

United Overseas Bank (Thai) Public Company
Limited and its subsidiaries
Report and consolidated and separate financial
statements
30 June 2024

Independent Auditor's Report

To the Shareholders of United Overseas Bank (Thai) Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of United Overseas Bank (Thai) Public Company Limited and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 30 June 2024, and the related consolidated statements of comprehensive income, changes in shareholders’ equity and cash flows for the six-month period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policy, and have also audited the separate financial statements of United Overseas Bank (Thai) Public Company Limited for the same period (collectively “the financial statements”).

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Overseas Bank (Thai) Public Company Limited and its subsidiaries and of United Overseas Bank (Thai) Public Company Limited as at 30 June 2024, their financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand’s regulations.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

Somjai Khunapasut

Certified Public Accountant (Thailand) No. 4499

EY Office Limited

Bangkok: 30 August 2024

United Overseas Bank (Thai) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2024 and 31 December 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2024	31 December 2023	30 June 2024	31 December 2023
Assets					
Cash		3,204,714	3,458,022	3,204,714	3,458,022
Interbank and money market items - net	9	71,206,915	85,447,770	71,197,014	84,859,457
Financial assets measured at fair value					
through profit or loss	10	11,041,546	7,649,732	11,041,546	7,649,732
Derivatives assets	11	9,832,581	12,793,082	9,832,581	12,793,082
Investments - net	12	127,149,670	107,506,995	127,149,670	107,506,995
Investments in subsidiaries - net	13	-	-	8,596,948	8,596,948
Loans to customers and accrued interest					
receivables - net	14	620,575,824	618,182,330	604,337,676	600,803,044
Properties foreclosed - net	16	152,457	172,825	152,457	172,825
Premises and equipment - net	17	17,575,822	17,144,911	17,491,492	17,069,614
Right-of-use assets - net	18	547,363	480,712	426,794	399,670
Goodwill and other intangible assets - net	19	17,135,297	17,371,452	12,865,583	13,062,100
Deferred tax assets - net	20.1	1,433,709	1,329,133	924,943	971,293
Deposits		2,432,211	3,879,725	2,365,361	3,813,135
Other assets - net	21	5,920,100	6,287,681	5,595,788	6,004,637
Total assets		888,208,209	881,704,370	875,182,567	867,160,554

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

United Overseas Bank (Thai) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2024 and 31 December 2023

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2024	31 December 2023	30 June 2024	31 December 2023
Liabilities and shareholders' equity					
Liabilities					
Deposits	22	686,949,220	678,360,016	692,508,224	678,875,304
Interbank and money market items	23	38,513,032	38,848,298	30,712,889	29,848,256
Liabilities payable on demand		2,454,106	3,239,975	2,454,106	3,239,975
Financial liabilities measured at fair value					
through profit or loss	24	782,805	527,778	782,805	527,778
Derivatives liabilities	11	8,949,252	11,734,295	8,949,252	11,734,295
Debts issued and borrowings	25	48,051,184	45,654,656	38,281,455	40,787,439
Lease liabilities	26	508,649	434,952	388,282	352,757
Provisions for long-term employee benefits	27	2,948,058	2,766,901	2,787,191	2,615,713
Provisions for other liabilities	28	1,894,365	1,010,968	1,891,144	1,010,968
Accrued expenses		5,814,239	7,390,273	5,583,617	7,106,975
Guarantee deposits		4,630,484	5,371,521	4,630,647	5,371,684
Other liabilities	29	9,627,300	9,550,788	9,451,344	9,269,264
Total liabilities		811,122,694	804,890,421	798,420,956	790,740,408
Shareholders' equity					
Share capital					
Registered, issued and paid-up share capital					
2,485,661,305 ordinary shares at par value					
of Baht 10 each					
		24,856,613	24,856,613	24,856,613	24,856,613
Other components of equity	30	5,777,610	5,907,477	5,777,610	5,907,477
Retained earnings					
Appropriated					
Statutory reserve					
	31	2,485,661	2,485,661	2,485,661	2,485,661
Unappropriated					
		43,965,631	43,564,198	43,641,727	43,170,395
Equity attributable to equity holders of the Bank		77,085,515	76,813,949	76,761,611	76,420,146
Non-controlling interests of the subsidiaries		-	-	-	-
Total shareholders' equity		77,085,515	76,813,949	76,761,611	76,420,146
Total liabilities and shareholders' equity		888,208,209	881,704,370	875,182,567	867,160,554
		-	-	-	-

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

Maloney Richard David JR
President and Chief Executive Officer

Sanchai Apisaksirikul
Director and Managing Director

United Overseas Bank (Thai) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month periods ended 30 June 2024 and 2023

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2024	2023	2024	2023
Profit or loss:					
Interest income	42	23,163,746	20,145,069	21,327,291	18,388,137
Interest expenses	43	8,395,359	5,378,746	8,164,783	5,192,748
Net interest income		14,768,387	14,766,323	13,162,508	13,195,389
Fees and service income		5,404,748	4,755,270	5,359,634	4,696,249
Fees and service expenses		1,338,639	1,064,515	1,316,055	1,043,820
Net fees and service income	44	4,066,109	3,690,755	4,043,579	3,652,429
Net gains on financial instruments measured at fair value through profit or loss	45	1,370,965	1,266,356	1,370,965	1,266,356
Net gains (losses) on investments	46	448,895	(27,711)	448,895	(27,711)
Dividend income		11,301	11,564	11,301	511,563
Gain on disposals of loans purchased of receivables		-	576,183	-	-
Other operating income		89,261	68,897	148,834	151,644
Total operating income		20,754,918	20,352,367	19,186,082	18,749,670
Operating expenses					
Employee's expenses		5,077,967	4,568,233	4,717,031	4,242,495
Directors' remunerations		6,132	6,162	6,132	6,162
Premises and equipment expenses		1,104,314	1,058,774	998,571	970,427
Taxes and duties		842,660	789,028	768,474	713,071
Advertising and sale promotion expenses		2,561,161	2,483,193	2,538,633	2,431,442
Data processing charges		1,389,737	1,016,901	1,389,737	1,016,901
Transitional services agreement expenses		1,265,980	1,568,458	1,265,980	1,568,458
Other operating expenses		2,674,273	2,624,270	2,562,845	2,315,086
Total operating expenses		14,922,224	14,115,019	14,247,403	13,264,042
Expected credit losses	47	5,337,752	4,977,335	4,359,469	4,678,432
Profits from operation before income tax expenses		494,942	1,260,013	579,210	807,196
Income tax expenses	20.2	106,731	324,142	121,100	76,641
Profits for the periods		388,211	935,871	458,110	730,555

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

United Overseas Bank (Thai) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month periods ended 30 June 2024 and 2023

(Unit: Thousand Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2024	2023	2024	2023
Other comprehensive income (loss)					
Other comprehensive income to be reclassified to profit or loss					
in subsequent periods:					
Losses on valuation of investments in debt instruments					
measured at fair value through other comprehensive income		(149,485)	(179,685)	(149,485)	(179,685)
Income tax benefits		29,897	35,937	29,897	35,937
Other comprehensive loss to be reclassified to profit or loss					
in subsequent periods - net of income taxes		(119,588)	(143,748)	(119,588)	(143,748)
Other comprehensive income not to be reclassified to profit or loss					
in subsequent periods:					
Gains on valuation of investments in equity securities					
designated at fair value through other comprehensive income		3,707	3,323	3,707	3,323
Losses on valuation of own credit risk of financial liabilities designated					
at fair value through profit or loss		(28)	(9)	(28)	(9)
Income tax expenses		(736)	(663)	(736)	(663)
Other comprehensive income not to be reclassified to profit or loss					
in subsequent periods - net of income taxes		2,943	2,651	2,943	2,651
Total other comprehensive loss for the periods		(116,645)	(141,097)	(116,645)	(141,097)
Total comprehensive income for the periods		271,566	794,774	341,465	589,458
Profits for the periods attributable to:					
Equity holders of the Bank		388,211	935,871	458,110	730,555
Non-controlling interests of the subsidiaries		-	-	-	-
		388,211	935,871		
Total comprehensive income for the periods attributable to:					
Equity holders of the Bank		271,566	794,774	341,465	589,458
Non-controlling interests of the subsidiaries		-	-	-	-
		271,566	794,774		
Earnings per share of equity holders of the Bank					
Basic earnings per share (Baht)	39	0.16	0.38	0.18	0.29

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

Maloney Richard David JR

President and Chief Executive Officer

Sanchai Apisaksirikul

Director and Managing Director

United Overseas Bank (Thai) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month periods ended 30 June 2024 and 2023

(Unit: Thousand Baht)

Consolidated financial statements								
Equity attributable to equity holders of the Bank								
	Other components of equity		Retained earnings		Total equity attributable to equity holders of the Bank	Non-controlling interests	Total	
	Issued and paid-up share capital	Revaluation surplus on assets	Revaluation deficit on investments	Appropriated - Statutory reserve				Unappropriated
Beginning balance as of 1 January 2023	24,856,613	6,232,455	(763,384)	2,165,000	41,014,242	73,504,926	-	73,504,926
Decrease due to disposal and amortisation of revaluation surplus on assets	-	(13,187)	-	-	13,187	-	-	-
Profit for the period	-	-	-	-	935,871	935,871	-	935,871
Other comprehensive loss for the period	-	-	(141,097)	-	-	(141,097)	-	(141,097)
Total comprehensive income (loss) for the period	-	-	(141,097)	-	935,871	794,774	-	794,774
Ending balance as of 30 June 2023	24,856,613	6,219,268	(904,481)	2,165,000	41,963,300	74,299,700	-	74,299,700
Beginning balance as of 1 January 2024	24,856,613	6,205,864	(298,387)	2,485,661	43,564,198	76,813,949	-	76,813,949
Decrease due to disposal and amortisation of revaluation surplus on assets	-	(13,222)	-	-	13,222	-	-	-
Profit for the period	-	-	-	-	388,211	388,211	-	388,211
Other comprehensive loss for the period	-	-	(116,645)	-	-	(116,645)	-	(116,645)
Total comprehensive income (loss) for the period	-	-	(116,645)	-	388,211	271,566	-	271,566
Ending balance as of 30 June 2024	24,856,613	6,192,642	(415,032)	2,485,661	43,965,631	77,085,515	-	77,085,515

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

United Overseas Bank (Thai) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month periods ended 30 June 2024 and 2023

(Unit: Thousand Baht)

	Separate financial statements					Total
	Issued and paid-up share capital	Other components of equity		Retained earnings		
		Revaluation surplus on assets	Revaluation deficit on investments	Appropriated - Statutory reserve	Unappropriated	
Beginning balance as of 1 January 2023	24,856,613	6,232,455	(763,384)	2,165,000	40,882,163	73,372,847
Decrease due to disposal and amortisation of revaluation surplus on assets	-	(13,187)	-	-	13,187	-
Profit for the period	-	-	-	-	730,555	730,555
Other comprehensive loss for the period	-	-	(141,097)	-	-	(141,097)
Total comprehensive income (loss) for the period	-	-	(141,097)	-	730,555	589,458
Ending balance as of 30 June 2023	<u>24,856,613</u>	<u>6,219,268</u>	<u>(904,481)</u>	<u>2,165,000</u>	<u>41,625,905</u>	<u>73,962,305</u>
Beginning balance as of 1 January 2024	24,856,613	6,205,864	(298,387)	2,485,661	43,170,395	76,420,146
Decrease due to disposal and amortisation of revaluation surplus on assets	-	(13,222)	-	-	13,222	-
Profit for the period	-	-	-	-	458,110	458,110
Other comprehensive loss for the period	-	-	(116,645)	-	-	(116,645)
Total comprehensive income (loss) for the period	-	-	(116,645)	-	458,110	341,465
Ending balance as of 30 June 2024	<u>24,856,613</u>	<u>6,192,642</u>	<u>(415,032)</u>	<u>2,485,661</u>	<u>43,641,727</u>	<u>76,761,611</u>

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

Maloney Richard David JR

President and Chief Executive Officer

Sanchai Apisaksirikul

Director and Managing Director

United Overseas Bank (Thai) Public Company Limited and its subsidiaries

Statement of cash flows

For the six-month periods ended 30 June 2024 and 2023

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Cash flows from operating activities				
Profits before income tax expenses	494,942	1,260,013	579,210	807,196
Adjustments to reconcile profits from operation before income tax expenses to net cash provided by (paid from) operating activities				
Depreciation	519,809	480,336	475,889	443,390
Amortisation and losses on assets written off	421,535	388,634	381,979	350,631
Unrealised gains on revaluation of financial instruments measured at fair value through profit or loss	(477,937)	(68,780)	(477,937)	(68,780)
Expected credit losses	1,143,778	4,953,055	355,405	4,717,274
Impairment losses on properties foreclosed and other assets	87,588	57,595	87,097	57,595
(Gains) losses on disposals of investments	(448,895)	27,711	(448,895)	27,711
Gains on disposals of property foreclosed	(1,065)	(2,556)	(1,065)	(2,556)
Gains on disposals of loans purchased of receivables	-	(576,183)	-	-
Decrease in accrued other income	205,955	277,314	221,471	274,451
Increase in provisions for long-term employee benefits	274,102	119,518	264,423	113,570
Increase in provisions for other liabilities	883,396	745,571	880,176	745,571
Increase (decrease) in accrued other expenses	(939,944)	1,707,745	(865,947)	1,738,429
Net interest income	(14,768,387)	(14,766,323)	(13,162,508)	(13,195,389)
Dividend income	(11,301)	(11,564)	(11,301)	(511,563)
Cash received on interest income	22,930,618	19,623,504	21,219,795	17,849,457
Cash received on dividend income	11,301	11,564	11,301	11,564
Cash paid on interest expenses	(8,102,337)	(5,333,587)	(7,905,767)	(5,156,515)
Cash received on income taxes refund	-	92,312	-	92,312
Cash paid on income taxes	(831,283)	(1,067,308)	(716,144)	(929,747)
Income from operating activities before changes in operating assets and liabilities	1,391,875	7,918,571	887,182	7,364,601

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

United Overseas Bank (Thai) Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the six-month periods ended 30 June 2024 and 2023

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
(Increase) decrease in operating assets				
Interbank and money market items - net	14,214,872	47,874,742	13,636,459	47,685,539
Financial assets measured at fair value through profit or loss	(3,378,952)	(444,066)	(3,378,952)	(444,066)
Derivatives assets	9,635,489	8,541,232	9,635,489	8,541,232
Loans to customers	(2,659,228)	(16,691,759)	(3,137,626)	(19,410,254)
Properties foreclosed	28,788	33,888	28,788	33,888
Other assets	1,341,252	(1,256,965)	1,367,854	(1,262,975)
Increase (decrease) in operating liabilities				
Deposits	8,248,419	(12,130,689)	13,292,135	(12,094,417)
Interbank and money market items	(331,710)	(15,961,119)	868,189	(13,561,119)
Liabilities payable on demand	(786,535)	964,316	(786,535)	964,316
Financial liabilities measured at fair value				
through profit or loss	243,821	305,000	243,821	305,000
Derivatives liabilities	(9,134,606)	(8,679,078)	(9,134,606)	(8,679,078)
Provisions for long-term employee benefits	(92,945)	(65,882)	(92,945)	(65,882)
Other liabilities	(895,009)	(658,833)	(800,109)	(798,125)
Net cash provided by operating activities	17,825,531	9,749,358	22,629,144	8,578,660
Cash flows from investing activities				
Proceeds from sales of investments	153,580,979	140,751,046	153,580,979	140,751,046
Cash paid for investments	(172,869,693)	(160,185,648)	(172,869,693)	(160,185,648)
Cash paid for the acquisition of the consumer businesses	-	(393,917)	-	(347,608)
Cash paid for investment in subsidiary	-	-	-	(46,060)
Proceeds from sales of loans purchased of receivables	-	1,367,864	-	-
Dividend received from subsidiary	-	-	-	500,000
Purchases of premises and equipment	(798,394)	(479,564)	(777,404)	(463,158)
Purchases of other intangible assets	(184,189)	(325,528)	(184,189)	(325,528)
Net cash used in investing activities	(20,271,297)	(19,265,747)	(20,250,307)	(20,116,956)

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

United Overseas Bank (Thai) Public Company Limited and its subsidiaries

Statement of cash flows (continued)

For the six-month periods ended 30 June 2024 and 2023

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2024	2023	2024	2023
Cash flows from financing activities				
Cash paid on lease liabilities	(167,158)	(147,388)	(132,145)	(125,481)
Cash received on long-term debts issued and borrowings	4,859,616	12,000,000	-	12,000,000
Cash paid on long-term debts issued and borrowings	(2,500,000)	(2,000,000)	(2,500,000)	-
Net cash provided by (used in) financing activities	2,192,458	9,852,612	(2,632,145)	11,874,519
Net increase (decrease) in cash and cash equivalents	(253,308)	336,223	(253,308)	336,223
Cash and cash equivalents as at 1 January	3,458,022	3,024,671	3,458,022	3,024,671
Cash and cash equivalents as at 30 June	3,204,714	3,360,894	3,204,714	3,360,894

Supplemental disclosures of cash flows information

Non-cash items:

Properties foreclosed in settlement of loans to customers	7,354	37,699	7,354	37,699
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The accompanying notes are an integral part of the financial statements.

Maloney Richard David JR

President and Chief Executive Officer

Sanchai Apisaksirikul

Director and Managing Director

United Overseas Bank (Thai) Public Company Limited and its subsidiaries

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United Overseas Bank (Thai) Public Company Limited and its subsidiaries

Notes to financial statements

For the six-month periods ended 30 June 2024 and 2023

1. General information

Corporate information

United Overseas Bank (Thai) Public Company Limited (“the Bank”) was incorporated as a public limited company under Thai law and domiciled in Thailand. The Bank has been operated mainly commercial banking business and its registered office is located at No. 690 Sukhumvit Road, Khlong Tan Nuea Sub-district, Khlong Toei District, Bangkok. As at 30 June 2024, the Bank conducts its business through a network of 145 branches throughout all regions in Thailand (31 December 2023: 147 branches). Its major shareholder is United Overseas Bank Limited, a company registered in Singapore.

The subsidiaries were incorporated as limited companies under Thai law and have been operating their business in Thailand. Their principal business is debt collection, asset management services and personal loans.

2. Basis of preparation of financial statements

2.1 Basis of preparation of financial statements

For the six-month period ended 30 June 2024, the financial statements are presented in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and with reference to the principles stipulated by the Bank of Thailand (“BOT”) and accordance with the Notification of the Bank of Thailand (“BOT”) No. Sor Nor Sor. 21/2561 dated 31 October 2018, regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups, including any other supplementary BOT’s Notifications and the Accounting Guidance issued by the Federation of Accounting Professions.

The financial statements have been prepared on a historical cost basis except otherwise disclosed in Note 4 to the financial statements regarding accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Bank. The financial statements in English language have been translated from such financial statements in Thai language.

2.2 Basis of consolidation

- (a) These consolidated financial statements include the financial statements of the Bank and its subsidiaries as the following:

Company name	Business type	Country of registration	Percentage of shares held by the Bank as at		Percentage of total assets included in consolidated assets as at		Percentage of revenues included in consolidated revenues for the six-month periods ended 30 June	
			30 June	31 December	30 June	31 December	2024	2023
			2024	2023	2024	2023	2024	2023
UOB Services Asset Management Co., Ltd.	Debt Collection and Asset Management Services	Thailand	99.99	99.99	-	-	-	2.26
UOB Capital Services Co., Ltd.	Personal loans	Thailand	99.99	99.99	2.76	3.23	6.58	6.49

- (b) The Bank is deemed to have control over investee companies or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiaries are entities in which the Bank has control over the financial and operating policies of those entity. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Bank obtains control, and continue to be consolidated until the date when such control ceases. The effects to the consolidated financial statements of all significant transactions between the Bank and its subsidiaries are eliminated in the consolidated financial statements, including investments in subsidiaries and share capital of subsidiaries.
- (d) The financial statements of the subsidiaries are prepared having the same reporting period and using the same accounting policies as those of the Bank. In case where there are different accounting policies, the Bank has adjusted the effect of these in the consolidated financial statements.
- (e) The Bank's financial statements include the accounts of all branches after elimination of significant inter-branch transactions and balances.
- (f) Non-controlling interests represent the portion of net profit or loss and net assets of the subsidiaries that are not held by the Bank and are presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position.

2.3 Separate financial statements

The Bank prepares its separate financial statements, which present investments in subsidiaries under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current period

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these amendments did not have any significant impact on the Bank and its subsidiaries' financial statements.

