

BANK OF CHINA (THAI) PUBLIC COMPANY LIMITED

INTERIM FINANCIAL STATEMENTS

30 JUNE 2024



Independent auditor's report

To the Board of Directors of Bank of China (Thai) Public Company Limited

My opinion

In my opinion, the interim financial statements present fairly, in all material respects, the financial position of Bank of China (Thai) Public Company Limited (the Bank) as at 30 June 2024, and its financial performance and its cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The Bank's interim financial statements comprise:

- the statement of financial position as at 30 June 2024;
- the statement of comprehensive income for the six-month period then ended;
- the statement of changes in equity for the six-month period then ended;
- the statement of cash flows for the six-month period then ended; and
- the notes to the interim financial statements, which include material accounting policies and other explanatory information.

Basis for opinion

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

Responsibilities of management for the interim financial statements

Management is responsible for the preparation and fair presentation of the interim financial statements in accordance with TFRS, and for such internal control as management determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim financial statements, management is responsible for assessing 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 or to cease operations, or has no realistic alternative but to do so.

The audit committee assists management in discharging their responsibilities for overseeing the Bank's financial reporting process.



Auditor's responsibilities for the audit of the interim financial statements

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

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

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

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

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

PricewaterhouseCoopers ABAS Ltd.

Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
19 September 2024

Bank of China (Thai) Public Company Limited
Statement of Financial Position
As at 30 June 2024

		30 June 2024	31 December 2023
	Notes	Thousand Baht	Thousand Baht
Assets			
Cash		179,776	126,508
Interbank and money market items - net	5	16,522,779	25,652,174
Derivative assets	6	680,713	61,008
Investments - net	7	15,194,068	7,499,007
Loans to customers and accrued interest receivables - net	8	42,894,915	34,775,000
Premises and equipment - net	10	88,129	96,519
Right-of-use assets - net	11.1	297,987	328,654
Intangible assets - net	12	12,029	13,375
Deferred tax assets	27	167,503	176,906
Other assets	13	291,136	148,994
Total assets		76,329,035	68,878,145



(Mr. Liu Quanlei)
Chief Executive Officer, Country Head

Bank of China (Thai) Public Company Limited
Statement of Financial Position (Cont'd)
As at 30 June 2024

		30 June 2024	31 December 2023
	Notes	Thousand Baht	Thousand Baht
Liabilities and shareholders' equity			
Liabilities			
Deposits	14	59,971,031	52,245,051
Interbank and money market items	15	539,319	1,220,508
Liabilities payable on demand		166,513	743,901
Derivative liabilities	6	159,474	110,767
Debts issued and borrowings	16	1,473,988	1,368,932
Lease liabilities	11.2	287,604	314,851
Provisions	17	271,827	266,999
Accrued interest payable		267,329	359,025
Other liabilities	18	733,916	599,436
Total liabilities		63,871,001	57,229,470
Equity			
Share capital			
Registered, issued and fully paid-up			
1,000,000,000 ordinary shares of Baht 10 each		10,000,000	10,000,000
Other components of equity	19	7,037	7,012
Retained earnings			
Appropriated - statutory reserve	20	100,861	56,944
Unappropriated		2,350,136	1,584,719
Total equity		12,458,034	11,648,675
Total liabilities and shareholders' equity		76,329,035	68,878,145



(Mr. Liu Quanlei)

Chief Executive Officer, Country Head

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

Bank of China (Thai) Public Company Limited
Statement of Comprehensive Income
For the six-month period ended 30 June 2024

		30 June 2024	30 June 2023
	Notes	Thousand Baht	Thousand Baht
Interest income	22	1,524,743	1,193,751
Interest expenses	23	(529,506)	(481,741)
Net interest income		995,237	712,010
Fees and service income		139,577	113,255
Fees and service expenses		(18,678)	(16,820)
Net fees and service income	24	120,899	96,435
Net gains on financial instruments measured at fair value through profit or loss	25	514,635	418,845
Losses on investments		-	(342)
Other operating income		232,121	3,817
Total operating income		1,862,892	1,230,765
Other operating expenses			
Employee expenses		320,652	294,839
Directors' remunerations		1,997	2,526
Premises and equipment expenses		59,019	72,636
Taxes and duties		47,448	41,631
Other operating expenses		50,283	29,200
Total operating expenses		479,399	440,832
Expected credit losses	26	371,397	374,185
Profits from operation before income tax		1,012,096	415,748
Income tax	27	(202,762)	(83,280)
Net profits for the periods		809,334	332,468



(Mr. Liu Quanlei)
Chief Executive Officer, Country Head

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Bank of China (Thai) Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the six-month period ended 30 June 2024

		30 June 2024	30 June 2023
	Notes	Thousand Baht	Thousand Baht
Other comprehensive income (loss)			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Gains (losses) on investments in debt instruments measured at fair value through other comprehensive income		31	(23,514)
Income tax relating to other comprehensive income (loss) for items that will be reclassified subsequently to profit or loss	27	(6)	3,391
Total items that will be reclassified subsequently to profit or loss		25	(20,123)
Other comprehensive income (loss) for the periods		25	(20,123)
Total comprehensive income for the periods		809,359	312,345
Earnings per share			
Basic earnings per share (Baht per share)	30	0.81	0.33



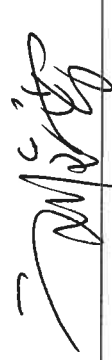
(Mr. Liu Quanlei)

Chief Executive Officer, Country Head

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Bank of China (Thai) Public Company Limited
Statement of Changes in Equity
For the six-month period ended 30 June 2024

	Note	Issued and fully paid-up share capital Thousand Baht	Other components of equity		Retained earnings			Total Thousand Baht
			Surplus (deficit) on changes in value of investments measured at fair value through other comprehensive income	Thousand Baht	Appropriated Thousand Baht	Unappropriated Thousand Baht	Thousand Baht	
Balance as of 1 January 2023		10,000,000	(13,360)		36,964	726,768		10,750,372
Profit for the period		-	-		-	332,468		332,468
Other comprehensive loss for the period		-	(20,123)		-	-		(20,123)
Total comprehensive income (loss) for the period		-	(20,123)		-	332,468		312,345
Transferred unappropriated retained earnings to statutory reserve		-	-		19,980	(19,980)		-
Balance as of 30 June 2023		10,000,000	(33,483)		56,944	1,039,256		11,062,717
Balance as of 1 January 2024		10,000,000	7,012		56,944	1,584,719		11,648,675
Profit for the period		-	-		-	809,334		809,334
Other comprehensive profit for the period		-	25		-	-		25
Total comprehensive income (loss) for the period		-	25		-	809,334		809,359
Transferred unappropriated retained earnings to statutory reserve	20	-	-		43,917	(43,917)		-
Balance as of 30 June 2024		10,000,000	7,037		100,861	2,350,136		12,458,034



(Mr. Liu Quanglei)

Chief Executive Officer, Country Head

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Bank of China (Thai) Public Company Limited
Statement of Cash Flows
For the six-month period ended 30 June 2024

		30 June 2024	30 June 2023
	Notes	Thousand Baht	Thousand Baht
Cash flows from operating activities			
Profits from operation before income tax		1,012,096	415,748
Adjustments to reconcile profits from operation before income tax to net cash received (paid) from operating activities:			
Depreciation and amortisation	10, 11, 12	47,152	46,668
Expected credit losses		371,397	370,813
Impairment (reversal) charge on non-financial assets		-	(14,895)
Losses on assets written-off		-	14,317
Amortisation of premium on debt instruments		(21,645)	(1,129)
Gains on investments		-	342
Unrealised gains on changes in fair value of financial derivative instruments		(570,998)	(276,325)
Unrealised losses on exchange rate		144,530	149,991
Gains on disposal of equipments		(16,697)	(661)
Provisions for employee benefits	17.2	7,949	6,754
Net interest income		(973,592)	(710,881)
Other operating income	18	(212,724)	-
Cash received on interest income		1,440,290	1,140,773
Cash paid on interest expenses		(621,202)	(353,021)
Cash paid on income tax		(135,187)	(69,425)
Profits from operating activities before changes in operating assets and liabilities		471,369	719,069
(Increase) decrease in operating assets			
Interbank and money market items		9,071,167	(7,266,157)
Loans to customers		(8,568,547)	3,424,252
Other assets		(47,032)	(12,166)
Increase (decrease) in operating liabilities			
Deposits		7,725,980	6,456,168
Interbank and money market items		(681,189)	(3,331,495)
Liabilities payable on demand		(577,388)	(159,454)
Provisions for employee benefits	17.2	(7,745)	(1,126)
Other liabilities		287,378	(22,444)
Net cash flows from operating activities		7,673,993	(193,353)



(Mr. Liu Quanlei)

Chief Executive Officer, Country Head

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

Bank of China (Thai) Public Company Limited
Statement of Cash Flows (Cont'd)
For the six-month period ended 30 June 2024

		30 June 2024	30 June 2023
	Notes	Thousand Baht	Thousand Baht
Cash flows from investing activities			
Proceeds from redemption of investment in debt designated at fair value through other comprehensive income		1,345,846	799,322
Cash paid for investment in debt designated at fair value through other comprehensive income		(8,949,272)	-
Cash paid for investment in debt at amortised cost		-	(540,299)
Proceeds from disposal of premises and equipment		16,775	661
Purchases of premises and equipment	10	(3,754)	(21,009)
Purchases of intangible assets		-	(2,285)
Net cash flows from investing activities		(7,590,405)	236,390
Cash flows from financing activities			
Cash paid on lease liabilities		(30,320)	(34,220)
Net cash flows from financing activities		(30,320)	(34,220)
Net increase in cash and cash equivalents		53,268	8,817
Cash and cash equivalents as at 1 January		126,508	124,803
Cash and cash equivalents as at 30 June		179,776	133,620
Supplemental disclosures of cash flows information			
Non-cash items:			
Increase in account payables from premises and equipment purchased		-	1,799
Increase in account payables from Intangible assets purchased		-	674
Increase in right-of-use assets	11.1	3,073	140,312



(Mr. Liu Quanlei)

Chief Executive Officer, Country Head

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

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1 General information

Bank of China (Thai) Public Company Limited ("the Bank") is a public company incorporated under Thai law and domiciled in Thailand. The Bank has been operated mainly commercial banking business and its registered office is located at No.179/4 Bangkok City Tower, South Sathorn Road, Tungmahamek Sub District, Sathorn District, Bangkok.

As at 30 June 2024, the Bank conducts its business through a network of 6 branches throughout all regions in Thailand (2023: 6 branches). Its major shareholder is Bank of China (Hong Kong) Limited, a company registered in Hong Kong.

These Interim Financial Statements were authorised for issue by the Bank's Board of Directors on 19 September 2024.

