

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
BANGKOK BANK PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Bangkok Bank Public Company Limited and subsidiaries (the “Bank and subsidiaries”) and the Bank’s financial statements of Bangkok Bank Public Company Limited (the “Bank”), which comprise the consolidated and Bank’s statements of financial position as at June 30, 2021, and the related consolidated and Bank’s statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the six-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and Bank’s financial statements present fairly, in all material respects, the financial position of Bangkok Bank Public Company Limited and subsidiaries and of Bangkok Bank Public Company Limited as at June 30, 2021, and its financial performance and its cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards (“TFRSs”) and the Bank of Thailand’s regulations.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matters	Audit Responses
<p>Allowance for expected credit loss</p> <p>The allowance for expected credit loss for loans to customers is considered to be the key audit matter as it requires the use of various assumptions and judgment including forward economic looking and post model adjustments and it is recognized in accordance with Thai Financial Reporting Standard No. 9 - Financial Instruments (“IFRS 9”) and the relevant regulations of the Bank of Thailand. IFRS 9 requires the Bank and subsidiaries to recognize impairment based on expected credit loss (“ECL”). We focused our audit on the following areas of allowance for expected credit loss for loans to customers specifically relating to:</p> <ul style="list-style-type: none"> ● Accounting interpretations and modelling assumptions used to build the models that the Bank used to calculate the ECL which involves determining Probabilities of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD); ● Completeness and accuracy of data used to calculate the ECL; ● Inputs and assumptions used to estimate the impact of multiple economic scenarios; 	<p>Key audit procedures included</p> <ul style="list-style-type: none"> ● Reviewing management written policies, which were collaborated from the Bank’s management’s experts, and procedures to derive the allowance for expected credit loss estimate. Determining whether the policies and procedures for the estimation are incorporated with the requirements of IFRS 9 and properly approved by the appropriate level of management. ● Understanding and testing design and operating effectiveness of key controls across the processes relevant to the ECL. This included the classification of assets into stages, data accuracy and completeness, credit monitoring, multiple economic scenarios, and individual provisions. ● Involvement of our internal specialists to assess the model documentation and model validation reports. This included assessing the appropriateness of model design, assumptions, inputs, formulas used and post model adjustments. We tested the data used in the ECL calculation by reconciling to source systems and recalculating the allowance for expected credit loss for a sample of models.

Key Audit Matters	Audit Responses
<ul style="list-style-type: none"> ● Classification of loans to customers to stage 1, 2 and 3 using criteria in accordance with TFRS 9 and the relevant regulations of the Bank of Thailand; ● Indicators that will significantly reduce the ability to pay the debt or the increase in credit risk including quantitative and qualitative information and also forward-looking analysis both events that have already occurred and may occur in the future; and ● Completeness and valuation of post model adjustments. <p>Accounting policy for allowance for expected credit loss and detail of allowance for expected credit loss were disclosed in Note 3.5 and Note 6.9, respectively.</p>	<ul style="list-style-type: none"> ● Evaluating relevant inputs and assumptions used by management in each stage of the expected credit loss calculation by considering whether the inputs and assumption appear reasonable, considering the historical loss experience and adjust this for current observable data and considering the relationship between those assumptions and forecast of reasonable and supportable future economic conditions. ● Performing an overall assessment of the ECL provision levels to determine if they were reasonable considering the Bank and subsidiaries' portfolio, risk profile, credit risk management practices and the macroeconomic factors. We considered trends in the economy and industries to which the Bank and subsidiaries are exposed. ● Considering the criteria used to classify an asset to stage 1, 2 and 3 in accordance with TFRS 9 and the relevant regulations of the Bank of Thailand. Testing sample of assets in stage 1, 2 and 3 to verify that they were classified to the appropriate stage. This also included considering the internal credit risk rating system of the Bank and also external credit risk grading. ● Assessing the adequacy and appropriateness of the disclosure in accordance with Group of Financial Instruments Standards and the BOT's Notification.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and Bank's financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank and subsidiaries' and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank and subsidiaries' and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank and subsidiaries and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and Bank's financial statements, including the disclosures, and whether the consolidated and Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

We have reviewed the consolidated statement of profit or loss and other comprehensive income of Bangkok Bank Public Company Limited and subsidiaries and the Bank's statement of profit or loss and other comprehensive income of Bangkok Bank Public Company Limited for the three-month period ended June 30, 2021, and the notes to the financial statements ("interim financial information"). The Bank's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Thai Standard on Review Engagements No. 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".

Nisakorn Songmanee

Certified Public Accountant (Thailand)

Registration No. 5035

BANGKOK

August 24, 2021

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
ASSETS					
CASH	6.2	62,955,866	73,886,309	59,393,659	70,013,515
INTERBANK AND MONEY MARKET ITEMS, NET	6.4	805,306,564	519,036,028	658,869,910	374,778,755
FINANCIAL ASSETS MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	6.5	71,991,319	57,936,242	84,669,079	69,359,414
DERIVATIVES ASSETS	6.6	44,488,418	67,560,232	43,989,859	66,143,443
INVESTMENTS, NET	6.7	752,775,884	758,482,179	634,455,509	670,444,629
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.8	903,695	911,321	144,353,132	144,589,329
LOANS TO CUSTOMERS AND ACCRUED					
INTEREST RECEIVABLES, NET	6.9	2,225,733,006	2,189,102,088	1,914,094,398	1,896,205,127
PROPERTIES FOR SALE, NET	6.10	9,422,117	9,753,914	7,795,538	7,754,245
PREMISES AND EQUIPMENT, NET	6.11	64,631,489	65,049,861	54,886,389	55,460,373
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	6.12	35,435,319	32,307,811	1,364,632	1,451,391
DEFERRED TAX ASSETS	6.13	6,026,623	7,939,617	2,226,698	2,082,884
COLLATERAL PLACED WITH FINANCIAL COUNTERPARTIES		16,527,762	12,833,047	16,318,194	12,699,962
OTHER ASSETS, NET		25,762,621	28,161,036	13,345,292	13,977,916
TOTAL ASSETS		4,121,960,683	3,822,959,685	3,635,762,289	3,384,960,983

Notes to the financial statements form an integral part of these interim financial statements

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2021

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY					
DEPOSITS	6.14	3,046,985,011	2,810,862,624	2,640,298,545	2,485,596,798
INTERBANK AND MONEY MARKET ITEMS	6.15	253,407,381	219,149,193	243,670,734	162,499,180
LIABILITY PAYABLE ON DEMAND		7,056,849	7,257,360	7,023,833	6,702,768
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE					
THROUGH PROFIT OR LOSS	6.16	20,374,044	19,256,663	20,078,461	19,056,520
DERIVATIVES LIABILITIES	6.6	50,416,616	57,127,821	49,911,753	56,212,287
DEBT ISSUED AND BORROWINGS	6.17	145,502,918	136,176,779	142,935,808	133,963,539
PROVISIONS	6.21	27,163,628	27,305,660	24,770,665	25,065,453
DEFERRED TAX LIABILITIES	6.13	2,190,824	2,447,583	1,917,172	2,588,682
OTHER LIABILITIES	6.23	99,583,419	93,128,867	53,981,531	53,792,151
TOTAL LIABILITIES		3,652,680,690	3,372,712,550	3,184,588,502	2,945,477,378
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Registered share capital					
1,655,000 preferred shares of Baht 10 each		16,550	16,550	16,550	16,550
3,998,345,000 common shares of Baht 10 each		39,983,450	39,983,450	39,983,450	39,983,450
Issued and paid-up share capital					
1,908,842,894 common shares of Baht 10 each		19,088,429	19,088,429	19,088,429	19,088,429
PREMIUM ON COMMON SHARES		56,346,232	56,346,232	56,346,232	56,346,232
OTHER RESERVES		56,934,328	47,256,838	56,627,866	52,849,874
RETAINED EARNINGS					
Appropriated					
Legal reserve	6.26 , 6.27	25,500,000	25,000,000	25,500,000	25,000,000
Others		111,500,000	111,500,000	111,500,000	111,500,000
Unappropriated					
TOTAL BANK'S EQUITY		467,837,286	449,013,689	451,173,787	439,483,605
NON-CONTROLLING INTEREST		1,442,707	1,233,446	-	-
TOTAL SHAREHOLDERS' EQUITY		469,279,993	450,247,135	451,173,787	439,483,605
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,121,960,683	3,822,959,685	3,635,762,289	3,384,960,983

Notes to the financial statements form an integral part of these interim financial statements

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvam Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021
(Unaudited - Reviewed)

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2021	2020	2021	2020
INTEREST INCOME	6.35	27,923,853	27,199,886	20,286,624	23,612,215
INTEREST EXPENSES	6.36	7,896,782	9,089,546	5,233,067	7,440,824
NET INTEREST INCOME		20,027,071	18,110,340	15,053,557	16,171,391
FEES AND SERVICE INCOME	6.37	9,322,060	7,434,281	6,460,770	5,795,794
FEES AND SERVICE EXPENSES	6.37	2,426,262	1,813,426	2,009,295	1,727,510
NET FEES AND SERVICE INCOME		6,895,798	5,620,855	4,451,475	4,068,284
GAINS ON FINANCIAL INSTRUMENTS					
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	6.38	5,954,035	7,061,589	5,482,248	6,766,408
GAINS (LOSSES) ON INVESTMENTS	6.39	(240,034)	316,905	(493,904)	316,894
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		24,557	36,124	-	-
GAINS ON DISPOSAL OF ASSETS		90,263	44,892	65,138	37,632
DIVIDEND INCOME		805,646	882,028	2,241,387	1,893,666
OTHER OPERATING INCOME		265,720	212,181	78,462	108,790
TOTAL OPERATING INCOME		33,823,056	32,284,914	26,878,363	29,363,065
OTHER OPERATING EXPENSES					
Employee's expenses		8,454,882	7,519,619	6,035,496	6,194,424
Directors' remuneration		88,393	65,658	51,328	46,000
Premises and equipment expenses		3,644,617	3,828,725	2,904,652	3,394,938
Taxes and duties		731,144	762,639	710,930	747,086
Others		3,370,129	2,849,401	2,279,652	2,461,444
TOTAL OTHER OPERATING EXPENSES		16,289,165	15,026,042	11,982,058	12,843,892
EXPECTED CREDIT LOSS	6.40	9,810,129	13,237,816	7,283,710	13,103,408
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		7,723,762	4,021,056	7,612,595	3,415,765
INCOME TAX EXPENSES	6.41	1,263,217	834,141	1,046,874	503,243
NET PROFIT		6,460,545	3,186,915	6,565,721	2,912,522

Notes to the financial statements form an integral part of these interim financial statements

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021
(Unaudited - Reviewed)

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2021	2020	2021	2020
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Gains on investments in debt instruments at fair value					
through other comprehensive income		3,286,178	1,008,617	2,936,741	615,195
Gains on cash flow hedges		64,802	317,980	64,802	317,980
Gains (losses) arising from translating the financial statements of foreign operations		4,803,107	(3,819,701)	1,326,368	(1,728,259)
Income tax relating to components of other comprehensive income (losses)		(522,495)	17,234	(452,294)	103,350
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus		(36,044)	14,395,161	-	13,987,474
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income		(1,679,478)	14,246,272	(1,587,129)	13,784,896
Gains (losses) on financial liabilities designated at fair value through profit or loss		(172,155)	171,640	(172,155)	171,640
Actuarial gains (losses) on defined benefit plans		(17,839)	32,854	-	32,854
Share of other comprehensive losses of associate		(3,143)	(245)	-	-
Income tax relating to components of other comprehensive income (losses)		347,936	(5,802,399)	364,983	(5,623,062)
TOTAL OTHER COMPREHENSIVE INCOME (LOSSES)		6,070,869	20,567,413	2,481,316	21,662,068
TOTAL COMPREHENSIVE INCOME		12,531,414	23,754,328	9,047,037	24,574,590
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		6,356,766	3,094,984	6,565,721	2,912,522
Non-controlling interest		103,779	91,931	-	-
		6,460,545	3,186,915	6,565,721	2,912,522
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		12,400,003	23,662,081	9,047,037	24,574,590
Non-controlling interest		131,411	92,247	-	-
		12,531,414	23,754,328	9,047,037	24,574,590
BASIC EARNINGS PER SHARE (BAHT)		3.33	1.62	3.44	1.53
WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES (THOUSAND SHARES)		1,908,843	1,908,843	1,908,843	1,908,843

Notes to the financial statements form an integral part of these interim financial statements

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvann Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2021	2020	2021	2020
INTEREST INCOME	6.35	55,435,594	55,825,043	40,300,525	51,198,814
INTEREST EXPENSES	6.36	15,701,195	17,894,901	10,349,784	15,853,645
NET INTEREST INCOME		39,734,399	37,930,142	29,950,741	35,345,169
FEES AND SERVICE INCOME	6.37	18,959,330	16,517,258	13,353,061	13,218,856
FEES AND SERVICE EXPENSES	6.37	4,729,611	4,542,507	3,956,926	4,408,185
NET FEES AND SERVICE INCOME		14,229,719	11,974,751	9,396,135	8,810,671
GAINS ON FINANCIAL INSTRUMENTS					
MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS	6.38	8,041,900	5,372,161	6,951,918	5,564,311
GAINS ON INVESTMENTS	6.39	600,964	1,467,417	347,094	1,467,402
SHARE OF PROFIT FROM INVESTMENT USING EQUITY METHOD		57,153	48,252	-	-
GAINS ON DISPOSAL OF ASSETS		169,056	103,036	124,378	85,769
DIVIDEND INCOME		1,331,069	1,367,994	2,731,977	2,379,633
OTHER OPERATING INCOME		532,237	415,654	160,463	242,861
TOTAL OPERATING INCOME		64,696,497	58,679,407	49,662,706	53,895,816
OTHER OPERATING EXPENSES					
Employee's expenses		17,356,742	14,355,673	12,295,171	12,415,942
Directors' remuneration		130,474	98,932	66,778	60,850
Premises and equipment expenses		6,842,585	6,124,491	5,269,320	5,508,222
Taxes and duties		1,410,082	1,543,462	1,373,118	1,516,045
Others		6,310,363	4,280,787	4,153,086	3,690,616
TOTAL OTHER OPERATING EXPENSES		32,050,246	26,403,345	23,157,473	23,191,675
EXPECTED CREDIT LOSS	6.40	16,136,653	18,325,084	12,284,092	18,056,254
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		16,509,598	13,950,978	14,221,141	12,647,887
INCOME TAX EXPENSES	6.41	3,009,770	3,002,796	2,366,395	2,538,849
NET PROFIT		13,499,828	10,948,182	11,854,746	10,109,038

Notes to the financial statements form an integral part of these interim financial statements

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

Baht : '000

	Notes	CONSOLIDATED		THE BANK	
		2021	2020	2021	2020
OTHER COMPREHENSIVE INCOME (LOSSES)					
Items that will be reclassified subsequently to profit or loss					
Gains (losses) on investments in debt instruments at fair value					
through other comprehensive income		(3,939,028)	856,458	(3,816,541)	341,135
Gains (losses) on cash flow hedges		(335,132)	229,356	(335,132)	229,356
Gains arising from translating the financial statements of foreign operations		9,774,483	310,623	3,890,692	621,389
Income tax relating to components of other comprehensive income (losses)		1,047,119	124,969	1,027,314	236,316
Items that will not be reclassified subsequently to profit or loss					
Changes in revaluation surplus		-	14,395,161	-	13,987,474
Gains (losses) on investment in equity instruments designated at fair value through other comprehensive income		5,330,779	(9,270,680)	5,304,350	(8,892,181)
Gains (losses) on financial liabilities designated at fair value through profit or loss		(583,337)	2,183,998	(583,337)	2,183,998
Actuarial gains (losses) on defined benefit plans		(18,650)	30,558	(811)	30,558
Share of other comprehensive income (losses) of associate		(2,598)	602	-	-
Income tax relating to components of other comprehensive income (losses)		(919,935)	(1,480,382)	(879,288)	(1,469,408)
TOTAL OTHER COMPREHENSIVE INCOME		10,353,701	7,380,663	4,607,247	7,268,637
TOTAL COMPREHENSIVE INCOME		23,853,529	18,328,845	16,461,993	17,377,675
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		13,279,862	10,765,492	11,854,746	10,109,038
Non-controlling interest		219,966	182,690	-	-
		13,499,828	10,948,182	11,854,746	10,109,038
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		23,595,229	18,146,422	16,461,993	17,377,675
Non-controlling interest		258,300	182,423	-	-
		23,853,529	18,328,845	16,461,993	17,377,675
BASIC EARNINGS PER SHARE (BAHT)		6.96	5.64	6.21	5.30
WEIGHTED AVERAGE NUMBER					
OF ORDINARY SHARES (THOUSAND SHARES)		1,908,843	1,908,843	1,908,843	1,908,843

Notes to the financial statements form an integral part of these interim financial statements

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

Baht : '000

	Notes	CONSOLIDATED											Total Equity Attributable to the Bank's Shareholders	Non-controlling Interest	Total	
		Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves							Retained Earnings					
				Land Appraisal Surplus	Premises Appraisal Surplus	Revaluation Surplus on Investments	Cash flow Hedge Reserve	Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Others	Appropriated					Unappropriated
											Legal Reserve	Others				
Balance as at January 1, 2020		19,088,429	56,346,232	16,824,012	5,600,324	29,178,279	356,384	(2,196,285)	(16,089,996)	2,045	24,000,000	106,500,000	190,298,981	429,908,405	366,420	430,274,825
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	-	(9,544,214)	(9,544,214)	(175,469)	(9,719,683)
Legal reserve	6.26, 6.27	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Total comprehensive income		-	-	6,122,776	5,386,899	(6,384,067)	183,485	1,747,199	310,623	482	-	-	10,779,025	18,146,422	182,423	18,328,845
Transfer to retained earnings		-	-	-	(488,736)	(7,264)	-	-	-	-	-	-	496,000	-	-	-
Others		-	-	-	-	-	-	-	-	-	-	-	(170,654)	(170,654)	22	(170,632)
Balance as at June 30, 2020		<u>19,088,429</u>	<u>56,346,232</u>	<u>22,946,788</u>	<u>10,498,487</u>	<u>22,786,948</u>	<u>539,869</u>	<u>(449,086)</u>	<u>(15,779,373)</u>	<u>2,527</u>	<u>24,500,000</u>	<u>106,500,000</u>	<u>191,359,138</u>	<u>438,339,959</u>	<u>373,396</u>	<u>438,713,355</u>
Balance as at January 1, 2021		19,088,429	56,346,232	23,074,253	9,962,525	27,035,092	564,850	(1,429,178)	(11,954,319)	3,615	25,000,000	111,500,000	189,822,190	449,013,689	1,233,446	450,247,135
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	-	-	(4,771,811)	(4,771,811)	(181,964)	(4,953,775)
Legal reserve	6.26, 6.27	-	-	-	-	-	-	-	-	-	500,000	-	(500,000)	-	-	-
Total comprehensive income		-	-	-	-	1,330,256	(268,106)	(466,669)	9,736,340	(2,078)	-	-	13,265,486	23,595,229	258,300	23,853,529
Transfer to retained earnings		-	-	-	(524,040)	(128,213)	-	-	-	-	-	-	652,432	179	(179)	-
Others		-	-	-	-	-	-	-	-	-	-	-	-	-	133,104	133,104
Balance as at June 30, 2021		<u>19,088,429</u>	<u>56,346,232</u>	<u>23,074,253</u>	<u>9,438,485</u>	<u>28,237,135</u>	<u>296,744</u>	<u>(1,895,847)</u>	<u>(2,217,979)</u>	<u>1,537</u>	<u>25,500,000</u>	<u>111,500,000</u>	<u>198,468,297</u>	<u>467,837,286</u>	<u>1,442,707</u>	<u>469,279,993</u>

Notes to the financial statements form an integral part of these interim financial statements

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

Baht : '000

Notes	THE BANK											Total
	Issued and Paid-up Share Capital Common Shares	Premium on Common Shares	Other Reserves						Retained Earnings		Unappropriated	
			Land Appraisal Surplus	Premises Appraisal Surplus	Revaluation Surplus on Investments	Cash flow Hedge Reserve	Own Credit Risk Revaluation Reserve	Foreign Currency Translation	Appropriated			
									Legal Reserve	Others		
Balance as at January 1, 2020	19,088,429	56,346,232	16,759,866	5,574,824	28,913,728	356,384	(2,196,285)	(9,987,545)	24,000,000	106,500,000	175,421,823	420,777,456
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(9,544,214)	(9,544,214)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Total comprehensive income	-	-	6,044,614	5,145,365	(6,486,948)	183,485	1,747,199	621,389	-	-	10,122,571	17,377,675
Transfer to retained earnings	-	-	-	(477,301)	(7,264)	-	-	-	-	-	484,565	-
Others	-	-	-	-	-	-	-	-	-	-	(170,654)	(170,654)
Balance as at June 30, 2020	<u>19,088,429</u>	<u>56,346,232</u>	<u>22,804,480</u>	<u>10,242,888</u>	<u>22,419,516</u>	<u>539,869</u>	<u>(449,086)</u>	<u>(9,366,156)</u>	<u>24,500,000</u>	<u>106,500,000</u>	<u>175,814,091</u>	<u>428,440,263</u>
Balance as at January 1, 2021	19,088,429	56,346,232	22,804,480	9,740,769	26,485,473	564,850	(1,429,178)	(5,316,520)	25,000,000	111,500,000	174,699,070	439,483,605
Dividend paid	6.27	-	-	-	-	-	-	-	-	-	(4,771,811)	(4,771,811)
Legal reserve	6.26 , 6.27	-	-	-	-	-	-	-	500,000	-	(500,000)	-
Total comprehensive income	-	-	-	-	1,451,972	(268,106)	(466,669)	3,890,692	-	-	11,854,104	16,461,993
Transfer to retained earnings	-	-	-	(494,484)	(335,413)	-	-	-	-	-	829,897	-
Balance as at June 30, 2021	<u>19,088,429</u>	<u>56,346,232</u>	<u>22,804,480</u>	<u>9,246,285</u>	<u>27,602,032</u>	<u>296,744</u>	<u>(1,895,847)</u>	<u>(1,425,828)</u>	<u>25,500,000</u>	<u>111,500,000</u>	<u>182,111,260</u>	<u>451,173,787</u>

Notes to the financial statements form an integral part of these interim financial statements

(Mr. Chartsiri Sophonpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

Baht : '000

	Note	CONSOLIDATED		THE BANK	
		2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit from operating before income tax expenses		16,509,598	13,950,978	14,221,141	12,647,887
Items to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities					
Depreciation and amortization expenses		2,990,615	2,516,571	2,224,429	2,190,794
Expected credit loss		16,136,653	18,325,084	12,284,092	18,056,254
Loss on foreign exchange of long-term borrowings		9,107,302	3,354,108	9,042,390	3,354,108
Amortization of premium on investment in debt securities		784,314	455,530	753,485	449,980
Unrealized (gains) losses on financial instruments measured at fair value through profit or loss		(4,273,150)	6,748,998	(4,092,526)	6,963,464
Gains on investments		(600,964)	(1,467,417)	(347,094)	(1,467,402)
Share of profit from investment using equity method		(57,153)	(48,252)	-	-
Loss on impairment of properties for sale (reversal)		43,923	196,657	(24,220)	197,567
Gain on disposal of premises and equipment		(7,903)	(877)	(3,032)	(889)
Gain on revaluation of land and premises		-	(196,180)	-	(196,180)
Loss on impairment of other assets		22,599	125,539	22,601	125,884
Provision expenses		431,711	213,754	413,805	33,368
Net interest income		(39,734,399)	(37,930,142)	(29,950,741)	(35,345,169)
Dividend income		(1,331,069)	(1,367,994)	(2,731,977)	(2,379,633)
Proceeds from interest income		56,499,522	54,683,506	40,227,419	50,167,948
Interest expenses paid		(15,868,002)	(20,716,656)	(11,210,940)	(18,910,822)
Proceeds from dividend income		1,224,421	879,494	1,121,081	785,095
Income tax paid		(2,909,542)	(2,402,013)	(2,497,759)	(2,006,605)
(Increase) decrease in other accrued receivables		190,534	(282,569)	116,985	(248,419)
Decrease in other accrued expenses		(492,565)	(1,583,973)	(832,338)	(1,228,861)
Profit from operating before changes in operating assets and liabilities		38,666,445	35,454,146	28,736,801	33,188,369
(Increase) decrease in operating assets					
Interbank and money market items		(288,884,469)	(39,012,324)	(284,583,833)	(58,815,340)
Financial assets measured at fair value through profit or loss		(9,840,822)	(17,056,236)	(11,276,033)	(16,476,021)
Loans to customers		(59,371,018)	(81,937,910)	(30,925,385)	(93,400,321)
Properties for sale		793,576	299,260	332,964	280,811
Other assets		17,988,339	(5,188,848)	18,194,152	(2,223,304)

Notes to the financial statements form an integral part of these interim financial statements

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021

Baht : '000

	Note	CONSOLIDATED		THE BANK	
		2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)					
Increase (decrease) in operating liabilities					
Deposits		236,122,387	183,335,659	154,701,747	212,967,549
Interbank and money market items		34,258,188	28,666,554	81,171,554	30,821,068
Liability payable on demand		(200,511)	157,316	321,065	201,396
Short-term borrowings		229,467	(367,105)	-	(1,250)
Other liabilities		17,128,227	23,198,704	426,410	13,213,900
Net cash from operating activities		<u>(13,110,191)</u>	<u>127,549,216</u>	<u>(42,900,558)</u>	<u>119,756,857</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investment securities measured at fair value through other comprehensive income		(282,779,693)	(218,419,010)	(243,916,160)	(209,796,246)
Proceeds from disposal of investment securities measured at fair value through other comprehensive income		303,284,554	180,119,122	281,140,688	175,895,257
Purchase of investment securities measured at amortized cost		(37,094,296)	(42,011,615)	(1,635,938)	(1,252,420)
Proceeds from redemption of investment securities measured at amortized cost		24,907,541	40,520,368	910,541	2,357,562
Purchase of investments in subsidiaries and associate		-	(69,081,758)	-	(73,721,526)
Proceeds from dividend income from subsidiaries and associates		62,180	41,512	1,459,248	1,106,038
Purchase of premises and equipment		(635,255)	(661,206)	(392,322)	(519,908)
Proceeds from disposal of premises and equipment		104,162	20,791	5,093	4,914
Net cash from investing activities		<u>7,849,193</u>	<u>(109,471,796)</u>	<u>37,571,150</u>	<u>(105,926,329)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Decrease in long-term borrowings	6.3	(23,998)	(24,179)	(82,998)	(24,179)
Cash paid for lease liabilities		(768,030)	(625,618)	(499,511)	(537,108)
Dividend paid		(4,771,811)	(9,544,214)	(4,771,811)	(9,544,214)
Dividend paid to non-controlling interest		(181,964)	(175,469)	-	-
Net cash from financing activities		<u>(5,745,803)</u>	<u>(10,369,480)</u>	<u>(5,354,320)</u>	<u>(10,105,501)</u>
Effect on cash due to changes in the exchange rates		<u>76,358</u>	<u>19,642</u>	<u>63,872</u>	<u>31,809</u>
Net increase (decrease) in cash		<u>(10,930,443)</u>	<u>7,727,582</u>	<u>(10,619,856)</u>	<u>3,756,836</u>
Cash as at January 1,		<u>73,886,309</u>	<u>58,090,112</u>	<u>70,013,515</u>	<u>58,012,561</u>
Cash as at June 30,		<u><u>62,955,866</u></u>	<u><u>65,817,694</u></u>	<u><u>59,393,659</u></u>	<u><u>61,769,397</u></u>

Notes to the financial statements form an integral part of these interim financial statements

(Mr. Chatsiri Sophonpanich)
President

(Mr. Suvarn Thansathit)
Senior Executive Vice President

BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021 (AUDITED)
AND FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021 (UNAUDITED - REVIEWED)

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BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 NOTES TO THE INTERIM FINANCIAL STATEMENTS
 FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021 (AUDITED)
 AND FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021 (UNAUDITED - REVIEWED)

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BANGKOK BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021 (AUDITED)
AND FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021 (UNAUDITED - REVIEWED)

1. GENERAL INFORMATION AND REGULATORY REQUIREMENTS

Bangkok Bank Public Company Limited is a public company limited registered in the Kingdom of Thailand and registered in the Stock Exchange of Thailand with its head office located at 333 Silom Road, Bangrak, Bangkok. The Bank's main business is commercial banking and the Bank conducts its businesses through a network of branches covering all parts of Thailand and some major parts of the world.

