at FVOCI	2,874	195	-	2,679	2,874
Total	174,516	195	169,715	2,994	172,904
Loans to customers and accrued interest receivables, net	1,344,937	-	953,419	394,854	1,348,273
Total financial assets	1,533,191	228	1,136,415	398,272	1,534,915
Financial liabilities					
Deposits	1,394,947	-	1,395,165	-	1,395,165
Financial liabilities measured at FVTPL	434	-	434	-	434
Derivative liabilities					
Foreign exchange rate	10,606	-	10,606	-	10,606
Interest rate	901	-	901	-	901
Total	11,507	-	11,507	-	11,507
Debts issued and borrowings	68,948	-	68,405	-	68,405
Total financial liabilities	1,475,836	-	1,475,511	-	1,475,511

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	Carrying amount	Level 1	Consolidated Fair value Level 2 (in million Baht)	Level 3	Total
<i>At 31 December 2021</i>					
<i>Financial assets</i>					
Financial assets measured at FVTPL	1,421	-	1,043	378	1,421
<i>Derivative assets</i>					
Foreign exchange rate	4,503	-	4,503	-	4,503
Interest rate	2,410	-	2,410	-	2,410
Total	6,913	-	6,913	-	6,913
<i>Investments, net</i>					
Investments in debt instruments measured at FVOCI	177,339	-	177,024	315	177,339
Investments in equity instruments designated at FVOCI	2,890	197	-	2,693	2,890
Total	180,229	197	177,024	3,008	180,229
Loans to customers and accrued interest receivables, net	1,324,201	-	938,734	389,564	1,328,298
Total financial assets	1,512,764	197	1,123,714	392,950	1,516,861
<i>Financial liabilities</i>					
Deposits	1,339,195	-	1,339,235	-	1,339,235
Financial liabilities measured at FVTPL	437	-	437	-	437
<i>Derivative liabilities</i>					
Foreign exchange rate	4,269	-	4,269	-	4,269
Interest rate	2,326	-	2,326	-	2,326
Total	6,595	-	6,595	-	6,595
Debts issued and borrowings	68,398	-	70,468	-	70,468
Total financial liabilities	1,414,625	-	1,416,735	-	1,416,735

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	Carrying amount	Level 1	Bank only Fair value Level 2 (in million Baht)	Level 3	Total
At 30 June 2022					
Financial assets					
Financial assets measured at FVTPL	1,734	33	1,277	424	1,734
Derivative assets					
Foreign exchange rate	11,033	-	11,033	-	11,033
Interest rate	971	-	971	-	971
Total	12,004	-	12,004	-	12,004
Investments, net					
Investments in debt instruments measured at AMC	25,021	-	23,409	-	23,409
Investments in debt instruments measured at FVOCI	146,621	-	146,306	315	146,621
Investments in equity instruments designated at FVOCI	2,874	195	-	2,679	2,874
Total	174,516	195	169,715	2,994	172,904
Loans to customers and accrued interest receivables, net	1,344,210	-	952,716	394,853	1,347,569
Total financial assets	1,532,464	228	1,135,712	398,271	1,534,211
Financial liabilities					
Deposits	1,399,571	-	1,399,788	-	1,399,788
Financial liabilities measured at FVTPL	434	-	434	-	434
Derivative liabilities					
Foreign exchange rate	10,606	-	10,606	-	10,606
Interest rate	901	-	901	-	901
Total	11,507	-	11,507	-	11,507
Debt issued and borrowings	63,928	-	63,385	-	63,385
Total financial liabilities	1,475,440	-	1,475,114	-	1,475,114

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For the six-month period ended 30 June 2022

For the three-month period ended 30 June 2022 (Unaudited)

	Carrying amount	Level 1	Bank only Fair value Level 2 (in million Baht)	Level 3	Total
At 31 December 2021					
Financial assets					
Financial assets measured at FVTPL	1,421	-	1,043	378	1,421
Derivative assets					
Foreign exchange rate	4,503	-	4,503	-	4,503
Interest rate	2,410	-	2,410	-	2,410
Total	6,913	-	6,913	-	6,913
Investments, net					
Investments in debt instruments measured at FVOCI	177,339	-	177,024	315	177,339
Investments in equity instruments designated at FVOCI	2,890	197	-	2,693	2,890
Total	180,229	197	177,024	3,008	180,229
Loans to customers and accrued interest receivables, net	1,323,468	-	938,001	389,564	1,327,565
Total financial assets	1,512,031	197	1,122,981	392,950	1,516,128
Financial liabilities					
Deposits	1,343,728	-	1,343,768	-	1,343,768
Financial liabilities measured at FVTPL	437	-	437	-	437
Derivative liabilities					
Foreign exchange rate	4,269	-	4,269	-	4,269
Interest rate	2,326	-	2,326	-	2,326
Total	6,595	-	6,595	-	6,595
Debt issued and borrowings	63,098	-	65,168	-	65,168
Total financial liabilities	1,413,858	-	1,415,968	-	1,415,968

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

- Cash:

The fair value is approximated based on its carrying value.

- Interbank and money market items (assets):

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

- Financial assets measured at FVTPL and investments:

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

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

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

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

- Loans to customers and accrued interest receivable, net:

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

- Other financial assets:

The fair value is approximated based on its carrying value.

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

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

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

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

- Debts issued and borrowings:

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

- Other financial liabilities:

The fair value is approximated based on its carrying value.

- Derivatives:

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

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between levels of the fair value hierarchy during the six-month periods ended 30 June 2022 and 2021.

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

	Consolidated	Bank only
	(in million Baht)	
<i>For the three-month period ended 30 June 2022</i>		
Beginning balance	2,669	2,669
Gain recognised in other comprehensive income	10	10
Ending balance	<u>2,679</u>	<u>2,679</u>

	Consolidated	Bank only
	(in million Baht)	
<i>For the six-month period ended 30 June 2022</i>		
Beginning balance	2,693	2,693
Loss recognised in other comprehensive income	(14)	(14)
Ending balance	<u>2,679</u>	<u>2,679</u>

	Consolidated	Bank only
	(in million Baht)	
<i>For the year ended 31 December 2021</i>		
Beginning balance	607	459
Purchased	1,605	1,605
Disposal during the year	(57)	(56)
Acquisition through Entire Business Transfer	-	164
Gain recognised in other comprehensive income	538	521
Ending balance	<u>2,693</u>	<u>2,693</u>

6 Maintenance of capital fund

The Bank and its subsidiaries maintain its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. The Bank and its subsidiaries are required to calculate its Capital Fund in accordance with Basel III. As at 30 June 2022 and 31 December 2021, the consolidated supervision and the Bank only's total capital funds could be categorised as follows:

	Consolidated supervision	
	30 June 2022	31 December 2021
	(in million Baht)	
<i>Tier 1 Capital</i>		
Common Equity Tier 1 Capital (CET1)		
Paid-up share capital	91,792	91,792
Share premium	43,345	43,345
Legal reserve	10,091	10,091
Net profits after appropriation	56,766	49,585
Other comprehensive income	3,191	4,673
Capital adjustment items on CET1	(27)	(30)
Capital deduction items on CET1	(24,002)	(23,172)
Total Common Equity Tier 1 Capital	<u>181,156</u>	<u>176,284</u>

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For the six-month period ended 30 June 2022

For the three-month period ended 30 June 2022 (Unaudited)

		Consolidated supervision	
		30 June 2022	31 December 2021
		(in million Baht)	
Addition Tier 1 Capital			
Subordinated debentures classified as additional Tier 1 Capital		12,089	12,089
Total Tier 1 Capital		193,245	188,373
Tier 2 Capital			
General provision		13,604	13,627
Subordinated debentures classified as additional Tier 2 Capital		35,430	35,430
Total Tier 2 Capital		49,034	49,057
Total Capital Fund		242,279	237,430
Total Risk-Weighted Assets		1,220,467	1,228,574

	The BoT's regulatory minimum requirement*		The BoT's regulatory minimum requirement*	
	30 June 2022		31 December 2021	
		(%)		
Capital Adequacy Ratio/Total Risk-Weighted Asset	12.0	19.85	11.0	19.33
Tier 1 Capital Ratio/Total Risk-Weighted Asset	9.5	15.83	8.5	15.33
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.0	14.84	7.0	14.35

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

		Bank only	
		30 June 2022	31 December 2021
		(in million Baht)	
Tier 1 capital			
Common Equity Tier 1 capital (CET1)			
Paid-up share capital		91,792	91,792
Share premium		43,345	43,345
Legal reserve		10,091	10,091
Net profits after appropriation		52,783	48,351
Other comprehensive income		3,261	4,733
Other transaction from changes in equity		885	885
Capital adjustment items on CET1		(27)	(29)
Capital deduction items on CET1		(24,674)	(23,822)
Total Common Equity Tier 1 Capital		177,456	175,346
Addition Tier 1 Capital			
Subordinated debentures classified as additional Tier 1 Capital		12,089	12,089
Total Tier 1 Capital		189,545	187,435
Tier 2 capital			
General provision		13,604	13,627
Subordinated debentures classified as additional Tier 2 Capital		35,430	35,430
Total Tier 2 Capital		49,034	49,057
Total Capital funds		238,579	236,492
Total Risk-Weighted Assets		1,208,765	1,216,927

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For the six-month period ended 30 June 2022

For the three-month period ended 30 June 2022 (Unaudited)

	The BoT's regulatory minimum requirement*	30 June 2022	The BoT's regulatory minimum requirement* (%)	31 December 2021
Capital Adequacy Ratio/Total Risk-Weighted Asset	12.0	19.74	11.0	19.43
Tier 1 Capital Ratio/Total Risk-Weighted Asset	9.5	15.68	8.5	15.40
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.0	14.68	7.0	14.41

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

As at 30 June 2022 and 31 December 2021, the Bank and its subsidiaries have no add-on arising from Single Lending Limit.

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

Location of disclosure	The Bank's website under Investor Relations section at www.ttbbank.com/en/ir/financial-information/pillar3
Disclosure period requirement	Within 4 months after the year end date as indicated in the BOT notification
Lasted information as of	31 December 2021

The disclosure as at 30 June 2022 will be provided within October 2022 on the Bank's website as noted above.

Capital management

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

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the six-month period ended 30 June 2022

For the three-month period ended 30 June 2022 (Unaudited)

7 Classification of financial assets and financial liabilities

	Consolidated					
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Financial instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
	(in million Baht)					
At 30 June 2022						
Financial assets						
Cash	-	-	-	-	12,949	12,949
Interbank and money market items - net	-	-	-	-	199,947	199,947
Financial assets measured at FVTPL	1,734	-	-	-	-	1,734
Derivatives assets	10,030	-	1,974	-	-	12,004
Investments - net	-	-	146,621	2,874	25,021	174,516
Loans to customers and accrued interest receivables - net	-	-	-	-	1,344,937	1,344,937
Other financial assets - net	-	-	-	-	11,188	11,188
Total	11,764	-	148,595	2,874	1,594,042	1,757,275
Financial liabilities						
Deposits	-	-	-	-	1,394,947	1,394,947
Interbank and money market items	-	-	-	-	84,806	84,806
Liabilities payable on demand	-	-	-	-	6,515	6,515
Financial liabilities measured at fair value through profit or loss	434	-	-	-	-	434
Derivatives liabilities	10,113	-	1,394	-	-	11,507
Debts issued and borrowings	-	-	-	-	68,948	68,948
Other financial liabilities	-	-	-	-	17,179	17,179
Total	10,547	-	1,394	-	1,572,395	1,584,336

TMBThanachart Bank Public Company Limited and its Subsidiaries

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For the six-month period ended 30 June 2022

For the three-month period ended 30 June 2022 (Unaudited)

	Consolidated					
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Financial instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
	(in million Baht)					
At 31 December 2021						
Financial assets						
Cash	-	-	-	-	16,011	16,011
Interbank and money market items - net	-	-	-	-	158,873	158,873
Financial assets measured at FVTPL	1,421	-	-	-	-	1,421
Derivatives assets	5,558	-	1,355	-	-	6,913
Investments - net	-	-	177,339	2,890	-	180,229
Loans to customers and accrued interest receivables - net	-	-	-	-	1,324,201	1,324,201
Other financial assets - net	-	-	-	-	7,575	7,575
Total	6,979	-	178,694	2,890	1,506,660	1,695,223
Financial liabilities						
Deposits	-	-	-	-	1,339,195	1,339,195
Interbank and money market items	-	-	-	-	84,966	84,966
Liabilities payable on demand	-	-	-	-	5,325	5,325
Financial liabilities measured at fair value through profit or loss	437	-	-	-	-	437
Derivatives liabilities	5,609	-	986	-	-	6,595
Debts issued and borrowings	-	-	-	-	68,398	68,398
Other financial liabilities	-	-	-	-	16,435	16,435
Total	6,046	-	986	-	1,514,319	1,521,351

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For the three-month period ended 30 June 2022 (Unaudited)

	Bank only					
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Financial instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
	<i>(in million Baht)</i>					
At 30 June 2022						
Financial assets						
Cash	-	-	-	-	12,949	12,949
Interbank and money market items, net	-	-	-	-	199,940	199,940
Financial assets measured at FVTPL	1,734	-	-	-	-	1,734
Derivatives assets	10,030	-	1,974	-	-	12,004
Investments, net	-	-	146,621	2,874	25,021	174,516
Loans to customers and accrued interest receivables, net	-	-	-	-	1,344,210	1,344,210
Other financial assets - net	-	-	-	-	10,972	10,972
Total	11,764	-	148,595	2,874	1,593,092	1,756,325
Financial liabilities						
Deposits	-	-	-	-	1,399,571	1,399,571
Interbank and money market items	-	-	-	-	84,806	84,806
Liabilities payable on demand	-	-	-	-	6,515	6,515
Financial liabilities measured at fair value through profit or loss	434	-	-	-	-	434
Derivatives liabilities	10,113	-	1,394	-	-	11,507
Debts issued and borrowings	-	-	-	-	63,928	63,928
Other financial liabilities	-	-	-	-	16,892	16,892
Total	10,547	-	1,394	-	1,571,712	1,583,653

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For the six-month period ended 30 June 2022

