

Krung Thai Bank Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
30 June 2023

## **Independent Auditor's Report**

To the Shareholders of Krung Thai Bank Public Company Limited

### **Report on Audit of Financial Statements**

#### **Opinion**

I have audited the accompanying consolidated financial statements of Krung Thai Bank Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2023, and the related consolidated 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 consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Krung Thai Bank Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Krung Thai Bank Public Company Limited and its subsidiaries and of Krung Thai Bank Public Company Limited as at 30 June 2023, their financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations.

#### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group 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 my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

### **Allowances for expected credit losses of loans to customers**

As discussed in Note 8.8 to the consolidated financial statements, as at 30 June 2023, the Group had loans to customers of Baht 2,578,124 million (representing 71 percent of total assets) and allowances for expected credit losses amounting to Baht 169,268 million, which are material amounts to the financial statements. In addition, the basis to be used for calculation of the allowance for expected credit losses involves complex calculation modelling and requires management to use significant judgements and estimates in developing expected credit losses models in compliance with Thai Financial Reporting Standards and the rules set by the Bank of Thailand. The areas of significant management judgement include the identification of criteria for assessment of a significant increase in credit risk of loans to customers, the relevant variables with modelling, the selection of the future economic variables to be incorporated in the models and a management overlay used to adjust of the allowance for expected credit losses due to the limitations of the model.

Because of the materiality and the use of judgement and estimates mentioned above, I addressed the adequacy of allowances for expected credit losses of loans to customers as a key audit matter.

I gained an understanding of, assessed and tested, on a sampling basis, the effectiveness of the Group's internal controls relating to the loan origination, the calculation of allowance for expected credit losses of loans to customers, taking into account the exposure balances, complexity and credit risk of each loan portfolio. I compared the accounting policies of the Group with Thai Financial Reporting Standards and the regulations announced by the regulator. I considered and assessed the process governing model development, reviewed model development documentation and model validation report as prepared by the specialist engaged by the management of the Group and independent department of the Group, and tested, on a sampling basis, the accuracy of the data used in model development. I also assessed the methods and assumptions applied by the Group in the calculation of the allowance for expected credit losses, including the method used to incorporate the management overlay to address the limitations of the model and the recording of allowance for expected credit losses. I tested, on a sampling basis, the controls over the information technology systems relevant to the calculation of allowance for expected credit losses.

I examined the allowances for expected credit losses by assessing, on a sampling basis, the classification of loans to customers based on the changes in credit risk since initial recognition, and recalculating, on a sampling basis, the allowance for expected credit losses as at the end of the accounting period, including testing, on a sampling basis, the completeness of the data used in the calculation of allowance for expected credit losses.

Moreover, I assessed the adequacy of disclosure in accordance with the relevant financial reporting standards, as well as notifications and guidelines announced by the Bank of Thailand.

### **Recognition of interest income on loans to customers**

For the six-month period ended 30 June 2023, the Group recognised interest income on loans to customers amounting to Baht 63,723 million (representing 90 percent of total income). The Group recognised interest income using the effective interest rate method, which involves the use of management judgement and estimates in estimating future cash flow receipts throughout the expected life of the financial instrument or, when appropriate, a shorter period, taking into account any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate. Moreover, the interest income was generated from various type of loans provided to a large number of customers and each type of loan agreement had different terms and conditions. In addition, the recognition of interest income relies primarily on data processed by the information technology systems. I therefore focused my audit on whether interest income on loans to customers is recognised appropriately and in a timely manner, in accordance with Thai Financial Reporting Standards and the regulations announced by the Bank of Thailand.

The audit procedures I performed were to gain an understanding of, assess and test, on a sampling basis, the effectiveness of the Group's internal controls relating to loan origination and interest income recognition, including relevant internal controls over information systems. I compared the accounting policies of the Group with Thai Financial Reporting Standards and the regulations announced by the regulatory agency. I also assessed the methods applied by the management to determine the future cash flow receipts and the expected life of the financial instruments used in calculating the effective interest rate, including testing, on a sampling basis, the accuracy of the data and the calculation. In addition, I applied a sampling method to select loan agreements to consider whether the recognition was consistent with the conditions of the relevant agreement and an adjustment was made to reflect effective interest rate. I also performed analytical procedures on interest income on loans to customers and examined, on a sampling basis, material adjustments made through journal vouchers.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

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

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

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

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

I am responsible for the audit resulting in this independent auditor's report.

### **Review Report of Interim Financial Information**

I have reviewed the accompanying consolidated statement of profit or loss and other comprehensive income and notes to the consolidated financial statements for the three-month period ended 30 June 2023 (collectively "Interim Financial Information") of Krung Thai Bank Public Company Limited and its subsidiaries, and I also reviewed the interim separate financial information of Krung Thai Bank Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting and the Bank of Thailand's regulations. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

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

**Conclusion**

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

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 23 August 2023



**Krung Thai Bank Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 30 June 2023**

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June	31 December	30 June	31 December
		2023	2022	2023	2022
<b>Assets</b>					
Cash	8.1	52,854,825	61,590,792	52,838,133	61,565,118
Interbank and money market items - net	8.3	632,696,428	550,940,565	632,388,708	549,955,203
Financial assets measured at fair value through profit or loss	8.4	11,541,822	33,568,015	11,541,822	33,568,015
Derivatives assets	8.5	95,231,430	83,170,487	95,231,430	83,170,487
Investments - net	8.6	248,864,098	277,054,816	248,786,094	277,554,194
Investments in subsidiaries and associated companies - net	8.7	14,381,332	12,319,651	11,136,935	11,175,610
Loans to customers and accrued interest receivables - net	8.8	2,427,215,008	2,443,831,839	2,343,532,925	2,361,276,730
Properties for sale - net	8.10	39,372,863	40,829,441	39,357,489	40,790,389
Land, premises and equipment - net	8.11	30,682,776	31,199,913	28,374,445	28,659,834
Right-of-use assets - net	8.12.1	3,562,587	3,660,321	2,643,171	3,028,949
Intangible assets - net	8.13	17,618,110	15,163,697	17,655,124	14,631,644
Deferred tax assets	8.14.1	4,870,752	4,497,292	2,252,140	1,957,578
Accrued income		2,659,844	2,490,168	2,692,330	2,451,896
Other assets - net	8.15	28,722,354	32,101,866	28,528,253	32,543,392
<b>Total assets</b>		<b>3,610,274,229</b>	<b>3,592,418,863</b>	<b>3,516,958,999</b>	<b>3,502,329,039</b>

The accompanying notes are an integral part of the financial statements.

(Krisada Chinavicharana)

Chairman

(Payong Srivanich)

Chief Executive Officer

**Krung Thai Bank Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 30 June 2023**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June	31 December	30 June	31 December
		2023	2022	2023	2022
<b>Liabilities and equity</b>					
Deposits	8.16	2,579,083,696	2,590,236,439	2,584,351,861	2,594,724,935
Interbank and money market items	8.17	280,320,123	277,098,585	276,216,115	272,492,597
Liabilities payable on demand		4,514,705	5,018,811	4,514,705	5,018,811
Financial liabilities measured at fair value through profit or loss	8.18	-	2,318,740	-	2,318,740
Derivatives liabilities	8.5	87,771,195	78,506,970	87,771,195	78,506,970
Debt issued and borrowings	8.19	159,204,933	151,171,799	112,780,817	106,902,043
Lease liabilities	8.12.2	3,584,634	3,687,832	2,612,937	3,002,514
Provisions	8.20	17,613,886	17,444,245	15,974,727	15,927,492
Other liabilities	8.21	74,240,510	74,363,410	67,242,803	67,425,344
<b>Total liabilities</b>		<b>3,206,333,682</b>	<b>3,199,846,831</b>	<b>3,151,465,160</b>	<b>3,146,319,446</b>
<b>Equity</b>		-	-	-	-
Share capital	8.22				
Authorised share capital					
5,500,000 preferred shares of Baht 5.15 each		28,325	28,325	28,325	28,325
13,976,061,250 ordinary shares of Baht 5.15 each		71,976,715	71,976,715	71,976,715	71,976,715
Issued and paid-up share capital					
5,500,000 preferred shares of Baht 5.15 each		28,325	28,325	28,325	28,325
13,976,061,250 ordinary shares of Baht 5.15 each		71,976,715	71,976,715	71,976,715	71,976,715
Premium on share capital					
Premium on ordinary share		20,833,734	20,833,734	20,833,734	20,833,734
Deficit from the change in the ownership interests in subsidiary		(659,694)	(659,694)	-	-
Other components of equity	8.23	18,383,738	17,906,648	20,214,884	21,771,581
Retained earnings					
Appropriated					
Legal reserve	8.24	7,200,504	7,200,504	7,200,504	7,200,504
Unappropriated		269,580,863	259,018,538	245,239,677	234,198,734
<b>Equity attributable to equity holders of the Bank</b>		<b>387,344,185</b>	<b>376,304,770</b>	<b>365,493,839</b>	<b>356,009,593</b>
Non-controlling interests		16,596,362	16,267,262	-	-
<b>Total equity</b>		<b>403,940,547</b>	<b>392,572,032</b>	<b>365,493,839</b>	<b>356,009,593</b>
<b>Total liabilities and equity</b>		<b>3,610,274,229</b>	<b>3,592,418,863</b>	<b>3,516,958,999</b>	<b>3,502,329,039</b>

The accompanying notes are an integral part of the financial statements.

(Krisada Chinavicharana)

Chairman

(Payong Srivanich)

Chief Executive Officer

(Unaudited but reviewed)

**Krung Thai Bank Public Company Limited and its subsidiaries****Statement of profit or loss and other comprehensive income****For the three-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Profit or loss</b>					
Interest income	8.31	36,872,341	27,259,798	32,744,818	23,536,746
Interest expenses	8.32	9,101,431	5,441,399	8,750,288	5,120,127
<b>Net interest income</b>		27,770,910	21,818,399	23,994,530	18,416,619
Fees and service income		6,707,113	6,727,492	4,990,349	5,051,187
Fees and service expenses		1,910,189	1,816,621	1,256,787	1,271,522
<b>Net fees and service income</b>	8.33	4,796,924	4,910,871	3,733,562	3,779,665
Net gains on financial instruments measured at fair value through profit or loss	8.34	1,221,242	772,692	1,220,640	771,904
Net gains (losses) on investments	8.35	(63,570)	30,591	(102,246)	30,591
Share of profit from investments accounted for under equity method		133,790	200,026	-	-
Dividend income		59,219	145,224	2,843,987	2,664,568
Other operating income		1,796,256	1,586,469	1,037,929	774,662
<b>Total operating income</b>		35,714,771	29,464,272	32,728,402	26,438,009
<b>Other operating expenses</b>					
Employee's expenses		6,126,203	5,623,853	4,527,921	4,162,053
Directors' remuneration		99,683	115,371	8,133	30,320
Premises and equipment expenses		2,500,325	2,340,824	1,354,869	1,272,730
Taxes and duties		1,219,727	970,876	1,066,723	833,864
Impairment losses of properties for sale		579,820	598,702	576,249	645,858
Others		3,502,726	2,867,280	4,544,810	3,798,762
<b>Total other operating expenses</b>		14,028,484	12,516,906	12,078,705	10,743,587
Expected credit losses	8.36	7,754,435	5,668,781	6,299,209	4,636,470
<b>Profit before income tax</b>		13,931,852	11,278,585	14,350,488	11,057,952
Income tax	8.14.2	2,863,864	1,996,202	2,337,641	1,454,741
<b>Net profit</b>		11,067,988	9,282,383	12,012,847	9,603,211

The accompanying notes are an integral part of the financial statements.

(Krisada Chinavicharana)

Chairman

(Payong Srivanich)

Chief Executive Officer

(Unaudited but reviewed)

**Krung Thai Bank Public Company Limited and its subsidiaries****Statement of profit or loss and other comprehensive income (continued)****For the three-month period ended 30 June 2023**

(Unit: Thousand Baht except earnings per share expressed in Baht)					
		Consolidated		Separate	
		financial statements		financial statements	
	Note	2023	2022	2023	2022
<b>Other comprehensive income (loss)</b>					
<i>Transactions that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on debt securities measured at fair value					
		(1,231,955)	(1,825,308)	(1,234,712)	(1,830,186)
through other comprehensive income					
Gains (losses) arising from translating the financial statements of					
		(6,724)	8,312	(6,724)	8,312
foreign operations					
Gains (losses) on cash flow hedges					
		225	(653,583)	225	(653,583)
Gains (losses) from deferred cost of hedging					
		(190,804)	(117,667)	(190,804)	(117,667)
Share of other comprehensive income (loss) of associate (equity method)					
		(1,747,302)	(7,016,198)	-	-
for items that will be reclassified subsequently to profit or loss					
Income tax relating to other comprehensive income (loss)					
	8.14.2	284,507	519,312	285,058	520,288
for items that will be reclassified subsequently to profit or loss					
<i>Transactions that will never be reclassified subsequently to profit or loss</i>					
Gains (losses) on investments in equity designated to be measured					
		(118,169)	(235,954)	(117,602)	(235,954)
at fair value through other comprehensive income					
Actuarial gains (losses) on defined benefit plan					
		442,126	1,085,573	442,126	1,085,573
Share of other comprehensive income (loss) of associate (equity method)					
		(310,206)	(218,174)	-	-
for items that will never be reclassified subsequently to profit or loss					
Income tax relating to other comprehensive income (loss)					
	8.14.2	(64,792)	(169,923)	(64,904)	(169,923)
for items that will never be reclassified subsequently to profit or loss					
<b>Other comprehensive income (loss) - net</b>					
		(2,943,094)	(8,623,610)	(887,337)	(1,393,140)
<b>Total comprehensive income (loss)</b>					
		8,124,894	658,773	11,125,510	8,210,071
<b>Total profit attributable to:</b>					
Equity holders of the Bank					
		10,156,196	8,358,393	12,012,847	9,603,211
Non-controlling interest					
		911,792	923,990		
		11,067,988	9,282,383		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Bank					
		7,213,102	(265,217)	11,125,510	8,210,071
Non-controlling interest					
		911,792	923,990		
		8,124,894	658,773		
<b>Earnings per share of the Bank</b>					
	8.37				
Basic earnings per share (Baht)					
		0.73	0.60	0.86	0.69

The accompanying notes are an integral part of the financial statements.

(Krisada Chinavicharana)

Chairman

(Payong Srivanich)

Chief Executive Officer

**Krung Thai Bank Public Company Limited and its subsidiaries**

**Statement of profit or loss and other comprehensive income**

**For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
<b>Profit or loss</b>					
Interest income	8.31	70,977,567	53,468,405	62,905,442	46,275,369
Interest expenses	8.32	17,587,473	10,564,353	16,907,537	9,920,092
<b>Net interest income</b>		53,390,094	42,904,052	45,997,905	36,355,277
Fees and service income		13,862,948	13,768,087	10,427,807	10,480,218
Fees and service expenses		3,927,497	3,888,956	2,655,799	2,815,756
<b>Net fees and service income</b>	8.33	9,935,451	9,879,131	7,772,008	7,664,462
Net gains on financial instruments measured at fair value					
through profit or loss	8.34	3,119,983	2,520,784	3,119,473	2,520,901
Net gains on investments	8.35	195,296	103,888	156,620	103,888
Share of profit from investments accounted for under equity method		532,389	587,724	-	-
Dividend income		235,408	245,948	3,082,476	3,141,742
Other operating income		3,578,131	2,907,659	2,025,623	1,274,037
<b>Total operating income</b>		70,986,752	59,149,186	62,154,105	51,060,307
<b>Other operating expenses</b>					
Employee's expenses		12,958,685	11,957,232	9,877,062	9,116,148
Directors' remuneration		185,957	181,640	32,382	37,790
Premises and equipment expenses		4,895,496	4,598,071	2,650,307	2,488,566
Taxes and duties		2,412,647	1,928,710	2,101,830	1,655,607
Impairment losses of properties for sale		856,616	833,917	937,880	886,183
Others		6,369,104	5,261,104	8,492,619	7,185,194
<b>Total other operating expenses</b>		27,678,505	24,760,674	24,092,080	21,369,488
Expected credit losses	8.36	15,858,005	11,139,202	13,028,173	9,052,920
<b>Profit before income tax</b>		27,450,242	23,249,310	25,033,852	20,637,899
Income tax	8.14.2	5,394,991	4,313,464	4,348,024	3,241,633
<b>Net profit</b>		22,055,251	18,935,846	20,685,828	17,396,266

The accompanying notes are an integral part of the financial statements.

(Krisada Chinavicharana)

Chairman

(Payong Srivanich)

Chief Executive Officer

**Krung Thai Bank Public Company Limited and its subsidiaries**  
**Statement of profit or loss and other comprehensive income (continued)**  
**For the six-month period ended 30 June 2023**

(Unit: Thousand Baht except earnings per share expressed in Baht)					
	Consolidated		Separate		
	financial statements		financial statements		
Note	2023	2022	2023	2022	
<b>Other comprehensive income (loss)</b>					
<i>Transactions that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on debt securities measured at fair value					
through other comprehensive income	(755,513)	(2,577,597)	(771,006)	(2,586,458)	
Gains (losses) arising from translating the financial statements of					
foreign operations	(11,376)	(6,209)	(11,376)	(6,209)	
Gains (losses) on cash flow hedges	(207,021)	(625,438)	(207,021)	(625,438)	
Gains (losses) from deferred cost of hedging	(41,775)	(166,380)	(41,775)	(166,380)	
Share of other comprehensive income (loss) of associate (equity method)					
for items that will be reclassified subsequently to profit or loss	2,541,334	(12,509,947)	-	-	
Income tax relating to other comprehensive income (loss)					
for items that will be reclassified subsequently to profit or loss	8.14.2	200,862	673,883	203,960	675,656
<i>Transactions that will never be reclassified subsequently to profit or loss</i>					
Gains (losses) on investments in equity designated to be measured					
at fair value through other comprehensive income	(908,191)	(1,188,041)	(907,624)	(1,188,041)	
Actuarial gains (losses) on defined benefit plan	(139,988)	1,085,573	(139,988)	1,085,573	
Share of other comprehensive income (loss) of associate (equity method)					
for items that will never be reclassified subsequently to profit or loss	(535,069)	(665,697)	-	-	
Income tax relating to other comprehensive income (loss)					
for items that will never be reclassified subsequently to profit or loss	8.14.2	209,635	20,494	209,523	20,494
<b>Other comprehensive income (loss) - net</b>		<b>352,898</b>	<b>(1,665,307)</b>	<b>(2,790,803)</b>	
<b>Total comprehensive income (loss)</b>		<b>22,408,149</b>	<b>2,976,487</b>	<b>19,020,521</b>	<b>14,605,463</b>
<b>Total profit attributable to:</b>					
Equity holders of the Bank		20,222,792	17,138,737	20,685,828	17,396,266
Non-controlling interest		1,832,459	1,797,109		
		<b>22,055,251</b>	<b>18,935,846</b>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Bank		20,575,690	1,179,378	19,020,521	14,605,463
Non-controlling interest		1,832,459	1,797,109		
		<b>22,408,149</b>	<b>2,976,487</b>		
<b>Earnings per share of the Bank</b>	8.37				
Basic earnings per share (Baht)		1.45	1.23	1.48	1.24

The accompanying notes are an integral part of the financial statements.

(Krisada Chinavicharana)  
Chairman

(Payong Srivanich)  
Chief Executive Officer

Krung Thai Bank Public Company Limited and its subsidiaries

Statement of changes in equity

For the six-month period ended 30 June 2023

(Unit: Thousand Baht)

Consolidated financial statements												
	Attributable to equity holder of the Bank											
	Deficit from the			Other components of equity					Total equity			
	Issued and	Premium	change in the	Surplus (deficit)	Surplus (deficit)	Hedge	Gains (losses) from	Share of other	Retained	Total equity	Non-controlling	Total
	fully paid-up	on share	ownership interest	on revaluation	on revaluation	reserve	translating the	comprehensive income	earnings	attributable to	interests	
	share capital	capital	in subsidiary	of assets	of investments	(Note 8.5.2)	financial statements	(loss) of associates		of the Bank		
<b>Balance as at 1 January 2022</b>	72,005,040	20,833,734	(659,694)	14,296,331	10,076,906	67,482	73,158	6,012,485	237,347,450	360,052,892	14,058,548	374,111,440
Dividends payment (Note 8.25)	-	-	-	-	-	-	-	-	(5,845,142)	(5,845,142)	(1,307,265)	(7,152,407)
Transfer to retained earnings	-	-	-	-	-	-	-	(26,128)	26,128	-	-	-
Total comprehensive income (loss)	-	-	-	-	(3,012,511)	(633,454)	(6,209)	(13,175,644)	18,007,196	1,179,378	1,797,109	2,976,487
<b>Balance as at 30 June 2022</b>	<u>72,005,040</u>	<u>20,833,734</u>	<u>(659,694)</u>	<u>14,296,331</u>	<u>7,064,395</u>	<u>(565,972)</u>	<u>66,949</u>	<u>(7,189,287)</u>	<u>249,535,632</u>	<u>355,387,128</u>	<u>14,548,392</u>	<u>369,935,520</u>
<b>Balance as at 1 January 2023</b>	72,005,040	20,833,734	(659,694)	14,211,201	7,516,678	301,759	18,424	(4,141,414)	266,219,042	376,304,770	16,267,262	392,572,032
Dividends payment (Note 8.25)	-	-	-	-	-	-	-	-	(9,536,275)	(9,536,275)	(1,503,359)	(11,039,634)
Transfer to retained earnings	-	-	-	(3,379)	-	-	-	15,581	(12,202)	-	-	-
Total comprehensive income (loss)	-	-	-	-	(1,330,963)	(199,037)	(11,376)	2,006,264	20,110,802	20,575,690	1,832,459	22,408,149
<b>Balance as at 30 June 2023</b>	<u>72,005,040</u>	<u>20,833,734</u>	<u>(659,694)</u>	<u>14,207,822</u>	<u>6,185,715</u>	<u>102,722</u>	<u>7,048</u>	<u>(2,119,569)</u>	<u>276,781,367</u>	<u>387,344,185</u>	<u>16,596,362</u>	<u>403,940,547</u>
	-	-	-	-	-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

.....  
(Krisada Chinavicharana)  
Chairman

.....  
(Payong Srivanich)  
Chief Executive Officer

**Krung Thai Bank Public Company Limited and its subsidiaries**

**Statement of changes in equity (continued)**

**For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Separate financial statements							Total
	Other components of equity							
	Issued and	Premium	Surplus (deficit)	Surplus (deficit)	Hedge	Gains (losses) from	Retained	
	fully paid-up	on share	on revaluation	on revaluation	reserve	translating the	earnings	
	share capital	capital	of assets	of investments	(Note 8.5.2)	financial statements		
Balance as at 1 January 2022	72,005,040	20,833,734	14,005,413	10,084,234	67,482	73,158	214,665,316	331,734,377
Dividends payment (Note 8.25)	-	-	-	-	-	-	(5,845,142)	(5,845,142)
Total comprehensive income (loss)	-	-	-	(3,019,598)	(633,454)	(6,209)	18,264,724	14,605,463
Balance as at 30 June 2022	72,005,040	20,833,734	14,005,413	7,064,636	(565,972)	66,949	227,084,898	340,494,698
Balance as at 1 January 2023	72,005,040	20,833,734	13,920,283	7,531,115	301,759	18,424	241,399,238	356,009,593
Dividends payment (Note 8.25)	-	-	-	-	-	-	(9,536,275)	(9,536,275)
Transfer to retained earnings	-	-	(3,379)	-	-	-	3,379	-
Total comprehensive income (loss)	-	-	-	(1,342,905)	(199,037)	(11,376)	20,573,839	19,020,521
Balance as at 30 June 2023	72,005,040	20,833,734	13,916,904	6,188,210	102,722	7,048	252,440,181	365,493,839
	-	-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

.....  
(Krisada Chinavicharana)

Chairman

.....  
(Payong Srivanich)

Chief Executive Officer



**Krung Thai Bank Public Company Limited and its subsidiaries**
**Statements of cash flows**
**For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Cash flows from operating activities</b>				
Profit before income tax	27,450,242	23,249,310	25,033,852	20,637,899
Adjustments to reconcile profit before income tax				
to net cash received (paid) from operating activities:				
Depreciation and amortisation expenses	3,212,479	2,806,201	2,390,530	1,956,737
Expected credit losses	15,858,005	11,139,202	13,028,173	9,052,920
Share of profit from investments accounted for under equity method	(532,389)	(587,724)	-	-
Losses on disposal of assets	61,605	451	24,168	40
Gains on disposal of investments	(195,296)	(103,888)	(195,296)	(103,888)
Unrealised (gains) losses on financial instruments measured				
at fair value through profit or loss	(1,235,521)	1,295,760	(1,235,011)	1,295,643
Losses on impairment of properties for sale	856,616	833,917	937,880	886,183
Losses on impairment of investment	-	-	38,676	-
Losses on impairment of intangible assets	431,264	-	431,264	-
Losses on impairment of other assets	95,079	98,745	91,681	92,176
Amortisation of premium (discount) on investments	154,426	235,240	159,442	235,240
Losses on foreign currency translation	87,986	712,873	87,986	712,873
Increase (decrease) in provisions	948,749	54,013	804,015	(120,056)
(Increase) decrease in other accrued income	(229,453)	(124,578)	(300,212)	(251,305)
Increase (decrease) in other accrued expenses	(2,778,462)	(1,768,160)	(3,753,671)	(2,146,305)
	44,185,330	37,841,362	37,543,477	32,248,157
Net interest income	(53,390,094)	(42,904,052)	(45,997,905)	(36,355,277)
Dividend income	(235,408)	(245,948)	(3,082,476)	(3,141,742)
Proceeds from interest income	68,986,448	53,400,329	60,931,092	46,221,197
Cash paid on interest expenses	(14,078,691)	(10,938,998)	(13,394,974)	(10,272,344)
Proceeds from dividend income	713,168	782,331	3,083,262	3,142,510
Cash refunded for income tax	4,597	14,499	4,597	-
Cash paid on income tax expenses	(4,693,351)	(3,418,373)	(3,538,392)	(2,484,753)
<b>Income from operating activities before changes in operating assets and liabilities</b>	<b>41,491,999</b>	<b>34,531,150</b>	<b>35,548,681</b>	<b>29,357,748</b>

The accompanying notes are an integral part of the financial statements.

(Krisada Chinavicharana)

Chairman

(Payong Srivanich)

Chief Executive Officer

**Krung Thai Bank Public Company Limited and its subsidiaries**

**Statements of cash flows (continued)**

**For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Cash flows from operating activities (continued)</b>				
(Increase) decrease in operating assets				
Interbank and money market items	(81,180,647)	(73,499,620)	(81,858,281)	(73,676,121)
Financial assets measured at fair value through profit or loss	21,776,678	3,296,889	21,776,168	3,565,124
Derivatives assets	8,189,105	3,829,497	8,189,105	3,829,497
Loans to customers	2,835,144	(12,216,274)	6,824,614	(7,188,632)
Properties for sale	1,289,313	1,014,967	1,134,723	907,784
Other assets	2,868,744	(7,852,440)	3,548,028	(7,569,508)
Increase (decrease) in operating liabilities				
Deposits	(12,151,764)	(12,525,444)	(11,372,095)	(13,449,696)
Interbank and money market items	2,812,313	(38,564,182)	3,314,294	(42,598,984)
Liabilities payable on demand	(537,866)	687,438	(537,866)	687,438
Financial liabilities measured at fair value through profit or loss	(2,285,258)	2,714,392	(2,285,258)	2,714,392
Derivatives liabilities	(12,495,550)	(3,156,647)	(12,495,550)	(3,156,647)
Other liabilities	2,825,191	693,383	3,249,910	2,135,705
<b>Net cash provided by (used in) operating activities</b>	<b>(24,562,598)</b>	<b>(101,046,891)</b>	<b>(24,963,527)</b>	<b>(104,441,900)</b>
<b>Cash flows from investing activities</b>				
Purchase of debt and equity securities measured at				
fair value through other comprehensive income	(94,013,661)	(63,058,206)	(93,976,695)	(62,661,206)
Proceeds from disposal of debt and equity securities measured at				
fair value through other comprehensive income	124,208,451	145,930,082	124,208,660	145,930,082
Purchase of debt securities measured at amortised cost	(1,970,349)	(261,662)	(379,203)	(261,662)
Proceeds from disposal of debt instruments measured at amortised cost	1,681,825	1,021,409	381,827	620,338
Purchase of intangible assets	(7,680,814)	(2,732,756)	(7,972,392)	(2,863,253)
Purchase of land, premises and equipment	(1,076,562)	(820,636)	(899,634)	(143,166)
Proceeds from disposal of land, premises and equipment	209	1,318	166	212
<b>Net cash provided by (used in) investing activities</b>	<b>21,149,099</b>	<b>80,079,549</b>	<b>21,362,729</b>	<b>80,621,345</b>

The accompanying notes are an integral part of the financial statements.

(Krisada Chinavicharana)

Chairman

(Payong Srivanich)

Chief Executive Officer

**Krung Thai Bank Public Company Limited and its subsidiaries**

**Statements of cash flows (continued)**

**For the six-month period ended 30 June 2023**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Cash flows from financing activities</b>				
Proceeds from debt issued and borrowings	13,901,984	30,811,370	10,165,500	27,145,370
Repayments of debt issued and borrowings	(7,090,838)	(9,552,702)	(4,890,838)	(4,552,702)
Repayments of lease liabilities	(1,082,605)	(1,165,512)	(853,199)	(943,671)
Dividend paid for ordinary share	(9,531,674)	(5,841,993)	(9,531,674)	(5,841,993)
Dividend paid for preferred share	(4,601)	(3,149)	(4,601)	(3,149)
Dividend paid to non-controlling interests	(1,503,359)	(1,307,265)	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(5,311,093)</b>	<b>12,940,749</b>	<b>(5,114,812)</b>	<b>15,803,855</b>
Gains (losses) from translating the financial statements of foreign operations	(11,375)	(6,209)	(11,375)	(6,209)
<b>Decrease in cash and cash equivalents</b>	<b>(8,735,967)</b>	<b>(8,032,802)</b>	<b>(8,726,985)</b>	<b>(8,022,909)</b>
<b>Beginning balance of cash and cash equivalents</b>	<b>61,590,792</b>	<b>63,543,939</b>	<b>61,565,118</b>	<b>63,515,240</b>
<b>Ending balance of cash and cash equivalents</b>	<b>52,854,825</b>	<b>55,511,137</b>	<b>52,838,133</b>	<b>55,492,331</b>
	-	-	-	-

The accompanying notes are an integral part of the financial statements.

(Krisada Chinavicharana)

Chairman

(Payong Srivanich)

Chief Executive Officer

**Krung Thai Bank Public Company Limited and its subsidiaries**  
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**For the six-month period ended 30 June 2023**

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**Krung Thai Bank Public Company Limited and its subsidiaries**

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**For the six-month period ended 30 June 2023**

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# **Krung Thai Bank Public Company Limited and its subsidiaries**

## **Notes to consolidated financial statements**

**For the six-month period ended 30 June 2023**

### **1. General information**

Krung Thai Bank Public Company Limited (“the Bank”) is a public company limited registered in Thailand with its head office located at 35 Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok. The Bank engages in commercial banking business and conducts its business through a nationwide branch network and in certain major centers of the world.

### **2. Basis of preparation of the financial statements**

These financial statements are presented in accordance with the Notification of the Bank of Thailand (“BOT”) No. SOR NOR SOR. 21/2561 dated 31 October 2018, regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups, including any other supplementary BOT’s Notifications; and with the regulations of the Stock Exchange of Thailand (“SET”) dated 2 October 2017, regarding the Preparation and Submission of Financial Statements and Report on Financial Position and Results of Business Operations of Listed Companies, B.E. 2560. Moreover, these financial statements are prepared in conformity with financial reporting standards, under the Accounting Act B.E. 2547.

The statement of profit or loss and other comprehensive income and notes to the financial statements for the three-month period ended 30 June 2023 are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting. The Bank chooses to present the statement of profit or loss and other comprehensive income and notes to financial statements in the same full format as that used for the annual financial statements.

#### The consolidated financial statements

The consolidated financial statements comprise the financial statements of the Bank and those of its subsidiaries in which the Bank has a controlling interest, after eliminating significant intercompany transactions and balances. The list of 16 subsidiaries is shown in Note 8.7.1 to the consolidated financial statements. The financial statements of the subsidiaries are prepared for the same reporting period as the Bank, using the same significant accounting policies. In cases where there are different accounting policies, the Bank has adjusted the effect of these differences in the consolidated financial statements.

The percentages of shareholdings and investments in the Bank’s subsidiaries and associated companies are shown in Note 8.7 to the consolidated financial statements.

Investments in associated companies are accounted in the consolidated financial statements using the equity method.

### The separate financial statements

Investments in subsidiaries and associated companies are accounted for in the separate financial statements using the cost method.

The Bank's financial statements as at 30 June 2023 and 31 December 2022, and for the six-month periods ended 30 June 2023 and 2022 included the accounts of domestic and foreign branches, after eliminating the effects of all interbranch transactions.