The Bank is subject to various capital and regulatory requirements administered by the Bank of Thailand ("BOT"). Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank must satisfy specific capital guidelines that involve quantitative measurements of the Bank's assets, liabilities and certain off-balance sheet items calculated in accordance with regulatory requirements. The Bank's capital amounts and classification are also subject to qualitative judgment by the BOT about components, risk weightings and other factors. The Bank believes that as at June 30, 2021 and December 31, 2020, the Bank complied with all capital adequacy requirements. However, these capital and regulatory requirements are subject to change by the BOT.

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

2.1 The consolidated and the Bank's statutory financial statements are in the Thai language and prepared in accordance with Thai Financial Reporting Standards, accounting treatment guidance promulgated by the Federation of Accounting Professions ("TFAC"), accounting practices generally accepted in Thailand including the Regulations of The Securities and Exchange Commission, The Stock Exchange of Thailand and relevant BOT's Notifications.

The consolidated and the Bank's interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 regarding Interim Financial Reporting; and relevant official regulations, and presented in accordance with the BOT's Notification regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups dated October 31, 2018.

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

The preparation of the financial statements in conformity with Thai Financial Reporting Standards also requires the Bank to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. The actual results may differ from those estimates. The use of accounting judgments and estimates that are of significance are disclosed in Note 5. Further information about methods and key assumptions are set out in the relevant notes.

2.2 New or Revised Thai Financial Reporting Standards

2.2.1 The Bank and subsidiaries have adopted the new or revised Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretations and Thai Financial Reporting Interpretations, issued by the TFAC and announced in the Royal Gazette, applying for the financial statements of the periods beginning on or after January 1, 2021 onwards, with no material impact on the Bank and subsidiaries' financial statements.

2.2.2 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has announced the revision of Thai Financial Reporting Standards No. 7 regarding Financial Instruments: Disclosures (TFRS 7), Thai Financial Reporting Standards No. 9 regarding Financial Instruments (TFRS 9), and Thai Financial Reporting Standards No. 16 regarding Leases (TFRS 16) as a result of Interest Rate Benchmark Reform – Phase 2 in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2022 onwards with earlier application permitted. The amendments include: relief from discontinuing hedge accounting for hedge relationship that are directly affected by IBOR reform, and how to account for changes in the contractual cash flow of financial instruments required by IBOR reform by updating EIR to reflect the change to the alternative benchmark rate without profit or loss impact in TFRS 9; additional disclosures for information about new risks arising from the reform and how it manages the transition to alternative benchmark rates in TFRS 7; adding the requirements for the temporary exception arising from interest rate benchmark reform to reflect the interest rate benchmark reform directly to lease contracts in TFRS 16. The impact of these amendments are being monitored and assessed.

2.3 The consolidated interim financial statements for the three-month and the six-month periods ended June 30, 2021 and 2020, and the consolidated statement of financial position as at December 31, 2020, included the accounts of the head office and all branches of the Bank and its subsidiaries, by eliminating significant business transactions and outstanding balances between the Bank and its subsidiaries, and included equity interest in associates. The subsidiaries consist of BBL (Cayman) Limited, Bangkok Bank Berhad, Sinnsuptawee Asset Management Company Limited, BBL Asset Management Company Limited, Bualuang

Securities Public Company Limited, Bangkok Bank (China) Company Limited, Bualuang Ventures Limited, PT Bank Permata Tbk that the Bank acquired on May 20, 2020 to be the subsidiary company and BSL Leasing Company Limited was changed from an associate to be a subsidiary on September 17, 2020.

In addition, the consolidated interim financial statements for the three-month and the six-month periods ended June 30, 2021 and 2020 and the consolidated statement of financial position as at December 31, 2020, also included BBL Nominees (Tempatan) Sdn. Bhd, the 100.00% owned subsidiary of Bangkok Bank Berhad, Bangkok Capital Asset Management Company Limited, the 100.00% owned subsidiary of Bualuang Securities Public Company Limited and PT Sahabat Finansial Keluarga, the 99.99% owned subsidiary of PT Bank Permata Tbk.

All subsidiaries of the Bank were incorporated in the Kingdom of Thailand except for BBL (Cayman) Limited which was incorporated in the Cayman Islands British West Indies, Bangkok Bank Berhad which was incorporated in Malaysia, Bangkok Bank (China) Company Limited which was incorporated in the People's Republic of China and PT Bank Permata Tbk which was incorporated in Indonesia. For associates, all were incorporated in the Kingdom of Thailand.

- 2.4 The Bank's interim financial statements for the three-month and the six-month periods ended June 30, 2021 and 2020 and the Bank's statement of financial position as at December 31, 2020, included the accounts of the head office and all branches of the Bank. Investments in subsidiaries and associates were accounted for using the cost method, net of valuation allowance for impairment.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Recognition of income

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

The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired financial assets. When a financial asset becomes credit-impaired, the Bank calculates interest income by applying the effective interest rate to the net carrying amount of the financial assets. If the asset is no longer credit-impaired, the Bank reverts to calculating interest income on a gross carrying amount.

For Purchased or Originated Credit-Impaired (POCI) financial assets, the Bank calculates interest income by calculating the credit-adjusted EIR and applying that rate to the net carrying amount of the asset. The credit-adjusted EIR is the interest rate that, at original recognition, discounts the estimated future cash flows (including credit losses) to the net carrying amount of the POCI financial assets.

Fee income

Unless included in the EIR calculation, the Bank recognizes fee income on an accrual basis when the service has been provided or upon satisfaction of performance obligations.

3.2 Recognition of expenses

The Bank recognizes interest expenses by using the effective interest method. Unless included in the effective interest calculation, fee expenses are recognized on an accrual basis.

3.3 Cash

Cash consists of cash on hand and cash in transit.

3.4 Financial instruments

1) Recognition of financial instruments

The Bank recognizes financial assets or financial liabilities when the Bank becomes a party to the contractual provisions of the instrument, which is generally on settlement date. Loans and receivables are recognized when cash is advanced (or settled) to the borrowers.

2) Classification of financial assets

Financial assets - Debt instruments

The Bank has classified its financial assets - debt instrument as subsequently measured at either amortized cost or fair value in accordance with the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets as follows :

- Financial assets measured at amortized cost only if both following conditions are met: the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and subsequently measured at amortized cost. The measurement of credit impairment is based on the expected credit loss model described in Impairment of financial assets paragraph.

- A financial asset measured at Fair Value through Other Comprehensive Income (FVOCI) 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 assets as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and subsequently measured at fair value. The unrealized gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until realized, after which such gains or losses on disposal of the instruments will be recognized in profit or loss. The measurement of credit impairment is based on the expected credit loss model.

- A financial asset measured at Fair Value through Profit or Loss (FVTPL) unless the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value and are subsequently measured at fair value. Unrealized gain and losses from change in fair value, and gains and losses on disposal of instruments are recognized as gains (losses) on financial instruments measured at fair value through profit or loss.

Investments in equity instruments

All equity investments are measured at fair value in the statement of financial position. The Bank has classified equity investments not held for trading but held for strategic purposes or for securities with potential for high market volatility as the financial asset measured at FVOCI, where an irrevocable election has been made by the management. Such classification is determined on an instrument-by-instrument basis. Amounts presented in other comprehensive income are not reclassified subsequently to profit or loss except for dividends.

3) Classification of financial liabilities

The Bank measures financial liabilities, other than loan commitments and financial guarantees, at amortized cost or at FVTPL when they are held for trading or the fair value designation is applied.

Financial liabilities measured at amortized cost are initially recognized at fair value and subsequently measured at amortized cost.

The Bank classifies financial liabilities as held for trading when they have been issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held for trading liabilities are initially recognized at fair value, with transaction costs recognized in the statement of profit or loss as incurred. Subsequently, they are measured at fair value and any gains and losses are recognized in the statement of profit or loss as they arise.

Financial liabilities may be designated as FVTPL under of the following criteria :

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

Change in the liability's own credit risk is presented separately in other comprehensive income as an own credit reserve except it would create or enlarge an accounting mismatch in profit or loss. All changes in fair value on that liability, 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 the own credit reserve will not be subsequently transferred to profit or loss. When these instruments are derecognized, the related cumulative amount in the own credit reserve is transferred to retained earnings.

4) Financial derivatives

Derivatives are initially recorded at fair value at the date on which a derivative contract is entered into (Trade Date) and are classified as trading except where they are designated as a part of an effective hedge relationship and classified as hedging derivatives. Derivatives are subsequently measured at fair value. The change in fair value are recognized as gains (losses) on financial instrument measured at fair value through profit or loss unless hedge accounting is applied.

Embedded derivatives

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

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

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

- Their economic characteristics and risks are not closely related to those of the host contract
- When separated from the host contract, it would still meet the definition of derivative and
- The hybrid or combined instruments are not recognized and measured at fair value through profit or loss.

5) Modifications of financial instrument not measured at fair value

a) Financial assets

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

If the cash flows of the modified asset carried at amortized cost are not substantially different, the Bank recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss which is presented as expected credit loss.

b) Financial liabilities

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

If the cash flows of the modified liability are not substantially different, the carrying amount of the liability is adjusted to reflect the net present value of the revised cash flows discounted at the original effective interest rate and recognizes the amount arising from adjusting the carrying amount as a modification gain or loss.

6) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when the Bank has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

7) Derecognition of financial instruments

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

A financial liability is derecognized from the statement of financial position when the Bank has discharged its obligation or the contract is cancelled or expires.

8) 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 determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off are still subject to enforcement activities in order to comply with the Bank's procedures for recovery of amount due.

3.5 Impairment of financial assets

For impairment of financial assets the Bank applies Expected Credit Losses (ECL) model and management overlay for the factors which are not captured by the model for debt financial assets, together with loan commitments and financial guarantee contracts, measured at amortized cost and FVOCI by classifying financial assets into three stages based on the change in credit risk since initial recognition.

a) Stage 1: 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 recognizes portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months.

b) Stage 2: Under-performing

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognized.

c) Stage 3: 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, a lifetime ECL is recognized.

Determining the stage for impairment

At each reporting date, the Bank assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Bank considers reasonable and supportable information. The Bank gives importance to the consideration of indicator that will significantly reduce the ability to pay the debt or the increase in credit risk. This includes quantitative and qualitative information and also, forward-looking analysis covering both events that have already occurred and may occur in the future. The Bank uses its internal credit risk rating system, external credit risk grading and forecast information to assess deterioration in credit quality of a financial asset.

The Bank assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk rating, the date of initial recognition, manufacturing, geographical location of the borrower and other relevant factors.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, the Bank will classify it as performing assets.

Measurement of ECL

The expected credit loss is the present value of the entire amount that is not expected to be received throughout the expected life of the financial asset, weighted with a probability, discounted using at the original effective interest rate at the starting date, which is calculated from the estimation of risk positions in the event of default, multiplied by the probability of default and the percentage of damage that may occur when there is a default, discounted by the original effective interest rate at the start date, calculated under each possible situation.

- Probability of Default (PD): Estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.
- Loss Given Default (LGD): Estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Bank would expect to receive, including from the realization of any collateral.
- Exposure at Default (EAD): Estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments or the amount that is expected to be drawdowns on the remaining of committed facilities.

In measuring of ECL, the Bank considers its historical loss experience and adjusts this for current observable data. In addition, the Bank uses reasonable and supportable forecasts of future economic conditions including experienced judgment to estimate the amount of an expected credit loss, use of macroeconomic factors which major are include, but is not limited to, gross domestic product, unemployment rate and property price index.

In the case of debt instruments measured at FVOCI, the Bank recognizes impairment charge in profit and loss as expected credit loss and the allowance for expected credit loss with the corresponding amount in other comprehensive income, whereas the carrying amount of the investment in debt securities in the statement of financial position still present at fair value.

The measurement of ECL for financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Bank expects to recover.

The ECL for loan commitments is the present value difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive.

3.6 Hedge accounting

The Bank makes use of derivatives to manage exposures arising from assets, liabilities, off-balance sheet items, net position or cash flow. Upon meeting specified criteria for hedge accounting, the Bank applies hedge accounting for the aforementioned derivatives. The Bank designates certain derivatives as :

- Hedges of the fair value of recognized assets or liabilities or firm commitments.
- Hedges of highly probable future cash flows attributable to a recognized asset or liability, or a highly probable forecast transaction.
- Hedges of net investments in foreign operations.

In hedging, the Bank takes into consideration the relationship between derivatives and the hedged item, including the nature of the risk, the objective and strategy for undertaking the hedge as well as the effectiveness of the hedging relationship.

The Bank applies an accrual basis for open portfolio hedge.

1) Fair value hedges

The cumulative changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the statement of profit or loss, together with any cumulative changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The movement in fair value of the hedged item attributable to the hedged risk is made as an adjustment to the carrying value of the hedged asset or liability.

When a hedging instrument expires or is sold, terminated or exercised, or when a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item is amortized to the statement of profit or loss on an effective yield basis. Where the hedged item is derecognized from the statement of financial position, the unamortized fair value adjustment is immediately recognized in the statement of profit or loss.

2) Cash flow hedges

The effective portion of the cumulative changes in the fair value of derivatives that are designated and qualify as cash flow hedges are directly recognized in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit or

loss. The reserve for cash flow hedges in equity are transferred to the statement of profit or loss in the period(s) in which the hedged item affects the statement of profit or loss.

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

3) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in the foreign currency translation in equity. The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit or loss. Gains and losses accumulated in equity are transferred to the statement of profit or loss when the foreign operation is disposed.

3.7 Investments in subsidiaries and associates, net

Subsidiaries are entities over which the Bank has the power to control the financial and operating policy in order to manage the relevant activities so as to obtain return on the Bank's interest.

Associates are entities over which the Bank has, directly or indirectly, the voting power of the entity which the Bank has significant influence, but not control, over the financial and operating policy decisions.

Investments in subsidiaries and associates in the Bank's financial statements are presented under the cost method, net of valuation allowance for impairment. Investments in associates in the consolidated financial statements are presented under the equity method, net of valuation allowance for impairment.

The Bank presents its investments transferred to a subsidiary as securities transferred to subsidiary, classified as available-for-sale investments. Cash received from the aforementioned transfer is presented as other liabilities in accordance with accounting treatment guidance for transfer and transferred financial assets.

3.8 Properties for sale

Properties for sale consist of immovable and movable properties which are stated at the lower of cost or market value at the date of acquisition. In the event where the Bank considers that there is a decline in net realizable value, the impairment is recognized as other operating expense.

Net realizable value is estimated based on the appraised value together with other factors which can affect the realizable value such as related selling expenses and future discounts expenses.

Gains or losses on disposal of such properties for sale are recognized as other operating income or expense on the date of disposal.

The Bank had complied with the BOT's Notification regarding the Immovable Properties for Sale, and the Rules of the Purchase and Holding of Immovable Properties to be used as Premises for Business of Commercial Banks or as Facilities for its Officers and Employees and the Accounting Rules for Financial Institutions in relation to the Sales of Properties for Sale.

3.9 Premises, equipment and depreciation

Land is stated at the new appraised value. Premises are stated at the new appraised value net of accumulated depreciation and allowance for impairment (if any). Equipment is stated at cost net of accumulated depreciation and allowance for impairment (if any).

The land and premises reappraisal is done by independent appraisers according to the guidelines established by the BOT based on the market value method for land and the replacement cost method net of accumulated depreciation for premises, and such value is subject to review by price-approval committee. The increment resulting from the appraisal is recognized as part of shareholders' equity as unrealized increment per land and premises appraisal. Depreciation of the increment per premises appraisal is recognized as other operating expense and the unrealized increment per premises appraisal is amortized by transferring directly to retained earnings in an amount equal to such depreciation. Land and premises appraisal decrease is charged directly against any prior appraisal increase for the particular asset. The residual appraisal decrease is recognized as other operating expense. Upon disposal, any remaining related revaluation surplus of the land and premises is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Depreciation is calculated by the straight-line method, based on the estimated useful lives of the assets, as follows :

Premises-reappraised	20 - 30 years
Premises-newly constructed	20 years
Equipment	3 - 5 years

Depreciation of premises and equipment in foreign countries is at the legal rates applicable in each locality.

When land, premises and equipment become impaired, the allowance for impairment is recorded to recognize loss on impairment as other operating expenses.

Gains or losses on disposal of land, premises and equipment are recognized as other operating income or expenses upon disposal.

3.10 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the acquisition date. The excess of the cost of acquisition over the fair value of the identifiable net assets and contingent liabilities acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the identifiable net assets and contingent liabilities acquired, the difference is recognized directly in the statement of profit or loss. Acquisition-related costs are expensed as incurred and included in other operating expenses in the statements of profit or loss and other comprehensive income. Non-controlling interests are measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets on an each business combination basis.

3.11 Goodwill and Intangible assets and amortization

Goodwill is stated at cost less impairment loss (if any). Impairment test is carried out annually, or when there is indication that the goodwill may be impaired.

Intangible assets with finite useful lives are stated at cost net of accumulated amortization and allowance for impairment (if any).

Intangible assets are amortized by the straight-line method over their estimated useful lives between 3 - 13 years.

Amortization of intangible assets in foreign countries is at the legal rates applicable in each locality.

When intangible assets become impaired, the allowance for impairment is recorded to recognize loss on impairment as other operating expenses.

Gains or losses on disposal of intangible assets are recognized as other operating income or expenses upon disposal.

3.12 Leases

The Bank as tenants recognizes liabilities under rental contracts at the present value of the obligations under the lease agreements, and recognizes right-of-use assets with the value of lease liabilities plus the initial direct costs and the right-of-use is amortized over the straight-line method throughout the lease term.

3.13 Provisions

The Bank recognizes provisions in the statements of financial position when the Bank has obligations as a result of a past event and where it is probable that there will be an outflow of economic benefits to settle such obligations. The provisions, such as the provisions for off-balance sheet contingencies, the provision for the post-employment benefits (See Note 6.22), the probable loss on legal indemnity, and other provisions, have been recognized in the statements of financial position.

The Bank recognizes the provisions as other operating expenses and as provisions in the statements of financial position.

The Bank reviews the provisions on a regular basis, and recognizes the changes in the provisions as increase or decrease in other operating expenses.

3.14 Assets and liabilities in foreign currencies

3.14.1 Functional currency and presentation currency

Items in the financial statements of foreign operations are recorded at their functional currency.

The consolidated and the Bank's financial statements are presented in Baht as the presentation currency.

3.14.2 Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated into the functional currency at the rates of exchange prevailing at the transaction dates.

At the reporting date, balances of monetary assets and liabilities are translated at the exchange rate as of the reporting date. Balances of non-monetary assets and liabilities are translated at the exchange rate prevailing at the transaction dates or exchange rate at the date when the fair value was determined.

Gains and losses on foreign currency trading and foreign currency translation are presented as gains (losses) on tradings and foreign exchange transactions.

3.14.3 Translation of financial statements of foreign operations

In preparation of the consolidated and the Bank's financial statements, the Bank translates the items in the statement of financial position of the foreign operation which its functional currency is other than Baht by using the reference rates of BOT as of the reporting date and translates the items in the

statement of profit or loss and other comprehensive income by using the reference rates of BOT at the end of each month.

Gains or losses on translation of the financial statements of foreign operations are recognized as a component of shareholders' equity through other comprehensive income.

3.15 Post-employment benefits

3.15.1 Defined contribution plans

The Bank and its domestic subsidiaries have the provident funds, which are managed by external fund managers, for their employees in accordance with the Provident Fund Act B.E. 2530 (1987). The Bank, its domestic subsidiaries and their employees contribute to the funds at the determined rates. The employees are entitled to benefits according to the Fund regulations.

The provident funds for overseas branches and overseas subsidiaries are established in accordance with each country's legal requirement and any withdrawal is made in compliance therewith.

The provident funds are considered defined contribution plans. The Bank and subsidiaries recognize their contributions to the provident funds as personnel expenses upon receiving the service from employees.

3.15.2 Defined benefit plans

The Bank and its subsidiaries provide the defined benefit plans for their employees under the employment agreements. The provision for the employee benefits is assessed by an actuary using the actuarial techniques called the Projected Unit Credit Method to determine the present value of cash flows of employee benefits to be paid in the future. Under this method, the determination is based on actuarial calculations which include the employee's salaries, turnover rate, mortality rate, years of service and other factors.

The Bank and its subsidiaries recognize the provision for defined benefit plans in the statements of financial position with the net total of the present value of defined benefits obligations minus the fair value of plan assets. The expense for defined benefit plans is recognized as personnel expenses in the statements of profit or loss and other comprehensive income. The actuarial gains (losses) are recognized in other comprehensive income.

3.16 Income taxes

Income taxes comprise of current tax and deferred tax.

Current tax is recognized at the amount expected to be paid or recovered from the tax authorities by calculating from taxable profit or loss for the period and using tax rates enacted or substantively enacted by the reporting date.

Deferred tax is recognized on temporary differences arising between carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss (tax base). The Bank recognized deferred tax assets and liabilities arising from such temporary differences at the amount of expected benefit to be received from the assets or paid for the liabilities in profit or loss except to the extent that it relates to items recognized in equity, which it is recognized directly in equity.

Deferred tax assets and liabilities are offset, if the Bank has a legally enforceable right to offset current tax assets and current tax liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be sufficiently available to allow the temporary differences to be utilized. The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that the related tax benefit will be realized.

3.17 Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to the Bank by the average number of common shares outstanding and issued during the period, weighted by the time and amount paid.

Diluted earnings per share are computed from adjusting the net income attributable to common shares and adjusting the number of common shares by the effect of dilutive potential common shares.

4. RISK MANAGEMENT

4.1 Risk information of the Bank

The Bank's Risk Management Committee plays a significant role in prescribing the risk management policy, reviewing the sufficiency of the risk management policy and system, defining the strategy for risk management, and monitoring the Bank's risk to an appropriate level, in compliance with the Bank's risk management policy which has been approved by the Board of Directors based on the Risk Management Committee's recommendation. The objectives are to manage the relevant risks within designated boundaries,

in particular the maintenance of capital in accordance with the revised capital adequacy requirements under the Basel III guidelines and to achieve an appropriate rate of return.

Important processes in the risk management system comprise the identification of significant risks which may potentially impact the Bank's business operations, the assessment of each type of risk, the monitoring of risks to be at an appropriate level under the Bank's policy, and the reporting of the status of each type of risk to relevant parties so as to enable them to manage and/or handle the risks in a timely manner.

The key principle of the risk management system is that business units shall be responsible for continuously managing their risk exposures in order to ensure that the risk is within the specified limits and in compliance with the overall risk management policy approved by the Board of Directors, while the Risk Management unit is responsible for monitoring and controlling the risks on a regular basis.