4. Accounting policies

4.1 Revenue recognition

(a) Interest income

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

The Bank and its subsidiaries have calculated interest income by using effective interest rate method applied to the gross carrying value of financial assets. If financial assets are later credit-impaired, the Bank and its subsidiaries recognise interest income using effective interest rate method applied to the net carrying value (carrying value minus allowance for expected credit losses) of financial assets. If the financial asset is no longer credit-impaired, the Bank and its subsidiaries revert to calculating interest income on a gross carrying value.

Discounts received in advance in respect of bills purchased and other unearned interest income are recognised as revenue on an accrual basis over the terms of the bills.

(b) Interest income on loans purchased of receivables

The subsidiary has recognised interest on loans purchased of receivables based on the cost of the receivables, net of allowance for expected credit loss, using the credit-adjusted effective interest rate and on accrual basis. The credit-adjusted effective interest rate is determined from the rate used in discounting the estimated future cash flows to be paid or received over the expected life of the financial asset to derive the amortised cost of financial assets that are purchased or originated credit-impaired. In estimating the net expected cash inflows, the reference is made to historical data on the actual cash inflows net of related expenses to develop a model, based on the assumption that the net expected cash inflows and the expected life of financial instruments with similar characteristics can be estimated reliably.

In cases where the cost and accrued interest receivables of an acquired non-performing loans have been fully amortised, but the Company still has the right to claim the payment from debtor under the contract. When such payments are received from a debtor, the Company recognises gain on loans purchased of receivables as an integral part of the interest income.

(c) Brokerage fees and service fees on derivatives trading are recognised as revenue on the transaction dates.

(d) Gains (losses) on securities and derivatives trading are recognised as revenues or expenses on transaction dates.

(e) Interest and dividends on investments

Interest on investments is recognised as revenue on an accrual basis based on the effective interest rate. Dividends are recognised as revenue when the right to receive the dividend is established.

(f) Fees and other service fees are recognised as revenues on an accrual basis.

4.2 Expenses recognition

The Bank and its subsidiaries recognise expenses on an accrual basis.

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

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

4.4 Cash

Cash is the amount included in the statements of financial position under the caption of cash, which consists of cash on hand and cheques in transit.

4.5 Securities purchased under resale agreements/ securities sold under repurchase agreements

The Bank enters into agreements with private entities to purchase/sell securities whereby there is an agreement to resell/repurchase the securities at certain dates in the future and at fixed prices. Amounts paid for the securities purchased under resale agreement are presented as assets under the caption of "Interbank and money market items" or "Financial asset measured at fair value through profit or loss" in the statements of financial position, and the underlying securities are treated as collateral to such receivables, while securities sold under repurchase agreement are presented as liabilities under the caption of "Interbank and money market items" in the statement of financial position at the amounts received from the sale of those securities, and the underlying securities are treated as collateral.

4.6 Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value. The subsequent changes in fair value are recognised in profit or loss unless hedge accounting is applied.

Hedge accounting

The Bank makes use of derivatives and other financial instruments to manage exposures arising from assets, liabilities, off-balance sheet items, net position or cash flow. Hedging accounting can be applied for hedged items and hedging instruments upon meeting specified criteria for hedge accounting.

Fair value hedges

The Bank uses fair value hedges to hedge the risk from changes in fair value of financial assets, financial liabilities or contractual obligations. In hedging, the Bank takes into consideration the relationship between hedged items and hedging instruments, including the nature of the risk, the objective and strategy for undertaking the hedge as well as the effectiveness of the hedging relationship. In addition, the Bank has also considered a qualitative approach by comparing the critical terms of significant characteristics such as cash flow, interest rate, and the duration of hedged items and hedging instruments that make perfectly match from the designation date. Causes of ineffectiveness of hedging could be arised from the differences in cash flow and the differences in time between hedged items and hedging instruments.

The Bank recognises the movement in fair value of the hedging instrument and the hedged item in profit or loss. The cumulative changes in the fair value attributable to the hedged risk of hedged item is made as an adjustment to the carrying value of the hedged assets or liabilities.

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

4.7 Interbank and money market items (Assets/Liabilities)

The Bank recognises and derecognises such items in the financial statements on the settlement dates.

4.8 Financial instruments

Recognition of financial instruments

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

Classification and measurement of financial assets and financial liabilities

Financial assets - debt instruments

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

A financial asset measured at amortised cost

A financial asset shall be classified as a financial asset measured at amortised cost only if both following conditions are met: the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding on the designation date. These financial assets are initially recognised at fair value on trade date and subsequently measured at amortised cost net of allowance for expected credit losses (if any).

A financial asset measured at fair value through other comprehensive income

A financial asset shall be classified as a financial asset measured at fair value through other comprehensive income only if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding on the designation date. These financial assets are initially recognised at fair value and subsequently measured at fair value. The unrealised gains or losses from changes in their fair value are recognised as a component of shareholders' equity in other comprehensive income. Upon derecognition, after which such gains or losses on disposal of the instruments will be recognised as gain or losses in profit or loss. The gains or losses on foreign exchange, expected credit losses, and interest income calculated using the effective interest rate method are recognised in profit or loss.

A financial asset measured at fair value through profit or loss

A financial asset shall be classified as a financial asset measured at fair value through profit or loss unless the financial asset is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding on the designation date. These financial assets are initially recognised at fair value and are subsequently measured at fair value. Unrealised gains or losses from change in fair value, and gains or losses on disposal of instruments are recognised as gains (losses) on financial instruments measured at fair value in profit or loss.

Financial assets - equity securities

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

Financial liabilities

Except for derivative liabilities, at initial recognition, the Bank and its subsidiaries' financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost or may classify as financial liabilities measured at fair value through profit or loss when they are held for trading or designated to be measured at fair value.

Financial liabilities may be designated to be measured at fair value through profit or loss under the following criteria:

- The designation eliminates or significantly reduces an accounting mismatch
- A group of financial liabilities or a group of financial assets and liabilities is managed and its performance is evaluated on a fair value basis
- The liabilities contain one or more embedded derivatives

Fair value change in own credit risk is presented separately in other comprehensive income as an own credit revaluation reserve except it would create or enlarge an accounting mismatch in profit or loss. All changes in fair value on those liabilities, including the effects of changes in the credit risk are presented in “Gains (losses) on financial instruments measured at fair value through profit or loss”.

The movement in fair value attributable to changes in own credit risk is calculated from the difference between the current fair value and the difference between the current and initial credit risk.

Amounts presented in “Own credit revaluation reserve” will not be subsequently transferred to profit or loss. When these instruments are derecognised, the related cumulative amount in the “Own credit revaluation reserve” is transferred to retained earnings.

Modifications of financial instruments not measured at fair value

Financial assets

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

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

Financial liabilities

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

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

Offsetting

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

Derecognition of financial instruments

The Bank and its subsidiaries derecognise a financial asset when the rights to receive cash flows from the asset have expired or have been transferred and either the Bank and its subsidiaries have transferred substantially all the risks and rewards of the asset, or the Bank and its subsidiaries have neither transferred nor retained substantially all the risks and rewards of the asset but have transferred control of the asset. Any interest from transferred financial asset, which is created or retained by the Bank and its subsidiaries, are recognised separately as an asset or a liability.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Write-off

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

4.9 Investments in subsidiaries

Investments in subsidiaries as presented in the separate financial statements are stated at cost net of allowance for impairment (if any). Losses on impairment are recognised as expenses in profit or loss.

4.10 Loans to customers

Loans to customers include overdrafts, term loans, trade bills, hire purchase and financial lease receivables and other loans. All items categorised under loans to customers (except for hire purchase and financial lease receivables and overdrafts) are presented at the principal amount outstanding, net of unearned discounts received in advance.

Hire purchase and financial lease receivables are stated at the outstanding balances per contract values net of outstanding balances of deferred revenue, which are presented after netting deferred commission expenses and initial direct cost on the inception of the hire-purchase agreements and advances received from debtors under financial lease agreements.

Overdrafts are stated at the drawn amounts together with any accrued interest receivables.

Loans purchased by or transferred to the Bank are stated at acquisition costs, after netting allowance for impairment loss.

4.11 Allowance for expected credit losses on financial assets

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

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

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination, the Bank and its subsidiaries recognise allowance for expected credit losses at the amount equal to the expected credit losses in the next 12 months.

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

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

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

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

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

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

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

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

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

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

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

Increase (decrease) in an allowance for expected credit losses is recognised as an increase (decrease) to expenses in profit or loss during the year.

Bad debts are written off during the year in which the Bank considers that they are uncollectible as approved by the Special Asset Management Credit Committee and are accounted for by deducting from the allowance for expected credit losses. All bad debt recovered are recognised as revenue on a cash basis and is presented as an offset transaction to expected credit loss accounts in profit or loss.

The Bank and its subsidiaries have a policy to write-off unsecured consumer loans that are overdue longer than 180 days. Those unsecured consumer loans comprise of credit card receivables and other unsecured personal loans.

Accounting policies that were effective before 1 January 2024

The Bank and its subsidiaries adopted simplified approach for loans to customers for the specific portfolio, credit cards, ready credit and personal loans, which are transferred from the business acquisition, by classifying their financial assets into three stages based on the changes in credit risk since initial recognition as follows:

Stage 3: Financial assets for which the principal or interest payments are more than 90 days past due, counted from the due date or indications of the borrower experiencing significant financial difficulty, probate status or bankruptcy notification. The calculation of the allowance for expected credit losses uses a rate of allowance for credit losses of 100 percent of the outstanding balances of accounts receivable adjusted by the bad debt recovery ratio.

Stage 2: Financial assets that do not meet the criteria for Stage 3 classification and the principal and/or interest payments are between 30-89 days past due, or debt restructuring cannot be performed, or a behavior score falls below the established criteria (if any). The calculation of the allowance for expected credit losses uses the same rate applied for the financial assets in Stage 3.

Stage 1: All financial assets that do not meet the criteria for Stage 2 or 3 classification. To calculate the allowance for expected credit losses, the rate of allowance for loss is determined as follows: $(12 - (\text{number of defaulted months} - 1) / 12) * 12\text{-month forward looking loss rate}$. The 12-month forward looking loss rate estimate is the best estimate of the next 12-month loss rate of the business, which includes consideration of forecasts of future economic conditions.

Forward-looking Loss Rate

The 12-month forward looking loss rate is calculated based on each type of loan portfolio, taking into account the following factors:

- Management's understanding of the underlying portfolio dynamics such as the impact on portfolio growth and vintage seasoning on performance.
- Idiosyncrasies in the respective portfolio such as collection issues and local regulatory changes (e.g., new credit bureau, announcement of a new bankruptcy court, etc).
- The macro-economic forecasts provided by Risk management.

Stage 2 and 3 Recovery Rates

The recovery rate used in the methodology is leveraging the average gross recoveries from the last 12 months to ensures that the most recently observed recovery trends, and includes consideration of forecasts of future economic conditions, are considered into the recovery rate.

Undrawn Lines

Financial assets under Stage 2 and 3 and debtors under Stage 2 that fail the behavior score threshold and have their lines suspended/permanently closed will not be considered for additional lines. For stage 1 accounts, the forward-looking loss rate used in the calculation incorporates additional utilization of the lines through the 12-month forecasting horizon.

Model Adjustment

In addition to the methods mentioned above, the Bank and its subsidiaries have revised additional information to comply with the criteria of TFRS 9 by considering both internal and external risks environment, in addition to the methodology.

4.12 Financial assets with modification of terms/troubled debt restructuring

When a financial asset's terms of repayment are renegotiated or modified, or debt is restructured, or an existing financial asset is replaced with a new financial asset because a debtor is having financial difficulties, the Bank and its subsidiaries assesses whether to derecognise the financial asset and measures the expected credit losses, as follows:

- If the modification of terms does not result in derecognition of the financial asset, the Bank and its subsidiaries calculate the gross book value of the new financial asset based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises a gain or loss on modification of terms in profit or loss.
- If the modification of terms results in derecognition of the financial asset, the fair value of the new financial asset is the latest cash flows of the original financial asset as at the date of derecognition. The difference between the book value and the fair value of the financial asset is recognised in profit or loss.

At the debt restructuring date, if debt restructuring does not result in derecognition. In the case where the respective debtor that is classified as Under Performing/Stage 2, shall be upgraded to Performing/Stage 1 if their repayment under the new debt restructuring contract have been made for at least 3 months from the restructuring date. Those debtors who are classified as Non-Performing/Stage 3 shall be upgraded to Performing/Stage 1 when repayment under the new debt restructuring contract have been made at least 12 months from the restructuring date. Nevertheless, the debtor shall not fall under the Significant Increase in Credit Risk indicators (SICR) prior to upgrading to Performing/Stage 1. However, the Bank may carefully consider classifying the financial asset and commitment to be in alignment to the debtor's financial performance and repayment ability.

4.13 Properties foreclosed

Properties foreclosed of the Bank are stated at the lower of cost and net realisable value. Net realisable value is determined by using the latest appraisal value, taking into consideration selling expenses, and in accordance with the BOT's guidelines. Properties foreclosed, which have been received as a result of a debt/asset swap are recorded at the lower of the legally claimable value of the loan or the net realisable value of the foreclosed properties.

Losses on impairment are charged to profit or loss. Gains or losses on the sale of properties foreclosed are recognised only when such properties are sold.

4.14 Premises and equipment and depreciation

Land is stated at cost or reappraised value. Buildings are stated at cost or reappraised value less accumulated depreciation and allowance for impairment loss (if any). Equipment is stated at cost less accumulated depreciation and allowance for impairment loss (if any).

Depreciation is calculated by reference to their cost or reappraised value on a straight-line basis over the following estimated useful lives for each type of assets:

Buildings	-	50 years
Building improvement	-	10 years
Equipment	-	3 years 5 years 10 years and 25 years

No depreciation is determined for land and assets under construction/installation.

Premises are initially recorded at cost and then subsequently revalued by the independent appraisers to their fair value in accordance with the guidelines announced by the BOT. The Bank's policy is to revalue these assets every 3 - 5 years in order that their carrying value at the end of reporting period does not differ materially from their fair value.

In addition, the Bank has considered and reviewed the economic useful life of the fully depreciated buildings based on the residual economic useful life of the buildings in accordance with the appraisal of independent appraiser.

Differences arising from revaluation are dealt with as follows:

- When the carrying value of asset is increased as a result of a revaluation, the increase is credited directly to other comprehensive income (loss) and the cumulative increase is recognised in shareholders' equity as "Revaluation surplus on assets", presented as a part of other components of shareholders' equity in statement of financial position. However, if the asset was previously devalued and the Bank used to recognise such a revaluation decrease as an expense in profit or loss, a revaluation increase from this revaluation is then recognised as a revenue to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When the carrying value of asset is decreased as a result of a revaluation, the decrease is recognised as an expense in profit or loss. However, if the asset was previously revalued and still has the outstanding revaluation surplus left in "Revaluation surplus on assets", the revaluation decrease is then charged to the other comprehensive income (loss) to the extent that it does not exceed on amount already held in "Revaluation surplus on assets" in respect of the same assets.

Amortisation of the revaluation surplus on assets is charged directly against retained earnings.

The revaluation surplus on assets can neither be used to offset against deficit nor for dividend distribution.

An item of premises and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

4.15 Leasehold rights

Leasehold rights are stated at cost less accumulated amortisation under the heading of "Right-of-use assets" in statements of financial position. Leasehold rights are amortised on a straight-line basis over the lease periods and the amortisation amounts are recognised as expenses in profit or loss.

4.16 Goodwill, other intangible assets and amortisation

Goodwill is arise from the business acquisition recognised as an integral part of “Goodwill and other intangible assets” in statement of financial position. The Bank and its subsidiaries are initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Bank and its subsidiaries’ cash-generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Bank and its subsidiaries estimate the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods. The initial recognition of goodwill was mentioned in note 4.25 to the consolidated financial statement.

Other intangible assets are arise from the business acquisition such as customer relationship are initially recorded at fair value, and subsequently measured at cost less any accumulated amortisation and allowance for impairment losses (if any).

Other intangible assets are carried at cost less accumulated amortisation and allowance for impairment loss (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year-end. The amortisation expense is charged to profit or loss.

Intangible assets with finite useful lives are customer relationship and application software, which have estimated useful lives of 10 years.

Application software and application development purchased since 1 January 2018 onwards have estimated useful lives of 8 years.

4.17 Provisions for other liabilities

Provisions for other liabilities are recognised when the Bank and its subsidiaries have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. In the event that the amount cannot be clearly identifiable, then an estimate of such obligation is made.

4.18 Impairment of non-financial assets

At each reporting date, the Bank and its subsidiaries perform impairment reviews in respect of an asset whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining 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. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Bank and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However, in cases where premises were previously revalued and the revaluation surplus was taken to equity, a part of such impairment loss is recognised in equity up to the amount of the revaluation surplus previously recognised.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment loss may no longer exist or may have decreased, the Bank and its subsidiaries estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying value of the asset attributable to a reversal of an impairment loss shall not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying value that would have been determined, is treated as a revaluation increase.

4.19 Employee benefits

(a) Short-term benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Leave entitlements are recognised when they accrue to employees. Provision for leave entitlements is made based on contractual terms, with adjustment for expected attrition.

(b) Post-employment benefits

Defined contribution plans

The Bank, its subsidiaries and their employees established the provident funds under the Provident Fund Act B.E. 2530. According to the funds' regulations, every employee, after the probation period, is entitled to apply for membership. The employees contribute to the fund at the rate of 2% - 15% of their basic salary and the Bank and its subsidiaries contribute to the funds at the rate of 5% or 10% of their basic salary. The employees are entitled to the benefits upon termination of employment in accordance with the rules of the funds, except when termination of employment is due to violations of the rules and regulations of the Bank and its subsidiaries.

The funds set up by the Bank and its subsidiaries are managed independently by UOB Asset Management (Thailand) Co., Ltd. and Krungthai Asset Management Public Company Limited. Therefore, these funds do not appear in the consolidated and separate statements of financial position.

The Bank and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plan and other defined benefit plan

The Bank and its subsidiaries have severance payment obligations to employees upon retirement under labor law. The Bank and its subsidiaries treat these severance payments as the defined benefit plan. In addition, the Bank also have other long-term employment benefit scheme for employees of the Bank under the previous name of "Bank of Asia Public Co., Ltd.," who joined the Bank prior to 16 May 2005 and have been employed for at least 15 years, the benefits of which are based on the latest month's salary and the number of years of service. Employees will receive half of this other long-term employment benefits when they resign or will receive it in full when they retire. The Bank treats these benefits to be other long-term defined benefit plan.

In addition, since 1 January 2023, the Bank and its subsidiaries provide other long-term employee benefit plan, under the new “Tenure Recognition Award Plan”, permanent and active employees who reach the tenure milestones on their 5th, 10th, 15th, 20th, 25th, 30th, 35th, 40th, 45th and 50th years of service.

The defined benefit plan obligations are determined by a professionally qualified independent actuary using the projected unit credit method.

Actuarial gains and losses arising from the defined benefit plan and other long-term benefit plan are recognised in other comprehensive income or loss.

4.20 Lease

Right-of-use assets

The Bank and its subsidiaries recognise right-of-use assets at the commencement date of the lease (the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Bank and its subsidiaries are reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

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

Short-term leases and leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

4.21 Share-based payments

The cost of the share-based payment plan of United Overseas Bank Limited (“major shareholder”) will be invoiced by the major shareholder, and the Bank will record the invoiced amounts as a liability in statement of financial position, and recognise them as an expense in profit or loss over the vesting period as defined in the plan.

4.22 Income taxes

Income tax expenses represent the sum of corporate income taxes currently payable and deferred income taxes.

(a) Current income taxes

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

(b) Deferred income taxes

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

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

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

The Bank and its subsidiaries record deferred tax directly to shareholders' equity if the taxes relate to items that are recorded directly to shareholders' equity.

4.23 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Bank and its subsidiaries' functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies and commitments, which are limited to forward exchange contracts and currency swap contracts, outstanding at the end of reporting periods are translated into Baht at the exchange rates ruling by the BOT at the end of reporting periods.

Gains and losses on exchange are recognised in profit or loss.

4.24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Bank and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except when there is no active market of an identical asset or liability or when a quoted market price is not available, the Bank and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximise the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

4.25 Business combinations

The Bank applies the acquisition method when the Bank assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Bank. Acquisition - related costs, such as legal fees, and other professional and consulting fees are expensed as incurred and including in administration expense.

