



Independent Auditor's Report

To the shareholders and the Board of Directors of Kiatnakin Phatra Bank Public Company Limited

My opinion

In my opinion, the interim consolidated financial statements and the interim separate financial statements present fairly, in all material respects, the consolidated financial position of Kiatnakin Phatra Bank Public Company Limited ("the Bank") and its subsidiaries ("the Group") and the separate financial position of as at 30 June 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards (TFRS) and the Bank of Thailand Notifications in relation to the preparation and presentation of financial reporting.

What I have audited

The interim consolidated financial statements and the interim separate financial statements comprise:

- the consolidated and separate statements of financial position as at 30 June 2022;
- the consolidated and separate statements of profit or loss and other comprehensive income for the six-month period then ended;
- the consolidated and separate statements of changes in equity for the six-month period then ended;
- the consolidated and separate statements of cash flows for the six-month period then ended; and
- the notes to the interim consolidated and separate financial statements, which include significant 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 consolidated and separate financial statements section of my report. I am independent of the Group and the Bank in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the interim consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the interim consolidated and separate financial statements of the current period. I determine one key audit matter: Allowance for expected credit losses of loan to customers. The matter was addressed in the context of my audit of the interim consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matters.

Key audit matter

How my audit addressed the key audit matter

Allowance for expected credit losses of loan to customers

As at 30 June 2022, total gross loans to customers balance reported in the interim consolidated financial statements and the interim separate financial statements was Baht 345,983 million and Baht 347,729 million respectively. The balance of allowance of expected credit losses of loan to customers was Baht 17,250 million and Baht 17,243 million, which represents 4.99% and 4.96% of loans to customers respectively. Relevant references in the interim financial statements for allowance of expected credit losses of loan to customers are as follows;

- Note 3.7: Accounting policies on financial instruments
- Note 6.1: Estimates and assumptions on measurement allowance for expected credit losses
- Note 15: Allowance for expected credit losses
- Note 49: Expected credit losses

The Group and the bank calculate an expected credit loss ('ECL') impairment model with taking effect of forward-looking adjustment under TFRS 9 "Financial Instruments" by adopting complex models and assumptions.

I focused on this area because of the following reasons;

- 1) The balance of expected credit losses balance is significant to the interim financial statements and management also exercised significant judgement and sensitive assumptions that relate to;
 - Accounting interpretations
 - Forward looking and macro-economic information and weighting
 - Expected lifetime
 - Staging threshold and criteria
 - Expected future cash flows
 - Management overlay
- 2) From the COVID-19 outbreak, the Bank has been assisting customers who have the impacts from COVID-19 outbreak followed the Bank of Thailand COVID-19 relief program such as loan and interest payment delay, term extensions or the sustainable debt restructuring such as principal hair cut or decrease in interest rate. As disclosed in Note 3, management has adopted the accounting treatment guidance on "the temporary relief measures for entities supporting their debtors who are effected from the situations that affected Thailand's economy". The adoption of this relief measures has the impact to accounting treatment for staging and consideration of expected credit losses.

Individual assessment

I performed individual credit assessment on a sample of loans. I assessed the reasonableness of the assumptions over the cash flows forecasts prepared by management. For cash flows forecasts based on realisation of collateral, I agreed the collateral valuation to the current valuation report prepared by independent valuers. I recalculated ECL for exposures assessed on an individual basis.

Collective assessment

I selected samples and performed testing for the following procedures:

- Assessed the methodologies inherent within the collective assessment ECL models applied against the requirement of TFRS 9;
- Evaluated and tested the design and operating effectiveness of the controls relating to:
 - Governance and model development, including model build, model approval and model validation;
 - Completeness and accuracy of critical external and internal data input into the ECL calculations;
 - Data transfer from source systems to ECL calculation model and model output to the general ledger;
 - IT controls both general computer controls and application controls for loan data, aging systems and collateral systems;
 - Accuracy and timeliness of staging based on quantitative and qualitative triggers;
 - Accuracy and appropriateness of accounting treatment for customers under COVID-19 relief measures programs; and
 - Calculation of ECL
- Assessed, tested the significant model assumptions, considered reasonableness of forward-looking forecasts assumptions and the appropriateness of the weightings adopted and challenged management to provide supporting evidence of the related key assumptions. I also tested the model changes and refinement during the period.
- Tested the accuracy of staging including the customers under COVID-19 relief measures programs according to the Bank of Thailand notifications;
- Assessed and considered reasonableness of overlays applied by management for the consideration of economic trend, risky industries and the significant change in payment condition for customers under COVID-19 relief measures programs;



