

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

Condensed interim financial statements
for the three-month period ended
31 March 2023
and
Independent auditor's review report

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of TMBThanachart Bank Public Company Limited

I have reviewed the accompanying consolidated and the Bank only statements of financial position of TMBThanachart Bank Public Company Limited and its subsidiaries (the "Group"), and of TMBThanachart Bank Public Company Limited (the "Bank") respectively, as at 31 March 2023; the consolidated and the Bank only statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended; and the condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting" and the regulations of the Bank of Thailand. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Chokechai Ngamwutikul)
Certified Public Accountant
Registration No. 9728

KPMG Phoomchai Audit Ltd.
Bangkok
11 May 2023

Statements of financial position

		Consolidated		Bank only	
		31 March	31 December	31 March	31 December
		2023	2022	2023	2022
Assets	Note	(Unaudited)		(Unaudited)	
(in thousand Baht)					
Cash		13,997,999	15,505,583	13,997,839	15,505,582
Interbank and money market items, net		231,232,300	187,563,316	231,220,606	187,545,416
Financial assets measured at fair value through					
profit or loss		2,162,115	1,533,033	2,162,107	1,533,024
Derivative assets		7,655,510	10,375,799	7,655,510	10,375,799
Investments, net	5	189,472,035	211,431,500	189,472,035	211,431,500
Investments in subsidiaries and associates, net	6	8,649,054	8,573,610	5,143,948	5,143,948
Loans to customers and accrued interest receivables, net	7,8	1,307,492,909	1,326,504,537	1,304,649,432	1,323,737,079
Properties for sale, net		12,416,504	12,152,366	10,908,400	10,613,877
Premises and equipment, net	9	21,487,900	19,788,332	21,421,936	19,718,903
Goodwill and other intangible assets, net		23,288,162	22,890,214	23,240,689	22,843,092
Deferred tax assets		205,978	829,779	681,045	1,398,594
Other assets, net		8,891,117	9,130,807	8,340,756	8,663,928
Total assets		1,826,951,583	1,826,278,876	1,818,894,303	1,818,510,742
Liabilities and equity					
Liabilities					
Deposits		1,402,304,527	1,399,246,571	1,403,959,312	1,400,077,734
Interbank and money market items		82,883,525	84,769,857	82,883,525	84,769,857
Liabilities payable on demand		6,465,475	5,586,302	6,465,321	5,586,281
Financial liabilities measured at fair value through					
profit or loss		516,126	438,041	516,126	438,041
Derivative liabilities		6,594,082	9,499,240	6,594,082	9,499,240
Debts issued and borrowings	10	60,539,034	59,644,222	54,439,034	54,644,222
Provisions for employee benefits		3,929,699	3,872,429	3,798,302	3,744,549
Provisions for other liabilities		2,722,162	2,662,494	2,721,365	2,661,860
Deferred revenue		17,646,117	17,950,211	17,647,528	17,951,986
Other liabilities		18,755,317	23,601,927	18,376,109	23,239,904
Total liabilities		1,602,356,064	1,607,271,294	1,597,400,704	1,602,613,674

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

TMBThanachart Bank Public Company Limited and its Subsidiaries

Statements of financial position

		Consolidated		Bank only	
		31 March	31 December	31 March	31 December
		2023	2022	2023	2022
Liabilities and equity	Note	(Unaudited)		(Unaudited)	
<i>(in thousand Baht)</i>					
Equity					
Share capital					
Authorised share capital					
97,830,583,125 ordinary shares of Baht 0.95 each	16	92,939,054	92,939,054	92,939,054	92,939,054
Issued and paid-up share capital					
96,776,235,339 ordinary shares of Baht 0.95 each					
(31 December 2022: 96,776,073,897 ordinary shares of Baht 0.95 each)	16	91,937,424	91,937,270	91,937,424	91,937,270
Premium on share capital		43,359,606	43,360,227	43,359,606	43,360,227
Other reserves		5,784,063	4,455,714	6,739,401	5,413,835
Retained earnings					
Appropriated					
Legal reserve		10,091,000	10,091,000	10,091,000	10,091,000
Unappropriated		73,422,278	69,162,228	69,366,168	65,094,736
Equity attributable to equity holders of the Bank		224,594,371	219,006,439	221,493,599	215,897,068
Non-controlling interest		1,148	1,143	-	-
Total equity		224,595,519	219,007,582	221,493,599	215,897,068
Total liabilities and equity		1,826,951,583	1,826,278,876	1,818,894,303	1,818,510,742

Mr. Piti Tantakasem
Chief Executive Officer

Mrs. Charita Leelayudth
Chairman of the Audit Committee

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

TMBThanachart Bank Public Company Limited and its Subsidiaries

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

	Consolidated		Bank only	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
Interest income	18,475,404	15,677,422	18,440,875	15,668,331
Interest expenses	4,973,357	3,268,395	4,946,289	3,260,344
Net interest income	13,502,047	12,409,027	13,494,586	12,407,987
Fees and service income	3,500,438	3,327,229	3,292,131	3,236,261
Fees and service expenses	941,336	865,075	1,050,000	836,075
Net fees and service income	2,559,102	2,462,154	2,242,131	2,400,186
Gain on financial instruments measured				
at fair value through profit or loss	474,182	514,536	474,182	514,536
Gain (loss) on investments, net	(11,409)	10,986	(4,316)	5,442
Share of profit from investment using equity method	75,444	92,126	-	-
Other operating income	270,461	285,465	293,819	262,949
Total operating income	16,869,827	15,774,294	16,500,402	15,591,100
Other operating expenses				
Employee expenses	4,082,034	3,710,704	3,878,790	3,647,136
Directors' remuneration	9,862	9,100	9,862	9,100
Premises and equipment expenses	1,205,710	1,290,567	1,191,493	1,283,261
Taxes and duties	416,622	354,858	412,052	354,319
Others	1,588,898	1,621,656	1,576,427	1,607,147
Total other operating expenses	7,303,126	6,986,885	7,068,624	6,900,963
Expected credit loss	4,275,877	4,808,439	4,066,994	4,849,015
Profit from operations before income tax	5,290,824	3,978,970	5,364,784	3,841,122
Income tax	996,305	784,069	1,058,887	749,998
Profit for the period	4,294,519	3,194,901	4,305,897	3,091,124
Other comprehensive income				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Gain (loss) on investments in debt instruments				
at fair value through other comprehensive income	14,221	(1,087,939)	10,742	(1,081,703)
Gain (loss) on cash flow hedges	(58,690)	51,901	(58,690)	51,901
Loss arising from translating the financial statements of				
foreign operations	-	(20,391)	-	(20,391)
Income tax relating to items that will be reclassified				
subsequently to profit or loss	8,894	211,286	9,589	210,039
	(35,575)	(845,143)	(38,359)	(840,154)

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

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

		Consolidated		Bank only	
		Three-month period ended		Three-month period ended	
		31 March		31 March	
	Note	2023	2022	2023	2022
		(in thousand Baht)			
Items that will not be reclassified subsequently to profit or loss					
Change in revaluation surplus on assets		2,294,154	(15,101)	2,294,154	(15,101)
Loss on investments in equity instruments					
designated at fair value through other comprehensive income		(561,616)	(31,083)	(561,616)	(31,083)
Actuarial gain (loss) on post-employment benefit plan		(94,856)	50,922	(94,856)	50,922
Income tax relating to items that will not be reclassified					
subsequently to profit or loss		(327,536)	(948)	(327,536)	(948)
		<u>1,310,146</u>	<u>3,790</u>	<u>1,310,146</u>	<u>3,790</u>
Total other comprehensive income for the period, net of income tax		<u>1,274,571</u>	<u>(841,353)</u>	<u>1,271,787</u>	<u>(836,364)</u>
Total comprehensive income for the period		<u>5,569,090</u>	<u>2,353,548</u>	<u>5,577,684</u>	<u>2,254,760</u>
Profit attributable to:					
Equity holders of the Bank		4,294,515	3,194,904	4,305,897	3,091,124
Non-controlling interest		4	(3)	-	-
Profit for the period		<u>4,294,519</u>	<u>3,194,901</u>	<u>4,305,897</u>	<u>3,091,124</u>
Total comprehensive income attributable to:					
Equity holders of the Bank		5,569,085	2,353,552	5,577,684	2,254,760
Non-controlling interest		5	(4)	-	-
Total comprehensive income for the period		<u>5,569,090</u>	<u>2,353,548</u>	<u>5,577,684</u>	<u>2,254,760</u>
Earnings per share					
	15				
Basic earnings per share (in Baht)		<u>0.0444</u>	<u>0.0331</u>	<u>0.0445</u>	<u>0.0320</u>
Diluted earnings per share (in Baht)		<u>0.0442</u>	<u>0.0330</u>	<u>0.0443</u>	<u>0.0319</u>