2 Material accounting policies

The material accounting policies applied in the preparation of the Bank's Interim Financial Statements are set out below:

2.1 Basis of preparation

The Interim Financial Statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS"). The primary Interim Financial Statements (including statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows) are prepared in the full format as required by the Notification of the Bank of Thailand ("BoT"), No. SorNorSor. 21/2561 dated 31 October 2018, "The Preparation and Format of the Interim Financial Statements of Commercial Bank and Holding Parent Company of Financial Group".

The Interim Financial Statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

In the current period, the Bank has adopted amendment to TAS 1 - Presentation of financial statements that is effective for the accounting period beginning on or after 1 January 2024 in which the Bank has reviewed and revised the disclosure from 'significant accounting policies' to 'material accounting policies'.

The preparation of Interim Financial Statements in conformity with TFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Interim Financial Statements are disclosed in Note 3.

An English version of the Interim Financial Statements has been prepared from the Interim Financial Statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language Interim Financial Statements shall prevail.

2.2 New financial reporting standards

New financial reporting standard for insurance contracts that is effective for accounting period beginning on or after 1 January 2025 does not have impacts on the Bank.

2.3 Revenue recognition

a) Interest and discount

The Bank recognises interest income on an accrual basis by using the effective interest method. The effective interest rate is the rate used to discount the estimated future cashflow receipts throughout the expected lifetime of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. Calculation of the effective interest rate takes into account any discounts or premiums on acquisition, fees and costs that are an integral part of the effective interest rate.

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

Discount received on purchase of bills are recognised based on the effective interest method over the period to maturity.

b) Fees and service income

Unless included in the effective interest rate calculation, the Bank recognises fee income on an accrual basis when the service has been provided or upon satisfaction of performance obligations including income recognised over the time of servicing such as fees and service income from acceptances, avals and guarantees, certain fee income received from corporate business customers and income recognised at a point in time such as other fee income related to transaction business of the Bank.

c) Interest on investments

Interest on investments is recognised as revenue on an accrual basis based on the effective interest rate.

2.4 Expenses recognition

The Bank recognises expenses on an accrual basis.

2.5 Cash

Cash represents cash on hand and cash items in process of the collection.

2.6 Interbank and money market items (assets/liabilities)

The Bank recognises and derecognises interbank and money market items on settlement date.

2.7 Financial derivatives

Financial derivative instruments are initially recognised at fair value on which the derivative contracts are entered into trade date.

Financial derivative contracts are recorded as commitments. At the end of the reporting period, outstanding financial derivative contracts are measured at fair value while the changes in their fair value are recognised in profit or loss. Unrealised gains or losses on outstanding financial derivative contracts are presented as derivative assets or liabilities in the statements of financial position.

The fair values of the contracts are based on the quoted market prices. If the fair value of a financial derivatives cannot be determined with reference to market price, it is determined using valuation techniques and models in which the variables used are derived from observable market factors and adjusted to reflect counterparty credit risk (if any).

2.8 Financial instruments

Recognition of financial instruments

The Bank recognises financial assets or financial liabilities when the Bank becomes a party to the contractual provisions of the financial instrument.

Classification and measurement of financial assets and financial liabilities

Financial asset - debt instruments

The Bank classifies its financial asset - debt instruments as financial assets subsequently measured at amortised cost or fair value in accordance with the Bank's business model in managing the financial assets and the contractual cash flows characteristics of the financial assets. The classifications of debt instruments are as follows;

- Amortised cost

Financial assets that are held for collection of contractual cash flows that represent solely payments of principal and interest (SPPI) are measured at amortised cost. Interest income is included in finance income using the effective interest method. Any gain or loss on derecognition is presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item.

- Fair value through other comprehensive income (FVOCI)

A financial asset is classified as a financial asset measured at fair value through other comprehensive income only if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognised at fair value and subsequently measured at fair value. Unrealised gains or losses from changes in their fair value are reported as a component of shareholders' equity through other comprehensive income until disposal of the instruments, after which such gains or losses on disposal are recognised as gains or losses in the statement of comprehensive income. Gains or losses on foreign exchange, expected credit losses, and interest income calculated using the effective interest method are recognised in profit or loss.

- Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on subsequent measurement is presented in other gains/(losses).

Investment in equity instruments

The Bank classifies investment in equity instruments as a financial asset measured at fair value through other comprehensive income, and this classification is irrevocable. Gains and losses arising from changes in fair value are recognised in other comprehensive income and not subsequently transferred to profit or loss upon disposal. Instead, they are transferred to retained earnings. Dividends on these investments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

Financial liabilities

The Bank classifies and measures financial liabilities at amortised cost. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

Income from investments and disposals of investments

Gains or losses on disposals of investments are recognised in profit or loss on the transaction date by using weighted average method for computation of the cost of investments, except that those of investments in equity instruments classified as the financial assets designated at fair value through other comprehensive income are directly recognised in retained earnings.

Changes in classification of investments in debt instruments

When there are changes in the Bank's business model for management of financial assets, the Bank has to reclassify investments in debt instruments and adjust the value of these investments to their fair value on the reclassification date. Differences between the book value and fair value of investments in debt instruments on the reclassification date are recorded in profit or loss or other comprehensive income depending on the classification of the investments.

Modifications of financial instruments not measured at fair value

Financial assets

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

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

Financial liabilities

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

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

Derecognition of financial instruments

The Bank derecognises 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 recognised separately as asset or liability.

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

Write-off

Bad debts are written-off (in part or in full) in the period in which the Bank decides the debts are irrecoverable. 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 compliance with the Bank's procedures for recovery of amounts due.

Offsetting

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right of set-off and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Cash collateral on exchange traded derivative transactions is presented gross unless the collateral cash flows are always settled net with the derivative cash flows. In certain situations, even though master netting agreements exist, the lack of management intention to settle on a net basis results in the financial assets and liabilities being reported gross on the statement of financial position.

2.9 Loans to customers

Loans to customers are presented at the principal balances. Unrealised discounts received in advances on loans to customers are deducted from loans to customers.

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

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

2.10 Allowance for expected credit losses on financial assets

The Bank recognises expected credit losses of financial asset - debt instruments, which are interbank and money market (assets), loans to customers and investments in debt instruments, including loan commitments and financial guarantee contracts, which are measured at amortised cost or fair value through other comprehensive income using the General Approach.

The Bank classifies its financial assets into three stages based on the changes in credit risk since initial recognition as follows:

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

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

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

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

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

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

At every reporting period-end date, the Bank assesses whether there has been a significant increase in credit risk of financial assets since initial recognition by comparing the risk of default over the expected lifetime at the reporting date with the credit risk at the date of initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Bank uses internal quantitative and qualitative indicators to assess the deterioration in credit quality of financial assets. When the financial asset meets criteria such as being arrears of over 30 days past due or a non-retail exposure on the watch list, it should be classified as Stage 2. Financial assets meeting criteria such as being arrears of over 90 days or having an internal credit rating of level 8, should be classified as Stage 3.

Financial assets are assessed to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparties have occurred. Evidence of credit-impaired financial assets includes indications that the issuer or the borrower are experiencing significant financial difficulties, a breach of contract, bankruptcy, distressed restructuring or a significant increase in the country risk and industry risk of the borrower/issuer and so on.

The Bank considers its historical loss experience, adjusted by current observable data and plus on the reasonable and supportable forecasts of future economic conditions, including appropriate use of judgement, to estimate the amount of an expected credit losses. The Bank determines both current and future economic scenario, and probability-weighted in each scenario (good scenario, baseline scenario and downturn scenario) for calculating expected credit losses. The use of macroeconomic factors is also applied. The Bank has established the process to review and monitor methodologies, assumptions and forward-looking macroeconomics scenarios on an annual basis.

In the case of investments in debt instruments, the factors used to justify a significant increase in credit risk are a drop in the market value of a debt security, the downgrading of a bond issuer's credit rating and significant deterioration of a bond issuers' financial performance, operations or management. The Bank recognises impairment charged for debt instruments measured at fair value through other comprehensive income and measured at amortised cost in profit or loss as expected credit losses.

The measurement of expected credit losses on loan commitments is the present value difference between the contractual cash flows that are due to the Bank if the commitment is drawn down and the cash flows that the Bank expects to receive (undrawn credit facility). The measurement of expected credit losses on financial guarantees is based on the expected payments to reimburse the holder less any amounts that the Bank expects to recover. Increase (decrease) in an allowance for expected credit losses is recognised as expenses during the period in profit or loss.

2.11 Premises and equipment and depreciation

Premises and equipment are stated at cost less accumulated depreciation and allowance for impairment loss (if any).

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

Buildings and building improvement	10 - 20 years
Computer equipment	3 - 5 years
Furniture and office equipment	5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at the end of each reporting period.

2.12 Leases

Right-of-use assets

At the commencement date, right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

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

Buildings	1 - 12 years
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If ownership of the leased asset is transferred to the Bank at the end of the lease term or the cost of such asset reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, lease liabilities are measured at the present value of the lease payments to be made over the lease term.

Short-term leases and Leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less which comprise car rental.

2.13 Intangible assets and amortisation

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

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

Useful lives of intangible assets with finite useful lives are 2 - 10 years.

2.14 Employee benefits

Defined contribution plans

The Bank and its employees have jointly established a provident fund. The employees contribute to the fund at the rate of 3% - 15% of their basic salary and the Bank contributes to the fund at the rate of 3% - 7% of their basic salary. The fund's assets are held in a separate trust fund and the Bank's contributions are recognised as expenses when incurred.

Defined benefit plans

The Bank has obligations in respect of the severance payments it must make to employees upon retirement under labour law. The Bank treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Remeasurements of post-employment benefit obligations arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise and are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

2.15 Foreign currencies

The Interim Financial Statements are presented in Baht, which is also the Bank's functional currency.

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

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

3 Significant accounting judgements and estimates

The preparation of Interim Financial Statements in conformity with TFRS at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates effect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

3.1 Recognition and derecognition of assets and liabilities

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

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

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

3.3 Fair value of financial instruments

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

3.4 Premises and equipment and depreciation

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

In addition, the management is required to review premises and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

3.5 Intangible assets

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to exercise judgement as to the recoverable amount to be generated by the asset or the cash generating units, and to select a suitable discount rate in order to determine the present value of that cash flow.

3.6 Leases

Determination of the lease term for lease contracts with renewal or termination options - Bank as a lessee

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

Estimating the incremental borrowing rate

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

3.7 Deferred tax assets

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

3.8 Post-employment benefits under the defined benefit plan

Obligations under the defined benefit plan are determined based on actuarial techniques which involves various assumptions including discount rate, future salary incremental rate, staff turnover rate and mortality rate.

3.9 Litigation

The Bank has contingent liabilities as a result of litigation. The management has used judgement to assess results of the litigation and believes that no loss will be incurred. Therefore, no contingent liabilities are recorded as at the end of reporting period.

