

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
BANK OF AYUDHYA PUBLIC COMPANY LIMITED**

REPORT ON AUDIT OF INTERIM FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Bank of Ayudhya Public Company Limited and its subsidiaries (the “Bank and subsidiaries”) and the Bank’s financial statements of Bank of Ayudhya Public Company Limited (the “Bank”), which comprise the consolidated and Bank’s statements of financial position as at June 30, 2024, and the related consolidated and Bank’s statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated and Bank’s financial statements present fairly, in all material respects, the financial position of Bank of Ayudhya Public Company Limited and its subsidiaries and of Bank of Ayudhya Public Company Limited as at June 30, 2024, and its financial performance and its cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards (“TFRSs”) and Bank of Thailand’s regulations.

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Bank’s Financial Statements section of our report. We are independent of the Bank and subsidiaries in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to our audit of the consolidated and Bank’s financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and Bank's financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and Bank's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Audit Responses
<p>Allowance for expected credit loss</p> <p>The allowance for expected credit loss (“ECL”) on loans to customers and provisions for loan commitments and financial guarantee contracts are considered to be a matter of most significance as they require the application of judgment, estimation and the use of subjective assumptions by management of the Bank and subsidiaries.</p> <p>The Bank and subsidiaries have applied the Thai Financial Reporting Standard No. 9 - Financial Instruments (“TFRS 9”) and related Bank of Thailand (the “BOT”)’s regulations. This standard requires the Bank and subsidiaries to recognize impairment loss based on expected credit loss.</p> <p>The ECL is measured based forward-looking information basis by calculating on a probability-weighted credit losses with respective risk of expected cash shortfalls either based on credit events arising in the 12 months from the reporting date or based on credit events arising over the lifetime of the financial instrument; depending on the significant increase in credit risk (“SICR”) since initial recognition.</p>	<p>Based on our risk assessment, we established an audit approach including controls and substantive testing as a basis for our opinion. Accordingly, we have performed the following procedures amongst others. Our procedures include:</p> <p>We have assessed the design and implementation as well as operating effectiveness of the controls related to the process and policy for ECL methodology including model monitoring and validation which have been performed by the Bank and its subsidiaries, and post model adjustment of the ECL and; we have assessed the control system in this process, including automated controls in the IT systems.</p> <p>We collectively and individually assessed loans to customers regarding the appropriateness of allowance for expected credit loss and the recognition at the reporting date as follows:</p> <ul style="list-style-type: none"> • For the collectively assessed loans to customers, we have performed, among the others, the following procedures: <ul style="list-style-type: none"> • With the involvement of our internal specialist, we have analyzed the applied methodology for estimating ECL, including the adequacy of risk parameters applied, model performance testing, post model adjustment and compliance with the requirements of TFRS 9 and the BOT’s regulations. • Independent recalculation by our internal specialist on sample basis of the value of ECL for selected portfolios in the collective assessment method.

Key Audit Matters	Audit Responses
<p>Allowance for expected credit loss (continued)</p> <p>The post model adjustment may also be recorded by the Bank and subsidiaries using credit expert assumptions and judgment where the inputs, assumptions and/or modelling techniques do not capture all relevant risk factors in respect to the current economic conditions and market circumstances.</p> <p>Accounting policy and the related BOT's regulations for the allowance for expected credit loss, detail of allowance for expected credit loss were disclosed in Notes 4.7, 6.2 and 7.9 to the financial statements, respectively.</p>	<ul style="list-style-type: none"> • For the individually assessed loans to customers, we have performed, among the others, the following procedures: <ul style="list-style-type: none"> • We have assessed the appropriateness of the process for identifying indicators of impairment. • We assessed the appropriateness of estimation of allowances for a selected sample of exposures with identified evidence of impairment with respect to the appropriateness of the assumed collateral values and assumptions concerning other cash flows. • Our audit procedures included reconciliation of the data used in the ECL calculation to confirm the accuracy and completeness of the recognition of loans to customers, loan commitments and financial guarantee contracts that are the basis for the calculation of impairment losses and provision, as well as the value of these ECL and provisions for loan commitments and financial guarantee contracts. • In respect of post model adjustment, based on current economic conditions and market circumstances, our audit procedures included the evaluation of the design and implementation of internal control in this process. We assessed the completeness and appropriateness of the assumptions, input data and performed the calculation of the post model adjustment with support from our internal specialist. <p>For the IT systems and individual data processing systems used in the ECL calculation, we have assessed the relevant effectiveness of application controls and general IT controls with the involvement of our internal IT specialists.</p>

Responsibilities of Management and Those Charged with Governance for the Consolidated and Bank's Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and Bank's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and subsidiaries' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and subsidiaries’ ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Bank and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the Bank’s financial statements, including the disclosures, and whether the consolidated and Bank’s financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statements of profit or loss and other comprehensive income of Bank of Ayudhya Public Company Limited and its subsidiaries and the Bank’s statements of profit or loss and other comprehensive income of Bank of Ayudhya Public Company Limited for the three-month period ended June 30, 2024, and the notes to the financial statements (“interim financial information”). The Bank’s management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, “Interim Financial Reporting” and Bank of Thailand’s regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Thai Standard on Review Engagements No. 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 us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, “Interim Financial Reporting” and Bank of Thailand’s regulations.

BANGKOK
August 28, 2024

Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2024

Unit : Thousand Baht

	Notes	CONSOLIDATED		THE BANK'S	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
ASSETS					
CASH		24,662,778	28,169,604	22,702,027	25,127,673
INTERBANK AND MONEY MARKET ITEMS, NET	7.3	524,632,695	507,974,332	501,846,916	489,172,830
FINANCIAL ASSETS MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	7.4	3,345,144	1,740,461	2,303,149	622,531
DERIVATIVES ASSETS	7.5	37,369,353	29,055,607	37,583,142	29,257,667
INVESTMENTS, NET	7.6	137,029,713	130,538,799	131,584,335	125,353,247
INVESTMENTS IN SUBSIDIARIES, ASSOCIATE					
AND JOINT VENTURES, NET	7.7	18,523,849	17,920,515	94,779,753	90,571,525
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	7.8	1,915,425,270	1,942,699,757	1,674,012,164	1,701,804,771
PROPERTIES FOR SALE, NET	7.10	5,989,690	5,555,112	5,653,587	5,226,076
PREMISES AND EQUIPMENT, NET	7.11	36,806,308	36,327,764	31,764,154	31,764,854
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	7.12	32,995,142	31,540,062	4,253,624	3,765,833
DEFERRED TAX ASSETS	7.13	5,983,068	6,086,001	468,938	284,909
OTHER ASSETS, NET	7.14	30,014,802	30,686,880	20,926,563	21,919,045
TOTAL ASSETS		<u>2,772,777,812</u>	<u>2,768,294,894</u>	<u>2,527,878,352</u>	<u>2,524,870,961</u>

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2024

Unit : Thousand Baht

	Notes	CONSOLIDATED		THE BANK'S	
		June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
LIABILITIES AND EQUITY					
DEPOSITS	7.15	1,916,387,708	1,839,601,001	1,888,681,363	1,815,718,538
INTERBANK AND MONEY MARKET ITEMS	7.16	232,843,043	323,995,537	188,409,496	271,279,782
LIABILITY PAYABLE ON DEMAND		5,512,565	4,387,336	5,512,557	4,382,140
DERIVATIVES LIABILITIES	7.5	31,354,377	32,838,856	31,755,340	33,097,354
DEBT ISSUED AND BORROWINGS	7.17	107,602,308	104,217,056	79,586,713	78,233,476
PROVISIONS	7.18	12,614,480	12,212,832	9,937,545	9,662,295
DEFERRED TAX LIABILITIES	7.13	1,188,786	1,304,064	-	-
OTHER LIABILITIES	7.19	79,035,859	78,284,538	48,922,977	46,664,543
TOTAL LIABILITIES		2,386,539,126	2,396,841,220	2,252,805,991	2,259,038,128
EQUITY					
SHARE CAPITAL	7.23				
Authorized share capital					
7,574,143,747 ordinary shares of					
Baht 10 each		75,741,437	75,741,437	75,741,437	75,741,437
Issued and paid-up share capital					
7,355,761,773 ordinary shares of					
Baht 10 each		73,557,618	73,557,618	73,557,618	73,557,618
PREMIUM ON ORDINARY SHARES		52,878,749	52,878,749	52,878,749	52,878,749
OTHER RESERVES		5,750,692	3,678,725	6,094,560	5,697,899
RETAINED EARNINGS					
Appropriated					
Legal reserve		7,574,144	7,574,144	7,574,144	7,574,144
Unappropriated		243,094,636	230,764,350	134,967,290	126,124,423
TOTAL BANK'S EQUITY		382,855,839	368,453,586	275,072,361	265,832,833
NON-CONTROLLING INTEREST		3,382,847	3,000,088	-	-
TOTAL EQUITY		386,238,686	371,453,674	275,072,361	265,832,833
TOTAL LIABILITIES AND EQUITY		2,772,777,812	2,768,294,894	2,527,878,352	2,524,870,961

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

(Mr. Kenichi Yamato)
President and Chief Executive Officer

(Miss Duangdao Wongpanitkrit)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2024
"UNAUDITED"

Unit : Thousand Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2024	2023	2024	2023
INTEREST INCOME	7.31	41,004,357	32,503,866	26,913,545	22,875,736
INTEREST EXPENSES	7.32	12,705,281	9,204,904	10,704,873	7,760,958
INTEREST INCOME, NET		28,299,076	23,298,962	16,208,672	15,114,778
FEES AND SERVICE INCOME		8,596,444	6,544,515	3,603,943	3,156,475
FEES AND SERVICE EXPENSES		2,314,725	1,962,892	1,575,609	1,453,080
FEES AND SERVICE INCOME, NET	7.33	6,281,719	4,581,623	2,028,334	1,703,395
GAINS ON FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS, NET	7.34	1,507,522	1,292,412	1,529,705	1,417,714
LOSSES ON INVESTMENTS, NET	7.35	-	-	(1,230,000)	(260,000)
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		384,896	406,394	-	-
DIVIDEND INCOME		220,121	165,885	1,684,485	2,678,547
BAD DEBTS RECOVERIES		2,115,647	1,730,285	798,032	715,034
OTHER OPERATING INCOME		662,003	670,076	662,043	619,492
TOTAL OPERATING INCOME		39,470,984	32,145,637	21,681,271	21,988,960
OTHER OPERATING EXPENSES					
Employee's expenses		9,099,226	7,236,840	5,089,956	4,671,388
Directors' remuneration		21,172	18,858	16,608	16,257
Premises and equipment expenses		2,265,494	1,953,390	1,580,850	1,495,514
Taxes and duties		1,058,089	795,934	593,565	485,868
Others		4,781,682	3,789,315	2,215,316	2,106,787
Total other operating expenses		17,225,663	13,794,337	9,496,295	8,775,814
EXPECTED CREDIT LOSS	7.36	11,817,201	7,811,052	5,159,847	2,836,034
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		10,428,120	10,540,248	7,025,129	10,377,112
INCOME TAX EXPENSES	7.37	1,989,985	2,051,210	1,134,139	1,603,013
NET PROFIT		8,438,135	8,489,038	5,890,990	8,774,099

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2024
"UNAUDITED"

Unit : Thousand Baht

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2024	2023	2024	2023
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified subsequently to profit or loss:					
Gain (loss) on investments in debt instruments at fair value					
through other comprehensive income		(304,062)	(182,711)	12,725	(406,530)
Gain (loss) on hedges		283,457	489,910	314,942	492,980
Gain (loss) arising from translating the financial statements					
of foreign operation		(606,988)	1,240,794	-	-
Share of other comprehensive income of associate and joint venture		(39,798)	36,062	-	-
Income tax relating to components of					
other comprehensive income	7.38	24,226	(87,059)	(65,533)	(17,290)
Items that will not be reclassified subsequently to profit or loss:					
Gain (loss) on investments designated at fair value					
through other comprehensive income		(165,335)	(269,857)	(258,855)	(212,138)
Actuarial gain (loss) on defined benefit plans		22,700	-	-	-
Income tax relating to components of					
other comprehensive income	7.38	28,073	53,971	51,771	42,427
Total other comprehensive income, net		(757,727)	1,281,110	55,050	(100,551)
TOTAL COMPREHENSIVE INCOME		7,680,408	9,770,148	5,946,040	8,673,548
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		8,208,926	8,425,299	5,890,990	8,774,099
Non-controlling interest		229,209	63,739	-	-
		8,438,135	8,489,038	5,890,990	8,774,099
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		7,592,463	9,580,367	5,946,040	8,673,548
Non-controlling interest		87,945	189,781	-	-
		7,680,408	9,770,148	5,946,040	8,673,548
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	BAHT	1.12	1.15	0.80	1.19
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES	SHARES	7,355,761,773	7,355,761,773	7,355,761,773	7,355,761,773

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

(Mr. Kenichi Yamato)
President and Chief Executive Officer

(Miss Duangdao Wongpanitkrit)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

Unit : Thousand Baht

	Notes	CONSOLIDATED		THE BANK'S	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2024	2023	2024	2023
INTEREST INCOME	7.31	80,985,353	61,621,157	52,650,616	43,876,385
INTEREST EXPENSES	7.32	25,391,583	17,131,954	21,407,529	14,578,640
INTEREST INCOME, NET		<u>55,593,770</u>	<u>44,489,203</u>	<u>31,243,087</u>	<u>29,297,745</u>
FEES AND SERVICE INCOME		17,280,413	12,866,476	7,212,365	6,484,217
FEES AND SERVICE EXPENSES		4,805,369	4,034,725	3,309,521	3,049,365
FEES AND SERVICE INCOME, NET	7.33	<u>12,475,044</u>	<u>8,831,751</u>	<u>3,902,844</u>	<u>3,434,852</u>
GAINS ON FINANCIAL INSTRUMENTS MEASURED					
AT FAIR VALUE THROUGH PROFIT OR LOSS, NET	7.34	3,361,638	3,002,140	3,373,406	3,084,014
LOSSES ON INVESTMENTS, NET	7.35	-	-	(1,230,000)	(260,000)
SHARE OF PROFIT FROM INVESTMENT USING					
EQUITY METHOD		804,541	791,786	-	-
DIVIDEND INCOME		299,509	291,037	2,699,042	2,800,729
BAD DEBTS RECOVERIES		4,300,170	3,508,706	1,682,400	1,478,532
OTHER OPERATING INCOME		1,169,399	1,275,972	1,190,785	1,185,633
TOTAL OPERATING INCOME		<u>78,004,071</u>	<u>62,190,595</u>	<u>42,861,564</u>	<u>41,021,505</u>
OTHER OPERATING EXPENSES					
Employee's expenses		17,824,212	14,391,280	9,995,992	9,377,344
Directors' remuneration		42,000	36,909	33,216	32,379
Premises and equipment expenses		4,523,592	3,810,470	3,091,782	2,991,753
Taxes and duties		2,123,362	1,502,106	1,199,743	986,334
Others		9,296,737	7,383,782	4,026,177	4,025,201
Total other operating expenses		<u>33,809,903</u>	<u>27,124,547</u>	<u>18,346,910</u>	<u>17,413,011</u>
EXPECTED CREDIT LOSS	7.36	<u>24,087,730</u>	<u>13,609,517</u>	<u>9,826,176</u>	<u>6,018,759</u>
PROFIT FROM OPERATING BEFORE					
INCOME TAX EXPENSES		20,106,438	21,456,531	14,688,478	17,589,735
INCOME TAX EXPENSES	7.37	<u>3,992,536</u>	<u>4,250,499</u>	<u>2,465,107</u>	<u>3,020,014</u>
NET PROFIT		<u>16,113,902</u>	<u>17,206,032</u>	<u>12,223,371</u>	<u>14,569,721</u>

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

Unit : Thousand Baht

	Notes	CONSOLIDATED		THE BANK'S	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2024	2023	2024	2023
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified subsequently to profit or loss:					
Gain (loss) on investments in debt instruments at fair value					
through other comprehensive income		479,499	(335,213)	602,374	(559,032)
Gain (loss) on hedges		232,806	717,779	246,241	757,258
Gain (loss) arising from translating the financial statements					
of foreign operation		1,466,851	1,026,184	-	-
Share of other comprehensive income of associate and joint venture		21,499	48,667	-	-
Income tax relating to components of					
other comprehensive income	7.38	(151,321)	(90,667)	(169,723)	(39,645)
Items that will not be reclassified subsequently to profit or loss:					
Gain (loss) on investments designated at fair value					
through other comprehensive income		(42,152)	(813,788)	(440,803)	(558,886)
Actuarial gain (loss) on defined benefit plans		26,792	-	-	-
Share of other comprehensive income of joint venture		4,613	2,755	-	-
Income tax relating to components of					
other comprehensive income	7.38	2,536	162,757	88,161	111,777
Total other comprehensive income, net		2,041,123	718,474	326,250	(288,528)
TOTAL COMPREHENSIVE INCOME		18,155,025	17,924,506	12,549,621	14,281,193
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		15,751,540	17,101,587	12,223,371	14,569,721
Non-controlling interest		362,362	104,445	-	-
		16,113,902	17,206,032	12,223,371	14,569,721
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		17,786,962	17,693,709	12,549,621	14,281,193
Non-controlling interest		368,063	230,797	-	-
		18,155,025	17,924,506	12,549,621	14,281,193
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	BAHT	2.14	2.32	1.66	1.98
WEIGHTED AVERAGE NUMBER OF					
ORDINARY SHARES	SHARES	7,355,761,773	7,355,761,773	7,355,761,773	7,355,761,773

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

(Mr. Kenichi Yamato)
President and Chief Executive Officer

(Miss Duangdao Wongpanitkrit)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

Unit : Thousand Baht

CONSOLIDATED FINANCIAL STATEMENTS														
Owners of the Bank												Non-	Total	
Notes	Issued and	Premium	Other reserves						Retained Earnings		Total	Controlling		
	Paid-up Share Capital	on Share Capital	Asset Appraisal Surplus	Fair Value Reserve	Foreign Currency Translation	Hedging Reserve	Share of Other Comprehensive Income	Deficit from Business Combination under Common Control	Deficit from Change in Ownership Interest in Subsidiaries	Appropriated Legal Reserve	Unappropriated	Bank's Equity		Interest
	73,557,618	52,878,749	9,830,776	(972,824)	54,787	(94,925)	(61,332)	(5,217,755)	(951,728)	7,574,144	204,321,373	340,918,883	840,141	341,759,024
Change in asset revaluation surplus	-	-	(115,052)	-	-	-	-	-	-	-	115,052	-	-	-
Dividend payment	-	-	-	-	-	-	-	-	-	-	(3,310,092)	(3,310,092)	(56,746)	(3,366,838)
Transfer of investment revaluation reserve upon disposal of equity investments designated as at FVOCI	-	-	-	99,646	-	-	-	-	-	-	(99,646)	-	-	-
Total comprehensive income	-	-	-	(973,709)	941,809	572,600	48,667	-	-	-	17,104,342	17,693,709	230,797	17,924,506
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	1,715,629	1,715,629
Change in shareholding in subsidiary	-	-	-	-	-	-	-	-	(1,134)	-	55	(1,079)	(13,432)	(14,511)
Balance as of June 30, 2023	73,557,618	52,878,749	9,715,724	(1,846,887)	996,596	477,675	(12,665)	(5,217,755)	(952,862)	7,574,144	218,131,084	355,301,421	2,716,389	358,017,810
	73,557,618	52,878,749	11,774,635	(1,292,785)	(779,240)	217,312	(70,580)	(5,217,755)	(952,862)	7,574,144	230,764,350	368,453,586	3,000,088	371,453,674
Change in asset revaluation surplus	-	-	(252,070)	-	-	-	-	-	-	-	252,070	-	-	-
Dividend payment	-	-	-	-	-	-	-	-	-	-	(3,310,093)	(3,310,093)	(59,288)	(3,369,381)
Transfer of investment revaluation reserve upon disposal of equity investments designated as at FVOCI	-	-	-	313,366	-	-	-	-	-	-	(313,366)	-	-	-
Total comprehensive income	-	-	-	378,740	1,441,120	170,765	21,382	-	-	-	15,774,955	17,786,962	368,063	18,155,025
Others	-	-	-	2	(1,181)	32	-	-	(189)	-	(73,280)	(74,616)	73,984	(632)
Balance as of June 30, 2024	73,557,618	52,878,749	11,522,565	(600,677)	660,699	388,109	(49,198)	(5,217,755)	(953,051)	7,574,144	243,094,636	382,855,839	3,382,847	386,238,686

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

Unit : Thousand Baht

THE BANK'S FINANCIAL STATEMENTS										
	Notes	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves			Retained Earnings		Total	
				Asset Appraisal Surplus	Fair Value Reserve	Hedging Reserve	Deficit from Business Combination under Common Control	Appropriated Legal Reserve		Unappropriated
Balance as of January 1, 2023		73,557,618	52,878,749	9,830,776	(769,068)	(165,807)	(5,217,755)	7,574,144	108,087,224	245,775,881
Change in asset revaluation surplus		-	-	(115,052)	-	-	-	-	115,052	-
Dividend payment	7.23.2	-	-	-	-	-	-	-	(3,310,092)	(3,310,092)
Transfer of investment revaluation reserve upon disposal of equity investments designated as at FVTOCI		-	-	-	99,646	-	-	-	(99,646)	-
Total comprehensive income		-	-	-	(894,334)	605,806	-	-	14,569,721	14,281,193
Balance as of June 30, 2023		73,557,618	52,878,749	9,715,724	(1,563,756)	439,999	(5,217,755)	7,574,144	119,362,259	256,746,982
Balance as of January 1, 2024		73,557,618	52,878,749	11,774,635	(1,067,036)	208,055	(5,217,755)	7,574,144	126,124,423	265,832,833
Change in asset revaluation surplus		-	-	(251,128)	-	-	-	-	251,128	-
Dividend payment	7.23.2	-	-	-	-	-	-	-	(3,310,093)	(3,310,093)
Transfer of investment revaluation reserve upon disposal of equity investments designated as at FVOCI		-	-	-	321,539	-	-	-	(321,539)	-
Total comprehensive income		-	-	-	129,257	196,993	-	-	12,223,371	12,549,621
Balance as of June 30, 2024		73,557,618	52,878,749	11,523,507	(616,240)	405,048	(5,217,755)	7,574,144	134,967,290	275,072,361

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

(Mr. Kenichi Yamato)
President and Chief Executive Officer

(Miss Duangdao Wongpanitkrit)
Director

BANK OF AYUDHYA PULBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

Unit : Thousand Baht

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2024	2023	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from operating before income tax expenses	20,106,438	21,456,531	14,688,478	17,589,735
Adjustments to reconcile income to cash received (paid)				
from operating activities:				
Depreciation and amortization	3,163,024	2,222,189	1,854,153	1,760,423
Expected credit loss	24,087,730	13,609,517	9,826,176	6,018,759
Loss on translation in foreign currencies	5,597,634	219,146	5,597,634	219,146
Unrealized gain from revaluation of derivatives	(3,568,196)	(10,806,937)	(3,423,250)	(10,914,936)
Share of profit from investment using equity method	(804,541)	(791,786)	-	-
Loss on investments	-	-	1,230,000	260,000
Amortization of premium on investments in debt securities	99,523	201,766	125,998	214,966
Gain on sales of properties for sale	(597,870)	(597,025)	(565,178)	(576,657)
Loss on sales of premises and equipment	32,032	87,357	25,650	49,331
Loss on impairment of properties for sale	292,726	123,119	230,010	94,346
Loss on impairment of premises and equipment	53,143	-	-	-
Loss on impairment of others assets (reversal)	21,410	(12,155)	17,825	(12,953)
Increase in other reserves	363,513	591,282	255,546	483,181
Interest income, net	(55,593,770)	(44,489,203)	(31,243,087)	(29,297,745)
Interest received	80,298,571	60,199,842	52,800,184	44,500,554
Interest paid	(24,535,086)	(13,736,163)	(20,587,462)	(11,981,564)
Gain from a bargain purchase	-	(107,477)	-	-
Dividend income	(299,509)	(291,037)	(2,699,042)	(2,800,729)
Dividends received	299,516	291,015	288,308	277,738
Decrease in other accrued expenses	(2,284,998)	(394,416)	(1,493,733)	(633,403)
Income tax paid	(4,758,304)	(3,535,566)	(2,714,649)	(2,017,679)
Income from operations before changes in				
operating assets and liabilities	41,972,986	24,239,999	24,213,561	13,232,513
(Increase) decrease in operating assets				
Interbank and money market items	(16,958,361)	26,494,917	(11,874,060)	24,694,911
Financial assets measured at fair value through profit or loss	(1,604,682)	(913,008)	(1,672,297)	(1,292,959)
Loans to customers	(5,045,887)	(40,294,045)	9,812,467	(31,677,056)
Properties for sale	10,016,359	8,915,731	9,309,598	8,132,507
Other assets	1,759,151	2,875,538	1,325,236	2,573,686

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024

Unit : Thousand Baht

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2024	2023	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Increase (decrease) in operating liabilities				
Deposits	68,148,855	(10,160,460)	64,324,972	(12,087,836)
Interbank and money market items	(95,568,444)	(2,575,867)	(87,286,236)	(670,470)
Liability payable on demand	1,049,463	951,648	1,054,651	840,727
Other liabilities	851,236	3,825,032	2,157,089	5,893,574
Net cash from operating activities	<u>4,620,676</u>	<u>13,359,485</u>	<u>11,364,981</u>	<u>9,639,597</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments in securities	25,163,852	30,438,024	19,654,596	21,772,017
Cash paid for purchases of investments in securities	(31,275,863)	(23,466,574)	(25,848,904)	(14,618,795)
Cash paid for investment in subsidiaries	(74,059)	(18,295,252)	(5,438,228)	(19,409,283)
Dividend received from subsidiaries and associate	-	-	2,410,742	2,522,968
Proceeds from sales of premises and equipment	385,187	182,063	296,548	78,441
Cash paid for purchases of premises and equipment	(2,050,825)	(715,697)	(1,207,668)	(539,019)
Cash paid for purchases of intangible assets	(1,557,724)	(526,996)	(1,095,032)	(573,746)
Net cash from investing activities	<u>(9,409,432)</u>	<u>(12,384,432)</u>	<u>(11,227,946)</u>	<u>(10,767,417)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debts issued and borrowings	26,005,322	14,994,308	20,000,000	5,000,000
Repayment of debts issued and borrowings	(22,803,915)	(11,348,128)	(18,830,607)	(4,104,974)
Payment for lease liabilities	(934,478)	(777,435)	(535,521)	(542,391)
Dividend payment	(3,369,381)	(3,366,838)	(3,310,093)	(3,310,092)
Net cash from financing activities	<u>(1,102,452)</u>	<u>(498,093)</u>	<u>(2,676,221)</u>	<u>(2,957,457)</u>
Total	<u>(5,891,208)</u>	<u>476,960</u>	<u>(2,539,186)</u>	<u>(4,085,277)</u>
Effect arising from translating the financial statements of foreign operations	1,263,594	808,050	-	-
Effect of exchange rate change on cash	113,540	54,782	113,540	54,782
Net increase (decrease) in cash and cash equivalents	<u>(4,514,074)</u>	<u>1,339,792</u>	<u>(2,425,646)</u>	<u>(4,030,495)</u>
Cash and cash equivalents as at January 1,	<u>49,755,996</u>	<u>40,249,207</u>	<u>25,127,673</u>	<u>27,557,900</u>
Cash and cash equivalents as at June 30,	<u><u>45,241,922</u></u>	<u><u>41,588,999</u></u>	<u><u>22,702,027</u></u>	<u><u>23,527,405</u></u>

Notes to the consolidated and the Bank's financial statements form an integral part of these financial statements

(Mr. Kenichi Yamato)
President and Chief Executive Officer

(Miss Duangdao Wongpanitkrit)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2024

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BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2024

1. GENERAL INFORMATION

Bank of Ayudhya Public Company Limited (“the Bank”) is a public company registered in the Kingdom of Thailand with its head office located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The Bank’s main business is commercial banking and the Bank conducts its business through a network of branches throughout Thailand and other countries. The immediate and ultimate parent company of the Bank are MUFG Bank, Ltd. and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan. As at June 30, 2024 and December 31, 2023, the Bank has a total of 29 subsidiaries, associate and joint ventures as follows:

- 1.1 Ayudhya Development Leasing Company Limited was incorporated in Thailand on July 25, 1991, and is located at 550, Krungsri Ploenchit Tower, 14th Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary’s main business includes leasing and hire-purchase.
- 1.2 Ayudhya Capital Auto Lease Public Company Limited was incorporated in Thailand on November 27, 1995, and is located at 550, Krungsri Ploenchit Tower, 16th Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary’s main business is auto hire-purchase, leasing service and refinancing to individual and corporate customers.
- 1.3 Ayudhya Capital Services Company Limited was incorporated in Thailand on November 9, 1994, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary’s main business is credit cards and personal loans.
- 1.4 General Card Services Limited was incorporated in Thailand on January 24, 1995, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary’s main business is credit cards and personal loans.
- 1.5 Krungsriayudhya Card Company Limited was incorporated in Thailand on August 29, 1996, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary’s main business is credit cards and personal loans.
- 1.6 Siam Realty and Services Security Company Limited was incorporated in Thailand on June 20, 1988, and is located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary’s main business is car rental services and personnel services.
- 1.7 Total Services Solutions Public Company Limited was incorporated as a public company limited in Thailand on May 19, 1997, and is located at 2/3 Moo 14, Bangna Towers B, Bang Na-Trat Km 6.5 Road, Bang Kaeo Subdistrict, Bang Phli District, Samutprakan. The subsidiary’s main business is collection services.

- 1.8 Krungsri Asset Management Company Limited was incorporated in Thailand on December 19, 1996, and is located at 898, Ploenchit Tower Building, 1st-2nd Floor zone A, 12th and 18th Floor zone B, Ploenchit Road, Lumpini Subdistrict, Patumwan District, Bangkok. The subsidiary's main business is mutual funds and private fund management.
- 1.9 Krungsri Ayudhya AMC Limited was incorporated in Thailand on August 18, 2000, and is located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is to develop, manage and sell non-performing assets and other assets transferred from financial institutions.
- 1.10 Krungsri Securities Public Company Limited was incorporated in Thailand on April 16, 2004, and is located at 898, Ploenchit Tower, 3rd Floor, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is a securities business.
- 1.11 Krungsri Nimble Company Limited was incorporated in Thailand on February 1, 2007, and is located at 1222, Bank of Ayudhya Public Company Limited, 21st Floor, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is factoring and information technology services.
- 1.12 Krungsri Genesis Company Limited (formerly Krungsri Life Assurance Broker Limited) which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is personal loans.

On January 1, 2023, Krungsri Genesis Company Limited (KGS) completed the transfer of its life insurance broker business to Krungsri General Insurance Broker Limited (KGIB) at net book value Baht 0.2 million, having total assets and total liabilities related to its life insurance broker business of Baht 1.3 million and Baht 1.1 million, respectively. The transaction was approved by the Extraordinary General Meeting of Shareholders of KGS and KGIB No. 1/2022 held on December 13, 2022.

In addition, Ministry of Commerce approved KGS to operate business for personal loans in May 2023.

- 1.13 Krungsri General Insurance Broker Limited which is 99.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The subsidiary's main business is life assurance broker and general insurance broker.
- 1.14 Krungsri Finnovate Company Limited was incorporated in Thailand on March 27, 2017, and is located at 1222, 21st Floor, Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The subsidiary's main business is venture capital.
- 1.15 Krungsri Leasing Services Company Limited, which is owned by Ayudhya Capital Auto Lease Public Company Limited of 75% and Ayudhya Capital Services Company Limited of 25%, the Bank's subsidiaries, was incorporated in Laos People's Democratic Republic (Lao PDR) on February 18, 2014, and is located at 196, Unit 12, Kamhengmeung Road, Phonthan Village, Saysettha District, Vientiane Capital, Lao PDR. The subsidiary's main business is hire-purchase, leasing and sales finance.

