

**TMBThanachart Bank Public Company Limited
and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)**

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 2021
and
Independent auditor's report
on review of interim financial information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of TMBThanachart Bank Public Company Limited
(Formerly TMB Bank Public Company Limited)

I have reviewed the accompanying consolidated and the Bank only statements of financial position of TMBThanachart Bank Public Company Limited and its subsidiaries (the "Group"), and of TMBThanachart Bank Public Company Limited (the "Bank") respectively, as at 30 September 2021; the consolidated and the Bank only statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2021, changes in equity and cash flows for the nine-month period ended 30 September 2021; and the condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting" and the regulations of the Bank of Thailand. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

I draw attention to Note 3 which describes the transfer of entire business from Thanachart Bank Public Company Limited to TMBThanachart Bank Public Company Limited on 3 July 2021. My conclusion is not modified in respect of this matter.

(Chanchai Sakulkoedsin)
Certified Public Accountant
Registration No. 6827

KPMG Phoomchai Audit Ltd.
Bangkok
11 November 2021

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Statements of financial position

		Consolidated		Bank only	
		30 September	31 December	30 September	31 December
Assets	Note	2021	2020	2021	2020
		(Unaudited)		(Unaudited)	
(in thousand Baht)					
Cash		14,708,834	21,942,541	14,708,769	12,836,147
Interbank and money market items, net	13.2	153,824,446	211,185,009	153,808,833	221,262,755
Financial assets measured at fair value through profit or loss	4	15,689,032	3,787,884	15,689,023	1,125,593
Derivative assets	4	14,089,974	11,959,166	14,089,974	10,012,947
Investments, net	4,6	159,923,657	134,350,737	159,923,657	73,322,721
Investments in subsidiaries and associates, net	7	8,772,231	8,599,132	73,633,327	158,851,759
Loans to customers and accrued interest receivables, net	4,8,9, 13.2	1,312,762,410	1,348,480,119	1,312,752,248	693,774,871
Properties for sale, net		5,589,156	6,037,212	5,589,156	3,150,007
Premises and equipment, net		22,276,316	24,038,714	22,210,071	13,755,268
Goodwill and other intangible assets, net		22,667,646	22,546,343	22,635,556	3,723,844
Deferred tax assets		142,702	1,980,185	-	2,818,086
Other assets, net	13.2	19,592,774	13,424,788	19,483,704	10,770,463
Total assets		1,750,039,178	1,808,331,830	1,814,524,318	1,205,404,461
Liabilities and equity					
Liabilities					
Deposits	4, 13.2	1,325,186,661	1,373,407,885	1,330,544,187	815,677,627
Interbank and money market items	13.2	73,307,962	75,908,760	73,423,182	51,148,970
Liabilities payable on demand		5,379,513	3,894,675	5,379,513	2,897,675
Financial liabilities designated at fair value through profit or loss	4	437,180	431,884	437,180	431,884
Derivative liabilities	4	12,959,351	9,267,833	12,959,351	8,144,190
Debts issued and borrowings	4,10, 13.2	82,829,811	88,964,851	77,429,811	88,959,693
Provisions for employee benefits		3,769,684	4,366,292	3,728,149	2,517,106
Provisions for other liabilities		2,414,480	2,820,668	2,413,846	1,444,693
Deferred tax liabilities		1,222,854	3,500,501	434,196	-
Deferred revenue		20,445,437	20,884,682	20,446,377	19,261,556
Other liabilities	13.2	14,196,274	20,134,074	82,761,933	11,468,558
Total liabilities		1,542,149,207	1,603,582,105	1,609,957,725	1,001,951,952

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

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Statements of financial position

		Consolidated		Bank only	
		30 September	31 December	30 September	31 December
Liabilities and equity	Note	2021	2020	2021	2020
		(Unaudited)		(Unaudited)	
(in thousand Baht)					
Equity					
Share capital					
Authorised share capital					
96,864,354,380 ordinary shares of Baht 0.95 each					
(31 December 2020: 106,223,552,373 ordinary shares					
of Baht 0.95 each)					
		92,021,137	100,912,375	92,021,137	100,912,375
Issued and paid-up share capital					
96,500,991,880 ordinary shares of Baht 0.95 each					
(31 December 2020: 96,409,416,880 ordinary shares					
of Baht 0.95 each)					
		91,675,942	91,588,946	91,675,942	91,588,946
Premium on share capital					
		43,321,048	43,321,601	43,321,048	43,321,601
Other reserves					
		5,171,771	5,797,791	6,120,318	5,761,304
Retained earnings					
Appropriated					
Legal reserve					
		10,091,000	10,091,000	10,091,000	10,091,000
Unappropriated					
		57,612,657	53,913,289	53,358,285	52,689,658
Equity attributable to equity holders of the Bank		207,872,418	204,712,627	204,566,593	203,452,509
Non-controlling interest		17,553	37,098	-	-
Total equity		207,889,971	204,749,725	204,566,593	203,452,509
Total liabilities and equity		1,750,039,178	1,808,331,830	1,814,524,318	1,205,404,461

Mr. Piti Tantakasem
Chief Executive Officer

Mr. Praisun Wongsmith
Chairman of the Audit Committee

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

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Statements of profit or loss and other comprehensive income (Unaudited)

	Consolidated		Bank only	
	Three-month period ended		Three-month period ended	
	30 September		30 September	
Note	2021	2020	2021	2020
	<i>(in thousand Baht)</i>			
Interest income	15,835,727	17,475,132	15,662,203	7,500,718
Interest expenses	3,259,174	4,247,825	3,364,531	2,501,901
Net interest income	12,576,553	13,227,307	12,297,672	4,998,817
Fees and service income	3,497,793	3,788,519	3,406,102	2,800,288
Fees and service expenses	1,240,392	1,156,001	1,210,087	616,552
Net fees and service income	2,257,401	2,632,518	2,196,015	2,183,736
Gains on financial instruments measured				
at fair value through profit or loss	259,891	253,922	257,815	205,997
Gains (losses) on investments, net	79,345	(325,876)	48,754	4,818
Share of profit from investment using equity method	95,783	77,803	-	-
Other operating income	393,570	346,089	695,115	454,371
Total operating income	15,662,543	16,211,763	15,495,371	7,847,739
Other operating expenses				
Employee expenses	3,649,928	3,877,514	3,601,715	2,054,696
Directors' remuneration	12,859	28,985	10,224	25,295
Premises and equipment expenses	1,331,774	1,521,176	1,322,852	903,981
Taxes and duties	403,466	423,189	398,431	280,399
Others	1,869,558	1,578,128	1,848,579	887,218
Total other operating expenses	7,267,585	7,428,992	7,181,801	4,151,589
Expected credit loss	5,526,533	6,862,854	5,334,707	3,531,338
Profit from operations before income tax	2,868,425	1,919,917	2,978,863	164,812
Income tax	508,774	300,573	518,335	(33,218)
Profit for the period	2,359,651	1,619,344	2,460,528	198,030
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Gains (losses) on investments in debt instruments				
at fair value through other comprehensive income	(602,543)	221,333	(575,687)	(92,053)
Gains on cash flow hedges	52,677	19,423	52,145	39,967
Income tax relating to items that will be reclassified				
subsequently to profit or loss	109,973	(48,151)	104,708	10,417
	(439,893)	192,605	(418,834)	(41,669)

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

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Statements of profit or loss and other comprehensive income (Unaudited)

		Consolidated		Bank only	
		Three-month period ended		Three-month period ended	
		30 September		30 September	
	Note	2021	2020	2021	2020
		(in thousand Baht)			
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Change in revaluation surplus on assets		(5,404)	(24,044)	(5,404)	(24,044)
Losses on investments in equity instruments					
designated at fair value through other comprehensive income		(18,192)	(122,800)	(17,253)	(335)
Actuarial gains on post-employment benefit plan		24,708	7,804	24,708	7,804
Income tax relating to items that will not be reclassified					
subsequently to profit or loss		(220)	27,808	(410)	3,315
		<u>892</u>	<u>(111,232)</u>	<u>1,641</u>	<u>(13,260)</u>
Total other comprehensive income for the period,					
net of income tax		<u>(439,001)</u>	<u>81,373</u>	<u>(417,193)</u>	<u>(54,929)</u>
Total comprehensive income for the period		<u><u>1,920,650</u></u>	<u><u>1,700,717</u></u>	<u><u>2,043,335</u></u>	<u><u>143,101</u></u>
Profit attributable to:					
Equity holders of the Bank		2,358,649	1,618,900	2,460,528	198,030
Non-controlling interest		<u>1,002</u>	<u>444</u>	<u>-</u>	<u>-</u>
Profit for the period		<u><u>2,359,651</u></u>	<u><u>1,619,344</u></u>	<u><u>2,460,528</u></u>	<u><u>198,030</u></u>
Total comprehensive income attributable to:					
Equity holders of the Bank		1,919,652	1,700,241	2,043,335	143,101
Non-controlling interest		<u>998</u>	<u>476</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u><u>1,920,650</u></u>	<u><u>1,700,717</u></u>	<u><u>2,043,335</u></u>	<u><u>143,101</u></u>
Earnings per share	15				
Basic earnings per share (in Baht)		<u>0.0245</u>	<u>0.0168</u>	<u>0.0255</u>	<u>0.0021</u>
Diluted earnings per share (in Baht)		<u>0.0244</u>	<u>0.0168</u>	<u>0.0254</u>	<u>0.0021</u>

Mr. Piti Tantakasem
Chief Executive Officer

Mr. Praisun Wongsmith
Chairman of the Audit Committee

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

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Statements of profit or loss and other comprehensive income (Unaudited)