For the three-month period ended 30 June 2022 (Unaudited)

	Bank only				Financial instruments measured at amortised cost	Total
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Financial instruments designated at FVOCI		
	(in million Baht)					
At 31 December 2021						
Financial assets						
Cash	-	-	-	-	16,011	16,011
Interbank and money market items, net	-	-	-	-	158,863	158,863
Financial assets measured at FVTPL	1,421	-	-	-	-	1,421
Derivatives assets	5,558	-	1,355	-	-	6,913
Investments, net	-	-	177,339	2,890	-	180,229
Loans to customers and accrued interest receivables, net	-	-	-	-	1,323,468	1,323,468
Other financial assets - net	-	-	-	-	7,430	7,430
Total	6,979	-	178,694	2,890	1,505,772	1,694,335
Financial liabilities						
Deposits	-	-	-	-	1,343,728	1,343,728
Interbank and money market items	-	-	-	-	85,317	85,317
Liabilities payable on demand	-	-	-	-	5,325	5,325
Financial liabilities measured at fair value through profit or loss	437	-	-	-	-	437
Derivatives liabilities	5,609	-	986	-	-	6,595
Debts issued and borrowings	-	-	-	-	63,098	63,098
Other financial liabilities	-	-	-	-	16,093	16,093
Total	6,046	-	986	-	1,513,561	1,520,593

8 Interbank and money market items, net (assets)

	Consolidated	
	30 June 2022	31 December 2021
	(in million Baht)	
<i>Domestic items</i>		
Bank of Thailand and Financial Institutions Development Fund	152,904	122,910
Commercial banks	7,696	80
Specialised financial institutions	7,001	8,711
Other financial institutions	22,559	15,406
Total	190,160	147,107
Add accrued interest and undue interest income	20	13
Less allowance for expected credit loss	(26)	(15)
Total domestic items	190,154	147,105
<i>Foreign items</i>		
US Dollar	8,357	10,452
Japanese Yen	653	328
Euro	170	245
Other currencies	622	760
Total	9,802	11,785
Add accrued interest and undue interest income	14	11
Less allowance for expected credit loss	(23)	(28)
Total foreign items	9,793	11,768
Total domestic and foreign items	199,947	158,873
	Bank only	
	30 June 2022	31 December 2021
	(in million Baht)	
<i>Domestic items</i>		
Bank of Thailand and Financial Institutions Development Fund	152,904	122,910
Commercial banks	7,689	70
Specialised financial institutions	7,001	8,711
Other financial institutions	22,559	15,406
Total	190,153	147,097
Add accrued interest and undue interest income	20	13
Less allowance for expected credit loss	(26)	(15)
Total domestic items	190,147	147,095
<i>Foreign items</i>		
US Dollar	8,357	10,452
Japanese Yen	653	328
Euro	170	245
Other currencies	622	760
Total	9,802	11,785
Add accrued interest and undue interest income	14	11
Less allowance for expected credit loss	(23)	(28)
Total foreign items	9,793	11,768
Total domestic and foreign items	199,940	158,863

9 Financial assets measured at fair value through profit or loss

	Consolidated	
	30 June 2022	31 December 2021
	<i>(in million Baht)</i>	
Government and state enterprise securities	1,277	1,043
Others	457	378
Total	1,734	1,421

	Bank only	
	30 June 2022	31 December 2021
	<i>(in million Baht)</i>	
Government and state enterprise securities	1,277	1,043
Others	457	378
Total	1,734	1,421

10 Derivatives

As at 30 June 2022 and 31 December 2021, fair value of derivatives held for trading book, derivatives held for risk management, and hedge derivative with notional amount classified by type of risks were as follows:

Type of risks	Consolidated and Bank only							
	30 June 2022				31 December 2021			
	Fair Value		Notional amount		Fair Value		Notional amount	
	Assets	Liabilities	Within 1 year	Over 1 year	Assets	Liabilities	Within 1 year	Over 1 year
	<i>(in million Baht)</i>							
Foreign currency related								
- Trading Book	9,043	9,119	574,175	16,444	3,119	3,267	473,050	13,446
- Derivative held for risk management	16	93	8,219	-	29	16	7,281	-
- Cash flow hedge	1,974	1,394	5,882	20,771	1,355	986	5,283	23,962
Interest rate related								
- Trading Book	971	901	49,359	69,790	2,410	2,326	49,149	128,429
Total	12,004	11,507	637,635	107,005	6,913	6,595	534,763	165,837

10.1 Hedging derivatives

10.1.1 Cash flow hedge

The Bank and its subsidiaries use cross-currency interest rate swaps to manage the variability in future cash flow on its assets and liabilities, mainly investments and borrowings, and cost in foreign currencies. The cross-currency interest rate swaps are contracts which involve the exchange of principal and interest in different currencies with counterparties for a specified period.

Gain or loss arising on the effective portion of the hedges are deferred in other comprehensive income until the variability on the cash flow affects profit and loss, at which time the gain or loss are transferred to profit or loss. For the six-month period ended 30 June 2022, the Bank and its subsidiaries recognised gain on cash flow hedges in other comprehensive income amounting to Baht 47 million in consolidated and Bank only financial statements. For the six-month period ended 30 June 2022, gain reclassified from the hedge reserve to profit or loss were Baht 164 million in consolidated and Bank only financial statements.

11 Investments, net

11.1 Classified by type of investments

	Consolidated and Bank only	
	30 June 2022	31 December 2021
	(in million Baht)	
<i>Investments in debt securities measured at amortised costs</i>		
Government and state enterprise securities	25,032	-
Total	25,032	
Less allowances for expected credit loss	(11)	-
Net	25,021	-
<i>Investments in debt securities measured at FVOCI</i>		
Government and state enterprise securities	125,783	151,581
Private debt securities	10,391	11,972
Foreign debt securities	10,447	13,786
Total	146,621	177,339
 Allowances for expected credit loss	 (2,939)	 (2,953)
<i>Investments in equity securities designated at FVOCI</i>		
Non-marketable equity securities - domestic	2,868	2,884
Non-marketable equity securities - overseas	6	6
Total	2,874	2,890
 Total investments - net	 174,516	 180,229

The Bank and its subsidiaries have dividend income from investments in equity instruments that are designated at fair value through other comprehensive income for the three-month and six-month periods ended 30 June 2022 in the amount of Baht 134 million and Baht 134 million, respectively (Bank only: Baht 134 million and Baht 134 million, respectively) and 30 June 2021 in the amount of Baht 114 million and Baht 130 million, respectively. (Bank only: Baht 50 million and Baht 50 million respectively).

In June 2022, the Bank has initiated new business model, held-to-collect, for investment in debt securities, and reassessed investment items in response to investment objective. As a result, the Bank transferred investments in debt securities with carrying value of Baht 21,253 million from FVOCI to amortised costs. Unrealised loss associated with the transferred investment of Baht 1,932 million were reversed in other comprehensive income.

As of 30 June 2022, the fair value of the transferred investment was Baht 19,611 million, the unrealised loss amounting Baht 1,404 million would have been recognized in other comprehensive income if the investment had not been transferred.

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

As at 30 June 2022 and 31 December 2021, the Bank and its subsidiaries had investments in entities in which the Bank and its subsidiaries hold 10% or more of the paid-up share capital of the investee companies but such companies are not treated as its subsidiaries and associates summarised below.

	Consolidated and Bank only	
	30 June 2022	31 December 2021
	(in million Baht)	
Property development and construction	-	4
Public utilities and services	123	126
Mutual funds and financial services	344	266
Others	1,971	2,071
Total investments	2,438	2,467

Interest in unconsolidated structured entity arising in the normal business

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

As at 30 June 2022 and 31 December 2021, the Bank and its subsidiaries did not have significant risks and transactions relating to structured entities to disclose in the financial statements.

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

As at 30 June 2022 and 31 December 2021, the Bank and its subsidiaries had the following investments in listed companies which meet the Stock Exchange of Thailand ("SET")'s criteria for delisting, and are in default on debt securities, or companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET. Those investments, which measured either at fair value through profit or loss, or through other comprehensive income, in the statement of financial position were summarised below.

	Consolidated and Bank only							
	30 June 2022				31 December 2021			
	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	-	-	2	13	-	-
- Companies whose ability to continues as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET	11	3,893	315	2,885	12	3,893	315	2,885
Total	12	3,905	315	2,885	14	3,906	315	2,885

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12 Investments in subsidiaries and associates, net

12.1 Detail of investments in subsidiaries and associates

Companies	Type of Business	Percentage of ownership interest		Paid-up capital		Equity		Consolidated				Bank only								Dividend income for the period ended	
								Allowance for				Allowance for									
								expected credit loss				expected credit loss									
								At Equity, net				At cost, net									
								Cost													
30	31	30	31	30	31	30	31	30	31	30	31	30	31	30	31	30	31				
June	December	June	December	June	December	June	December	June	December	June	December	June	December	June	December	June	December				
2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021				
		(%)		(in million Baht)																	
Subsidiaries																					
Phahonyothin Asset Management Co., Ltd.																					
Management Co., Ltd.	Asset management	100.00	100.00	298	298	-	-	-	-	-	-	298	298	-	-	298	298	-	-		
TBCO Public Company Limited ⁽²⁾																					
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	-	-		
TTB Consumer Company Limited ⁽³⁾																					
Brokerage service		100.00	-	30	-	-	-	-	-	-	-	30	-	-	-	30	-	-	-		
Associates																					
TMB Asset Management Co., Ltd. ⁽¹⁾																					
Fund management		35.00	35.00	100	100	4,473	4,479	-	-	4,473	4,479	197	197	-	-	197	197	80	81		
Thanachart Fund Management Co., Ltd. ⁽¹⁾																					
Fund management		49.90	49.90	100	100	4,149	4,141	-	-	4,149	4,141	4,192	4,192	-	-	4,192	4,192	73	-		
Total						8,622	8,620	-	-	8,622	8,620	104,144	104,114	(99,000)	(99,000)	5,144	5,114	153	81		

⁽¹⁾ The remaining investment in TMB Asset Management Co., Ltd. and Thanachart Fund Management Co., Ltd. are subject to call and put options in the future.

⁽²⁾ The Company registered the dissolution with the Ministry of Commerce on 1 November 2021 and is currently in the process of liquidation.

⁽³⁾ New subsidiary registered with the Ministry of Commerce on 3 March 2022.

12.2 Disclosure of the statement of cash flows of the asset management company

Statement of cash flows Phahonyothin Assets Management Co., Ltd. Six-month period ended 30 June		
	2022	2021
	(in million Baht)	
<i>Cash flows from operating activities</i>		
Profit from operations before income tax	18	16
<i>Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities</i>		
Reversal of expected credit loss	(56)	(32)
Provisions for liabilities	5	-
Net interest income	(13)	(6)
Interest received	8	1
Interest paid	(25)	(2)
Income tax paid	(12)	(3)
Loss from operations before changes in operating assets and liabilities	(75)	(26)
<i>Decrease (increase) in operating assets</i>		
Intercompany and money market items	235	(279)
Loans to customers	123	(466)
Other assets	(2)	(3)
<i>Increase (decrease) in operating liabilities</i>		
Other payables	-	2
Other liabilities	(1)	16
Net cash provided by (used in) operating activities	280	(756)
<i>Cash flows from investing activities</i>		
Purchase of premises and equipment	-	(1)
Net cash used in investing activities	-	(1)
<i>Cash flows from financing activities</i>		
Cash receipts on debenture issued	5,020	-
Cash paid for redemption of debenture	(5,300)	-
Cash receipts from borrowing	-	484
Increase in issued and fully paid-up - ordinary shares	-	273
Net cash provided by (used in) financing activities	(280)	757
Net decrease in cash	-	-
Cash at 1 January	-	-
Cash at 30 June	-	-

13 Loans to customers and accrued interest receivables, net

13.1 Classified by loan type

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in million Baht)</i>			
Overdrafts	92,540	98,656	92,540	98,656
Loans	679,382	679,161	678,634	678,408
Bills	219,166	198,375	219,166	198,375
Hire purchase receivables	400,528	393,856	400,528	393,856
Finance lease receivables	814	997	814	997
Others	178	259	178	259
Total loans to customers	1,392,608	1,371,304	1,391,860	1,370,551
Add accrued interest receivables and undue interest income*	7,351	7,369	7,351	7,369
Total loans to customers and accrued interest receivables	1,399,959	1,378,673	1,399,211	1,377,920
Less allowances for expected credit loss	(55,022)	(54,472)	(55,002)	(54,452)
Total loans to customers and accrued interest receivables - net	1,344,937	1,324,201	1,344,209	1,323,468

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

13.2 Classified by currency and residency of debtors

	Consolidated					
	30 June 2022			31 December 2021		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	1,355,289	6,660	1,361,949	1,330,531	6,880	1,337,411
US Dollars	24,080	5,955	30,035	25,991	6,477	32,468
Other currencies	624	-	624	1,061	364	1,425
Total*	1,379,993	12,615	1,392,608	1,357,583	13,721	1,371,304

	Bank only					
	30 June 2022			31 December 2021		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>					
Baht	1,354,541	6,660	1,361,201	1,329,778	6,880	1,336,658
US Dollars	24,080	5,955	30,035	25,991	6,477	32,468
Other currencies	624	-	624	1,061	364	1,425
Total*	1,379,245	12,615	1,391,860	1,356,830	13,721	1,370,551

*Loans to customers net of deferred revenue.