### The English language financial statements

The financial statements in Thai language are the official statutory financial statements of the Bank. The financial statements in English language have been translated from the Thai language financial statements. In case of a conflict or a difference in interpretation between the two languages, the Thai language financial statements shall prevail.

## **3. New financial reporting standards**

### **3.1 Financial reporting standards that became effective in the current period**

The revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Bank and its subsidiaries' financial statements.

### **3.2 Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19**

The Federation of Accounting Professions announced Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19. Its objectives are to provide temporary relief measures and an alternative for all entities providing assistance to debtors in accordance with guidelines of the BOT. The accounting guidance is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes.

Under this accounting guidance, the Bank and its subsidiaries may elect to adopt the accounting treatments consistent with the circular of the BOT No. BOT.RPD2.C.802/2564 “Guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution)”. The assistance to debtors can be classified into 2 groups by debt restructuring method as follows:

- For debt restructuring for the purpose of reducing the debt burden of debtors that involves more than just a payment timeline extension, the Bank and its subsidiaries may elect to apply temporary relief measures relating to staging assessment and setting aside of provisions. (Assistance type 1)

- For debt restructuring involving only a payment timeline extension, the Bank and its subsidiaries is required to perform staging assessment and set aside provisions in accordance with the relevant financial reporting standards. (Assistance type 2)

The Bank and its subsidiaries provide both types of assistance to debtors. For assistance type 1, the Bank and its subsidiaries has elected to apply all temporary relief measures under this accounting guidance relating to staging assessment and setting aside of provisions.

#### **4. Significant accounting policies**

##### **4.1 Revenue recognition**

###### Interest income

The Bank and its subsidiaries recognise interest income by using the Effective Interest Rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The effective interest rate is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate.

The Bank and its subsidiaries calculate interest income by applying the effective interest rate to the gross carrying amount of financial assets. When a financial asset becomes credit-impaired, the Bank and its subsidiaries calculate interest income by applying the effective interest rate to the net carrying amount (gross carrying amount net of allowance for expected credit losses) of the financial asset. If the financial asset is no longer credit-impaired, the Bank and its subsidiaries revert to calculating interest income on a gross carrying amount.

For the effective interest rate of financial assets or liabilities referenced with new benchmark rates arising from the interest rate benchmark reform, it is calculated as same as a calculation of effective interest rate for floating rate contracts. The new effective interest rate will be calculated on the first date that the benchmark rate has been changed and effective. This is not considered term modification because it is an adjustment to be economically equivalent such as spread adjustment.

###### Fee and service income

Unless included in the effective interest rate calculation, the Bank and its subsidiaries recognise fee income on an accrual basis when the service has been provided or upon satisfaction of performance obligations.

###### Dividend income

Dividend income from investments is recognised when declared.



## **4.2 Expenses recognition**

### Interest expenses

Interest expenses on financial liabilities measured at amortised cost are calculated using the Effective Interest Rate method and recognised on an accrual basis.

### Fee and service expenses, and other operating expenses

The Bank and its subsidiaries recognise fee and service expenses and other operating expenses on an accrual basis.

## **4.3 Net gains (losses) from financial instruments measured at fair value through profit or loss**

Net gains (losses) from financial instruments measured at fair value through profit or loss consist of gains (losses) on trading and foreign exchange transactions, gains (losses) from changes in the fair value of derivatives and financial assets designated at fair value through profit or loss, gains (losses) from sales of financial assets measured at fair value through profit or loss, and derivatives, and net gains (losses) from hedge accounting. The Bank and its subsidiaries recognise them as income or expenses on the transaction date.

## **4.4 Cash and Cash Equivalents**

Cash and cash equivalents represent cash in hand and cash on collection.

## **4.5 Derivatives and hedge accounting**

Derivatives are initially recorded at fair value at the date on which a derivative contract is entered into (Trade Date) and are classified as trading, except for where they are designated as a part of an effective hedge relationship and classified as hedging derivatives. Derivatives are subsequently measured at fair value. The changes in fair value are recognised as gains (losses) on financial instruments measured at fair value through profit or loss unless hedge accounting is applied. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

### **Hedge accounting**

The Bank and its subsidiaries make use of derivatives to manage exposures arising from assets, liabilities, off-balance sheet items, net position or cash flow. Hedging accounting can be applied for hedged items and hedging instruments. Upon meeting specified criteria for hedge accounting, the Bank and its subsidiaries apply hedge accounting for the aforementioned derivatives.

The Bank and its subsidiaries designate certain derivatives as follows:

- Fair value hedges
- Cash flow hedges
- Dynamic hedges

In hedging, the Bank and its subsidiaries take into consideration the relationship between hedging instruments and the hedged items, including the nature of the risk, the objective and strategy for undertaking the hedge as well as the effectiveness of the hedging relationship.

Although there is an interest rate benchmark reform, the Bank and its subsidiaries can continue applying current hedge accounting as there will be a pricing adjustment that will make old and new contract terms economically equivalent. However, the Bank and its subsidiaries amend hedge relationship to reflect new interest rate and amend description of hedged items and hedging instruments.

#### Fair value hedges

The Bank and its subsidiaries recognise the movement in fair value of the hedged item and of the hedging instrument in profit or loss, except for the hedging transaction of investments in equity securities designated at fair value through other comprehensive income which the movement in fair value will be recognised in the other comprehensive income that will be recognised at fair value movement of the hedged item and of the hedging instrument in other comprehensive income. The cumulative changes in the fair value attributable to the hedged risk of hedged item is made as an adjustment to the carrying value of the hedged assets or liabilities.

The Bank adopts interest rate swap contract and/or interest rate swap option contract to hedge the risk from changes in fair value from interest rate of debt issued and borrowings and/or interbank and money market items (liabilities) and/or loans to customers. The Bank performs hedge effectiveness test by comparing changes in fair value (only a portion of risk being hedged) of hedged items with changes in fair value of hedging instruments. In addition, the Bank has also considered a qualitative approach by comparing the critical terms of significant characteristics such as cash flow, interest rate, and the duration of hedged items and hedging instruments that make perfectly match from the designation date. Causes of ineffectiveness of hedging could be arisen from the differences in cash flow and the differences in duration between hedged duration and hedging instruments.

The Bank adopts foreign currency swap contract and foreign currency forward contract to hedge risk from changes in fair value of foreign exchange rate risk of investments in equity securities designated at fair value through other comprehensive income. The Bank performs hedge effectiveness test by comparing changes in fair value (only a portion of risk being hedged) of hedged items with changes in fair value of hedging instruments by excluding cost of hedging in the effectiveness test. In addition, the Bank has also considered a qualitative approach by comparing the critical terms of significant characteristics such as cash flow, interest rate, and the duration of hedged items and hedging instruments that make perfectly match from the designation date. Causes of ineffectiveness of hedging could be arisen from the differences in cash flow and the differences in duration between hedged items and hedging instruments.

When a hedging instrument expires, is sold, is terminated or is exercised, or when a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortised to profit or loss in the statement of profit or loss and other comprehensive income using effective interest rate. Where the hedged item is derecognised from the statement of financial position, the unamortised fair value adjustment is immediately recognised in profit or loss in the statement of profit or loss and other comprehensive income.

#### Cash flow hedges

The Bank and its subsidiaries recognise an effective portion of the cumulative changes in the fair value of hedging instrument in the cash flow hedge reserve within equity. The gains or losses relating to the ineffective portion is immediately recognised in profit or loss in the statement of profit or loss and other comprehensive income. The cash flow hedges reserve in equity are transferred to profit or loss in the statement of profit or loss and other comprehensive income in the period(s) in which the hedged item affects the statement of profit or loss and other comprehensive income.

The Bank adopts cross currency interest rate swap contracts to hedge the risk of cash flows from interest rate and foreign exchange rate of investments in debt securities that are not measured at fair value through profit or loss. The Bank performs effectiveness test by comparing changes in fair value between hedged items by creating hypothetical derivative and changes in fair value of hedging instrument by excluding cost of hedging in the effectiveness test. In addition, the Bank has also considered a qualitative approach by comparing critical terms of significant characteristics such as cash flow, interest rate, and the duration of hedged items and hedging instruments that make perfectly match from the transaction date. Causes of ineffectiveness of hedging could be arisen from the differences in cash flow and the differences in duration between hedged items and hedging instruments.

When a hedging instrument expires, is sold, is terminated or is exercised, or when a hedge no longer meets the criteria for hedge accounting, the cash flow hedges reserve in equity at that time remains in equity and is recognised in profit or loss in the statement of profit or loss and other comprehensive income when the forecast transaction is ultimately recognised in the statement of profit or loss and other comprehensive income. When a forecast transaction is no longer expected to occur, the cumulative gains or losses existing in equity at that time is immediately transferred to profit or loss in the statement of profit or loss and other comprehensive income.

### Dynamic hedges

The Bank adopts interest rate swap contracts as hedging instruments for dynamic risk management, which is in accordance with the characteristics described in TFRS 9. Therefore, derivatives, which have the purpose of dynamic risk management, are recorded as off-balance items and presented on an accrual method. Interest rate components are presented on an accrual basis, similar to hedged assets or liabilities, that are considered as part of interest income or interest expenses throughout the contract period. Receivables and payables under swap contracts are presented at the net amount in the statement of financial position.

### Embedded derivatives

Embedded derivatives are component of hybrid or combined instruments that consist of non-derivative host contracts.

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

For derivatives embedded in financial liabilities host contracts, embedded derivatives will be separated from the host contract and accounted for as derivatives if all of the following criteria are met:

- The economic characteristics and risks are not closely related to the host;
- A separated embedded derivative from the host would meet the definition of a derivative; and
- The hybrid contract is not measured at fair value through profit or loss.

## **4.6 Financial instruments**

### **Recognition of financial instruments**

The Bank and its subsidiaries recognise financial assets or financial liabilities when the Bank and its subsidiaries become a party to the contractual provisions of the financial instruments.

### **Classification and measurement of financial assets and financial liabilities**

#### Financial assets - debt instruments

The Bank and its subsidiaries classify its financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Bank's and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets as follows:

- Financial assets measured at amortised cost only if both following conditions are met: the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value on trade date and subsequently measured at amortised cost net of allowance for expected credit losses (if any).
- Financial assets measured at fair value through other comprehensive income only if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value and subsequently measured at fair value. The unrealised gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realised, after which such gains or losses on disposal of the instruments will be recognised in profit or loss in the statement of profit or loss and other comprehensive income. The gains or losses on foreign exchange, expected credit losses, and interest income which calculated using the effective interest rate method are recognised in profit or loss in the statement of profit or loss and other comprehensive income .
- Financial assets measured at fair value through profit or loss unless the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value and are subsequently measured at fair value. Unrealised gains and losses from changes in fair value, and gains and losses on disposal of instruments are recognised as gains (losses) on financial instruments measured at fair value through profit or loss.

### Investment in equity instruments

The Bank and its subsidiaries have classified investment in equity securities that not held for trading but held for strategic purposes or for securities with potential for high market volatility as the financial assets measured at fair value through other comprehensive income, where an irrevocable election has been made by the management. Such classification is determined on an instrument-by-instrument basis. Gains and losses arising from changes in fair value is recognised in other comprehensive income and not subsequently reclassified to profit or loss when disposal, instead, it is transferred to retained earnings. Dividend received on these investments is recognised in profit or loss in the statement of profit or loss and other comprehensive income, except when the dividends clearly represent a recovery of part of the cost of the investments, in which case, it is recognised in other comprehensive income.

### Financial liabilities

The Bank and its subsidiaries classify and measure financial liabilities, other than loan commitments and financial guarantee contracts, at amortised cost or fair value through profit or loss when they are held for trading.

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

The Bank and its subsidiaries classify financial liabilities as held for trading when they have been issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held for trading financial liabilities are initially recognised at fair value, with transaction costs recognised in profit or loss in the statement of profit or loss and other comprehensive income as incurred, and subsequently measured at fair value. Unrealised gains and losses from changes in fair value, and realised gains and losses are recognised as gains (losses) on financial instruments measured at fair value through profit or loss.

## **Modifications of financial instrument not measured at fair value**

### Financial assets

If the terms of a financial asset are modified, the Bank and its subsidiaries evaluate whether the cash flows of the modified financial asset are different from the original financial assets significantly. The original financial asset is derecognised and a new financial asset is recognised at fair value. The difference between the carrying amount of the financial asset extinguished and the new financial asset is recognised in profit or loss as a part of expected credit losses.

If the cash flows of the modified financial asset are not substantially different, the Bank and its subsidiaries recalculate the gross carrying amount of the financial asset and recognise the amount arising from adjusting the gross carrying amount as a modification gains or losses in profit or loss which is presented as expected credit losses.

### Financial liabilities

The Bank and its subsidiaries derecognise a financial liability when its terms are modified, and the cash flows of the modified financial liability are substantially different. A new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability is recognised in profit or loss.

If the cash flows of the modified financial liability are not substantially different, the Bank and its subsidiaries adjust the carrying amount of the financial liability to reflect the net present value of the revised cash flows discounted at the original effective interest rate and recognises the amount arising from adjusting the carrying amount as a modification gains or losses.

## **Derecognition of financial instruments**

The Bank and its subsidiaries derecognise a financial asset when the contractual cash flows from the asset expire or it transfers its rights to receive contractual cash flows on the financial asset in a transaction in which all or substantially all the risks and rewards of ownership are transferred. Any interest from transferred financial assets, which is created or retained by the Bank and its subsidiaries, are recognised separately as asset or liability.

A financial liability is derecognised from the statement of financial position when the Bank and its subsidiaries have discharged its obligation, or the contract is cancelled or expires.

## **Write-off**

Debts that are determined to be irrecoverable are written off (either partially or in full) in the period in which the decision is taken. This is generally the case when the Bank and its subsidiaries determine that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Bank's and its subsidiaries' procedures for recovery of amount due.

### **4.7 Investments in subsidiaries and associated companies**

Investments in subsidiaries and associated companies in the separate financial statements are accounted for under the cost method net of allowance for impairment (if any). Losses on impairment is recognised as expenses in profit or loss in the statements of profit or loss and other comprehensive income.

Investments in associated companies in the consolidated financial statements are accounted for under the equity method. Under this method, investments are initially recorded at acquisition cost and are adjusted to reflect the attributable shares of the operations result of the associated companies, in proportion to the investment.

### **4.8 Allowance for expected credit losses on financial assets**

The Bank and its subsidiaries recognise expected credit losses of financial assets - debt instruments which are interbank and money market items (assets), loans to customers and investments in debt securities, together with loan commitments and financial guarantee contracts, which are measured at amortised cost or fair value through other comprehensive income using the General Approach. The Bank and its subsidiaries classify their financial assets into three stages based on the changes in credit risk since initial recognition as follows:

Stage 1: Financial assets where there has not been a significant increase in credit risk (Performing)

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the Bank and its subsidiaries recognise allowance for expected credit losses at the amount equal to the expected credit losses in the next 12 months. The Bank and its subsidiaries will use a probability of default that corresponds to remaining maturity for financial assets with a remaining maturity of less than 12 months.



Stage 2: Financial assets where there has been a significant increase in credit risk (Under-Performing)

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, the Bank and its subsidiaries recognise allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

Stage 3: Financial assets that are credit-impaired (Non-Performing)

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit-impaired, the Bank and its subsidiaries recognise allowance for expected credit losses at the amount equal to the lifetime expected credit losses of financial assets.

At every reporting date, the Bank and its subsidiaries assess whether there has been a significant increase in credit risk of financial assets since initial recognition by comparing the risk of default over the expected lifetime at the reporting date with the credit risk at the date of initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Bank and its subsidiaries use internal quantitative and qualitative indicators, and forecasts information to assess the deterioration in credit quality of financial assets such as arrears of over 30 days past due, forbearance status for debt restructuring agreements, loans on the Early warning sign, loans that are classified as High Risk group and that are closely monitored by management, a changes of internal credit rating of the borrower since initial recognition, and issuer credit rating as either 'non-investment grade' or 'no rating' for investments in debt securities, etc.

The Bank and its subsidiaries assess whether the credit risk has increased significantly from the date of initial recognition on an individual or collective basis. In order to perform collective evaluation of impairment, the Bank and its subsidiaries classify financial assets on the basis of shared credit risk characteristics, taking into account type of instrument, internal credit ratings, overdue status, and other relevant factors.

Financial assets are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred. Evidence of credit-impaired financial assets includes arrears of over 90 days past due or having indications that the borrower is experiencing significant financial difficulty, a breach of contract, bankruptcy or distressed restructuring.

A loan to customer that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be significant increase in credit risk or credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

The Bank and its subsidiaries consider their historical loss experience, adjusts with the current observable data and add on the reasonable and supportable forecasts of future economic conditions, including appropriate use of judgement, to estimate the amount of an expected credit losses. The Bank and its subsidiaries determine both current and future economic scenario, and probability-weighted in each scenario (base scenario, upturn scenario and downturn scenario) for calculating expected credit losses. The use of macroeconomic factors which major are include, but is not limited to, unemployment rate and property price index, etc. The Bank and its subsidiaries have established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on a yearly basis.

In the case of investments in debt securities measured at fair value through other comprehensive income, the Bank and its subsidiaries recognise impairment charged in profit and loss as expected credit losses and the corresponding allowance for expected credit losses in other comprehensive income, whereas the carrying amount of the investments in debt securities in the statement of financial position still present at fair value.

The measurement of expected credit losses for loan commitments is the present value of the difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank and its subsidiaries expect to receive. The measurement of expected credit losses for financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Bank and its subsidiaries expect to recover.

In addition, a subsidiary of the Bank recognises allowance for expected credit losses of finance lease receivables using Simplified Approach. The subsidiary recognises allowance for expected credit losses at an amount equal to lifetime expected credit losses.

Increase (decrease) in an allowance for expected credit losses is recognised as expenses during the period in profit or loss in the statement of profit or loss and other comprehensive income.

#### 4.9 Trouble debt restructuring

Debt restructuring of non-performing loans (Stage 3) is considered a troubled debt restructuring regardless of whether losses are incurred from the restructuring in accordance with the BOT's guideline of debt restructuring. The Bank and its subsidiaries determine the present value of the expected future cash flows to be received based on the terms of the new debt restructuring agreement, discounted by the loan's original effective interest rate. The difference between the outstanding loan balance and the present value of the expected future cash flows is recognised under gains (losses) on term modifications of contracts and treated as expected credit losses in profit or loss on the debt restructuring date.

Regarding troubled debt restructuring debtors impacted by the COVID-19 pandemic that the Bank provides assistance in accordance with guidelines of the BOT guidance (sustainable debt resolution) which is applicable for provisions of assistance to such debtors made during the period from 1 January 2022 to 31 December 2023 or until the BOT makes changes. The Bank and its subsidiaries may elect to apply temporary relief measures relating to staging assessment and setting aside of provisions. (Assistance type 1) as follows:

- Non-NPL modified loans (pre-emptive restructures) can be classified as loans where there has not been a significant increase in credit risk (Performing) immediately, provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement.
- NPL modified loans that are considered to be troubled debt restructuring can be classified as loans where there has not been a significant increase in credit risk (Performing) if the debtor is able to make repayment in accordance with the debt restructuring agreement for 3 consecutive months or installments, whichever is the longer period.
- Used the new effective interest rate to calculate the present value of the restructured loan. If the debt restructuring results in the original effective interest rate not reflecting the expected cash flows from the loan.

In addition, the Bank continues to closely monitor the debtors payment ability and has considered additional expected credit losses (ECLs) through Management Overlay to cover the current expectation of the possible impact of the economic situation on the loans to customers.

#### **4.10 Properties for sale**

Properties for sale is stated at the lower of cost or net realisable value, which is determined with reference to the latest appraisal value less estimated selling expenses, adjusts these in accordance with the BOT's guideline and taking into consideration the type and the nature of the assets. The Bank recognises losses on impairment as other operating expenses in profit or loss in the statement of profit or loss and other comprehensive income. Net gains or losses on disposals of those properties for sale after deducting selling expenses are recognised as other operating income in profit or loss in the statement of profit or loss and other comprehensive income, except for sales that allow buyer to borrow money which gains or losses on disposals will be recognised in accordance with the BOT's guideline.

According to the BOT's policy No.SOR NOR SOR.5/2565, regarding Immovable properties for sale and no. SOR NOR SOR.4/2564, regarding the Measures to support the receiving of transferred collateral assets for debt repayment under Royal Decree for providing assistance and rehabilitation of business entrepreneurs affected by the coronavirus disease 2019 outbreak in Classification 2 No.4.5 Principle to Foreclosed Properties and No.THOR POR THOR. PHOR NOR SOR. (23) WOR.575/2562 dated 8 May 2019, regarding Delivery Policy of Appraisal Guarantee and Properties for Sale acquired through Debt Repayment, Loan Collateral or Public Auction of Financial Institutions, all properties for sale are appraised by the external appraisers. Except for properties for sale in risk areas in the southern region (Pattani, Yala, Narathiwat and Sadao District of Songkhla) with a book value of less than Baht 50 million, appraised by an internal appraiser or an external appraiser on a case-by-case basis.

#### **4.11 Land, premises and equipment and depreciation**

Land is presented at revalued amount. Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Land is revalued on a 5 year basis by independent appraisers in accordance with the BOT's regulations so that the book value at the end of the reporting period is not significantly different from fair value.

The Bank and its subsidiaries recognise the differences arising from the revaluation as follows:

- When an asset's carrying amount is increased as a result of the revaluation, the increase is credited directly to other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, the revaluation increase is recognised as income to the extent that it reverses the revaluation decrease in respect of the same asset previously recognised as an expense.

- When an asset's carrying amount is decreased as a result of the revaluation, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to other comprehensive income to the extent that it does not exceed the amount already held in "Surplus on revaluation of assets" in respect of the same asset.

The Bank and its subsidiaries write-off assets with additional appraisal when disposal or expected no future economic benefits from the use or disposal assets. The surplus from the revaluation of assets outstanding at the write-off date is transferred directly to retained earnings.

Depreciation of premises is calculated on the straight-line basis over their useful lives. Since 1 April 2012, depreciation of premises is calculated on the straight-line basis over their residual useful lives not over 50 years which appraised by independent appraisers. Before 1 April 2012, depreciation of premises is calculated on the straight-line basis over their useful lives of 20 years.

Depreciation of equipment is calculated on the straight-line basis over their useful lives of 5 years. Equipment with an acquisition cost not exceeding Baht 3,000 is charged directly to expense in the period of acquisition. The amounts of those transactions have no significant effect to financial statements.

Depreciation method, useful lives, and residual value are annually reviewed.

No depreciation is provided on assets under installation.

#### **4.12 Intangible assets**

Intangible assets, comprising computer software, licenses and development costs are presented at cost net accumulated amortisation and allowance for impairment (if any).

For internally generated intangible assets, the Bank and its subsidiaries classify the generation of the asset into a research phase and a development phase. The Bank and its subsidiaries recognise expenditure on the research phase as an expense in profit or loss when it is incurred and recognise expenditure on the development phase as intangible assets when it meets all the recognition criteria.

The Bank and its subsidiaries amortise intangible assets with finite lives by the straight-line basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The Bank and its subsidiaries will review amortisation period and the amortisation method of such intangible assets at least at each financial year end. Amortisation is recognised as an expense in the statement of profit or loss and other comprehensive income.

The intangible assets with finite useful lives have useful lives of approximately 3 - 10 years.

No amortisation for computer software under development.

#### 4.13 Leases

At inception of contract, the Bank and its subsidiaries assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *The Bank and its subsidiaries as lessees*

The Bank and its subsidiaries apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Bank and its subsidiaries recognise right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

##### Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets is calculated by reference to their costs, on the straight-line basis over the shorter of the lease term and the estimated useful lives as follows:

Premises	1 - 35	years
Equipment	2 - 5	years
Vehicles	1 - 5	years

If the ownership of the leased asset transfers to the Bank and its subsidiaries at the end of the lease term or the cost of such assets reflect the exercise of a purchase option, depreciation is calculated using the estimated useful lives of assets.

The Bank and its subsidiaries have to assess the impairment of right-of-use assets as mentioned in Note 4.15 to the consolidated financial statements regarding Impairment of non-financial assets.

### Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Bank and its subsidiaries and payments of penalties for terminating the lease, if the lease term reflects the Bank and its subsidiaries exercising an option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Bank and its subsidiaries discounted the present value of the lease payments by the interest rate implicit in the lease or the Bank and its subsidiaries's 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 change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

#### *The Bank and its subsidiaries as lessors*

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. The Bank and its subsidiaries recognised lease receivables from operating leases as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

#### **4.14 Securities purchased under resale agreements/securities sold under repurchase agreements**

The Bank enters into agreements with private entities to purchase/sell securities whereby there is an agreement to resell/repurchase the securities at certain dates and at fixed price. Amounts paid for the securities purchased under resale agreement are presented as assets under the caption of interbank and money market items or loans to customers, depending on the counterparty, and the underlying securities are treated as collateral to such receivables. The securities sold under repurchase agreement at the amounts received are presented as liabilities under the caption of interbank and money market items in the statement of financial position and the underlying securities are treated as collateral.

#### **4.15 Impairment of non-financial assets**

For outstanding balances of assets at each reporting date, the Bank and its subsidiaries review the impairment of assets by items when there is an indication that the book value of those assets is higher than the expected recoverable amounts. As such, losses on impairment will be realised as other operating expenses. The reversal of losses on impairment will be recorded only when there is an indication that such impairment no longer exists or shown at a declining balance, if any, and reversed to other operating income in profit or loss. Except for the case that reversal of the revalued increased of the same assets that used to be recognised in equity, when impairment occurred latterly it will be recognised in equity.

#### **4.16 Related party transactions**

Related parties comprise persons or entities that control, or are controlled by, the Bank and its subsidiaries, whether directly or indirectly, or which are under common control with the Bank and its subsidiaries.

They also include associated companies and persons or entities which directly or indirectly own a voting interest in the Bank and its subsidiaries that give them significant influence over the Bank and its subsidiaries, key management personnel, and directors or officers with authority in the planning and direction of the Bank's and its subsidiaries' operations.



#### **4.17 Foreign currency translation**

##### Presentation currency

The consolidated and the separate financial statements are presented in Baht.

##### Foreign currency translation

Items denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the transaction dates. Balances of monetary assets and liabilities dominated in foreign currencies as at the end of reporting date are translated by using the reference exchange rates of the BOT as at the end of reporting date. Balances of non-monetary assets and liabilities are translated by using the exchange rates prevailing at the transaction dates or exchange rates at the date when the fair value was measured.

Gains or losses on foreign currency translation are presented in profit or loss in the statements of profit or loss and other comprehensive income as gains (losses) on financial instruments measured at fair value through profit or loss.

##### Foreign currency translation of foreign branches' financial statements

Items on the foreign branches' statements of financial position are translated into Baht by using the reference exchange rates of the BOT as at the reporting date. The statements of profit or loss and other comprehensive income are translated into Baht by using the exchange rate prevailing at the transaction dates or average exchange rates of that accounting period.

Gains or losses on translation of foreign branches' financial statements are presented in equity through other comprehensive income.

#### **4.18 Structured notes**

Structured notes are hybrid instruments, which consist of borrowing (Host Contract) transaction and an embedded derivative. The Bank recognised host contract as “Debt issued and borrowings” in the statement of financial position and measured at amortised cost. Embedded derivatives recognised as “Derivatives” in the statement of financial position and will be separated from the host contract and accounted for as derivatives if all of the following criteria are met:

1. The economic characteristics and risks are not closely related to the host;
2. A separated embedded derivative from the host would meet the definition of derivative; and
3. The hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are subsequently measured at fair value. The changes in fair value are recognised as gains (losses) on financial instruments measured at fair value through profit or loss.

In the case that a derivative embedded within a structured notes containing a financial liabilities host is not accounted for separately both at the transaction date or at the end of reporting date, the entire structured notes are measured at fair value through profit or loss.

#### **4.19 Employees Benefits**

##### *Short-term employee benefits*

The Bank and its subsidiaries recognise short-term employee benefits such as salary, wages, bonuses and contributions to the social security fund as expenses when received the services.

##### *Post-employment benefits*

##### Employees provident fund

The Bank establishes a provident fund under the Provident Fund Act B.E. 2530 and entered to the registered fund approved by the Ministry of Finance in 25 June 1992. The Provident Fund is managed by an external fund manager.

Permanent employees and employees under employment contracts of the Bank are entitled to apply for membership according to the registered KTB Provident Fund regulations. Employees could opt to contribute to the Fund at the rate of either 3, 6, 10, 12 or 15 percent of their basic salaries while the Bank's supplemental contribution is at 6 - 10 percent of each employees' basic salary.

##### Post-employment benefits under defined benefit plans

The Bank and its subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other long-term employee benefit plans. The Bank and its subsidiaries treat these severance payment obligations as defined benefit plans.

The obligation under the defined benefit plan and other long-term employee benefit plans are determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses for defined benefit plan are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the entity recognises restructuring-related costs.

#### **4.20 Provisions**

Provisions are recognised when the Bank and its subsidiaries have present legal or constructive obligations as a result of a past event, they are probable that an outflow of economic benefits will be required to settle the obligation, and the reliable estimate of the amounts can be made.

The Bank complies with the BOT's Notification No. SOR NOR SOR. 23/2561 dated 31 October 2018, regarding Regulations on Assets Classification and Provision of Financial Institutions prescribed regulations to set aside provisions for commitment which is off-balance item.

#### **4.21 Income tax**

Income tax expense represents the sum of current income tax and deferred tax.

##### Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### Deferred tax

Deferred tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Bank and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Bank and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Bank and its subsidiaries record deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

Deferred income tax assets and deferred income tax liabilities must offset the transaction when the Bank has legal rights to offset current tax assets against current tax liabilities and this income tax is assessed by the same tax authority for the same tax unit.

#### **4.22 Earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary equity holders of the Bank after dividends on preferred share (if any) by the weighted average number of ordinary shares issued during the period.

#### **4.23 Customer loyalty programmes**

Subsidiary has customer loyalty programmes by offering reward points to customers together with services entitling customers to redeem those reward points to gifts or discount in the future. The Bank's subsidiaries also allocate rewards or accrued rewards to the points by referring from fair value of accumulated points. Then, they are recognised to deferred revenue under "other liabilities" in the statements of financial position and shall be recognised to fees and service income when customers redeem.

#### **4.24 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Bank and its subsidiaries have considered fair value of individual financial instrument. Fair value of financial instruments is quoted prices (unadjusted) for similar assets or liabilities in active markets that the Bank and its subsidiaries are able to access. In case of there is no quoted prices in active markets, the Bank and its subsidiaries will use general accepted valuation technique by maximising observable inputs and minimising unobservable inputs in commonly used models or the Bank's models. Those models are approved by the management and also regularly reviewed and updated.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices for such assets or liabilities in an active market
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs for such assets or liabilities

At the end of each reporting period, the Bank and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with Thai Financial Reporting Standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

### **5.1 Recognition and derecognition assets and liabilities**

In considering whether to recognise or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

### **5.2 Consolidating the financial statements of subsidiaries in which the Bank has less than half of its shareholding**

The Bank's management considers that the Bank has control over Krungthai Card Public Company Limited, although the Bank holds 49.29 percent of the shares and voting rights in such company, which is less than half. The Bank is the shareholder with a majority of votes and can dictate the important activities of the company and other shareholders are only minor shareholders. Therefore, Krungthai Card Public Company Limited is considered as a subsidiary of the Bank and must be included in the preparation of the consolidated financial statements from the date the Bank has control over such company.

### **5.3 Allowance for expected credit losses of loans to customers and accrued interest receivables, together with loan commitments and financial guarantee contracts**

The management is required to use judgement in estimation in determining the allowance for expected credit losses of loans to customers and accrued interest receivables, together with loan commitments and financial guarantee contracts. The calculation of allowance for expected credit losses of the Bank and its subsidiaries are based on the criteria of assessing if there has been a significant increase in credit risk, the development of complex expected credit losses model with a series of underlying assumptions, including the choice of inputs the forecasted macroeconomic variables in the model. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

#### **5.4 Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk of counterparty, liquidity, correlation and longer-term volatility of financial instruments. Changes in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

#### **5.5 Allowance for impairment of properties for sale**

The Bank and its subsidiaries assess allowance for impairment of properties for sale when net realisable value falls below the book value. The management uses the BOT's regulation and judgement to estimate impairment losses, taking into consideration the latest appraisal value, the type and the nature of the assets.

#### **5.6 Land, premises and equipment and depreciation**

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and salvage values of the premises and equipment, and to review these estimated useful lives and salvage values when there are any changes.

The Bank measures land at revalued amounts. Such amounts are determined by the independent appraisers, using the market approach. The valuation involves certain assumptions and estimates as described in Note 8.11 to the consolidated financial statements.

In addition, the Bank and its subsidiaries determine allowance for impairment of land, premises and equipment when the management assesses whether there are indicators of the impairment of land, premises and equipment, and record impairment losses when the recoverable amounts are lower than the carrying amounts. This requires management judgements in terms of forecasting future revenues and expenses relating to the assets subject to the review.

## **5.7 Leases**

### *The Bank and its subsidiaries as lessees*

#### *Determining the lease term with extension and termination options*

In determining the lease term, the management is required to exercise judgement in assessing whether the Bank and its subsidiaries are reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Bank and its subsidiaries to exercise either the extension or termination option.