	Note	Consolidated		Bank only	
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
		2021	2020	2021	2020
		<i>(in thousand Baht)</i>			
Interest income	13.1	48,249,508	55,076,048	30,573,915	23,949,127
Interest expenses	13.1	10,018,497	14,789,731	8,190,473	7,840,641
Net interest income		38,231,011	40,286,317	22,383,442	16,108,486
Fees and service income	13.1	11,387,220	11,602,928	9,445,418	7,156,749
Fees and service expenses	13.1	3,899,424	3,997,946	2,780,587	1,959,862
Net fees and service income		7,487,796	7,604,982	6,664,831	5,196,887
Gains on financial instruments measured at fair value through profit or loss		1,069,635	1,143,923	848,292	854,185
Gains on investments, net		186,834	456,974	190,517	371,045
Share of profit from investment using equity method		300,794	296,461	-	-
Other operating income	13.1	1,129,897	1,186,784	4,785,680	21,488,345
Total operating income		48,405,967	50,975,441	34,872,762	44,018,948
Other operating expenses					
Employee expenses	13.3, 13.4	11,746,869	12,644,366	10,067,068	6,198,699
Directors' remuneration	13.3	62,492	52,927	52,597	43,911
Premises and equipment expenses		4,129,876	4,631,412	3,019,872	2,686,487
Taxes and duties		1,202,091	1,315,883	951,254	847,248
Others	13.1	5,456,124	4,891,581	3,883,498	2,688,652
Total other operating expenses		22,597,452	23,536,169	17,974,289	12,464,997
Expected credit loss		16,497,277	16,594,785	11,887,328	8,521,031
Profit from operations before income tax		9,311,238	10,844,487	5,011,145	23,032,920
Income tax		1,633,915	1,965,207	311,894	392,225
Profit for the period		7,677,323	8,879,280	4,699,251	22,640,695
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on investments in debt instruments at fair value through other comprehensive income		(741,177)	41,756	(758,943)	27,943
Gains (losses) on cash flow hedges		(75,195)	49,533	98,941	24,123
Gains arising from translating the financial statements of foreign operations		20,292	-	20,292	-
Income tax relating to items that will be reclassified subsequently to profit or loss		159,216	(18,258)	127,942	(10,413)
		(636,864)	73,031	(511,768)	41,653

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

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Statements of profit or loss and other comprehensive income

	Consolidated		Bank only	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
Note	2021	2020	2021	2020
	(in thousand Baht)			
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Change in revaluation surplus on assets	(34,386)	(114,324)	(34,386)	(114,324)
Gains (losses) on investments in equity instruments				
designated at fair value through other comprehensive income	134,401	(227,700)	38,454	31,662
Actuarial gains (losses) on post-employment benefit plan	193,688	(71,677)	189,812	(24,923)
Income tax relating to items that will not be reclassified				
subsequently to profit or loss	(58,742)	82,740	(38,776)	21,517
	<u>234,961</u>	<u>(330,961)</u>	<u>155,104</u>	<u>(86,068)</u>
Total other comprehensive income for the period,				
net of income tax	<u>(401,903)</u>	<u>(257,930)</u>	<u>(356,664)</u>	<u>(44,415)</u>
Total comprehensive income for the period	<u>7,275,420</u>	<u>8,621,350</u>	<u>4,342,587</u>	<u>22,596,280</u>
Profit attributable to:				
Equity holders of the Bank	7,674,712	8,877,299	4,699,251	22,640,695
Non-controlling interest	<u>2,611</u>	<u>1,981</u>	<u>-</u>	<u>-</u>
Profit for the period	<u>7,677,323</u>	<u>8,879,280</u>	<u>4,699,251</u>	<u>22,640,695</u>
Total comprehensive income attributable to:				
Equity holders of the Bank	7,272,819	8,619,420	4,342,587	22,596,280
Non-controlling interest	<u>2,601</u>	<u>1,930</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>7,275,420</u>	<u>8,621,350</u>	<u>4,342,587</u>	<u>22,596,280</u>
Earnings per share	15			
Basic earnings per share (in Baht)		<u>0.0796</u>	<u>0.0921</u>	<u>0.0487</u>
Diluted earnings per share (in Baht)		<u>0.0794</u>	<u>0.0920</u>	<u>0.0486</u>

Mr. Piti Tantakasem
Chief Executive Officer

Mr. Praisun Wongsmith
Chairman of the Audit Committee

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

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Statements of changes in equity (Unaudited)

		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														
Nine-month period ended 30 September 2020														
	Balance at 1 January 2020 - restated	91,541,387	43,217,044	-	5,754,014	492,697	(28,567)	(13,675)	6,204,469	3,360,000	50,714,666	195,037,566	34,521	195,072,087
Transactions with owners, recorded directly in equity														
Contributions by and distribution to owners of the bank														
	Price adjustment from merger	-	105,072	-	-	-	-	-	-	-	-	105,072	-	105,072
	Expenses in relation to share-based payments	-	-	98,151	-	-	-	-	98,151	-	-	98,151	-	98,151
	Issued ordinary shares to employees	47,559	-	(47,559)	-	-	-	-	(47,559)	-	-	-	-	-
	Expenses in relation to issuance of ordinary shares to employees	-	(515)	-	-	-	-	-	-	-	-	(515)	-	(515)
16	Dividend paid	-	-	-	-	-	-	-	-	-	(968,418)	(968,418)	-	(968,418)
	Total contributions by and distribution to owners of the bank	47,559	104,557	50,592	-	-	-	-	50,592	-	(968,418)	(765,710)	-	(765,710)
Change in ownership interests in subsidiary														
	Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-	-	(118)	(118)
	Total change in ownership interests in subsidiary	-	-	-	-	-	-	-	-	-	-	-	(118)	(118)
Comprehensive income for the period														
	Profit for the period	-	-	-	-	-	-	-	-	-	8,877,299	8,877,299	1,981	8,879,280
	Other comprehensive income	-	-	-	(91,460)	(148,708)	39,621	-	(200,547)	-	(57,332)	(257,879)	(51)	(257,930)
	Total comprehensive income for the period	-	-	-	(91,460)	(148,708)	39,621	-	(200,547)	-	8,819,967	8,619,420	1,930	8,621,350
	Transfer to legal reserve	-	-	-	-	-	-	-	-	6,731,000	(6,731,000)	-	-	-
	Transfer to retained earnings	-	-	-	(89,157)	-	-	-	(89,157)	-	89,157	-	-	-
	Balance as at 30 September 2020	91,588,946	43,321,601	50,592	5,573,397	343,989	11,054	(13,675)	5,965,357	10,091,000	51,924,372	202,891,276	36,333	202,927,609
Nine-month period ended 30 September 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														
17.2	Expenses in relation to share-based payments	-	-	225,846	-	-	-	-	225,846	-	-	225,846	-	225,846
17.2	Issued ordinary shares to employees	86,996	-	(86,996)	-	-	-	-	(86,996)	-	-	-	-	-
17.2	Expenses in relation to issuance of ordinary shares to employees	-	(553)	-	-	-	-	-	-	-	-	(553)	-	(553)
16	Dividend paid	-	-	-	-	-	-	-	-	-	(4,338,321)	(4,338,321)	-	(4,338,321)
	Total contributions by and distribution to owners of the bank	86,996	(553)	138,850	-	-	-	-	138,850	-	(4,338,321)	(4,113,028)	-	(4,113,028)
Change in ownership interests in subsidiary														
	Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	-	-	(22,146)	(22,146)
	Total change in ownership interests in subsidiary	-	-	-	-	-	-	-	-	-	-	-	(22,146)	(22,146)
Comprehensive income for the period														
	Profit for the period	-	-	-	-	-	-	-	-	-	7,674,712	7,674,712	2,611	7,677,323
	Other comprehensive income	-	-	-	(27,510)	(485,444)	(60,122)	16,234	(556,842)	-	154,949	(401,893)	(10)	(401,903)
	Total comprehensive income for the period	-	-	-	(27,510)	(485,444)	(60,122)	16,234	(556,842)	-	7,829,661	7,272,819	2,601	7,275,420
	Transfer to retained earnings	-	-	-	(127,681)	(80,347)	-	-	(208,028)	-	208,028	-	-	-
	Balance as at 30 September 2021	91,675,942	43,321,048	208,413	5,214,317	(131,486)	(105,391)	(14,082)	5,171,771	10,091,000	57,612,657	207,872,418	17,553	207,889,971

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

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Statements of changes in equity (Unaudited)

		Bank only								Retained earnings		
		Other reserves										

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

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Statements of cash flows (Unaudited)

	Consolidated		Bank only	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2021	2020	2021	2020
	(in thousand Baht)			
<i>Cash flows from operating activities</i>				
Profit from operations before income tax	9,311,238	10,844,487	5,011,145	23,032,920
<i>Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities</i>				
Depreciation and amortisation	3,644,101	3,477,088	2,428,608	1,751,543
Expected credit loss	16,497,277	16,594,785	11,887,328	8,521,031
Impairment loss on premises and equipment	15,477	17,201	15,477	17,201
Impairment loss on properties for sale and other assets (reversal of)	291,033	(103,483)	218,609	56,945
Reversal of Impairment loss on intangible assets	-	(30,365)	-	-
Provisions for liabilities	426,844	423,886	509,157	336,534
Losses (gains) on revaluation of investments measured at FVTPL	49,788	(7,413)	41,669	6,899
Impairment losses on investment	-	-	89,800,000	-
Losses (gains) on disposal of intangible assets	87,345	9,716	(21)	-
Losses (gains) on disposal of premises and equipment	30,916	24,999	(41,273)	(12,492)
Gains on disposal of investments	(186,834)	(456,974)	(190,517)	(371,045)
Unrealised losses on exchange	5,083,600	788,095	4,640,602	963,286
Expenses in relation to share-based payments	225,846	98,151	225,846	98,151
Share of profit from investments using the equity method	(300,794)	(296,461)	-	-
Deferred revenue	(1,971,319)	(1,881,232)	(1,971,319)	(1,235,236)
Net interest income	(38,231,011)	(40,286,317)	(22,383,442)	(16,108,486)
Dividend income	(86,113)	(83,538)	(92,708,962)	(20,716,212)
Interest received	45,636,736	47,640,189	27,463,029	17,732,433
Interest paid	(7,638,047)	(15,978,916)	(4,966,626)	(5,990,517)
Income tax paid	(2,061,077)	(8,225,836)	(406,595)	(2,029,433)
Profit from operations before changes in operating assets and liabilities	30,825,006	12,568,062	19,572,715	6,053,522
<i>Decrease (increase) operating assets</i>				
Interbank and money market items	57,393,242	3,893,717	76,946,492	(114,553,814)
Financial assets measured at fair value through profit or loss	(11,950,937)	(12,838,845)	(14,376,540)	(6,721,447)
Loans to customers	17,829,433	12,216,921	(6,520,445)	(5,225,360)
Properties for sale	4,272,538	3,744,264	234,909	(858,886)
Other assets	(5,149,169)	481,688	(5,496,832)	(607,505)
<i>Increase (decrease) in operating liabilities</i>				
Deposits	(48,221,224)	8,361,391	57,540,077	133,543,956
Interbank and money market items	(2,528,288)	(14,665,310)	(96,472,075)	(26,749,338)
Liabilities payable on demand	1,484,838	972,112	1,099,832	890,881
Provisions for liabilities	(1,873,801)	(1,745,080)	(56,579)	(463,020)
Other accrued expenses	(215,576)	113,486	849,258	(1,225,062)
Other liabilities	(5,949,715)	(1,496,500)	(4,025,801)	342,997
Net cash provided by (used in) operating activities	35,916,347	11,605,906	29,295,011	(15,573,076)