Mr. Piti Tantakasem
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Mrs. Charita Leelayudth
Chairman of the Audit Committee

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

Statements of changes in equity (Unaudited)

Consolidated													
Note	Other reserves								Retained earnings				
	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)	Translation adjustment arising from translating the financial statements of foreign operations, net	Total other reserve	Legal reserve	Unappropriated	Equity attributable to equity holders of the Bank	Non-controlling interest	Total equity
							(in thousand Baht)						
Three-month period ended 31 March 2022													
Balance as at 1 January 2022	91,791,731	43,344,840	103,301	5,181,187	(6,513)	(59,168)	(46,550)	5,172,257	10,091,000	60,434,727	210,834,555	1,140	210,835,695
Transactions with owners, recorded directly in equity													
Contributions by and distribution to owners of the bank													
Reserve in relation to share-based payments	-	-	33,116	-	-	-	-	33,116	-	-	33,116	-	33,116
Total contributions by and distribution to owners of the bank	-	-	33,116	-	-	-	-	33,116	-	-	33,116	-	33,116
Comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	3,194,904	3,194,904	(3)	3,194,901
Other comprehensive income	-	-	-	(12,080)	(895,216)	41,521	(16,313)	(882,088)	-	40,736	(841,352)	(1)	(841,353)
Total comprehensive income for the period	-	-	-	(12,080)	(895,216)	41,521	(16,313)	(882,088)	-	3,235,640	2,353,552	(4)	2,353,548
Transfer to retained earnings	-	-	-	(23,679)	-	-	-	(23,679)	-	23,679	-	-	-
Balance as at 31 March 2022	91,791,731	43,344,840	136,417	5,145,428	(901,729)	(17,647)	(62,863)	4,299,606	10,091,000	63,694,046	213,221,223	1,136	213,222,359
Three-month period ended 31 March 2023													
Balance as at 1 January 2023	91,937,270	43,360,227	70,713	4,963,447	(489,263)	(89,183)	-	4,455,714	10,091,000	69,162,228	219,006,439	1,143	219,007,582
Transactions with owners, recorded directly in equity													
Contributions by and distribution to owners of the bank													
Reserve in relation to share-based payments	-	-	19,314	-	-	-	-	19,314	-	-	19,314	-	19,314
Issued ordinary shares under the TTB-W1 Warrants Program	154	-	-	-	-	-	-	-	-	-	154	-	154
Expenses in relation to issuance of ordinary shares	-	(621)	-	-	-	-	-	-	-	-	(621)	-	(621)
Total contributions by and distribution to owners of the bank	154	(621)	19,314	-	-	-	-	19,314	-	-	18,847	-	18,847
Comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	4,294,515	4,294,515	4	4,294,519
Other comprehensive income	-	-	-	1,835,323	(437,916)	(46,952)	-	1,350,455	-	(75,885)	1,274,570	1	1,274,571
Total comprehensive income for the period	-	-	-	1,835,323	(437,916)	(46,952)	-	1,350,455	-	4,218,630	5,569,085	5	5,569,090
Transfer to retained earnings	-	-	-	(41,420)	-	-	-	(41,420)	-	41,420	-	-	-
Balance as at 31 March 2023	91,937,424	43,359,606	90,027	6,757,350	(927,179)	(136,135)	-	5,784,063	10,091,000	73,422,278	224,594,371	1,148	224,595,519

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

Statements of changes in equity (Unaudited)

Bank only												
	Other reserves									Retained earnings		
								Translation adjustment arising from translating the financial statements of foreign operations, net	Total other reserve	Legal reserve	Unappropriated	Total equity
Note	Issued and paid-up share capital	Premium on share capital	Other reserve - share-based payments	Surplus on business combination under common control	Revaluation surplus on assets, net	Revaluation (deficit) on investments, net	Cash flow hedge reserve (effective portion)					

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

Statements of cash flows (Unaudited)

	Consolidated		Bank only	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit from operations before income tax	5,290,824	3,978,970	5,364,784	3,841,122
<i>Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities</i>				
Depreciation and amortisation	949,452	1,120,804	941,591	1,114,322
Expected credit loss	4,275,877	4,808,439	4,066,994	4,849,015
Impairment loss on premises and equipment	48,096	1,453	48,096	1,453
Impairment loss on properties for sale and other assets	37,076	61,863	38,089	61,863
Provisions for liabilities	34,739	146,581	29,881	141,806
Loss (gain) on revaluation of investments measured at FVTPL	(7,942)	8,120	(7,942)	8,120
Loss (gain) on disposal and written-off of intangible assets	970	(17)	970	(17)
Gain on disposal of premises and equipment	(13,581)	(11,007)	(10,310)	(11,007)
Loss (gain) on disposal of investments	11,409	(10,986)	4,316	(5,442)
Unrealised loss (gain) on exchange and revaluation	1,892	(811,418)	1,892	(811,418)
Reserve in relation to share-based payments	19,314	33,116	19,314	33,116
Share of profit from investments using the equity method	(75,444)	(92,126)	-	-
Deferred revenue	(525,685)	(541,496)	(526,459)	(541,496)
Net interest income	(13,502,047)	(12,409,027)	(13,494,586)	(12,407,987)
Dividend income	(1,828)	-	(1,828)	-
Interest received	17,929,937	16,362,791	17,897,274	16,361,435
Interest paid	(3,815,161)	(1,921,106)	(3,814,964)	(1,910,377)
Income tax paid	(117,124)	(91,811)	(97,074)	(70,002)
Profit from operations before changes in operating assets and liabilities	10,540,774	10,633,143	10,460,038	10,654,506
<i>Decrease (increase) in operating assets</i>				
Interbank and money market items	(43,672,278)	(41,133,914)	(43,678,484)	(41,138,470)
Financial assets measured at fair value through profit or loss	(621,140)	(3,543,483)	(621,140)	(3,543,483)
Loans to customers	14,592,414	(519,394)	14,878,744	(572,494)
Properties for sale	81,927	(210,994)	50,530	(210,636)
Other assets	670,280	474,142	762,628	490,169
<i>Increase (decrease) in operating liabilities</i>				
Deposits	3,085,223	21,016,717	3,908,845	21,064,651
Interbank and money market items	(1,886,332)	8,002,131	(1,886,332)	7,650,872
Liabilities payable on demand	879,174	1,877,646	879,040	1,877,646
Financial liabilities measured at fair value through profit or loss	78,000	-	78,000	-
Provisions for other liabilities	(212,216)	(53,901)	(210,718)	(53,901)
Other liabilities	(6,537,954)	(2,262,292)	(6,526,162)	(2,199,869)
Net cash used in operating activities	(23,002,128)	(5,720,199)	(21,905,011)	(5,981,009)

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

Statements of cash flows (Unaudited)

	Consolidated		Bank only	
	Three-month period ended		Three-month period ended	
	31 March		31 March	
	2023	2022	2023	2022
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	181,429	111,729	181,429	111,729
Dividend received	28	-	28	-
Purchase of investments measured at FVOCI	(9,956,851)	(12,424,650)	(9,956,851)	(12,424,650)
Proceeds from investments measured at FVOCI	32,376,056	16,875,839	32,376,056	16,875,839
Purchase of investments measured at amortised cost	(1,451,929)	-	(1,451,929)	-
Purchase of investments in subsidiaries	-	-	-	(30,000)
Purchase of premises and equipment	(33,825)	(495,954)	(31,943)	(487,155)
Purchase of intangible assets	(343,102)	(505,914)	(340,236)	(503,952)
Proceeds from disposals of premises and equipment	22,616	433,182	19,345	433,182
Net cash provided by investing activities	20,794,422	3,994,232	20,795,899	3,974,993
<i>Cash flows from financing activities</i>				
Cash receipts on debenture issued and borrowings	1,600,000	1,920,000	-	-
Cash paid for redemption of debenture and repayment of borrowings	(507,183)	(2,201,849)	(7,183)	(1,849)
Interest paid on debts issued and borrowings	(392,227)	(374,054)	(390,980)	(374,054)
Increase in issued and fully paid-up - ordinary shares	153	-	153	-
Expenses in relation to issuance of ordinary shares	(621)	-	(621)	-
Net cash provided by (used in) financing activities	700,122	(655,903)	(398,631)	(375,903)
Change in translation adjustments of foreign operations	-	(20,391)	-	(20,391)
Net decrease in cash	(1,507,584)	(2,402,261)	(1,507,743)	(2,402,310)
Cash at 1 January	15,505,583	16,011,325	15,505,582	16,011,307
Cash at 31 March	13,997,999	13,609,064	13,997,839	13,608,997

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

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month period ended 31 March 2023 (Unaudited)

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

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Audit Committee on 11 May 2023.