#### *Estimating the incremental borrowing rate*

The Bank and its subsidiaries cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Bank and its subsidiaries would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### *The Bank and its subsidiaries as lessors*

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgement as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

## **5.8 Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the temporary differences and unused tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimated future taxable profits.

## **5.9 Post-employment benefits under defined benefit plans**

Obligations under the defined benefit plan are determined by using actuarial technique. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, and mortality rate etc., based on their best knowledge of current situation.

### **5.10 Litigation and contingent liabilities**

The Bank and its subsidiaries have contingent liabilities as a result of litigation. The management has used judgement to assess the results of such transactions, and in case where they believe that there will be no losses, no provisions are recorded at the end of reporting date.

## **6. Risk management**

### **Credit risk**

Credit risk is the risk that a counterparty or a borrower fails to comply with conditions and covenants stated in the agreement or has the deterioration in assets' quality resulting in non-repayment full amount of debt per the agreement which was affect over the Bank's income and capital. The allowance for expected credit losses net under the assets on the statements of financial position, represented the Bank's credit risk exposure.

The Bank concerns about the contingent credit risk at all time. The Bank also inputs economic and business from the research in loan portfolio management, including set the Industry Direction, Stress Testing and Industry Indicators in order to monitor and manage over all loan portfolio efficiently. The Bank continually evaluates and follows up both inside and outside country situation in order to assess the risk that may impact on solvency of the debtors and the Bank's loan portfolio.

The Bank focuses on a credit expansion to both existing and new customers with high potentiality and high yield. The Bank highly concentrates on customer evaluation, business potential, ability to repay debt, and obvious objective of loan purpose. The Bank develops not only risk management tool to rank credit rating in order to be an element to estimate risk of large and middle size of loans, but also develops Credit Scoring tool in order to consider retail loan debtors including the Early Warning System that notices credit departments and set the loan policy guideline to prevent debtors becoming NPLs. Moreover, the Bank also has regularly improved credit risk management by reviewing/revising credit policies and other policies related to the credit risk management for the purpose of complying with economic situation and the Bank's business operation as well as being in consonant with risk management guidance prescribed by the BOT. The credit risk management policies and guidelines are reviewed/improved at least once a year in order to match with current situation.

The Bank focuses on providing loans to borrowers who value business operations with social responsibility, environment and good governance, including various risk management to lead to sustainable development.



The Bank manages credit risk management of the companies in financial business group under the supervision of BOT's regulations. The credit risk management policies and guidelines of those companies are also reviewed/improved on a yearly basis and/or when significantly changed event occurs and affects credit risk management.

The Bank monitors and reports risk management results of the Bank and its financial business group with the intention to control credit risk to be in compliance with the Bank's risk management plan, the BOT's supervision policy in credit risk and other regulators' rules. The risk management results reports are normally submitted to the Risk Oversight Committee on a monthly basis and reports to the Audit Committee and the Board of Directors on a quarterly basis.

To follow up and manage the quality of credit, the Bank closely monitors the customers whose credits are approved in order to ensure that they are in comply with the terms and conditions of loan agreements by carrying out NPLs reduction project. The watch list debtors with weak performance will be monitored and controlled to prevent such loans becomes NPLs. However, in case those debtors become NPLs, the measure for debt restructuring shall be set up together with legal process. With this regard, the NPLs reduction project shall help stipulating the implementation plan to become clearer and more effective for the NPLs problem solving. Thus, the regular progress shall be reported regularly in order to expedite debt repayment with minimum loss.

In assessing the adequacy of provision as prescribed by the BOT, the Bank is required to examine the accuracy and completeness of loan classification, debt-restructuring and collateral data such as type and value of collateral. Such associated data potentially has significant impacts on the allowance for expected credit losses of the Bank.

According to assets written-off, the Bank has policy to write-off any assets with 100 percent allowance for expected credit losses; however, the Bank still closely follow up uncollectible amounts or taken legal proceedings to the final action.

The credit review is established to ensure the compliance with standard operation procedures in relation to credit approval and debt restructuring. In addition, the qualitative assessment for loan and other related assets are conducted for staging assessment and setting aside of provisions as prescribed by the BOT.

## The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognised and unrecognised financial instruments. The maximum exposure is shown gross carrying amounts prior to both collateral consideration and any actions to increase assurance as:

- For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their gross carrying amounts before deducting allowance for expected credit losses.
- For financial guarantees contracts, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay when the guarantees are called upon.
- For loan commitments that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

As at 30 June 2023 and 31 December 2022, the maximum exposure to credit risk are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Interbank and money market items (assets)	635,058	553,848	634,751	552,862
Investments in debt securities measured at amortised cost	1,281	988	283	287
Investments in debt securities measured at fair value through other comprehensive income	230,671	258,350	231,592	259,553
Loans to customers and accrued interest receivables	2,596,483	2,618,210	2,503,831	2,527,111
Accrued interest receivables of non-loans to customers	832	891	832	891
Total financial assets	3,464,325	3,432,287	3,371,289	3,340,704
Loan commitments	1,202,332	1,227,622	1,202,332	1,227,622
Financial guarantee contracts	70,804	78,282	70,804	78,282
Total	1,273,136	1,305,904	1,273,136	1,305,904
Total maximum exposure to credit risk	4,737,461	4,738,191	4,644,425	4,646,608

## Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will not be able to comply its contractual obligations resulting in a financial loss to the Bank. The Bank has adopted the policy to prevent this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are gross carrying amount (before deducting allowance for expected credit losses). For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

Explanation of 12-month expected credit losses, lifetime expected credit losses - not credit impaired, and lifetime expected credit losses - credit impaired are included in Note 4.8 to the consolidated financial statements.

(Unit: Million Baht)

Consolidated financial statements					
30 June 2023					
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
<b>Interbank and money market items (assets)</b>					
Investment grade	28,312	562	-	-	28,874
Non-investment grade	-	3,511	-	-	3,511
Not yet due	602,673	-	-	-	602,673
Total	630,985	4,073	-	-	635,058
<u>Less</u> Allowance for expected credit losses	(2,299)	(63)	-	-	(2,362)
Net book value	628,686	4,010	-	-	632,696
<b>Investments in debt securities measured at amortised cost</b>					
Investment grade	1,154	-	-	-	1,154
Non-investment grade	-	91	36	-	127
Total	1,154	91	36	-	1,281
<u>Less</u> Allowance for expected credit losses	-	(4)	(36)	-	(40)
Net book value	1,154	87	-	-	1,241

Consolidated financial statements					
30 June 2023					
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
<b>Investments in debt securities measured at fair value through other comprehensive income</b>					
Investment grade	230,671	-	-	-	230,671
Total	230,671	-	-	-	230,671
Allowance for expected credit losses	(21)	-	(926)	-	(947)
<b>Loans to customers and accrued interest receivables - net</b>					
Not yet due	2,074,607	156,729	12,107	2,167	2,245,610
Overdue 1 - 30 days	214,613	29,357	2,541	645	247,156
Overdue 31 - 60 days	-	11,828	671	212	12,711
Overdue 61 - 90 days	-	4,655	4,137	194	8,986
More than 90 days	1,130	1,518	79,050	322	82,020
Total	2,290,350	204,087	98,506	3,540	2,596,483
<u>Less</u> Allowance for expected credit losses	(46,442)	(52,635)	(69,503)	(688)	(169,268)
Net book value	2,243,908	151,452	29,003	2,852	2,427,215
<b>Loan commitments</b>					
Loan commitments	1,105,738	90,621	5,973	-	1,202,332
<u>Less</u> Allowance for expected credit losses	(1,298)	(1,654)	(426)	-	(3,378)
Net book value	1,104,440	88,967	5,547	-	1,198,954
<b>Financial guarantee contracts</b>					
Financial guarantee contracts	67,287	3,324	193	-	70,804
<u>Less</u> Allowance for expected credit losses	(144)	(136)	(14)	-	(294)
Net book value	67,143	3,188	179	-	70,510

## Consolidated financial statements

31 December 2022

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
<b>Interbank and money market items (assets)</b>					
Investment grade	40,914	232	-	-	41,146
Non-investment grade	-	2,222	-	-	2,222
Not yet due	510,476	-	-	-	510,476
Overdue 31 - 60 days	-	4	-	-	4
Total	551,390	2,458	-	-	553,848
<u>Less</u> Allowance for expected credit losses	(2,853)	(54)	-	-	(2,907)
Net book value	548,537	2,404	-	-	550,941
<b>Investments in debt securities measured at amortised cost</b>					
Investment grade	856	-	-	-	856
Non-investment grade	-	96	36	-	132
Total	856	96	36	-	988
<u>Less</u> Allowance for expected credit losses	-	(2)	(36)	-	(38)
Net book value	856	94	-	-	950
<b>Investments in debt securities measured at fair value through other comprehensive income</b>					
Investment grade	258,350	-	-	-	258,350
Total	258,350	-	-	-	258,350
Allowance for expected credit losses	(19)	-	(926)	-	(945)
<b>Loans to customers and accrued interest receivables - net</b>					
Not yet due	1,841,461	177,032	13,952	1,598	2,034,043
Overdue 1 - 30 days	446,957	25,715	3,325	412	476,409
Overdue 31 - 60 days	-	9,548	2,411	171	12,130
Overdue 61 - 90 days	-	3,877	1,816	49	5,742
More than 90 days	1,089	1,350	87,228	219	89,886
Total	2,289,507	217,522	108,732	2,449	2,618,210
<u>Less</u> Allowance for expected credit losses	(44,720)	(52,526)	(76,508)	(624)	(174,378)
Net book value	2,244,787	164,996	32,224	1,825	2,443,832

(Unit: Million Baht)

## Consolidated financial statements

31 December 2022

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
<b>Loan commitments</b>					
Loan commitments	1,102,812	116,071	8,739	-	1,227,622
<u>Less</u> Allowance for expected credit losses	(1,375)	(1,962)	(698)	-	(4,035)
Net book value	<u>1,101,437</u>	<u>114,109</u>	<u>8,041</u>	<u>-</u>	<u>1,223,587</u>
<b>Financial guarantee contracts</b>					
Financial guarantee contracts	74,839	3,135	308	-	78,282
<u>Less</u> Allowance for expected credit losses	(143)	(127)	(47)	-	(317)
Net book value	<u>74,696</u>	<u>3,008</u>	<u>261</u>	<u>-</u>	<u>77,965</u>

(Unit: Million Baht)

## Separate financial statements

30 June 2023

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
<b>Interbank and money market items (assets)</b>				
Investment grade	28,005	562	-	28,567
Non-investment grade	-	3,511	-	3,511
Not yet due	602,673	-	-	602,673
Total	630,678	4,073	-	634,751
<u>Less</u> Allowance for expected credit losses	(2,299)	(63)	-	(2,362)
Net book value	<u>628,379</u>	<u>4,010</u>	<u>-</u>	<u>632,389</u>

Separate financial statements			
30 June 2023			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)
			Total
<b>Investments in debt securities measured at amortised cost</b>			
Investment grade	156	-	156
Non-investment grade	-	91	127
Total	156	91	283
<u>Less</u> Allowance for expected credit losses	-	(4)	(40)
Net book value	156	87	243
<b>Investments in debt securities measured at fair value through other comprehensive income</b>			
Investment grade	231,592	-	231,592
Total	231,592	-	231,592
Allowance for expected credit losses	(21)	-	(947)
<b>Loans to customers and accrued interest receivables - net</b>			
Not yet due	2,002,405	148,345	2,162,857
Overdue 1 - 30 days	213,392	27,703	243,636
Overdue 31 - 60 days	-	10,876	11,547
Overdue 61 - 90 days	-	4,415	8,552
More than 90 days	-	-	77,239
Total	2,215,797	191,339	2,503,831
<u>Less</u> Allowance for expected credit losses	(42,472)	(49,555)	(160,298)
Net book value	2,173,325	141,784	2,343,533
<b>Loan commitments</b>			
Loan commitments	1,105,738	90,621	1,202,332
<u>Less</u> Allowance for expected credit losses	(1,298)	(1,654)	(3,378)
Net book value	1,104,440	88,967	1,198,954
<b>Financial guarantee contracts</b>			
Financial guarantee contracts	67,287	3,324	70,804
<u>Less</u> Allowance for expected credit losses	(144)	(136)	(294)
Net book value	67,143	3,188	70,510

Separate financial statements			
31 December 2022			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)
			Total
<b>Interbank and money market items (assets)</b>			
Investment grade	39,928	232	-
Non-investment grade	-	2,222	-
Not yet due	510,476	-	-
Overdue 31 - 60 days	-	4	-
Total	550,404	2,458	-
<u>Less</u> Allowance for expected credit losses	(2,853)	(54)	-
Net book value	547,551	2,404	-
<b>Investments in debt securities measured at amortised cost</b>			
Investment grade	155	-	-
Non-investment grade	-	96	36
Total	155	96	36
<u>Less</u> Allowance for expected credit losses	-	(2)	(36)
Net book value	155	94	-
<b>Investments in debt securities measured at fair value through other comprehensive income</b>			
Investment grade	259,553	-	-
Total	259,553	-	-
Allowance for expected credit losses	(19)	-	(926)
<b>Loans to customers and accrued interest receivables - net</b>			
Not yet due	1,768,339	169,059	13,952
Overdue 1 - 30 days	445,975	24,331	3,326
Overdue 31 - 60 days	-	8,745	2,411
Overdue 61 - 90 days	-	3,593	1,816
More than 90 days	-	-	85,564
Total	2,214,314	205,728	107,069
<u>Less</u> Allowance for expected credit losses	(40,720)	(49,744)	(75,370)
Net book value	2,173,594	155,984	31,699



(Unit: Million Baht)

Separate financial statements			
31 December 2022			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)
			Total
<b>Loan commitments</b>			
Loan commitments	1,102,812	116,071	8,739
<u>Less</u> Allowance for expected credit losses	(1,375)	(1,962)	(698)
Net book value	1,101,437	114,109	8,041
<b>Financial guarantee contracts</b>			
Financial guarantee contracts	74,839	3,135	308
<u>Less</u> Allowance for expected credit losses	(143)	(127)	(47)
Net book value	74,696	3,008	261

### Collateral and any operations to increase creditability

The Bank held collateral and any operations to increase creditability of exposure to credit risk. The details of the collateral held by the Bank for each type of financial assets are as follows:

(Unit: Million Baht)

Consolidated and separate financial statements			
	Exposure to credit risk with collateral		Type of
	30 June 2023	31 December 2022	major collateral
Interbank and money market items (assets)	561,258	467,192	Bonds
Loans to customers and accrued interest receivables	1,690,484	1,712,095	Land and buildings

## **Market risk**

Market risk is the risk that the Bank may be affected by changes in value of position on the statements of financial position which is caused by fluctuation of interest rate, foreign exchange rate, equity securities price and commodity price resulting in negative impact on income and capital. The Bank monitors and controls the market risk in the trading book and banking book portfolios by comparing the existing risks with the approved risk limits/indicators, setting proper guideline when there is the breach of the limits/indicators and reporting to the executives and the Risk Oversight Committee regularly.

### - **Interest rate risk**

Interest rate risk is the risk that income or capital fund is adversely affected by changes in interest rates which affect the assets, liabilities and financial position that are rate sensitive items which may affect net interest income, economic value, market value of trading accounts and other income and expenses that relate to the interest rate.

The Bank had monitored and controlled interest rate risk within acceptable risk appetite by formulating risk limit, performing stress testing on monthly basis, requiring presenting risk management report to the executives and to the Risk Oversight Committee on monthly basis, as well as formulating guidelines to ensure readiness in dealing with the breach of prescribed limits as per approval.

As at 30 June 2023 and 31 December 2022, significant financial assets and liabilities of the Bank and its subsidiaries classified by periods of interest rate change or periods of maturity, whichever is earlier, are as follows:

(Unit: Million Baht)

	Consolidated financial statements						
	30 June 2023						
	At call to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Non- interest bearing	Non- performing transaction	Total
<b>Financial assets</b>							
Cash	-	-	-	-	52,855	-	52,855
Interbank and money market items	583,739	19,759	1,685	1	29,723	-	634,907
Investments	39,291	44,063	29,382	119,180	16,952	36	248,904
Loans to customers	1,758,293	303,262	350,147	44,755	23,005	98,662	2,578,124
Total financial assets	<u>2,381,323</u>	<u>367,084</u>	<u>381,214</u>	<u>163,936</u>	<u>122,535</u>	<u>98,698</u>	<u>3,514,790</u>
<b>Financial liabilities</b>							
Deposits	2,052,969	113,117	212,388	82,230	118,380	-	2,579,084
Interbank and money market items	190,995	35,935	9,962	36,491	6,937	-	280,320
Liabilities payable on demand	-	-	-	-	4,515	-	4,515
Debt issued and borrowings	50	14,741	11,311	127,133	5,970	-	159,205
Total financial liabilities	<u>2,244,014</u>	<u>163,793</u>	<u>233,661</u>	<u>245,854</u>	<u>135,802</u>	<u>-</u>	<u>3,023,124</u>

(Unit: Million Baht)

## Consolidated financial statements

31 December 2022

	At call to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Non- interest bearing	Non- performing transaction	Total
<b>Financial assets</b>							
Cash	-	-	-	-	61,591	-	61,591
Interbank and money market items	499,272	9,268	5,897	1	39,222	-	553,660
Investments	4,874	60,203	36,331	157,894	17,755	36	277,093
Loans to customers	1,726,396	323,763	339,478	76,860	25,495	100,846	2,592,838
Total financial assets	<u>2,230,542</u>	<u>393,234</u>	<u>381,706</u>	<u>234,755</u>	<u>144,063</u>	<u>100,882</u>	<u>3,485,182</u>
<b>Financial liabilities</b>							
Deposits	2,096,950	110,660	201,968	49,433	131,225	-	2,590,236
Interbank and money market items	204,897	11,021	14,720	39,986	6,475	-	277,099
Liabilities payable on demand	-	-	-	-	5,019	-	5,019
Debt issued and borrowings	-	18,136	7,740	119,208	6,088	-	151,172
Total financial liabilities	<u>2,301,847</u>	<u>139,817</u>	<u>224,428</u>	<u>208,627</u>	<u>148,807</u>	<u>-</u>	<u>3,023,526</u>

(Unit: Million Baht)

## Separate financial statements

30 June 2023

	At call to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Non- interest bearing	Non- performing transaction	Total
<b>Financial assets</b>							
Cash	-	-	-	-	52,838	-	52,838
Interbank and money market items	583,622	19,759	1,685	1	29,533	-	634,600
Investments	39,191	43,465	29,084	120,099	16,951	36	248,826
Loans to customers	1,764,113	226,709	347,034	45,981	5,623	96,646	2,486,106
Total financial assets	<u>2,386,926</u>	<u>289,933</u>	<u>377,803</u>	<u>166,081</u>	<u>104,945</u>	<u>96,682</u>	<u>3,422,370</u>
<b>Financial liabilities</b>							
Deposits	2,057,411	113,117	212,893	82,265	118,666	-	2,584,352
Interbank and money market items	186,890	35,935	9,962	36,491	6,938	-	276,216
Liabilities payable on demand	-	-	-	-	4,515	-	4,515
Debt issued and borrowings	-	14,041	5,571	87,131	6,038	-	112,781
Total financial liabilities	<u>2,244,301</u>	<u>163,093</u>	<u>228,426</u>	<u>205,887</u>	<u>136,157</u>	<u>-</u>	<u>2,977,864</u>

Separate financial statements							
31 December 2022							
	At call to 1 month	1 - 3 months	3 - 12 months	Over 1 year	Non- interest bearing	Non- performing transaction	Total
<b>Financial assets</b>							
Cash	-	-	-	-	61,565	-	61,565
Interbank and money market items	498,664	9,268	5,897	1	38,844	-	552,674
Investments	4,675	59,815	36,331	158,983	17,752	36	277,592
Loans to customers	1,732,600	248,776	337,083	79,050	5,693	99,219	2,502,421
Total financial assets	<u>2,235,939</u>	<u>317,859</u>	<u>379,311</u>	<u>238,034</u>	<u>123,854</u>	<u>99,255</u>	<u>3,394,252</u>
<b>Financial liabilities</b>							
Deposits	2,100,461	110,660	202,507	49,469	131,628	-	2,594,725
Interbank and money market items	200,589	10,721	14,720	39,986	6,477	-	272,493
Liabilities payable on demand	-	-	-	-	5,019	-	5,019
Debt issued and borrowings	-	16,048	5,300	79,466	6,088	-	106,902
Total financial liabilities	<u>2,301,050</u>	<u>137,429</u>	<u>222,527</u>	<u>168,921</u>	<u>149,212</u>	<u>-</u>	<u>2,979,139</u>

- Interest rate sensitivity analysis

Sensitivity analysis on interest rate change is to show the potential impact in the changes in interest rates on the statement of profit or loss and other comprehensive income and the equity of the Bank by setting other variables constant.

The sensitivity of the statement of profit or loss and other comprehensive income is the effect of changing interest rates on profit or loss for the period. For financial assets and financial liabilities at the end of reporting period, the Bank evaluates sensitivity analysis from net interest income change for the next 12 months under the assumption of changing interest rates of 1.00 percent for all types of financial assets and financial liabilities per each period of interest rate adjustment.

The impact of interest rates changes on profit or loss and equity as at 30 June 2023 and 31 December 2022 can be summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	30 June 2023		31 December 2022	
	Effect on		Effect on	
	Profit or loss	Equity	Profit or loss	Equity
Interest rate increase 1%	3,084	3,084	1,371	1,371
Interest rate decrease 1%	(12,820)	(12,820)	(15,005)	(15,005)

(Unit: Million Baht)

	Separate financial statements			
	30 June 2023		31 December 2022	
	Effect on		Effect on	
	Profit or loss	Equity	Profit or loss	Equity
Interest rate increase 1%	2,503	2,503	1,678	1,678
Interest rate decrease 1%	(12,239)	(12,239)	(15,312)	(15,312)

#### - Foreign exchange rate risk

Foreign exchange rate risk is the risk that foreign exchange rate volatility gives the adverse impact on income or capital fund due to conducting transactions in foreign currency or having assets or liabilities in foreign currency, when converting foreign currency items on the Bank's financial statements to Baht currency, resulting in a decrease in book values including a decline in income or losses incurred from foreign currency trading.

The Bank had monitored and controlled foreign exchange rate risk within acceptable risk appetite by formulating risk limit, performing stress testing on monthly basis, requiring presenting risk management report to the executive on daily basis and to the Risk Oversight Committee on monthly basis, as well as formulating guidelines to ensure readiness in dealing with the breach of prescribed limits as per approval.

Financial position of the Bank and its subsidiaries' foreign currency balances as at 30 June 2023 and 31 December 2022 are as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	30 June 2023			
	US Dollar	Euro	Yen	Others
<b><u>Foreign currency in the statement</u></b>				
<b><u>of financial position</u></b>				
Cash	3,219	788	349	1,177
Interbank and money market items	13,331	775	1,753	3,752
Financial assets measured at fair value				
through profit or loss	-	-	2,338	-
Derivatives assets	813,294	50,658	77,521	17,381
Investments	19,336	10,696	30,385	6,803
Loans to customers	64,352	237	220	690
Total assets	913,532	63,154	112,566	29,803
Deposits	41,586	1,201	256	1,267
Interbank and money market items	8,871	91	-	645
Derivatives liabilities	824,601	61,559	108,620	24,619
Debt issued and borrowings	39,776	-	-	-
Total liabilities	914,834	62,851	108,876	26,531
Net	(1,302)	303	3,690	3,272
<b><u>Foreign currency of commitments</u></b>				
Loan commitments	20,412	-	-	311
Liabilities under unmatured import bills	2,361	148	30	51
Letter of credit	16,498	1,500	260	480
Other commitments	14,210	1,197	10	219

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 December 2022			
	US Dollar	Euro	Yen	Others
<b><u>Foreign currency in the statement of financial position</u></b>				
Cash	3,898	1,180	318	761
Interbank and money market items	22,590	428	2,496	3,955
Financial assets measured at fair value through profit or loss	-	-	23,488	-
Derivatives assets	850,758	58,019	69,501	9,750
Investments	20,963	11,164	30,876	8,534
Loans to customers	64,850	203	189	688
Total assets	963,059	70,994	126,868	23,688
Deposits	36,019	1,146	381	1,118
Interbank and money market items	24,518	134	-	577
Derivatives liabilities	853,695	69,319	129,539	18,110
Debt issued and borrowings	42,727	-	5	-
Total liabilities	956,959	70,599	129,925	19,805
Net	6,100	395	(3,057)	3,883
<b><u>Foreign currency of commitments</u></b>				
Loan commitments	16,649	-	-	21
Liabilities under unmatured import bills	1,693	175	5	55
Letter of credit	18,369	1,618	1,074	1,314
Other commitments	14,508	1,679	11	201

- **Foreign exchange rate sensitivity analysis**

Sensitivity analysis will quantify the impact from the potential changes in exchange rates on the statement of profit or loss and other comprehensive income and the equity of the Bank by setting constant to other variables. Risks and methods used in sensitivity analysis does not change from the previous year.

The impact from changes in exchange rate on profit or loss and equity as of 30 June 2023 and 31 December 2022 can be summarised as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	30 June 2023		31 December 2022	
	Effect of		Effect of	
	Profit or loss	Equity	Profit or loss	Equity
10% increase	1,222	596	1,407	732
10% decrease	(1,222)	(596)	(1,407)	(732)

- Equity price risk

It is a risk that income or capital funds is adversely affected by changes in equity prices/stock market indexes, resulting in a decrease in the value of the bank's trading investment portfolio.

The Bank had monitored and controlled equity price risk within acceptable risk appetite by formulating risk limit, performing stress testing on monthly basis, requiring presenting risk management report to the executive on daily basis and to the Risk Oversight Committee on monthly basis, as well as formulating guidelines to ensure readiness in dealing with the breach of prescribed limits as per approval.

- Commodity price risk

This is the risk that income or capital fund is adversely affected by changes in commodity price. The Bank has no policy of holding position in those items; hence, the Bank manage such risk exposures by doing back-to-back transactions.

- Interest rate benchmark reform

In order to smoothly transition from existing reference rates to new interest benchmark rates, the Bank has established Sub-Working Group for responding to interest rate benchmark reform and for managing, supervising and monitoring interest rate transition processes within the Bank. The main risks to which the Bank are exposed as a result of interest rate benchmark reform are operational risks such as communication with customers and counterparties, amendments of contracts, improvements of operating systems and related working processes and financial risk managements, which do not have significant impact to the Bank.

As of 30 June 2023, the Bank and its subsidiaries have financial instruments which are subject to interest rate benchmark reform. The majority of these financial instruments have reference rates of USD LIBOR and Thai Baht Interest Rate Fixing (THBFIX) which will continue to be published until June 2023.



## **Liquidity risk**

Liquidity risk is the risk that the Bank fails to repay liabilities or contingencies on due date because of inability to liquidate assets into cash or inability to finance sufficient funds or acquiring funds at a higher than acceptable level cost thus affecting income and capital fund at present and in the future.

### **Structure of sources and uses of funds**

The Bank's primary sources of funds are from deposits, mostly short-term deposit less than 1 year and deposits that can be withdrawn without restricted timing. The Bank's primary uses of funds are loans, which have maturity date longer than the deposits. Therefore, the Bank may have liquidity risk.

Thus, the Bank has liquidity risk management process. The Bank sets the indicator to control liquidity risk such as Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) etc. In addition, the Bank also monitors the sources and uses of funds and funding source concentration, especially on important sources of funds; then regularly report such risk to the Asset and Liability Management Committee (ALCO), the Risk Oversight Committee (ROC) and other related parties.

### **Liquidity risk management tools**

Liquidity risk management tools are presented in several reports related to the Bank's liquidity and reported to top-level executives and relevant departments in order to efficiently manage liquidity risk. The Bank prepares liquidity risk report to evaluate liquidity risk on a daily and monthly basis by comparing with the approved risk limit/indicators in order to manage and control the risk level within the limit. Such reports are as follows:

- Net liquidity position report of the 14 days duration presents daily details by showing estimated cash inflow and outflow information adjusted according to customer behavior, which is based on historical cash flow pattern together with forecasted future trend under realistic and conservative principles. This report is done on a daily basis.
- Liquidity gap report presents estimates of future cash flows determined in accordance with the customer behavior in the past under normal situation.
- Daily financial position report presents the Bank's liquid assets in terms of daily average deposits with the BOT. The BOT's regulation requires the Bank to maintain the amount of the biweekly-average daily deposit balance at BOT and the biweekly-average daily cash balance at the cash inventory management center altogether of not less than 1 percent of total customers' deposit and other specified borrowings. Moreover, the report demonstrates each type of high-quality liquid assets to support the liquidity need for the Bank's normal operations. This report is done on a daily basis.

- Liquidity Coverage Ratio (LCR) report is reported to the Risk Oversight Committee and the Assets and Liabilities Management Committee on a monthly basis in accordance with BOT's regulations. LCR aims to ensure that a bank has the sufficient liquidity to withstand the serve short term liquidity situation. The Bank must have the unencumbered high-quality liquid assets (HQLA) which consists of cash or assets that can be converted into cash at little or significant devaluation to meet its liquidity needs for a 30-calendar day under severe liquidity stress scenario.
- Net Stable Funding Ratio (NSFR) report is reported to BOT on a quarterly basis and the Risk Oversight Committee and the Assets and Liabilities Management Committee on a monthly basis. NSFR is the liquidity risk measurement standard that aims to have stable funding source in line with the noncallable asset or the non-marketable with significant devaluation.
- Simulation liquidity risk stress testing report will be submitted to the Risk Oversight Committee on a quarterly basis.

#### Liquidity risk stress testing

The Bank sets quarterly liquidity risk stress testing in conformity with the Bank's stress testing policy by using the 3 situations which are (1) Institution-specific crisis (2) Market-wide crisis and (3) Combination of both. Each situation is based on assumptions such as withdrawing customers' deposit type different proportion, declining in the market liquidity of assets, decreasing in ability to reach large-sized sources of funds. The Bank also prepares contingency plan to support crisis by considering to stress test result of each model situation. The contingency plan is set warning triggers of liquidity crisis in order that the Bank can reduce negative impact from liquidity problems that may occur with reasonable expenses/costs.

The Bank also discloses information about Liquidity Coverage Ratio (LCR) in order to ensure that the Bank has sufficient manage liquidity to support liquidity stress situation under the BOT's notifications regarding the Disclosure of Liquidity Coverage Ratio Disclosure Standards.

Channel of disclosure	<a href="http://www.krungthai.com">www.krungthai.com</a> > Investor Relations > Financial Information > LCR Disclosures
Date of disclosure	Within 4 months after the end of reporting period.
Information as at	30 June 2023

### Liquidity ratio

The BOT specifies that the Bank has to maintain the average fortnightly liquid assets not less than 1 percent of deposits and borrowings as prescribed by the BOT's regulation. As at 30 June 2023 and 31 December 2022, the Bank has deposits at the BOT and cash at the cash center of Baht 14,997 million and Baht 13,924 million, respectively.

	30 June 2023	31 December 2022
	(%)	(%)
<b>Sources of Funds</b>		
Deposits	71.44	72.10
Interbank and money market items (liabilities)	7.76	7.71
Debt issued and borrowings	4.41	4.21
Equity	11.19	10.93
<b>Uses of Funds</b>		
Loans to customers (net deferred revenue)	71.41	72.18
Interbank and money market items (assets)	17.59	15.41
Investments - net and investments in subsidiaries and associated companies - net	7.29	8.06

### **Loans to deposits ratio**

	30 June 2023	31 December 2022
	(%)	(%)
Loans to deposits ratio (Consolidated financial statements)	99.96	100.10
Loans to deposits ratio (Separate financial statements)	96.20	96.44

On the consolidated financial statements as at 30 June 2023, the Bank has loans to deposits ratio of 99.96 percent which has decreased from 100.10 percent as at 31 December 2022.

Loans to deposits ratio on the separate financial statements as at 30 June 2023 is 96.20 percent which has decreased from 96.44 percent as at 31 December 2022. As a result, loans decreased 0.65 percent and deposits decreased 0.40 percent from the end of the year 2022.

These above ratios have no significant impact to the liquidities of the Bank and its subsidiaries.