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

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Statements of cash flows (Unaudited)

	Consolidated		Bank only	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2021	2020	2021	2020
	(in thousand Baht)			
Cash flows from investing activities				
Interest received	751,286	1,690,455	402,085	744,858
Dividend received	213,808	796,007	92,708,962	20,714,007
Cash paid for the entire business transfer	-	-	(92,597,955)	-
Purchase of investments measured at FVOCI	(458,331,277)	(515,619,093)	(410,507,159)	(449,038,141)
Proceeds from investments measured at FVOCI	432,411,444	517,977,072	406,277,594	429,981,239
Purchase of investments in subsidiaries	-	(859,445)	(273,125)	(859,445)
Purchase of premises and equipment	(877,741)	(1,096,554)	(762,287)	(957,976)
Purchase of intangible assets	(1,642,445)	(1,197,631)	(1,610,572)	(1,024,526)
Proceeds from disposals of premises and equipment	111,176	1,012,609	107,307	1,014,069
Net cash provided by (used in) investing activities	(27,363,749)	2,703,420	(6,255,150)	574,085
Cash flows from financing activities				
Proceeds from long-term borrowings	-	12,741	-	12,741
Repayment of long-term borrowings	(8,640)	(5,828)	(8,640)	(5,828)
Interest paid on long-term debts issued and borrowings	(1,351,971)	(1,829,152)	(1,351,971)	(1,666,848)
Cash receipts on debenture issued	5,400,000	14,945,198	-	14,945,198
Cash paid for redemption of debenture	(15,488,046)	(31,500,000)	(15,488,046)	-
Increase in issued and fully paid-up - ordinary shares	-	105,072	-	105,072
Expenses in relation to issuance of ordinary shares to employees	(553)	(515)	(553)	(515)
Dividend paid to equity holders of the Bank	(4,357,387)	(968,418)	(4,338,321)	(963,575)
Net cash provided by (used in) financing activities	(15,806,597)	(19,240,902)	(21,187,531)	12,426,245
Change in translation adjustments of foreign operations	20,292	-	20,292	-
Net increase (decrease) in cash	(7,233,707)	(4,931,576)	1,872,622	(2,572,746)
Cash at 1 January	21,942,541	23,852,593	12,836,147	13,426,535
Cash at 30 September	14,708,834	18,921,017	14,708,769	10,853,789

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

TMBThanachart Bank Public Company Limited and its Subsidiaries

(Formerly TMB Bank Public Company Limited and its Subsidiaries)

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

Note	Contents
1	General information
2	Basis of preparation of the interim financial statements
3	Entire Business Transfer
4	Fair value of financial assets and financial liabilities
5	Maintenance of capital fund
6	Investments, net
7	Investments in subsidiaries and associates, net
8	Loans to customers and accrued interest receivables, net
9	Allowance for expected credit loss
10	Debts issued and borrowings
11	Assets pledged as collateral and under restriction
12	Commitments and contingent liabilities
13	Related parties
14	Segment information
15	Earnings per share
16	Appropriation of profit and dividend payment
17	Share-based payments - TMBThanachart Stock Retention Program
18	Significant agreement
19	Impact of COVID-19
20	Events after the reporting period

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

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Audit Committee on 11 November 2021.

1 General information

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

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

The principal business of the Bank is operating commercial banking businesses. The subsidiaries are incorporated as company under Thai laws and have been operating in Thailand, with its core business being commercial banking and provision of asset management. Details of the Bank’s subsidiaries and associates as at 30 September 2021 and 31 December 2020 are given in note 7.

The Bank changed its name from “TMB Bank Public Company Limited” to “TMBThanachart Bank Public Company Limited” with registration to the Department of Business Development, Ministry of Commerce on 6 May 2021.

2 Basis of preparation of the interim financial statements

(a) *Statement of compliance*

The condensed interim financial statements are presented in the same format as the annual financial statements together with notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (“TAS”) No. 34 “Interim Financial Reporting”; guidelines promulgated by the Federation of Accounting Professions 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 including the following BoT circular:

- BoT. ForNorSor. (23) Wor. 276/2563 dated 28 February 2020, regarding “Debt relief programs for debtors affected by situations having adverse impacts to Thai economy” which details are given in note 19.

The interim financial statements do not include all of the financial information required for annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank and its subsidiaries for the year ended 31 December 2020 and for the six-month period ended 30 June 2021.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2021 which have no material impact on the financial statements.

In addition, the Bank and its subsidiaries have not early adopted a number of revised TFRS, which are not yet effective for the current period in preparing these interim financial statements. Revised TFRS, which are relevant to the Bank and its subsidiaries operations and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2022 is Interest Rate Benchmark Reform – Phase 2 (amendments to TFRS 9, TFRS 7, TFRS 4 and TFRS 16) ("the Phase 2 amendments"). Management is currently considering the potential impact of adopting and initially applying the Phase 2 amendments on the consolidated and the Bank only financial statements.

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Bank and its subsidiaries' accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2020.

3 Entire Business Transfer

On 3 July 2021 ("business transfer date"), Thanachart Bank Public Company Limited ("TBANK") completed the transfer of its entire business ("the Business") to the Bank. The transaction is considered as business combination under common control. The Business consists of all business undertaking under Thanachart Bank's umbrella, including commercial banking business and retail banking business, all asset and liabilities, and rights and obligations as of the transferring date. The total price of the Business is determined of Baht 161,412 million. During the period, the bank made a payment of baht 92,598 million to TBANK. The remaining payment of Baht 68,814 million will be made within December 2021.

The major classes of the carrying amount of assets acquired and liabilities assumed and surplus on business combination under common control recognised at the transferring date are summarised as follows:

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

	Amount (Million Baht)
Investments, net	82,717
Loans to customers and accrued interest receivables, net	622,249
Other assets	47,934
Deposits	(457,319)
Interbank and money market items (liability)	(118,746)
Other liabilities	(14,538)
Total net assets	162,297
Surplus on business combination under common control	(885)
Consideration transferred	161,412

4 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 September 2021 and 31 December 2020. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Level 1	Consolidated Fair value Level 2 (in million Baht)	Level 3	Total
At 30 September 2021					
Financial assets					
Financial assets measured at FVTPL	15,689	-	15,311	378	15,689
Derivative assets					
Foreign exchange rate	11,262	-	11,262	-	11,262
Interest rate	2,828	-	2,828	-	2,828
Total	14,090	-	14,090	-	14,090
Investments, net					
Investments in debt instruments measured at FVOCI	159,092	-	158,462	630	159,092
Investments in equity instruments designated at FVOCI	832	-	-	832	832
Total	159,924	-	158,462	1,462	159,924
Loans to customers and accrued interest receivables, net	1,312,762	-	932,934	382,981	1,315,915
Total financial assets	1,502,465	-	1,120,797	384,821	1,505,618

TMBThanachart Bank Public Company Limited and its Subsidiaries

(Formerly TMB Bank Public Company Limited and its Subsidiaries)

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

	Carrying amount	Level 1	Consolidated Fair value Level 2 Level 3 (in million Baht)		Total
<i>Financial liabilities</i>					
Deposits	1,325,187	-	1,325,117	-	1,325,117
Financial liabilities designated at FVTPL	437	-	437	-	437
<i>Derivative liabilities</i>					
Foreign exchange rate	10,072	-	10,072	-	10,072
Interest rate	2,887	-	2,887	-	2,887
Total	12,959	-	12,959	-	12,959
Debts issued and borrowings	82,830	-	85,442	-	85,442
Total financial liabilities	1,421,413	-	1,423,955	-	1,423,955

	Carrying amount	Level 1	Consolidated Fair value Level 2 Level 3 (in million Baht)		Total
<i>At 31 December 2020</i>					
<i>Financial assets</i>					
Financial assets measured at FVTPL	3,788	-	3,414	374	3,788
<i>Derivative assets</i>					
Foreign exchange rate	7,402	-	7,402	-	7,402
Interest rate	4,557	-	4,557	-	4,557
Total	11,959	-	11,959	-	11,959
<i>Investments, net</i>					
Investments in debt instruments measured at AMC	621	-	677	-	677
Investments in debt instruments measured at FVOCI	132,213	-	130,650	1,563	132,213
Investments in equity instruments designated at FVOCI	1,517	910	-	607	1,517
Total	134,351	910	131,327	2,170	134,407
Loans to customers and accrued interest receivables, net	1,348,480	-	953,346	397,845	1,351,191
Total financial assets	1,498,578	910	1,100,046	400,389	1,501,345