Goodwill is initially recorded at cost, which measured as the fair value of the consideration transferred less net fair value of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred is measured as the fair value of assets transferred, liabilities incurred by the Bank to the previous equity holders of the acquiree. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

5. Significant accounting judgements and estimates

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

5.1 Recognition and derecognition of assets and liabilities

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

5.2 Allowance for expected credit losses for loans to customers and accrued interest receivables, including loan commitments and financial guarantee contracts

The management is required to use judgement in estimation in determining the allowance for expected credit losses for loans to customers and accrued interest receivables, including loan commitments and financial guarantee contracts. The calculation of allowance for expected credit losses of the Bank and its subsidiaries based on the criteria of assessing if there has been a significant increase in credit risk, the development of complex expected credit losses model with a series of underlying assumptions, and estimation in 12-month forward looking loss rate including the choice of inputs the forecasted macroeconomic variables in the model. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

5.3 Fair value of financial instruments

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

5.4 Allowance for impairment on investments

The Bank and its subsidiaries treat investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires management’s judgement.

5.5 Allowance for impairment on properties foreclosed

The Bank assesses allowance for impairment on properties foreclosed when their net realisable value is below their carrying value. The management uses judgement in estimating impairment loss, taking into account changes in the value of an asset, appraisal value, the type and quality of the asset, how long it is expected to take to dispose of the asset and changes in economic circumstances.

5.6 Premises and equipment and depreciation

In determining depreciation of premises and equipment, the management is required to make estimates of the useful lives and residual values of premises and equipment and to review estimate useful lives and residual values when circumstance changes.

The Bank measures land and buildings at revalued amounts. Fair value from revaluation is determined by independent appraisers using market approach for land and depreciated replacement cost approach for buildings. The valuation involves certain assumptions and estimates as described in Note 17 to the financial statements.

In addition, the management is required to consider premises and equipment for impairment at the end of reporting period and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.7 Leases

Determining the lease term with extension and termination options

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

Estimating the incremental borrowing rate

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

5.8 Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash-generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

5.9 Deferred tax assets

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

5.10 Obligations under the defined benefit plan and other long-term benefit plan

Obligations under the defined benefit plan and other long-term benefit plan are determined based on actuarial techniques which involve, various assumptions, including discount rate, future salary incremental rate, staff turnover rate, mortality rate and inflation rates. Management exercises judgement to determine the appropriateness of these assumptions, based on their best knowledge of current events and arrangements.

5.11 Litigation

The Bank has contingent liabilities as a result of litigation. The Bank's management has used judgement to assess of the results of the litigation and recorded the estimated loss that may incur under contingent liabilities as at the end of reporting periods.

6. Business acquisition

On 28 January 2022, the Extraordinary General Meeting No. 1/2022 approved the Bank's acquisition of almost all the issued ordinary shares in Citicorp Leasing (Thailand) Company Limited from Citibank Overseas Investment Corporation, the consumer businesses and written-off receivables of Citibank, N.A., Bangkok Branch, and the acquisition of all account receivables of Citi Consumer Products (Thailand) Company Limited. ("Business Acquisition"), to reinforce the consumer banking business and support the opportunities to increase income from expanding the business operations and related service offerings between products (Cross-selling). On 26 August 2022, the Bank of Thailand announced the approval of the business acquisition transaction in the Government Gazette. On 23 September 2022, the Extraordinary General Meeting of Shareholders No. 2/2022, the Bank's shareholders approved the acceptance of the transfer of almost all ordinary shares of Citicorp Leasing (Thailand) Company Limited from Citibank Overseas Investment Corporation and acquired only the consumer businesses and written-off receivables of Citibank, N.A., Bangkok Branch.

Therefore, on 1 November 2022, the Bank received the transfer of ordinary shares of Citicorp Leasing (Thailand) Company Limited, accounting for 99.99% of the total outstanding shares, and the transfer of assets and liabilities from the consumer businesses of Citibank N.A., Bangkok Branch. In the meantime, UOB Services Asset Management Company Limited (formerly known as “UOB Services Company Limited”, the company registered the name changed on 10 February 2022 and obtained approval from the BOT to operate asset management services on 25 October 2022), received the transfer of written-off receivables from Citibank, N.A., Bangkok Branch. The Bank and its subsidiary are paid an initial amount of Baht 61,144 million; as of the transfer date, major transferred assets and liabilities consisted of credit card loans, personal loans, other assets and deposits. As a result of the transfer of almost all ordinary shares, Citicorp Leasing (Thailand) Company Limited became a wholly owned subsidiary of the Bank, changed its name to UOB Capital Services Company Limited, and registered the name change with the Ministry of Commerce on 1 November 2022. Citicorp Leasing (Thailand) Company Limited was incorporated as a limited company under Thai law and has been operating its business in Thailand. Its principal business is providing financial services, including loans, hire purchase, non-life and life insurance broker services.

On 15 March 2023, the Bank approved and finalised the final price of the business acquisition, amounting to Baht 61,451 million. Consequently, the Bank recorded an adjustment to increase the identifiable assets acquired and liabilities assumed. The adjustment amount was already paid on 23 March 2023.

The Bank engaged independent valuers to appraise the fair value of identifiable assets acquired and liabilities assumed. During the year 2023, the independent valuers has completed the fair value assessment. The following summarises recognised amounts of assets acquired and liabilities assumed at the acquisition date:

a) Acquisition of the Consumer business of Citibank, N.A., Bangkok Branch

	(Unit: Million Baht)
	<u>Fair value</u>
Assets:	
Cash	7,376
Loans to customers and accrued interest receivables - net	71,682
Intangible assets - net	4,010
Other assets - net	1,292
Liabilities:	
Deposits	(31,414)
Other liabilities	(7,435)
Total identifiable net assets	<u>45,511</u>
Add: Goodwill	<u>7,603</u>
Purchase consideration transferred	<u><u>53,114</u></u>

b) Acquisition of ordinary shares of Citicorp Leasing (Thailand) Limited

	(Unit: Million Baht)
	<u>Fair value</u>
Assets:	
Interbank and money market items - net	877
Loans to customers and accrued interest receivables - net	19,518
Intangible assets - net	790
Other assets - net	1,024
Liabilities:	
Interbank and money market items	(15,620)
Debt issued and borrowings	(1,999)
Other liabilities	(862)
Total identifiable net assets	<u>3,728</u>
Add: Goodwill	<u>3,609</u>
Purchase consideration transferred	<u><u>7,337</u></u>

c) Acquisition of written-off receivables of Citibank, N.A., Bangkok Branch

	(Unit: Million Baht)
	<u>Fair value</u>
Assets:	
Written-off receivables	1,000
Total identifiable net assets	<u>1,000</u>
Add: Goodwill	<u>-</u>
Purchase consideration transferred	<u><u>1,000</u></u>

7. Regulatory rule related to capital fund and Liquidity Coverage Ratio (LCR) Disclosure Standards

7.1 Regulatory rule related to capital fund

According to the BOT's Notification Sor Nor Sor 4/2556, Sor Nor Sor 5/2556, Sor Nor Sor 14/2562 and Sor Nor Sor 15/2562, commercial banks are required to disclose certain additional capital information for their position. The Bank will disclose such information as at 30 June 2024 in its website (www.uob.co.th) by the end of October 2024. The Bank disclosed such information as at 31 December 2023 on 25 April 2024.

7.2 Regulatory rule related to Liquidity Coverage Ratio (LCR) Disclosure Standards

According to the BOT's Notification Sor Nor Sor 2/2561, commercial banks are required to disclose certain information for Liquidity Coverage Ratio (LCR). The Bank will disclose such information for the first half of the year 2024 in its website (www.uob.co.th) by the end of October 2024. The Bank disclosed such information for the second half of the year 2023 on 26 April 2024.

8. Classification of financial assets and liabilities

(Unit: Million Baht)

Consolidated financial statements						
As at 30 June 2024						
	Financial instruments measured at fair value through profit or loss	Financial instruments designated to be measured at fair value through profit or loss	Financial instruments measured at fair value through comprehensive income	Investments in equity securities designated to be measured at fair value through comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets						
Cash	-	-	-	-	3,205	3,205
Interbank and money market items - net	-	-	1,184	-	70,023	71,207
Financial assets measured at fair value through profit or loss	11,042	-	-	-	-	11,042
Derivatives assets	9,833	-	-	-	-	9,833
Investments - net	-	-	84,702	81	42,367	127,150
Loans to customers and accrued interest receivables - net	-	-	-	-	620,576	620,576
Deposits	-	-	-	-	2,432	2,432
Other assets - net	-	-	-	-	5,920	5,920
Total financial assets	20,875	-	85,886	81	744,523	851,365
Financial liabilities						
Deposits	-	-	-	-	686,949	686,949
Interbank and money market items	-	-	-	-	38,513	38,513
Liabilities payable on demand	-	-	-	-	2,454	2,454
Financial liabilities measured at fair value through profit or loss	-	783	-	-	-	783
Derivatives liabilities	8,949	-	-	-	-	8,949
Debt issued and borrowings	8,546	-	-	-	39,505	48,051
Lease liabilities	-	-	-	-	509	509
Provision for other liabilities	-	-	-	-	1,894	1,894
Accrued expenses	-	-	-	-	5,814	5,814
Guarantee deposits	-	-	-	-	4,630	4,630
Other liabilities	-	-	-	-	9,627	9,627
Total financial liabilities	17,495	783	-	-	789,895	808,173

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2023

	Financial instruments measured at fair value through profit or loss	Financial instruments designated to be measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated to be measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets						
Cash	-	-	-	-	3,458	3,458
Interbank and money market items - net	-	-	881	-	84,567	85,448
Financial assets measured at fair value through profit or loss	7,650	-	-	-	-	7,650
Derivatives assets	12,793	-	-	-	-	12,793
Investments - net	-	-	75,286	78	32,143	107,507
Loans to customers and accrued interest receivables - net	-	-	-	-	618,182	618,182
Deposits	-	-	-	-	3,880	3,880
Other assets - net	-	-	-	-	6,288	6,288
Total financial assets	20,443	-	76,167	78	748,518	845,206
Financial liabilities						
Deposits	-	-	-	-	678,360	678,360
Interbank and money market items	-	-	-	-	38,848	38,848
Liabilities payable on demand	-	-	-	-	3,240	3,240
Financial liabilities measured at fair value through profit or loss	-	528	-	-	-	528
Derivatives liabilities	11,734	-	-	-	-	11,734
Debt issued and borrowings	11,052	-	-	-	34,603	45,655
Lease liabilities	-	-	-	-	435	435
Provision for other liabilities	-	-	-	-	1,011	1,011
Accrued expenses	-	-	-	-	7,390	7,390
Guarantee deposits	-	-	-	-	5,372	5,372
Other liabilities	-	-	-	-	9,551	9,551
Total financial liabilities	22,786	528	-	-	778,810	802,124

(Unit: Million Baht)

Separate financial statements

As at 30 June 2024

	Financial instruments measured at fair value through profit or loss	Financial instruments designated to be measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated to be measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets						
Cash	-	-	-	-	3,205	3,205
Interbank and money market items - net	-	-	1,184	-	70,013	71,197
Financial assets measured at fair value through profit or loss	11,042	-	-	-	-	11,042
Derivatives assets	9,833	-	-	-	-	9,833
Investments - net	-	-	84,702	81	42,367	127,150
Loans to customers and accrued interest receivables - net	-	-	-	-	604,338	604,338
Deposits	-	-	-	-	2,365	2,365
Other assets - net	-	-	-	-	5,596	5,596
Total financial assets	20,875	-	85,886	81	727,884	834,726
Financial liabilities						
Deposits	-	-	-	-	692,508	692,508
Interbank and money market items	-	-	-	-	30,713	30,713
Liabilities payable on demand	-	-	-	-	2,454	2,454
Financial liabilities measured at fair value through profit or loss	-	783	-	-	-	783
Derivatives liabilities	8,949	-	-	-	-	8,949
Debt issued and borrowings	8,546	-	-	-	29,735	38,281
Lease liabilities	-	-	-	-	388	388
Provision for other liabilities	-	-	-	-	1,891	1,891
Accrued expenses	-	-	-	-	5,584	5,584
Guarantee deposits	-	-	-	-	4,631	4,631
Other liabilities	-	-	-	-	9,451	9,451
Total financial liabilities	17,495	783	-	-	777,355	795,633

(Unit: Million Baht)

Separate financial statements						
As at 31 December 2023						
	Financial instruments measured at fair value through profit or loss	Financial instruments designated to be measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated to be measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets						
Cash	-	-	-	-	3,458	3,458
Interbank and money market items - net	-	-	881	-	83,978	84,859
Financial assets measured at fair value through profit or loss	7,650	-	-	-	-	7,650
Derivatives assets	12,793	-	-	-	-	12,793
Investments - net	-	-	75,286	78	32,143	107,507
Loans to customers and accrued interest receivables - net	-	-	-	-	600,803	600,803
Deposits	-	-	-	-	3,813	3,813
Other assets - net	-	-	-	-	6,005	6,005
Total financial assets	20,443	-	76,167	78	730,200	826,888
Financial liabilities						
Deposits	-	-	-	-	678,875	678,875
Interbank and money market items	-	-	-	-	29,848	29,848
Liabilities payable on demand	-	-	-	-	3,240	3,240
Financial liabilities measured at fair value through profit or loss	-	528	-	-	-	528
Derivatives liabilities	11,734	-	-	-	-	11,734
Debt issued and borrowings	11,052	-	-	-	29,735	40,787
Lease liabilities	-	-	-	-	353	353
Provision for other liabilities	-	-	-	-	1,011	1,011
Accrued expenses	-	-	-	-	7,107	7,107
Guarantee deposits	-	-	-	-	5,372	5,372
Other liabilities	-	-	-	-	9,269	9,269
Total financial liabilities	22,786	528	-	-	764,810	788,124

9. Interbank and money market items (Assets)

(Unit: Million Baht)

	Consolidated financial statements					
	As at 30 June 2024			As at 31 December 2023		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and the Financial						
Institutions Development Fund	4,143	-	4,143	7,186	-	7,186
Commercial banks	963	33,357	34,320	10,794	34,695	45,489
Specialized Financial Institutions	-	20,500	20,500	-	22,000	22,000
Other financial institutions	30	6,744	6,774	70	6,058	6,128
Total	5,136	60,601	65,737	18,050	62,753	80,803
Add: Accrued interest receivables and						
undue interest receivables	-	18	18	-	27	27
Less: Deferred revenue	-	(17)	(17)	-	(20)	(20)
Allowance for expected credit losses	(47)	(27)	(74)	(28)	(27)	(55)
Total domestic items	5,089	60,575	65,664	18,022	62,733	80,755
Foreign items						
US Dollar	1,693	1,842	3,535	2,446	342	2,788
Yen	301	-	301	127	-	127
Euro	95	-	95	35	-	35
Other currencies	1,144	470	1,614	1,229	515	1,744
Total	3,233	2,312	5,545	3,837	857	4,694
Add: Accrued interest receivables and						
undue interest receivables	-	1	1	-	2	2
Less: Allowance for expected credit losses	(3)	-	(3)	(3)	-	(3)
Total foreign items	3,230	2,313	5,543	3,834	859	4,693
Total domestic and foreign items	8,319	62,888	71,207	21,856	63,592	85,448

(Unit: Million Baht)

Separate financial statements

	As at 30 June 2024			As at 31 December 2023		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and the Financial						
Institutions Development Fund	4,143	-	4,143	7,186	-	7,186
Commercial banks	953	33,357	34,310	10,205	34,695	44,900
Specialized Financial Institutions	-	20,500	20,500	-	22,000	22,000
Other financial institutions	30	6,744	6,774	70	6,058	6,128
Total	5,126	60,601	65,727	17,461	62,753	80,214
Add: Accrued interest receivables and						
undue interest receivables	-	18	18	-	27	27
Less: Deferred revenue	-	(17)	(17)	-	(20)	(20)
Allowance for expected credit losses	(47)	(27)	(74)	(28)	(27)	(55)
Total domestic items	5,079	60,575	65,654	17,433	62,733	80,166
Foreign items						
US Dollar	1,693	1,842	3,535	2,446	342	2,788
Yen	301	-	301	127	-	127
Euro	95	-	95	35	-	35
Other currencies	1,144	470	1,614	1,229	515	1,744
Total	3,233	2,312	5,545	3,837	857	4,694
Add: Accrued interest receivables and						
undue interest receivables	-	1	1	-	2	2
Less: Allowance for expected credit losses	(3)	-	(3)	(3)	-	(3)
Total foreign items	3,230	2,313	5,543	3,834	859	4,693
Total domestic and foreign items	8,309	62,888	71,197	21,267	63,592	84,859

10. Financial assets measured at fair value through profit or loss

(Unit: Million Baht)

	Consolidated and separate financial statements	
	As at	As at
	30 June 2024	31 December 2023
Government and state enterprises securities	5,084	3,966
Bill of exchange	5,942	3,684
Securities purchased under resale agreements	16	-
Total financial assets measured at fair value through profit or loss	11,042	7,650

11. Derivatives assets/liabilities

11.1 Derivatives held for trading

As at 30 June 2024 and 31 December 2023, the Bank has notional amounts and fair value of derivatives held for trading classified by type of risk as follows:

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements									
	As at 30 June 2024					As at 31 December 2023				
	Fair Value		Notional amounts classified by remaining maturity			Fair Value		Notional amounts classified by remaining maturity		
	Assets	Liabilities	Up to 1 year *	Over 1 year	Total	Assets	Liabilities	Up to 1 year *	Over 1 year	Total
Foreign exchange	8,480	7,807	888,012	89,452	977,464	11,501	10,616	744,366	95,754	840,120
Interest rate	1,247	1,034	142,382	190,536	332,918	1,210	1,022	116,557	165,718	282,275
Bond forward	1	29	200	-	200	7	18	300	-	300
Commodity derivatives	102	100	1,526	147	1,673	82	80	1,171	579	1,750
Credit/Debit value adjustments (CVA/DVA)	(54)	(33)	-	-	-	(80)	(29)	-	-	-
Total	9,776	8,937	1,032,120	280,135	1,312,255	12,720	11,707	862,394	262,051	1,124,445

* Including derivatives have maturity at call.

11.2 Derivatives held for hedging

As at 30 June 2024 and 31 December 2023, hedging instrument classified by type of hedging and risk are detailed as follows:

Fair value hedges

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

(Unit: Million Baht)				
Consolidated and separate financial statements				
30 June 2024				
Type of risk	Carrying amount		Accumulated amount of fair value adjustments on the hedged items	
	Assets	Liabilities	Assets	Liabilities
<u>Interest rate risk</u>				
THB fixed-rate debt issued	-	8,546	-	46

(Unit: Million Baht)				
Consolidated and separate financial statements				
31 December 2023				
Type of risk	Carrying amount		Accumulated amount of fair value adjustments on the hedged items	
	Assets	Liabilities	Assets	Liabilities
<u>Interest rate risk</u>				
THB fixed-rate debt issued	-	11,052	-	52

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

(Unit: Million Baht)			
Consolidated and separate financial statements			
30 June 2024			
Type of risk	Notional amounts	Fair value	
		Assets	Liabilities
<u>Interest rate risk</u>			
Interest rate swap	8,500	57	12

(Unit: Million Baht)

Type of risk	Consolidated and separate financial statements		
	31 December 2023		
	Notional amounts	Fair value	
		Assets	Liabilities
<u>Interest rate risk</u>			
Interest rate swap	11,000	73	27

The below table sets out the outcome of the Bank's hedging strategy, set out in Note 4.6 to the financial statements, in particular, to changes in the fair value of the hedged items and hedging instruments during the period, used as the basis for recognising ineffectiveness:

(Unit: Million Baht)

Type of risk		Consolidated and separate financial statements		
		For the six-month period ended 30 June 2024		
Hedged items		Gains (losses) attributable to the hedged risk		Change in fair value used for measuring ineffectiveness
	Hedging instruments	Hedged items	Hedging instruments	
<u>Interest rate risk</u>				
THB fixed-rate debt issued	Interest rate swap	6	(6)	-

(Unit: Million Baht)

Type of risk		Consolidated and separate financial statements		
		For the six-month period ended 30 June 2023		
Hedged items		Gains (losses) attributable to the hedged risk		Change in fair value used for measuring ineffectiveness
	Hedging instruments	Hedged items	Hedging instruments	
<u>Interest rate risk</u>				
THB fixed-rate debt issued	Interest rate swap	77	(77)	-

12. Investments

12.1 Classified by types of investment

As at 30 June 2024 and 31 December 2023, the Bank has investments, as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 30 June 2024	As at 31 December 2023
	Fair value/ Amortised cost	Fair value/ Amortised cost
Investments in debt securities measured at amortised cost		
Government and state enterprises securities	42,391	32,161
Less: Allowance for expected credit losses	(24)	(18)
Total	42,367	32,143
Investments in debt securities measured at fair value through other comprehensive income		
Government and state enterprises securities	84,702	75,286
Total	84,702	75,286
Allowance for expected credit losses	(51)	(43)
Investments in equity securities designated to be measured at fair value through other comprehensive income		
Non-marketable domestic equity securities	78	75
Non-marketable foreign equity securities	3	3
Total	81	78
Investments - net	127,150	107,507

12.2 Investments in equity securities designated to be measured at fair value through other comprehensive income

(Unit: Million Baht)

	Consolidated and separate financial statements			
	Fair value		Dividend income	
	As at	As at	For the six-month	
	30 June	31 December	periods ended 30 June	
	2024	2023	2024	2023
Non-marketable domestic equity securities	78	75	11	12
Non-marketable foreign equity securities	3	3	-	-
Total	81	78	11	12

As at 30 June 2024, the Bank has commitments to purchase debt securities of Baht 1,079 million (31 December 2023: nil) and has commitments to sell debt securities of Baht 1,412 million (31 December 2023: Baht 205 million).