As at 30 June 2023 and 31 December 2022, the Bank's significant financial assets and liabilities are classified by remaining maturity as follows:

(Unit: Million Baht)

Consolidated financial statements						
30 June 2023						
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash	-	-	-	-	52,855	52,855
Interbank and money market items	30,112	604,438	357	-	-	634,907
Financial assets measured at fair value through profit or loss	-	2,866	3,307	4,743	626	11,542
Derivatives assets	-	36,782	42,531	15,918	-	95,231
Investments	36	91,188	109,820	30,908	16,952	248,904
Loans to customers	193,079	500,881	666,531	1,217,633	-	2,578,124
<b>Total financial assets</b>	<b>223,227</b>	<b>1,236,155</b>	<b>822,546</b>	<b>1,269,202</b>	<b>70,433</b>	<b>3,621,563</b>
<b>Financial liabilities</b>						
Deposits	2,101,622	393,075	77,046	7,341	-	2,579,084
Interbank and money market items	45,783	198,046	34,367	2,124	-	280,320
Derivatives liabilities	-	34,701	39,574	13,496	-	87,771
Liabilities payable on demand	4,515	-	-	-	-	4,515
Debt issued and borrowings	-	20,676	70,394	48,932	19,203	159,205
<b>Total financial liabilities</b>	<b>2,151,920</b>	<b>646,498</b>	<b>221,381</b>	<b>71,893</b>	<b>19,203</b>	<b>3,110,895</b>

(Unit: Million Baht)

Consolidated financial statements						
31 December 2022						
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash	-	-	-	-	61,591	61,591
Interbank and money market items	40,539	512,774	347	-	-	553,660
Financial assets measured at fair value through profit or loss	-	23,836	4,260	4,744	728	33,568
Derivatives assets	-	27,922	37,806	17,442	-	83,170
Investments	36	81,877	139,380	38,045	17,755	277,093
Loans to customers	192,081	537,481	655,461	1,207,815	-	2,592,838
<b>Total financial assets</b>	<b>232,656</b>	<b>1,183,890</b>	<b>837,254</b>	<b>1,268,046</b>	<b>80,074</b>	<b>3,601,920</b>
<b>Financial liabilities</b>						
Deposits	2,154,767	384,370	41,048	10,051	-	2,590,236
Interbank and money market items	52,072	185,042	37,271	2,714	-	277,099
Financial liabilities measured at fair value through profit or loss	-	2,319	-	-	-	2,319
Derivatives liabilities	-	27,943	35,771	14,793	-	78,507
Liabilities payable on demand	5,019	-	-	-	-	5,019
Debt issued and borrowings	-	13,149	68,137	51,259	18,627	151,172
<b>Total financial liabilities</b>	<b>2,211,858</b>	<b>612,823</b>	<b>182,227</b>	<b>78,817</b>	<b>18,627</b>	<b>3,104,352</b>

(Unit: Million Baht)

	Separate financial statements					
	30 June 2023					
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash	-	-	-	-	52,838	52,838
Interbank and money market items	29,805	604,438	357	-	-	634,600
Financial assets measured at fair value through profit or loss	-	2,866	3,307	4,743	626	11,542
Derivatives assets	-	36,782	42,531	15,918	-	95,231
Investments	36	90,192	110,739	30,908	16,951	248,826
Loans to customers	198,980	433,272	636,396	1,217,458	-	2,486,106
Total financial assets	228,821	1,167,550	793,330	1,269,027	70,415	3,529,143
<b>Financial liabilities</b>						
Deposits	2,106,350	393,580	77,081	7,341	-	2,584,352
Interbank and money market items	43,778	195,947	34,367	2,124	-	276,216
Derivatives liabilities	-	34,701	39,574	13,496	-	87,771
Liabilities payable on demand	4,515	-	-	-	-	4,515
Debt issued and borrowings	-	14,209	37,203	42,166	19,203	112,781
Total financial liabilities	2,154,643	638,437	188,225	65,127	19,203	3,065,635

(Unit: Million Baht)

	Separate financial statements					
	31 December 2022					
	At call	Up to 1 year	1 - 5 years	Over 5 years	No maturity	Total
<b>Financial assets</b>						
Cash	-	-	-	-	61,565	61,565
Interbank and money market items	39,553	512,774	347	-	-	552,674
Financial assets measured at fair value through profit or loss	-	23,836	4,260	4,744	728	33,568
Derivatives assets	-	27,922	37,806	17,442	-	83,170
Investments	36	81,289	140,394	38,121	17,752	277,592
Loans to customers	198,072	469,094	627,562	1,207,693	-	2,502,421
Total financial assets	237,661	1,114,915	810,369	1,268,000	80,045	3,510,990
<b>Financial liabilities</b>						
Deposits	2,158,681	384,910	41,083	10,051	-	2,594,725
Interbank and money market items	51,415	181,093	37,271	2,714	-	272,493
Financial liabilities measured at fair value through profit or loss	-	2,319	-	-	-	2,319
Derivatives liabilities	-	27,943	35,771	14,793	-	78,507
Liabilities payable on demand	5,019	-	-	-	-	5,019
Debt issued and borrowings	-	8,621	36,335	43,319	18,627	106,902
Total financial liabilities	2,215,115	604,886	150,460	70,877	18,627	3,059,965

## 7. Capital funds

The capital fund and capital adequacy ratio information as at 30 June 2023, is preliminary information prepared using the criteria and methods prescribed by the BOT, which requires the Bank to prepare and submit such information to the BOT within 3 months from the end of the quarter, and to disclose such information as at 30 June and 31 December of each year via the Bank's website. Comparative information as at 31 December 2022, already submitted to the BOT, is as follows:

(Unit: Million Baht)		
	Financial business group	
	30 June 2023	31 December 2022
Common equity Tier 1		
Paid-up share capital	72,005	72,005
Premium on share capital	20,834	20,834
Legal reserve	7,201	7,201
Net income after appropriation	248,493	239,360
Other components of equity	17,878	17,317
Capital deduction items on common equity Tier 1	(24,537)	(21,116)
Total common equity Tier1	341,874	335,601
Tier 1 capital funds - financial instruments	20,228	20,269
Total Tier 1 capital funds	362,102	355,870
Tier 2 capital funds		
Long-term subordinated debt	42,080	42,080
Allowance for assets classified as normal	24,061	24,144
Total Tier 2 capital funds	66,141	66,224
Total capital funds	428,243	422,094

  

(Unit: Million Baht)		
	Separate financial statements	
	30 June 2023	31 December 2022
Common equity Tier 1		
Paid-up share capital	72,005	72,005
Premium on share capital	20,834	20,834
Legal reserve	7,201	7,201
Net income after appropriation	226,652	217,553
Other components of equity	19,809	21,268
Capital deduction items on common equity Tier 1	(22,119)	(18,965)
Total common equity Tier1	324,382	319,896
Tier 1 capital funds - financial instruments	18,647	18,647
Total tier 1 capital funds	343,029	338,543
Tier 2 capital funds		
Long-term subordinated debt	42,080	42,080
Allowance for assets classified as normal	23,004	23,237
Total Tier 2 capital funds	65,084	65,317
Total capital funds	408,113	403,860

	Capital adequacy ratio				
	Minimum rate of BOT's requirement	Financial business group		Separate financial statements	
		30 June	31 December	30 June	31 December
		2023	2022	2023	2022
		(%)	(%)	(%)	(%)
Common equity Tier 1 ratio	8.00	16.06	15.74	15.94	15.59
Tier 1 capital fund ratio	9.50	17.01	16.69	16.86	16.50
Capital adequacy ratio	12.00	20.12	19.80	20.06	19.68

The Bank discloses information about the capital fund requirements of the Bank and the financial business group in accordance with the BOT's Notification regarding the Disclosure of Capital Requirements of Commercial Banks and Notification regarding the Disclosure of Capital Requirement of Financial Business Groups.

Channel of disclosure	<a href="http://www.krungthai.com">www.krungthai.com</a> > Investor Relations > Financial Information > Pillar III disclosures
Date of disclosure	Within 4 months after the end of reporting period.
Information as at	30 June 2023

## 8. Supplementary information

### 8.1 Supplementary information of cash flows

#### 8.1.1 Cash

Cash as at 30 June 2023 and 31 December 2022 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
Cash	40,022	50,202	40,005	50,176
Cash received in advance from electronic money transactions and electronic money transfer services	12,833	11,389	12,833	11,389
Total	52,855	61,591	52,838	61,565

8.1.2 Significant non-cash items for the six-month period ended 30 June 2023 and 2022 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Decrease in revaluation surplus on investments measured at fair value through other comprehensive income net of income tax expenses	(1,331)	(3,013)	(1,343)	(3,020)
Increase in right-of-use assets	951	853	454	718
Increase in properties for sale from loans repayment	402	1,146	352	1,125
Increase in properties for sale from asset warehousing	156	2,460	156	2,460
Decrease in surplus on revaluation of assets	(3)	-	(3)	-

8.1.3 Disclosures of related changes in liabilities from financing activities

Item	(Unit: Million Baht)			
	Consolidated financial statements			
	Cash flows from financing activities			
	1 January 2023	activities	Non-cash items	30 June 2023
Debt issued and borrowings	151,172	6,811	1,222	159,205
Total	151,172	6,811	1,222	159,205

Item	(Unit: Million Baht)			
	Consolidated financial statements			
	Cash flows from financing activities			
	1 January 2022	activities	Non-cash items	30 June 2022
Debt issued and borrowings	133,817	21,259	469	155,545
Total	133,817	21,259	469	155,545

Item	(Unit: Million Baht)			
	Separate financial statements			
	Cash flows from financing activities			
	1 January 2023	activities	Non-cash items	30 June 2023
Debt issued and borrowings	106,902	5,275	604	112,781
Total	106,902	5,275	604	112,781

Item	(Unit: Million Baht)			
	Separate financial statements			
	Cash flows from financing activities			
	1 January 2022	activities	Non-cash items	30 June 2022
Debt issued and borrowings	91,392	22,593	440	114,425
Total	91,392	22,593	440	114,425



## 8.2 Classification of financial assets and financial liabilities

(Unit: Million Baht)

Consolidated financial statements					
30 June 2023					
	Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<b>Financial assets</b>					
Cash	-	-	-	52,855	52,855
Interbank and money market items - net	-	-	-	632,696	632,696
Financial assets measured at fair value through profit and loss	11,542	-	-	-	11,542
Derivatives assets	95,231	-	-	-	95,231
Investments - net	-	230,671	16,952	1,241	248,864
Loans to customers and accrued interest receivables - net	-	-	-	2,427,215	2,427,215
<b>Total financial assets</b>	<b>106,773</b>	<b>230,671</b>	<b>16,952</b>	<b>3,114,007</b>	<b>3,468,403</b>
<b>Financial liabilities</b>					
Deposits	-	-	-	2,579,084	2,579,084
Interbank and money market items	-	-	-	280,320	280,320
Liabilities payable on demand	-	-	-	4,515	4,515
Derivatives liabilities	87,771	-	-	-	87,771
Debt issued and borrowings	-	-	-	159,205	159,205
Lease liabilities	-	-	-	3,585	3,585
Provisions	-	-	-	17,614	17,614
<b>Total financial liabilities</b>	<b>87,771</b>	<b>-</b>	<b>-</b>	<b>3,044,323</b>	<b>3,132,094</b>

## Consolidated financial statements

31 December 2022

	Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<b>Financial assets</b>					
Cash	-	-	-	61,591	61,591
Interbank and money market items - net	-	-	-	550,941	550,941
Financial assets measured at fair value through profit and loss	33,568	-	-	-	33,568
Derivatives assets	83,170	-	-	-	83,170
Investments - net	-	258,350	17,755	950	277,055
Loans to customers and accrued interest receivables - net	-	-	-	2,443,832	2,443,832
<b>Total financial assets</b>	<b>116,738</b>	<b>258,350</b>	<b>17,755</b>	<b>3,057,314</b>	<b>3,450,157</b>
<b>Financial liabilities</b>					
Deposits	-	-	-	2,590,236	2,590,236
Interbank and money market items	-	-	-	277,099	277,099
Liabilities payable on demand	-	-	-	5,019	5,019
Financial liabilities measured at fair value through profit and loss	2,319	-	-	-	2,319
Derivatives liabilities	78,507	-	-	-	78,507
Debt issued and borrowings	-	-	-	151,172	151,172
Lease liabilities	-	-	-	3,688	3,688
Provisions	-	-	-	17,444	17,444
<b>Total financial liabilities</b>	<b>80,826</b>	<b>-</b>	<b>-</b>	<b>3,044,658</b>	<b>3,125,484</b>

(Unit: Million Baht)

Separate financial statement					
30 June 2023					
	Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<b><u>Financial assets</u></b>					
Cash	-	-	-	52,838	52,838
Interbank and money market items - net	-	-	-	632,389	632,389
Financial assets measured at fair value through profit and loss	11,542	-	-	-	11,542
Derivatives assets	95,231	-	-	-	95,231
Investments - net	-	231,592	16,951	243	248,786
Loans to customers and accrued interest receivables - net	-	-	-	2,343,533	2,343,533
<b>Total financial assets</b>	<b>106,773</b>	<b>231,592</b>	<b>16,951</b>	<b>3,029,003</b>	<b>3,384,319</b>
<b><u>Financial liabilities</u></b>					
Deposits	-	-	-	2,584,352	2,584,352
Interbank and money market items	-	-	-	276,216	276,216
Liabilities payable on demand	-	-	-	4,515	4,515
Derivatives liabilities	87,771	-	-	-	87,771
Debt issued and borrowings	-	-	-	112,781	112,781
Lease liabilities	-	-	-	2,613	2,613
Provisions	-	-	-	15,975	15,975
<b>Total financial liabilities</b>	<b>87,771</b>	<b>-</b>	<b>-</b>	<b>2,996,452</b>	<b>3,084,223</b>

(Unit: Million Baht)

Separate financial statement					
31 December 2022					
	Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<b><u>Financial assets</u></b>					
Cash	-	-	-	61,565	61,565
Interbank and money market items - net	-	-	-	549,955	549,955
Financial assets measured at fair value through profit and loss	33,568	-	-	-	33,568
Derivatives assets	83,170	-	-	-	83,170
Investments - net	-	259,553	17,752	249	277,554
Loans to customers and accrued interest receivables - net	-	-	-	2,361,277	2,361,277
Total financial assets	<u>116,738</u>	<u>259,553</u>	<u>17,752</u>	<u>2,973,046</u>	<u>3,367,089</u>
<b><u>Financial liabilities</u></b>					
Deposits	-	-	-	2,594,725	2,594,725
Interbank and money market items	-	-	-	272,493	272,493
Liabilities payable on demand	-	-	-	5,019	5,019
Financial liabilities measured at fair value through profit and loss	2,319	-	-	-	2,319
Derivatives liabilities	78,507	-	-	-	78,507
Debt issued and borrowings	-	-	-	106,902	106,902
Lease liabilities	-	-	-	3,003	3,003
Provisions	-	-	-	15,927	15,927
Total financial liabilities	<u>80,826</u>	<u>-</u>	<u>-</u>	<u>2,998,069</u>	<u>3,078,895</u>

### 8.3 Interbank and money market items (assets)

(Unit: Million Baht)

	Consolidated financial statements					
	30 June 2023			31 December 2022		
	At call	Term	Total	At call	Term	Total
<b>Domestic</b>						
Bank of Thailand and Financial Institutions Development Fund	15,019	506,948	521,967	13,961	416,760	430,721
Commercial banks	296	52,409	52,705	975	45,706	46,681
Specialised financial institutions	11	1,034	1,045	11	4,035	4,046
Other financial institutions	3	40,697	40,700	13	42,943	42,956
<b>Total</b>	<b>15,329</b>	<b>601,088</b>	<b>616,417</b>	<b>14,960</b>	<b>509,444</b>	<b>524,404</b>
Add: Accrued interest receivables	-	120	120	-	162	162
Less: Deferred revenue	-	(45)	(45)	-	(21)	(21)
Less: Allowance for expected credit losses	-	(2,287)	(2,287)	(1)	(2,836)	(2,837)
<b>Total domestic items</b>	<b>15,329</b>	<b>598,876</b>	<b>614,205</b>	<b>14,959</b>	<b>506,749</b>	<b>521,708</b>
<b>Foreign</b>						
US Dollar	10,315	1,788	12,103	20,516	2,074	22,590
Yen	1,753	-	1,753	2,496	-	2,496
Euro	775	-	775	428	-	428
Others	1,940	1,964	3,904	2,139	1,624	3,763
<b>Total</b>	<b>14,783</b>	<b>3,752</b>	<b>18,535</b>	<b>25,579</b>	<b>3,698</b>	<b>29,277</b>
Add: Accrued interest receivables	-	31	31	-	26	26
Less: Allowance for expected credit losses	(51)	(24)	(75)	(26)	(44)	(70)
<b>Total foreign items</b>	<b>14,732</b>	<b>3,759</b>	<b>18,491</b>	<b>25,553</b>	<b>3,680</b>	<b>29,233</b>
<b>Total</b>	<b>30,061</b>	<b>602,635</b>	<b>632,696</b>	<b>40,512</b>	<b>510,429</b>	<b>550,941</b>

(Unit: Million Baht)

	Separate financial statements					
	30 June 2023			31 December 2022		
	At call	Term	Total	At call	Term	Total
<b>Domestic</b>						
Bank of Thailand and Financial						
Institutions Development Fund	15,019	506,948	521,967	13,961	416,760	430,721
Commercial banks	-	52,409	52,409	-	45,706	45,706
Specialised financial institutions	-	1,034	1,034	-	4,035	4,035
Other financial institutions	3	40,697	40,700	13	42,943	42,956
Total	15,022	601,088	616,110	13,974	509,444	523,418
Add: Accrued interest receivables	-	120	120	-	162	162
Less: Deferred revenue	-	(45)	(45)	-	(21)	(21)
Less: Allowance for expected credit losses	-	(2,287)	(2,287)	(1)	(2,836)	(2,837)
<b>Total domestic items</b>	15,022	598,876	613,898	13,973	506,749	520,722
<b>Foreign</b>						
US Dollar	10,315	1,788	12,103	20,516	2,074	22,590
Yen	1,753	-	1,753	2,496	-	2,496
Euro	775	-	775	428	-	428
Others	1,940	1,964	3,904	2,139	1,624	3,763
Total	14,783	3,752	18,535	25,579	3,698	29,277
Add: Accrued interest receivables	-	31	31	-	26	26
Less: Allowance for expected credit losses	(51)	(24)	(75)	(26)	(44)	(70)
<b>Total foreign items</b>	14,732	3,759	18,491	25,553	3,680	29,233
<b>Total</b>	29,754	602,635	632,389	39,526	510,429	549,955

As at 30 June 2023 and 31 December 2022, the Bank has no loans to a subsidiary company, which was a financial institution.

## 8.4 Financial assets measured at fair value through profit or loss

(Unit: Million Baht)

Investments	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
<b>Financial assets held for trading</b>				
Government and state enterprises securities	6,121	6,964	6,121	6,964
Private enterprises debt securities	552	1,010	552	1,010
Investments in foreign debt securities	2,338	23,488	2,338	23,488
Marketable equity securities	140	4	140	4
Total	9,151	31,466	9,151	31,466
<b>Others</b>				
Private enterprises debt securities	1,905	1,378	1,905	1,378
Unit trust	396	385	396	385
Marketable equity securities	90	339	90	339
Total	2,391	2,102	2,391	2,102
Total financial assets measured at fair value through profit or loss	11,542	33,568	11,542	33,568

## 8.5 Derivatives

### 8.5.1 Derivatives held for trading

Fair value and notional amount classified by type of risk are as follows:

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements					
	30 June 2023			31 December 2022		
	Fair value		Notional amounts	Fair value		Notional amounts
	Assets	Liabilities		Assets	Liabilities	
Foreign exchange rate	55,423	47,960	1,806,641	48,762	44,497	1,864,533
Interest rate	35,222	35,260	2,689,632	30,155	29,662	2,129,757
Others	444	547	28,403	419	344	19,216
Total	91,089	83,767	4,524,676	79,336	74,503	4,013,506

## 8.5.2 Derivative for hedging

As at 30 June 2023 and 31 December 2022, hedging instrument classified by type of hedging and risk are detailed as follows:

### Dynamic hedges

Fair value and notional amount classified by type of risk are as follows:

(Unit: Million Baht)			
Consolidated and separate financial statements			
30 June 2023			
Type of risk	Notional amounts	Fair value	
		Assets	Liabilities
<b><u>Interest rate risk</u></b>			
Interest rate swap	77,835	-	-
Total	77,835	-	-

(Unit: Million Baht)			
Consolidated and separate financial statements			
31 December 2022			
Type of risk	Notional amounts	Fair value	
		Assets	Liabilities
<b><u>Interest rate risk</u></b>			
Interest rate swap	100,425	-	-
Total	100,425	-	-



## Fair value hedges

The amounts relating to items designated as hedged items under fair value hedges are as follows:

(Unit: Million Baht)

		Consolidated and separate financial statements			
		30 June 2023			
Type of risk		Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items	
		Assets	Liabilities	Assets	Liabilities
<b><u>Interest rate risk</u></b>					
THB fixed-rate borrowings	A	-	777	-	(23)
USD fixed-rate borrowings	A	-	6,291	-	(115)
THB fixed-rate debt issued	B	-	26,343	-	(314)
USD fixed-rate debt issued	B	-	19,333	-	(2,113)
THB fixed-rate loans to customers	D	2,416	-	(111)	-
Total interest rate risk		2,416	52,744	(111)	(2,565)
<b><u>Foreign exchange rate risk</u></b>					
USD investments in equity securities, designated at fair value through other comprehensive income	C	3,849	-	189	-
EUR investments in equity securities, designated at fair value through other comprehensive income	C	10	-	-	-
Total foreign exchange rate risk		3,859	-	189	-
Total		6,275	52,744	78	(2,565)

(Unit: Million Baht)

		Consolidated and separate financial statements			
		31 December 2022			
Type of risk		Carrying amount of hedged items		Accumulated amount of fair value adjustments on the hedged items	
		Assets	Liabilities	Assets	Liabilities
<b><u>Interest rate risk</u></b>					
THB fixed-rate borrowings	A	-	2,970	-	(29)
USD fixed-rate borrowings	A	-	6,049	-	(172)
THB fixed-rate debt issued	B	-	18,615	-	(8)
USD fixed-rate debt issued	B	-	18,755	-	(2,064)
THB fixed-rate loans to customers	D	2,693	-	16	-
Total interest rate risk		2,693	46,389	16	(2,273)
<b><u>Foreign exchange rate risk</u></b>					
USD investments in equity securities, designated at fair value through other comprehensive income	C	3,275	-	(246)	-
EUR investments in equity securities, designated at fair value through other comprehensive income	C	8	-	-	-
Total foreign exchange rate risk		3,283	-	(246)	-
Total		5,976	46,389	(230)	(2,273)

The items in the statement of financial position, where the hedged items and the cumulative fair value changes are recorded, include:

- A. Interbank and money market items (Liabilities)
- B. Debt issued and borrowings
- C. Investments - net
- D. Loans to customers and accrued interest receivables - net

The amounts relating to items designated as hedging instruments under fair value hedges are as follows:

(Unit: Million Baht)			
Consolidated and separate financial statements			
30 June 2023			
Type of risk	Notional amounts	Fair value of hedging instruments	
		Assets	Liabilities
<b><u>Interest rate risk</u></b>			
Interest rate swap	77,491	202	2,594
Interest rate swap option	41,534	43	166
Total interest rate risk	119,025	245	2,760
<b><u>Foreign exchange rate risk</u></b>			
Foreign currency forward contract	317	3	-
Foreign currency swap contract	3,710	-	193
Total foreign exchange rate risk	4,027	3	193
Total	123,052	248	2,953

(Unit: Million Baht)			
Consolidated and separate financial statements			
31 December 2022			
Type of risk	Notional amounts	Fair value of hedging instruments	
		Assets	Liabilities
<b><u>Interest rate risk</u></b>			
Interest rate swap	71,021	190	2,365
Interest rate swap option	34,403	98	210
Total interest rate risk	105,424	288	2,575
<b><u>Foreign exchange rate risk</u></b>			
Foreign currency swap contract	3,292	246	-
Total foreign exchange rate risk	3,292	246	-
Total	108,716	534	2,575

The below table sets out the outcome of the Bank's hedging strategy, set out in Note 4.5 to the consolidated financial statements, in particular, to changes in the fair value of the hedged items and hedging instruments during the period, used as the basis for recognising ineffectiveness:

(Unit: Million Baht)

		Consolidated and separate financial statements		
		For the six-month period ended 30 June 2023		
Type of risk		Gains (losses) attributable to the hedged risk		Change in fair value used for measuring ineffectiveness
Hedged items	Hedging instruments	Hedged items	Hedging instruments	
<b><u>Interest rate risk</u></b>				
THB fixed-rate borrowings	Interest rate swap	(6)	6	-
USD fixed-rate borrowings	Interest rate swap	(57)	57	-
THB fixed-rate debt issued	Interest rate swap and interest rate swap option	306	(61)	245
USD fixed-rate debt issued	Interest rate swap	49	(47)	2
THB fixed-rate loans to customers	Interest rate swap and interest rate swap option	(127)	5	(122)
Total interest rate risk		165	(40)	125
<b><u>Foreign exchange rate risk</u></b>				
USD investments in equity securities, designated at fair value through other comprehensive income	Foreign currency swap contract	173	(173)	-
Total foreign exchange rate risk		173	(173)	-
Total		338	(213)	125

(Unit: Million Baht)

		Consolidated and separate financial statements		
		For the six-month period ended 30 June 2022		
Type of risk		Gains (losses) attributable to		Change in fair value used for measuring ineffectiveness
	Hedging		Hedging	
Hedged items	instruments	Hedged items	instruments	
<b><u>Interest rate risk</u></b>				
THB fixed-rate borrowings	Interest rate swap	82	(82)	-
USD fixed-rate borrowings	Interest rate swap	85	(85)	-
THB fixed-rate debt issued	Interest rate swap			
	and interest rate swap option	99	(103)	(4)
USD fixed-rate debt issued	Interest rate swap	1,359	(1,367)	(8)
THB fixed-rate loans to customers	Interest rate swap			
	and interest rate swap option	(82)	110	28
Total interest rate risk		1,543	(1,527)	16
<b><u>Foreign exchange rate risk</u></b>				
USD investments in equity securities, designated at fair value through other comprehensive income	Foreign currency forward contract / Foreign currency swap contract	96	(96)	-
Total foreign exchange rate risk		96	(96)	-
Total		1,639	(1,623)	16

## Cash flow hedges

The amounts relating to items designated as hedged items under cash flow hedges are as follows:

(Unit: Million Baht)			
Consolidated and separate financial statements			
30 June 2023			
Type of risk	Change in fair value measuring used for ineffectiveness	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
<b><u>Interest rate and foreign exchange rate risk</u></b>			
Investment in debt securities, measured at fair value through other comprehensive income			
USD fixed-rate	454	100	-
USD floating rate	(586)	(17)	-
YEN fixed-rate	(1,068)	(146)	-
EUR fixed-rate	527	313	-
EUR floating rate	(125)	57	-
MYR fixed-rate	(217)	(7)	-
Total	(1,015)	300	-

(Unit: Million Baht)

Consolidated and separate financial statements			
31 December 2022			
Type of risk	Change in fair value measuring used for ineffectiveness	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
<b><u>Interest rate and foreign exchange rate risk</u></b>			
Investment in debt securities, measured at fair value through other comprehensive income			
USD fixed-rate	(258)	178	-
USD floating rate	150	(32)	-
YEN fixed-rate	(2,605)	15	-
EUR fixed-rate	(522)	358	-
EUR floating rate	(15)	(58)	-
MYR fixed-rate	(71)	46	-
Total	(3,321)	507	-

The corresponding items in the statement of financial position, where the hedged items are recorded is “Investments - net”.

The below table sets out the outcome of the Bank's hedging strategy, set out in Note 4.5 to the consolidated financial statements, in particular, the notional and the carrying amounts of the derivatives the Bank uses as cash flow hedging instruments and the changes in fair value used for measuring ineffectiveness of the cash flow hedges as follows:

(Unit: Million Baht)

Consolidated and separate financial statements							
30 June 2023							
Type of risk	Notional amounts	Carrying amount of hedging instruments		Changes in fair value used for measuring ineffectiveness			Amount reclassified from the cash flow hedge reserve to profit or loss
		Assets	Liabilities	Total	Effective portion recognised in other comprehensive income	Ineffective portion recognised in profit or loss	
<b><u>Interest rate risk</u></b>							
Interest rate swap option - hedge the risk of EUR floating-rate investments in debt securities	1,333	-	1	-	-	-	-
<b><u>Interest rate and foreign exchange rate risk</u></b>							
Cross currency swap (THB:USD) - hedge the risk of USD fixed-rate investments in debt securities	13,132	27	609	(454)	(454)	-	376
Cross currency swap (THB:USD) - hedge the risk of USD floating-rate investments in debt securities	1,851	-	315	586	586	-	(572)
Cross currency swap (THB:YEN) - hedge the risk of YEN fixed-rate investments in debt securities	30,266	3,687	-	1,068	1,068	-	(1,229)
Cross currency swap (THB:EUR) - hedge the risk of EUR fixed-rate investments in debt securities	9,866	11	98	(527)	(527)	-	482
Cross currency swap (THB:EUR) - hedge the risk of EUR floating-rate investments in debt securities	1,333	-	28	125	125	-	(10)
Cross currency swap (THB:MYR) - hedge the risk of MYR fixed-rate investments in debt securities	6,243	169	-	217	217	-	(269)
Total	64,024	3,894	1,051	1,015	1,015	-	(1,222)

Consolidated and separate financial statements							
31 December 2022							
Type of risk	Notional amounts	Carrying amount of hedging instruments		Changes in fair value used for measuring ineffectiveness			Amount reclassified from the cash flow hedge reserve to profit or loss
		Assets	Liabilities	Total	Effective portion recognised in other comprehensive income	Ineffective portion recognised in profit or loss	
<b>Interest rate risk</b>							
Interest rate swap option - hedge the risk of EUR floating-rate investments in debt securities	1,271	-	-	2	-	2	-
<b>Interest rate and foreign exchange rate risk</b>							
Cross currency swap (THB:USD) - hedge the risk of USD fixed-rate investments in debt securities	7,742	117	333	258	258	-	(106)
Cross currency swap (THB:USD) - hedge the risk of USD floating-rate investments in debt securities	7,949	-	897	(150)	(150)	-	114
Cross currency swap (THB:YEN) - hedge the risk of YEN fixed-rate investments in debt securities	30,788	2,668	16	2,605	2,605	-	(2,709)
Cross currency swap (THB:EUR) - hedge the risk of EUR fixed-rate investments in debt securities	9,400	445	-	522	522	-	(178)
Cross currency swap (THB:EUR) - hedge the risk of EUR floating-rate investments in debt securities	2,191	36	76	15	15	-	(56)
Cross currency swap (THB:MYR) - hedge the risk of MYR fixed-rate investments in debt securities	7,987	34	107	71	71	-	(57)
Total	67,328	3,300	1,429	3,323	3,321	2	(2,992)

The corresponding line item in the statement of profit or loss and other comprehensive income that includes hedge ineffectiveness is “Net gains on financial instruments measured at fair value through profit or loss”.

The corresponding line items in the statement of profit or loss and other comprehensive income that affected by the reclassification of the cash flow hedge reserve are “Net gains on financial instruments measured at fair value through profit or loss” and “Interest income”.