13.3 Classified by stage

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables*				
Stage 1 (Performing)	1,240,467	1,223,662	1,240,465	1,223,661
Stage 2 (Under-performing)	118,161	112,520	118,161	112,520
Stage 3 (Non-performing)	41,331	42,491	40,585	41,739
Total	1,399,959	1,378,673	1,399,211	1,377,920

* Total loans to customers and accrued interest receivables in note 13.1

13.4 Non-performing loans

As at 30 June 2022 and 31 December 2021, the Bank and its subsidiaries' NPLs (including interbank and money market items) were summarised as follows:

	30 June 2022			
	TMBThanachart Bank Public Company Limited	Phahonyothin Asset Management Co., Ltd.	Elimination	Consolidated
NPLs (principal)				
NPLs <i>(in million Baht)</i>	40,585	1,436	(690)	41,331
Total loans <i>(in million Baht)</i>	1,572,191	1,436	(690)	1,572,937
Percentage of NPLs (%)	2.58	100.00		2.63

	31 December 2021			
	TMBThanachart Bank Public Company Limited	Phahonyothin Asset Management Co., Ltd.	Elimination	Consolidated
NPLs (principal)				
NPLs <i>(in million Baht)</i>	41,368	1,454	(702)	42,120
Total loans <i>(in million Baht)</i>	1,498,279	1,454	(702)	1,499,031
Percentage of NPLs (%)	2.76	100.00		2.81

For the six-month period ended 30 June 2022 and 2021, the Bank and its subsidiaries sold non-performing loans, with principal totalling approximately Baht 2,725 million and Baht 2,446 million, respectively (Bank only: approximately Baht 2,725 million and Baht 2,069 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 six-month period ended 30 June 2022 and 2021, respectively.

13.5 Modified loans to customers

During the six-month period ended 30 June 2022 and 2021, the Bank and its subsidiaries have modified loans that have not resulted in derecognition, while they had a loss allowance measured at an amount equal to lifetime ECL, as follows:

	Consolidated	
	2022	2021
	(in million Baht)	
Loans modified during the six-month period ended 30 June		
Outstanding loan at modification date*	4,831	5,350
Net modification loss*	44	117
Loans modified since initial recognition - upgraded		
Outstanding of loans to customers upgraded from lifetime expected credit loss to 12-month expected credit loss in the period	284	265
	Bank only	
	2022	2021
	(in million Baht)	
Loans modified during the six-month period ended 30 June		
Outstanding loan at modification date*	4,809	4,435
Net modification loss*	44	121
Loans modified since initial recognition - upgraded		
Outstanding of loans to customers upgraded from lifetime expected credit loss to 12-month expected credit loss in the period	284	-

* In 2022, this included 2nd form of financial assistance based on sustainable debt resolution as mentioned in note 2.

As at 30 June 2022, the outstanding modified loans of the Bank and its subsidiaries was approximately 12% of the total loans (31 December 2021: 16% of the total loans).

13.6 Hire purchase and finance lease receivables

	Consolidated and Bank only			
	30 June 2022			
	Portion due within one year	Portion due after one year but within five years	Portion due after five years	Total
	(in million Baht)			
Hire purchase receivables	119,402	304,946	33,577	457,925
Finance lease receivables	359	508	-	867
Total gross investment under hire purchase contracts	119,761	305,454	33,577	458,792
Less unearned interest income	(20,359)	(35,547)	(1,544)	(57,450)
Present value of minimum lease payment receivables	99,402	269,907	32,033	401,342
Less allowance for expected credit loss				(9,858)
Lease receivables, net				391,484

Consolidated and Bank only				
31 December 2021				
	Portion due	Portion due	Portion due	Total
	within one year	after one year but within five years	after five years	
	(in million Baht)			
Hire purchase receivables	116,303	302,806	32,310	451,419
Finance lease receivables	419	645	-	1,064
Total gross investment under hire purchase contracts	116,722	303,451	32,310	452,483
Less unearned interest income	(20,514)	(35,618)	(1,498)	(57,630)
Present value of minimum lease payment receivables	96,208	267,833	30,812	394,853
Less allowance for expected credit loss				(9,390)
Lease receivables, net				385,463

14 Allowance for expected credit loss

The movements in the allowance for expected credit loss during the period were as follows:

Consolidated				
30 June 2022				
	12-month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	Total
	(in million Baht)			
Investments				
Beginning balance	68	-	2,885	2,953
Changes from remeasurement of ECL	(8)	-	-	(8)
Purchased or acquired	25	-	-	25
Derecognition	(20)	-	-	(20)
Ending balance	65	-	2,885	2,950
Loans to customers and accrued interest receivables				
Beginning balance	12,413	22,052	20,007	54,472
Changes from stage reclassification	(886)	1,468	5,791	6,373
Changes from remeasurement of ECL	223	711	1,631	2,565
Originated	1,319	37	12	1,368
Derecognition	(291)	(327)	(1,825)	(2,443)
Write-off	-	-	(7,313)	(7,313)
Ending balance	12,778	23,941	18,303	55,022

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	Consolidated			
	31 December 2021			
	12-month	Lifetime	Lifetime	
	ECL	ECL,	ECL,	
		not credit	credit	Total
		impaired	impaired	
	(in million Baht)			
<i>Investments</i>				
Beginning balance	54	5	1,708	1,767
Changes from remeasurement of ECL	4	(2)	1,177	1,179
Purchased or acquired	67	-	-	67
Derecognition	(57)	(3)	-	(60)
Ending balance	<u>68</u>	<u>-</u>	<u>2,885</u>	<u>2,953</u>
<i>Loans to customers and accrued interest receivables</i>				
Beginning balance	11,126	21,617	19,224	51,967
Changes from stage reclassification	(1,069)	1,172	13,122	13,225
Changes from remeasurement of ECL	953	126	8,616	9,695
Originated	1,982	219	111	2,312
Derecognition	(579)	(1,082)	(5,232)	(6,893)
Write-off	-	-	(15,834)	(15,834)
Ending balance	<u>12,413</u>	<u>22,052</u>	<u>20,007</u>	<u>54,472</u>

	Bank only			
	30 June 2022			
	12-month	Lifetime	Lifetime	
	ECL	ECL,	ECL,	
		not credit	credit	
		impaired	impaired	Total
	(in million Baht)			
<i>Investments</i>				
Beginning balance	68	-	2,885	2,953
Changes from remeasurement of ECL	(8)	-	-	(8)
Purchased or acquired	25	-	-	25
Derecognition	(20)	-	-	(20)
Ending balance	<u>65</u>	<u>-</u>	<u>2,885</u>	<u>2,950</u>
<i>Loans to customers and accrued interest receivables</i>				
Beginning balance	12,413	22,052	19,987	54,452
Changes from stage reclassification	(886)	1,468	5,791	6,373
Changes from remeasurement of ECL	223	711	1,631	2,565
Originated	1,319	37	12	1,368
Derecognition	(291)	(327)	(1,825)	(2,443)
Write-off	-	-	(7,313)	(7,313)
Ending balance	<u>12,778</u>	<u>23,941</u>	<u>18,283</u>	<u>55,002</u>

Bank only				
31 December 2021				
	12-month ECL	Lifetime ECL, not credit impaired	Lifetime ECL, credit impaired	Total
<i>(in million Baht)</i>				
<i>Investments</i>				
Beginning balance	33	-	50	83
Acquisition through Entire Business Transfer	24	3	1,890	1,917
Changes from remeasurement of ECL	4	-	945	949
Purchased or acquired	50	-	-	50
Derecognition	(43)	(3)	-	(46)
Ending balance	68	-	2,885	2,953
<i>Loans to customers and accrued interest receivables</i>				
Beginning balance	4,904	14,495	11,932	31,331
Acquisition through Entire Business Transfer	5,613	7,425	7,829	20,867
Changes from stage reclassification	(432)	257	9,216	9,041
Changes from remeasurement of ECL	1,405	690	8,056	10,151
Originated	1,331	105	70	1,506
Derecognition	(408)	(920)	(4,914)	(6,242)
Write-off	-	-	(12,202)	(12,202)
Ending balance	12,413	22,052	19,987	54,452

As the COVID-19 pandemic is ongoing, management considered the impact of the COVID-19 to the financial assets based on available information and the potential impact on the initial ECL estimates. As at 30 June 2022 and 31 December 2021, management provided additional ECL as management overlay especially for the customers under relief programs and impact from economic condition.

15 Properties for sale, net

As at 30 June 2022 and 31 December 2021, changes to the properties for sale, net were as follows:

Consolidated				
30 June 2022				
	Beginning balance	Additions	Disposals/ Decrease	Ending balance
<i>(in million Baht)</i>				
Assets foreclosed in settlement of debts				
- Immovable assets	6,725	1,945	(47)	8,623
- Movable assets	296	2,862	(2,697)	461
Assets for sales	<u>1,935</u>	<u>485</u>	<u>(163)</u>	<u>2,257</u>
Total	8,956	5,292	(2,907)	11,341
Add (less) allowance for impairment loss	<u>(330)</u>	<u>(317)</u>	<u>218</u>	<u>(429)</u>
Net	8,626	4,975	(2,689)	10,912

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	Beginning balance	Consolidated 31 December 2021		Ending balance
		Additions	Disposals/ Decrease	
		<i>(in million Baht)</i>		
Assets foreclosed in settlement of debts				
- Immovable assets	3,720	3,249	(244)	6,725
- Movable assets	565	6,918	(7,187)	296
Assets for sales	2,066	736	(867)	1,935
Total	6,351	10,903	(8,298)	8,956
Add (less) allowance for impairment loss	(314)	(793)	777	(330)
Net	6,037	10,110	(7,521)	8,626

	Beginning balance	Bank only 30 June 2022		Ending balance
		Additions	Disposals/ Decrease	
		<i>(in million Baht)</i>		
Assets foreclosed in settlement of debts				
- Immovable assets	6,725	1,945	(47)	8,623
- Movable assets	296	2,862	(2,697)	461
Assets for sales	1,935	485	(163)	2,257
Total	8,956	5,292	(2,907)	11,341
Add (less) allowance for impairment loss	(330)	(317)	218	(429)
Net	8,626	4,975	(2,689)	10,912

	Beginning balance	Bank only 31 December 2021			Ending balance
		Acquisition Through Entire Business Transfer	Additions	Disposals/ Decrease	
			<i>(in million Baht)</i>		
Assets foreclosed in settlement of debts					
- Immovable assets	2,372	1,383	3,187	(217)	6,725
- Movable assets	-	453	3,249	(3,406)	296
Assets for sales	942	1,173	419	(599)	1,935
Total	3,314	3,009	6,855	(4,222)	8,956
Add (less) allowance for impairment loss	(164)	(159)	(361)	354	(330)
Net	3,150	2,850	6,494	(3,868)	8,626

As at 30 June 2022 and 31 December 2021, the Bank had properties for sale with debtor's rights to buy back when complied with criteria in the agreement, with net book value amounting to Baht 31 million and Baht 1 million, respectively.

As at 30 June 2022 and 31 December 2021, 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 4,482 million and Baht 2,853 million, respectively.

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The value of immovable assets acquired from debt repayment was appraised by external and internal appraisers as at 30 June 2022 and 31 December 2021 as follows:

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in million Baht)</i>			
Assets foreclosed in settlement of debts				
Immovable assets				
- Appraised by external appraisers	8,605	6,710	8,605	6,710
- Appraised by internal appraisers	18	15	18	15
Total	8,623	6,725	8,623	6,725

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16 Premises and equipment, net

As at 30 June 2022 and 31 December 2021, changes in premises and equipment were as follows:

Consolidated 30 June 2022														
	Cost					Accumulated depreciation				Allowance for impairment loss				
	Net book value as at 1 January 2022	Beginning balance	Increase/ transfers in	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written-off/ transfers out/ adjustments from revaluation <i>(in million Baht)</i>	Ending balance	Beginning balance	Reversal of (loss) on impairment during the period	Disposals/ written-off/ transfers out	Ending balance	Net book value as at 30 June 2022
Land														
- Cost	7,366	7,501	-	(221)	7,280	-	-	-	-	(135)	(2)	8	(129)	7,151
- Incremental revaluation*	4,268	4,268	-	(174)	4,094	-	-	-	-	-	-	-	-	4,094
Building under construction	45	45	121	(130)	36	-	-	-	-	-	-	-	-	36
Building														
- Cost	3,889	7,964	98	(219)	7,843	(4,073)	(230)	148	(4,155)	(2)	(11)	11	(2)	3,686
- Incremental revaluation*	1,714	4,735	-	(379)	4,356	(3,021)	(47)	277	(2,791)	-	-	-	-	1,565
Right-of-use assets														
- premise	1,089	1,913	154	(251)	1,816	(824)	(298)	250	(872)	-	-	-	-	944
Leasehold improvements	468	1,599	39	(55)	1,583	(1,131)	(82)	53	(1,160)	-	(2)	2	-	423
Equipment under construction and installation	98	98	181	(232)	47	-	-	-	-	-	-	-	-	47
Equipment	2,290	7,232	331	(48)	7,515	(4,817)	(366)	42	(5,141)	(125)	106	-	(19)	2,355
Right-of-use assets														
- equipment	398	1,707	242	(1,115)	834	(1,309)	(210)	1,111	(408)	-	-	-	-	426
Total	21,625	37,062	1,166	(2,824)	35,404	(15,175)	(1,233)	1,881	(14,527)	(262)	91	21	(150)	20,727

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Consolidated 31 December 2021																
	Cost						Accumulated depreciation					Allowance for impairment loss				
	Net book value as at 1 January 2021	Beginning balance	Increase/ transfers in	Disposals/ written-off/ transfers out	Reclassified after Entire Business Transfer	Ending balance	Beginning balance	Depreciation	Disposals/ written-off/ transfers out/ adjustments from revaluation	Reclassified after Entire Business Transfer	Ending balance	Beginning balance	Loss on impairment during the year	Disposals/ written-off/ transfers out	Ending balance	Net book value as at 31 December 2021
<i>(in million Baht)</i>																
Land																
- Cost	7,817	7,968	147	(614)	-	7,501	-	-	-	-	-	(151)	(12)	28	(135)	7,366
- Incremental revaluation*	4,348	4,348	-	(80)	-	4,268	-	-	-	-	-	-	-	-	-	4,268
Building under construction	59	59	-	(14)	-	45	-	-	-	-	-	-	-	-	-	45
Building																
- Cost	4,227	7,835	479	(495)	145	7,964	(3,607)	(458)	135	(143)	(4,073)	(1)	(20)	19	(2)	3,889
- Incremental revaluation*	1,867	4,960	-	(225)	-	4,735	(3,093)	(100)	172	-	(3,021)	-	-	-	-	1,714
Right-of-use assets																
- premise	1,151	1,808	659	(554)	-	1,913	(657)	(650)	483	-	(824)	-	-	-	-	1,089
Leasehold improvements	222	1,169	168	(181)	443	1,599	(947)	(129)	145	(200)	(1,131)	-	(10)	10	-	468
Equipment under construction and installation	107	107	386	(395)	-	98	-	-	-	-	-	-	-	-	-	98
Equipment	3,195	7,078	556	(1,312)	910	7,232	(3,883)	(866)	1,083	(1,151)	(4,817)	-	(125)	-	(125)	2,290
Right-of-use assets																
- equipment	1,046	1,816	217	(326)	-	1,707	(770)	(736)	197	-	(1,309)	-	-	-	-	398
Total	24,039	37,148	2,612	(4,196)	1,498	37,062	(12,957)	(2,939)	2,215	(1,494)	(15,175)	(152)	(167)	57	(262)	21,625

* The Bank's revaluation has been performed in 2019.