For the six-month periods ended 30 June 2024 and 2023, the Bank has no disposed equity investments designated to be measured at fair value through other comprehensive income.

13. Investments in subsidiaries

Company's name	Nature of business	Type of security	Paid-up share capital		Percentage of shareholding		Separate financial statements			
			As at 30 June 2024	As at 31 December 2023	As at 30 June 2024	As at 31 December 2023	Investments stated under cost method		Dividend income recognised	
			(Million Baht)	(Million Baht)	(%)	(%)	(Million Baht)	(Million Baht)	For the six-month periods ended 30 June	
									2024	2023
									(Million Baht)	(Million Baht)
Subsidiaries										
UOB Services Asset Management Co., Ltd.	Debt collection and asset management services	Ordinary shares	60	60	99.99	99.99	60	60	-	500
UOB Capital Services Co., Ltd.	Personal loans	Ordinary shares	3,324	3,324	99.99	99.99	8,537	8,537	-	-

14. Loans to customers and accrued interest receivables

14.1 Classified by loan types

(Unit: Million Baht)

	Consolidated financial statements	
	As at 30 June 2024	As at 31 December 2023
Overdrafts	14,044	13,843
Loans	474,221	481,266
Trade bills	136,910	131,154
Others	4,371	3,403
Less: Deferred revenue	(93)	(113)
Loans to customers, net of deferred revenue	629,453	629,553
Add: Accrued interest receivables	7,950	7,585
Loans to customers, net of deferred revenue, and accrued interest receivables	637,403	637,138
Less: Allowance for expected credit losses	(16,827)	(18,956)
Loans to customers and accrued interest receivables - net	620,576	618,182

(Unit: Million Baht)

	Separate financial statements	
	As at 30 June 2024	As at 31 December 2023
Overdrafts	14,044	13,843
Loans	456,726	462,818
Trade bills	136,910	131,154
Others	4,371	3,403
Less: Deferred revenue	(93)	(113)
Loans to customers, net of deferred revenue	611,958	611,105
Add: Accrued interest receivables	7,592	7,353
Loans to customers, net of deferred revenue, and accrued interest receivables	619,550	618,458
Less: Allowance for expected credit losses	(15,212)	(17,655)
Loans to customers and accrued interest receivables - net	604,338	600,803

14.2 Classified by currencies and debtors' residency

(Unit: Million Baht)

	Consolidated financial statements					
	As at 30 June 2024			As at 31 December 2023		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	607,398	3,476	610,874	606,630	3,198	609,828
US Dollar	14,349	1,329	15,678	13,728	3,835	17,563
Other currencies	410	2,491	2,901	560	1,602	2,162
Loans to customers, net of deferred revenue	622,157	7,296	629,453	620,918	8,635	629,553

(Unit: Million Baht)

	Separate financial statements					
	As at 30 June 2024			As at 31 December 2023		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	589,903	3,476	593,379	588,182	3,198	591,380
US Dollar	14,349	1,329	15,678	13,728	3,835	17,563
Other currencies	410	2,491	2,901	560	1,602	2,162
Loans to customers, net of deferred revenue	604,662	7,296	611,958	602,470	8,635	611,105

14.3 Classified by loan classification

(Unit: Million Baht)

	Consolidated financial statements			
	As at 30 June 2024		As at 31 December 2023	
	Loans to customers and accrued interest receivables	Allowance for expected credit losses	Loans to customers and accrued interest receivables	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	581,124	4,063	586,815	4,602
Financial assets where there has been a significant increase in credit risk (Under-Performing)	35,339	3,703	29,193	4,212
Financial assets that are credit-impaired (Non-Performing)	20,940	9,061	21,130	10,142
Total	637,403	16,827	637,138	18,956

(Unit: Million Baht)

	Separate financial statements			
	As at 30 June 2024		As at 31 December 2023	
	Loans to customers and accrued interest receivables	Allowance for expected credit losses	Loans to customers and accrued interest receivables	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	566,112	3,302	569,789	4,311
Financial assets where there has been a significant increase in credit risk (Under-Performing)	33,293	3,242	27,924	3,444
Financial assets that are credit-impaired (Non-Performing)	20,145	8,668	20,745	9,900
Total	619,550	15,212	618,458	17,655

15. Allowance for expected credit losses

(Unit: Million Baht)

	Consolidated financial statements				Total
	As at 30 June 2024				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets that are credit-impaired or originated credit impaired	
Interbank and money market items (assets)					
Beginning balance	58	-	-	-	58
Changes due to revaluation of allowance for credit losses	19	-	-	-	19
Ending balance	77	-	-	-	77
Investments in debt securities measured at amortised cost					
Beginning balance	18	-	-	-	18
Changes due to revaluation of allowance for credit losses	6	-	-	-	6
Ending balance	24	-	-	-	24
Investments in debt securities measured at fair value through other comprehensive income					
Beginning balance	43	-	-	-	43
Changes due to revaluation of allowance for credit losses	8	-	-	-	8
Ending balance	51	-	-	-	51
Loans to customers and accrued interest receivables					
Beginning balance	4,602	4,212	10,142	-	18,956
Changes due to changes in stages	(49)	1,290	(1,241)	-	-
Changes due to revaluation of allowance for credit losses	(896)	(1,782)	3,253	-	575
New financial assets purchased or acquired	417	78	149	-	644
Bad debt written-off	-	-	(3,242)	-	(3,242)
Others	(11)	(95)	-	-	(106)
Ending balance	4,063	3,703	9,061	-	16,827

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2023

	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets that are credit impaired at purchased or originated credit impaired	Total
Interbank and money market items (assets)					
Beginning balance	62	-	-	-	62
Changes due to revaluation of allowance for credit losses	(4)	-	-	-	(4)
Ending balance	58	-	-	-	58
Investments in debt securities measured at amortised cost					
Beginning balance	21	-	-	-	21
Changes due to revaluation of allowance for credit losses	(3)	-	-	-	(3)
Ending balance	18	-	-	-	18
Investments in debt securities measured at fair value through other comprehensive income					
Beginning balance	39	-	-	-	39
Changes due to revaluation of allowance for credit losses	4	-	-	-	4
Ending balance	43	-	-	-	43
Loans to customers and accrued interest receivables					
Beginning balance	5,287	3,813	8,364	43	17,507
Changes due to changes in stages	(91)	1,278	(1,187)	-	-
Changes due to revaluation of allowance for credit losses	(1,354)	(1,906)	7,009	(43)	3,706
New financial assets purchased or acquired	917	1,151	500	-	2,568
Bad debt written-off	-	-	(4,544)	-	(4,544)
Others	(157)	(124)	-	-	(281)
Ending balance	4,602	4,212	10,142	-	18,956

(Unit: Million Baht)

Separate financial statements					
As at 30 June 2024					
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets that are credit impaired at purchased or originated credit impaired	Total
Interbank and money market items (assets)					
Beginning balance	58	-	-	-	58
Changes due to revaluation of allowance for credit losses	19	-	-	-	19
Ending balance	77	-	-	-	77
Investments in debt securities measured at amortised cost					
Beginning balance	18	-	-	-	18
Changes due to revaluation of allowance for credit losses	6	-	-	-	6
Ending balance	24	-	-	-	24
Investments in debt securities measured at fair value through other comprehensive income					
Beginning balance	43	-	-	-	43
Changes due to revaluation of allowance for credit losses	8	-	-	-	8
Ending balance	51	-	-	-	51
Loans to customers and accrued interest receivables					
Beginning balance	4,311	3,444	9,900	-	17,655
Changes due to changes in stages	13	937	(950)	-	-
Changes due to revaluation of allowance for credit losses	(1,280)	(1,097)	2,352	-	(25)
New financial assets purchased or acquired	269	53	133	-	455
Bad debt written-off	-	-	(2,767)	-	(2,767)
Others	(11)	(95)	-	-	(106)
Ending balance	3,302	3,242	8,668	-	15,212

(Unit: Million Baht)

	Separate financial statements				
	As at 31 December 2023				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets that are credit impaired at purchased or originated credit impaired	Total
Interbank and money market items (assets)					
Beginning balance	62	-	-	-	62
Changes due to revaluation of allowance for credit losses	(4)	-	-	-	(4)
Ending balance	58	-	-	-	58
Investments in debt securities measured at amortised cost					
Beginning balance	21	-	-	-	21
Changes due to revaluation of allowance for credit losses	(3)	-	-	-	(3)
Ending balance	18	-	-	-	18
Investments in debt securities measured at fair value through other comprehensive income					
Beginning balance	39	-	-	-	39
Changes due to revaluation of allowance for credit losses	4	-	-	-	4
Ending balance	43	-	-	-	43
Loans to customers and accrued interest receivables					
Beginning balance	4,842	3,208	8,218	43	16,311
Changes due to changes in stages	(6)	974	(968)	-	-
Changes due to revaluation of allowance for credit losses	(1,048)	(1,424)	6,433	(43)	3,918
New financial assets purchased or acquired	680	810	412	-	1,902
Bad debt written-off	-	-	(4,195)	-	(4,195)
Others	(157)	(124)	-	-	(281)
Ending balance	4,311	3,444	9,900	-	17,655

16. Properties foreclosed

Properties foreclosed represent properties obtained from debtors as a result of debt restructuring or properties obtained as a result of a successful bid for the mortgaged assets of debtors at auction including the owned premises of the closed branches awaiting for sale.

Under the debt restructuring agreements, in cases the debtors restructure their debts by means of asset swap, the Bank grants buy-back rights or first refusal rights to certain debtors for a certain period, at prices as agreed in the debt restructuring agreements. The buy-back prices are normally agreed to be the transfer prices of the properties on the restructuring dates or plus interest.

As at 30 June 2024 and 31 December 2023, properties foreclosed are summarised as follows:

(Unit: Million Baht)

Type of properties foreclosed	Consolidated and separate financial statements			
	For the six-month period ended 30 June 2024			
	Beginning balance	Addition	Disposal	Ending balance
Assets transferred in settlement of debts and assets from successful bids				
Immovable	2,033	7	(28)	2,012
Movable	-	-	-	-
Total properties foreclosed	2,033	7	(28)	2,012
Less: Allowance for impairment	(1,860)	-	-	(1,860)
Properties foreclosed - net	173	7	(28)	152

(Unit: Million Baht)

Type of properties foreclosed	Consolidated and separate financial statements			
	For the year ended 31 December 2023			
	Beginning balance	Addition	Disposal	Ending balance
Assets transferred in settlement of debts and assets from successful bids				
Immovable	2,024	46	(37)	2,033
Movable	-	-	-	-
Total properties foreclosed	2,024	46	(37)	2,033
Less: Allowance for impairment	(1,860)	-	-	(1,860)
Properties foreclosed - net	164	46	(37)	173

As at 30 June 2024 and 31 December 2023, costs of immovable properties foreclosed were classified by external and internal appraisers as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	As at 30 June 2024	As at 31 December 2023
Properties foreclosed - immovable		
Appraised by external appraisers	2,012	2,033
Appraised by internal appraisers	-	-
Total	2,012	2,033

As at 30 June 2024, the Bank has commitments to purchase foreclosed properties amounting to Baht 40 million (31 December 2023: Baht 36 million) and has commitments to sell foreclosed properties (historical cost) amounting to Baht 1,823 million (31 December 2023: Baht 1,823 million).

17. Premises and equipment

17.1 Movements

(Unit: Million Baht)

	Consolidated financial statements				
	Revaluation basis		Cost basis		Total
	Land	Buildings	Building improvement and equipment	Assets under construction/ installation	
Cost/Revaluation					
As at 1 January 2023	9,217	5,012	6,889	114	21,232
Acquisitions	-	1	549	521	1,071
Transfer in (out)	-	16	182	(198)	-
Disposal and written off	(27)	(3)	(624)	-	(654)
As at 31 December 2023	9,190	5,026	6,996	437	21,649
Acquisitions	-	-	277	521	798
Transfer in (out)	-	-	141	(141)	-
Disposal and written off	-	-	(59)	-	(59)
As at 30 June 2024	9,190	5,026	7,355	817	22,388
Accumulated depreciation					
As at 1 January 2023	-	(871)	(3,552)	-	(4,423)
Depreciation charged for the year	-	(110)	(590)	-	(700)
Disposal and written off	-	2	617	-	619
As at 31 December 2023	-	(979)	(3,525)	-	(4,504)
Depreciation charged for the period	-	(55)	(311)	-	(366)
Disposal and written off	-	-	58	-	58
As at 30 June 2024	-	(1,034)	(3,778)	-	(4,812)
Net book value					
As at 31 December 2023	9,190	4,047	3,471	437	17,145
As at 30 June 2024	9,190	3,992	3,577	817	17,576
Depreciation included in profit or loss for the six-month periods ended 30 June					
2023					336
2024					366

(Unit: Million Baht)

	Separate financial statements				
	Revaluation basis		Cost basis		
	Land	Buildings	Building improvement and equipment	Assets under construction/installation	Total
Cost/Revaluation					
As at 1 January 2023	9,217	5,012	6,755	114	21,098
Acquisitions	-	1	503	521	1,025
Transfer in (out)	-	16	182	(198)	-
Disposal and written off	(27)	(3)	(624)	-	(654)
As at 31 December 2023	9,190	5,026	6,816	437	21,469
Acquisitions	-	-	256	521	777
Transfer in (out)	-	-	141	(141)	-
Disposal and written off	-	-	(59)	-	(59)
As at 30 June 2024	9,190	5,026	7,154	817	22,187
Accumulated depreciation					
As at 1 January 2023	-	(871)	(3,478)	-	(4,349)
Depreciation charged for the year	-	(110)	(559)	-	(669)
Disposal and written off	-	2	617	-	619
As at 31 December 2023	-	(979)	(3,420)	-	(4,399)
Depreciation charged for the period	-	(55)	(300)	-	(355)
Disposal and written off	-	-	58	-	58
As at 30 June 2024	-	(1,034)	(3,662)	-	(4,696)
Net book value					
As at 31 December 2023	9,190	4,047	3,396	437	17,070
As at 30 June 2024	9,190	3,992	3,492	817	17,491
Depreciation included in profit or loss for the six-month periods ended 30 June					
2023					320
2024					355

Had the land and buildings been carried based on a historical cost basis, their net book value as at 30 June 2024 and 31 December 2023 would have been as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	As at 30 June 2024	As at 31 December 2023
Land		
Cost	2,226	2,226
Buildings		
Cost	4,157	4,157
Accumulated depreciation	(869)	(831)
Net book value	3,288	3,326

As at 30 June 2024, certain buildings and equipment items of the Bank and its subsidiaries were fully depreciated but are still in use. The historical costs or the reappraised values, before deducting accumulated depreciation, of those assets totalled Baht 2,133 million (31 December 2023: Baht 2,031 million) and the Bank only: Baht 2,048 million (31 December 2023: Baht 1,987 million).

17.2 Revaluation surplus on assets

Revaluation surplus on assets are surplus from revaluation of land and buildings. Their movements during the periods are as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	For the six-month periods ended 30 June	
	2024	2023
Beginning balances	7,757	7,791
Revaluation surplus for the periods	-	-
Amortisation for the periods	(16)	(17)
Ending balances	7,741	7,774

Revaluation surplus on assets can neither be used to offset against deficit nor for dividend distribution.

Differences arising from revaluation on assets are recognised in accordance with the accounting policy as described in Note 4.14 to the financial statements.

During the year 2020, the Bank arranged for independent professional valuers to appraise the value of land and buildings on an asset-by-asset basis. The basis of the revaluation was as follows:

- Appraisal of land: Market comparison approach is used whereby the buying and selling prices for assets with similar characteristics are obtained.
- Appraisal of buildings: The depreciated replacement cost approach is used for buildings specifically used for the Bank's operation. The market comparison approach is used for general buildings whereby the buying and selling prices for assets with similar characteristics are obtained. The income approach is used for assets that generate income.

Key assumptions in the valuation, which are unobservable inputs generally, are summarised below:

	Assumptions used in revaluation	Result to fair value where as an increase in assumption value
Land price per square wah (Baht)	50,058 - 2,500,000	Increase in fair value (Market comparison approach)
Building construction cost per square metre (Baht)	9,800 - 47,376	Increase in fair value (Depreciated replacement cost approach)
Yield rate (%)	11	Decrease in fair value (Income approach)

18. Right-of-use assets

Movement of right-of-use assets for the six-month period ended 30 June 2024 and for the year ended 31 December 2023 are summarised below:

(Unit: Million Baht)

	Consolidated financial statements		
	Buildings	Motor vehicles	Total
Cost			
As at 1 January 2023	1,042	114	1,156
Additions	303	7	310
Closed contract	(34)	(19)	(53)
As at 31 December 2023	1,311	102	1,413
Additions	191	29	220
Closed contract	(1)	-	(1)
As at 30 June 2024	1,501	131	1,632
Accumulated depreciation			
As at 1 January 2023	(621)	(66)	(687)
Depreciation for the year	(269)	(29)	(298)
Closed contract	34	19	53
As at 31 December 2023	(856)	(76)	(932)
Depreciation for the period	(142)	(12)	(154)
Closed contract	1	-	1
As at 30 June 2024	(997)	(88)	(1,085)
Net book value			
As at 31 December 2023	455	26	481
As at 30 June 2024	504	43	547
Depreciation included in profit or loss for the six-month periods ended 30 June			
2023			144
2024			154

(Unit: Million Baht)

	Separate financial statements		
	Buildings	Motor vehicles	Total
Cost			
As at 1 January 2023	977	114	1,091
Additions	230	7	237
Closed contract	(34)	(19)	(53)
As at 31 December 2023	1,173	102	1,275
Additions	120	29	149
Closed contract	(1)	-	(1)
As at 30 June 2024	1,292	131	1,423
Accumulated depreciation			
As at 1 January 2023	(614)	(66)	(680)
Depreciation for the year	(219)	(29)	(248)
Closed contract	34	19	53
As at 31 December 2023	(799)	(76)	(875)
Depreciation for the period	(110)	(12)	(122)
Closed contract	1	-	1
As at 30 June 2024	(908)	(88)	(996)
Net book value			
As at 31 December 2023	374	26	400
As at 30 June 2024	384	43	427
Depreciation included in profit or loss for the six-month periods ended 30 June			
2023			123
2024			122

19. Goodwill and other intangible assets

(Unit: Million Baht)

	Consolidated financial statements					Total
	Goodwill	Customer relationship	Application software	Assets in progress	Others	
Cost						
As at 1 January 2023	11,657	4,229	3,817	146	2	19,851
Adjustment on items acquired from business acquisition (Note 6)	(445)	571	-	-	5	131
Acquisitions	-	-	237	532	-	769
Transfer in (out)	-	-	219	(219)	-	-
Written off	-	-	(885)	-	-	(885)
As at 31 December 2023	11,212	4,800	3,388	459	7	19,866
Acquisitions	-	-	185	-	-	185
Transfer in (out)	-	-	259	(259)	-	-
Written off	-	-	(6)	-	-	(6)
As at 30 June 2024	11,212	4,800	3,826	200	7	20,045
Accumulated amortisation						
As at 1 January 2023	-	(67)	(2,568)	-	-	(2,635)
Amortisation for the year	-	(445)	(300)	-	-	(745)
Written off	-	-	885	-	-	885
As at 31 December 2023	-	(512)	(1,983)	-	-	(2,495)
Amortisation for the period	-	(244)	(174)	-	-	(418)
Written off	-	-	3	-	-	3
As at 30 June 2024	-	(756)	(2,154)	-	-	(2,910)
Net book value						
As at 31 December 2023	11,212	4,288	1,405	459	7	17,371
As at 30 June 2024	11,212	4,044	1,672	200	7	17,135
Remaining useful lives (years)	-	9	0 - 8	-	-	
Amortisation included in profit or loss for the six-month periods ended 30 June						
2023						354
2024						418

(Unit: Million Baht)

	Separate financial statements					Total
	Goodwill	Customer relationship	Application software	Assets in progress	Others	
Cost						
As at 1 January 2023	8,112	3,469	3,816	146	2	15,545
Adjustment on items acquired from business acquisition (Note 6)	(509)	541	-	-	5	37
Acquisitions	-	-	237	532	-	769
Transfer in (out)	-	-	219	(219)	-	-
Written off	-	-	(885)	-	-	(885)
As at 31 December 2023	7,603	4,010	3,387	459	7	15,466
Acquisitions	-	-	185	-	-	185
Transfer in (out)	-	-	259	(259)	-	-
Written off	-	-	(6)	-	-	(6)
As at 30 June 2024	7,603	4,010	3,825	200	7	15,645
Accumulated amortisation						
As at 1 January 2023	-	(54)	(2,568)	-	-	(2,622)
Amortisation for the year	-	(367)	(300)	-	-	(667)
Written off	-	-	885	-	-	885
As at 31 December 2023	-	(421)	(1,983)	-	-	(2,404)
Amortisation for the period	-	(203)	(174)	-	-	(377)
Written off	-	-	2	-	-	2
As at 30 June 2024	-	(624)	(2,155)	-	-	(2,779)
Net book value						
As at 31 December 2023	7,603	3,589	1,404	459	7	13,062
As at 30 June 2024	7,603	3,386	1,670	200	7	12,866
Remaining useful lives (years)	-	9	0 - 8	-	-	
Amortisation included in profit or loss for the six-month periods ended 30 June						
2023						315
2024						377

The Bank allocates goodwill acquired through business combination group of assets that generates cash inflows for annual impairment testing as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	30 June 2024	31 December 2024	30 June 2024	31 December 2024
	Consumer businesses	Consumer businesses	Consumer businesses	Consumer businesses
Goodwill	11,212	11,212	7,603	7,603

The Bank has determined the recoverable amounts of its cash-generating units based on value in use using cash flow projections from financial estimation approved by the management covering a 5-year period for consumer businesses.