4 Classification of financial assets and liabilities

	30 June 2024				
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity instruments designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets					
Cash	-	-	-	179,776	179,776
Interbank and money market items - net	-	-	-	16,522,779	16,522,779
Derivative assets	680,713	-	-	-	680,713
Investments - net	-	12,495,273	5	2,698,790	15,194,068
Loans to customers and accrued interest receivables - net	-	-	-	42,894,915	42,894,915
Total financial assets	680,713	12,495,273	5	62,296,260	75,472,251
Financial liabilities					
Deposits	-	-	-	59,971,031	59,971,031
Interbank and money market items	-	-	-	539,319	539,319
Liabilities payable on demand	-	-	-	166,513	166,513
Derivative liabilities	159,474	-	-	-	159,474
Debts issued and borrowings	-	-	-	1,473,988	1,473,988
Lease liabilities	-	-	-	287,604	287,604
Total financial liabilities	159,474	-	-	62,438,455	62,597,929

Bank of China (Thai) Public Company Limited
Notes to the Interim Financial Statements
For the six-month period ended 30 June 2024

	31 December 2023				
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity instruments designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets					
Cash	-	-	-	126,508	126,508
Interbank and money market items - net	-	-	-	25,652,174	25,652,174
Derivative assets	61,008	-	-	-	61,008
Investments - net	-	4,825,735	5	2,673,267	7,499,007
Loans to customers and accrued interest receivables - net	-	-	-	34,775,000	34,775,000
Total financial assets	61,008	4,825,735	5	63,226,949	68,113,697
Financial liabilities					
Deposits	-	-	-	52,245,051	52,245,051
Interbank and money market items	-	-	-	1,220,508	1,220,508
Liabilities payable on demand	-	-	-	743,901	743,901
Derivative liabilities	110,767	-	-	-	110,767
Debts issued and borrowings	-	-	-	1,368,932	1,368,932
Lease liabilities	-	-	-	314,851	314,851
Total financial liabilities	110,767	-	-	55,893,243	56,004,010

5 Interbank and money market items (assets)

	30 June 2024			31 December 2023		
	At call Thousand Baht	Term Thousand Baht	Total Thousand Baht	At call Thousand Baht	Term Thousand Baht	Total Thousand Baht
Domestic items						
Bank of Thailand and Financial Institutions Development Fund	272,954	-	272,954	570,688	-	570,688
Commercial banks	35,944	10,233,711	10,269,655	50,109	10,318,689	10,368,798
Total	308,898	10,233,711	10,542,609	620,797	10,318,689	10,939,486
<u>Add</u> Accrued interest receivables	-	6,567	6,567	-	11,677	11,677
<u>Less</u> Deferred income	-	(71)	(71)	-	-	-
<u>Less</u> Allowance for expected credit losses	(1)	(2,375)	(2,376)	(1)	(2,089)	(2,090)
Total domestic items	308,897	10,237,832	10,546,729	620,796	10,328,277	10,949,073
Foreign items						
US Dollar	470,498	3,500,722	3,971,220	7,078,477	3,852,244	10,930,721
Yen	1,729,540	-	1,729,540	12,129	-	12,129
Euro	49,671	-	49,671	193,872	-	193,872
Hong Kong Dollar	953	-	953	1,473	-	1,473
Chinese Yuan	119,679	-	119,679	3,338,427	-	3,338,427
Other currencies	41,226	-	41,226	109,957	-	109,957
Total	2,411,567	3,500,722	5,912,289	10,734,335	3,852,244	14,586,579
<u>Add</u> Accrued interest receivables	-	64,976	64,976	-	116,805	116,805
<u>Less</u> Deferred income	-	-	-	-	(58)	(58)
<u>Less</u> Allowance for expected credit losses	(5)	(1,210)	(1,215)	(11)	(214)	(225)
Total foreign items	2,411,562	3,564,488	5,976,050	10,734,324	3,968,777	14,703,101
Total domestic and foreign items	2,720,459	13,802,320	16,522,779	11,355,120	14,297,054	25,652,174

6 Derivatives

Derivatives held for trading

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

Type of risk	30 June 2024			31 December 2023		
	Fair value		Notional Amount*	Fair value		Notional Amount*
	Assets Thousand Baht	Liabilities Thousand Baht		Assets Thousand Baht	Liabilities Thousand Baht	
Foreign exchange	680,713	159,474	42,060,426	35,831	85,590	7,845,792
Interest rate	-	-	-	25,177	25,177	2,156,068
Total	680,713	159,474	42,060,426	61,008	110,767	10,001,860

* Disclosed only in case that the Bank has an obligation to pay

7 Investments

Classified by type of investments

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

	30 June 2024 Fair value Thousand Baht	31 December 2023 Fair value Thousand Baht
Investments in debt instruments measured at amortised cost		
Government and state enterprises instruments	2,196,113	2,196,315
Foreign debt instruments	504,156	478,400
Total	2,700,269	2,674,715
Less Allowance for expected credit losses	(1,479)	(1,448)
Total	2,698,790	2,673,267
Investments in debt instruments measured at fair value through other comprehensive income		
Government and state enterprises instruments	6,038,246	3,648,292
Private debt instruments	14,782	14,684
Foreign debt instruments	6,442,245	1,162,759
Total	12,495,273	4,825,735
Allowance for expected credit losses	(9,725)	(4,630)
Investments in equity instruments designated at fair value through other comprehensive income		
Non-marketable domestic equity instruments	5	5
Total	5	5
Investments - net	15,194,068	7,499,007

As at 30 June 2024, Government bonds amounting to Baht 5,689 million (31 December 2023: Baht 4,455 million) are used as collateral for credit balance on clearing position with the Bank of Thailand.

Amounts recognised in profit or loss and other comprehensive income

The following gains (losses) were recognised in profit or loss and other comprehensive income during the six-month periods ended 30 June 2024 and 2023 as follows:

	2024 Thousand Baht	2023 Thousand Baht
Gains (losses) from changes in value of investments in debt instruments measured at FVOCI	31	(23,172)
<u>Less</u> Gains (losses) realised from sale of investments in debt instruments measured at FVOCI	-	342
Total	31	(23,514)

8 Loans to customers and accrued interest receivables

8.1 Classified by loan type

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Overdrafts	10,302	10,467
Loans	45,601,215	37,032,503
Total loans to customers	45,611,517	37,042,970
<u>Add</u> Interest receivables and undue interest receivables	232,814	212,569
Total loans to customers and accrued interest receivables	45,844,331	37,255,539
<u>Less</u> Deferred income	(71,356)	(77,409)
Total loans to customers and interest receivables net of deferred income	45,772,975	37,178,130
<u>Less</u> Allowance for expected credit losses	(2,878,060)	(2,403,130)
Total loans to customers and accrued interest receivables - net	42,894,915	34,775,000

8.2 Classified by currency and residency of debtors

	30 June 2024			31 December 2023		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Baht	27,506,473	-	27,506,473	22,798,511	-	22,798,511
US Dollar	8,957,171	6,821,906	15,779,077	5,411,762	6,582,253	11,994,015
Euro	585,100	-	585,100	322,057	-	322,057
Other currencies	774,380	966,487	1,740,867	1,015,068	913,319	1,928,387
Total loans to customers	37,823,124	7,788,393	45,611,517	29,547,398	7,495,572	37,042,970

8.3 Classified by loan classification

	30 June 2024	
	Loans to customers and accrued interest receivables Thousand Baht	Allowance for expected credit losses Thousand Baht
Financial assets where there has not been a significant increase in credit risk (Performing)	41,747,720	524,673
Financial assets where there has been a significant increase in credit risk (Under-Performing)	1,839,804	744,945
Financial assets that are credit-impaired (Non-Performing)	2,256,807	1,608,442
Total	45,844,331	2,878,060
	31 December 2023	
	Loans to customers and accrued interest receivables Thousand Baht	Allowance for expected credit losses Thousand Baht
Financial assets where there has not been a significant increase in credit risk (Performing)	35,046,861	835,874
Financial assets where there has been a significant increase in credit risk (Under-Performing)	40,485	4,417
Financial assets that are credit-impaired (Non-Performing)	2,168,193	1,562,839
Total	37,255,539	2,403,130

8.4 Movement of loans to customers and interest receivables

	30 June 2024			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL) Thousand Baht	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired) Thousand Baht	Financial assets that are credit-impaired (Lifetime ECL - credit impaired) Thousand Baht	Total Thousand Baht
Loans to customers and accrued interest receivables				
Beginning balance	35,046,861	40,485	2,168,193	37,255,539
Changes due to changes in stages	(1,812,613)	1,803,909	8,704	-
New financial assets purchased or acquired	21,094,334	-	-	21,094,334
Derecognised financial assets	(12,249,823)	(157)	(4,120)	(12,254,100)
Changes due to collection and modification	(1,471,531)	(3,425)	(69,753)	(1,494,709)
Bad debt written - off	-	(1,008)	(1,024)	(2,032)
Foreign exchange	1,090,492	-	154,807	1,245,299
Ending balance	41,747,720	1,839,804	2,256,807	45,844,331
	31 December 2023			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL) Thousand Baht	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired) Thousand Baht	Financial assets that are credit-impaired (Lifetime ECL - credit impaired) Thousand Baht	Total Thousand Baht
Loans to customers and accrued interest receivables				
Beginning balance	39,947,568	1,863,510	1,557,425	43,368,503
Changes due to changes in stages	(340,043)	(566,087)	906,130	-
New financial assets purchased or acquired	22,138,898	-	-	22,138,898
Derecognised financial assets	(24,141,987)	(1,232,564)	(27,868)	(25,402,399)
Changes due to collection and modification	(2,427,728)	(23,435)	(20,574)	(2,471,737)
Bad debt written - off	(898)	(937)	(226,298)	(228,133)
Foreign exchange	(128,969)	(2)	(20,622)	(149,593)
Ending balance	35,046,861	40,485	2,168,193	37,255,539