4.2 Credit risk

4.2.1 Credit risk management

Credit Risk is the risk that borrowers or counterparties fail to fulfill their obligations under contractual agreements arising from lending, investment and other contractual activities, such as the borrowers' failure to repay principal or interest as agreed in the contract, etc. The Bank's maximum exposure to credit risk is the net carrying amount of the financial assets or the amount which the Bank could have to pay if counterparties cannot meet such contractual obligations.

The Bank has established comprehensive credit underwriting processes which include the formulation of the credit policy, procedures for the assessment of credit risk ratings for customers, and the establishment of various levels of credit approval authority, based on the type of business and/or the size of the credit facilities. In general, credit facilities are extended based on the capacity to repay, which is assessed by evaluating the purpose of the loan, the projected operating cash flows, business feasibility and the capability of management. Collateral coverage is also taken into consideration as a contingency measure. Credit reviews including reviews of the credit risk ratings are undertaken on a regular basis. Furthermore, the Bank also has established limits to be used as a tool to monitor and control credit risk.

4.2.2 Maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for any financial instrument before deducting collateral as at June 30, 2021 and December 31, 2020.

The maximum exposure to credit risk of a financial asset is equal to the net book value. The maximum exposure to credit risk of a financial guarantee is the maximum amount the Bank will pay up to the guarantee obligation. For loan commitments the maximum exposure to credit risk is full value of credit limit.

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Million Baht				
Financial assets				
Interbank and money market items, net	805,307	519,036	658,870	374,779
Derivatives assets	44,488	67,560	43,990	66,143
Investments	666,267	680,902	548,258	594,127
Loan to customers	<u>2,225,733</u>	<u>2,189,102</u>	<u>1,914,094</u>	<u>1,896,205</u>
Total	<u>3,741,795</u>	<u>3,456,600</u>	<u>3,165,212</u>	<u>2,931,254</u>
Off Balance sheet				
Financial guarantees	231,617	199,100	189,060	161,786
Loan commitments	<u>421,022</u>	<u>421,290</u>	<u>374,334</u>	<u>376,969</u>
Total	<u>652,639</u>	<u>620,390</u>	<u>563,394</u>	<u>538,755</u>
Total credit risk exposure	<u><u>4,394,434</u></u>	<u><u>4,076,990</u></u>	<u><u>3,728,606</u></u>	<u><u>3,470,009</u></u>

4.2.3 Collateral obtained

The maximum exposure to credit risk arised from loans and advances to customers and financial guarantees and loan commitments. The Bank receives a sufficient amount of collateral and of an appropriate type. The main types are land, land with buildings, bonds, debentures, apartments, etc. including deposits, leasehold rights and various movable properties, etc.

4.2.4 Offsetting financial assets and liabilities

The table below shows the amount of financial instruments that have not been offset in the statement of financial position but is subject to other applicable netting agreements or similar arrangements such as standard contracts and other applicable financial collateral as at June 30, 2021 and December 31, 2020.

Million Baht

Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	CONSOLIDATED JUNE 30, 2021			Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
				Amounts not offset on the statement of financial position		Net amounts				
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	18,480	-	18,480	-	(18,480)	-	Interbank and money market items (assets), net	6.4	805,307	786,827
Derivatives assets	30,194	-	30,194	(23,414)	(1,346)	5,434	Derivative assets	6.6	44,488	14,294
Total	<u>48,674</u>	<u>-</u>	<u>48,674</u>	<u>(23,414)</u>	<u>(19,826)</u>	<u>5,434</u>			<u>849,795</u>	<u>801,121</u>
Financial liabilities										
Repurchase agreements	52,000	-	52,000	-	(52,000)	-	Interbank and money market items (assets), net	6.15	253,407	201,407
Derivatives liabilities	34,699	-	34,699	(23,414)	(11,285)	-	Derivative liabilities	6.6	50,417	15,718
Total	<u>86,699</u>	<u>-</u>	<u>86,699</u>	<u>(23,414)</u>	<u>(63,285)</u>	<u>-</u>			<u>303,824</u>	<u>217,125</u>

Types of Financial Instrument	CONSOLIDATED DECEMBER 31, 2020						Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	Amounts not offset on the statement of financial position		Net amounts				
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	13,761	-	13,761	-	(13,761)	-	Interbank and money market items (assets), net	6.4	519,036	505,275
Derivatives assets	37,685	-	37,685	(28,129)	(3,864)	5,692	Derivative assets	6.6	67,560	29,875
Total	<u>51,446</u>	<u>-</u>	<u>51,446</u>	<u>(28,129)</u>	<u>(17,625)</u>	<u>5,692</u>			<u>586,596</u>	<u>535,150</u>
Financial liabilities										
Repurchase agreements	2,000	-	2,000	-	(2,000)	-	Interbank and money market items (assets), net	6.15	219,149	217,149
Derivatives liabilities	44,788	-	44,788	(28,129)	(12,670)	3,989	Derivative liabilities	6.6	57,128	12,340
Total	<u>46,788</u>	<u>-</u>	<u>46,788</u>	<u>(28,129)</u>	<u>(14,670)</u>	<u>3,989</u>			<u>276,277</u>	<u>229,489</u>

Types of Financial Instrument	THE BANK JUNE 30, 2021						Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	Amounts not offset on the statement of financial position		Net amounts				
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	18,480	-	18,480	-	(18,480)	-	Interbank and money market items (assets), net	6.4	658,870	640,390
Derivatives assets	30,194	-	30,194	(23,414)	(1,346)	5,434	Derivative assets	6.6	43,990	13,796
Total	<u>48,674</u>	<u>-</u>	<u>48,674</u>	<u>(23,414)</u>	<u>(19,826)</u>	<u>5,434</u>			<u>702,860</u>	<u>654,186</u>
Financial liabilities										
Repurchase agreements	52,000	-	52,000	-	(52,000)	-	Interbank and money market items (assets), net	6.15	243,671	191,671
Derivatives liabilities	34,699	-	34,699	(23,414)	(11,285)	-	Derivative liabilities	6.6	49,912	15,213
Total	<u>86,699</u>	<u>-</u>	<u>86,699</u>	<u>(23,414)</u>	<u>(63,285)</u>	<u>-</u>			<u>293,583</u>	<u>206,884</u>

THE BANK DECEMBER 31, 2020										
Types of Financial Instrument	Gross amounts	Amount offset on the statement of financial position	Net amounts reported on the statement of financial position	Amounts not offset on the statement of financial position		Net amounts	Line item on the statement of financial position	Notes	Carrying amount on the statement of financial position	Carrying amount on the statement of financial position not in scope of offsetting
				Unqualified contractual offset amounts	Related financial collateral					
Financial assets										
Reverse repurchase agreements	13,761	-	13,761	-	(13,761)	-	Interbank and money market items (assets), net	6.4	374,779	361,018
Derivatives assets	37,685	-	37,685	(28,129)	(3,864)	5,692	Derivative assets	6.6	66,143	28,458
Total	<u>51,446</u>	<u>-</u>	<u>51,446</u>	<u>(28,129)</u>	<u>(17,625)</u>	<u>5,692</u>			<u>440,922</u>	<u>389,476</u>
Financial liabilities										
Repurchase agreements	2,000	-	2,000	-	(2,000)	-	Interbank and money market items (assets), net	6.15	162,499	160,499
Derivatives liabilities	44,788	-	44,788	(28,129)	(12,670)	3,989	Derivative liabilities	6.6	56,212	11,424
Total	<u>46,788</u>	<u>-</u>	<u>46,788</u>	<u>(28,129)</u>	<u>(14,670)</u>	<u>3,989</u>			<u>218,711</u>	<u>171,923</u>

4.2.5 Credit quality of financial assets including loan commitments and financial guarantee contracts as at June 30, 2021 and December 31, 2020.

	CONSOLIDATED JUNE 30, 2021			Million Baht
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	876,666	1,002	-	877,668
Satisfactory	1,664,735	5,579	-	1,670,314
High-risk	281,941	135,645	-	417,586
Credit impaired	-	-	114,214	114,214
Total	<u>2,823,342</u>	<u>142,226</u>	<u>114,214</u>	<u>3,079,782</u>
Interbank and money market items and investments in debt securities				
Strong	1,434,591	396	-	1,434,987
Satisfactory	26,651	1,960	-	28,611
High-risk	2,281	6,136	-	8,417
Credit impaired	-	-	1,228	1,228
Total	<u>1,463,523</u>	<u>8,492</u>	<u>1,228</u>	<u>1,473,243</u>
Grand total	<u><u>4,286,865</u></u>	<u><u>150,718</u></u>	<u><u>115,442</u></u>	<u><u>4,553,025</u></u>

	THE BANK JUNE 30, 2021			Million Baht
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	692,517	244	-	692,761
Satisfactory	1,528,346	5,558	-	1,533,904
High-risk	220,818	107,700	-	328,518
Credit impaired	-	-	99,163	99,163
Total	<u>2,441,681</u>	<u>113,502</u>	<u>99,163</u>	<u>2,654,346</u>
Interbank and money market items and investments in debt securities				
Strong	1,173,387	-	-	1,173,387
Satisfactory	23,984	1,960	-	25,944
High-risk	2,219	6,136	-	8,355
Credit impaired	-	-	1,228	1,228
Total	<u>1,199,590</u>	<u>8,096</u>	<u>1,228</u>	<u>1,208,914</u>
Grand total	<u><u>3,641,271</u></u>	<u><u>121,598</u></u>	<u><u>100,391</u></u>	<u><u>3,863,260</u></u>

	CONSOLIDATED DECEMBER 31, 2020			Million Baht
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	892,537	560	-	893,097
Satisfactory	1,581,390	7,699	-	1,589,089
High-risk	261,753	141,446	-	403,199
Credit impaired	-	-	108,888	108,888
Total	<u>2,735,680</u>	<u>149,705</u>	<u>108,888</u>	<u>2,994,273</u>
Interbank and money market items and investments in debt securities				
Strong	1,167,862	-	-	1,167,862
Satisfactory	21,953	1,244	-	23,197
High-risk	3,028	4,078	-	7,106
Credit impaired	-	-	1,518	1,518
Total	<u>1,192,843</u>	<u>5,322</u>	<u>1,518</u>	<u>1,199,683</u>
Grand total	<u><u>3,928,523</u></u>	<u><u>155,027</u></u>	<u><u>110,406</u></u>	<u><u>4,193,956</u></u>

	THE BANK DECEMBER 31, 2020			Million Baht
	Performing	Under-performing	Non-performing	Total
Loans, financial guarantee and credit related commitments				
Strong	720,884	311	-	721,195
Satisfactory	1,460,469	7,673	-	1,468,142
High-risk	199,762	113,166	-	312,928
Credit impaired	-	-	96,230	96,230
Total	<u>2,381,115</u>	<u>121,150</u>	<u>96,230</u>	<u>2,598,495</u>
Interbank and money market items and investments in debt securities				
Strong	941,115	-	-	941,115
Satisfactory	19,029	595	-	19,624
High-risk	2,954	4,078	-	7,032
Credit impaired	-	-	1,505	1,505
Total	<u>963,098</u>	<u>4,673</u>	<u>1,505</u>	<u>969,276</u>
Grand total	<u><u>3,344,213</u></u>	<u><u>125,823</u></u>	<u><u>97,735</u></u>	<u><u>3,567,771</u></u>

Allowance for expected credit loss of financial instruments that requires credit impairment consideration according to relevant financial reporting standard consisted of the following as at June 30, 2021 and December 31, 2020 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Expected credit losses for				
Interbank and money market items	1,009	400	896	367
Investment in debt securities	4,624	2,895	4,596	2,841
Loans to customers	201,411	185,567	176,858	163,534
Other off-balance sheet items	8,916	9,006	7,357	7,473
Total	<u><u>215,960</u></u>	<u><u>197,868</u></u>	<u><u>189,707</u></u>	<u><u>174,215</u></u>

	Million Baht			
	CONSOLIDATED			
	JUNE 30, 2021			
	Allowance for expected credit loss			
	Performing	Under-performing	Non-performing	Total
Beginning balances	56,525	65,205	76,138	197,868
Changes due to re-measurement of loss allowance	24,007	11,832	23,592	59,431
De-recognition	(12,939)	(9,588)	(21,203)	(43,730)
Others	520	454	1,417	2,391
Ending balances	<u><u>68,113</u></u>	<u><u>67,903</u></u>	<u><u>79,944</u></u>	<u><u>215,960</u></u>

	Million Baht			
	THE BANK			
	JUNE 30, 2021			
	Allowance for expected credit loss			
	Performing	Under-performing	Non-performing	Total
Beginning balances	48,303	59,044	66,868	174,215
Changes due to re-measurement of loss allowance	19,143	10,432	18,715	48,290
De-recognition	(8,336)	(8,870)	(17,296)	(34,502)
Others	376	450	878	1,704
Ending balances	<u><u>59,486</u></u>	<u><u>61,056</u></u>	<u><u>69,165</u></u>	<u><u>189,707</u></u>

	Million Baht			
	CONSOLIDATED			
	DECEMBER 31, 2020			
	Allowance for expected credit loss			
	Performing	Under-performing	Non-performing	Total
Beginning balances	62,411	60,552	53,234	176,197
Changes due to re-measurement of loss allowance	1,609	22,629	48,388	72,626
De-recognition	(7,241)	(17,831)	(29,169)	(54,241)
Others	(254)	(145)	3,685	3,286
Ending balances	<u><u>56,525</u></u>	<u><u>65,205</u></u>	<u><u>76,138</u></u>	<u><u>197,868</u></u>

Million Baht

	THE BANK DECEMBER 31, 2020			
	Allowance for expected credit loss			
	Performing	Under-performing	Non-performing	Total
Beginning balances	59,077	60,276	52,662	172,015
Changes due to re-measurement of loss allowance	(4,876)	15,235	35,657	46,016
De-recognition	(5,933)	(16,437)	(23,769)	(46,139)
Others	35	(30)	2,318	2,323
Ending balances	48,303	59,044	66,868	174,215

4.3 Market risk

Market risk is the risk of losses in on and off-balance sheet positions of the Bank arising from movements in market prices of assets, liabilities and contingent liabilities such as interest rates, foreign exchange rates, equity prices and commodity prices.

4.3.1 Market Risk in the Trading Book

Trading book position includes positions of financial instruments that the Bank holds for a short period with an intention to trade, resell, and benefit from the difference between the buying and selling prices; to benefit from arbitrage opportunities; or to hedge other positions in the trading book.

Interest rate risk in the trading book arises when the Bank holds interest rate-related financial instruments with an intention to trade, speculate for a short-term profit, or hedge other positions in the trading book. Changes in interest rates affect the fair value of these positions and may result in gains or losses for the Bank.

Foreign exchange risk arises when the Bank executes a foreign currency transaction which may lead to an overbought or oversold position in a particular currency. The Bank may incur gains or losses as a result of movements in foreign exchange rates.

The Bank manages traded market risk primarily through a series of limits, such as Value-at-Risk (VaR) Limit, Present Value of a Basis Point Change (PV01) Limit and Maximum Loss Limit. Risk exposures are monitored and reported to senior management, the Board of Executive Directors and the Risk Management Committee on a regular basis.

Value at Risk

Value at Risk or “VaR” is a statistical technique that estimates the maximum potential losses on risk exposures as a result of movements in market rates and prices over a specified time horizon and at a given level of confidence. The Bank uses a historical simulation approach at a 99% confidence level over a one-day holding period to measure VaR for our trading book positions. Historical Simulation VaR estimates the maximum potential losses assuming plausible future scenarios from the observed historical market movements.

For the trading book positions of the Bank and the BBL Group, the one-day VaR at a 99% confidence level as at June 30, 2021 was Baht 206 million and Baht 199 million and December 31, 2020 was Baht 492 million and Baht 500 million, respectively.

The Bank also performs market risk stress testing on its trading book position on at least a quarterly basis to determine the potential losses from extreme market movements or crisis events. This stress testing enhances the Bank’s understanding of its risk exposures and vulnerability as well as facilitating proactive risk management.

4.3.2 Market Risk in the Banking Book

4.3.2.1 Interest Rate Risk in the Banking Book

Interest rate risk in the banking book normally arises when the repricing and/or maturity schedule of assets, liabilities and off-balance sheet positions are not matched, or when the movements of reference interest rates on assets and liabilities are not correlated, affecting net interest income (NII) and/or economic value of equity (EVE).

To control interest rate risk in the banking book, the Bank has established an NII Impact Limit (being the Cumulative NII Impact within one year) and an EVE Impact Limit, assuming interest rates rise and decrease immediately by 1%.

The impact of a 1% point increase in interest rate to NII of the Bank and the BBL Group as at June 30, 2021 and December 31, 2020 was as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
NII Impact	411	55	(226)	(725)

The Bank has significant financial assets and financial liabilities categorized by the earlier of contractual repricing or maturity dates as at June 30, 2021 and December 31, 2020 as follows :

	CONSOLIDATED							Million Baht
	June 30, 2021							Total
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years	Non - interest bearing	Non - performing Loans	
Financial Assets								
Interbank and money market items*	664,633	50,788	18,567	489	-	71,644	-	806,121
Financial assets measured at fair value through profit or loss	2,254	1,687	1,466	2,339	8,869	55,376	-	71,991
Investments in debt securities	33,168	44,175	81,588	381,294	123,396	68	-	663,689
Loans to customers	1,376,289	500,595	285,310	145,704	6,183	3,002	103,222	2,420,305
Financial Liabilities								
Deposits	1,942,210	370,245	591,477	17,303	-	125,750	-	3,046,985
Interbank and money market items	113,344	59,323	43,372	22,320	921	14,127	-	253,407
Liabilities payable on demand	-	-	-	-	-	7,057	-	7,057
Financial liabilities measured at fair value through profit or loss	296	-	-	-	20,078	-	-	20,374
Debt issued and borrowings	-	229	2,259	85,319	57,696	-	-	145,503

* Excluding allowance for expected credit loss and accrued interest receivables.

Million Baht

	CONSOLIDATED December 31, 2020						Non - interest bearing	Non - performing Loans	Total
	Call to 1 Month	1 - 3 Months	3 - 12 Months	1 - 5 Years	Over 5 Years				
Financial Assets									
Interbank and money market items *	385,330	25,517	28,793	793	-	76,804	-	517,237	
Financial assets measured at fair value through profit or loss	62	53	947	4,665	8,162	44,047	-	57,936	
Investments in debt securities	15,822	83,044	157,728	324,562	97,098	68	-	678,322	
Loans to customers	1,365,351	470,138	272,712	148,167	7,432	5,203	99,235	2,368,238	
Financial Liabilities									
Deposits	1,788,428	382,141	498,079	24,697	-	117,518	-	2,810,863	
Interbank and money market items	106,946	40,491	23,452	37,108	972	10,180	-	219,149	
Liabilities payable on demand	-	-	-	-	-	7,257	-	7,257	
Financial liabilities measured at fair value through profit or loss	-	200	-	-	19,057	-	-	19,257	
Debt issued and borrowings	7	92	2,082	57,430	76,566	-	-	136,177	

* Excluding allowance for expected credit loss and accrued interest receivables.

Million Baht

	THE BANK							
	June 30, 2021							
	Call to	1 - 3	3 - 12	1 - 5	Over	Non -	Non -	Total
	1 Month	Months	Months	Years	5 Years	interest	performing	
						bearing	Loans	
Financial Assets								
Interbank and money								
market items*	569,767	39,034	10,390	448	-	39,999	-	659,638
Financial assets measured								
at fair value through								
profit or loss	2,135	1,500	358	24,776	7,538	48,362	-	84,669
Investments in debt securities	14,675	19,505	60,389	333,542	119,025	68	-	547,204
Loans to customers	1,201,648	436,837	253,321	96,683	4,893	3,002	88,938	2,085,322
Financial Liabilities								
Deposits	1,625,356	334,368	545,557	10,693	-	124,325	-	2,640,299
Interbank and money								
market items	105,506	57,564	41,923	21,690	921	16,067	-	243,671
Liabilities payable								
on demand	-	-	-	-	-	7,024	-	7,024
Financial liabilities measured								
at fair value through								
profit or loss	-	-	-	-	20,078	-	-	20,078
Debt issued and borrowings	-	-	23	85,217	57,696	-	-	142,936

* Excluding allowance for expected credit loss and accrued interest receivables.

	Million Baht							
	THE BANK							
	December 31, 2020							
	Call to	1 - 3	3 - 12	1 - 5	Over	Non -	Non -	Total
	1 Month	Months	Months	Years	5 Years	interest	performing	
						bearing	Loans	
Financial Assets								
Interbank and money								
market items *	288,557	13,976	18,350	754	-	53,418	-	375,055
Financial assets measured								
at fair value through								
profit or loss	42	11	435	1,686	28,634	38,551	-	69,359
Investments in debt securities	10,338	59,512	132,982	295,054	94,626	68	-	592,580
Loans to customers	1,195,368	411,756	244,726	104,321	6,241	5,203	86,998	2,054,613
Financial Liabilities								
Deposits	1,540,819	351,434	465,312	10,500	-	117,532	-	2,485,597
Interbank and money								
market items	52,264	37,219	23,180	36,478	972	12,386	-	162,499
Liabilities payable								
on demand	-	-	-	-	-	6,703	-	6,703
Financial liabilities measured								
at fair value through								
profit or loss	-	-	-	-	19,057	-	-	19,057
Debt issued and borrowings	-	-	10	57,388	76,566	-	-	133,964

4.3.2.2 Foreign Exchange in the Banking Book

Exchange rate risk in the banking book relates to the net investment position of foreign branches and subsidiaries. It is a risk arising from changes in exchange rates to investments and the net operating results of foreign entities. Whose functional currency is not Thai baht Foreign exchange risk is recognized through other comprehensive income as gain or loss on translation of the financial statements from overseas operations.

The Bank manages foreign exchange risk in its banking book to ensure that the impact of exchange rate changes on the Bank's total capital ratios is at acceptable levels as at June 30, 2021 and December 31, 2020. The impact on the Bank's total capital ratio, due to the appreciation of the Thai Baht currency against all foreign currencies of 5%, is approximately 0.01% and 0.02%, respectively.

* Excluding allowance for expected credit loss and accrued interest receivables.

4.4 Liquidity risk

Liquidity risk is the risk that the Bank is not able to meet financial obligations when they fall due. The purpose of the Bank's liquidity risk management is to maintain sufficient funds to meet present and future financial obligations while managing the use of the funds to generate an appropriate return in line with prevailing market conditions.

The Bank manages liquidity risk in accordance with policies and principles established internally by ALCO and with relevant regulatory requirements. The Treasury Division is in charge of managing the Bank's day-to-day cash flow and liquidity position, monitoring money market conditions and interest and exchange rate movements and forecasting rate trends, as well as executing liquidity management strategies in accordance with ALCO guidelines. The Market Risk unit of the Risk Management Division is responsible for identifying, assessing, monitoring, reporting and controlling liquidity risks against specified limits. The Market Risk unit reports to ALCO regularly, at least once a month.

The Bank has diversified funding sources. Its major funding source is customer deposits which are well diversified in terms of customer type, deposit type and maturity. Moreover, the Bank manages liquidity in major currencies such as the Thai baht and US dollar by using domestic and international money and capital markets, including swap and repurchase markets. The Bank aims to balance the cost of liquidity against liquidity risks as deemed appropriate, based on market conditions and acceptable risk levels. The Bank also closely manages short-term and long-term liquidity positions, including the consideration of foreign short-term and long-term borrowings to meet customers' foreign currency loan demands in both domestic and overseas operations, as well as planning for capital fundraising as market conditions permit. In addition to funding diversification, the Bank maintains high-quality liquid assets which can be liquidated or realized as needed in order to meet its financial obligations under both business-as-usual and crisis situations. The Bank maintains a liquidity reserve ratio in accordance with the requirements of the BOT and other regulatory authorities in the countries where it has an international presence, as well as in accordance with the ALCO guidelines.

The following tables show financial assets and financial liabilities categorized by remaining maturity profile as at June 30, 2021 and December 31, 2020 :

	CONSOLIDATED June 30, 2021					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	Total
Financial Assets						
Interbank and money market items *	803,640	2,377	104	-	-	806,121
Financial assets measured at						
fair value through profit or loss	8,389	2,339	8,956	52,307	-	71,991
Derivatives assets	10,977	14,017	19,494	-	-	44,488
Investments	159,928	403,145	102,428	88,179	-	753,680
Loans to customers	894,237	833,775	586,069	-	106,224	2,420,305
Financial Liabilities						
Deposits	3,027,500	19,485	-	-	-	3,046,985
Interbank and money market items	220,568	28,735	921	3,183	-	253,407
Liabilities payable on demand	7,057	-	-	-	-	7,057
Financial liabilities measured at						
fair value through profit or loss	296	-	20,078	-	-	20,374
Derivatives liabilities	16,088	15,125	19,204	-	-	50,417
Debt issued and borrowings	2,488	61,265	57,695	24,055	-	145,503

* Excluding allowance for expected credit loss and accrued interest receivables.