The management has considered growth rate from the forecasted GDP growth rates and discount rate as a pre-tax rate to reflect the risks specific to each cash-generating unit as key assumptions used in value in use calculations.

The management has considered the above and believes that there is no occurrence of impairment of goodwill.

The management believes that any reasonably possible change in the key assumptions on which the group of units' recoverable amount are based would not cause the group of units' carrying amount to exceed its recoverable amount.

As at 30 June 2024, certain items of other intangible assets of the Bank and its subsidiaries were fully amortised but are still in use. The historical costs, before deducting accumulated amortisation, of those assets totalled Baht 859 million (31 December 2023: Baht 796 million) and The Bank only: Baht 859 million (31 December 2023: Baht 796 million).

20. Deferred tax assets/liabilities and income tax expenses

20.1 Deferred tax assets/liabilities

The following table shows major components of deferred tax assets/liabilities as at 30 June 2024 and 31 December 2023.

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	Statement of financial position as at		Changes in deferred income taxes for the six-month periods ended 30 June		Statement of financial position as at		Changes in deferred income taxes for the six-month periods ended 30 June	
	30 June	31 December	periods ended 30 June		30 June	31 December	periods ended 30 June	
	2024	2023	2024	2023	2024	2023	2024	2023
Deferred tax assets on:								
Allowance for expected credit losses	724	435	289	20	409	175	234	(57)
Allowance for impairment on properties foreclosed	372	372	-	-	372	372	-	-
Allowance for impairment and revaluation on assets	3	3	-	-	3	3	-	-
Allowance for impairment and revaluation on investments	12	16	(4)	-	12	16	(4)	-
Provisions for long-term employee benefits	509	468	41	8	477	438	39	10
Provisions for other liabilities	11	70	(59)	39	11	70	(59)	39
Unrealised losses on financial instruments measured at fair value through profit or loss	14	21	(7)	(21)	14	21	(7)	(21)
Revaluation deficit on investments	109	79	30	36	109	79	30	36
Bad debts	249	172	77	(72)	1	1	-	-
Other receivables	7	9	(2)	3	7	9	(2)	3
Unearned revenue	174	240	(66)	(29)	158	226	(68)	(19)
Accrued expenses	128	292	(164)	(131)	127	292	(165)	(118)
Fixed asset	74	54	20	1	44	31	13	(6)
Others	741	826	(85)	326	741	826	(85)	327
Total	3,127	3,057	70	180	2,485	2,559	(74)	194
Deferred tax liabilities on:								
Revaluation surplus on assets	1,548	1,551	3	3	1,548	1,551	3	3
Revaluation surplus on investments	6	5	(1)	-	5	5	-	-
Unrealised gains on financial instruments measured at fair value through profit or loss	6	4	(2)	4	6	4	(2)	4
Intangible asset	132	140	8	8	-	-	-	-
Others	1	28	27	16	1	28	27	16
Total	1,693	1,728	35	31	1,560	1,588	28	23
Deferred tax assets - net	<u>1,434</u>	<u>1,329</u>			<u>925</u>	<u>971</u>		
Changes in deferred income taxes			105	211			(46)	217

Movements in the deferred tax assets (liabilities) during the six-month periods ended 30 June 2024 and 2023 are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended		For the six-month periods ended	
	30 June		30 June	
	2024	2023	2024	2023
Beginning balances	1,329	929	971	579
Changes in deferred income taxes				
Recognised in profit or loss	76	176	(75)	182
Recognised in other comprehensive income or loss	29	35	29	35
Total changes in deferred income taxes for the periods	105	211	(46)	217
Ending balances	1,434	1,140	925	796

20.2 Income tax expenses

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended		For the six-month periods ended	
	30 June		30 June	
	2024	2023	2024	2023
Current income taxes:				
Current income tax charge for the periods	266	595	137	368
Adjustments in respect of corporate income taxes of previous year	(83)	(95)	(91)	(109)
Deferred income taxes:				
Relating to origination and reversal of temporary differences	(76)	(176)	75	(182)
Income tax expenses reported in profit or loss	107	324	121	77

Reconciliation between income tax expenses and the product of accounting profits for the six-month periods ended 30 June 2024 and 2023 multiplied by the applicable tax rate are as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended		For the six-month periods ended	
	30 June		30 June	
	2024	2023	2024	2023
Accounting profits before income tax expenses	495	1,260	579	807
Applicable tax rate	20%	20%	20%	20%
Accounting profits before income tax expenses multiplied by applicable tax rate	99	252	116	162
Tax effects from:				
Adjustments in respect of corporate income taxes of previous year	(83)	(95)	(91)	(109)
Tax-exempted revenues	(1)	(1)	(1)	(101)
Non-tax deductible expenses	1	42	(8)	8
Adjustments	91	126	105	117
Income tax expenses reported in profit or loss	107	324	121	77

20.3 Components of other comprehensive income (losses) and related income taxes

(Unit: Million Baht)

	Consolidated financial statements					
	For the six-month periods ended 30 June					
	2024			2023		
	Tax			Tax		
Before tax amount	benefit (expense)	Net of tax amount	Before tax amount	benefit (expense)	Net of tax amount	
Items to be recognised						
subsequently in profit or loss:						
Losses on revaluation						
of investments in debt						
instruments measured at						
fair value through other						
comprehensive income	(150)	30	(120)	(180)	36	(144)
Total items to be recognised						
subsequently in profit or loss	(150)	30	(120)	(180)	36	(144)
Items not to be recognised						
subsequently in profit or loss:						
Gains on revaluation						
of investments in equity						
securities designated to be						
measured at fair value						
through other comprehensive						
income	4	(1)	3	4	(1)	3
Total items not to be						
recognised subsequently in						
profit or loss	4	(1)	3	4	(1)	3
	(146)	29	(117)	(176)	35	(141)

(Unit: Million Baht)

		Separate financial statements					
		For the six-month periods ended 30 June					
		2024			2023		
		Tax			Tax		
		Before tax	benefit	Net of tax	Before tax	benefit	Net of tax
		amount	(expense)	amount	amount	(expense)	amount
Items to be recognised							
	subsequently in profit or loss:						
Losses on revaluation							
	of investments in debt						
	instruments measured at						
	fair value through other						
	comprehensive income	(150)	30	(120)	(180)	36	(144)
Total items to be recognised							
	subsequently in profit or loss	(150)	30	(120)	(180)	36	(144)
Items not to be recognised							
	subsequently in profit or loss:						
Gains on revaluation							
	of investments in equity						
	securities designated to be						
	measured at fair value						
	through other comprehensive						
	income	4	(1)	3	4	(1)	3
Total items not to be							
	recognised subsequently in						
	profit or loss	4	(1)	3	4	(1)	3
		(146)	29	(117)	(176)	35	(141)

21. Other assets

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Accrued income	470	865	452	862
Suspense debtors	2,479	2,962	2,414	2,952
Prepaid and deferred expenses	708	504	467	295
Other receivables from sold non-performing loans - net	29	68	29	68
Others	2,516	2,079	2,516	2,018
Total	6,202	6,478	5,878	6,195
Less: Allowance for expected credit losses/impairment	(282)	(190)	(282)	(190)
Other assets - net	5,920	6,288	5,596	6,005

22. Deposits

22.1 Classified by types of deposits

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Current accounts	13,864	12,231	19,298	12,529
Savings accounts	470,707	450,964	470,830	451,181
Fixed deposits	202,378	215,165	202,380	215,165
Total	686,949	678,360	692,508	678,875

22.2 Classified by currencies and depositors' residency

(Unit: Million Baht)

	Consolidated financial statements					
	As at 30 June 2024			As at 31 December 2023		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	631,953	23,513	655,466	623,861	22,597	646,458
US Dollar	20,521	4,034	24,555	21,714	4,094	25,808
Others	1,591	5,337	6,928	2,125	3,969	6,094
Total	654,065	32,884	686,949	647,700	30,660	678,360

(Unit: Million Baht)

	Separate financial statements					
	As at 30 June 2024			As at 31 December 2023		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Baht	637,512	23,513	661,025	624,376	22,597	646,973
US Dollar	20,521	4,034	24,555	21,714	4,094	25,808
Others	1,591	5,337	6,928	2,125	3,969	6,094
Total	659,624	32,884	692,508	648,215	30,660	678,875

23. Interbank and money market items (Liabilities)

(Unit: Million Baht)

	Consolidated financial statements					
	As at 30 June 2024			As at 31 December 2023		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and the Financial Institutions Development Fund	-	7,358	7,358	-	6,177	6,177
Commercial banks	129	7,800	7,929	35	9,000	9,035
Specialized Financial Institutions	22	3,188	3,210	69	3,018	3,087
Other financial institutions	16,900	881	17,781	18,269	636	18,905
Total domestic items	17,051	19,227	36,278	18,373	18,831	37,204
Foreign items						
Singapore Dollar	-	1,764	1,764	-	1,039	1,039
Other currencies	471	-	471	605	-	605
Total foreign items	471	1,764	2,235	605	1,039	1,644
Total domestic and foreign items	17,522	20,991	38,513	18,978	19,870	38,848

(Unit: Million Baht)

	Separate financial statements					
	As at 30 June 2024			As at 31 December 2023		
	On demand	Term	Total	On demand	Term	Total
Domestic items						
The Bank of Thailand and the Financial Institutions Development Fund	-	7,358	7,358	-	6,177	6,177
Commercial banks	129	-	129	35	-	35
Specialized Financial Institutions	22	3,188	3,210	69	3,018	3,087
Other financial institutions	16,900	881	17,781	18,269	636	18,905
Total domestic items	17,051	11,427	28,478	18,373	9,831	28,204
Foreign items						
Singapore Dollar	-	1,764	1,764	-	1,039	1,039
Other currencies	471	-	471	605	-	605
Total foreign items	471	1,764	2,235	605	1,039	1,644
Total domestic and foreign items	17,522	13,191	30,713	18,978	10,870	29,848

24. Financial liabilities measured at fair value through profit or loss

(Unit: Million Baht)

	Consolidated and separate financial statements	
	Fair value	
	As at 30 June 2024	As at 31 December 2023
Debts issued	783	528

The Bank presents the effects of changes in credit risk in other comprehensive income as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	For the six-month periods ended 30 June	
	2024	2023
The cumulative change in fair value that is attributable to changes in the credit risk recognised in other comprehensive income	(0.03)	(0.01)
The difference between carrying amount and the contractually amount required to pay at maturity	(0.14)	0.41

25. Debts issued and borrowings

As at 30 June 2024 and 31 December 2023, debts issued and borrowings comprised subordinated debentures, senior debentures and additional tier 1 subordinated debentures. They are classified by type of securities, maturity, interest rate and currency as follows:

(Unit: Million Baht)

Consolidated financial statements				
As at 30 June 2024				
Type	Maturity	Interest/discount rate per annum (%)	Currency	Domestic amount
Subordinated Debentures	19 Sep 2034	4.00	THB	5,000
Subordinated Debentures	7 Jun 2032	4.07	THB	13,791
Senior Debentures	26 Apr 2025	2.01	THB	2,490
Senior Debentures	23 Sep 2024	0.97	THB	5,000
Senior Debentures	18 Jul 2025	2.80	THB	2,912*
Senior Debentures	20 Jul 2026	2.99	THB	1,998
Senior Debentures	26 Jun 2026	2.87	THB	2,361*
Senior Debentures	28 Jun 2027	3.00	THB	2,499
Additional Tier 1 Subordinated Debentures	No maturity	5.10	THB	12,000
Total				48,051

*Zero Coupon Bond

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2023

Type	Maturity	Interest/discount rate per annum (%)	Currency	Domestic amount
Subordinated Debentures	19 Sep 2034	4.00	THB	5,000
Subordinated Debentures	7 Jun 2032	4.07	THB	13,808
Senior Debentures	26 Apr 2025	2.01	THB	2,487
Senior Debentures	26 Apr 2024	1.53	THB	2,492
Senior Debentures	23 Sep 2024	0.97	THB	5,000
Senior Debentures	18 Jul 2025	2.80	THB	2,874*
Senior Debentures	20 Jul 2026	2.99	THB	1,994
Additional Tier 1 Subordinated Debentures	No maturity	5.10	THB	12,000
Total				45,655

*Zero Coupon Bond

(Unit: Million Baht)

Separate financial statements

As at 30 June 2024

Type	Maturity	Interest rate per annum (%)	Currency	Domestic amount
Subordinated Debentures	19 Sep 2034	4.00	THB	5,000
Subordinated Debentures	7 Jun 2032	4.07	THB	13,791
Senior Debentures	26 Apr 2025	2.01	THB	2,490
Senior Debentures	23 Sep 2024	0.97	THB	5,000
Additional Tier 1 Subordinated Debentures	No maturity	5.10	THB	12,000
Total				38,281

(Unit: Million Baht)

Separate financial statements				
As at 31 December 2023				
Type	Maturity	Interest rate per annum (%)	Currency	Domestic amount
Subordinated Debentures	19 Sep 2034	4.00	THB	5,000
Subordinated Debentures	7 Jun 2032	4.07	THB	13,808
Senior Debentures	26 Apr 2025	2.01	THB	2,487
Senior Debentures	26 Apr 2024	1.53	THB	2,492
Senior Debentures	23 Sep 2024	0.97	THB	5,000
Additional Tier 1 Subordinated Debentures	No maturity	5.10	THB	12,000
Total				40,787

Subordinated debentures

On 7 June 2022, the Bank issued Subordinated Debenture No.1/2022 amounting to Baht 13,735 million, via private placement to institutional and/or high net worth investors. The debentures have a tenor of 10 years and bear interest at the rate of 4.07% per annum, and the Bank has the right to make early redemption, as approved by the BOT. The debentures have loss absorption features that will come into effect at the point of non-viability, in accordance with the BOT guidelines laid down with reference to Basel III framework.

On 24 June 2022, the BOT granted an approval for the Bank to count proceeds received from the issue of the above subordinated debentures for an amount of Baht 13,735 million as a part of its Tier 2 capital effective 7 June 2022 onwards, in accordance with the conditions specified in the BOT's notifications regarding the Basel III framework.

On 19 September 2022, the Bank issued Subordinated Debenture No. 3/2022 amounting to Baht 5,000 million, via private placement to institutional and/or high net worth investors. The debentures have a tenor of 12 years and bear interest at the rate of 4.00% per annum, and the Bank has the right to make early redemption, as approved by the BOT. The debentures have loss absorption features that will come into effect at the point of non-viability, in accordance with the BOT guidelines laid down with reference to Basel III framework.

On 28 September 2022, the BOT granted an approval for the Bank to count proceeds received from the issue of the above subordinated debentures for an amount of Baht 5,000 million as a part of its Tier 2 capital effective 19 September 2022 onwards, in accordance with conditions specified in the BOT's notifications regarding the Basel III framework.

Senior debentures

On 23 September 2021, the Bank issued the unsecured senior debentures without debenture holder representatives amounting to Baht 5,000 million, via private placement to institutional investors established under Thai Law. The debentures have a tenor of 3 years with semi-annual coupon payment and bear interest at the rate of 0.97% per annum.

On 26 April 2022, the Bank issued the unsecured senior debentures without debenture holder representatives amounting to Baht 2,500 million, via private placement to institutional investors established under Thai Law. The debentures have a tenor of 3 years with semi-annual coupon payment and bear interest at the rate of 2.01% per annum.

On 26 April 2022, the Bank issued the unsecured senior debentures without debenture holder representatives amounting to Baht 2,500 million, via private placement to institutional investors established under Thai Law. The debentures have a tenor of 2 years with semi-annual coupon payment and bear interest at the rate of 1.53% per annum. However, the Bank redeemed the unsecured senior debentures at maturity date on 26 April 2024.

On 20 July 2023, a subsidiary issued the unsecured senior debentures without debenture holder representatives amounting to Baht 3,000 million, via private placement to institutional investors established under Thai Law. The debentures have a tenor of 1 year 11 months 28 days and is a zero-coupon bond with a discount rate of 2.80% per annum.

On 20 July 2023, a subsidiary issued the unsecured senior debentures without debenture holder representatives amounting to Baht 2,000 million, via private placement to institutional investors established under Thai Law. The debentures have a tenor of 3 years with semi-annual coupon payment and bear interest at the rate of 2.99% per annum.

On 28 June 2024, a subsidiary issued the unsecured senior debentures without debenture holder representatives amounting to Baht 2,500 million, via private placement to institutional investors established under Thai Law. The debentures have a tenor of 1 year 11 months 29 days and is a zero-coupon bond with a discount rate of 2.87% per annum.

On 28 June 2024, a subsidiary issued the unsecured senior debentures with debenture holder representatives amounting to Baht 2,500 million, via private placement to institutional investors established under Thai Law and/or high net worth investors. The debentures have a tenor of 3 years with semi-annual coupon payment and bear interest at the rate of 3.00% per annum.

Additional Tier 1 Subordinated debentures

On 23 May 2023, the Bank has issued perpetual subordinated debentures No. 1/2023 intended to qualify as Tier 1 Capital (Additional Tier 1) with no specific redemption date and the issuer's unconditional right to cancel coupon, right to write down (fully or partially), right to early redemption and without noteholders' right to request for early redemption, as approved by the shareholder's meeting No. 28 on 23 September 2020. The issue was placed via private placement to institutional investors amounting to Baht 12,000 million.

The right to early redemption in whole amount can be exercise at the first coupon payment date after the 5th year and any coupon payment date thereafter, subject to regulatory approval by the BOT.

The coupon rate has been fixed at 5.10% per annum during year 1-5. For year 6 onward, the coupon rate shall equal the rate equivalent to the sum of (a) the prevailing 5-year government bond rate at the end of two Business days preceding on any coupon reset date, and (b) initial credit spread. The coupon rate shall be adjusted every 5 years.

On 12 June 2023, the BOT approved for counting Additional Tier 1 subordinate debentures sale proceed of Baht 12,000 million as capital tier 1 with effective on 30 June 2023 position following the BOT's notification regarding the Basel III framework.

The Bank presents such items as financial liabilities by taking into account the contractual obligations and legal rights specified in the offering documents.

26. Lease liabilities

(Unit: Million Baht)

	Consolidated financial statements	
	As at	As at
	30 June 2024	31 December 2023
Undiscounted lease payments	525	447
Less: deferred interest expenses	(16)	(12)
Lease liabilities	509	435
Less: current portion of lease liabilities	(246)	(236)
Lease liabilities - net of current portion	263	199

(Unit: Million Baht)

	Separate financial statements	
	As at	As at
	30 June 2024	31 December 2023
Undiscounted lease payments	399	361
Less: deferred interest expenses	(11)	(8)
Lease liabilities	388	353
Less: current portion of lease liabilities	(194)	(202)
Lease liabilities - net of current portion	194	151

The Bank and its subsidiaries have entered into the finance lease agreements for rental of buildings and vehicles for use in their operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 1 and 35 years.

The maturity analysis of lease liabilities is disclosed in Note 49.6 to the financial statements, under the liquidity risk.

