

**The Thai Credit Retail Bank Public Company Limited
and its Subsidiary**

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



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Independent Auditor's Report

To the shareholders of The Thai Credit Retail Bank Public Company Limited

Audit Report

Opinion

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

In my opinion, the accompanying interim consolidated and the Bank's financial statements present fairly, in all material respects, the financial position of the Group and the Bank, respectively, as at 30 June 2022 and their financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards (TFRSs) and the regulations of the Bank of Thailand.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Interim Consolidated and the Bank's Financial Statements* section of my report. I am independent of the Group and the Bank in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the interim consolidated and the Bank's financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



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

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

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

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

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

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

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

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



- Evaluate the overall presentation, structure and content of the interim consolidated and the Bank's financial statements, including the disclosures, and whether the interim consolidated and the Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the interim consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

Review Report

I have also reviewed the accompanying interim consolidated and the Bank's statements of profit or loss and other comprehensive income for the three-month period ended 30 June 2022 of the Group and the Bank, respectively. Management is responsible for the preparation and presentation of these interim consolidated and the Bank's statements of profit or loss and other comprehensive income in accordance with Thai Accounting Standard 34, "Interim Financial Reporting" and the regulations of the Bank of Thailand. My responsibility is to express a conclusion on these interim consolidated and the Bank's statements of profit or loss and other comprehensive income based on my review.

Scope of Review

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

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and the Bank's statements of profit or loss and other comprehensive income for the three-month period ended 30 June 2022 are not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting" and the regulations of the Bank of Thailand.



Other Matter

The accompanying consolidated and the Bank's statements of profit or loss and other comprehensive income for the three-month period ended 30 June 2021, which are included as comparative information, are not reviewed.

A handwritten signature in blue ink, appearing to read 'P. Gulsantithamrong'.

(Pantip Gulsantithamrong)
Certified Public Accountant
Registration No. 4208

KPMG Phoomchai Audit Ltd.
Bangkok
30 August 2022

The Thai Credit Retail Bank Public Company Limited and its Subsidiary
Statements of financial position


		Consolidated		The Bank	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
Assets	<i>Note</i>				
		<i>(in thousand Baht)</i>			
Cash		384,329	464,430	384,329	464,430
Interbank and money market items, net	9	8,430,597	10,948,838	8,429,182	10,947,346
Investments, net	10	3,448,550	5,695,814	3,448,550	5,695,814
Investments in subsidiary, net	11	-	-	250,000	250,000
Loans to customers and accrued interest receivables, net	12	107,163,511	95,512,820	107,163,511	95,512,820
Properties for sale, net	14	379,677	341,926	379,677	341,926
Premises and equipment, net	15, 34	1,282,894	1,221,568	1,276,725	1,219,186
Intangible assets, net	16	185,211	173,786	167,694	156,861
Deferred tax assets	17	254,429	335,869	254,219	335,714
Other assets, net	18, 32	720,701	638,366	730,834	656,076
Total assets		122,249,899	115,333,417	122,484,721	115,580,173

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

The Thai Credit Retail Bank Public Company Limited and its Subsidiary

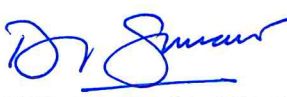
Statements of financial position

	Note	Consolidated		The Bank	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
<i>(in thousand Baht)</i>					
Liabilities and equity					
Liabilities					
Deposits	19, 32	96,197,617	88,514,778	96,380,128	88,736,490
Interbank and money market items	20	10,670,797	12,737,750	10,670,797	12,737,750
Liabilities payable on demand		104,615	88,924	104,615	88,924
Debt issued and borrowings	21, 32	879,630	869,935	879,630	869,935
Provisions	22	243,515	215,550	242,546	214,861
Other liabilities	23, 32, 34	2,265,188	2,443,465	2,219,809	2,395,078
Total liabilities		110,361,362	104,870,402	110,497,525	105,043,038
Equity					
Share capital	26				
Authorised share capital					
590,375,000 ordinary shares of Baht 10 each		5,903,750	5,903,750	5,903,750	5,903,750
Issued and paid-up share capital					
515,625,000 ordinary shares of Baht 10 each		5,156,250	-	5,156,250	-
500,000,000 ordinary shares of Baht 10 each		-	5,000,000	-	5,000,000
Warrants	27	288,938	288,938	288,938	288,938
Premium on share capital		34,906	-	34,906	-
Other reserves		(3,203)	36,043	(3,203)	36,043
Retained earnings					
Appropriated					
Legal reserve	29	269,389	269,389	269,389	269,389
Unappropriated		6,142,257	4,868,645	6,240,916	4,942,765
Total equity		11,888,537	10,463,015	11,987,196	10,537,135
Total liabilities and equity		122,249,899	115,333,417	122,484,721	115,580,173



 Mr. Winyou Chaiyawan
 Director





 Mr. Roy Agustinus Gunara
 Director

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

The Thai Credit Retail Bank Public Company Limited and its Subsidiary


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

	Consolidated		The Bank	
	Three-month periods ended		Three-month periods ended	
	30 June		30 June	
	2022	2021	2022	2021
	(Unreviewed)		(Unreviewed)	
	<i>(in thousand Baht)</i>			
Interest income	3,127,782	2,446,919	3,127,782	2,446,919
Interest expenses	<u>(382,524)</u>	<u>(314,493)</u>	<u>(382,685)</u>	<u>(314,583)</u>
Net interest income	<u>2,745,258</u>	<u>2,132,426</u>	<u>2,745,097</u>	<u>2,132,336</u>
Fees and service income	109,331	126,527	113,291	128,553
Fees and service expenses	<u>(179,890)</u>	<u>(85,406)</u>	<u>(183,426)</u>	<u>(88,051)</u>
Net fees and service (expenses) income	<u>(70,559)</u>	<u>41,121</u>	<u>(70,135)</u>	<u>40,502</u>
Gains on investments, net	45	-	45	-
Other operating income	<u>68,287</u>	<u>75,187</u>	<u>69,741</u>	<u>76,687</u>
Total operating income	<u>2,743,031</u>	<u>2,248,734</u>	<u>2,744,748</u>	<u>2,249,525</u>
Other operating expenses				
Employee expenses	718,688	680,978	713,809	676,196
Directors' remuneration	3,770	3,877	3,770	3,877
Premises and equipment expenses	140,512	134,728	139,364	134,445
Taxes and duties	99,673	72,345	99,638	72,345
Others	<u>81,935</u>	<u>60,098</u>	<u>76,883</u>	<u>57,312</u>
Total other operating expenses	<u>1,044,578</u>	<u>952,026</u>	<u>1,033,464</u>	<u>944,175</u>
Expected credit loss	<u>621,409</u>	<u>833,255</u>	<u>621,409</u>	<u>833,255</u>
Profit from operations before income tax	<u>1,077,044</u>	<u>463,453</u>	<u>1,089,875</u>	<u>472,095</u>
Income tax	<u>216,805</u>	<u>95,743</u>	<u>216,833</u>	<u>95,767</u>
Net profit	<u>860,239</u>	<u>367,710</u>	<u>873,042</u>	<u>376,328</u>

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


The Thai Credit Retail Bank Public Company Limited and its Subsidiary
Statements of profit or loss and other comprehensive income (Unaudited)

	Consolidated		The Bank	
	Three-month periods ended		Three-month periods ended	
	30 June		30 June	
	2022	2021	2022	2021
		(Unreviewed)		(Unreviewed)
		<i>(in thousand Baht)</i>		
Other comprehensive income (loss)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Losses on investments in debt instruments				
at fair value through other comprehensive income	(4,007)	(685)	(4,007)	(685)
Income tax relating to components of other comprehensive income (loss)				
will be reclassified subsequently to profit or loss	801	137	801	137
	(3,206)	(548)	(3,206)	(548)
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Gains (losses) on investments in equity instruments designated				
at fair value through other comprehensive income	26	(191)	26	(191)
Income tax relating to components of other comprehensive income (loss)				
will not be reclassified subsequently to profit or loss	(5)	38	(5)	38
	21	(153)	21	(153)
Total other comprehensive income (loss), net	(3,185)	(701)	(3,185)	(701)
Total comprehensive income	857,054	367,009	869,857	375,627
Earnings per share				
Basic earnings per share <i>(in Baht)</i>				
	1.67	0.74	1.69	0.75
Diluted earnings per share <i>(in Baht)</i>				
	1.46	0.68	1.48	0.69



 Mr. Winyou Chaiyawan
 Director





 Mr. Roy Agustinus Gunara
 Director

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

The Thai Credit Retail Bank Public Company Limited and its Subsidiary

Statements of profit or loss and other comprehensive income

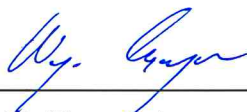
	Note	Consolidated		The Bank	
		Six-month periods ended		Six-month periods ended	
		30 June		30 June	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Interest income	37	6,008,884	4,587,339	6,008,884	4,587,339
Interest expenses	32, 38	<u>(749,538)</u>	<u>(606,791)</u>	<u>(749,750)</u>	<u>(606,907)</u>
Net interest income		<u>5,259,346</u>	<u>3,980,548</u>	<u>5,259,134</u>	<u>3,980,432</u>
Fees and service income	32	252,890	279,748	260,299	283,479
Fees and service expenses		<u>(336,315)</u>	<u>(246,401)</u>	<u>(343,516)</u>	<u>(252,163)</u>
Net fees and service (expenses) income	39	<u>(83,425)</u>	<u>33,347</u>	<u>(83,217)</u>	<u>31,316</u>
Gains on foreign exchange transactions, net		-	10	-	10
Gains on investments, net	40	45	-	45	-
Other operating income	32	<u>153,815</u>	<u>154,103</u>	<u>156,768</u>	<u>157,104</u>
Total operating income		<u>5,329,781</u>	<u>4,168,008</u>	<u>5,332,730</u>	<u>4,168,862</u>
Other operating expenses					
Employee expenses		1,450,651	1,348,673	1,439,831	1,340,401
Directors' remuneration		7,340	6,675	7,340	6,675
Premises and equipment expenses		266,470	255,352	264,382	254,788
Taxes and duties		195,280	146,378	195,242	146,371
Others	32	<u>149,096</u>	<u>119,131</u>	<u>140,397</u>	<u>113,077</u>
Total other operating expenses		<u>2,068,837</u>	<u>1,876,209</u>	<u>2,047,192</u>	<u>1,861,312</u>
Expected credit loss	41	<u>1,659,064</u>	<u>1,291,393</u>	<u>1,659,064</u>	<u>1,291,393</u>
Profit from operations before income tax		<u>1,601,880</u>	<u>1,000,406</u>	<u>1,626,474</u>	<u>1,016,157</u>
Income tax	42	<u>328,268</u>	<u>204,431</u>	<u>328,323</u>	<u>204,479</u>
Net profit		<u>1,273,612</u>	<u>795,975</u>	<u>1,298,151</u>	<u>811,678</u>

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


The Thai Credit Retail Bank Public Company Limited and its Subsidiary

Statements of profit or loss and other comprehensive income

	Note	Consolidated		The Bank	
		Six-month periods ended		Six-month periods ended	
		30 June		30 June	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
Other comprehensive income (loss)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Losses on investments in debt instruments					
at fair value through other comprehensive income		(5,499)	(2,294)	(5,499)	(2,294)
Income tax relating to components of other comprehensive income (loss)					
will be reclassified subsequently to profit or loss	42	<u>1,100</u>	<u>459</u>	<u>1,100</u>	<u>459</u>
		<u>(4,399)</u>	<u>(1,835)</u>	<u>(4,399)</u>	<u>(1,835)</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gains (losses) on investments in equity instruments designated					
at fair value through other comprehensive income		74	(191)	74	(191)
Income tax relating to components of other comprehensive income (loss)					
will not be reclassified subsequently to profit or loss	42	<u>(15)</u>	<u>38</u>	<u>(15)</u>	<u>38</u>
		<u>59</u>	<u>(153)</u>	<u>59</u>	<u>(153)</u>
Total other comprehensive income (loss), net		<u>(4,340)</u>	<u>(1,988)</u>	<u>(4,340)</u>	<u>(1,988)</u>
Total comprehensive income		<u>1,269,272</u>	<u>793,987</u>	<u>1,293,811</u>	<u>809,690</u>
Earnings per share					
	43				
Basic earnings per share <i>(in Baht)</i>		<u>2.50</u>	<u>1.59</u>	<u>2.55</u>	<u>1.62</u>
Diluted earnings per share <i>(in Baht)</i>		<u>2.16</u>	<u>1.50</u>	<u>2.20</u>	<u>1.53</u>


 Mr. Winyou Chaiyawan
 Director




 Mr. Roy Agustinus Gunara
 Director

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

The Thai Credit Retail Bank Public Company Limited and its Subsidiary

Statements of changes in equity

	Consolidated									
	Other reserves							Retained earnings		
	Issued and paid-up share capital	Warrants (Note 27)	Premium on share capital	Reserve for share-based payments (Note 28)	Gains (losses) on investments in debt instruments at fair value through other comprehensive income	Gains on investments in equity instruments designated at fair value through comprehensive income	Total other reserves	Legal reserve	Unappropriated	Total equity
<i>(in thousand Baht)</i>										
Six-month period ended 30 June 2022										
Balance at 1 January 2022	5,000,000	288,938	-	34,906	901	236	36,043	269,389	4,868,645	10,463,015
Contributions by owners of the Bank										
Exercise of stock options	156,250	-	34,906	(34,906)	-	-	(34,906)	-	-	156,250
Total contributions by owners of the Bank	156,250	-	34,906	(34,906)	-	-	(34,906)	-	-	156,250
Comprehensive income (loss) for the period										
Net profit	-	-	-	-	-	-	-	-	1,273,612	1,273,612
Other comprehensive income (loss)	-	-	-	-	(4,399)	59	(4,340)	-	-	(4,340)
Total comprehensive income (loss) for the period	-	-	-	-	(4,399)	59	(4,340)	-	1,273,612	1,269,272
Balance at 30 June 2022	5,156,250	288,938	34,906	-	(3,498)	295	(3,203)	269,389	6,142,257	11,888,537

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

The Thai Credit Retail Bank Public Company Limited and its Subsidiary
Statements of changes in equity

		Consolidated							Total equity		
		Other reserves					Retained earnings				
		Gains (losses) on investments in debt instruments at fair value through other comprehensive income	Gains (losses) on investments in equity instruments designated at fair value through comprehensive income	Reserve for share-based payments (Note 28)	Warrants (Note 27)	Total other reserves	Legal reserve	Unappropriated			
		<i>(in thousand Baht)</i>									
Six-month period ended 30 June 2021											
	Balance at 1 January 2021	5,000,000	-	34,906	-	2,774	380	38,060	170,821	3,031,306	8,240,187
Contributions by owners of the Bank											
	Issuance of warrants	-	288,938	-	-	-	-	-	-	-	288,938
	Total contributions by owners of the Bank	-	288,938	-	-	-	-	-	-	-	288,938
Comprehensive income (loss) for the period											
	Net profit	-	-	-	-	-	-	-	-	795,975	795,975
	Other comprehensive income (loss)	-	-	-	(1,835)	(1,988)	(153)	(1,988)	-	-	(1,988)
	Total comprehensive income (loss) for the period	-	-	-	(1,835)	(1,988)	(153)	(1,988)	-	795,975	793,987
	Balance at 30 June 2021	5,000,000	288,938	34,906	939	36,072	227	170,821	3,827,281	9,323,112	

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

The Thai Credit Retail Bank Public Company Limited and its Subsidiary

Statements of changes in equity

	The Bank									
	Other reserves					Retained earnings				
	Issued and paid-up share capital	Warrants (Note 27)	Premium on share capital	Reserve for share-based payments (Note 28)	Gains (losses) on investments in debt instruments at fair value through other comprehensive income	Gains on investments in equity instruments designated at fair value through comprehensive income	Total other reserves	Legal reserve	Unappropriated	Total equity
26										
<i>(in thousand Baht)</i>										
Six-month period ended 30 June 2022										
Balance at 1 January 2022	5,000,000	288,938	-	34,906	901	236	36,043	269,389	4,942,765	10,537,135
Contributions by owners of the Bank										
Exercise of stock options	156,250	-	34,906	(34,906)	-	-	(34,906)	-	-	156,250
Total contributions by owners of the Bank	156,250	-	34,906	(34,906)	-	-	(34,906)	-	-	156,250
Comprehensive income (loss) for the period										
Net profit	-	-	-	-	-	-	-	-	1,298,151	1,298,151
Other comprehensive income (loss)	-	-	-	-	(4,399)	59	(4,340)	-	-	(4,340)
Total comprehensive income (loss) for the period	-	-	-	-	(4,399)	59	(4,340)	-	1,298,151	1,293,811
Balance at 30 June 2022	5,156,250	288,938	34,906	-	(3,498)	295	(3,203)	269,389	6,240,916	11,987,196

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

The Thai Credit Retail Bank Public Company Limited and its Subsidiary
Statements of changes in equity