As at 30 June 2023 and 31 December 2022, the Bank has hedging instruments used to hedge interest rate risk and foreign exchange rate risk, classified by the maturity as follows:

Type of risk	Consolidated and separate financial statements					
	30 June 2023					
	Remaining time to maturity					
	Less than 1 month	1 to 3 months	Over 3 months to 1 year	Over 1 to 5 years	Over 5 years	Total
<b><u>Fair value hedges - interest rate risk</u></b>						
Interest rate swap - hedge THB fixed-rate borrowings						
Notional amount (Unit: Million Baht)	300	-	16,444	29,891	430	47,065
Average fixed rate (%)	1.02	-	1.57	1.35	1.79	1.43
Average floating rate (%)	1.84	-	1.98	1.99	0.98	1.97
Interest rate swap - hedge USD fixed-rate borrowings						
Notional amount (Unit: Million Baht)	2,135	-	4,271	21,492	-	27,898
Average fixed rate (%)	0.59	-	3.12	4.38	-	3.89
Average floating rate (%)	5.82	-	5.50	3.40	-	3.91
Interest rate swap - hedge THB fixed-rate loans to customers						
Notional amount (Unit: Million Baht)	-	-	-	-	2,528	2,528
Average fixed rate (%)	-	-	-	-	3.59	3.59
Average floating rate (%)	-	-	-	-	3.99	3.99
Interest rate swap option - hedge THB fixed-rate loans to customers						
Notional amount (Unit: Million Baht)	-	-	-	-	-	-
Average fixed rate (%)	-	-	-	-	-	-
Average floating rate (%)	-	-	-	-	-	-
Interest rate swap option - hedge THB fixed-rate borrowings						
Notional amount (Unit: Million Baht)	-	-	-	6,866	-	6,866
Average fixed rate (%)	-	-	-	2.17	-	2.17
Average floating rate (%)	-	-	-	2.09	-	2.09
<b><u>Fair value hedges - foreign exchange rate risk</u></b>						
Foreign currency forward contract - hedge USD investments in equity securities						
Notional amount (Unit: Million Baht)	-	317	-	-	-	317
Average foreign exchange rate (THB:USD)	-	35.18	-	-	-	35.18
Foreign currency swap contract - hedge EUR investments in equity securities						
Notional amount (Unit: Million Baht)	-	9	-	-	-	9
Average foreign exchange rate (THB:EUR)	-	37.28	-	-	-	37.28
Foreign currency swap contract - hedge USD investments in equity securities						
Notional amount (Unit: Million Baht)	-	3,701	-	-	-	3,701
Average foreign exchange rate (THB:USD)	-	33.59	-	-	-	33.59

**Cash flow hedges - interest rate risk**



Consolidated and separate financial statements						
30 June 2023						
Type of risk	Remaining time to maturity					Total
	Less than 1 month	1 to 3 months	Over 3 months to 1 year	Over 1 to 5 years	Over 5 years	
Interest rate swap option - hedge EUR floating-rate investments in debt securities	-	-	-	1,333	-	1,333
Notional amount (Unit: Million Baht)						
<b><u>Cash flow hedges - interest rate and foreign exchange rate risk</u></b>						
Cross currency swap (THB:USD) - hedge USD fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	3,345	9,787	-	13,132
Average foreign exchange rate (THB:USD)	-	-	30.78	34.48	-	33.54
Average fixed rate (%)	-	-	1.17	2.66	-	2.31
Cross currency swap (THB:USD) - hedge USD floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	1,851	-	-	1,851
Average foreign exchange rate (THB:USD)	-	-	30.11	-	-	30.11
Average fixed rate (%)	-	-	1.30	-	-	1.30
Cross currency swap (THB:YEN) - hedge YEN fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	1,231	7,382	21,653	-	30,266
Average foreign exchange rate (THB:YEN)	-	0.29	0.29	0.27	-	0.28
Average fixed rate (%)	-	1.64	1.45	1.98	-	1.83
Cross currency swap (THB:EUR) - hedge EUR fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	3,170	6,696	-	9,866
Average foreign exchange rate (THB:EUR)	-	-	37.64	36.75	-	37.04
Average fixed rate (%)	-	-	1.28	1.85	-	1.66
Cross currency swap (THB:EUR) - hedge EUR floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	1,333	-	1,333
Average foreign exchange rate (THB:EUR)	-	-	-	1.18	-	1.18
Average fixed rate (%)						
Cross currency swap (THB:MYR) - hedge MYR fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	4,720	1,523	-	6,243
Average foreign exchange rate (THB:MYR)	-	-	2.14	2.44	-	2.21
Average fixed rate (%)						

Consolidated and separate financial statements						
31 December 2022						
Remaining time to maturity						
Type of risk	Less than 1 month	1 to 3 months	Over 3 months to 1 year	Over 1 to 5 years	Over 5 years	Total
<b><u>Fair value hedges - interest rate risk</u></b>						
Interest rate swap - hedge THB fixed-rate borrowings						
Notional amount (Unit: Million Baht)	-	1,200	7,539	32,082	430	41,251
Average fixed rate (%)	-	0.85	0.56	1.52	1.79	1.33
Average floating rate (%)	-	0.64	1.10	1.25	1.31	1.21
Interest rate swap - hedge USD fixed-rate borrowings						
Notional amount (Unit: Million Baht)	-	-	2,074	25,019	-	27,093
Average fixed rate (%)	-	-	0.59	4.17	-	3.89
Average floating rate (%)	-	-	4.03	6.50	-	6.31
Interest rate swap - hedge THB fixed-rate loans to customers						
Notional amount (Unit: Million Baht)	-	-	-	-	2,677	2,677
Average fixed rate (%)	-	-	-	-	3.58	3.58
Average floating rate (%)	-	-	-	-	3.63	3.63
Interest rate swap option - hedge THB fixed-rate loans to customers						
Notional amount (Unit: Million Baht)	-	75	-	-	-	75
Average fixed rate (%)	-	4.65	-	-	-	4.65
Average floating rate (%)	-	3.63	-	-	-	3.63
Interest rate swap option - hedge THB fixed-rate borrowings						
Notional amount (Unit: Million Baht)	-	-	11,623	22,705	-	34,328
Average fixed rate (%)	-	-	2.26	2.21	-	2.23
Average floating rate (%)	-	-	1.24	1.24	-	1.24
<b><u>Fair value hedges - foreign exchange rate risk</u></b>						
Foreign currency swap contract - hedge EUR investments in equity securities						
Notional amount (Unit: Million Baht)	-	9	-	-	-	9
Average foreign exchange rate (THB:EUR)	-	37.33	-	-	-	37.33
Foreign currency swap contract - hedge USD investments in equity securities						
Notional amount (Unit: Million Baht)	-	3,283	-	-	-	3,283
Average foreign exchange rate (THB:USD)	-	37.01	-	-	-	37.01
<b><u>Cash flow hedges - interest rate risk</u></b>						
Interest rate swap option - hedge EUR floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	1,271	-	1,271
<b><u>Cash flow hedges - interest rate and foreign exchange rate risk</u></b>						

Type of risk	Consolidated and separate financial statements					
	31 December 2022					
	Remaining time to maturity					
	Less than 1 month	1 to 3 months	Over 3 months to 1 year	Over 1 to 5 years	Over 5 years	Total
Cross currency swap (THB:USD) - hedge USD fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	691	7,051	-	7,742
Average foreign exchange rate (THB:USD)	-	-	30.22	32.91	-	32.67
Average fixed rate (%)	-	-	3.57	1.86	-	2.00
Cross currency swap (THB:USD) - hedge USD floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	2,004	3,975	242	1,728	-	7,949
Average foreign exchange rate (THB:USD)	30.97	31.24	31.43	30.01	-	30.91
Average fixed rate (%)	1.41	1.27	1.35	1.31	-	1.32
Cross currency swap (THB:YEN) - hedge YEN fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	2,609	3,914	24,265	-	30,788
Average foreign exchange rate (THB:YEN)	-	0.30	0.29	0.28	-	0.28
Average fixed rate (%)	-	1.02	1.27	1.81	-	1.67
Cross currency swap (THB:EUR) - hedge EUR fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	-	-	9,400	-	9,400
Average foreign exchange rate (THB:EUR)	-	-	-	37.04	-	37.04
Average fixed rate (%)	-	-	-	1.66	-	1.66
Cross currency swap (THB:EUR) - hedge EUR floating-rate investments in debt securities						
Notional amount (Unit: Million Baht)	921	-	-	1,270	-	2,191
Average foreign exchange rate (THB:EUR)	33.69	-	-	39.41	-	37.01
Average fixed rate (%)	1.73	-	-	1.18	-	1.39
Cross currency swap (THB:MYR) - hedge MYR fixed-rate investments in debt securities						
Notional amount (Unit: Million Baht)	-	1,566	-	6,421	-	7,987
Average foreign exchange rate (THB:MYR)	-	7.40	-	7.85	-	7.76
Average fixed rate (%)	-	2.61	-	2.21	-	2.29

During the six-month period ended 30 June 2023, there was no forecast transactions that is expected to be discontinued hedge as it was not expected to occur in the current period.

The following table provides a reconciliation by risk categories of other components of equity, resulting from hedge accounting.

(Unit: Million Baht)

Consolidated and separate financial statements			
30 June 2023			
	Cash flow	Gains (losses) from deferred cost of	
	hedge reserve	hedging	Total
Balance as at 1 January 2023 - net income tax	406	(104)	302
Effective portion of changes in fair value:			
Interest rate and foreign exchange rate risk	1,015	-	1,015
Net amount reclassified to profit or loss:			
Interest rate and foreign exchange rate risk	(1,222)	-	(1,222)
Changes in deferred cost of hedging	-	(41)	(41)
Related income tax	41	8	49
Balance as at 30 June 2023 - net income tax	240	(137)	103

(Unit: Million Baht)

Consolidated and separate financial statements			
31 December 2022			
	Cash flow	Gains (losses) from deferred cost of	
	hedge reserve	hedging	Total
Balance as at 1 January 2022 - net income tax	142	(75)	67
Effective portion of changes in fair value:			
Interest rate and foreign exchange rate risk	3,321	-	3,321
Net amount reclassified to profit or loss:			
Interest rate and foreign exchange rate risk	(2,992)	-	(2,992)
Changes in deferred cost of hedging	-	(36)	(36)
Related income tax	(65)	7	(58)
Balance as at 31 December 2022 - net income tax	406	(104)	302

## 8.6 Investments - net

The detail of investments of the Bank and its subsidiaries as of 30 June 2023 and 31 December 2022 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Investments in debt securities measured at amortised cost	1,241	950	243	249
Investments in debt securities measured at fair value through other comprehensive income	230,671	258,350	231,592	259,553
Investments in equity securities designated at fair value through other comprehensive income	16,952	17,755	16,951	17,752
	<u>248,864</u>	<u>277,055</u>	<u>248,786</u>	<u>277,554</u>

### 8.6.1 Investments in debt securities measured at amortised cost

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	Amortised cost		Amortised cost	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Government and state enterprise securities	998	701	-	-
Private enterprise debt securities	36	36	36	36
Foreign debt securities	247	251	247	251
Total	1,281	988	283	287
<u>Less</u> Allowance for expected credit losses	(40)	(38)	(40)	(38)
Total	<u>1,241</u>	<u>950</u>	<u>243</u>	<u>249</u>

## 8.6.2 Investments in debt securities measured at fair value through other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	Fair value		Fair value	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
Government and state enterprise securities	159,868	182,895	159,868	182,895
Private enterprise debt securities	7,802	8,255	8,723	9,458
Foreign debt securities	63,001	67,200	63,001	67,200
Total	230,671	258,350	231,592	259,553
Allowance for expected credit losses	(947)	(945)	(947)	(945)

## 8.6.3 Investments in equity securities designated at fair value through other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements			
	30 June 2023		31 December 2022	
	Fair value	Dividend income	Fair value	Dividend income
Domestic marketable equity securities	11,118	194	12,549	282
Foreign marketable equity securities	3,960	12	3,392	20
Domestic non-marketable equity securities	1,864	17	1,805	19
Foreign non-marketable equity securities	10	1	9	1
Total	16,952	224	17,755	322

(Unit: Million Baht)

	Separate financial statements			
	30 June 2023		31 December 2022	
	Fair value	Dividend income	Fair value	Dividend income
Domestic marketable equity securities	11,118	194	12,549	282
Foreign marketable equity securities	3,960	12	3,392	20
Domestic non-marketable equity securities	1,863	17	1,802	19
Foreign non-marketable equity securities	10	1	9	1
Total	16,951	224	17,752	322

8.6.4 The Bank and its subsidiaries have investments in securities which the Bank hold not less than 10 percent of the equity of the investee, classified by industrial sector and represented at their fair value as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	30 June 2023	31 December 2022
Public utilities and services	130	136
Mutual funds and REIT	1,533	1,538

8.6.5 As at 30 June 2023 and 31 December 2022, investments of the Bank and its subsidiaries in the consolidated and separate financial statements include investments in companies which have problems with their financial position and operating performance, as follows:

	Consolidated and separate financial statements							
	Number		Cost		Fair value		Allowance for expected credit losses/ allowance for impairment provided in the accounts	
	30	31	30	31	30	31	30	31
	June	December	June	December	June	December	June	December
	2023	2022	2023	2022	2023	2022	2023	2022
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies that are possible to delisting from the SET	2	2	832	832	32	36	847	847
2. Companies which have debt settlement problems or default on debt repayment	2	2	115	115	-	-	115	115

## 8.7 Investments in subsidiaries and associated companies - net

### 8.7.1 Separate financial statements

							(Unit: Million Baht)	
			Percentages of shareholdings		Investments (Cost method)		Dividend for the six-month periods ended	
			30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	30 June 2022
Name of company	Type of business	Type of shares						
<b>Subsidiaries</b>								
<b>Directly held</b>								
KTB Law Co., Ltd.	Legal services	Ordinary	100.00	100.00	30	30	-	-
KTB General Services and Security Co., Ltd.	General services	Ordinary	100.00	100.00	140	140	62	183
Krung Thai Asset Management Plc.	Fund management	Ordinary	100.00	100.00	211	211	700	750
KTB Computer Services Co., Ltd.	IT services	Ordinary	100.00	100.00	1,300	1,300	146	156
KTB Leasing Co., Ltd. <sup>(1)</sup>	Hire purchase	Ordinary	24.95	24.95	249	249	-	-
KTB Advisory Co., Ltd.	Holding company	Ordinary	76.00	76.00	228	228	-	-
Krungthai Card Plc.	Credit card business	Ordinary	49.29	49.29	2,150	2,150	1,462	1,271
KTC Nano Co., Ltd. <sup>(1)</sup>	Nano finance	Ordinary	24.95	24.95	13	13	-	-
KTC Pico (Bangkok) Co., Ltd. <sup>(1)</sup>	Personal loan	Ordinary	24.95	24.95	15	15	-	-
KTC Prepaid Co., Ltd. <sup>(1)</sup>	Electronic money services	Ordinary	24.95	24.95	25	25	-	-
<b>Indirect held</b>								
KTC Pico (Chonburi) Co., Ltd. <sup>(2)</sup>	Personal loan				-	-	-	-
KTC Pico (Pathum Thani) Co., Ltd. <sup>(2)</sup>	Personal loan				-	-	-	-
KTC Pico (Samut Prakan) Co., Ltd. <sup>(2)</sup>	Personal loan				-	-	-	-
KTC Pico (Samut Sakhon) Co., Ltd. <sup>(2)</sup>	Personal loan				-	-	-	-
Infinitas by Krungthai Co., Ltd. <sup>(3)</sup>	Digital platform services				-	-	-	-
Arise by Infinitas Co., Ltd. <sup>(4)</sup>	Human resource technology services				-	-	-	-
Total					4,361	4,361	2,370	2,360
<u>Less</u> Allowance for impairment					(79)	(53)	-	-
Total					4,282	4,308	2,370	2,360
<b>Associated companies</b>								
Krungthai-AXA Life Insurance Plc.	Life insurance	Ordinary	50.00	50.00	4,072	4,072	-	-
Krungthai Panich Insurance Plc.	Non-life insurance	Ordinary	45.00	45.00	1,519	1,519	186	149
Krungthai Mizuho Leasing Co., Ltd.	Hire purchase	Ordinary	49.00	49.00	87	87	66	65
Krungthai XSpring Securities Co., Ltd.	Securities business	Ordinary	50.00	50.00	1,069	1,069	-	193
National ITMX Co., Ltd.	Services	Ordinary	19.97	19.97	39	39	225	129
BCI (Thailand) Co., Ltd.	Services	Ordinary	22.17	22.17	117	117	-	-
Total					6,903	6,903	477	536
<u>Less</u> Allowance for impairment					(48)	(35)	-	-
Total					6,855	6,868	477	536
Investments in subsidiaries and associates - net					11,137	11,176	2,847	2,896

(1) The Bank has 24.95 percent shareholding in KTB Leasing Co., Ltd., KTC Nano Co., Ltd., KTC Pico (Bangkok) Co., Ltd. and KTC Prepaid Co., Ltd. and has indirect holdings of 49.29 percent through Krungthai Card Plc., and which Krungthai Card Plc. held 75.05 percent in KTB Leasing Co., Ltd., KTC Nano Co., Ltd., KTC Pico (Bangkok) Co., Ltd. and KTC Prepaid Co., Ltd.

(2) The Bank, indirectly invested by KTC Pico (Bangkok) Co., Ltd., which invested in the 100% shareholdings of KTC Pico (Chonburi) Co., Ltd., KTC Pico (Pathum Thani) Co., Ltd., KTC Pico (Samut Prakan) Co., Ltd. and KTC Pico (Samut Sakhon) Co., Ltd.

(3) The Bank, indirectly invested by KTB Advisory Co., Ltd., which invested in the 100% shareholdings of Infinitas by Krungthai Co., Ltd.

(4) The Bank, indirectly invested by Infinitas by Krungthai Co., Ltd. which invested in the 51% shareholdings of Arise by Infinitas Co., Ltd.



## Details of investments in subsidiaries companies that have non-controlling interests

										(Unit: Million Baht)		
Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Dividend paid to non-controlling interests during the six-month periods ended		Profit allocated to non-controlling interests during the six-month periods ended		Other comprehensive income allocated to non-controlling interests during the six-month periods ended		Share of surplus from the changes in the ownership interests in subsidiaries during the six-month periods ended	
	30	31	30	31	30 June		30 June		30 June		30 June	
	June	December	June	December	2023	2022	2023	2022	2023	2022	2023	2022
	2023	2022	2023	2022								
	(%)	(%)										
	Krungthai Card Plc.	50.71	50.71	16,515	16,162	1,503	1,307	1,856	1,842	-	-	-
KTB Advisory												
Co., Ltd.	12.17	12.17	37	37	-	-	-	-	-	-	-	-
Infinitas by												
Krungthai												
Co., Ltd.	12.17	12.17	41	28	-	-	13	7	-	-	-	-
Arise by Infinitas												
Co., Ltd	55.21	55.21	3	40	-	-	(37)	(52)	-	-	-	-
			16,596	16,267	1,503	1,307	1,832	1,797	-	-	-	-

Summarised financial information, before eliminating intercompany transactions, of subsidiaries companies that have significant non-controlling interests are as follows:

	(Unit: Million Baht)	
	Krungthai Card Plc.	
	30 June 2023	31 December 2022
<u>Summarised information about financial position</u>		
Total assets	102,545	101,796
Total liabilities	70,268	70,220
	(Unit: Million Baht)	
	Krungthai Card Plc.	
	For the six-month periods ended 30 June	
	2023	2022
<u>Summarised information about comprehensive income</u>		
Net operating income	5,370	5,224
Profit for the period	3,667	3,645
Total comprehensive income	3,667	3,645
<u>Summarised information about cash flow</u>		
Cash flow from (used in) operating activities	1,774	810
Cash flow from (used in) investing activities	(145)	(109)
Cash flow from (used in) financing activities	(1,956)	(1,491)

## 8.7.2 Consolidated financial statements

As at 30 June 2023 and 31 December 2022, investment in the associated companies, which presented under the equity method, in the consolidated financial statements consists of investment in ordinary shares of the following companies which operate in Thailand:

(Unit: Million Baht)

Name of company	30 June 2023			31 December 2022		
	Percentages of shareholdings	Investments (cost method)	Investment (equity method)	Percentages of shareholdings	Investments (cost method)	Investment (equity method)
<b>Associated companies</b>						
Krungthai-AXA Life Insurance Plc.	50.00	594	8,028	50.00	594	5,728
Krungthai Panich Insurance Plc.	45.00	971	3,355	45.00	971	3,562
Krungthai Mizuho Leasing Co., Ltd.	49.00	87	933	49.00	87	944
Krungthai XSpring Securities Co., Ltd.	50.00	1,069	1,238	50.00	1,069	1,203
National ITMX Co., Ltd.	19.97	39	765	19.97	39	813
BCI (Thailand) Co., Ltd.	22.17	117	62	22.17	117	70
Total investments in associated companies - net		2,877	14,381		2,877	12,320

(Unit: Million Baht)

Name of company	For the six-month periods ended 30 June					
	2023			2022		
	Dividend income	Share of profit (loss)	Share of other comprehensive income	Dividend income	Share of profit (loss)	Share of other comprehensive income
<b>Associated companies</b>						
Krungthai-AXA Life Insurance Plc. <sup>(1)</sup>	-	161	2,139	-	125	(12,775)
Krungthai Panich Insurance Plc. <sup>(1)</sup>	186	112	(133)	149	163	(390)
Krungthai Mizuho Leasing Co., Ltd.	66	55	-	65	58	-
Krungthai XSpring Securities Co., Ltd.	-	35	-	193	105	(10)
National ITMX Co., Ltd.	225	177	-	129	142	-
BCI (Thailand) Co., Ltd.	-	(8)	-	-	(6)	-
Total investments in associated companies - net	477	532	2,006	536	587	(13,175)

(1) Presents in the amount after adjustment for the effect of differences in accounting policies.

Investments in associated companies are accounted in the consolidated financial statements by using the equity method based on financial information from unaudited/unreviewed financial statements of the associated companies.

## 8.7.3 Significant financial information of the associated companies

### Summarised information about financial position

(Unit: Million Baht)

	Krungthai-AXA Life Insurance Plc.		Krungthai Panich Insurance Plc.		Krungthai Mizuho Leasing Co., Ltd.	
	30 June	31 December	30 June	31 December	30 June	31 December
	2023	2022	2023	2022	2023	2022
Total assets	312,755	308,274	14,667	14,767	17,583	16,963
Total liabilities	296,700	296,818	7,211	6,851	15,679	15,037
<b>Net assets</b>	<b>16,055</b>	<b>11,456</b>	<b>7,456</b>	<b>7,916</b>	<b>1,904</b>	<b>1,926</b>
Shareholding percentage (%)	50.00	50.00	45.00	45.00	49.00	49.00
<b>Carrying amounts of the associate based on equity method</b>	<b>8,028</b>	<b>5,728</b>	<b>3,355</b>	<b>3,562</b>	<b>933</b>	<b>944</b>

(Unit: Million Baht)

	Krungthai XSpring Securities Co., Ltd.		National ITMX Co., Ltd.		BCI (Thailand) Co., Ltd.	
	30 June	31 December	30 June	31 December	30 June	31 December
	2023	2022	2023	2022	2023	2022
Total assets	7,551	10,230	4,632	4,596	324	333
Total liabilities	5,075	7,825	799	527	42	16
<b>Net assets</b>	<b>2,476</b>	<b>2,405</b>	<b>3,833</b>	<b>4,069</b>	<b>282</b>	<b>317</b>
Shareholding percentage (%)	50.00	50.00	19.97	19.97	22.17	22.17
<b>Carrying amounts of the associate based on equity method</b>	<b>1,238</b>	<b>1,203</b>	<b>765</b>	<b>813</b>	<b>62</b>	<b>70</b>

### Summarised information about comprehensive income

(Unit: Million Baht)

	For the six-month period ended 30 June					
	Krungthai-AXA Life Insurance Plc. <sup>(1)</sup>		Krungthai Panich Insurance Plc. <sup>(1)</sup>		Krungthai Mizuho Leasing Co., Ltd.	
	2023	2022	2023	2022	2023	2022
Revenue	24,911	26,244	1,814	1,730	559	605
Profit (loss)	321	249	247	362	113	119
Other comprehensive income	4,278	(25,550)	(295)	(867)	-	-
Total comprehensive income	4,599	(25,301)	(48)	(505)	113	119

(Unit: Million Baht)

	For the six-month period ended 30 June					
	Krungthai XSpring Securities Co., Ltd.		National ITMX Co., Ltd.		BCI (Thailand) Co., Ltd.	
	2023	2022	2023	2022	2023	2022
Revenue	609	894	1,724	1,311	16	13
Profit (loss)	71	210	890	713	(35)	(26)
Other comprehensive income	-	(21)	-	-	-	-
Total comprehensive income	71	189	890	713	(35)	(26)

(1) Presents in the amount after adjustment for the effect of differences in accounting policies.

## 8.8 Loans to customers and accrued interest receivables - net

### 8.8.1 Classified by type of loans

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
Overdrafts	149,800	148,371	149,800	148,371
Loans	1,758,548	1,778,011	1,664,780	1,684,813
Bills	663,567	661,794	668,857	667,024
Hire-purchase receivables	3,825	2,504	-	-
Finance lease receivables	367	402	-	-
Others	2,802	2,288	2,802	2,288
<u>Less</u> Deferred revenue	(785)	(532)	(133)	(75)
Total loans to customers net of deferred revenue	2,578,124	2,592,838	2,486,106	2,502,421
<u>Add</u> Accrued interest receivables	18,359	25,372	17,725	24,690
Total loans to customers net of deferred revenue, plus accrued interest receivables	2,596,483	2,618,210	2,503,831	2,527,111
<u>Less</u> Allowance for expected credit losses	(169,268)	(174,378)	(160,298)	(165,834)
Total loans to customers and accrued interest receivables - net	2,427,215	2,443,832	2,343,533	2,361,277

As at 30 June 2023, the Bank has loans to customers including loans with modification of contracts, that the Bank has elected to adopt Accounting Guidance on the Guidelines Regarding the Provision of Financial Assistance to Debtors Affected by COVID-19 in the preparation of the financial statements, representing 7 percent of total loans (31 December 2022: 7 percent of total loans).

As at 30 June 2023, the Bank has loans to customers, includes interbank and money market items, made under programs rolled out in accordance with government policy. These consist of a soft loans program to provide working capital for SMEs, a soft loans program for replacement and improvement of machinery and increased productivity for SMEs, a program to provide financial support for entrepreneurs in the three Southern border provinces, a phase 6 of a program for financial institutions to provide revolving funds for energy conservation, a project to provide loans for the environment, COVID-19 soft loans for personal loan and SMEs and rehabilitation loan, together totalled Baht 19,978 million.

## 8.8.2 Classified by loans currency and residence

(Unit: Million Baht)

	Consolidated financial statements					
	30 June 2023			31 December 2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,490,052	22,573	2,512,625	2,504,506	22,402	2,526,908
US Dollar	14,498	49,854	64,352	16,025	48,825	64,850
Other currencies	748	399	1,147	490	590	1,080
Total*	<u>2,505,298</u>	<u>72,826</u>	<u>2,578,124</u>	<u>2,521,021</u>	<u>71,817</u>	<u>2,592,838</u>

\* Total loans net of deferred revenues

(Unit: Million Baht)

	Separate financial statements					
	30 June 2023			31 December 2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,398,034	22,573	2,420,607	2,414,089	22,402	2,436,491
US Dollar	14,498	49,854	64,352	16,025	48,825	64,850
Other currencies	748	399	1,147	490	590	1,080
Total*	<u>2,413,280</u>	<u>72,826</u>	<u>2,486,106</u>	<u>2,430,604</u>	<u>71,817</u>	<u>2,502,421</u>

\* Total loans net of deferred revenues

## 8.8.3 Classified by business type of customers

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
Agriculture and mining	29,238	31,045	29,130	30,888
Manufacturing and trading	559,883	572,762	559,769	572,636
Real estate and construction	140,288	140,377	140,088	140,143
Public utilities and services	641,320	656,881	642,516	658,317
Housing loans	477,726	472,640	477,726	472,640
Others	729,669	719,133	636,877	627,797
Total *	<u>2,578,124</u>	<u>2,592,838</u>	<u>2,486,106</u>	<u>2,502,421</u>

\* Total loans net of deferred revenues

#### 8.8.4 Classified by loans classification

(Unit: Million Baht)

	Consolidated financial statements			
	30 June 2023		31 December 2022	
	Loans to customers and accrued interest receivables	Allowance for expected credit losses	Loans to customers and accrued interest receivables	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	2,290,350	46,442	2,289,507	44,720
Financial assets where there has been a significant increase in credit risk (Under-Performing)	204,087	52,635	217,522	52,526
Financial assets that are credit- impaired (Non-Performing)	98,506	69,503	108,732	76,508
Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	3,540	688	2,449	624
Total	2,596,483	169,268	2,618,210	174,378

(Unit: Million Baht)

	Separate financial statements			
	30 June 2023		31 December 2022	
	Loans to customers and accrued interest receivables	Allowance for expected credit losses	Loans to customers and accrued interest receivables	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	2,215,797	42,472	2,214,314	40,720
Financial assets where there has been a significant increase in credit risk (Under-Performing)	191,339	49,555	205,728	49,744
Financial assets that are credit-impaired (Non- Performing)	96,695	68,271	107,069	75,370
Total	2,503,831	160,298	2,527,111	165,834

8.8.5 As at 30 June 2023 and 31 December 2022, loans to customers of the Bank and its subsidiaries in the consolidated and separate financial statements include major loans to customers, which have problems with their financial position and operating performance, as follows:

Consolidated and separate financial statements						
	Number		Loans to customers and accrued interest receivables		Allowance for expected credit losses provided in the accounts	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022	30 June 2023	31 December 2022
			Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies that are possible to delisting from the SET	1	1	5,705	5,705	5,705	5,705
2. Listed companies that have been delisted from the SET	1	1	8,208	8,714	3,052	3,228

8.8.6 Finance lease receivables (including hire-purchase receivables and finance lease receivables)

(Unit: Million Baht)

	Consolidated financial statements							
	30 June 2023				31 December 2022			
	Amount due per the contract				Amount due per the contract			
	Not over 1 year	1 - 5 years	Over 5 years	Total	Not over 1 year	1 - 5 years	Over 5 years	Total
Gross investment of leases	1,378	2,633	181	4,192	1,001	1,778	127	2,906
<u>Less</u> Unearned financial income				(652)				(457)
Present value of minimum lease payments				3,540				2,449
<u>Less</u> Allowance for expected credit losses				(688)				(624)
Finance lease receivables - net				2,852				1,825

## 8.9 Allowance for expected credit losses

(Unit: Million Baht)

Consolidated financial statements					
30 June 2023					
	Financial assets where there has not been a significant increase in credit risk (12- mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
<b>Interbank and money market items (assets)</b>					
Beginning balance	2,853	54	-	-	2,907
Changes due to remeasurement of loss allowance	(650)	20	-	-	(630)
New financial assets purchased or acquired	187	21	-	-	208
Derecognition of financial assets	(91)	(32)	-	-	(123)
Ending balance	2,299	63	-	-	2,362
<b>Investments in debt securities measured at amortised cost</b>					
Beginning balance	-	2	36	-	38
Changes due to remeasurement of loss allowance	-	(1)	-	-	(1)
New financial assets purchased or acquired	-	4	-	-	4
Derecognition of financial assets	-	(1)	-	-	(1)
Ending balance	-	4	36	-	40
<b>Investments in debt securities measured at fair value through other comprehensive income</b>					
Beginning balance	19	-	926	-	945
Changes due to remeasurement of loss allowance	(3)	-	-	-	(3)
New financial assets purchased or acquired	9	-	-	-	9
Derecognition of financial assets	(4)	-	-	-	(4)
Ending balance	21	-	926	-	947
<b>Loans to customers and accrued interest receivables</b>					
Beginning balance	44,720	52,526	76,508	624	174,378
Changes due to staging of financial assets	521	(3,690)	3,169	-	-
Changes due to remeasurement of loss allowance	1,056	5,201	4,221	190	10,668
New financial assets purchased or acquired	1,563	731	219	25	2,538
Derecognition of financial assets	(1,418)	(2,133)	(1,239)	(16)	(4,806)
Bad debt written-off	-	-	(13,375)	(135)	(13,510)
Ending balance	46,442	52,635	69,503	688	169,268



(Unit: Million Baht)

	Consolidated financial statements				
	31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (12- mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Total
<b>Interbank and money market items (assets)</b>					
Beginning balance	2,198	86	-	-	2,284
Changes due to staging of financial assets	3	(3)	-	-	-
Changes due to remeasurement of loss allowance	788	(29)	-	-	759
New financial assets purchased or acquired	127	19	-	-	146
Derecognition of financial assets	(263)	(19)	-	-	(282)
Ending balance	2,853	54	-	-	2,907
<b>Investments in debt securities measured at amortised cost</b>					
Beginning balance	-	10	36	-	46
New financial assets purchased or acquired	-	2	-	-	2
Derecognition of financial assets	-	(10)	-	-	(10)
Ending balance	-	2	36	-	38
<b>Investments in debt securities measured at fair value through other comprehensive income</b>					
Beginning balance	34	-	926	-	960
Changes due to remeasurement of loss allowance	(9)	-	-	-	(9)
New financial assets purchased or acquired	9	-	-	-	9
Derecognition of financial assets	(15)	-	-	-	(15)
Ending balance	19	-	926	-	945
<b>Loans to customers and accrued interest receivables</b>					
Beginning balance	44,722	48,923	77,334	2,343	173,322
Changes due to staging of financial assets	2,070	(3,575)	1,505	-	-
Changes due to remeasurement of loss allowance	(2,738)	8,080	20,588	258	26,188
New financial assets purchased or acquired	4,062	6,408	950	39	11,459
Derecognition of financial assets	(3,396)	(7,310)	(2,885)	(174)	(13,765)
Bad debt written-off	-	-	(20,984)	(1,842)	(22,826)
Ending balance	44,720	52,526	76,508	624	174,378

(Unit: Million Baht)

Separate financial statements				
30 June 2023				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total
<b>Interbank and money market items (assets)</b>				
Beginning balance	2,853	54	-	2,907
Changes due to remeasurement of loss allowance	(650)	20	-	(630)
New financial assets purchased or acquired	187	21	-	208
Derecognition of financial assets	(91)	(32)	-	(123)
Ending balance	2,299	63	-	2,362
<b>Investments in debt securities measured at amortised cost</b>				
Beginning balance	-	2	36	38
Changes due to remeasurement of loss allowance	-	(1)	-	(1)
New financial assets purchased or acquired	-	4	-	4
Derecognition of financial assets	-	(1)	-	(1)
Ending balance	-	4	36	40
<b>Investments in debt securities measured at fair value through other comprehensive income</b>				
Beginning balance	19	-	926	945
Changes due to remeasurement of loss allowance	(3)	-	-	(3)
New financial assets purchased or acquired	9	-	-	9
Derecognition of financial assets	(4)	-	-	(4)
Ending balance	21	-	926	947
<b>Loans to customers and accrued interest receivables</b>				
Beginning balance	40,720	49,744	75,370	165,834
Changes due to staging of financial assets	284	(3,299)	3,015	-
Changes due to remeasurement of loss allowance	1,462	4,021	1,308	6,791
New financial assets purchased or acquired	1,287	731	219	2,237
Derecognition of financial assets	(1,281)	(1,642)	(502)	(3,425)
Bad debt written-off	-	-	(11,139)	(11,139)
Ending balance	42,472	49,555	68,271	160,298

Separate financial statements				
31 December 2022				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Total
<b>Interbank and money market items (assets)</b>				
Beginning balance	2,198	86	-	2,284
Changes due to staging of financial assets	3	(3)	-	-
Changes due to remeasurement of loss allowance	788	(29)	-	759
New financial assets purchased or acquired	127	19	-	146
Derecognition of financial assets	(263)	(19)	-	(282)
Ending balance	2,853	54	-	2,907
<b>Investments in debt securities measured at amortised cost</b>				
Beginning balance	-	10	36	46
New financial assets purchased or acquired	-	2	-	2
Derecognition of financial assets	-	(10)	-	(10)
Ending balance	-	2	36	38
<b>Investments in debt securities measured at fair value through other comprehensive income</b>				
Beginning balance	34	-	926	960
Changes due to remeasurement of loss allowance	(9)	-	-	(9)
New financial assets purchased or acquired	9	-	-	9
Derecognition of financial assets	(15)	-	-	(15)
Ending balance	19	-	926	945
<b>Loans to customers and accrued interest receivables</b>				
Beginning balance	40,824	46,558	76,268	163,650
Changes due to staging of financial assets	1,719	(3,197)	1,478	-
Changes due to remeasurement of loss allowance	(2,147)	6,643	15,869	20,365
New financial assets purchased or acquired	3,440	6,408	950	10,798
Derecognition of financial assets	(3,116)	(6,668)	(2,138)	(11,922)
Bad debt written-off	-	-	(17,057)	(17,057)
Ending balance	40,720	49,744	75,370	165,834

## 8.10 Properties for sale - net

Properties for sale as of 30 June 2023 and 31 December 2022 are summarised as follows:

(Unit: Million Baht)

Type of properties for sale	Consolidated financial statements							
	30 June 2023				31 December 2022			
	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance
Assets from debt repayment								
Immovable properties	49,854	507	(1,400)	48,961	47,088	5,695	(2,929)	49,854
Movable assets	164	50	(155)	59	145	229	(210)	164
Total	50,018	557	(1,555)	49,020	47,233	5,924	(3,139)	50,018
Others (closed branches)	335	132	(106)	361	470	103	(238)	335
Properties for sale in transit	-	-	-	-	340	567	(907)	-
Total	50,353	689	(1,661)	49,381	48,043	6,594	(4,284)	50,353
<u>Less</u> Allowance for impairment	(9,524)	(967)	483	(10,008)	(8,816)	(1,493)	785	(9,524)
Properties for sale - net	40,829	(278)	(1,178)	39,373	39,227	5,101	(3,499)	40,829

(Unit: Million Baht)

Type of properties for sale	Separate financial statements							
	30 June 2023				31 December 2022			
	Beginning balance	Increase	Decrease	Ending balance	Beginning balance	Increase	Decrease	Ending balance
Assets from debt repayment								
Immovable properties	49,854	507	(1,400)	48,961	47,088	5,695	(2,929)	49,854
Movable assets	11	-	-	11	11	-	-	11
Total	49,865	507	(1,400)	48,972	47,099	5,695	(2,929)	49,865
Others (closed branches)	335	132	(106)	361	470	103	(238)	335
Properties for sale in transit	-	-	-	-	340	567	(907)	-
Total	50,200	639	(1,506)	49,333	47,909	6,365	(4,074)	50,200
<u>Less</u> Allowance for impairment	(9,410)	(940)	374	(9,976)	(8,726)	(1,290)	606	(9,410)
Properties for sale - net	40,790	(301)	(1,132)	39,357	39,183	5,075	(3,468)	40,790

During the six-month periods ended 30 June 2023 and 2022, the Bank had gains on disposal of properties for sale totaling Baht 72 million and Baht 133 million, respectively (excluding revenue from ownership transfer fees paid by customers totaling Baht 22 million and Baht 16 million, respectively, and selling expenses of Baht 115 million and Baht 100 million, respectively).