<i>Financial liabilities</i>					
Deposits	1,373,408	-	1,373,493	-	1,373,493
Financial liabilities designated at FVTPL	432	-	432	-	432
<i>Derivative liabilities</i>					
Foreign exchange rate	4,859	-	4,859	-	4,859
Interest rate	4,409	-	4,409	-	4,409
Total	9,268	-	9,268	-	9,268
Debts issued and borrowings	88,965	-	90,940	-	90,940
Total financial liabilities	1,472,073	-	1,474,133	-	1,474,133

TMBThanachart Bank Public Company Limited and its Subsidiaries

(Formerly TMB Bank Public Company Limited and its Subsidiaries)

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

	Carrying amount	Level 1	Bank only Fair value Level 2 (in million Baht)	Level 3	Total
At 30 September 2021					
Financial assets					
Financial assets measured at FVTPL	15,689	-	15,311	378	15,689
Derivative assets					
Foreign exchange rate	11,262	-	11,262	-	11,262
Interest rate	2,828	-	2,828	-	2,828
Total	14,090	-	14,090	-	14,090
Investments, net					
Investments in debt instruments measured at FVOCI	159,092	-	158,462	630	159,092
Investments in equity instruments designated at FVOCI	832	-	-	832	832
Total	159,924	-	158,462	1,462	159,924
Loans to customers and accrued interest receivables, net	1,312,752	-	932,924	382,981	1,315,905
Total financial assets	1,502,455	-	1,120,787	384,821	1,505,608
Financial liabilities					
Deposits	1,330,544	-	1,330,475	-	1,330,475
Financial liabilities designated at FVTPL	437	-	437	-	437
Derivative liabilities					
Foreign exchange rate	10,072	-	10,072	-	10,072
Interest rate	2,887	-	2,887	-	2,887
Total	12,959	-	12,959	-	12,959
Debt issued and borrowings	77,430	-	80,043	-	80,043
Total financial liabilities	1,421,370	-	1,423,914	-	1,423,914
At 31 December 2020					
Financial assets					
Financial assets measured at FVTPL	1,126	-	979	147	1,126
Derivative assets					
Foreign exchange rate	6,118	-	6,118	-	6,118
Interest rate	3,895	-	3,895	-	3,895
Total	10,013	-	10,013	-	10,013
Investments, net					
Investments in debt instruments measured at FVOCI	72,864	-	72,864	-	72,864
Investments in equity instruments designated at FVOCI	459	-	-	459	459
Total	73,323	-	72,864	459	73,323
Loans to customers and accrued interest receivables, net	693,775	-	693,775	-	693,775
Total financial assets	778,237	-	777,631	606	778,237

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

	Carrying amount	Level 1	Bank only Fair value Level 2 (in million Baht)	Level 3	Total
<i>Financial liabilities</i>					
Deposits	815,678	-	815,693	-	815,693
Financial liabilities designated at FVTPL	432	-	432	-	432
<i>Derivative liabilities</i>					
Foreign exchange rate	4,436	-	4,436	-	4,436
Interest rate	3,708	-	3,708	-	3,708
Total	8,144	-	8,144	-	8,144
Debt issued and borrowings	88,960	-	90,935	-	90,935
Total financial liabilities	913,214	-	915,204	-	915,204

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

- 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 such as the market approach, cost approach or income approach, as well as book value or adjusted book value.

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

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

- 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 counter party 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 Level 1 and Level 2 of the fair value hierarchy during the nine-month period ended 30 September 2021 and during the year ended 31 December 2020.

5 Maintenance of capital fund

The Bank and its subsidiaries maintain its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. The Bank and its subsidiaries are required to calculate its Capital Fund in accordance with Basel III. As at 30 September 2021 and 31 December 2020, the consolidated supervision and the Bank only's total capital funds could be categorised as follows:

	Consolidated supervision	
	30 September 2021	31 December 2020
	<i>(in million Baht)</i>	
<i>Tier 1 Capital</i>		
Common Equity Tier 1 Capital (CET1)		
Paid-up share capital	91,676	91,589
Share premium	43,321	43,322
Legal reserve	10,091	10,091
Net profits after appropriation	49,585	47,819
Other comprehensive income	4,581	4,903
Transactions under subsidiary and associated companies only for non-controlling interest and outside the scope that is countable as Common Equity Tier 1 Capital of consolidated financial institutions	-	14
Capital adjustment items on CET1	(34)	(65)
Capital deduction items on CET1	(22,828)	(25,949)
Total Common Equity Tier 1 Capital	176,392	171,724
Addition Tier 1 Capital		
Subordinated debentures classified as additional Tier 1 Capital	12,089	12,089
Transactions under subsidiary and associated companies only for non-controlling interest and outside the scope that is countable as Tier 1 of financial instruments of consolidated financial institutions	-	2
Total Tier 1 Capital	188,481	183,815
<i>Tier 2 Capital</i>		
General provision	13,570	13,612
Subordinated debentures classified as additional Tier 2 Capital	35,430	35,430
Transactions under subsidiary and associated companies only for non-controlling interest and outside the scope that is countable as Tier 2 of consolidated financial institutions	-	3
Total Tier 2 Capital	49,000	49,045
Total Capital Fund	237,481	232,860
Total Risk-Weighted Assets	1,207,731	1,188,683

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

	The BoT's regulatory minimum requirement *	30 September 2021 (%)	31 December 2020
Capital Adequacy Ratio/Total Risk-Weighted Asset	11.0	19.66	19.59
Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.5	15.61	15.46
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	7.0	14.61	14.45

* Includes capital conservation buffer as required by the BoT commencing 1 January 2016.

	Bank only	
	30 September 2021	31 December 2020
	(in million Baht)	
<i>Tier 1 capital</i>		
Common Equity Tier 1 capital (CET1)		
Paid-up share capital	91,676	91,589
Share premium	43,321	43,322
Legal reserve	10,091	10,091
Net profits after appropriation	48,351	45,914
Other comprehensive income	4,644	5,293
Other transaction from changes in equity	885	-
Capital adjustment items on CET1	(33)	(65)
Capital deduction items on CET1	(23,459)	(7,965)
Total Common Equity Tier 1 Capital	175,476	188,179
Addition Tier 1 Capital		
Subordinated debentures classified as additional Tier 1 Capital	12,089	12,089
Total Tier 1 Capital	187,565	200,268
<i>Tier 2 capital</i>		
General provision	13,570	8,146
Subordinated debentures classified as additional Tier 2 Capital	35,430	35,430
Total Tier 2 Capital	49,000	43,576
Total Capital funds	236,565	243,844
Total Risk-Weighted Assets	1,169,117	833,315

	The BoT's regulatory minimum requirement *	30 September 2021 (%)	31 December 2020
Capital Adequacy Ratio/Total Risk-Weighted Asset	11.0	20.23	29.26
Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.5	16.04	24.03
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	7.0	15.01	22.58

* Includes capital conservation buffer as required by the BoT commencing 1 January 2016.

As at 30 September 2021 and 31 December 2020, the Bank and its subsidiaries have no add-on arising from Single Lending Limit.

Disclosures of capital maintenance information under 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/ir/capital_funds/basel3
Disclosure period requirement	Within 4 months after the period end date as indicated in the BOT notification
Lasted information as of	30 June 2021

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.

6 Investments, net

6.1 Classified by type of investments

	Consolidated	
	30 September 2021	31 December 2020
	(in million Baht)	
<i>Investments in debt securities measured at amortised cost</i>		
Private debt securities	-	622
Total	-	622
Less allowance for expected credit loss	-	(1)
Net	-	621
<i>Investments in debt securities measured at FVOCI</i>		
Government and state enterprise securities	133,862	108,268
Private debt securities	11,197	11,976
Foreign debt securities	14,033	11,900
Others	-	69
Total	159,092	132,213
Allowance for expected credit loss	(2,629)	(1,767)
<i>Investments in equity securities designated measured at FVOCI</i>		
Marketable equity securities - domestic	-	910
Non-marketable equity securities - domestic	826	603
Non-marketable equity securities - overseas	6	4
Total	832	1,517
Total investments, net	159,924	134,351

	Bank only	
	30 September 2021	31 December 2020
	(in million Baht)	
<i>Investments in debt securities measured at FVOCI</i>		
Government and state enterprise securities	133,862	64,221
Private debt securities	11,197	5,901
Foreign debt securities	14,033	2,673
Others	-	69
Total	159,092	72,864
 Allowances for expected credit loss	 (2,629)	 (83)
 <i>Investments in equity securities designated measured at FVOCI</i>		
Non-marketable equity securities - domestic	826	456
Non-marketable equity securities - overseas	6	3
Total	832	459
 Total investments - net	 159,924	 73,323

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 nine-month period ended 30 September 2021 in the amount of Baht 130 million (*Bank only*: Baht 50 million).

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

As at 30 September 2021 and 31 December 2020, 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. Those investments were summarised below.

	Consolidated		Bank only	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	(in million Baht)			
Property development and construction	4	4	4	4
Public utilities and services	126	101	126	101
Mutual funds and financial services	265	199	265	198
Others	3	3	3	3
Total investments	398	307	398	306

Interest in unconsolidated structured entity arising in the normal business

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

As at 30 September 2021 and 31 December 2020, the Bank and its subsidiaries did not have significant risks and transactions relating to structured entities to disclose in the financial statements.