	The Bank							Total equity
	Other reserves						Retained earnings	
	Issued and paid-up share capital	Warrants (Note 27)	Reserve for share-based payments (Note 28)	Gains (losses) on investments in debt instruments at fair value through other comprehensive income	Gains (losses) on investments in equity instruments designated at fair value through comprehensive income	Total other reserves	Legal reserve	
<i>(in thousand Baht)</i>								
Six-month period ended 30 June 2021								
Balance at 1 January 2021	5,000,000	-	34,906	2,774	380	38,060	170,821	3,069,276
Contributions by owners of the Bank								
Issuance of warrants	-	288,938	-	-	-	-	-	-
Total contributions by owners of the Bank	-	288,938	-	-	-	-	-	-
Comprehensive income (loss) for the period								
Net profit	-	-	-	-	-	-	-	811,678
Other comprehensive income (loss)	-	-	-	(1,835)	(153)	(1,988)	-	-
Total comprehensive income (loss) for the period	-	-	-	(1,835)	(153)	(1,988)	-	811,678
Balance at 30 June 2021	5,000,000	288,938	34,906	939	227	36,072	170,821	3,880,954
								9,376,785

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

The Thai Credit Retail Bank Public Company Limited and its Subsidiary

Statements of cash flows

	Note	Consolidated		The Bank	
		Six-month periods ended		Six-month periods ended	
		30 June		30 June	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>					
Profit from operations before income tax		1,601,880	1,000,406	1,626,474	1,016,157
<i>Adjustments to reconcile profit from operations before income tax to cash receipts (payments) from operating activities</i>					
Depreciation and amortisation		143,789	118,776	142,100	118,069
Expected credit loss	41	1,659,064	1,291,393	1,659,064	1,291,393
Provision for employee benefits		28,718	22,956	28,438	22,716
Provision for dismantling of leasehold improvement		235	815	235	815
Contract liabilities		51	116	-	-
Losses (gains) on sales of properties for sale		1,213	(1,606)	1,213	(1,606)
Gains on disposal of premises and equipment		(52)	(31)	(52)	(31)
Losses on write-off on premises and equipment		122	4,321	122	4,321
Gains on disposal of investments		(45)	-	(45)	-
Net amortisation of premium on investments		3,862	514	3,862	514
Net interest income		(5,259,346)	(3,980,548)	(5,259,134)	(3,980,432)
Interest received		5,450,233	3,873,647	5,450,233	3,873,647
Interest paid		(665,911)	(605,660)	(666,187)	(605,775)
Dividend income		(57)	(38)	(57)	(38)
Income tax paid		(311,572)	(220,626)	(311,572)	(220,626)
Profit from operations before changes in operating assets and liabilities		2,652,184	1,504,435	2,674,694	1,519,124
<i>Decrease (increase) in operating assets</i>					
Interbank and money market items		2,518,133	1,206,841	2,518,056	1,206,841
Loans to customers		(12,760,720)	(20,237,642)	(12,760,720)	(20,237,642)
Properties for sale		(38,964)	(1,078)	(38,964)	(1,078)
Other assets		(94,915)	(126,126)	(83,523)	(134,075)
<i>Increase (decrease) in operating liabilities</i>					
Deposits		7,666,842	15,048,807	7,627,641	15,134,875
Interbank and money market items		(2,066,953)	263,174	(2,066,953)	263,174
Liabilities payable on demand		15,691	100,599	15,691	100,599
Provision for employee benefits paid		(1,347)	-	(1,347)	-
Other liabilities		(225,191)	(2,422)	(223,775)	(3,831)
Net cash used in operating activities		(2,335,240)	(2,243,412)	(2,339,200)	(2,152,013)

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

The Thai Credit Retail Bank Public Company Limited and its Subsidiary

Statements of cash flows

	<i>Note</i>	Consolidated		The Bank	
		Six-month periods ended		Six-month periods ended	
		30 June		30 June	
		2022	2021	2022	2021
<i>(in thousand Baht)</i>					
<i>Cash flows from investing activities</i>					
Interest received		21,937	8,912	21,937	8,912
Dividend received		57	38	57	38
Acquisition of instruments measured at fair value through other comprehensive income		(6,280,000)	(1,978,000)	(6,280,000)	(1,978,000)
Proceeds from sales and redemption of instruments measured at fair value through other comprehensive income		8,518,045	3,098,000	8,518,045	3,098,000
Acquisition of investment in subsidiary		-	-	-	(100,000)
Acquisition of premises and equipment		(48,336)	(40,596)	(47,798)	(40,469)
Proceeds from sales of premises and equipment		61	79	61	79
Acquisition of intangible assets		(25,825)	(14,976)	(22,847)	(8,438)
Net cash from investing activities		2,185,939	1,073,457	2,189,455	980,122
<i>Cash flows from financing activities</i>					
Proceeds from issuing share capital	26	156,250	-	156,250	-
Proceeds from subordinated debentures and warrants		-	1,150,000	-	1,150,000
Payment for fees related to issuance of subordinated debentures		-	(2,101)	-	(2,101)
Payment of lease liabilities		(87,050)	(58,262)	(86,606)	(58,262)
Net cash from financing activities		69,200	1,089,637	69,644	1,089,637
Net decrease in cash		(80,101)	(80,318)	(80,101)	(82,254)
Cash at 1 January		464,430	521,068	464,430	521,068
Cash at 30 June		384,329	440,750	384,329	438,814
Supplementary disclosures of cash flow information					
Non-cash transactions:					
Losses on investment in debt instruments at fair value through other comprehensive income		(5,499)	(2,294)	(5,499)	(2,294)
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income		74	(191)	74	(191)
Increase in properties for sale due to debts settlement	14	61,039	5,497	61,039	5,497
(Decrease) increase in payable for acquisition of equipment		(1,894)	7,777	(1,894)	7,640
Decrease in payable for acquisition of intangible assets		(1,380)	(2,475)	-	-

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

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

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 30 August 2022.

1 General information

The Thai Credit Retail Bank Public Company Limited, (the “Bank”), was incorporated as a limited company in Thailand on 6 October 1970 and was transformed to a public company limited on 28 July 2005. The Bank has been approved by the Ministry of Finance to operate as a retail bank in Thailand effective from 22 December 2006 and commenced its operations on 18 January 2007 onwards. The Bank registered to change its name with the Ministry of Commerce from “Thai Keha Credit Foncier Public Co., Ltd.” to “The Thai Credit Retail Bank Public Company Limited”.

The Bank has its registered head office at 123 Thai Life Insurance Building, Ratchadaphisek Road, Dindaeng, Bangkok 10400.

The ultimate parent company and the immediate parent company during the financial year were V.C. Property Co., Ltd. and VNB Holding Company Limited which were incorporated in Thailand.

The principal business of the Bank is financial services under the scope of retail banking license. Its subsidiary is incorporated as a limited company under Thai laws and has been operating in Thailand. Details of the Bank’s subsidiary are given in note 11.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared in accordance with Thai Accounting Standard (“TAS”) No. 34 “Interim Financial Reporting” on a complete basis, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Bank of Thailand (“BoT”); and presented as prescribed by the Bank of Thailand (“BoT”) notification number Sor Nor Sor 21/2561, directive dated 31 October 2018, regarding “*The preparation and announcement of the financial statements of a commercial bank and a holding companies which are the parent company of a financial group*”, and the Circular number Thor Por Tor. For Nor Sor. 2 Wor. 802/2564, directive dated 3 September 2021 regarding “*Guidelines regarding the provision of financial assistance to the debtors affected by the COVID-19 (sustainable debt resolution)*” as described in note 4.

The Bank and its subsidiary (together referred to as the “Group”) has initially applied new and revised TFRSs that are effective for annual periods beginning on or after 1 January 2022. The application has no material impact on the interim financial statements.

In addition, the Group has not early adopted a number of new and revised TFRSs, which are not yet effective for the current period in preparing these interim financial statements. The Group has assessed the potential initial impact on the interim financial statements of these new and revised TFRSs and expects that there will be no material impact on the interim financial statements in the period of initial application.

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(b) Functional and presentation currency

The interim financial statements are presented in Thai Baht, which is the Group's functional currency.

(c) Use of judgements and estimates

The preparation of interim financial statements in conformity with TFRSs requires management to make judgments, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the interim financial statements is included in the following notes:

- Note 4 Impact of COVID-19 pandemic;
Note 8 Classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest ("SPPI") on the principal amount outstanding;
Note 13 Establishing the criteria for determining whether credit risk of the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of expected credit loss ("ECL") and selection and approval of models used to measure ECL; and
Note 34 Leases
- whether an arrangement contains a lease;
 - whether the Group is reasonably certain to exercise extension options;
 - whether the Group exercises termination options;
 - whether the Group has transferred substantially all the risks and rewards incidental to the ownership of the assets to lessees.

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 30 June 2022 that have a significant risk of resulting in a material adjustments to the carrying amount of assets and liabilities in the next financial year is included in the following notes:

- Note 4 Impact of COVID-19 pandemic;
Note 6 Measurement of the fair value of financial instruments with significant unobservable inputs;
Note 13 Impairment of financial assets: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information;
Note 17 Recognition of deferred tax assets; and
Note 22 Measurement of defined benefit obligations; key actuarial assumptions.

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3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of consolidation

The consolidated financial statements relate to the Bank and its subsidiary (together referred to as “the Group”).

Subsidiary

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

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Investments in subsidiary

Investments in subsidiary in the separate financial statements are measured at cost less allowance for impairment losses. Dividend income is recognised in profit or loss on the date on which the Bank’s right to receive payment is established.

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies of each entity in the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date.

Foreign currency differences are generally recognised in profit or loss. However, foreign currency differences arising from the translation of investments in equity instruments designated at FVOCI are recognised in other comprehensive income.

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(d) Cash

Cash consists of cash on hand and cash on collection.

(e) Financial instruments

(1) Initial recognition and measurement

The Group initially recognises financial assets or financial liabilities (including regular way purchases and sales of financial assets) on the transaction date, which is the date on which the Group becomes party to the contractual provisions of the instrument, except for investments in debt instruments which are recognised and derecognised on the settlement date.

Financial assets or financial liabilities not measured at fair value through profit or loss are initially measured at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

(2) Classification and subsequent measurement

Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed.

A financial asset which is not designated as at FVTPL is measured at amortised cost if it meets both of the following conditions:

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

A debt instrument which is not designated as at FVTPL is measured at FVOCI only if it meets both of the following conditions:

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

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

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

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Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and the way in which those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or on contractual cash flows collected); and
- frequency, volume and timing of sales in prior period, the reasons for those sales and expectations about future sales activity. However, information about sales is not considered in isolation, but as part of an overall assessment of how the Group’s stated objective for managing the financial assets is achieved and how cash flows are realised.

Assessment of whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money, credit risk, other basic lending risks (e.g. liquidity risk) and costs (e.g. administrative costs), as well as profit margin associated with holding the financial assets for a particular period of time.

In assessing whether the contractual cash flows are solely payment of principal and interest on the principal amount outstanding, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

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

Subsequent measurement and gains and losses of financial assets

Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss, gain or loss on derecognition are recognised in profit or loss.
Investment in debt instruments measured at FVOCI	These assets are subsequently measured at fair value. Interest income, calculated using the effective interest method, foreign exchange gains and losses and expected credit loss are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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Investment in equity instruments designated at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss on the date on which the Group's right to receive payment is established. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Bank changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

Modifications of financial assets

If the terms of a financial asset are modified, then the Group evaluates whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Group plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

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

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

Classification, subsequent measurement and gains and losses of financial liabilities

On initial recognition, financial liabilities, except undrawn loan commitments and financial guarantee contracts, are classified and subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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Modifications of financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. The consideration paid includes any assets transferred and new liabilities assumed.

If the modification of a financial liability is not accounted for derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(3) *Derecognition and offsetting*

Derecognition of financial assets

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

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

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

The Group enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending or sale-and-repurchase transactions.

Derecognition of financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Group also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

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Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when the Group has a legally enforceable right to set off the recognised amounts and the Group intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(4) Securities purchased under reverse sale-and-repurchase agreements/ Securities sold under sale-and-repurchase agreements

The Group enters into agreements to purchase securities or to sell securities back at certain dates in the future at fixed prices. Amounts paid for securities purchased subject to a resale commitment are presented as assets under the caption of “Interbank and money market items, net (assets)” or “Loans to customers”, depending upon the type of its counterparty, in the statements of financial position, and the underlying securities are treated as collateral to such receivables. Securities sold subject to repurchase commitments are presented as liabilities under the caption of “Interbank and money market items (liabilities)” or “Debt issued and borrowings”, depending upon the type of its counterparty, in the statements of financial position, at the amounts received from the sale of those securities, and the underlying securities are treated as collateral. The difference between the purchase and sale considerations is recognised as interest income or expenses, as the case may be, over the transaction periods.

(f) Properties for sale

Properties for sale include properties foreclosed transferred under the Bank of Thailand's supportive measure to acquire collateral assets for debt repayment, which the customers have the right to buy back the assets at transferring price with maintenance expenses within an agreed period not exceed 5 years since transferred date and the customers have the right to rent the assets for doing their businesses.

Properties for sale except for repossessed vehicles are measured at the lower of cost or net realisable value which based on the latest appraisal value net of estimated selling expenses.

The repossessed vehicles are measured at the lower of the outstanding loan principal including accrued interest receivables and output VAT submitted to the Revenue Department or fair value, net of selling costs and expenses.

The impairment of the properties for sale will be realised as the allowance for impairment of the properties for sale when incurred.

(g) Premises and equipment

Premises and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between proceeds from disposal and the carrying amount of premises and equipment are recognised in profit or loss.

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Subsequent costs

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

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on assets under installation.

The estimated useful lives are as follows:

Premises	25	years
Leasehold improvements	Not more than 10	years
Furniture and equipment	3 - 5	years
Computers and accessories	3 - 5	years
Right-of-use asset		
- Building and office spaces	Not more than 19	years
- Vehicles	Not more than 5	years

(h) Leases

At inception of a contract, the Group assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement of a contract, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. For the leases of property, the Group has elected not to separate non-lease components and accounted for the lease and non-lease components wholly as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets or short-term leases which are recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Right-of-use assets are presented as a part of premises and equipment in the statements of financial position. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group uses the Group's incremental borrowing rate to discount the lease payments to the present value. The Group determines its incremental borrowing rate by obtaining the interest rates from internal source which reflect the term of the lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a modification, or change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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As a lessor

At inception or on modification of a contract, the Group allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group is an intermediate lessor, the Group classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease.

The Group recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of deduction to premises and equipment expenses. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term.

The Group recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

The Group derecognises and determines impairment on the lease receivables as disclosed in note 3 (e) (3) and 3 (j), respectively.

(i) Intangible assets

Intangible assets that have indefinite useful lives are measured at cost less impairment losses. Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss. No amortisation is provided on assets under development. The estimated useful are as follows:

Computer software	3 - 10	years
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(j) Impairment of financial assets and lease receivables

Significant estimates and judgements

The Group's expected credit loss ("ECL") calculations are based on complex models with a series of underlying assumptions. The significant judgments and estimates in determining expected credit loss include criteria for assessing if there has been a significant increase in credit risk and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables. The calculation of expected credit loss also involves expert credit judgment to be applied by management based upon counterparty information they receive from various internal and external. Expert credit judgment is also applied to determine whether any post-model adjustments are required for credit risk elements which are not captured by the model under a "management overlay" framework, such as identified model deficiencies, debtors' risk concentration and other factors.

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Measurement of ECL

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

ECL are a probability-weighted estimated of credit losses. They are measured as follows:

- financial assets: as the present value of all cash shortfalls (i.e., the difference between the contractual cash flows and the cash flows that the Group expects to receive);
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive if the loan is drawn down; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Group expects to recover.

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

Forward-looking macroeconomic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk such as gross domestic product (“GDP”), inflation rate and unemployment rate. These assumptions are determined using all reasonable and supportable information, which includes both internally developed forecasts and those available externally and are consistent with those used for financial and capital planning.

Multiple forward-looking scenarios are incorporated into the range of reasonably possible outcomes for all material portfolios both in terms of determining the PD, LGD and EAD, where relevant, and in determining the overall expected credit loss amounts.

The estimate of expected cash shortfalls on a collateralised financial instrument reflects the amount and timing of cash flows that are expected from foreclosure on the collateral less the costs of obtaining and selling the collateral, irrespective of whether foreclosure is probable.

Cash shortfalls are discounted using the effective interest rate on the financial instrument.

Staging

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

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

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

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- Stage 2: Financial assets have a SICR (Under-performing)

When financial assets have a SICR since initial recognition, expected credit losses are recognised for possible default events over the lifetime of the financial assets. SICR is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk. Financial assets that are 30 days or 1 month past due or more and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Qualitative factor assessments are part of current credit risk management processes, such as an assessment of significant deterioration in the customers' ability to repay. Qualitative indicators include operating results, financial liquidity and other reliable indicators.

Financial assets can be transferred to Stage 1 in case they have proven that their ability to repay are back to normal.

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

Financial assets that are credit-impaired or in default represent those that are at least 90 days or 3 months past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the customers are unlikely to repay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets.