1 General information

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

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

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

2 Basis of preparation of the interim financial statements

(a) *Statement of compliance*

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

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

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

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

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

3 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 31 March 2023 and 31 December 2022.

	Carrying amount	Level 1	Consolidated Fair value		Total
			Level 2	Level 3	
			(in million Baht)		
At 31 March 2023					
Financial assets					
Financial assets measured at FVTPL	2,162	19	1,741	402	2,162
Derivative assets					
Foreign exchange rate	6,876	-	6,876	-	6,876
Interest rate	780	-	780	-	780
Total	7,656	-	7,656	-	7,656
Investments, net					
Investments in debt instruments measured at AMC	50,557	-	50,234	-	50,234
Investments in debt instruments measured at FVOCI	136,628	-	136,313	315	136,628
Investments in equity instruments designated at FVOCI	2,287	157	-	2,130	2,287
Total	189,472	157	186,547	2,445	189,149
Loans to customers and accrued interest receivables, net					
	1,307,493	-	907,565	402,542	1,310,107
Total financial assets	1,506,783	176	1,103,509	405,389	1,509,074
Financial liabilities					
Deposits	1,402,305	-	1,402,616	-	1,402,616
Financial liabilities measured at FVTPL	516	-	516	-	516
Derivative liabilities					
Foreign exchange rate	5,882	-	5,882	-	5,882
Interest rate	712	-	712	-	712
Total	6,594	-	6,594	-	6,594
Debts issued and borrowings	60,539	-	60,049	-	60,049
Total financial liabilities	1,469,954	-	1,469,775	-	1,469,775

	Carrying amount	Level 1	Consolidated Fair value Level 2 (in million Baht)	Level 3	Total
<i>At 31 December 2022</i>					
<i>Financial assets</i>					
Financial assets measured at FVTPL	1,533	23	1,106	404	1,533
<i>Derivative assets</i>					
Foreign exchange rate	9,507	-	9,507	-	9,507
Interest rate	869	-	869	-	869
Total	10,376	-	10,376	-	10,376
<i>Investments, net</i>					
Investments in debt instruments measured at AMC	49,106	-	48,367	-	48,367
Investments in debt instruments measured at FVOCI	159,470	-	159,155	315	159,470
Investments in equity instruments designated at FVOCI	2,856	174	-	2,682	2,856
Total	211,432	174	207,522	2,997	210,693
Loans to customers and accrued interest receivables, net	1,326,505	-	925,515	404,643	1,330,158
Total financial assets	1,549,846	197	1,144,519	408,044	1,552,760
<i>Financial liabilities</i>					
Deposits	1,399,247	-	1,399,489	-	1,399,489
Financial liabilities measured at FVTPL	438	-	438	-	438
<i>Derivative liabilities</i>					
Foreign exchange rate	8,727	-	8,727	-	8,727
Interest rate	772	-	772	-	772
Total	9,499	-	9,499	-	9,499
Debts issued and borrowings	59,644	-	59,185	-	59,185
Total financial liabilities	1,468,828	-	1,468,611	-	1,468,611

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	Carrying amount	Level 1	Bank only Fair value Level 2 (in million Baht)	Level 3	Total
At 31 March 2023					
Financial assets					
Financial assets measured at FVTPL	2,162	19	1,741	402	2,162
Derivative assets					
Foreign exchange rate	6,876	-	6,876	-	6,876
Interest rate	780	-	780	-	780
Total	7,656	-	7,656	-	7,656
Investments, net					
Investments in debt instruments measured at AMC	50,557	-	50,234	-	50,234
Investments in debt instruments measured at FVOCI	136,628	-	136,313	315	136,628
Investments in equity instruments designated at FVOCI	2,287	157	-	2,130	2,287
Total	189,472	157	186,547	2,445	189,149
Loans to customers and accrued interest receivables, net	1,304,649	-	904,722	402,542	1,307,264
Total financial assets	1,503,939	176	1,100,666	405,389	1,506,231
Financial liabilities					
Deposits	1,403,959	-	1,404,270	-	1,404,270
Financial liabilities measured at FVTPL	516	-	516	-	516
Derivative liabilities					
Foreign exchange rate	5,882	-	5,882	-	5,882
Interest rate	712	-	712	-	712
Total	6,594	-	6,594	-	6,594
Debt issued and borrowings	54,439	-	53,949	-	53,949
Total financial liabilities	1,465,508	-	1,465,329	-	1,465,329

	Carrying amount	Level 1	Bank only Fair value Level 2 (in million Baht)	Level 3	Total
At 31 December 2022					
Financial assets					
Financial assets measured at FVTPL	1,533	23	1,106	404	1,533
Derivative assets					
Foreign exchange rate	9,507	-	9,507	-	9,507
Interest rate	869	-	869	-	869
Total	10,376	-	10,376	-	10,376
Investments, net					
Investments in debt instruments measured at AMC	49,106	-	48,367	-	48,367
Investments in debt instruments measured at FVOCI	159,470	-	159,155	315	159,470
Investments in equity instruments designated at FVOCI	2,856	174	-	2,682	2,856
Total	211,432	174	207,522	2,997	210,693
Loans to customers and accrued interest receivables, net	1,323,737	-	922,747	404,643	1,327,390
Total financial assets	1,547,078	197	1,141,751	408,044	1,549,992
Financial liabilities					
Deposits	1,400,078	-	1,400,320	-	1,400,320
Financial liabilities measured at FVTPL	438	-	438	-	438
Derivative liabilities					
Foreign exchange rate	8,727	-	8,727	-	8,727
Interest rate	772	-	772	-	772
Total	9,499	-	9,499	-	9,499
Debt issued and borrowings	54,644	-	54,185	-	54,185
Total financial liabilities	1,464,659	-	1,464,442	-	1,464,442

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

- Cash:

The fair value is approximated based on its carrying value.

- Interbank and money market items (assets):

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

- Financial assets measured at FVTPL and investments:

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

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

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

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

- Loans to customers and accrued interest receivable, net:

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

- Other financial assets:

The fair value is approximated based on its carrying value.

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

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

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

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

- Debts issued and borrowings:

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

- Other financial liabilities:

The fair value is approximated based on its carrying value.

- Derivatives:

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

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between levels of the fair value hierarchy during the three-month period ended 31 March 2023 and 2022.