Key audit matter	How my audit addressed the key audit matter
	<ul style="list-style-type: none">• Made specific inquiries and reviewed the outcomes from the Bank's internal experts model validation results;• Tested the calculation of ECL and agreed the results to the general ledger.• Assessed the completeness and appropriateness of disclosures in note to financial statements according to the related financial reporting standards, <p>I involved IT specialist in areas such as reviewing appropriateness of the ECL models, data reliability and system calculation.</p> <p>Based on the above procedures, the results for my evaluation of allowance of expected credit losses of loans to customers are appropriate following the supporting evidences and I found no material exceptions in the tests.</p>

Emphasis of matter

I draw attention to Note 3 of the interim financial statements, which describes the accounting policies in relation to adopting the temporary exemptions announced by the Federation of Accounting Professions to relieve the impact from COVID-19 for the reporting periods ending between 1 January 2022 and 31 December 2023. My opinion is not modified in respect to this matter.

Responsibilities of the directors for the interim consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the interim consolidated and separate financial statements in accordance with TFRS and the Bank of Thailand Notifications in relation to the preparation and presentation of financial reporting, and for such internal control as the directors determine is necessary to enable the preparation of the interim consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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



Auditor's responsibilities for the audit of the interim consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the interim consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim consolidated and separate 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the interim consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim consolidated and separate financial statements, including the disclosures, and whether the interim consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the interim consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with 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.

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



Review report

I have reviewed the consolidated and separate statements of profit or loss and other comprehensive income for the six-month period ended 30 June 2022 of Kiatnakin Phatra Bank Public Company Limited and its subsidiaries, and of Kiatnakin Phatra Bank Public Company Limited, respectively. Management is responsible for the preparation and presentation of the consolidated and separate statements of profit or loss and other comprehensive income in accordance with Thai Accounting Standard 34, "Interim Financial Reporting" and the Bank of Thailand Notifications in relation to the preparation and presentation of financial reporting. My responsibility is to express a conclusion on the consolidated and separate statements of profit or loss and other comprehensive income based on my review.

Scope of review

I conducted my review in accordance with the Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of the consolidated and separate statements of profit or loss and other comprehensive income consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the consolidated and separate statements of profit or loss and other comprehensive income for the six-month period ended 30 June 2022 are not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting" and the Bank of Thailand Notifications in relation to the preparation and presentation of financial reporting.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in dark ink, appearing to read "Sinsiri", is located below the PricewaterhouseCoopers ABAS Ltd. text.

Sinsiri Thangsombat

Certified Public Accountant (Thailand) No. 7352
Bangkok
25 August 2022

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Statement of Financial Position
As at 30 June 2022

	Notes	Consolidated		Separate	
		30 June	31 December	30 June	31 December
		2022	2021	2022	2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Cash		1,105,535	1,242,065	1,105,339	1,241,867
Interbank and money market items, net	7	55,234,805	55,238,234	56,722,661	60,737,760
Financial assets measured at fair value through profit or loss	9	28,397,926	22,364,824	8,146,059	7,369,286
Derivatives assets	8	13,117,760	7,481,509	12,968,419	7,433,220
Investments, net	10	31,145,616	16,840,213	29,657,398	15,116,585
Investments in subsidiaries, net	11	-	-	9,778,101	10,203,805
Investments in properties, net	12	-	21,502	-	-
Loans to customers and accrued interest receivables, net	13	328,732,738	299,147,566	330,486,276	300,966,592
Properties foreclosed, net	16	4,052,282	3,981,941	5,154,168	4,722,159
Land, premises and equipment, net	17	3,640,235	3,500,887	802,193	709,940
Right-of-use assets	18	312,095	321,019	1,031,498	932,842
Other intangible assets, net	19.1	1,297,549	1,211,574	1,202,834	1,125,139
Goodwill	19.2	3,066,035	3,066,035	-	-
Deferred tax assets	20	1,907,962	1,743,966	1,692,587	1,591,719
Accounts receivable from clearing house and broker - dealers		2,466,995	979,499	-	-
Securities and derivative business receivables		11,831,295	10,996,362	-	-
Other assets, net	21	7,990,928	7,986,005	7,014,376	6,754,453
Total assets		494,299,756	436,123,201	465,761,909	418,905,367