Evidence that a financial asset is credit impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or borrower;
- In process of asset repossession;
- In process of litigation.

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

Financial assets that are credit-impaired require a lifetime provision.

Modifications of financial instruments

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised within expected credit loss in profit or loss with a corresponding decrease in the gross carrying amount of the asset.

Expected credit losses for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification.

Loans renegotiated or modified of contractual cash flows, the Group might consider them as financial assets that have a SICR except there is an evidence that the risk of not receiving contractual cash flows significantly reduces and there is no indicator of the impairment. The Group then considers the aforementioned financial assets as the ones that does not have a SICR.

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Write-offs of credit-impaired instruments and reversal of expected credit loss

To the extent a financial instrument is considered irrecoverable, the applicable portion of the gross carrying amount is written off against the related allowance for expected credit loss. Such financial instruments are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of expected credit loss in the profit or loss or as specified by the BoT's regulations.

If, in a subsequent period, the amount of the allowance for expected credit loss decreases and the decrease can be related objectively to an event occurring after the credit impairment was recognised, the previously recognised expected credit loss is reversed by adjusting the allowance for expected credit loss. The amount of the reversal is recognised in the profit or loss.

Improvement in credit risk

A period may elapse from the point at which instruments enter stage 2 or stage 3 and are reclassified back to stage 1.

For financial assets with credit-impaired (Stage 3) and no trouble debt restructured will transfer to stage 2 or stage 1 if it is considered that no more qualify as a financial asset with credit-impaired.

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

Where significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the days past due criteria is no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes the action to be resolved before the instruments are reclassified to stage 1.

For debt restructuring receivables, exposures under stage 3 can transfer to stage 2 when the customer performs under the revised terms of the contract for a longer of 3 months or 3 consecutive payments. Further 9 months are required for such customers to be transferred to stage 1 on the basis that there is no overdue balance on the account and the customer is expected to repay its remaining obligations in full.

For debt restructuring receivables, exposures under stage 2 that were not previously credit impaired can transfer to stage 1 when the customer performs under the revised terms of the contract for 3 months or 3 consecutive payments, whichever is longer.

(k) *Impairment for non-financial assets*

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

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

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Calculation of recoverable amount

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

Reversals of impairment

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) Employee benefits

Defined contribution plans

Obligations for contributions to the Group's provident fund are recognised as employee expenses in profit or loss as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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(m) Provisions

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

Allowance for expected credit losses on obligation having credit risk exposures

The Group provides allowance for expected credit losses on undrawn loan commitments and financial guarantee contracts by the same methods applied to allowance for expected credit losses as described in note 3 (j).

(n) Warrants

Warrants offered to subordinated debenture holders are measured at amount received from issuance of subordinated debenture less the initial fair value of the subordinated debenture.

(o) Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to certain senior management is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the investing date.

The modification which increases the fair value of the stock option, the Group shall include the incremental fair value in the measurement of the amount recognised for services received as consideration for the stock option granted. The incremental fair value is the difference between the fair value of modified stock option and that of the original stock option, both estimated as at the date of modification. If the modification occurs after vesting date, the incremental fair value is recognised immediately.

(p) Measurement of fair values

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

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

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

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value of a financial instrument on initial recognition differs from the transaction price, the financial instrument is initially measured at fair value, adjusted for the difference between the fair value on initial recognition and the transaction price and the difference is recognised in profit loss immediately. However, for the fair value categorised as level 3, such difference is deferred and will be recognised in profit or loss on an appropriate basis over the life of the financial instrument or until the fair value level is transferred or the transaction is closed out.

(q) Interest

Effective interest rate

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

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not allowance for expected credit loss.

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

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any allowance for expected credit loss.

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

Calculation of interest income and interest expense

The effective interest rate of a financial asset or a financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and interest expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instrument to reflect movements in market rates of interest.

However, for financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis of assets.

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(r) Revenue

Fees and services income

Fees and service income are recognised when a customer obtains control of the service in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties and value added tax. Judgment is required in determining the timing of the transfer of control for revenue recognition at a point in time or over time. The related costs are recognised in profit or loss when they are incurred.

Brokerage income

For the contracts that the Group is arranging for the provision of the services on behalf of its customers and does not control the services before the primary sellers or service providers will provide the services to the customers. The Group acts in the capacity of an agent and recognises the net amount of consideration as commission revenue.

Gains (losses) on sales of properties for sale

Gains (losses) on sales of properties are recognised as income or expenses in profit or loss when the significant risks and rewards in ownership of properties for sale have been transferred to the buyer.

(s) Expenses

The Group recognises expenses on an accrual basis.

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

Contributions to the Deposit Protection Agency and the Financial Institutions Development Fund are recorded as expenses in profit or loss on an accrual basis.

(t) Income tax

Income tax expense for the period comprises current and deferred tax, which is recognised in profit or loss except to the extent that items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

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

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities for the period are offset in the Bank financial statements.

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A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per share (“EPS”)

Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares, including share options granted to senior management.

(v) Related parties

Related parties are a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

(w) Segment reporting

Segment results that are reported to the Group’s Executive Committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

4 Impact of COVID-19 pandemic

The BoT has issued a Circular number Thor Por Tor. For Nor Sor. 2 Wor. 802/2564, directive dated 3 September 2021 regarding “*Guidelines regarding the provision of financial assistance to the debtors affected by the COVID-19 (sustainable debt resolution)*”, highlighted:

1. Guidelines regarding sustainable long-term debt restructuring.
2. Relaxing the regulations on conducting credit card business, personal loans under supervision and digital personal loans, for the purpose of reducing debt burdens of debtor, and temporarily enhancing liquidity of the debtors with repayment capability.
3. Guidelines regarding the process related to the regulations on asset classification and provisioning for the debt restructuring.

Under this Circular, the Group can apply staging and provisioning of debt restructuring from 1 January 2022 to 31 December 2023. The guideline of staging and provisioning depends on debt restructuring method which can be categorised into 2 groups as below:

Debt restructuring method	Guideline of staging and provisioning
1. Debt restructuring which aims to reduce the repayment other than term extension	<ol style="list-style-type: none"> 1. Non NPL modified loans can be classified as stage 1 performing immediately once they are identified as being likely to repay. 2. NPL modified loans can be classified as stage 1 performing only if they can repay 3 consecutive months or 3 consecutive dues, whichever is longer. 3. Revision of effective interest rate (EIR) at the date of modification.
2. Debt restructuring by term extension only	Apply in accordance with the relevant financial reporting standards

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As at 30 June 2022, the Group provided relief measures by extending the term combined with decreasing instalments by approximately 21.24% (31 December 2021: 26.48%) and by granting the repayment holiday by approximately below to 0.01% (31 December 2021: 1.28%) of the gross carrying amount of loans to customers.

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

On 7 April 2020, the BoT announced a reduction in rate of contribution from financial institutions to the Financial Institutions Development Fund (FIDF) from 0.46% of deposit base to 0.23% per annum temporarily for the year 2020 to 2021 which is retrospectively effective from 1 January 2020.

In August 2021, the BoT has announced to extend the period of the reduction in rate of contribution from financial institutions to the FIDF from 0.46% per annum to 0.23% per annum to end of 2022.

5 Risk management

The Group's activities expose them to a variety of finance risks: credit risk, market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out under policies approved by the Board of Directors. The Risk Oversight Committee and the Risk Management Committee provide written principles for overall risk management, as well as written policies covering specific areas, such as credit risk, foreign exchange risk, interest rate risk and use of investment excess liquidity.

5.1 Credit risk

Credit risk is risk that borrowers or counterparties fail to fulfill their obligations under the financial instruments, probably due to the fact that the borrowers or counterparties had financial problems or decided not to comply with the obligations resulting in loss to the Group. Credit risks exist in all types of financial products and activities on statement of financial position such as loans, bank overdrafts, notes and contingent liabilities such as various types of letters of guarantee. The maximum exposure of credit risk is the carrying amount of the financial instruments net of allowance for expected credit loss as shown in the statements of financial position and risks of that off-statement of financial position items arising from bank guarantee and other transactions.

The Group defines its credit risk management policies under the supervision of the Risk Management Committee. The main objective is to efficiently manage the Group credit risks in all aspects: policies, organisational structures, processes, and systems within an appropriated risk stated in the Bank business strategies as well as comply with regulations.

The Group applies credit risk management in credit examination and approval process, risk and repayment ability analysis, credit operation process after credit approval, credit review, credit monitoring and debt reschedule or restructure in order to prevent and resolve any problems might occur in the future.

The Group has set the credit risk preventing policy by setting up the "Check and Balance" in credit approval process, setting up risk-based authority, setting up various standard procedures for credit facilities under "Product Program" and setting up appropriate collateral consideration policy.

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Credit quality analysis

The following tables set out information about the credit quality as at 30 June 2022 and 31 December 2021 without taking into account collateral or other credit enhancement.

	Consolidated 30 June 2022			Total
	Stage 1	Stage 2	Stage 3	
	<i>(in thousand Baht)</i>			
<i>Interbank and money market items (assets)</i>				
Current	8,430,597	-	-	8,430,597
Net carrying amount	<u>8,430,597</u>	<u>-</u>	<u>-</u>	<u>8,430,597</u>

	Consolidated 31 December 2021			Total
	Stage 1	Stage 2	Stage 3	
	<i>(in thousand Baht)</i>			
<i>Interbank and money market items (assets)</i>				
Current	10,948,838	-	-	10,948,838
Net carrying amount	<u>10,948,838</u>	<u>-</u>	<u>-</u>	<u>10,948,838</u>

	The Bank 30 June 2022			Total
	Stage 1	Stage 2	Stage 3	
	<i>(in thousand Baht)</i>			
<i>Interbank and money market items (assets)</i>				
Current	8,429,182	-	-	8,429,182
Net carrying amount	<u>8,429,182</u>	<u>-</u>	<u>-</u>	<u>8,429,182</u>

	The Bank 31 December 2021			Total
	Stage 1	Stage 2	Stage 3	
	<i>(in thousand Baht)</i>			
<i>Interbank and money market items (assets)</i>				
Current	10,947,346	-	-	10,947,346
Net carrying amount	<u>10,947,346</u>	<u>-</u>	<u>-</u>	<u>10,947,346</u>

	Consolidated and the Bank 30 June 2022			Total
	Stage 1	Stage 2	Stage 3	
	<i>(in thousand Baht)</i>			
<i>Investments in debt instruments measured at FVOCI</i>				
Low credit risk ⁽¹⁾	3,450,595	-	-	3,450,595
Credit impaired	-	-	40,470	40,470
Total	<u>3,450,595</u>	<u>-</u>	<u>40,470</u>	<u>3,491,065</u>
Allowance for expected credit loss	(35)	-	(40,470)	(40,505)
Carrying amount - Fair value	<u>3,446,098</u>	<u>-</u>	<u>-</u>	<u>3,446,098</u>

⁽¹⁾ Investment grade

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	Consolidated and the Bank 30 June 2022			Total
	Stage 1	Stage 2	Stage 3	
	<i>(in thousand Baht)</i>			
<i>Loans to customers and accrued interest receivables and undue interest receivables</i>				
Current	94,729,371	4,680,055	92,666	99,502,092
Overdue 1 - 30 days	4,714,946	1,299,120	31,367	6,045,433
Overdue 31 - 60 days	11,101 ⁽²⁾	2,007,118	133,444	2,151,663
Overdue 61 - 90 days	-	1,085,260	144,881	1,230,141
Overdue more than 90 days	-	281,375 ⁽³⁾	4,964,081	5,245,456
Total	99,455,418	9,352,928	5,366,439	114,174,785
Less allowance for expected credit loss	<u>(2,859,926)</u>	<u>(1,291,988)</u>	<u>(2,859,360)</u>	<u>(7,011,274)</u>
Net carrying amount	<u>96,595,492</u>	<u>8,060,940</u>	<u>2,507,079</u>	<u>107,163,511</u>
<i>Undrawn loan commitments and financial guarantee contracts</i>				
Unconditional unused credit line	100,270	780	41,993	143,043
Allowance for expected credit loss	(186)	(113)	(20,949)	(21,248)

⁽²⁾ Financial assets that are not more than 1 month past due

⁽³⁾ Financial assets that are not more than 3 months past due

	Consolidated and the Bank 31 December 2021			Total
	Stage 1	Stage 2	Stage 3	
	<i>(in thousand Baht)</i>			
<i>Investments in debt instruments measured at FVOCI</i>				
Low credit risk ⁽¹⁾	5,692,457	-	-	5,692,457
Credit impaired	-	-	40,470	40,470
Total	<u>5,692,457</u>	<u>-</u>	<u>40,470</u>	<u>5,732,927</u>
Allowance for expected credit loss	(57)	-	(40,470)	(40,527)
Carrying amount - Fair value	5,693,436	-	-	5,693,436
<i>Loans to customers and accrued interest receivables and undue interest receivables</i>				
Current	85,739,827	4,715,504	7,646	90,462,977
Overdue 1 - 30 days	3,304,342	793,405	18,531	4,116,278
Overdue 31 - 60 days	664,991 ⁽²⁾	1,180,181	51,772	1,896,944
Overdue 61 - 90 days	-	1,197,972	40,594	1,238,566
Overdue more than 90 days	-	212,911 ⁽³⁾	3,193,950	3,406,861
Total	89,709,160	8,099,973	3,312,493	101,121,626
Less allowance for expected credit loss	<u>(3,095,532)</u>	<u>(887,821)</u>	<u>(1,625,453)</u>	<u>(5,608,806)</u>
Net carrying amount	<u>86,613,628</u>	<u>7,212,152</u>	<u>1,687,040</u>	<u>95,512,820</u>
<i>Undrawn loan commitments and financial guarantee contracts</i>				
Unconditional unused credit line	99,548	-	42,199	141,747
Allowance for expected credit loss	-	-	(20,889)	(20,889)

⁽¹⁾ Investment grade

⁽²⁾ Financial assets that are not more than 1 month past due

⁽³⁾ Financial assets that are not more than 3 months past due

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Collateral held and other credit enhancements

The reliability of the debtors is associated with an indicator of a debtor's profile, capital, and ability to repay. These are a significant aspect of credit quality consideration. In addition, the collateral is used as one type of credit risk mitigation to reduce potential credit losses in the event of default. To ensure that the collateral accepted by the Group is marketable and legally enforceable, the Group reviews collateral value following the collateral policy and the BoT's guidelines and regulations.

In addition, in the event that the collateral does not cover the credit limit or no collateral, the Group still has other credit enhancements such as participating in a credit guarantee program with the Thai Credit Guarantee Corporation ("TCG") which is a state-owned specialised financial institution governed by the Ministry of Finance. TCG acts as a guarantor for SME and micro finance in order to mitigate the risk of lending.

As at 30 June 2022 and 31 December 2021, the Group holds collateral and other credit enhancements as follows:

Type of credit exposure	Amount (in thousand Baht)	Consolidated	
		Collateral*	Principal type of collateral held and other credit enhancements
30 June 2022			
Interbank and money market items			
- Reverse repurchase agreements	5,700,097	5,759,719	Government and state enterprise securities and private debt securities
- Deposits at BoT and domestic commercial banks	2,730,500	-	None
31 December 2021			
Interbank and money market items			
- Reverse repurchase agreements	7,000,205	7,062,907	Government and state enterprise securities and private debt securities
- Deposits at BoT and domestic commercial banks	3,948,633	-	None
The Bank			
Type of credit exposure	Amount (in thousand Baht)	Collateral*	Principal type of collateral held and other credit enhancements
30 June 2022			
Interbank and money market items			
- Reverse repurchase agreements	5,700,097	5,759,719	Government and state enterprise securities and private debt securities
- Deposits at BoT and domestic commercial banks	2,729,085	-	None
31 December 2021			
Interbank and money market items			
- Reverse repurchase agreements	7,000,205	7,062,907	Government and state enterprise securities and private debt securities
- Deposits at BoT and domestic commercial banks	3,947,141	-	None

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Type of credit exposure	Amount (in thousand Baht)	Consolidated and the Bank	
		Collateral*	Principal type of collateral held and other credit enhancements
30 June 2022			
Investments in debt instruments**			
- Government and state enterprise securities	3,450,595	-	None
- Private debt securities	40,470	-	None
Loans to SME and micro SME customers			
- Loans	77,992,395	65,347,927	Deposits, gold, land, building, residence, machine, equipment and TCG
- Hire purchase	1,665,255	3,307,001	Machine, equipment and vehicle
Loans to micro finance customers	17,105,655	-	TCG
Loans to retail customers			
- Housing loans	6,580,116	8,996,066	Residence
- Other loans to retail customers	10,831,364	16,643,328	Gold, residence and vehicle
31 December 2021			
Investments in debt instruments**			
- Government and state enterprise securities	5,692,457	-	None
- Private debt securities	40,470	-	None
Loans to SME and micro SME customers			
- Loans	69,037,442	60,904,869	Deposits, gold, land, building, residence, machine, equipment and TCG
- Hire purchase	1,650,939	3,262,341	Machine, equipment and vehicle
Loans to micro finance customers	14,910,639	-	TCG
Loans to retail customers			
- Housing loans	5,562,203	7,787,746	Residence
- Other loans to retail customers	9,960,403	15,797,855	Gold, residence and vehicle

* Most recent appraisal value

** Gross carrying amount

Concentrations of credit risk

The Group monitors concentrations of credit risk by sector and by nature of transactions. Analyses of concentrations of credit risk as at 30 June 2022 and 31 December 2021 are shown below.