The gross amount of the Bank and its subsidiaries' fully depreciated premises and equipment that were still in use as at 30 June 2022 amounted to Baht 5,899 million (31 December 2021: Baht 5,849 million).

Depreciation presented in the consolidated profit or loss for the six-month period ended 30 June 2022 and 2021 amounted to Baht 1,233 million and Baht 1,809 million, respectively.

TMBThanachart Bank Public Company Limited and its Subsidiaries

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For the six-month period ended 30 June 2022

For the three-month period ended 30 June 2022 (Unaudited)

	Bank only 30 June 2022													
	Cost					Accumulated depreciation				Allowance for impairment loss				
	Net book value as at 1 January 2022	Beginning balance	Increase/ transfers in	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written-off/ transfers out/ adjustments from revaluation (in million Baht)	Ending balance	Beginning balance	Reversal of (loss) on impairment during the period	Disposals/ written-off/ transfers out	Ending balance	Net book value as at 30 June 2022
Land														
- Cost	7,366	7,501	-	(221)	7,280	-	-	-	-	(135)	(2)	8	(129)	7,151
- Incremental revaluation*	4,268	4,268	-	(174)	4,094	-	-	-	-	-	-	-	-	4,094
Building under construction	45	45	121	(130)	36	-	-	-	-	-	-	-	-	36
Building														
- Cost	3,889	7,964	98	(219)	7,843	(4,073)	(230)	148	(4,155)	(2)	(11)	11	(2)	3,686
- Incremental revaluation*	1,714	4,735	-	(379)	4,356	(3,021)	(47)	277	(2,791)	-	-	-	-	1,565
Right-of-use assets														
- premise	1,035	1,835	151	(251)	1,735	(800)	(292)	251	(841)	-	-	-	-	894
Leasehold improvements	468	1,599	39	(55)	1,583	(1,131)	(82)	53	(1,160)	-	(2)	2	-	423
Equipment under construction and installation	97	97	181	(231)	47	-	-	-	-	-	-	-	-	47
Equipment	2,281	7,212	312	(43)	7,481	(4,806)	(362)	35	(5,133)	(125)	106	-	(19)	2,329
Right-of-use assets														
- equipment	398	1,706	242	(1,114)	834	(1,308)	(210)	1,110	(408)	-	-	-	-	426
Total	21,561	36,962	1,144	(2,817)	35,289	(15,139)	(1,223)	1,874	(14,488)	(262)	91	21	(150)	20,651

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For the three-month period ended 30 June 2022 (Unaudited)

Bank only																	
31 December 2021																	
	Cost						Accumulated depreciation					Allowance for impairment loss					
	Net book value as at		Acquisition through Entire Business Transfer	Disposals/ written-off/ transfers		Ending balance	Acquisition through Entire Business Transfer		Depreciation	Disposals/ written-off/ transfers out/from revaluation	Ending balance	Loss on impairment during the year		Disposals/ written-off/ transfers out	Ending balance	Net book value as at 31 December 2021	
	1 January 2021	Beginning balance		Increase/ transfers in	out		Beginning balance	Transfer				Beginning balance					
<i>(in million Baht)</i>																	
Land																	
- Cost	1,623	1,777	5,892	147	(315)	7,501	-	-	-	-	-	(154)	(12)	31	(135)	7,366	
- Incremental revaluation*	4,348	4,348	-	-	(80)	4,268	-	-	-	-	-	-	-	-	-	4,268	
Building under construction	59	59	-	-	(14)	45	-	-	-	-	-	-	-	-	-	45	
Building																	
- Cost	2,219	5,574	2,326	479	(415)	7,964	(3,353)	(497)	(347)	124	(4,073)	(2)	(20)	20	(2)	3,889	
- Incremental revaluation*	1,867	4,960	-	-	(225)	4,735	(3,093)	-	(100)	172	(3,021)	-	-	-	-	1,714	
Right-of-use assets																	
- premise	700	1,028	567	565	(325)	1,835	(328)	(277)	(499)	304	(800)	-	-	-	-	1,035	
Leasehold improvements	222	1,169	443	168	(181)	1,599	(947)	(200)	(129)	145	(1,131)	-	(10)	10	-	468	
Equipment under construction and installation	77	77	-	345	(325)	97	-	-	-	-	-	-	-	-	-	97	
Equipment	2,369	6,504	901	514	(707)	7,212	(4,135)	(428)	(680)	437	(4,806)	-	(125)	-	(125)	2,281	
Right-of-use assets																	
- equipment	271	487	1,323	215	(319)	1,706	(216)	(822)	(460)	190	(1,308)	-	-	-	-	398	
Total	13,755	25,983	11,452	2,433	(2,906)	36,962	(12,072)	(2,224)	(2,215)	1,372	(15,139)	(156)	(167)	61	(262)	21,561	

* The Bank's revaluation has been performed in 2019.

The gross amount of the Bank only's fully depreciated premises and equipment that were still in use as at 30 June 2022 amounted to Baht 5,874 million (31 December: Baht 5,823 million).

Depreciation presented in the Bank only's profit or loss for the six-month period ended 30 June 2022 and 2021 amounted to Baht 1,223 million and Baht 1,094 million, respectively.

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For the three-month period ended 30 June 2022 (Unaudited)

17 Goodwill and other intangible assets, net

As at 30 June 2022 and 31 December 2021, changes in goodwill and other intangible assets were as follows:

	Consolidated 30 June 2022										
	Net book value as at 1 January 2022	Cost					Accumulated amortisation			Net book value as at 30 June 2022	
		Beginning balance	Additions	Written-off	Transfers in/ (out)	Ending balance	Beginning balance	Amortisation during the period	Accumulated amortisation on transfer out		Ending balance
						(in million Baht)					
Goodwill	14,105	14,105	-	-	-	14,105	-	-	-	-	14,105
Computer software	4,100	8,613	2	(969)	1,039	8,685	(4,513)	(625)	914	(4,224)	4,461
Computer software under development	809	809	898	(2)	(1,039)	666	-	-	-	-	666
Right-of-use assets - software	407	525	247	(37)	-	735	(118)	(125)	37	(206)	529
Other intangible assets	3,398	3,964	-	-	-	3,964	(566)	(142)	-	(708)	3,256
Total	22,819	28,016	1,147	(1,008)	-	28,155	(5,197)	(892)	951	(5,138)	23,017

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	Consolidated 31 December 2021							Accumulated amortisation			Net book value as at 31 December 2021
	Net book value as at 1 January 2021	Beginning balance	Additions	Cost Written-off	Transfers in/ (out)	Ending balance <i>(in million Baht)</i>	Beginning balance	Amortisation during the year	Accumulated amortisation on transfer out	Ending balance	
Goodwill	14,105	14,105	-	-	-	14,105	-	-	-	-	14,105
Computer software	3,966	10,615	15	(3,627)	1,610	8,613	(6,649)	(1,435)	3,571	(4,513)	4,100
Computer software under development	746	746	1,738	(80)	(1,595)	809	-	-	-	-	809
Right-of-use assets - software	48	112	482	(69)	-	525	(64)	(123)	69	(118)	407
Other intangible assets	3,681	3,964	-	-	-	3,964	(283)	(283)	-	(566)	3,398
Total	22,546	29,542	2,235	(3,776)	15	28,016	(6,996)	(1,841)	3,640	(5,197)	22,819

The gross amount of the Bank and its subsidiaries' fully amortised intangible assets that were still in use as at 30 June 2022 amounted to Baht 1,437 million *(31 December 2021: Baht 3,845 million)*.

Amortisation presented in the consolidated profit or loss for the six-month period ended 30 June 2022 and 2021 amounted to Baht 892 million and Baht 957 million, respectively.

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	Bank only 30 June 2022							Accumulated amortisation			Net book value as at 30 June 2022
	Net book value as at 1 January 2022	Beginning balance	Additions	Cost Written-off	Transfers in/ (out)	Ending balance <i>(in million Baht)</i>	Beginning balance	Amortisation during the period	Accumulated amortisation on transfer out	Ending balance	
Goodwill	14,105	14,105	-	-	-	14,105	-	-	-	-	14,105
Computer software	4,070	8,569	1	(969)	1,039	8,640	(4,499)	(622)	913	(4,208)	4,432
Computer software under development	808	808	895	(1)	(1,039)	663	-	-	-	-	663
Right-of-use assets - software	407	525	247	(37)	-	735	(118)	(125)	37	(206)	529
Other intangible assets	3,397	3,964	-	-	-	3,964	(567)	(141)	-	(708)	3,256
Total	22,787	27,971	1,143	(1,007)	-	28,107	(5,184)	(888)	950	(5,122)	22,985

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For the three-month period ended 30 June 2022 (Unaudited)

	Bank only												
	31 December 2021												
	Cost						Accumulated amortisation						
	Net book value as at 1 January 2021	Beginning balance	Acquisition through Entire Business Transfer	Additions	Written-off	Transfers in/ (out)	Ending balance	Beginning balance	Acquisition through Entire Business Transfer	Amortisation during the year	Accumulated Amortization on transfer out	Ending balance	Net book value as at 31 December 2021

The gross amount of the Bank only's fully amortised intangible assets that were still in use as at 30 June 2022 amounted to Baht 1,432 million (31 December 2021: Baht 3,839 million).

Amortisation presented in the Bank only's profit or loss for the six-month period ended 30 June 2022 and 2021 amounted to Baht 888 million and Baht 468 million, respectively.

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For the three-month period ended 30 June 2022 (Unaudited)

18 Deferred tax and income tax

18.1 Deferred tax

Deferred tax assets and liabilities presented net by entity were as follows:

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in million Baht)</i>			
Deferred tax assets	55	9	741	-
Deferred tax liabilities	-	922	-	247
Net	55	(913)	741	(247)

Movements in deferred tax assets and liabilities during the six-month period ended 30 June 2022 and 2021 were as follows:

	Consolidated (Charged) / Credited to:				At 30 June 2022
	At 1 January 2022	Profit or loss	Other comprehensive income (note 18.2) <i>(in million Baht)</i>	Others	
Deferred tax assets					
Interbank and money market items	4	(3)	-	-	1
Financial assets measured at fair value through profit or loss	105	5	-	-	110
Investments	699	-	321	-	1,020
Loans to customers and accrued interest receivables	1,724	92	-	-	1,816
Properties for sale	82	27	-	-	109
Premises and equipment	132	(23)	-	-	109
Provisions for employee benefits	332	38	(66)	-	304
Provisions for other liabilities	406	140	-	(16)	530
Deferred revenue and other liabilities	1,583	71	-	-	1,654
Others	390	38	(21)	10	417
Total	5,457	385	234	(6)	6,070
Deferred tax liabilities					
Investments	1,768	2	(5)	-	1,765
Loans to customers and accrued interest receivables	563	(95)	-	-	468
Properties for sale	114	8	-	-	122
Premises and equipment	3,069	(36)	(14)	-	3,019
Others	856	(215)	-	-	641
Total	6,370	(336)	(19)	-	6,015
Net	(913)	721	253	(6)	55

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Notes to the interim financial statements

For the six-month period ended 30 June 2022

For the three-month period ended 30 June 2022 (Unaudited)

		Consolidated			
		(Charged) / Credited to:			
	At 1 January 2021	Profit or loss	Other comprehensive income	Others	At 30 June 2021
		(note 18.2)			
		(in million Baht)			
Deferred tax assets					
Interbank and money market items	40	(31)	-	(3)	6
Financial assets measured at fair value					
through profit or loss	139	(2)	-	-	137
Investments	407	54	(19)	-	442
Loans to customers and accrued					
interest receivables	2,581	349	-	-	2,930
Properties for sale	82	2	-	-	84
Premises and equipment	35	53	-	-	88
Provisions for employee benefits	681	(329)	(34)	-	318
Provisions for other liabilities	564	14	-	(63)	515
Deferred revenue and other liabilities	1,273	59	-	-	1,332
Others	353	37	(1)	-	389
Total	6,155	206	(54)	(66)	6,241
Deferred tax liabilities					
Financial liabilities measured at fair value					
through profit or loss	34	(2)	-	-	32
Investments	1,816	(5)	(17)	-	1,794
Properties for sale	37	10	-	-	47
Premises and equipment	3,334	(74)	(6)	-	3,254
Others	2,455	(481)	(22)	-	1,952
Total	7,676	(552)	(45)	-	7,079
Net	(1,521)	758	(9)	(66)	(838)

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For the three-month period ended 30 June 2022 (Unaudited)

	At 1 January 2022	Bank only (Charged) / Credited to:			At 30 June 2022
		Profit or loss	Other comprehensive income	Others	
		(note 18.2)			
		(in million Baht)			
Deferred tax assets					
Interbank and money market items	4	(3)	-	-	1
Financial assets measured at fair value					
through profit or loss	105	5	-	-	110
Investments	699	-	321	-	1,020
Loans to customers and accrued					
interest receivables	1,724	92	-	-	1,816
Properties for sale	82	27	-	-	109
Premises and equipment	132	(23)	-	-	109
Provisions for employee benefits	326	37	(66)	-	297
Provisions for other liabilities	405	140	-	(16)	529
Deferred revenue and other liabilities	1,582	69	-	-	1,651
Others	389	39	(21)	10	417
Total	5,448	383	234	(6)	6,059
Deferred tax liabilities					
Investments	978	-	(3)	-	975
Loans to customers and accrued					
interest receivables	678	(117)	-	-	561
Properties for sale	114	8	-	-	122
Premises and equipment	3,069	(36)	(14)	-	3,019
Others	856	(215)	-	-	641
Total	5,695	(360)	(17)	-	5,318
Net	(247)	743	251	(6)	741

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For the three-month period ended 30 June 2022 (Unaudited)

	At 1 January 2021	Bank only (Charged) / Credited to:			At 30 June 2021
		Profit or loss	Other comprehensive income	Others	
		(note 18.2)			
		(in million Baht)			
Deferred tax assets					
Interbank and money market items	8	-	-	(3)	5
Financial assets measured at fair value					
through profit or loss	139	(2)	-	-	137
Investments	6	2	-	-	8
Loans to customers and accrued					
interest receivables	2,385	178	-	-	2,563
Properties for sale	52	-	-	-	52
Premises and equipment	32	5	-	-	37
Provisions for employee benefits	313	22	(33)	-	302
Provisions for other liabilities	289	19	-	(63)	245
Deferred revenue and other liabilities	912	108	-	-	1,020
Others	208	36	(13)	-	231
Total	4,344	368	(46)	(66)	4,600
Deferred tax liabilities					
Investments	121	-	(25)	-	96
Premises and equipment	1,350	19	(6)	-	1,363
Others	55	(3)	-	-	52
Total	1,526	16	(31)	-	1,511
Net	2,818	352	(15)	(66)	3,089

As at 30 June 2022 and 31 December 2021, the Bank had tax-deductible temporary differences in relation to investments in subsidiaries totalling Baht 19,800 million and Baht 19,800 million, respectively, for which deferred tax assets have not yet been recognised because certain recognition criteria were not met.