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

	Consolidated	Bank only
	<i>(in million Baht)</i>	
<i>For the three-month period ended 31 March 2023</i>		
Beginning balance	2,682	2,682
Loss recognised in other comprehensive income	(552)	(552)
Ending balance	<u>2,130</u>	<u>2,130</u>
	Consolidated	Bank only
	<i>(in million Baht)</i>	
<i>For the year ended 31 December 2022</i>		
Beginning balance	2,693	2,693
Loss recognised in other comprehensive income	(11)	(11)
Ending balance	<u>2,682</u>	<u>2,682</u>

4 Maintenance of capital fund

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

	Consolidated supervision	
	31 March 2023	31 December 2022
	<i>(in million Baht)</i>	
<i>Tier 1 Capital</i>		
Common Equity Tier 1 Capital (CET1)		
Paid-up share capital	91,937	91,937
Share premium	43,360	43,360
Legal reserve	10,091	10,091
Net profits after appropriation	61,467	61,467
Other comprehensive income	3,245	3,776
Capital adjustment items on CET1	(18)	(20)
Capital deduction items on CET1	(24,918)	(24,816)
Total Common Equity Tier 1 Capital	<u>185,164</u>	<u>185,795</u>
Addition Tier 1 Capital		
Subordinated debentures classified as additional Tier 1 Capital	6,200	7,425
Total Tier 1 Capital	<u>191,364</u>	<u>193,220</u>
<i>Tier 2 Capital</i>		
General provision	13,136	13,302
Subordinated debentures classified as additional Tier 2 Capital	30,000	30,000
Total Tier 2 Capital	<u>43,136</u>	<u>43,302</u>
Total Capital Funds	<u>234,500</u>	<u>236,522</u>
Total Risk-Weighted Assets	<u>1,179,359</u>	<u>1,185,415</u>

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	The BoT's regulatory Minimum requirement*	31 March 2023 (%)	31 December 2022
Capital Adequacy Ratio/Total Risk-Weighted Asset	12.0	19.88	19.95
Tier 1 Capital Ratio/Total Risk-Weighted Asset	9.5	16.23	16.30
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.0	15.70	15.67

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

	Bank only	
	31 March 2023	31 December 2022
	(in million Baht)	
<i>Tier 1 Capital</i>		
Common Equity Tier 1 Capital (CET1)		
Paid-up share capital	91,937	91,937
Share premium	43,360	43,360
Legal reserve	10,091	10,091
Net profits after appropriation	57,429	57,429
Other comprehensive income	3,316	3,850
Other transaction from changes in equity	885	885
Capital adjustment items on CET1	(18)	(20)
Capital deduction items on CET1	(25,363)	(25,356)
Total Common Equity Tier 1 Capital	181,637	182,176
<i>Addition Tier 1 Capital</i>		
Subordinated debentures classified as additional Tier 1 Capital	6,200	7,425
Total Tier 1 Capital	187,837	189,601
<i>Tier 2 Capital</i>		
General provision	13,028	13,182
Subordinated debentures classified as additional Tier 2 Capital	30,000	30,000
Total Tier 2 Capital	43,028	43,182
Total Capital Funds	230,865	232,783
Total Risk-Weighted Assets	1,170,280	1,175,368

	The BoT's regulatory Minimum requirement*	31 March 2023 (%)	31 December 2022
Capital Adequacy Ratio/Total Risk-Weighted Asset	12.0	19.73	19.81
Tier 1 Capital Ratio/Total Risk-Weighted Asset	9.5	16.05	16.13
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.0	15.52	15.50

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

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

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

Location of disclosure	The Bank's website under Investor Relations section at www.ttbank.com/en/ir/financial-information/pillar3
Disclosure period requirement	Within 4 months after the period end date as indicated in the BOT notification
Lasted information as of	31 December 2022

Capital management

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

5 Investments, net

5.1 Classified by type of investments

	Consolidated and Bank only			
	Amortized cost/ fair value		Dividend income	
	For the three-month period ended		ended	
	31 March 2023	31 December 2022	31 March 2023	31 March 2022
	(in million Baht)		(in million Baht)	
<i>Investments in debt securities measured at amortised costs</i>				
Government and state enterprise securities	50,578	49,126		
Total	50,578	49,126		
Less allowance for expected credit loss	(21)	(20)		
Net	50,557	49,106		
<i>Investments in debt securities measured at FVOCI</i>				
Government and state enterprise securities	115,088	137,116		
Private debt securities	7,786	9,388		
Foreign debt securities	13,754	12,966		
Total	136,628	159,470		
Allowance for expected credit loss	(2,961)	(2,972)		
<i>Investments in equity securities designated at FVOCI</i>				
Marketable equity securities - domestic	157	174	-	-
Non-marketable equity securities - domestic	2,124	2,676	-	-
Non-marketable equity securities - overseas	6	6	-	-
Total	2,287	2,856	-	-
Total investments - net	189,472	211,432		

5.2 Derecognised investments

During the three-month period ended 31 March 2023 and 2022, the Bank and its subsidiaries had no derecognised investments in equity securities designated at fair value through other comprehensive income.

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

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

	Consolidated and Bank only	
	31 March 2023	31 December 2022
	(in million Baht)	
Public utilities and services	123	123
Mutual funds and financial services	344	344
Others	1,419	1,974
Total investments	1,886	2,441

Interest in unconsolidated structured entity arising in the normal business

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

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

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

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

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

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6 Investments in subsidiaries and associates, net

Companies	Type of Business	Consolidated												Bank only				Dividend income for the three-month period ended			
		Percentage of ownership interest		Paid-up capital		Equity		Allowance for impairment		At Equity, net		Cost		Allowance for impairment		At cost, net					
		31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31			
		March	December	March	December	March	December	March	December	March	December	March	December	March	December	March	December	March	March		
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022		
		(%)		(in million Baht)																	
Subsidiaries																					
Phahonyothin Asset Management Co., Ltd.																					
Management Co., Ltd.	Asset management	100.00	100.00	298	298	-	-	-	-	-	-	-	-	298	298	-	-	298	298	-	-
TBCO PCL. ⁽¹⁾	Commercial bank	99.98	99.98	-	-	-	-	-	-	-	-	-	-	99,310	99,310	(99,000)	(99,000)	310	310	-	-
TMBThanachart Broker Co., Ltd.	Insurance brokerage service	99.99	99.99	100	100	-	-	-	-	-	-	-	-	117	117	-	-	117	117	-	-
TTB Consumer Co., Ltd.	Brokerage service	100.00	100.00	30	30	-	-	-	-	-	-	-	-	30	30	-	-	30	30	-	-
Associate																					
Eastspring Asset Management (Thailand) Co., Ltd. ⁽²⁾																					
Fund management		40.50	40.50	200	200	8,649	8,574	-	-	8,649	8,574	4,389	4,389	-	-	4,389	4,389	-	-		
Total						8,649	8,574	-	-	8,649	8,574	104,144	104,144	(99,000)	(99,000)	5,144	5,144	-	-		

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

⁽²⁾ The remaining investment in this company is subject to call and put options in the future.

7 Loans to customers and accrued interest receivables, net

7.1 Classified by loan type

	Consolidated		Bank only	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	<i>(in million Baht)</i>			
Overdrafts	90,043	90,626	90,043	90,626
Loans	664,302	676,452	659,533	671,950
Bills	191,356	196,995	191,356	197,135
Hire purchase receivables	411,320	411,039	411,320	411,039
Finance lease receivables	952	910	952	910
Others	81	96	81	96
Total loans to customers	1,358,054	1,376,118	1,353,285	1,371,756
Add accrued interest receivables and undue interest income*	8,169	7,777	8,167	7,777
Total loans to customers and accrued interest receivables	1,366,223	1,383,895	1,361,452	1,379,533
Less allowances for expected credit loss	(58,730)	(57,390)	(56,803)	(55,796)
Total loans to customers and accrued interest receivables - net	1,307,493	1,326,505	1,304,649	1,323,737

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

7.2 Classified by stage

	Consolidated			
	31 March 2023		31 December 2022	
	Loans to customers and accrued interest receivables*	Allowance for expected credit loss	Loans to customers and accrued interest receivables*	Allowance for expected credit loss
	<i>(in million Baht)</i>			
Stage 1 (Performing)	1,208,214	13,163	1,225,348	13,325
Stage 2 (Under-performing)	116,003	25,229	116,840	24,469
Stage 3 (Non-performing)	42,006	20,338	41,707	19,596
Total	1,366,223	58,730	1,383,895	57,390

	Bank only			
	31 March 2023		31 December 2022	
	Loans to customers and accrued interest receivables*	Allowance for expected credit loss	Loans to customers and accrued interest receivables*	Allowance for expected credit loss
	<i>(in million Baht)</i>			
Stage 1 (Performing)	1,208,212	13,163	1,225,485	13,325
Stage 2 (Under-performing)	115,987	25,225	116,840	24,469
Stage 3 (Non-performing)	37,253	18,415	37,208	18,002
Total	1,361,452	56,803	1,379,533	55,796

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

7.3 Non-performing loans

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

	Consolidated		Bank only	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
NPLs				
NPLs (<i>in million Baht</i>)	42,006	41,707	37,253	37,208
Total loans (<i>in million Baht</i>)	1,563,011	1,529,135	1,558,243	1,524,775
Percentage of NPLs (%)	2.69	2.73	2.39	2.44

As at 31 March 2023 and 31 December 2022, Phahonyothin Asset Management Co., Ltd. has non-performing loans amounting to Baht 4,753 million and Baht 4,499 million respectively.