	Consolidated		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(in thousand Baht)			
Interbank and money market items (asset)				
Government and state enterprises	2,657,868	3,847,778	2,657,868	3,847,778
Commercial banks	2,772,668	4,700,995	2,771,253	4,699,503
Specialised financial institutions	3,000,061	2,400,065	3,000,061	2,400,065
Total	8,430,597	10,948,838	8,429,182	10,947,346

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	Consolidated and the Bank			
	30 June 2022			
	Investments in debt instruments*	Loans to customers and accrued interest receivables and undue interest receivables <i>(in thousand Baht)</i>	Undrawn loan commitments	Financial guarantee contracts
<i>Financial institutions</i>				
Government and state enterprises	3,450,595	-	-	-
<i>Business loans</i>				
Agriculture and mineral	-	725,456	-	-
Manufacture and commercial	-	62,335,822	12,532	-
Real estate and construction	-	16,420,595	42,045	41,778
Utilities and services	40,470	16,235,657	27,608	-
Others	-	394,314	-	-
<i>Consumer loans</i>				
Housing loans	-	7,164,056	1,791	-
Other lending	-	10,898,885	17,289	-
Total	<u>3,491,065</u>	<u>114,174,785</u>	<u>101,265</u>	<u>41,778</u>

* Gross carrying amount

	Consolidated and the Bank			
	31 December 2021			
	Investments in debt instruments*	Loans to customers and accrued interest receivables and undue interest receivables <i>(in thousand Baht)</i>	Undrawn loan commitments	Financial guarantee contracts
<i>Financial institutions</i>				
Government and state enterprises	5,692,457	-	-	-
<i>Business loans</i>				
Agriculture and mineral	-	745,285	-	-
Manufacture and commercial	-	54,217,431	8,327	-
Real estate and construction	-	14,308,976	66,835	41,778
Utilities and services	40,470	15,307,245	7,611	-
Others	-	343,130	-	-
<i>Consumer loans</i>				
Housing loans	-	6,169,074	360	-
Other lending	-	10,030,485	16,836	-
Total	<u>5,732,927</u>	<u>101,121,626</u>	<u>99,969</u>	<u>41,778</u>

* Gross carrying amount

Information related to ECL

Significant increase in credit risk (SICR)

When determining whether the probability of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment and including forward-looking information.

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Definition of default

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

In assessing whether a borrower is in default, the Group considers indicators that are:

- quantitative: e.g., the borrower is more than 90 days or 3 months past due on any material credit obligation to the Group. Overdrafts are considered as being past due once the customer has breached an advised limit or been advised of a limit smaller than the current amount outstanding;
- qualitative: e.g., it is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower's inability to pay its credit obligations.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default applied by the Group largely aligns with the BoT criteria.

Probability of default

Credit risk grades are a primary input into the determination of the probability of default. The Group has collected repayment performance data of each receivable and input into statistical models to analyse the data collected and generate estimates of the lifetime PD based on contractual repayment. Then, the Group uses the PD to estimate ECL.

Incorporation of forward-looking information

ECL has been estimated by the probability weighted risk of default over the expected life of the financial instrument. It is based on the present value of all expected cash shortfalls carried by historical loss experience data for the group of assets that the Group considers credit risk to be similar such as types of loans to customers, types of collateral, contract terms and other relevant factors and adjusted by current observed data, along with supportable and reasonable future forecasts if statistically correlated can be proved.

The Group formulates three forward-looking economic scenarios; base case scenario, sluggish scenario and recession scenario. These scenarios are weighted by different level of probabilities. Examples of the macro economic variables used in the forward-looking information are Gross Domestic Product (GDP), inflation rate, unemployment rate, etc.

The Group uses judgments to assess how much relevant macroeconomic changes should affect to ECL of the Group's portfolio. However, the Group reviews the assumptions and forecasts of the future economic situations on a regular basis. In addition, the Group also considers providing the management overlay as a part of ECL.

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5.2 Interest rate risk

Interest rate risk is the risk that arises from the potential of changes in interest rates which have an adverse effect on the net interest earnings of the Group in the current reporting period and future. Interest rate risk arises from the structure and the characteristics of the Group's assets and liabilities and the repricing mismatch of assets and liabilities.

The Group defines policies to adjust the structure of their financial positions to conform to the interest direction in the future and the defined risk framework. The Group monitors the interest direction movement and customer's behavior closely in order to assess the most realistic risk. The Group also monitors its risk position more frequently when there are significant changes in asset and liability structures through "Repricing Gap" reporting in order to follow up the interest rate risks and net interest income sensitivity in the next 12 months.

Furthermore, the Group also simulates the situations by increasing or decreasing its interest rate to manage its stability of net interest income regardless of the interest direction.

As at 30 June 2022 and 31 December 2021, the financial assets and liabilities classified by maturity of interest repricing periods are as follows:

	Consolidated 30 June 2022						Total
	Repricing periods					Non- interest bearing	
	Immediate repricing	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years		
	<i>(in thousand Baht)</i>						
Financial assets							
Cash	-	-	-	-	-	384,329	384,329
Interbank and money market items, net	1,595	5,700,000	-	-	-	2,729,002	8,430,597
Investments, net	-	1,638,143	1,606,364	201,591	-	2,452	3,448,550
Loans to customers ^{(1), (2)}	188,713	82,384,932	13,114,548	8,171,405	6,254,763	-	110,114,361
Other financial assets, net	-	-	-	-	-	394,167	394,167
Total financial assets	190,308	89,723,075	14,720,912	8,372,996	6,254,763	3,509,950	122,772,004
Financial liabilities							
Deposits	38,426,340	11,678,846	34,118,697	11,973,734	-	-	96,197,617
Interbank and money market items	359,307	249,599	1,238,802	8,823,089	-	-	10,670,797
Liabilities payable on demand	-	-	-	-	-	104,615	104,615
Debt issued and borrowings	-	-	-	-	879,630	-	879,630
Other financial liabilities	-	-	-	-	-	965,230	965,230
Total financial liabilities	38,785,647	11,928,445	35,357,499	20,796,823	879,630	1,069,845	108,817,889

⁽¹⁾ Exclude accrued interest receivables and undue interest receivables

⁽²⁾ Before deduction of allowance for expected credit loss

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Consolidated 31 December 2021							
Repricing periods							
Immediate repricing	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Total	
(in thousand Baht)							
Financial assets							
Cash	-	-	-	-	-	464,430	464,430
Interbank and money market items, net	1,569	7,000,000	-	-	-	3,947,269	10,948,838
Investments, net	-	3,227,298	2,425,085	41,053	-	2,378	5,695,814
Loans to customers ^{(1), (2)}	351,856	70,544,805	11,018,165	11,715,642	4,098,258	-	97,728,726
Other financial assets, net	-	-	-	-	-	358,265	358,265
Total financial assets	353,425	80,772,103	13,443,250	11,715,695	4,098,258	4,772,342	115,196,073
Financial liabilities							
Deposits	32,474,060	13,251,447	34,489,451	8,299,820	-	-	88,514,778
Interbank and money market items	586,259	111,198	4,216,269	7,824,024	-	-	12,737,750
Liabilities payable on demand	-	-	-	-	-	88,924	88,924
Debt issued and borrowings	-	-	-	-	869,935	-	869,935
Other financial liabilities	-	-	-	-	-	1,141,518	1,141,518
Total financial liabilities	33,060,319	13,362,645	38,705,720	16,123,844	869,935	1,230,442	103,352,905
The Bank 30 June 2022							
Repricing periods							
Immediate repricing	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Total	
(in thousand Baht)							
Financial assets							
Cash	-	-	-	-	-	384,329	384,329
Interbank and money market items, net	180	5,700,000	-	-	-	2,729,002	8,429,182
Investments, net	-	1,638,143	1,606,364	201,591	-	2,452	3,448,550
Loans to customers ^{(1), (2)}	188,713	82,384,932	13,114,548	8,171,405	6,254,763	-	110,114,361
Other financial assets, net	-	-	-	-	-	408,815	408,815
Total financial assets	188,893	89,723,075	14,720,912	8,372,996	6,254,763	3,524,598	122,785,237
Financial liabilities							
Deposits	38,608,851	11,678,846	34,118,697	11,973,734	-	-	96,380,128
Interbank and money market items	359,307	249,599	1,238,802	8,823,089	-	-	10,670,797
Liabilities payable on demand	-	-	-	-	-	104,615	104,615
Debt issued and borrowings	-	-	-	-	879,630	-	879,630
Other financial liabilities	-	-	-	-	-	923,822	923,822
Total financial liabilities	38,968,158	11,928,445	35,357,499	20,796,823	879,630	1,028,437	108,958,992

⁽¹⁾ Exclude accrued interest receivables and undue interest receivables

⁽²⁾ Before deduction of allowance for expected credit loss

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	The Bank						Non- interest bearing	Total
	31 December 2021							
	Repricing periods							
Immediate repricing	Within 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years				
<i>(in thousand Baht)</i>								
Financial assets								
Cash	-	-	-	-	-	464,430	464,430	
Interbank and money market items, net	77	7,000,000	-	-	-	3,947,269	10,947,346	
Investments, net	-	3,227,298	2,425,085	41,053	-	2,378	5,695,814	
Loans to customers ^{(1), (2)}	351,856	70,544,805	11,018,165	11,715,642	4,098,258	-	97,728,726	
Other financial assets, net	-	-	-	-	-	377,827	377,827	
Total financial assets	351,933	80,772,103	13,443,250	11,756,695	4,098,258	4,791,904	115,214,143	
Financial liabilities								
Deposits	32,695,772	13,251,447	34,489,451	8,299,820	-	-	88,736,490	
Interbank and money market items	586,259	111,198	4,216,269	7,824,024	-	-	12,737,750	
Liabilities payable on demand	-	-	-	-	-	88,924	88,924	
Debt issued and borrowings	-	-	-	-	869,935	-	869,935	
Other financial liabilities	-	-	-	-	-	1,093,311	1,093,311	
Total financial liabilities	33,282,031	13,362,645	38,705,720	16,123,844	869,935	1,182,235	103,526,410	

⁽¹⁾ Exclude accrued interest receivables and undue interest receivables

⁽²⁾ Before deducting allowance for expected credit loss

The Group has earning financial assets and interest-bearing financial liabilities. The average balances of such financial assets and financial liabilities are calculated based on outstanding balances and average interest rates for the six-month period ended 30 June 2022 and the year ended 31 December 2021 were as follows:

	Consolidated					
	30 June 2022			31 December 2021		
	Average balance <i>(in thousand Baht)</i>	Interest	Average interest rate <i>(% per annum)</i>	Average balance <i>(in thousand Baht)</i>	Interest	Average interest rate <i>(% per annum)</i>
Earning financial assets						
Interbank and money market items	7,144,454	21,983	0.62	6,524,656	39,597	0.61
Investments	5,432,971	15,143	0.56	3,084,982	15,012	0.49
Loans to customers	109,038,733	5,971,758	10.95	88,236,820	9,806,767	11.11
Total	121,616,158	6,008,884		97,846,458	9,861,376	
Interest-bearing financial liabilities						
Deposits	90,563,462	707,818	1.56	78,550,626	1,254,330	1.60
Interbank and money market items	12,491,259	3,512	0.06	7,375,515	7,583	0.10
Debt issued and borrowings	874,743	38,208	8.74	864,423	45,473	9.02
Total	103,929,464	749,538		86,970,564	1,307,386	

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	The Bank					
	30 June 2022			31 December 2021		
	Average balance <i>(in thousand Baht)</i>	Interest	Average interest rate <i>(% per annum)</i>	Average balance <i>(in thousand Baht)</i>	Interest	Average interest rate <i>(% per annum)</i>
<i>Earning financial assets</i>						
Interbank and money market items	7,143,620	21,983	0.62	6,523,730	39,597	0.61
Investments	5,432,971	15,143	0.56	3,084,982	15,012	0.49
Loans to customers	<u>109,038,733</u>	<u>5,971,758</u>	10.95	<u>88,236,820</u>	<u>9,806,767</u>	11.11
Total	<u>121,615,324</u>	<u>6,008,884</u>		<u>97,845,532</u>	<u>9,861,376</u>	
<i>Interest-bearing financial liabilities</i>						
Deposits	90,773,824	708,030	1.56	78,739,874	1,254,633	1.59
Interbank and money market items	12,491,259	3,512	0.06	7,375,515	7,583	0.10
Debt issued and borrowings	<u>874,743</u>	<u>38,208</u>	8.74	<u>864,423</u>	<u>45,473</u>	9.02
Total	<u>104,139,826</u>	<u>749,750</u>		<u>86,979,812</u>	<u>1,307,689</u>	

Sensitivity analysis

A reasonable possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. Other factors are supposed to be constant in this analysis.

	Consolidated Profit or loss	
	100 bps Increase	100 bps Decrease
	<i>(in thousand Baht)</i>	
<i>30 June 2022</i>		
Baht	<u>306,046</u>	<u>(306,046)</u>
Total effect of interest rates changes	<u>306,046</u>	<u>(306,046)</u>
<i>31 December 2021</i>		
Baht	<u>241,667</u>	<u>(241,667)</u>
Total effect of interest rates changes	<u>241,667</u>	<u>(241,667)</u>
The Bank		
Profit or loss		
	100 bps Increase	100 bps Decrease
	<i>(in thousand Baht)</i>	
<i>30 June 2022</i>		
Baht	<u>304,284</u>	<u>(304,284)</u>
Total effect of interest rates changes	<u>304,284</u>	<u>(304,284)</u>
<i>31 December 2021</i>		
Baht	<u>239,529</u>	<u>(239,529)</u>
Total effect of interest rates changes	<u>239,529</u>	<u>(239,529)</u>

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5.3 Foreign exchange rate risk

Foreign exchange rate risk is the risk that arises from the change in foreign exchange rate which may affect the value change in the financial instruments or may cause fluctuation in the income or expenses or in value of the financial assets or liabilities.

The Group has no material foreign currency transactions or balances.

5.4 Equity price risk

Investments in equity instruments consist of investments in equity held from debt restructuring which are not marketable securities. They are designated at fair value through other comprehensive income.

5.5 Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations when they are due. This risk arises from an inability to convert their assets into cash or acquire adequate funds at the appropriate cost and time which results in a loss to the Group.

The Group defines its liquidity risk management policies under the supervision of the Assets and Liabilities Management Committee and the Risk Management Committee who monitors and reviews the liquidity position on a regular basis.

The Group will disclose Liquidity Coverage Ratio (LCR) information for the Group as at 30 June 2022 through the Bank's website at www.tcrbank.com within October 2022.