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

As at 30 September 2021 and 31 December 2020, 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				Consolidated			
	30 September 2021				31 December 2020			
	No. of com- panies	Cost value	Fair value (in million Baht)	Allowance for expected credit loss	No. of com- panies	Cost value	Fair value (in million Baht)	Allowance for expected credit loss
- Listed companies under delisting conditions / defaulted debt securities	2	13	-	-	1	12	-	-
- Companies whose ability to continues as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET	11	3,843	630	2,520	11	3,854	1,563	1,597
Total	13	3,856	630	2,520	12	3,866	1,563	1,597

	Bank only				Bank only			
	30 September 2021				31 December 2020			
	No. of com- panies	Cost value	Fair value (in million Baht)	Allowance for expected credit loss	No. of com- panies	Cost value	Fair value (in million Baht)	Allowance for expected credit loss
- Listed companies under delisting conditions / defaulted debt securities	2	13	-	-	1	12	-	-
- Companies whose ability to continues as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET	11	3,843	630	2,520	10	693	-	-
Total	13	3,856	630	2,520	11	705	-	-

During the nine-month period ended 30 September 2021, there are contract modification of investments measured at fair value through other comprehensive income amounting to Baht 630 million.

TMBThanachart Bank Public Company Limited and its Subsidiaries

(Formerly TMB Bank Public Company Limited and its Subsidiaries)

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

7 Investments in subsidiaries and associates, net

Companies	Type of Business	Consolidated												Bank only				Dividend income for the nine-month period ended	
		Percentage of ownership interest		Paid-up capital		Equity		Allowance for impairment losses		At Equity, net		Cost		Allowance for impairment losses		At cost, net			
		30	31	30	31	30	31	30	31	30	31	30	31	30	31	30	31	30	30
		September 2021	December 2020	September 2021	December 2020	September 2021	December 2020	September 2021	December 2020	September 2021	December 2020	September 2021	December 2020	September 2021	December 2020	September 2021	December 2020	September 2021	September 2020
		(%)				(in million Baht)													
Subsidiaries																			
Phahonyothin Asset Management Co., Ltd.	Asset management business	100.00	100.00	50	25	-	-	-	-	-	-	298	25	-	-	298	25	-	-
Thanachart Bank PCL ⁽²⁾	Commercial bank	99.98	99.98	60,649	60,649	-	-	-	-	-	-	167,930	167,930	(99,100)	(9,300)	68,830	158,630	92,576	20,249
TMBThanachart Broker Co., Ltd. (Formerly Thanachart Broker Co., Ltd.) ⁽³⁾	Insurance broker business	99.99	99.99	100	100	-	-	-	-	-	-	116	-	-	-	116	-	-	-
Associates																			
TMB Asset Management Co., Ltd. ⁽¹⁾	Fund management business	35.00	35.00	100	100	4,550	4,487	-	-	4,550	4,487	197	197	-	-	197	197	81	434
Thanachart Fund Management Co., Ltd. ^(1,3)	Fund management business	49.90	49.90	100	100	4,222	4,112	-	-	4,222	4,112	4,192	-	-	-	4,192	-	-	-
Total						8,772	8,599	-	-	8,772	8,599	172,733	168,152	(99,100)	(9,300)	73,633	158,852	92,657	20,683

(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 Bank recorded interim dividend income amounting to Baht 92,576 million (2020: Baht 20,249 million) and the investment in subsidiary has been written down by Baht 89,800 million as the subsidiary's dissolution plan. The net amount of Baht 2,776 million was presented in other operating income.

(3) Indirect held subsidiary or associate as of 31 December 2020.

8 Loans to customers and accrued interest receivables, net

8.1 Classified by loan type

	Consolidated		Bank only	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	<i>(in million Baht)</i>			
Overdrafts	101,351	112,862	101,351	91,511
Loans	670,152	657,615	670,122	441,128
Bills	195,998	216,044	195,998	187,188
Hire purchase receivables	390,685	404,855	390,685	-
Finance lease receivables	1,054	1,268	1,054	-
Others	213	281	213	135
Total loans to customers	1,359,453	1,392,925	1,359,423	719,962
Add accrued interest receivables and undue interest income*	7,232	7,522	7,232	5,144
Total loans to customers and accrued interest receivables	1,366,685	1,400,447	1,366,655	725,106
Less allowances for expected credit loss	(53,923)	(51,967)	(53,903)	(31,331)
Total loans to customers and accrued interest receivables - net	1,312,762	1,348,480	1,312,752	693,775

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

8.2 Classified by stage

	Consolidated		Bank only	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables*				
Stage 1 (Performing)	1,201,825	1,237,638	1,201,824	642,301
Stage 2 (Under-performing)	120,010	122,135	120,010	60,347
Stage 3 (Non-performing)	44,850	40,674	44,821	22,458
Total	1,366,685	1,400,447	1,366,655	725,106

* Total loans to customers and accrued interest receivables in note 8.1

TMBThanachart Bank Public Company Limited and its Subsidiaries

(Formerly TMB Bank Public Company Limited and its Subsidiaries)

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

8.3 Non-performing loans

As at 30 September 2021 and 31 December 2020, the Bank and its subsidiaries' NPLs (including interbank and money market items) were summarised as follows:

	30 September 2021			
	TMBThanachart Bank Public Company Limited	Phahonyothin Asset Management Co., Ltd.	Elimination	Consolidated
NPLs (principal)				
NPLs (in million Baht)	44,382	763	(734)	44,411
Total loans (in million Baht)	1,490,165	763	(734)	1,490,194
Percentage of NPLs (%)	2.98	100		2.98

	31 December 2020				
	TMB Bank Public Company Limited	Phahonyothin Asset Management Co., Ltd.	Thanachart Bank Public Company Limited	Elimination	Consolidated
NPLs (principal)					
NPLs (in million Baht)	22,005	29	17,559	-	39,593
Total loans (in million Baht)	923,021	29	713,846	(56,000)	1,580,896
Percentage of NPLs (%)	2.38	100.00	2.46		2.50

For the nine-month period ended 30 September 2021 and 2020, the Bank and its subsidiaries sold non-performing loans, with principal totalling approximately Baht 3,066 million and Baht 9,600 million, respectively (Bank only: approximately Baht 3,066 million and Baht 9,017 million, respectively), to asset management companies. The selling price in excess of the carrying amount of those non-performing loans was presented as a deduction from "Expected credit loss" in the statement of profit or loss and other comprehensive income for the nine-month period ended 30 September 2021 and 2020, respectively.

8.4 Modified loans to customers

During the nine-month period ended 30 September 2021 and 2020, the Bank and its subsidiaries have loans to customers that were modified while they had a loss allowance measured at an amount equal to lifetime ECL as follows:

	Consolidated	
<i>Nine-month period ended 30 September</i>	2021	2020
	<i>(in million Baht)</i>	
Loans to customers modified during the period*		
Amortised cost before modification	6,729	11,831
Net modification loss	148	295

	Bank only	
<i>Nine-month period ended 30 September</i>	2021	2020
	<i>(in million Baht)</i>	
Loans to customers modified during the period*		
Amortised cost before modification	5,813	7,700
Net modification loss	152	278

* This excluded loans to customers modified under relief program as mentioned in note 19. There is no modification gain (loss) on these groups of customers.

	Consolidated	
<i>Nine-month period ended 30 September</i>	2021	2020
	<i>(in million Baht)</i>	
Loans to customers modified since initial recognition		
Gross carrying amount of loans to customers previously modified for which loss allowance has changed during the period from lifetime ECL to an amount equal to 12-month ECL	618	214

	Bank only	
<i>Nine-month period ended 30 September</i>	2021	2020
	<i>(in million Baht)</i>	
Loans to customers modified since initial recognition		
Gross carrying amount of loans to customers previously modified for which loss allowance has changed during the period from lifetime ECL to an amount equal to 12-month ECL	353	-

8.5 Loans to customers having problems with financial position and operating results

As at 30 September 2021 and 31 December 2020, the Bank and its subsidiaries had loans and accrued interest receivables due from listed companies having problems with their financial position and operating results, and set aside either allowance for expected credit loss as follows:

	Consolidated and Bank only							
	30 September 2021				31 December 2020			
	Number of debtors	Loans and accrued interest receivables	Collateral	Allowance for expected credit loss <i>(in million Baht)</i>	Number of debtors	Loans and accrued interest receivables	Collateral	Allowance for expected credit loss <i>(in million Baht)</i>
Listed companies under delisting conditions in SET	-	-	-	-	1	3	-	1

8.6 Hire purchase and finance lease receivables

	Consolidated and Bank only 30 September 2021			Total
	Portion due within one year	Portion due after one year but within five years <i>(in million Baht)</i>	Portion due after five years	
Hire purchase receivables	114,723	301,124	32,750	448,597
Finance lease receivables	467	658	-	1,125
Total gross investment under hire purchase contracts	115,190	301,782	32,750	449,722
Less unearned interest income	(20,483)	(35,930)	(1,570)	(57,983)
Present value of minimum lease payment receivables	94,707	265,852	31,180	391,739
Less allowance for expected credit loss				(11,912)
Lease receivables, net				379,827

	Consolidated 31 December 2020			Total
	Portion due within one year	Portion due after one year but within five years <i>(in million Baht)</i>	Portion due after five years	
Hire purchase receivables	117,372	311,698	37,530	466,600
Finance lease receivables	489	871	-	1,360
Total gross investment under hire purchase contracts	117,861	312,569	37,530	467,960
Less unearned interest income	(20,718)	(39,158)	(1,961)	(61,837)
Present value of minimum lease payment receivables	97,143	273,411	35,569	406,123
Less allowance for expected credit loss				(10,989)
Lease receivables, net				395,134

9 Allowance for expected credit loss

The allowance for expected credit loss as at 30 September 2021 and 31 December 2020 were as follows:

Consolidated				
30 September 2021				
		Lifetime	Lifetime	
		ECL,	ECL,	
	12-Month	not credit	credit	
	ECL	impaired	impaired	Total
<i>(in million Baht)</i>				
Interbank and money market items	47	-	-	47
Investments	59	-	2,570	2,629
Loans to customers and accrued interest receivables	12,450	21,711	19,762	53,923
Other financial assets	35	110	392	537
Loan commitments and financial guarantee	800	386	287	1,473