- 1.16 Krungsri Non-Deposit Taking Microfinance Institution Co.,Ltd., which is owned by Krungsri Leasing Services Company Limited of 99.99%, the Bank's subsidiary, was incorporated in Laos People's Democratic Republic (Lao PDR) on February 7, 2020, and is located at 197, Unit 12, Kamphengmeung Road, Phonthan Village, Saysettha District, Vientiane Capital, Lao PDR. The subsidiary's main business is non-deposit taking microfinance.
- 1.17 Hattha Bank Plc. was incorporated in Cambodia in November 1996, and is located at 606, Street 271, Sansam Kosal 3 Village, Sangkat Boeng Tumpun 1, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia. The subsidiary's main business is banking business.
- 1.18 Hattha Services Company Limited which is 49% owned by Hattha Bank Plc., the Bank's subsidiary. However, the Bank has power to participate in management and control over Hattha Services Company Limited. Accordingly, the voting power held by the Bank is 100%. The company was incorporated in Cambodia on October 8, 2019, and is located at 606, Street 271, Sansam Kosal 3 Village, Sangkat Boeng Tumpun 1, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia. The subsidiary's main business is lease real estate.
- 1.19 Ngern Tid Lor Public Company Limited ("TIDLOR") was incorporated in Thailand on October 24, 2006, and is located at 428 Ari Hills Building 9th-15th Floor, Phahonyothin Road, Samsen Nai Subdistrict, Phaya Thai District, Bangkok. The associate's main business is to provide loans and hire-purchase for all types of vehicles, non-life insurance broker and life insurance broker directly.
- 1.20 Lotus's Money Services Limited, which is 49.99% owned by Ayudhya Capital Services Company Limited, the Bank's subsidiary, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The joint venture's main business is credit cards and personal loans.
- 1.21 Lotus's Life Assurance Broker Limited, which is 99.99% owned by Lotus's Money Services Limited, the Bank's joint venture, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The joint venture's main business is a life insurance broker.
- 1.22 Lotus's General Insurance Broker Limited, which is 99.99% owned by Lotus's Money Services Limited, the Bank's joint venture, was incorporated in Thailand on March 2, 2007, and is located at 550, Krungsri Ploenchit Tower, Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok. The joint venture's main business is a general insurance broker.
- 1.23 SB Finance, Inc. was incorporated in Philippines in 1960, and is located at Keyland Arnaiz Building, 849 Antonio Arnaiz Avenue, Legazpi Village, Makati City, Philippines. The joint venture's main business is personal loans.

- 1.24 Krungsri Capital Securities Public Company Limited was incorporated in Thailand on May 26, 1970, has changed its registered address from 25 Bangkok Insurance Building, 15th-17th Floor, South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok to 25 Bangkok Insurance Building, 17th Floor, Room 17-2, South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok. The subsidiary's main business is a securities business.

On May 7, 2024, Krungsri Capital Securities Public Company Limited (KCS) completed the Entire Business Transfer to Krungsri Securities Public Company Limited (KSS) at a price on the transfer date Baht 4,567 million, which on the transfer date KCS has the book value of total assets and total liabilities Baht 10,206 million and Baht 5,659 million, respectively. The difference between the transfer price and the net book value is recognized directly to the equity of transferee. The transaction was approved by the Annual General Meeting of Shareholders of KCS for the year 2024 held on March 26, 2024, and the Annual General Meeting of Shareholders of KSS for the year 2024 held on March 27, 2024.

- 1.25 SHBank Finance Company Limited which is 50% of charter capital owned by the Bank. However, the Bank has power to participate in management and control over the company, therefore it was classified as subsidiary of the Bank. The company was incorporated in Vietnam on 28 March 2017, and is located at Gelex Building, 6th floor, 52 Le Dai Hanh Street, Le Dai Hanh Ward, Hai Ba Trung District, Hanoi City, Vietnam. The subsidiary's main business is personal loans.
- 1.26 HC Consumer Finance Philippines, Inc. was incorporated in Philippines on 25 January 2013, and is located at 14th, 15th and 20th Floor, Ore Central, 31st Street corner, 9th Avenue, Bonifacio Global City, Taguig City, Philippines. The subsidiary's main business is personal loans and credit cards.
- 1.27 HCPH Financing 1, Inc. was incorporated in Philippines on 22 August 2017, and is located at 35F Penthouse Unit 4, Eco Tower, 32nd Street corner, 9th Avenue, Bonifacio Global City, Taguig City, Philippines. The subsidiary's main business is asset management.
- 1.28 HCPH Insurance Brokerage, Inc. was incorporated in Philippines on 12 July 2018, and is located at 35F Penthouse Unit 4, Eco Tower, 32nd Street corner, 9th Avenue, Bonifacio Global City, Taguig City, Philippines. The subsidiary's main business is general insurance broker.
- 1.29 PT Home Credit Indonesia was incorporated in Indonesia on 30 January 2012, and is located at Plaza Oleos 8th Floor, Jl. TB Simatupang No. 53A, Kel. Kebagusan, Kec. Pasar Minggu, Kota Administrasi Jakarta Selatan, Jakarta, Indonesia. The subsidiary's main business is personal loans.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

- 2.1 The consolidated and the Bank's financial statements have been prepared in accordance with Thai Financial Reporting Standards issued by Federation of Accounting Professions, the regulation of the Thai Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET") and the Bank of Thailand ("BOT")'s requirement, where the form of financial statements is based on Thai Accounting Standard No. 1 "Presentation of Financial Statements", including the Procedures, Policies and Presentation in accordance with BOT Notification Sor.Nor.Sor. 21/2561 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies that is the Parent Company of a Financial Group dated October 31, 2018.

The interim financial statements have been prepared under the historical cost convention except as disclosed in the material accounting policies information.

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

The Bank prepares its interim financial statements in the Thai language in conformity with Thai Financial Reporting Standards ("TFRSs") and the Notifications noted above. However, for convenience of readers, the Bank also prepares its interim financial statements in English language, by translating from the Thai version.

2.2 The consolidated financial statements included the accounts of the head office and all branches of the Bank and its subsidiaries. These subsidiaries are as follows:

Subsidiaries	Business Type	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Bank (%)	
			As at	
			June 30, 2024	December 31, 2023
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Thailand	99.99	99.99
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Thailand	100.00	100.00
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
General Card Services Limited	Credit cards and personal loans	Thailand	100.00	100.00
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Thailand	100.00	100.00
Total Services Solutions Public Company Limited	Collection services	Thailand	100.00	100.00
Krungsri Asset Management Company Limited	Fund management	Thailand	86.86	86.86
Krungsri Ayudhya AMC Limited	Asset management	Thailand	100.00	100.00
Krungsri Securities Public Company Limited	Securities	Thailand	99.96	99.84
Krungsri Capital Securities Public Company Limited	Securities	Thailand	99.37	99.35
Krungsri Nimble Company Limited	Factoring and information technology services	Thailand	100.00	100.00
Krungsri Genesis Company Limited ⁽¹⁾	Personal loans	Thailand	100.00	100.00
Krungsri General Insurance Broker Limited ⁽¹⁾	Life assurance broker and general insurance broker	Thailand	100.00	100.00
Krungsri Finnovate Company Limited	Venture capital	Thailand	100.00	100.00
Krungsri Leasing Services Company Limited ⁽²⁾	Hire-purchase, leasing and sales finance	Lao PDR	100.00	100.00
Krungsri Non-Deposit Taking Microfinance Institution Company Limited ⁽³⁾	Micro finance	Lao PDR	99.99	99.99
Hattha Bank Plc.	Commercial bank	Cambodia	100.00	100.00
Hattha Services Company Limited ⁽⁴⁾	Lease real estate	Cambodia	100.00	100.00
SHBank Finance Company Limited ⁽⁵⁾	Personal loans	Vietnam	50.00	50.00
HC Consumer Finance Philippines, Inc.	Personal loans and credit cards	Philippines	75.00	75.00
HCPH Financing 1, Inc.	Asset management	Philippines	100.00	100.00
HCPH Insurance Brokerage, Inc.	General insurance broker	Philippines	100.00	100.00
PT Home Credit Indonesia ⁽⁶⁾	Personal loans	Indonesia	80.00	75.00

⁽¹⁾ Indirectly holding via Ayudhya Capital Services Company Limited of 100%.

⁽²⁾ Indirectly holding via Ayudhya Capital Auto Lease Public Company Limited of 75% and Ayudhya Capital Services Company Limited of 25%.

⁽³⁾ Indirectly holding via Krungsri Leasing Services Company Limited of 99.99%.

⁽⁴⁾ The Bank indirectly holds ordinary shares of Hattha Services Company Limited via Hattha Bank Plc. of 49%. However, the Bank has the power to participate in management and control over Hattha Services Company Limited. Accordingly, the voting power held by the Bank is 100%.

⁽⁵⁾ The Bank holds charter capital of SHBank Finance Company Limited of 50%. However, the Bank has power to participate in management and control over the company, therefore it was classified as subsidiary of the Bank.

⁽⁶⁾ As at June 30, 2024, the Bank has a proportional ownership and voting right of 80% of the total issued and paid up share capital of PT Home Credit Indonesia and has ownership interest of 89.98%.

As at December 31, 2023, the Bank has a proportional ownership and voting right of 75% of the total issued and paid up share capital of PT Home Credit Indonesia and has ownership interest of 88.38%.

All material intercompany transactions and balances have been eliminated.

3. ADOPTION OF REVISED THAI FINANCIAL REPORTING STANDARDS

Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Bank and its subsidiaries have adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, which the changes are to amend the accounting requirements, as follows:

- Thai Accounting Standard No.1 “Presentation of Financial Statements”, require to disclose the material accounting policy information.
- Thai Accounting Standard No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”, amend the definition of accounting estimates.
- Thai Accounting Standard No.12 “Income Taxes”, add the requirements for the initial recognition of deferred tax which give rise to equal taxable and deductible temporary differences, and also add the exemption for the deferred tax recognition related to International Tax Reform - Pillar Two Model

The adoption of these financial reporting standards does not have any significant impact on the Bank and its subsidiaries’ financial statements. However, the Bank and its subsidiaries have revised the presentation in Note 7.13 regarding deferred income tax by separately presenting deferred tax assets and deferred tax liabilities related to transactions which give rise to equal taxable and deductible temporary differences in accordance with the requirement of revised Thai Accounting Standard No.12 “Income Taxes”.

4. MATERIAL ACCOUNTING POLICIES INFORMATION

4.1 Cash and cash equivalents

In the Bank’s statement of cash flows, cash and cash equivalents consist of cash on hand and cash on collection of the Bank, in accordance with the BOT’s Notification Sor.Nor.Sor. 21/2561 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated October 31, 2018.

In the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents of the Bank and cash on hand, deposits at banks, except for fixed deposits whose terms are greater than 3 months and deposits at banks used as collaterals, and investments of subsidiaries with maturities of 3 months or less.

4.2 Financial Assets

Classification and measurement

All financial assets are recognized under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction fees and costs, except for those financial assets classified as at fair value through profit or loss (FVTPL). Transaction fees and costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognized immediately in profit or loss. The financial assets are required to be subsequently measured at amortized cost or fair value on the basis of the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For the purpose of solely payments of principal and interest (“SPPI”) test, principal is the fair value of the financial assets at initial recognition. That principal amount may change over the life of the financial assets (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial assets is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Bank and its subsidiaries determine the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The business model does not depend on management’s intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The classification and measurement requirements for financial assets which include debt and equity instruments are described below:

1. Debt instruments

1.1 Debt instruments at amortized cost

Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are SPPI, are subsequently measured at amortized cost.

Such debt instruments include debt securities and loans to customers are presented as “Investments, net”, and “Loans to customers and accrued interest receivables, net” in the statement of financial position, respectively.

Subsequent to initial recognition, these debt instruments are measured at amortized cost using the effective interest method. Gains and/or losses are recognized in profit or loss upon derecognition, reclassification or impairment, and through the amortization process.

Interest income calculated using the effective interest method is recognized in profit or loss. A modification gain or loss is recognized in profit or loss when the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset.

1.2 Debt instruments at fair value through other comprehensive income (FVOCI)

Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at FVOCI.

Such debt instruments include debt securities and loans to customers are presented as “Investments, net”, and “Loans to customers and accrued interest receivables, net” in the statement of financial position, respectively.

Subsequent to initial recognition, debt instruments at FVOCI are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognized in other comprehensive income, except that impairment losses, interest income and foreign exchange gains or losses are recognized in profit or loss. The cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognized. Interest income is calculated using the effective interest method. Except investments in unit trust of fixed income fund which are recorded as investment designated at fair value through other comprehensive income, the cumulative gain or loss previously recognized in other comprehensive income is not be reclassified subsequently to profit or loss according to BOT’s notification Sor.Nor.Sor. 6/2563 regarding holding or having the investment in unit trust of fixed income fund to enhance the liquidity of the money market dated March 25, 2020.

1.3 Debt instruments at FVTPL

Debt instruments measured at FVTPL are financial assets that do not meet the criteria for amortized cost or FVOCI which are presented as Financial assets measured at FVTPL in the statement of financial position.

After initial recognition, debt instruments at FVTPL are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognized in profits or loss.

2. Equity instruments

Equity instruments are subsequently measured at fair value through profit or loss which are presented as Financial assets measured at FVTPL in the statement of financial position.

Except where the Bank and its subsidiaries have elected, at initial recognition, to irrevocably designate an equity instrument at FVOCI which is presented as “Investments, net” in the statement of financial position. When the election to FVOCI is made, the cumulative gain or loss previously recognized in OCI is not subsequently reclassified to profit or loss but transferred to retained earnings.

Dividend income whilst holding the equity instruments is presented as dividend income in profit or loss.

Reclassifications

If the business model under which the Bank and its subsidiaries hold financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the financial assets. Changes in contractual cash flows are considered under the accounting policy on Modification and derecognition of financial assets described below.

Modification and derecognition of financial assets

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

The Bank and its subsidiaries renegotiate loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.

A financial asset is derecognized when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Modification without derecognition means the non-substantial modification arising from renegotiation or modification of the contractual cash flows of financial assets that has not resulted in derecognition (Modified financial assets). In this case, a modification gain or loss which is the difference between the existing gross carrying amount and the present value of the renegotiated or modified contractual cash flows discounted by the original effective interest rate (“OEIR”) or the credit-adjusted effective interest rate for purchased or originated credit-impaired (“POCI”) financial assets shall be recognized in profit or loss. Any costs of fees incurred as part of the modification shall be adjusted to the carrying amount of the modified financial assets and amortized over the remaining term of the modified financial asset.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position when the Bank and its subsidiaries have a legal right to offset the amounts and intend to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.3 Derivatives

The Bank and its subsidiaries enter into a variety of derivative financial instruments some of which are held for trading while others are held to manage its exposure to interest rate risk and foreign exchange rate risk.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Bank and its subsidiaries designate certain derivatives as either hedges of the fair value, cash flow, or hedges of net investments in foreign operations.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

For derivatives embedded in financial asset host contracts, the entire hybrid contract, including all embedded features, are classified in accordance with the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

For derivatives embedded in financial liabilities and non-financial host contracts, embedded derivatives will be separated from the host contract and accounted for as derivatives when the following conditions are met:

1. the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract;
2. a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and;
3. the hybrid instrument is not measured at fair value with changes in fair value recognized in profit and loss.

If embedded derivatives are separated, the host contract will be accounted for according to the appropriate standard. The embedded derivative will be recognized at fair value on the statement of financial position with changes to fair value being recognized in profit and loss.

If embedded derivatives are required to be separated but the fair value of the embedded derivative cannot be determined either at acquisition or at a subsequent financial reporting date, the entire hybrid contract will have to be recognized at fair value through profit and loss.

4.4 Hedge accounting

General hedge

The Bank and its subsidiaries designate certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate.

At the inception of the hedge relationship, the Bank and its subsidiaries document the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Bank and its subsidiaries document whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Bank and its subsidiaries actually hedge and the quantity of the hedging instrument that the Bank and its subsidiaries actually use to hedge that quantity of hedged item.

The Bank and its subsidiaries designate only the change in the value of the spot element of a forward contract and the foreign currency basis spread separated and excluded from the designation of a financial instrument as the hedging instrument for some hedge relationships. The changes in the fair value of the forward element of a forward contract or the foreign currency basis spreads of financial instruments are recognized in other comprehensive income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the forward element of a forward contract or the foreign currency basis spreads of financial instruments is reclassified to profit or loss when the hedged item affects profit or loss. If the hedged item is time-period related, then the amount accumulated in the cost of hedging reserve is reclassified to profit or loss on a systematic and rational basis, the Bank and its subsidiaries apply straight-line amortization. Those reclassified amounts are recognized in profit or loss in the same line as the hedged item. If the hedged item is a non-financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognized non-financial item. Furthermore, if the Bank and its subsidiaries expect that some or all of the loss accumulated in cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss.

Note 7.5 Derivatives sets out details of the fair values of the derivative instruments used for hedging purposes and movements in the hedging reserve in equity.

Fair value hedges

The fair value change on qualifying hedging instruments is recognized in profit or loss except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognized in OCI.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVOCI, the carrying amount is not adjusted as it is already at fair value, but the part of the fair value gain or loss on the hedged item associated with the hedged risk is recognized in profit or loss instead of OCI. When the hedged item is an equity instrument designated at FVOCI, the hedging gain or loss remains in OCI to match that of the hedging instrument.

Where hedging gains/losses are recognized in profit or loss, they are recognized in the same line as the hedged item.

The Bank and its subsidiaries discontinue hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of hedged items for which the effective interest method is used (i.e. debt instruments measured at amortized cost or at FVOCI) arising from the hedged risk is amortized to profit or loss commencing no later than the date when hedge accounting is discontinued.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in the cash flow hedging reserve, a separate component of OCI, limited to the cumulative change in fair value of the hedged item from inception of the hedge less any amounts recycled to profit or loss.

Amounts previously recognized in OCI and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. If the Bank and its subsidiaries no longer expect the transaction to occur that amount is immediately reclassified to profit or loss.

The discontinuation is accounted for prospectively. Any gain or loss recognized in OCI and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is reclassified and recognized immediately in profit or loss.

Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in OCI and accumulated in the foreign currency translation reserve.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified from equity to profit or loss in the same way as exchange differences relating to the foreign operation as described above.

Derivatives that do not qualify for hedge accounting

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss.

Dynamic risk management

The Bank and its subsidiaries enter into dynamic risk management which has the characteristics (a) risk management is undertaken for open portfolio(s), to which new exposures are frequently added and existing exposures mature; and (b) as the risk profile of the open portfolio(s) changes, risk management is updated on a timely basis in reaction to the changed net risk position. The derivatives under dynamic risk management are recognized on an accrual basis.

4.5 Investments, net

Investments, net consist of:

- 1) Debt instruments at amortized cost
- 2) Debt instruments at fair value through other comprehensive income
- 3) Equity instruments designated at fair value through other comprehensive income

Investments in debt instruments and equity instruments have been initially recognized on the settlement date and trade date, respectively.

4.6 Investments in subsidiaries, associate and joint ventures, net

In the consolidated financial statements, investments in associates and joint ventures are accounted for using the equity method. In the Bank's financial statements, investments in subsidiaries, associates and joint ventures are accounted for using the cost method less impairment loss.

4.7 Allowance for expected credit loss

The Bank and its subsidiaries recognize a loss allowance for expected credit loss (“ECL”) on financial assets measured at amortized cost or measured at fair value through other comprehensive income. No impairment loss is recognized on equity instruments measured at fair value through other comprehensive income.

With the exception of purchased or originated credit-impaired financial assets, which are considered separately below, ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- lifetime ECL, that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows under the contract and the cash flows that the Bank and its subsidiaries expect to receive arising from the weighting of multiple future economic scenarios, discounted at the asset’s effective interest rate (“EIR”). The ECL is adjusted with a management overlay where considered appropriate.

For undrawn loan commitments, the ECL is the difference between the present value of the difference between the contractual cash flows if the holder of the commitment draws down the loan and the cash flows that the Bank and its subsidiaries expect to receive if the loan is drawn down.

For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Bank and its subsidiaries expect to receive from the holder, the debtor or any other party.

The Bank and its subsidiaries measure ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset’s expected cash flows using the asset’s OEIR, regardless of whether it is measured on an individual basis or a collective basis.

In subsequent reporting period, if the credit quality of the financial assets and financial commitments improves so that there is no longer a significant increase in credit risk since initial recognition, then a loss allowance can be recognized based on 12-month ECL. The changes in the reversal of loss allowance are recognized in profit or loss as an impairment gain or loss.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets.

The Bank and its subsidiaries assess whether debt instruments measured at amortized cost or FVOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Bank and its subsidiaries consider factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikeliness to pay indicators.

The unlikeliness to pay indicators might include the following events:

- Significant financial difficulty of the issuer or borrower without remediated actions
- A significant breach of contract such as default or overdue for 90 days or more
- It is become probable that the borrower will enter bankruptcy

Definition of default

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default ("PD") which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Bank and its subsidiaries consider the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Bank and its subsidiaries; or
- the borrower is unlikely to pay its credit obligations to the Bank and its subsidiaries in full.

Significant increase in credit risk

The Bank and its subsidiaries monitor all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Bank and its subsidiaries will measure the loss allowance based on lifetime rather than 12-month ECL.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Bank and its subsidiaries compare the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognized. In making this assessment, the Bank and its subsidiaries consider both quantitative and qualitative information that is reasonable and supportable, including historical experience that is available without undue cost or effort, based on the Bank and its subsidiaries' historical experience and expert credit assessment.

The following information might be taken into account when assessing whether credit risk has increased significantly since initial recognition:

- Significant deterioration in the financial instrument's external (if applicable) or internal credit rating
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- An actual or expected significant deterioration in the operating results of the debtor
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

As a back-stop when an asset becomes 30 days past due, the Bank and its subsidiaries consider that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL.

Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

Despite the foregoing, the Bank and its subsidiaries assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

The Bank and its subsidiaries consider a financial asset to have low credit risk when the asset has PD equivalent to external credit rating of "investment grade" in accordance with the globally understood definition.

The Bank and its subsidiaries regularly monitor the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revise them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Purchased or originated credit-impaired financial assets

Purchased or originated credit-impaired financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Bank and its subsidiaries recognize all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognized in profit or loss. If it is a change in lifetime ECL is favorable, the impairment gain is recognized even if the lifetime ECL are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

Write-off

The Bank and its subsidiaries directly reduce the gross carrying amount of a financial asset when the Bank and its subsidiaries have no reasonable expectations of recovering financial assets in their entirety or portion thereof. A write-off constitutes a derecognition event. Write-offs are recognized in the statement of profit or loss and other comprehensive income.

Bad debts recovered from written off receivables will be recognized in the Statement of profit or loss and other comprehensive income.

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

- For financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- For debt instruments measured at FVOCI: no loss allowance is recognized in the statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;
- For loan commitments and financial guarantee contracts: as a provision; and where a financial instrument includes both a drawn and an undrawn component, and the Bank and its subsidiaries cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank and its subsidiaries present a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

4.8 Troubled debt restructuring

A trouble debt restructuring (“TDR”) is a modification of loan of Stage 3 Borrowers (Impaired Loan or Non-performing Loan) who are in financial distress and unable to meet their original contractual repayment terms. For Stage 1 and Stage 2 borrowers, modification of loan would be considered as Pre-emptive debt restructuring with an aim to prevent borrower from turning NPL. TDR can be initiated by the client, the Bank or a third party including government sponsored programmes. TDR may include the reduction of principal and accrued interest and other forms such as modifications of terms, asset transfers, equity securities transfers, and etc or any other criteria as specified by the Bank of Thailand. TDR loan that has been modified, and not derecognized,

on terms that are not consistent with those readily available in the market or the conditions specified by BOT are considered credit impaired if there is a detrimental impact on cash flows. TDR loan may be subjected to modification gain or loss calculation. The amount of modification gain or loss arises from the difference between the gross carrying amount before modification and the present value of the expected future cash flow discounted by the original effective interest rate. The modification gain or loss is recognized in the statement of profit or loss and other comprehensive income with a corresponding increase or decrease in gross carrying value of the asset.

4.9 Properties for sale

Properties for sale consist of immovable and movable properties which are recorded at the lower of net investment in the loan plus accrued interest including previously unrecognized contractual interest or the fair value of the property as of the date of foreclosure.

The Bank and its subsidiaries provided the allowance for impairment of properties for sale as disclosed in Note 6.3. Losses on impairment of properties for sale are shown as an expense in the statements of profit or loss and other comprehensive income.

Gains or losses on the disposal of such properties are realized upon disposition of the underlying asset and are included in other operating income in the statements of profit or loss and other comprehensive income.

In accordance with Sor Nor Sor. 4/2564, regarding “Measurement of asset warehousing for debt repayment”, the assets are transferred to the Bank for repayment based on agreed price with the buy-back conditions within 5 years since transferring date and rent-back conditions for business operation. The Bank derecognizes loans to customers and presents transferred assets as properties for sale in accordance with the ownership of the transferred assets. The transferred assets have the same measurement as other properties for sale. Income received from customers is recorded as other income.

4.10 Property, premises and equipment

Land is stated at the appraised value. Premises are stated at the appraised value less accumulated depreciation. Equipment is stated at cost less accumulated depreciation.

Revaluation of assets

Land and premises have been revalued by independent appraisers based on the market value for land and depreciated replacement cost for premises. For the portion of land and premises which have been revalued, the increments above the previous appraisal are recorded in land revaluation surplus and premises revaluation surplus accounts. In case of a revaluation decrease, the decline in value is deducted from such revaluation surplus to the extent that the new value is above original cost and recognized in the statements of profit or loss and other comprehensive income for the decrease in value below original cost.

The Bank's suite units in condominiums used as offices have been revalued by independent appraisers in accordance with the BOT's guidelines using depreciated replacement cost. The Bank has recorded the increment per appraisal of premises as revaluation surplus. Any revaluation decrease in excess of the original cost is recorded by deducting from the revaluation surplus.

During the Bank's usage of the revalued assets, the revaluation surplus will be gradually transferred directly to retained earnings equal to the difference between the depreciation calculated from book value of the revalued assets and the depreciation calculated from the original cost of such assets. All balances of the outstanding revaluation surplus will be transferred to retained earnings when the Bank writes off such assets from the financial statements.

Depreciation

Depreciation of premises (included revaluation) and equipment is calculated by the straight-line method, based on the estimated useful lives of the assets as follows:

Premises and building improvement	10 - 50 years
Equipment, furniture, fixtures, office equipment and vehicles	2 - 10 years

Gains or losses on the disposal of property, premises and equipment are recognized in other operating income or other operating expenses in the statements of profit or loss and other comprehensive income.

4.11 Lease

Short-term leases and leases of low-value assets

The Bank and its subsidiaries assess whether a contract is or contains a lease, at inception of the contract. The Bank and its subsidiaries recognize a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (defined as leases with the underlying asset value not exceed Baht 150,000). For these leases, the Bank and its subsidiaries recognize the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use asset

A lease that has a lease term of more than 12 months and for which the underlying asset exceeds Baht 150,000 shall be recognized for a right-of-use asset at cost which consists of the amount of the initial measurement of the lease liability (that is the present value of the lease payments that are not paid at the commencement date, discounted by the incremental borrowing rate), any lease payments made at or before the commencement date, any initial direct costs incurred, and an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset (leased asset) to the condition required by the terms and conditions of the lease, less accumulated depreciation and any accumulated impairment losses, adjusted for any remeasurement of the lease liability.

The right-of-use asset is presented in premises and equipment, net in the statement of financial position.

Depreciation of right-of-use assets is calculated based on the estimated useful lives in case the lease transfers ownership of the underlying asset; or calculated based on the shorter of the estimated useful lives or the lease term in case the lease does not transfer ownership of the underlying asset.

Impairment of right-of-use assets shall be determined using the TAS 36 Re: Impairment of Assets which explains how to review the carrying amount of its assets, how to determine the recoverable amount of an asset, and when an impairment loss is recognized or reversed.

Lease liability

At the commencement date of the lease, the Bank and its subsidiaries recognize lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Lease liability is presented in other liabilities in the statement of financial position. Finance charges are charged directly to the statements of profit or loss and other comprehensive income.

The Bank and its subsidiaries remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

4.12 Intangible assets

Intangible assets with indefinite useful lives are stated at cost less allowance for impairment, if any. Intangible assets with finite useful lives are stated at cost less accumulated amortization and allowance for impairment.

Amortization

Software, licenses and trademark amortization are calculated by the straight-line method over the expected future economic benefit period between 2 - 25 years.

Amortization of other intangible assets received from business combinations such as information of customer relationships, dealer relationships and the distribution network are calculated by the straight-line method over the expected future economic benefit period between 5 - 20 years.

Amortization incurred is recognized as other operating expense in the statements of profit or loss and other comprehensive income.

4.13 Financial Liabilities

Financial liabilities are initially recognized at fair value plus transaction costs, and are subsequently measured at amortized cost using the effective interest method, except when the liabilities are held at fair value through profit or loss.

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognized in the statements of financial position when, and only when, the Bank and its subsidiaries become a party to the contractual provisions of the financial instrument. The financial liabilities measured at amortized cost, which is the amount at which the financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount.

Interest expense and EIR amortization as well as foreign exchange gains or losses on financial liabilities measured at amortized cost are recognized in the statement of profit or loss and other comprehensive income.

A financial liability is derecognized when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognized in profit or loss.

4.14 Recognition of income

Interest income for all financial instruments except for those measured or designated as at FVTPL are recognized as interest income in profit or loss using the effective interest method.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EIR includes all fees and costs paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortized cost of the financial asset before adjusting for any allowance for expected credit loss).

For credit-impaired financial assets, interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets purchased or originated credit-impaired, the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Interest income also includes the effective portion of fair value changes of derivatives designated as hedging instruments in cash flow hedges of interest rate risk. For fair value hedges of interest rate risk, the effective portion of fair value changes of the designated derivatives as well as the fair value changes of the designated risk of the hedged item are also included in interest income.

Fee and service income other than those that are an integral part of EIR, is recognized based on contracts with customers in the amount of consideration that the Bank and its subsidiaries expected to receive upon service providing. The timing of recognition depends on whether the Bank and its subsidiaries satisfy a performance obligation by providing services to a customer over time or at a point in time.

4.15 Recognition of expenses

Interest expenses are recognized by using the effective interest method.

Fee and service expenses with regards to services are accounted for as the services are received.

Other expenses are recognized on an accrual basis.

4.16 Employee benefits

The Bank and subsidiaries have 4 types of employee benefits as follows:

4.16.1 Provident funds

The Bank and its subsidiaries established a provident fund under the Provident Fund Act B.E. 2530. The fund is managed by a financial institution which is an authorized fund manager.

Member is required to make contribution at the rate of not less than 3% of salary.

The Bank and its subsidiaries will contribute as follows:

Service periods	Contribution rate (%)
Less than 5 years	5 - 10
5 years but less than 10 years	6 - 12
10 years but less than 20 years	8 - 12
Over 20 years	10 - 12.5

The contributions to the provident fund made by the Bank and its subsidiaries are recorded as employees' expenses in the statements of profit or loss and other comprehensive income.

4.16.2 Post-employment benefit obligations

- Pension plan

The employees of the Bank and a subsidiary who were permanently employed prior to January 1, 1998 and have completed at least 10 continuous service years are eligible to receive a pension payment when they leave. On January 1, 1998, the provident fund for employees was established to replace the pension plan. After the establishment of the provident fund, the amount due to a departing employee shall first be disbursed from the provident fund. If the estimated contributions made by the Bank and a subsidiary and interest thereon are less than the pension receivable under the pension plan, the Bank and a subsidiary will pay such difference by disbursing from the pension fund.