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As at 30 June 2022 and 31 December 2021, financial assets and liabilities of the Group classified by maturities were as follows:

	At call	Less than 1 year	Over 1 year to 5 years	Consolidated 30 June 2022		Total
				Over 5 years	No maturity	
			<i>(in thousand Baht)</i>			
Financial assets						
Cash	-	-	-	-	384,329	384,329
Interbank and money market items, net	2,730,500	5,700,097	-	-	-	8,430,597
Investments, net	-	3,244,507	201,591	-	2,452	3,448,550
Loans to customers ^{(1), (2)}	395,029	25,929,838	44,117,473	35,025,851	4,646,170	110,114,361
Other financial assets, net	-	284,163	-	64,515	45,489	394,167
Total financial assets	3,125,529	35,158,605	44,319,064	35,090,366	5,078,440	122,772,004
Financial liabilities						
Deposits	38,426,340	45,797,543	11,973,734	-	-	96,197,617
Interbank and money market items	359,307	1,488,401	8,823,089	-	-	10,670,797
Liabilities payable on demand	104,615	-	-	-	-	104,615
Debt issued and borrowings	-	-	-	879,630	-	879,630
Other financial liabilities	39,266	880,827	43,932	-	1,205	965,230
Total financial liabilities	38,929,528	48,166,771	20,840,755	879,630	1,205	108,817,889
Net liquidity gap	(35,803,999)	(13,008,166)	23,478,309	34,210,736	5,077,235	13,954,115
Financial guarantee contracts	-	-	-	-	41,778	41,778

⁽¹⁾ Exclude accrued interest receivables and undue interest receivables

⁽²⁾ Before deduction of allowance for expected credit loss

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	Consolidated					Total
	At call	Less than 1 year	Over 1 year to 5 years	Over 5 years	No maturity	
	<i>(in thousand Baht)</i>					
Financial assets						
Cash	-	-	-	464,430	464,430	
Interbank and money market items, net	3,948,633	7,000,205	-	-	-	10,948,838
Investments, net	-	5,652,383	41,053	-	2,378	5,695,814
Loans to customers ^{(1),(2)}	445,915	22,263,502	40,694,454	31,526,552	2,798,303	97,728,726
Other financial assets, net	-	244,491	-	65,108	48,666	358,265
Total financial assets	4,394,548	35,160,581	40,735,507	31,591,660	3,313,777	115,196,073
Financial liabilities						
Deposits	32,474,060	47,740,898	8,299,820	-	-	88,514,778
Interbank and money market items	586,259	4,327,467	7,824,024	-	-	12,737,750
Liabilities payable on demand	88,924	-	-	-	-	88,924
Debt issued and borrowings	-	-	-	869,935	-	869,935
Other financial liabilities	45,289	1,083,294	11,764	-	1,171	1,141,518
Total financial liabilities	33,194,532	53,151,659	16,135,608	869,935	1,171	103,352,905
Net liquidity gap	(28,799,984)	(17,991,078)	24,599,899	30,721,725	3,312,606	11,843,168
Financial guarantee contracts	-	-	-	-	41,778	41,778

⁽¹⁾ Exclude accrued interest receivables and undue interest receivables

⁽²⁾ Before deduction of allowance for expected credit loss

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	The Bank					Total
	At call	Less than 1 year	Over 1 year to 5 years	Over 5 years	No maturity	
	<i>(in thousand Baht)</i>					
Financial assets						
Cash	-	-	-	-	384,329	384,329
Interbank and money market items, net	2,729,085	5,700,097	-	-	-	8,429,182
Investments, net	-	3,244,507	201,591	-	2,452	3,448,550
Loans to customers ^{(1), (2)}	395,029	25,929,838	44,117,473	35,025,851	4,646,170	110,114,361
Other financial assets, net	-	298,811	-	64,515	45,489	408,815
Total financial assets	3,124,114	35,173,253	44,319,064	35,090,366	5,078,440	122,785,237
Financial liabilities						
Deposits	38,608,851	45,797,543	11,973,734	-	-	96,380,128
Interbank and money market items	359,307	1,488,401	8,823,089	-	-	10,670,797
Liabilities payable on demand	104,615	-	-	-	-	104,615
Debt issued and borrowings	-	-	-	879,630	-	879,630
Other financial liabilities	-	878,685	43,932	-	1,205	923,822
Total financial liabilities	39,072,773	48,164,629	20,840,755	879,630	1,205	108,958,992
Net liquidity gap	(35,948,659)	(12,991,376)	23,478,309	34,210,736	5,077,235	13,826,245
Financial guarantee contracts	-	-	-	-	41,778	41,778

⁽¹⁾ Exclude accrued interest receivables and undue interest receivables

⁽²⁾ Before deduction of allowance for expected credit loss

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	The Bank				Total
	At call	Less than 1 year	Over 1 year to 5 years <i>(in thousand Baht)</i>	31 December 2021 Over 5 years maturity	
Financial assets					
Cash	-	-	-	464,430	464,430
Interbank and money market items, net	3,947,141	7,000,205	-	-	10,947,346
Investments, net	-	5,652,383	41,053	2,378	5,695,814
Loans to customers ^{(1), (2)}	445,915	22,263,502	40,694,454	31,526,552	97,728,726
Other financial assets, net	-	264,053	-	65,108	377,827
Total financial assets	4,393,056	35,180,143	40,735,507	31,591,660	115,214,143
Financial liabilities					
Deposits	32,695,772	47,740,898	8,299,820	-	88,736,490
Interbank and money market items	586,259	4,327,467	7,824,024	-	12,737,750
Liabilities payable on demand	88,924	-	-	-	88,924
Debt issued and borrowings	-	-	-	869,935	869,935
Other financial liabilities	-	1,080,376	11,764	1,171	1,093,311
Total financial liabilities	33,370,955	53,148,741	16,135,608	869,935	103,526,410
Net liquidity gap	(28,977,899)	(17,968,598)	24,599,899	30,721,725	11,687,733
Financial guarantee contracts	-	-	-	41,778	41,778

⁽¹⁾ Exclude accrued interest receivables and undue interest receivables

⁽²⁾ Before deduction of allowance for expected credit loss

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6 Fair value of financial assets and financial liabilities

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount		Consolidated				Total
		FVOCI	Amortised Cost	Level 1 (in thousand Baht)	Level 2	Level 3	Fair value	
30 June 2022								
Financial assets								
Investments	10	3,446,098	-	-	3,446,098	-	-	3,446,098
- Debt instruments		2,452	-	-	-	2,452	-	2,452
- Equity instruments		-	-	-	-	-	-	-
Loans to customers and accrued interest receivables, net	12.1	-	107,163,511	-	-	103,396,119	-	103,396,119
Financial liabilities								
Deposits	19.1	-	96,197,617	-	96,282,364	-	-	96,282,364
Interbank and money market items	20	-	10,670,797	-	10,667,866	-	-	10,667,866
Debt issued and borrowings	21	-	879,630	-	-	719,319	-	719,319
31 December 2021								
Financial assets								
Investments	10	5,693,436	-	-	5,693,436	-	-	5,693,436
- Debt instruments		2,378	-	-	-	2,378	-	2,378
- Equity instruments		-	-	-	-	-	-	-
Loans to customers and accrued interest receivables, net	12.1	-	95,512,820	-	-	94,787,307	-	94,787,307
Financial liabilities								
Deposits	19.1	-	88,514,778	-	88,685,707	-	-	88,685,707
Interbank and money market items	20	-	12,737,750	-	12,734,548	-	-	12,734,548
Debt issued and borrowings	21	-	869,935	-	-	851,895	-	851,895

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	Note	Carrying amount			The Bank			
		FVOCI	Amortised		Fair value			
			Cost	Total	Level 1 (in thousand Baht)	Level 2	Level 3	Total
30 June 2022								
Financial assets								
Investments	10							
- Debt instruments		3,446,098	-	3,446,098	-	3,446,098	-	3,446,098
- Equity instruments		2,452	-	2,452	-	-	2,452	2,452
Loans to customers and accrued interest receivables, net	12.1	-	107,163,511	107,163,511	-	-	103,396,119	103,396,119
Financial liabilities								
Deposits	19.1	-	96,380,128	96,380,128	-	96,464,874	-	96,464,874
Interbank and money market items	20	-	10,670,797	10,670,797	-	10,667,866	-	10,667,866
Debt issued and borrowings	21	-	879,630	879,630	-	-	719,319	719,319
31 December 2021								
Financial assets								
Investments	10							
- Debt instruments		5,693,436	-	5,693,436	-	5,693,436	-	5,693,436
- Equity instruments		2,378	-	2,378	-	-	2,378	2,378
Loans to customers and accrued interest receivables, net	12.1	-	95,512,820	95,512,820	-	-	94,787,307	94,787,307
Financial liabilities								
Deposits	19.1	-	88,736,490	88,736,490	-	88,907,419	-	88,907,419
Interbank and money market items	20	-	12,737,750	12,737,750	-	12,734,548	-	12,734,548
Debt issued and borrowings	21	-	869,935	869,935	-	-	851,895	851,895

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Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

Financial instruments measured at fair value	Valuation technique	Significant unobservable inputs
Investments in debt instruments	Discounted cash flow	Expected future cash flow
Investments in equity instruments	Net asset value	Net asset value

Level 3 fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values of investments in equity instruments.

<i>For the six-month period ended 30 June</i>	Consolidated and the Bank	
	2022	2021
	<i>(in thousand Baht)</i>	
As at 1 January	2,378	2,558
Gain (loss) recognised to other comprehensive income	74	(191)
As at 30 June	2,452	2,367

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the six-month periods ended 30 June 2022 and 2021.

The following methods and assumptions were used by the Group in estimating the fair value of financial assets and liabilities.

Interbank and money market items (assets and liabilities)

The interbank and money market items (assets) are deposits at the BoT, deposits at other financial institutions and loans to financial institutions which are short-term or at call. Accordingly, their carrying amount is a reasonable approximation of fair value.

The interbank and money market items (liabilities) are deposits and borrowing from the BoT and other financial institutions. Some are short-term or at call. Accordingly, their carrying amount is a reasonable approximation of fair value. Whereas deposits and borrowing from other financial institutions with longer than 1-year maturity, the fair values are estimated using discounted cash flow by current effective interest rates of similar remaining maturities.

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Investments in debt instruments

Fair values of investments in debt instruments which are not credit-impaired are calculated by using the bid prices of debt instruments at The ThaiBMA or other financial institutions as at the reporting date.

Fair value of credit-impaired investments in debt instruments is determined by valuation technique with unobservable inputs.

Investments in equity instruments

Fair values are determined mainly based on the net asset value of the investee company.

Loans to customers

For floating-rate loans to customers, the fair value is approximated based on the net carrying amount.

For fixed rate loans to customers which are not credit-impaired, the fair value is calculated from the present value of future cash flows discounted by the effective interest rate of loans to customers net of allowance for expected credit loss.

For credit-impaired fixed rate loans to customers, the fair value is approximated based on the net carrying amount.

Deposits

Deposits are saving deposits, current accounts, fixed or certificate of deposits. These deposits are typically short-term or at call in nature. The management has assessed the existing effective rate of the deposit is a reasonable approximation of market effective rate. Accordingly, fair values of saving deposits, current accounts and fixed or certificate of deposits with the 1-year maturity or less are approximated based on the carrying amounts. Whereas fixed or certificate of deposits with longer than 1-year maturity, the fair values are estimated using discounted cash flow, applying current effective interest rates offered for fixed deposits of similar remaining maturities.

Liabilities payable on demand

Liabilities payable on demand are call liabilities. Accordingly, the fair value is approximated based on the carrying amount.

Debt issued and borrowings

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

Other financial instruments

The fair value of other financial instruments is approximated based on the carrying amount.

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7 Maintenance of capital fund

The Bank's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt obligations.

The Bank is required to manage its capital funds in accordance with the Act on Undertaking of Banking Business B.E. 2551. As at 30 June 2022 and 31 December 2021, the Bank's total capital funds could be categorised as follows:

	The Bank		
	30 June 2022	31 December 2021	
	<i>(in thousand Baht)</i>		
Tier 1 Capital			
Common Equity Tier 1 Capital (CET1)			
Paid-up share capital	5,156,250	5,000,000	
Warrants	-	34,906	
Legal reserve	269,389	269,389	
Net profits after appropriation	4,942,765	3,782,387	
Other reserves	(3,203)	1,136	
Capital deduction items on CET1	(421,912)	(492,575)	
Total Common Equity Tier 1 Capital	9,943,289	8,595,243	
Additional Tier 1 Capital			
Subordinated debentures classified as additional Tier 1 Capital	1,150,000	1,150,000	
Total Tier 1 Capital	11,093,289	9,745,243	
Tier 2 Capital			
General provision	923,431	836,912	
Total Tier 2 Capital	923,431	836,912	
Total Capital funds	12,016,720	10,582,155	
Total Risk-Weighted Assets	88,152,083	79,425,876	
	The BoT's regulation minimum requirement	30 June 2022	31 December 2021
		(%)	
Capital Adequacy Ratio/Total Risk-Weighted Assets	11.00	13.63	13.32
Tier 1 Capital Ratio/Total Risk-Weighted Assets	8.50	12.58	12.27
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Assets	7.00	11.28	10.82

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

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The Bank will disclose capital adequacy and capital risk exposure information for the Bank as at 30 June 2022 through the Bank's website at www.tcrbank.com within October 2022.

Capital management

The primary objectives of the Bank's capital management are to maintain the Bank's ability to continue as a going concern and to maintain a capital adequacy ratio in accordance with the Act on Undertaking of Banking Business B.E. 2551.

8 Classification of financial assets and financial liabilities

	Consolidated			Total
	30 June 2022			
	Financial instruments measured at FVOCI	Investments in equity instruments designated at FVOCI	Financial instruments measured at amortised cost	
	<i>(in thousand Baht)</i>			
Financial assets				
Cash	-	-	384,329	384,329
Interbank and money market items, net	-	-	8,430,597	8,430,597
Investments, net				
Government and state enterprise securities	3,446,098	-	-	3,446,098
Domestic non-marketable equity instruments	-	2,452	-	2,452
Loans to customers and accrued interest receivables, net	-	-	107,163,511	107,163,511
Other financial assets, net	-	-	394,167	394,167
Total	3,446,098	2,452	116,372,604	119,821,154
Financial liabilities				
Deposits	-	-	96,197,617	96,197,617
Interbank and money market items	-	-	10,670,797	10,670,797
Liabilities payable on demand	-	-	104,615	104,615
Debt issued and borrowings	-	-	879,630	879,630
Other financial liabilities	-	-	965,230	965,230
Total	-	-	108,817,889	108,817,889
Consolidated				
31 December 2021				
	Financial instruments measured at FVOCI	Investments in equity instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
	<i>(in thousand Baht)</i>			
Financial assets				
Cash	-	-	464,430	464,430
Interbank and money market items, net	-	-	10,948,838	10,948,838
Investments, net				
Government and state enterprise securities	5,693,436	-	-	5,693,436
Domestic non-marketable equity instruments	-	2,378	-	2,378
Loans to customers and accrued interest receivables, net	-	-	95,512,820	95,512,820
Other financial assets, net	-	-	358,265	358,265
Total	5,693,436	2,378	107,284,353	112,980,167

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	Consolidated			
	31 December 2021			
	Financial instruments measured at FVOCI	Investments in equity instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
	<i>(in thousand Baht)</i>			
<i>Financial liabilities</i>				
Deposits	-	-	88,514,778	88,514,778
Interbank and money market items	-	-	12,737,750	12,737,750
Liabilities payable on demand	-	-	88,924	88,924
Debt issued and borrowings	-	-	869,935	869,935
Other financial liabilities	-	-	1,141,518	1,141,518
Total	-	-	103,352,905	103,352,905

	The Bank			
	30 June 2022			
	Financial instruments measured at FVOCI	Investments in equity instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
	<i>(in thousand Baht)</i>			
<i>Financial assets</i>				
Cash	-	-	384,329	384,329
Interbank and money market items, net	-	-	8,429,182	8,429,182
Investments, net				
Government and state enterprise securities	3,446,098	-	-	3,446,098
Domestic non-marketable equity instruments	-	2,452	-	2,452
Loans to customers and accrued interest receivables, net	-	-	107,163,511	107,163,511
Other financial assets, net	-	-	408,815	408,815
Total	3,446,098	2,452	116,385,837	119,834,387

<i>Financial liabilities</i>				
Deposits	-	-	96,380,128	96,380,128
Interbank and money market items	-	-	10,670,797	10,670,797
Liabilities payable on demand	-	-	104,615	104,615
Debt issued and borrowings	-	-	879,630	879,630
Other financial liabilities	-	-	923,822	923,822
Total	-	-	108,958,992	108,958,992

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	The Bank			
	31 December 2021			
	Financial instruments measured at FVOCI	Investments in equity instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
	<i>(in thousand Baht)</i>			
Financial assets				
Cash	-	-	464,430	464,430
Interbank and money market items, net	-	-	10,947,346	10,947,346
Investments, net				
Government and state enterprise securities	5,693,436	-	-	5,693,436
Domestic non-marketable equity instruments	-	2,378	-	2,378
Loans to customers and accrued interest receivables, net	-	-	95,512,820	95,512,820
Other financial assets, net	-	-	377,827	377,827
Total	<u>5,693,436</u>	<u>2,378</u>	<u>107,302,423</u>	<u>112,998,237</u>
Financial liabilities				
Deposits	-	-	88,736,490	88,736,490
Interbank and money market items	-	-	12,737,750	12,737,750
Liabilities payable on demand	-	-	88,924	88,924
Debt issued and borrowings	-	-	869,935	869,935
Other financial liabilities	-	-	1,093,311	1,093,311
Total	<u>-</u>	<u>-</u>	<u>103,526,410</u>	<u>103,526,410</u>

9 Interbank and money market items, net (assets)

	Consolidated		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Domestic				
Bank of Thailand	2,657,868	3,847,778	2,657,868	3,847,778
Commercial banks	2,772,632	4,700,855	2,771,217	4,699,363
Specialised financial institutions	3,000,000	2,400,000	3,000,000	2,400,000
Total	<u>8,430,500</u>	<u>10,948,633</u>	<u>8,429,085</u>	<u>10,947,141</u>
Add accrued interest receivables and undue interest receivables	97	205	97	205
Total domestic	<u>8,430,597</u>	<u>10,948,838</u>	<u>8,429,182</u>	<u>10,947,346</u>

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10 Investments, net

	Consolidated and the Bank	
	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
<i>Investments in debt instruments measured at FVOCI</i>		
Government and state enterprise securities	3,446,098	5,693,436
Total	3,446,098	5,693,436
Allowance for expected credit loss	(40,505)	(40,527)
<i>Investments in equity instruments designated at FVOCI</i>		
Domestic non-marketable equity securities	2,452	2,378
Total	2,452	2,378
Total investments, net	3,448,550	5,695,814

As at 30 June 2022 and 31 December 2021, the Group had investments in debt instruments in a company that is subject to uncertainty in settlement or in default, the gross carrying amount was Baht 40.5 million (31 December 2021: Baht 40.5 million) which the allowance for expected credit losses has been fully provided.

As at 30 June 2022 and 31 December 2021, the Group had some investments in securities pledged as collateral as disclosed in note 30.