For the three-month period ended 31 March 2023 and 2022, the Bank and its subsidiaries sold non-performing loans, with principal totalling approximately Baht 1,359 million and Baht 1,303 million, respectively (*Bank only: approximately Baht 2,275 million and Baht 1,303 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 three-month period ended 31 March 2023 and 2022, respectively.

7.4 Modified loans to customers

During the three-month period ended 31 March 2023 and 2022, the Bank and its subsidiaries have modified loans that have not resulted in derecognition, while they had a loss allowance measured at an amount equal to lifetime ECL, as follows:

	Consolidated	
	2023	2022
	<i>(in million Baht)</i>	
Loans to customers modified during the three-month period ended 31 March		
Outstanding loan at modification date*	5,499	3,922
Net modification loss*	44	40
Loans to customers modified since initial recognition - upgraded		
Outstanding of loans to customers upgraded from lifetime expected credit loss to 12-month expected credit loss in the period*	134	-
	Bank only	
	2023	2022
	<i>(in million Baht)</i>	
Loans to customers modified during the three-month period ended 31 March		
Outstanding loan at modification date*	5,404	3,922
Net modification loss*	44	40
Loans to customers modified since initial recognition - upgraded		
Outstanding of loans to customers upgraded from lifetime expected credit loss to 12-month expected credit loss in the period*	134	-

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

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

7.5 Hire purchase and finance lease receivables

Consolidated and Bank only				
31 March 2023				
	Portion due within one year	Portion due after one year but within five years	Portion due after five years	Total
	<i>(in million Baht)</i>			
Hire purchase receivables	123,118	312,319	34,779	470,216
Finance lease receivables	505	514	-	1,019
Total gross investment under hire purchase contracts	123,623	312,833	34,779	471,235
Less unearned interest income				(58,963)
Present value of minimum lease payment receivables				412,272
Less allowance for expected credit loss				(12,359)
Lease receivables, net				399,913

Consolidated and Bank only				
31 December 2022				
	Portion due within one year	Portion due after one year but within five years	Portion due after five years	Total
	<i>(in million Baht)</i>			
Hire purchase receivables	122,387	312,120	35,499	470,006
Finance lease receivables	388	583	-	971
Total gross investment under hire purchase contracts	122,775	312,703	35,499	470,977
Less unearned interest income				(59,028)
Present value of minimum lease payment receivables				411,949
Less allowance for expected credit loss				(10,973)
Lease receivables, net				400,976

8 Allowance for expected credit loss

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

Consolidated				
31 March 2023				
	12-Month	Lifetime	Lifetime	
	ECL	ECL,	ECL,	
		not credit	credit	
		impaired	impaired	Total
		<i>(in million Baht)</i>		
Interbank and money market items	75	-	-	75
Investments	97	-	2,885	2,982
Loans to customers and accrued interest receivables	13,163	25,229	20,338	58,730
Other financial assets	32	81	290	403
Loan commitments and financial guarantee	931	890	338	2,159

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

Bank only				
31 March 2023				
	12-Month	Lifetime	Lifetime	
	ECL	ECL,	ECL,	
		not credit	credit	
		impaired	impaired	Total
		<i>(in million Baht)</i>		
Interbank and money market items	75	-	-	75
Investments	97	-	2,885	2,982
Loans to customers and accrued interest receivables	13,163	25,225	18,415	56,803
Other financial assets	32	81	290	403
Loan commitments and financial guarantee	931	890	338	2,159

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Notes to the condensed interim financial statements

For the three-month period ended 31 March 2023 (Unaudited)

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

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

	Consolidated	Bank only
	<i>(in million Baht)</i>	
Three-month period ended 31 March 2023		
Beginning balance	57,390	55,796
Changes from stage reclassification	3,193	3,193
Changes from remeasurement of ECL	1,372	1,133
Originated during the period	914	914
Derecognition during the period	(1,241)	(1,624)
Write-off	(2,898)	(2,609)
Ending balance	58,730	56,803

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

From the economic conditions and the prolonged COVID-19 pandemic, management considered the impact to the financial assets based on available information and the potential impact on the initial ECL estimates. As at 31 March 2023 and 31 December 2022, management provided additional ECL as management overlay including for the customers under relief and impact from economic condition.

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For the three-month period ended 31 March 2023 (Unaudited)

9 Premises and equipment, net

As at 31 March 2023 and 31 December 2022, changes in premises and equipment were as follows:

	Consolidated 31 March 2023													
	Cost					Accumulated depreciation					Allowance for impairment loss			
	Net book value as at 1 January 2023	Beginning balance	Increase/ transfers in/ adjustments from revaluation	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written- off/ transfers in/ transfers out/ adjustments from revaluation (in million Baht)	Ending balance	Beginning balance	Reversal of (loss) on impairment during the period	Disposals/ written-off/ transfers out	Ending balance	Net book value as at 31 March 2023
Land														
- Cost	6,817	6,945	-	(67)	6,878	-	-	-	-	(128)	16	-	(112)	6,766
- Incremental revaluation*	4,008	4,008	1,350	(28)	5,330	-	-	-	-	-	-	-	-	5,330
Building under construction	35	35	6	(17)	24	-	-	-	-	-	-	-	-	24
Building														
- Cost	3,502	7,771	170	(76)	7,865	(4,267)	(106)	(64)	(4,437)	(2)	(54)	-	(56)	3,372
- Incremental revaluation*	1,436	4,028	53	(80)	4,001	(2,592)	(31)	968	(1,655)	-	-	-	-	2,346
Right-of-use assets														
- premise	802	1,773	92	(202)	1,663	(971)	(139)	202	(908)	-	-	-	-	755
Leasehold improvements	416	1,613	9	(261)	1,361	(1,197)	(32)	194	(1,035)	-	-	-	-	326
Equipment under construction and installation	183	183	26	(169)	40	-	-	-	-	-	-	-	-	40
Equipment	2,230	7,477	168	(141)	7,504	(5,234)	(185)	138	(5,281)	(13)	1	-	(12)	2,211
Right-of-use assets														
- equipment	359	770	2	(46)	726	(411)	(43)	46	(408)	-	-	-	-	318
Total	19,788	34,603	1,876	(1,087)	35,392	(14,672)	(536)	1,484	(13,724)	(143)	(37)	-	(180)	21,488

* The Bank's revaluation has been performed in 2023.

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For the three-month period ended 31 March 2023 (Unaudited)

	Consolidated 31 December 2022													
	Cost					Accumulated depreciation					Allowance for impairment loss			Net book value as at 31 December 2022
	Net book value as at 1 January 2022	Beginning balance	Increase/ transfers in	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written- off/ transfers out	Ending balance	Beginning balance	Reversal of (loss) on impairment during the year	Disposals/ written-off/ transfers out	Ending balance	
								(in million Baht)						
Land														
- Cost	7,366	7,501	-	(556)	6,945	-	-	-	-	(135)	(7)	14	(128)	6,817
- Incremental revaluation*	4,268	4,268	-	(260)	4,008	-	-	-	-	-	-	-	-	4,008
Building under construction	45	45	198	(208)	35	-	-	-	-	-	-	-	-	35
Building														
- Cost	3,889	7,964	279	(472)	7,771	(4,073)	(464)	270	(4,267)	(2)	(46)	46	(2)	3,502
- Incremental revaluation*	1,714	4,735	-	(707)	4,028	(3,021)	(91)	520	(2,592)	-	-	-	-	1,436
Right-of-use assets														
- premise	1,089	1,913	309	(449)	1,773	(824)	(596)	449	(971)	-	-	-	-	802
Leasehold improvements	468	1,599	118	(104)	1,613	(1,131)	(159)	93	(1,197)	-	(4)	4	-	416
Equipment under construction and installation	98	98	617	(532)	183	-	-	-	-	-	-	-	-	183
Equipment	2,290	7,232	592	(347)	7,477	(4,817)	(750)	333	(5,234)	(125)	37	75	(13)	2,230
Right-of-use assets - equipment	398	1,707	266	(1,203)	770	(1,309)	(301)	1,199	(411)	-	-	-	-	359
Total	21,625	37,062	2,379	(4,838)	34,603	(15,175)	(2,361)	2,864	(14,672)	(262)	(20)	139	(143)	19,788

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

The gross amount of the Bank and its subsidiaries' fully depreciated premises and equipment that were still in use as at 31 March 2023 amounted to Baht 4,473 million (31 December 2022: Baht 4,774 million).