9 Allowance for expected credit losses

30 June 2024				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL) Thousand Baht	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired) Thousand Baht	Financial assets that are credit-impaired (Lifetime ECL - credit impaired) Thousand Baht	Total Thousand Baht
Interbank and money market items (assets)				
Beginning balance	2,315	-	-	2,315
Changes due to revaluation of allowance for credit losses	(9)	-	-	(9)
New financial assets purchased or acquired	3,587	-	-	3,587
Derecognised financial assets	(2,302)	-	-	(2,302)
Ending balance	3,591	-	-	3,591
Investments in debt instruments				
Beginning balance	6,078	-	-	6,078
Changes due to revaluation of allowance for credit losses	893	-	-	893
New financial assets purchased or acquired	4,242	-	-	4,242
Derecognised financial assets	(9)	-	-	(9)
Ending balance	11,204	-	-	11,204
Loans to customers and accrued interest receivables				
Beginning balance	835,874	4,417	1,562,839	2,403,130
Changes due to changes in stages	(740,445)	741,141	(696)	-
Changes due to revaluation of allowance for credit losses	(351,658)	(371)	50,436	(301,593)
New financial assets purchased or acquired	811,092	-	-	811,092
Derecognised financial assets	(30,190)	(60)	(648)	(30,898)
Bad debt written-off	-	(182)	(3,489)	(3,671)
Ending balance	524,673	744,945	1,608,442	2,878,060
31 December 2023				
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL) Thousand Baht	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired) Thousand Baht	Financial assets that are credit-impaired (Lifetime ECL - credit impaired) Thousand Baht	Total Thousand Baht
Interbank and money market items (assets)				
Beginning balance	606	-	-	606
Changes due to revaluation of allowance for credit losses	10	-	-	10
New financial assets purchased or acquired	2,302	-	-	2,302
Derecognised financial assets	(603)	-	-	(603)
Ending balance	2,315	-	-	2,315
Investments in debt instruments				
Beginning balance	7,003	-	-	7,003
Changes due to revaluation of allowance for credit losses	(349)	-	-	(349)
New financial assets purchased or acquired	1,687	-	-	1,687
Derecognised financial assets	(2,263)	-	-	(2,263)
Ending balance	6,078	-	-	6,078
Loans to customers and accrued interest receivables				
Beginning balance	430,996	708,268	862,770	2,002,034
Changes due to changes in stages	(493,814)	(180,932)	674,746	-
Changes due to revaluation of allowance for credit losses	135,339	(2,039)	119,866	253,166
New financial assets purchased or acquired	870,542	-	-	870,542
Derecognised financial assets	(107,170)	(520,639)	(1,477)	(629,286)
Bad debt written-off	(19)	(241)	(93,066)	(93,326)
Ending balance	835,874	4,417	1,562,839	2,403,130

10 Premises and equipment

Movements of the premises and equipment are summarised as follows:

	Building and building improvements Thousand Baht	Computer equipment Thousand Baht	Furniture and office equipment Thousand Baht	Vehicles Thousand Baht	Asset under construction/ installation Thousand Baht	Total Thousand Baht
As at 1 January 2023						
Cost	246,071	83,595	116,008	31,691	18,060	495,425
Less Accumulated depreciation	(175,321)	(75,069)	(108,483)	(25,269)	-	(384,142)
Less Accumulated impairment	(14,895)	-	-	-	-	(14,895)
Net book amount	55,855	8,526	7,525	6,422	18,060	96,388
For the year ended 31 December 2023						
Opening net book amount	55,855	8,526	7,525	6,422	18,060	96,388
Additions	755	11,114	5,939	-	9,207	27,015
Transfer in (out)	27,147	-	62	-	(27,209)	-
Disposal, net	(1,551)	-	(84)	-	-	(1,635)
Write-off, net	(14,184)	-	(133)	-	-	(14,317)
Depreciation charge	(13,896)	(6,951)	(3,359)	(1,621)	-	(25,827)
Impairment charge	14,895	-	-	-	-	14,895
Closing net book amount	69,021	12,689	9,950	4,801	58	96,519
As at 31 December 2023						
Cost	229,311	93,859	114,792	31,691	58	469,711
Less Accumulated depreciation	(160,290)	(81,170)	(104,842)	(26,890)	-	(373,192)
Net book amount	69,021	12,689	9,950	4,801	58	96,519
As at 1 January 2024						
Cost	229,311	93,859	114,792	31,691	58	469,711
Less Accumulated depreciation	(160,290)	(81,170)	(104,842)	(26,890)	-	(373,192)
Net book amount	69,021	12,689	9,950	4,801	58	96,519
For the six-month period ended 30 June 2024						
Opening net book amount	69,021	12,689	9,950	4,801	58	96,519
Additions	213	640	2,847	-	54	3,754
Transfer in (out)	112	-	-	-	(112)	-
Disposal, net	(70)	-	(1)	(7)	-	(78)
Depreciation charge	(6,504)	(2,880)	(1,874)	(808)	-	(12,066)
Closing net book amount	62,772	10,449	10,922	3,986	-	88,129
As at 30 June 2024						
Cost	219,678	94,499	115,954	23,952	-	454,083
Less Accumulated depreciation	(156,906)	(84,050)	(105,032)	(19,966)	-	(365,954)
Net book amount	62,772	10,449	10,922	3,986	-	88,129

Depreciation included in profit or loss for the six-month periods ended 30 June 2024 and 2023 are summarised as follows:

	30 June 2024 Thousand Baht	30 June 2023 Thousand Baht
Depreciation for the periods	12,066	12,707

11 Leases

The Bank has entered into the lease agreements for rental of premises for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 1 and 12 years.

11.1 Right-of-use assets

Movements of the right-of-use assets are summarised below:

	Building Thousand Baht
For the year ended 31 December 2023	
Opening net book amount	247,149
Additions	7,781
Lease modifications and reassessment	140,312
Depreciation charge	(66,588)
Closing net book amount	328,654
For the six-month period ended 30 June 2024	
Opening net book amount	328,654
Lease modifications and reassessment	3,073
Depreciation charge	(33,740)
Closing net book amount	297,987

11.2 Lease liabilities

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Lease payments	308,718	340,372
<u>Less</u> Deferred interest expenses	(21,114)	(25,521)
Total	287,604	314,851

A maturity analysis of lease payments is disclosed in Note 34.3 to the Interim Financial Statements under the liquidity risk.

11.3 Expenses relating to leases that are recognised in profit or loss

	30 June 2024 Thousand Baht	30 June 2023 Thousand Baht
Depreciation of right-of-use assets	33,740	32,743
Interest expenses on lease liabilities	4,407	3,483
Expense relating to short-term leases	250	229

The Bank had total cash outflows for leases for the six-month period ended 30 June 2024 of Baht 35 million (30 June 2023: Baht 34 million).

12 Intangible assets

	License fee Thousand Baht	Computer software Thousand Baht	Software under development Thousand Baht	Total Thousand Baht
As at 1 January 2023				
Cost	36,756	25,319	2,384	64,459
<u>Less</u> Accumulated amortisation	(36,328)	(15,690)	-	(52,018)
Net book amount	428	9,629	2,384	12,441
For the year ended 31 December 2023				
Opening net book amount	428	9,629	2,384	12,441
Additions	61	510	2,966	3,537
Amortisation charge	(387)	(2,216)	-	(2,603)
Transfer in (out)	-	5,350	(5,350)	-
Closing net book amount	102	13,273	-	13,375
As at 31 December 2023				
Cost	36,817	31,181	-	67,998
<u>Less</u> Accumulated amortisation	(36,715)	(17,908)	-	(54,623)
Net book amount	102	13,273	-	13,375
For the six-month period ended 30 June 2024				
Opening net book amount	102	13,273	-	13,375
Amortisation charge	(56)	(1,290)	-	(1,346)
Closing net book amount	46	11,983	-	12,029
As at 30 June 2024				
Cost	36,817	31,181	-	67,998
<u>Less</u> Accumulated amortisation	(36,771)	(19,198)	-	(55,969)
Net book amount	46	11,983	-	12,029

Amortisation included in profit or loss for the six-month periods ended 30 June 2024 and 2023 are summarised as follows:

	30 June 2024 Thousand Baht	30 June 2023 Thousand Baht
Amortisation for the periods	1,346	1,218

13 Other assets

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Accrued interest receivables from investments	147,598	54,136
Deposits	21,265	21,242
Prepaid expenses	11,428	11,754
Margin receivables	50,100	60,237
Others	60,745	1,625
Total	291,136	148,994

14 Deposit

14.1 Classified by type of deposits

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Current accounts	907,185	980,514
Saving accounts	33,829,405	28,546,102
Fixed accounts	25,234,441	22,718,435
Total	59,971,031	52,245,051

14.2 Classified by currency and residency of deposits

	30 June 2024			31 December 2023		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Baht	26,460,272	55,748	26,516,020	22,966,622	45,176	23,011,798
US Dollar	28,070,013	254,968	28,324,981	22,981,949	256,393	23,238,342
Chinese Yuan	4,389,023	676,202	5,065,225	5,091,690	634,357	5,726,047
Other currencies	59,405	5,400	64,805	262,836	6,028	268,864
Total	58,978,713	992,318	59,971,031	51,303,097	941,954	52,245,051

15 Interbank and money market items (liabilities)

	30 June 2024			31 December 2023		
	At call Thousand Baht	Term Thousand Baht	Total Thousand Baht	At call Thousand Baht	Term Thousand Baht	Total Thousand Baht
Domestic items						
Commercial banks	9,290	-	9,290	22,556	-	22,556
Total domestic items	9,290	-	9,290	22,556	-	22,556
Foreign items						
Baht	277,124	-	277,124	185,101	-	185,101
US Dollars	-	-	-	-	433,609	433,609
Hong Kong Dollars	-	252,905	252,905	-	-	-
Australian Dollars	-	-	-	-	236,941	236,941
Euro	-	-	-	-	342,301	342,301
Total foreign items	277,124	252,905	530,029	185,101	1,012,851	1,197,952
Total domestic and foreign items	286,414	252,905	539,319	207,657	1,012,851	1,220,508

16 Debts issued and borrowings

As at 30 June 2024 and 31 December 2023, debts issued and borrowings classified by type of securities, maturity and interest rate are as follows:

Type	Maturity	Interest rate per annum (%)	Currency	30 June 2024			31 December 2023		
				Amount			Amount		
				Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Subordinated debentures	21 August 2033	O/N SOFR + 0.97	USD	-	1,473,988	1,473,988	-	1,368,932	1,368,932
Total				-	1,473,988	1,473,988	-	1,368,932	1,368,932

As at 30 June 2024 and 31 December 2023, the subordinated debentures are name-registered, unsecured, subordinated debentures with no debenture holders' representative through Bank of China (Hong Kong) Limited amounting to USD 40 million. The debentures have a 10-year tenor and bear interest at a floating rate of Overnight SOFR plus 0.97 percent per annum. The interests are payable quarterly.

The Bank has the right to early redeem subordinated debentures from the fifth anniversary of the issuance date. The debentures have loss absorption features that will come into effect at the point of non-viability, in accordance with the BoT's guidelines with reference to Basel III framework. In addition, as at 30 June 2024 and 31 December 2023, the Bank was approved by BoT to count proceeds received from the issuance of the above subordinated debentures for an amount of Baht 1,413 million as a part of its Tier II capital, in accordance with the conditions specified in the BoT's guidelines regarding the Basel III framework.