As at 30 June 2022 and 31 December 2021, the Group did not have investment in any entity in which the Group held 10% or more of the paid-up share capital of the investee company.

11 Investments in subsidiary, net

Subsidiary	Type of business	Type of share	Percentage of ownership interest		The Bank		Dividend income for the six-month periods ended	
			30 June	31 December	Cost		30 June	30 June
			2022	2021	30 June	31 December	2022	2021
			<i>(%)</i>		<i>(in thousand Baht)</i>			
Thai Micro Digital Solutions Co., Ltd.	Electronic payment and electronic money service	Ordinary	100.00	100.00	250,000	250,000	-	-
Total					250,000	250,000	-	-

The subsidiary is registered and has been operating in Thailand.

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12 Loans to customers and accrued interest receivables, net

12.1 Classified by loan type

	Consolidated and the Bank	
	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Overdrafts	330,585	285,132
Loans	107,769,898	95,445,668
Notes	357,786	357,339
Hire-purchase receivables	1,656,092	1,640,587
Total loans to customers	110,114,361	97,728,726
Add accrued interest receivables and undue interest receivables	4,060,424	3,392,900
Total loans to customers and accrued interest receivables and undue interest receivables	114,174,785	101,121,626
Less allowance for expected credit loss	(7,011,274)	(5,608,806)
Loans to customers and accrued interest receivables, net	107,163,511	95,512,820

12.2 Classified by residency of debtors

	Consolidated and the Bank	
	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Domestic	110,114,361	97,728,726
Total	110,114,361	97,728,726

12.3 Classified by loan classification

	Consolidated and the Bank	
	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Loans to customers and accrued interest receivables and undue interest receivables		
Financial assets that have not had a significant increase in credit risk (Performing)	99,455,418	89,709,160
Financial assets that have a significant increase in credit risk (Under-performing)	9,352,928	8,099,973
Financial assets that are credit-impaired (Non-performing)	5,366,439	3,312,493
Total	114,174,785	101,121,626

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12.4 Loans classified as credit-impaired

As at 30 June 2022 and 31 December 2021, the Group had loans to customers classified as credit-impaired under TFRS 9 per the BoT's regulations as follows:

	Consolidated and the Bank	
	30 June 2022	31 December 2021
Net loans classified as credit-impaired (principal net of allowance for expected credit loss)		
Loans classified as credit-impaired net of allowance for expected credit loss on loans classified as credit-impaired (<i>in thousand Baht</i>)	1,798,093	1,182,351
Total loans net of allowance for expected credit loss on loans classified as credit-impaired (<i>in thousand Baht</i>)	107,255,001	96,103,273
Percentage of net loans classified as credit-impaired (%)	1.68	1.23
Loans classified as credit-impaired (principal)		
Loans classified as credit-impaired (<i>in thousand Baht</i>)	4,657,453	2,807,804
Total loans (<i>in thousand Baht</i>)	110,114,361	97,728,726
Percentage of loans classified as credit-impaired (%)	4.23	2.86

During the six-month periods ended 30 June 2022 and 2021, the Group did not sell parts of its loans to customers classified as credit-impaired to third parties.

12.5 Modified loans to customers

	Consolidated and the Bank	
	2022	2021
	<i>(in thousand Baht)</i>	
For the six-month periods ended 30 June		
Loans to customers modified during the period ⁽¹⁾		
Amortised cost before modification	3,515,259	604,383
Net modification losses	(18,429)	-

⁽¹⁾ Loans to customers net of allowance for expected credit loss that had only lifetime ECL

	Consolidated and the Bank	
	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Loans to customers modified since initial recognition		
Gross carrying amount of loans to customers previously modified for which allowance for expected credit loss has changed during the year to an amount equal to 12-month ECL from lifetime ECL	951,699	233,803

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12.6 Hire-purchase receivables

	Consolidated and the Bank						Total
	30 June 2022						
	Portion due within 1 year	Portion due over 1 year but within 2 years	Portion due over 2 years but within 3 years	Portion due over 3 years but within 4 years	Portion due over 4 years but within 5 years	Portion due over 5 years	
Hire-purchase receivables	561,073	412,375	275,509	175,962	141,552	89,621	1,656,092
Less unearned interest income	-	-	-	-	-	-	-
Present value of minimum lease payments receivables	<u>561,073</u>	<u>412,375</u>	<u>275,509</u>	<u>175,962</u>	<u>141,552</u>	<u>89,621</u>	1,656,092
Less allowance for expected credit loss							(92,495)
Hire-purchase receivables, net							<u>1,563,597</u>

	Consolidated and the Bank						Total
	31 December 2021						
	Portion due within 1 year	Portion due over 1 year but within 2 years	Portion due over 2 years but within 3 years	Portion due over 3 years but within 4 years	Portion due over 4 years but within 5 years	Portion due over 5 years	
Hire-purchase receivables	583,626	441,069	287,636	148,759	91,063	88,434	1,640,587
Less unearned interest income	-	-	-	-	-	-	-
Present value of minimum lease payments receivables	<u>583,626</u>	<u>441,069</u>	<u>287,636</u>	<u>148,759</u>	<u>91,063</u>	<u>88,434</u>	1,640,587
Less allowance for expected credit loss							(50,105)
Hire-purchase receivables, net							<u>1,590,482</u>

13 Allowance for expected credit loss

	Consolidated and the Bank			Total
	30 June 2022			
	Financial assets that are not significant increase in credit risk	Financial assets that are significant increase in credit risk	Financial assets that are credit-impaired	
Investments in debt instruments	35	-	40,470	40,505
Loans to customers and accrued interest receivables and undue interest receivables	2,859,926	1,291,988	2,859,360	7,011,274
Other financial assets	66	1,003	12,100	13,169
Undrawn loan commitments and financial guarantee contracts	<u>186</u>	<u>113</u>	<u>20,949</u>	<u>21,248</u>
Total	<u>2,860,213</u>	<u>1,293,104</u>	<u>2,932,879</u>	<u>7,086,196</u>

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	Financial assets that are not significant increase in credit risk	Consolidated and the Bank 31 December 2021		Total
		Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit-impaired	
Investments in debt instruments	57	-	40,470	40,527
Loans to customers and accrued interest receivables and undue interest receivables	3,095,532	887,821	1,625,453	5,608,806
Other financial assets	144	1,001	6,942	8,087
Undrawn loan commitments and financial guarantee contracts	-	-	20,889	20,889
Total	3,095,733	888,822	1,693,754	5,678,309

The movements in allowance for expected credit loss during the six-month period ended 30 June 2022 and during the year ended 31 December 2021 were as follows:

	Financial assets that are not significant increase in credit risk	Consolidated and the Bank		Total
		Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit-impaired	
<i>Investments in debt instruments</i>				
At 1 January 2021	35	-	40,470	40,505
Purchased or acquired	54	-	-	54
Derecognised	(32)	-	-	(32)
At 31 December 2021 and 1 January 2022	57	-	40,470	40,527
Purchased or acquired	29	-	-	29
Derecognised	(51)	-	-	(51)
At 30 June 2022	35	-	40,470	40,505
<i>Loans to customers and accrued interest receivables and undue interest receivables</i>				
At 1 January 2021	1,670,153	1,127,028	747,195	3,544,376
Change from stage reclassification	(10,580)	(470,111)	480,691	-
Change from remeasurement of ECL	610,872	(99,305)	800,794	1,312,361
Purchased or acquired	939,987	395,195	147,838	1,483,020
Derecognised	(114,900)	(64,986)	(10,492)	(190,378)
Written-off	-	-	(540,573)	(540,573)
At 31 December 2021 and 1 January 2022	3,095,532	887,821	1,625,453	5,608,806
Change from stage reclassification	(21,781)	(366,017)	387,798	-
Change from remeasurement of ECL	(662,070)	669,619	1,003,436	1,010,985
Purchased or acquired	485,834	147,571	60,391	693,796
Derecognised	(37,589)	(47,006)	(42,629)	(127,224)
Written-off	-	-	(175,089)	(175,089)
At 30 June 2022	2,859,926	1,291,988	2,859,360	7,011,274

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	Financial assets that are not significant increase in credit risk	Consolidated and the Bank		Total
		Financial assets that are significant increase in credit risk <i>(in thousand Baht)</i>	Financial assets that are credit-impaired	
<i>Other financial assets</i>				
At 1 January 2021	44	461	4,078	4,583
Change from stage reclassification	71	(165)	94	-
Change from remeasurement of ECL	6	370	3,009	3,385
Purchased or acquired	33	427	137	597
Derecognised	(10)	(92)	(63)	(165)
Written-off	-	-	(313)	(313)
At 31 December 2021 and 1 January 2022	144	1,001	6,942	8,087
Change from stage reclassification	37	(266)	229	-
Change from remeasurement of ECL	(115)	142	5,326	5,353
Purchased or acquired	2	212	60	274
Derecognised	(2)	(86)	(456)	(544)
Written-off	-	-	(1)	(1)
At 30 June 2022	66	1,003	12,100	13,169
<i>Undrawn loan commitments and financial guarantee contracts</i>				
At 1 January 2021	-	-	19,178	19,178
Change from remeasurement of ECL	-	-	1,711	1,711
At 31 December 2021 and 1 January 2022	-	-	20,889	20,889
Change from remeasurement of ECL	53	113	60	226
Purchased or acquired	133	-	-	133
At 30 June 2022	186	113	20,949	21,248

14 Properties for sale, net

	At 1 January 2022	Consolidated and the Bank		At 30 June 2022
		Additions	Disposals	
		<i>(in thousand Baht)</i>		
Assets from settlement of debts*				
- Immovable assets	341,926	61,039	(23,288)	379,677
Total	341,926	61,039	(23,288)	379,677

* Assets from settlement of debts include properties foreclosed transferred under the Bank of Thailand's supportive measure to acquire collateral assets for debt repayment

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	At 1 January 2021	Consolidated and the Bank		At 31 December 2021
		Additions	Disposals	
		<i>(in thousand Baht)</i>		
Assets from settlement of debts*				
- Immovable assets	157,986	190,439	(6,499)	341,926
- Movable asset	-	1,270	(1,270)	-
Total	157,986	191,709	(7,769)	341,926
Less allowance for impairment loss	(1,490)	-	1,490	-
Net	156,496	191,709	(6,279)	341,926

* Assets from settlement of debts include properties foreclosed transferred under the Bank of Thailand's supportive measure to acquire collateral assets for debt repayment

As at 30 June 2022 and 31 December 2021, all immovable assets from settlement of debts were appraised by external appraisers.

15 Premises and equipment, net

	Premises	Leasehold improvement	Furniture and equipment	Consolidated			Others	Total
				Computers and accessories	Right-of-use assets			
	<i>(in thousand Baht)</i>							
Cost								
At 1 January 2021	66,090	314,045	220,757	221,367	936,450	326	1,759,035	
Additions	-	25,224	25,624	26,307	233,907	9,722	320,784	
Transfers in (out)	-	1,378	-	-	-	(1,378)	-	
Disposals	-	(2,800)	(2,920)	(10,130)	-	-	(15,850)	
Write-off	-	(5,148)	(1,642)	(497)	(14,845)	-	(22,132)	
At 31 December 2021 and 1 January 2022	66,090	332,699	241,819	237,047	1,155,512	8,670	2,041,837	
Additions	-	6,727	12,373	22,917	145,784	4,425	192,226	
Transfers in (out)	-	7,947	50	-	-	(7,997)	-	
Disposals	-	-	(28)	(8,085)	-	-	(8,113)	
Write-off	-	(125)	(1,268)	-	(2,717)	-	(4,110)	
At 30 June 2022	66,090	347,248	252,946	251,879	1,298,579	5,098	2,221,840	
Accumulated depreciation								
At 1 January 2021	(9,788)	(177,015)	(163,173)	(156,894)	(125,685)	-	(632,555)	
Depreciation charge for the year	(2,641)	(44,652)	(26,684)	(24,742)	(121,632)	-	(220,351)	
Disposals	-	2,800	2,699	10,104	-	-	15,603	
Write-off	-	3,269	1,622	497	11,646	-	17,034	
At 31 December 2021 and 1 January 2022	(12,429)	(215,598)	(185,536)	(171,035)	(235,671)	-	(820,269)	
Depreciation charge for the period	(1,310)	(18,756)	(13,830)	(13,567)	(83,306)	-	(130,769)	
Disposals	-	-	19	8,085	-	-	8,104	
Write-off	-	125	1,268	-	2,595	-	3,988	
At 30 June 2022	(13,739)	(234,229)	(198,079)	(176,517)	(316,382)	-	(938,946)	
Net book value								
At 31 December 2021	53,661	117,101	56,283	66,012	919,841	8,670	1,221,568	
At 30 June 2022	52,351	113,019	54,867	75,362	982,197	5,098	1,282,894	

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	Premises	Leasehold improvement	Furniture and equipment	The Bank			Total
				Computers and accessories	Right-of-use assets	Others	
<i>(in thousand Baht)</i>							
Cost							
At 1 January 2021	66,090	314,045	220,675	220,992	936,450	326	1,758,578
Additions	-	25,204	25,303	25,820	233,907	8,344	318,578
Disposals	-	(2,800)	(2,920)	(10,130)	-	-	(15,850)
Write-off	-	(5,148)	(1,642)	(497)	(14,845)	-	(22,132)
At 31 December 2021 and 1 January 2022	66,090	331,301	241,416	236,185	1,155,512	8,670	2,039,174
Additions	-	6,727	12,354	22,398	141,851	4,425	187,755
Transfer in (out)	-	7,947	50	-	-	(7,997)	-
Disposals	-	-	(28)	(8,085)	-	-	(8,113)
Write-off	-	(125)	(1,268)	-	(2,717)	-	(4,110)
At 30 June 2022	66,090	345,850	252,524	250,498	1,294,646	5,098	2,214,706
Accumulated depreciation							
At 1 January 2021	(9,788)	(177,015)	(163,153)	(156,814)	(125,685)	-	(632,455)
Depreciation charge for the year	(2,641)	(44,625)	(26,654)	(24,618)	(121,632)	-	(220,170)
Disposals	-	2,800	2,699	10,104	-	-	15,603
Write-off	-	3,269	1,622	497	11,646	-	17,034
At 31 December 2021 and 1 January 2022	(12,429)	(215,571)	(185,486)	(170,831)	(235,671)	-	(819,988)
Depreciation charge for the period	(1,310)	(18,640)	(13,789)	(13,450)	(82,896)	-	(130,085)
Disposals	-	-	19	8,085	-	-	8,014
Write-off	-	125	1,268	-	2,595	-	3,988
At 30 June 2022	(13,739)	(234,086)	(197,988)	(176,196)	(315,972)	-	(937,981)
Net book value							
At 31 December 2021	53,661	115,730	55,930	65,354	919,841	8,670	1,219,186
At 30 June 2022	52,351	111,764	54,536	74,302	978,674	5,098	1,276,725

16 Intangible assets, net

	Consolidated			Total
	Computers software	Initial service fee of ITMX	Computer software under development	
<i>(in thousand Baht)</i>				
Cost				
At 1 January 2021	266,661	32,621	17,129	316,411
Additions	9,625	-	30,731	40,356
Transfers in (out)	11,571	-	(11,571)	-
At 31 December 2021 and 1 January 2022	287,857	32,621	36,289	356,767
Additions	13,883	-	10,562	24,445
At 30 June 2022	301,740	32,621	46,851	381,212

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	Consolidated			Total
	Computers software	Initial service fee of ITMX <i>(in thousand Baht)</i>	Computer software under development	
<i>Accumulated amortisation</i>				
At 1 January 2021	(154,375)	-	-	(154,375)
Amortisation for the year	(28,606)	-	-	(28,606)
At 31 December 2021 and 1 January 2022	(182,981)	-	-	(182,981)
Amortisation for the period	(13,020)	-	-	(13,020)
At 30 June 2022	(196,001)	-	-	(196,001)
<i>Net book value</i>				
At 31 December 2021	<u>104,876</u>	<u>32,621</u>	<u>36,289</u>	<u>173,786</u>
At 30 June 2022	<u>105,739</u>	<u>32,621</u>	<u>46,851</u>	<u>185,211</u>
The Bank				
	Computers software	Initial service fee of ITMX <i>(in thousand Baht)</i>	Computer software under development	Total
<i>Cost</i>				
At 1 January 2021	256,094	32,621	15,050	303,765
Additions	9,516	-	24,268	33,784
Transfers in (out)	3,029	-	(3,029)	-
At 31 December 2021 and 1 January 2022	268,639	32,621	36,289	337,549
Additions	12,285	-	10,562	22,847
At 30 June 2022	280,924	32,621	46,851	360,396
<i>Accumulated amortisation</i>				
At 1 January 2021	(153,629)	-	-	(153,629)
Amortisation for the year	(27,059)	-	-	(27,059)
At 31 December 2021 and 1 January 2022	(180,688)	-	-	(180,688)
Amortisation for the period	(12,014)	-	-	(12,014)
At 30 June 2022	(192,702)	-	-	(192,702)
<i>Net book value</i>				
At 31 December 2021	<u>87,951</u>	<u>32,621</u>	<u>36,289</u>	<u>156,861</u>
At 30 June 2022	<u>88,222</u>	<u>32,621</u>	<u>46,851</u>	<u>167,694</u>