- Legal severance payment plan

All employees will receive severance payment upon retirement in accordance with the Labor Protection Act.

- Special retirement allowance

The employee will receive "Special Retirement Allowance" additional to legal severance payment plan upon resignation in accordance with the Bank's policy.

The obligations of these plans are considered as unfunded defined benefit obligations and are separately measured by an actuary using the projected unit credit method to determine the present value of cash flows of employee benefit to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, business turnover rate, salary increase rate, mortality rate, discount rate, years of services and other factors.

The Bank and its subsidiaries recognize expenses for the defined benefit plan are recognized as employee's expenses in the statement of profit or loss and other comprehensive income.

Past service cost related to the plan amendment is recognized as an employee's expense in the statements of profit or loss and other comprehensive income when the plan amendment is effective.

Actuarial gains (losses) are recognized in other comprehensive income.

4.16.3 Benefit from carry forward leave

The Bank and its subsidiaries recognize the benefit from cumulative carry forward leave is recognized as a liability in the statements of financial position and employee's expenses in the statements of profit or loss and other comprehensive income when the employees render the service.

4.16.4 Other benefit

The employee of a subsidiary will receive other benefit upon resignation or retirement in accordance with the subsidiary's policy.

The cumulative of other benefit is recognized as a provision in the statement of financial position.

The expense is categorized as defined contribution plan and recorded as employee's expenses in the statements of profit or loss and other comprehensive income.

4.17 Contributions to the Financial Institutions and Development Fund and the Deposit Protection Agency

Contributions to the Financial Institutions Development Fund and the Deposit Protection Agency are recognized on an accrual basis as expenses in the statements of profit or loss and other comprehensive income.

4.18 Customer Loyalty Programmes

Customer Loyalty Programmes are to grant the points to customer who joins the program. The points are based on the certain transactions determined under customer loyalty programmes and able to be redeemed for free or discount of merchandise or services.

Obligation from granting the points is recognized and measured at the fair value of the consideration received or receivable which is derived from outstanding points expected future redemption multiplied by estimated fair value per point.

Such obligation is allocated from consideration received or receivable and recorded through deferred revenue customer loyalty programmes under other liabilities and recognized as fee income when the points are redeemed by customers.

4.19 Taxation

Income tax expenses (income) represent the sum of the tax currently payable and deferred tax.

4.19.1 Current tax

The current tax is the amount of income tax payable in respect of taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted or substantively enacted on the reporting date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Bank and its subsidiaries intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

4.19.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). The Bank and its subsidiaries recognize deferred tax liabilities for all taxable temporary differences and recognize deferred tax assets for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at the reporting date. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that the Bank and its subsidiaries have sufficient taxable profit to allow total or part of the asset to be recovered. The Bank and its subsidiaries do not recognize deferred tax assets and liabilities for goodwill.

The Bank and its subsidiaries measure deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted on the end of the reporting period.

Deferred tax assets and liabilities must offset when the Bank and its subsidiaries have legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority.

The Bank and its subsidiaries present income tax expenses or income related to profit or loss in the statements of profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period, they will be recognized directly in other comprehensive income in equity.

4.20 Earnings per share

Basic earnings per share is calculated by dividing net income by the number of weighted-average ordinary shares outstanding during the period.

4.21 Foreign currency transactions

4.21.1 Translation of foreign currency transactions

Transactions denominated in foreign currency are translated into the functional currency as follows:

On transaction date, the foreign currency transactions are translated using the exchange rate at the date of transaction.

At the end of each reporting period, the balance of monetary assets and liabilities are translated using the exchange rate on the reporting date and the balance of non-monetary assets and liabilities measured at historical cost are translated using the exchange rate at the transaction date.

Foreign exchange gains or losses from translation are recognized as income or expenses in gains (losses) on financial instruments measured at fair value through profit or loss, net in the statements of profit or loss and other comprehensive income.

4.21.2 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank's financial statements, the Bank translates the financial statements of foreign operations which its functional currency is other than Thai Baht currency as follows:

The assets and liabilities of foreign operations are translated to Thai Baht at the foreign exchange rate at the reporting date.

The revenue and expenses of foreign operations are translated to Thai Baht at the foreign exchange rate at the dates of the transactions.

Foreign exchange differences arising from translation of the financial statements of foreign operations are recognized in other comprehensive income and its cumulative amount is presented as foreign currency translation reserve in other reserves under equity.

4.22 Business combination

Business combination which is not under common control

The Bank recognizes the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree separately from goodwill at fair value.

Goodwill in a business combination represents the excess of the cost of acquisition over the Bank's interest in the fair value of the identifiable net assets acquired as at the date of acquisition.

Gain from a bargain purchase arising on business acquisition represents the excess of the acquirer's interest in the fair value of the identifiable net asset acquired over the cost of acquisition as at the date of acquisition.

Other costs directly attributable to the business combination are recorded as a part of the acquiree's investment costs in the bank's financial statements. However, other costs have been recognized as expenses in the statements of profit or loss and other comprehensive income in the consolidated financial statements.

Goodwill in a business combination is recognized as an asset recorded as of the acquisition date. Gain from a bargain purchase is recognized as income in the statements of profit or loss and other comprehensive income.

Goodwill is stated at cost less allowance for impairment (if any).

Business combination under common control

The Bank recognizes the business combination under common control similar to pooling of interests in accordance with the accounting guidance "Business Combination Under Common Control". The assets and liabilities of the acquiree are recognized using the net book value at the date of business combination. The difference between the cost of business combination and the interest of the Bank in the acquiree's net book value is recognized as premium (deficit) from business combination under common control presented under the Bank's equity in the statement of financial position.

Loans acquired as part of a business combination are recognized at fair value at the acquisition date and those acquired loans are divided into those considered purchased or originated credit-impaired ("POCI") and those not considered POCI.

The allowance established for loans considered POCI at acquisition is offset by an increase in the basis of the acquired loans. Any subsequent measurement in the allowance related to acquired loans, regardless of POCI status, are recognized through expenses in statement of profit or loss and other comprehensive income.

5. RISK MANAGEMENT

5.1 Market Risk

1) Objective and Market Risk Management Policy

Market risk refers to the risk of loss caused by price fluctuations in the trading and banking books related to interest rates, exchange rates, equity instruments, and commodities.

The Bank places great importance on effective market risk management and controls by establishing market risk management policy. The Bank controls market risk under the risk appetite approved by the Board of Directors (Board). The risk limits have been regularly reviewed to ensure that they are commensurate with the scope, volume, and complexity of transactions, and support prudent business expansion. The Bank maintains sufficient capital for both normal and stressed business conditions.

2) Organization and Structure

The Board has delegated the Risk and Compliance Committee (RCC) to supervise overall risk management, and compliance principles and practices of the Bank.

The Executive Committee has assigned the Risk Management Committee (RMC) to formulate strategies and confirm the adequacy of risk and control procedures and the Asset and Liability Management Committee (ALCO) to establish guidelines for appropriate management of assets, liabilities, and off-balance sheet items.

The organizational structure of market risk management clearly segregates the duties and responsibilities of the units responsible for executing transaction, operations, and risk management to avoid conflicts of interest. The Market Risk Management Division, an independent function reporting to the Chief Risk Officer, is responsible for risk management.

The division highlights and reports the potential market risk that the Bank may expose to, and provides strategic risk management options to relevant committees. The Global Markets Group executes transactions and manages positions as well as provides strategic options for effective market risk management.

3) Market Risk Management Framework

The Bank has continuously conducted the forward-looking risk management and closely monitor to support the business expansion in potential financial products and services to meet more complicated and varieties customers' demand at the acceptable market risk level amid high volatility in global financial markets and tightening regulation from BOT.

The Bank classified the market risk exposures into two main portfolios based on the nature and purpose of a transaction, namely trading book and banking book.

- **A trading book** consists of positions in financial instruments held either for trading or hedging other elements of the trading book.
- **A banking book** consists of positions in financial instruments or other transactions not intended for trading, or financial instruments meant to be held for a long period or until reaching maturity.

Market Risk Factors and Risk Management

The Bank's transactions are exposed to interest rate risk, foreign exchange risk, and equity price risk, all of which may affect income and/or shareholders' equity.

Interest Rate Risk

Interest rate risk arises from the structure and characteristics of the Bank's assets, liabilities and off-balance sheet items, and from the mismatch of their repricing rates and frequency.

The Bank employs various tools and methods for the interest rate risk management. Net interest income simulation is conducted to assess the impact on banking book position while Value-at-Risk (VaR) tool is employed for the trading book position to estimate the Bank's potential maximum loss.

Foreign Exchange Risk

The Bank has a policy to cap the net foreign currency position. Most foreign currency transactions are mainly from products and services provided to the Bank's customers.

In addition, the Bank enters into forward foreign exchange contracts as part of the risk management strategy of the foreign exchange risk arising from the Bank's underlying assets and liabilities and hedges that risk from customers' transactions. The utilization of forward foreign exchange contracts for these purposes is governed by policies and guidelines approved by the Bank's Board and controlling procedures set by the relevant departments and Committees.

The Bank monitors the risk level under the specified limits using the Value-at-Risk Method as one of the tools to manage the exchange rate risk.

Equity Price Risk

The Bank assesses the potential of securities issuer companies and has a policy to buy/sell equity securities mainly for medium-term and long-term purpose. In managing equity position risk, which is held according to initial intention, as long-term for Banking Book, the Bank monitors and reports the equity price risk and ensure that the level of capital fund is appropriate and sufficient to absorb losses arising from the change of equity price.

For Trading Book, the Bank monitors the level of risk under the specified risk limits using the VaR Method to manage the equity price risk.

Measurements of Market Risk in Trading Book

Market risk exposures in trading book

Financial business group: Value-at-Risk (VaR)

Financial business group: VaR (Trading book) as at June 30, 2024 and December 31, 2023

	Unit: Million Baht VaR*	
	June 30, 2024	December 31, 2023
Overall	934	703
Interest rate risk	182	170
Foreign currency risk	936	716
Equity risk	-	-

* Confident level 99% Holding period 10 Days

The Bank: Sensitivity analysis

The Bank's sensitivity analysis (Trading book) as at June 30, 2024 and December 31, 2023

	Unit: Million Baht Estimated profit (loss) impact	
	June 30, 2024	December 31, 2023
Interest Rate		
1. Interest rate parallel increase 100 bps	(130)	(21)
2. Non-parallel: unchanged for tenor less than or equal to 1 year ; increase 50 bps for tenor over 1 year	(43)	1
Foreign Exchange		
3. USD/THB exchange rate increase 1%	26	(1)
Equity		
4. All equities price decrease for 10%	-	-

Measurements of Interest Rate Risk in Banking Book

Interest rate risk exposures in banking book as at June 30, 2024 and December 31, 2023

Net interest income sensitivity*
(Earnings perspective)

Short-term effect analysis: assesses the potential impact on net interest income (NII Impact) as earnings perspective.

Currency	CONSOLIDATED SUPERVISION		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
THB	457	456	77	265
USD	(99)	(626)	(18)	(503)
Other foreign currencies	(657)	(874)	(632)	(812)
Total impact	<u>(299)</u>	<u>(1,044)</u>	<u>(573)</u>	<u>(1,050)</u>
% of net interest income over the next 12 months	(0.28%)	(0.92%)	(0.96%)	(1.64%)

* The changes in increase interest rates of 100 bps.

Book value of equity sensitivity*
(Economic value perspective)

Long-term effect analysis: analyzing the sensitivity of the economic value of shareholder equity (BVE Impact) as economic value perspective.

Currency	CONSOLIDATED SUPERVISION		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
THB	(7,934)	(8,735)	(7,484)	(8,251)
USD	(235)	(535)	(77)	(229)
Other foreign currencies	(293)	(394)	44	56
Total impact	<u>(8,462)</u>	<u>(9,664)</u>	<u>(7,517)</u>	<u>(8,424)</u>
% of Total capital fund	(2.11%)	(2.44%)	(2.44%)	(2.73%)

* The changes in increase interest rates of 100 bps.

Structure of assets and liabilities based on next repricing as at June 30, 2024 and December 31, 2023 are as follows:

	Unit: Million Baht CONSOLIDATED FINANCIAL STATEMENTS						
	June 30, 2024						
	0 - 3 Months	More than 3 - 12 Months	More than 1 - 5 Years	Over 5 Years	NPL	Non-Interest bearing	Total
Financial assets							
Interbank and money market items, net	422,638	6,282	9,252	1,119	-	85,342	524,633
Investments, net	24,549	39,760	64,988	-	-	7,733	137,030
Loans to customers	1,032,901	254,624	508,253	38,509	72,973	84,671	1,991,931
Financial liabilities							
Deposits	1,286,478	499,308	79,857	319	-	50,426	1,916,388
Interbank and money market items	165,833	28,454	33,334	1,417	-	3,805	232,843
Debt issued and borrowings	9,058	5,911	92,361	258	-	14	107,602

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

	0 - 3 Months	More than 3 - 12 Months	More than 1 - 5 Years	Over 5 Years	NPL	Non- Interest bearing	Total
Financial assets							
Interbank and money market items, net	419,410	2,060	9,252	1,039	-	76,213	507,974
Investments, net	7,696	44,336	71,921	-	-	6,586	130,539
Loans to customers	1,045,441	241,764	534,986	41,659	61,481	91,873	2,017,204
Financial liabilities							
Deposits	1,296,116	408,853	84,164	176	-	50,292	1,839,601
Interbank and money market items	244,424	42,072	32,322	1,419	-	3,759	323,996
Debt issued and borrowings	3,498	30,925	69,532	240	-	22	104,217

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

June 30, 2024

	0 - 3 Months	More than 3 - 12 Months	More than 1 - 5 Years	Over 5 Years	NPL	Non- Interest bearing	Total
Financial assets							
Interbank and money market items, net	411,865	6,162	9,473	331	-	74,016	501,847
Investments, net	22,057	39,207	64,988	-	-	5,332	131,584
Loans to customers	1,004,948	197,330	438,557	35,469	48,875	4,572	1,729,751
Financial liabilities							
Deposits	1,287,481	474,666	75,628	-	-	50,906	1,888,681
Interbank and money market items	146,677	5,871	31,663	332	-	3,866	188,409
Debt issued and borrowings	2,579	3,007	74,000	-	-	1	79,587

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

December 31, 2023

	0 - 3 Months	More than 3 - 12 Months	More than 1 - 5 Years	Over 5 Years	NPL	Non- Interest bearing	Total
Financial assets							
Interbank and money market items, net	414,191	3,775	9,355	411	-	61,441	489,173
Investments, net	5,334	44,336	71,408	-	-	4,275	125,353
Loans to customers	1,034,094	185,884	449,842	39,503	43,945	5,231	1,758,499
Financial liabilities							
Deposits	1,293,940	390,235	80,812	-	-	50,732	1,815,719
Interbank and money market items	228,018	12,032	27,034	411	-	3,785	271,280
Debt issued and borrowings	-	21,232	57,000	-	-	1	78,233

5.2 Liquidity Risk

1) Objective and liquidity risk management policy

The Bank controls liquidity risk under the risk appetite approved by the Board of Directors (Board) with appropriate operating costs. The Bank places great importance on effective liquidity risk management and controls by establishing liquidity risk management policy and emergency contingency plan. Additionally, the Bank maintains liquid assets to comply with the Bank of Thailand's regulations and emphasizes on management of excess liquidity at an acceptable level and an adequate amount for both the Bank's and its subsidiaries' business operations. Liquidity management utilizes both qualitative and quantitative approaches to ensure appropriate risk diversification and management.

2) Organization and structure

The Board delegates the authority to manage and control liquidity risk consistent with the Bank's policies to the relevant committees. The Bank also reviews risk policies and limits on regular basis or when there is any significant change in the market to ensure that they are commensurate with changing business and market conditions.

Liquidity risk management is overseen by the the Risk and Compliance Committee (RCC), the Risk Management Committee (RMC), and the Asset and Liability Management Committee (ALCO).

The organizational structure of liquidity risk management clearly segregates the responsibilities and duties of the units responsible for executing transactions, operations and risk management to avoid conflicts of interest. The Market Risk Management Division, an independent function reporting to the Chief Risk Officer, is responsible for risk management.

The division provides strategic risk management options, while the Global Markets Group proposes proper funding liquidity management strategies, and manages daily liquidity positions under risk limits approved by the Board.

3) Liquidity risk management framework

The Bank is fully aware of the importance of regulatory requirements and manages liquidity risks as deemed appropriate based on market conditions and within acceptable risk levels.

To ensure the efficiency of the liquidity risk management to generate sufficient liquidity for debt repayment and various obligations upon maturity or being called under normal and extreme circumstances, the Bank has clearly established the liquidity risk management framework to be able to manage and control such risk in accordance with its policy and strategy and maintain such risk within its liquidity risk tolerance approved by the Board.

Liquidity Risk Measurements

The Bank's liquidity risk factors are from the mismatched structure of sources and uses of funds.

The Bank realizes the importance of measuring tools that are suited to the size and complexity of transactions both on- and off-balance sheet.

The Bank employs liquidity risk measurement tools from maturity mismatches of cash flows from assets, liabilities and off-balance sheet such as cash flow/liquidity projection and liquidity gap analysis according to the remaining contractual maturity behavioral adjustment and the 3 stress test scenarios (Bank-specific crisis, Market-wide crisis and combination of Bank-specific crisis and Market-wide crisis), together with sufficient liquidity reserves.

Additionally, the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) have been implemented to comply with BOT regulation to enhance short-term and long-term liquidity risk management.

Financial assets and financial liabilities based on remaining contractual maturity as at June 30, 2024 and December 31, 2023 are as follows:

Unit: Million Baht							
CONSOLIDATED FINANCIAL STATEMENTS							
June 30, 2024							
	At call	Within 1 Year	Over 1 Year but within 5 Years	Over 5 Years	No maturity	Non- Performing Loans	Total
Financial Assets							
Cash	24,663	-	-	-	-	-	24,663
Interbank and money market items, net	114,712	393,876	10,771	5,175	99	-	524,633
Financial assets measured at FVTPL	-	834	1,062	1,027	422	-	3,345
Derivatives assets	-	21,439	8,273	7,657	-	-	37,369
Investments, net	-	61,462	67,319	1,967	6,282	-	137,030
Loans to customers	70,058	738,096	791,088	310,817	8,899	72,973	1,991,931
Total	209,433	1,215,707	878,513	326,643	15,702	72,973	2,718,971
Financial Liabilities							
Deposits	917,370	899,936	98,763	319	-	-	1,916,388
Interbank and money market items	21,354	146,991	48,341	16,157	-	-	232,843
Liability payable on demand	5,513	-	-	-	-	-	5,513
Derivatives liabilities	-	16,333	6,915	8,106	-	-	31,354
Debt issued and borrowings	-	12,403	42,941	52,258	-	-	107,602
Total	944,237	1,075,663	196,960	76,840	-	-	2,293,700
Net liquidity gap	(734,804)	140,044	681,553	249,803	15,702	72,973	425,271

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
December 31, 2023							
	At call	Within 1 Year	Over 1 Year but within 5 Years	Over 5 Years	No maturity	Non-Performing Loans	Total
Financial Assets							
Cash	28,170	-	-	-	-	-	28,170
Interbank and money market items, net	92,277	400,801	9,662	5,022	212	-	507,974
Financial assets measured at FVTPL	-	1	570	651	518	-	1,740
Derivatives assets	-	16,449	7,044	5,563	-	-	29,056
Investments, net	-	45,987	76,751	1,669	6,132	-	130,539
Loans to customers	50,056	730,665	833,307	331,891	9,804	61,481	2,017,204
Total	170,503	1,193,903	927,334	344,796	16,666	61,481	2,714,683
Financial Liabilities							
Deposits	944,981	773,803	120,641	176	-	-	1,839,601
Interbank and money market items	20,965	244,573	43,350	15,108	-	-	323,996
Liability payable on demand	4,387	-	-	-	-	-	4,387
Derivatives liabilities	-	19,543	6,215	7,081	-	-	32,839
Debt issued and borrowings	-	13,224	29,928	61,065	-	-	104,217
Total	970,333	1,051,143	200,134	83,430	-	-	2,305,040
Net liquidity gap	(799,830)	142,760	727,200	261,366	16,666	61,481	409,643

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
June 30, 2024							
	At call	Within 1 Year	Over 1 Year but within 5 Years	Over 5 Years	No maturity	Non-Performing Loans	Total
Financial Assets							
Cash	22,702	-	-	-	-	-	22,702
Interbank and money market items, net	99,652	390,770	10,992	334	99	-	501,847
Financial assets measured at FVTPL	-	834	1,062	407	-	-	2,303
Derivatives assets	-	21,223	8,654	7,706	-	-	37,583
Investments, net	-	58,417	66,962	-	6,205	-	131,584
Loans to customers	77,603	591,566	704,759	306,948	-	48,875	1,729,751
Total	199,957	1,062,810	792,429	315,395	6,304	48,875	2,425,770
Financial Liabilities							
Deposits	924,088	870,059	94,534	-	-	-	1,888,681
Interbank and money market items	22,836	113,312	37,190	15,071	-	-	188,409
Liability payable on demand	5,513	-	-	-	-	-	5,513
Derivatives liabilities	-	16,270	7,335	8,150	-	-	31,755
Debt issued and borrowings	-	3,007	24,580	52,000	-	-	79,587
Total	952,437	1,002,648	163,639	75,221	-	-	2,193,945
Net liquidity gap	(752,480)	60,162	628,790	240,174	6,304	48,875	231,825

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS							
December 31, 2023							
	At call	Within 1 Year	Over 1 Year but within 5 Years	Over 5 Years	No maturity	Non- Performing Loans	Total
Financial Assets							
Cash	25,128	-	-	-	-	-	25,128
Interbank and money market items, net	76,290	402,493	9,765	413	212	-	489,173
Financial assets measured at FVTPL	-	1	571	51	-	-	623
Derivatives assets	-	16,413	7,243	5,602	-	-	29,258
Investments, net	-	43,627	75,978	-	5,748	-	125,353
Loans to customers	68,223	592,173	725,446	328,712	-	43,945	1,758,499
Total	169,641	1,054,707	819,003	334,778	5,960	43,945	2,428,034
Financial Liabilities							
Deposits	951,263	747,167	117,289	-	-	-	1,815,719
Interbank and money market items	18,942	206,070	32,168	14,100	-	-	271,280
Liability payable on demand	4,382	-	-	-	-	-	4,382
Derivatives liabilities	-	19,457	6,527	7,113	-	-	33,097
Debt issued and borrowings	-	11	17,396	60,826	-	-	78,233
Total	974,587	972,705	173,380	82,039	-	-	2,202,711
Net liquidity gap	(804,946)	82,002	645,623	252,739	5,960	43,945	225,323

4) Maintenance of Liquidity Coverage Ratio (LCR)

To comply with BOT Notification SorNorSor. 2/2561 regarding Liquidity Coverage Ratio Disclosure Standards dated January 25, 2018, the Bank has provided on its website essential information on LCR to shareholders and investors for assessing the liquidity risk of the Bank and encouraging market discipline with details as follows:

Information as at	June 30, 2024
Date of disclosure	Within 4 months after the period end date as indicated in the BOT's notification (within October 2024)
Location of disclosure	https://www.krungsri.com/en/investor-relations/financial-information/disclosure/liquidity-coverage-ratio

5.3 Credit risk

Credit risk refers to the possibility of the Bank and its subsidiaries facing a loss caused by a decline or complete loss of asset value (including off-balance assets), resulting from deterioration in a borrower's financial conditions and a subsequent failure to meet financial obligation, or an event of default. Such development could negatively impact both capital and loan loss reserve adequacy.

Credit risk is the single largest risk for the Bank's business; management therefore carefully manages its exposure to credit risk. The Bank's strategy for managing credit risk is developed according to risk appetite of the Bank. To identify clear goals for practitioners, the Bank establishes policies and operational plans for reference in accordance with the Bank's strategy - credit policies, credit risk management policies, and credit rating policies etc. Credit risk is managed under the Bank's strategy based on international standards and conforming to the Bank of Thailand's rules and regulations.

The Bank has developed models to support the quantification of the credit risk. These rating and scoring models are in use for all key credit portfolios and form the basis for measuring default risks.

Commercial credit risk management

The commercial credit risk is managed through the Bank's internal credit risk management framework that is enhanced continuously to meet international standards. The internal credit rating are developed and used to assign risk rating for customers at origination or acquisition, are reassessed annually, and are adjusted to changes in credit quality over the life of the exposure through the Bank's credit review process. In assessing the risk rating of a loan or lending-related commitment, the Bank considers factors that could potentially impact customer debt capacity including customer earnings and repayment sources, management's ability and track record, and the industry and location of the customer.

The Bank acknowledges that each customer is different, and thus the source of information used to evaluate debt repayment capacity must be tailored to each type of customer. Such evaluation and rating assignment would be based on financial statements, also accounting for other quantitative and qualitative factors to reflect business capacity and potential for growth.

The credit risk exposure of commercial credit portfolio can be shown as follows:

Credit risk exposure by credit rating as at June 30, 2024 and December 31, 2023

Risk rating	Unit: Million Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	June 30, 2024			December 31, 2023		
	ECL staging			ECL staging		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Investment grade	699,207	3,326	54	707,280	1,695	-
Medium risk	223,834	64,794	435	219,143	57,144	221
High risk	1	29	19,491	-	62	16,766
Gross carrying amount	<u>923,042</u>	<u>68,149</u>	<u>19,980</u>	<u>926,423</u>	<u>58,901</u>	<u>16,987</u>
Expected credit loss	7,456	7,017	10,268	7,864	7,418	9,460

Related collaterals as at June 30, 2024 and December 31, 2023

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

Credit-impaired asset	June 30, 2024			December 31, 2023		
	GCA	ECL	Collateral value*	GCA	ECL	Collateral value*
Stage 3						
Large corporate	4,660	2,185	2,478	4,610	2,136	2,694
Small & medium enterprise	15,320	8,083	9,715	12,377	7,324	8,132

* Value of collateral allocated to loans and credit obligations.

Consumer credit risk management

Consumer portfolios are managed at the portfolio or homogeneous-pool level. The consumer credit risk management establishes product program criteria and proposal for approval by the Bank's Board of Directors or delegate authorities. For effective risk control and consistency in credit decisions, the Bank and its subsidiaries leverage risk technology and digitalization in the credit decision process. The credit risk assessment model is developed in accordance with the Bank of Thailand's regulations and international standards.

The credit risk exposure of consumer credit portfolio can be shown as follows:

Credit risk exposure by products as at June 30, 2024 and December 31, 2023

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

Portfolio	June 30, 2024				December 31, 2023			
	ECL staging				ECL staging			
	Stage 1	Stage 2	Stage 3	POCI	Stage 1	Stage 2	Stage 3	POCI
Business banking	31,561	4,800	5,289	-	26,182	9,430	4,953	-
Mortgage	224,104	16,793	16,527	-	231,782	23,270	14,869	-
Personal	12,682	1,661	976	-	11,184	2,728	1,105	-
Auto business	352,622	64,767	10,974	-	370,044	63,726	10,858	-
Krungsri consumer	115,793	3,809	6,114	-	124,098	3,409	5,527	-
Others*	102,690	5,951	18,641	1	109,428	5,147	11,634	85
Gross carrying amount	<u>839,452</u>	<u>97,781</u>	<u>58,521</u>	<u>1</u>	<u>872,718</u>	<u>107,710</u>	<u>48,946</u>	<u>85</u>
Expected credit loss	23,485	15,925	27,350	-	24,566	16,184	23,578	-

* Foreign subsidiaries, Securities, Insurance brokers, etc.

Related collaterals as at June 30, 2024 and December 31, 2023

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

Credit-impaired asset	June 30, 2024			December 31, 2023		
	GCA	ECL	Collateral value*	GCA	ECL	Collateral value*
Stage 3						
Business banking	5,289	1,809	3,674	4,953	1,910	3,232
Mortgage	16,527	6,725	10,106	14,869	6,105	9,225
Personal	976	944	-	1,105	1,065	-
Auto business	10,974	6,942	-	10,858	6,843	-
Krungsri consumer	6,114	4,003	-	5,527	3,642	-
Others**	18,641	6,927	47	11,634	4,013	20
POCI						
Others**	1	-	-	85	-	-

* Value of collateral allocated to loans and credit obligations.
 ** Foreign subsidiaries, Securities, Insurance brokers, etc.

Measuring credit risk

In measuring credit risk of loans and advances at a counterparty level, the Bank considers three components: (i) the “Probability of Default” (PD) by the client or counterparty on its contractual obligations; (ii) current exposures to the counterparty and its likely future development, from which the Bank derives the “Exposure at Default” (EAD); and (iii) the likely recovery ratio on the defaulted obligations or the “Loss Given Default” (LGD). The models are reviewed regularly to monitor their robustness relative to actual performance and amended as necessary to optimize their effectiveness.

These credit risk measurements are required and served as the foundation to determine expected credit loss (ECL) under TFRS 9.

(i) Probability of Default

The Bank assesses the probability of default of individual counterparties or the collective group of customers that share similar risk characteristic using internal rating tools/scorecard tailored to the various categories of counterparty/portfolio. Such models have been developed internally and combine statistical analysis with risk management judgment. The rating/scoring methods are subject to an annual validation and recalibration so that they reflect the latest projection in the light of all observed defaults.

(ii) Exposure at Default

Exposure at default is based on the amounts expected to be owed at the time of default.

(iii) Loss Given Default

Loss given default represents the Bank and its subsidiaries' expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure. It typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support.

Incorporation of forward-looking information

Where applicable, the Bank and its subsidiaries incorporate forward-looking adjustment in credit risk factors in measuring the customer credit risk, considering the impact of multiple probability-weighted future forecast economic scenario. The three macro-economic scenarios are applied to reflect an unbiased probability weighted range of possible future outcomes; namely

- Base scenario: Representing the most-likely condition that continue to prevail, and
- Upper and lower scenario: These scenarios are set in relative to base scenario and provide the outlook of better and worse case economic outlook based on subject matter expert best judgement.

In certain circumstance, where the incorporation of forward-looking information cannot be explicitly reflected through the expected credit loss model or economic scenario, the Bank and its subsidiaries may set aside the additional provision based on the supporting rationale and such treatment shall not contradict with the applicable accounting standard and the Bank of Thailand regulations.

Credit risk management and review

The Bank rigorously monitors and reviews customer and portfolio risk in the following ways:

Reserve adequacy

The adequacy of reserves is reviewed and approved by the Chief Risk Officer and the Chief Financial Officer. Specific reserves are allocated to portfolios as required, with regular stress tests conducted to ensure that reserves are adequate.

Credit risk audit

An independent central unit under the Internal Audit Group of the Bank is responsible for examining and reviewing all credit risk management operations, with scope and plans approved by the Audit Committee with delegation from the Board of Directors.

The audit and review scopes cover overall credit risk management, correctness of risk ratings, compliance with credit covenants, and compliance with the Bank's credit policies, along with relevant Bank of Thailand criteria.

Credit information monitoring and management

The Bank regularly reports credit risk levels to the Board of Directors, relevant committees, and senior management. The Bank's monthly credit portfolio report includes information on portfolio quality and segment trends by facility, ratings, location, industry, and delinquency. In addition, ad hoc reports are occasionally conducted in response to irregular situations that may affect the Bank's credit portfolio.

Stress testing

The Bank and its subsidiaries conduct stress tests based on the Bank's stress test policy for both commercial and consumer portfolios. Stress tests use past historical trends as well as future macroeconomic projections to determine potential losses and their possible impact on the Bank's capital. Regulator-required stress test results are reported to the Capital Management Subcommittee, the Risk Management Committee, the Risk and Compliance Committee, and the Board of Directors. Internal stress test results are conducted periodically and reported to the Capital Management Subcommittee. The Bank has strategies and action plans in place to prevent any adverse effects.