The Bank and its subsidiaries had total cash outflows for leases for the six-month period ended 30 June 2024 of Baht 167 million (for the six-month period ended 30 June 2023: Baht 147 million) and The Bank only of Baht 132 million (for the six-month period ended 30 June 2023: Baht 125 million).

Expenses relating to leases that are recognised in profit or loss are as follows:

(Unit: Million Baht)

	Consolidated financial statements	
	For the six-month periods ended 30 June	
	2024	2023
Depreciation expense of right-of-use assets	154	144
Interest expense on lease liabilities	21	7
Expense relating to short-term leases	4	12
Expense relating to leases of low-value assets	15	2

(Unit: Million Baht)

	Separate financial statements	
	For the six-month periods ended 30 June	
	2024	2023
Depreciation expense of right-of-use assets	122	123
Interest expense on lease liabilities	19	6
Expense relating to short-term leases	4	12
Expense relating to leases of low-value assets	15	2

27. Provisions for long-term employee benefits

Changes in provisions for long-term employee benefits for the six-month period ended 30 June 2024 and for the year ended 31 December 2023 can be summarised as follows:

(Unit: Million Baht)

	For the six-month period ended 30 June 2024	
	Consolidated	Separate
	financial statements	financial statements
Provisions for long-term employee benefits at the beginning of the period	2,767	2,616
Recognised in profit or loss:		
Current service cost	105	98
Interest cost	36	33
Past service cost	133	133
Total benefits recognised in profit or loss	274	264
Employee benefits paid during the period	(93)	(93)
Provisions for long-term employee benefits at the end of the period	2,948	2,787

(Unit: Million Baht)

	For the year ended 31 December 2023	
	Consolidated financial statements	Separate financial statements
Provisions for long-term employee benefits at the beginning of the year	2,497	2,399
Recognised in profit or loss:		
Current service cost	183	174
Interest cost	56	53
Total benefits recognised in profit or loss	239	227
Recognised in other comprehensive income:		
Actuarial (gains) losses arising from		
Demographic assumption changes	(143)	(142)
Financial assumption changes	160	148
Experience adjustments	97	76
Total benefits recognised in other comprehensive income or loss	114	82
Employee benefits paid during the year	(83)	(83)
Employee transferal in	-	(9)
Provisions for long-term employee benefits at the end of the year	2,767	2,616

The Bank and its subsidiaries expect to pay long-term employee benefits during the next year amounting to Baht 319 million (31 December 2023: Baht 196 million) and The Bank only of Baht 310 million (31 December 2023: Baht 196 million).

As at 30 June 2024, the weighted average duration of the Bank's and its subsidiaries' long-term employee benefit obligation is 11.6 years (31 December 2023: 11.6 years) and The Bank only of 11.6 years (31 December 2023: 11.6 years).

The principal assumptions used in determining employee benefits under retirement plans can be summarised as follows:

	(Unit: Percentage per year)	
	Consolidated and separate financial statements	
	As at 30 June 2024	As at 31 December 2023
Future salary incremental rates (depending on age)	5.0 - 6.5	5.0 - 6.5
Turnover rates (depending on age)	0 - 30	0 - 30
Average discount rate	2.8675	2.8675
Mortality development rate	3	3

Sensitivity analysis for principal assumptions that affect provisions for long-term employee benefits as at 30 June 2024 and 31 December 2023 are summarised below:

	(Unit: Million Baht)							
	Consolidated financial statements							
	As at 30 June 2024							
	Salary incremental rate		Turnover rate		Discount rate		Mortality development rate	
Increased by 1%	Decreased by 1%	Increased by 20%	Decreased by 20%	Increased by 1%	Decreased by 1%	Increased by 1%	Decreased by 1%	
Increase (decrease) in provisions for long-term employee benefits	224	(202)	(167)	197	(185)	209	6	(7)

	(Unit: Million Baht)							
	Consolidated financial statements							
	As at 31 December 2023							
	Salary incremental rate		Turnover rate		Discount rate		Mortality development rate	
Increased by 1%	Decreased by 1%	Increased by 20%	Decreased by 20%	Increased by 1%	Decreased by 1%	Increased by 1%	Decreased by 1%	
Increase (decrease) in provisions for long-term employee benefits	198	(179)	(131)	154	(181)	205	5	(6)

(Unit: Million Baht)

Separate financial statements								
As at 30 June 2024								
	Salary incremental rate		Turnover rate		Discount rate		Mortality development rate	
	Increased	Decreased	Increased	Decreased	Increased	Decreased	Increased	Decreased
	by 1%	by 1%	by 20%	by 20%	by 1%	by 1%	by 1%	by 1%
Increase (decrease)								
in provisions for								
long-term employee								
benefits	205	(185)	(150)	176	(168)	190	6	(7)

(Unit: Million Baht)

Separate financial statements								
As at 31 December 2023								
	Salary incremental rate		Turnover rate		Discount rate		Mortality development rate	
	Increased	Decreased	Increased	Decreased	Increased	Decreased	Increased	Decreased
	by 1%	by 1%	by 20%	by 20%	by 1%	by 1%	by 1%	by 1%
Increase (decrease)								
in provisions for								
long-term employee								
benefits	181	(164)	(117)	137	(166)	187	5	(5)

28. Provisions for other liabilities

(Unit: Million Baht)

	Consolidated financial statements	
	As at	As at
	30 June 2024	31 December 2023
Allowance for expected credit losses on loan commitments and financial guarantee contracts	1,731	834
Financial commitments	107	121
Obligation for litigation cases	56	56
Total	1,894	1,011

	(Unit: Million Baht)	
	Separate financial statements	
	As at	As at
	30 June 2024	31 December 2023
Allowance for expected credit losses on loan commitments and financial guarantee contracts	1,728	834
Financial commitments	107	121
Obligation for litigation cases	56	56
Total	1,891	1,011

As at 30 June 2024 and 31 December 2023, allowance for expected credit losses on loan commitments and financial guarantee contracts classified by classification were as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	As at 30 June 2024	
	Loan commitments and financial guarantee contracts	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	570,829	1,095
Financial assets where there has been a significant increase in credit risk (Under-Performing)	12,955	565
Financial assets that are credit-impaired (Non-Performing)	212	71
Total	583,996	1,731

	(Unit: Million Baht)	
	Separate financial statements	
	As at 30 June 2024	
	Loan commitments and financial guarantee contracts	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	570,699	1,092
Financial assets where there has been a significant increase in credit risk (Under-Performing)	12,955	565
Financial assets that are credit-impaired (Non-Performing)	212	71
Total	583,866	1,728

(Unit: Million Baht)

	Consolidated and separate financial statements	
	As at 31 December 2023	
	Loan commitments and financial guarantee contracts	Allowance for expected credit losses
Financial assets where there has not been a significant increase in credit risk (Performing)	313,048	561
Financial assets where there has been a significant increase in credit risk (Under-Performing)	3,610	77
Financial assets that are credit-impaired (Non-Performing)	344	196
Total	317,002	834

29. Other liabilities

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	As at	As at	As at	As at
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Suspense creditors and accounts payable - others	4,537	4,202	4,401	3,980
Deferred revenues	3,447	3,527	3,447	3,527
Accrued interest expenses	1,142	912	1,099	857
Others	501	910	504	905
Total	9,627	9,551	9,451	9,269

As at 30 June 2024 and 31 December 2023, the Bank has no received advances from electronic money transfer transactions according to the BOT's Notification Sor Nor Chor 2/2562.

30. Other components of equity

(Unit: Million Baht)

	Consolidated and separate financial statements	
	As at 30 June 2024	As at 31 December 2023
Revaluation surplus on assets	7,741	7,757
Revaluation surplus (deficit) on investments measured at fair value through other comprehensive income		
Revaluation surplus		
Debt instruments	53	47
Equity instruments	46	42
Total	99	89
Revaluation deficit		
Debt instruments	(601)	(445)
Equity instruments	(17)	(17)
Total	(618)	(462)
Total revaluation surplus (deficit) on investments measured at fair value through other comprehensive income	(519)	(373)
Total other components of equity	7,222	7,384
Less: income taxes	(1,444)	(1,477)
Other components of equity - net of income taxes	5,778	5,907

31. Statutory reserve

Pursuant to Section 116 of the Public Company Limited Act B.E. 2535, the Bank is required to set aside to a statutory reserve at least 5% of its net profits, after deducting any balance of deficit brought forward (if any), until such reserve reaches 10% of the Bank's registered share capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has been fully set aside.

32. Capital Funds

The primary objective of the Bank's capital management is to maintain an optimal level of capital. Policies, which are approved by the Bank's Board of Directors and overseen by the Bank's senior management, are set to ensure that the capital maintenance is in accordance with the BOT's requirements and at an appropriate and adequate level to support the business growth within the acceptable level of risk and to maintain the good credit rating.

The Capital Funds and Capital Adequacy Ratio of the Bank as at 30 June 2024 and 31 December 2023 in accordance with the BOT's requirements with reference to Basel III framework consist of the followings:

	(Unit: Million Baht)	
	Financial business group	
	As at 30 June 2024	As at 31 December 2023
<u>Tier 1 Capital</u>		
Common Equity Tier 1 (CET1)		
Paid-up share capital	24,857	24,857
Statutory reserve	2,486	2,486
Retained earnings after appropriation	43,564	41,903
Other components of equity	5,730	5,860
Less: Deduction items from Common Equity Tier 1	(18,602)	(18,730)
Total Common Equity Tier 1 (CET1)	58,035	56,376
Additional Tier 1 financial instrument	12,000	12,000
Total Tier 1 Capital	70,035	68,376
<u>Tier 2 Capital</u>		
Subordinated debentures	18,735	18,735
Provision for assets classified as normal and surplus of provision	1,433	3,299
Total Tier 2 Capital	20,168	22,034
Total Capital Funds	90,203	90,410

(Unit: Million Baht)

	Separate financial statements	
	As at 30 June 2024	As at 31 December 2023
<u>Tier 1 Capital</u>		
Common Equity Tier 1 (CET1)		
Paid-up share capital	24,857	24,857
Statutory reserve	2,486	2,486
Retained earnings after appropriation	43,170	41,576
Other components of equity	5,730	5,860
Less: Deduction items from Common Equity Tier 1	(17,597)	(17,663)
Total Common Equity Tier 1 (CET1)	58,646	57,116
Additional Tier 1 financial instrument	12,000	12,000
Total Tier 1 Capital	70,646	69,116
<u>Tier 2 Capital</u>		
Subordinated debentures	18,735	18,735
Provision for assets classified as normal and surplus of provision	572	3,155
Total Tier 2 Capital	19,307	21,890
Total Capital Funds	89,953	91,006

	BOT Minimum Requirement (Percentage)	Capital Adequacy Ratio			
		Financial business group		Separate financial statements	
		As at 30 June 2024 (Percentage)	As at 31 December 2023 (Percentage)	As at 30 June 2024 (Percentage)	As at 31 December 2023 (Percentage)
Common Equity Tier 1 to risk-weighted assets	7.00	10.48	10.63	10.85	11.05
Tier 1 Capital Funds to risk-weighted assets	8.50	12.65	12.89	13.07	13.38
Total Capital Funds to risk-weighted assets	11.00	16.29	17.04	16.64	17.61

As at 30 June 2024 and 31 December 2023, the Bank has maintained a minimum reserve rate of not less than 1% of assets and off-balance sheet items that have not a significant increase in credit risk, according to the BOT's Notification ForNorSor (01) Wor. 129/2562 Subject: Minimum reserve to be maintained by financial institutions and financial business groups dated 18 December 2019.

33. Share-based compensation plans

The Bank has a share-based compensation plan for the Bank's senior management, which was in accordance with the policy of United Overseas Bank Limited ("major shareholder" or "UOB") as approved by shareholders at the Annual General Meeting of United Overseas Bank Limited on 21 April 2016, the UOB Restricted Share Plan shall be in force for a further duration of ten years up to (and including) 6 August 2027. The UOB Restricted Share Plan only allows the delivery of UOB ordinary shares held in treasury by United Overseas Bank Limited.

Under a revised variable pay deferral framework for senior employees and Material Risk Takers, a portion of variable pay is deferred as restricted shares (RS) under the UOB Restricted Share Plan. Such deferred RS will vest over a minimum three-year period, subject to local regulatory requirements.

Participating employees who leave the UOB Group before the RS vest will forfeit their rights unless otherwise decided.

In 2022, the UOB Restricted Share Plan was renamed to UOB Share Plan and to allow for eligible non-executive directors to be granted share awards in the form of United Overseas Bank Limited's ordinary shares under the UOB Share Plan.

For the six-month period ended 30 June 2024, the Bank recorded Baht 57 million (for the six-month period ended 30 June 2023: Baht 43 million) for the above plan as expenses and also recorded such obligations by the same amount as liabilities. As at 30 June 2024, the Bank has obligations of Baht 101 million (31 December 2023: Baht 120 million) which were presented as a part of other liabilities.

34. Commitments and contingent liabilities

34.1 Commitments

(Unit: Million Baht)

	Consolidated and separate financial statements	
	As at 30 June 2024	As at 31 December 2023
Aval to bills	705	1,156
Guarantees of loans	6,269	5,998
Liabilities under unmatured import bills	7,679	5,284
Letters of credit	6,639	6,332
Other commitments		
- Undrawn overdraft amount	21,938	21,935
- Spot foreign exchange contracts	9,517	7,801
- Other guarantees	47,506	49,059
- Others	22,984	26,732
Total	<u>123,237</u>	<u>124,297</u>

34.2 Other commitments

As at 30 June 2024, the Bank and its subsidiaries have contractual commitments in respect to construction of office buildings and the purchase of information technology systems as well as other agreements under the Bank's projects. The outstanding balances of such contractual commitments were approximately Baht 1,466 million (31 December 2023: Baht 1,379 million) and The Bank only of Baht 1,466 million (31 December 2023: Baht 1,374 million) and the Bank also has commitments to pay the service fees in relation to service contracts amounting to Baht 199 million (31 December 2023: Baht 85 million).

35. Assets placed as collateral

(Unit: Million Baht)

	Consolidated and separate financial statements	
	As at 30 June 2024	As at 31 December 2023
Government bonds		
Placed as collateral for Intraday Liquidity Facilities		
with the BOT	23,711	24,510
Placed as collateral for repurchase transaction	96	95
Placed as collateral for hedging of settlement risk	7,530	7,494
Placed as collateral for government departments	73	73

36. Litigation

In the course of normal business operation of the Bank, the Bank has been sued under various labor and civil lawsuits, including wrongful act cases. Under these lawsuits, claims against the Bank as at 30 June 2024 totaled Baht 1,221 million (31 December 2023: Baht 1,063 million). The Bank's management has exercised their judgement to the possible losses to the Bank and recorded the amount under "Provisions for other liabilities" as described in Note 28 to the financial statements and believe that should the outcome of the lawsuits be finalised, there will not be a material impact to the Bank's financial position or operating performance.

37. Related party transactions

37.1 Significant of related party transactions

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

They also include associated subsidiaries, and individuals or enterprises which directly or indirectly own a voting interest in the Bank and its subsidiaries that gives them significant influence over the Bank and its subsidiaries, key management personnel, directors and officers with authority in the plan and the direction of the Bank's and its subsidiaries operations, together with close family members of such persons and companies which are controlled and influenced by them, whether directly or indirectly.

During the periods, the Bank had significant business transactions with its subsidiaries, related companies (related by ways of shareholding and/or common shareholders and/or common directors) and related persons (Directors and Senior Management who are in the level of Executive Director upwards, and their close family members). These transactions have been concluded on commercial terms and based agreed upon in the ordinary course of business between the Bank, and those parties. Interest rates on loans to employees are calculated based on the Bank's employee welfare rule.

As at 30 June 2024, the Bank has outstanding staff welfare loans to executives from level of Executive Director upwards of Baht 69 million (31 December 2023: Baht 55 million) and also has general loans to Senior Management and their close family members with the outstanding balance of Baht 41 million (31 December 2023: Baht 30 million).

In addition, as at 30 June 2024, the Bank also has deposits of Baht 400 million (31 December 2023: Baht 308 million) taken from related persons, including their close family members and also the Bank has subordinated debentures to Senior Management and their close family members with the outstanding balance of Baht 10 million (31 December 2023: Baht 10 million).

Significant transactions, income and expenses incurred with related parties (apart from those disclosed in the other notes to financial statements) for the six-month periods ended 30 June 2024 and 2023 are summarised below.

(Unit: Million Baht)

	Consolidated financial statements					
	For the six-month periods ended 30 June					
	2024			2023		
	Related companies	Group of major shareholder (UOB)	Total	Related companies	Group of major shareholder (UOB)	Total
Interest income	11	185	196	11	37	48
Interest expenses	1	460	461	2	362	364
Fees and service income	1	203	204	1	173	174
Net gains (losses) on financial instruments measured at fair value through profit or loss	(434)	(32,427)	(32,861)	-	(8,819)	(8,819)
Premises and equipment expenses	7	72	79	8	-	8
Data processing charges (tax included)	-	1,390	1,390	-	1,017	1,017
Other expenses	1	845	846	-	102	102

(Unit: Million Baht)

Separate financial statements								
For the six-month periods ended 30 June								
2024					2023			
	Group of major shareholder			Total	Group of major shareholder			Total
	Subsidiaries	Related companies	(UOB)		Subsidiaries	Related companies	(UOB)	
Interest income	99	11	185	295	60	11	37	108
Interest expenses	1	1	460	462	-	2	362	364
Fees and service income	64	1	203	268	84	1	173	258
Fees and service expenses	66	-	-	66	45	-	-	45
Net gains (losses) on financial instruments measured at fair value through profit or loss	-	(434)	(32,427)	(32,861)	-	-	(8,819)	(8,819)
Dividend income	-	-	-	-	500	-	-	500
Premises and equipment expenses	-	7	72	79	-	8	-	8
Data processing charges (tax included)	-	-	1,390	1,390	-	-	1,017	1,017
Other expenses	-	1	845	846	-	-	102	102

During the six-month period ended 30 June 2024, the Bank disbursed for software development as capital expenditure to United Overseas Bank Limited, its major shareholder, amounting to Baht 960 million (for the six-month period ended 30 June 2023: Baht 283 million).

In addition, during the six-month period ended 30 June 2024, the Bank purchased equipment from related companies amounting to Baht 16 million (for the six-month period ended 30 June 2023: Baht 37 million).

37.2 Remunerations to directors and senior management

For the six-month periods ended 30 June 2024 and 2023, remunerations payable to the Bank's and its subsidiaries' directors and senior management, who are key management personnel with authority and responsibility, whether direct or indirect, for planning, direction and controlling the operations of the Bank and its subsidiaries, are consisted of monthly remunerations, salaries, provident fund contributions and long-term benefits as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements	
	For the six-month periods ended 30 June	
	2024	2023
Short-term employee benefits	422	349
Post-employment benefits	22	21
Share-based payments	44	35
Total	<u>488</u>	<u>405</u>

37.3 Outstanding balances

The outstanding balances of significant related party transactions as at 30 June 2024 and 31 December 2023 are as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 30 June 2024			
	Related companies	Major shareholders (UOB)		Total
		United Overseas Bank Limited	United Overseas Bank Group of Companies	
Outstanding loans to customers	494	-	-	494
Interbank and money market items (assets)	-	2,765	535	3,300
Financial assets measured at fair value through profit or loss	-	-	163	163
Derivatives assets	-	609	-	609
Deposits and other assets	-	2,105	100	2,205
Commitments	128	383,380	75	383,583
Deposits	424	-	-	424
Interbank and money market items (liabilities)	1	1,829	2,559	4,389
Derivatives liabilities	-	4,288	-	4,288
Debts issued and borrowings	-	15,960	-	15,960
Other liabilities	-	1,000	12	1,012

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2023

Major shareholders (UOB)

	Related companies	United		Total
		Overseas Bank Limited	Overseas Bank Group of Companies	
Outstanding loans to customers	435	-	-	435
Interbank and money market items (assets)	-	1,507	32	1,539
Financial assets measured at fair value through profit or loss	-	-	39	39
Derivatives assets	-	6,944	-	6,944
Deposits and other assets	-	4	24	28
Commitments	141	332,307	-	332,448
Deposits	369	-	-	369
Interbank and money market items (liabilities)	2	1,108	2,765	3,875
Derivatives liabilities	-	749	-	749
Debts issued and borrowings	-	15,960	-	15,960
Other liabilities	-	5,747	11	5,758

(Unit: Million Baht)

Separate financial statements

As at 30 June 2024

	Major shareholders (UOB)				Total
	Subsidiaries	Related companies	United		
			United	Overseas	
			Overseas Bank Limited	Bank Group of Companies	
Outstanding loans to customers	6,300	494	-	-	6,794
Interbank and money market items (assets)	-	-	2,765	535	3,300
Financial assets measured at fair value through profit or loss	-	-	-	163	163
Derivatives assets	-	-	609	-	609
Deposits and other assets	37	-	2,105	100	2,242
Commitments	2	128	383,380	75	383,585
Deposits	5,638	424	-	-	6,062
Interbank and money market items (liabilities)	-	1	1,829	2,559	4,389
Derivatives liabilities	-	-	4,288	-	4,288
Debts issued and borrowings	-	-	15,960	-	15,960
Other liabilities	3	-	1,000	12	1,015

(Unit: Million Baht)

Separate financial statements					
As at 31 December 2023					
Major shareholders					
(UOB)					
United					
United Overseas Bank Group of Companies					
Subsidiaries	Related companies	Bank Limited	Overseas Bank	Overseas Companies	Total
Outstanding loans to customers	5,250	435	-	-	5,685
Interbank and money market items (assets)	-	-	1,507	32	1,539
Financial assets measured at fair value through profit or loss	-	-	-	39	39
Derivatives assets	-	-	6,944	-	6,944
Deposits and other assets	55	-	4	23	82
Commitments	2	141	332,307	-	332,450
Deposits	515	369	-	-	884
Interbank and money market items (liabilities)	-	2	1,108	2,765	3,875
Derivatives liabilities	-	-	749	-	749
Debts issued and borrowings	-	-	15,960	-	15,960
Other liabilities	3	-	5,747	12	5,762

38. Other benefits paid to the directors and management

For the six-month periods ended 30 June 2024 and 2023, the Bank and its subsidiaries had no benefits payable to their directors and management other than those they normally receive whereby directors receive monthly directors' remuneration and management receive salary, bonus and other benefits as discussed in Note 33 and Note 37.2 to the financial statements.