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17 Deferred tax assets

	At 1 January 2022	Consolidated (Charged) / Credited to:		At 30 June 2022
		Profit or loss <i>(note 42)</i> <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets</i>				
Investments	7,821	(4)	1,085	8,902
Loans to customers and accrued interest receivables	278,962	(82,994)	-	195,968
Debt issued and borrowings	1,775	1,939	-	3,714
Provisions	37,669	5,812	-	43,481
Lease liabilities	2,660	(296)	-	2,364
Reserve for share-based payment	6,982	(6,982)	-	-
Total	335,869	(82,525)	1,085	254,429

	At 1 January 2021	Consolidated (Charged) / Credited to:		At 30 June 2021
		Profit or loss <i>(note 42)</i> <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets</i>				
Investments	7,313	(2)	497	7,808
Loans to customers and accrued interest receivables	215,585	69,434	-	285,019
Properties for sale	298	(298)	-	-
Provisions	28,780	4,777	-	33,557
Lease liabilities	788	793	-	1,581
Reserve for share-based payment	6,982	-	-	6,982
Total	259,746	74,704	497	334,947

	At 1 January 2022	The Bank (Charged) / Credited to:		At 30 June 2022
		Profit or loss <i>(note 42)</i> <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets</i>				
Investments	7,821	(4)	1,085	8,902
Loans to customers and accrued interest receivables	278,962	(82,994)	-	195,968
Debt issued and borrowings	1,775	1,939	-	3,714
Provisions	37,514	5,763	-	43,277
Lease liabilities	2,660	(302)	-	2,358
Reserve for share-based payment	6,982	(6,982)	-	-
Total	335,714	(82,580)	1,085	254,219

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	At 1 January 2021	The Bank (Charged) / Credited to:		At 30 June 2021
		Profit or loss	Other comprehensive income	
<i>Deferred tax assets</i>				
Investments	7,313	(2)	497	7,808
Loans to customers and accrued interest receivables	215,585	69,434	-	285,019
Properties for sale	298	(298)	-	-
Provisions	28,692	4,729	-	33,421
Lease liabilities	788	793	-	1,581
Reserve for share-based payment	6,982	-	-	6,982
Total	259,658	74,656	497	334,811

18 Other assets, net

	Consolidated		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Accrued fee income	40,578	52,823	41,262	54,882
Accrued interest income	1,590	8,384	1,590	8,384
Prepaid expenses	210,850	215,298	209,354	215,086
Supplies	5,388	5,614	5,388	5,614
Deposits and guarantee	64,515	65,108	64,515	65,108
Receivables - Ministry of Finance	94,804	48,920	94,804	48,920
Receivables - counter service	37,336	41,953	37,336	41,953
Other receivables, net	93,977	77,707	95,775	79,040
Advance to customers	58,187	56,282	58,187	56,282
Suspense debtors	95,256	49,486	107,368	65,656
Others	18,220	16,791	15,255	15,151
Total	720,701	638,366	730,834	656,076

19 Deposits

19.1 Classified by type of deposits

	Consolidated		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Current	95,991	99,020	214,567	251,219
Savings	37,468,717	31,429,579	37,532,652	31,499,092
Term	58,632,909	56,986,179	58,632,909	56,986,179
Total	96,197,617	88,514,778	96,380,128	88,736,490

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19.2 Classified by currency and residency of depositors

	Consolidated		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Domestic		Domestic	
	<i>(in thousand Baht)</i>			
Thai Baht	96,197,617	88,514,778	96,380,128	88,736,490
Total	<u>96,197,617</u>	<u>88,514,778</u>	<u>96,380,128</u>	<u>88,736,490</u>

20 Interbank and money market items (liabilities)

	Consolidated and the Bank	
	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
<i>Domestic</i>		
Bank of Thailand	10,053,306	9,056,176
Specialised financial institutions	138,859	2,977,662
Other financial institutions	478,632	703,912
Total domestic	<u>10,670,797</u>	<u>12,737,750</u>

21 Debt issued and borrowings

As at 30 June 2022 and 31 December 2021, debt issued and borrowings, which were issued in Thailand and denominated entirely in Thai Baht, consist of the following:

	Year of maturity	Interest rate	Consolidated and the Bank	
			30 June 2022	31 December 2021
		(%)	<i>(in thousand Baht)</i>	
Perpetual subordinated debentures ⁽¹⁾	2026 ⁽²⁾	5.00	<u>879,630</u>	<u>869,935</u>
Total			<u>879,630</u>	<u>869,935</u>

⁽¹⁾ Counted as a part of Additional Tier 1 Capital, which is determined under the conditions as specified in the BoT's notification (*note 7*)

⁽²⁾ The year in which call option exercise period starts

On 27 May 2021, the Bank issued the perpetual subordinated debentures to be counted as Additional Tier 1 Capital under Basel III requirement, par value at Baht 1,150 million, which has no expiry date and bears a fixed interest rate at 5.00% per annum, payable semi-annually in May and November of every year. The debentures were offered to private placement (institutional investors, high net-worth investors and related parties to the Group). The Bank can early redeem the perpetual subordinated debentures after 5 years from the issue date or according to certain specified conditions. The Bank has to seek an approval from the Bank of Thailand for early redemption.

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Actuarial assumptions

	Consolidated		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
		(%)		
Discount rate	1.65 - 2.77	1.65 - 2.77	1.65	1.65
Future salary growth	5.00	5.00	5.00	5.00

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

At 30 June 2022, the Group's and the Bank's weighted-average duration of the defined benefit obligation was 7.5 - 18.3 years and 7.5 years, respectively (*31 December 2021: 8.0 - 18.8 years and 8.0 years, respectively*).

Sensitivity analysis

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

	Consolidated		The Bank	
	Increase	Decrease	Increase	Decrease
		(in thousand Baht)		
At 30 June 2022				
Discount rate (1% movement)	(16,625)	18,771	(16,429)	18,530
Future salary growth (1% movement)	19,001	(17,095)	18,756	(16,894)
At 31 December 2021				
Discount rate (1% movement)	(13,211)	14,937	(13,097)	14,796
Future salary growth (1% movement)	13,399	(12,115)	13,264	(12,003)

23 Other liabilities

	<i>Note</i>	Consolidated		The Bank	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
			(in thousand Baht)		
Lease liabilities	34	989,250	930,454	985,698	930,454
Accrued interest expenses		283,667	254,308	283,667	254,308
Other payables		121,253	132,646	82,413	91,237
Accrued expenses		535,421	713,114	535,159	709,063
Corporate income tax payable		249,049	311,766	249,049	311,766
Others		86,548	101,177	83,823	98,250
Total		2,265,188	2,443,465	2,219,809	2,395,078

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24 Advance received from electronic payment

In accordance with the BoT notification number Sor Nor Chor 7/2561 dated 16 April 2018, regarding “Regulations on service business relating to electronic money (“e-Money”)” and Sor Nor Chor 2/2562 dated 20 December 2019, regarding “Regulations on service business relating to electronic fund transfer (“EFT”)” require the Group to disclose advance received from e-Money and EFT. As at 30 June 2022, the Group had advance received from e-Money as total amount of Baht 39.6 million (31 December 2021: Baht 45.3 million) and there was no outstanding from EFT (31 December 2021: Nil).

25 Offsetting of financial assets and financial liabilities

	Consolidated and the Bank					
	30 June 2022					
	Gross carrying amount	Amount to be offset in statement of financial position	Net amount presented in statement of financial position (in thousand Baht)	Amount of unoffsetting in statement of financial position		Net amount
Offsetting amount which is not met the accounting standard’s conditions				Relevant financial collateral amount		
<i>Financial assets</i>						
Reverse repurchase agreements	5,700,000	-	5,700,000	-	5,759,719	-
Total	5,700,000	-	5,700,000	-	5,759,719	-

	Consolidated and the Bank					
	31 December 2021					
	Gross carrying amount	Amount to be offset in statement of financial position	Net amount presented in statement of financial position (in thousand Baht)	Amount of unoffsetting in statement of financial position		Net amount
Offsetting amount which is not met the accounting standard’s conditions				Relevant financial collateral amount		
<i>Financial assets</i>						
Reverse repurchase agreements	7,000,000	-	7,000,000	-	7,062,907	-
Total	7,000,000	-	7,000,000	-	7,062,907	-

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Reconciliation of net amount presented in statement of financial position with the caption in statement of financial position as follows:

		Consolidated 30 June 2022			Carrying amount in statement of financial position not under the offsetting conditions
Financial instrument type	Net amount presented in statement of financial position <i>(in thousand Baht)</i>	Caption in statement of financial position	Note	Carrying amount presented in statement of financial position <i>(in thousand Baht)</i>	
Financial assets					
Reverse repurchase agreements	5,700,000	Interbank and money market (assets)	9	8,430,597	2,730,597
Total	5,700,000			8,430,597	2,730,597

		Consolidated 31 December 2021			Carrying amount in statement of financial position not under the offsetting conditions
Financial instrument type	Net amount presented in statement of financial position <i>(in thousand Baht)</i>	Caption in statement of financial position	Note	Carrying amount presented in statement of financial position <i>(in thousand Baht)</i>	
Financial assets					
Reverse repurchase agreements	7,000,000	Interbank and money market (assets)	9	10,948,838	3,948,838
Total	7,000,000			10,948,838	3,948,838

		The Bank 30 June 2022			Carrying amount in statement of financial position not under the offsetting conditions
Financial instrument type	Net amount presented in statement of financial position <i>(in thousand Baht)</i>	Caption in statement of financial position	Note	Carrying amount presented in statement of financial position <i>(in thousand Baht)</i>	
Financial assets					
Reverse repurchase agreements	5,700,000	Interbank and money market (assets)	9	8,429,182	2,729,182
Total	5,700,000			8,429,182	2,729,182

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The Bank					
31 December 2021					
Financial instrument type	Net amount presented in statement of financial position (in thousand Baht)	Caption in statement of financial position	Note	Carrying amount presented in statement of financial position (in thousand Baht)	Carrying amount in statement of financial position not under the offsetting conditions
Financial assets					
Reverse repurchase agreements	7,000,000	Interbank and money market (assets)	9	10,947,346	3,947,346
Total	7,000,000			10,947,346	3,947,346

26 Share capital

	Par value per share (in Baht)	30 June 2022		31 December 2021	
		Number (in thousand shares)	Baht (in thousand Baht)	Number	Baht
Authorised shares					
At the beginning of the period / year					
- ordinary shares	10	590,375	5,903,750	515,625	5,156,250
Increase in authorised share	10	-	-	74,750	747,500
At the end of the period / year					
- ordinary shares	10	590,375	5,903,750	590,375	5,903,750
Issued and paid-up shares					
At the beginning of the period / year					
- ordinary shares	10	500,000	5,000,000	500,000	5,000,000
Exercise of stock options	10	15,625	156,250	-	-
At the end of the period / year					
- ordinary shares	10	515,625	5,156,250	500,000	5,000,000

Increase in authorised shares

On 11 January 2021, at the Bank's Extraordinary General Meeting of shareholders No.1/2021 approved to increase in authorised share capital in the Bank to reserve for the exercise of the warrants of Baht 747.50 million from Baht 5,156.3 million (515.6 million shares at Baht 10 per share) to be a new authorised share capital of Baht 5,903.8 million (590.4 million shares at Baht 10 per share). The Bank has registered with the Ministry of Commerce on 22 January 2021.

Increase in issued and paid-up shares

Total 15.625 million units of stock options per share-based payment arrangement were exercised at 10 Baht per unit as described in note 28. The Bank received subscription for shares exercised amounting to Baht 156.25 million and registered its change in issued and paid-up shares with the Ministry of Commerce on 16 March 2022.

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27 Warrants

The issuance of warrants

On 11 January 2021, at the Extraordinary General Meeting of shareholders No.1/2021 approved to issue the warrants in the amount of 74.75 million warrants to the perpetual subordinated debenture holders as mentioned in note 21 without any consideration.

The allocation of warrants

On 27 May 2021, the Bank allocated the Bank's warrants to the perpetual subordinated debenture holders. The warrants are exercisable within 10 years from the issued date at an exercise ratio of 1 warrant to 1 new ordinary share at the exercise price at Baht 15.24 per share. The warrant can be exercised semi-annually on 27 May and 27 November of each year, starting on 27 November 2021 and with a final exercise date on 27 May 2031.

Movements in the number of warrants outstanding are as follows:

	Exercise price (Baht / unit)	Number of warrants (in thousand units)
At 1 January 2021	-	-
Allocated during the year	15.24	74,750
At 31 December 2021 and 1 January 2022	15.24	74,750
At 30 June 2022	15.24	74,750

28 Share-based payments

Stock options

The Bank awards stock options of the Bank to certain senior management.

The Extraordinary General Meeting held on 22 March 2019 passed a resolution to modify the first program of the stock option which was issued and approved by the Annual General Meeting held on 27 March 2014 and the second program of the stock option which was issued and approved by the Extraordinary General Meeting held on 28 February 2017, in the total amount of 15.625 million warrants. Exercise ratio is 1 stock option for 1 ordinary share at the exercise price at Baht 10 per unit. The expiration date was modified from 27 March 2019 to 31 March 2022. The incremental fair value is Baht 0.89 per unit.

Management has estimated the fair value using the Binomial valuation model by engaging the valuation specialist. The weighted average option price as at 31 December 2018 is Baht 3.44 per option. The Bank expects that there will be no material impact from using data as at 31 December 2018 for the valuation, compared with modification date. The risk-free interest rate is the implied yield on zero-coupon Thailand government bonds, with a remaining life equal to the expected life of the option. The expected volatility is estimated for giving consideration to, amongst other things, the historical volatility of pass listed in the Stock Exchange of Thailand for the period that commensurate with the expected life of the option. The 0% dividend yield assumption has been adopted for valuation. In addition, the effects of early exercise is included.

Exercise of stock options

Total 15.625 million units of stock options were exercised as per the terms and conditions of the stock options. The stock options have been converted into issued and paid-up shares as explained in note 26.

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Movements in the number of stock options outstanding and their related weighted average exercise prices are as follows:

	Weighted average exercise price (Baht / unit)	Number of stock option (in thousand units)
At 1 January 2021	10	15,625
At 31 December 2021 and 1 January 2022	10	15,625
Exercise of stock options	10	(15,625)
At 30 June 2022	10	-

As at 30 June 2022 and 31 December 2021, stock options outstanding and its expired date and exercise prices were as follow:

	Exercise price (Baht / unit)	30 June 2022 (in thousand units)	31 December 2021
Expired date: 31 March 2022	10	-	15,625

As at 30 June 2022, no stock options were outstanding (31 December 2021: 15.625 million units with the remaining contractual life of 0.25 years).

For the six-month periods ended 30 June 2022 and 2021, the Group had no stock option expense recognised.

29 Reserve

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Reserve for share-based payments

Reserve for share-based payments within equity comprises the fair value of services received from equity-settled share-based payment transactions.

Fair value changes in investments in debt instruments measured at FVOCI and equity instruments designated at FVOCI

The fair value changes in investments in debt instruments measured at FVOCI and equity instruments designated at FVOCI within equity comprises the cumulative net change in the fair value of investments in debt instruments measured at FVOCI and equity instruments designated at FVOCI and the allowance for ECL for debt instruments measured at FVOCI until the investments are derecognised or reclassified.

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30 Assets pledged as collateral and under restriction

	Consolidated and the Bank	
	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Investments in securities		
- Pledged as collateral for liquidity management ⁽¹⁾	2,234,629 ⁽²⁾	1,792,476 ⁽²⁾
- Pledged as other collaterals	51	51
Total	2,234,680	1,792,527

⁽¹⁾ The Bank of Thailand requires the Group to maintain the Securities Requirement for Settlement (SRS) and maintain the Intraday Liquidity Facility.

⁽²⁾ As at 30 June 2022, the Group's minimum requirement to maintain the Securities Requirement for Settlement (SRS) and maintain the Intraday Liquidity Facility was Baht 658.6 million (31 December 2021: Baht 695.6 million).