Financial business group management

The Bank's financial business group maintain independent risk organizations headed by senior risk executives. The Bank's Chief Risk Officer supervises financial business group risk management activities. These subsidiary risk management units must comply with the Bank's overall risk management strategy, ensure sufficient capacity with the required risk-related infrastructure, and comply with the Bank's risk appetite objectives and reporting requirements.

Non-performing loan management

Non-performing loans (NPLs) are managed by a dedicated unit of specialists experienced in handling past-due accounts. The unit determines the best approaches to optimize payment from customers so as to improve asset quality, minimize losses and maximize recovery. Such unit also conduct NPL sales based on guidance and approval from the Board of Directors.

5.4 Capital funds

The Bank maintains the internal capital adequacy assessment process in accordance with the supervisory review process of the BOT and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite in the Financial Business Group and the Bank.

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the BOT. The Bank is required to calculate its Capital Funds in accordance with Basel III. As at June 30, 2024 and December 31, 2023, the Consolidated Supervision and the Bank's total capital funds and capital adequacy ratios can be categorized as follows:

	Unit: Million Baht	
	Basel III	
	Consolidated Supervision	
	June 30, 2024	December 31, 2023
Tier 1 capital		
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Legal reserve	7,574	7,574
Cumulative profit after appropriation	240,940	228,670
Other reserves		
Other comprehensive income	11,436	9,535
Other items from owner changes	(6,179)	(6,179)
Deduction items from Common Equity Tier 1 capital	(55,851)	(54,359)
Total Common Equity Tier 1 capital	324,357	311,678
Additional Tier 1 capital		
Non-Controlling interest	2,983	2,844
Total Tier 1 capital	327,340	314,522
Tier 2 capital		
Subordinated debentures	52,000	60,826
General provision	21,250	21,009
Non-Controlling interest	495	491
Total Tier 2 capital	73,745	82,326
Total capital fund	401,085	396,848

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement	Basel III Consolidated Supervision	
		June 30, 2024	December 31, 2023
Total Common Equity Tier 1 capital /			
Total risk weighted assets	8.00	16.38	15.97
Total Tier 1 capital / Total risk weighted assets	9.50	16.53	16.12
Total capital / Total risk weighted assets	12.00	20.26	20.34
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)		401,085	396,848
Total capital after deducting capital add-on / Total risk weighted assets		20.26	20.34

Unit: Million Baht		
Basel III		
The Bank		
	June 30, 2024	December 31, 2023
Tier 1 capital		
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Legal reserve	7,574	7,574
Cumulative profit after appropriation	122,814	116,420
Other reserves		
Other comprehensive income	10,895	10,695
Other items from owner changes	(5,218)	(5,218)
Deduction items from Common Equity Tier 1 capital	(25,590)	(26,181)
Total Common Equity Tier 1 capital	<u>236,912</u>	<u>229,727</u>
Additional Tier 1 capital		
Non-Controlling interest	na.	na.
Total Tier 1 capital	<u>236,912</u>	<u>229,727</u>
Tier 2 capital		
Subordinated debentures	52,000	60,826
General provision	18,914	18,562
Total Tier 2 capital	<u>70,914</u>	<u>79,388</u>
Total capital fund	<u>307,826</u>	<u>309,115</u>

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement	Basel III The Bank	
		June 30, 2024	December 31, 2023
Total Common Equity Tier 1 capital /			
Total risk weighted assets	8.00	13.75	13.56
Total Tier 1 capital / Total risk weighted assets	9.50	13.75	13.56
Total capital / Total risk weighted assets	12.00	17.87	18.24
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)		307,826	309,115
Total capital after deducting capital add-on / Total risk weighted assets		17.87	18.24

Disclosure of capital maintenance information of the Financial Business Group and the Bank under the BOT's Notification regarding the Disclosure of the Capital Requirement of the Financial Business Group and regarding the Disclosure of the Capital Requirement of Commercial Banks with details as follows:

Location of disclosure	www.krungsri.com
Date of disclosure	April 30, 2024
Information as at	December 31, 2023

The disclosure as at June 30, 2024 will be disclosed within October 31, 2024 on the above Bank's website as indicated in the BOT's notification.

6. ESTIMATES AND ASSUMPTIONS

Preparation of financial statements in conformity with Thai Financial Reporting Standards principles require management to make estimates and assumptions under certain circumstances. Such estimates and assumptions affect reported amounts of revenues, expenses, assets and liabilities and require the disclosure of contingent assets and liabilities at the date of the financial statements which may differ from these estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows:

6.1 Fair value

For a business acquisition, the Bank's management estimates the fair value of assets, liabilities and other contingent liabilities of the acquiree's identifiable assets and liabilities at the acquisition date. In addition, any adjustments of the initial provision are finalized within 12 months after the acquisition date.

6.2 Allowance for expected credit loss

Significant increase of credit risk: ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. TFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Bank and its subsidiaries take into account qualitative and quantitative reasonable and supportable forward-looking information.

Establishing groups of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Bank and its subsidiaries monitor the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECLs but the amount of ECL changes because the credit risk of the portfolios differ.

Models and assumptions used: The Bank and its subsidiaries use various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Determination of life of revolving credit facilities

The Bank and its subsidiaries measure ECL considering the risk of default over the maximum contractual period. However, for financial instruments such as credit cards, revolving credit facilities and overdraft facilities that include both a loan and an undrawn commitment component, the Bank and its subsidiaries' contractual ability to demand repayment and cancel the undrawn commitment does not limit the Bank and its subsidiaries' exposure to credit losses to the contractual notice period. For such financial instruments the Group measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period.

Establishing the number and relative weightings of forward-looking scenarios for each type of product and determining the forward-looking information relevant to each scenario.

When measuring ECL the Bank and its subsidiaries use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. In its measurement of ECL, the external and internal information are used to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios. The external information used includes economic data published by governmental bodies and monetary authorities.

The Bank and its subsidiaries use multiple scenarios to model the non-linear impact of assumptions about macroeconomic factors on ECL. The Bank and its subsidiaries apply probabilities to the forecast scenarios identified. The base case scenario is the single most-likely outcome. The Bank and its subsidiaries have identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using a statistical analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. In addition to the base case scenario, the Group uses the probability weighting, which is the base scenario which has the highest weighting, since it is the most likely outcome and the weighting of the upside and downside scenarios depend on the probability of the scenario.

Probability of default: PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss Given Default: LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Fair value measurement and valuation process: In estimating the fair value of a financial asset or a liability, the Bank and its subsidiaries use market-observable data to the extent it is available. Where such Level 1 inputs are not available, the Bank and its subsidiaries use valuation models to determine the fair value of its financial instruments. Refer to Note 7.22 for more details on fair value measurement.

6.3 Allowance for properties for sale

The Bank and its subsidiaries estimate the allowance for impairment of properties for sale when there is a decline in net realizable value. In consideration of net realizable value, the Bank and its subsidiaries consider the appraised value together with other factors which can affect the realizable value such as related selling expenses, holding costs and discounted future expenses.

6.4 Goodwill

Goodwill is tested for impairment using a fair value method of discounted cash flows on a semi-annual basis.

6.5 Impairment of non-financial assets

The carrying amounts of the Bank and its subsidiaries' assets are reviewed at each financial statements date to determine whether there are any indications of impairment. If any such indication exists, the assets' recoverable amounts are estimated by discounting expected cash flows.

6.6 Provisions

Provisions are recognized as liabilities in the statement of financial position when it is probable that an obligation has been incurred as a result of a past event, and result in the certain likelihood of an outflow of economic benefits to settle the obligation and the amount of such obligation can be reasonably estimated.

6.7 Provision for contingent liabilities

The Bank and its subsidiaries provide a provision for contingent liabilities for loan commitment and financial guarantee according to TFRS 9 applying the same methodology as determining allowance for expected credit losses for financial assets of the same debtor.

6.8 Significant judgement on classification of joint arrangement

Lotus's Money Services Limited is a company that Ayudhya Capital Services Company Limited (a subsidiary of the Bank) holds 50% of ordinary shares. The decision relating to operation is subject to the approval of the joint venture. The Bank and its subsidiaries classified the investment as a joint venture under TFRS 11 which is accounted for using the equity method accordingly. For Lotus's Life Assurance Broker Limited and Lotus's General Insurance Broker Limited, they are companies that Lotus's Money Services Limited wholly holds 100% of ordinary shares. Accordingly, Lotus's Life Assurance Broker Limited and Lotus's General Insurance Broker Limited are classified as joint ventures of the Bank and its subsidiaries.

The Bank holds 50% of ordinary shares of SB Finance, Inc. The decision relating to operation is subject to the approval of the joint venture. The Bank classified the investment as a joint venture under TFRS 11 which is accounted for using the equity method accordingly.

7. ADDITIONAL INFORMATION

7.1 Additional information of cash flows

7.1.1 Non-cash transactions for the six-month periods ended June 30, 2024 and 2023 are as follows:

	Unit: Million Baht			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2024	2023	2024	2023
Increase (decrease) in revaluation surplus on investments	437	(1,149)	162	(1,118)
Amortization of premises appraisal surplus transferred to retained earning	(200)	(119)	(199)	(119)
Properties for sale debt repayment	10,146	9,045	9,402	8,281
Properties and premises transferred to be properties for sale	242	74	242	74

7.1.2 Changes in liabilities arising from financing activities for the six-month periods ended June 30, 2024 and 2023 are as follows:

	Unit: Million Baht			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2024	2023	2024	2023
Beginning balance	107,679	100,206	81,278	69,543
Balance of subsidiary as at acquisition date	-	3,952	-	-
Financing cash flows	2,267	2,869	634	353
Addition in the periods	770	533	341	322
Other non-cash items	177	56	146	33
Ending balance	<u>110,893</u>	<u>107,616</u>	<u>82,399</u>	<u>70,251</u>

7.1.3 Realized and unrealized gains (losses) on foreign exchange

In the preparation of cash flows statements, realized gains (losses) on foreign exchange are based on a cash basis. Unrealized gains (losses) on foreign exchange are based on the translation difference of assets and liabilities in foreign currencies as described in the accounting policies. It is presented as an adjustment to reconcile income before tax to cash received (paid) from operating activities.

7.2 Classification of financial assets and financial liabilities

Classification of financial assets and financial liabilities as at June 30, 2024 and December 31, 2023 consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS					Unit: Million Baht
	June 30, 2024					
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investment in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Accrual basis for derivatives assets and derivatives liabilities	Total
Financial assets						
Cash	-	-	-	24,663	-	24,663
Interbank and money market items, net	-	-	-	524,633	-	524,633
Financial assets measured at fair value through profit or loss	3,345	-	-	-	-	3,345
Derivatives assets	34,099	-	-	-	3,270	37,369
Investments, net	-	109,140	8,553	19,337	-	137,030
Loans to customers and accrued interest receivables, net	-	18,629	-	1,896,796	-	1,915,425
Others	8	287	-	1,858	-	2,153
Total	<u>37,452</u>	<u>128,056</u>	<u>8,553</u>	<u>2,467,287</u>	<u>3,270</u>	<u>2,644,618</u>
Financial liabilities						
Deposits	-	-	-	1,916,388	-	1,916,388
Interbank and money market items	-	-	-	232,843	-	232,843
Liability payable on demand	-	-	-	5,513	-	5,513
Derivatives liabilities	31,013	-	-	-	341	31,354
Debt issued and borrowings	-	-	-	107,602	-	107,602
Provisions	-	-	-	1,774	-	1,774
Others	-	-	-	7,815	-	7,815
Total	<u>31,013</u>	<u>-</u>	<u>-</u>	<u>2,271,935</u>	<u>341</u>	<u>2,303,289</u>

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investment in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Accrual basis for derivatives assets and liabilities	Total
Financial assets						
Cash	-	-	-	28,170	-	28,170
Interbank and money market items, net	-	-	-	507,974	-	507,974
Financial assets measured at fair value through profit or loss	1,740	-	-	-	-	1,740
Derivatives assets	28,884	-	-	-	172	29,056
Investments, net	-	119,966	7,700	2,873	-	130,539
Loans to customers and accrued interest receivables, net	-	17,245	-	1,925,455	-	1,942,700
Others	1	274	-	1,836	-	2,111
Total	30,625	137,485	7,700	2,466,308	172	2,642,290
Financial liabilities						
Deposits	-	-	-	1,839,601	-	1,839,601
Interbank and money market items	-	-	-	323,996	-	323,996
Liability payable on demand	-	-	-	4,387	-	4,387
Derivatives liabilities	28,898	-	-	-	3,941	32,839
Debt issued and borrowings	-	-	-	104,217	-	104,217
Provisions	-	-	-	1,801	-	1,801
Others	-	-	-	7,206	-	7,206
Total	28,898	-	-	2,281,208	3,941	2,314,047

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

June 30, 2024

	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investment in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Accrual basis for derivatives assets and derivatives liabilities	Total
Financial assets						
Cash	-	-	-	22,702	-	22,702
Interbank and money market items, net	-	-	-	501,847	-	501,847
Financial assets measured at fair value through profit or loss	2,303	-	-	-	-	2,303
Derivatives assets	34,354	-	-	-	3,229	37,583
Investments, net	-	109,087	6,205	16,292	-	131,584
Loans to customers and accrued interest receivables, net	-	-	-	1,674,012	-	1,674,012
Others	8	287	-	1,365	-	1,660
Total	<u>36,665</u>	<u>109,374</u>	<u>6,205</u>	<u>2,216,218</u>	<u>3,229</u>	<u>2,371,691</u>
Financial liabilities						
Deposits	-	-	-	1,888,681	-	1,888,681
Interbank and money market items	-	-	-	188,409	-	188,409
Liability payable on demand	-	-	-	5,513	-	5,513
Derivatives liabilities	31,755	-	-	-	-	31,755
Debt issued and borrowings	-	-	-	79,587	-	79,587
Provisions	-	-	-	1,406	-	1,406
Others	-	-	-	5,925	-	5,925
Total	<u>31,755</u>	<u>-</u>	<u>-</u>	<u>2,169,521</u>	<u>-</u>	<u>2,201,276</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

December 31, 2023

	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investment in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortized cost	Accrual basis for derivatives assets and derivatives liabilities	Total
Financial assets						
Cash	-	-	-	25,128	-	25,128
Interbank and money market items, net	-	-	-	489,173	-	489,173
Financial assets measured at fair value through profit or loss	623	-	-	-	-	623
Derivatives assets	29,174	-	-	-	84	29,258
Investments, net	-	119,605	5,748	-	-	125,353
Loans to customers and accrued interest receivables, net	-	-	-	1,701,805	-	1,701,805
Others	-	275	-	1,323	-	1,598
Total	29,797	119,880	5,748	2,217,429	84	2,372,938
Financial liabilities						
Deposits	-	-	-	1,815,719	-	1,815,719
Interbank and money market items	-	-	-	271,280	-	271,280
Liability payable on demand	-	-	-	4,382	-	4,382
Derivatives liabilities	29,430	-	-	-	3,667	33,097
Debt issued and borrowings	-	-	-	78,233	-	78,233
Provisions	-	-	-	1,437	-	1,437
Others	-	-	-	5,504	-	5,504
Total	29,430	-	-	2,176,555	3,667	2,209,652

7.3 Interbank and money market items, net (Asset)

Interbank and money market items, net (Asset) as at June 30, 2024 and December 31, 2023 are as follows:

	Unit: Million Baht			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Domestic items				
Bank of Thailand and Financial				
Institution Development Fund	305,718	317,783	305,718	317,783
Commercial banks	33,717	39,600	30,765	35,978
Specialized financial institutions	10,710	25,880	10,710	25,880
Other financial institutions	58,407	38,816	60,951	41,405
Total	408,552	422,079	408,144	421,046
<u>Add</u> Accrued and undue interest receivables	240	265	263	288
<u>Less</u> Allowance for expected credit loss	(697)	(793)	(703)	(793)
Total domestic items	408,095	421,551	407,704	420,541
Foreign items				
US Dollar	42,323	33,046	23,969	20,078
Yen	64,836	43,422	64,835	43,422
Euro	1,413	914	1,350	775
Other currencies	8,125	9,126	4,027	4,439
Total	116,697	86,508	94,181	68,714
<u>Add</u> Accrued and undue interest receivables	39	11	5	4
<u>Less</u> Allowance for expected credit loss	(198)	(96)	(43)	(86)
Total foreign items	116,538	86,423	94,143	68,632
Total domestic and foreign items	524,633	507,974	501,847	489,173

7.4 Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss as at June 30, 2024 and December 31, 2023 consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
	Fair Value	Fair Value	Fair Value	Fair Value
Unit: Million Baht				
Trading financial assets				
Government and state enterprise securities	2,303	623	2,303	623
Domestic marketable equity securities	422	517	-	-
Total	2,725	1,140	2,303	623
Financial assets - other				
Investments				
- Debts investments	89	63	-	-
- Equity investments	531	537	-	-
Total	3,345	1,740	2,303	623

As at June 30, 2024 and December 31, 2023, financial assets measured at fair value through profit or loss includes investment in fund primarily investing in Private Equity Trust held by a venture capital subsidiary of Baht 531 million and Baht 537 million, respectively, with unit holding of 18.57%. The subsidiary also manages these investments on a fair value basis.

7.5 Derivatives

7.5.1 Derivatives - Trading

Fair value and the notional amount classified by type of risk as at June 30, 2024 and December 31, 2023 are as follows:

Risk type	CONSOLIDATED FINANCIAL STATEMENTS					
	June 30, 2024			December 31, 2023		
	Fair value	Notional	Fair value	Notional	Fair value	Notional
	Assets	Liabilities	Amount	Assets	Liabilities	Amount
Exchange rate	21,972	21,039	1,283,573	19,327	19,583	1,187,795
Interest rate	9,025	7,934	570,533	8,252	7,186	650,033
Equity derivatives	25	-	455	25	1	559
Total	31,022	28,973	1,854,561	27,604	26,770	1,838,387

Risk type	THE BANK'S FINANCIAL STATEMENTS					
	June 30, 2024			December 31, 2023		
	Fair value	Notional	Fair value	Notional	Fair value	Notional
	Assets	Liabilities	Amount	Assets	Liabilities	Amount
Exchange rate	22,137	21,235	1,285,776	19,439	19,755	1,190,688
Interest rate	9,453	8,484	591,985	8,603	7,652	671,833
Total	31,590	29,719	1,877,761	28,042	27,407	1,862,521

7.5.2 Derivatives - Hedging

7.5.2.1 Fair value hedge

Fair value and the notional amount classified by type of risk as at June 30, 2024 and December 31, 2023 are as follows:

Unit: Million Baht

Risk type	CONSOLIDATED FINANCIAL STATEMENTS					
	June 30, 2024			December 31, 2023		
	Fair value		Notional	Fair value		Notional
	Assets	Liabilities	Amount	Assets	Liabilities	Amount
Exchange rate	142	-	4,457	-	100	4,295
Total	142	-	4,457	-	100	4,295

The amounts relating to items designated as hedged items in qualifying fair value hedge relationships to manage the exposure of the Bank and its subsidiaries to foreign currency risk for the six-month period ended June 30, 2024 and for the year ended December 31, 2023 are as follows:

Unit: Million Baht

Fair value hedge	Line item in the statement of financial position including the hedged item	CONSOLIDATED FINANCIAL STATEMENTS				Hedge reserve
		Carrying amount of hedged item	Changes in fair value used for calculating hedge ineffectiveness	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		
Foreign exchange risk						
- Loan payable	Interbank and money market items (Liabilities)	4,599	-	(142)	-	

Unit: Million Baht

Fair value hedge	Line item in the statement of financial position including the hedged item	CONSOLIDATED FINANCIAL STATEMENTS				Hedge reserve
		Carrying amount of hedged item	Changes in fair value used for calculating hedge ineffectiveness	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		
Foreign exchange risk						
- Loan payable	Interbank and money market items (Liabilities)	4,265	-	100	-	

The following table shows a reconciliation of the separate components of equity that relate to fair value hedge relationships for the six-month period ended June 30, 2024 and for the year ended December 31, 2023.

	Unit: Million Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	For the six-month period ended June 30, 2024	For the year ended December 31, 2023
Fair value hedge reserve		
Beginning balance	10	-
Changes in fair value of hedging instrument	7	2
Amortization/transfer to profit or loss	(10)	11
Income tax related to amount amortized /transferred	1	(3)
Ending balance	<u>8</u>	<u>10</u>

7.5.2.2 Cash flow hedge

Fair value and the notional amount classified by type of risk as at June 30, 2024 and December 31, 2023 are as follows:

	Unit: Million Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	June 30, 2024			December 31, 2023		
Risk type	Fair value		Notional Amount	Fair value		Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	2,809	2,036	27,954	1,132	2,026	27,484
Interest rate	126	4	4,238	148	2	5,133
Total	<u>2,935</u>	<u>2,040</u>	<u>32,192</u>	<u>1,280</u>	<u>2,028</u>	<u>32,617</u>

	Unit: Million Baht					
	THE BANK'S FINANCIAL STATEMENTS					
	June 30, 2024			December 31, 2023		
Risk type	Fair value		Notional Amount	Fair value		Notional Amount
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	2,764	2,036	27,039	1,132	2,023	27,039
Total	<u>2,764</u>	<u>2,036</u>	<u>27,039</u>	<u>1,132</u>	<u>2,023</u>	<u>27,039</u>

The tables below summarize the derivatives designated as hedging instruments in qualifying cash flow hedge relationships as at June 30, 2024 and December 31, 2023.

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
Cash flow hedges	June 30, 2024			For the six-month period ended June 30, 2024		
	Notional amount of the hedging instrument	Carrying amount of the hedging instrument	Line items in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognized in profit or loss	Line item in profit or loss that include hedge ineffectiveness
Foreign exchange risk	5,313	45	Derivative assets	(197)	-	Gain (loss) on financial instrument measured at FVTPL
- Cross currency interest rate swap		2,035	Derivative liabilities			
Foreign exchange and Interest rate risk	22,847	2,766	Derivative assets	1,862	(1)	Gain (loss) on financial instrument measured at FVTPL
- Cross currency interest rate swap						
Interest rate risk	2,119	126	Derivative assets	(24)	5	Gain (loss) on financial instrument measured at FVTPL
- Interest rate swap		4	Derivative liabilities			

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
Cash flow hedges	December 31, 2023			For the year ended December 31, 2023		
	Notional amount of the hedging instrument	Carrying amount of the hedging instrument	Line items in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognized in profit or loss	Line item in profit or loss that include hedge ineffectiveness
Foreign exchange risk	5,046	1,796	Derivative liabilities	(163)	2	Gain (loss) on financial instrument measured at FVTPL
- Cross currency interest rate swap						
Foreign exchange and Interest rate risk	21,218	1,133	Derivative assets	(235)	1	Gain (loss) on financial instrument measured at FVTPL
- Cross currency interest rate swap		229	Derivative liabilities			
Foreign exchange risk	-	-	-	294	-	Gain (loss) on financial instrument measured at FVTPL
- Firm commitment						
Interest rate risk	2,567	147	Derivative assets	82	(1)	Gain (loss) on financial instrument measured at FVTPL
- Interest rate swap		2	Derivative liabilities			

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

Cash flow hedges	June 30, 2024			For the six-month period ended June 30, 2024		
	Notional amount of the hedging instrument	Carrying amount of the hedging instrument	Line items in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognized in profit or loss	Line item in profit or loss that include hedge ineffectiveness
Foreign exchange risk - Cross currency interest rate swap	4,348	2,035	Derivative liabilities	(242)	-	Gain (loss) on financial instrument measured at FVTPL
Foreign exchange and Interest rate risk - Cross currency interest rate swap	22,847	2,766	Derivative assets	1,862	(1)	Gain (loss) on financial instrument measured at FVTPL

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

Cash flow hedges	December 31, 2023			For the year ended December 31, 2023		
	Notional amount of the hedging instrument	Carrying amount of the hedging instrument	Line items in the statement of financial position where the hedging instrument is located	Changes in fair value used for calculating hedge ineffectiveness	Ineffectiveness recognized in profit or loss	Line item in profit or loss that include hedge ineffectiveness
Foreign exchange risk - Cross currency interest rate swap	4,600	1,793	Derivative liabilities	(166)	2	Gain (loss) on financial instrument measured at FVTPL
Foreign exchange and Interest rate risk - Cross currency interest rate swap	21,218	1,133	Derivative assets	(235)	1	Gain (loss) on financial instrument measured at FVTPL
		229	Derivative liabilities			
Foreign exchange risk - Firm commitment	-	-	-	294	-	Gain (loss) on financial instrument measured at FVTPL

The amounts relating to items designated as hedged items in qualifying cash flow hedge relationships to manage the exposure of the Bank and its subsidiaries to interest rate and foreign currency risk for the six-month period ended June 30, 2024 and for the year ended December 31, 2023 are as follows:

Unit: Million Baht					
CONSOLIDATED FINANCIAL STATEMENTS					
For the six-month period ended June 30, 2024					
Cash flow hedges	Line item in the statement of financial position including the hedged item	Carrying amount of hedged items	Changes in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
Foreign exchange risk					
- Aggregated exposure of Borrowings and Foreign exchange swaps	Interbank and money market items (Liabilities)	4,348	(242)	(282)	44
Foreign exchange and Interest rate risk					
- Debt issued and borrowings	Interbank and money market items (Liabilities) / Debt issued and borrowings	22,847	1,867	1,632	232
Interest rate swap					
- Debt issued and borrowings	Interbank and money market items (Liabilities)	2,119	-	(29)	-
Foreign exchange risk					
- Debt issued and borrowings	Interbank and money market items (Liabilities)	965	-	49	-

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS					
For the year ended December 31, 2023					
Cash flow hedges	Line item in the statement of financial position including the hedged item	Carrying amount of hedged items	Changes in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
Foreign exchange risk					
- Aggregated exposure of Borrowings and Foreign exchange swaps	Interbank and money market items (Liabilities)	4,600	(163)	166	(322)
Foreign exchange and Interest rate risk					
- Debt issued and borrowings	Interbank and money market items (Liabilities) / Debt issued and borrowings	21,218	(225)	(422)	94
Foreign exchange risk					
- Firm commitment	Contingencies	-	294	444	(15)
Interest rate swap					
- Debt issued and borrowings	Interbank and money market items (Liabilities)	2,567	-	(82)	-
Foreign exchange risk					
- Debt issued and borrowings	Interbank and money market items (Liabilities)	446	-	(3)	-

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS
For the six-month period ended June 30, 2024

Cash flow hedges	Line item in the statement of financial position including the hedged item	Carrying amount of hedged items	Changes in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
Foreign exchange risk					
- Aggregated exposure of Borrowings and Foreign exchange swaps	Interbank and money market items (Liabilities)	4,348	(242)	(282)	44
Foreign exchange and Interest rate risk					
- Debt issued and borrowings	Interbank and money market items (Liabilities) / Debt issued and borrowings	22,847	1,867	1,632	232

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS
For the year ended December 31, 2023

Cash flow hedges	Line item in the statement of financial position including the hedged item	Carrying amount of hedged items	Changes in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve	Cost of hedging reserve
Foreign exchange risk					
- Aggregated exposure of Borrowings and Foreign exchange swaps	Interbank and money market items (Liabilities)	4,600	(163)	166	(322)
Foreign exchange and Interest rate risk					
- Debt issued and borrowings	Interbank and money market items (Liabilities) / Debt issued and borrowings	21,218	(225)	(422)	94
Foreign exchange risk					
- Firm commitment	Contingencies	-	294	444	(15)

The table below summarizes the amounts that have affected the statement of comprehensive income as a result of applying cash flow hedge accounting for the six-month period ended June 30, 2024 and for the year ended December 31, 2023.

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
For the six-month period ended June 30, 2024						
Cash flow hedges	Change in the value of the hedging instrument recognized in cash flow hedge reserve	Change in the value of the hedging instrument recognized in cost of hedging reserve	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Cost of hedging amortized to profit or loss	Line items affected in profit or loss because of the reclassification
Foreign exchange risk	(282)	40	-	(252)	4	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Foreign exchange risk / Cross currency interest rate swap	1,681	230	(1)	1,682	2	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Interest rate swap	(29)	-	5	(13)	-	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS						
For the year ended December 31, 2023						
Cash flow hedges	Change in the value of the hedging instrument recognized in cash flow hedge reserve	Change in the value of the hedging instrument recognized in cost of hedging reserve	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Cost of hedging amortized to profit or loss	Line items affected in profit or loss because of the reclassification
Foreign exchange risk	610	(346)	2	(365)	9	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Foreign exchange risk / Cross currency interest rate swap	(425)	82	1	(159)	12	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Interest rate swap	(82)	-	(1)	19	-	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
For the six-month period ended June 30, 2024						
Cash flow hedges	Change in the value of the hedging instrument recognized in cash flow hedge reserve	Change in the value of the hedging instrument recognized in cost of hedging reserve	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Cost of hedging amortized to profit or loss	Line items affected in profit or loss because of the reclassification
Foreign exchange risk	(282)	40	-	(252)	4	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Foreign exchange risk / Cross currency interest rate swap	1,632	230	(1)	1,632	2	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
For the year ended December 31, 2023						
Cash flow hedges	Change in the value of the hedging instrument recognized in cash flow hedge reserve	Change in the value of the hedging instrument recognized in cost of hedging reserve	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedge reserve to profit or loss	Cost of hedging amortized to profit or loss	Line items affected in profit or loss because of the reclassification
Foreign exchange risk	610	(346)	2	(365)	9	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense
Foreign exchange risk / Cross currency interest rate swap	(422)	82	1	(157)	12	1. Gain (loss) on financial instrument measured at FVTPL 2. Interest expense

The following table shows a reconciliation of the separate components of equity that relate to cash flow hedge relationships for the six-month period ended June 30, 2024 and for the year ended December 31, 2023.