39. Earnings per share

Basic earnings per share is calculated by dividing profit for the periods attributable to equity holders of the Bank (exclude other comprehensive income or loss) by the weighted average number of ordinary shares in issue during the periods.

40. Segment Information

40.1 Operating segments

The following segment information are in accordance with the internal management report of the Bank submitted to Management Committee who form as Chief Operating Decision Maker (CODM) to determine resources allocation and to evaluate performance of business segment.

The Bank segregate business unit into 3 segments; Retail Banking, Wholesale Banking and Others, for driving business and decision-making which based on key customer segments and product groups which are used in business decision and internal management reporting as follows:

Retail Banking

The Retail Banking segment covers Personal Financial Services (PFS) with products of deposits, credit and debit cards, insurance, wealth management, investments planning, consumer loan, secured and unsecured loan which provided services through a variety of distribution channels, automated teller machines (ATMs), internet banking, mobile banking and digital banking platforms.

Wholesale Banking

Wholesale Banking segment covers Corporate Banking (CBK), Commercial Banking (CMB), Business Banking (BB) and Financial Institution Group (FI). The Corporate Banking provides integrated banking solution to large corporations. The products and services are sophisticated and customised to specific customers. The Commercial Banking focuses on medium-sized companies with a broad range of products and services e.g., current account, deposits, lending, syndicate loans, cash management, letter of guarantee, trade finance & cross-border payments, underwriting and corporate advisory services. While the Business Banking focuses on micro-SMEs via partnership ecosystem as well as strategic alliance both online and offline. Lastly, the Financial Institution Group maintains correspondence with and provides financial services to bank and non-bank financial institutions.

Others group

Others group includes Global Markets (GM) group, risk management, property management, including income and expenses not attributable to the above-mentioned operating segments. The Global Markets group provides treasury products and advisory services such as foreign exchange, derivatives and fixed income instruments to customers.

40.2 Accounting policies for transactions presented in operating segment information

The accounting policies for any transactions presented in operating segment information were summarised in Note 4 to the financial statements regarding accounting policies. The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

Total operating income included net interest income after deducted internal fund transfer pricing cost in accordance with the Bank's performance measurement criteria, net fees and service income and other income. The total operating expenses included allocated expenses between operating segments. The management relies on total operating profit and uses as a part of performance measurement.

Transfer pricing between operating segments is based on arm's length basis and in a manner similar to transaction with third parties.

The Bank and its subsidiaries have no operating income from transactions with any external customer equal to or greater than 10% of the consolidated operating income.

Capital expenditure and related depreciation together with income tax expense will not be allocated to each operating segment, which is in accordance with management reporting policy.

Operating segment information of the Bank and its subsidiaries is summarised as follow:

(Unit: Million Baht)

	Consolidated financial statements				Total operating segment
	For the six-month period ended 30 June 2024				
	Retail	Wholesale Banking	Other group	Elimination	
Net interest income	9,758	4,608	404	(2)	14,768
Non-interest income	3,916	1,222	960	(111)	5,987
Operating income	13,674	5,830	1,364	(113)	20,755
Operating expenses	9,473	2,130	3,394	(75)	14,922
Expected credit losses (reversal)	5,556	827	(1,019)	(26)	5,338
Profit (loss) before income tax expenses	(1,355)	2,873	(1,011)	(12)	495
Income tax expenses					107
Net profits for the period before non-controlling interests					388
Total operating income included of:					
Operating income from third party*	14,550	3,812	2,506	(113)	20,755
Inter-segment operating income (expenses)	(876)	2,018	(1,142)	-	-
Depreciation					520
Capital expenditure					798

* Including income from a major shareholder and United Overseas Bank Group of Companies.

(Unit: Million Baht)

Consolidated financial statements					
For the six-month period ended 30 June 2023					
	Retail	Wholesale Banking	Other group	Elimination	Total operating segment
Net interest income	10,490	4,040	237	(1)	14,766
Non-interest income	4,052	1,254	909	(629)	5,586
Operating income	14,542	5,294	1,146	(630)	20,352
Operating expenses	8,806	1,828	3,583	(102)	14,115
Expected credit losses	2,182	2,412	398	(15)	4,977
Profit (loss) before income tax expenses	3,554	1,054	(2,835)	(513)	1,260
Income tax expenses					324
Net profits for the period before non-controlling interests					936
Total operating income included of:					
Operating income from third party*	14,902	4,271	1,809	(630)	20,352
Inter-segment operating income (expenses)	(360)	1,023	(663)	-	-
Depreciation					480
Capital expenditure					481

* Including income from a major shareholder and United Overseas Bank Group of Companies.

(Unit: Million Baht)

Consolidated financial statements					
As at 30 June 2024					
	Retail	Wholesale Banking	Other group	Elimination	Total operating segment
Total Assets	391,064	255,288	258,678	(16,822)	888,208
Total Liabilities	341,236	383,391	98,289	(11,793)	811,123

(Unit: Million Baht)

Consolidated financial statements					
As at 31 December 2023					
	Retail	Wholesale Banking	Other group	Elimination	Total operating segment
Total Assets	395,479	249,657	247,352	(10,784)	881,704
Total Liabilities	365,802	347,462	97,379	(5,753)	804,890

41. Statements of financial position and results of operations classified by domestic and foreign business segment

The Bank and its subsidiaries operate in Thailand only. Therefore, the financial position and operating result as reflected in these financial statements pertain to the aforementioned geographical report.

42. Interest income

(Unit: Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	For the six-month periods ended		For the six-month periods ended	
	30 June		30 June	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interbank and money market items	1,198	689	1,198	689
Investments and trading transactions	86	18	86	18
Investments in debt securities	1,266	862	1,266	862
Loans	20,487	18,519	18,650	16,762
Others	127	57	127	57
Total interest income	<u>23,164</u>	<u>20,145</u>	<u>21,327</u>	<u>18,388</u>

Interest income for the six-month period ended 30 June 2024, included interest income from financial assets that are credit impaired of Baht 101 million (2023: Baht 117 million).

43. Interest expenses

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2024	2023	2024	2023
Deposits	5,487	2,903	5,488	2,903
Interbank and money market items	222	365	65	203
Contributions to Deposit Protection Agency and Financial Institutions Development Fund	1,656	1,533	1,656	1,533
Debts issued and borrowings				
- Subordinated debentures	680	412	680	412
- Senior debentures	156	89	83	66
Others	194	77	193	76
Total interest expenses	8,395	5,379	8,165	5,193

44. Fees and service income

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2024	2023	2024	2023
Fees and service income				
- Acceptances, aval and guarantees	206	205	206	205
- Credit cards	3,468	2,925	3,468	2,925
- Insurance fees	535	504	505	472
- Mutual Fund management and underwriting fees	596	489	596	489
- Others	600	632	585	605
Total fees and service income	5,405	4,755	5,360	4,696
Fees and service expenses				
- Agency referral fees	274	234	234	216
- Service expenses	12	16	30	16
- Others	1,053	814	1,052	812
Total fees and service expenses	1,339	1,064	1,316	1,044
Net fees and service income	4,066	3,691	4,044	3,652

45. Net gains on financial instruments measured at fair value through profit or loss

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	For the six-month periods ended 30 June	
	2024	2023
- Foreign currencies and derivatives on foreign exchange	1,101	1,020
- Foreign currencies (Swap Cost)	106	83
- Derivatives on interest rates	115	109
- Investments in debt securities	35	10
- Debt issued and borrowings	17	45
- Others	(3)	(1)
Total	<u>1,371</u>	<u>1,266</u>

46. Net gains (losses) on investments

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	For the six-month periods ended 30 June	
	2024	2023
Gains (losses) on disposal of investment in debt securities measured at fair value through other comprehensive income	449	(28)
Net gains (losses) on investments	<u>449</u>	<u>(28)</u>

47. Expected credit losses

Expected credit losses and gains or losses resulting from changes in criteria for financial assets for the six-month periods ended 30 June 2024 and 2023 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2024	2023	2024	2023
Expected credit losses (reversal):				
Interbank and money market items	19	(8)	19	(8)
Investment in debt securities measured at amortised cost	6	-	6	-
Investment in debt securities measured at fair value through other comprehensive income	7	8	7	8
Loans to customers and accrued interest receivables	4,278	4,931	3,302	4,632
Total	4,310	4,931	3,334	4,632
Loan commitments and financial guarantee contracts	1,028	46	1,025	46
Total expected credit losses	5,338	4,977	4,359	4,678

48. Fair values of assets and liabilities

48.1 Fair value estimation process

The Bank and its subsidiaries estimate fair values of assets and liabilities under the following policies, controls, methods and assumptions.

The Bank's fair value estimation process is monitored under the policies, which cover methods of calculation, market data, counterparty credit risk and reserve provisioning. Such policies determine the methods and controls in estimating fair values of assets and liabilities where mark-to-market or mark-to-model is required.

The rates and parameters used in estimating fair values are reviewed independently by Product Control (PC) Unit and other relevant units whereby in case of products or financial instruments that are traded in the liquid market or the exchange, the fair values will be cross-checked with other service providers in the market or other market sources. If the market prices obtained have no liquidity, the Bank will use other additional techniques, i.e. valuation using historical information or using market rates and parameters available to test the level of reasonableness of such fair values.

In case that the fair values are determined using data that is not available in an observable market, the Bank will use other available financial information, e.g. cash flows, profit or loss, or net asset value to determine the fair values. The Bank sets aside additional valuation reserves to compensate for the uncertainties in such valuations.

Fair value measurement hierarchy is as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities.

Level 2 - Use of other observable, whether directly or indirectly, inputs for such assets or liabilities.

Level 3 - Use of unobservable inputs such as estimates of future cash flows, etc.

48.2 Fair values of assets and liabilities

Fair values of each item of assets and liabilities are estimated using the following methods and assumptions.

(a) Cash and interbank and money market items (assets)

The fair values of cash and interbank and money market items, which have a remaining maturity period of less than 1 year as from the financial reporting dates or bear floating interest rates, are estimated at their carrying values.

In addition, the carrying amount of interbank and money market items (assets) reliably reflected the fair value, as most of the items were short term in nature.

(b) Investments

For government and state enterprises bonds, fair value is calculated based on the average latest bidding price posted on the Thai Bond Market Association.

For non-marketable equity securities, fair value is based on the net asset values of such investments.

(c) Loans to customers

The fair values of the floating rate loans that are scheduled to be re-priced regularly and have no significant change in credit risk or of the fixed rate loans that are re-priced within 1 year as from the financial reporting dates are estimated at their carrying values.

In addition, the carrying amount of loans to customers reliably reflected the fair value, as most of the items were short term or used floating interest rate or used fixed interest rate that are scheduled to be re-priced less than 1 year.

(d) Accrued interest receivables

The fair values of accrued interest receivables are estimated at their carrying values.

(e) Land and buildings

- Appraisal of land: Market comparison approach is used whereby the buying and selling prices for assets with similar characteristics are obtained.
- Appraisal of buildings: The depreciated replacement cost approach is used for buildings specifically used for the Bank's operation. The market comparison approach is used for general buildings whereby the buying and selling prices for assets with similar characteristics are obtained. The income approach is used for assets that generate revenues.

(f) Deposits

The fair values of demand deposits, floating rate deposits and deposits that are re-priced within 1 year as from the financial reporting dates are estimated to approximate their carrying values.

In addition, the carrying amount of deposits reliably reflected the fair value, as most of the items were short term or referent to floating interest rates index.

(g) Interbank and money market items (liabilities)

The fair values of interbank and money market items that have a remaining maturity period of less than 1 year as from the financial reporting dates or bear floating rates of interest are estimated to approximate their carrying values.

In addition, the carrying amount of interbank and money market items (liabilities) reliably reflected the fair value, as most of the items were short term in nature.

(h) Debts issued and borrowings

The fair values of borrowings with a remaining maturity period of less than 1 year as from the financial reporting dates are estimated at their carrying values. The fair values of borrowings with a remaining maturity period of longer than 1 year as from the financial reporting dates are estimated using the discounted cash flow techniques and applying an average rate of interest currently charged on borrowings with similar arrangements.

The fair values of debt issuances are calculated using the prices quoted in the market.

(i) Derivatives

The fair values of future contracts are prices quoted in the exchange.

The fair values of foreign exchange contracts are obtained from observable market rates of similar foreign exchange contracts.

The fair values of interest rate contracts are estimated using discounted cash flow techniques and discounting by observable market rates.

The valuation process for these financial instruments is supplemented by valuation reserves to adjust for valuation uncertainties. Market Risk and Product Control (MRPC) Unit proposes the valuation reserve methodologies and adjustments to Asset and Liability Committee (ALCO). Such adjustments or reserves will take into accounts the use of bid/offer for short or long positions, long term market conditions, and market parameters.

As at 30 June 2024 and 31 December 2023, the Bank and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements				
	As at 30 June 2024				
	Carrying value	Fair value			Total
	Level 1	Level 2	Level 3		
Financial assets measured at fair value					
Financial assets measured at fair value through profit or loss	11,042	-	11,042	-	11,042
Investments in debt securities measured at fair value through other comprehensive income	84,702	-	84,702	-	84,702
Investments in equity securities designated to be measured at fair value through other comprehensive income	81	-	81	-	81
Derivative assets	9,833	-	9,833	-	9,833
Other assets	4	-	4	-	4
Financial liabilities measured at fair value					
Financial liabilities measured at fair value through profit or loss	783	-	783	-	783
Derivatives liabilities	8,949	-	8,949	-	8,949
Other liabilities	8	-	8	-	8
Non-financial assets measured at fair value					
Land and building	13,182	-	-	13,182	13,182

(Unit: Million Baht)

	Consolidated and separate financial statements				
	As at 31 December 2023				
	Carrying	Fair value			
	value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Financial assets measured at fair value					
through profit or loss	7,650	-	7,650	-	7,650
Investments in debt securities measured at fair value through other comprehensive income					
	75,286	-	75,286	-	75,286
Investments in equity securities designated to be measured at fair value through other comprehensive income					
	78	-	78	-	78
Derivative assets	12,793	-	12,793	-	12,793
Other assets	4	-	4	-	4
Financial liabilities measured at fair value					
Financial liabilities measured at fair value					
through profit or loss	528	-	528	-	528
Derivatives liabilities	11,734	-	11,734	-	11,734
Other liabilities	22	-	22	-	22
Non-financial assets measured at fair value					
Land and building	13,237	-	-	13,237	13,237

Financial assets and liabilities, which were not measured at fair value, as most of the items were short-term in nature or carry interest at rates close to the market interest rates. The Bank and its subsidiaries' fair value is assumed to approximate book value in the statement of financial position.

During the current period, there were no transfers within the fair value hierarchy.

49. Disclosure of financial instruments

The Bank's business activities involve the use of financial instruments, including derivatives. These activities may expose the Bank to a variety of financial risks, credit risk, foreign exchange risk, interest rate risk and liquidity risk. In entering into those committed financial transactions, the Bank is governed by policies and parameters approved by a designated committee from the Board of Directors as appropriated. The Risk Management Sector assumes the independent oversight of risks undertaken by the Bank, and takes the lead in the formulation and approval of risk policies, controls and processes whereby the Market Risk and Product Control (MRPC) Unit under the Risk Management Sector monitors Global Markets' operation to be in compliance with prescribed trading policies and risk limits. This is further enhanced by the audit of internal control in relation to risk management as carried out by the Internal Audit.

49.1 Relevant accounting policies

Details of significant accounting policies and methods adopted, including criteria for revenue and expense recognition in respect of each class of financial assets and financial liabilities, are already disclosed in Note 4 to the financial statements.

49.2 Credit risk

Credit risk is the risk of loss arising from any failure by a borrower or a counterparty to meet its financial obligations when such obligations are due. The Risk and Capital Committee and Credit Committee are the committees delegated by the Board of Directors to oversee all credit risk and credit related matters. These committees maintain oversight of the effectiveness of the Bank's credit risk management structure and framework including policies, processes, information, infrastructure, analysis and information technology including management of all elements of credit risk in order to facilitate the business development within a prudent, consistent and efficient credit risk management framework.

Credit risk exposures are managed through a robust credit underwriting, structuring and monitoring process. The process includes monthly review of all Non Performing (or Stage 3) and Under-Performing (or Stage 2) accounts, ensuring credit quality and the timely recognition of asset impairment. In addition, credit review are performed regularly to proactively manage any delinquency, minimise undesirable concentrations, maximise recoveries, and ensure compliance with credit policies and procedures. Past dues and credit limit excesses are also tracked and analysed regularly.

The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognised and unrecognised financial instruments. The maximum exposure is shown gross before both the effect of mitigation through use of collateral and any arrangements to increase credibility.

For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their carrying values.

For financial guarantees granted, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the guarantees are called upon. For loan commitments and other credit related commitments that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

As at 30 June 2024 and 31 December 2023, the maximum exposure to credit risk were as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	As at 30 June 2024	As at 31 December 2023
Interbank and money market items (assets)	71,284	85,506
Investments in debt securities measured at fair value through other comprehensive income	84,702	75,286
Investments in debt securities measured at amortised cost	42,391	32,161
Loans to customers and accrued interest receivables	637,403	637,138
Accrued interest receivables on non-loans	239	430
Total financial assets	836,019	830,521
Loan commitments	548,504	284,248
Financial guarantees	35,492	32,754
Total	583,996	317,002
Total credit exposures	1,420,015	1,147,523

(Unit: Million Baht)

	Separate financial statements	
	As at	As at
	30 June 2024	31 December 2023
Interbank and money market items (assets)	71,274	84,917
Investments in debt securities measured at fair value through other comprehensive income	84,702	75,286
Investments in debt securities measured at amortised cost	42,391	32,161
Loans to customers and accrued interest receivables	619,550	618,458
Accrued interest receivables on non-loans	239	430
Total financial assets	818,156	811,252
Loan commitments	548,374	284,248
Financial guarantees	35,492	32,754
Total	583,866	317,002
Total credit exposures	1,402,022	1,128,254

Credit quality analysis

The Bank has adopted the policy to prevent this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

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

The explanation of expected credit losses for 12 months, lifetime and credit-impaired was described in Note 4.11 to the financial statements.