31 Contingent liabilities

	Consolidated		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Other contingencies				
- Amount of unused bank overdrafts	198,671	233,037	198,671	233,037
- Other guarantees	134,211	151,229	134,211	151,229
- Others				
Capital commitments	280	6,971	-	4,896
Other agreements	144,202	206,627	135,699	158,833
Total	477,364	587,864	468,581	537,995

32 Related parties

Relationships with subsidiary are described in note 11. Other related parties that the Group had significant transactions with during the period were as follows:

Name of entity	Country of incorporation/ nationality	Nature of relationship
Key management personnel	Thai and other nationalities	Persons having authority and responsibility for planning, directing and controlling the activities of the Bank and its subsidiary, directly or indirectly, including any director of the Bank and its subsidiary.
V.C. Property Co., Ltd.	Thailand	The ultimate parent company of the Bank
VNB Holding Company Limited	Thailand	The parent company of the Bank owning 59.97% of the Bank's paid-up share capital.
Thai Life Insurance Public Company Limited	Thailand	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital.
OCA Investment Holdings I Pte. Ltd.	Singapore	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital.
Thai Micro Digital Solutions Co., Ltd.	Thailand	Subsidiary, 100% shareholding
Thai Health Insurance Public Company Limited	Thailand	Entity in the same group company

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Name of entity	Country of incorporation/ nationality	Nature of relationship
Thai Paiboon Insurance Public Company Limited	Thailand	Entity in the same group company
Pathum Thani Jutemill Co., Ltd.	Thailand	Entity in the same group company
V.One Asset Co., Ltd.	Thailand	Entity in the same group company
T.C. Insurance Broker Co., Ltd.	Thailand	Entity in the same group company
Hotel and Resort Co., Ltd.	Thailand	Entity in the same group company
Chaiyawan Co., Ltd.	Thailand	Entity in the same group company
Yad Sampan Co., Ltd.	Thailand	Entity in the same group company
V.73 Co., Ltd.	Thailand	Entity in which key management personnel or their close family members are major shareholders
C.12 Co., Ltd.	Thailand	Entity in which key management personnel or their close family members are major shareholders
Thunchai Co., Ltd.	Thailand	Entity in which key management personnel or their close family members are major shareholders
Chai Brothers Co., Ltd.	Thailand	Entity in which key management personnel or their close family members are major shareholders
Sukhothai Assets Management Co., Ltd.	Thailand	Entity in which key management personnel or their close family members are major shareholders
CNT Liquor Co., Ltd.	Thailand	Entity in which key management personnel or their close family members are major shareholders
Thachaisri Co., Ltd.	Thailand	Entity in which key management personnel or their close family members are major shareholders
Piam Anan Co., Ltd.	Thailand	Entity in which key management personnel or their close family members are major shareholders
C.Laing Co., Ltd.	Thailand	Entity in which key management personnel or their close family members are major shareholders
Sakhorn Liquor Co., Ltd.	Thailand	Entity in which key management personnel or their close family members are major shareholders
Baan Thai Real Estate Co., Ltd.	Thailand	Entity in which key management personnel or their close family members are major shareholders
TAP Trading Co., Ltd.	Thailand	Entity in which key management personnel or their close family members are major shareholders
Fortuna Capital Co., Ltd.	Thailand	Entity in which key management personnel or their close family members are major shareholders

Significant transactions with related parties for the six-month periods ended 30 June

	Consolidated		The Bank	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
<i>Interest expenses</i>				
Parent company	33,333	7,777	33,333	7,777
Major shareholders	5,517	1,407	5,517	1,407
Subsidiary	-	-	212	115
Other related parties	1,914	2,348	1,914	2,348
Key management personnel of the Bank	705	387	705	387
<i>Fees and service income</i>				
Major shareholders	55,199	56,543	55,199	56,543
Subsidiary	-	-	8,871	4,289
Other related parties	115,298	108,919	115,298	108,919

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<i>Significant transactions with related parties for the six-month periods ended 30 June</i>	Consolidated		The Bank	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Other operating income				
Parent company	95	83	95	83
Subsidiary	-	-	3,967	3,250
Other operating expenses				
Ultimate parent company	756	636	756	636
Major shareholders	5,965	5,570	5,965	5,570
Subsidiary	-	-	8,234	6,293
Other related parties	29,170	28,227	29,170	28,227

Balances as at 30 June 2022 and 31 December 2021 with related parties were as follows:

	Consolidated		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Other assets				
Major shareholders	16,803	8,558	16,803	8,558
Subsidiary	-	-	28,953	31,773
Other related parties	36,912	28,746	36,912	28,746
Deposits				
Parent company	45,699	25,810	45,699	25,810
Major shareholders	244,792	352,386	244,792	352,386
Subsidiary	-	-	182,511	221,712
Other related parties	559,256	541,206	559,256	541,206
Key management personnel of the Bank	109,592	126,095	109,592	126,095
Debt issued and borrowings				
Parent company	764,896	756,465	764,896	756,465
Major shareholders	114,734	113,470	114,734	113,470
Other liabilities				
Parent company	4,802	4,800	4,802	4,800
Major shareholders	728	732	728	732
Subsidiary	-	-	20,699	21,024
Other related parties	973	676	973	676
Key management personnel of the Bank	489	546	489	546

As at 30 June 2022, the Bank's debt issued and borrowings from the parent and major shareholder have the par value at Baht 1,150 million (31 December 2021: Baht 1,150 million). Key terms and conditions were disclosed in note 21.

Significant agreements with related parties

The Bank has served as several service agreements, regarding to KYC ("Know Your Customer") and CDD ("Customer Due Diligence") operation, public relations and introduction of Micro Pay products, and a Hosting Infrastructure, with a subsidiary, for a period of 2 years. The Bank is committed to receive the service fee as specified in the agreements. Service fee will be revisited every time when the agreements are due.

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The Bank has office lease agreements with a parent and a subsidiary for a period of 3 years. The Bank is committed to receive the rental fee as specified in the agreements. Rental fee will be revisited every time when the agreements are due.

The Bank has served as shared service agreements, regarding to management services and advisory services in various fields, with a parent and a subsidiary, for a period of 1 year. The Bank is committed to receive the service fee as specified in the agreements. Service fee will be revisited every time when the agreements are due.

The Bank has been served as a service agreement, regarding to loan disbursement and loan repayment channel through Micro Pay e-Wallet, with a subsidiary, for a period of 2 years. The Bank is committed to pay the service fee as specified in the agreement. Service fee will be revisited every time when the agreement is due.

Letters of guarantees

As at 30 June 2022, the Bank issued letters of guarantees to a subsidiary amounted to Baht 10.5 million (31 December 2021: Baht 10.5 million).

33 Other benefits to directors and persons with managing authority

The Group has not paid other benefits to directors and executives except for the benefits that are normally paid such as directors' fee, directors bonus, executives' salary and bonus.

34 Leases

34.1 Leases as lessee

As at 30 June 2022, the Group has several lease agreements of building, office spaces and vehicles with local companies and non-related persons for period of 0.2 - 19 years (31 December 2021: 0.5 - 19 years). Lease payment is specified in the agreements.

Right-of-use assets

	Building and office spaces	Consolidated	
		Vehicles <i>(in thousand Baht)</i>	Total
At 1 January 2021	791,309	19,456	810,765
Additions	204,895	29,012	233,907
Depreciation charge for the year	(108,789)	(12,843)	(121,632)
Write-off	-	(3,199)	(3,199)
At 31 December 2021 and 1 January 2022	887,415	32,426	919,841
Additions	129,556	16,228	145,784
Depreciation charge for the period	(75,985)	(7,321)	(83,306)
Write-off	-	(122)	(122)
At 30 June 2022	940,986	41,211	982,197

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	Building and office spaces	The Bank	
		Vehicles (in thousand Baht)	Total
At 1 January 2021	791,309	19,456	810,765
Additions	204,895	29,012	233,907
Depreciation charge for the year	(108,789)	(12,843)	(121,632)
Write-off	-	(3,199)	(3,199)
At 31 December 2021 and 1 January 2022	887,415	32,426	919,841
Additions	129,556	12,295	141,851
Depreciation charge for the period	(75,985)	(6,911)	(82,896)
Write-off	-	(122)	(122)
At 30 June 2022	940,986	37,688	978,674

Lease liabilities

	Consolidated		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
Less than 1 year	169,066	171,167	168,000	171,167
Over 1 year to 5 years	501,053	484,279	498,300	484,279
Over 5 years	422,183	367,192	422,183	367,192
Total undiscounted lease liabilities	1,092,302	1,022,638	1,088,483	1,022,638
Lease liabilities included in the statement of financial position	989,250	930,454	985,698	930,454

Amount recognised in profit or loss

	Consolidated		The Bank	
	2022	2021	2022	2021
<i>For the six-month periods ended 30 June</i>	<i>(in thousand Baht)</i>			
Income from subleasing	83	83	449	333
Depreciation for right-of-use assets				
- Building and office spaces	(75,985)	(67,121)	(75,985)	(67,121)
- Vehicles	(7,321)	(6,390)	(6,911)	(6,390)
Interest expense on lease liabilities	(11,755)	(9,894)	(11,692)	(9,894)
Expenses relating to short-term leases	(669)	(288)	(669)	(288)

34.2 Leases as lessor

Operating leases

The Bank has agreements for office rentals to the parent and its subsidiary as disclosed in note 32.

The following table sets out a maturity analysis of lease payments, showing undiscounted lease payments to be received as at 30 June 2022 and 31 December 2021.

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	Consolidated		The Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>			
1 st year	170	166	921	665
2 nd year	175	-	944	-
3 rd year	87	-	472	-
Total	432	166	2,337	655

Finance leases

Leases which are classified in finance leases are hire-purchase contracts as disclosed in note 12.6.

35 Segment information

The Group has two operating segments: e-Wallet business, which is operated by its subsidiary; and banking business (which comprises of business loans – SMEs and Micro finance, retail loans secured by residential property – Housing loans and Home for Cash, and other segments – e.g., personal loans, gold loans, and treasury activities), which all are operated in Thailand. In addition, recording for inter-segment reporting is on a basis consistent with business transactions with external customers.

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	Consolidated				
	2022				
	Banking business				
	Retail loans secured			Total	
	e-Wallet business	Business loans	by residential property	Others	banking business
				(in thousand Baht)	Total
Net interest income	212	4,832,311	354,683	72,140	5,259,134
Non-interest (expenses) income, net	(159)				73,596
Total operating income	53				5,332,730
Total operating expenses	(24,644)				(2,047,192)
(Loss) profit from operations before expected credit loss and income tax	(24,591)				3,285,538
Expected credit loss	-				(1,659,064)
Segment (loss) profit before income tax	(24,591)				1,626,474
Income tax					(328,268)
Net profit				(3)	1,601,880
					(328,268)
					1,273,612

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	Consolidated				
	2021				
	Banking business				
	Retail loans secured by residential property		Others (in thousand Baht)	Total banking business	Total
	e-Wallet business	Business loans			
Net interest income	116	3,665,328	285,146	29,958	3,980,432
Non-interest income, net	2,031				188,430
Total operating income	2,147				4,168,862
Total operating expenses	(17,907)				(1,861,312)
(Loss) profit from operations before expected credit loss and income tax	(15,760)				3,010
Expected credit loss	-				9
Segment (loss) profit before income tax	(15,760)				(1,291,393)
Income tax					9
Net profit					1,000,406
					(204,431)
					795,975

	Consolidated				
	2021				
	Banking business				
	Retail loans secured by residential property		Others (in thousand Baht)	Total banking business	Total
	e-Wallet business	Business loans			
30 June 2022					
Loans to customers ⁽¹⁾	-	92,990,590	16,310,244	813,527	110,114,361
Total assets	220,905				122,484,721
Total liabilities	69,605				110,497,525
31 December 2021					
Loans to customers ⁽¹⁾	-	82,414,487	14,677,172	637,067	97,728,726
Total assets	247,432				115,580,173
Total liabilities	71,595				105,043,038
					-
					(494,188)
					(244,231)
					97,728,726
					115,333,417
					104,870,402

⁽¹⁾ Exclude accrued interest income and undue interest income and allowance for expected credit loss.

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

The Group mainly operates in two segments, which are e-Wallet business and banking business carrying out in Thailand only. Most revenues, expenses, profit, assets and liabilities are as reflected in the financial statements pertaining to the aforementioned industry and geographic area.

37 Interest income

<i>For the six-month periods ended 30 June</i>	Consolidated and the Bank	
	2022	2021
	<i>(in thousand Baht)</i>	
Interbank and money market items	21,983	19,517
Investments in debt instruments	15,143	7,181
Loans to customers	5,913,102	4,491,578
Hire-purchase	58,656	69,063
Total	6,008,884	4,587,339

38 Interest expenses

<i>For the six-month periods ended 30 June</i>	Note	Consolidated		The Bank	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Deposits	32	593,937	506,722	594,149	506,838
Interbank and money market items	32	3,512	3,832	3,512	3,832
Contribution to Deposit Protection					
Agency and BoT		113,881	89,184	113,881	89,184
Debt issued and borrowings					
- subordinated debenture	32	38,208	7,053	38,208	7,053
Total		749,538	606,791	749,750	606,907

39 Net fees and service (expenses) income

<i>For the six-month periods ended 30 June</i>	Note	Consolidated		The Bank	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Fees and service income					
- Acceptances, aval and guarantees		818	582	818	582
- Management fee		13,792	8,697	13,792	8,697
- Brokerage fee	32	220,860	250,677	220,860	250,677
- Others		17,420	19,792	24,829	23,523
Total		252,890	279,748	260,299	283,479
Fees and service expenses					
- Fee and service expenses on ATM		(14,428)	(8,948)	(13,523)	(8,489)
- Loan guarantee commission expenses		(243,363)	(180,915)	(243,363)	(180,915)
- Legal fee		(3,515)	(3,087)	(3,515)	(3,087)
- Collection and recovery expenses		(62,480)	(39,687)	(62,480)	(39,687)
- Others		(12,529)	(13,764)	(20,635)	(19,985)
Total		(336,315)	(246,401)	(343,516)	(252,163)
Net		(83,425)	33,347	(83,217)	31,316

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40 Gains on investments, net

<i>For the six-month periods ended 30 June</i>	Consolidated and the Bank	
	2022	2021
	<i>(in thousand Baht)</i>	
Gains on derecognition		
- Investments in debt instruments measured at FVOCI	45	-
Total	<u>45</u>	<u>-</u>

41 Expected credit loss

<i>For the six-month periods ended 30 June</i>	Consolidated and the Bank	
	2022	2021
	<i>(in thousand Baht)</i>	
(Reversal of) expected credit loss		
Investments in debt instruments measured at FVOCI	(22)	(12)
Loans to customers and accrued interest receivables and undue interest receivables	1,577,557	1,290,081
Other financial assets	5,083	900
Undrawn loan commitments and financial guarantee contracts	359	-
Others	-	424
Modification loss		
Loans to customers and accrued interest receivables and undue interest receivables	76,087	-
Total	<u>1,659,064</u>	<u>1,291,393</u>

42 Income tax

Income tax recognised in profit or loss

<i>For the six-month periods ended 30 June</i>	<i>Note</i>	Consolidated		The Bank	
		2022	2021	2022	2021
		<i>(in thousand Baht)</i>			
Current tax					
Current period		249,049	277,916	249,049	277,916
(Over) under provided in prior periods		(3,306)	1,219	(3,306)	1,219
		<u>245,743</u>	<u>279,135</u>	<u>245,743</u>	<u>279,135</u>
Deferred tax					
Movements in temporary differences	17	82,525	(74,704)	82,580	(74,656)
Total		<u>328,268</u>	<u>204,431</u>	<u>328,323</u>	<u>204,479</u>

Income tax recognised in other comprehensive income

<i>For the six-month periods ended 30 June</i>	Consolidated and the Bank					
	Before tax	2022 Tax benefit	Net of tax	Before tax	2021 Tax benefit	Net of tax
	<i>(in thousand Baht)</i>					
Financial assets measured at FVOCI	(5,425)	1,085	(4,340)	(2,485)	497	(1,988)
Total	<u>(5,425)</u>	<u>1,085</u>	<u>(4,340)</u>	<u>(2,485)</u>	<u>497</u>	<u>(1,988)</u>

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Reconciliation of effective tax rate

<i>For the six-month periods ended 30 June</i>	Consolidated			
		2022		2021
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax		<u>1,601,880</u>		<u>1,000,406</u>
Income tax using the Thai corporation tax rate	20.0	320,376	20.0	200,081
Tax effect of income or expenses that are not taxable income or expenses		11,198		3,131
(Over) under provided in prior periods		(3,306)		1,219
Total	20.5	328,268	20.4	204,431

<i>For the six-month periods ended 30 June</i>	The Bank			
		2022		2021
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax		<u>1,626,474</u>		<u>1,016,157</u>
Income tax using the Thai corporation tax rate	20.0	325,295	20.0	203,231
Tax effect of income or expenses that are not taxable income or expenses		6,334		29
(Over) under provided in prior periods		(3,306)		1,219
Total	20.2	328,323	20.1	204,479

43 Earnings per share

<i>For the six-month periods ended 30 June</i>	Consolidated		The Bank	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Profit attributable to ordinary shareholders of the Bank (basic and diluted)	<u>1,273,612</u>	<u>795,975</u>	<u>1,298,151</u>	<u>811,678</u>
Ordinary shares outstanding				
Number of ordinary shares outstanding at 1 January	500,000	500,000	500,000	500,000
Effect of exercise of share options	9,237	-	9,237	-
Weighted average number of ordinary shares outstanding (basic) at 30 June	509,237	500,000	509,237	500,000
Effect of share options outstanding	6,388	15,625	6,388	15,625
Effect of warrants outstanding	74,750	14,454	74,750	14,454
Weighted average number of ordinary shares outstanding (diluted) at 30 June	590,375	530,079	590,375	530,079
Earnings per share (basic) (in Baht)	2.50	1.59	2.55	1.62
Earnings per share (diluted) (in Baht)	2.16	1.50	2.20	1.53