Consolidated				
31 December 2020				
		Lifetime	Lifetime	
		ECL,	ECL,	
	12-Month	not credit	credit	
	ECL	impaired	impaired	Total
<i>(in million Baht)</i>				
Interbank and money market items	80	2	-	82
Investments	54	5	1,708	1,767
Loans to customers and accrued interest receivables	11,126	21,617	19,224	51,967
Other financial assets	16	116	326	458
Loan commitments and financial guarantee	858	493	255	1,606

TMBThanachart Bank Public Company Limited and its Subsidiaries

(Formerly TMB Bank Public Company Limited and its Subsidiaries)

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

Bank only				
30 September 2021				
		Lifetime	Lifetime	
		ECL,	ECL,	
	12-Month	not credit	credit	
	ECL	impaired	impaired	Total
<i>(in million Baht)</i>				
Interbank and money market items	47	-	-	47
Investments	59	-	2,570	2,629
Loans to customers and accrued interest receivables	12,450	21,711	19,742	53,903
Other financial assets	35	110	392	537
Loan commitments and financial guarantee	800	386	287	1,473

Bank only				
31 December 2020				
		Lifetime	Lifetime	
		ECL,	ECL,	
	12-Month	not credit	credit	
	ECL	impaired	impaired	Total
<i>(in million Baht)</i>				
Interbank and money market items	57	-	-	57
Investments	33	-	50	83
Loans to customers and accrued interest receivables	4,904	14,495	11,932	31,331
Other financial assets	13	101	305	419
Loan commitments and financial guarantee	555	491	246	1,292

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

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

	Consolidated	Bank only
	<i>(in million Baht)</i>	
<i>Nine-month period ended 30 September 2021</i>		
Beginning balance	51,967	31,331
Acquisition through Entire Business Transfer	-	20,867
Changes from stage reclassification	12,314	8,130
Changes from remeasurement of ECL	4,649	5,105
Originated during the period	1,339	533
Derecognition during the period	(3,545)	(2,894)
Write-off	(12,801)	(9,169)
Ending balance	53,923	53,903

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

	Consolidated	Bank only
	<i>(in million Baht)</i>	
<i>For the year ended 31 December 2020</i>		
Beginning balance	44,423	24,641
Changes from stage reclassification	12,109	6,958
Changes from remeasurement of ECL	10,597	6,501
Originated during the year	3,160	800
Derecognition during the year	(4,150)	(2,940)
Write-off	(14,172)	(4,629)
Ending balance-restated	51,967	31,331

TMBThanachart Bank Public Company Limited and its Subsidiaries

(Formerly TMB Bank Public Company Limited and its Subsidiaries)

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

10 Debts issued and borrowings

Consolidated								
	Interest rates as at		30 September 2021			31 December 2020		
	30 September 2021	Maturities	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	13,569	48,999	35,430	12,099	47,529
Senior debentures	3.108, 6mLibor+1.05 and 0.22-0.85	2021 - 2025	5,400	28,331	33,731	-	41,331	41,331
Bills of exchange ⁽³⁾	2.15 and	At call and						
and promissory notes	0.05 – 2.50	2012	10	-	10	10	-	10
Other borrowings	0.00 - 0.75	2021 - 2031	21	69	90	27	68	95
Total			40,861	41,969	82,830	35,467	53,498	88,965

Bank only								
	Interest rates as at		30 September 2021			31 December 2020		
	30 September 2021	Maturities	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	13,569	48,999	35,430	12,099	47,529
Senior debentures	3.108, 6mLibor+1.05 and 0.22-0.85	2021 - 2025	-	28,331	28,331	-	41,331	41,331
Bills of exchange ⁽³⁾	2.15 and	At call and						
and promissory notes	0.05 – 2.50	2012	10	-	10	5	-	5
Other borrowings	0.00 – 0.75	2021 - 2031	21	69	90	27	68	95
Total			35,461	41,969	77,430	35,462	53,498	88,960

⁽¹⁾ Counted as a part of Tier 2 capital, which is determined under the conditions as specified in the BoT's Notification (*note 5*)

⁽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.

10.1 Subordinated debentures

On 11 May 2020, TBANK early redeemed its entire Subordinated Debenture No.1/2558, amounting to Baht 7,000 million. Such early redemption has already been approved by the Bank of Thailand.

10.2 Senior debentures

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. Such senior debentures were entirely redeemed during the nine-month period ended 30 September 2021 due to maturity.

On 27 August 2021, A subsidiary issued unsecured 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.
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.
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.

11 Assets pledged as collateral and under restriction

Assets pledged as collateral and under restriction as at 30 September 2021 and 31 December 2020 were as follows:

	Consolidated		Bank only	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	<i>(in million Baht)</i>			
Interbank and money market items				
- Placed at insurance registrar	-	1	-	-
Investments in securities				
- Investments used to guarantee electricity usage	-	5	-	-
- Placed at court	-	2	-	-
- Pledged as collateral against repurchase transactions	35,588	16,058	35,588	16,058
Property foreclosed under restriction	70	35	70	-
Total	35,658	16,101	35,658	16,058

12 Commitments and contingent liabilities

12.1 Commitments

	Consolidated		Bank only	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	<i>(in million Baht)</i>			
Avals to bills	331	240	331	159
Guarantees of loans/bond	5,461	2,382	5,461	38
Liability under unmatured import bills	3,644	1,935	3,644	1,878
Letters of credit	16,159	13,358	16,159	13,042
Other commitments				
- Other guarantees	90,136	63,324	90,136	63,324
- Amount of unused bank overdrafts	120,025	105,942	120,025	86,104
- Committed line	11,576	42,892	11,576	78,239
- Others ⁽¹⁾	5,709	29,236	5,709	17,029
Total	253,041	259,309	253,041	259,813

⁽¹⁾ As at 30 September 2021, this included the financial assets accepted as collateral that had been sold or pledged amounting to Baht 4,827 million (31 December 2020: 15,924 million). The Bank is obliged to return those securities in equivalent amount.

As at 30 September 2021 and 31 December 2020, the Bank and its subsidiaries had no commitments from providing other guarantees to listed companies, which meet criteria for delisting conditions from the Stock Exchange of Thailand.

As at 30 September 2021 and 31 December 2020, the Bank and its subsidiaries had purchase and sales of investment in debt securities with net sales amounting to Baht 1,359 million and net purchase amounting to Baht 551 million respectively (*Bank only: net sales amounting to Baht 1,359 million and net purchase amounting to Baht 551 million, respectively*), for which the settlement was not due at the reporting date.

12.2 Litigation

- (a) As at 30 September 2021 and 31 December 2020, the Bank and its subsidiaries were claimed pursuant to obligations under the letters of guarantee and other claims for 127 cases and 120 cases, respectively (*Bank only: claims for 127 cases and 45 cases, respectively*). The said claims were made against the Bank and its subsidiaries for the approximate liability amounts of Baht 2,821 million ⁽¹⁾ and Baht 3,010 million ⁽¹⁾, respectively (*Bank only: Baht 2,821 million ⁽¹⁾ and Baht 89 million ⁽¹⁾, respectively*).
- (b) As at 30 September 2021 and 31 December 2020, the Bank and its subsidiaries have recognised provisions for possible losses from the litigation cases totalling Baht 854 million and Baht 738 million, respectively (*Bank only: Baht 854 million and Baht 16 million, respectively*). The management considers that the provision established for such potential losses due to the said litigation cases is adequate.

⁽¹⁾ Excluding the liabilities of the Bank and its subsidiaries as at 30 September 2021 and 31 December 2020 of Baht 82 million and Baht 1,090 million, respectively (*Bank only: Baht 82 million and Baht 994 million, respectively*), which the Court of First Instance and the Appeals Court dismissed the cases.

13 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. Associate
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 holds over 10% of paid-up share capital (excluding subsidiaries and associate)

The additional information on investments in subsidiaries and associate is disclosed in note 7.

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 PCL	Thailand	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
Entities whose shares have been owned or have been controlled by the Ministry of Finance	Thailand	Related through the major shareholder of the Bank, owning over 10% of the Bank's paid-up share capital

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

Name of entity/Personnel	Country of incorporation/ Nationality	Nature of relationship
Phahonyothin Asset Management Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
Thanachart Bank PCL	Thailand	Subsidiary, 99.98% shareholding, more than 50% of directors are representatives of the Bank (transferred entire business to the Bank on 3 July 2021) as disclosed in note to financial statement 3
TMBThanachart Broker Co., Ltd. (Formerly Thanachart Broker Co., Ltd.)	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Bank (before 3 July 2021, subsidiary, 99.99% shareholding)
Thanachart Fund Management Co., Ltd.	Thailand	Associated, 49.9% shareholding, less than 50% of directors are representatives of the Bank (before 3 July 2021, Subsidiary, 49.9% shareholding, less than 50% of directors are representatives of Subsidiary)
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 associate 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

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

Significant related parties transactions for the nine-month period ended 30 September 2021 and 2020 with key management and other related parties were as follows:

	Consolidated					
	Nine-month period ended 30 September 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	104	12	1	-	1	20
2. Subsidiaries	-	-	-	-	-	-
3. Associate	-	-	1,608	-	86	-
4. Key management personnel of the Bank	2	4	-	-	-	-
5. Other related parties	588	157	951	-	106	500

	Consolidated					
	Nine-month period ended 30 September 2020					
	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	-	24	-	-	9	42
2. Subsidiaries	-	-	-	-	-	-
3. Associate	-	-	830	-	-	-
4. Key management personnel of the Bank	1	8	-	-	-	-
5. Other related parties	2,158	973	1,457	-	209	1,046

TMBThanachart Bank Public Company Limited and its Subsidiaries

(Formerly TMB Bank Public Company Limited and its Subsidiaries)

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

	Bank only					
	Nine-month period ended 30 September 2021					
			Fees and	Fees and	Other	Other
	Interest	Interest	service	service	operating	operating
	income	expenses	income	expenses	income	expenses
	<i>(in million Baht)</i>					
1. Major shareholders	104	2	1	-	-	17
2. Subsidiaries	283	135	405	172	93,886	37
3. Associate	-	-	1,072	-	81	-
4. Key management personnel						
of the Bank	1	4	-	-	-	-
5. Other related parties	378	100	707	-	50	274

	Bank only					
	Nine-month period ended 30 September 2020					
			Fees and	Fees and	Other	Other
	Interest	Interest	service	service	operating	operating
	income	expenses	income	expenses	income	expenses
	<i>(in million Baht)</i>					
1. Major shareholders	-	-	-	-	-	25
2. Subsidiaries	144	68	640	-	20,608	9
3. Associate	-	-	830	-	434	-
4. Key management personnel						
of the Bank	1	3	-	-	-	-
5. Other related parties	365	188	8	-	33	161

During the nine-month period ended 30 September 2021, the Bank sold written-off non-performing loans to a subsidiary at selling price of Baht 763 million which presented as a deduction from “Expected credit loss” in the Bank only statement of profit or loss for the nine-month period ended 30 September 2021.