Depreciation presented in the consolidated profit or loss for the three-month period ended 31 March 2023 and 2022 amounted to Baht 536 million and Baht 676 million, respectively.

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For the three-month period ended 31 March 2023 (Unaudited)

	Bank only 31 March 2023													
	Cost					Accumulated depreciation				Allowance for impairment loss				
	Net book value as at 1 January 2023	Beginning balance	Increase/ transfers in/ adjustments from revaluation	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written-off/ transfers in/ transfers out/ adjustments from revaluation	Ending balance	Beginning balance	Reversal of (loss) on impairment during the period	Disposals/ written-off/ transfers out	Ending balance	Net book value as at 31 March 2023
Land														
- Cost	6,817	6,945	-	(67)	6,878	-	-	-	-	(128)	16	-	(112)	6,766
- Incremental revaluation*	4,008	4,008	1,350	(28)	5,330	-	-	-	-	-	-	-	-	5,330
Building under construction	35	35	6	(17)	24	-	-	-	-	-	-	-	-	24
Building														
- Cost	3,502	7,771	170	(76)	7,865	(4,267)	(106)	(64)	(4,437)	(2)	(54)	-	(56)	3,372
- Incremental revaluation*	1,436	4,028	53	(80)	4,001	(2,592)	(31)	968	(1,655)	-	-	-	-	2,346
Right-of-use assets														
- premise	759	1,691	91	(202)	1,580	(932)	(135)	202	(865)	-	-	-	-	715
Leasehold improvements	416	1,613	9	(261)	1,361	(1,197)	(32)	194	(1,035)	-	-	-	-	326
Equipment under construction and installation	183	183	26	(169)	40	-	-	-	-	-	-	-	-	40
Equipment	2,204	7,442	167	(141)	7,468	(5,225)	(184)	138	(5,271)	(13)	1	-	(12)	2,185
Right-of-use assets - equipment	359	769	2	(46)	725	(410)	(43)	46	(407)	-	-	-	-	318
Total	19,719	34,485	1,874	(1,087)	35,272	(14,623)	(531)	1,484	(13,670)	(143)	(37)	-	(180)	21,422

* The Bank's revaluation has been performed in 2023.

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For the three-month period ended 31 March 2023 (Unaudited)

	Bank only 31 December 2022													
	Cost					Accumulated depreciation					Allowance for impairment loss			
	Net book value as at 1 January 2022	Beginning balance	Increase/ transfers in	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Depreciation	Disposals/ written-off/ transfers out	Ending balance	Beginning balance	Reversal of (loss) on impairment during the year	Disposals/ written-off/ transfers out	Ending balance	Net book value as at 31 December 2022
	<i>(in million Baht)</i>													
Land														
- Cost	7,366	7,501	-	(556)	6,945	-	-	-	-	(135)	(7)	14	(128)	6,817
- Incremental revaluation*	4,268	4,268	-	(260)	4,008	-	-	-	-	-	-	-	-	4,008
Building under construction	45	45	198	(208)	35	-	-	-	-	-	-	-	-	35
Building														
- Cost	3,889	7,964	279	(472)	7,771	(4,073)	(464)	270	(4,267)	(2)	(46)	46	(2)	3,502
- Incremental revaluation*	1,714	4,735	-	(707)	4,028	(3,021)	(91)	520	(2,592)	-	-	-	-	1,436
Right-of-use assets														
- premise	1,035	1,835	305	(449)	1,691	(800)	(581)	449	(932)	-	-	-	-	759
Leasehold improvements	468	1,599	118	(104)	1,613	(1,131)	(159)	93	(1,197)	-	(4)	4	-	416
Equipment under construction and installation	97	97	618	(532)	183	-	-	-	-	-	-	-	-	183
Equipment	2,281	7,212	568	(338)	7,442	(4,806)	(743)	324	(5,225)	(125)	37	75	(13)	2,204
Right-of-use assets - equipment	398	1,706	266	(1,203)	769	(1,308)	(301)	1,199	(410)	-	-	-	-	359
Total	21,561	36,962	2,352	(4,829)	34,485	(15,139)	(2,339)	2,855	(14,623)	(262)	(20)	139	(143)	19,719

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

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The gross amount of the Bank only's fully depreciated premises and equipment that were still in use as at 31 March 2023 amounted to Baht 4,441 million (*31 December 2022: Baht 4,747 million*).

Depreciation presented in the Bank only's profit or loss for the three-month period ended 31 March 2023 and 2022 amounted to Baht 531 million and Baht 676 million, respectively.

In March 2023, the Bank had the land and buildings re-appraised by independent valuers, in accordance with the BoT regulations. The surplus from revaluation was credited to other reserves under the heading "Revaluation surplus on assets" totalling Baht 2,300 million, and loss from revaluation was recorded in the statements of profit or loss and other comprehensive income amounting to Baht 38 million. It's under BOT's consideration for the incremental revaluation amount to be included as part of Common Equity Tier 1 Capital.

10 Debts issued and borrowings

Consolidated								
	Interest rates as at 31 March 2023 (%)	Maturities	31 March 2023			31 December 2022		
			Domestic	Foreign	Total	Domestic	Foreign	Total
			(in million Baht)					
Subordinated debentures ⁽¹⁾	4.00 and 4.90	2023 ⁽²⁾ - 2024 ⁽²⁾	30,000	8,377	38,377	30,000	8,491	38,491
Senior debentures	6mLibor+1.05, SOFR 6m+1.15 and 0.85-2.09	2023 - 2027	6,100	15,992	22,092	5,000	16,077	21,077
Bills of exchange ⁽³⁾ and promissory notes	2.15 and 0.05-2.50	At call and 2012	9	-	9	9	-	9
Other borrowings	0.00-0.75	2023 - 2031	5	56	61	12	55	67
Total			36,114	24,425	60,539	35,021	24,623	59,644

Bank only								
	Interest rates as at 31 March 2023 (%)	Maturities	31 March 2023			31 December 2022		
			Domestic	Foreign	Total	Domestic	Foreign	Total
			(in million Baht)					
Subordinated debentures ⁽¹⁾	4.00 and 4.90	2023 ⁽²⁾ - 2024 ⁽²⁾	30,000	8,377	38,377	30,000	8,491	38,491
Senior debentures	6mLibor+1.05, SOFR 6m+1.15 and 0.85	2023 - 2027	-	15,992	15,992	-	16,077	16,077
Bills of exchange ⁽³⁾ and promissory notes	2.15 and 0.05-2.50	At call and 2012	9	-	9	9	-	9
Other borrowings	0.00-0.75	2023 - 2031	5	56	61	12	55	67
Total			30,014	24,425	54,439	30,021	24,623	54,644

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

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

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

10.1 Senior debentures

10.1.1 On 27 October 2022, a subsidiary issued secured Senior Debentures of Baht 500 million with a 70-day maturity and carrying a fixed interest rate of 1.30% per annum, payable at the maturity which was fully guaranteed by the Bank.

The debenture was matured on 5 January 2023, which has already fully paid.

10.1.2 On 13 January 2023, a subsidiary issued secured Senior Debentures of Baht 1,600 million with a 153-day maturity and carrying a fixed interest rate of 1.55% per annum, payable at the maturity which was fully guaranteed by the Bank.