Immovable properties for sale classified by external and internal appraisers as at 30 June 2023 and 31 December 2022 consist of the following:

	(Unit: Million Baht)	
	Consolidated and separate	financial
	statements	
	30 June 2023	31 December 2022
Immovable properties for sale - assets from debt repayment		
Appraised by external appraisers	48,296	48,933
Appraised by internal appraisers	665	921
Total	48,961	49,854

As at 30 June 2023, the Bank has properties for sale which participated in the BOT's financial restructuring program for providing assistance and rehabilitation of business entrepreneurs affected by the coronavirus disease 2019 outbreak, whereby it entered into a contract to accept the transfer of legal ownership rights in settlement of loans amounting to Baht 11,842 million. Debtor who is participating in the program has entered into the contract to lease back its assets from the Bank for use in its operations and has been granted rights to purchase its assets back within 3 - 5 years at the purchase price plus the cost of maintenance the assets and other expenses related to the maintenance of the assets, less rental fee (31 December 2022: Baht 11,686 million).

## 8.11 Land, premises and equipment - net

Movement of land, premises and equipment for the six-month period ended 30 June 2023 and for the year ended 31 December 2022 are as follows:

(Unit: Million Baht)

	Consolidated financial statements					
	30 June 2023					
	Land		Premises	Equipment	Others	Total
	Cost	Revaluation*				
<u>Cost</u>						
1 January 2023	5,748	17,639	12,235	23,246	1,429	60,297
Additions/transfers-in	-	-	21	431	1,145	1,597
Disposals/transfers-out	(19)	(57)	(22)	(247)	(1,012)	(1,357)
Others	-	4	1	1	-	6
30 June 2023	5,729	17,586	12,235	23,431	1,562	60,543
<u>Accumulated depreciation</u>						
1 January 2023	-	-	9,156	19,008	887	29,051
Depreciation	-	-	102	872	36	1,010
Disposals	-	-	(18)	(224)	(7)	(249)
Others	-	-	1	1	-	2
30 June 2023	-	-	9,241	19,657	916	29,814
<u>Allowance for impairment</u>						
1 January 2023	30	-	16	-	-	46
30 June 2023	30	-	16	-	-	46
<u>Net book value</u>						
30 June 2023	5,699	17,586	2,978	3,774	646	30,683
Depreciation for the six-month periods ended 30 June						
2022						975
2023						1,010

\* The Bank has revaluation in 2021.

(Unit: Million Baht)

## Consolidated financial statements

31 December 2022

	Land					
	Cost	Revaluation*	Premises	Equipment	Others	Total
<u>Cost</u>						
1 January 2022	5,779	17,694	12,555	23,911	992	60,931
Additions/transfers-in	-	-	123	1,959	537	2,619
Disposals/transfers-out	(31)	(59)	(444)	(2,619)	(93)	(3,246)
Others	-	4	1	(5)	(7)	(7)
31 December 2022	5,748	17,639	12,235	23,246	1,429	60,297
<u>Accumulated depreciation</u>						
1 January 2022	-	-	9,013	19,529	824	29,366
Depreciation	-	-	214	1,669	72	1,955
Disposals	-	-	(71)	(2,185)	(5)	(2,261)
Others	-	-	-	(5)	(4)	(9)
31 December 2022	-	-	9,156	19,008	887	29,051
<u>Allowance for impairment</u>						
1 January 2022	31	-	16	-	-	47
Disposals	(1)	-	-	-	-	(1)
31 December 2022	30	-	16	-	-	46
<u>Net book value</u>						
31 December 2022	5,718	17,639	3,063	4,238	542	31,200
Depreciation for the years ended 31 December						
2021						1,849
2022						1,955

\* The Bank has revaluation in 2021.

(Unit: Million Baht)

	Separate financial statements					
	30 June 2023					
	Land					
	Cost	Revaluation*	Premises	Equipment	Others	Total
<u>Cost</u>						
1 January 2023	5,961	17,275	11,106	13,718	1,421	49,481
Additions/transfers-in	-	-	18	328	1,012	1,358
Disposals/transfers-out	(19)	(57)	(22)	(51)	(1,009)	(1,158)
Others	-	4	1	1	-	6
30 June 2023	5,942	17,222	11,103	13,996	1,424	49,687
<u>Accumulated depreciation</u>						
1 January 2023	-	-	8,417	11,471	887	20,775
Depreciation	-	-	69	460	36	565
Disposals	-	-	(18)	(51)	(7)	(76)
Others	-	-	1	1	-	2
30 June 2023	-	-	8,469	11,881	916	21,266
<u>Allowance for impairment</u>						
1 January 2023	30	-	16	-	-	46
30 June 2023	30	-	16	-	-	46
<u>Net book value</u>						
30 June 2023	5,912	17,222	2,618	2,115	508	28,375
Depreciation for the six-month periods ended 30 June						
2022						490
2023						565

\* The Bank has revaluation in 2021.



(Unit: Million Baht)

	Separate financial statements					
	31 December 2022					
	Land					
	Cost	Revaluation*	Premises	Equipment	Others	Total
<u>Cost</u>						
1 January 2022	5,992	17,330	11,484	13,782	963	49,551
Additions/transfers-in	-	-	36	964	492	1,492
Disposals/transfers-out	(31)	(59)	(415)	(1,023)	(27)	(1,555)
Others	-	4	1	(5)	(7)	(7)
31 December 2022	5,961	17,275	11,106	13,718	1,421	49,481
<u>Accumulated depreciation</u>						
1 January 2022	-	-	8,313	11,728	824	20,865
Depreciation	-	-	148	771	72	991
Disposals	-	-	(44)	(1,023)	(5)	(1,072)
Others	-	-	-	(5)	(4)	(9)
31 December 2022	-	-	8,417	11,471	887	20,775
<u>Allowance for impairment</u>						
1 January 2022	31	-	16	-	-	47
Disposals	(1)	-	-	-	-	(1)
31 December 2022	30	-	16	-	-	46
<u>Net book value</u>						
31 December 2022	5,931	17,275	2,673	2,247	534	28,660
Depreciation for the years ended 31 December						
2021						1,025
2022						991

\* The Bank has revaluation in 2021.

As at 30 June 2023 and 31 December 2022, the Bank and its subsidiaries have buildings and equipment which have been fully depreciated but are still in use, with gross carrying amounts before deducting accumulated depreciation and allowance for impairment approximately Baht 18,613 million and Baht 18,173 million, respectively (separate financial statements: Baht 12,774 million and Baht 12,592 million, respectively).

The Bank arranged for an independent appraiser to appraise the value of land in 2021. The basis of the revaluation was market approach.

Assumptions used in the valuation are summarised as follows:

	Consolidated and separate financial statements	Result to fair value whereas an increase in assumption value
Price per square wah (Baht)	3,000 - 2,000,000	Increase in fair value

### Surplus on revaluation of assets

Movements in surplus on revaluation of assets arising from revaluation of land of the Bank and its subsidiaries for the six-month period ended 30 June 2023 and for the year ended 31 December 2022 are summarised as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Balance - beginning of the period/year	14,211	14,296	13,920	14,005
Transfer out during the period/year	(3)	(85)	(3)	(85)
Balance - end of the period/year	14,208	14,211	13,917	13,920

Surplus on revaluation of assets can neither be offset against deficit nor used for dividend distribution.

## **8.12 Leases**

The Bank and its subsidiaries have lease contracts for various items of premises, equipment, and vehicles used in its operations. Leases generally have lease terms between 1 - 50 years.

### 8.12.1 Right-of-use assets - net

Movement of right-of-use assets for the six-month period ended 30 June 2023 and for the year ended 31 December 2022 as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	30 June 2023				
	Premises	Equipment	Vehicles	Software license	Total
<u>Cost</u>					
1 January 2023	4,772	529	1,850	10	7,161
Additions/transfers-in	726	9	216	-	951
Disposals/transfers-out	(1,038)	(6)	(196)	-	(1,240)
30 June 2023	4,460	532	1,870	10	6,872
<u>Accumulated depreciation</u>					
1 January 2023	2,289	276	931	5	3,501
Depreciation	759	79	207	1	1,046
Disposals	(1,040)	(3)	(195)	-	(1,238)
30 June 2023	2,008	352	943	6	3,309
<u>Net book value</u>					
30 June 2023	2,452	180	927	4	3,563
Depreciation for the six-month periods ended 30 June					
2022					1,018
2023					1,046

(Unit: Million Baht)

	Consolidated financial statements				
	31 December 2022				
	Premises	Equipment	Vehicles	Software license	Total
<u>Cost</u>					
1 January 2022	4,839	506	1,791	10	7,146
Additions/transfers-in	1,367	37	251	-	1,655
Disposals/transfers-out	(1,428)	(14)	(192)	-	(1,634)
Others	(6)	-	-	-	(6)
31 December 2022	4,772	529	1,850	10	7,161
<u>Accumulated depreciation</u>					
1 January 2022	2,046	133	693	2	2,874
Depreciation	1,644	157	419	3	2,223
Disposals	(1,401)	(14)	(181)	-	(1,596)
31 December 2022	2,289	276	931	5	3,501
<u>Net book value</u>					
31 December 2022	2,483	253	919	5	3,660
Depreciation for the years ended 31 December					
2021					2,213
2022					2,223

(Unit: Million Baht)

Separate financial statements				
30 June 2023				
	Premises	Vehicles	Software license	Total
<u>Cost</u>				
1 January 2023	4,016	1,726	10	5,752
Additions/transfers-in	243	211	-	454
Disposals/transfers-out	(768)	(186)	-	(954)
30 June 2023	3,491	1,751	10	5,252
<u>Accumulated depreciation</u>				
1 January 2023	1,855	863	5	2,723
Depreciation	645	194	1	840
Disposals	(768)	(186)	-	(954)
30 June 2023	1,732	871	6	2,609
<u>Net book value</u>				
30 June 2023	1,759	880	4	2,643
Depreciation for the six-month periods ended 30 June				
2022				908
2023				840

(Unit: Million Baht)

Separate financial statements				
31 December 2022				
	Premises	Vehicles	Software license	Total
<u>Cost</u>				
1 January 2022	4,150	1,620	10	5,780
Additions/transfers-in	1,129	236	-	1,365
Disposals/transfers-out	(1,257)	(130)	-	(1,387)
Others	(6)	-	-	(6)
31 December 2022	4,016	1,726	10	5,752
<u>Accumulated depreciation</u>				
1 January 2022	1,687	605	2	2,294
Depreciation	1,413	388	3	1,804
Disposals	(1,245)	(130)	-	(1,375)
31 December 2022	1,855	863	5	2,723
<u>Net book value</u>				
31 December 2022	2,161	863	5	3,029
Depreciation for the years ended 31 December				
2021				1,863
2022				1,804

### 8.12.2 Lease liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Lease payments				
Up to 1 years	1,664	1,763	1,272	1,384
Over 1 - 5 years	1,931	1,923	1,307	1,584
Over 5 years	155	159	155	159
Total	3,750	3,845	2,734	3,127
<u>Less:</u> Deferred interest expenses	(165)	(157)	(121)	(124)
Total	3,585	3,688	2,613	3,003

### 8.12.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Million Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Depreciation expense of right-of-use assets	1,046	1,018	840	908
Interest expense on lease liabilities	22	44	8	27
Expense relating to short-term leases	288	188	224	122
Expense relating to leases of low-value assets	44	31	15	11
Total	1,400	1,281	1,087	1,068

### 8.12.4 Others

The Bank and its subsidiaries had total cash outflows for leases for the six-month periods ended 30 June 2023 and 2022 of Baht 1,421 million and Baht 1,411 million, respectively (separate financial statements: Baht 1,114 million and Baht 1,106 million, respectively), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

### 8.13 Intangible assets - net

Movement of intangible assets for the six-month period ended 30 June 2023 and for the year ended 31 December 2022 are summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	30 June 2023				
	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2023	20,455	14	4,263	2,207	26,939
Additions/transfers-in	3,800	-	21	2,643	6,464
Disposals/transfers-out	(291)	-	(123)	(2,403)	(2,817)
30 June 2023	23,964	14	4,161	2,447	30,586
<u>Accumulated amortisation</u>					
1 January 2023	7,856	13	3,885	-	11,754
Amortisation	1,083	-	68	-	1,151
Disposals	(289)	-	(80)	-	(369)
30 June 2023	8,650	13	3,873	-	12,536
<u>Allowance for impairment</u>					
1 January 2023	3	-	18	-	21
Additions	431	-	-	-	431
Disposals	(2)	-	(18)	-	(20)
30 June 2023	432	-	-	-	432
<u>Net book value</u>					
30 June 2023	14,882	1	288	2,447	17,618
Amortisation for the six-month periods ended 30 June					
2022					806
2023					1,151

(Unit: Million Baht)

## Consolidated financial statements

31 December 2022

	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2022	16,127	14	4,322	728	21,191
Additions/transfers-in	4,781	-	30	7,467	12,278
Disposals/transfers-out	(452)	-	(89)	(5,988)	(6,529)
Others	(1)	-	-	-	(1)
31 December 2022	20,455	14	4,263	2,207	26,939
<u>Accumulated amortisation</u>					
1 January 2022	6,571	12	3,761	-	10,344
Amortisation	1,704	1	172	-	1,877
Disposals	(419)	-	(48)	-	(467)
31 December 2022	7,856	13	3,885	-	11,754
<u>Allowance for impairment</u>					
1 January 2022	1	-	-	-	1
Additions	2	-	18	-	20
31 December 2022	3	-	18	-	21
<u>Net book value</u>					
31 December 2022	12,596	1	360	2,207	15,164
Amortisation for the years ended 31 December					
2021					1,278
2022					1,877

(Unit: Million Baht)

Separate financial statements					
30 June 2023					
	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2023	15,333	7	763	2,194	18,297
Additions/transfers-in	3,845	-	16	2,957	6,818
Disposals/transfers-out	-	-	(24)	(2,358)	(2,382)
30 June 2023	19,178	7	755	2,793	22,733
<u>Accumulated amortisation</u>					
1 January 2023	3,047	5	612	-	3,664
Amortisation	957	-	25	-	982
30 June 2023	4,004	5	637	-	4,646
<u>Allowance for impairment</u>					
1 January 2023	1	-	-	-	1
Additions	431	-	-	-	431
30 June 2023	432	-	-	-	432
<u>Net book value</u>					
30 June 2023	14,742	2	118	2,793	17,655
Amortisation for the six-month periods ended 30 June					
2022					553
2023					982



(Unit: Million Baht)

Separate financial statements					
31 December 2022					
	Computer software	Other licenses	Development cost	Intangible assets under development	Total
<u>Cost</u>					
1 January 2022	10,127	7	755	639	11,528
Additions/transfers-in	5,207	-	10	7,450	12,667
Disposals/transfers-out	-	-	(2)	(5,895)	(5,897)
Others	(1)	-	-	-	(1)
31 December 2022	15,333	7	763	2,194	18,297
<u>Accumulated amortisation</u>					
1 January 2022	1,703	5	555	-	2,263
Amortisation	1,344	-	57	-	1,401
31 December 2022	3,047	5	612	-	3,664
<u>Allowance for impairment</u>					
1 January 2022	1	-	-	-	1
31 December 2022	1	-	-	-	1
<u>Net book value</u>					
31 December 2022	12,285	2	151	2,194	14,632
Amortisation for the years ended 31 December					
2021					707
2022					1,401

As at 30 June 2023 and 31 December 2022, the Bank and its subsidiaries have intangible assets which have been fully amortised but are still in use, with gross carrying amounts before deducting accumulated amortisation of approximately Baht 6,686 million and Baht 6,309 million, respectively (separate financial statements: Baht 1,117 million and Baht 901 million, respectively).

## 8.14 Deferred tax assets/liabilities and income tax

### 8.14.1 Deferred tax assets/liabilities

As at 30 June 2023 and 31 December 2022, deferred tax assets and liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Deferred tax assets	10,710	10,842	7,879	8,060
Deferred tax liabilities	(5,839)	(6,345)	(5,627)	(6,102)
Net	4,871	4,497	2,252	1,958

The components of deferred tax assets and liabilities are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	30 June 2023	31 December 2022	Changes of deferred tax for the six-month periods ended	
			30 June	
			2023	2022
Deferred tax assets:				
Investments	1,166	1,082	84	501
Loans to customers and accrued interest receivable	1,855	1,794	61	(45)
Properties for sale	2,176	2,063	113	134
Land, premises and equipment	11	11	-	-
Provisions	3,537	3,529	8	72
Unused tax losses	24	31	(7)	(1)
Leases	52	71	(19)	(11)
Others	1,889	2,261	(372)	(1,248)
Total	10,710	10,842	(132)	(598)
Deferred tax liabilities:				
Investments	(2,388)	(2,611)	223	195
Land, premises and equipment	(3,888)	(3,893)	5	9
Leases	(44)	(60)	16	11
Others	481	219	262	630
Total	(5,839)	(6,345)	506	845
Net	4,871	4,497	374	247
Changes of deferred tax:				
Recognised in profit or loss			(36)	(447)
Recognised in other comprehensive income			410	694
Total			374	247

(Unit: Million Baht)

	Separate financial statements			
			Changes of deferred tax for the six-month periods ended	
	30 June	31 December	30 June	
	2023	2022	2023	2022
Deferred tax assets:				
Investments	1,166	1,079	87	503
Loans to customers and accrued interest receivables	-	22	(22)	(22)
Properties for sale	2,176	2,063	113	134
Land, premises and equipment	9	9	-	-
Provisions	3,195	3,186	9	(464)
Others	1,333	1,701	(368)	(694)
Total	7,879	8,060	(181)	(543)
Deferred tax liabilities:				
Investments	(2,388)	(2,611)	223	195
Land, premises and equipment	(3,848)	(3,855)	7	5
Others	609	364	245	616
Total	(5,627)	(6,102)	475	816
Net	2,252	1,958	294	273
Changes of deferred tax:				
Recognised in profit or loss			(119)	(423)
Recognised in other comprehensive income			413	696
Total			294	273

#### 8.142 Income tax

The Bank has complied with its tax management policy to correctly operate tax payment, tax filing and tax benefit utilisation according to the legal regulations.

The Bank has considered tax effects both current and future of benefit from carrying amount of assets or settlement of carrying amount of liabilities. If there is probable that the Bank will get benefits from carrying amount of assets or settlement of carrying amount of liabilities, the Bank will pay higher future income tax (or lower) on the basis of amounts expected to be paid. Such the consideration is based on estimations, assumptions, regulation changes that may occur, legal interpretation and historical experience. In the future, if events change, which resulted the Bank to change its decision on the sufficiency of accrued income tax, any changes in accrued income tax will affect to income tax in the period that the changes occur.

Income tax expenses for the three-month and six-month periods ended 30 June 2023 and 2022 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Current income tax:</b>				
Interim corporate income tax	3,356	2,617	2,799	2,081
Adjustment in respect of income tax	65	(210)	76	(210)
<b>Deferred tax:</b>				
Relating to temporary differences and reversal of temporary differences	(557)	(411)	(537)	(416)
<b>Income tax expenses reported in profit or loss</b>	<b>2,864</b>	<b>1,996</b>	<b>2,338</b>	<b>1,455</b>

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Current income tax:</b>				
Interim corporate income tax	5,289	4,068	4,153	3,029
Adjustment in respect of income tax	70	(202)	76	(210)
<b>Deferred tax:</b>				
Relating to temporary differences and reversal of temporary differences	36	447	119	423
<b>Income tax expenses reported in profit or loss</b>	<b>5,395</b>	<b>4,313</b>	<b>4,348</b>	<b>3,242</b>

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2023 and 2022 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deferred tax on gains (losses) from hedge accounting	(38)	(154)	(38)	(154)
Deferred tax on gains (losses) from the changes in value of investments in debt instruments measured at fair value through other comprehensive income	(247)	(365)	(247)	(366)
Deferred tax on gains (losses) from the changes in value of investments in equity instruments designated at fair value through other comprehensive income	(23)	(47)	(23)	(47)
Deferred tax on actuarial gains and losses	88	217	88	217
	<u>(220)</u>	<u>(349)</u>	<u>(220)</u>	<u>(350)</u>

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Deferred tax on gains (losses) from hedge accounting	(50)	(158)	(50)	(158)
Deferred tax on gains (losses) from the changes in value of investments in debt instruments measured at fair value through other comprehensive income	(151)	(515)	(154)	(517)
Deferred tax on gains (losses) from the changes in value of investments in equity instruments designated at fair value through other comprehensive income	(181)	(238)	(181)	(238)
Deferred tax on actuarial gains and losses	(28)	217	(28)	217
	<u>(410)</u>	<u>(694)</u>	<u>(413)</u>	<u>(696)</u>

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month and six-month periods ended 30 June 2023 and 2022 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Accounting profit before tax	13,932	11,279	14,350	11,058
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	2,786	2,256	2,870	2,212
Adjustment in respect of income tax	65	(210)	76	(210)
Effects of non-taxable revenue and non-deductible expenses - net	13	(50)	(608)	(547)
Income tax expenses reported in profit or loss	2,864	1,996	2,338	1,455

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Accounting profit before tax	27,450	23,249	25,034	20,638
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	5,490	4,650	5,007	4,128
Adjustment in respect of income tax	70	(202)	76	(210)
Effects of non-taxable revenue and non-deductible expenses - net	(165)	(135)	(735)	(676)
Income tax expenses reported in profit or loss	5,395	4,313	4,348	3,242

## 8.15 Other assets - net

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Prepaid expenses	505	438	107	56
Suspense debtors	5,107	4,501	5,404	4,636
Collateral under Credit Support Annex				
Contract and Cash Margin Debtors	7,717	7,059	7,717	7,059
Settlement account between the Bank and other financial institutions	1,802	131	1,653	35
Receivables from sale of securities	1,068	10,620	1,068	10,620
Others	16,426	13,165	16,479	13,945
Total	32,625	35,914	32,428	36,351
Less: Allowance for impairment	(3,903)	(3,812)	(3,900)	(3,808)
Other assets - net	28,722	32,102	28,528	32,543

As at 30 June 2023, other assets included defaulted debtors from convertible preferred shares contracts of Baht 998 million, which the Bank has set up an allowance for impairment at the same amount (Note 8.41.1 to the consolidated financial statements) (31 December 2022: Baht 998 million).

## 8.16 Deposits

### 8.16.1 Classified by type of deposits

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Demand deposits	118,635	131,583	118,666	131,628
Saving deposits	1,982,897	2,023,063	1,987,593	2,026,933
Time of deposits	477,552	435,590	478,093	436,164
Total	2,579,084	2,590,236	2,584,352	2,594,725

## 8.16.2 Classified by customers currency and residence

(Unit: Million Baht)

	Consolidated financial statements					
	30 June 2023			31 December 2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,510,626	24,148	2,534,774	2,527,372	24,200	2,551,572
US Dollar	33,705	7,881	41,586	26,699	9,320	36,019
Others	1,979	745	2,724	2,006	639	2,645
<b>Total</b>	<b>2,546,310</b>	<b>32,774</b>	<b>2,579,084</b>	<b>2,556,077</b>	<b>34,159</b>	<b>2,590,236</b>

(Unit: Million Baht)

	Separate financial statements					
	30 June 2023			31 December 2022		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	2,515,894	24,148	2,540,042	2,531,861	24,200	2,556,061
US Dollar	33,705	7,881	41,586	26,699	9,320	36,019
Others	1,979	745	2,724	2,006	639	2,645
<b>Total</b>	<b>2,551,578</b>	<b>32,774</b>	<b>2,584,352</b>	<b>2,560,566</b>	<b>34,159</b>	<b>2,594,725</b>

## 8.17 Interbank and money market items (liabilities)

(Unit: Million Baht)

	Consolidated financial statements					
	30 June 2023			31 December 2022		
	At call	Term	Total	At call	Term	Total
<b>Domestic</b>						
Bank of Thailand and Financial Institutions Development Fund	49	28,197	28,246	144	25,608	25,752
Commercial banks	1,744	154,396	156,140	953	129,048	130,001
Specialised financial institutions	943	30,342	31,285	736	40,501	41,237
Other financial institutions	41,964	12,642	54,606	49,091	13,733	62,824
<b>Total domestic items</b>	<b>44,700</b>	<b>225,577</b>	<b>270,277</b>	<b>50,924</b>	<b>208,890</b>	<b>259,814</b>
<b>Foreign</b>						
US Dollar	399	8,317	8,716	785	15,561	16,346
Euro	54	-	54	16	-	16
Other	630	643	1,273	347	576	923
<b>Total foreign items</b>	<b>1,083</b>	<b>8,960</b>	<b>10,043</b>	<b>1,148</b>	<b>16,137</b>	<b>17,285</b>
<b>Total</b>	<b>45,783</b>	<b>234,537</b>	<b>280,320</b>	<b>52,072</b>	<b>225,027</b>	<b>277,099</b>



(Unit: Million Baht)

	Separate financial statements					
	30 June 2023			31 December 2022		
	At call	Term	Total	At call	Term	Total
<b>Domestic</b>						
Bank of Thailand and Financial						
Institutions Development Fund	49	28,197	28,246	144	25,608	25,752
Commercial banks	339	152,896	153,235	296	126,849	127,145
Specialised financial institutions	943	30,342	31,285	736	39,501	40,237
Other financial institutions	41,364	12,043	53,407	49,091	12,983	62,074
<b>Total domestic items</b>	<b>42,695</b>	<b>223,478</b>	<b>266,173</b>	<b>50,267</b>	<b>204,941</b>	<b>255,208</b>
<b>Foreign</b>						
US Dollar	399	8,317	8,716	785	15,561	16,346
Euro	54	-	54	16	-	16
Other	630	643	1,273	347	576	923
<b>Total foreign items</b>	<b>1,083</b>	<b>8,960</b>	<b>10,043</b>	<b>1,148</b>	<b>16,137</b>	<b>17,285</b>
<b>Total</b>	<b>43,778</b>	<b>232,438</b>	<b>276,216</b>	<b>51,415</b>	<b>221,078</b>	<b>272,493</b>

## 8.18 Financial liabilities measured at fair value through profit or loss

(Unit: Million Baht)

	Consolidated and separate financial statements	
	30 June 2023	31 December 2022
<b>Financial liabilities held for trading</b>		
Provision for returning securities	-	2,319
<b>Total</b>	<b>-</b>	<b>2,319</b>

## 8.19 Debt issued and borrowings

As at 30 June 2023 and 31 December 2022, debt issued and borrowings are classified as follows:

(Unit: Million Baht)

				Consolidated financial statements					
				30 June 2023			31 December 2022		
Currency	Interest rate	Maturity date		Domestic	Foreign	Total	Domestic	Foreign	Total
				(%)					
Long term bonds									
2015	Baht	3.90 - 4.00	2025	2,000	-	2,000	2,000	-	2,000
2016	Baht	3.00 - 4.00	2023 - 2026	8,070	-	8,070	8,070	-	8,070
2017	Baht	3.50 - 3.80	2027	5,500	-	5,500	5,500	-	5,500
2018	Baht	3.43 - 3.83	2028	3,240	-	3,240	4,128	-	4,128
2019	Baht	2.60 - 3.20	2024 - 2029	3,615	-	3,615	3,615	-	3,615
2020	Baht	2.23 - 2.65	2023 - 2030	1,700	-	1,700	1,700	-	1,700
2021	Baht	1.22 - 2.90	2024 - 2031	7,958	-	7,958	9,130	-	9,130
2022	Baht	1.59 - 3.38	2024 - 2027	10,841	-	10,841	10,127	-	10,127
2023	Baht	2.90	2026	3,450	-	3,450	-	-	-
Short term bonds									
2023	Baht	1.95	2023	50	-	50	-	-	-
KTB subordinated debentures									
No.1/2019	Baht	3.70	2029	24,000	-	24,000	24,000	-	24,000
No.1/2022	Baht	3.25	2032	18,074	-	18,074	18,073	-	18,073
Additional Tier 1									
subordinated notes	US Dollar	4.40	No maturity	-	19,203	19,203	-	18,627	18,627
Structured notes	US Dollar	0.65 - 1.10	2023 - 2028	20,561	-	20,561	24,086	-	24,086
Structured notes	Baht	0.00 - 4.40 <sup>(1)</sup>	2023 - 2032	30,943	-	30,943	22,111	-	22,111
Structured notes	Yen	4.00	2023	-	-	-	5	-	5
Total				140,002	19,203	159,205	132,545	18,627	151,172

<sup>(1)</sup> Thai Baht structured notes include a Callable note, which disclose at base interest rate only.

(Unit: Million Baht)

				Separate financial statements					
				30 June 2023			31 December 2022		
Currency	Interest rate	Maturity date		Domestic	Foreign	Total	Domestic	Foreign	Total
				(%)					
KTB subordinated debentures									
No.1/2019	Baht	3.70	2029	24,000	-	24,000	24,000	-	24,000
No.1/2022	Baht	3.25	2032	18,074	-	18,074	18,073	-	18,073
Additional Tier 1									
subordinated notes	US Dollar	4.40	No maturity	-	19,203	19,203	-	18,627	18,627
Structured notes	US Dollar	0.65 - 1.10	2023 - 2028	20,561	-	20,561	24,086	-	24,086
Structured notes	Baht	0.00 - 4.40 <sup>(1)</sup>	2023 - 2032	30,943	-	30,943	22,111	-	22,111
Structured notes	Yen	4.00	2023	-	-	-	5	-	5
Total				93,578	19,203	112,781	88,275	18,627	106,902

<sup>(1)</sup> Thai Baht structured notes include a Callable note, which disclose at base interest rate only.