	CONSOLIDATED December 31, 2020					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	Total
Financial Assets						
Interbank and money market items*	511,527	5,606	104	-	-	517,237
Financial assets measured at						
fair value through profit or loss	933	4,905	8,051	44,047	-	57,936
Derivatives assets	21,326	21,766	24,468	-	-	67,560
Investments	243,383	334,744	100,351	80,916	-	759,394
Loans to customers	858,828	859,882	545,029	-	104,499	2,368,238
Financial Liabilities						
Deposits	2,786,155	24,708	-	-	-	2,810,863
Interbank and money market items	172,121	43,098	972	2,958	-	219,149
Liabilities payable on demand	7,257	-	-	-	-	7,257
Financial liabilities measured at						
fair value through profit or loss	200	-	19,057	-	-	19,257
Derivatives liabilities	13,608	20,540	22,980	-	-	57,128
Debt issued and borrowings	2,181	57,430	54,036**	22,530**	-	136,177

	THE BANK June 30, 2021					Million Baht
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	Total
Financial Assets						
Interbank and money market items*	659,190	448	-	-	-	659,638
Financial assets measured at						
fair value through profit or loss	3,993	2,339	7,538	70,799	-	84,669
Derivatives assets	10,592	13,904	19,494	-	-	43,990
Investments	93,559	356,587	96,990	231,673	-	778,809
Loans to customers	755,606	726,105	511,671	-	91,940	2,085,322
Financial Liabilities						
Deposits	2,627,421	12,878	-	-	-	2,640,299
Interbank and money market items	214,645	28,105	921	-	-	243,671
Liabilities payable on demand	7,024	-	-	-	-	7,024
Financial liabilities measured at						
fair value through profit or loss	-	-	20,078	-	-	20,078
Derivatives liabilities	15,727	14,981	19,204	-	-	49,912
Debt issued and borrowings	23	61,163	57,695	24,055	-	142,936

* Excluding allowance for expected credit loss and accrued interest receivables.

** The Bank had made changes the presentation of 2020 comparison to be in accordance with the current year presentations.

	THE BANK					Million Baht
	December 31, 2020					
	Up to 1 Year	1 to 5 Years	Over 5 Years	No Maturity	Non - performing Loans	Total
Financial Assets						
Interbank and money market items *	374,301	754	-	-	-	375,055
Financial assets measured at						
fair value through profit or loss	488	1,686	7,608	59,577	-	69,359
Derivatives assets	20,120	21,555	24,468	-	-	66,143
Investments	191,997	305,335	95,180	222,522	-	815,034
Loans to customers	730,047	748,304	484,061	-	92,201	2,054,613
Financial Liabilities						
Deposits	2,471,569	14,028	-	-	-	2,485,597
Interbank and money market items	119,059	42,468	972	-	-	162,499
Liabilities payable on demand	6,703	-	-	-	-	6,703
Financial liabilities measured at						
fair value through profit or loss	-	-	19,057	-	-	19,057
Derivatives liabilities	12,904	20,328	22,980	-	-	56,212
Debt issued and borrowings	10	57,388	54,036**	22,530**	-	133,964

* Excluding allowance for expected credit loss and accrued interest receivables.

** The Bank had made changes the presentation of 2020 comparison to be in accordance with the current year presentations.

4.5 Fair value of financial instruments

The following table presents the carrying amount and estimated fair value of financial instruments as at June 30, 2021 and December 31, 2020 :

	Million Baht			
	CONSOLIDATED			
	June 30, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	62,956	62,956	73,886	73,886
Interbank and money market items, net	805,307	805,307	519,036	519,036
Financial assets measured at fair value				
through profit or loss	71,991	71,991	57,936	57,936
Derivatives assets	44,488	44,539	67,560	65,831
Investments, net	753,680	754,940	759,394	789,633
Loans to customers and accrued interest receivables, net	<u>2,225,733</u>	<u>2,225,733</u>	<u>2,189,102</u>	<u>2,189,102</u>
Total	<u>3,964,155</u>	<u>3,965,466</u>	<u>3,666,914</u>	<u>3,695,424</u>
Financial Liabilities				
Deposits	3,046,985	3,046,985	2,810,863	2,810,863
Interbank and money market items	253,407	253,407	219,149	219,149
Liabilities payable on demand	7,057	7,057	7,257	7,257
Financial liabilities measured at fair value				
through profit or loss	20,374	20,374	19,257	19,257
Derivatives liabilities	50,417	50,683	57,128	55,429
Debt issued	145,119	155,340	135,769	146,243
Borrowings	<u>384</u>	<u>384</u>	<u>408</u>	<u>408</u>
Total	<u>3,523,743</u>	<u>3,534,230</u>	<u>3,249,831</u>	<u>3,258,606</u>

	THE BANK			
	June 30, 2021		December 31, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash	59,394	59,394	70,014	70,014
Interbank and money market items, net	658,870	658,870	374,779	374,779
Financial assets measured at fair value				
through profit or loss	84,669	84,669	69,359	69,359
Derivatives assets	43,990	43,948	66,143	64,358
Investments, net	778,809	797,714	815,034	827,016
Loans to customers and accrued interest				
receivables, net	<u>1,914,094</u>	<u>1,914,094</u>	<u>1,896,205</u>	<u>1,896,205</u>
Total	<u><u>3,539,826</u></u>	<u><u>3,558,689</u></u>	<u><u>3,291,534</u></u>	<u><u>3,301,731</u></u>
Financial Liabilities				
Deposits	2,640,299	2,640,299	2,485,597	2,485,597
Interbank and money market items	243,671	243,671	162,499	162,499
Liabilities payable on demand	7,024	7,024	6,703	6,703
Financial liabilities measured at fair value				
through profit or loss	20,078	20,078	19,057	19,057
Derivatives liabilities	49,912	49,877	56,212	54,455
Debt issued	142,654	152,846	133,599	144,000
Borrowings	<u>282</u>	<u>282</u>	<u>365</u>	<u>365</u>
Total	<u><u>3,103,920</u></u>	<u><u>3,114,077</u></u>	<u><u>2,864,032</u></u>	<u><u>2,872,676</u></u>

For cash, deposits, interbank and money market items (liabilities), liabilities payable on demand, and borrowings, the carrying amounts in the statement of financial position approximate the fair value of the items.

The fair value of loans to customers and interest receivables, net and interbank and money market items, net (assets) is based on the carrying value of the loans to customers and interest receivables, net of the allowance for expected credit loss as presented in the statement of financial position.

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

The fair values of interbank and money market items, net (assets), loans to customers and interest receivables, net, deposits, interbank and money market items (liabilities), liabilities payable on demand, and borrowings are determined by discounting cash flows using the relevant market interest rates.

The fair value of derivatives is derived from market price or valuation techniques which are based on the market prices of instruments with similar characteristics and maturities or the valuation quoted by a reliable institution.

The fair value determination of investments in debt securities

- For domestic debt securities listed in the Thai Bond Market Association, the fair value is determined by using the market yield of debt securities published by the Thai Bond Market Association. For such debt securities that are not listed in the Thai Bond Market Association, the average bid yield from three reliable financial institutions will be used.
- For foreign debt securities, the value quoted by reliable international financial institutions will be used.

The fair value determination of investments in equity securities

- For marketable equity securities with readily determinable market values, the fair value is determined by the last bid price on The Stock Exchange of Thailand on the last business day of the reporting date. If the last bid price is not available, the last closing price will be used.
- Investments in unit trusts are stated at fair value based on redemption value at the reporting date.
- For other non-marketable investments, the fair value is determined by using appropriate valuation techniques with price and/or variables from the market and consideration to limitation of sale, liquidation, and discount rate to adjust such fair value. The valuation techniques include the use of recent arm's length transactions, reference to current fair value of other investments that have similar characteristics, discounted cash flows, and market multiples.

The fair value for debt issued is based on the market value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market, or in the absence, the most advantageous market, where is accessible to by the Bank. The fair value of instruments that are quoted in active markets is determined using the quoted prices. A market is regarded as active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If the market is not active, or an asset or a liability is not traded in an active market, the Bank uses valuation techniques to determine fair value by using the assumptions that market participants would use when pricing the asset or liability. Where applicable, a valuation adjustment is applied to arrive at the fair value.

The following table shows an analysis of financial assets and financial liabilities by level of the fair value hierarchy as at June 30, 2021 and December 31, 2020.

	Million Baht							
	June 30, 2021				December 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Items measured at fair value								
Financial assets								
Financial assets measured at fair value through								
profit or loss	8,259	9,082	54,650	71,991	3,244	8,951	45,741	57,936
Derivatives assets	505	44,034	-	44,539	448	65,361	22	65,831
Investments, net	161,601	543,927	6,466	711,994	123,211	624,497	6,122	753,830
Financial liabilities								
Financial liabilities measured at fair value through								
profit or loss	296	20,078	-	20,374	200	19,057	-	19,257
Derivatives liabilities	114	50,569	-	50,683	103	55,326	-	55,429
Items not measured at fair value								
Financial assets								
Investments, net	3,331	31,298	8,317	42,946	403	27,638	7,762	35,803
Financial liabilities								
Debt issued	-	155,340	-	155,340	-	146,651	-	146,651

	THE BANK								Million Baht
	June 30, 2021					December 31, 2020			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Items measured at fair value									
Financial assets									
Financial assets measured at fair value through profit or loss	2,802	6,886	74,981	84,669	1,441	2,939	64,979	69,359	
Derivatives assets	502	43,446	-	43,948	444	63,892	22	64,358	
Investments, net	99,598	520,923	6,381	626,902	87,758	569,017	5,993	662,768	
Financial liabilities									
Financial liabilities measured at fair value through profit or loss	-	20,078	-	20,078	-	19,057	-	19,057	
Derivatives liabilities	-	49,877	-	49,877	-	54,455	-	54,455	
Items not measured at fair value									
Financial assets									
Investments, net	429	8,142	162,241	170,812	403	7,446	156,399	164,248	
Financial liabilities									
Debt issued	-	152,846	-	152,846	-	144,365	-	144,365	

Fair values are determined according to the following hierarchy :

Level 1 - quoted prices in active market for identical assets or liabilities

Level 2 - value derived from valuation techniques for which the significant input used for the fair value measurement is directly or indirectly observable in the market

Level 3 - value derived from valuation techniques for which the significant input used for the fair value measurement is unobservable in the market

When using valuation techniques, the valuation adjustments are adopted, when the Bank considers that there are additional factors that would be considered by a market participant but are not incorporated within the valuation measurements. The considering factors are such as bid-offer spread, counterparty credit and liquidity, etc.

4.6 Capital fund

It is the Bank's policy to maintain an adequate level of capital to support growth strategies under an acceptable risk framework taking into consideration regulatory requirements and market expectations. The Bank regularly assesses its capital adequacy under various scenarios in order to anticipate capital requirements for the purpose of its capital planning and management process.

The guideline on capital fund based on the Basel III guidelines of the BOT requires the Bank to maintain a capital conservation buffer in addition to minimum capital adequacy ratios which sets out additional capital ratio of more than 2.50 percent. In September 2017, the BOT has announced the guideline to identify and regulate Domestic Systemically Important Banks (D-SIB). The BOT requires the Bank, classified as D-SIB, must have additional capital requirement for Higher Loss Absorbency (HLA) requirement by increasing the Common Equity Tier 1 ratio at 1 percent. The minimum capital adequacy and a capital conservation buffer ratios to risk-weighted assets is as follows :

Capital Fund Ratio	Percentage	
	June 30, 2021	December 31, 2020
Common Equity Tier 1 ratio	More than 8.0	More than 8.0
Tier 1 capital ratio	More than 9.5	More than 9.5
Total capital fund ratio	More than 12.0	More than 12.0

Moreover, the BOT may require to maintain additional capital for countercyclical buffer at maximum of 2.50 percent.

As at June 30, 2021 and December 31, 2020, the Bank maintained capital adequacy ratios to risk assets and capital fund in accordance with the BOT's Notification relating to the Basel III guidelines as follows :

	CONSOLIDATED		THE BANK	
	Percentage		Percentage	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Common Equity Tier 1 capital to risk assets ratio	15.04	14.89	16.48	16.33
Tier 1 capital to risk assets ratio	15.90	15.76	17.41	17.28
Total capital to risk assets ratio	18.37	18.34	20.09	20.10

	CONSOLIDATED		THE BANK	
	Million Baht		Million Baht	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Tier 1 capital	439,040	431,381	440,307	428,010
Common Equity Tier 1 capital	415,274	407,621	416,715	404,418
Paid-up share capital	19,088	19,088	19,088	19,088
Premium on share capital	56,346	56,346	56,346	56,346
Legal reserve	25,500	25,000	25,500	25,000
Reserves appropriated from net profit	111,500	111,500	111,500	111,500
Net profit after appropriation	184,550	185,859	169,427	170,314
Other comprehensive income	57,561	47,386	57,433	53,184
Deductions from Common Equity				
Tier 1 capital	(39,271)	(37,558)	(22,579)	(31,014)
Additional Tier 1 capital	23,766	23,760	23,592	23,592
Tier 2 capital	68,411	70,686	67,726	69,839
Total capital fund	507,451	502,067	508,033	497,849

As at June 30, 2021 and December 31, 2020, the Bank has no capital add-on arising from Single Lending Limit.

Disclosure of capital maintenance information of the Bank and the Financial Holding Group under the BOT's Notification regarding the disclosure of the capital requirement of commercial banks, regarding the disclosure of the capital requirement of the Financial Holding Group and regarding liquidity coverage ratio disclosure standards.

Location of disclosure [www.bangkokbank.com/Investor Relations/Financial Information/Basel III - Pillar 3](http://www.bangkokbank.com/Investor%20Relations/Financial%20Information/Basel%20III%20-%20Pillar%203)

Date of disclosure April 30, 2021

Information as of December 31, 2020

5. SIGNIFICANT USE OF ACCOUNTING JUDGMENTS AND ESTIMATES

5.1 Impairment losses on financial assets

The measurement of impairment losses under Thai Financial Reporting Standard No. 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values and the assessment of significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowance.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include :

- The Bank's internal credit grading model, which assigns probability of default to the individual grades
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowance for financial assets should be measured on a lifetime ECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs and collateral values, and the effect on probability of defaults, exposure at defaults and loss given defaults
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into ECL models

It has been the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

5.2 Provisions

The determination of the provisions on the statement of financial position requires the use of various assumptions and judgments by the Bank, taking into consideration the nature of transactions and the circumstances requiring the provisions, the probability of the outflow of economic benefits to settle such obligations and the estimate of the net future cash outflows. The consideration is based on the experience and information that is available at the time that the financial statements are being prepared. The provisions are reviewed regularly. However, the actual results may differ from the estimates.

For the estimation of the provision for the defined benefit plans under the post-employment benefits, the estimation is calculated by an actuary by using the actuarial techniques which requires actuarial assumptions on financial variables such as discount rate, future salaries and benefits etc., and demographic variables such as employee mortality and turnover etc.

5.3 Fair value of financial instruments

Where assets and liabilities are not traded in active markets, the Bank determines fair value by using valuation techniques commonly used by market participants including the reference to the fair value of another instrument of a similar nature, the discounted cash flow analysis and pricing models.

The Bank uses its best judgment in estimating the fair values of financial instruments. However, estimation methodologies and assumptions used to estimate fair values are inherently subjective. Accordingly, the use of different estimation methodologies and/or market assumptions may have a significant effect on the estimated fair values.

5.4 Impairment of Goodwill

Performing the impairment test on the carrying amount of goodwill against the recoverable amount is carried out on an annual basis, or when there is indication that the goodwill may be impaired. The recoverable amount is determined based on the present value of estimated future cash flows expected to arise from the continuing operations. In estimating the future cash flows, growth rates and discount rates used in computing the recoverable amount is exercised by the Bank's best judgment which is inherently uncertain and subject to potential change over time. However, the Bank reviews these estimates on a regular basis.

6. ADDITIONAL INFORMATION

6.1 Classification of financial assets and financial liabilities

Classification of financial assets and financial liabilities as at June 30, 2021 and December 31, 2020 are as follows :

	CONSOLIDATED					Million Baht
	June 30, 2021					
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Investments in equity securities designated at FVOCI	Financial instruments measured at amortized cost	Total
Financial assets						
Cash	-	-	-	-	62,956	62,956
Interbank and money market items, net	-	-	-	-	805,307	805,307
Financial assets measured at FVTPL	71,991	-	-	-	-	71,991
Derivatives assets	44,488	-	-	-	-	44,488
Investments, net	-	-	622,907	89,087	40,782	752,776
Loans to customers and accrued interest receivables, net	-	-	-	-	2,225,733	2,225,733
Total	116,479	-	622,907	89,087	3,134,778	3,963,251
Financial liabilities						
Deposits	-	-	-	-	3,046,985	3,046,985
Interbank and money market item	-	-	-	-	253,407	253,407
Liability payable on demand	-	-	-	-	7,057	7,057
Financial liabilities measured at FVTPL	296	20,078	-	-	-	20,374
Derivatives liabilities	50,417	-	-	-	-	50,417
Debt issued and borrowings	-	-	-	-	145,503	145,503
Total	50,713	20,078	-	-	3,452,952	3,523,743

Million Baht

	CONSOLIDATED December 31, 2020					Total
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Investments in equity securities designated at FVOCI	Financial instruments measured at amortized cost	
Financial assets						
Cash	-	-	-	-	73,886	73,886
Interbank and money market items, net	-	-	-	-	519,036	519,036
Financial assets measured at FVTPL	57,936	-	-	-	-	57,936
Derivatives assets	67,560	-	-	-	-	67,560
Investments, net	-	-	639,438	80,160	38,884	758,482
Loans to customers and accrued interest receivables, net	-	-	-	-	2,189,102	2,189,102
Total	<u>125,496</u>	<u>-</u>	<u>639,438</u>	<u>80,160</u>	<u>2,820,908</u>	<u>3,666,002</u>
Financial liabilities						
Deposits	-	-	-	-	2,810,863	2,810,863
Interbank and money market item	-	-	-	-	219,149	219,149
Liability payable on demand	-	-	-	-	7,257	7,257
Financial liabilities measured at FVTPL	200	19,057	-	-	-	19,257
Derivatives liabilities	57,128	-	-	-	-	57,128
Debt issued and borrowings	-	-	-	-	136,177	136,177
Total	<u>57,328</u>	<u>19,057</u>	<u>-</u>	<u>-</u>	<u>3,173,446</u>	<u>3,249,831</u>

Million Baht

	THE BANK					
	June 30, 2021					
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Investments in equity securities designated at FVOCI	Financial instruments measured at amortized cost	Total
Financial assets						
Cash	-	-	-	-	59,394	59,394
Interbank and money market items, net	-	-	-	-	658,870	658,870
Financial assets measured at FVTPL	84,669	-	-	-	-	84,669
Derivatives assets	43,990	-	-	-	-	43,990
Investments, net	-	-	539,651	87,252	7,553	634,456
Loans to customers and accrued interest receivables, net	-	-	-	-	1,914,094	1,914,094
Total	128,659	-	539,651	87,252	2,639,911	3,395,473
Financial liabilities						
Deposits	-	-	-	-	2,640,299	2,640,299
Interbank and money market item	-	-	-	-	243,671	243,671
Liability payable on demand	-	-	-	-	7,024	7,024
Financial liabilities measured at FVTPL	-	20,078	-	-	-	20,078
Derivatives liabilities	49,912	-	-	-	-	49,912
Debt issued and borrowings	-	-	-	-	142,936	142,936
Total	49,912	20,078	-	-	3,033,930	3,103,920

Million Baht

	THE BANK					Total
	December 31, 2020					
	Financial instruments measured at FVTPL	Financial instruments designated at FVTPL	Financial instruments measured at FVOCI	Investments in equity securities designated at FVOCI	Financial instruments measured at amortized cost	
Financial assets						
Cash	-	-	-	-	70,014	70,014
Interbank and money market items, net	-	-	-	-	374,779	374,779
Financial assets measured at FVTPL	69,359	-	-	-	-	69,359
Derivatives assets	66,143	-	-	-	-	66,143
Investments, net	-	-	584,904	77,864	7,677	670,445
Loans to customers and accrued interest receivables, net	-	-	-	-	1,896,205	1,896,205
Total	<u>135,502</u>	<u>-</u>	<u>584,904</u>	<u>77,864</u>	<u>2,348,675</u>	<u>3,146,945</u>
Financial liabilities						
Deposits	-	-	-	-	2,485,597	2,485,597
Interbank and money market item	-	-	-	-	162,499	162,499
Liability payable on demand	-	-	-	-	6,703	6,703
Financial liabilities measured at FVTPL	-	19,057	-	-	-	19,057
Derivatives liabilities	56,212	-	-	-	-	56,212
Debt issued and borrowings	-	-	-	-	133,964	133,964
Total	<u>56,212</u>	<u>19,057</u>	<u>-</u>	<u>-</u>	<u>2,788,763</u>	<u>2,864,032</u>

6.2 Cash

Cash as at June 30, 2021 and December 31, 2020 are as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Cash	60,541	73,443	56,979	69,571
Cash received in advance from e-Money and electronic money transfer service	<u>2,415</u>	<u>443</u>	<u>2,415</u>	<u>443</u>
Total	<u>62,956</u>	<u>73,886</u>	<u>59,394</u>	<u>70,014</u>

6.3 Supplementary disclosures of cash flow information

Significant non-cash items for the six-month periods ended June 30, 2021 and 2020 are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS ENDED		FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Unrealized gains on investments in				
shareholders' equity increase (decrease)	1,330	(6,384)	1,452	(6,487)
Investment in subsidiaries increase	-	-	-	8,949
Other liabilities increase	-	8,949	-	8,949
Properties for sale increased from loans				
payment/inactive assets	466	653	350	653
Unrealized increment per premises				
appraisal transferred to retained earnings	524	489	494	477
Unrealized increment per land and premises				
appraisal increase	-	11,510	-	11,190
Changes in non-cash items of debt issued and				
borrowing				
Losses on foreign exchange	(9,107)	(3,354)	(9,042)	(3,354)
Amortization on discount	13	15	13	15

6.4 Interbank and money market items, net (assets)

Interbank and money market items, net (assets) as at June 30, 2021 and December 31, 2020 consisted of the following :

	Million Baht	
	CONSOLIDATED	
	June 30, 2021	December 31, 2020
Domestic items		
Bank of Thailand and Financial Institutions Development Fund	519,423	236,927
Commercial banks	35,770	8,879
Other financial institutions	17,316	15,800
Total	<u>572,509</u>	<u>261,606</u>
<u>Add</u> Accrued interest receivables and undue interest receivables	31	18
<u>Less</u> Allowance for expected credit loss	(78)	(57)
Total domestic items	<u>572,462</u>	<u>261,567</u>
Foreign items		
USD	91,919	113,288
JPY	10,503	19,343
EUR	913	8,246
Others	130,277	114,754
Total	<u>233,612</u>	<u>255,631</u>
<u>Add</u> Accrued interest receivables and undue interest receivables	164	2,181
<u>Less</u> Allowance for expected credit loss	(931)	(343)
Total foreign items	<u>232,845</u>	<u>257,469</u>
Total domestic and foreign items	<u><u>805,307</u></u>	<u><u>519,036</u></u>

	Million Baht	
	THE BANK	
	June 30, 2021	December 31, 2020
Domestic items		
Bank of Thailand and Financial Institutions Development Fund	519,423	236,927
Commercial banks	28,716	502
Other financial institutions	17,316	15,800
Total	<u>565,455</u>	<u>253,229</u>
<u>Add</u> Accrued interest receivables and undue interest receivables	30	17
<u>Less</u> Allowance for expected credit loss	<u>(78)</u>	<u>(57)</u>
Total domestic items	<u>565,407</u>	<u>253,189</u>
Foreign items		
USD	54,635	72,161
JPY	9,746	18,659
EUR	613	7,689
Others	29,190	23,317
Total	<u>94,184</u>	<u>121,826</u>
<u>Add</u> Accrued interest receivables and undue interest receivables	97	74
<u>Less</u> Allowance for expected credit loss	<u>(818)</u>	<u>(310)</u>
Total foreign items	<u>93,463</u>	<u>121,590</u>
Total domestic and foreign items	<u><u>658,870</u></u>	<u><u>374,779</u></u>

6.5 Financial assets measured at fair value through profit or loss

6.5.1 Trading financial assets as at June 30, 2021 and December 31, 2020 consisted of the following :

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Fair Value	Fair Value	Fair Value	Fair Value
Interbank and money market items	-	6	-	6
Thai government and state enterprise securities	5,830	1,718	5,756	1,718
Private enterprise debt securities	-	249	-	249
Foreign debt securities	2,506	3,953	-	-
Domestic marketable equity securities	2,951	1,804	-	-
Others	118	109	-	-
Total	<u><u>11,405</u></u>	<u><u>7,839</u></u>	<u><u>5,756</u></u>	<u><u>1,973</u></u>

6.5.2 Others as at June 30, 2021 and December 31, 2020 consisted of the following :

	CONSOLIDATED		THE BANK		Million Baht
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	
	Fair Value	Fair Value	Fair Value	Fair Value	
Investment in debt securities	48,227	38,856	68,171	57,523	
Investment in equity securities	<u>12,359</u>	<u>11,241</u>	<u>10,742</u>	<u>9,863</u>	
Total	<u><u>60,586</u></u>	<u><u>50,097</u></u>	<u><u>78,913</u></u>	<u><u>67,386</u></u>	
Financial assets measured at fair value through profit or loss					
	<u><u>71,991</u></u>	<u><u>57,936</u></u>	<u><u>84,669</u></u>	<u><u>69,359</u></u>	

6.6 Derivatives assets and liabilities

The fair values and the notional amounts derivatives classified by type of risk as at June 30, 2021 and December 31, 2020 are as follows :

Type of risk	CONSOLIDATED						Million Baht
	June 30, 2021		Notional Amount	December 31, 2020		Notional Amount	
	Fair Value			Fair Value			
	Assets	Liabilities		Assets	Liabilities		
Foreign exchange rate	20,459	23,356	1,441,317	38,173	23,808	1,329,347	
Interest rate	23,517	26,951	1,223,728	28,918	33,221	1,172,610	
Others	<u>512</u>	<u>110</u>	<u>6,506</u>	<u>469</u>	<u>99</u>	<u>6,262</u>	
Total	<u><u>44,488</u></u>	<u><u>50,417</u></u>	<u><u>2,671,551</u></u>	<u><u>67,560</u></u>	<u><u>57,128</u></u>	<u><u>2,508,219</u></u>	

Type of risk	THE BANK						Million Baht
	June 30, 2021		Notional Amount	December 31, 2020		Notional Amount	
	Fair Value			Fair Value			
	Assets	Liabilities		Assets	Liabilities		
Foreign exchange rate	19,970	22,997	1,364,813	36,759	23,025	1,265,380	
Interest rate	23,517	26,915	1,222,621	28,918	33,187	1,170,629	
Others	<u>503</u>	<u>-</u>	<u>1,853</u>	<u>466</u>	<u>-</u>	<u>2,434</u>	
Total	<u><u>43,990</u></u>	<u><u>49,912</u></u>	<u><u>2,589,287</u></u>	<u><u>66,143</u></u>	<u><u>56,212</u></u>	<u><u>2,438,443</u></u>	

Derivative is a financial instrument whose value changes in response to the change in an underlying variable such as interest rate, foreign exchange rate, index of prices or rates, or underlying asset price etc. Notional amounts of derivatives reflect the extent of the Bank's involvement in particular classes of derivatives but do not reflect market risk and credit risk. The Bank's derivatives are as follows :

Foreign exchange derivatives

- Forward foreign exchange contracts are contracts that effectively fix a future foreign exchange rate. The contract provides that, at a predetermined future date, a cash delivery will be made between the parties at a specified contract rate.
- Currency swaps are contracts which involve the exchange of principal and interest in two different currencies with counterparty for a specified period.