11 Assets pledged as collateral and under restriction

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

Consolidated and Bank only	
	31 March 2023
	31 December 2022
	(in million Baht)
Investments in securities	
- Pledged as collateral against repurchase transactions	49,329
Property foreclosed under restriction	5,832
Total	55,161
	55,199
	5,643
	60,842

12 Commitments and contingent liabilities

12.1 Commitments

	Consolidated	
	31 March 2023	31 December 2022
	<i>(in million Baht)</i>	
Avals to bills	860	1,001
Guarantees of loans/bond	39	39
Liability under unmatured import bills	2,564	2,680
Letters of credit	14,357	16,346
Other commitments		
- Other guarantees	75,095	75,903
- Amount of unused bank overdrafts	111,285	110,888
- Committed line	10,537	6,103
- Others ⁽¹⁾	5,910	934
Total	220,647	213,894

⁽¹⁾ As at 31 March 2023, this included the financial assets accepted as collateral that had been sold or pledged amounting to Baht 4,773 million. The Bank and its subsidiaries are obliged to return those securities in equivalent amount. *(As at 31 December 2022, there is no financial assets accepted as collateral that had been sold or pledged).*

	Bank only	
	31 March 2023	31 December 2022
	<i>(in million Baht)</i>	
Avals to bills	860	1,001
Guarantees of loans/bond	6,219	5,109
Liability under unmatured import bills	2,564	2,680
Letters of credit	14,357	16,346
Other commitments		
- Other guarantees	75,095	75,903
- Amount of unused bank overdrafts	111,285	110,888
- Committed line	10,537	6,103
- Others ⁽¹⁾	5,910	934
Total	226,827	218,964

⁽¹⁾ As at 31 March 2023, this included the financial assets accepted as collateral that had been sold or pledged amounting to Baht 4,773 million. The Bank is obliged to return those securities in equivalent amount. *(As at 31 December 2022, there is no financial assets accepted as collateral that had been sold or pledged).*

As at 31 March 2023 and 31 December 2022, the Bank and its subsidiaries had purchase and sales of investment in debt securities with net buys amounting to Baht 104 million and net buys amounting to Baht 51 million, respectively *(Bank only: net buys amounting to Baht 104 million and net buys amounting to Baht 51 million, respectively)*, for which the settlement was not due at the reporting date.

12.2 Litigation and other claims

- (a) As at 31 March 2023 and 31 December 2022, the Bank and its subsidiaries were claimed pursuant to obligations under the letters of guarantee and other claims for 130 cases and 127 cases, respectively *(Bank only: claims for 130 cases and 127 cases, respectively)*. The said claims were made against the Bank and its subsidiaries for the approximate liability amounts of Baht 1,972 million ⁽¹⁾ and Baht 1,620 million ⁽¹⁾, respectively *(Bank only: Baht 1,972 million ⁽¹⁾ and Baht 1,620 million ⁽¹⁾, respectively)*.

- (b) As at 31 March 2023 and 31 December 2022, the Bank and its subsidiaries have recognised provisions for possible loss from the litigation and other claims totalling Baht 502 million and Baht 578 million, respectively (*Bank only: Baht 502 million and Baht 578 million, respectively*). The management considers that the provision established for such potential loss due to the said litigation and other claims is adequate.

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

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

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

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

Name of entity/Personnel	Country of incorporation/ Nationality	Nature of relationship
Key management personnel	Thai and other nationalities	Persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiaries

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Name of entity/Personnel	Country of incorporation/ Nationality	Nature of relationship
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
Phahonyothin Asset Management Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
TBCO PCL.	Thailand	Subsidiary, liquidator is a representative of the Bank
TMBThanachart Broker Co., Ltd.	Thailand	Subsidiary, 99.99% shareholding, more than 50% of directors are representatives of the Bank
TTB Consumer Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
Thanachart Fund Management Co., Ltd. ⁽¹⁾	Thailand	Before 11 July 2022, Associated, 49.9% shareholding, less than 50% of directors are representatives of the Bank
TMB Asset Management Co., Ltd. ⁽¹⁾	Thailand	Before 11 July 2022, Associated, 35% shareholding, less than 50% of directors are representatives of the Bank
Eastspring Asset Management (Thailand) Co., Ltd. ⁽¹⁾	Thailand	Associated, 40.5% shareholding, less than 50% of directors are representatives of the Bank

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

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

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

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

Significant related parties transactions for the three-month period ended 31 March 2023 and 2022 with key management and other related parties were as follows:

	Consolidated					
	Three-month period ended 31 March 2023					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	<i>(in million Baht)</i>					
1. Major shareholders	99	4	-	-	-	11
2. Subsidiaries	-	-	-	-	-	-
3. Associates	-	-	280	1	-	-
4. Key management personnel of the Bank	1	1	-	-	-	-
5. Other related parties	253	135	318	-	-	111

	Consolidated					
	Three-month period ended 31 March 2022					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	<i>(in million Baht)</i>					
1. Major shareholders	2	3	-	-	-	5
2. Subsidiaries	-	-	-	-	-	-
3. Associates	-	-	359	-	-	-
4. Key management personnel of the Bank	-	1	-	-	-	-
5. Other related parties	174	43	341	-	-	112

	Bank only					
	Three-month period ended 31 March 2023					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	<i>(in million Baht)</i>					
1. Major shareholders	99	4	-	-	-	11
2. Subsidiaries	-	1	24	128	38	18
3. Associates	-	-	280	1	-	-
4. Key management personnel of the Bank	1	1	-	-	-	-
5. Other related parties	253	135	228	-	-	111

	Bank only					
	Three-month period ended 31 March 2022					
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses
	<i>(in million Baht)</i>					
1. Major shareholders	2	3	-	-	-	5
2. Subsidiaries	-	2	23	-	28	-
3. Associates	-	-	359	-	-	-
4. Key management personnel of the Bank	-	1	-	-	-	-
5. Other related parties	174	43	243	-	-	112

During the three-month period ended 31 March 2023, the Bank sold written-off non-performing loans to a subsidiary at selling price of Baht 75 million which presented as a deduction from "Expected credit loss" in the Bank only statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2023. *(During the three-month period ended 31 March 2022, the Bank did not sell written-off non-performing loans to subsidiary.)*

During the three-month period ended 31 March 2023, the Bank sold non-performing loans, with principal totalling approximately Baht 916 million to a subsidiary. 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 Bank only statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2023. *(During the three-month period ended 31 March 2022, the Bank did not sell non-performing loans to subsidiary.)*

13.2 Outstanding balances with related parties

As at 31 March 2023 and 31 December 2022, 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 31 March 2023 and 31 December 2022 were as follows:

	Consolidated		Bank only	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net				
Ministry of Finance	25,211	25,164	25,211	25,164
Deposits (including interbank and money market items - liabilities)				
ING Bank N.V.	4	3	4	3
Thanachart Capital PCL.	1,787	1,863	1,787	1,863
Other liabilities				
Thanachart Capital PCL.	4	-	4	-

13.2.2 Significant balances between the Bank and its subsidiaries and associates as at 31 March 2023 and 31 December 2022 were as follows:

	Consolidated		Bank only	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net				
Phahonyothin Asset Management Co., Ltd	-	-	-	140
Other assets				
TMBThanachart Broker Co., Ltd.	-	-	30	41
Phahonyothin Asset Management Co., Ltd	-	-	1	1
TTB Consumer Co., Ltd	-	-	1	1
Eastspring Asset Management (Thailand) Co., Ltd.	96	103	96	103
Total	96	103	128	146
Deposits (including interbank and money market items - liabilities)				
TBCO PCL.	-	-	315	322
TMBThanachart Broker Co., Ltd.	-	-	399	335
Phahonyothin Asset Management Co., Ltd.	-	-	796	53
TTB Consumer Co., Ltd.	-	-	145	121
Eastspring Asset Management (Thailand) Co., Ltd.	259	231	259	231
Total	259	231	1,914	1,062

TMBThanachart Bank Public Company Limited and its Subsidiaries

Notes to the condensed interim financial statements

For the three-month period ended 31 March 2023 (Unaudited)