17 Provisions

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Allowance for expected credit losses on loan commitments and financial guarantee contracts	121,973	117,349
Provision for restoration and dismantling cost	85,509	85,509
Provision for long-term employee benefits	61,328	61,124
Others	3,017	3,017
Total	271,827	266,999

17.1 Allowance for expected credit losses of loan commitments and financial guarantee contracts

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

	30 June 2024	
	Loan commitments and financial guarantee contracts Thousand Baht	Allowance for expected credit losses Thousand Baht
Financial assets where there has not been a significant increase in credit risk (Performing)	21,975,732	47,610
Financial assets where there has been a significant increase in credit risk (Under-Performing)	13,032	80
Financial assets that are credit-impaired (Non-Performing)	74,416	74,283
Total	22,063,180	121,973
	31 December 2023	
	Loan commitments and financial guarantee contracts Thousand Baht	Allowance for expected credit losses Thousand Baht
Financial assets where there has not been a significant increase in credit risk (Performing)	22,006,371	43,171
Financial assets where there has been a significant increase in credit risk (Under-Performing)	268	28
Financial assets that are credit-impaired (Non-Performing)	74,150	74,150
Total	22,080,789	117,349

Change in allowance for expected credit losses of loan commitments and financial guarantee contracts are as follows:

	30 June 2024			Total Thousand Baht
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL) Thousand Baht	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired) Thousand Baht	Financial assets that are credit-impaired (Lifetime ECL - credit impaired) Thousand Baht	
Beginning balance	43,171	28	74,150	117,349
Changes due to changes in stages	(17)	10	7	-
Changes due to revaluation of allowance for credit losses	(683)	43	126	(514)
New loan commitments/ guarantee contracts issued	8,276	-	-	8,276
Derecognised financial assets	(3,137)	(1)	-	(3,138)
Ending balance	47,610	80	74,283	121,973

	31 December 2023			Total Thousand Baht
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL) Thousand Baht	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired) Thousand Baht	Financial assets that are credit-impaired (Lifetime ECL - credit impaired) Thousand Baht	
Beginning balance	29,304	11,300	74,150	114,754
Changes due to changes in stages	4,677	(4,677)	-	-
Changes due to revaluation of allowance for credit losses	3,367	-	-	3,367
New loan commitments/ guarantee contracts issued	18,145	-	-	18,145
Derecognised financial assets	(12,322)	(6,595)	-	(18,917)
Ending balance	43,171	28	74,150	117,349

17.2 Provisions for long-term employee benefits

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

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Provisions for long-term employee benefits at the beginning of the period/ year	61,124	48,258
Recognised in profit or loss:		
Current service cost	7,336	12,486
Interest cost	613	1,023
Gains from settlement	-	(43)
Total benefits recognised in profit or loss	7,949	13,466
Recognised in other comprehensive income:		
Actuarial (gains) losses arising from		
Demographic assumption changes	-	180
Financial assumption changes	-	(510)
Experience adjustments	-	856
Total benefits recognised in other comprehensive income	-	526
Benefits paid during the period/ year	(7,745)	(1,126)
Provisions for long-term employee benefits at the end of the period/ year	61,328	61,124

As at 30 June 2024, the weighted average duration of the Bank's long-term employee benefit obligation is 6 years (31 December 2023: 6 years).

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

	30 June 2024 Percentage per annum	31 December 2023 Percentage per annum
Average salary incremental rate	5.00	5.00
Average staff turnover rate	0.00 - 22.00	0.00 - 22.00
Discount rate	2.31	2.31

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

	30 June 2024		31 December 2023	
	Increased by 1% Thousand Baht	Decreased by 1% Thousand Baht	Increased by 1% Thousand Baht	Decreased by 1% Thousand Baht
Average salary incremental rate	4,779	(4,309)	4,104	(3,711)
Average staff turnover rate	(4,027)	2,277	(3,714)	2,081
Discount rate	(3,694)	4,161	(3,414)	3,845

Expected maturity analysis of undiscounted retirement benefits:

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Maturity analysis of benefits expected to be paid		
Benefits expected to be paid within 1 year	8,459	8,101
Benefits expected to be paid between 1 and 2 years	4,388	8,459
Benefits expected to be paid between 2 and 5 years	36,966	34,622
Benefits expected to be paid in more than 5 years	569,090	575,822

18 Other liabilities

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Accrued expenses	143,519	208,491
Cash subscription payable	-	203,013
Other liabilities payable on behalf of Bank of China Limited, Bangkok branch	-	10,789
Corporate income tax payable	193,266	133,440
Others	397,131	43,703
Total	733,916	599,436

In the current period, Bank of China Limited (Head Office) has approved the reversal of cash subscription payable and other liabilities payable related to capital registration when changing from branch to subsidiary in 2014 to other operating income amounting to Baht 212.7 million.

19 Other components of equity

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Revaluation surplus (deficit) on investments		
Revaluation surplus on investments		
Debt instruments	56,838	43,703
Revaluation deficit on investments		
Debt instruments	(48,042)	(34,938)
Total revaluation surplus on investment measured at fair value through other comprehensive income	8,796	8,765
<u>Less</u> Income tax effects	(1,759)	(1,753)
Revaluation surplus on investments measured at fair value through other comprehensive income - net of income tax	7,037	7,012

20 Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Bank is required to set aside a statutory reserve at least 5 percent of its net profit for the year after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

During the six-month period ended 30 June 2024, the Bank allocated additional legal reserve amounting to Baht 43.92 million. As at 30 June 2024, the Bank had total legal reserve amounting to Baht 100.86 million (31 December 2023: Baht 56.94 million).

21 Capital funds

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

As at 30 June 2024 and 31 December 2023, Capital funds of the Bank calculated in accordance with the BoT's guidelines with reference to Basel III framework consist of the following:

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Tier I capital		
Common Equity Tier I capital		
Issued and fully paid-up share capital	10,000,000	10,000,000
Statutory reserve	100,861	56,944
Retained earnings after appropriation	1,914,673	1,080,239
Other components of equity	7,037	7,012
<u>Less</u> Deduction items from Common Equity Tier I	(654,476)	(666,237)
Total Tier I capital	11,368,095	10,477,958
Tier II capital		
Subordinated debentures	1,412,790	1,412,790
Total Tier II capital	1,412,790	1,412,790
Total capital funds	12,780,885	11,890,748

	30 June 2024		31 December 2023	
Capital Adequacy Ratio	Minimum requirement by BoT Percentage	The Bank Percentage	Minimum requirement by BoT Percentage	The Bank Percentage
Common Equity Tier I to risk-weighted assets	7.00	18.41	7.00	19.48
Tier I capital funds to risk-weighted assets	8.50	18.41	8.50	19.48
Total capital funds to risk-weighted assets	11.00	20.70	11.00	22.11

In accordance with the Notification of the Bank of Thailand regarding the disclosure of capital maintenance for commercial banks, the Bank will disclose capital maintenance information as at 30 June 2024 on its website (www.bankofchina.com/th) by October 2024.

22 Interest income

	30 June 2024 Thousand Baht	30 June 2023 Thousand Baht
Interbank and money market items	278,846	194,281
Investments in debt instruments	189,884	67,739
Loans to customers	1,056,013	931,731
Total interest income	1,524,743	1,193,751

23 Interest expenses

	30 June 2024 Thousand Baht	30 June 2023 Thousand Baht
Deposits	404,468	271,386
Interbank and money market items	10,443	88,129
Contributions to the Deposit Protection Agency	63,937	55,543
Debts issued and borrowings	46,251	63,200
Others	4,407	3,483
Total interest expense	529,506	481,741

24 Net fees and service income

	30 June 2024 Thousand Baht	30 June 2023 Thousand Baht
Fees and service income		
- Acceptances, avals and guarantees	47,553	38,861
- Others	92,024	74,394
Total fees and service income	139,577	113,255
Fees and service expenses	(18,678)	(16,820)
Net fees and service income	120,899	96,435

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

	30 June 2024 Thousand Baht	30 June 2023 Thousand Baht
Foreign currencies and derivatives on foreign exchange	514,635	418,845
Total	514,635	418,845

26 Expected credit losses

Expected credit losses for financial assets for the six-month periods ended 30 June 2024 and 2023 are as follows:

	30 June 2024 Thousand Baht	30 June 2023 Thousand Baht
Interbank and money market items	(4,623)	1,882
Debt instruments measured at fair value through other comprehensive income	5,095	(1,872)
Debt instruments measured at amortised cost	21	-
Loans to customers and accrued interest receivables	366,604	281,253
Total	367,097	281,263
Loan commitments and financial guarantee contracts	4,300	92,922
Total expected credit losses	371,397	374,185

27 Income tax

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

	30 June 2024 Thousand Baht	30 June 2023 Thousand Baht
Current income tax		
Income tax for the periods	193,267	89,176
Adjustments in respect of corporate income tax of previous years	98	412
Deferred tax		
Deferred tax on temporary differences and reversal of temporary differences	9,397	(6,308)
Income tax expenses reported in the statement of comprehensive income	202,762	83,280

The amount of income tax relating to each component of other comprehensive income for the six-month periods ended 30 June 2024 and 2023 are as follows:

	30 June 2024 Thousand Baht	30 June 2023 Thousand Baht
Revaluation surplus (deficit) on investments	(6)	3,391
Income tax recorded directly to other comprehensive income	(6)	3,391

A reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rates for the six-month periods ended 30 June 2024 and 2023 are as follows:

	30 June 2024 Thousand Baht	30 June 2023 Thousand Baht
Accounting profits before tax	1,012,096	415,748
Applicable tax rates	20%	20%
Accounting profits before tax multiplied by applicable tax rate	202,419	83,150
Adjustments in respect of corporate income tax of previous years	98	412
Tax effect of non-taxable income and non-deductible expenses	245	(282)
Income tax expenses reported in the statement of comprehensive income	202,762	83,280

The weighted average income tax rate for the period ended 30 June 2024 was 20.03% (2023: 20.03%).

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht	Change in deferred tax assets/liabilities for the six-month periods ended	
			30 June 2024 Thousand Baht	30 June 2023 Thousand Baht
Deferred tax assets (liabilities) arose from				
Revaluation surplus on investments	186	(827)	1,013	4,264
Allowance for expected credit losses	24,691	23,762	929	17,650
Provisions	38,871	51,983	(13,112)	(13,788)
Stop accrued interest	816	816	-	-
Deferred fees income	8,420	7,370	1,050	1,333
Right-of-use assets	63,689	56,571	7,118	6,874
Lease Liabilities	(61,192)	(54,247)	(6,945)	(6,838)
Others	92,022	91,478	544	204
Deferred tax assets	167,503	176,906	(9,403)	9,699
Changes in deferred income tax				
Recognised in profit or loss			(9,397)	6,308
Recognised in other comprehensive income (loss)			(6)	3,391
Total			(9,403)	9,699

28 Contingent liabilities

28.1 Commitments

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Guarantees of loans	698,357	737,053
Letters of credit	227,474	122,290
Liabilities under unmatured import bills	209,961	110,689
Other commitments		
- Undrawn overdraft amount	168,337	128,315
- Other guarantees	20,432,211	20,090,129
- Others	326,840	892,313
Total	22,063,180	22,080,789

28.2 Commitments

The Bank has entered into operating lease and other service commitments. The terms of the agreements are approximately 1 year. As at 30 June 2024, the Bank has future minimum payments required under these non-cancellable contracts ending on 31 March 2025 amounting to approximately Baht 1.7 million. (31 December 2023: Baht 0.3 million).

28.3 Contingent liabilities/Litigation cases

As at 30 June 2024, the Bank has contingent liabilities amounting to approximately Baht 92 million (31 December 2023: Baht 92 million) in respect of litigation, which final judgement has not yet been reached. However, the management of the Bank believes that no material losses to the Interim Financial Statements will be incurred as a result of the mentioned lawsuit and therefore no liabilities are currently recorded.