## Structured notes

On 8 March 2021, the Bank issued and offered 7 structured notes totaling US Dollar 748 million. The notes have step fixed interest rate with payment of interest to be made quarterly until maturity and the payment of principle is linked with the USDTHB FX rate. The notes mature in the year 2022 to 2028 and have tenors of 1 - 7 years. There is an option to early redeem the notes that subject to the conditions of the Bank, without the holder's consent. During the year, there are two structured notes that reached its maturity.

On 16 June and 9 July 2021, the Bank issued and offered Baht 741 million of structured notes, comprising 741,000 units of Baht 1,000 each. The notes mature in the year 2026 and have tenors of 5 years. The payout is linked with the Solactive Luxury Dynamic Factors 10% Daily Risk Control Index. There is an option to early redeem the notes by both the holders and the Bank, according to the conditions of the Bank.

On 14 September 2021, the Bank issued and offered Baht 1,825 million of structured notes, comprising 1,825,000 units of Baht 1,000 each. The notes mature in the year 2026 and have tenors of 5 years. The payout is linked with the iSTOXX® Global Transformation IXGTRSND Index. There is an option to early redeem the notes by both the holders and the Bank, according to the conditions of the Bank.

On 27 January 2022, the Bank issued and offered Baht 1,340 million of structured notes, comprising 1,340,000 units of Baht 1,000 each. The notes mature in the year 2027 and have tenors of 5 years. The payout is linked with the Solactive Global Artificial Intelligence ESG 5% AR (SOAIESG5) index. There is an option to early redeem the notes by both the holders and the Bank, according to the conditions of the Bank.

During May to December 2022, the Bank issued and offered structured notes in US Dollars and in Thai Baht, totaling of US Dollar 4 million and Baht 2,670 million, respectively. The notes mature in the year 2025 to 2032 and have tenors of 3 - 10 years. The payout is linked with J.P. Morgan Mozaic XRP Index (MOZAIC XRP). There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

During June to November 2022, the Bank issued and offered 1,403 structured notes of “Krungthai Inverse Floater” totaling Baht 11,737 million, comprising 11,736,700 units of Baht 1,000 each. The notes have inverse floating interest rate by linking with THOR interest rate with payment of interest to be made quarterly until maturity. The notes mature in the year 2023 to 2025 and have tenors of 1 - 3 years. There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

On November 2022, the Bank issued and offered 232 unsubordinated structured notes of “Krung Thai Step-up Callable Bonus Notes” totaling Baht 3,240 million, comprising 3,239,900 units of Baht 1,000 each. The notes mature in the year 2027 and have tenors of 5 years. The notes have fixed distribution rate by starting at 1.65 percent per annum and highest at 4.40 percent per annum. The notes have bonus interest in the first year which the Bank pays an additional interest by referring to 3M THB THOR. There is an option to early redeem the notes after 1 year, or after that which is subject to the conditions of the Bank.

On 18 August 2022, the Bank issued structured notes totaling US Dollar 65 million. The notes have step fixed interest rate with payment of interest at 1.10 percent to be made quarterly until maturity and the payment of principle is linked with the USDTHB FX rate. The notes mature in the year 2023 and have tenors of 1 year. There is an option to early redeem the notes that subject to the conditions of the Bank, without the holder's consent.

On 10 November 2022, the Bank issued and offered Baht 46 million of structured notes, comprising 46,000 units of Baht 1,000 each. The notes mature in the year 2024 and have tenors of 1.5 years. The payout is linked with the DB Momentum Asset Allocator 5.50% Volatility Control Index. There is an option to early redeem the notes by both the holders and the Bank, according to the conditions of the Bank.

On 7 December 2022, the Bank issued and offered Baht 920 million of structured notes, comprising 920,000 units of Baht 1,000 each. The notes mature in the year 2025 and have tenors of 3 years. The payout is linked with CITI Diversified Risk Premia Index Index. There is an option to early redeem the notes by both the holders and the Bank, according to the conditions of the Bank.

During January - June 2023, the Bank issued and offered Baht-denominated structured notes totaling 5,756 million baht with maturity 2024 - 2026. The term of the structured notes is 1 - 3 years. Payout based on J.P. Morgan Mozaic XRP Index (MOZAIC XRP). There is an option to early redeem the notes by both holders and the Bank, according to the conditions of the Bank.

During January - June 2023, the Bank issued and offered 737 structured notes of “Krung Thai Step-up Callable Bonus Notes” totaling Baht 3,626 million, comprising 3,625,800 units of Baht 1,000 each. The notes mature in the year 2027- 2028 and have tenors of 1 - 2 years and 5 years. The notes have fixed distribution rate by starting at 1.65 percent per annum and highest at 4.40 percent per annum. The notes have bonus interest in the first year which the Bank pays an additional interest by referring to 3M THB THOR. There is an option to early redeem the notes after 1 year, or after that which is subject to the conditions of the Bank.

### Subordinated notes

On 25 March 2021, the Bank issued and offered US Dollar 600 million of subordinated notes qualified to be included in Additional Tier 1 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof for sales to foreign investors according to the resolution of the Annual General Meeting of shareholders held on 11 April 2012. The notes have no maturity and no fixed redemption date. The Bank has a right to early redeem after 5 years from the issue date, by getting the approval from the BOT.

The notes have fixed distribution rate of 4.40 percent per annum until the first call date. Then, the distribution rate is subject to change to reference rate every 5 years. The Bank received net proceeds from the issued and offered of the subordinated notes amounting to US Dollar 600 million, which the BOT had approved to include in Additional Tier 1 capital from 25 March 2021. The Bank presented such subordinated notes as financial liabilities by taking into consideration both contractual obligation and legal rights as stated in the Offering Circular of the notes.

### Subordinated debentures

The Bank issued Baht 24,000 million of subordinated debenture No.1/2019, comprising 24 million units of Baht 1,000 each. The debenture has a fixed interest rate of 3.70 percent per annum, with payment of interest to be made quarterly until maturity, and a tenor of 10 years, maturing in 2029. There is an option to early redeem the debentures after 5 years, or after that which is subject to the conditions of the Bank, without the holder's consent.

The Bank issued Baht 18,080 million of subordinated debenture No.1/2022, comprising 18.08 million units of Baht 1,000 each. The debenture has a fixed interest rate of 3.25 percent per annum, with payment of interest to be made every three months until maturity, and a tenor of 10 years, maturing in 2032. There is an option to early redeem the debentures after 5 years, or after that which is subject to the conditions of the Bank, without the holder's consent.

## 8.20 Provisions

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Allowance for expected credit losses on loan commitments and financial guarantee contracts	3,672	4,352	3,672	4,352
Provisions for employee benefits - post employment	12,014	11,656	10,381	10,101
Provisions for contingent losses from legal case	392	530	388	530
Other provisions	1,536	906	1,534	944
Total provisions	17,614	17,444	15,975	15,927

### 8.20.1 Allowance for expected credit losses on loan commitments and financial guarantee contracts

As at 30 June 2023 and 31 December 2022, allowance for expected credit losses on loan commitments and financial guarantee contracts classified by classification are as follows:

	(Unit: Million Baht)	
	Consolidated and separate	
	financial statements	
	30 June 2023	
	Loan commitments and financial guarantee contracts	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	1,173,025	1,442
Financial assets where there has been a significant increase in credit risk (Under-Performing)	93,945	1,791
Financial assets that are credit-impaired (Non-Performing)	6,166	439
Total	1,273,136	3,672

(Unit: Million Baht)

	Consolidated and separate financial statements	
	31 December 2022	
	Loan commitments and financial guarantee contracts	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	1,177,651	1,518
Financial assets where there has been a significant increase in credit risk (Under-Performing)	119,206	2,089
Financial assets that are credit-impaired (Non-Performing)	9,047	745
Total	1,305,904	4,352

The changes in the allowance for expected credit losses on loan commitments and financial guarantees are as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	30 June 2023			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Beginning balance	1,518	2,089	745	4,352
Changes due to staging of financial assets	138	(139)	1	-
Changes due to remeasurement of loss allowance	(270)	(122)	(42)	(434)
New issued obligations to grant credit/ guarantees	122	60	10	192
Derecognition of financial assets	(66)	(97)	(275)	(438)
Ending balance	1,442	1,791	439	3,672

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 December 2022			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Beginning balance	1,945	2,244	516	4,705
Changes due to staging of financial assets	545	(557)	12	-
Changes due to remeasurement of loss allowance	(925)	516	114	(295)
New issued obligations to grant credit/guarantees	159	187	161	507
Derecognition of financial assets	(206)	(301)	(58)	(565)
Ending balance	1,518	2,089	745	4,352

## 8.20.2 Provisions for employee benefits - post employment

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Defined benefit obligation at the beginning of the period/year	11,656	13,761	10,101	12,240
Included in profit or loss:				
Current service cost	391	822	313	687
Interest cost	156	323	134	290
Curtailment	(257)	(1,151)	(257)	(1,151)
Included in other comprehensive income:				
Actuarial (gains) losses arising from:				
- Financial assumptions changes	66	(894)	66	(779)
- Experience adjustments	74	(215)	74	(205)
(Transferred out) / Transferred in	-	-	-	(86)
Benefits paid during the period/year	(72)	(990)	(50)	(895)
Defined benefit obligation at the end of the period/year	12,014	11,656	10,381	10,101

As at 30 June 2023 and 31 December 2022, the Bank and its subsidiaries expect to pay Baht 991 million and Baht 710 million, respectively, in long-term employee benefits during the next one year (separate financial statements: Baht 883 million and Baht 587 million, respectively).



### The principal actuarial assumptions

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Discount rate (Percent per annum)	1.98 - 3.65	1.98 - 3.65	2.69	2.75
Future salary increase rate (Percent per annum)	3.00 - 6.00	3.00 - 6.00	6.00	6.00
Age of retirement (Year)	55 - 60 years	55 - 60 years	60 years	60 years

### Sensitivity analysis of principal actuarial assumptions

Defined benefit plan of the Bank and its subsidiaries are sensitive to changes in assumptions used for calculation. The actuarial assumptions may change based on changes in market conditions, changed in inflation condition, including demographic changes in the defined benefit plan. The following table shows the effect of changes in key assumptions. The changes in assumptions occur separately.

(Unit: Million Baht)

	Increase (decrease) in the provisions			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December		31 December	
	30 June 2023	2022	30 June 2023	2022
Discount rate				
Increase 1%	(1,165)	(1,131)	(1,024)	(996)
Decrease 1%	1,386	1,346	1,222	1,189
Future salary increase rate				
Increase 1%	980	959	837	823
Decrease 1%	(847)	(829)	(721)	(708)

As at 30 June 2023 and 31 December 2022, the weighted average durations of the liabilities for long-term employee benefits obligation of the Bank and its subsidiaries are 5 - 21 years (separate financial statements: 11 years and 10 years, respectively).

## 8.20.3 Provisions for contingent losses from legal case

	(Unit: Million Baht)			
	Consolidated financial		Separate	
	statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Balance at the beginning of the period/year	530	436	530	436
Increase during the period/year	31	252	27	252
Utilised	(29)	(155)	(29)	(155)
Reversal of provisions	(140)	(3)	(140)	(3)
Balance at the end of the period/year	392	530	388	530

## 8.21 Other liabilities

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
Accrued interest expenses	4,160	3,644	3,888	3,366
Accrued expenses	15,327	15,115	13,266	14,029
Interbranch account	1,876	1,619	1,876	1,619
Suspense account creditors	4,441	4,165	3,923	3,622
Tax payables	4,180	4,067	4,058	3,357
Deferred revenue for reward points	2,645	2,587	-	-
Settle account between the Bank and other financial institutions	2,130	1,547	1,846	1,350
Advanced account	12,869	11,403	12,869	11,403
Cheque in transit	3,754	1,369	3,754	1,369
Payables from trading securities	840	3,862	834	3,862
Other liabilities	22,019	24,985	20,929	23,448
Total	74,241	74,363	67,243	67,425

## 8.22 Share capital

### 8.22.1 Ordinary shares

As at 30 June 2023 and 31 December 2022, the Bank's authorised share capital and issued and paid-up share capital - ordinary shares was 13,976,061,250 shares.

### 8.22.2 Preferred shares

The 5.5 million of preferred shares are fully paid-up. Preferred share has more preference over the ordinary share. Apart from entitling to the same voting rights and claims on dividends as ordinary shares, it may enjoy preferential rights to a special dividend at a 3 percent fixed rate per annum prior to the ordinary shares when paid.

8.22.3 As at 30 June 2023, the Financial Institutions Development Fund holds 7,696,248,833 ordinary shares of the Bank or 55.05 percent of paid-up ordinary and preferred shares.

## 8.23 Other components of equity

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
<b>Surplus on revaluation of assets</b>	17,760	17,764	17,396	17,400
Less: The effect of deferred tax liabilities	(3,552)	(3,553)	(3,479)	(3,480)
<b>Net surplus on revaluation of assets</b>	14,208	14,211	13,917	13,920
<b>Revaluation surplus (deficit) on investments</b>				
Debt securities	(3,343)	(2,585)	(3,341)	(2,566)
Equity securities	10,128	11,037	10,129	11,037
Expected credit losses	947	944	947	944
<b>Total revaluation surplus (deficit) on investments</b>	7,732	9,396	7,735	9,415
Add (less): The effect of deferred tax liabilities	(1,546)	(1,879)	(1,547)	(1,883)
<b>Net revaluation surplus (deficit) on investments</b>	6,186	7,517	6,188	7,532
<b>Hedge reserves</b>	129	377	129	377
Less: The effect of deferred tax liabilities	(26)	(75)	(26)	(75)
<b>Net hedge reserves</b>	103	302	103	302
<b>Gains (losses) from translating the financial statements</b>	7	18	7	18
<b>Share of other comprehensive income of associated companies</b>	(2,120)	(4,141)	-	-
<b>Total</b>	18,384	17,907	20,215	21,772

## 8.24 Legal reserve

In accordance with the Public Limited Company Act, the Bank is required to appropriate to its legal reserve not less than 5 percent of its net profit after deducting accumulated losses brought forward (if any), until the legal reserve reaches an amount not less than 10 percent of authorised share capital. The Bank has already set aside the full amount of its legal reserve.

## 8.25 Dividends

During the six-month periods ended 30 June 2023 and 2022, the Bank has dividends payments as follow:

(Unit: Million Baht)

Dividends	Approved by	Total dividends		Dividend per share		Payment date
		Preferred shares	Ordinary shares	Preferred shares	Ordinary shares	
Dividends for the year 2022	Annual General Meeting of the Shareholders on 7 April 2023	4	9,532	0.8365	0.6820	3 May 2023
Dividends for the year 2021	Annual General Meeting of the Shareholders on 8 April 2022	3	5,842	0.5725	0.4180	6 May 2022

## 8.26 Commitment and contingent liabilities

### 8.26.1 Leases and service commitment

As at 30 June 2023, the Bank and its subsidiaries have future rental and service charges under non-cancellable leases which have not yet effective, long-term lease value and long term service contracts as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Within 1 year	Over 1 - 5 years	Within 1 year	Over 1 - 5 years
Long term leases	142	83	59	57
Long term service contracts	2,331	1,990	1,428	1,380
Total	2,473	2,073	1,487	1,437

## 8.26.2 Contingent liabilities

	(Unit: Million Baht)			
	Consolidated	financial	Separate	financial
	statements		statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
Avals to bills	7,110	6,373	7,110	6,373
Guarantees of loans	28,154	32,494	28,154	32,494
Liabilities under unmatured import bills	6,646	6,880	6,646	6,880
Letters of credit	19,879	23,819	19,879	23,819
Banks' liability under acceptances	27	18	27	18
Other contingencies				
Unused overdraft credit lines	140,859	146,452	140,859	146,452
Other guarantees	185,094	192,528	185,094	192,528
Others	191,699	181,513	5,268	5,133
Total	579,468	590,077	393,037	413,697

As at 30 June 2023 and 31 December 2022, the Bank has contingent liabilities relating to significant lawsuits brought against the Bank of Baht 17,044 million and Baht 18,873 million, respectively. These included lawsuits in which the Court of First Instance has already ruled and that are being appealed in the Appeal Court and the Supreme Court.

As at 30 June 2023 and 31 December 2022, the Bank has guarantees for transactions of the Bank of Baht 2,821 million and Baht 2,729 million, respectively.

## 8.27 Assets with obligations and restrictions

	(Unit: Million Baht)	
	Consolidated and separate	
	financial statements	
	30 June 2023	31 December 2022
Government and state enterprise bonds pledged as collateral		
Court collateral	457	493
Repurchase agreements	77,350	81,729
Collateral for Student Loan Fund	52	53
Foreign debt securities as collateral		
Repurchase agreements	7,408	14,724
Properties for sale (subject to purchase or sell agreements)	255	786
Properties for sale (debtor is granted the right to buy back or first right for this portion)	14,151	17,329
Total	99,673	115,114

## 8.28 Related party transactions

8.28.1 The Bank has the following related parties transactions with the Bank's executives (First Vice President and above) including related persons who together with these employees as follows:

	(Unit: Million Baht)	
	Separate financial statements	
	30 June 2023	31 December 2022
Loans	102	112
Deposits	456	420

	(Unit: Million Baht)	
	Separate financial statements	
	For the three-month periods ended 30 June	
	2023	2022
Interest income	1	1
Interest expense	1	1

	(Unit: Million Baht)	
	Separate financial statements	
	For the six-month periods ended 30 June	
	2023	2022
Interest income	2	2
Interest expense	1	1

8.28.2 During the periods, the Bank and its subsidiaries had significant business transactions with their related parties. These transactions are in the ordinary course of businesses. Below is a summary of those significant transactions.

(Unit: Million Baht)

For the three-month periods ended 30 June					
Consolidated		Separate			
financial statements		financial statements		Transfer pricing policy	
2023	2022	2023	2022	(For the period 2023)	
<b>Transactions occurred during the periods</b>					
<b>Parent company</b>					
Purchase of debt securities	-	650	-	650	At market price
<b>Subsidiary companies</b>					
Purchase of debt securities	-	-	1,652	164	At market price
Sales of debt securities	-	-	7,691	6,112	At market price
Purchase of equity securities	-	-	7	257	At market price
Sales of equity securities	-	-	3	6	At market price

(Unit: Million Baht)

	For the three-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2023	2022	2023	2022	(For the period 2023)
<b><u>Transactions occurred during the periods (continued)</u></b>					
<b>Associated company</b>					
Purchase of debt securities	1,725	1,224	1,725	1,224	At market price
Sales of debt securities	2,775	3,258	2,775	3,258	At market price
Purchase of equity securities	171	-	171	-	At market price
Sales of equity securities	33	48	33	48	At market price
<b>Entities with parent company or common directors or key management personnel</b>					
Sales of debt securities	153	-	153	-	At market price

(Unit: Million Baht)

	For the six-month periods ended 30 June				
	Consolidated		Separate		
	financial statements		financial statements		Transfer pricing policy
	2023	2022	2023	2022	(For the period 2023)
<b><u>Transactions occurred during the periods</u></b>					
<b>Parent company</b>					
Purchase of debt securities	-	650	-	650	At market price
<b>Subsidiary companies</b>					
Purchase of debt securities	-	-	1,671	172	At market price
Sales of debt securities	-	-	15,799	12,177	At market price
Purchase of equity securities	-	-	12	309	At market price
Sales of equity securities	-	-	3	11	At market price
<b>Associated company</b>					
Purchase of debt securities	5,338	10,869	5,338	10,869	At market price
Sales of debt securities	9,679	18,232	9,679	18,232	At market price
Purchase of equity securities	338	-	338	-	At market price
Sales of equity securities	93	236	93	236	At market price
<b>Entities with parent company or common directors or key management personnel</b>					
Sales of debt securities	269	-	269	-	At market price

### 8.28.3 Interbank and money market items (assets), loans, obligations, derivatives, and other assets

The balances of interbank and money market items (assets), loans, obligations, derivatives, and other assets with related parties, which are under normal bank pricing policies, as at 30 June 2023 and 31 December 2022 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	financial
	financial statements		statements	
	30 June	31 December	30 June	31 December
	2023	2022	2023	2022
<b>Interbank and money market items (assets)</b>				
<u>Associated companies</u>				
Krungthai-AXA Life Insurance Plc.	6,982	4,481	6,982	4,481
Krungthai XSpring Securities Co., Ltd.	-	550	-	550
<u>Less</u> Allowance for expected credit losses	(69)	(46)	(69)	(46)
Total	6,913	4,985	6,913	4,985
<b>Loans</b>				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	8	9
KTB Computer Services Co., Ltd.	-	-	1,603	1,852
KTB Leasing Co., Ltd.	-	-	1,000	1,100
Krungthai Card Plc.	-	-	10,290	10,130
<u>Less</u> Allowance for expected credit losses	-	-	(222)	(247)
Total	-	-	12,679	12,844
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	5,484	5,370	5,484	5,370
Krungthai Panich Insurance Plc.	1	1	1	1
<u>Less</u> Allowance for expected credit losses	(26)	(25)	(26)	(25)
Total	5,459	5,346	5,459	5,346
Entities with parent company or common directors or key management personnel	25,146	23,056	25,146	23,056
<u>Less</u> Allowance for expected credit losses	(157)	(105)	(157)	(105)
Total	24,989	22,951	24,989	22,951
Entities in which the Bank held shares from TDR from 10 percent or more	8,215	8,718	8,215	8,718
<u>Less</u> Allowance for expected credit losses	(3,052)	(3,228)	(3,052)	(3,228)
Total	5,163	5,490	5,163	5,490



	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<b>Commitments</b>				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	296	383
KTB Computer Services Co., Ltd.	-	-	5	5
Krungthai Card Plc.	-	-	1	1
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	-	5	-	5
Entities with common directors or key management personnel	179	59	179	59
Entities in which the Bank held shares from TDR from 10 percent or more	1	1	1	1
<b>Derivatives (Notional amount)</b>				
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	227	328	227	328
Krungthai-AXA Life Insurance Plc.	8,913	10,475	8,913	10,475
Krungthai Panich Insurance Plc.	32	41	32	41
<b>Other assets</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	8	9
Krungthai Card Plc.	-	-	396	644
Krung Thai Asset Management Plc.	-	-	62	105
Infinitas by Krungthai Co., Ltd.	-	-	1,179	973
KTB General Services and Securities Co., Ltd.	-	-	1	1
Arise by Infinitas Co., Ltd.	-	-	115	79
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	8	8	8	7
Krungthai-AXA Life Insurance Plc.	189	207	187	205
Krungthai Panich Insurance Plc.	55	63	50	56
Krungthai XSpring Securities Co., Ltd.	1	1	-	-
Entities with parent company or common directors or key management personnel	1,278	1,278	1,278	1,278

## 8.28.4 Deposits, interbank and money market items (liabilities) and other liabilities

The balances of deposits, interbank and money market items (liabilities) and other liabilities to related parties, which are under normal bank pricing policies, as at 30 June 2023 and 31 December 2022 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<b>Deposits</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	218	269
KTB General Services and Security Co., Ltd.	-	-	594	698
KTB Computer Services Co., Ltd.	-	-	458	442
KTB Leasing Co., Ltd.	-	-	13	5
KTB Advisory Co., Ltd.	-	-	3	3
Krungthai Card Plc.	-	-	1,650	1,779
Infinitas by Krungthai Co., Ltd.	-	-	2,305	1,238
Arise by Infinitas Co., Ltd.	-	-	57	76
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	28	-	28	-
Krungthai Panich Insurance Plc.	126	146	126	146
Entities with parent company or common directors or key management personnel	4,955	10,563	4,955	10,563
Entities in which the Bank held shares in aggregate from 10 to 20 percent	77	70	77	70
Entities in which the Bank held shares from TDR from 10 percent or more	90	364	90	364
<b>Interbank and money market items (liabilities)</b>				
<u>Subsidiary</u>				
Krung Thai Asset Management Plc.	-	-	95	343
<u>Associated companies</u>				
Krungthai-AXA Life Insurance Plc.	2,401	2,877	2,401	2,877
Krungthai XSpring Securities Co., Ltd.	45	102	45	102
<b>Debt issued and borrowing</b>				
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	50	50	50	50

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
<b>Other liabilities</b>				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	309	338
KTB Computer Services Co., Ltd.	-	-	1,053	997
Krungthai Card Plc.	-	-	5	5
KTB Law Co., Ltd.	-	-	84	107
Infinitas by Krungthai Co., Ltd.	-	-	494	926
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	7	5	5	5
Krungthai-AXA Life Insurance Plc.	8	11	2	4
National ITMX Co., Ltd.	61	61	61	61

## 8.28.5 Income and expenses

The Bank has significant income and expenses with related parties as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Interest income</b>				
<u>Subsidiaries</u>				
KTB Computer Services Co., Ltd.	-	-	12	11
KTB Leasing Co., Ltd.	-	-	5	3
Krungthai Card Plc.	-	-	51	7
<u>Associated companies</u>				
Krungthai XSpring Securities Co., Ltd.	-	1	-	1
Krungthai Mizuho Leasing Co., Ltd.	29	17	29	17
Krungthai-AXA Life Insurance Plc.	30	4	30	4
Entities with parent company or common directors or key management personnel	339	125	339	125
Entities in which the Bank held shares from TDR 10 percent or more	13	9	13	9
<b>Interest expenses</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	1	1
KTB General Services and Security Co., Ltd.	-	-	1	-
Krungthai Card Plc.	-	-	1	1
Krung Thai Asset Management Plc.	-	-	1	-
KTB Computer Services Co., Ltd.	-	-	1	-
Infinitas by Krungthai Co., Ltd.	-	-	3	-

(Unit: Million Baht)

For the three-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Interest expenses (continued)</b>				
<u>Associated companies</u>				
Krungthai-AXA Life Insurance Plc.	11	9	11	9
Krungthai XSpring Securities Co., Ltd.	1	-	1	-
Entities with parent company or common directors or key management personnel	30	28	30	28
<b>Other income</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	2	1
KTB General Services and Security Co., Ltd.	-	-	3	2
KTB Leasing Co., Ltd.	-	-	1	1
Krung Thai Asset Management Plc.	-	-	122	147
Krungthai Card Plc.	-	-	47	36
Infinitas by Krungthai Co., Ltd.	-	-	29	26
Arise by Infinitas Co., Ltd.	-	-	18	18
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	1	-	1	-
Krungthai XSpring Securities Co., Ltd.	3	1	1	1
Krungthai Panich Insurance Plc.	95	98	88	92
Krungthai-AXA Life Insurance Plc.	536	516	533	506
<b>Other expenses</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	35	43
KTB General Services and Security Co., Ltd.	-	-	477	501
KTB Computer Services Co., Ltd.	-	-	1,076	1,014
Krungthai Card Plc.	-	-	9	20
Infinitas by Krungthai Co., Ltd.	-	-	18	12
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	3	4	-	-
Krungthai XSpring Securities Co., Ltd.	2	2	1	1
National ITMX Co., Ltd.	167	132	167	132
Krungthai-AXA Life Insurance Plc.	17	19	-	-
Krungthai Panich Insurance Plc.	4	3	-	-

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Interest income</b>				
<u>Subsidiaries</u>				
KTB Computer Services Co., Ltd.	-	-	24	20
KTB Leasing Co., Ltd.	-	-	10	5
Krungthai Card Plc.	-	-	99	14
<u>Associated companies</u>				
Krungthai XSpring Securities Co., Ltd.	3	1	3	1
Krungthai Mizuho Leasing Co., Ltd.	56	33	56	33
Krungthai-AXA Life Insurance Plc.	50	5	50	5
Entities with parent company or common directors or key management personnel	637	243	637	243
Entities in which the Bank held shares from TDR 10 percent or more	26	14	26	14
<b>Interest expenses</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	1	1
KTB General Services and Security Co., Ltd.	-	-	2	1
Krungthai Card Plc.	-	-	2	1
Krung Thai Asset Management Plc.	-	-	1	-
KTB Computer Services Co., Ltd.	-	-	1	-
Infinitas by Krungthai Co., Ltd.	-	-	4	-
<u>Associated companies</u>				
Krungthai-AXA Life Insurance Plc.	22	19	22	19
Krungthai XSpring Securities Co., Ltd.	1	-	1	-
Entities with parent company or common directors or key management personnel	52	49	52	49
<b>Other income</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	3	1
KTB General Services and Security Co., Ltd.	-	-	9	6
KTB Leasing Co., Ltd.	-	-	2	4
Krung Thai Asset Management Plc.	-	-	245	327
Krungthai Card Plc.	-	-	82	72
Infinitas by Krungthai Co., Ltd.	-	-	58	53
Arise by Infinitas Co., Ltd.	-	-	37	44
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	1	-	1	-
Krungthai XSpring Securities Co., Ltd.	5	3	3	2
Krungthai Panich Insurance Plc.	168	250	156	239
Krungthai-AXA Life Insurance Plc.	1,158	1,091	1,152	1,070

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Other expenses</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	62	73
KTB General Services and Security Co., Ltd.	-	-	968	1,001
KTB Computer Services Co., Ltd.	-	-	2,136	1,977
Krungthai Card Plc.	-	-	14	32
Infinitas by Krungthai Co., Ltd.	-	-	76	23
<u>Associated companies</u>				
Krungthai Mizuho Leasing Co., Ltd.	6	8	-	-
Krungthai XSpring Securities Co., Ltd.	4	4	3	3
National ITMX Co., Ltd.	333	260	333	260
Krungthai-AXA Life Insurance Plc.	35	39	-	-
Krungthai Panich Insurance Plc.	7	7	-	-

8.28.6 The Bank and its subsidiaries have no compensation or other benefits, either monetary or non-monetary, to directors and executives, except the benefits normally paid as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term employee benefits	272	281	155	181
Post-employment benefits	22	24	19	19
Total	294	305	174	200

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term employee benefits	811	711	615	520
Post-employment benefits	45	45	38	39
Total	856	756	653	559

## 8.28.7 Intercompany trading transactions

### **Subsidiaries**

- 1) KTB Computer Services Co, Ltd. (“KTBCS”) is assigned by the Bank to provide information technology (IT) services to the Bank in relation to the implementation of various projects and systems according to the Bank’s business plan. The services providing to the Bank consist of system control and maintenance, system software development, and providing preliminary consultancy services and training in various areas. The Bank incurred service charges on a cost-plus method of Baht 1,064 million and Baht 985 million for the three-month periods ended 30 June 2023 and 2022, respectively, and Baht 2,071 million and Baht 1,918 million for the six-month periods ended 30 June 2023 and 2022, respectively.

Since 2003, the GFMS project Phase 2 has been developed and implemented on behalf of the Bank by KTBCS. The Bank and the Office of GFMS attached to the Secretariat of the Prime Minister unanimously signed on the Memorandum of Agreement upon the submission of deliverables and disbursements associated with the investments in the GFMS project on 22 September 2005. Furthermore, the Bank signed a hire-of-work contract for the implementation and maintenance with the Office of GFMS. The Bank incurred service charges of Baht 32 million and Baht 29 million for the three-month periods ended 30 June 2023 and 2022, respectively, and Baht 65 million and Baht 59 million for the six-month periods ended 30 June 2023 and 2022, respectively.

- 2) The Bank operates a student loan service for the Student Loans Fund, including public relations, policy, regulation, loan payment, document filling, loan notification, loan status, as well as receipt of settlement, pursuit of loan collection, and prosecution. KTB Law Co., Ltd. has been designated to prosecute debtors of the Student Loans Fund. The Bank incurred service charges of Baht 3 million and Baht 5 million for the three-month periods ended 30 June 2023 and 2022, respectively, and Baht 3 million and Baht 8 million for the six-month periods ended 30 June 2023 and 2022, respectively. Moreover, the Bank assigned the company to provide other legal services to the Bank and incurred service charges of Baht 32 million and Baht 39 million for the three-month periods ended 30 June 2023 and 2022, respectively, and Baht 59 million and Baht 65 million for the six-month periods ended 30 June 2023 and 2022, respectively.

- 3) KTB General Services and Security Co., Ltd. (“KTBGS”) is assigned by the Bank to provide collection and delivery services for all cash, foreign exchange and financial instruments, and the Bank’s asset. KTBGS also manages Krung Thai Bank Training Center and the Bank’s other buildings. The Bank incurred service charges of Baht 477 million and Baht 501 million for the three-month periods ended 30 June 2023 and 2022, respectively, and Baht 968 million and Baht 1,001 million for the six-month periods ended 30 June 2023 and 2022, respectively.
- 4) Infinitas by Krungthai Co., Ltd. is assigned by the Bank to provide services and consultation on innovation and digital solutions including management and application of information technology in various forms to serve the Bank’s strategy. The Bank incurred service charges of Baht 18 million and Baht 12 million for the three-month periods ended 30 June 2023 and 2022, respectively, and Baht 76 million and Baht 23 million for the six-month periods ended 30 June 2023 and 2022, respectively.

The Bank has entered into support service agreement with Infinitas by Krungthai Co., Ltd., whereby the Bank charges service income at the rates as mutually agreed. The Bank generated service income from such services of Baht 29 million and Baht 26 million for the three-month periods ended 30 June 2023 and 2022, respectively, and Baht 58 million and Baht 53 million for the six-month periods ended 30 June 2023 and 2022, respectively.