Interest rate derivatives

Interest rate swaps are contracts which involve the exchange of interest with counterparties for a specified period in the same currency of principal without the exchange of the underlying principal.

Hedge accounting

The Bank uses currency swaps and interest rate swaps to hedge its exposure to changes in the fair value of fixed rate instruments and its foreign currency risk exposure. As at June 30, 2021 and December 31, 2020, the carrying amount of derivatives designated as hedging instruments in the consolidated and the Bank's financial statements for derivatives assets are amounting to Baht 318 million and Baht 363 million and derivatives liabilities Baht 1,852 million and Baht 1,941 million, respectively.

The Bank uses currency swaps to hedge the variability in cash flows that is related to a variable or fixed rate asset resulting from changes in interest rate and its foreign currency risk exposure. As at June 30, 2021 and December 31, 2020, the carrying amount of derivatives designated as hedging instruments in the consolidated and the Bank's financial statements for derivatives assets are amounting to Baht 580 million and Baht 1,008 million and derivatives liabilities Baht 851 million and Baht 511 million, respectively.

6.7 Investments, net

6.7.1 Investments as at June 30, 2021 and December 31, 2020 consisted of the following :

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Amortized Cost	Amortized Cost	Amortized Cost	Amortized Cost
Debt investment securities				
- measured at amortized cost				
Thai government and				
state enterprise securities	28,904	26,443	6,531	7,030
Foreign debt securities	12,772	12,448	1,913	651
Total	41,676	38,891	8,444	7,681
<u>Less</u> Allowance for expected credit loss	(894)	(7)	(891)	(4)
Total	<u>40,782</u>	<u>38,884</u>	<u>7,553</u>	<u>7,677</u>

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Fair Value	Fair Value	Fair Value	Fair Value
Debt investment securities				
- measured at FVOCI				
Thai government and				
state enterprise securities	427,962	458,728	427,962	458,728
Private enterprise debt securities	23,048	31,676	23,048	31,676
Foreign debt securities	165,380	141,594	82,124	87,060
Others	6,517	7,440	6,517	7,440
Total	<u>622,907</u>	<u>639,438</u>	<u>539,651</u>	<u>584,904</u>
Allowance for expected credit loss	<u>3,730</u>	<u>2,888</u>	<u>3,705</u>	<u>2,837</u>

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Fair Value	Fair Value	Fair Value	Fair Value
Equity investment securities				
- designated at FVOCI				
Domestic marketable equity				
securities	60,454	51,677	58,808	49,546
Foreign marketable equity securities	20,336	20,649	20,336	20,649
Others	8,297	7,834	8,108	7,669
Total	<u>89,087</u>	<u>80,160</u>	<u>87,252</u>	<u>77,864</u>
Investments, net	<u>752,776</u>	<u>758,482</u>	<u>634,456</u>	<u>670,445</u>

For the three-month periods ended June 30, 2021 and 2020, the Bank received dividends from equity investment securities designated at FVOCI that the Bank maintains, for the consolidated amounting to Baht 804 million and Baht 882 million and the Bank's financial statements amounting to Baht 780 million and Baht 788 million, respectively.

For the six-month periods ended June 30, 2021 and 2020, the Bank received dividends from equity investment securities designated at FVOCI that the Bank maintains, for the consolidated amounting to Baht 1,307 million and Baht 1,368 million and the Bank's financial statements amounting to Baht 1,258 million and Baht 1,274 million, respectively.

The Bank had investments in companies whose prospects as a going concern are uncertain, comprising of companies listed in the SET that fall under the SET delisting criteria and non-listed companies that their financial performance and financial position fall under the SET delisting criteria. As at June 30, 2021, there were 35 companies with investment cost of Baht 808 million and fair value of Baht 82 million. As at December 31, 2020, there were 33 companies with investment cost of Baht 257 million and fair value of Baht 1 million.

On December 30, 2004, the Bank entered into a transaction to transfer certain investments classified as available-for-sale securities received from debt restructuring to Sinnsuptawee Asset Management Co., Ltd., a subsidiary of the Bank, at the closing price on December 28, 2004 quoted on The Stock Exchange of Thailand in the amount of Baht 3,323 million. The proceeds from the aforementioned transfer were recorded as other liabilities and the related securities were recorded as securities transferred to subsidiary under available-for-sale securities in accordance with accounting treatment guidance for Transfer and Transferred Financial Assets. As at June 30, 2021 and December 31, 2020, the Bank had outstanding balances of other liabilities from such transaction amounting to Baht 328 million.

6.7.2 As at June 30, 2021 and December 31, 2020, the Bank and subsidiaries had investments in other companies of 10% and upwards of the paid-up capital of the respective companies but which are not considered to be investments in subsidiaries and associates. The classification is as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Fair Value	Fair Value	Fair Value	Fair Value
Manufacturing and commercial	452	1	452	1
Real estate and construction	1,426	939	1,426	939
Utilities and services	21	21	21	21
Others	<u>2,268</u>	<u>2,327</u>	<u>2,268</u>	<u>2,327</u>
Total	<u><u>4,167</u></u>	<u><u>3,288</u></u>	<u><u>4,167</u></u>	<u><u>3,288</u></u>

6.8 Investments in subsidiaries and associates, net

As at June 30, 2021 and December 31, 2020, the Bank had investments in subsidiaries and associates, net as follows :

Company	Type of Business	Type of Shares	Million Baht					
			CONSOLIDATED				Investment	
			Direct and Indirect Shareholding (%)		Investment (Cost Method)		Investment (Equity Method)	
			June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Associates								
Thai Payment Network Co., Ltd.*	Service	Common share	69.08	69.08	362	362	6	26
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15	466	457
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118	89	95
National ITMX Co., Ltd.	Service	Common share	14.26	14.26	<u>13</u>	<u>13</u>	<u>343</u>	<u>333</u>
Total					508	508	904	911
<u>Less Allowance for impairment</u>					<u>(238)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
Investments in associates, net					<u><u>270</u></u>	<u><u>506</u></u>	<u><u>904</u></u>	<u><u>911</u></u>

* The Bank has only significantly influenced but not control.

Million Baht

Company	Type of Business	Type of Shares	THE BANK		Investment	
			Direct and Indirect Shareholding (%)		(Cost Method)	
			June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Subsidiaries						
BBL (Cayman) Limited	Finance	Common share	100.00	100.00	2	2
Bangkok Bank Berhad	Banking	Common share	100.00	100.00	9,261	9,261
Sinnsuptawee Asset Management Co., Ltd.	Asset Management	Common share	100.00	100.00	2,500	2,500
Bangkok Bank (China) Co., Ltd.	Banking	Common share	100.00	100.00	19,585	19,585
Bualuang Ventures Limited	Venture Capital	Common share	100.00	100.00	1,500	1,500
	Company					
PT Bank Permata Tbk	Banking	Common share	98.71	98.71	105,010	105,010
Bualuang Securities PCL.	Securities	Common share	99.91	99.91	4,772	4,772
BSL Leasing Co., Ltd.	Finance	Common share	90.00	90.00	1,365	1,365
BBL Asset Management Co., Ltd.	Finance	Common share	75.00	75.00	183	183
Associates						
Thai Payment Network Co., Ltd.*	Service	Common share	69.08	69.08	362	362
Processing Center Co., Ltd.	Service	Common share	30.00	30.00	15	15
BCI (Thailand) Co., Ltd.	Service	Common share	22.17	22.17	118	118
National ITMX Co., Ltd.	Service	Common share	14.26	14.26	13	13
Total					144,686	144,686
<u>Less</u> Allowance for impairment					(333)	(97)
Investments in subsidiaries and associates, net					144,353	144,589

The Acquisition of PT Bank Permata Tbk

On May 20, 2020, the Bank acquired PT Bank Permata Tbk (“Permata”) from Standard Chartered Bank (“Standard Chartered”) and PT Astra International Tbk (“Astra”) representing 89.12% of the total issued and paid-up shares in Permata (“Transaction”) at price of IDR 1,346.97 per share (approximately THB 2.95 or USD 0.09 per share). The transaction value for the acquisition of 89.12% of the total shares in Permata is IDR 33,662,797 million (approximately Baht 73,722 million or USD 2,282 million).

In accordance with applicable laws and regulations of Indonesia, the Bank is then required to conduct a mandatory tender offer (“MTO”) for the remaining shares in Permata (representing approximately 10.88% of the total issued and paid-up shares in Permata held by minority shareholders). On October 7, 2020, the Bank has completed MTO with total payment of 2,970,419,446 shares in Permata, representing 10.59% of the total issued and paid-up shares in Permata. The MTO is determined "a linked transaction" which is accounted for as a single business combination as if all ownership interests were acquired at the acquisition date. Since the Bank has completed MTO then the adjustment is made to reflect the actual percentage acquired.

* The Bank has only significantly influenced but not control.

In addition, according to applicable laws and regulations of Indonesia a commercial bank in Indonesia with shares listed on the Indonesia Stock Exchange must have at least 1% shares held by an Indonesian citizen and/or legal entity. Thus on October 6, 2020, the Bank has sold 280,427,394 shares in Permata, representing 1% of total issued and paid-up shares in Permata to an Indonesian entity.

Therefore, as at June 30, 2021 and December 31, 2020, the Bank owns 27,681,421,384 shares in Permata, representing 98.71% of total issued and paid-up shares in Permata.

In March 2021, the fair value measurement of Net Asset Value related to a business combination has been completed. The previous provisioned amount including goodwill was adjusted as follows :

	Million Baht Fair Value
Assets	
Cash	4,640
Interbank and money market items, net	69,227
Financial assets measured at fair value through profit and loss	1,617
Derivatives assets	1,020
Investment, net	43,733
Loans to customers and accrued interest receivables, net	227,260
Properties for sale, net	799
Premises and equipment, net	6,205
Others	21,252
Total Assets	375,753
Liabilities	
Deposits	299,893
Interbank and money market items	4,348
Liability payable on demand	733
Derivatives liabilities	403
Debt issued and borrowings	3,469
Others	5,125
Total Liabilities	313,971
Net identifiable assets acquired and the liabilities assumed	61,782
<u>Less</u> Non-controlling interests	(796)
<u>Add</u> Goodwill	20,595
Net cash payment	81,581

In this regard, Otoritas Jasa Keuangan - OJK has approved to have the Bank's branches in Indonesia to be integrated into PT Bank Permata Tbk according to the Bank's business plan. On December 21, 2020, the Bank's branches in Indonesia transfer the assets and liabilities of the branches according to regulations of Indonesia including the part that can be counted as capital to Permata, as a result that Permata's assets, liabilities and capital are increased.

The additional investments in BSL Leasing Co., Ltd.

On September 17, 2020 the Bank additionally purchased the issued 541,249 common shares representing 54.12% shareholding in BSL Leasing Co., Ltd. at the amount of Baht 1,165 million. This results in an increase of the Bank's shareholding to be 90% and BSL Leasing Co., Ltd. is changed from an associate to be a subsidiary. The net identifiable assets acquired and liabilities assumed and non-controlling interests are recognized in the consolidated financial statement as of acquisition date amounting to Baht 2,152 million and Baht 215 million, respectively.

The aggregated financial information of associates that are not individually material is as follows :

	Million Baht	
	FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2021	June 30, 2020
Net profit	209	196
Total comprehensive income	209	196

	Million Baht	
	FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2021	June 30, 2020
Net profit	454	438
Total comprehensive income	454	438

6.9 Loans to customers and accrued interest receivables, net

6.9.1 Classified by product type as at June 30, 2021 and December 31, 2020 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Overdrafts	105,898	105,064	86,219	85,394
Loans	1,952,395	1,869,431	1,653,526	1,592,004
Bills	352,720	384,482	343,652	375,349
Hire purchase receivable	3,779	4,000	-	-
Finance lease receivable	914	1,013	-	-
Others	<u>4,599</u>	<u>4,248</u>	<u>1,925</u>	<u>1,866</u>
Loans to customers	2,420,305	2,368,238	2,085,322	2,054,613
<u>Add</u> Accrued interest receivables and undue interest receivables	<u>6,839</u>	<u>6,431</u>	<u>5,630</u>	<u>5,126</u>
Loans to customers and accrued interest receivables	2,427,144	2,374,669	2,090,952	2,059,739
<u>Less</u> Allowance for expected credit loss	<u>(201,411)</u>	<u>(185,567)</u>	<u>(176,858)</u>	<u>(163,534)</u>
Total loans to customers and accrued interest receivables, net	<u><u>2,225,733</u></u>	<u><u>2,189,102</u></u>	<u><u>1,914,094</u></u>	<u><u>1,896,205</u></u>

6.9.2 Classified by staging as at June 30, 2021 and December 31, 2020 :

	Million Baht			
	Loans and Interbank and Money Market items			
	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Performing and Under-performing	3,115,391	2,781,073	2,648,375	2,337,689
Non-performing	<u>111,035</u>	<u>104,401</u>	<u>96,586</u>	<u>91,978</u>
Total	<u><u>3,226,426</u></u>	<u><u>2,885,474</u></u>	<u><u>2,744,961</u></u>	<u><u>2,429,667</u></u>

The consolidated and the Bank's financial statements as at June 30, 2021, impaired loans with restructured loans amounted to Baht 52,961 million and Baht 46,338 million, respectively.

The consolidated and the Bank's financial statements as at December 31, 2020, impaired loans with restructured loans amounted to Baht 48,254 million and Baht 43,074 million, respectively.

6.9.3 As at June 30, 2021 and December 31, 2020, the Bank and subsidiaries had non-performing loans (NPLs), including interbank and money market items but excluding accrued interest receivable, as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Million Baht			
NPLs before allowance for expected credit loss	111,035	104,401	96,586	91,978
NPLs as percentage of total loans	3.67	3.91	3.65	4.00
Net NPLs after allowance for expected credit loss	34,993	34,560	30,891	31,173
Net NPLs as percentage of net total loans	1.19	1.39	1.20	1.46

6.9.4 Classified by customer's residence as at June 30, 2021 and December 31, 2020 :

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Million Baht			
Domestic	1,632,730	1,644,613	1,622,911	1,635,042
Foreign	<u>787,575</u>	<u>723,625</u>	<u>462,411</u>	<u>419,571</u>
Total	<u><u>2,420,305</u></u>	<u><u>2,368,238</u></u>	<u><u>2,085,322</u></u>	<u><u>2,054,613</u></u>

6.9.5 Classified by business type as at June 30, 2021 and December 31, 2020 :

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Million Baht			
Agriculture and mining	88,666	78,175	62,384	52,766
Manufacturing and commercial	813,199	791,828	679,768	663,820
Real estate and construction	206,453	211,510	169,900	178,453
Utilities and services	572,550	539,151	519,934	495,571
Housing loans	309,432	302,142	261,326	259,977
Others	<u>430,005</u>	<u>445,432</u>	<u>392,010</u>	<u>404,026</u>
Total	<u><u>2,420,305</u></u>	<u><u>2,368,238</u></u>	<u><u>2,085,322</u></u>	<u><u>2,054,613</u></u>

6.9.6 Classified by staging and allowance for expected credit loss as at June 30, 2021 and December 31, 2020 :

	CONSOLIDATED		THE BANK	
	June 30, 2021		June 30, 2021	
	Loans and accrued interest receivables	Allowance for expected credit loss	Loans and accrued interest receivables	Allowance for expected credit loss
Performing	2,178,418	59,878	1,884,368	52,541
Under-performing	135,344	63,070	107,807	56,272
Non-performing	<u>113,382</u>	<u>78,463</u>	<u>98,777</u>	<u>68,045</u>
Total	<u><u>2,427,144</u></u>	<u><u>201,411</u></u>	<u><u>2,090,952</u></u>	<u><u>176,858</u></u>

	CONSOLIDATED		THE BANK	
	December 31, 2020		December 31, 2020	
	Loans and accrued interest receivables	Allowance for expected credit loss	Loans and accrued interest receivables	Allowance for expected credit loss
Performing	2,128,431	51,013	1,852,036	44,064
Under-performing	139,983	62,750	114,010	56,765
Non-performing	106,255	71,804	93,693	62,705
Total	2,374,669	185,567	2,059,739	163,534

6.10 Properties for sale, net

Properties for sale consisted of the following as at June 30, 2021 and December 31, 2020 :

	CONSOLIDATED				
	JUNE 30, 2021				
Type of Properties for Sale	Beginning Balance	Additions	Disposals	Others	Ending Balance
Assets from debt repayment					
Immovable assets	17,247	429	(628)	71	17,119
Movable assets	78	23	-	(27)	74
Total	17,325	452	(628)	44	17,193
Others	21	33	(53)	-	1
Total properties for sale	17,346	485	(681)	44	17,194
<u>Less</u> Allowance for impairment	(7,592)	(226)	35	11	(7,772)
Total properties for sale, net	9,754	259	(646)	55	9,422

	CONSOLIDATED					
	DECEMBER 31, 2020					
Type of Properties for Sale	Beginning Balance	Balance of Subsidiary as at Acquisition date	Additions	Disposals	Others	Ending Balance
Assets from debt repayment						
Immovable assets	15,910	996	1,407	(1,041)	(25)	17,247
Movable assets	69	45	228	(263)	(1)	78
Total	15,979	1,041	1,635	(1,304)	(26)	17,325
Others	-	6	26	(11)	-	21
Total properties for sale	15,979	1,047	1,661	(1,315)	(26)	17,346
<u>Less</u> Allowance for impairment	(6,616)	(242)	(1,136)	396	6	(7,592)
Total properties for sale, net	9,363	805	525	(919)	(20)	9,754

As at June 30, 2021, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 17,119 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 11,543 million and appraised by internal appraisers in the amount of Baht 5,576 million.

As at December 31, 2020, the Bank and subsidiaries had immovable assets from debt repayment in the amount of Baht 17,247 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 11,643 million and appraised by internal appraisers in the amount of Baht 5,604 million.

Type of Properties for Sale	THE BANK JUNE 30, 2021			Million Baht
	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	13,106	368	(383)	13,091
Movable assets	30	-	-	30
Total	13,136	368	(383)	13,121
<u>Less</u> Allowance for impairment	(5,382)	25	32	(5,325)
Total properties for sale, net	7,754	393	(351)	7,796

Type of Properties for Sale	THE BANK DECEMBER 31, 2020			Million Baht
	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment				
Immovable assets	12,831	1,229	(954)	13,106
Movable assets	69	22	(61)	30
Total	12,900	1,251	(1,015)	13,136
<u>Less</u> Allowance for impairment	(4,532)	(1,061)	211	(5,382)
Total properties for sale, net	8,368	190	(804)	7,754

As at June 30, 2021, the Bank had immovable assets from debt repayment in the amount of Baht 13,091 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 8,004 million and appraised by internal appraisers in the amount of Baht 5,087 million.

As at December 31, 2020, the Bank had immovable assets from debt repayment in the amount of Baht 13,106 million consisting of immovable assets which were appraised by external appraisers in the amount of Baht 8,023 million and appraised by internal appraisers in the amount of Baht 5,083 million.

The Bank had disclosed transactions according to the BOT's Notification regarding the Accounting Rules for Financial Institutions in relations to the Sale of Properties for Sale. The transactions of the Bank and subsidiaries are as follows :

Million Baht

CONSOLIDATED							
FOR THE THREE-MONTH PERIODS ENDED							
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	June 30, 2021		June 30, 2020		
			Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	5	-	-	5	5	-
Sale to public	Per cost recovery	-	91	(5)	-	52	(11)

Million Baht

CONSOLIDATED							
FOR THE SIX-MONTH PERIODS ENDED							
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	June 30, 2021		June 30, 2020		
			Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	5	-	-	5	5	-
Sale to public	Per cost recovery	-	172	(11)	-	115	(18)

Million Baht

THE BANK							
FOR THE THREE-MONTH PERIODS ENDED							
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	June 30, 2021		June 30, 2020		
			Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	5	-	-	5	5	-
Sale to public	Per cost recovery	-	66	(2)	-	38	(4)

Million Baht

THE BANK							
FOR THE SIX-MONTH PERIODS ENDED							
Type of Sale of Properties for Sale	Income Recognition Method	Deferred Profit on Sale of Properties for Sale	June 30, 2021		June 30, 2020		
			Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale	Deferred Profit on Sale of Properties for Sale	Profit on Sale of Properties for Sale	Loss on Sale of Properties for Sale
Sale to public	Per Installment	5	-	-	5	5	-
Sale to public	Per cost recovery	-	124	(3)	-	90	(10)

6.11 Premises and equipment, net

Premises and equipment consisted of the following as at June 30, 2021 and December 31, 2020 :

	Million Baht										
	CONSOLIDATED JUNE 30, 2021										
	Beginning Balance	Additions/ Transfer	Cost Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Accumulated Depreciation			Ending Balance	Premises and Equipment (Net)
							Depre- ciation	Disposal/ Transfer	Others		
Land											
Cost	8,938	-	(20)	121	9,039	-	-	-	-	-	9,039
Appraisal increase (year 2020)	31,869	-	-	363	32,232	-	-	-	-	-	32,232
Appraisal decrease (year 2020)	(494)	-	-	(10)	(504)	-	-	-	-	-	(504)
Premises											
Cost	2,689	157	(3)	71	2,914	403	140	(2)	134	675	2,239
Appraisal increase (year 2020)	13,847	-	-	79	13,926	1,175	636	-	(8)	1,803	12,123
Appraisal decrease (year 2020)	(169)	-	-	(3)	(172)	(6)	(4)	-	-	(10)	(162)
Equipment	24,474	665	(426)	107	24,820	20,452	874	(298)	70	21,098	3,722
Right-of-use assets	7,389	601	(104)	276	8,162	2,578	973	(368)	69	3,252	4,910
Leasehold improvement	3,323	24	(49)	141	3,439	2,971	53	(35)	176	3,165	274
Others	757	154	(154)	1	758	-	-	-	-	-	758
Total	<u>92,623</u>	<u>1,601</u>	<u>(756)</u>	<u>1,146</u>	<u>94,614</u>	<u>27,573</u>	<u>2,672</u>	<u>(703)</u>	<u>441</u>	<u>29,983</u>	<u>64,631</u>

CONSOLIDATED
DECEMBER 31, 2020

	Cost							Accumulated Depreciation							Ending Balance	Premises and Equipment (Net)
	Beginning Balance	Balance of Subsidiary as at Acquisition date	Adjustment of Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Net of Accumulated Depreciation	Others	Ending Balance	Beginning Balance	Balance of Subsidiary as at Acquisition date	Depreciation	Disposal/ Transfer	Transfer to net with cost	Others		
Land																
Cost	7,505	793	-	554	(5)	-	91	8,938	-	-	-	-	-	-	-	8,938
Appraisal increase (year 2020)	20,661	3,492	-	7,845	(70)	-	(59)	31,869	-	-	-	-	-	-	-	31,869
Appraisal decrease (year 2020)	(676)	-	-	(4)	218	-	(32)	(494)	-	-	-	-	-	-	-	(494)
Premises																
Cost	3,257	413	-	203	(591)	(649)	56	2,689	948	184	218	(364)	(649)	66	403	2,286
Appraisal increase (year 2020)	12,274	607	-	1,210	(251)	-	7	13,847	5,395	323	1,250	(5,791)	-	(2)	1,175	12,672
Appraisal decrease (year 2020)	(207)	-	-	(36)	86	-	(12)	(169)	(59)	-	(11)	69	-	(5)	(6)	(163)
Equipment	22,525	2,224	-	930	(1,214)	-	9	24,474	18,946	1,064	1,550	(1,115)	-	7	20,452	4,022
Right-of-use assets	-	2,129	4,733	824	(378)	-	81	7,389	-	1,215	1,655	(263)	-	(29)	2,578	4,811
Leasehold improvement	149	655	-	2,811	(265)	-	(27)	3,323	123	528	173	2,163	-	(16)	2,971	352
Others	619	40	-	387	(287)	-	(2)	757	-	-	-	-	-	-	-	757
Total	<u>66,107</u>	<u>10,353</u>	<u>4,733</u>	<u>14,724</u>	<u>(2,757)</u>	<u>(649)</u>	<u>112</u>	<u>92,623</u>	<u>25,353</u>	<u>3,314</u>	<u>4,835</u>	<u>(5,301)</u>	<u>(649)</u>	<u>21</u>	<u>27,573</u>	<u>65,050</u>