29 Related party transactions

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

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

During the periods, the Bank had significant business transactions with its related companies and related persons. These transactions have been concluded on commercial terms and based agreed upon in the ordinary course of business between the Bank and those parties are summarised as follow:

	For the six-month periods ended		Terms and pricing policy
	30 June 2024	30 June 2023	
	Thousand Baht	Thousand Baht	
Parent company			
Interest income	215,533	83,870	At market price
Interest expenses	50,479	99,056	At market price
Premises and equipment expenses	-	2,051	At the rate agreed under the service contract
Fee income	7,242	14,939	At the rate agreed under the service contract
Fee expenses	1,028	196	At the rate agreed under the service contract
Other expenses	1,411	304	At the rate agreed under the service contract
Companies in the Bank of China Group			
Interest income	718	13,194	At market price
Interest expenses	3,025	49,401	At market price
Premises and equipment expenses	-	652	At the rate agreed under the service contract
Fee income	-	1,724	At the rate agreed under the service contract
Other operating income	212,724	-	At the rate agreed under the service contract
Other expenses	6,097	-	At the rate agreed under the service contract
Related parties			
Interest expenses	889	262	At market price

Bank of China (Thai) Public Company Limited
Notes to the Interim Financial Statements
For the six-month period ended 30 June 2024

As at 30 June 2024 and 31 December 2023, the outstanding balances of the accounts between the Bank and related companies are as follows:

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Outstanding balance		
Parent company		
Interbank and money market items (assets)	5,670,160	14,035,737
Derivative assets	105,424	28,711
Accrued interest receivables	64,977	116,805
Interbank and money market items (liabilities)	252,905	579,242
Derivative liabilities	56,048	6,542
Debts issued and borrowings	1,473,988	1,368,932
Accrued interest payables	10,609	10,172
Accrued expenses	3,362	2,750
Commitment from foreign exchange contracts	13,474,271	2,285,669
Commitment from interest rate swap contracts	-	1,078,034
Companies in the Bank of China Group		
Interbank and money market items (assets)	196,394	387,685
Interbank and money market items (liabilities)	277,125	618,710
Accrued interest payables	-	13,706
Cash subscription payable	-	203,013
Other liabilities on behalf of Bank of China Limited, Bangkok branch	-	10,789
Accrued expenses	11,231	11,733
Related parties		
Investments	5	5
Deposits	204,413	210,935
Accrued interest payables	21	301

Outstanding balances with directors and key management personnel are as follows:

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Loans to customers	4	10
Deposits	20,710	9,880

Directors and management's benefits

During the six-month periods ended 30 June 2024 and 2023, the Bank had short-term benefit expenses paid to their directors and key management as follows:

	30 June 2024 Thousand Baht	30 June 2023 Thousand Baht
Short-term benefits*	19,553	27,374
Total	19,553	27,374

* Short-term benefits include directors' remuneration amounting to Baht 2.0 million (2023: Baht 2.5 million).

30 Earnings per share

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

	30 June 2024	30 June 2023
Profits for the periods (Thousand Baht)	809,334	332,468
Basic earnings per share (Baht per share)	0.81	0.33
Weighted average number of shares (shares)	1,000,000,000	1,000,000,000

31 Financial position and results of operations classified by business activity

Financial position of the Bank classified by geographic locations as at 30 June 2024 and 31 December 2023 and the operating results of the Bank for the six-month periods ended 30 June 2024 and 2023 classified by geographic locations are only from domestic operation. The Bank does not operate in foreign locations.

32 Fair value of financial instruments

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

	30 June 2024				
	Carrying value Thousand Baht	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Financial assets and liabilities measured at fair value					
Financial assets					
Derivative assets	680,713	-	680,713	-	680,713
Investments in debt instruments measured at fair value through other comprehensive income	12,495,273	-	12,495,273	-	12,495,273
Investments in equity instruments designated at fair value through other comprehensive income	5	-	5	-	5
Financial liabilities					
Derivative liabilities	159,474	-	159,474	-	159,474
Financial assets and liabilities not measured at fair value					
Financial assets					
Cash	179,776	179,776	-	-	179,776
Interbank and money market items - net (assets)	16,522,779	2,720,459	13,802,320	-	16,522,779
Investments in debt instruments measured at amortised cost	2,698,790	-	2,709,394	-	2,709,394
Loan to customers and accrued interest receivables - net	42,894,915	-	42,894,915	-	42,894,915
Financial liabilities					
Deposits	59,971,031	34,736,590	25,234,441	-	59,971,031
Interbank and money market items (liabilities)	539,319	286,414	252,905	-	539,319
Liabilities payable on demand	166,513	-	166,513	-	166,513
Debts issued and borrowings	1,473,988	-	1,436,422	-	1,436,422

	31 December 2023				
	Carrying value Thousand Baht	Fair value			Total Thousand Baht
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Financial assets and liabilities measured at fair value					
Financial assets					
Derivative assets	61,008	-	61,008	-	61,008
Investments in debt instruments measured at fair value through other comprehensive income	4,825,735	-	4,825,735	-	4,825,735
Investments in equity instruments designated at fair value through other comprehensive income	5	-	5	-	5
Financial liabilities					
Derivative liabilities	110,767	-	110,767	-	110,767
Financial assets and liabilities not measured at fair value					
Financial assets					
Cash	126,508	126,508	-	-	126,508
Interbank and money market items - net (assets)	25,652,174	11,355,120	14,297,054	-	25,652,174
Investments in debt instruments measured at amortised cost	2,673,267	-	2,681,476	-	2,681,476
Loan to customers and accrued interest receivables - net	34,775,000	-	34,775,000	-	34,775,000
Financial liabilities					
Deposits	52,245,051	29,526,616	22,718,435	-	52,245,051
Interbank and money market items (liabilities)	1,220,508	207,657	1,012,851	-	1,220,508
Liabilities payable on demand	743,901	-	743,901	-	743,901
Debts issued and borrowings	1,368,932	-	1,296,354	-	1,296,354

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

Fair value of each item of assets and liabilities is estimated using the following methods and assumptions.

(a) Cash

The fair value is assumed to approximate its book value in the statement of financial position.

(b) Interbank and money market items (asset)

The fair value is assumed to approximate their book value in the statement of financial position due to their short-term maturity.

(c) Derivatives

For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market such as spot rates, forward rates of foreign currencies and interest rate yield curves. The Bank had considered an effect of counterparty's credit risk when determining the fair value of derivatives.

(d) Investments

The fair value of investments in domestic debts instruments is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association.

The fair value of investments in foreign debt instruments is determined based on the latest published price obtained from reliable sources.

The fair value of investments in non-marketable equity instruments is determined based on generally accepted pricing models.

(e) Loans to customers

The fair value of loans to customers is presented at the carrying value of loans to customers and accrued interest receivables net of allowance for expected credit losses. The majority of loans to customer are floating rate loans, which the management has assessed that their effective interest rate are comparable to effective interest rate in the market.

(f) Deposits

The fair value of demand deposits, floating-rate deposits and deposits that are re-priced within 1 year as from the financial reporting date is estimated to approximate their carrying values. The fair values for other fixed-rate deposits are estimated using the discounted cash flow techniques by discounting the expected future cash flows at the Bank's interest rate for similar deposits.

(g) Interbank and money market items (liabilities)

The fair value of interbank and money market items payable on demand, floating-rate deposits or fixed-rate deposits with no more than 1 year from the statement of financial position date remaining to maturity is assumed to approximate their book value.

(h) Liabilities payable on demand

The fair value is assumed to approximate its book value in the statement of financial position due to its short-term maturity.

(i) Debts issued and borrowings

The fair value of floating rate debts issued and borrowings with a remaining maturity period of longer than 1 year as from the financial reporting date is estimated using the discounted cash flow techniques and applying an average rate of interest currently charged on borrowings with similar arrangements.

33 Offsetting of financial assets and financial liabilities

The following table presents the recognised financial instruments that are subject to enforceable master netting arrangements as at 30 June 2024 and 31 December 2023.

30 June 2024						
Amounts subject to enforceable netting arrangements						
			Amount not set off in the statement of financial position			
	Gross amounts Thousand Baht	Amount offset Thousand Baht	Net amounts in the statement of financial position Thousand Baht	Financial instruments Thousand Baht	Cash collateral Thousand Baht	Net amount Thousand Baht
Financial assets						
Derivatives assets	435,991	-	435,991	402,701	342,380	60,321
Total financial assets	435,991	-	435,991	402,701	342,380	60,321
Financial liabilities						
Derivatives liabilities	75,379	-	75,379	42,089	50,100	-
Total financial liabilities	75,379	-	75,379	42,089	50,100	-
31 December 2023						
Amounts subject to enforceable netting arrangements						
			Amount not set off in the statement of financial position			
	Gross amounts Thousand Baht	Amount offset Thousand Baht	Net amounts in the statement of financial position Thousand Baht	Financial instruments Thousand Baht	Cash collateral Thousand Baht	Net amount Thousand Baht
Financial assets						
Derivatives assets	23,848	-	23,848	23,848	84,900	-
Total financial assets	23,848	-	23,848	23,848	84,900	-
Financial liabilities						
Derivatives liabilities	31,268	-	31,268	31,268	60,237	-
Total financial liabilities	31,268	-	31,268	31,268	60,237	-

34 Risk management

34.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to fulfill an obligation, causing the Bank to incur a financial loss. The amount of maximum credit risk exposure is the carrying amount of the financial instrument less allowance for expected credit losses as stated in the statements of financial position and the risk of commitments from avals, guarantees of loans and other guarantees.

In addition, the Bank manages credit risk by the means of careful consideration of credit approval process, analysis of risk factors and the ability of customers to service debt, and a credit review process, which examines and reviews the quality of the loan portfolio so as to prevent and provide a remedy for problem loans in the future.

The Bank's credit risk management involves the performance of independent due diligence without management intervention, which takes both business developments and risk mitigation into consideration; credit approval based on careful decision-making and a systematic post-approval review, monitoring and evaluation process. The Bank's guidelines for credit risk management are consistent with both the policies of the parent company and regulatory guidelines.

Concentration of exposure

Concentrations of credit risk arise when a number of counterparties or exposures have comparable economic characteristics, or such counterparties are engaged in similar activities or operate in the same geographical areas or industry sectors so that their collective ability to meet contractual obligations is uniformly affected by changes in economic, political or other conditions. The Bank use a number of controls and measures to minimise undue concentration of exposure in the portfolios across industries. These include portfolio and counterparty limits, approval and review controls, and stress testing.