- 5) The Bank generated fee income from service with its subsidiaries amounting to Baht 224 million and Baht 240 million for the three-month periods ended 30 June 2023 and 2022, respectively, and Baht 437 million and Baht 510 million for the six-month periods ended 30 June 2023 and 2022, respectively.
- 6) There was no premises rental income from its subsidiaries for three-month and six-month periods ended 30 June 2023 (for three-month and six-month periods ended 30 June 2022 was Baht 1 million and Baht 2 million, respectively).

### **Intercompany considerations**

Intercompany income and expenses are based on the rates upon agreement and the amount specified in the contract, while the cost-plus method is used for certain transactions.

The consolidated financial statements include the accounts of subsidiaries after eliminating intercompany transactions and balances.

### **Associated companies**

The Bank generated fee income under support service contracts of Baht 623 million and Baht 599 million for the three-month periods ended 30 June 2023 and 2022, respectively and Baht 1,312 million and Baht 1,311 million for the six-month periods ended 30 June 2023 and 2022, respectively, at the rates as mutually agreed.



## 8.29 Significant financial position and operations classified by domestic and foreign business segment

### 8.29.1 Financial position classified by business segment

(Unit: Million Baht)

	Consolidated financial statements							
	30 June 2023				31 December 2022			
	Domestic business	Foreign branches business	Elimination	Total	Domestic business	Foreign branch business	Elimination	Total
Total assets	3,592,041	25,955	(7,722)	3,610,274	3,575,024	25,682	(8,287)	3,592,419
Interbank and money								
market items - net	625,699	6,997	-	632,696	545,177	5,764	-	550,941
Financial assets								
measured at fair value								
through profit or loss	11,542	-	-	11,542	33,568	-	-	33,568
Investments - net*	262,463	782	-	263,245	288,608	767	-	289,375
Loans to customers								
and accrued interest								
receivables - net	2,417,157	10,058	-	2,427,215	2,433,344	10,488	-	2,443,832
Deposits	2,576,337	2,747	-	2,579,084	2,587,755	2,481	-	2,590,236
Interbank and money								
market items	281,341	1,130	(2,151)	280,320	277,271	1,938	(2,110)	277,099
Financial liabilities								
measured at fair								
value through								
profit or loss	-	-	-	-	2,319	-	-	2,319
Debt issued and								
borrowings	137,851	21,354	-	159,205	130,435	20,737	-	151,172

\* Includes investments in subsidiaries and associated companies.

(Unit: Million Baht)

## Separate financial statements

	30 June 2023				31 December 2022			
	Domestic business segment	Foreign branches business segment	Elimination	Total	Domestic business segment	Foreign branches business segment	Elimination	Total
Total assets	3,498,726	25,955	(7,722)	3,516,959	3,484,934	25,682	(8,287)	3,502,329
Interbank and money market items - net	625,392	6,997	-	632,389	544,191	5,764	-	549,955
Financial assets measured at fair value through profit or loss	11,542	-	-	11,542	33,568	-	-	33,568
Investments - net*	259,141	782	-	259,923	287,963	767	-	288,730
Loans to customers and accrued interest receivables - net	2,333,475	10,058	-	2,343,533	2,350,789	10,488	-	2,361,277
Deposits	2,581,605	2,747	-	2,584,352	2,592,244	2,481	-	2,594,725
Interbank and money market items	277,237	1,130	(2,151)	276,216	272,666	1,938	(2,111)	272,493
Financial liabilities measured at fair value through profit or loss	-	-	-	-	2,319	-	-	2,319
Debt issued and borrowings	91,427	21,354	-	112,781	86,165	20,737	-	106,902

\* Includes investments in subsidiaries and associated companies.

## 8.29.2 Operations classified by business segment

(Unit: Million Baht)

## Consolidated financial statements

	For the three-month periods ended 30 June							
	2023				2022			
	Domestic business segment	Foreign branches business segment	Elimination	Total	Domestic business segment	Foreign branches business segment	Elimination	Total
Interest income	36,706	481	(315)	36,872	27,155	357	(252)	27,260
Interest expenses	(8,848)	(568)	315	(9,101)	(5,422)	(272)	252	(5,442)
Interest income - net	27,858	(87)	-	27,771	21,733	85	-	21,818
Fees and service income - net	4,786	11	-	4,797	4,894	17	-	4,911
Other operating income	3,085	62	-	3,147	2,649	86	-	2,735
Other operating expenses and allowance for expected credit loss	(21,740)	(43)	-	(21,783)	(18,154)	(32)	-	(18,186)
Profit from operating before income tax expenses	13,989	(57)	-	13,932	11,122	156	-	11,278

(Unit: Million Baht)

Consolidated financial statements								
For the six-month periods ended 30 June								
2023				2022				
	Domestic business segment	Foreign branches business segment	Elimination	Total	Domestic business segment	Foreign branches business segment	Elimination	Total
Interest income	70,646	942	(611)	70,977	53,270	679	(481)	53,468
Interest expenses	(17,113)	(1,085)	611	(17,587)	(10,569)	(476)	481	(10,564)
Interest income - net	53,533	(143)	-	53,390	42,701	203	-	42,904
Fees and service income - net	9,908	27	-	9,935	9,853	26	-	9,879
Other operating income	7,607	55	-	7,662	6,268	98	-	6,366
Other operating expenses and allowance for expected credit loss	(43,442)	(95)	-	(43,537)	(35,830)	(70)	-	(35,900)
Profit from operating before income tax expenses	27,606	(156)	-	27,450	22,992	257	-	23,249

(Unit: Million Baht)

Separate financial statements								
For the three-month periods ended 30 June								
2023				2022				
	Domestic business segment	Foreign branches business segment	Elimination	Total	Domestic business segment	Foreign branches business segment	Elimination	Total
Interest income	32,579	481	(315)	32,745	23,432	357	(252)	23,537
Interest expenses	(8,497)	(568)	315	(8,750)	(5,100)	(272)	252	(5,120)
Interest income - net	24,082	(87)	-	23,995	18,332	85	-	18,417
Fees and service income - net	3,723	11	-	3,734	3,762	17	-	3,779
Other operating income	4,938	62	-	5,000	4,156	86	-	4,242
Other operating expenses and allowance for expected credit loss	(18,336)	(43)	-	(18,379)	(15,348)	(32)	-	(15,380)
Profit from operating before income tax expenses	14,407	(57)	-	14,350	10,902	156	-	11,058

Separate financial statements								
For the six-month periods ended 30 June								
	2023				2022			
	Domestic business segment	Foreign branches business segment	Elimination	Total	Domestic business segment	Foreign branches business segment	Elimination	Total
Interest income	62,574	942	(611)	62,905	46,077	679	(481)	46,275
Interest expenses	(16,433)	(1,085)	611	(16,907)	(9,925)	(476)	481	(9,920)
Interest income - net	46,141	(143)	-	45,998	36,152	203	-	36,355
Fees and service income - net	7,745	27	-	7,772	7,638	26	-	7,664
Other operating income	8,330	55	-	8,385	6,943	98	-	7,041
Other operating expenses and allowance for expected credit loss	(37,026)	(95)	-	(37,121)	(30,352)	(70)	-	(30,422)
Profit from operating before income tax expenses	25,190	(156)	-	25,034	20,381	257	-	20,638

### 8.30 Operations classified by operating segment

#### Segment definition

The Bank organises segments for internal management purposes, with the Management Committee of each segment being the chief operating decision-maker (CODM). Three reportable segments have been identified based on customer type and nature of business:

- 1) Retail banking segment; develops financial products and services, and also provides services for individual customers relating to deposits, loans, payment for goods and services as well as sale of products released by the Bank's subsidiaries and business alliances through its network of branches nationwide.
- 2) Corporate banking segment; provides credit facilities and financial services to corporate clients.
- 3) Treasury and investment segment; controls the Bank's financial structure to maintain appropriate levels and enable the generation of profit from the Bank's equity investment, international business and excess liquidity, and also supervises overseas branches and companies in which the Bank has invested, among others.

Other segments comprise of middle offices, back offices, subsidiaries and associated companies.

## Accounting procedures for segment reporting

During the current period, the Bank has changed certain reported operating segments and the principle to calculate the value of operating expenses from Economic Value Management (EVM) to the cost allocation principle for the purpose of internal management of the Bank. The Fund Transfer Pricing (FTP) concept is used to calculate the value of funds for the fund provider unit and the cost of funds for fund user unit. Income and expenses are allocated according to ownership in order to derive the net operating profit after tax (NOPAT).

(Unit: Million Baht)

Consolidated financial statements						
For the three-month period ended 30 June 2023						
	Retail banking	Corporate banking	Treasury and investment	Support and others	Elimination	Total
Total operating income	19,038	10,483	2,965	9,673	(6,444)	35,715
Total expenses and tax expenses (excluding expected credit losses)	(9,064)	(4,734)	(875)	(5,787)	3,567	(16,893)
Expected credit losses	(2,718)	(3,434)	(123)	(1,462)	(17)	(7,754)
Net profit (losses)	7,256	2,315	1,967	2,424	(2,894)	11,068

(Unit: Million Baht)

Consolidated financial statements						
For the three-month period ended 30 June 2022 <sup>(1)</sup>						
	Retail banking	Corporate banking	Treasury and investment	Support and others	Elimination	Total
Total operating income	15,352	8,565	3,563	6,350	(4,366)	29,464
Total expenses and tax expenses (excluding expected credit losses)	(8,568)	(3,453)	(1,161)	(3,269)	1,938	(14,513)
Expected credit losses	678	(5,805)	487	(1,035)	6	(5,669)
Net profit (losses)	7,462	(693)	2,889	2,046	(2,422)	9,282

(1) Restated figures from the change of the principle in allocation as mentioned above.

(Unit: Million Baht)

Consolidated financial statements						
For the six-month period ended 30 June 2023						
	Retail banking	Corporate banking	Treasury and investment	Support and others	Elimination	Total
Total operating income	36,807	20,634	4,118	19,858	(10,430)	70,987
Total expenses and tax expenses (excluding expected credit losses)	(16,826)	(9,186)	(1,449)	(13,380)	7,767	(33,074)
Expected credit losses	(7,393)	(5,484)	(259)	(2,697)	(25)	(15,858)
Net profit (losses)	12,588	5,964	2,410	3,781	(2,688)	22,055

(Unit: Million Baht)

Consolidated financial statements						
For the six-month period ended 30 June 2022 <sup>(1)</sup>						
	Retail banking	Corporate banking	Treasury and investment	Support and others	Elimination	Total
Total operating income	28,788	16,785	5,859	14,325	(6,608)	59,149
Total expenses and tax expenses (excluding expected credit losses)	(16,347)	(6,939)	(1,917)	(7,923)	4,052	(29,074)
Expected credit losses	508	(9,937)	403	(2,110)	(3)	(11,139)
Net profit (losses)	12,949	(91)	4,345	4,292	(2,559)	18,936

<sup>(1)</sup> Restated figures from the change of the principle in allocation as mentioned above.

Assets and liabilities for segment of the Bank and its subsidiaries as at 30 June 2023 and 31 December 2022 are as follows:

(Unit: Million Baht)

Consolidated financial statements						
	Retail banking	Corporate banking	Treasury and investment	Support and others	Elimination	Total
As at 30 June 2023:						
Segment assets	1,115,332	1,425,779	863,645	227,602	(22,084)	3,610,274
Segment liabilities	1,817,948	859,525	278,193	274,327	(23,659)	3,206,334
As at 31 December 2022 <sup>(1)</sup> :						
Segment assets	1,102,375	1,430,339	936,912	146,821	(24,028)	3,592,419
Segment liabilities	1,864,553	865,768	287,166	206,253	(23,893)	3,199,847

<sup>(1)</sup> Restated figures from the change of the principle in allocation as mentioned above.

### Information about major customers

During the six-month periods ended 30 June 2023 and 2022, the Bank and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

### 8.31 Interest income

Interest income for the three-month and six-month periods ended 30 June 2023 and 2022 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated	financial	Separate	financial
	statements		statements	
	2023	2022	2023	2022
Interbank and money market items	2,756	750	2,756	750
Investment and trading transactions	41	51	41	51
Investment in debt securities	1,015	1,079	1,017	1,082
Loans to customers	32,900	25,324	28,835	21,625
Hire-purchase and finance leases	64	27	-	-
Others	96	29	96	29
Total interest income	36,872	27,260	32,745	23,537

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated	financial	Separate	financial
	statements		statements	
	2023	2022	2023	2022
Interbank and money market items	4,899	1,402	4,898	1,402
Investment and trading transactions	83	100	83	100
Investment in debt securities	1,972	1,987	1,978	1,996
Loans to customers	63,723	49,891	55,761	42,730
Hire-purchase and finance leases	115	41	-	-
Others	185	47	185	47
Total interest income	70,977	53,468	62,905	46,275

### 8.32 Interest expenses

Interest expenses for the three-month and six-month periods ended 30 June 2023 and 2022 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated	financial	Separate	financial
	statements		statements	
	2023	2022	2023	2022
Deposits	3,367	2,318	3,373	2,319
Interbank and money market items	876	344	847	331
Contributions to Bank of Thailand (BOT)	3,061	1,556	3,061	1,556
Contributions to Deposit Protection Agency (DPA)	66	67	66	67
Debt issued				
- Subordinated debentures	368	272	368	272
- Others	1,223	849	902	546
Borrowing fees	2	3	-	-
Others	138	33	133	29
Total interest expenses	9,101	5,442	8,750	5,120

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated	financial	Separate	financial
	statements		statements	
	2023	2022	2023	2022
Deposits	6,298	4,606	6,307	4,609
Interbank and money market items	1,762	684	1,716	660
Contributions to Bank of Thailand (BOT)	6,071	3,097	6,071	3,097
Contributions to Deposit Protection Agency (DPA)	130	134	130	134
Debt issued				
- Subordinated debentures	732	827	732	827
- Others	2,301	1,157	1,671	546
Borrowings	1	1	1	-
Borrowing fees	5	5	-	-
Others	287	53	279	47
Total interest expenses	17,587	10,564	16,907	9,920



### 8.33 Fees and service income

Fees and service income for the three-month and six-month periods ended 30 June 2023 and 2022 consisted of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Fees and service income				
Acceptance, aval and guarantees	350	376	350	376
ATM and electronic banking services	2,503	2,666	2,503	2,666
Management fees and Bancassurance				
Products	1,457	1,468	944	884
Others	2,397	2,218	1,193	1,125
Total fees and service income	6,707	6,728	4,990	5,051
Fees and service expenses	(1,910)	(1,817)	(1,256)	(1,272)
Net fees and service income	4,797	4,911	3,734	3,779

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Fees and service income				
Acceptance, aval and guarantees	756	787	756	787
ATM and electronic banking services	5,279	5,544	5,279	5,544
Management fees and Bancassurance				
Products	2,967	3,188	1,930	1,971
Others	4,861	4,249	2,463	2,178
Total fees and service income	13,863	13,768	10,428	10,480
Fees and service expenses	(3,928)	(3,889)	(2,656)	(2,816)
Net fees and service income	9,935	9,879	7,772	7,664

### 8.34 Net gains on financial instruments measured at fair value through profit or loss

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Gains (losses) on trading and foreign exchange transactions				
- Foreign exchange and foreign exchange element of derivatives contracts	1,393	1,293	1,392	1,292
- Interest rate element of derivatives contracts	(596)	(1,048)	(596)	(1,048)
- Debt securities	(24)	(285)	(24)	(285)
- Equity securities	(29)	72	(29)	72
- Others	142	297	142	297
Losses from hedge accounting				
- hedged items	335	444	335	444
Total	1,221	773	1,220	772

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Gains (losses) on trading and foreign exchange transactions				
- Foreign exchange and foreign exchange element of derivatives contracts	2,598	3,468	2,597	3,467
- Interest rate element of derivatives contracts	209	(2,611)	209	(2,611)
- Debt securities	203	(459)	203	(458)
- Equity securities	6	133	6	133
- Others	(60)	527	(60)	527
Gains (losses) from hedge accounting				
- hedged items	164	1,463	164	1,463
Total	3,120	2,521	3,119	2,521

### 8.35 Net gains on investments

Net gains (losses) on investments for the three-month and six-month periods ended 30 June 2023 and 2022 consisted of the following:

	(Unit: Million Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Gains (loss) on derecognition of				
Investments in debt securities measured				
at fair value through other				
comprehensive income	(64)	31	(64)	31
Total	(64)	31	(64)	31
Losses on impairment of				
Investment in subsidiaries and				
associate	-	-	(38)	-
Total	-	-	(38)	-
Total gains (losses) on investments	(64)	31	(102)	31

	(Unit: Million Baht)			
	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Gains on derecognition of				
Investments in debt securities measured				
at fair value through other				
comprehensive income	195	104	195	104
Total	195	104	195	104
Losses on impairment of				
Investment in subsidiaries and				
associate	-	-	(38)	-
Total	-	-	(38)	-
Total gains on investments	195	104	157	104

### 8.36 Expected credit losses

Expected credit losses and gains or losses resulting from modification of terms for financial assets for the three-month and six-month periods ended 30 June 2023 and 2022 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 June			
	Consolidated	financial	Separate	
	statements		financial statements	
	2023	2022	2023	2022
Interbank and money market items (assets)	(129)	(671)	(129)	(671)
Investments in debt securities measured at amortised cost	3	(7)	3	(7)
Investments in debt securities measured at fair value through other comprehensive income	3	(4)	3	(4)
Loans to customers and accrued interest receivables				
- Expected credit losses	7,967	6,508	6,511	5,475
- Losses from modification of contracts	41	49	41	49
Total	7,885	5,875	6,429	4,842
Loan commitments and financial guarantee contracts	(130)	(206)	(130)	(206)
Total	7,755	5,669	6,299	4,636

(Unit: Million Baht)

	For the six-month periods ended 30 June			
	Consolidated	financial	Separate	
	statements		financial statements	
	2023	2022	2023	2022
Interbank and money market items (assets)	(545)	235	(545)	235
Investments in debt securities measured at amortised cost	2	(6)	2	(6)
Investments in debt securities measured at fair value through other comprehensive income	2	(11)	2	(11)
Loans to customers and accrued interest receivables				
- Expected credit losses	16,999	10,948	14,169	8,862
- Losses from modification of contracts	80	144	80	144
Total	16,538	11,310	13,708	9,224
Loan commitments and financial guarantee contracts	(680)	(171)	(680)	(171)
Total	15,858	11,139	13,028	9,053

### 8.37 Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to ordinary shareholders of the Bank (after deducting the preferred shares's portion and excluding other comprehensive income) by the weighted average number of ordinary shares issued during the periods.

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Profit for the period attributable to equity holders of the Bank (after deducting preferred shares's portion) (Million Baht)	10,153	8,356	12,009	9,601
Earnings per share (Baht/share)	0.73	0.60	0.86	0.69
Weighted average number of ordinary shares (Million shares)	13,976	13,976	13,976	13,976

  

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Profit for the period attributable to equity holders of the Bank (after deducting preferred shares's portion) (Million Baht)	20,219	17,136	20,682	17,394
Earnings per share (Baht/share)	1.45	1.23	1.48	1.24
Weighted average number of ordinary shares (Million shares)	13,976	13,976	13,976	13,976

### 8.38 Provident fund

The Bank, its subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contributed to the fund monthly, at rates of 2 - 15 percent of their basic salaries, and the Bank and its subsidiaries contributed to the fund at stipulated rates. The fund will be paid to the employees upon termination of employment in accordance with the fund rules. During the six-month periods ended 30 June 2023 and 2022, the Bank and its subsidiaries contributed Baht 671 million and Baht 704 million, respectively, to the fund (separate financial statements: Baht 548 million and Baht 602 million, respectively).

### 8.39 Fair value of financial instruments

Financial assets and liabilities carried at fair value classified by the level of fair value hierarchy are as follows:

(Unit: Million Baht)

Consolidated financial statements								
	30 June 2023				31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities measured at fair value</b>								
<b>Financial assets</b>								
Financial assets								
measured at fair value								
through profit or loss	230	11,312	-	11,542	343	33,225	-	33,568
Investments in debt								
securities measured at								
fair value through other								
comprehensive income	-	230,671	-	230,671	-	258,350	-	258,350
Investments in equity								
securities designated at								
fair value through other								
comprehensive income	15,046	1,315	591	16,952	15,905	1,320	530	17,755
Derivatives assets	-	95,231	-	95,231	-	83,170	-	83,170
<b>Financial liabilities</b>								
Financial liabilities								
measured at fair value								
through profit or loss	-	-	-	-	-	2,319	-	2,319
Derivatives liabilities	-	87,771	-	87,771	-	78,507	-	78,507

(Unit: Million Baht)

Separate financial statements								
	30 June 2023				31 December 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities measured at fair value</b>								
<b>Financial assets</b>								
Financial assets								
measured at fair value								
through profit or loss	230	11,312	-	11,542	343	33,225	-	33,568
Investments in debt								
securities measured at								
fair value through other								
comprehensive income	-	231,592	-	231,592	-	259,553	-	259,553
Investments in equity								
securities designated at								
fair value through other								
comprehensive income	15,046	1,314	591	16,951	15,905	1,317	530	17,752
Derivatives assets	-	95,231	-	95,231	-	83,170	-	83,170
<b>Financial liabilities</b>								
Financial liabilities								
measured at fair value								
through profit or loss	-	-	-	-	-	2,319	-	2,319
Derivatives liabilities	-	87,771	-	87,771	-	78,507	-	78,507

Since the majority of the Bank's financial instruments, which were not measured at fair value, are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is assumed to approximate their book value in the statement of financial position.

#### Valuation techniques and inputs used for fair value measurement

Cash	- The fair value is assumed to approximate its book value in the statement of financial position.
Interbank and money market items (asset)	- The fair value is assumed to approximate their book value in the statement of financial position due to their short-term nature.
Derivatives	- The fair value of derivatives is referred to market price. In case the fair value cannot be quoted in market price, the fair value is determined by using valuation techniques. The information used in the valuation techniques is observable in the market, which is based on reliable sources, such as interest rates and exchange rates etc. Moreover, in using valuation techniques, the Bank has adjusted valuation adjustment in order to appropriately reflect relevant risks such as credit valuation adjustment (CVA) and market liquidity risk based on Bid- Offer Spread Adjustment.
Financial assets measured at fair value through profit or loss/Investments	<ul style="list-style-type: none"> <li>- The fair value of marketable securities is based on the latest bid price of the last working day of the period.</li> <li>- The fair value of domestic debt securities is determined using the yield rates quoted by the Thai Bond Market Association and adjusted valuation in order to appropriately reflect market liquidity risk based on Bid - Offer Spread Adjustment.</li> <li>- The fair value of foreign currency debt securities is determined based on the latest published price obtained from reliable sources e.g. Bloomberg.</li> <li>- The fair value of unit trusts is determined from their net asset value</li> <li>- The fair value of investments in non - marketable equity securities is determined using their latest book value from the entity's financial statements.</li> </ul>

Loans to customers	<ul style="list-style-type: none"> <li>- The fair value of floating rate loans is assumed to approximate their book value, net of allowance for expected credit losses.</li> <li>- The fair value of fixed rate loans is determined by discounting the expected future cash flows at the interest rate of similar loans, net of allowance for expected credit losses and deferred revenue.</li> <li>- The fair value of fixed rate loans for which revenue recognition has discontinued is assumed to approximate their book value, net of allowance for expected credit losses or to approximate the amount expected to be derived from their sale.</li> </ul>
Land, premises and equipment - land	<ul style="list-style-type: none"> <li>- The fair value of land is determined by using the market comparison approach which is used whereby the buying and selling prices for assets with similar characteristics are obtained.</li> </ul>
Deposits	<ul style="list-style-type: none"> <li>- The fair value of payable on demand deposits, floating rate deposits or fixed rate deposits with not more than 1 year from the statement of financial position date remaining to maturity is assumed to approximate their book values.</li> <li>- The fair value of fixed rate deposits with more than 1 year from the statement of financial position date remaining to maturity is determined by discounting the expected future cash flows at the Bank's interest rate for similar deposits.</li> </ul>
Interbank and money market items (liabilities)	<ul style="list-style-type: none"> <li>- The fair value of interbank and money market items payable on demand, floating rate deposits or fixed rate deposits with not more than 1 year from the statement of financial position date remaining to maturity is assumed to approximate their book values.</li> <li>- The fair value of fixed rate interbank and money market items with more than 1 year from the statement of financial position date remaining to maturity is determined by discounting the expected future cash flows at the interest rate which reflect the Bank's interest rate risk and credit risk.</li> </ul>
Liability payable on demand	<ul style="list-style-type: none"> <li>- The fair value is assumed to approximate its book value in the statement of financial position due to its short-term nature.</li> </ul>



- |                                                                     |                                                                                                                                                                                                                                                                                                   |
|---------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Debt issued and borrowings                                          | - The fair value of floating rate or fixed rate debt issues and borrowings with not more than 1 year from the statement of financial position date remaining to maturity is assumed to approximate their book values.                                                                             |
|                                                                     | - The fair value of fixed rate debt issues and borrowings with more than 1 year from the statement of financial position date remaining to maturity is determined by discounting the expected future cash flows at the interest rate which reflect the Bank's interest rate risk and credit risk. |
| Financial liabilities measured at fair value through profit or loss | - The fair value of financial liabilities measured at fair value through profit or loss is determined using in the same method as the fair value measurement of investments                                                                                                                       |

During the current period, the Bank and its subsidiaries have no changes of the fair value hierarchy.

**8.40 Policies on business transactions within the financial business group and risk management policies in relation to business transactions within the financial business group.**

The BOT's Notifications No.SOR NOR SOR.5/2560 and SOR NOR SOR.9/2560 dated 27 April 2017, SOR NOR SOR. 12/2561 dated 22 May 2018, SOR NOR SOR.11/2562 dated 7 May 2019 and SOR NOR SOR.8/2564 dated 20 July 2021 regarding the Consolidated Supervision Policy, require the Bank to disclose policies on business transactions within the financial business group and risk management policies in relation to business transactions within the financial business group as the compliance guidance to supervise business transactions within the financial business group, which is composed of the Bank and 20 companies (Note 8.7 to the consolidated financial statements excluding National ITMX Co., Ltd. and BCI (Thailand) Co., Ltd.), in terms of common standards and procedures in alignment to the BOT's consolidated supervision policy. The policies on business transactions within the financial business group and risk management policies in relation to business transactions within the financial business group had been approved by the Bank's Board of Directors and reviewed at least once a year. The policies cover types of transaction, rules and regulations for business transactions, the ratio of business transactions within the financial business group, capital requirements of the financial business group and other related operating procedures. Business transactions within the group are conducted in the same manner as to the public with contract entitled by law and follow the Bank's corporate governance policy.

In cases of the Bank having business transactions with a company within the financial business group in which such company is deemed to be the Bank's business unit, the Bank will follow the lenient business transaction guideline as provided by BOT.

## **8.41 Others**

8.41.1 The Bank has certain defaulting debtors in relation to convertible preferred shares sale and purchase agreement and lending facilities with the outstanding principal amounts according to the related sale and purchase agreements and facilities agreements, as of 30 June 2023 totaling Baht 8,748 million, exclusive of the default interests. In this regard, for such outstanding principal amounts, the Bank has fully made an allowance for expected credit losses according to the BOT's criteria and it is currently in the execution process according to the orders of the Civil Court and the Bankruptcy Court.

In addition, such debtors together with other defendants were connected to a lawsuit of the Office of the Attorney General which was submitted to the Criminal Division for Persons Holding Political Positions of the Supreme Court's (the "Supreme Court"). The Supreme Court had ordered an acceptance of the complaint on 25 July 2012 and thereafter rendered a judgement on 26 August 2015 that all defendants shall be jointly liable for damages to the Bank. The Bank had submitted a letter to the Office of the Attorney General requesting the Department of Legal Execution, the Office of the Attorney General to execute a judgement for the Bank. In January 2016, the Office of the Attorney General had submitted a motion to the Supreme Court requesting for a writ of execution for appointing the executing officers and the Supreme Court ordered and appointed the executing officers. In this respect, the Bank had notified the public prosecutor of the result of a search for all judgment debtors' property. On 5 October 2016, the public prosecutor of the Department of Special Litigation arranged a meeting for representatives from the BOT, the Anti-Money Laundering Office ("AMLO") and the Bank to consider the issues regarding the legal execution of the Supreme Court's judgement and to coordinate and exchange information. Each party will legally exercise its authority and the Supreme Court's order to enforce all defendants for the best interest of the Bank's benefits and legal rights.

On 17 August 2017, a defendant of the criminal case of the Persons Holding Political Positions, who was not a defaulting debtor of the civil case, had made a payment of Baht 1,636 million to the Bank for payment of partial damages according to such criminal case. The Bank accepted the payment and recorded such payment as other revenue from a lawsuit compensation, as well as issuing a letter to such defendant demanding for payment of the remaining damages together with all relevant defendants to the Bank according to such judgement.

At present, judgments of the criminal case, other bankruptcy and civil cases have been enforced for confiscation execution of the mortgaged collaterals according to the preferred mortgage in the Bank's civil case for public auction. The court has issued an order for the Bank to receive debt payment as a mortgagee from such mortgaged collaterals according to an application for repayment of debt for the mortgaged debt submitted by the Bank. Thereafter, on 17 October 2018, the Legal Execution Department made an announcement for public auction and managed the proceedings of public auction for the mortgaged collaterals; whereby, a third party was the successful bidder for Baht 8,914 million. In 2019, the Bank has received the net amount of Baht 3,899 million from the Legal Execution Department for the mortgaged collaterals according to the preferred mortgage which were sold under the criminal case. The Bank exercised the right pursuant to Thai laws by deducting fees and litigation expenses of the Bank for Baht 1 million, and the remaining amount of Baht 3,898 million after the Legal Execution Department's deduction of expenses was considered as interest payment according to the judgment of the Bank's civil case. In this respect, on 25 September 2019, a defendant of the criminal case has filed a civil lawsuit against the Bank for taking the lawsuit amount to be recorded as the damages pursuant to the judgment of such criminal case in which the Bank submitted defending response, the Bank's action affirming. On 23 September 2022, the civil court has dismissed the civil case.

In 2020, the Bank had received net payment from the Legal Execution Department for the mortgaged collaterals which had been sold in other bankruptcy cases in the amount of Baht 3,524 million. The Bank exercised the right pursuant to Thai laws by deducting expenses in relation to auction announcement of Baht 0.02 million, and the remaining amount of Baht 3,524 million was considered as interest payment according to the judgement of the Bank's civil case. For other civil cases, currently, the Bank has received the net amount of Baht 1,223 million from the Legal Execution Department for the mortgaged collaterals according to the preferred mortgage which were sold under civil cases. The Bank exercised the right pursuant to Thai laws by deducting for interest in the amount of Baht 1,223 million according to the judgement of the Bank's civil case. On July 8, 2020, the Legal Execution Department made an announcement of public auction for the remaining 1 plot of land from the collateral in a criminal case, and managed the proceedings of public auction for such mortgaged collateral; whereby, a third party was the successful bidder for Baht 7.29 million, the buyer placed a bid deposit in full. The Bank received a net amount of Baht 7.06 million, which the Bank has exercised its legal right to to considered as interest payment according to the Bank's civil judgement.

For the Bank's civil case, whereby the Bank was a plaintiff suing for the foreclosure of such mortgaged collaterals, the Civil Court had rendered a judgement in favor of the Bank to receive full payment of debt according to the grounds of the lawsuit together with interest on 28 September 2017. Thereafter, on 31 October 2018, the Appeal Court had issued an appointment for the hearing of judgement, which upheld the judgement of the Civil Court. The defendant had filed a petition to the Supreme Court on 25 December 2018 and the Bank had filed an answer against such defendant's petition on 25 February 2019. Currently, the Supreme Court had rendered a judgement on 5 May 2020 which upheld the judgement of the Court of Appeal.

8.41.2 In 2010, the Bank lent a company USD 96 million (Baht 2,885 million), for which an investment in the ordinary shares of a foreign financial institution was pledged as collateral. Although these shares, accounting for 50 percent of such financial institution's authorised shares capital, were under the Bank's name, the Bank had no control over this financial institution. The Bank received full repayment of the loan under the contract in July 2011 but had not yet transferred such pledged ordinary shares back to the company because the company must first seek a financial institution to be a new investor of such financial institution.

8.41.3 The Bank is in the process of closing Mumbai Branch India. The assets, liabilities and operating performance of such branch is not material to the Bank's financial statements.

#### **8.42 COVID-19**

The COVID-19 pandemic is having a widespread impact on all business sectors and customer segments across Thailand, the BOT has issued a series of measures, covering payment moratoriums, government guarantees as well as payment holidays to get bank helped affected borrowers and industries that are encountering short-term cash flow problems to resume repayment ability at the end. The Bank provides assistance to debtors continuously. As at 30 June 2023, the Bank has outstanding balances of loans to customers including restructured loans amounting to Baht 59 billion that provides assistance type 1 to debtors and the Bank elects to apply accounting guidance on the guidelines regarding the provision of financial assistance to debtors affected by COVID-19 (sustainable debt resolution) in the preparation of its financial statements.

#### **8.43 Approval of the financial statements**

These financial statements were authorised for issue by the Board of Directors 23 August 2023.