18.2 Income tax

Income tax recognised in profit or loss

For the six-month period ended 30 June	Note	Consolidated		Bank only	
		2022	2021	2022	2021
		(in million Baht)			
Current tax expense					
Current period		2,295	1,852	2,275	161
Under (over) provided in prior years		17	31	1	(15)
		2,312	1,883	2,276	146
Deferred tax expense					
Movements in temporary differences	18.1	(721)	(758)	(743)	(352)
		(721)	(758)	(743)	(352)
Total		1,591	1,125	1,533	(206)

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For the three-month period ended 30 June 2022 (Unaudited)

Income tax recognised in other comprehensive income

<i>For the six-month period ended 30 June</i>	Consolidated					
	Before tax	2022 Tax (expense) benefit	Net of tax	Before tax	2021 Tax (expense) benefit	Net of tax
			<i>(in million Baht)</i>			
Investments	(1,633)	326	(1,307)	14	(3)	11
Premises and equipment	(67)	14	(53)	(29)	6	(23)
Provisions for employee benefits	330	(66)	264	169	(34)	135
Others	105	(21)	84	(108)	22	(86)
Total	(1,265)	253	(1,012)	46	(9)	37

<i>For the six-month period ended 30 June</i>	Bank only					
	Before tax	2022 Tax (expense) benefit	Net of tax	Before tax	2021 Tax (expense) benefit	Net of tax
			<i>(in million Baht)</i>			
Investments	(1,621)	324	(1,297)	(127)	25	(102)
Premises and equipment	(67)	14	(53)	(29)	6	(23)
Provisions for employee benefits	330	(66)	264	165	(33)	132
Others	105	(21)	84	67	(13)	54
Total	(1,253)	251	(1,002)	76	(15)	61

Reconciliation of effective tax rate

<i>For the six-month period ended 30 June</i>	Consolidated			
	Rate (%)	2022 <i>(in million Baht)</i>	Rate (%)	2021 <i>(in million Baht)</i>
Profit before income tax		8,224		6,443
Income tax using the Thai corporation tax rate	20	1,645	20	1,288
Deferred tax expense which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the period	-	-	(1)	(42)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	(1)	(71)	(2)	(152)
Under provided in prior years	-	17	-	31
Total	19	1,591	17	1,125

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For the three-month period ended 30 June 2022 (Unaudited)

For the six-month period ended 30 June	Bank only			
	2022	2021	2022	2021
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax		8,112		2,032
Income tax using the Thai corporation tax rate	20	1,622	20	406
Deferred tax expense which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the period	-	-	(2)	(42)
Deferred tax expense which deductible temporary difference had not been met the recognition criteria during the period	-	-	(25)	(500)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	(1)	(90)	(3)	(55)
Under (over) provided in prior years	-	1	(1)	(15)
Total	19	1,533	(11)	(206)

19 Deposits

19.1 Classified by type of deposits

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(in million Baht)			
Current	87,314	88,194	88,081	88,584
Savings	1,111,393	1,093,116	1,115,150	1,097,159
Term	196,278	157,927	196,378	158,027
Total	1,394,985	1,339,237	1,399,609	1,343,770
Less prepaid interest expenses	(38)	(42)	(38)	(42)
Total	1,394,947	1,339,195	1,399,571	1,343,728

19.2 Classified by currency and residency of depositors

	Consolidated					
	30 June 2022			31 December 2021		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	(in million Baht)					
Thai Baht	1,371,470	13,593	1,385,063	1,311,073	13,285	1,324,358
US Dollar	7,070	1,289	8,359	13,840	281	14,121
Other currencies	1,514	11	1,525	705	11	716
Total	1,380,054	14,893	1,394,947	1,325,618	13,577	1,339,195

	Bank only					
	30 June 2022			31 December 2021		
	Domestic	Foreign	Total	Domestic	Foreign	Total
	(in million Baht)					
Thai Baht	1,376,094	13,593	1,389,687	1,315,606	13,286	1,328,892
US Dollar	7,070	1,289	8,359	13,840	280	14,120
Other currencies	1,514	11	1,525	705	11	716
Total	1,384,678	14,893	1,399,571	1,330,151	13,577	1,343,728

20 Interbank and money market items (liabilities)

Interbank and money market (liabilities) as at 30 June 2022 and 31 December 2021 were as follows:

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in million Baht)</i>			
Domestic items				
Bank of Thailand and Financial Institutions Development Fund	18,631	16,120	18,631	16,120
Commercial banks	36,569	35,485	36,569	35,836
Specialised financial institutions	16,479	13,507	16,479	13,507
Other financial institutions	11,826	15,212	11,826	15,212
Total domestic items	83,505	80,324	83,505	80,675
Foreign items				
US Dollar	267	3,554	267	3,554
Other currencies	1,034	1,088	1,034	1,088
Total foreign items	1,301	4,642	1,301	4,642
Total domestic and foreign items	84,806	84,966	84,806	85,317

21 Financial liabilities measured at fair value through profit or loss

	Consolidated and Bank only	
	30 June 2022	31 December 2021
	<i>(in million Baht)</i>	
Debt issued	434	437
Total	434	437

The effects of changes in that liability's all risk in profit or loss consisted of:

	Consolidated and Bank only	
	30 June 2022	31 December 2021
	<i>(in million Baht)</i>	
The difference between the carrying amount and the amount would be contractually required to pay at maturity	134	137

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For the three-month period ended 30 June 2022 (Unaudited)

22 Debts issued and borrowings, net

	Interest rates as at 30 June 2022 (%)	Maturities	Consolidated					
			30 June 2022		31 December 2021			
			Domestic	Foreign	Total	Domestic	Foreign	Total
<i>(in million Baht)</i>								
Subordinated debentures ⁽¹⁾	3.50, 4.00 and 4.90	2022 ⁽²⁾ - 2024 ⁽²⁾	35,430	14,119	49,549	35,430	13,368	48,798
Senior debentures	6mLibor + 1.05 and 0.48-0.85	2022 - 2025	5,020	14,296	19,316	5,300	14,207	19,507
Bills of exchange ⁽³⁾ and promissory notes	2.15 and 0.05-2.50	At call and 2012	9	-	9	10	-	10
Other borrowings	0.00-0.75	2022 - 2031	15	59	74	19	64	83
Total			40,474	28,474	68,948	40,759	27,639	68,398

⁽¹⁾ Counted as a part of capital fund, which is determined under the conditions as specified in the BoT's Notification (note 6)

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

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

	Interest rates as at 30 June 2022 (%)	Maturities	Bank only					
			30 June 2022		31 December 2021			
			Domestic	Foreign	Total	Domestic	Foreign	Total
<i>(in million Baht)</i>								
Subordinated debentures ⁽¹⁾	3.50, 4.00 and 4.90	2022 ⁽²⁾ - 2024 ⁽²⁾	35,430	14,119	49,549	35,430	13,368	48,798
Senior debentures	6mLibor + 1.05 and 0.48-0.85	2022 - 2025	-	14,296	14,296	-	14,207	14,207
Bills of exchange ⁽³⁾ and promissory notes	2.15 and 0.05-2.50	At call and 2012	9	-	9	10	-	10
Other borrowings	0.00-0.75	2022 - 2031	15	59	74	19	64	83
Total			35,454	28,474	63,928	35,459	27,639	63,098

⁽¹⁾ Counted as a part of capital fund, which is determined under the conditions as specified in the BoT's Notification (note 6)

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

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

22.1 Subordinated debentures

22.1.1 On 29 May 2017, the Bank issued the Subordinated Debenture No.1/2560 to be counted as Tier 2 capital under Basel III requirement, amounting to Baht 5,430 million, which has a 10.5-year maturity period and carries a fixed interest rate of 3.50% per annum, payable quarterly in February, May, August and November of every year. The Bank can early redeem the Subordinated Debenture No.1/2560 after 5.5 years from the issue date or according to certain specified conditions. The Bank has to get the Bank of Thailand's approval before early redemption of the Subordinated Debenture.

22.1.2 On 28 June 2019, the Bank issued the Subordinated Debenture No.1/2562 to be counted as Tier 2 capital under Basel III requirement, amounting to Baht 30,000 million, which has a 10-year maturity period and carries a fixed interest rate of 4.00% per annum, payable quarterly in March, June, September and December of every year. The Bank can early redeem the Subordinated Debenture No.1/2562 after 5 years from the issue date or according to certain specified conditions. The Bank has to get the Bank of Thailand's approval before early redemption of the Subordinated Debenture.

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

22.2 Senior debentures

- 22.2.1 On 1 April 2016, the Bank issued unsecured Senior Debentures of USD 300 million, with a 5.5-year maturity and carrying a fixed interest rate of 3.108% per annum, payable semi-annually in April and October of every year. The debentures have been issued under the Bank's Euro Medium Term Note Programme.

On 7 October 2019, the Bank bought back these debentures from investors amounting to USD 50 million. Remaining balance is USD 250 million.

The debenture was matured on 1 October 2021, which has already fully paid with the total amount of USD 250 million.

- 22.2.2 On 5 June 2018, the Bank issued unsecured Senior Debentures (Green Bond) of USD 60 million, with a 7-year maturity and carrying a floating interest rate of 6M Libor + 1.05% per annum, payable semi-annually in June and December of every year. The proceeds from Green Bond issuance will be used to finance the loan to private sector on its investment in sustainable environment.

- 22.2.3 On 17 December 2018, the Bank issued unsecured Senior Debentures (SME Bond) of USD 90 million, with a 7-year maturity and carrying a floating interest rate of 6M Libor + 1.05% per annum, payable semi-annually in June and December of every year. The proceeds from SME Bond issuance will be used to support small and medium sized enterprises.

- 22.2.4 During 11 - 13 November 2019, the Bank issued unsecured Senior Debentures (Euro Bond) of EUR 525 million, with 1 - 5 years maturity and carrying a fixed interest rate of 0.10% - 0.85% per annum, payable semi-annually in May and November of every year.

The debentures were matured on 12 November 2020 and 11 November 2021, which have already fully paid with the total amount of EUR 300 million. Remaining balance is EUR 225 million

- 22.2.5 During 24 - 25 March 2020, the Bank issued unsecured Senior Debentures (Euro Bond) of EUR 420 million, with a 1-year maturity and carrying a fixed interest rate of 0.25% per annum, payable semi-annually in March and September of every year.

The debentures were matured on 24 – 25 March 2021, which has already fully paid with the total amount of EUR 420 million.

- 22.2.6 On 27 August 2021, a subsidiary issued secured Senior Debentures of Baht 5,400 million which was fully guaranteed by the Bank as follows:

1. Unsecured Senior Debentures of Baht 1,200 million with a 91-day maturity and carrying a fixed interest rate of 0.60% per annum, payable at the maturity. The debentures were matured on 26 November 2021, which has already fully paid.

2. Unsecured Senior Debentures of Baht 2,000 million with a 111-day maturity and carrying a fixed interest rate of 0.61% per annum, payable at the maturity. The debentures were matured on 16 December 2021, which has already fully paid

3. Unsecured Senior Debentures of Baht 2,200 million with a 185-day maturity and carrying a fixed interest rate of 0.69% per annum, payable at the maturity. The debentures were matured on 28 February 2022, which has already fully paid.

- 22.2.7 On 26 November 2021, a subsidiary issued secured Senior Debentures of Baht 3,100 million with a 181-day maturity and carrying a fixed interest rate of 0.75% per annum, payable at the maturity which was fully guaranteed by the Bank. The debentures were matured on 26 May 2022, which has already fully paid.

- 22.2.8 On 8 December 2021, the Bank issued unsecured Senior Debentures of USD 20 million, with 10-month maturity and carrying a fixed interest rate of 0.85%. The Debenture has been issued under the Bank's Medium Term Note Programme.
- 22.2.9 On 28 February 2022, a subsidiary issued secured Senior Debentures of Baht 1,920 million with a 179-day maturity and carrying a fixed interest rate of 0.70% per annum, payable at the maturity which was fully guaranteed by the Bank.
- 22.2.10 On 26 May 2022, a subsidiary issued secured Senior Debentures of Baht 3,100 million with a 132-day maturity and carrying a fixed interest rate of 0.83% per annum, payable at the maturity which was fully guaranteed by the Bank.