Million Baht

	THE BANK										
	JUNE 30, 2021										
	Beginning Balance	Additions/ Transfer	Cost		Ending Balance	Accumulated Depreciation				Ending Balance	Premises and Equipment (Net)
			Disposal/ Transfer	Others		Beginning Balance	Depre- ciation	Disposal/ Transfer	Others		
Land											
Cost	7,605	-	-	72	7,677	-	-	-	-	-	7,677
Appraisal increase (year 2020)	28,190	-	-	228	28,418	-	-	-	-	-	28,418
Appraisal decrease (year 2020)	(493)	-	-	(11)	(504)	-	-	-	-	-	(504)
Premises											
Cost	1,458	2	-	23	1,483	175	52	-	1	228	1,255
Appraisal increase (year 2020)	12,916	-	-	44	12,960	836	618	-	1	1,455	11,505
Appraisal decrease (year 2020)	(168)	-	-	(4)	(172)	(5)	(5)	-	-	(10)	(162)
Equipment	21,354	386	(79)	53	21,714	18,676	661	(77)	46	19,306	2,408
Right-of-use assets	4,571	500	(16)	162	5,217	1,178	633	(12)	4	1,803	3,414
Leasehold improvement	2,507	4	(2)	113	2,622	2,343	22	(2)	110	2,473	149
Others	723	148	(145)	-	726	-	-	-	-	-	726
Total	<u>78,663</u>	<u>1,040</u>	<u>(242)</u>	<u>680</u>	<u>80,141</u>	<u>23,203</u>	<u>1,981</u>	<u>(91)</u>	<u>162</u>	<u>25,255</u>	<u>54,886</u>

Million Baht

	THE BANK DECEMBER 31, 2020													
	Beginning Balance	Adjustment of Beginning Balance	Additions/ Transfer	Cost Disposal/ Transfer	Net of Accumulated Depreciation	Others	Ending Balance	Beginning Balance	Accumulated Depreciation Depre- ciation	Disposal/ Transfer	Transfer to net with cost	Others	Ending Balance	Premises and Equipment (Net)
Land														
Cost	7,499	-	-	(5)	-	111	7,605	-	-	-	-	-	-	7,605
Appraisal increase (year 2020)	20,608	-	7,573	(18)	-	27	28,190	-	-	-	-	-	-	28,190
Appraisal decrease (year 2020)	(676)	-	(3)	219	-	(33)	(493)	-	-	-	-	-	-	(493)
Premises														
Cost	2,214	-	141	(444)	(502)	49	1,458	773	107	(218)	(502)	15	175	1,283
Appraisal increase (year 2020)	12,230	-	914	(251)	-	23	12,916	5,374	1,225	(5,769)	-	6	836	12,080
Appraisal decrease (year 2020)	(207)	-	(35)	86	-	(12)	(168)	(59)	(10)	69	-	(5)	(5)	(163)
Equipment	21,537	-	727	(923)	-	13	21,354	18,197	1,389	(919)	-	9	18,676	2,678
Right-of-use assets	-	4,152	313	(7)	-	113	4,571	-	1,184	(6)	-	-	1,178	3,393
Leasehold improvement	-	-	2,740	(223)	-	(10)	2,507	-	58	2,288	-	(3)	2,343	164
Others	585	-	381	(242)	-	(1)	723	-	-	-	-	-	-	723
Total	<u>63,790</u>	<u>4,152</u>	<u>12,751</u>	<u>(1,808)</u>	<u>(502)</u>	<u>280</u>	<u>78,663</u>	<u>24,285</u>	<u>3,953</u>	<u>(4,555)</u>	<u>(502)</u>	<u>22</u>	<u>23,203</u>	<u>55,460</u>

For the consolidated and the Bank's financial statements. The Bank has the land and premises appraised. The appraisal value defined by independent appraisers is categorized as Level 3 in the fair value hierarchy. (Determination of level of the fair value hierarchy are shown in Note 4.5)

For the consolidated financial statements, as at June 30, 2021 and December 31, 2020, the Bank and subsidiaries had equipment which are fully depreciated but still in use at the original costs amounting to Baht 17,494 million and Baht 17,001 million, respectively.

For the Bank's financial statements, as at June 30, 2021 and December 31, 2020, the Bank had equipment which is fully depreciated but still in use at the original costs amounting to Baht 15,638 million and Baht 15,187 million, respectively.

6.12 Goodwill and other intangible assets, net

Goodwill and other intangible assets consisted of the following as at June 30, 2021 and December 31, 2020 :

Million Baht

	CONSOLIDATED											
	JUNE 30, 2021											
	Cost				Accumulated Amortization							
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Amorti- zation	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Goodwill and Other Intangible Assets (Net)
Goodwill	29,805	-	(9,796)*	896	20,905	-	-	-	-	-	-	20,905
Other intangible assets from business combination	-	13,288*	-	288	13,576	-	703	842*	-	30	1,575	12,001
Software	4,700	332	(69)	(85)	4,878	3,591	350	-	(65)	29	3,905	973
Others	1,611	25	(13)	(67)	1,556	217	1	-	-	(218)	-	1,556
Total	36,116	13,645	(9,878)	1,032	40,915	3,808	1,054	842	(65)	(159)	5,480	35,435

Million Baht

	CONSOLIDATED												
	DECEMBER 31, 2020												
	Cost					Accumulated Amortization							
	Beginning Balance	Balance of Subsidiary as at Acquisition date	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Balance of Subsidiary as at Acquisition date	Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Goodwill and Other Intangible Assets (Net)
Software	3,852	1,389	598	(635)	(504)	4,700	2,868	497	667	(436)	(5)	3,591	1,109
Goodwill	-	-	31,662	-	(1,857)	29,805	-	-	-	-	-	-	29,805
Others	776	466	136	-	233	1,611	-	217	-	-	-	217	1,394
Total	4,628	1,855	32,396	(635)	(2,128)	36,116	2,868	714	667	(436)	(5)	3,808	32,308

Million Baht

	THE BANK											
	JUNE 30, 2021											
	Cost					Accumulated Amortization						
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Amorti- zation	Disposal/ Transfer	Others	Ending Balance	Other Intangible Assets (Net)	
Software	3,449	128	(7)	5	3,575	2,910	227	(7)	4	3,134	441	
Others	912	24	(13)	1	924	-	-	-	-	-	924	
Total	4,361	152	(20)	6	4,499	2,910	227	(7)	4	3,134	1,365	

* In March 2021, the fair value measurement of Net Asset Value related to a business combination has been completed. The previous provisioned amount of goodwill and other relevant intangible assets has been adjusted accordingly.

Million Baht

THE BANK
DECEMBER 31, 2020

	Cost					Accumulated Amortization					Other Intangible Assets (Net)
	Beginning Balance	Additions/ Transfer	Disposal/ Transfer	Others	Ending Balance	Beginning Balance	Amortization	Disposal/ Transfer	Others	Ending Balance	
Software	3,520	335	(406)	-	3,449	2,623	499	(212)	-	2,910	539
Others	776	136	-	-	912	-	-	-	-	-	912
Total	4,296	471	(406)	-	4,361	2,623	499	(212)	-	2,910	1,451

6.13 Deferred tax assets and liabilities

Deferred tax assets and liabilities as at June 30, 2021 and December 31, 2020 are as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Deferred tax assets	6,027	7,940	2,227	2,083
Deferred tax liabilities	2,191	2,448	1,917	2,589
Deferred tax assets (liabilities), net	3,836	5,492	310	(506)

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

	CONSOLIDATED				
	Beginning Balance	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	6,405	384	689	-	7,478
Financial liabilities measured at fair value through profit or loss	1,109	(95)	116	-	1,130
Loans to customers and accrued interest receivables	6,526	(81)	-	370	6,815
Properties for sale	1,490	(12)	-	-	1,478
Premises and equipment	426	(28)	-	(45)	353
Provisions	5,305	(47)	4	21	5,283
Others	13,558	(2,673)	(54)	114	10,945
Total	34,819	(2,552)	755	460	33,482
Deferred tax liabilities					
Investments	10,488	663	628	8	11,787
Loans to customers and accrued interest receivables	203	(30)	-	-	173
Premises and equipment	8,274	(134)	-	26	8,166
Others	10,362	(3,411)	-	2,569	9,520
Total	29,327	(2,912)	628	2,603	29,646
Net	5,492	360	127	(2,143)	3,836

Million Baht

	CONSOLIDATED DECEMBER 31, 2020							
	Beginning Balance	Re- measurement under TFRS 9	Beginning Balance as at January 1, 2020	Beginning Balance of subsidiary as at Acquisition date	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets								
Investments	3,766	(1,598)	2,168	-	862	410	2,965	6,405
Financial liabilities								
measured at fair value								
through profit or loss	-	618	618	-	134	(192)	549	1,109
Loans to customers and								
accrued interest								
receivables	7,910	2,716	10,626	1,326	(2,502)	(7)	(2,917)	6,526
Properties for sale	1,324	-	1,324	-	166	-	-	1,490
Premises and equipment	267	-	267	251	(87)	5	(10)	426
Provisions	3,782	-	3,782	24	1,416	(1,363)	1,446	5,305
Others	7,452	-	7,452	2,274	3,659	224	(51)	13,558
Total	24,501	1,736	26,237	3,875	3,648	(923)	1,982	34,819
Deferred tax liabilities								
Investments	8,360	1	8,361	12	(842)	(340)	3,297	10,488
Loans to customers and								
accrued interest								
receivables	170	(170)	-	246	(43)	-	-	203
Premises and equipment	5,651	-	5,651	18	(256)	2,882	(21)	8,274
Others	8,142	-	8,142	-	1,846	-	374	10,362
Total	22,323	(169)	22,154	276	705	2,542	3,650	29,327
Net	2,178	1,905	4,083	3,599	2,943	(3,465)	(1,668)	5,492

Million Baht

	Beginning Balance	Recognized in Profit and Loss	THE BANK JUNE 30, 2021 Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets					
Investments	6,200	446	740	-	7,386
Financial liabilities measured at fair value through profit or loss	1,109	(95)	116	-	1,130
Loans to customers and accrued interest receivables	3,022	(184)	-	240	3,078
Properties for sale	1,076	(11)	-	-	1,065
Premises and equipment	218	(2)	-	(51)	165
Provisions	5,171	(63)	-	14	5,122
Others	11,100	(2,322)	(55)	3	8,726
Total	<u>27,896</u>	<u>(2,231)</u>	<u>801</u>	<u>206</u>	<u>26,672</u>
Deferred tax liabilities					
Investments	9,897	666	653	-	11,216
Premises and equipment	8,148	(125)	-	21	8,044
Others	10,357	(3,255)	-	-	7,102
Total	<u>28,402</u>	<u>(2,714)</u>	<u>653</u>	<u>21</u>	<u>26,362</u>
Net	<u>(506)</u>	<u>483</u>	<u>148</u>	<u>185</u>	<u>310</u>

Million Baht

	THE BANK DECEMBER 31, 2020						Ending Balance
	Beginning Balance	Re- measurement under TFRS 9	Beginning Balance as at January 1, 2020	Recognized in Profit and Loss	Recognized in Other Comprehensive Income	Others	Ending Balance
Deferred tax assets							
Investments	3,765	(1,661)	2,104	861	270	2,965	6,200
Financial liabilities measured at fair value through profit or loss	-	618	618	134	(192)	549	1,109
Loans to customers and accrued interest receivables	7,159	2,715	9,874	(2,184)	(7)	(4,661)	3,022
Properties for sale	906	-	906	170	-	-	1,076
Premises and equipment	267	-	267	(47)	5	(7)	218
Provisions	3,728	-	3,728	1,391	(1,395)	1,447	5,171
Others	7,390	-	7,390	3,476	225	9	11,100
Total	23,215	1,672	24,887	3,801	(1,094)	302	27,896
Deferred tax liabilities							
Investments	8,084	-	8,084	(914)	(580)	3,307	9,897
Loans to customers and accrued interest receivables	171	(171)	-	-	-	-	-
Premises and equipment	5,621	-	5,621	(247)	2,795	(21)	8,148
Others	8,137	-	8,137	2,031	-	189	10,357
Total	22,013	(171)	21,842	870	2,215	3,475	28,402
Net	1,202	1,843	3,045	2,931	(3,309)	(3,173)	(506)

6.14 Deposits

6.14.1 Classified by product type as at June 30, 2021 and December 31, 2020 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Demand	227,160	165,912	129,194	117,532
Savings	1,521,445	1,435,331	1,429,983	1,344,763
Fixed	1,296,697	1,205,884	1,079,439	1,020,310
Negotiable certificates of deposit	<u>1,683</u>	<u>3,736</u>	<u>1,683</u>	<u>2,992</u>
Total	<u><u>3,046,985</u></u>	<u><u>2,810,863</u></u>	<u><u>2,640,299</u></u>	<u><u>2,485,597</u></u>

6.14.2 Classified by currency and customer's residence as at June 30, 2021 and December 31, 2020 :

	Million Baht					
	CONSOLIDATED					
	June 30, 2021			December 31, 2020		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	2,251,269	156,675	2,407,944	2,142,797	143,407	2,286,204
USD	38,986	123,582	162,568	42,293	96,233	138,526
Others	<u>22,207</u>	<u>454,266</u>	<u>476,473</u>	<u>20,666</u>	<u>365,467</u>	<u>386,133</u>
Total	<u><u>2,312,462</u></u>	<u><u>734,523</u></u>	<u><u>3,046,985</u></u>	<u><u>2,205,756</u></u>	<u><u>605,107</u></u>	<u><u>2,810,863</u></u>

	Million Baht					
	THE BANK					
	June 30, 2021			December 31, 2020		
	Domestic	Foreign	Total	Domestic	Foreign	Total
BAHT	2,251,732	156,637	2,408,369	2,143,259	143,390	2,286,649
USD	38,944	68,361	107,305	42,260	54,208	96,468
Others	<u>14,174</u>	<u>110,451</u>	<u>124,625</u>	<u>13,174</u>	<u>89,306</u>	<u>102,480</u>
Total	<u><u>2,304,850</u></u>	<u><u>335,449</u></u>	<u><u>2,640,299</u></u>	<u><u>2,198,693</u></u>	<u><u>286,904</u></u>	<u><u>2,485,597</u></u>

6.15 Interbank and money market items (liabilities)

Interbank and money market items (liabilities) consisted of the following as at June 30, 2021 and December 31, 2020 :

	Million Baht	
	CONSOLIDATED	
	June 30, 2021	December 31, 2020
Domestic items		
Bank of Thailand and Financial Institutions Development Fund	36,131	27,222
Commercial banks	64,671	9,742
Special purpose financial institutions	17,019	17,355
Other financial institutions	<u>16,823</u>	<u>13,606</u>
Total domestic items	<u>134,644</u>	<u>67,925</u>
Foreign items		
USD	68,720	74,210
JPY	15,530	15,332
EUR	2,356	2,518
Others	<u>32,157</u>	<u>59,164</u>
Total foreign items	<u>118,763</u>	<u>151,224</u>
Total domestic and foreign items	<u><u>253,407</u></u>	<u><u>219,149</u></u>

	Million Baht	
	THE BANK	
	June 30, 2021	December 31, 2020
Domestic items		
Bank of Thailand and Financial Institutions Development Fund	36,131	27,222
Commercial banks	61,164	5,895
Special purpose financial institutions	17,019	17,355
Other financial institutions	<u>16,848</u>	<u>14,060</u>
Total domestic items	<u>131,162</u>	<u>64,532</u>
Foreign items		
USD	67,887	63,059
JPY	15,587	15,378
EUR	2,356	2,537
Others	<u>26,679</u>	<u>16,993</u>
Total foreign items	<u>112,509</u>	<u>97,967</u>
Total domestic and foreign items	<u><u>243,671</u></u>	<u><u>162,499</u></u>

6.16 Financial liabilities measured at fair value through profit or loss

As at June 30, 2021, the Bank had financial liabilities measured at fair value through profit or loss. It is a financial liability that is determined to be measured at fair value through profit or loss amounting to Baht 20,078 million. The cumulative effect of changes in fair value resulting from changes in credit risk recognized in other comprehensive income of amounting to Baht 2,370 million, and the difference between the book value and the contract value that must be paid when due amounting to Baht 5,651 million.

As at December 31, 2020, the Bank had financial liabilities measured at fair value through profit or loss. It is a financial liability that is determined to be measured at fair value through profit or loss amounting to Baht 19,057 million. The cumulative effect of changes in fair value resulting from changes in credit risk recognized in other comprehensive income of amounting to Baht 1,786 million, and the difference between the book value and the contract value that must be paid when due amounting to Baht 5,544 million.

As at June 30, 2021 and December 31, 2020, a subsidiary had financial liabilities measured at fair value through profit or loss is a trading financial liability amounting to Baht 296 million and Baht 200 million, respectively.

6.17 Debt issued and borrowings

6.17.1 Classified by type of instruments and source of fund as at June 30, 2021 and December 31, 2020 :

	Million Baht					
	CONSOLIDATED					
	June 30, 2021			December 31, 2020		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Senior unsecured notes	-	80,182	80,182	-	75,100	75,100
Subordinated notes	-	63,864	63,864	-	59,835	59,835
Bills of exchange	914	-	914	814	-	814
Others	613	-	613	507	-	507
<u>Less</u> Discount on borrowings	-	(70)	(70)	-	(79)	(79)
Total	<u>1,527</u>	<u>143,976</u>	<u>145,503</u>	<u>1,321</u>	<u>134,856</u>	<u>136,177</u>

	Million Baht					
	THE BANK					
	June 30, 2021			December 31, 2020		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Senior unsecured notes	-	80,182	80,182	-	75,100	75,100
Subordinated notes	-	62,542	62,542	-	58,578	58,578
Others	282	-	282	365	-	365
<u>Less</u> Discount on borrowings	-	(70)	(70)	-	(79)	(79)
Total	<u>282</u>	<u>142,654</u>	<u>142,936</u>	<u>365</u>	<u>133,599</u>	<u>133,964</u>

6.17.2 Classified by type of instruments, currency, maturity and interest rate as at June 30, 2021 and December 31, 2020 :

						Million Baht
Type	Currency	Maturity	Interest Rate	CONSOLIDATED		
				Amount		
				June 30, 2021	December 31, 2020	
Senior unsecured notes	USD	2022 - 2028	3.875% - 5.00%	80,182	75,100	
Subordinated notes	USD	2034	3.733%	38,487	36,048	
Subordinated notes	USD	- *	5.00%*	24,055	22,530	
Subordinated notes	IDR	2021	11.75%	1,322	1,257	
Bills of exchange	THB	2021	1.80% - 1.95%	914	814	
Others	THB	2021 - 2024	0.00% - 1.30%	613	507	
<u>Less</u> Discount on borrowings				<u>(70)</u>	<u>(79)</u>	
Total				<u>145,503</u>	<u>136,177</u>	

						Million Baht
Type	Currency	Maturity	Interest Rate	THE BANK		
				Amount		
				June 30, 2021	December 31, 2020	
Senior unsecured notes	USD	2022 - 2028	3.875% - 5.00%	80,182	75,100	
Subordinated notes	USD	2034	3.733%	38,487	36,048	
Subordinated notes	USD	- *	5.00%*	24,055	22,530	
Others	THB	2021 - 2024	0.00%	282	365	
<u>Less</u> Discount on borrowings				<u>(70)</u>	<u>(79)</u>	
Total				<u>142,936</u>	<u>133,964</u>	

6.18 Subordinated notes

On January 28, 1999, the Bank issued and offered USD 450 million of subordinated notes with a maturity of 30 years, to be due in 2029, at a coupon rate of 9.025% p.a. for sale to foreign investors in exchange for the Bank's existing USD 150 million of subordinated notes to be due in 2016 at a coupon rate of 8.25% p.a. and USD 300 million of subordinated notes to be due in 2027 at a coupon rate of 8.375% p.a., which were redeemed before their maturities and already obtained the approval from the BOT. As this transaction was a redemption of the existing notes at their market values, which were lower than the par values, the Bank recorded the book value of the subordinated notes to be due in 2029 at the amount of USD 259 million (Baht 9,535 million). The difference between the book value and the redemption value of the notes will be amortized on a monthly basis throughout the life of the notes.

On September 25, 2019, the Bank issued and offered USD 1,200 million of subordinated notes qualified to be included in Tier 2 capital of the Bank, containing the write-down/write-off provision, in accordance with the

* The Bank may redeem after 5 years from the Issue Date pursuant to its early redemption rights, at initial distribution rate of 5.00% p.a. until the first call date and subject to change to reference rate every 5 years.

terms thereof, with a maturity of 15 years, at a coupon rate of 3.733% p.a. for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007. The Bank received net proceeds from the sale of subordinated notes amounting to USD 1,200 million, which the BOT had approved to include in Tier 2 capital on September 25, 2019.

On September 23, 2020, the Bank issued and offered USD 750 million of subordinated notes qualified to be included in Additional Tier 1 capital of the Bank, containing the write-down/write-off provision, in accordance with the terms thereof for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007, perpetual securities and have no fixed redemption date, provided that the Bank may redeem after 5 years from the Issue Date pursuant to its early redemption rights, at initial distribution rate of 5% p.a. until the first call date and subject to change to reference rate every 5 years. The Bank received net proceeds from the sale of subordinated notes amounting to USD 750 million, which the BOT had approved to include in Additional Tier 1 capital on September 23, 2020. The Bank classified such instrument as a financial liability by taking into consideration both contractual obligation and legal rights as stating in the offering of the Notes.

6.19 Bonds

On April 12, 2005, the shareholders reconsidered the resolutions of the shareholders' meeting, convened on April 9, 2004, approving to issue bonds of the Bank and passed a resolution for the Bank to issue and offer subordinated bonds and/or unsubordinated bonds and/or perpetual bonds, both subordinated and unsubordinated, and/or subordinated convertible bonds and/or convertible bonds (together the "Bonds") in an amount not exceeding USD 3,000 million or its equivalent in other currencies, offered and sold in foreign markets and/or domestic markets to general public and/or institutional investors or investors with specific characteristics defined in the Notification of the Securities and Exchange Commission. The Bank may issue different types of Bonds in one issue simultaneously or in several issues at different times. The non-perpetual bonds shall have a maturity of not exceeding 100 years. The subordinated convertible bonds and/or convertible bonds shall have a maturity of not exceeding 30 years, and the amount of not exceeding USD 1,000 million or its equivalent in other currencies. The Board of Directors or the Executive Board of Directors shall be empowered to consider terms and conditions and other details for the issue and offering of the bonds. The shareholders also approved the allocation of 500 million common shares to accommodate the conversion right of the subordinated convertible bonds and/or convertible bonds (See Note 6.24).

On April 12, 2007, the shareholders passed a resolution for the issuance of bonds, whether subordinated or unsubordinated and/or secured or unsecured, including but not limited to short-term bonds, derivative bonds and non-cumulative hybrid debt instruments with non-payment of interest in the years where the Bank does not report any profit (together the "Bonds") in the amount not exceeding Baht 150,000 million or its equivalent

in other currencies to be offered for sale in domestic markets and/or in foreign markets to the general public, and/or institutional investors or investors with specific characteristics as defined in the Notification of the Securities and Exchange Commission. At any point in time, the Bank may offer for sale Bonds in an amount within such limit less the amount of Bonds already issued under such limit but not yet redeemed at that point in time. The Bank may issue and offer for sale different types of Bonds simultaneously in one issue at the same time or in several issues at different times and/or as a program and/or on a revolving basis and may issue and offer for sale Bonds in conjunction with or at the same time with other securities, provided that the Bonds, other than perpetual bonds, shall have a maturity of not exceeding 100 years. The Bank may be granted the right to redeem the Bonds prior to their maturities, and/or the bondholders may be granted the right to call the Bank to redeem the Bonds prior to their maturities, in accordance with the condition of the Bonds. The Board of Directors or the Board of Executive Directors shall be empowered to consider terms and conditions and other details for the issue and offering of the bonds.

On October 18, 2010, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 12th Annual Ordinary Meeting of Shareholders convened on April 12, 2005 consisting of senior unsecured notes with a maturity of 5 years at a coupon of 3.25% p.a., amounting to USD 400 million and senior unsecured notes with a maturity of 10 years at a coupon of 4.80% p.a., amounting to USD 800 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 1,196 million. On October 19, 2015, the Bank redeemed senior unsecured notes with a maturity of 5 years at a coupon of 3.25% p.a., amounting to USD 400 million and On October 19, 2020, the Bank redeemed senior unsecured notes with a maturity of 10 years at a coupon of 4.80% p.a., amounting to USD 800 million.

On September 27, 2012, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 12th Annual Ordinary Meeting of Shareholders convened on April 12, 2005 consisting of senior unsecured notes with a maturity of 5.5 years at a coupon of 2.75% p.a., amounting to USD 400 million and senior unsecured notes with a maturity of 10 years at a coupon of 3.875% p.a., amounting to USD 800 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 1,194 million. On March 27, 2018, the Bank redeemed senior unsecured notes with a maturity of 5.5 years at a coupon of 2.75% p.a., amounting to USD 400 million.