(Unit: Million Baht)

	Consolidated financial statements			
	As at 30 June 2024			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL-not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Investment grade*	71,284	-	-	71,284
Total	71,284	-	-	71,284
Less: Allowance for expected credit losses	(77)	-	-	(77)
Net book value	71,207	-	-	71,207
Investments in debt securities measured at fair value through other comprehensive income				
Investment grade*	84,702	-	-	84,702
Total	84,702	-	-	84,702
Allowance for expected credit losses	(51)	-	-	(51)
Investments in debt securities measured at amortised cost				
Investment grade*	42,391	-	-	42,391
Total	42,391	-	-	42,391
Less: Allowance for expected credit losses	(24)	-	-	(24)
Net book value	42,367	-	-	42,367
Loans to customers and accrued interest receivables - net				
Overdue 0 day	571,777	20,532	3,529	595,838
Overdue 1 - 30 days	9,347	6,697	1,244	17,288
Overdue 31 - 60 days	-	6,342	1,539	7,881
Overdue 61 - 90 days	-	1,768	1,407	3,175
More than 90 days onwards	-	-	13,221	13,221
Total	581,124	35,339	20,940	637,403
Less: Allowance for expected credit losses	(4,063)	(3,703)	(9,061)	(16,827)
Net book value	577,061	31,636	11,879	620,576
Loan commitments				
Overdue 0 day	536,425	12,079	-	548,504
Total	536,425	12,079	-	548,504
Less: Allowance for expected credit losses	(1,015)	(547)	-	(1,562)
Net book value	535,410	11,532	-	546,942
Financial guarantee contracts				
Overdue 0 day	34,404	876	212	35,492
Total	34,404	876	212	35,492
Less: Allowance for expected credit losses	(80)	(18)	(71)	(169)
Net book value	34,324	858	141	35,323

*Rating of external credit risk rating agency

(Unit: Million Baht)

Consolidated financial statements				
As at 31 December 2023				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL-not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Investment grade*	85,505	-	-	85,505
Total	85,505	-	-	85,505
Less: Allowance for expected credit losses	(57)	-	-	(57)
Net book value	85,448	-	-	85,448
Investments in debt securities measured at fair value through other comprehensive income				
Investment grade*	75,286	-	-	75,286
Total	75,286	-	-	75,286
Allowance for expected credit losses	(43)	-	-	(43)
Investments in debt securities measured at amortised cost				
Investment grade*	32,161	-	-	32,161
Total	32,161	-	-	32,161
Less: Allowance for expected credit losses	(18)	-	-	(18)
Net book value	32,143	-	-	32,143
Loans to customers and accrued interest receivables - net				
Overdue 0 day	579,718	20,803	4,723	605,244
Overdue 1 - 30 days	7,097	4,063	982	12,142
Overdue 31 - 60 days	-	3,290	850	4,140
Overdue 61 - 90 days	-	1,037	1,405	2,442
More than 90 days onwards	-	-	13,170	13,170
Total	586,815	29,193	21,130	637,138
Less: Allowance for expected credit losses	(4,602)	(4,212)	(10,142)	(18,956)
Net book value	582,213	24,981	10,988	618,182
Loan commitments				
Overdue 0 day	281,013	3,235	-	284,248
Total	281,013	3,235	-	284,248
Less: Allowance for expected credit losses	(481)	(73)	-	(554)
Net book value	280,532	3,162	-	283,694
Financial guarantee contracts				
Overdue 0 day	32,034	375	345	32,754
Total	32,034	375	345	32,754
Less: Allowance for expected credit losses	(80)	(4)	(196)	(280)
Net book value	31,954	371	149	32,474

*Rating of external credit risk rating agency

(Unit: Million Baht)

	Separate financial statements			
	As at 30 June 2024			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL-not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Investment grade*	71,274	-	-	71,274
Total	71,274	-	-	71,274
Less: Allowance for expected credit losses	(77)	-	-	(77)
Net book value	71,197	-	-	71,197
Investments in debt securities measured at fair value through other comprehensive income				
Investment grade*	84,702	-	-	84,702
Total	84,702	-	-	84,702
Allowance for expected credit losses	(51)	-	-	(51)
Investments in debt securities measured at amortised cost				
Investment grade*	42,391	-	-	42,391
Total	42,391	-	-	42,391
Less: Allowance for expected credit losses	(24)	-	-	(24)
Net book value	42,367	-	-	42,367
Loans to customers and accrued interest receivables - net				
Overdue 0 day	558,493	20,402	3,471	582,366
Overdue 1 - 30 days	7,619	6,575	1,214	15,408
Overdue 31 - 60 days	-	5,175	1,524	6,699
Overdue 61 - 90 days	-	1,141	1,323	2,464
More than 90 days onwards	-	-	12,613	12,613
Total	566,112	33,293	20,145	619,550
Less: Allowance for expected credit losses	(3,302)	(3,242)	(8,668)	(15,212)
Net book value	562,810	30,051	11,477	604,338
Loan commitments				
Overdue 0 day	536,295	12,079	-	548,374
Total	536,295	12,079	-	548,374
Less: Allowance for expected credit losses	(1,012)	(547)	-	(1,559)
Net book value	535,283	11,532	-	546,815
Financial guarantee contracts				
Overdue 0 day	34,404	876	212	35,492
Total	34,404	876	212	35,492
Less: Allowance for expected credit losses	(80)	(18)	(71)	(169)
Net book value	34,324	858	141	35,323

*Rating of external credit risk rating agency

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2023			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL-not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
Interbank and money market items (assets)				
Investment grade*	84,917	-	-	84,917
Total	84,917	-	-	84,917
Less: Allowance for expected credit losses	(58)	-	-	(58)
Net book value	84,859	-	-	84,859
Investments in debt securities measured at fair value through other comprehensive income				
Investment grade*	75,286	-	-	75,286
Total	75,286	-	-	75,286
Allowance for expected credit losses	(43)	-	-	(43)
Investments in debt securities measured at amortised cost				
Investment grade*	32,161	-	-	32,161
Total	32,161	-	-	32,161
Less: Allowance for expected credit losses	(18)	-	-	(18)
Net book value	32,143	-	-	32,143
Loans to customers and accrued interest receivables - net				
Overdue 0 day	563,692	20,606	4,686	588,984
Overdue 1 - 30 days	6,097	3,977	967	11,041
Overdue 31 - 60 days	-	2,689	834	3,523
Overdue 61 - 90 days	-	652	1,390	2,042
More than 90 days onwards	-	-	12,868	12,868
Total	569,789	27,924	20,745	618,458
Less: Allowance for expected credit losses	(4,311)	(3,444)	(9,900)	(17,655)
Net book value	565,478	24,480	10,845	600,803
Loan commitments				
Overdue 0 day	281,013	3,235	-	284,248
Total	281,013	3,235	-	284,248
Less: Allowance for expected credit losses	(481)	(73)	-	(554)
Net book value	280,532	3,162	-	283,694
Financial guarantee contracts				
Overdue 0 day	32,034	375	345	32,754
Total	32,034	375	345	32,754
Less: Allowance for expected credit losses	(80)	(4)	(196)	(280)
Net book value	31,954	371	149	32,474

*Rating of external credit risk rating agency

Collateral and any arrangements to increase creditability

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

(Unit: Million Baht)

	Consolidated financial statements		
	Exposure to credit risk with collateral		
	As at	As at	Type of collateral
	30 June 2024	31 December 2023	
Interbank and money market items (assets)	50,511	53,016	Securities
Loans to customers and accrued interest receivables	504,879	500,283	Land, building, machines etc.
Financial guarantees	35,493	32,755	Deposits, land and building

(Unit: Million Baht)

	Separate financial statements		
	Exposure to credit risk with collateral		
	As at	As at	Type of collateral
	30 June 2024	31 December 2023	
Interbank and money market items (assets)	50,511	53,016	Securities
Loans to customers and accrued interest receivables	511,204	505,555	Land, building, machines etc.
Financial guarantees	35,493	32,755	Deposits, land and building

49.3 Commodity price risk

Commodity price risk is the risk arising from the price change of commodities, which may affect the value of the Bank's financial instruments or may cause volatility in the Bank's earnings and cost of funds.

All commodity derivatives are managed on a back-to-back basis. The risk is independently monitored by Market Risk and Product Control (MRPC) Unit. Because the Bank records commodity derivatives at fair value, the Bank's commodity price risk is considered according to their carrying value.

49.4 Interest rate risk

Interest rate risk is the impact to earnings and economic value of the Bank due to the fluctuations in interest rates. This interest rate exposure arises from differences in the maturity and repricing dates of assets and liabilities items.

These mismatches are actively monitored and managed as part of the overall interest rate risk management process which is conducted in accordance with the Bank's risk management policies.

The Bank's interest rate risk sensitivity is measured as changes in economic value of equity (EVE) or net interest income (NII) based on Basel Interest Rate Risk in the Banking Book requirements.

EVE is the present value of assets less present value of liabilities of the Bank. NII is the simulated change in the Bank's net interest income.

However, financial assets and liabilities represented their carrying values in statements of financial position, which are classified by types of interest rates and repricing periods as follows:

(Unit: Million Baht)

Consolidated financial statements							
As at 30 June 2024							
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non-interest bearing	Total	Average return rate (% per annum)
Financial assets							
Cash	-	-	-	-	3,205	3,205	-
Interbank and money market items							
- net	61,719	1,147	13	-	8,328	71,207	2.07
Financial assets measured at fair value through profit or loss	4,337	1,814	2,511	2,380	-	11,042	2.44
Derivatives assets	-	-	-	-	9,833	9,833	-
Investments - net	1,443	5,985	54,017	65,624	81	127,150	2.52
Loans to customers*	468,693	19,605	31,775	53,632	55,748	629,453	7.00
Other receivables from sold non-performing loans - net	19	-	-	-	10	29	2.20
Financial liabilities							
Deposits	560,197	112,447	1,366	-	12,939	686,949	1.54
Interbank and money market items	19,254	4,077	12,874	-	2,308	38,513	0.51
Liabilities payable on demand	-	-	-	-	2,454	2,454	-
Financial liabilities measured at fair value through profit or loss	368	415	-	-	-	783	5.18
Derivatives liabilities	-	-	-	-	8,949	8,949	-
Debt issued and borrowings	5,000	2,490	21,770	18,791	-	48,051	3.65
Lease liabilities	74	172	263	-	-	509	3.02

* Under the Bank's interest rate risk management policy, loans to customers that are credit-impaired and loans to customers that are overdue and contracts were matured are reported in the "non-interest bearing" bucket.

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2023

	Floating rate/					Total	Average return rate
	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non-interest bearing		(% per annum)
Financial assets							
Cash	-	-	-	-	3,458	3,458	-
Interbank and money market items							
- net	62,756	1,419	17	-	21,256	85,448	1.71
Financial assets measured at fair value through profit or loss	2,677	1,235	2,388	1,350	-	7,650	2.96
Derivatives assets	-	-	-	-	12,793	12,793	-
Investments - net	18,283	-	36,607	52,539	78	107,507	2.42
Loans to customers*	548,167	28,379	30,872	689	21,446	629,553	6.85
Other receivables from sold non-performing loans - net	58	-	-	-	10	68	2.20
Financial liabilities							
Deposits	518,217	145,789	3,111	-	11,243	678,360	1.89
Interbank and money market items	20,719	3,229	13,395	-	1,505	38,848	0.61
Liabilities payable on demand	-	-	-	-	3,240	3,240	-
Financial liabilities measured at fair value through profit or loss	203	325	-	-	-	528	8.00
Derivatives liabilities	-	-	-	-	11,734	11,734	-
Debt issued and borrowings	-	7,493	19,354	18,808	-	45,655	3.61
Lease liabilities	75	161	199	-	-	435	2.60

* Under the Bank's interest rate risk management policy, loans to customers that are credit-impaired and loans to customers that are overdue and contracts were matured are reported in the "non-interest bearing" bucket.

(Unit: Million Baht)

Separate financial statements

As at 30 June 2024

	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non- interest bearing	Total	Average return rate (% per annum)
Financial assets							
Cash	-	-	-	-	3,205	3,205	-
Interbank and money market items							
- net	61,709	1,147	13	-	8,328	71,197	2.07
Financial assets measured at fair value through profit or loss	4,337	1,814	2,511	2,380	-	11,042	2.44
Derivatives assets	-	-	-	-	9,833	9,833	-
Investments - net	1,443	5,985	54,017	65,624	8,678	135,747	2.52
Loans to customers*	474,948	19,098	8,548	53,624	55,740	611,958	6.66
Other receivables from sold non- performing loans - net	19	-	-	-	10	29	2.20
Financial liabilities							
Deposits	560,320	112,449	1,366	-	18,373	692,508	1.54
Interbank and money market items	18,654	2,377	7,374	-	2,308	30,713	0.51
Liabilities payable on demand	-	-	-	-	2,454	2,454	-
Financial liabilities measured at fair value through profit or loss	368	415	-	-	-	783	5.18
Derivatives liabilities	-	-	-	-	8,949	8,949	-
Debt issued and borrowings	5,000	2,490	12,000	18,791	-	38,281	3.84
Lease liabilities	61	133	194	-	-	388	2.72

* Under the Bank's interest rate risk management policy, loans to customers that are credit-impaired and loans to customers that are overdue and contracts were matured are reported in the "non-interest bearing" bucket.

(Unit: Million Baht)

Separate financial statements							
As at 31 December 2023							
	Floating rate/ Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	Non- interest bearing	Total	Average return rate (% per annum)
Financial assets							
Cash	-	-	-	-	3,458	3,458	-
Interbank and money market items							
- net	62,167	1,419	17	-	21,256	84,859	1.71
Financial assets measured at fair value through profit or loss	2,677	1,235	2,388	1,350	-	7,650	2.96
Derivatives assets	-	-	-	-	12,793	12,793	-
Investments - net	18,283	-	36,607	52,539	8,675	116,104	2.42
Loans to customers*	553,379	27,891	8,395	-	21,440	611,105	6.54
Other receivables from sold non- performing loans - net	58	-	-	-	10	68	2.20
Financial liabilities							
Deposits	518,434	145,789	3,111	-	11,541	678,875	1.89
Interbank and money market items	19,719	2,429	6,195	-	1,505	29,848	0.61
Liabilities payable on demand	-	-	-	-	3,240	3,240	-
Financial liabilities measured at fair value through profit or loss	203	325	-	-	-	528	8.00
Derivatives liabilities	-	-	-	-	11,734	11,734	-
Debt issued and borrowings	-	7,493	14,486	18,808	-	40,787	3.70
Lease liabilities	62	140	151	-	-	353	2.32

* Under the Bank's interest rate risk management policy, loans to customers that are credit-impaired and loans to customers that are overdue and contracts were matured are reported in the "non-interest bearing" bucket.

49.5 Exchange rate risk

Foreign exchange risk is the risk to revenues and economic value of foreign currency assets, liabilities, and financial derivatives caused by fluctuations in foreign exchange rates.

The Bank's foreign exchange exposures comprise of trading and non-trading. Non-trading foreign exchange exposures are principally derived from investment and customer businesses. The Bank utilises mainly spot foreign exchange, foreign currency forwards, and swaps to reduce its foreign exchange risk.

Foreign exchange risk is independently managed through policies and risk limits and monitored by Market Risk and Product Control (MRPC) Unit.

49.6 Liquidity risk

Liquidity risk is the risk that the Bank and its subsidiaries may not be able to meet their obligations as they fall due as a result of inability to liquidate their assets or to cover funding requirements at an appropriate price, resulting in losses to the Bank and its subsidiaries.

The Bank and its subsidiaries manage liquidity risk in accordance with the liquidity framework, which comprises policies, controls and limits. These controls and policies include setting of net cumulative cash flow mismatch limits, monitoring of liquidity early warning indicators, stress test analysis of cash flows in liquidity crisis scenarios and establishment of a comprehensive contingency funding plan. The Bank is also required by the regulators to maintain sufficient high liquid assets to support potential cash outflows under severe liquidity stressed scenario. The main objectives are honouring all cash outflow commitments on an on-going basis, satisfying statutory liquidity and reserve requirements, and avoiding raising funds at market premiums or through forced sale of assets.

The maturity analysis of financial assets and liabilities representing their carrying values in statements of financial position is as follows:

(Unit: Million Baht)

		Consolidated financial statements						
		As at 30 June 2024						
		Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	Total
Financial assets								
Cash		3,205	-	-	-	-	-	3,205
Interbank and money market items								
- net		9,515	61,228	451	13	-	-	71,207
Financial assets measured at fair								
value through profit or loss		-	4,386	1,814	2,511	2,331	-	11,042
Derivatives assets		-	-	-	-	-	9,833	9,833
Investments - net		-	-	7,428	54,017	65,624	81	127,150
Loans to customers*		4,962	132,152	62,270	80,049	350,020	-	629,453
Other receivables from sold non-								
performing loans - net		-	22	-	7	-	-	29
Financial liabilities								
Deposits		484,571	88,565	112,447	1,366	-	-	686,949
Interbank and money market items		17,521	4,040	4,077	12,875	-	-	38,513
Liabilities payable on demand		2,454	-	-	-	-	-	2,454
Financial liabilities measured at fair								
value through profit or loss		-	368	415	-	-	-	783
Derivatives liabilities		-	-	-	-	-	8,949	8,949
Debt issued and borrowings		-	5,000	2,490	9,770	18,791	12,000	48,051
Lease liabilities		-	74	172	263	-	-	509

* Under the Bank's liquidity risk management policy, loans to customers that are credit-impaired such as certain restructured loans and NPLs are reported in the "more than 5 years" bucket.

(Unit: Million Baht)

Consolidated financial statements

As at 31 December 2023

	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	Total
Financial assets							
Cash	3,458	-	-	-	-	-	3,458
Interbank and money market items							
- net	22,653	61,856	922	17	-	-	85,448
Financial assets measured at fair							
value through profit or loss	-	2,726	978	2,645	1,301	-	7,650
Derivatives assets	-	-	-	-	-	12,793	12,793
Investments - net	-	16,841	1,442	36,607	52,539	78	107,507
Loans to customers*	4,216	134,255	57,576	110,714	322,792	-	629,553
Other receivables from sold non-							
performing loans - net	-	19	39	10	-	-	68
Financial liabilities							
Deposits	463,195	66,265	145,789	3,111	-	-	678,360
Interbank and money market items	18,978	3,246	3,229	13,395	-	-	38,848
Liabilities payable on demand	3,240	-	-	-	-	-	3,240
Financial liabilities measured at fair							
value through profit or loss	-	203	325	-	-	-	528
Derivatives liabilities	-	-	-	-	-	11,734	11,734
Debt issued and borrowings	-	-	7,493	7,354	18,808	12,000	45,655
Lease liabilities	-	75	161	199	-	-	435

* Under the Bank's liquidity risk management policy, loans to customers that are credit-impaired such as certain restructured loans and NPLs are reported in the "more than 5 years" bucket.

(Unit: Million Baht)

		Separate financial statements						
		As at 30 June 2024						
		Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	Total
Financial assets								
Cash		3,205	-	-	-	-	-	3,205
Interbank and money market items								
- net		9,505	61,228	451	13	-	-	71,197
Financial assets measured at fair								
value through profit or loss		-	4,386	1,814	2,511	2,331	-	11,042
Derivatives assets		-	-	-	-	-	9,833	9,833
Investments - net		-	-	7,428	54,017	65,624	8,678	135,747
Loans to customers*		4,962	138,409	61,763	56,821	350,003	-	611,958
Other receivables from sold non-								
performing loans - net		-	22	-	7	-	-	29
Financial liabilities								
Deposits		490,128	88,565	112,449	1,366	-	-	692,508
Interbank and money market items		17,521	3,440	2,377	7,375	-	-	30,713
Liabilities payable on demand		2,454	-	-	-	-	-	2,454
Financial liabilities measured at fair								
value through profit or loss		-	368	415	-	-	-	783
Derivatives liabilities		-	-	-	-	-	8,949	8,949
Debt issued and borrowings		-	5,000	2,490	-	18,791	12,000	38,281
Lease liabilities		-	61	133	194	-	-	388

* Under the Bank's liquidity risk management policy, loans to customers that are credit-impaired such as certain restructured loans and NPLs are reported in the "more than 5 years" bucket.

(Unit: Million Baht)

	Separate financial statements						Total
	As at 31 December 2023						
	Call	Within 3 months	3 - 12 months	1 - 5 years	More than 5 years	No specific maturity	
Financial assets							
Cash	3,458	-	-	-	-	-	3,458
Interbank and money market items							
- net	22,064	61,856	922	17	-	-	84,859
Financial assets measured at fair							
value through profit or loss	-	2,726	978	2,645	1,301	-	7,650
Derivatives assets	-	-	-	-	-	12,793	12,793
Investments - net	-	16,841	1,442	36,607	52,539	8,675	116,104
Loans to customers*	4,216	138,467	58,088	88,236	322,098	-	611,105
Other receivables from sold non-							
performing loans - net	-	19	39	10	-	-	68
Financial liabilities							
Deposits	463,710	66,265	145,789	3,111	-	-	678,875
Interbank and money market items	18,978	2,246	2,429	6,195	-	-	29,848
Liabilities payable on demand	3,240	-	-	-	-	-	3,240
Financial liabilities measured at fair							
value through profit or loss	-	203	325	-	-	-	528
Derivatives liabilities	-	-	-	-	-	11,734	11,734
Debt issued and borrowings	-	-	7,493	2,486	18,808	12,000	40,787
Lease liabilities	-	62	140	151	-	-	353

* Under the Bank's liquidity risk management policy, loans to customers that are credit-impaired such as certain restructured loans and NPLs are reported in the "more than 5 years" bucket.

50. Approval of financial statements

These financial statements were authorised for issue by the Bank's Board of Directors on 30 August 2024.