22.3 Other borrowings

Borrowings with specific uses (other borrowings) as at 30 June 2022 and 31 December 2021 were as follows:

Borrowings from	Objectives of borrowings	Consolidated and Bank only			
		30 June 2022		31 December 2021	
		Outstanding balances	Baht equivalent (in million Baht)	Outstanding balances	Baht equivalent (in million Baht)
National Science and Technology Development Agency	For enterprises involving in research and development activities	Baht 15 million	15	Baht 19 million	19
KfW Bankengruppe (KfW)	For small industry businesses	EUR 2 million	59	EUR 2 million	64
Total			<u>74</u>		<u>83</u>

23 Provisions for employee benefits

23.1 Defined contribution plan

The Bank, its subsidiaries and their employees have jointly established provident fund schemes under the Provident Fund Act B.E. 2530. The employees contribute to the funds at rates ranging from 2 - 15% of their basic salaries and the Bank and its subsidiaries contribute at rates ranging from 3 - 10%, depending on the number of years of service of each employee. The funds will be paid to the employees upon death, termination or dissolution of the business, in accordance with the rules of the funds. The fund assets are held separately from those of the Bank and its subsidiaries, under the management of the fund manager.

For the six-month period ended 30 June 2022 and 2021, the Bank and its subsidiaries contributed Baht 386 million and Baht 392 million, respectively, to the funds (Bank only: Baht 377 million and Baht 344 million, respectively).

23.2 Defined benefit plans

23.2.1 Detail of defined benefit plans

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(in million Baht)		
Post-employment benefit plans	3,493	3,784	3,419	3,740
Total	<u>3,493</u>	<u>3,784</u>	<u>3,419</u>	<u>3,740</u>

23.2.2 Movement in post-employment benefit obligations

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in million Baht)</i>			
Beginning balance	3,784	4,356	3,740	2,507
Employee benefits obligations transferred in/ (out)	-	(4)	(27)	1,300
Included in profit or loss				
Current service cost	215	707	210	408
Past service cost	21	(323)	21	148
Interest on obligation	32	63	32	60
	<u>268</u>	<u>447</u>	<u>263</u>	<u>616</u>
Included in other comprehensive income				
Actuarial gain	(330)	(197)	(330)	(196)
Others				
Benefits paid	(229)	(818)	(227)	(487)
	<u>(229)</u>	<u>(818)</u>	<u>(227)</u>	<u>(487)</u>
Ending balance	<u>3,493</u>	<u>3,784</u>	<u>3,419</u>	<u>3,740</u>

Actuarial gain recognised in other comprehensive income arising from:

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in million Baht)</i>			
Demographic assumptions	-	96	-	94
Financial assumptions	(330)	(213)	(330)	(210)
Experience adjustments	-	(80)	-	(80)
Total	<u>(330)</u>	<u>(197)</u>	<u>(330)</u>	<u>(196)</u>

23.2.3 Actuarial assumptions of post-employment benefit obligations

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(%)</i>			
Discount rate	2.06 – 2.87	1.80 - 2.14	2.87	1.80
Future salary growth	3.00	3.00	3.00	3.00
Staff turnover rates	0.00 - 25.00	0.00 - 25.00	0.00 - 25.00	0.00 - 25.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

23.2.4 Sensitivity analysis of post-employment benefit obligations

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below.

Consolidated 30 June 2022				
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)	Change (-) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)
Discount rate	+1%	(332)	-1%	381
Future salary growth	+1%	364	-1%	(324)
Turnover rate	+1%	(349)	-1%	228
Future mortality	+1 year	18	-1 year	(18)
Consolidated 31 December 2021				
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)	Change (-) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)
Discount rate	+1%	(332)	-1%	381
Future salary growth	+1%	364	-1%	(324)
Turnover rate	+1%	(349)	-1%	228
Future mortality	+1 year	18	-1 year	(18)
Bank only 30 June 2022				
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)	Change (-) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)
Discount rate	+1%	(327)	-1%	375
Future salary growth	+1%	359	-1%	(319)
Turnover rate	+1%	(344)	-1%	225
Future mortality	+1 year	18	-1 year	(18)
Bank only 31 December 2021				
	Change (+) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)	Change (-) in assumption	Post-employment benefit obligations increase (decrease) (in million Baht)
Discount rate	+1%	(327)	-1%	375
Future salary growth	+1%	359	-1%	(319)
Turnover rate	+1%	(344)	-1%	225
Future mortality	+1 year	18	-1 year	(18)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

24 Provisions for other liabilities

The movement in provision for other liabilities during the year/period was as follows:

	Commitment from letters of guarantee issued, avals and other guarantees	Obligation for litigation cases (note 33.2)	Consolidated Allowance for expected loss of credit commitments and financial guarantee contracts	Others	Total
			(in million Baht)		
Beginning balance	132	738	1,603	347	2,820
Reclassified after Entire Business					
Transfer	(150)	82	148	(80)	-
Provision increase (decrease)	18	5	(413)	104	(286)
Paid during the year	-	(253)	-	(255)	(508)
At 31 December 2021	-	572	1,338	116	2,026
Provision increase (decrease)	-	38	616	42	696
Paid during the period	-	(43)	-	(30)	(73)
At 30 June 2022	-	567	1,954	128	2,649

	Commitment from letters of guarantee issued, avals and other guarantees	Obligation for litigation cases (note 33.2)	Bank only Allowance for expected loss of credit commitments and financial guarantee contracts	Others	Total
			(in million Baht)		
Beginning balance	-	16	1,289	140	1,445
Acquisition through Entire Business					
Transfer	-	822	520	5	1,347
Provision increase (decrease)	-	(12)	(471)	49	(434)
Paid during the year	-	(254)	-	(78)	(332)
At 31 December 2021	-	572	1,338	116	2,026
Provision increase (decrease)	-	38	616	42	696
Paid during the period	-	(43)	-	(30)	(73)
At 30 June 2022	-	567	1,954	128	2,649

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25 Deferred revenue

	Consolidated	
	30 June 2022	31 December 2021
	<i>(in million Baht)</i>	
Deferred revenue		
- Funds and Bancassurance	17,809	18,472
- Credit card	441	405
- Others	274	287
Total	18,524	19,164

	Bank only	
	30 June 2022	31 December 2021
	<i>(in million Baht)</i>	
Deferred revenue		
- Funds and Bancassurance	17,809	18,472
- Credit card	441	405
- Others	275	288
Total	18,525	19,165

26 Other liabilities

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in million Baht)</i>			
Accrued expenses	5,368	5,938	5,234	5,899
Accrued interest expenses	575	394	568	386
Deposits and guarantees received	348	309	348	309
Collateral on derivative transactions	770	871	770	871
Suspense accounts electronic money and money transferred	454	272	454	272
Suspense accounts - others	3,005	2,713	3,003	2,711
Other payables	425	509	425	509
Corporate income tax payable	2,182	851	2,163	851
Others	4,147	4,663	4,051	4,394
Total	17,274	16,520	17,016	16,202

27 Offsetting of financial assets and financial liabilities

The Bank and its subsidiaries currently hold agreements including derivatives and sale -and- repurchase agreements which do not meet the criteria for offsetting in the Consolidated and Bank only's statement of financial position because such agreements are created in the way that the parties have to agree a right of set-off the agreed amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Bank or the counterparties or following other predetermined events. For derivatives, the rights to call are agreed by both parties with specific call frequency and threshold. According to the agreements, the Bank and its subsidiaries receive and give collateral in form of cash and marketable securities. The details are as follow:

		Consolidated			
		Amount offset in statements of financial position	Amount presented in statements of financial position (in million Baht)	Amounts not offset in financial statements - Amount eligible for offsetting per contracts	Net amount
Gross Amount					
At 30 June 2022					
Financial assets					
Reverse sale-and- repurchase	100,156	-	100,156	(100,156)	-
Derivatives assets	6,008	-	6,008	(770)	5,238
Total	106,164	-	106,164	(100,926)	5,238
Financial liabilities					
Sale-and-repurchase	30,510	-	30,510	(30,510)	-
Derivatives liabilities	9,011	-	9,011	(3,972)	5,039
Total	39,521	-	39,521	(34,482)	5,039
		Bank only			
		Amount offset in statements of financial position	Amount presented in statements of financial position (in million Baht)	Amounts not offset in financial statements - Amount eligible for offsetting per contracts	Net amount
Gross Amount					
At 30 June 2022					
Financial assets					
Reverse sale-and- repurchase	100,156	-	100,156	(100,156)	-
Derivatives assets	6,008	-	6,008	(770)	5,238
Total	106,164	-	106,164	(100,926)	5,238
Financial liabilities					
Sale-and-repurchase	30,510	-	30,510	(30,510)	-
Derivatives liabilities	9,011	-	9,011	(3,972)	5,039
Total	39,521	-	39,521	(34,482)	5,039

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Reconciliation to the net amounts of financial assets and financial liabilities presented in the statement of financial position are as follow:

Consolidated					
Type of financial instruments	Amount presented in statement of financial position (in million Baht)	Items in statement of financial position	Note	Carrying amount in statement of financial position (in million Baht)	Carrying amount in statement of financial position that are not qualify for offsetting
At 30 June 2022					
Financial assets					
Reverse sale-and-repurchase	100,156	Interbank and money market items (Assets)	8	199,947	99,791
Derivatives assets	6,008	Derivatives assets	10	12,004	5,996
Total	106,164			211,951	105,787
Financial liabilities					
Sale-and-repurchase	30,510	Interbank and money market items (Liabilities)	20	84,806	54,296
Derivatives liabilities	9,011	Derivatives liabilities	10	11,507	2,496
Total	39,521			96,313	56,792
Bank only					
Type of financial instruments	Amount presented in statement of financial position (in million Baht)	Items in statement of financial position	Note	Carrying amount in statement of financial position (in million Baht)	Carrying amount in statement of financial position that are not qualify for offsetting
At 30 June 2022					
Financial assets					
Reverse sale-and-repurchase	100,156	Interbank and money market items (Assets)	8	199,940	99,784
Derivatives assets	6,008	Derivatives assets	10	12,004	5,996
Total	106,164			211,944	105,780
Financial liabilities					
Sale-and-repurchase	30,510	Interbank and money market items (Liabilities)	20	84,806	54,296
Derivatives liabilities	9,011	Derivatives liabilities	10	11,507	2,496
Total	39,521			96,313	56,792

The gross amounts of financial assets and financial liabilities and their net amounts disclosed in the above tables have been measured in the statement of financial position on the following bases:

- derivative assets and liabilities: fair value;
- assets and liabilities resulting from sale-and-repurchase agreements and reverse sale-and-repurchase agreements: amortised cost.

28 Share-based payments - TMBThanachart Stock Retention Program

Information of TMBThanachart Stock Retention Program

TMBThanachart Stock Retention Program 2021 (TTB Stock Retention Program 2021)

On 24 February 2021, the Board of Directors Meeting No.2/2021 approved the TTB Stock Retention Program 2021 (TTB TSRP 2021) which will offer newly issued ordinary shares of the Bank to the executives and employees of the Bank and Thanachart Bank who have qualifications under TTB TSRP 2021. The executives and employees under TTB TSRP 2021 shall be entitled to subscribe for the newly issued shares according to the conditions specified in TTB TSRP 2021. Summary of the program is detail below.

Term of continuing scheme:	3 years from the date on which the shareholders' meeting approves the TTB Stock Retention Program 2021
Number of ordinary shares to be offered:	Up to 305,000,000 shares in total at a par value of Baht 0.95 where such newly issued ordinary shares will be offered as a continuing program
Offering price per share:	The offering price per share to be offered to the executives and employees under TTB Stock Retention program 2021 is equivalent to Baht 1.15. Such offering price, which was not lower than the weighted average closing price of the Bank's shares traded on the Stock Exchange of Thailand during the period of 15 consecutive days before the date on which the Board of Directors' Meeting No. 2/2021 held on February 24, 2021 resolved to propose the TTB Stock Retention Program 2021 for the shareholders' meeting's consideration and approval.
Condition of subscription for the newly issued shares:	The executives and employees under TTB TSRP 2021 who will subscribe for the newly issued shares shall be executives or employees of the Bank or Thanachart Bank as of the subscription date of such newly issued shares (the rights for employees who retire pursuant to the Bank's regulation or death are still retained).

TMBThanachart Stock Retention Program 2019 (TTB Stock Retention Program 2019) (formerly TMB Stock Retention Program 2019)

On 18 December 2019, the Board of Directors Meeting No.11/2019 approved the TTB Stock Retention Program 2019 (TTB TSRP 2019) which offered newly issued ordinary shares of the Bank to employees of the Bank and Thanachart Bank who have qualifications under TTB TSRP 2019. The employees under TTB TSRP 2019 shall be entitled to subscribe for the newly issued shares according to the conditions specified in TTB TSRP 2019. Summary of the program is detail below.

Term of continuing scheme:	3 years starting from the first offering date.
Number of ordinary shares to be offered:	Not exceeding the total of 200,000,000 newly issued ordinary shares with the par value of Baht 0.95 each, which will be offered pursuant to the continuing scheme.
Offering price per share:	The offering price per share to be offered to the employees under TTB TSRP 2019 is equivalent to the average closing price of ordinary shares of the Bank on the Stock Exchange of Thailand ("SET") on each trading day for the period of 7 calendar days prior to the first offering date of the newly issued shares.

The offering price may be lower than 90% of the market price as prescribed in the notification of the Securities and Exchange Commission relating to the calculation of the offering price and the determination of the offering price for issuance of the newly issued shares.

In the case that the calculation of the offering price in any offering is lower than the par value of the ordinary shares of the Bank, the Bank is required to offer newly issued shares to the employees under TTB TSRP 2019 at the price equivalent to the par value of the ordinary shares of the Bank.

Condition of subscription for the newly issued shares:

The employees under TTB TSRP 2019 who will subscribe for the newly issued shares shall be employees of the Bank's or Thanachart Bank as of the subscription date of such newly issued shares (the rights for employees who retire pursuant to the Bank's regulation or death are still retained).

28.1 The offering of new ordinary shares

The Bank made the offering of ordinary shares with a par value of Baht 0.95 per share to its employees and executives, at a price of Baht 0.95 and Baht 1.15 per share, for TSRP 2019 and TSRP 2021 respectively. Details were as follows:

The offering of new ordinary shares	Par value (Baht/ shares)	Offering Price	The offering of new ordinary shares	Ordinary shares issued to employees ⁽¹⁾ (shares)	Balance of new ordinary shares unissued as at 30 June 2022
TSRP 2019	0.95	0.95	200,000,000	(141,637,500)	58,362,500
TSRP 2021	0.95	1.15	305,000,000	(121,882,700)	183,117,300

⁽¹⁾ The shares will be gradually issued on an annual basis over three years since the offering of such ordinary shares.