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS		
	For the six-month period ended June 30, 2024	For the year ended December 31, 2023
Cash flow hedge reserve		
Beginning balance	(227)	95
Effective portion of changes in fair value of cross currency interest rate swaps	(1,370)	(103)
Cost of hedging reserve	(276)	243
Amount recycled from reserves to profit or loss	1,417	(505)
Income tax related to amount transferred	60	43
Ending balance	(396)	(227)

Unit: Million Baht

**THE BANK'S
FINANCIAL STATEMENTS**

	For the six-month period ended June 30, 2024	For the year ended December 31, 2023
Cash flow hedge reserve		
Beginning balance	(208)	166
Effective portion of changes in fair value of cross currency interest rate swaps	(1,350)	(188)
Cost of hedging reserve	(276)	243
Amount recycled from reserves to profit or loss	1,380	(522)
Income tax related to amount transferred	49	93
Ending balance	<u>(405)</u>	<u>(208)</u>

7.5.2.3 Dynamic risk hedge

Readjustment based on an accrual basis and the notional amount classified by type of risk as at June 30, 2024 and December 31, 2023 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

Risk type	June 30, 2024			December 31, 2023		
	Readjustment based on an accrual basis		Notional	Readjustment based on an accrual basis		Notional
	Assets	Liabilities	Amount	Assets	Liabilities	Amount
Exchange rate	3,236	160	126,633	143	3,721	172,001
Interest rate	34	181	9,568	29	220	8,967
Total	<u>3,270</u>	<u>341</u>	<u>136,201</u>	<u>172</u>	<u>3,941</u>	<u>180,968</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

Risk type	June 30, 2024			December 31, 2023		
	Readjustment based on an accrual basis		Notional	Readjustment based on an accrual basis		Notional
	Assets	Liabilities	Amount	Assets	Liabilities	Amount
Exchange rate	3,229	-	124,422	84	3,667	169,948
Total	<u>3,229</u>	<u>-</u>	<u>124,422</u>	<u>84</u>	<u>3,667</u>	<u>169,948</u>

7.6 Investments, net

Investments, net as at June 30, 2024 and December 31, 2023 consist of the following:

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS			
	June 30, 2024		December 31, 2023	
	Amortized Cost / Fair Value	Dividend Income	Amortized Cost / Fair Value	Dividend Income
Investment in debt securities measured at amortized cost				
Government and state enterprise securities	18,787		2,221	
Private enterprise debt securities	553		513	
Others	-		140	
<u>Less Allowance for expected credit loss</u>	<u>(3)</u>		<u>(1)</u>	
Total	<u>19,337</u>		<u>2,873</u>	
Investment in debt securities measured at fair value through other comprehensive income				
Government and state enterprise securities	90,345		101,092	
Private enterprise debt securities	18,795		18,874	
Total	<u>109,140</u>		<u>119,966</u>	
Investment in equity securities designated at fair value through other comprehensive income				
Domestic marketable equity securities	5,723	185	5,313	300
Domestic non-marketable equity securities	1,392	100	1,135	77
Foreign marketable equity securities	451	-	483	-
Foreign non-marketable equity securities	987	1	769	6
Total	<u>8,553</u>	<u>286</u>	<u>7,700</u>	<u>383</u>
Total investments, net	<u>137,030</u>		<u>130,539</u>	

	Unit: Million Baht			
	THE BANK'S FINANCIAL STATEMENTS			
	June 30, 2024		December 31, 2023	
	Amortized Cost / Fair Value	Dividend Income	Amortized Cost / Fair Value	Dividend Income
Investment in debt securities measured at amortized cost				
Government and state enterprise securities	16,295		-	
<u>Less Allowance for expected credit loss</u>	<u>(3)</u>		<u>-</u>	
Total	<u>16,292</u>		<u>-</u>	
Investment in debt securities measured at fair value through other comprehensive income				
Government and state enterprise securities	90,345		101,092	
Private enterprise debt securities	18,742		18,513	
Total	<u>109,087</u>		<u>119,605</u>	
Investment in equity securities designated at fair value through other comprehensive income				
Domestic marketable equity securities	5,723	185	5,313	300
Domestic non-marketable equity securities	479	99	432	76
Foreign non-marketable equity securities	3	-	3	-
Total	<u>6,205</u>	<u>284</u>	<u>5,748</u>	<u>376</u>
Total investments, net	<u>131,584</u>		<u>125,353</u>	

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
Investment in equity securities derecognition	For the six-month period ended June 30, 2024				For the six-month period ended June 30, 2023			
	Fair value as at derecog- nition	Dividend Income	Gain (loss) from derecog- nition	Reason for derecog- nition	Fair value as at derecog- nition	Dividend Income	Gain (loss) from derecog- nition	Reason for derecog- nition
Investment in equity securities designated at fair value through other comprehensive income								
Domestic marketable equity securities	863	5	(402)	Sale	282	7	(125)	Sale
Total	<u>863</u>	<u>5</u>	<u>(402)</u>		<u>282</u>	<u>7</u>	<u>(125)</u>	

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
Investment in equity securities derecognition	For the six-month period ended June 30, 2024				For the six-month period ended June 30, 2023			
	Fair value as at derecog- nition	Dividend Income	Gain (loss) from derecog- nition	Reason for derecog- nition	Fair value as at derecog- nition	Dividend Income	Gain (loss) from derecog- nition	Reason for derecog- nition
Investment in equity securities designated at fair value through other comprehensive income								
Domestic marketable equity securities	863	5	(402)	Sale	282	7	(125)	Sale
Total	<u>863</u>	<u>5</u>	<u>(402)</u>		<u>282</u>	<u>7</u>	<u>(125)</u>	

As at June 30, 2024 and December 31, 2023, investments in unit trust of fixed income funds in the consolidated financial statements of Baht 52 million and Baht 360 million, respectively, were recorded as investment designated at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss according to BOT's Notification Sor.Nor.Sor. 6/2563 regarding holding or having the investment in unit trust of fixed income funds to enhance the liquidity of the money market dated March 25, 2020.

7.7 Investments in subsidiaries, associate and joint ventures, net

Investments in subsidiaries, associate and joint ventures, net as at June 30, 2024 and December 31, 2023 consist of the following:

Unit: Million Baht							
CONSOLIDATED FINANCIAL STATEMENTS							
June 30, 2024							
Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost Method)	Investment (Equity Method)	Dividend Income
Associate							
Ngern Tid Lor Public Company Limited	Loan and hire-purchase for all types of vehicles, non-life insurance broker and life insurance broker directly	Common stock	10,780	30.00	2,520	11,435	227 ⁽³⁾
Joint ventures							
SB Finance, Inc.	Personal loans	Common stock	2,592	50.00	1,923	2,126	-
Lotus's Money Services Limited ⁽¹⁾	Credit cards and personal loans	Common stock	2,080	50.00	1,040	4,572	-
Lotus's Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Common stock	12	50.00	-	143	-
Lotus's General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	107	50.00	-	248	-
Investments in associate and joint ventures, net					5,483	18,524	227

Unit: Million Baht							
CONSOLIDATED FINANCIAL STATEMENTS							
December 31, 2023							
Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost Method)	Investment (Equity Method)	Dividend Income
Associate							
Ngern Tid Lor Public Company Limited	Loan and hire-purchase for all types of vehicles, non-life insurance broker and life insurance broker directly	Common stock	10,395	30.00	2,520	11,006	219 ⁽³⁾
Joint ventures							
SB Finance, Inc.	Personal loans	Common stock	2,592	50.00	1,923	2,072	-
Lotus's Money Services Limited ⁽¹⁾	Credit cards and personal loans	Common stock	2,080	50.00	1,040	4,467	-
Lotus's Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Common stock	12	50.00	-	135	-
Lotus's General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	107	50.00	-	241	-
Investments in associate and joint ventures, net					5,483	17,921	219

(1) Indirect holding via Ayudhya Capital Services Company Limited

(2) Indirect holding via Lotus's Money Services Limited

(3) During the period ended June 30, 2024, the Bank received dividend income at the amount of Baht 227 million and stock dividend at the amount of 31.2 million shares from Ngern Tid Lor Public Company Limited. In 2023, the Bank received dividend income at the amount of Baht 219 million and stock dividend at the amount of 93.7 million shares from Ngern Tid Lor Public Company Limited.

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS
June 30, 2024

Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost Method)	Dividend Income
Subsidiaries						
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Common stock	1,235	99.99	3,929	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	894
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-
General Card Services Limited	Credit cards and personal loans	Common stock	3,458	100.00	3,581	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-
Krungsri Asset Management Company Limited	Fund management	Common stock	350	86.86	1,622	353
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-
Krungsri Securities Public Company Limited	Securities	Common stock	5,550	99.96	5,697	-
Krungsri Capital Securities Public Company Limited	Securities	Common stock	2,150	99.37	5,437	937
Krungsri Nimble Company Limited	Factoring and information technology services	Common stock	300	100.00	300	-
Krungsri Finnovate Company Limited	Venture capital	Common stock	2,500	100.00	2,500	-
Hattha Bank Plc.	Commercial Bank	Common stock	4,535	100.00	9,712	-
SHBank Finance Company Limited	Personal loans	Charter Capital	1,471	} 75.00	1,812	-
HC Consumer Finance Philippines, Inc.	Personal loans and credit cards	Common stock	62		173	-
		Preferred stock	4,508		12,993	-
HCPH Financing 1, Inc.	Asset management	Common stock	25	100.00	97	-
HCPH Insurance Brokerage, Inc.	General insurance broker	Common stock	16	100.00	15	-
PT Home Credit Indonesia ⁽¹⁾	Personal loans	Preferred stock	1,424	80.00	7,905	-
Total investments in subsidiaries					100,148	2,184
Associate						
Ngern Tid Lor Public Company Limited	Loan and hire-purchase for all types of vehicles, non-life insurance broker and life insurance broker directly	Common stock	10,780	30.00	2,520	227 ⁽²⁾
Joint venture						
SB Finance, Inc.	Personal loans	Common stock	2,592	50.00	1,923	-
Investments in subsidiaries, associate and joint venture					104,591	2,411
Less Allowance for impairment					(9,811)	-
Investments in subsidiaries, associate and joint venture, net					94,780	2,411

⁽¹⁾ The Bank has a proportional ownership and voting right of 80% of the total issued and paid up share capital of PT Home Credit Indonesia and has ownership interest of 89.98%.

⁽²⁾ During the period ended June 30, 2024, the Bank received dividend income at the amount of Baht 227 million and stock dividend at the amount of 31.2 million shares from Ngern Tid Lor Public Company Limited.

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS
December 31, 2023

Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost Method)	Dividend Income
Subsidiaries						
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Common stock	1,235	99.99	3,929	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	1,532
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-
General Card Services Limited	Credit cards and personal loans	Common stock	3,458	100.00	3,581	1,000
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-
Krungsri Asset Management Company Limited	Fund management	Common stock	350	86.86	1,622	365
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-
Krungsri Securities Public Company Limited	Securities	Common stock	1,350	99.84	1,497	-
Krungsri Capital Securities Public Company Limited	Securities	Common stock	2,150	99.35	5,436	173
Krungsri Nimble Company Limited	Factoring and information technology services	Common stock	300	100.00	300	-
Krungsri Finnovate Company Limited	Venture capital	Common stock	2,500	100.00	2,500	-
Hattha Bank Plc.	Commercial Bank	Common stock	4,535	100.00	9,712	-
SHBank Finance Company Limited	Personal loans	Charter Capital	1,471	50.00	1,812	-
HC Consumer Finance Philippines, Inc.	Personal loans and credit cards	Common stock Preferred stock	62 4,508	75.00	173 12,993	- -
HCPH Financing 1, Inc.	Asset management	Common stock	25		100.00	97
HCPH Insurance Brokerage, Inc.	General insurance broker	Common stock	16	100.00	15	-
PT Home Credit Indonesia ⁽¹⁾	Personal loans	Common stock Preferred stock	216 1,206	75.00	- 6,668	- -
Total investments in subsidiaries					<u>94,710</u>	<u>3,070</u>
Associate						
Ngern Tid Lor Public Company Limited	Loan and hire-purchase for all types of vehicles, non-life insurance broker and life insurance broker directly	Common stock	10,395	30.00	2,520	219 ⁽²⁾
Joint venture						
SB Finance, Inc.	Personal loans	Common stock	2,592	50.00	<u>1,923</u>	<u>-</u>
Investments in subsidiaries, associate and joint venture						
					99,153	3,289
Less Allowance for impairment					<u>(8,581)</u>	<u>-</u>
Investments in subsidiaries, associate and joint venture, net						
					<u>90,572</u>	<u>3,289</u>

⁽¹⁾ The Bank has a proportional ownership and voting right of 75% of the total issued and paid up share capital of PT Home Credit Indonesia and has ownership interest of 88.38%.

⁽²⁾ In 2023, the Bank received dividend income at the amount of Baht 219 million and stock dividend at the amount of 93.7 million shares from Ngern Tid Lor Public Company Limited.

The summarized financial information of associate and joint ventures

Net profit and total comprehensive income of associate and joint ventures for the six-month periods ended June 30, 2024 and 2023 are as follows:

	For the six-month period ended June 30, 2024		For the six-month period ended June 30, 2023	
	Net profit	Total comprehensive income	Net profit	Total comprehensive income
Associate	2,195	2,197	1,882	1,888
Joint ventures	308	359	474	573

Unit: Million Baht

The acquisition of consumer finance business of Home Credit in Philippines and Indonesia

On January 17, 2023, the Extraordinary General Meeting of Shareholders No. 1/2023 approved the acquisition of consumer finance business of Home Credit businesses in Philippines and Indonesia with the details as follows:

- 1) Philippines: The purchase of 75% of share capital of HC Consumer Finance Philippines, Inc. and 100% of share capital of HCPH Financing 1, Inc. and HCPH Insurance Brokerage, Inc. from HC Philippines Holding B.V. and Filcommerce Holdings, Inc. with the consideration of approximately EUR 297.6 million or equivalent to Baht 11.1 billion (the “Acquisition of Home Credit Philippines”).
- 2) Indonesia: The purchase of 75% of the share capital of PT Home Credit Indonesia from Home Credit Indonesia B.V. and an individual shareholder with the consideration of approximately EUR 176.4 million or equivalent to Baht 6.6 billion (the “Acquisition of Home Credit Indonesia”). As all shares that the Bank will receive is preferred share, so the Bank will have 75% voting right of total voting right and 88.2110% of dividend payment and liquidation value.

The consideration of the transaction of Home Credit Philippines and Indonesia is approximately EUR 473.9 million or equivalent to Baht 17,700.8 million. The final consideration will be adjusted by the difference between book value at closing of the transaction and book value as of December 31, 2021, according to terms and conditions in the Sale and Purchase Agreements.

Philippines Competition Commission (“PCC”) approved the transaction for Home Credit Philippines on March 21, 2023. Bangko Sentral ng Pilipinas (“BSP”) and Japanese Financial Services Agency (“JFSA”) also acknowledged this transaction in May 2023. In addition, the Bank of Thailand (“BOT”) approved the acquisition of consumer finance business of Home Credit businesses in Philippines and Indonesia in May 2023.

The acquisition date June 1, 2023, the Bank has obtained control over Home Credit Philippines by purchase of 75% of share capital of HC Consumer Finance Philippines, Inc. and 100% of share capital of HCPH Financing 1, Inc. and HCPH Insurance Brokerage, Inc. from HC Philippines Holding B.V. and Filcommerce Holdings, Inc. with the consideration of approximately EUR 297.6 million or equivalent to Baht 11.1 billion.

As of June 30, 2024 and December 31, 2023, the price adjustment for the final consideration of Home Credit Philippines is included in Purchase consideration transferred of Baht 13,198 million. The acquisition-related costs of Home Credit Philippines amounting to Baht 80 million has been recognized as other operating expenses in the consolidated financial statements for the year ended December 31, 2023.

Bank of Thailand (“BOT”), Bank Indonesia (BI) and Financial Services Authority (Otoritas Jasa Keuangan) of Indonesia (“OJK”) approved the acquisition of consumer finance business of Home Credit businesses in Indonesia, and Japanese Financial Services Agency (“JFSA”) and the Supervision of Business Competition of Indonesia (Komisi Pengawas Persaingan Usaha) (“KPPU”) considered and acknowledged the details of this transaction.

The acquisition date is on October 2, 2023. The Bank has obtained control over PT Home Credit Indonesia by purchase of 75% of the share capital of PT Home Credit Indonesia from Home Credit Indonesia B.V. and an individual shareholder, so the Bank will have 75% voting right of total voting right and 88.38432% of dividend payment and liquidation value.

As of June 30, 2024, the price adjustment for the final consideration of PT Home Credit Indonesia is included in Purchase consideration transferred of Baht 6,654 million. The acquisition-related costs of Home Credit Indonesia amounting to Baht 87 million has been recognized as other operating expenses in the consolidated financial statements for the year ended December 31, 2023.

For the six-month period ended June 30, 2024, the fair value measurement of identifiable assets acquired and liabilities assumed at the acquisition date of Home Credit Philippines and Indonesia has been completed. The details are as follows:

Consolidated financial statements

Unit: Million Baht

	Fair Value			Home Credit Indonesia PT Home Credit Indonesia
	Home Credit Philippines			
	HC Consumer Finance Philippines, Inc.	HCPH Financing 1, Inc.	HCPH Insurance Brokerage, Inc.	
Assets				
Interbank and money market items, net	1,427	21	14	709
Loans to customers and accrued interest receivables, net	27,775	31	-	6,376
Intangible assets, net	3,653	-	-	2,399
Others	1,160	44	-	1,357
Total assets	34,015	96	14	10,841
Liabilities				
Interbank and money market items	15,834	-	-	5,465
Borrowing	3,560	-	-	-
Others	4,305	3	-	2,015
Total liabilities	23,699	3	-	7,480
Net identifiable assets acquired and the liabilities assumed	10,316	93	14	3,361
Non-controlling interest	(2,579)	-	-	(391)
Goodwill	5,349	4	1	3,684
Purchase consideration transferred	13,086	97	15	6,654

DISCLOSURE OF THE STATEMENTS OF CASH FLOWS OF ASSET MANAGEMENT COMPANY

**KRUNGSRI AYUDHYA AMC LIMITED
STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2024**

	Unit: Million Baht	
	2024	2023
Cash flows from operating activities		
Profit from operating before income tax	29	13
Adjustments to reconcile income to cash provided (paid) from operating activities		
Depreciation and amortization	3	3
Reversal of expected credit loss	(12)	(9)
Gain on sales of properties for sale	(20)	(32)
Loss on impairment of properties for sale	-	23
Employment benefits expenses	2	1
Interest income, net	(25)	(31)
Interest received	38	27
Income tax paid	(5)	(1)
Income (loss) from operations before changes in operating assets and liabilities	10	(6)
Decrease in operating assets		
Loan to customer	62	-
Properties for sale	34	44
Other assets	7	6
Increase (decrease) in operating liabilities		
Other liabilities	(5)	1
Net cash from operating activities	108	45
Cash flows from investing activities		
Net cash from investing activities	-	-
Cash flows from financing activities		
Cash paid for repayment of lease liabilities	(3)	(3)
Net cash from financing activities	(3)	(3)
Net increase in cash and cash equivalents	105	42
Cash and cash equivalents as at January 1,	2,983	2,834
Cash and cash equivalents as at June 30,	3,088	2,876

7.8 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at June 30, 2024 and December 31, 2023 are as follows:

(1) Classified by products

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Unit: Million Baht				
Loans to customers measured at amortized cost				
Overdrafts	63,854	64,679	63,793	64,622
Loan against contract	1,036,944	1,063,365	915,156	940,731
Trade bill	361,182	338,630	368,798	356,742
Hire-purchase receivables	418,035	432,616	377,419	392,179
Lease contract receivables	3,632	3,947	1,337	1,430
Credit card receivables	77,956	84,478	-	-
Others	12,314	12,822	3,248	2,795
Total loans to customers	1,973,917	2,000,537	1,729,751	1,758,499
<u>Add</u> Accrued and undue interest receivables	14,380	13,988	9,321	9,446
Total loans to customers and accrued interest receivables	1,988,297	2,014,525	1,739,072	1,767,945
<u>Less</u> Allowance for expected credit loss	(91,501)	(89,070)	(65,060)	(66,140)
Total loans to customers measured at amortized cost	1,896,796	1,925,455	1,674,012	1,701,805
Loans to customers measured at FVOCI				
Loan against contract	18,014	16,667	-	-
<u>Add</u> Accrued and undue interest receivables	615	578	-	-
Total loans to customers measured at FVOCI	18,629	17,245	-	-
Total loans to customers and accrued interest receivable, net	1,915,425	1,942,700	1,674,012	1,701,805

(2) Classified by residence of debtors

Unit: Million Baht

Loans to customers measured at amortized cost	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Domestic	1,871,241	1,897,677	1,714,900	1,742,986
Foreign	<u>102,676</u>	<u>102,860</u>	<u>14,851</u>	<u>15,513</u>
Total	<u><u>1,973,917</u></u>	<u><u>2,000,537</u></u>	<u><u>1,729,751</u></u>	<u><u>1,758,499</u></u>

Unit: Million Baht

Loans to customers measured at FVOCI	CONSOLIDATED FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023
Foreign	<u>18,014</u>	<u>16,667</u>
Total	<u><u>18,014</u></u>	<u><u>16,667</u></u>

(3) Classified by type of classification

Unit: Million Baht

Loans to customers measured at amortized cost	CONSOLIDATED FINANCIAL STATEMENTS			
	June 30, 2024		December 31, 2023	
	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Stage 1 Performing	1,745,046	30,941	1,783,110	32,430
Stage 2 Under-performing	165,437	22,942	166,132	23,602
Stage 3 Non-performing	77,813	37,618	65,212	33,038
Purchased or originated credit-impaired	<u>1</u>	<u>-</u>	<u>71</u>	<u>-</u>
Total	<u><u>1,988,297</u></u>	<u><u>91,501</u></u>	<u><u>2,014,525</u></u>	<u><u>89,070</u></u>

Unit: Million Baht

Loans to customers measured at FVOCI	CONSOLIDATED FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023
	Loans to customers and accrued interest receivables	Loans to customers and accrued interest receivables
Stage 1 Performing	17,448	16,031
Stage 2 Under-performing	493	479
Stage 3 Non-performing	688	721
Purchased or originated credit-impaired	<u>-</u>	<u>14</u>
Total	<u><u>18,629</u></u>	<u><u>17,245</u></u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS				
June 30, 2024			December 31, 2023	
Loans to customers measured at amortized cost	Loans to customers and accrued interest receivables	Allowance for expected credit loss	Loans to customers and accrued interest receivables	Allowance for expected credit loss
Stage 1 Performing	1,536,535	20,256	1,569,122	21,628
Stage 2 Under-performing	150,715	19,471	152,348	20,642
Stage 3 Non-performing	<u>51,822</u>	<u>25,333</u>	<u>46,475</u>	<u>23,870</u>
Total	<u>1,739,072</u>	<u>65,060</u>	<u>1,767,945</u>	<u>66,140</u>

For the six-month periods ended June 30, 2024 and 2023, the Bank entered into agreements to sell non-performing loans (NPLs) to third parties as follows:

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS		
	2024	2023
Book value	-	2,777
Net book value	-	1,901

Non-performing loans are defined as Stage 3 Non-performing loan accounts in accordance with the BOT's Notification Sor.Nor.Sor. 23/2561, regarding the "Classification and provision criteria of financial institution", dated October 31, 2018.

As at June 30, 2024 and December 31, 2023, the Bank and Krungsri Ayudhya AMC Limited ("AMC") had non-performing loans which included interbank and money market items in accordance with BOT's Notification as follows:

Unit: Million Baht			
June 30, 2024			
	The Bank	AMC	The Bank and AMC
Non-performing loans	48,875	296	49,171
Percentage of total loans	2.29	100.00	2.31

Unit: Million Baht			
December 31, 2023			
	The Bank	AMC	The Bank and AMC
Non-performing loans	43,945	358	44,303
Percentage of total loans	2.02	100.00	2.04

As at June 30, 2024 and December 31, 2023, the Bank and its subsidiaries' non-performing loans which included interbank and money market items in accordance with BOT's Notification are Baht 72,973 million and Baht 61,481 million, respectively.

(4) Modified loans to customers and trouble debt restructuring

For the three-month and six-month periods ended June 30, 2024 and 2023, loans to customers that were modified while they had a loss allowance measured at an amount equal to lifetime ECL as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	For the three-month periods ended June 30,		For the three-month periods ended June 30,	
	2024	2023	2024	2023
Loans to customers modified during the periods *				
Amortized cost before modification	15,107	11,019	13,694	10,960
Net modification (gain) loss	76	41	8	(43)

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2024	2023	2024	2023
Loans to customers modified during the periods *				
Amortized cost before modification	23,670	20,204	22,187	20,067
Net modification (gain) loss	194	(15)	123	(99)

* This excluded loans to customers modified under BOT's relief program.

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	June 30,	December 31,	June 30,	December 31,
	2024	2023	2024	2023
Loans to customers modified since initial recognition				
Gross carrying amount of loans to customers for which loss allowance has changed in the period/year from lifetime to 12-month ECL cost after modification	1,066	1,125	1,062	1,125

(5) Lease receivables (Included hire-purchase and finance lease receivables)

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024

	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	143,489	333,974	33,386	510,849
<u>Less</u> Unearned interest income				<u>(89,182)</u>
Present value of the minimum lease payments				421,667
<u>Add</u> Accrued and undue interest receivables				301
<u>Less</u> Allowance for expected credit loss				<u>(24,083)</u>
Total lease receivables, net				<u>397,885</u>

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	145,823	345,670	38,352	529,845
<u>Less</u> Unearned interest income				<u>(93,282)</u>
Present value of the minimum lease payments				436,563
<u>Add</u> Accrued and undue interest receivables				315
<u>Less</u> Allowance for expected credit loss				<u>(25,428)</u>
Total lease receivables, net				<u>411,450</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS
June 30, 2024

	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	122,409	304,439	32,835	459,683
<u>Less</u> Unearned interest income				<u>(80,927)</u>
Present value of the minimum lease payments				378,756
<u>Add</u> Accrued and undue interest receivables				283
<u>Less</u> Allowance for expected credit loss				<u>(21,145)</u>
Total lease receivables, net				<u>357,894</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS
December 31, 2023

Amount due per agreements

	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	124,485	316,924	37,324	478,733
<u>Less</u> Unearned interest income				<u>(85,124)</u>
Present value of the minimum lease payments				393,609
<u>Add</u> Accrued and undue interest receivables				286
<u>Less</u> Allowance for expected credit loss				<u>(22,227)</u>
Total lease receivables, net				<u><u>371,668</u></u>

7.9 Allowance for expected credit loss

Allowance for expected credit loss as at June 30, 2024 and December 31, 2023 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024

Allowance for expected credit loss

Loans to customers measured at amortized cost	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	Total
Balance as at January 1, 2024	32,430	23,602	33,038	89,070
Transfer between stage	4,141	(11,045)	6,904	-
Net remeasurement of loss allowance	(8,925)	11,849	8,583	11,507
New financial assets originated or purchased	4,288	627	948	5,863
Financial assets that have been derecognized	(1,039)	(2,105)	(11,928)	(15,072)
Others	46	14	73	133
Balance as at June 30, 2024	<u>30,941</u>	<u>22,942</u>	<u>37,618</u>	<u>91,501</u>

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

Allowance for expected credit loss

Loans to customers measured at amortized cost	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	Total
Balance as at January 1, 2023	38,474	19,409	29,968	87,851
Transfer between stage	7,032	(15,396)	8,364	-
Net remeasurement of loss allowance	(23,843)	22,045	14,379	12,581
New financial assets originated or purchased	14,035	1,869	2,280	18,184
Financial assets that have been derecognized	(3,268)	(4,325)	(21,953)	(29,546)
Balance as at December 31, 2023	<u>32,430</u>	<u>23,602</u>	<u>33,038</u>	<u>89,070</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS
June 30, 2024

Loans to customers measured at amortized cost	Allowance for expected credit loss			Total
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	
Balance as at January 1, 2024	21,628	20,642	23,870	66,140
Transfer between stage	4,876	(8,256)	3,380	-
Net remeasurement of loss allowance	(8,326)	8,312	5,238	5,224
New financial assets originated or purchased	2,436	416	843	3,695
Financial assets that have been derecognized	(358)	(1,643)	(7,998)	(9,999)
Balance as at June 30, 2024	<u>20,256</u>	<u>19,471</u>	<u>25,333</u>	<u>65,060</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS
December 31, 2023

Loans to customers measured at amortized cost	Allowance for expected credit loss			Total
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	
Balance as at January 1, 2023	28,793	17,150	23,444	69,387
Transfer between stage	7,363	(11,804)	4,441	-
Net remeasurement of loss allowance	(22,125)	17,198	9,531	4,604
New financial assets originated or purchased	9,182	1,481	1,902	12,565
Financial assets that have been derecognized	(1,585)	(3,383)	(15,448)	(20,416)
Balance as at December 31, 2023	<u>21,628</u>	<u>20,642</u>	<u>23,870</u>	<u>66,140</u>

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2024

Loans to customers measured at FVOCI	Allowance for expected credit loss			Total
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	
Balance as at January 1, 2024	274	66	175	515
Transfer between stage	23	(156)	133	-
Net remeasurement of loss allowance	2	231	506	739
New financial assets originated or purchased	253	35	44	332
Financial assets that have been derecognized	(151)	(49)	(543)	(743)
Balance as at June 30, 2024	<u>401</u>	<u>127</u>	<u>315</u>	<u>843</u>

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2023

Loans to customers measured at FVOCI	Allowance for expected credit loss			Total
	12-month ECL	Lifetime ECL-not credit impaired	Lifetime ECL-credit impaired	
Balance as at January 1, 2023	-	-	-	-
Transfer between stage	108	71	(179)	-
New financial assets originated or purchased	282	55	35	372
Financial assets that have been derecognized	(116)	(60)	319	143
Balance as at December 31, 2023	<u>274</u>	<u>66</u>	<u>175</u>	<u>515</u>

The Bank and its subsidiaries recorded allowance for expected credit loss* in the financial statements as follows:

Unit: Million Baht

	June 30, 2024	December 31, 2023
Consolidated financial statements	93,983	91,680
The Bank and Krungsri Ayudhya AMC Limited	67,414	68,633
The Bank's financial statements	67,183	68,390

* Such allowance for expected credit loss consists of allowance for expected credit loss for loans to customers and accrued interest receivables, interbank and money market items and loan commitments and financial guarantee contracts.

As at June 30, 2024 and December 31, 2023, the Bank and its subsidiaries had loans to customers and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of SET dated July 8, 1998 regarding the disclosure of asset quality and related party transactions and the allowance for such loans as follows:

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
June 30, 2024

	Number	Outstanding balance	Collateral	Allowance for expected credit loss
Companies subject to be delisted by SET	<u>1</u>	<u>421</u>	<u>-</u>	<u>-</u>
Total	<u>1</u>	<u>421</u>	<u>-</u>	<u>-</u>

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
December 31, 2023

	Number	Outstanding balance	Collateral	Allowance for expected credit loss
Companies subject to be delisted by SET	<u>2</u>	<u>332</u>	<u>-</u>	<u>-</u>
Total	<u>2</u>	<u>332</u>	<u>-</u>	<u>-</u>

7.10 Properties for sale, net

Properties for sale, net as at June 30, 2024 and December 31, 2023 are as follows:

Unit: Million Baht

Type of Properties for Sale	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2024	Acquisition	Disposition	Balance as at June 30, 2024
1. Assets acquired from debt repayment				
1.1 Immovable	5,163	192	(67)	5,288*
1.2 Movable	2,116	9,954	(9,678)	2,392
Total	7,279	10,146	(9,745)	7,680
2. Others	480	242	(6)	716
Total properties for sale	7,759	10,388	(9,751)	8,396
<u>Less</u> Provision for impairment	(2,204)	(6,719)	6,517	(2,406)
Total properties for sale	5,555	3,669	(3,234)	5,990

Unit: Million Baht

Type of Properties for Sale	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2023	Balance of subsidiaries as at acquisition date	Acquisition	Disposition	Balance as at December 31, 2023
1. Assets acquired from debt repayment					
1.1 Immovable	5,251	43	880	(1,011)	5,163*
1.2 Movable	1,259	-	19,355	(18,498)	2,116
Total	6,510	43	20,235	(19,509)	7,279
2. Others	370	-	162	(52)	480
Total properties for sale	6,880	43	20,397	(19,561)	7,759
<u>Less</u> Provision for impairment	(1,668)	(28)	(8,912)	8,404	(2,204)
Total properties for sale	5,212	15	11,485	(11,157)	5,555

Unit: Million Baht

Type of Properties for Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2024	Acquisition	Disposition	Balance as at June 30, 2024
1. Assets acquired from debt repayment				
1.1 Immovable	4,590	192	(45)	4,737*
1.2 Movable	1,954	9,209	(8,992)	2,171
Total	6,544	9,401	(9,037)	6,908
2. Others	479	242	(6)	715
Total properties for sale	7,023	9,643	(9,043)	7,623
<u>Less</u> Provision for impairment	(1,797)	(6,311)	6,139	(1,969)
Total properties for sale	5,226	3,332	(2,904)	5,654

Unit: Million Baht

Type of Properties for Sale	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2023	Acquisition	Disposition	Balance as at December 31, 2023
1. Assets acquired from debt repayment				
1.1 Immovable	4,635	858	(903)	4,590*
1.2 Movable	1,142	17,761	(16,949)	1,954
Total	5,777	18,619	(17,852)	6,544
2. Others	369	162	(52)	479
Total properties for sale	6,146	18,781	(17,904)	7,023
<u>Less</u> Provision for impairment	(1,321)	(8,028)	7,552	(1,797)
Total properties for sale	4,825	10,753	(10,352)	5,226

* Including properties for sale transferred under the Bank of Thailand's supportive measure for debt settlement through collateral assets transfers with buy-back options (Asset Warehousing).