As at 30 June 2024 and 31 December 2023, concentrations of credit risk relative to the loans and receivables net of deferred revenue summarised by type of industry are as follows:

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Agriculture and mining	3,670,407	3,170,471
Manufacturing and commercial	19,515,315	16,549,793
Property development and construction	3,369,742	2,864,176
Infrastructure and service	6,518,289	5,218,542
Housing loans	1,570,740	1,718,849
Others	10,967,024	7,521,139
Total	45,611,517	37,042,970

The maximum exposure to credit risk

The table below shows the maximum exposure to credit risk for recognised and unrecognised financial instruments. The maximum exposure is shown at the gross carrying amount before both the effect of mitigation through use of master netting and collateral arrangements.

For financial assets recognised on the statement of financial position, the maximum exposure to credit risk equals their carrying amount or for non-derivative off-statement of financial position transaction equals to their contractual nominal amounts.

For financial guarantee contracts, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the guarantees are called upon. For undrawn credit limits that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the committed facilities.

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

	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Interbank and money market items (assets)	16,526,441	25,654,547
Investments in debt instruments	15,335,304	7,549,414
Loans to customers and accrued interest receivables	45,844,331	37,255,539
Other accrued interest receivables	147,598	54,136
Total financial assets	77,853,674	70,513,636
Loan commitments	495,177	1,020,628
Financial guarantee contracts and others.	21,568,003	21,060,161
Total	22,063,180	22,080,789
Total credit risk exposure	99,916,854	92,594,425

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Bank. The Bank has adopted a policy to mitigate this risk, whereby credit analysis is performed based on customer information and the status of customers is followed up consistently.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are the gross carrying amount (before netting allowance for expected credit losses). The amounts presented for undrawn credit limits and financial guarantee contracts are the amounts committed or guaranteed, respectively.

Explanations of the 12-month expected credit losses, lifetime expected credit losses - not credit impaired, and lifetime expected credit losses - credit impaired are included in Note 2.10 to the Interim financial statements.

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	Financial assets where there has not been a significant increase in credit risk (12-mth ECL) Thousand Baht	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired) Thousand Baht	Financial assets that are credit-impaired (Lifetime ECL - credit impaired) Thousand Baht	Total Thousand Baht
Interbank and money market items - net (assets)				
Investment grade*	16,526,370	-	-	16,526,370
Non-investment grade*	-	-	-	-
Total	16,526,370	-	-	16,526,370
Less Allowance for expected credit losses	(3,591)	-	-	(3,591)
Net carrying amount	16,522,779	-	-	16,522,779
Investments in debt instruments				
Investment grade*	15,195,542	-	-	15,195,542
Non-investment grade*	-	-	-	-
Total	15,195,542	-	-	15,195,542
Less Allowance for expected credit losses	(11,204)	-	-	(11,204)
Net carrying amount	15,184,338	-	-	15,184,338
Loans to customers and accrued interest receivables - net				
0 - 30 days overdue	41,681,013	1,825,648	-	43,506,661
31 - 90 days overdue	-	13,526	-	13,526
Over 90 days overdue	-	-	2,252,788	2,252,788
Total	41,681,013	1,839,174	2,252,788	45,772,975
Less Allowance for expected credit losses	(524,673)	(744,945)	(1,608,442)	(2,878,060)
Net carrying amount	41,156,340	1,094,229	644,346	42,894,915
Loan commitments				
Loan commitments	494,118	793	266	495,177
Less Allowance for expected credit losses	(4,735)	(71)	(133)	(4,939)
Net carrying amount	489,383	722	133	490,238
Financial guarantee contracts				
Financial guarantee contracts	21,481,614	12,239	74,150	21,568,003
Less Allowance for expected credit losses	(42,875)	(9)	(74,150)	(117,034)
Net carrying amount	21,438,739	12,230	-	21,450,969

* Rating of external credit risk rating agency

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	Financial assets where there has not been a significant increase in credit risk (12-mth ECL) Thousand Baht	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired) Thousand Baht	Financial assets that are credit-impaired (Lifetime ECL - credit impaired) Thousand Baht	Total Thousand Baht
Interbank and money market items - net (assets)				
Investment grade*	25,654,489	-	-	25,654,489
Non-investment grade*	-	-	-	-
Total	25,654,489	-	-	25,654,489
<u>Less</u> Allowance for expected credit losses	(2,315)	-	-	(2,315)
Net carrying amount	25,652,174	-	-	25,652,174
Investments in debt instruments				
Investment grade*	7,500,450	-	-	7,500,450
Non-investment grade*	-	-	-	-
Total	7,500,450	-	-	7,500,450
<u>Less</u> Allowance for expected credit losses	(6,078)	-	-	(6,078)
Net carrying amount	7,494,372	-	-	7,494,372
Loans to customers and accrued interest receivables - net				
0 - 30 days overdue	34,973,927	27,896	-	35,001,823
31 - 90 days overdue	-	12,537	-	12,537
Over 90 days overdue	-	-	2,163,770	2,163,770
Total	34,973,927	40,433	2,163,770	37,178,130
<u>Less</u> Allowance for expected credit losses	(835,874)	(4,417)	(1,562,839)	(2,403,130)
Net carrying amount	34,138,053	36,016	600,931	34,775,000
Loan commitments				
Loan commitments	1,020,360	268	-	1,020,628
<u>Less</u> Allowance for expected credit losses	(8,500)	(28)	-	(8,528)
Net carrying amount	1,011,860	240	-	1,012,100
Financial guarantee contracts				
Financial guarantee contracts	20,986,011	-	74,150	21,060,161
<u>Less</u> Allowance for expected credit losses	(34,671)	-	(74,150)	(108,821)
Net carrying amount	20,951,340	-	-	20,951,340

* Rating of external credit risk rating agency

Collateral and any operations to increase creditability

The Bank holds collateral and any operations to increase the creditability of its exposure to credit risk. Fair value of collateral held in order to mitigate potential losses are shown below:

Type of collateral	30 June 2024 Thousand Baht	31 December 2023 Thousand Baht
Lands, buildings, vehicle, and deposits	27,113,342	25,554,628

34.2 Market risk

Market risk is the risk that the Bank may be affected by changes in value of position on the statements of financial position and off-the statements of financial position which is caused by fluctuation of interest rate, foreign exchange rate, equity securities price and commodity price resulting in negative impact on income and capital. The Bank has strict, prudent and reliable market risk management guidelines to ensure that the market risk remains at the low level and can be efficiently managed since the Bank's market risk is relatively limited. This enables the Bank to maintain foreign currency position within the specified risk limits and to improve the effectiveness in its monitoring of the value of positions, processes related to the management of derivative transactions, issuance of new derivative products as well as the adjustment of interest rates, when necessary, and adjustment related to the efficiency of the Bank's use of capital.

Interest rate risk

Interest rate risk in banking book is the risk or potential loss to earnings and economic value of the Bank due to the change in interest rates. This interest rate risk arises from mismatches between the maturities and the repricing terms of assets and liabilities.

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

However, financial assets and financial liabilities represented their carrying amounts in the statements of financial position, are classified by types of interest rates as follows:

	30 June 2024				
	Floating rate Thousand Baht	Fixed rate Thousand Baht	Non-interest bearing Thousand Baht	Non-performing loan Thousand Baht	Total Thousand Baht
Financial assets					
Cash	-	-	179,776	-	179,776
Interbank and money market items	600,150	13,734,432	2,120,316	-	16,454,898
Derivative assets	-	-	680,713	-	680,713
Investments	-	15,195,542	5	-	15,195,547
Loans to customers	33,986,529	9,377,774	-	2,247,214	45,611,517
Total financial assets	34,586,679	38,307,748	2,980,810	2,247,214	78,122,451
Financial liabilities					
Deposits	33,714,616	25,234,441	1,021,974	-	59,971,031
Interbank and money market items	7,448	252,905	278,966	-	539,319
Liabilities payable on demand	-	-	166,513	-	166,513
Derivative liabilities	-	-	159,474	-	159,474
Debts issued and borrowings	1,473,988	-	-	-	1,473,988
Lease liabilities	-	287,604	-	-	287,604
Total financial liabilities	35,196,052	25,774,950	1,626,927	-	62,597,929

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	31 December 2023				
	Floating rate Thousand Baht	Fixed rate Thousand Baht	Non-interest bearing Thousand Baht	Non-performing loan Thousand Baht	Total Thousand Baht
Financial assets					
Cash	-	-	126,508	-	126,508
Interbank and money market items	10,364,575	14,170,933	990,557	-	25,526,065
Derivative assets	-	-	61,008	-	61,008
Investments	-	7,500,450	5	-	7,500,455
Loans to customers	24,500,078	10,387,307	-	2,155,585	37,042,970
Total financial assets	34,864,653	32,058,690	1,178,078	2,155,585	70,257,006
Financial liabilities					
Deposits	28,238,486	22,718,435	1,288,130	-	52,245,051
Interbank and money market items	21,975	1,012,851	185,682	-	1,220,508
Liabilities payable on demand	-	-	743,901	-	743,901
Derivative liabilities	-	-	110,767	-	110,767
Debts issued and borrowings	1,368,932	-	-	-	1,368,932
Lease liabilities	-	314,851	-	-	314,851
Total financial liabilities	29,629,393	24,046,137	2,328,480	-	56,004,010

With respect to financial instruments that carry fixed interest rates, the periods from the financial statement date to the repricing or maturity date (whichever is sooner) are presented below:

	30 June 2024					
	Repricing or maturity date					
	Within 3 months Thousand Baht	3 - 12 months Thousand Baht	1 - 5 years Thousand Baht	More than 5 years Thousand Baht	Total Thousand Baht	Weighted average (% per annum)
Financial assets						
Interbank and money market items	10,231,791	3,502,641	-	-	13,734,432	3.49
Investments	-	812,721	13,449,589	933,232	15,195,542	2.96
Loans to customers	4,746,839	3,551,701	1,079,234	-	9,377,774	3.45
Total financial assets	14,978,630	7,867,063	14,528,823	933,232	38,307,748	
Financial liabilities						
Deposits	12,234,344	12,830,789	169,308	-	25,234,441	3.37
Interbank and money market items	252,905	-	-	-	252,905	1.20
Lease liabilities	15,618	45,890	221,092	5,004	287,604	2.72 - 4.52*
Total financial liabilities	12,502,867	12,876,679	390,400	5,004	25,774,950	

* Interest rate per annum

	31 December 2023					
	Repricing or maturity date					
	Within 3 months Thousand Baht	3 - 12 months Thousand Baht	1 - 5 years Thousand Baht	More than 5 years Thousand Baht	Total Thousand Baht	Weighted average (% per annum)
Financial assets						
Interbank and money market items	14,170,933	-	-	-	14,170,933	3.46
Investments	240,678	-	5,413,005	1,846,767	7,500,450	2.37
Loans to customers	5,143,578	2,985,679	2,258,050	-	10,387,307	3.40
Total financial assets	19,555,189	2,985,679	7,671,055	1,846,767	32,058,690	
Financial liabilities						
Deposits	16,693,894	5,899,429	125,112	-	22,718,435	2.91
Interbank and money market items	1,012,851	-	-	-	1,012,851	2.87
Lease liabilities	15,371	43,705	224,218	31,557	314,851	2.72 - 4.52*
Total financial liabilities	17,722,116	5,943,134	349,330	31,557	24,046,137	

* Interest rate per annum

Interest rate sensitivity analysis

Analysis of sensitivity to changes in interest rates shows the impact of potential changes in interest rates on the statement of comprehensive income and equity of the Bank when other variables are set to constant values.