28.2 Reconciliation of issued and paid-up ordinary share capital, share premium and other reserve - shared-based payments

Consolidated and Bank only 30 June 2022				
	Issued and paid-up ordinary share capital (No. of shares)	(Baht)	Share premium (Baht)	Other reserve share-based payments
Balance - beginning of the period	96,622,874,580	91,791,730,851	43,344,839,532	103,301,708
Reserve in relation to share-based payments	-	-	-	75,311,327
Balance - end of the period	<u>96,622,874,580</u>	<u>91,791,730,851</u>	<u>43,344,839,532</u>	<u>178,613,035</u>

29 Share capital

	Par value per share (in Baht)	30 June 2022		31 December 2021	
		Number	Amount (million shares / million Baht)	Number	Amount
Authorised shares at 30 June / 31 December	0.95	<u>97,831</u>	<u>92,939</u>	<u>96,864</u>	<u>92,021</u>
Issued and paid-up					
At 1 January					
- ordinary shares	0.95	96,623	91,792	96,409	91,589
Issue of new shares	0.95	-	-	214	203
At 30 June / 31 December					
- ordinary shares	0.95	<u>96,623</u>	<u>91,792</u>	<u>96,623</u>	<u>91,792</u>

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On 12 April 2022, the 2022 Annual General Meeting of the Bank's shareholders passed resolutions approving as follows:

1. The reduction of the registered capital by Baht 229 million from Baht 92,021 million to Baht 91,792 million by writing off 241 million unissued and paid-up share capital at a par value of Baht 0.95 each.
2. The increase of the registered capital by Baht 1,147 million from Baht 91,792 million to Baht 92,939 million by issuing 1,207 million newly ordinary shares at a par value of Baht 0.95 each and allocate the newly issued ordinary shares as follows:
 - 2.1 Not exceeding 966 million shares at a par value of Baht 0.95 each under the TTB-W1 Warrants Program.
 - 2.2 Not exceeding 183 million shares at a par value of Baht 0.95 each under the 2021 TTB Stock Retention Program.
 - 2.3 Not exceeding 58 million shares at a par value of Baht 0.95 each under the 2019 TTB Stock Retention Program.

The reduction and increase of the registered capital were registered with the Department of Business Development, Ministry of Commerce on 21 April 2022 and 22 April 2022 respectively.

30 Legal reserve

Pursuant to section 116 of the Public Limited Company Act B.E. 2535 and under the Bank's Articles of Association, the Bank and its subsidiaries is required to set aside a statutory reserve at least 5 percent of its net earnings after deducting accumulated deficit brought forward (if any) until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

31 Appropriation of profit and dividend payment

- (a) 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.
- (b) On 23 April 2021, the 2021 Annual General Meeting of the Bank's shareholders passed a resolution approving the appropriation of the 2020 operating profit and dividend payment
- (1) Not allocating net profit from 2020 operating results to the legal reserve as the Bank's legal reserve is sufficient as required by laws and the Bank's Articles of Association.
 - (2) Payment of a dividend of Baht 0.045 per share from the 2020 operating profit to the shareholders for a totalling of Baht 4,338 million. The Bank paid such dividend to its shareholders on 20 May 2021.

32 Assets pledged as collateral and under restriction

Assets pledged as collateral and under restriction as at 30 June 2022 and 31 December 2021 were as follows:

	Consolidated and Bank only	
	30 June 2022	31 December 2021
	(in million Baht)	
Investments in securities		
- Pledged as collateral against repurchase transactions	43,463	30,694
Property foreclosed under restriction	4,763	2,923
Total	48,226	33,617

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33 Commitments and contingent liabilities

33.1 Commitments

	Consolidated	
	30 June 2022	31 December 2021
	<i>(in million Baht)</i>	
Avals to bills	289	205
Guarantees of loans/bond	39	45
Liability under unmatured import bills	3,261	4,081
Letters of credit	19,085	15,608
Other commitments		
- Other guarantees	84,496	85,821
- Amount of unused bank overdrafts	112,783	117,029
- Committed line	7,678	7,958
- Others ⁽¹⁾	6,400	14,117
Total	234,031	244,864

⁽¹⁾ As at 30 June 2022, this included the financial assets accepted as collateral that had been sold or pledged amounting to Baht 5,532 million (31 December 2021: 13,226 million). The Bank and its subsidiaries is obliged to return those securities in equivalent amount.

	Bank only	
	30 June 2022	31 December 2021
	<i>(in million Baht)</i>	
Avals to bills	289	205
Guarantees of loans/bond	5,077	5,366
Liability under unmatured import bills	3,261	4,081
Letters of credit	19,085	15,608
Other commitments		
- Other guarantees	84,496	85,821
- Amount of unused bank overdrafts	112,783	117,029
- Committed line	7,678	7,958
- Others ⁽¹⁾	6,400	14,117
Total	239,069	250,185

⁽¹⁾ As at 30 June 2022, this included the financial assets accepted as collateral that had been sold or pledged amounting to Baht 5,532 million (31 December 2021: 13,226 million). The Bank is obliged to return those securities in equivalent amount.

As at 30 June 2022 and 31 December 2021, the Bank and its subsidiaries had purchase and sales of investment in debt securities with net buys amounting to Baht 1,962 million and net sales amounting to Baht 208 million respectively (*Bank only: net buys amounting to Baht 1,962 million and net sales amounting to Baht 208 million, respectively*), for which the settlement was not due at the reporting date.

33.2 Litigation

- (a) As at 30 June 2022 and 31 December 2021, the Bank and its subsidiaries were claimed pursuant to obligations under the letters of guarantee and other claims for 133 cases and 125 cases, respectively (Bank only: claims for 133 cases and 125 cases, respectively). The said claims were made against the Bank and its subsidiaries for the approximate liability amounts of Baht 1,758 million ⁽¹⁾ and Baht 2,241 million ⁽¹⁾, respectively (Bank only: Baht 1,758 million ⁽¹⁾ and Baht 2,241 million ⁽¹⁾, respectively).
- (b) As at 30 June 2022 and 31 December 2021, the Bank and its subsidiaries have recognised provisions for possible loss from the litigation cases totalling Baht 567 million and Baht 572 million, respectively (Bank only: Baht 567 million and Baht 572 million, respectively). The management considers that the provision established for such potential loss due to the said litigation cases is adequate.

⁽¹⁾ Excluding the liabilities of the Bank and its subsidiaries as at 30 June 2022 and 31 December 2021 of Baht 145 million and Baht 77 million, respectively (Bank only: Baht 145 million and Baht 77 million, respectively), which the Court of First Instance and the Appeals Court dismissed the cases.

34 Related parties

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

Definitions and characteristics of relationships

Related parties are as follows:

1. Major shareholders are the shareholders who own over 10% of the Bank's paid-up share capital.
2. Subsidiaries
3. Associates
4. Key management personnel of the Bank and its subsidiaries
5. Other related parties are:
 - 5.1 Close family members of key management personnel
 - 5.2 Entities in which key management personnel and their close family members hold over 10% of paid-up share capital
 - 5.3 Entities of which key management personnel and their close family members are directors exercising control or having significant influence
 - 5.4 Related companies of major shareholders
 - 5.5 Entities in which related companies of major shareholders hold over 10% of paid-up share capital
 - 5.6 Entities in which the Bank and its subsidiaries hold over 10% of paid-up share capital (excluding subsidiaries and associates)

The additional information on investments in subsidiaries and associates is disclosed in note 12.

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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	Thailand and other countries	Persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiaries
Ministry of Finance	Thailand	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
ING Bank N.V.	The Netherlands	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
Thanachart Capital Public Company Limited	Thailand	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
Entities whose shares have been owned or have been controlled by the Ministry of Finance	Thailand	Related through the major shareholder of the Bank, owning over 10% of the Bank's paid-up share capital
Phahonyothin Asset Management Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
TBCO Public Company Limited	Thailand	Subsidiary, liquidator is a representative of the Bank
TMBThanachart Broker Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Bank
TTB Consumer Company Limited	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
Thanachart Fund Management Co., Ltd.	Thailand	Associated, 49.9% shareholding, less than 50% of directors are representatives of the Bank
TMB Asset Management Co., Ltd.	Thailand	Associated, 35% shareholding, less than 50% of directors are representatives of the Bank

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

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

Significant related parties transactions for the six-month period ended 30 June 2022 and 2021 with key management and other related parties were as follows:

	Consolidated					
	Six-month period ended 30 June 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	52	6	-	-	-	5
2. Subsidiaries	-	-	-	-	-	-
3. Associates	-	1	649	1	-	-
4. Key management personnel of the Bank	1	3	-	-	-	-
5. Other related parties	371	93	616	-	162	229

	Consolidated					
	Six-month period ended 30 June 2021					
	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	85	16	-	-	1	22
2. Subsidiaries	-	-	-	-	-	-
3. Associates	-	-	1,169	-	5	-
4. Key management personnel of the Bank	1	3	-	-	-	-
5. Other related parties	577	149	335	-	116	526

	Bank only					
	Six-month period ended 30 June 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	52	6	-	-	-	5
2. Subsidiaries	-	5	56	93	64	-
3. Associates	-	1	649	1	153	-
4. Key management personnel of the Bank	1	3	-	-	-	-
5. Other related parties	371	93	497	-	134	229

	Bank only					
	Six-month period ended 30 June 2021					
	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	85	-	-	-	-	17
2. Subsidiaries	278	-	393	196	1,219	37
3. Associate	-	-	633	-	81	-
4. Key management personnel of the Bank	1	2	-	-	-	-
5. Other related parties	248	58	24	-	50	163

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During the six-month period ended 30 June 2022, the Bank did not sell non-performing loans to subsidiary. (During the six-month period ended 30 June 2021, the Bank sold written-off non-performing loans to a subsidiary at selling price of Baht 527 million, which presented as a deduction from "Expected credit loss" in the Bank only statement of profit or loss for the six-month period then ended).

34.2 Outstanding balances with related parties

As at 30 June 2022 and 31 December 2021, significant outstanding balances with related persons or parties were as follows:

34.2.1 Significant balances between the Bank and its subsidiaries and their major shareholders as at 30 June 2022 and 31 December 2021 were as follows:

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net				
Ministry of Finance	29,361	4,266	29,361	4,266
Deposits (including interbank and money market items - liabilities)				
ING Bank N.V.	7	4	7	4
Thanachart Capital Public Company Limited	4,577	1,353	4,577	1,353

34.2.2 Significant balances between the Bank and its subsidiaries and associates as at 30 June 2022 and 31 December 2021 were as follows:

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in million Baht)</i>			
Other assets				
TMBThanachart Broker Co., Ltd.	-	-	46	29
TTB Consumer Company Limited	-	-	2	-
TMB Asset Management Co., Ltd.	51	70	51	70
Thanachart Fund Management Co., Ltd.	44	-	44	-
Total	95	70	143	99
Deposits (including interbank and money market items - liabilities)				
TBCO Public Company Limited	-	-	327	352
TMBThanachart Broker Co., Ltd.	-	-	235	295
Phahonyothin Asset Management Co., Ltd.	-	-	4,004	4,239
TTB Consumer Company Limited	-	-	57	-
TMB Asset Management Co., Ltd.	92	63	92	63
Thanachart Fund Management Co., Ltd.	278	449	278	449
Total	370	512	4,993	5,398
Other liabilities				
TBCO Public Company Limited	-	-	-	1
Phahonyothin Asset Management Co., Ltd.	-	-	1	4
TTB Consumer Company Limited	-	-	36	-

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For the three-month period ended 30 June 2022 (Unaudited)

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in million Baht)</i>			
Commitments - Derivatives ⁽¹⁾				
TMB Asset Management Co., Ltd.	202	431	202	431
⁽¹⁾ Presented in notional amount				
Commitments – Guarantee of bond issuance				
Phahonyothin Asset Management Co., Ltd.	-	-	5,037	5,321

34.2.3 Significant balances between the Bank and its subsidiaries, and their key management personnel as at 30 June 2022 and 31 December 2021 were as follows:

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net	64	55	64	55
Deposits	555	507	555	507

34.2.4 Significant balances between the Bank and its subsidiaries, and other related parties as at 30 June 2022 and 31 December 2021 were as follows:

	Consolidated		Bank only	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in million Baht)</i>			
Interbank and money market items - assets and loans to customers and accrued interest receivables, net	36,165	33,973	36,161	33,970
Investments	1,969	2,069	1,969	2,069
Other assets	10	25	1	-
Deposits (including interbank and money market items - liabilities)	22,779	21,732	22,779	21,732
Debts issued and borrowings (including interbank and money market items - liabilities)	17,457	13,582	17,457	13,582
Other liabilities	15	26	6	1
Commitments - Derivatives ⁽¹⁾	111,181	88,523	111,181	88,523
⁽¹⁾ Presented in notional amount				
Other commitments	1,684	1,403	1,684	1,403

34.3 Senior management personnel compensation

For the six-month period ended 30 June 2022 and 2021, senior management personnel compensation, included in profit or loss, was classified as follows:

	Consolidated		Bank only	
<i>For the six-month period ended 30 June</i>	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Short-term employee benefits - directors	38	50	38	42
Short-term employee benefits - managements	612	427	587	414
Post-employment benefits	44	45	44	44
Total	694	522	669	500

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.

34.4 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 34.3 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 allowances, including utilities, telephone and home trip expenses in accordance with the established criteria.