13.2 Outstanding balances with related parties

As at 30 September 2021 and 31 December 2020, significant outstanding balances with related persons or parties were as follows:

13.2.1 Significant balances between the Bank and its subsidiaries and their major shareholders as at 30 September 2021 and 31 December 2020 were as follows:

	Consolidated		Bank only	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	<i>(in million Baht)</i>			
Loans to customers and accrued				
Interest receivables, net				
Ministry of Finance	10,006	39,030	10,006	39,030
Other assets				
Ministry of Finance	-	1	-	-
Thanachart Capital PCL	-	2	-	-
Deposits (including interbank and money market items – liabilities)				
ING Bank N.V.	4	4	4	4
Thanachart Capital PCL	2,605	177	2,605	-
Other liabilities				
Thanachart Capital PCL	2	-	2	-
Commitments – Derivatives ⁽¹⁾				
ING Bank N.V.	5,088	4,506	5,088	4,506

⁽¹⁾ Presented in notional amount

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

13.2.2 Significant balances between the Bank and its subsidiaries and associate as at 30 September 2021 and 31 December 2020 were as follows:

	Consolidated		Bank only	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net (including interbank and money market items – assets)				
Thanachart Bank Public Company Limited	-	-	-	56,000
Other assets				
Thanachart Bank Public Company Limited	-	-	28	412
TMBThanachart Broker Co., Ltd. (Formerly Thanachart Broker Co., Ltd.)	-	-	12	-
Phahonyothin Asset Management Co., Ltd.	-	-	23	-
TMB Asset Management Co., Ltd.	101	125	101	125
Thanachart Asset Management Co., Ltd.	70	127	70	-
Total	171	252	234	537
Interbank and money market items – assets				
Thanachart Bank Public Company Limited	-	-	-	1,241
Deposits (including interbank and money market items – liabilities)				
Thanachart Bank Public Company Limited	-	-	115	304
TMBThanachart Broker Co., Ltd. (Formerly Thanachart Broker Co., Ltd.)	-	-	355	7
Phahonyothin Asset Management Co., Ltd.	-	-	5,003	31
TMB Asset Management Co., Ltd.	417	155	417	155
Thanachart Asset Management Co., Ltd.	825	524	825	419
Total	1,242	679	6,715	916
Other liabilities				
Thanachart Bank Public Company Limited	-	-	68,828	217
Phahonyothin Asset Management Co., Ltd.	-	-	8	-
Commitments – Derivatives ⁽¹⁾				
Thanachart Bank Public Company Limited	-	-	-	1,085
TMB Asset Management Co., Ltd.	277	297	277	297
⁽¹⁾ Presented in notional amount				
Commitments – Guarantee of bond issuance				
Phahonyothin Asset Management Co., Ltd.	5,415	-	5,415	-

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

13.2.3 Significant balances between the Bank and its subsidiaries, and their key management personnel as at 30 September 2021 and 31 December 2020 were as follows:

	Consolidated		Bank only	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net	47	91	47	31
Deposits	543	692	543	418
Other liabilities	1	-	1	-

13.2.4 Significant balances between the Bank and its subsidiaries, and other related parties as at 30 September 2021 and 31 December 2020 were as follows:

	Consolidated		Bank only	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	<i>(in million Baht)</i>			
Interbank and money market items - assets and loans to customers and accrued interest receivables, net	29,550	73,794	29,540	24,192
Other assets	17	79	-	-
Deposits (including interbank and money market items - liabilities)	24,903	34,670	24,903	9,865
Debts issued and borrowings (including interbank and money market items - liabilities)	13,100	9,741	13,100	9,741
Other liabilities	40	83	31	2
Commitments - Derivatives ⁽¹⁾	74,460	57,006	74,460	57,006
⁽¹⁾ Presented in notional amount				
Other commitments	1,673	2,284	1,673	1,957

13.3 Senior management personnel compensation

For the nine-month period ended 30 September 2021 and 2020, senior management personnel compensation, included in profit or loss, was classified as follows:

	Consolidated		Bank only	
<i>For the nine-month period ended</i>	2021	2020	2021	2020
	<i>(in million Baht)</i>			
Short-term employee benefits - directors	62	51	53	42
Short-term employee benefits - management	595	782	575	710
Post-employment benefits	67	63	66	62
Share-based payments	69	36	69	36
Total	793	932	763	850

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.

13.4 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 13.3 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.

14 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.

In the second quarter of 2020, there were certain customers transferring from Small Enterprise to Retail banking in accordance with Bank’s business direction.

The inter-segment transfer pricing policy is to set prices with reference to market rates. Direct operating expenses are recorded as expenses for each operating segment and certain expenses are allocated to each operating segments based on relevant variables e.g. number of transactions, asset based and liabilities based, etc.

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

TMBThanachart Bank Public Company Limited and its Subsidiaries

(Formerly TMB Bank Public Company Limited and its Subsidiaries)

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

Information about reportable segments:

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

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	2,880	7,324	1,574	798	12,576
Net non-interest income	4,510	2,433	507	(4,361)	3,089
Total operating income	7,390	9,757	2,081	(3,563)	15,665
Operating expenses	(1,322)	(4,911)	(1,239)	234	(7,238)
Profits from operation	6,068	4,846	842	(3,329)	8,427
Allowance for expected credit loss					(5,558)
Profit before income tax					2,869
Income tax					(509)
Profit for the period					2,360

*For the three-month period ended
30 September 2020*

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	3,419	9,878	(70)	-	13,227
Net non-interest income	873	2,157	(46)	-	2,984
Total operating income	4,292	12,035	(116)	-	16,211
Operating expenses	(1,313)	(5,104)	(989)	-	(7,406)
Profits from operation	2,979	6,931	(1,105)	-	8,805
Allowance for expected credit loss					(6,885)
Profit before income tax					1,920
Income tax					(301)
Profit for the period					1,619

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

For the nine-month period ended
30 September 2021

	Commercial	Retail	Consolidated Other		
	Banking	Banking	segments	Elimination	Total
			<i>(in million Baht)</i>		
Net interest income	9,342	26,698	2,061	130	38,231
Net non-interest income	7,401	5,904	5,001	(8,129)	10,177
Total operating income	16,743	32,602	7,062	(7,999)	48,408
Operating expenses	(2,487)	(9,686)	(11,659)	1,315	(22,517)
Profits from operation	14,256	22,916	(4,597)	(6,684)	25,891
Allowance for expected credit loss					(16,580)
Profit before income tax					9,311
Income tax					(1,634)
Profit for the period					7,677

For the nine-month period ended
30 September 2020

	Commercial	Retail	Consolidated Other		
	Banking	Banking	segments	Elimination	Total
			<i>(in million Baht)</i>		
Net interest income	11,435	28,213	638	-	40,286
Net non-interest income	3,015	6,745	938	-	10,698
Total operating income	14,450	34,958	1,576	-	50,984
Operating expenses	(3,218)	(14,654)	(5,533)	-	(23,405)
Profits from operation	11,232	20,304	(3,957)	-	27,579
Allowance for expected credit loss					(16,735)
Profit before income tax					10,844
Income tax					(1,965)
Profit for the period					8,879

TMBThanachart Bank Public Company Limited and its Subsidiaries

(Formerly TMB Bank Public Company Limited and its Subsidiaries)

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

Reconciliation of reportable segment profit or loss

For the three-month period ended

30 September 2021

	Net interest income	Consolidated Net non- interest income (in million Baht)	Operating expenses	Expected credit loss
Segment reporting	12,576	3,089	(7,238)	(5,558)
Expected credit loss	-	-	(32)	32
Others	-	(2)	2	-
Consolidated financial statements	<u>12,576</u>	<u>3,087</u>	<u>(7,268)</u>	<u>(5,526)</u>

For the three-month period ended

30 September 2020

	Net interest income	Consolidated Net non- interest income (in million Baht)	Operating expenses	Expected credit loss
Segment reporting	13,227	2,984	(7,406)	(6,885)
Expected credit loss	-	-	(22)	22
Others	-	1	(1)	-
Consolidated financial statements	<u>13,227</u>	<u>2,985</u>	<u>(7,429)</u>	<u>(6,863)</u>

For the nine-month period ended

30 September 2021

	Net interest income	Consolidated Net non- interest income (in million Baht)	Operating expenses	Expected credit loss
Segment reporting	38,231	10,177	(22,517)	(16,580)
Expected credit loss	-	-	(83)	83
Others	-	(2)	2	-
Consolidated financial statements	<u>38,231</u>	<u>10,175</u>	<u>(22,598)</u>	<u>(16,497)</u>

For the nine-month period ended

30 September 2020

	Net interest income	Consolidated Net non- interest income (in million Baht)	Operating expenses	Expected credit loss
Segment reporting	40,286	10,698	(23,405)	(16,735)
Expected credit loss	-	-	(140)	140
Others	-	(9)	9	-
Consolidated financial statements	<u>40,286</u>	<u>10,689</u>	<u>(23,536)</u>	<u>(16,595)</u>