On April 12, 2013, the shareholders passed a resolution for the issuance of bonds, whether subordinated or unsubordinated and/or secured or unsecured, including but not limited to short-term bonds, derivative bonds, perpetual bonds and non-cumulative hybrid debt instruments with non-payment of interest in the years where the Bank does not report any profit (together the "Bonds") in the amount not exceeding Baht 150,000 million or its equivalent in other currencies to be offered for sale in domestic markets and/or in foreign markets to the general public, and/or institutional investors or investors with specific characteristics as defined in the

Notification of the Securities and Exchange Commission. At any point in time, the Bank may offer for sale Bonds in an amount within such limit less the amount of Bonds already issued under such limit but not yet redeemed at that point in time. The Bank may issue and offer for sale different types of Bonds simultaneously in one issue at the same time or in several issues at different times and/or as a program and/or on a revolving basis and may issue and offer for sale Bonds in conjunction with or at the same time with other securities, provided that the Bonds, other than perpetual bonds, shall have a maturity of not exceeding 100 years. The Bank may be granted the right to redeem the Bonds prior to their maturities, and/or the bondholders may be granted the right to call the Bank to redeem the Bonds prior to their maturities, in accordance with the terms and conditions of the Bonds. The Board of Directors or the Board of Executive Directors shall be empowered to consider conditions and other details for the issue and offering of the bonds.

On October 3, 2013, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007 consisting of senior unsecured notes with a maturity of 5 years at a coupon of 3.30% p.a., amounting to USD 500 million and senior unsecured notes with a maturity of 10 years at a coupon of 5.00% p.a., amounting to USD 500 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 999 million. On October 3, 2018, the Bank redeemed senior unsecured notes with a maturity of 5 years at a coupon of 3.30% p.a., amounting to USD 500 million.

On September 19, 2018, the Bank issued and offered 2 series of senior unsecured notes for sale to foreign investors according to the resolution of the 14th Annual Ordinary Meeting of Shareholders convened on April 12, 2007 consisting of senior unsecured notes with a maturity of 5.5 years at a coupon of 4.05% p.a., amounting to USD 600 million and senior unsecured notes with a maturity of 10 years at a coupon of 4.45% p.a., amounting to USD 600 million. The Bank received net proceeds from the sale of senior unsecured notes amounting to USD 1,198 million.

6.20 The Issuance of Bonds under the Medium Term Note Program

On March 26, 1997, the shareholders passed a resolution for the Bank to issue and offer bonds including subordinated bonds and unsubordinated bonds under the Medium Term Note Program in an amount of not exceeding USD 1,500 million or its equivalent in other currencies. The bonds shall have a maturity of not exceeding 30 years and be offered and sold in foreign markets and/or domestic markets. The Bank may be given the right to redeem the bonds prior to their maturity and/or the bondholders may be given the right to call the Bank to redeem the bonds prior to their maturity in accordance with the condition of the bonds. The Board of Directors was authorized to proceed with the issue. As at June 30, 2021, the Bank had not yet issued bonds according to the aforementioned resolution.

6.21 Provisions

As at June 30, 2021 and December 31, 2020 provisions are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Beginning balances	27,306	18,702	25,065	18,428
Re-measurement under TFRS 9	-	5,782	-	5,315
Beginning balances of subsidiary as at acquisition date	-	292	-	-
Increase during the period/year	4,322	7,054	3,771	5,421
Written off/reversal during the period/year	<u>(4,464)</u>	<u>(4,524)</u>	<u>(4,065)</u>	<u>(4,099)</u>
Ending balances	<u>27,164</u>	<u>27,306</u>	<u>24,771</u>	<u>25,065</u>

	Million Baht			
	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Defined benefit obligations	14,814	14,640	14,038	13,988
Expected credit losses on financial guarantee contracts and loan commitments	8,916	9,006	7,357	7,473
Others	<u>3,434</u>	<u>3,660</u>	<u>3,376</u>	<u>3,604</u>
Total	<u>27,164</u>	<u>27,306</u>	<u>24,771</u>	<u>25,065</u>

6.22 Post-employment benefits

6.22.1 Defined contribution plans

For the three-month periods ended June 30, 2021 and 2020, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements, amounting to Baht 397 million and Baht 347 million, and in the Bank's financial statements amounting to Baht 292 million and Baht 297 million, respectively.

For the six-month periods ended June 30, 2021 and 2020, the Bank and its subsidiaries have the expenses for defined contribution plans in the consolidated financial statements amounting to Baht 774 million and Baht 650 million, and in the Bank's financial statements amounting to Baht 571 million and Baht 572 million, respectively.

6.22.2 Defined benefit plans

As at June 30, 2021 and December 31, 2020, the Bank and its local subsidiaries have unfunded defined benefit plans but some overseas branches and subsidiary have funded defined benefit plans. The reconciliation of the defined benefit obligations, both funded and unfunded, and plan assets to the amounts recognized in the financial statements are as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
The present value of the funded				
defined benefit plans	2,617	2,503	809	806
The fair value of plan assets	<u>(2,001)</u>	<u>(2,058)</u>	<u>(603)</u>	<u>(660)</u>
	616	445	206	146
The present value of the unfunded				
defined benefit plans	<u>14,198</u>	<u>14,151</u>	<u>13,832</u>	<u>13,799</u>
Liabilities, net	<u><u>14,814</u></u>	<u><u>14,596</u></u>	<u><u>14,038</u></u>	<u><u>13,945</u></u>

The following table presents the reconciliations of the present value of defined benefit obligations, both funded and unfunded, under the post-employment benefits as at June 30, 2021 and December 31, 2020 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Beginning balances	16,654	13,875	14,605	13,602
Beginning balances of subsidiary as at				
acquisition date	-	1,575	-	-
Current service costs	644	1,024	539	907
Interest costs	155	318	107	249
Benefit paid during the period/year	(782)	(636)	(678)	(484)
Actuarial losses (gains) on obligations				
from changes in financial assumptions	(24)	657	1	506
from changes in demographic assumptions	-	26	-	26
from experience	39	(237)	-	(230)
Unrealized losses on exchanges	<u>129</u>	<u>52</u>	<u>67</u>	<u>29</u>
Ending balances	<u><u>16,815</u></u>	<u><u>16,654</u></u>	<u><u>14,641</u></u>	<u><u>14,605</u></u>

The following table presents the reconciliations of the fair value of plan assets related to the funded defined benefit plans as at June 30, 2021 and December 31, 2020 :

	Million Baht			
	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Beginning balances	2,058	611	660	611
Beginning balances of subsidiary as at acquisition date	-	1,454	-	-
Interest income	41	71	4	21
Contributions	8	27	8	27
Benefit paid during the period/year	(203)	(165)	(118)	(35)
Actuarial gains (losses) on plan assets	(4)	78	-	18
Unrealized gains (losses) on exchanges	101	(18)	49	18
Ending balances	<u>2,001</u>	<u>2,058</u>	<u>603</u>	<u>660</u>

Significant actuarial assumptions used to calculate the defined benefit obligations and plan assets, average per each plan, and the sensitivity analysis for each significant actuarial assumptions which reflect increasing in the obligations if the assumptions change by 1% as at June 30, 2021 and December 31, 2020 are as follows :

	Percentage			
	CONSOLIDATED			
	Significant actuarial assumptions		Increase in defined benefit obligations	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Discount rate	0.20 - 5.75	0.20 - 7.40	13.58	13.57
Average future salary increases	2.00 - 15.00	2.00 - 15.00	12.68	12.71

	Percentage			
	THE BANK			
	Significant actuarial assumptions		Increase in defined benefit obligations	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Discount rate	0.20 - 3.76	0.20 - 7.40	14.62	14.56
Average future salary increases	2.00 - 15.00	2.00 - 15.00	12.97	13.00

6.23 Other liabilities

Other liabilities as at June 30, 2021 and December 31, 2020 are as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Deposit received and margin payable	31,419	30,918	2,399	4,539
Other payables	35,600	30,115	25,039	22,352
Accrued expenses	17,825	17,798	13,445	13,868
Advance received from electronic service	2,415	443	2,415	443
Other liabilities	<u>12,324</u>	<u>13,855</u>	<u>10,684</u>	<u>12,590</u>
Total	<u><u>99,583</u></u>	<u><u>93,129</u></u>	<u><u>53,982</u></u>	<u><u>53,792</u></u>

6.24 Share capital

The Bank's share capital consists of :

- Common shares
- Class A and Class B preferred shares, the holders of which have rights according to Article 3 of the Bank's Articles of Association.

As at June 30, 2021 and December 31, 2020, the Bank had registered share capital of Baht 40,000,000,000 divided into common shares and preferred shares totaling 4,000,000,000 shares, with par value of Baht 10 each, details of which are as follows :

Type	Number of Registered Shares	
	June 30, 2021	December 31, 2020
Common shares	3,998,345,000	3,998,345,000
Class A preferred shares	655,000	655,000
Class B preferred shares	<u>1,000,000</u>	<u>1,000,000</u>
Total	<u><u>4,000,000,000</u></u>	<u><u>4,000,000,000</u></u>

As at June 30, 2021 and December 31, 2020, the Bank had 1,908,842,894 issued common shares and 2,039,502,106 unissued common shares and 655,000 Class A unissued preferred shares and 1,000,000 Class B unissued preferred shares. In relation to the allocation of the unissued common shares, the Bank will follow the resolutions of the 12th ordinary shareholders' meeting convened on April 12, 2005, as per the following details :

1. Allocation of 1,339,502,106 common shares as follows :

- 1.1) Allocation of 459,502,106 common shares for offer and sale to the general public, including the existing shareholders and the beneficial owners of the shares held by custodian or by any other similar arrangements.

- 1.2) Allocation of 440,000,000 common shares for offer and sale to institutional investors or investors with specific characteristics prescribed in the Notification of the Securities and Exchange Commission.
- 1.3) Allocation of 440,000,000 common shares for offer and sale to the existing shareholders and the beneficial owners of the common shares in proportion to their shareholdings.
2. Allocation of 50,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds issued by the Bank and offered for sale in 1999 as part of the Capital Augmented Preferred Securities (CAPS).
3. Allocation of 500,000,000 common shares to be reserved for the exercise of the conversion right attached to the subordinated convertible bonds and/or convertible bonds that may further be issued in the future by the Bank.
4. Allocation of 200,000,000 common shares to be reserved for the exercise of right to purchase common shares by holders of warrants that may further be issued in the future by the Bank.
5. Allocation of 655,000 Class A preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds.
6. Allocation of 1,000,000 Class B preferred shares for offer and sale in foreign markets and/or domestic markets, which may be offered and sold in conjunction with subordinated bonds and/or unsubordinated bonds and/or subordinated convertible bonds and/or convertible bonds.

The offer and sale of the Bank's securities shall comply with the regulations prescribed by the Securities and Exchange Commission.

6.25 The establishment of Special Purpose Vehicle to issue capital securities

On April 21, 1998, the shareholders passed a resolution for the Bank to establish Special Purpose Vehicle (SPV) to issue capital securities in the amount not exceeding USD 1,000 million or its equivalent in other currencies, to be offered in private placement and/or to institutional investors in accordance with the rules and guidelines of the Securities and Exchange Commission. The Bank may issue capital securities in whole amount or in lots. The Board of Directors was authorized to proceed with the establishment of the SPV.

Such capital securities may be perpetual, non-cumulative, and redeemable by the SPV or may be guaranteed by the Bank. The terms and conditions in the offering of the capital securities may state that upon specific conditions, the Bank must or may issue other securities in exchange for the capital securities.

Upon the issuance of capital securities by the SPV, the Bank may issue securities which may be subordinated; secured; convertible into common shares or other securities of the Bank; or any other securities

in the amount not exceeding USD 1,100 million or its equivalent in other currencies to the SPV. The Board of Directors has been authorized to proceed with the issuance of the capital securities by the SPV and those securities that the Bank may have to issue to the SPV. The terms and conditions of the offering of the capital securities by the SPV may include dividend payment or other kind of payment as determined by the Board of Directors and such payment may be related to payment of dividend or other payment on other securities of the Bank.

On March 18, 1999, the shareholders passed a resolution for the Bank to establish or to invest in a subsidiary or SPV for the purpose of raising fund of the Bank, by issuing preferred shares and/or bonds to the subsidiary or SPV, or the Bank may issue the preferred shares and/or bonds to a mutual fund or a juristic entity that is established for investing mainly in the Bank's preferred shares and/or bonds; and the Bank is authorized to enter into Trust Agreement or Master Investment Agreement between the Bank and the subsidiary or SPV or mutual fund or any other juristic entity. As at June 30, 2021, the Bank had not yet established the SPV as it had not issued the instrument for fund raising via SPV according to the above-mentioned resolution.

6.26 Legal reserve and other reserves

6.26.1 Under the Public Limited Companies Act, the Bank is required to allocate to a reserve fund at least 5% of its net profit after accumulated losses brought forward (if any) until the reserve fund is not less than 10% of the registered capital. However, the Bank's Articles of Association require that the Bank shall allocate to the reserve fund at least 10% of its net profit after accumulated losses brought forward (if any) until the reserve fund is not less than 25% of the registered capital. The reserve fund is not available for dividend distribution.

6.26.2 The Bank appropriated annual profit as other reserves, which are treated as general reserve with no specific purpose.

6.27 The appropriation of the profit and the dividend payments

On February 23, 2020, the Meeting of Board of Director approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2019 as follows :

- The appropriation as legal reserve and as other reserves amounting to Baht 1,000 million and Baht 5,000 million, respectively, with the amount to be appropriated for the period of January - June 2019 amounting to Baht 500 million as legal reserve and Baht 5,000 million as other reserves (all of which had already been appropriated as stated in the financial statements for the year ended December 31, 2019), and the amount to be appropriated for the period of July - December 2019 amounting to Baht 500 million as legal reserve.

- The payment of dividend at the rate of Baht 7.00 per ordinary share, totaling Baht 13,266 million, a part of which had been paid as interim dividend at the rate of Baht 2.00 per share amounting to Baht 3,722 million on September 20, 2019, and the remaining amount had been paid on April 30, 2020 at the rate of Baht 5.00 per share amounting to Baht 9,544 million.

According to the BOT's letter BOT. SorNorSor. (23) Wor. 395/2563 dated March 31, 2020 regarding the waiver of compliance with the rules of the Bank of Thailand during the COVID-19 situation, it has allowed banks to bring profits that passed the resolution of the Board of Directors' meeting to be allocated as capital funds and when the bank is able to hold annual shareholders' meetings count the capital in accordance with the resolution of the shareholders' meeting.

The Bank already paid dividend according to the above-mentioned resolution on April 30, 2020.

On August 27, 2020, the meeting of the Board of Directors of the Bank No. 9/2020 approved the resolutions regarding the appropriation of the profit of interim as follows :

- The appropriation as legal reserve and as other reserves for the period of January - June 2020 amounting to Baht 500 million and Baht 5,000 million, respectively.

On April 12, 2021, the 28th Annual Ordinary Meeting of Shareholders approved the resolutions regarding the appropriation of the profit and the payment of dividend for the year 2020 as follows :

- The appropriation as legal reserve and as other reserves amounting to Baht 1,000 million and Baht 5,000 million, respectively, with the amount to be appropriated for the period of January - June 2020 amounting to Baht 500 million as legal reserve and Baht 5,000 million as other reserves (all of which had already been appropriated as stated in the financial statements for the year ended December 31, 2020), and the amount to be appropriated for the period of July - December 2020 amounting to Baht 500 million as legal reserve.
- The payment of dividend at the rate of Baht 2.50 per common share amounting to Baht 4,772 million had been paid on May 10, 2021.

The Bank already paid dividend according to the above-mentioned resolution on May 10, 2021.

6.28 Assets pledged as collateral and under restriction

The Bank had investments in government securities and state enterprise securities which had been pledged as collateral for repurchase agreements and for commitments with government agencies. The book values of such securities, net of allowance for expected credit loss, as at June 30, 2021 and December 31, 2020 amounted to Baht 52,490 million and Baht 2,120 million, respectively.

6.29 Contingent liabilities

As at June 30, 2021 and December 31, 2020, the Bank and subsidiaries had contingent liabilities as follows :

	Million Baht			
	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Avals to bills	6,374	6,187	6,374	6,187
Guarantees of loans	45,764	34,445	34,125	23,165
Liability under unmatured import bills	21,681	18,133	12,578	11,333
Letters of credit	38,250	26,775	36,231	26,049
Other commitments				
Underwriting commitment	2,667	-	2,667	-
Amount of unused bank overdraft	168,062	171,843	167,262	171,053
Other guarantees	247,788	252,594	234,680	239,065
Others	<u>179,517</u>	<u>208,560</u>	<u>169,467</u>	<u>204,382</u>
Total	<u><u>710,103</u></u>	<u><u>718,537</u></u>	<u><u>663,384</u></u>	<u><u>681,234</u></u>

6.30 Litigation

As at June 30, 2021 and December 31, 2020, a number of civil proceedings have been brought against the Bank and subsidiaries in the ordinary course of business. The Bank and subsidiaries believe that such proceedings, when resolved, will not materially affect the Bank and subsidiaries's financial position and result of operations.

6.31 Related party transactions

As at June 30, 2021 and December 31, 2020, related parties of the Bank consisted of subsidiaries, associates, key management personnel that are directors, executives at the level of executive vice president and higher or equal, any parties related to key management personnel, including the entities in which key management personnel and any parties related which are controlled or significantly influenced.

The Bank and subsidiaries had significant assets, liabilities and commitments with related parties as at June 30, 2021 and December 31, 2020 as follows :

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Million Baht				
Placements				
Subsidiaries				
Bangkok Bank Berhad	-	-	2,059	909
Bangkok Bank (China) Co., Ltd.	-	-	4	4
PT Bank Permata Tbk	-	-	17	23
Total	<u>-</u>	<u>-</u>	<u>2,080</u>	<u>936</u>
Investments				
Subsidiary				
PT Bank Permata Tbk	-	-	22,665	21,246
Total	<u>-</u>	<u>-</u>	<u>22,665</u>	<u>21,246</u>
Loans				
Subsidiary				
BSL Leasing Co., Ltd.	-	-	200	700
Other related parties	683	20	683	19
Total	<u>683</u>	<u>20</u>	<u>883</u>	<u>719</u>
Allowance for expected credit loss				
Subsidiary				
BSL Leasing Co., Ltd.	-	-	2	8
Other related parties	12	-	12	-
Total	<u>12</u>	<u>-</u>	<u>14</u>	<u>8</u>
Other assets				
Subsidiaries				
Bangkok Bank Berhad	-	-	7	7
BBL Asset Management Co., Ltd.	-	-	392	343
Bualuang Securities PCL.	-	-	4	2
PT Bank Permata Tbk	-	-	25	32
Associates				
Processing Center Co., Ltd.	2	3	2	3
Thai Payment Network Co., Ltd.	22	17	22	17
BCI (Thailand) Co., Ltd.	1	-	1	-
Other related parties	7	6	-	-
Total	<u>32</u>	<u>26</u>	<u>453</u>	<u>404</u>

	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
	Million Baht			
Deposits				
Subsidiaries				
BBL (Cayman) Limited	-	-	783	733
Bangkok Bank Berhad	-	-	140	139
Sinnsuptawee Asset Management Co., Ltd.	-	-	6	4
BBL Asset Management Co., Ltd.	-	-	81	84
Bualuang Securities PCL.	-	-	78	161
Bangkok Bank (China) Co., Ltd.	-	-	62	141
Bualuang Ventures Limited	-	-	413	412
Bangkok Capital Asset Management Co., Ltd.*	-	-	248	273
PT Bank Permata Tbk	-	-	1,142	13
BSL Leasing Co., Ltd.	-	-	46	47
Associates				
Processing Center Co., Ltd.	112	99	112	99
National ITMX Co., Ltd.	118	105	118	105
Thai Payment Network Co., Ltd.	16	32	16	32
BCI (Thailand) Co., Ltd.	48	48	48	48
Other related parties	8,508	9,100	8,508	9,100
Total	8,802	9,384	11,801	11,391
Borrowings				
Subsidiary				
Bangkok Bank (China) Co., Ltd.	-	-	1,699	1,954
Total	-	-	1,699	1,954
Other liabilities				
Subsidiaries				
Sinnsuptawee Asset Management Co., Ltd.	-	-	329	328
Bualuang Securities PCL.	-	-	273	1
Bangkok Bank (China) Co., Ltd.	-	-	70	64
PT Bank Permata Tbk	-	-	22	-
Associates				
Processing Center Co., Ltd.	4	4	4	4
National ITMX Co., Ltd.	17	16	17	16
BCI (Thailand) Co., Ltd.	2	-	2	-
Other related parties	25	16	6	8
Total	48	36	723	421

* Holding by Bualuang Securities PCL.

	Million Baht			
	CONSOLIDATED		THE BANK	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Commitments				
Subsidiaries				
Bualuang Securities PCL.	-	-	10,560	155
Bangkok Bank (China) Co., Ltd.	-	-	2,387	2,549
BSL Leasing Co., Ltd.	-	-	-	4
Associate				
National ITMX Co., Ltd.	1	1	1	1
Other related parties	<u>150</u>	<u>3</u>	<u>150</u>	<u>3</u>
Total	<u><u>151</u></u>	<u><u>4</u></u>	<u><u>13,098</u></u>	<u><u>2,712</u></u>

For the six-month period ended June 30, 2021, the Bank and subsidiaries charged interest at rates between 0.75% and 13.00% on loans to these related parties depending on the types of loans and collateral.

For the year ended December 31, 2020, the Bank and subsidiaries charged interest at rates between 0.75% and 13.00% on loans to these related parties depending on the types of loans and collateral.

In the consolidated and the Bank's financial statements, investments in subsidiaries and associates as at June 30, 2021 and December 31, 2020 are shown in Note 6.8.

Significant accounting transactions between the Bank and subsidiaries, associates and other related parties were transacted under normal business practices. The prices, interest rates, commission charges, terms and conditions are determined on an arm's length basis.

The Bank and subsidiaries had significant income and expenses with related parties for the six-month periods ended June 30, 2021 and 2020 as follows :

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS ENDED		FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Million Baht				
Interest and discount received				
Subsidiaries				
Bangkok Bank Berhad	-	-	1	19
Bangkok Bank (China) Co., Ltd.	-	-	-	1
PT Bank Permata Tbk	-	-	14	3
BSL Leasing Co., Ltd. *	-	-	5	-
Associate				
BSL Leasing Co., Ltd.	-	2	-	2
Other related parties	9	-	9	-
Total	<u>9</u>	<u>2</u>	<u>29</u>	<u>25</u>
Fees and service income				
Subsidiaries				
Bangkok Bank Berhad	-	-	1	1
BBL Asset Management Co., Ltd.	-	-	1,117	1,005
Bualuang Securities PCL.	-	-	86	21
Associate				
Processing Center Co., Ltd.	1	3	1	3
Other related parties	49	33	-	-
Total	<u>50</u>	<u>36</u>	<u>1,205</u>	<u>1,030</u>
Dividend income				
Subsidiaries				
BBL Asset Management Co., Ltd.	-	-	529	525
Bualuang Securities PCL.	-	-	823	540
BSL Leasing Co., Ltd. *	-	-	45	-
Associates				
Processing Center Co., Ltd.	8	16	8	16
National ITMX Co., Ltd.	54	25	54	25
Total	<u>62</u>	<u>41</u>	<u>1,459</u>	<u>1,106</u>
Other income				
Subsidiaries				
Bualuang Securities PCL.	-	-	2	2
Bangkok Bank (China) Co., Ltd.	-	-	81	63
Associates				
National ITMX Co., Ltd.	3	3	3	3
Thai Payment Network Co., Ltd.	5	5	5	5
Total	<u>8</u>	<u>8</u>	<u>91</u>	<u>73</u>

* On September 17, 2020, BSL Leasing Co., Ltd. is changed from an associate to be a subsidiary.

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Million Baht				
Interest paid				
Subsidiaries				
BBL (Cayman) Limited	-	-	1	6
BBL Asset Management Co., Ltd.	-	-	-	1
Bualuang Securities PCL.	-	-	1	2
Bangkok Bank (China) Co., Ltd.	-	-	3	3
Bualuang Ventures Limited	-	-	-	1
PT Bank Permata Tbk	-	-	22	-
Associate				
Processing Center Co., Ltd.	-	1	-	1
Other related parties	12	28	12	28
Total	<u>12</u>	<u>29</u>	<u>39</u>	<u>42</u>
Commission paid				
Subsidiary				
Bualuang Securities PCL.	-	-	7	-
Other related parties	31	28	-	-
Total	<u>31</u>	<u>28</u>	<u>7</u>	<u>-</u>
Other expenses				
Associates				
Processing Center Co., Ltd.	5	5	5	5
National ITMX Co., Ltd.	90	64	90	64
Thai Payment Network Co., Ltd.	1	1	1	1
BCI (Thailand) Co., Ltd.	1	1	1	1
Other related parties	52	65	46	59
Total	<u>149</u>	<u>136</u>	<u>143</u>	<u>130</u>

6.32 Other benefits to directors and persons with managing authority

The Bank has not extended the extraordinary monetary and/or non-monetary benefits to the Banks' directors, executives at the level of executive vice president and higher, other than the ordinary benefits.