35 Segment information

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

1. Commercial Banking

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

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

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

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

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

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Information about reportable segments:

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

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	3,078	7,736	1,600	-	12,414
Net non-interest income	1,132	2,022	459	(136)	3,477
Total operating income	4,210	9,758	2,059	(136)	15,891
Operating expenses	(715)	(2,821)	(3,643)	40	(7,139)
Profits from operation	3,495	6,937	(1,584)	(96)	8,752
Expected credit loss					(4,507)
Profit before income tax					4,245
Income tax					(807)
Profit for the period					3,438

*For the three-month period ended
30 June 2021*

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	3,130	9,580	409	(337)	12,782
Net non-interest income	1,403	1,534	3,682	(3,308)	3,311
Total operating income	4,533	11,114	4,091	(3,645)	16,093
Operating expenses	(258)	(1,421)	(6,599)	713	(7,565)
Profits from operation	4,275	9,693	(2,508)	(2,932)	8,528
Expected credit loss					(5,521)
Profit before income tax					3,007
Income tax					(472)
Profit for the period					2,535

*For the six-month period ended
30 June 2022*

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	6,080	15,429	3,319	(5)	24,823
Net non-interest income	2,240	4,046	622	(73)	6,835
Total operating income	8,320	19,475	3,941	(78)	31,658
Operating expenses	(1,421)	(5,524)	(7,217)	73	(14,089)
Profits from operation	6,899	13,951	(3,276)	(5)	17,569
Expected credit loss					(9,345)
Profit before income tax					8,224
Income tax					(1,591)
Profit for the period					6,633

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For the three-month period ended 30 June 2022 (Unaudited)

*For the six-month period ended
30 June 2021*

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	6,462	19,374	487	(668)	25,655
Net non-interest income	2,891	3,942	4,495	(3,768)	7,560
Total operating income	9,353	23,316	4,982	(4,436)	33,215
Operating expenses	(1,165)	(5,246)	(10,420)	1,081	(15,750)
Profits from operation	8,188	18,070	(5,438)	(3,355)	17,465
Expected credit loss					(11,022)
Profit before income tax					6,443
Income tax					(1,125)
Profit for the period					5,318

Reconciliation of reportable segment profit or loss

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

	Net interest income	Net non- interest income	Consolidated Operating expenses (in million Baht)	Expected credit loss
Segment reporting	12,414	3,477	(7,139)	(4,507)
Expected credit loss	-	-	(107)	107
Others	-	(2)	(16)	18
Consolidated financial statements	12,414	3,475	(7,262)	(4,382)

*For the three-month period ended
30 June 2021*

	Net interest income	Net non- interest income	Consolidated Operating expenses (in million Baht)	Expected credit loss
Segment reporting	12,782	3,311	(7,565)	(5,521)
Expected credit loss	-	-	(30)	30
Others	-	(2)	2	-
Consolidated financial statements	12,782	3,309	(7,593)	(5,491)

*For the six-month period ended
30 June 2022*

	Net interest income	Net non- interest income	Consolidated Operating expenses (in million Baht)	Expected credit loss
Segment reporting	24,823	6,835	(14,089)	(9,345)
Expected credit loss	-	-	(145)	145
Others	-	5	(15)	10
Consolidated financial statements	24,823	6,840	(14,249)	(9,190)

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For the three-month period ended 30 June 2022 (Unaudited)

*For the six-month period ended
30 June 2021*

	Net interest income	Net non- interest income	Consolidated Operating expenses	Expected credit loss
			(in million Baht)	
Segment reporting	25,655	7,560	(15,750)	(11,022)
Expected credit loss	-	-	(51)	51
Consolidated financial statements	25,655	7,560	(15,801)	(10,971)

	Commercial Banking	Retail Banking	Consolidated 30 June 2022 Other segments	Elimination	Total
			(in million Baht)		
Loan to customers	537,374	812,679	43,245	(690)	1,392,608
Deposits	375,124	1,024,447	-	(4,624)	1,394,947

	Commercial Banking	Retail Banking	Consolidated 31 December 2021 Other segments	Elimination	Total
			(in million Baht)		
Loan to customers	529,960	802,326	39,720	(702)	1,371,304
Deposits	367,072	976,657	-	(4,534)	1,339,195

36 Financial position and results of operations classified by domestic and foreign business

36.1 As at 30 June 2022 and 31 December 2021, the financial position classified by domestic and foreign business was as follows:

	30 June 2022			31 December 2021		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
						(in million Baht)
Total assets	1,821,923	40	1,821,963	1,757,806	364	1,758,170
Interbank and money market items, net (assets)	199,928	19	199,947	158,534	339	158,873
Financial assets measured at fair value through profit or loss	1,734	-	1,734	1,421	-	1,421
Investments, net	174,516	-	174,516	180,229	-	180,229
Investments in subsidiaries and associates, net	8,622	-	8,622	8,620	-	8,620
Loans to customers and accrued interest receivables, net	1,344,937	-	1,344,937	1,324,201	-	1,324,201
Deposits	1,394,947	-	1,394,947	1,339,195	-	1,339,195
Interbank and money market items (liabilities)	84,806	-	84,806	84,966	-	84,966
Debts issued and borrowings, net	54,830	14,118	68,948	55,031	13,367	68,398

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For the three-month period ended 30 June 2022 (Unaudited)

36.2 The results of operations classified by domestic and foreign business for the six-month period ended 30 June 2022 and 2021 were as follows:

For the six-month period ended 30 June	Consolidated					
	Domestic business	2022 Foreign business	Total	Domestic business	2021 Foreign business	Total
	<i>(in million Baht)</i>					
Interest income	31,562	-	31,562	32,414	-	32,414
Interest expenses	(6,408)	(331)	(6,739)	(6,335)	(424)	(6,759)
Net interest income (expenses)	25,154	(331)	24,823	26,079	(424)	25,655
Net fees and service income	5,107	-	5,107	5,797	-	5,797
Total other operating income	1,748	(15)	1,733	1,814	(51)	1,763
Total other operating expenses	(14,247)	(2)	(14,249)	(15,798)	(3)	(15,801)
Profit (loss) from operations before expected credit loss and income tax	17,762	(348)	17,414	17,892	(478)	17,414

37 Interest income

For the six-month period ended 30 June	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Interbank and money market items	571	601	571	751
Investments and trading transactions	13	33	13	22
Investments in debt securities	685	610	685	317
Loans to customers	18,942	20,064	18,919	13,820
Hire purchase and finance leases	11,350	11,104	11,350	-
Others	1	2	1	2
Total	31,562	32,414	31,539	14,912

38 Interest expenses

For the six-month period ended 30 June	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Deposits	3,744	3,669	3,748	2,403
Interbank and money market items	168	141	168	113
Contribution to Deposits Protection Agency and BoT	1,629	1,652	1,629	1,013
Debts issued				
- Debentures and subordinated debentures	1,036	935	1,017	935
- Others	134	335	134	335
Borrowings	13	18	13	18
Others	15	9	14	9
Total	6,739	6,759	6,723	4,826

39 Net fees and service income

For the six-month period ended 30 June	Consolidated		Bank only	
	2022	2021	2022	2021
	(in million Baht)			
Fees and service income				
- Acceptance, avals and guarantees	306	296	307	233
- ATM, Debit card, Credit card and other banking electronic	2,091	1,934	2,093	1,339
- Funds and Bancassurance	3,623	4,171	3,355	3,609
- Others	835	1,584	835	858
Total	6,855	7,985	6,590	6,039
Fees and service expenses				
- ATM, Debit card, Credit card and other banking electronic	(1,322)	(1,499)	(1,322)	(1,006)
- Others	(426)	(689)	(460)	(254)
Total	(1,748)	(2,188)	(1,782)	(1,260)
Net	5,107	5,797	4,808	4,779

40 Net gain (loss) on financial instruments measured at fair value through profit or loss

For the six-month period ended 30 June	Consolidated		Bank only	
	2022	2021	2022	2021
	(in million Baht)			
Gain (loss) on trading and foreign exchange transactions				
- Foreign currencies and foreign exchange derivatives	801	718	801	595
- Interest rates derivatives	77	16	77	9
- Debt securities	(67)	(19)	(67)	(14)
- Equity securities	48	4	48	4
- Others	-	1	-	-
Gain (loss) on financial instruments measured at FVTPL				
- Borrowings	3	(4)	3	(4)
Gain on hedge accounting	-	94	-	-
Total	862	810	862	590

41 Net gain on investments

Net gain on investments included in profit or loss for the six-month period ended 30 June 2022 and 2021 were as follows:

For the six-month period ended 30 June	Consolidated		Bank only	
	2022	2021	2022	2021
	(in million Baht)			
Gain on sales				
- Investment in debt instruments measured at FVOCI	12	107	6	142
Total	12	107	6	142

42 Expected credit loss

Expected credit loss for the six-month period ended 30 June 2022 and 2021 were as follows:

<i>For the six-month period ended 30 June</i>	Consolidated		Bank only	
	2022	2021	2022	2021
	<i>(in million Baht)</i>			
Interbank and money market items	17	(29)	17	(10)
Investment in debt instruments measured at FVOCI	(14)	346	(9)	9
Investments in debt securities measured at amortised costs	11	(1)	11	-
Loans to customers and accrued interest receivables	8,560	10,887	8,657	6,843
Loan commitments and financial guarantee contracts	616	(232)	616	(289)
Total	9,190	10,971	9,292	6,553

43 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the three-month and six-month periods ended 30 June 2022 and 2021 were based on the profit for the periods attributable to equity holders of the Bank and the number of ordinary shares outstanding during the periods as follows:

<i>For the three-month period ended 30 June</i>	Consolidated		Bank only	
	2022	2021	2022	2021
Profit for the periods attributable to equity holders of the Bank <i>(in million Baht)</i>	3,438	2,534	3,487	1,724
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	96,623	96,409	96,623	96,409
Basic earnings per share <i>(in Baht)</i>	0.0356	0.0263	0.0361	0.0179

<i>For the six-month period ended 30 June</i>	Consolidated		Bank only	
	2022	2021	2022	2021
Profit for the periods attributable to equity holders of the Bank <i>(in million Baht)</i>	6,633	5,316	6,579	2,239
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	96,623	96,409	96,623	96,409
Basic earnings per share <i>(in Baht)</i>	0.0687	0.0551	0.0681	0.0232

Diluted earnings per share

The calculations of diluted earnings per share for the three-month and six-month periods ended 30 June 2022 and 2021 were based on the profit for the periods attributable to equity holders of the Bank and the number of ordinary shares outstanding during the periods after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated		Bank only	
	2022	2021	2022	2021
For the three-month period ended 30 June				
Profit for the periods attributable to equity holders of the Bank <i>(in million Baht)</i>	<u>3,438</u>	<u>2,534</u>	<u>3,487</u>	<u>1,724</u>
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	96,623	96,409	96,623	96,409
Effect of dilutive potential ordinary shares from TTB TSRP 2019, TTB TSRP 2021 and TTB-W1 Warrants <i>(in million shares)</i>	<u>776</u>	<u>291</u>	<u>776</u>	<u>291</u>
Weighted average number of diluted ordinary shares outstanding <i>(in million shares)</i>	<u>97,399</u>	<u>96,700</u>	<u>97,399</u>	<u>96,700</u>
Diluted earnings per share <i>(in Baht)</i>	<u>0.0353</u>	<u>0.0262</u>	<u>0.0358</u>	<u>0.0178</u>
	Consolidated		Bank only	
	2022	2021	2022	2021
For the six-month period ended 30 June				
Profit for the periods attributable to equity holders of the Bank <i>(in million Baht)</i>	<u>6,633</u>	<u>5,316</u>	<u>6,579</u>	<u>2,239</u>
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	96,623	96,409	96,623	96,409
Effect of dilutive potential ordinary shares from TTB TSRP 2019, TTB TSRP 2021 and TTB-W1 Warrants <i>(in million shares)</i>	<u>507</u>	<u>221</u>	<u>507</u>	<u>221</u>
Weighted average number of diluted ordinary shares outstanding <i>(in million shares)</i>	<u>97,130</u>	<u>96,630</u>	<u>97,130</u>	<u>96,630</u>
Diluted earnings per share <i>(in Baht)</i>	<u>0.0683</u>	<u>0.0550</u>	<u>0.0677</u>	<u>0.0232</u>

44 **Reclassification of accounts**

Certain accounts in the 2021 financial statement, have been reclassified to conform to the presentation in the 2022 financial statements to better reflect the Bank's business. The reclassifications were as follows:

	Before reclassification	Consolidated	After reclassification
		Reclassification <i>(in million Baht)</i>	
Statements of financial position			
As at 31 December 2021			
Loans to customers and accrued interest receivables, net	1,325,212	(1,011)	1,324,201
Deferred revenue	20,175	(1,011)	19,164

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

For the six-month period ended 30 June 2022

For the three-month period ended 30 June 2022 (Unaudited)

	Before reclassification	Consolidated Reclassification (in million Baht)	After reclassification
Statements of profit or loss			
For the three-month period ended 30 June 2021			
Fees and service income	3,568	48	3,616
Fees and service expenses	1,370	(191)	1,179
Other operating income	339	(48)	291
Other operating expenses - Employee expenses	3,633	191	3,824
		<u>-</u>	
Statements of profit or loss			
For the six-month period ended 30 June 2021			
Fees and service income	7,889	96	7,985
Fees and service expenses	2,659	(471)	2,188
Other operating income	737	(96)	641
Other operating expenses - Employee expenses	8,097	471	8,568
		<u><u>-</u></u>	
Bank only			
	Before reclassification	Reclassification (in million Baht)	After reclassification
Statements of financial position			
As at 31 December 2021			
Loans to customers and accrued interest receivables, net	1,324,479	(1,011)	1,323,468
Deferred revenue	20,176	(1,011)	19,165
Statements of profit or loss			
For the three-month period ended 30 June 2021			
Fees and service expenses	812	(156)	656
Other operating expenses - Employee expenses	3,610	156	3,766
		<u>-</u>	
Statements of profit or loss			
For the six-month period ended 30 June 2021			
Fees and service expenses	1,570	(310)	1,260
Other operating expenses - Employee expenses	6,466	310	6,776
		<u><u>-</u></u>	

45 Events after the reporting period

On 7 July 2022, the Bank registered the increase of issued and paid-up share capital amounting to Baht 7 million from Baht 91,792 million to Baht 91,799 million by issuing 7 million ordinary shares at a par value of Baht 0.95 each to allocate the newly ordinary shares for the warrants (TTB-W1).

On 23 August 2022, the Board of Directors' Meeting of the Bank passed a resolution to approve interim dividend payment of Baht 0.02 per share to the ordinary shareholders, or a total of Baht 1,933 million.