	Consolidated		Bank only	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	<i>(in million Baht)</i>			
Other liabilities				
Phahonyothin Asset Management Co., Ltd.	-	-	2	2
TTB Consumer Co., Ltd.	-	-	48	39
Eastspring Asset Management (Thailand) Co., Ltd.	1	-	1	-
Total	1	-	51	41
Commitments – Derivatives ⁽¹⁾				
Eastspring Asset Management (Thailand) Co., Ltd.	156	-	156	-
Commitments – Guarantee of bond issuance				
Phahonyothin Asset Management Co., Ltd.	-	-	6,179	5,070

⁽¹⁾ Presented in notional amount

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

	Consolidated		Bank only	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net	53	60	53	60
Deposits	540	408	540	408
Financial liabilities measured at fair value through profit or loss – Structured notes	10	-	10	-

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

	Consolidated		Bank only	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	<i>(in million Baht)</i>			
Interbank and money market items - assets and loans to customers and accrued interest receivables, net	31,531	29,574	31,526	29,568
Investments	1,419	1,972	1,419	1,972
Other assets	19	15	-	-
Deposits (including interbank and money market items - liabilities)	40,723	30,573	40,723	30,573
Debts issued and borrowings (including interbank and money market items - liabilities)	9,346	17,500	9,346	17,500
Other liabilities	80	24	71	11
Commitments - Derivatives ⁽¹⁾	58,493	94,972	58,493	94,972
Other commitments	1,313	1,664	1,313	1,664

⁽¹⁾ Presented in notional amount

13.3 Senior management personnel compensation

For the three-month period ended 31 March 2023 and 2022, senior management personnel compensation, included in profit or loss, was classified as follows:

<i>For the three-month period ended 31 March</i>	Consolidated		Bank only	
	2023	2022	2023	2022
		(in million Baht)		
Short-term employee benefits - directors	10	9	10	9
Short-term employee benefits - management	551	445	541	435
Post-employment benefits	22	22	22	22
Share-based payments	8	16	8	16
Total	591	492	581	482

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.

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

Information about reportable segments:

*For the three-month period ended
31 March 2023*

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	3,568	9,195	744	(5)	13,502
Net non-interest income	956	1,852	568	17	3,393
Total operating income	4,524	11,047	1,312	12	16,895
Operating expenses	(727)	(2,782)	(3,878)	66	(7,321)
Profits from operation	3,797	8,265	(2,566)	78	9,574
Expected credit loss					(4,283)
Profit before income tax					5,291
Income tax					(996)
Profit for the period					4,295

*For the three-month period ended
31 March 2022*

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	3,002	7,693	1,719	(5)	12,409
Net non-interest income	1,108	2,024	163	63	3,358
Total operating income	4,110	9,717	1,882	58	15,767
Operating expenses	(706)	(2,703)	(3,574)	33	(6,950)
Profits from operation	3,404	7,014	(1,692)	91	8,817
Expected credit loss					(4,838)
Profit before income tax					3,979
Income tax					(784)
Profit for the period					3,195

Reconciliation of reportable segment profit or loss

*For the three-month period ended
31 March 2023*

	Net interest income	Net non- interest income	Consolidated Operating expenses (in million Baht)	Expected credit loss
Segment reporting	13,502	3,393	(7,321)	(4,283)
Expected credit loss	-	28	(27)	(1)
Others	-	(53)	45	8
Consolidated financial statements	13,502	3,368	(7,303)	(4,276)

*For the three-month period ended
31 March 2022*

	Net interest income	Net non- interest income	Consolidated Operating expenses (in million Baht)	Expected credit loss
Segment reporting	12,409	3,358	(6,950)	(4,838)
Expected credit loss	-	-	(30)	30
Others	-	7	(7)	-
Consolidated financial statements	12,409	3,365	(6,987)	(4,808)

	Consolidated 31 March 2023				
	Commercial Banking	Retail Banking	Other segments (in million Baht)	Elimination	Total
Loan to customers	486,105	828,918	42,530	501	1,358,054
Deposits	408,515	995,444	-	(1,654)	1,402,305

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

15 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the three-month period ended 31 March 2023 and 2022 were based on the profit for the period attributable to equity holders of the Bank and the number of ordinary shares outstanding during the period as follows:

	Consolidated		Bank only	
For the three-month period ended 31 March	2023	2022	2023	2022
Profit for the period attributable to equity holders of the Bank (in million Baht)	4,295	3,195	4,306	3,091
Weighted average number of ordinary shares outstanding (in million shares)	96,776	96,623	96,776	96,623
Basic earnings per share (in Baht)	0.0444	0.0331	0.0445	0.0320

Diluted earnings per share

The calculations of diluted earnings per share for the three-month period ended 31 March 2023 and 2022 were based on the profit for the period attributable to equity holders of the Bank and the number of ordinary shares outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated		Bank only	
For the three-month period ended 31 March	2023	2022	2023	2022
Profit for the period attributable to equity holders of the Bank (in million Baht)	4,295	3,195	4,306	3,091
Weighted average number of ordinary shares outstanding (in million shares)	96,776	96,623	96,776	96,623
Effect of dilutive potential ordinary shares from TTB TSRP 2019, TTB TSRP 2021 and TTB-W1 Warrants (in million shares)	388	234	388	234
Weighted average number of diluted ordinary shares outstanding (in million shares)	97,164	96,857	97,164	96,857
Diluted earnings per share (in Baht)	0.0442	0.0330	0.0443	0.0319

16 Share capital

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

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

17 Warrant - TTB-W1 Warrants Program

Information of TTB-W1 Warrants Program

On 12 April 2022, the Annual General Meeting of Shareholders approved the TTB-W1 Warrants Program for the issuance and allocation of the Warrants to current shareholders of the Bank. Summary of the program is detail below:

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

Details of unexercised warrants were as follows:

Warrants	Par value (Baht/shares)	Exercise price	Number of warrants issued and allocated	Exercised warrants (Unites)	Balance of unexercised warrants as at 31 March 2023
TTB-W1 Warrants Program	0.95	0.95	965,000,849*	(8,889,259)	956,111,590

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

Details of exercised warrants during the period is mentioned in Note 16

18 Employee Joint Investment Program

On 21 February 2023, the Board of Directors Meeting No. 2/2023 approved the Employee Joint Investment Program (EJIP). Summary of the program is detail below:

Program tenor:	2 years and 10 months (March 2023 – December 2025)
Eligibility:	Permanent staff and executives of the Bank and its subsidiaries based on the Bank's defined criteria.
Share contribution:	2 times in March and June 2023.
Program features and operation:	Share contribution consists of employee's contribution and the Bank's contribution based on the Bank's defined criteria. The Bank has delegated to the agent to buy the shares in SET under EJIP Program by the period of each contribution and allocate those shares to program participants' accounts.
Silent period:	Participated staffs and executives can sell their accumulated shares each year as follows: - By 20 December 2023, not exceeding 20%, - By 20 December 2024, not exceeding 50%, - By 20 December 2025, all accumulated shares can be sold.
Condition of program termination:	The termination of program membership commences once the employee status ends and based on the Bank's defined criteria. The participated staffs must follow the defined criteria relating to shares under the Bank's contribution.

19 Events after the reporting period

19.1 Appropriation of profit and dividend payment of the 2022 operating profit

On 5 April 2023, the 2023 Annual General Meeting of the Bank's shareholders passed resolutions approving/acknowledging as follows:

- (1) Approving to not allocating net profit from 2022 operating results to the legal reserve as the Bank's legal reserve is sufficient as required by laws and the Bank's Articles of Association.
- (2) Acknowledging the interim dividend payment to the Bank's ordinary shareholders on 22 September 2022.
- (3) Approving the payment of a dividend of Baht 0.073 per share from the 2022 operating profit to the Bank's ordinary shareholders, totalling Baht 7,062 million. Since the Bank already paid the interim dividend from the net profit of the Bank's first-half operating profit at the rate of Baht 0.02 per share, totalling Baht 1,933 million to the Bank's ordinary shareholders on 22 September 2022, the remaining dividend to be paid was at the rate of Baht 0.053 per share, totalling Baht 5,129 million. The Bank paid such dividend to its shareholders on 3 May 2023.

The remaining profit after the dividend payment would be subsequently proposed to the Board of Directors for approval of allocating profit to the Bank's capital in accordance with the Bank's Articles Association.

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

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