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

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Statement of Financial Position (Cont'd)
As at 30 June 2022

	Notes	Consolidated		Separate	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity					
Liabilities					
Deposits	22	320,940,910	288,381,946	321,487,805	288,903,970
Interbank and money market items, net	23	14,485,514	16,664,329	14,116,050	16,667,768
Liabilities payable on demand		927,349	668,531	927,349	668,531
Financial liabilities measured at fair value through profit or loss	24	3,071,440	1,699,750	-	-
Derivatives liabilities	8	15,342,015	9,036,326	13,806,718	8,163,197
Debt issued and borrowings	25	59,961,355	43,804,907	52,081,994	43,750,833
Lease liabilities	18	233,628	240,002	952,860	848,579
Provisions	26	1,149,852	1,098,744	825,563	787,534
Deferred tax liabilities	20	8,402	10,111	-	-
Accounts payable to clearing house and broker - dealers		346,738	1,661,003	-	-
Securities and derivative business payables		12,015,070	8,898,093	-	-
Accrued interest expenses		399,864	346,922	399,864	346,922
Other accounts payable	27	7,093,252	6,250,144	6,913,446	6,072,565
Income tax payable and specific business tax payable		1,040,637	1,278,686	875,156	964,377
Other liabilities	28	4,220,852	4,921,552	3,621,879	3,776,085
Total liabilities		441,236,878	384,961,046	416,008,684	370,950,361
Equity					
Share capital					
Authorised share capital					
846,751,109 ordinary shares of Baht 10 each		8,467,511	8,467,511	8,467,511	8,467,511
Issued and paid-up share capital					
846,751,109 ordinary shares of Baht 10 each		8,467,511	8,467,511	8,467,511	8,467,511
Premium on share capital		9,356,233	9,356,233	9,356,233	9,356,233
Other components of equity	32	(645,102)	(285,547)	(142,533)	157,482
Retained earnings					
Appropriated					
Legal reserve	29	852,337	852,337	852,337	852,337
Unappropriated		34,934,550	32,655,567	31,219,677	29,121,443
Total equity of the Bank		52,965,529	51,046,101	49,753,225	47,955,006
Non-controlling interests		97,349	116,054	-	-
Total equity		53,062,878	51,162,155	49,753,225	47,955,006
Total liabilities and equity		494,299,756	436,123,201	465,761,909	418,905,367



(Mr. Aphinant Kiewpatinond)
Chief Executive Officer





(Mr. Philip Chen Chong Tan)
President

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

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Statement of Profit or Loss and Other Comprehensive Income (Unaudited)
For the three-month period ended 30 June 2022

	Consolidated		Separate	
	2022	2021	2022	2021
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Interest income	5,546,896	4,743,906	5,536,921	4,739,472
Interest expenses	1,071,451	949,766	1,085,675	972,132
Interest income, net	4,475,445	3,794,140	4,451,246	3,767,340
Fees and services income	1,645,544	1,820,654	685,290	655,520
Fees and services expenses	249,455	206,577	65,979	52,435
Fees and services income, net	1,396,089	1,614,077	619,311	603,085
Gains on financial instruments measured at fair value through profit or loss, net	122,833	187,060	139,148	128,011
Gain on investments, net	1,769	-	19,451	11,435
Dividend income	93,017	96,176	632,334	540,451
Other operating income	58,304	44,041	66,617	38,935
Total operating income	6,147,457	5,735,494	5,928,107	5,089,257
Other operating expenses				
Employee's expenses	1,670,129	1,544,939	1,178,998	1,048,334
Directors' remuneration	9,606	8,217	8,115	6,876
Premises and equipment expenses	270,745	251,524	237,148	223,063
Taxes and duties	116,497	102,501	113,962	100,261
Loss from revaluation of foreclosed assets	23,049	59,760	23,048	46,912
Loss from sale of foreclosed assets	242,036	331,360	286,810	392,266
Other expenses	486,229	379,597	437,807	333,621
Total other operating expenses	2,818,291	2,677,898	2,285,888	2,151,333
Expected credit loss	812,391	1,377,921	807,808	1,378,062
Profit from operating before income tax expenses	2,516,775	1,679,675	2,834,411	1,559,862
Income tax expenses	481,256	321,869	425,956	203,420
Net profit	2,035,519	1,357,806	2,408,455	1,356,442

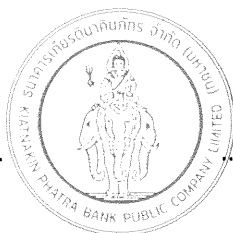
The accompanying notes are an integral part of these interim financial statements.