The sensitivity of the statement of comprehensive income is the effect of changes in interest rates to profit or loss of the year. For financial assets and financial liabilities at the end of the reporting period, the sensitivity of equity is calculated by measuring the fair value as at the end of the reporting period of financial assets measured at fair value through other comprehensive income using a new fixed rate.

The effect of change in interest rates on profit or loss and equity as of 30 June 2024 and 31 December 2023 can be summarised as follows:

30 June 2024	
Sensitivity of	
Profit or loss	Equity
Thousand Baht	Thousand Baht
Increased by 1%	(32,724) (464,979)
Decreased by 1%	32,724 464,979

31 December 2023	
Sensitivity of	
Profit or loss	Equity
Thousand Baht	Thousand Baht
Increased by 1%	29,984 (196,964)
Decreased by 1%	(29,984) 196,964

Foreign exchange risk

Foreign exchange risk is the risk that changes in foreign exchange rates may result in fluctuations in revenues or the values of financial assets and liabilities, and changes in the value of financial instruments.

Since the Bank has foreign exchange transactions, it may be exposed to foreign exchange risk. However, the Bank has a policy to mitigate this foreign exchange exposure through management of its net foreign exchange position and operation in accordance with a risk management policy which has been approved by its Board of Directors and is in strict accordance with BoT's guidelines.

The foreign currency position of the Bank as at 30 June 2024 and 31 December 2023 can be summarised as follows:

30 June 2024					
	Baht	US Dollar	Chinese	Others	Total
	Thousand Baht	Thousand Baht	Yuan Thousand Baht	Thousand Baht	Thousand Baht
Financial assets					
Cash	132,637	38,890	8,249	-	179,776
Interbank and money market items	9,516,248	5,065,449	119,695	1,821,387	16,522,779
Investments	8,247,914	5,471,057	1,475,097	-	15,194,068
Loans to customers	26,421,497	14,149,674	775,895	1,547,849	42,894,915
Other accrued interest receivables	34,104	86,909	26,585	-	147,598
Total financial assets	44,352,400	24,811,979	2,405,521	3,369,236	74,939,136
Financial liabilities					
Deposits	26,516,020	28,324,981	5,065,225	64,805	59,971,031
Interbank and money market items	278,966	-	260,353	-	539,319
Liabilities payable on demand	21,858	106,964	27,719	9,972	166,513
Debts issued and borrowings	-	1,473,988	-	-	1,473,988
Lease liabilities	287,604	-	-	-	287,604
Accrued interest payable	60,361	191,819	15,149	-	267,329
Total financial liabilities	27,164,809	30,097,752	5,368,446	74,777	62,705,784
Commitments					
Guarantees of loans	-	-	-	698,357	698,357
Letters of credit	56,571	120,413	33,931	16,559	227,474
Liabilities under unmatured import bills	84,365	75,892	49,704	-	209,961
Other commitments					
- Undrawn overdraft amount	168,337	-	-	-	168,337
- Other guarantees	18,227,171	1,718,117	340,042	146,881	20,432,211
- Others	300,021	26,819	-	-	326,840

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	31 December 2023				
	Baht Thousand Baht	US Dollar Thousand Baht	Chinese Yuan Thousand Baht	Others Thousand Baht	Total Thousand Baht
Financial assets					
Cash	98,399	19,646	8,463	-	126,508
Interbank and money market items	10,223,966	11,772,177	3,338,599	317,432	25,652,174
Investments	5,858,035	-	1,640,972	-	7,499,007
Loans to customers	22,095,279	10,436,195	1,015,451	1,228,075	34,775,000
Other accrued interest receivables	21,590	-	32,546	-	54,136
Total financial assets	38,297,269	22,228,018	6,036,031	1,545,507	68,106,825
Financial liabilities					
Deposits	23,011,798	23,238,342	5,726,047	268,864	52,245,051
Interbank and money market items	185,682	433,609	21,975	579,242	1,220,508
Liabilities payable on demand	83,354	439,931	220,279	337	743,901
Debts issued and borrowings	-	1,368,932	-	-	1,368,932
Lease liabilities	314,851	-	-	-	314,851
Accrued interest payable	51,016	287,838	19,835	336	359,025
Total financial liabilities	23,646,701	25,768,652	5,988,136	848,779	56,252,268
Commitments					
Guarantees of loans	-	-	-	737,053	737,053
Letters of credit	-	122,290	-	-	122,290
Liabilities under unmatured import bills	14,190	96,499	-	-	110,689
Other commitments					
- Undrawn overdraft amount	128,315	-	-	-	128,315
- Other guarantees	17,408,883	2,182,882	323,168	175,196	20,090,129
- Others	603,855	40,015	-	248,443	892,313

In addition, the Bank has commitments from foreign exchange contracts made for trading transactions as follows:

	30 June 2024				
	Baht Thousand Baht	US Dollar Thousand Baht	Chinese Yuan Thousand Baht	Others Thousand Baht	Total Thousand Baht
Foreign exchange contracts					
- Bought	8,702,508	23,931,687	3,326,236	6,755,541	42,715,972
- Sold	13,346,032	18,337,599	357,494	10,019,301	42,060,426
	31 December 2023				
	Baht Thousand Baht	US Dollar Thousand Baht	Chinese Yuan Thousand Baht	Others Thousand Baht	Total Thousand Baht
Foreign exchange contracts					
- Bought	1,822,095	5,346,839	305,419	341,796	7,816,149
- Sold	4,532,066	1,949,352	338,986	1,025,388	7,845,792
Interest rate swap contracts	-	2,156,068	-	-	2,156,068

Foreign exchange rate sensitivity analysis

Analysis of sensitivity to changes in foreign exchange rates shows the impact of potential changes in foreign exchange rates on the statement of comprehensive income and the shareholders' equity of the Bank when other variables are set to constant values. The risks encountered, and methods used for sensitivity analysis are unchanged from the previous period.

The effect of changes in exchange rate on profit or loss and equity as of 30 June 2024 and 31 December 2023 can be summarised as follows:

	30 June 2024	
	Sensitivity of	
	Profit or loss Thousand Baht	Equity Thousand Baht
Increased by 10%	3,456	3,456
Decreased by 10%	(3,456)	(3,456)

	31 December 2023	
	Sensitivity of	
	Profit or loss Thousand Baht	Equity Thousand Baht
Increased by 10%	666	666
Decreased by 10%	(666)	(666)

Note: The effect of increase (decrease) in exchange rate is the appreciation (depreciation) of foreign currencies compared to US Dollars.

34.3 Liquidity risk

Liquidity risk is the risk that the Bank will be unable to meet repayment obligations when they fall due. This could arise from a failure in asset conversion or to raise adequate funds for timely fulfillment of obligations.

Prudent liquidity risk management implies maintaining sufficient assets and marketable investments in debt instruments measured at fair value through other comprehensive income.

The Bank's guidelines for liquidity risk management involve continuous risk analysis and assessment to ensure that adequate liquidity is maintained for the business operations while risk appetites are not exceeded, and management costs are appropriate, including liquidity gap analysis covering both normal and crisis situations. Impact analysis is conducted under three scenarios i.e., a bank-specific liquidity crisis, a market-wide liquidity crisis and a combination liquidity crisis. The Bank has also adopted a Contingency Funding Plan (CFP) to mitigate the severity of impacts that may occur and tests the plan at least once a year. In addition, the Bank manages liquidity risk in accordance with the Basel III guidelines relating to Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Bank of China (Thai) Public Company Limited
Notes to the Interim Financial Statements
For the six-month period ended 30 June 2024

The maturity analysis of financial assets and financial liabilities presented at their carrying amounts in the statements of financial position and commitments presented at notional amount, which are computed from the remaining maturity to repayment date is as follows:

	30 June 2024					Total Thousand Baht
	At call Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	More than 5 years Thousand Baht	Unspecified maturity date Thousand Baht	
Financial assets						
Cash	179,776	-	-	-	-	179,776
Interbank and money market items	2,729,493	13,796,877	-	-	-	16,526,370
Derivative assets	-	680,713	-	-	-	680,713
Investments	-	812,721	13,449,589	933,232	5	15,195,547
Loans to customers*	-	25,527,006	15,334,205	4,857,416	54,348	45,772,975
Other accrued interest receivables	-	147,598	-	-	-	147,598
Total financial assets	2,909,269	40,964,915	28,783,794	5,790,648	54,353	78,502,979
Financial liabilities						
Deposits	34,800,803	25,044,876	125,352	-	-	59,971,031
Interbank and money market items	286,414	252,905	-	-	-	539,319
Liabilities payable on demand	166,513	-	-	-	-	166,513
Derivative liabilities	-	159,474	-	-	-	159,474
Debts issued and borrowings	-	-	-	1,473,988	-	1,473,988
Lease liabilities	-	69,030	234,346	5,342	-	308,718
Accrued interest payable	2,950	263,560	819	-	-	267,329
Total financial liabilities	35,256,680	25,789,845	360,517	1,479,330	-	62,886,372

* Credit-impaired loans have been classified within loans to customers with maturity of more than 5 years.

	31 December 2023					Total Thousand Baht
	At call Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	More than 5 years Thousand Baht	Unspecified maturity date Thousand Baht	
Financial assets						
Cash	126,508	-	-	-	-	126,508
Interbank and money market items	11,373,799	14,280,690	-	-	-	25,654,489
Derivative assets	-	61,008	-	-	-	61,008
Investments	-	240,678	5,413,005	1,846,767	5	7,500,455
Loans to customers*	-	21,094,174	11,674,410	4,345,190	64,356	37,178,130
Other accrued interest receivables	-	54,136	-	-	-	54,136
Total financial assets	11,500,307	35,730,686	17,087,415	6,191,957	64,361	70,574,726
Financial liabilities						
Deposits	29,526,616	22,593,323	125,112	-	-	52,245,051
Interbank and money market items	207,657	1,012,851	-	-	-	1,220,508
Liabilities payable on demand	743,901	-	-	-	-	743,901
Derivative liabilities	-	110,767	-	-	-	110,767
Debts issued and borrowings	-	-	-	1,368,932	-	1,368,932
Lease liabilities	-	67,459	240,752	32,161	-	340,372
Accrued interest payable	2,351	356,555	119	-	-	359,025
Total financial liabilities	30,480,525	24,140,955	365,983	1,401,093	-	56,388,556

* Credit-impaired loans have been classified within loans to customers with maturity of more than 5 years.

In accordance with the Notification of the BoT No. Sor Nor Sor. 2/2561 regarding liquidity coverage ratio disclosure standards, the Bank will disclose liquidity coverage ratio information as at 30 June 2024 on its website (www.bankofchina.com/th) by October 2024.