Immovable assets for sale classified by external and internal appraisers as at June 30, 2024 and December 31, 2023 consist of the following:

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Immovable assets - Foreclosed assets				
Appraised by external appraisers	2,536	2,524	2,492	2,481
Appraised by internal appraisers	2,752	2,639	2,245	2,109
Total	5,288	5,163	4,737	4,590

7.11 Premises and equipment, net

Premises and equipment, net as at June 30, 2024 and December 31, 2023 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				Unit: Million Baht
	Balance as at January 1, 2024	Increase	Decrease	Others	Balance as at June 30, 2024
Land					
Cost	5,175	-	(77)	77	5,175
Appraisal increase (Year 2023)	10,407	-	(115)	-	10,292
Appraisal decrease (Year 2023)	(11)	-	-	-	(11)
Premises					
Cost	12,868	12	(111)	-	12,769
Appraisal increase (Year 2023)	23,599	-	(157)	-	23,442
Appraisal decrease (Year 2023)	(15)	-	-	-	(15)
Equipment	16,609	1,349	(546)	(45)	17,367
Leasehold improvement	3,691	109	(30)	142	3,912
Total	72,323	1,470	(1,036)	174	72,931
<u>Less</u> Accumulated depreciation					
Premises					
- Cost	(6,181)	(156)	78	-	(6,259)
- Appraisal increase (Year 2023)	(19,288)	(146)	103	-	(19,331)
Equipment	(12,195)	(689)	464	60	(12,360)
Leasehold improvement	(2,848)	(121)	34	(137)	(3,072)
Total	(40,512)	(1,112)	679	(77)	(41,022)
Construction in progress/under installation	1,084	528	(38)	(43)	1,531
Allowance for impairment	-	(53)	-	(1)	(54)
Total fixed assets	32,895	833	(395)	53	33,386
Right-of-use assets					
Land	14	-	-	1	15
Premises	3,887	493	(283)	168	4,265
Equipment	1,382	136	(137)	-	1,381
Total	5,283	629	(420)	169	5,661
<u>Less</u> Accumulated depreciation					
Land	(7)	(2)	-	-	(9)
Premises	(1,689)	(463)	265	(54)	(1,941)
Equipment	(154)	(142)	5	-	(291)
Total	(1,850)	(607)	270	(54)	(2,241)
Total right-of-use assets	3,433	22	(150)	115	3,420
Premises and equipment, net	36,328				36,806
				Unit: Million Baht	
				June 30, 2024	June 30, 2023
Depreciation for the six-month periods				1,719	1,433

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2023	Balance of subsidiaries as at acquisition date	Increase	Decrease	Others	Balance as at December 31, 2023
Land						
Cost	5,255	-	-	(70)	(10)	5,175
Appraisal increase (Year 2023)	9,236	-	1,216	(45)	-	10,407
Appraisal decrease (Year 2023)	(20)	-	-	9	-	(11)
Premises						
Cost	12,690	99	175	(96)	-	12,868
Appraisal increase (Year 2023)	15,584	-	8,097	(82)	-	23,599
Appraisal decrease (Year 2023)	(55)	-	-	40	-	(15)
Equipment	14,743	1,828	2,025	(1,939)	(48)	16,609
Leasehold improvement	3,496	317	136	(247)	(11)	3,691
Total	<u>60,929</u>	<u>2,244</u>	<u>11,649</u>	<u>(2,430)</u>	<u>(69)</u>	<u>72,323</u>
Less Accumulated depreciation						
Premises						
- Cost	(5,912)	(24)	(318)	73	-	(6,181)
- Appraisal increase (Year 2023)	(12,533)	-	(6,808)	53	-	(19,288)
Equipment	(11,335)	(1,493)	(1,200)	1,794	39	(12,195)
Leasehold improvement	(2,614)	(245)	(215)	217	9	(2,848)
Total	<u>(32,394)</u>	<u>(1,762)</u>	<u>(8,541)</u>	<u>2,137</u>	<u>48</u>	<u>(40,512)</u>
Construction in progress/under installation						
	546	52	733	(244)	(3)	1,084
Total fixed assets	<u>29,081</u>	<u>534</u>	<u>3,841</u>	<u>(537)</u>	<u>(24)</u>	<u>32,895</u>
Right-of-use assets						
Land	14	-	5	(1)	(4)	14
Premises	3,370	958	817	(1,224)	(34)	3,887
Equipment	986	5	1,584	(1,193)	-	1,382
Total	<u>4,370</u>	<u>963</u>	<u>2,406</u>	<u>(2,418)</u>	<u>(38)</u>	<u>5,283</u>
Less Accumulated depreciation						
Land	(5)	-	(3)	1	-	(7)
Premises	(1,575)	(446)	(890)	1,208	14	(1,689)
Equipment	(867)	(2)	(250)	965	-	(154)
Total	<u>(2,447)</u>	<u>(448)</u>	<u>(1,143)</u>	<u>2,174</u>	<u>14</u>	<u>(1,850)</u>
Total right-of-use assets	<u>1,923</u>	<u>515</u>	<u>1,263</u>	<u>(244)</u>	<u>(24)</u>	<u>3,433</u>
Premises and equipment, net	<u>31,004</u>					<u>36,328</u>
						Unit: Million Baht
						December 31, 2023
Depreciation for the year						<u>3,133</u>

As at June 30, 2024 and December 31, 2023, the Bank and its subsidiaries had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 15,780 million and Baht 15,408 million, respectively.

Land and premises of the Bank was revalued in 2023 by the independent professional qualified appraisers. The basis of revaluation for land and premises are market value and depreciated replacement cost. The fair value of land and premises are determined as level 3 hierarchy.

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2024	Increase	Decrease	Others	Balance as at June 30, 2024
Land					
Cost	4,167	-	(76)	-	4,091
Appraisal increase (Year 2023)	10,407	-	(115)	-	10,292
Appraisal decrease (Year 2023)	(11)	-	-	-	(11)
Premises					
Cost	12,766	13	(108)	-	12,671
Appraisal increase (Year 2023)	23,599	-	(158)	-	23,441
Appraisal decrease (Year 2023)	(15)	-	-	-	(15)
Equipment	10,960	1,115	(246)	-	11,829
Leasehold improvement	2,373	68	(37)	-	2,404
Total	64,246	1,196	(740)	-	64,702
<u>Less</u> Accumulated depreciation					
Premises					
- Cost	(6,157)	(154)	78	-	(6,233)
- Appraisal increase (Year 2023)	(19,288)	(144)	103	-	(19,329)
Equipment	(8,342)	(406)	241	-	(8,507)
Leasehold improvement	(1,725)	(76)	33	-	(1,768)
Total	(35,512)	(780)	455	-	(35,837)
Construction in progress/under installation	36	4	(29)	-	11
Total fixed assets	28,770	420	(314)	-	28,876
Right-of-use assets					
Land	4	-	-	-	4
Premises	2,031	227	(135)	128	2,251
Equipment	2,425	78	(124)	-	2,379
Total	4,460	305	(259)	128	4,634
<u>Less</u> Accumulated depreciation					
Land	(2)	(1)	-	-	(3)
Premises	(764)	(231)	123	(30)	(902)
Equipment	(699)	(241)	99	-	(841)
Total	(1,465)	(473)	222	(30)	(1,746)
Total right-of-use assets	2,995	(168)	(37)	98	2,888
Premises and equipment, net	31,765				31,764

Unit: Million Baht
June 30, 2024 June 30, 2023

Depreciation for the six-month periods

1,253 1,158

				Unit: Million Baht
THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2023	Increase	Decrease	Balance as at December 31, 2023
Land				
Cost	4,238	-	(71)	4,167
Appraisal increase (Year 2023)	9,237	1,215	(45)	10,407
Appraisal decrease (Year 2023)	(20)	-	9	(11)
Premises				
Cost	12,690	171	(95)	12,766
Appraisal increase (Year 2023)	15,584	8,097	(82)	23,599
Appraisal decrease (Year 2023)	(55)	-	40	(15)
Equipment	10,574	1,405	(1,019)	10,960
Leasehold improvement	2,490	90	(207)	2,373
Total	<u>54,738</u>	<u>10,978</u>	<u>(1,470)</u>	<u>64,246</u>
<u>Less</u> Accumulated depreciation				
Premises				
- Cost	(5,912)	(317)	72	(6,157)
- Appraisal increase (Year 2023)	(12,533)	(6,808)	53	(19,288)
Equipment	(8,660)	(686)	1,004	(8,342)
Leasehold improvement	(1,758)	(145)	178	(1,725)
Total	<u>(28,863)</u>	<u>(7,956)</u>	<u>1,307</u>	<u>(35,512)</u>
Construction in progress/under installation	164	35	(163)	36
Total fixed assets	<u>26,039</u>	<u>3,057</u>	<u>(326)</u>	<u>28,770</u>
Right-of-use assets				
Land	3	1	-	4
Premises	2,435	481	(885)	2,031
Equipment	1,986	1,487	(1,048)	2,425
Total	<u>4,424</u>	<u>1,969</u>	<u>(1,933)</u>	<u>4,460</u>
<u>Less</u> Accumulated depreciation				
Land	(1)	(1)	-	(2)
Premises	(1,113)	(530)	879	(764)
Equipment	(1,223)	(464)	988	(699)
Total	<u>(2,337)</u>	<u>(995)</u>	<u>1,867</u>	<u>(1,465)</u>
Total right-of-use assets	<u>2,087</u>	<u>974</u>	<u>(66)</u>	<u>2,995</u>
Premises and equipment, net	<u>28,126</u>			<u>31,765</u>
				<u>2,396</u>

Unit: Million Baht
December 31, 2023

Depreciation for the year

As at June 30, 2024 and December 31, 2023, the Bank had premises and equipment which were fully depreciated but still in use, with the original costs amounting to Baht 11,734 million and Baht 11,252 million, respectively.

7.12 Goodwill and other intangible assets, net

Goodwill and other intangible assets, net as at June 30, 2024 and December 31, 2023 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				Unit: Million Baht
	Balance as at January 1, 2024	Increase	Decrease	Other	Balance as at June 30, 2024
Cost					
Goodwill	25,269	74	(1,793)	474	24,024
Software	18,916	1,091	(20)	27	20,014
Other intangible assets	6,866	2,557	-	3	9,426
Total	<u>51,051</u>	<u>3,722</u>	<u>(1,813)</u>	<u>504</u>	<u>53,464</u>
Accumulated amortization					
Software	(14,679)	(867)	19	(140)	(15,667)
Other intangible assets	(5,775)	(565)	-	80	(6,260)
Total	<u>(20,454)</u>	<u>(1,432)</u>	<u>19</u>	<u>(60)</u>	<u>(21,927)</u>
Software under installation	1,510	1,025	(509)	15	2,041
Allowance for impairment	(567)	-	-	(16)	(583)
Goodwill and other intangible assets, net	<u>31,540</u>				<u>32,995</u>

	Unit: Million Baht
	June 30, 2024
Amortization for the six-month periods	<u>1,432</u>
	<u>771</u>

	CONSOLIDATED FINANCIAL STATEMENTS				Unit: Million Baht	
	Balance as at January 1, 2023	Balance of subsidiaries as at acquisition date	Increase	Decrease	Other	Balance as at December 31, 2023
Cost						
Goodwill	12,707	-	13,067	-	(505)	25,269
Software	14,287	3,729	1,033	(7)	(126)	18,916
Other intangible assets	5,649	316	916	-	(15)	6,866
Total	<u>32,643</u>	<u>4,045</u>	<u>15,016</u>	<u>(7)</u>	<u>(646)</u>	<u>51,051</u>
Accumulated amortization						
Software	(10,974)	(2,133)	(1,567)	7	(12)	(14,679)
Other intangible assets	(5,384)	(295)	(198)	-	102	(5,775)
Total	<u>(16,358)</u>	<u>(2,428)</u>	<u>(1,765)</u>	<u>7</u>	<u>90</u>	<u>(20,454)</u>
Software under installation	407	1,261	952	(1,053)	(57)	1,510
Allowance for impairment	(20)	-	(584)	-	37	(567)
Goodwill and other intangible assets, net	<u>16,672</u>					<u>31,540</u>

	Unit: Million Baht
	December 31, 2023
Amortization for the year	<u>1,765</u>

In 2023, the Bank has been recognized impairment loss on goodwill of SHBank Finance Company Limited, in the amount of Baht 584 million. Loss on impairment of goodwill was presented as other operating expenses in the consolidated financial statements.

As at June 30, 2024 and December 31, 2023, the Bank and its subsidiaries had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 10,850 million and Baht 10,041 million, respectively.

	Unit: Million Baht				
	THE BANK'S FINANCIAL STATEMENTS				
	Balance as at January 1, 2024	Increase	Decrease	Other	Balance as at June 30, 2024
Cost					
Goodwill	1,054	-	-	-	1,054
Software	13,037	602	(1)	2	13,640
Other intangible assets	12	2	-	(2)	12
Total	<u>14,103</u>	<u>604</u>	<u>(1)</u>	<u>-</u>	<u>14,706</u>
Accumulated amortization					
Software	(10,301)	(588)	-	(2)	(10,891)
Other intangible assets	(7)	-	-	2	(5)
Total	<u>(10,308)</u>	<u>(588)</u>	<u>-</u>	<u>-</u>	<u>(10,896)</u>
Software under installation	589	632	(159)	-	1,062
Allowance for impairment	(618)	-	-	-	(618)
Goodwill and other intangible assets, net	<u>3,766</u>				<u>4,254</u>

	June 30, 2024	Unit: Million Baht June 30, 2023
Amortization for the six-month periods	<u>588</u>	<u>586</u>

	Unit: Million Baht			
	THE BANK'S FINANCIAL STATEMENTS			
	Balance as at January 1, 2023	Increase	Decrease	Balance as at December 31, 2023
Cost				
Goodwill	1,054	-	-	1,054
Software	11,973	1,064	-	13,037
Other intangible assets	12	-	-	12
Total	<u>13,039</u>	<u>1,064</u>	<u>-</u>	<u>14,103</u>
Accumulated amortization				
Software	(9,106)	(1,195)	-	(10,301)
Other intangible assets	(7)	-	-	(7)
Total	<u>(9,113)</u>	<u>(1,195)</u>	<u>-</u>	<u>(10,308)</u>
Software under installation	369	732	(512)	589
Allowance for impairment	(618)	-	-	(618)
Goodwill and other intangible assets, net	<u>3,677</u>			<u>3,766</u>

	Unit: Million Baht December 31, 2023
Amortization for the year	<u>1,195</u>

As at June 30, 2024 and December 31, 2023, the Bank had intangible assets which were fully amortized but still in use, with the original costs amounting to Baht 7,648 million and Baht 7,091 million, respectively.

7.13 Deferred tax

Deferred tax assets and deferred tax liabilities as at June 30, 2024 and December 31, 2023 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Deferred tax assets	5,983	6,086	469	285
Deferred tax liabilities	<u>(1,189)</u>	<u>(1,304)</u>	<u>-</u>	<u>-</u>
Net	<u>4,794</u>	<u>4,782</u>	<u>469</u>	<u>285</u>

Movements of deferred tax assets and deferred tax liabilities during the period/year are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS				Unit: Million Baht
	Balance as at January 1, 2024	Items as recognized into profit or loss	Items as recognized into other comprehensive income	Others	Balance as at June 30, 2024
Deferred tax assets					
Impairment of assets	413	255	-	(1)	667
Loans to customers and accrued interest receivables, net	6,385	(293)	-	33	6,125
Provisions	2,274	70	(6)	(11)	2,327
Others	<u>3,793</u>	<u>989</u>	<u>(120)</u>	<u>34</u>	<u>4,696</u>
Total	<u>12,865</u>	<u>1,021</u>	<u>(126)</u>	<u>55</u>	<u>13,815</u>
Deferred tax liabilities					
Asset appraisal surplus	2,944	(63)	-	-	2,881
Investments	1,008	2	(38)	92	1,064
Others	<u>4,131</u>	<u>270</u>	<u>61</u>	<u>614</u>	<u>5,076</u>
Total	<u>8,083</u>	<u>209</u>	<u>23</u>	<u>706</u>	<u>9,021</u>
Deferred tax assets, net	<u>4,782</u>	<u>812</u>	<u>(149)</u>	<u>(651)</u>	<u>4,794</u>

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
	Balance as at January 1, 2023	Balance of subsidiaries as at acquisition date	Effect from amendment TAS 12	Items as recognized into profit or loss	Items as recognized into other comprehensive income	Others	Balance as at December 31, 2023
Deferred tax assets							
Impairment of assets	331	6	-	76	-	-	413
Loans to customers and accrued interest receivables, net	4,927	1,499	-	(6)	-	(35)	6,385
Provisions	1,892	146	-	218	24	(6)	2,274
Others	1,206	410	714	1,256	214	(7)	3,793
Total	8,356	2,061	714	1,544	238	(48)	12,865
Deferred tax liabilities							
Asset appraisal surplus	2,458	-	-	(65)	551	-	2,944
Investments	218	625	-	(14)	88	91	1,008
Others	2,481	217	714	697	(1)	23	4,131
Total	5,157	842	714	618	638	114	8,083
Deferred tax assets, net	3,199	1,219	-	926	(400)	(162)	4,782

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS					
	Balance as at January 1, 2024	Items as recognized into profit or loss	Items as recognized into other comprehensive income	Others	Balance as at June 30, 2024
Deferred tax assets					
Impairment of assets	406	229	-	-	635
Loans to customers and accrued interest receivables, net	930	(4)	-	-	926
Provisions	1,802	51	-	-	1,853
Others	1,428	(6)	(106)	-	1,316
Total	4,566	270	(106)	-	4,730
Deferred tax liabilities					
Asset appraisal surplus	2,944	(63)	-	-	2,881
Investments	173	1	(73)	80	181
Others	1,164	(14)	49	-	1,199
Total	4,281	(76)	(24)	80	4,261
Deferred tax assets, net	285	346	(82)	(80)	469

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS						
	Balance as at January 1, 2023	Effect from amendment TAS 12	Items as recognized into profit or loss	Items as recognized into other comprehensive income	Others	Balance as at December 31, 2023
Deferred tax assets						
Impairment of assets	321	-	85	-	-	406
Loans to customers and accrued interest receivables, net	931	-	(1)	-	-	930
Provisions	1,577	-	185	40	-	1,802
Others	825	617	(5)	(9)	-	1,428
Total	<u>3,654</u>	<u>617</u>	<u>264</u>	<u>31</u>	<u>-</u>	<u>4,566</u>
Deferred tax liabilities						
Asset appraisal surplus	2,458	-	(65)	551	-	2,944
Investments	215	-	-	(143)	101	173
Others	552	617	(57)	52	-	1,164
Total	<u>3,225</u>	<u>617</u>	<u>(122)</u>	<u>460</u>	<u>101</u>	<u>4,281</u>
Deferred tax assets, net	<u>429</u>	<u>-</u>	<u>386</u>	<u>(429)</u>	<u>(101)</u>	<u>285</u>

7.14 Other assets, net

Other assets, net as at June 30, 2024 and December 31, 2023 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Accrued income	2,680	2,351	1,411	989
Prepayment	2,363	1,945	1,362	1,132
Other receivables	15,542	18,786	9,290	12,792
Margin call to counterparty	5,280	3,488	5,280	3,488
Others	4,150	4,117	3,584	3,518
Total	<u>30,015</u>	<u>30,687</u>	<u>20,927</u>	<u>21,919</u>

7.15 Deposits

Deposits as at June 30, 2024 and December 31, 2023 are as follows:

(1) Classified by product

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Current deposit	50,555	50,424	50,906	50,732
Savings deposit	941,564	961,051	947,930	967,026
Time deposit				
- Less than 6 months	313,258	321,399	314,530	322,556
- 6 months and less than 1 year	82,742	39,929	81,356	38,523
- 1 year and over	527,224	465,445	493,959	436,882
Certificate of deposit	1,045	1,353	-	-
Total	<u>1,916,388</u>	<u>1,839,601</u>	<u>1,888,681</u>	<u>1,815,719</u>

(2) Classified by currency and residence of depositors

	CONSOLIDATED FINANCIAL STATEMENTS					
	June 30, 2024			December 31, 2023		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,714,484	4,298	1,718,782	1,669,025	4,481	1,673,506
US Dollar	121,268	44,362	165,630	97,661	38,325	135,986
Other currencies	<u>24,224</u>	<u>7,752</u>	<u>31,976</u>	<u>23,217</u>	<u>6,892</u>	<u>30,109</u>
Total	<u>1,859,976</u>	<u>56,412</u>	<u>1,916,388</u>	<u>1,789,903</u>	<u>49,698</u>	<u>1,839,601</u>

	THE BANK'S FINANCIAL STATEMENTS					
	June 30, 2024			December 31, 2023		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,730,287	4,239	1,734,526	1,683,012	4,324	1,687,336
US Dollar	121,268	6,660	127,928	97,661	5,277	102,938
Other currencies	<u>24,224</u>	<u>2,003</u>	<u>26,227</u>	<u>23,217</u>	<u>2,228</u>	<u>25,445</u>
Total	<u>1,875,779</u>	<u>12,902</u>	<u>1,888,681</u>	<u>1,803,890</u>	<u>11,829</u>	<u>1,815,719</u>

7.16 Interbank and money market items (Liability)

Interbank and money market items (liability) as at June 30, 2024 and December 31, 2023 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Domestic items				
Bank of Thailand and Financial				
Institution Development Fund	31,185	26,653	31,185	26,653
Commercial banks	88,885	67,641	77,743	57,834
Specialized financial institutions	1,892	1,490	1,892	1,490
Other financial institutions	13,870	13,837	28,587	22,728
Total domestic items	<u>135,832</u>	<u>109,621</u>	<u>139,407</u>	<u>108,705</u>
Foreign items				
US Dollar	33,384	135,188	26,758	121,105
YEN	20,613	39,979	20,613	39,979
Other currencies	43,014	39,208	1,631	1,491
Total foreign items	<u>97,011</u>	<u>214,375</u>	<u>49,002</u>	<u>162,575</u>
Total domestic and foreign items	<u>232,843</u>	<u>323,996</u>	<u>188,409</u>	<u>271,280</u>

7.17 Debt issued and borrowings

Debt issued and borrowings as at June 30, 2024 and December 31, 2023 are as follows:

	Currency	Interest rate (%)	Maturity	Unit: Million Baht CONSOLIDATED FINANCIAL STATEMENTS					
				June 30, 2024			December 31, 2023		
				Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	3.00 - 4.30	2031-2034	52,000	-	52,000	60,826	-	60,826
	USD	7.50 - 8.00	2027-2030	-	543	543	-	538	538
Senior debentures	THB	1.38 - 4.70	2024-2027	48,911	-	48,911	35,927	-	35,927
	USD	6.77	2026	-	2,580	2,580	-	2,395	2,395
Bill of exchange	THB	-	-	1	-	1	1	-	1
Other borrowings	THB	0.00	2024-2028	6	-	6	11	216	227
	USD	0.00 - 6.30	2025-2027	-	3,561	3,561	-	4,303	4,303
				<u>100,918</u>	<u>6,684</u>	<u>107,602</u>	<u>96,765</u>	<u>7,452</u>	<u>104,217</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS									
Currency	Interest rate	Maturity	June 30, 2024			December 31, 2023			
			Domestic	Foreign	Total	Domestic	Foreign	Total	
	(%)								
Subordinated debentures	THB	3.00 - 4.30	2031-2034	52,000	-	52,000	60,826	-	60,826
Senior debentures	THB	2.28 - 3.11	2025-2027	25,000	-	25,000	15,000	-	15,000
	USD	6.77	2026	-	2,580	2,580	-	2,395	2,395
Bill of exchange	THB	-	-	1	-	1	1	-	1
Other borrowings	THB	0.00	2024-2028	6	-	6	11	-	11
				<u>77,007</u>	<u>2,580</u>	<u>79,587</u>	<u>75,838</u>	<u>2,395</u>	<u>78,233</u>

Additional information on debts issued and borrowings is as follows:

1. On June 14, 2019, the Bank issued subordinated debentures No. 1/2019 in the amount of Baht 18,826 million for a 10-year tenor at the fixed interest rate of 3.8% per annum, payable quarterly in March, June, September and December of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary of the issued date or any interest payment date thereafter subject to the approval of the BOT.

On May 9, 2024, the Bank obtained the approval from the BOT to early redeem subordinated debentures. Therefore, the Bank exercised the right to redeem the subordinated debentures on June 14, 2024.

2. On November 5, 2021, the Bank issued subordinated debentures No. 1/2021 in the amount of Baht 10,000 million for a 10-year tenor at the fixed interest rate of 3.0% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary date of issue date or any interest payment date thereafter subject to the approval of the BOT.
3. On July 27, 2022, the Bank issued subordinated debentures No. 1/2022 in the amount of Baht 15,460 million for a 10-year tenor at the fixed interest rate of 3.9% per annum, payable quarterly in January, April, July and October of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary date of issue date or any interest payment date thereafter subject to the approval of the BOT.
4. On November 17, 2022, the Bank issued subordinated debentures No. 2/2022 in the amount of Baht 16,540 million for a 10-year tenor at the fixed interest rate of 4.3% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary date of issue date or any interest payment date thereafter subject to the approval of the BOT.
5. On June 14, 2024, the Bank issued subordinated debentures No.1/2024 in the amount of Baht 10,000 million for a 10-year tenor at the fixed interest rate of 3.5% per annum, payable quarterly in March, June, September, and December of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary of the issued date or any interest payment date thereafter subject to the approval of the BOT.

7.18 Provisions

Provisions for the six-month period ended June 30, 2024 and for the year ended December 31, 2023 are as follows:

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
	Balance as at January 1, 2023	Balance of Subsidiaries as of acquisition date	Increase (Decrease)	Balance as at December 31, 2023	Increase (Decrease)	Balance as at June 30, 2024
Allowance for expected credit loss for loan commitments and financial guarantee contracts	1,811	14	(24)	1,801	(27)	1,774
Provision for post-employment benefits obligation	7,612	427	482	8,521	283	8,804
Others	1,183	16	692	1,891	145	2,036
Total	10,606	457	1,150	12,213	401	12,614

Unit: Million Baht					
THE BANK'S FINANCIAL STATEMENTS					
	Balance as at January 1, 2023	Increase (Decrease)	Balance as at December 31, 2023	Increase (Decrease)	Balance as at June 30, 2024
Allowance for expected credit loss for loan commitments and financial guarantee contracts	1,467	(30)	1,437	(31)	1,406
Provision for post-employment benefits obligation	6,364	459	6,823	194	7,017
Others	740	662	1,402	113	1,515
Total	8,571	1,091	9,662	276	9,938

Post-employment benefits obligation

The Bank and its subsidiaries operate post-employment benefits plans, which are considered as unfunded defined benefit plans. These plans are recognized as a part of provision in the statement of financial position.

Movements in the present value of the post-employment benefits obligation for the six-month periods ended June 30, 2024 and 2023 are as follows:

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,		THE BANK'S FINANCIAL STATEMENTS For the six-month periods ended June 30,	
	2024	2023	2024	2023
Opening post-employment benefits obligation	8,521	7,612	6,823	6,364
Balance of subsidiaries as at acquisition date	-	248	-	-
Current service cost	336	267	228	206
Interest cost	116	106	92	83
Actuarial (gains) losses				
- Experience	(27)	-	-	-
Benefit paid	(143)	(87)	(127)	(77)
Others	1	5	1	-
Closing post-employment benefits obligation	<u>8,804</u>	<u>8,151</u>	<u>7,017</u>	<u>6,576</u>

Actuarial (gains) are recognized in retained earnings as at June 30, 2024 and December 31, 2023 are as follows:

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS June 30, 2024		THE BANK'S FINANCIAL STATEMENTS June 30, 2024	
	December 31, 2023	December 31, 2023	December 31, 2023	December 31, 2023
Included in the retained earnings	<u>(260)</u>	<u>(287)</u>	<u>(98)</u>	<u>(98)</u>

Amounts recognized in the statements of profit or loss and other comprehensive income in respect of the post-employment benefits obligation for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended June 30,		THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended June 30,	
	2024	2023	2024	2023
Current service cost	172	135	113	103
Interest on obligation	<u>58</u>	<u>55</u>	<u>46</u>	<u>42</u>
	<u>230</u>	<u>190</u>	<u>159</u>	<u>145</u>

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,		THE BANK'S FINANCIAL STATEMENTS For the six-month periods ended June 30,	
	2024	2023	2024	2023
Current service cost	336	267	228	206
Interest on obligation	<u>116</u>	<u>106</u>	<u>92</u>	<u>83</u>
	<u>452</u>	<u>373</u>	<u>320</u>	<u>289</u>

The principal actuarial assumptions used to calculate the post-employment benefits obligation as at June 30, 2024 and December 31, 2023 are as follows:

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023
Financial assumptions		
Discount rate	2.37% - 8.00%	2.37% - 8.00%
Salary increase rate	5.5% - 7.0%	5.5% - 7.0%
Retirement age	55 - 60 years	55 - 60 years

Significant actuarial assumptions - Impact on increase (decrease) in the post-employment benefits obligation as at June 30, 2024 and December 31, 2023 are as follows:

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	June 30,	December 31,	June 30,	December 31,
	2024	2023	2024	2023
Discount rate - 1% increase	(704)	(680)	(535)	(520)
Discount rate - 1% decrease	808	780	609	592
Salary increase rate - 1% increase	938	905	744	723
Salary increase rate - 1% decrease	(844)	(815)	(675)	(657)

7.19 Other liabilities

Other liabilities as at June 30, 2024 and December 31, 2023 are as follows:

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	June 30,	December 31,	June 30,	December 31,
	2024	2023	2024	2023
Accrued expenses	19,468	20,849	13,608	14,498
Tax payable	6,472	6,540	4,224	4,314
Deposit	6,786	5,986	456	376
Unearned income from customer loyalty program	2,880	2,901	-	-
Other payables	19,503	22,717	10,376	11,810
Margin call from counterparty	11,838	8,662	11,838	8,662
Others	12,089	10,630	8,421	7,005
Total	<u>79,036</u>	<u>78,285</u>	<u>48,923</u>	<u>46,665</u>

7.20 Advances received from electronic transactions

According to BOT's Notification No. Sor. Nor. Chor. 7/2561 regarding the "Regulations on Service Business Relating to Electronic Money (e-Money) Services" dated April 16, 2018, the Bank is required to disclose advances received from e-Money Services. As at June 30, 2024 and December 31, 2023, the Bank had advances received from e-Money Services, presented as other liabilities, amounting to Baht 1,441 million and Baht 1,168 million, respectively.

The BOT Notification No. Sor. Nor. Chor. 2/2562 regarding the "Regulations on Service Business Relating to Electronic Fund Transfer" dated December 20, 2019, the Bank is required to disclose cash advances received from electronic fund transfer transactions. As at June 30, 2024 and December 31, 2023, the Bank had those advances received from electronic fund transfer transactions, presented as liabilities payable on demand amounting to Baht 3 million and Baht 2 million, respectively and other liabilities amounting to Baht 5,428 million and Baht 3,512 million, respectively.

The Bank has kept advance received from electronic transactions which is a part of cash in the statements of financial position as of June 30, 2024 and December 31, 2023 in the amount of Baht 1,447 million and Baht 1,171 million, respectively.