6.33 Disclosure of the statement of cash flows of the Asset Management Company (AMC)

In accordance with the BOT's regulations, the Bank is required to disclose the statement of cash flows of the AMC of the Bank in the notes to the financial statements. The statement of cash flows of Sinnsuptawee Asset Management Co., Ltd. are as follows :

SINNSUPTAWEE ASSET MANAGEMENT COMPANY LIMITED		STATEMENT OF CASH FLOWS	
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021		(UNAUDITED – REVIEWED)	
		Million Baht	
		2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit from operating before income tax expenses		24	48
Items to reconcile profit from operating before income tax expenses to cash receive (paid) from operating activities			
Unrealized (gains) losses on financial instruments measured at fair value through profit or loss		1	(8)
Net gain on disposal of securities		(1)	-
Dividend income		(23)	(23)
Proceeds from dividend income		23	23
Income tax paid		(2)	(3)
Profit from operating before changes in operating assets and liabilities		22	37
(Increase) decrease in operating assets			
Financial assets measured at fair value through profit or loss		(47)	(38)
Properties for sale		31	40
Other assets		(1)	-
Increase (decrease) in operating liabilities			
Deposits		(2)	(1)
Other liabilities		(1)	(1)
Net cash from operating activities		2	37
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment		-	(1)
Net cash from investing activities		-	(1)
Net increase in cash and cash equivalents		2	36
Cash and cash equivalents as at January 1,		4	14
Cash and cash equivalents as at June 30,		6	50

6.34 Operating segments

6.34.1 Operating segments

Operating segments are reported measured on a basis that is consistent with internal reporting. Amounts for each operating segment are shown after the allocation of centralized costs and transfer pricing.

Transactions between operating segments are recorded within the segment as if they were third party transactions and are eliminated on consolidated financial statement.

The Bank is organized into segments based on products and services as follows :

Domestic banking

Domestic banking provides financial services in domestic. The main products and services are loans, deposits, trade finance, remittances and payments, electronic services, credit cards, debit cards and related other financial services.

International banking

International banking provides financial services through overseas branches and subsidiaries. The main products and services are loans, deposits, foreign exchange services, international fund transfers and payments, and export and import services.

Investment banking

Investment banking provides project services, corporate finance services, financial advisory services, securities business services, business strategic management by trading financial instruments including liquidity management of the Bank.

Others

Segments other than banking and investment banking business provide fund management services, securities services, assets management services and others, including operating expenses not allocated to operating segments.

The operating results of operating segments for the three-month and the six-month periods ended June 30, 2021 and 2020 are as follows :

	CONSOLIDATED					Million Baht
	FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2021					
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	16,437	8,385	5,254	3,748	(1)	33,823
Total operating expenses before credit losses	<u>(7,678)</u>	<u>(3,730)</u>	<u>(539)</u>	<u>(4,343)</u>	<u>1</u>	<u>(16,289)</u>
Profit from operating before credit losses and income tax expenses	<u>8,759</u>	<u>4,655</u>	<u>4,715</u>	<u>(595)</u>	<u>-</u>	<u>17,534</u>

	CONSOLIDATED					Million Baht
	FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020					
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	16,769	5,101	7,756	2,659	-	32,285
Total operating expenses before credit losses	<u>(8,014)</u>	<u>(2,108)</u>	<u>(246)</u>	<u>(4,658)</u>	<u>-</u>	<u>(15,026)</u>
Profit from operating before credit losses and income tax expenses	<u>8,755</u>	<u>2,993</u>	<u>7,510</u>	<u>(1,999)</u>	<u>-</u>	<u>17,259</u>

	CONSOLIDATED					Million Baht
	FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2021					
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	33,360	15,696	7,902	7,741	(2)	64,697
Total operating expenses before credit losses	<u>(13,589)</u>	<u>(7,636)</u>	<u>(1,082)</u>	<u>(9,745)</u>	<u>2</u>	<u>(32,050)</u>
Profit from operating before credit losses and income tax expenses	<u>19,771</u>	<u>8,060</u>	<u>6,820</u>	<u>(2,004)</u>	<u>-</u>	<u>32,647</u>

	CONSOLIDATED					Million Baht
	FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020					
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total operating income	36,340	8,593	8,857	4,890	(1)	58,679
Total operating expenses before credit losses	<u>(15,904)</u>	<u>(3,068)</u>	<u>(470)</u>	<u>(6,962)</u>	<u>1</u>	<u>(26,403)</u>
Profit from operating before credit losses and income tax expenses	<u>20,436</u>	<u>5,525</u>	<u>8,387</u>	<u>(2,072)</u>	<u>-</u>	<u>32,276</u>

The financial position of operating segments as June 30, 2021 and December 31, 2020 are as follows :

	CONSOLIDATED					Million Baht
	Domestic Banking	International Banking	Investment Banking	Others	Elimination	Total
Total assets						
As at June 30, 2021	1,627,622	1,145,724	1,318,358	578,527	(548,270)	4,121,961
As at December 31, 2020	1,697,604	1,091,071	1,278,707	245,140	(489,562)	3,822,960

6.34.2 Geographical Segments

The operating results classified by geographical areas for the three-month and the six-month periods ended June 30, 2021 and 2020 are as follows :

	CONSOLIDATED						Million Baht
	FOR THE THREE-MONTH PERIODS ENDED						
	June 30, 2021			June 30, 2020			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Total operating income	25,357	8,466	33,823	26,591	5,694	32,285	
Total operating expenses*	(19,414)	(6,685)	(26,099)	(25,160)	(3,104)	(28,264)	
Profit from operating							
before income tax expenses	5,943	1,781	7,724	1,431	2,590	4,021	
Income tax	165	(1,428)	(1,263)	(301)	(533)	(834)	

	CONSOLIDATED						Million Baht
	FOR THE SIX-MONTH PERIODS ENDED						
	June 30, 2021			June 30, 2020			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Total operating income	48,722	15,975	64,697	48,857	9,822	58,679	
Total operating expenses*	(35,968)	(12,219)	(48,187)	(33,588)	(11,140)	(44,728)	
Profit from operating							
before income tax expenses	12,754	3,756	16,510	15,269	(1,318)	13,951	
Income tax	(1,197)	(1,813)	(3,010)	(1,923)	(1,080)	(3,003)	

* Including expected credit losses.

The financial position classified by geographical areas as at June 30, 2021 and December 31, 2020 are as follows :

	CONSOLIDATED						Million Baht
	June 30, 2021			December 31, 2020			
	Domestic Operations	Foreign Operations	Total	Domestic Operations	Foreign Operations	Total	
Non-current assets *	68,642	31,425	100,067	80,092	17,266	97,358	
Total assets	3,421,641	700,320	4,121,961	3,055,911	767,049	3,822,960	

6.35 Interest income

Interest income for the three-month and the six-month periods ended June 30, 2021 and 2020 are as follows :

	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Interbank and money market items	1,678	1,353	784	994
Investments and trading transactions	132	51	36	32
Investment in debt securities	2,416	2,552	1,480	2,097
Loans	23,692	23,226	17,981	20,471
Others	<u>6</u>	<u>18</u>	<u>6</u>	<u>18</u>
Total interest income	<u>27,924</u>	<u>27,200</u>	<u>20,287</u>	<u>23,612</u>

For the three-month period ended June 30, 2021, the Bank and subsidiaries have total interest income on financial assets that are measured at amortized cost and at FVOCI for the consolidated amounting to Baht 25,548 million and Baht 2,243 million, respectively and for the Bank's financial statement amounting to Baht 18,801 million and amounting to Baht 1,449 million, respectively.

For the three-month period ended June 30, 2020, the Bank and subsidiaries have total interest income on financial assets that are measured at amortized cost and at FVOCI for the consolidated amounting to Baht 24,698 million and Baht 2,450 million, respectively and for the Bank's financial statement amounting to Baht 21,531 million and amounting to Baht 2,049 million, respectively.

* Consisting of premises and equipment, net, goodwill and other intangible assets, net.

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Interbank and money market items	3,204	3,038	1,390	2,516
Investments and trading transactions	254	107	62	89
Investment in debt securities	5,004	5,025	3,211	4,389
Loans	46,964	47,595	35,629	44,145
Others	<u>9</u>	<u>60</u>	<u>9</u>	<u>60</u>
Total interest income	<u>55,435</u>	<u>55,825</u>	<u>40,301</u>	<u>51,199</u>

For the six-month period ended June 30, 2021, the Bank and subsidiaries have total interest income on financial assets that are measured at amortized cost and at FVOCI for the consolidated financial statement amounting to Baht 50,558 million and Baht 4,623 million, respectively and for the Bank's financial statement amounting to Baht 37,096 million and Baht 3,142 million, respectively.

For the six-month period ended June 30, 2020, the Bank and subsidiaries have total interest income on financial assets that are measured at amortized cost and at FVOCI for the consolidated financial statement amounting to Baht 50,914 million and Baht 4,804 million, respectively and for the Bank's financial statement amounting to Baht 46,837 million and Baht 4,274 million, respectively.

6.36 Interest expenses

Interest expenses for the three-month and the six-month periods ended June 30, 2021 and 2020 are as follows :

	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS		FOR THE THREE-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Deposits	4,514	5,832	2,118	4,305
Interbank and money market items	228	236	179	214
Contributions to the Deposit Protection Agency	1,612	1,469	1,436	1,405
Debt issued				
Bonds and subordinated notes	1,541	1,552	1,498	1,516
Others	<u>2</u>	<u>1</u>	<u>2</u>	<u>1</u>
Total interest expenses	<u>7,897</u>	<u>9,090</u>	<u>5,233</u>	<u>7,441</u>

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Deposits	9,061	11,428	4,239	9,543
Interbank and money market items	448	603	346	549
Contributions to the Deposit Protection Agency	3,154	2,783	2,812	2,718
Debt issued				
Bonds and subordinated notes	3,032	3,073	2,947	3,036
Others	<u>6</u>	<u>8</u>	<u>6</u>	<u>8</u>
Total interest expenses	<u>15,701</u>	<u>17,895</u>	<u>10,350</u>	<u>15,854</u>

6.37 Net fees and service income

Net fees and service income for the three-month and the six-month periods ended June 30, 2021 and 2020 are as follows :

	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS		FOR THE THREE-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Fees and service income				
Acceptances, aval and guarantees of loans	86	441	77	357
Debit card, credit card and electronic services	3,822	3,484	3,490	3,436
Others	<u>5,414</u>	<u>3,509</u>	<u>2,894</u>	<u>2,003</u>
Total fees and service income	9,322	7,434	6,461	5,796
Fees and service expenses	<u>2,426</u>	<u>1,813</u>	<u>2,009</u>	<u>1,728</u>
Net fees and service income	<u>6,896</u>	<u>5,621</u>	<u>4,452</u>	<u>4,068</u>

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Fees and service income				
Acceptances, aval and guarantees of loans	164	642	147	539
Debit card, credit card and electronic services	7,721	7,878	7,088	7,829
Others	<u>11,074</u>	<u>7,997</u>	<u>6,118</u>	<u>4,851</u>
Total fees and service income	18,959	16,517	13,353	13,219
Fees and service expenses	<u>4,729</u>	<u>4,542</u>	<u>3,957</u>	<u>4,408</u>
Net fees and service income	<u>14,230</u>	<u>11,975</u>	<u>9,396</u>	<u>8,811</u>

6.38 Gains (losses) on financial instruments measured at fair value through profit or loss

Gains (losses) on financial instruments measured at fair value through profit or loss for the three-month and the six-month periods ended June 30, 2021 and 2020 are as follows :

	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS		FOR THE THREE-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Gains (losses) from trading and foreign exchange transactions				
Foreign exchange and currency derivatives	1,732	5,180	1,692	5,078
Interest rate derivatives	42	(61)	42	(62)
Debt securities	226	184	26	65
Equity securities	725	1,249	576	1,157
Others	(8)	-	-	-
Total	<u>2,717</u>	<u>6,552</u>	<u>2,336</u>	<u>6,238</u>
Gains (losses) from financial instrument designed at FVTPL				
Change in fair value, net	105	82	105	82
Interest expense, net	(291)	(322)	(291)	(322)
Total	<u>(186)</u>	<u>(240)</u>	<u>(186)</u>	<u>(240)</u>
Others	<u>3,423</u>	<u>750</u>	<u>3,332</u>	<u>768</u>
Total gains on financial instruments measured at fair value through profit or loss	<u>5,954</u>	<u>7,062</u>	<u>5,482</u>	<u>6,766</u>

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS		FOR THE SIX-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Gains (losses) from trading and foreign exchange transactions				
Foreign exchange and currency derivatives	2,470	7,003	2,228	6,771
Interest rate derivatives	52	492	52	491
Debt securities	141	170	(38)	50
Equity securities	870	427	588	1,041
Total	<u>3,533</u>	<u>8,092</u>	<u>2,830</u>	<u>8,353</u>
Gains (losses) from financial instrument designed at FVTPL				
Change in fair value, net	225	(1,380)	225	(1,380)
Interest expense, net	(595)	(645)	(595)	(645)
Total	<u>(370)</u>	<u>(2,025)</u>	<u>(370)</u>	<u>(2,025)</u>
Others	<u>4,879</u>	<u>(695)</u>	<u>4,492</u>	<u>(764)</u>
Total gains on financial instruments measured at fair value through profit or loss	<u>8,042</u>	<u>5,372</u>	<u>6,952</u>	<u>5,564</u>

6.39 Gains (losses) on investments

Gains (losses) on investments for the three-month and the six-month periods ended June 30, 2021 and 2020 are as follows :

	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS		FOR THE THREE-MONTH PERIODS	
	ENDED		ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Gains (losses) from write off				
Investment securities - measured at FVOCI				
(Debt investment)	<u>(240)</u>	<u>317</u>	<u>(258)</u>	<u>317</u>
Total	<u>(240)</u>	<u>317</u>	<u>(258)</u>	<u>317</u>
Loss on impairment				
Investments in Subsidiaries and Associated	<u>-</u>	<u>-</u>	<u>(236)</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>(236)</u>	<u>-</u>
Total gains (losses) on investments	<u>(240)</u>	<u>317</u>	<u>(494)</u>	<u>317</u>

	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED		THE BANK FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Gains from write off				
Investment securities - measured at FVOCI				
(Debt investment)	<u>601</u>	<u>1,467</u>	<u>583</u>	<u>1,467</u>
Total	<u>601</u>	<u>1,467</u>	<u>583</u>	<u>1,467</u>
Loss on impairment				
Investments in Subsidiaries and Associated	<u>-</u>	<u>-</u>	<u>(236)</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>(236)</u>	<u>-</u>
Total gains on investments	<u><u>601</u></u>	<u><u>1,467</u></u>	<u><u>347</u></u>	<u><u>1,467</u></u>

6.40 Expected credit loss

Expected credit loss for the three-month and the six-month periods ended June 30, 2021 and 2020 are as follows :

	CONSOLIDATED FOR THE THREE-MONTH PERIODS ENDED		THE BANK FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Expected credit loss				
Loans to customers and accrued				
interest receivables	<u>6,883</u>	<u>11,867</u>	<u>4,566</u>	<u>12,009</u>
Others	<u>2,927</u>	<u>1,371</u>	<u>2,718</u>	<u>1,094</u>
Total Expected credit loss	<u><u>9,810</u></u>	<u><u>13,238</u></u>	<u><u>7,284</u></u>	<u><u>13,103</u></u>

	CONSOLIDATED FOR THE SIX-MONTH PERIODS ENDED		THE BANK FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Expected credit loss				
Loans to customers and accrued				
interest receivables	<u>13,686</u>	<u>16,264</u>	<u>10,116</u>	<u>16,302</u>
Others	<u>2,451</u>	<u>2,061</u>	<u>2,168</u>	<u>1,754</u>
Total Expected credit loss	<u><u>16,137</u></u>	<u><u>18,325</u></u>	<u><u>12,284</u></u>	<u><u>18,056</u></u>

6.41 Income tax expenses

6.41.1 Income tax recognized in profit or loss for the three-month and the six-month periods ended June 30, 2021 and 2020 are as follows :

	CONSOLIDATED		THE BANK	
	FOR THE THREE-MONTH PERIODS ENDED		FOR THE THREE-MONTH PERIODS ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Current tax	1,619	290	1,378	171
Deferred tax	<u>(356)</u>	<u>544</u>	<u>(331)</u>	<u>332</u>
Total income tax expenses	<u>1,263</u>	<u>834</u>	<u>1,047</u>	<u>503</u>

	CONSOLIDATED		THE BANK	
	FOR THE SIX-MONTH PERIODS ENDED		FOR THE SIX-MONTH PERIODS ENDED	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Current tax	3,370	3,292	2,849	3,022
Deferred tax	<u>(360)</u>	<u>(289)</u>	<u>(483)</u>	<u>(483)</u>
Total income tax expenses	<u>3,010</u>	<u>3,003</u>	<u>2,366</u>	<u>2,539</u>

6.41.2 Income tax recognized in component of other comprehensive income for the three-month and the six-month periods ended June 30, 2021 and 2020 are as follows :

	Million Baht					
	CONSOLIDATED					
	FOR THE THREE-MONTH PERIODS ENDED					
	June 30, 2021			June 30, 2020		
	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount
Items that will be reclassified						
subsequently to profit or loss						
Gains on investments in debt						
instruments at fair value						
through other comprehensive						
income	3,286	(510)	2,776	1,008	81	1,089
Gains on cash flow hedges	65	(13)	52	318	(64)	254
Gains (losses) arising from						
translating the financial						
statements of foreign						
operations	4,803	-	4,803	(3,820)	-	(3,820)
Items that will not be reclassified						
subsequently to profit or loss						
Changes in revaluation surplus	(36)	-	(36)	14,395	(2,885)	11,510
Gains (losses) on investment in						
equity instruments designated						
at fair value through other						
comprehensive income	(1,679)	309	(1,370)	14,247	(2,865)	11,382
Gains (losses) on financial						
liabilities designated at fair						
value through profit or loss	(172)	34	(138)	171	(34)	137
Actuarial gains (losses) on						
defined benefit plans	(18)	4	(14)	33	(18)	15
Share of other comprehensive						
losses of associate	(3)	1	(2)	-	-	-
Total	<u>6,246</u>	<u>(175)</u>	<u>6,071</u>	<u>26,352</u>	<u>(5,785)</u>	<u>20,567</u>

Million Baht

	CONSOLIDATED					
	FOR THE SIX-MONTH PERIODS ENDED					
	June 30, 2021			June 30, 2020		
Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	
Items that will be reclassified						
subsequently to profit or loss						
Gains (losses) on investments in						
debt instruments at fair value						
through other comprehensive						
income	(3,939)	980	(2,959)	856	171	1,027
Gains (losses) on cash flow hedges	(335)	67	(268)	229	(46)	183
Gains arising from translating						
the financial statements						
of foreign operations	9,774	-	9,774	311	-	311
Items that will not be reclassified						
subsequently to profit or loss						
Changes in revaluation surplus	-	-	-	14,395	(2,885)	11,510
Gains (losses) on investment in						
equity instruments designated at						
fair value through other						
comprehensive income	5,331	(1,041)	4,290	(9,271)	1,859	(7,412)
Gains (losses) on financial liabilities						
designated at fair value						
through profit or loss	(583)	117	(466)	2,184	(437)	1,747
Actuarial gains (losses) on						
defined benefit plans	(19)	4	(15)	31	(17)	14
Share of other comprehensive						
losses of associate	(2)	-	(2)	1	-	1
Total	<u>10,227</u>	<u>127</u>	<u>10,354</u>	<u>8,736</u>	<u>(1,355)</u>	<u>7,381</u>

Million Baht

	THE BANK					
	FOR THE THREE-MONTH PERIODS ENDED					
	June 30, 2021			June 30, 2020		
Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	
Items that will be reclassified						
subsequently to profit or loss						
Gains on investments in debt						
instruments at fair value through						
other comprehensive income	2,936	(439)	2,497	615	167	782
Gains on cash flow hedges	65	(13)	52	318	(64)	254
Gains (losses) arising from						
translating the financial						
statements of foreign operations	1,326	-	1,326	(1,728)	-	(1,728)
Items that will not be reclassified						
subsequently to profit or loss						
Changes in revaluation surplus	-	-	-	13,988	(2,798)	11,190
Gains (losses) on investment in						
equity instruments designated						
at fair value through other						
comprehensive income	(1,587)	331	(1,256)	13,785	(2,773)	11,012
Gains (losses) on financial						
liabilities designated at fair						
value through profit or loss	(172)	34	(138)	171	(34)	137
Actuarial gains on						
defined benefit plans	-	-	-	33	(18)	15
Total	<u>2,568</u>	<u>(87)</u>	<u>2,481</u>	<u>27,182</u>	<u>(5,520)</u>	<u>21,662</u>

Million Baht

	THE BANK					
	FOR THE SIX-MONTH PERIODS ENDED					
	June 30, 2021			June 30, 2020		
Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	Before-tax Amount	Tax (expense) Benefit	Net-of-tax Amount	
Items that will be reclassified						
subsequently to profit or loss						
Gains (losses) on investments in						
debt instruments at fair value						
through other comprehensive						
income	(3,817)	960	(2,857)	341	283	624
Gains (losses) on cash flow hedges	(335)	67	(268)	229	(46)	183
Gains arising from translating						
the financial statements of						
foreign operations	3,891	-	3,891	621	-	621
Items that will not be reclassified						
subsequently to profit or loss						
Changes in revaluation surplus	-	-	-	13,988	(2,798)	11,190
Gains (losses) on investment in						
equity instruments designated at						
fair value through other						
comprehensive income	5,304	(996)	4,308	(8,892)	1,782	(7,110)
Gains (losses) on financial liabilities						
designated at fair value						
through profit or loss	(583)	117	(466)	2,184	(437)	1,747
Actuarial gains (losses) on						
defined benefit plans	(1)	-	(1)	31	(17)	14
Total	<u>4,459</u>	<u>148</u>	<u>4,607</u>	<u>8,502</u>	<u>(1,233)</u>	<u>7,269</u>

6.41.3 Reconciliation of effective tax rates for the three-month and the six-month periods ended June 30, 2021 and 2020 are as follows :

	CONSOLIDATED			
	FOR THE THREE-MONTH PERIODS ENDED			
	June 30, 2021		June 30, 2020	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	7,724		4,021	
Income tax calculated at statutory tax rate	1,545	20.00	804	20.00
Overseas tax	178		514	
Tax effect of income and expenses that are not				
taxable and not deductible for tax purposes	(491)		(495)	
Others	31		11	
Total income tax expenses	<u>1,263</u>	16.35	<u>834</u>	20.74

Million Baht

	CONSOLIDATED			
	FOR THE SIX-MONTH PERIODS ENDED			
	June 30, 2021		June 30, 2020	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	16,510		13,951	
Income tax calculated at statutory tax rate	3,302	20.00	2,790	20.00
Overseas tax	330		1,111	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(596)		(621)	
Others	<u>(26)</u>		<u>(277)</u>	
Total income tax expenses	<u>3,010</u>	18.23	<u>3,003</u>	21.52

Million Baht

	THE BANK			
	FOR THE THREE-MONTH PERIODS ENDED			
	June 30, 2021		June 30, 2020	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	7,613		3,416	
Income tax calculated at statutory tax rate	1,522	20.00	683	20.00
Overseas tax	163		492	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(435)		(480)	
Others	<u>(203)</u>		<u>(192)</u>	
Total income tax expenses	<u>1,047</u>	13.75	<u>503</u>	14.73

Million Baht

	THE BANK			
	FOR THE SIX-MONTH PERIODS ENDED			
	June 30, 2021		June 30, 2020	
	Amount	Percentage	Amount	Percentage
Profit from operating before income tax expense	14,221		12,648	
Income tax calculated at statutory tax rate	2,844	20.00	2,530	20.00
Overseas tax	293		1,078	
Tax effect of income and expenses that are not taxable and not deductible for tax purposes	(470)		(587)	
Others	<u>(301)</u>		<u>(482)</u>	
Total income tax expenses	<u>2,366</u>	16.64	<u>2,539</u>	20.07

6.42 The Coronavirus Disease 2019 Pandemic (COVID-19)

The Coronavirus Disease 2019 Pandemic (COVID-19) is continuing to evolve, resulting in the economic slowdown and impacting most business and industries. This situation may bring uncertainties and have an impact on the environment in which the Bank operates.

In the classification, the Bank adheres to Accounting Treatment Guidance on “The temporary relief measures for entities supporting their debtors who are affected from the situations that affected Thailand’s economy” by providing assistance to the debtor during January 1, 2020 to December 31, 2021 or until there are any changes from the BOT, which require the compliance with such changes. The debt classification which has no credit impairment is a class that does not have a significant increase in credit risk (Stage 1 Performing) immediately after analyzing the status and business of the debtor that the debtor is able to comply with the debt restructuring agreement. As for debt that has credit impairment but still has the potential to operate business, the Bank can classify the debt as a class that does not have a significant increase in credit risk (Stage 1 Performing) if the debtor has made a payment under the new debt restructuring agreement for 3 consecutive months or 3 payment periods, whichever is longer.

As for the reserve, the Bank adheres to the Financial Reporting Standards No. 9 Financial instruments, which specifies the Expected Credit Loss by considering the past, present and future economic conditions under various assumptions and situations due to the transmission problem of COVID-19 being transmitted impact on the Thai economy and the broad global economy. The situation of the outbreak still cannot be controlled, causing the economic activity to have a severe slowdown especially the tourism, service and industry sectors that may lead to economic recession. Therefore, in estimating the credit losses that are expected to occur the Bank therefore considers future economic factors that reflect the effects of the pandemic of COVID-19, both in the short and long term, including considering the management's discretion to reserve more (Management Overlay) from the values obtained from the model to another level so that the Bank's reserves are able to sufficiently cope with the increase in default payments of loan receivables affected by this situation.

6.43 Approval of the financial statements

On August 24, 2021, the Audit Committee and the Board of Executive Directors have authorized to issue these financial statements.