	Consolidated 30 September 2021			
	Commercial Banking	Retail Banking	Other segments	Elimination
	(in million Baht)			
Loan to customers	<u>524,191</u>	<u>793,729</u>	<u>42,267</u>	<u>(734)</u>
Deposits	<u>358,866</u>	<u>971,679</u>	<u>-</u>	<u>(5,358)</u>
				<u>1,359,453</u>
				<u>1,325,187</u>

TMBThanachart Bank Public Company Limited and its Subsidiaries

(Formerly TMB Bank Public Company Limited and its Subsidiaries)

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

	Commercial Banking	Retail Banking	Consolidated 31 December 2020 Other segments (in million Baht)	Elimination	Total
Loan to customers	524,476	838,624	24,814	5,011	1,392,925
Deposits	195,494	1,178,140	-	(226)	1,373,408

15 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2021 and 2020 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:

	Consolidated		Bank only	
<i>For the three-month period ended 30 September</i>	2021	2020	2021	2020
Profit for the periods attributable to equity holders of the Bank (in million Baht)	2,359	1,619	2,461	198
Weighted average number of ordinary shares outstanding (in million shares)	96,419	96,366	96,419	96,366
Basic earnings per share (in Baht)	0.0245	0.0168	0.0255	0.0021
	Consolidated		Bank only	
<i>For the nine-month period ended 30 September</i>	2021	2020	2021	2020
Profit for the periods attributable to equity holders of the Bank (in million Baht)	7,675	8,877	4,699	22,641
Weighted average number of ordinary shares outstanding (in million shares)	96,413	96,362	96,413	96,362
Basic earnings per share (in Baht)	0.0796	0.0921	0.0487	0.2350

Diluted earnings per share

The calculations of diluted earnings per share for the three-month and nine-month periods ended 30 September 2021 and 2020 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	
<i>For the three-month period ended 30 September</i>	2021	2020	2021	2020
Profit for the periods attributable to equity holders of the Bank <i>(in million Baht)</i>	<u>2,359</u>	<u>1,619</u>	<u>2,461</u>	<u>198</u>
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	96,419	96,366	96,419	96,366
Effect of dilutive potential ordinary shares from TTB TSRP 2020 and TTB TSRP 2021 <i>(in million shares)</i>	<u>433</u>	<u>191</u>	<u>433</u>	<u>191</u>
Weighted average number of diluted ordinary shares outstanding <i>(in million shares)</i>	<u>96,852</u>	<u>96,557</u>	<u>96,852</u>	<u>96,557</u>
Diluted earnings per share <i>(in Baht)</i>	<u>0.0244</u>	<u>0.0168</u>	<u>0.0254</u>	<u>0.0021</u>
	Consolidated		Bank only	
<i>For the nine-month period ended 30 September</i>	2021	2020	2021	2020
Profit for the periods attributable to equity holders of the Bank <i>(in million Baht)</i>	<u>7,675</u>	<u>8,877</u>	<u>4,699</u>	<u>22,641</u>
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	96,413	96,362	96,413	96,362
Effect of dilutive potential ordinary shares from TTB TSRP 2020 and TTB TSRP 2021 <i>(in million shares)</i>	<u>291</u>	<u>173</u>	<u>291</u>	<u>173</u>
Weighted average number of diluted ordinary shares outstanding <i>(in million shares)</i>	<u>96,704</u>	<u>96,535</u>	<u>96,704</u>	<u>96,535</u>
Diluted earnings per share <i>(in Baht)</i>	<u>0.0794</u>	<u>0.0920</u>	<u>0.0486</u>	<u>0.2345</u>

16 Appropriation of profit and dividend payment

- (a) 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.
- (b) On 20 August 2020, the Board of Directors' Meeting of the Bank passed a resolution approving as follows:
- (1) Appropriation of net profit of Baht 6,731 million to be legal reserve.
- (2) The inclusion of a part of net profit for the Bank only for the six-month period ended 30 June 2020 amounting to Baht 9,078 million to be counted as Tier 1 Capital of the Bank.
- (c) On 26 March 2020, the Board of Directors Meeting of the Bank passed a resolution approving the appropriation of the 2019 operating profit and dividend payment:
- (1) Appropriation of net profit of Baht 360 million to be legal reserve.
- (2) Payment of an interim dividend of Baht 0.01 per share to the Bank's ordinary shareholders from its second half year 2019 operating results for a total of Baht 964 million. The Bank paid such dividend to its shareholders on 24 April 2020.

17 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.2/2564 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.

TMBThanachart Bank Public Company Limited and its Subsidiaries
(Formerly TMB Bank Public Company Limited and its Subsidiaries)
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

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).

***TTBThanachart Stock Retention Program 2020 (TTB Stock Retention Program 2020)
(formerly TMB Stock Retention Program 2020)***

On 18 December 2019, the Board of Directors Meeting No.11/2562 approved the TTB Stock Retention Program 2020 (TTB TSRP 2020) which offered newly issued ordinary shares of the Bank to employees of the Bank and Thanachart Bank who have qualifications under TTB TSRP 2020. The employees under TTB TSRP 2020 shall be entitled to subscribe for the newly issued shares according to the conditions specified in TTB TSRP 2020. 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 2020 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 2020 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 2020 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).

17.1 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 2020 and TSRP 2021 respectively. Details were as follows:

The offering of new ordinary shares	Par value	Offering Price	The offering of new ordinary shares	Ordinary shares issued to employees ⁽¹⁾	Balance of new ordinary shares unissued as at 30 September 2021
	(Baht/ shares)			(shares)	
TSRP 2020	0.95	0.95	187,425,000 ⁽²⁾	(141,637,500)	45,787,500
TSRP 2021	0.95	1.15	304,724,300	-	304,724,300

On 14 September 2021, the Bank additionally issued TSRP 2020 of 91,575,000 ordinary shares with a par value of Baht 0.95 per share to its employees, at a price of Baht 0.95 per share.

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

⁽²⁾ The Bank reduced the offering of new ordinary shares for resigned staffs who were not eligible for the allocation of the newly issued shares.

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

Consolidated and Bank only				
For the nine-month period ended 30 September 2021				
	Issued and paid-up ordinary share capital		Share premium	Other reserve - share-based payments
	(No. of shares)	(Baht)	(Baht)	
Balance - beginning of the period	96,409,416,880	91,588,946,036	43,321,601,048	69,562,996
Expenses in relation to share-based payments	-	-	-	225,844,591
Issued ordinary shares to employees	91,575,000	86,996,250	-	(86,996,250)
Expenses in relation to issuance of ordinary shares to employees	-	-	(552,568)	-
Balance - end of the period	<u>96,500,991,880</u>	<u>91,675,942,286</u>	<u>43,321,048,480</u>	<u>208,411,737</u>

18 Significant agreement

After negotiations between FWD Life Insurance Public Company Limited (FWD), the previous bancassurance partner of TMB Bank Public Company Limited (the Bank), and Prudential Life Assurance (Thailand) Public Company Limited (Prudential), the current bancassurance partner of Thanachart Bank Public Company Limited (TBANK), a mutual conclusion has been reached that Prudential has agreed to acquire the rights to sell life insurance products through the Bank from FWD and the original bancassurance agreement between the Bank and FWD would be revised to reflect the new partnership.

Key components of the agreements entered into between the parties can be summarised as follows:

- Prudential will have the exclusive rights to sell the life insurance products through the network of The Bank, TBANK and subsequently the merged bank for an initial term of 15 years, with effect on and from 1 January 2021.
- To facilitate customer services of both banks during the transition period in 2020, the Bank continued to sell the life insurance products of FWD until the end of this 2020 and also onboard the products of Prudential through the various channels operated by the Bank. The transition period lasted between 1 April 2020 and 31 December 2020.

Revenue which recognized in 2020 from Prudential's acquisition of rights under the original bancassurance agreement between the Bank and FWD was Baht 1.3 billion. Revenue to be gradually recognized throughout the combined initial contractual term and transition period (15 years 9 months) is evaluated for Baht 20.8 billion, starting 1 April 2020.

19 Impact of COVID-19

At the onset of the COVID-19 pandemic, the Bank and its subsidiaries have provided its relief measure for all customer segments in the form of payment holiday for principal and interest, a reduction of interest payment, and extension of installment period. As at 30 September 2021 and 31 December 2020, the Bank and its subsidiaries had the customers under the relief program representing approximately 12% and 15% (*Bank only: 12% and 15%*), respectively of the total loan portfolio. The Bank and its subsidiaries continue to monitor and supporting customers to ensure that customers can recover in the long run.

In relation to financial reporting, the Bank and its subsidiaries have adopted accounting relief on the use of new effective interest rate (EIR) at the time contracts are changed. This has been applied for all customers under relief program.

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 September 2021 and 31 December 2020, management provided additional ECL as management overlay especially for the customers under relief programs and impact from economic condition.

20 Events after the reporting period

20.1 Issuances of ordinary shares under TSRP 2021

The Bank issued ordinary shares under the TTB Stock Retention Program 2021 of 121,882,700 ordinary shares with a par value of Baht 0.95 per share to its employees. The increase of the issued ordinary shares was registered with the Department of Business Development, Ministry of Commerce on 4 October 2021.

20.2 Dissolution of Thanachart Bank Public Company Limited

On 26 October 2021, the 2021 Extraordinary General Meeting of Shareholders No.1 of Thanachart Bank Public Company Limited passed resolutions approving as follows:

1. Change of the company's name from "Thanachart Bank Public Company Limited" to "TBCO Public Company Limited" with registration to the Department of Business Development, Ministry of Commerce on 27 October 2021.
2. The company's dissolution and appointment of liquidators.

TBCO Public Company Limited returned its commercial banking license and the authorized banking license to the Ministry of Finance, including other relevant licenses and registered the company's dissolution to the Department of Business Development, Ministry of Commerce on 1 November 2021.