7.21 Offsetting of financial assets and financial liabilities

(1) Offsetting of financial assets and financial liabilities as at June 30, 2024 and December 31, 2023 are as follows:

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS						
June 30, 2024						
Gross amount	Amounts offset in the statement of financial position	Net amount presented in the statement of financial position	Amounts not offset in the statement of financial position		Net amount	
			Unqualified contractual offset amounts	Related financial collateral amount		
Financial assets:						
Reverse repurchase agreements	333,737	-	333,737	-	333,737	-
Derivatives assets	33,301	-	33,301	16,789	9,903	6,609
Total	<u>367,038</u>	<u>-</u>	<u>367,038</u>	<u>16,789</u>	<u>343,640</u>	<u>6,609</u>
Financial liabilities:						
Repurchase agreements	65,917	-	65,917	-	65,917	-
Derivatives liabilities	29,092	-	29,092	16,789	3,504	8,799
Total	<u>95,009</u>	<u>-</u>	<u>95,009</u>	<u>16,789</u>	<u>69,421</u>	<u>8,799</u>

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

December 31, 2023

	Gross amount	Amounts offset in the statement of financial position	Net amount presented in the statement of financial position	Amounts not offset in the statement of financial position		Net amount
				Unqualified contractual offset amounts	Related financial collateral amount	
Financial assets:						
Reverse repurchase agreements	351,046	-	351,046	-	351,046	-
Derivatives assets	26,485	-	26,485	14,580	7,412	4,493
Total	<u>377,531</u>	<u>-</u>	<u>377,531</u>	<u>14,580</u>	<u>358,458</u>	<u>4,493</u>
Financial liabilities:						
Repurchase agreements	46,141	-	46,141	-	46,141	-
Derivatives liabilities	27,405	-	27,405	14,580	3,209	9,616
Total	<u>73,546</u>	<u>-</u>	<u>73,546</u>	<u>14,580</u>	<u>49,350</u>	<u>9,616</u>

(2) Reconciliation of offsetting transactions with line item in statement of financial position as at June 30, 2024 and December 31, 2023 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

	Net amount presented in the statement of financial position	Item in the statement of financial position	Notes	Carrying amount in the statement of financial position	Carrying amount of financial instruments not in scope of offsetting
Financial assets:					
Reverse repurchase agreements	333,737	Interbank and money market items, net (Asset)	7.3	524,633	190,896
Derivatives assets	33,301	Derivatives assets	7.5	37,369	4,068
Loans to customers	-	Loans to customers and accrued interest receivables, net	7.8	1,915,425	1,915,425
Total	<u>367,038</u>			<u>2,477,427</u>	<u>2,110,389</u>
Financial liabilities:					
Repurchase agreements	65,917	Interbank and money market items (Liability)	7.16	232,843	166,926
Derivatives liabilities	29,092	Derivatives liabilities	7.5	31,354	2,262
Total	<u>95,009</u>			<u>264,197</u>	<u>169,188</u>

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS					
December 31, 2023					
	Net amount presented in the statement of financial position	Item in the statement of financial position	Notes	Carrying amount in the statement of financial position	Carrying amount of financial instruments not in scope of offsetting
Financial assets:					
Reverse repurchase agreements	351,046	Interbank and money market items, net (Asset)	7.3	507,974	156,928
Derivatives assets	26,485	Derivatives assets	7.5	29,056	2,571
Loans to customers	-	Loans to customers and accrued interest receivables, net	7.8	1,942,700	1,942,700
Total	<u>377,531</u>			<u>2,479,730</u>	<u>2,102,199</u>
Financial liabilities:					
Repurchase agreements	46,141	Interbank and money market items (Liability)	7.16	323,996	277,855
Derivatives liabilities	27,405	Derivatives liabilities	7.5	32,839	5,434
Total	<u>73,546</u>			<u>356,835</u>	<u>283,289</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS					
June 30, 2024					
	Net amount presented in the statement of financial position	Item in the statement of financial position	Notes	Carrying amount in the statement of financial position	Carrying amount of financial instruments not in scope of offsetting
Financial assets:					
Reverse repurchase agreements	333,737	Interbank and money market items, net (Asset)	7.3	501,847	168,110
Derivatives assets	33,301	Derivatives assets	7.5	37,583	4,282
Loan to customers	-	Loans to customers and accrued interest receivables, net	7.8	1,674,012	1,674,012
Total	<u>367,038</u>			<u>2,213,442</u>	<u>1,846,404</u>
Financial liabilities:					
Repurchase agreements	65,917	Interbank and money market items (Liability)	7.16	188,409	122,492
Derivatives liabilities	29,092	Derivatives liabilities	7.5	31,755	2,663
Total	<u>95,009</u>			<u>220,164</u>	<u>125,155</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS					
December 31, 2023					
	Net amount presented in the statement of financial position	Item in the statement of financial position	Notes	Carrying amount in the statement of financial position	Carrying amount of financial instruments not in scope of offsetting
Financial assets:					
Reverse repurchase agreements	351,046	Interbank and money market items, net (Asset)	7.3	489,173	138,127
Derivatives assets	26,485	Derivatives assets	7.5	29,258	2,773
Loan to customers	-	Loans to customers and accrued interest receivables, net	7.8	1,701,805	1,701,805
Total	<u>377,531</u>			<u>2,220,236</u>	<u>1,842,705</u>
Financial liabilities:					
Repurchase agreements	46,141	Interbank and money market items (Liability)	7.16	271,280	225,139
Derivatives liabilities	27,405	Derivatives liabilities	7.5	33,097	5,692
Total	<u>73,546</u>			<u>304,377</u>	<u>230,831</u>

7.22 Fair value of financial assets and financial liabilities

Fair value is the price that would be received from selling an asset or paying for transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in the absence of a principal market, the most liquid market where the Bank and its subsidiaries are able to access.

Fair value measurement of financial assets and liabilities are determined according to the following hierarchy:

- Level 1 - Quoted price (unadjusted) in active market for identical assets or liabilities that the Bank and its subsidiaries can access at the measurement date
- Level 2 - Quoted price in active market for similar assets or liabilities, the quoted price for identical or similar assets in inactive market and other valuation technique where significant inputs used to measure the fair value are observable
- Level 3 - Using techniques where significant inputs used to measure the fair value are unobservable

A summary of carrying amount of financial assets and liabilities as at June 30, 2024 and December 31, 2023 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	June 30, 2024			December 31, 2023		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
Financial assets:						
Cash	-	24,663	24,663	-	28,170	28,170
Interbank and money market items, net	-	524,633	524,633	-	507,974	507,974
Financial assets measured at fair value through profit or loss	3,345	-	3,345	1,740	-	1,740
Derivatives assets	34,099	3,270	37,369	28,884	172	29,056
Investments, net	117,693	19,337	137,030	127,666	2,873	130,539
Loans to customers and accrued interest receivables, net	18,629	1,896,796	1,915,425	17,245	1,925,455	1,942,700
Total	173,766	2,468,699	2,642,465	175,535	2,464,644	2,640,179
Financial liabilities:						
Deposits	-	1,916,388	1,916,388	-	1,839,601	1,839,601
Interbank and money market items	-	232,843	232,843	-	323,996	323,996
Liability payable on demand	-	5,513	5,513	-	4,387	4,387
Derivatives liabilities	31,013	341	31,354	28,898	3,941	32,839
Debt issued and borrowings	-	107,602	107,602	-	104,217	104,217
Total	31,013	2,262,687	2,293,700	28,898	2,276,142	2,305,040

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	June 30, 2024			December 31, 2023		
	Measured at fair value	Not measured at fair value	Total carrying amount	Measured at fair value	Not measured at fair value	Total carrying amount
Financial assets:						
Cash	-	22,702	22,702	-	25,128	25,128
Interbank and money market items, net	-	501,847	501,847	-	489,173	489,173
Financial assets measured at fair value through profit or loss	2,303	-	2,303	623	-	623
Derivatives assets	34,354	3,229	37,583	29,174	84	29,258
Investments, net	115,292	16,292	131,584	125,353	-	125,353
Loans to customers and accrued interest receivables, net	-	1,674,012	1,674,012	-	1,701,805	1,701,805
Total	151,949	2,218,082	2,370,031	155,150	2,216,190	2,371,340
Financial liabilities:						
Deposits	-	1,888,681	1,888,681	-	1,815,719	1,815,719
Interbank and money market items	-	188,409	188,409	-	271,280	271,280
Liability payable on demand	-	5,513	5,513	-	4,382	4,382
Derivatives liabilities	31,755	-	31,755	29,430	3,667	33,097
Debt issued and borrowings	-	79,587	79,587	-	78,233	78,233
Total	31,755	2,162,190	2,193,945	29,430	2,173,281	2,202,711

Financial assets and liabilities measured at fair value

Classification of financial assets and liabilities measured at fair value by the level of fair value hierarchy as at June 30, 2024 and December 31, 2023 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	June 30, 2024				December 31, 2023			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss	422	2,303	620	3,345	517	623	600	1,740
Derivatives assets	25	34,074	-	34,099	25	28,859	-	28,884
Investments in debt securities measured at fair value through other comprehensive income	-	109,140	-	109,140	-	119,966	-	119,966
Investments in equity securities designated at fair value through other comprehensive income	6,174	-	2,379	8,553	5,796	-	1,904	7,700
Loans to Customers and accrued interest receivables - net measured at fair value through other comprehensive income	-	-	18,629	18,629	-	-	17,245	17,245
Derivative liabilities	-	31,013	-	31,013	1	28,897	-	28,898

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	June 30, 2024				December 31, 2023			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss	-	2,303	-	2,303	-	623	-	623
Derivatives assets	-	34,354	-	34,354	-	29,174	-	29,174
Investments in debt securities measured at fair value through other comprehensive income	-	109,087	-	109,087	-	119,605	-	119,605
Investments in equity securities designated at fair value through other comprehensive income	5,723	-	482	6,205	5,313	-	435	5,748
Derivative liabilities	-	31,755	-	31,755	-	29,430	-	29,430

There are no transfers of financial assets and financial liabilities measured at fair value between level 1 and level 2 for the six-month period ended June 30, 2024 and for the year ended December 31, 2023.

Valuation technique for financial assets and liabilities measured at fair value of the Bank and its subsidiaries are as follows:

Derivatives

The valuation techniques used to determine the fair value of derivatives are dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank and its subsidiaries may not receive the full market value of the transactions.

Investments

Investment in domestic debt securities listed in Thai Bond Market Association (“ThaiBMA”), discounted cash flow using ThaiBMA yield curve as the discounted rate to determine the fair value.

Equity securities traded in the SET, the fair value is determined by using the last bid price of SET.

Equity securities not listed in the SET, the fair value is determined by using the latest net book value of invested company.

Investment in unit trust not listed in SET, the fair value is determined by using the net asset value at the reporting date announced by the asset management company.

Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables measured at fair value through other comprehensive income is calculated based on discounted cash flow methodology using weighted average cost of capital, after consideration of incremental transaction costs, amortized origination fees and risk premium associated with the nature of the loan product.

The following table shows the reconciliation of movement of loans to customers and accrued interest receivables measured at fair value through other comprehensive income presented in Level 3 for the six-month period ended June 30, 2024 and for the year ended December 31, 2023.

	Unit: Million Baht	
	CONSOLIDATED FINANCIAL STATEMENTS	
	For the six-month period ended June 30, 2024	For the year ended December 31, 2023
Beginning balance	17,245	-
Balance of subsidiary as at acquisition date	-	13,131
Net originations and derecognition during the period/year	1,920	4,650
Fair valuation	(536)	(536)
Ending balance	<u>18,629</u>	<u>17,245</u>

Financial assets and liabilities not measured at fair value

Fair value of financial assets and liabilities which are not measured at fair value and their fair value hierarchy level classification is summarized as at June 30, 2024 and December 31, 2023 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS									
	June 30, 2024					December 31, 2023				
	Fair value				Carrying amount	Fair value				Carrying amount
	Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value		Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value	
Financial assets:										
Cash	-	-	24,663	24,663	24,663	-	-	28,170	28,170	28,170
Interbank and money market items, net	-	-	524,633	524,633	524,633	-	-	507,974	507,974	507,974
Derivatives assets										
- dynamic hedge	3,476	-	-	3,476	3,270	336	-	-	336	172
Investments in debt securities measured at amortized cost	18,794	553	-	19,347	19,337	2,221	513	140	2,874	2,873
Loans to customers and accrued interest receivables, net	-	-	1,896,796	1,896,796	1,896,796	-	-	1,925,455	1,925,455	1,925,455
Total	22,270	553	2,446,092	2,468,915	2,468,699	2,557	513	2,461,739	2,464,809	2,464,644
Financial liabilities:										
Deposits	1,919,441	-	2,784	1,922,225	1,916,388	1,842,619	-	2,480	1,845,099	1,839,601
Interbank and money market items	-	-	232,843	232,843	232,843	-	-	323,996	323,996	323,996
Liability payable on demand	-	-	5,513	5,513	5,513	-	-	4,387	4,387	4,387
Derivatives liabilities										
- dynamic hedge	346	-	-	346	341	3,884	-	-	3,884	3,941
Debt issued and borrowings	98,332	6,347	2,587	107,266	107,602	93,665	7,360	2,408	103,433	104,217
Total	2,018,119	6,347	243,727	2,268,193	2,262,687	1,940,168	7,360	333,271	2,280,799	2,276,142

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	June 30, 2024					December 31, 2023				
	Fair value				Carrying amount	Fair value				Carrying amount
	Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value		Level 2	Level 3	Their carrying amounts are considered as a reasonable approximate of fair value	Total fair value	
Financial assets:										
Cash	-	-	22,702	22,702	22,702	-	-	25,128	25,128	25,128
Interbank and money market items, net	-	-	501,847	501,847	501,847	-	-	489,173	489,173	489,173
Derivatives assets										
- dynamic hedge	3,214	-	-	3,214	3,229	87	-	-	87	84
Investments in debt securities measured at amortized cost	16,302	-	-	16,302	16,292	-	-	-	-	-
Loans to customers and accrued interest receivables, net	-	-	1,674,012	1,674,012	1,674,012	-	-	1,701,805	1,701,805	1,701,805
Total	19,516	-	2,198,561	2,218,077	2,218,082	87	-	2,216,106	2,216,193	2,216,190
Financial liabilities:										
Deposits	1,894,515	-	-	1,894,515	1,888,681	1,821,216	-	-	1,821,216	1,815,719
Interbank and money market items	-	-	188,409	188,409	188,409	-	-	271,280	271,280	271,280
Liability payable on demand	-	-	5,513	5,513	5,513	-	-	4,382	4,382	4,382
Derivatives liabilities										
- dynamic hedge	-	-	-	-	-	3,609	-	-	3,609	3,667
Debt issued and borrowings	77,297	-	2,587	79,884	79,587	75,684	-	2,408	78,092	78,233
Total	1,971,812	-	196,509	2,168,321	2,162,190	1,900,509	-	278,070	2,178,579	2,173,281

Valuation technique for financial assets and liabilities not measured at fair value are as follows:

Cash and interbank and money market items (assets)

The carrying amounts of cash and interbank and money market items (assets) presented in the statement of financial position are the approximated fair value.

Investments in debt securities measured at amortized cost

The carrying amount of investments in debt securities measured at amortized cost presented in the statement of financial position is the approximated fair value, except for investment in domestic debt securities listed in Thai Bond Market Association (“ThaiBMA”), discounted cash flow using ThaiBMA yield curve as the discounted rate to determine the fair value.

Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables measured at amortized cost include variable interest rate loans, fixed rate loans with relatively short maturities and non-performing loans. Most loans carry a floating interest rate. The fair value is approximated by the outstanding balance of loans to customers and accrued interest receivables less allowance for expected credit loss.

Deposits

The fair value of deposits is calculated based on discounted cash flows.

Interbank and money market items (liabilities)

The carrying amount of interbank and money market items (liabilities) presented in the statement of financial position is the approximated fair value.

Liabilities payable on demand

The carrying amount of liabilities payable on demand presented in the statement of financial position is the approximated fair value.

Debt issued and borrowings

The carrying amount of debt issued and borrowings presented in the statement of financial position is the approximated fair value, except for subordinated and long-term senior securities which fair values are based on the actual market prices and subordinated long-term senior securities and other borrowing of foreign subsidiary which fair value calculated based on discounted cash flows.

Derivatives

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank and its subsidiaries may not receive the full market value of the transactions.

7.23 Share capital

7.23.1 Legal reserve

Pursuant to the Public Limited Companies Act, the Bank must allocate to a reserve fund from the annual net profit, not less than five percent of the annual net profit deducted by the total accumulated loss brought forward (if any), until the reserve fund reaches an amount not less than ten percent of the registered capital. The reserve fund is not available for dividend distribution.

7.23.2 Dividend payment

The Annual General Meeting of Shareholders No. 112 held on April 25, 2024, approved the dividend payment for the six-month period ended December 31, 2023 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.45 per share totaling Baht 3,310 million with payment date on May 23, 2024.

The Board of Directors' Meeting No. 8/2023 held on August 23, 2023, approved the interim dividend payment for the six-month period ended June 30, 2023 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on September 21, 2023.

The Annual General Meeting of Shareholders No. 111 held on April 27, 2023, approved the dividend payment for the six-month period ended December 31, 2022 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.45 per share totaling Baht 3,310 million with payment date on May 25, 2023.

7.24 Assets with obligations and restrictions

As at June 30, 2024 and December 31, 2023, government and state enterprise securities with book value of Baht 30,365 million and Baht 31,750 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

As at June 30, 2024 and December 31, 2023, the Bank and its subsidiaries had claim on security amounting to Baht 36,398 million and Baht 15,124 million, respectively.

As at June 30, 2024 and December 31, 2023, deposit placement at other bank of subsidiaries with book value of Baht 1,235 million and Baht 1,171 million, respectively, are used as collateral for borrowing.

7.25 Contingencies

Contingencies as at June 30, 2024 and December 31, 2023 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Avals to bills	1,181	1,111	1,181	1,111
Guarantees of loans	3,806	4,655	3,806	4,655
Liability under unmatured import bills	3,570	2,557	3,570	2,557
Letters of credit	7,675	7,004	7,675	7,004
Other contingencies				
- Unused overdraft limit	4,299	4,198	4,298	4,195
- Unused credit line	60,478	60,153	74,635	59,890
- Other guarantees	61,555	59,006	61,555	59,006
- Others	38,180	18,145	38,180	18,145
Total	<u>180,744</u>	<u>156,829</u>	<u>194,900</u>	<u>156,563</u>

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2028 with local companies. As at June 30, 2024 and December 31, 2023, the Bank and its subsidiaries have commitments to pay in the amounts of Baht 4,393 million and Baht 4,891 million, respectively.

As at June 30, 2024 and December 31, 2023, the Bank and its subsidiaries have commitments to pay regarding the information technology services and other services in the amount of Baht 2,354 million and Baht 2,076 million, respectively.

As at June 30, 2024 and December 31, 2023, the Bank and its subsidiary have commitment payment in the amount of Baht 575 million and Baht 919 million as a result of entering to the construction agreement of the office building, respectively.

7.26 Related party transactions

The Bank has business transactions with subsidiaries, associate, joint ventures and related companies. These transactions are with companies that have shareholding and/or joint shareholders and/or directors with the Bank and with related persons. Such loans to related parties have the policy of setting up the allowance for expected credit loss which complies with the BOT regulations same as loans to other debtors.

According to the BOT's Notification Sor.Nor.Sor. 12/2561 regarding the "Regulations on Risk Supervision of Financial Business Group" dated May 22, 2018, the Bank is required to disclose the policy of Inter-Group Transactions in the Financial Business Group and the policy of Risk Management for Inter-Group Transactions in the Financial Business Group as follows:

1. The policy of Inter-Group Transactions in the Financial Business Group

The inter-group transactions shall have the same conditions or criteria, including interest rate or service fee charged, as applied when the Bank conducts the transactions with general customers with the same risk level.

2. The policy of Risk Management for Inter-Group Transactions in the Financial Business Group

The Bank manages risk for all inter-group transactions based on the Credit Risk Management policy for the Financial Business Group which covers the key credit risk management processes, that are credit risk control, credit risk measurement, and credit risk monitoring, in accordance with the Bank's policy and the BOT's requirements.

Related party transactions are as follows:

- 7.26.1 Assets, liabilities and contingencies with key management personnel and the companies in which key management personnel and/or the Bank owned and/or the companies in which key management personnel and/or shareholders of the Bank have significant voting right either directly and indirectly, as at June 30, 2024 and December 31, 2023 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company														
MUFG Bank, Ltd.	67,809	-	-	11,024	-	100	-	33,371	5,095	-	671	6,314	269,266	7,630
<u>Less</u> Allowance for expected credit loss	(8)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	67,801	-	-	11,024	-	100	-	33,371	5,095	-	671	6,314	269,266	7,630
Associate														
Ngern Tid Lor Public Company Limited	-	-	7,603	-	1	5	1,762	-	188	-	5	1	4,524	6
<u>Less</u> Allowance for expected credit loss	-	-	(3)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	7,600	-	1	5	1,762	-	188	-	5	1	4,524	6
Joint ventures														
SB Finance, Inc.	-	-	-	-	-	2	-	-	-	-	-	-	-	-
Lotus's Money Services Limited	-	-	5,756	-	-	149	729	-	-	-	-	3	-	-
Lotus's Life Assurance Broker Limited	-	-	-	-	-	4	305	-	-	-	-	-	-	-
Lotus's General Insurance Broker Limited	-	-	-	-	-	7	389	-	-	-	-	5	-	-
Total	-	-	5,756	-	-	162	1,423	-	-	-	-	8	-	-
<u>Less</u> Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	5,755	-	-	162	1,423	-	-	-	-	8	-	-
Related companies having joint major shareholders or directors														
	696	47	14,653	219	78	18	28,596	5,241	67	285	4	200	10,816	276
<u>Less</u> Allowance for expected credit loss	-	-	(28)	-	-	-	-	-	-	-	-	-	-	-
Total	696	47	14,625	219	78	18	28,596	5,241	67	285	4	200	10,816	276
Individual and related parties														
	-	-	411	-	-	11	4,275	-	-	-	-	867	-	-
<u>Less</u> Allowance for expected credit loss	-	-	(5)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	406	-	-	11	4,275	-	-	-	-	867	-	-
Total	68,497	47	28,386	11,243	79	296	36,056	38,612	5,350	285	680	7,390	284,606	7,912

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company														
MUFG Bank, Ltd.	45,815	-	-	8,006	-	149	-	147,027	4,503	-	515	5,388	310,517	6,359
<u>Less</u> Allowance for expected credit loss	(9)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	45,806	-	-	8,006	-	149	-	147,027	4,503	-	515	5,388	310,517	6,359
Associate														
Ngern Tid Lor Public Company Limited	-	-	2,602	-	-	4	1,582	-	81	-	5	-	5,090	6
<u>Less</u> Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	2,601	-	-	4	1,582	-	81	-	5	-	5,090	6
Joint ventures														
SB Finance, Inc.	-	-	-	-	-	3	-	-	-	-	-	-	-	-
Lotus's Money Services Limited	-	-	7,066	-	-	171	792	-	-	-	-	3	-	-
Lotus's Life Assurance Broker Limited	-	-	-	-	-	3	290	-	-	-	-	-	-	-
Lotus's General Insurance Broker Limited	-	-	-	-	-	7	445	-	-	-	-	5	-	-
Total	-	-	7,066	-	-	184	1,527	-	-	-	-	8	-	-
<u>Less</u> Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	7,065	-	-	184	1,527	-	-	-	-	8	-	-
Related companies having joint major shareholders or directors														
	414	61	14,553	265	95	19	27,872	7,353	59	265	6	339	11,761	271
<u>Less</u> Allowance for expected credit loss	-	-	(35)	-	-	-	-	-	-	-	-	-	-	-
Total	414	61	14,518	265	95	19	27,872	7,353	59	265	6	339	11,761	271
Individual and related parties														
	-	-	417	-	5	11	4,086	-	-	-	-	1,001	-	-
<u>Less</u> Allowance for expected credit loss	-	-	(6)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	411	-	5	11	4,086	-	-	-	-	1,001	-	-
Total	46,220	61	24,595	8,271	100	367	35,067	154,380	4,643	265	526	6,736	327,368	6,636

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

June 30, 2024

	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company														
MUFG Bank, Ltd.	67,801	-	-	10,979	-	100	-	27,432	5,095	-	671	6,226	267,386	7,630
<u>Less</u> Allowance for expected credit loss	(8)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	67,793	-	-	10,979	-	100	-	27,432	5,095	-	671	6,226	267,386	7,630
Subsidiaries														
Ayudhya Development Leasing Company Limited	-	-	4,013	-	-	4	12	-	-	-	9	2	-	1
Ayudhya Capital Auto Lease Public Company Limited	-	-	1,436	-	-	646	747	-	-	-	-	569	-	1
Ayudhya Capital Services Company Limited	-	-	1,488	-	-	88	5,972	-	-	-	-	27	-	3
General Card Services Limited	-	-	11,714	-	-	4	958	-	-	-	-	2	-	-
Krungsriayudhya Card Company Limited	-	-	1,873	-	-	228	1,607	-	-	-	-	17	-	1
Siam Realty and Services Security Company Limited	-	-	-	-	639	4	201	-	-	-	-	702	-	-
Total Services Solutions Public Company Limited	-	-	-	-	-	1	662	-	-	-	-	9	-	-
Krungsri Asset Management Company Limited	-	-	-	-	-	83	-	7,266	-	-	-	68	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	-	3	3,088	-	-	-	-	10	-	28
Krungsri Securities Public Company Limited	2,573	-	-	-	-	4	-	2,880	-	-	-	5	-	20
Krungsri Capital Securities Public Company Limited	-	-	-	-	-	-	-	4,571	-	-	-	1	-	-
Krungsri Nimble Company Limited	-	-	-	-	-	7	261	-	-	-	-	124	-	-
Krungsri Genesis Company Limited	-	-	-	-	-	1	856	-	-	-	-	2	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	1	1,231	-	-	-	-	2	-	-
Krungsri Leasing Services Company Limited	-	-	1,096	-	-	-	66	-	-	-	6	-	-	291
Hattha Bank Plc.	557	-	-	168	-	17	-	23	575	-	44	-	13,348	-
Krungsri Finnovate Company Limited	-	-	-	-	-	8	208	-	-	-	4	-	-	-
Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.	-	-	-	-	-	-	10	-	-	-	-	-	-	-
SHBank Finance Company Limited	-	-	1,853	-	-	-	-	-	-	-	5	-	-	1,230

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

June 30, 2024

	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Subsidiaries (Continued)														
PT Home Credit Indonesia	-	-	-	-	-	-	-	-	-	-	4	-	-	427
Total	3,130	-	23,473	168	639	1,099	15,879	14,740	575	-	72	1,540	13,348	2,002
<u>Less</u> Allowance for expected credit loss	(8)	-	(68)	-	-	-	-	-	-	-	-	-	-	-
Total	3,122	-	23,405	168	639	1,099	15,879	14,740	575	-	72	1,540	13,348	2,002
Associate														
Ngern Tid Lor Public Company Limited	-	-	7,602	-	-	5	1,762	-	188	-	5	1	4,524	6
<u>Less</u> Allowance for expected credit loss	-	-	(3)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	7,599	-	-	5	1,762	-	188	-	5	1	4,524	6
Joint ventures														
SB Finance, Inc.	-	-	-	-	-	2	-	-	-	-	-	-	-	-
Lotus's Money Services Limited	-	-	5,756	-	-	2	729	-	-	-	-	3	-	-
Lotus's Life Assurance Broker Limited	-	-	-	-	-	-	305	-	-	-	-	-	-	-
Lotus's General Insurance Broker Limited	-	-	-	-	-	1	389	-	-	-	-	1	-	-
Total	-	-	5,756	-	-	5	1,423	-	-	-	-	4	-	-
<u>Less</u> Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	5,755	-	-	5	1,423	-	-	-	-	4	-	-
Related companies having joint major shareholders or directors	396	47	14,647	219	-	-	28,596	99	67	-	4	75	10,816	276
<u>Less</u> Allowance for expected credit loss	-	-	(28)	-	-	-	-	-	-	-	-	-	-	-
Total	396	47	14,619	219	-	-	28,596	99	67	-	4	75	10,816	276
Individual and related parties	-	-	340	-	-	11	4,143	-	-	-	-	471	-	-
<u>Less</u> Allowance for expected credit loss	-	-	(3)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	337	-	-	11	4,143	-	-	-	-	471	-	-
Total	71,311	47	51,715	11,366	639	1,220	51,803	42,271	5,925	-	752	8,317	296,074	9,914

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

December 31, 2023

	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company														
MUFG Bank, Ltd.	45,811	-	-	8,006	-	149	-	141,947	4,500	-	515	5,338	310,069	6,359
<u>Less</u> Allowance for expected credit loss	(9)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	45,802	-	-	8,006	-	149	-	141,947	4,500	-	515	5,338	310,069	6,359
Subsidiaries														
Ayudhya Development Leasing Company Limited	-	-	4,188	-	-	5	3	-	-	-	41	2	-	1
Ayudhya Capital Auto Lease Public Company Limited	-	-	2,636	-	-	485	1,158	-	-	-	-	321	-	1
Ayudhya Capital Services Company Limited	-	-	2,614	-	-	56	3,692	-	-	-	-	29	-	3
General Card Services Limited	-	-	13,116	-	-	41	1,053	-	-	-	-	2	-	-
Krungsriayudhya Card Company Limited	-	-	9,908	-	-	402	1,967	-	-	-	-	20	-	1
Siam Realty and Services Security Company Limited	-	-	-	-	716	2	30	-	-	-	-	814	-	-
Total Services Solutions Public Company Limited	-	-	-	-	-	3	636	-	-	-	-	12	-	-
Krungsri Asset Management Company Limited	-	-	-	-	-	76	-	6,839	-	-	-	55	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	-	-	2,977	-	-	-	-	8	-	29
Krungsri Securities Public Company Limited	350	-	-	-	-	1	-	2,046	-	-	-	6	-	20
Krungsri Capital Securities Public Company Limited	2,673	-	-	-	-	-	-	8	-	-	-	-	-	-
Krungsri Nimble Company Limited	-	-	-	-	-	3	263	-	-	-	-	113	-	-
Krungsri Genesis Company Limited	-	-	-	-	-	-	864	-	-	-	-	1	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	2	1,129	-	-	-	-	1	-	-
Krungsri Leasing Services Company Limited	-	-	1,283	-	-	-	295	-	-	-	5	-	-	289
Hattha Bank Plc.	518	-	-	69	-	1	-	9	579	-	7	-	13,195	-
Krungsri Finnovate Company Limited	-	-	-	-	-	10	214	-	-	-	1	-	-	-
Krungsri Non-Deposit Taking Microfinance Institution Co., Ltd.	-	-	-	-	-	-	8	-	-	-	-	-	-	-
SHBank Finance Company Limited	-	-	1,385	-	-	-	-	-	-	-	5	-	-	1,517

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

December 31, 2023

	Interbank and money market items (Assets)	Investment, net	Loans to customers and accrued interest receivables, net	Derivative assets	Premises and equipment, net	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Debt issued and borrowings	Provisions	Other liabilities	Derivative (Notional amount)	Contingencies
Subsidiaries (Continued)														
PT Home Credit Indonesia	-	-	-	-	-	-	-	-	-	-	4	-	-	-
Total	3,541	-	35,130	69	716	1,087	14,289	8,902	579	-	63	1,384	13,195	1,861
<u>Less</u> Allowance for expected credit loss	(4)	-	(89)	-	-	-	-	-	-	-	-	-	-	-
Total	3,537	-	35,041	69	716	1,087	14,289	8,902	579	-	63	1,384	13,195	1,861
Associate														
Ngern Tid Lor Public Company Limited	-	-	2,601	-	-	4	1,582	-	81	-	5	-	5,090	6
<u>Less</u> Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	2,600	-	-	4	1,582	-	81	-	5	-	5,090	6
Joint ventures														
SB Finance, Inc.	-	-	-	-	-	3	-	-	-	-	-	-	-	-
Lotus's Money Services Limited	-	-	7,066	-	-	11	792	-	-	-	-	3	-	-
Lotus's Life Assurance Broker Limited	-	-	-	-	-	-	290	-	-	-	-	-	-	-
Lotus's General Insurance Broker Limited	-	-	-	-	-	-	445	-	-	-	-	-	-	-
Total	-	-	7,066	-	-	14	1,527	-	-	-	-	3	-	-
<u>Less</u> Allowance for expected credit loss	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	7,065	-	-	14	1,527	-	-	-	-	3	-	-
Related companies having joint major shareholders or directors	203	61	14,549	265	-	-	27,872	269	59	-	6	35	11,760	270
<u>Less</u> Allowance for expected credit loss	-	-	(35)	-	-	-	-	-	-	-	-	-	-	-
Total	203	61	14,514	265	-	-	27,872	269	59	-	6	35	11,760	270
Individual and related parties	-	-	346	-	-	11	3,890	-	-	-	-	556	-	-
<u>Less</u> Allowance for expected credit loss	-	-	(4)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	342	-	-	11	3,890	-	-	-	-	556	-	-
Total	49,542	61	59,562	8,340	716	1,265	49,160	151,118	5,219	-	589	7,316	340,114	8,496

As at June 30, 2024 and December 31, 2023, the Bank charges interest rates on loan to related parties at 1.00% - 25.00% p.a.

7.26.2 The Bank has investments in subsidiaries, associate and joint ventures as disclosed in Note 7.7.

7.26.3 Income and expenses between the Bank and its subsidiaries, associate, joint ventures and related companies for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	For the three-month period ended June 30, 2024				For the three-month period ended June 30, 2023			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
MUFG Bank, Ltd.	-	1,861	402	62	-	869	1,678	98
Total	-	1,861	402	62	-	869	1,678	98
Associate								
Ngern Tid Lor Public Company Limited	42	(33)	1	-	4	(166)	1	1
Total	42	(33)	1	-	4	(166)	1	1
Joint ventures								
Lotus's Money Services Limited	51	137	-	(3)	43	137	1	(3)
Lotus's Life Assurance Broker Limited	-	4	-	-	-	4	-	-
Lotus's General Insurance Broker Limited	-	11	1	-	-	9	-	-
Total	51	152	1	(3)	43	150	1	(3)
Related companies having joint major shareholders or directors								
	121	9	189	92	93	17	105	92
Individual and related parties								
	4	1	8	6	4	1	6	8
Total	218	1,990	601	157	144	871	1,791	196

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	For the six-month period ended June 30, 2024				For the six-month period ended June 30, 2023			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
MUFG Bank, Ltd.	1	5,248	1,700	140	-	602	3,093	178
Total	1	5,248	1,700	140	-	602	3,093	178
Associate								
Ngern Tid Lor Public Company Limited	48	(198)	1	-	17	(113)	1	-
Total	48	(198)	1	-	17	(113)	1	-
Joint ventures								
Lotus's Money Services Limited	108	272	1	(5)	81	261	1	(5)
Lotus's Life Assurance Broker Limited	-	8	1	-	-	8	-	-
Lotus's General Insurance Broker Limited	-	21	1	-	-	20	1	-
Total	108	301	3	(5)	81	289	2	(5)
Related companies having joint major shareholders or directors								
	237	49	395	195	172	131	190	198
Individual and related parties								
	8	3	16	12	7	2	12	19
Total	402	5,403	2,115	342	277	911	3,298	390

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	For the three-month period ended June 30, 2024				For the three-month period ended June 30, 2023			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
MUFG Bank, Ltd.	-	1,861	288	60	-	869	1,678	97
Total	-	1,861	288	60	-	869	1,678	97
Subsidiaries								
Ayudhya Development Leasing Company Limited	36	3	-	(2)	32	5	-	(2)
Ayudhya Capital Auto Lease Public Company Limited	11	423	2	257	10	427	3	239
Ayudhya Capital Services Company Limited	11	79	6	(22)	27	78	3	(15)
General Card Services Limited	104	22	1	(2)	71	16	1	(2)
Krungsriayudhya Card Company Limited	16	36	1	51	13	33	1	35
Siam Realty and Services Security Company Limited	-	4	4	124	-	4	3	127
Total Services Solutions Public Company Limited	-	1	1	11	-	1	1	12
Krungsri Asset Management Company Limited	-	238	15	1	-	195	7	1
Krungsri Ayudhya AMC Limited	-	2	4	(1)	-	2	2	(1)
Krungsri Securities Public Company Limited	15	8	9	1	3	8	4	-
Krungsri Capital Securities Public Company Limited	8	-	5	-	13	1	-	-
Krungsri Nimble Company Limited	-	7	1	1	-	5	-	1
Krungsri Genesis Company Limited	-	-	2	-	-	-	1	-
Krungsri General Insurance Broker Limited	-	2	2	-	-	3	-	-
Krungsri Leasing Services Company Limited	23	-	1	-	34	-	2	-
Hattha Bank Plc.	13	60	-	-	12	(23)	-	-
Krungsri Finnovate Company Limited	-	10	-	-	-	8	-	-
SHBank Finance Company Limited	24	-	-	-	-	-	-	-
HC Consumer Finance Philippines, Inc.	-	-	-	-	1	-	-	-
Total	261	895	54	419	216	763	28	395
Associate								
Ngern Tid Lor Public Company Limited	42	(33)	1	-	4	(170)	1	-
Total	42	(33)	1	-	4	(170)	1	-
Joint ventures								
Lotus's Money Services Limited	51	11	1	(3)	43	12	-	(3)
Lotus's Life Assurance Broker Limited	-	1	-	-	-	1	-	-
Lotus's General Insurance Broker Limited	-	3	1	-	-	3	-	-
Total	51	15	2	(3)	43	16	-	(3)
Related companies having joint major shareholders or directors								
	119	(5)	81	56	93	1	38	58
Individual and related parties								
	4	1	5	1	3	1	3	2
Total	477	2,734	431	533	359	1,480	1,748	549

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	For the six-month period ended June 30, 2024				For the six-month period ended June 30, 2023			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
MUFG Bank, Ltd.	-	5,248	1,459	137	-	602	3,093	175
Total	-	5,248	1,459	137	-	602	3,093	175
Subsidiaries								
Ayudhya Development Leasing Company Limited	72	6	-	(4)	63	10	-	(4)
Ayudhya Capital Auto Lease Public Company Limited	21	903	4	510	20	874	6	488
Ayudhya Capital Services Company Limited	25	147	11	(43)	63	166	5	(35)
General Card Services Limited	209	42	2	(4)	137	30	1	(4)
Krungsriayudhya Card Company Limited	74	80	3	89	37	63	1	74
Siam Realty and Services Security Company Limited	-	8	8	251	1	7	7	255
Total Services Solutions Public Company Limited	-	2	3	22	-	2	1	23
Krungsri Asset Management Company Limited	-	478	29	2	-	398	13	2
Krungsri Ayudhya AMC Limited	-	4	8	(2)	-	4	4	(2)
Krungsri Securities Public Company Limited	18	16	13	1	6	16	6	-
Krungsri Capital Securities Public Company Limited	27	1	5	-	17	1	-	-
Krungsri Nimble Company Limited	-	14	1	1	-	11	-	2
Krungsri Genesis Company Limited	-	1	4	-	-	-	2	-
Krungsri General Insurance Broker Limited	-	5	3	-	-	6	1	-
Krungsri Leasing Services Company Limited	47	-	1	-	63	-	3	-
Hattha Bank Plc.	26	125	-	-	52	71	-	-
Krungsri Finnovate Company Limited	-	20	-	-	-	15	-	-
SHBank Finance Company Limited	53	-	-	-	-	-	-	-
HC Consumer Finance Philippines, Inc.	-	-	-	-	1	-	-	-
Total	572	1,852	95	823	460	1,674	50	799
Associate								
Ngern Tid Lor Public Company Limited	48	(199)	1	-	17	(121)	1	-
Total	48	(199)	1	-	17	(121)	1	-
Joint ventures								
Lotus's Money Services Limited	108	21	1	(5)	81	17	1	(5)
Lotus's Life Assurance Broker Limited	-	2	1	-	-	2	-	-
Lotus's General Insurance Broker Limited	-	8	1	-	-	7	1	-
Total	108	31	3	(5)	81	26	2	(5)
Related companies having joint major shareholders or directors								
	234	20	156	124	172	97	68	119
Individual and related parties								
	8	3	11	2	7	2	5	3
Total	970	6,955	1,725	1,081	737	2,280	3,219	1,091

- 7.26.4 For the three-month and six-month periods ended June 30, 2024 and 2023, compensations paid to key management personnel under TAS 24 “Related Party Disclosures” are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	For the three-month periods ended June 30,		For the three-month periods ended June 30,	
	2024	2023	2024	2023
	Short-term employee benefits	569	925	283
Post-employment benefits	21	15	10	10
Other long-term benefits	1	-	1	-
Total	<u>591</u>	<u>940</u>	<u>294</u>	<u>278</u>

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2024	2023	2024	2023
	Short-term employee benefits	1,297	1,492	664
Post-employment benefits	43	29	21	18
Other long-term benefits	1	1	1	1
Total	<u>1,341</u>	<u>1,522</u>	<u>686</u>	<u>649</u>

- 7.26.5 For the six-month period ended June 30 2023, there was a related party transaction among subsidiaries regarding dividend payment of Baht 203 million.

- 7.26.6 For the six-month periods ended June 30, 2024 and 2023, related party transactions among subsidiaries included collection services and other services of Baht 439 million and Baht 441 million, respectively, and office and vehicle rental and facilities service of Baht 31 million and Baht 26 million, respectively.

- 7.26.7 For the six-month periods ended June 30, 2024 and 2023, subsidiaries had related party transactions to provide the information technology services of Baht 3 million and Baht 5 million, respectively.

For the six-month periods ended June 30, 2024 and 2023, a subsidiary had related party transactions with the Bank to provide the information technology services of Baht 239 million and Baht 178 million, respectively.

- 7.26.8 For the six-month periods ended June 30, 2024 and 2023, related party transactions among subsidiaries from other services were Baht 929 million and Baht 883 million, respectively.

- 7.26.9 For the six-month periods ended June 30, 2024 and 2023, subsidiaries had loan and accrued interest receivable of Baht 24 million and Baht 26 million, respectively, and recognized interest income of Baht 1 million.

For the six-month period ended June 30, 2024, there was related party transaction among subsidiaries regarding purchases and sales of loan write-off of Baht 40 million.

- 7.26.10 For the six-month periods ended June 30, 2024 and 2023, the Bank had the expected credit loss (reversal) of loans granted and loan commitments and financial guarantee contracts to subsidiaries, associate and joint ventures are as follows:

Unit: Million Baht		
THE BANK'S		
FINANCIAL STATEMENTS		
For the six-month periods ended June 30,		
	2024	2023
Subsidiaries	(7)	11
Associate and Joint ventures	3	-
Total	(4)	11

- 7.26.11 The Extraordinary General Meeting of Shareholders No. 1/2013, held on October 31, 2013, approved the integration of the Bank and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU's Bangkok Branch) by acquisition of the business of BTMU's Bangkok Branch and the entering into a Conditional Branch Purchase Agreement between the Bank as transferee and MUFG Bank, Ltd. (MUFG) as transferor and other related agreements which are asset acquisition and connected transactions.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement, MUFG shall provide various services to the Bank as agreed between the Bank and MUFG prior to the transfer. Such services shall include existing services provided by MUFG to BTMU's Bangkok Branch and other services as necessary and appropriate to ensure continued service to BTMU's Bangkok Branch's customers after the transfer of the assets. The Bank and MUFG will also enter into a Master Service Agreement to provide various services to the Bank which will include but not be limited to (a) General Services Agreement (b) Trademark License Agreement (c) Software License Agreement (d) Other ancillary agreements as may be agreed between the parties under the Master Service Agreement.

From the date of the business transfer of BTMU's Bangkok Branch under the Conditional Branch Purchase Agreement until (1) the lapse of 10 years from the date of the transfer or (2) the date MUFG holds shares in the Bank less than 50 percent of all issued shares (whichever occurs later), the Bank may request for MUFG to provide funding assistance to the Bank and MUFG shall use its best efforts to provide such funding assistance after confirming that: (a) the price and condition for the funding assistance is on an Arm's Length Basis and is beneficial to both parties; (b) such funding assistance is aligned with the Bank's Asset and Liability Policy and Funding Policy; (c) such funding assistance complies with the legal requirements (including tax concerning transfer pricing). If MUFG agrees to provide funding assistance as requested by the Bank, the parties shall further agree on the type, amount, tenor and interest rate of such assistance.

On January 5, 2015, the Bank has entered into the borrowing agreement with MUFG under (1) Uncommitted Revolving Facility or (2) Interbank and Money Market Facility.

On November 30, 2021, the Bank has entered into the Uncommitted Term Loan Credit Facility Agreement with MUFG under Uncommitted Non-Revolving Facility.

7.27 Management compensation

The Bank and its subsidiaries have no special benefits given to the directors and executive officers beyond the general benefits made as usual, including contingency benefits from employment compensation agreements and other benefits for those persons.

The Bank and its subsidiaries did not sell, give, or lease any properties to directors, executive officers, or their related parties, or did not purchase or lease any assets from those persons, except, for the six-month period ended June 30, 2023, the subsidiary had sold assets to managements in the amount of Baht 2 million with the book value of Baht 1 million.

7.28 Lease liabilities

Lease liabilities as at June 30, 2024 and December 31, 2023 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Within one year	1,082	1,124	913	958
Over one year to five years	1,879	1,973	1,633	1,780
Over five years	330	365	267	307
Total	<u>3,291</u>	<u>3,462</u>	<u>2,813</u>	<u>3,045</u>

7.29 Operating segments

The business segment results are prepared based on the Bank and its subsidiaries' internal management reporting which reflects the organizational management structure. The operating results by business segment provided to Chief Operating Decision Maker to make decision about resources allocations, and assess the performance of operating segments. The operating segment results are measured in accordance with Thai Financial Reporting Standards, which are also adjusted in accordance with internal management accounting rules and practices. Amounts for each business segment are shown after the allocation of certain centralized costs, income from investment, and the application of transfer pricing, where appropriate. Transactions between segments are recorded on the same basis as the transaction conducted with the third party. Transactions between segments are eliminated on consolidation.

The business segments are described below:

Retail: provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, bill of exchange, housing loan, credit cards, personal loans and sale finance loans, hire-purchase and leasing, wealth management and bancassurance products.

Commercial: provides financial services and products to institutional clients including corporate, small and medium-sized businesses and financial institutions. Products and services comprise the full range of credit facilities from short term working capital, cash management, trade finance, transactional banking, advisory services, and treasury and money markets products.

Others: encompasses other income and expenses generating activities that are not attributed to the business segments described above.

During the three-month and six-month periods ended June 30, 2024 and 2023, no revenue from transactions with a single external customer or counter party amounted to 10% or more of the Bank and its subsidiaries' total revenue.

Operating segment by businesses for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

	Unit: Million Baht				
	CONSOLIDATED FINANCIAL STATEMENTS				
	For the three-month period ended June 30, 2024				
	Retail	Commercial	Others	Elimination	Total
Interest income, net	20,731	6,913	698	(43)	28,299
Other operating income	<u>9,523</u>	<u>2,331</u>	<u>657</u>	<u>(1,339)</u>	<u>11,172</u>
Total operating income	30,254	9,244	1,355	(1,382)	39,471
Operating expenses	13,510	3,131	1,847	(1,262)	17,226
Expected credit loss	<u>10,131</u>	<u>1,012</u>	<u>631</u>	<u>43</u>	<u>11,817</u>
Profit (loss) before tax	6,613	5,101	(1,123)	(163)	10,428
Taxation	<u>1,331</u>	<u>856</u>	<u>(197)</u>	<u>-</u>	<u>1,990</u>
Net profit (loss)	<u><u>5,282</u></u>	<u><u>4,245</u></u>	<u><u>(926)</u></u>	<u><u>(163)</u></u>	<u><u>8,438</u></u>

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
For the three-month period ended June 30, 2023

	Retail	Commercial	Others	Elimination	Total
Interest income, net	15,783	7,382	171	(37)	23,299
Other operating income	7,282	2,164	522	(1,121)	8,847
Total operating income	23,065	9,546	693	(1,158)	32,146
Operating expenses	10,431	2,879	1,697	(1,213)	13,794
Expected credit loss (reversal)	7,883	(158)	102	(16)	7,811
Profit (loss) before tax	4,751	6,825	(1,106)	71	10,541
Taxation	954	1,349	(251)	-	2,052
Net profit (loss)	3,797	5,476	(855)	71	8,489

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
For the six-month period ended June 30, 2024

	Retail	Commercial	Others	Elimination	Total
Interest income, net	40,652	13,557	1,456	(71)	55,594
Other operating income	18,924	4,843	1,158	(2,515)	22,410
Total operating income	59,576	18,400	2,614	(2,586)	78,004
Operating expenses	26,685	6,207	3,459	(2,541)	33,810
Expected credit loss	21,572	1,182	1,320	14	24,088
Profit (loss) before tax	11,319	11,011	(2,165)	(59)	20,106
Taxation	2,263	2,039	(316)	6	3,992
Net profit (loss)	9,056	8,972	(1,849)	(65)	16,114

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS
For the six-month period ended June 30, 2023

	Retail	Commercial	Others	Elimination	Total
Interest income, net	30,274	14,058	225	(68)	44,489
Other operating income	14,361	4,463	1,356	(2,479)	17,701
Total operating income	44,635	18,521	1,581	(2,547)	62,190
Operating expenses	19,928	5,752	3,897	(2,452)	27,125
Expected credit loss (reversal)	14,215	(697)	102	(11)	13,609
Profit (loss) before tax	10,492	13,466	(2,418)	(84)	21,456
Taxation	2,068	2,652	(465)	(5)	4,250
Net profit (loss)	8,424	10,814	(1,953)	(79)	17,206

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	Retail	Commercial	Others	Elimination	Total
Total assets					
As at June 30, 2024	1,104,330	1,802,601	31,289	(165,442)	2,772,778
As at December 31, 2023	1,126,273	1,777,006	29,385	(164,369)	2,768,295

7.30 Position and results of operations classified by domestic and foreign business

(1) Position classified by type of business

Position classified by domestic and foreign business as at June 30, 2024 and December 31, 2023 are as follows:

	Unit: Million Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	June 30, 2024			December 31, 2023		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Total assets	2,617,630	155,148	2,772,778	2,615,278	153,017	2,768,295
Interbank and money market items, net (Assets)	501,003	23,630	524,633	487,487	20,487	507,974
Financial assets measured at fair value through profit or loss	3,345	-	3,345	1,740	-	1,740
Investments, net*	155,000	554	155,554	147,806	653	148,459
Loans to customers and accrued interest receivable, net	1,814,826	100,599	1,915,425	1,840,487	102,213	1,942,700
Deposits	1,871,502	44,886	1,916,388	1,798,619	40,982	1,839,601
Interbank and money market items (Liabilities)	183,985	48,858	232,843	271,361	52,635	323,996
Debt issued and borrowings	100,687	6,915	107,602	96,333	7,884	104,217

*Includes investments in subsidiaries, associate and joint ventures, net

	Unit: Million Baht					
	THE BANK'S FINANCIAL STATEMENTS					
	June 30, 2024			December 31, 2023		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Total assets	2,525,498	2,380	2,527,878	2,521,172	3,699	2,524,871
Interbank and money market items, net (Assets)	501,127	720	501,847	486,945	2,228	489,173
Financial assets measured at fair value through profit or loss	2,303	-	2,303	623	-	623
Investments, net*	226,364	-	226,364	215,925	-	215,925
Loans to customers and accrued interest receivable, net	1,672,494	1,518	1,674,012	1,700,508	1,297	1,701,805
Deposits	1,887,380	1,301	1,888,681	1,812,908	2,811	1,815,719
Interbank and money market items (Liabilities)	187,824	585	188,409	270,713	567	271,280
Debt issued and borrowings	79,587	-	79,587	78,233	-	78,233

*Includes investments in subsidiaries, associate and joint ventures, net

(2) Results of operations classified by business

Results of operations classified by domestic and foreign business for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	For the three-month period ended			For the three-month period ended		
	June 30, 2024			June 30, 2023		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Interest income	32,458	8,546	41,004	28,649	3,855	32,504
Interest expenses	<u>10,818</u>	<u>1,887</u>	<u>12,705</u>	<u>7,851</u>	<u>1,354</u>	<u>9,205</u>
Net interest income	<u>21,640</u>	<u>6,659</u>	<u>28,299</u>	<u>20,798</u>	<u>2,501</u>	<u>23,299</u>
Fees and service income, net	4,564	1,718	6,282	4,260	322	4,582
Other operating income	4,536	354	4,890	4,091	173	4,264
Other operating expenses	<u>13,308</u>	<u>3,918</u>	<u>17,226</u>	<u>12,585</u>	<u>1,209</u>	<u>13,794</u>
Profit from operating before expected credit loss and income tax	<u><u>17,432</u></u>	<u><u>4,813</u></u>	<u><u>22,245</u></u>	<u><u>16,564</u></u>	<u><u>1,787</u></u>	<u><u>18,351</u></u>

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	For the six-month period ended			For the six-month period ended		
	June 30, 2024			June 30, 2023		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Interest income	63,734	17,251	80,985	55,362	6,259	61,621
Interest expenses	<u>21,613</u>	<u>3,778</u>	<u>25,391</u>	<u>14,736</u>	<u>2,396</u>	<u>17,132</u>
Net interest income	<u>42,121</u>	<u>13,473</u>	<u>55,594</u>	<u>40,626</u>	<u>3,863</u>	<u>44,489</u>
Fees and service income, net	9,035	3,440	12,475	8,464	368	8,832
Other operating income	9,089	846	9,935	8,593	277	8,870
Other operating expenses	<u>25,974</u>	<u>7,836</u>	<u>33,810</u>	<u>25,224</u>	<u>1,901</u>	<u>27,125</u>
Profit from operating before expected credit loss and income tax	<u><u>34,271</u></u>	<u><u>9,923</u></u>	<u><u>44,194</u></u>	<u><u>32,459</u></u>	<u><u>2,607</u></u>	<u><u>35,066</u></u>

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	For the three-month period ended			For the three-month period ended		
	June 30, 2024			June 30, 2023		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Interest income	26,884	30	26,914	22,847	29	22,876
Interest expenses	10,691	14	10,705	7,745	16	7,761
Net interest income	16,193	16	16,209	15,102	13	15,115
Fees and service income, net	2,025	3	2,028	1,699	4	1,703
Other operating income	3,439	5	3,444	5,168	3	5,171
Other operating expenses	9,490	6	9,496	8,767	9	8,776
Profit from operating before expected credit loss and income tax	12,167	18	12,185	13,202	11	13,213

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	For the six-month period ended			For the six-month period ended		
	June 30, 2024			June 30, 2023		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Interest income	52,594	57	52,651	43,819	57	43,876
Interest expenses	21,380	28	21,408	14,550	29	14,579
Net interest income	31,214	29	31,243	29,269	28	29,297
Fees and service income, net	3,896	7	3,903	3,428	7	3,435
Other operating income	7,707	9	7,716	8,281	8	8,289
Other operating expenses	18,331	16	18,347	17,394	19	17,413
Profit from operating before expected credit loss and income tax	24,486	29	24,515	23,584	24	23,608

Income and expenses between the head office and branches or inter-branches are determined by the head office at the rate which approximates actual cost.

7.31 Interest income

Interest income for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

	CONSOLIDATED		Unit: Million Baht THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods		For the three-month periods	
	ended June 30,		ended June 30,	
	2024	2023	2024	2023
Interbank and money market items	3,848	2,421	3,801	2,430
Investment and trading transactions	18	10	18	10
Investment in debt securities	557	429	537	387
Loans to customers				
- Amortized cost	26,471	20,762	15,452	12,865
- Fair value through other comprehensive income	1,839	466	-	-
Hire purchase and finance lease	8,198	8,384	7,034	7,152
Others	73	32	72	32
Total interest income	<u>41,004</u>	<u>32,504</u>	<u>26,914</u>	<u>22,876</u>

	CONSOLIDATED		Unit: Million Baht THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods		For the six-month periods	
	ended June 30,		ended June 30,	
	2024	2023	2024	2023
Interbank and money market items	7,629	4,321	7,569	4,364
Investment and trading transactions	28	14	28	14
Investment in debt securities	1,038	795	996	743
Loans to customers				
- Amortized cost	51,991	39,396	29,732	24,677
- Fair value through other comprehensive income	3,657	466	-	-
Hire purchase and finance lease	16,520	16,562	14,206	14,012
Others	122	67	120	66
Total interest income	<u>80,985</u>	<u>61,621</u>	<u>52,651</u>	<u>43,876</u>

7.32 Interest expenses

Interest expenses for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended June 30,	
	2024	2023	2024	2023
	Deposits	8,104	5,041	7,339
Interbank and money market items	1,291	1,080	276	544
Contributions to Financial Institution Development Fund and Deposit Protection Agency	2,151	2,034	2,151	2,034
Debt issued and borrowings				
- Subordinated debenture	576	593	564	581
- Others	379	338	190	81
Others	204	119	185	104
Total interest expenses	<u>12,705</u>	<u>9,205</u>	<u>10,705</u>	<u>7,761</u>

	CONSOLIDATED FINANCIAL STATEMENTS For the six-month periods ended June 30,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the six-month periods ended June 30,	
	2024	2023	2024	2023
	Deposits	15,569	9,327	14,076
Interbank and money market items	3,332	1,820	1,239	972
Contributions to Financial Institution Development Fund and Deposit Protection Agency	4,262	4,030	4,263	4,030
Debt issued and borrowings				
- Subordinated debenture	1,168	1,180	1,144	1,155
- Others	684	570	350	111
Others	376	205	336	183
Total interest expenses	<u>25,391</u>	<u>17,132</u>	<u>21,408</u>	<u>14,579</u>

7.33 Fees and service income, net

Fees and service income, net for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

	Unit: Million Baht			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended June 30,		For the three-month periods ended June 30,	
	2024	2023	2024	2023
Fees and service income				
- Acceptances, aval and guarantees	130	127	131	127
- Others	8,467	6,418	3,473	3,029
Total fees and service income	8,597	6,545	3,604	3,156
Fees and service expenses	2,315	1,963	1,576	1,453
Total fees and service income, net	<u>6,282</u>	<u>4,582</u>	<u>2,028</u>	<u>1,703</u>

	Unit: Million Baht			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2024	2023	2024	2023
Fees and service income				
- Acceptances, aval and guarantees	259	249	268	249
- Others	17,021	12,618	6,944	6,235
Total fees and service income	17,280	12,867	7,212	6,484
Fees and service expenses	4,805	4,035	3,309	3,049
Total fees and service income, net	<u>12,475</u>	<u>8,832</u>	<u>3,903</u>	<u>3,435</u>

7.34 Gains on financial instruments measured at fair value through profit or loss, net

Gains on financial instruments measured at fair value through profit or loss for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	For the three-month periods ended June 30,		For the three-month periods ended June 30,	
	2024	2023	2024	2023
Gains (losses) on trading and foreign exchange transactions				
- Foreign currency and derivative of currency	1,460	1,010	1,386	946
- Derivative of interest rates	162	426	162	492
- Debt securities	(6)	(37)	(14)	(14)
- Equity securities	(46)	(42)	-	-
Total	1,570	1,357	1,534	1,424
Gains (losses) on hedge accounting	(62)	(65)	(4)	(6)
Total	<u>1,508</u>	<u>1,292</u>	<u>1,530</u>	<u>1,418</u>

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2024	2023	2024	2023
Gains (losses) on trading and foreign exchange transactions				
- Foreign currency and derivative of currency	3,060	2,812	3,014	2,654
- Derivative of interest rates	339	397	372	462
- Debt securities	11	(40)	(5)	(18)
- Equity securities	(50)	(95)	-	-
Total	3,360	3,074	3,381	3,098
Gains (losses) on hedge accounting	2	(72)	(8)	(14)
Total	<u>3,362</u>	<u>3,002</u>	<u>3,373</u>	<u>3,084</u>

7.35 Losses on investments, net

Losses on investments, net for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	For the three-month periods ended June 30,		For the three-month periods ended June 30,	
	2024	2023	2024	2023
Losses on impairments				
- Investments in subsidiaries	-	-	(1,230)	(260)
Total	-	-	(1,230)	(260)

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2024	2023	2024	2023
Losses on impairments				
- Investments in subsidiaries	-	-	(1,230)	(260)
Total	-	-	(1,230)	(260)

7.36 Expected credit loss

Expected credit loss (reversal) for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

	Unit: Million Baht			
	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	For the three-month periods ended June 30,		For the three-month periods ended June 30,	
	2024	2023	2024	2023
Interbank and money market items	33	21	28	15
Investment in debt securities measured at FVOCI	-	8	-	1
Investment in debt securities measured at amortized cost	2	2	2	-
Loans to customers and accrued interest receivable				
- Amortized cost	11,094	7,590	5,209	2,791
- Fair value through other comprehensive income	745	166	-	-
Loan commitments and financial guarantees (reversal)	(57)	24	(79)	29
Total	11,817	7,811	5,160	2,836

	Unit: Million Baht			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2024	2023	2024	2023
Interbank and money market items (reversal)	(2)	211	(138)	169
Investment in debt securities measured at FVOCI (reversal)	-	8	(1)	1
Investment in debt securities measured at amortized cost	1	2	3	-
Loans to customers and accrued interest receivable				
- Amortized cost	22,498	13,205	9,993	5,781
- Fair value through other comprehensive income	1,617	166	-	-
Loan commitments and financial guarantees (reversal)	(26)	18	(31)	68
Total	<u>24,088</u>	<u>13,610</u>	<u>9,826</u>	<u>6,019</u>

7.37 Income tax expenses

Income tax expenses for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

	Unit: Million Baht			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the three-month periods ended June 30,		For the three-month periods ended June 30,	
	2024	2023	2024	2023
Current tax for the periods	2,390	2,449	1,414	1,740
Deferred tax	(400)	(398)	(280)	(137)
Total income tax expenses	<u>1,990</u>	<u>2,051</u>	<u>1,134</u>	<u>1,603</u>

	Unit: Million Baht			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	For the six-month periods ended June 30,		For the six-month periods ended June 30,	
	2024	2023	2024	2023
Current tax for the periods	4,804	4,722	2,811	3,249
Deferred tax	(812)	(472)	(346)	(229)
Total income tax expenses	<u>3,992</u>	<u>4,250</u>	<u>2,465</u>	<u>3,020</u>

Reconciliation of effective income tax rate

	CONSOLIDATED FINANCIAL STATEMENTS				THE BANK'S FINANCIAL STATEMENTS			
	For the six-month periods ended June 30, 2024		2023		For the six-month periods ended June 30, 2024		2023	
	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)	Rate (%)
Profit before tax	20,106		21,457		14,688		17,590	
Income tax at the domestic tax rate	4,021	20.00	4,291	20.00	2,938	20.00	3,518	20.00
<u>Add</u> Tax effect of income and expense that are not exempt for tax purposes	555	2.76	630	2.94	69	0.47	56	0.32
<u>Less</u> Tax effect of income and expense that are exempt for tax purposes	(584)	(2.90)	(671)	(3.13)	(542)	(3.69)	(554)	(3.15)
Income tax expenses as per statements of profit or loss and other comprehensive income	3,992	19.86	4,250	19.81	2,465	16.78	3,020	17.17

7.38 Income tax relating to components of other comprehensive income

Income tax relating to components of other comprehensive income for the three-month and six-month periods ended June 30, 2024 and 2023 are as follows:

	Unit: Million Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	For the three-month periods ended June 30, 2024			2023		
	Amount before tax	Tax income (expenses)	Net amount after tax	Amount before tax	Tax income (expenses)	Net amount after tax
Item that will be reclassified subsequently to profit or loss						
Gains (losses) on investment in debt instruments at FVOCI	(304)	76	(228)	(183)	26	(157)
Gains (losses) on hedges	283	(52)	231	490	(113)	377
Gains (losses) arising from translating the financial statements of foreign operation	(607)	-	(607)	1,241	-	1,241
Share of other comprehensive income of associate and joint venture	(40)	-	(40)	36	-	36
Item that will not be reclassified subsequently to profit or loss						
Gains (losses) on investment designated at FVOCI	(165)	33	(132)	(270)	54	(216)
Actuarial gains (losses) on defined benefit plans	23	(5)	18	-	-	-
Total other comprehensive income, net	(810)	52	(758)	1,314	(33)	1,281