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Statement of Profit or Loss and Other Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 30 June 2022

	Consolidated		Separate	
	2022	2021	2022	2021
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss				
Gain (Loss) on debt instruments classified at fair value through other comprehensive income	(244,103)	80,545	(244,103)	80,545
Income taxes relating to items that will be subsequently reclassified to profit or loss	48,821	(16,108)	48,821	(16,108)
Total items that will be reclassified subsequently to profit or loss	(195,282)	64,437	(195,282)	64,437
Items that will not be reclassified subsequently to profit or loss				
Gain (loss) on equity instruments designated at fair value through other comprehensive income	(14,202)	484,755	1,825	(2,863)
Income taxes on items that will not be subsequently reclassified to profit or loss	2,843	(96,774)	(365)	572
Total items that will not be reclassified to profit or loss	(11,359)	387,981	1,460	(2,291)
Total other comprehensive income (expense)	(206,641)	452,418	(193,822)	62,146
Total comprehensive income	1,828,878	1,810,224	2,214,633	1,418,588
Net profit attributable to				
Equity holders of the Bank	2,033,280	1,354,265	2,408,455	1,356,442
Non-controlling interests	2,239	3,541	-	-
Total comprehensive income attributable to				
Equity holders of the Bank	1,826,641	1,806,597	2,214,633	1,418,588
Non-controlling interests	2,237	3,627	-	-
Earnings per share of Equity holders of the Bank				
Basic earnings per share (Baht)	2.40	1.60	2.84	1.60



(Mr. Aphinant Klewpatinond)
Chief Executive Officer





(Mr. Philip Chen Chong Tan)
President

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

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Statement of Profit or Loss and Other Comprehensive Income
For the six-month period ended 30 June 2022

	Notes	Consolidated		Separate	
		2022	2021	2022	2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interest income	42	10,817,363	9,559,017	10,777,242	9,421,799
Interest expenses	43	2,037,970	1,934,521	2,060,609	1,975,191
Interest income, net		8,779,393	7,624,496	8,716,633	7,446,608
Fees and services income	44	3,496,080	3,456,885	1,496,476	1,248,100
Fees and services expenses	44	546,288	408,679	133,865	99,351
Fees and services income, net		2,949,792	3,048,206	1,362,611	1,148,749
Gains on financial instruments measured at fair value through profit or loss, net	45	484,980	357,517	326,030	213,700
Gain (loss) on investments, net	46	(12,509)	(6,051)	6,700	81,586
Dividend income		292,552	218,094	686,107	553,751
Other operating income	47	94,634	108,284	114,906	78,850
Total operating income		12,588,842	11,350,546	11,212,987	9,523,244
Other operating expenses					
Employee's expenses		3,328,059	3,004,653	2,390,328	2,100,550
Directors' remuneration		22,972	19,462	17,690	16,645
Premises and equipment expenses		522,950	495,399	458,976	443,852
Taxes and duties		228,775	215,816	223,882	208,758
Loss from revaluation of foreclosed assets		80,478	25,456	81,512	57,997
Loss from sale of foreclosed assets		492,625	726,290	540,351	893,337
Other expenses	48	935,558	774,051	841,178	670,138
Total other operating expenses		5,611,417	5,261,127	4,553,917	4,391,277
Expected credit loss	49	1,878,269	2,612,229	1,873,687	2,611,839
Profit from operating before income tax expenses		5,099,156	3,477,190	4,785,383	2,520,128
Income tax expenses	50	1,001,963	627,097	825,974	388,016
Net profit		4,097,193	2,850,093	3,959,409	2,132,112

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

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Statement of Profit or Loss and Other Comprehensive Income (Cont'd)
For the six-month period ended 30 June 2022

	Notes	Consolidated		Separate	
		2022	2021	2022	2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Loss on debt instruments classified at fair value through other comprehensive income		(376,849)	(141,258)	(376,849)	(141,258)
Income taxes relating to items that will be subsequently reclassified to profit or loss	51	75,370	28,252	75,370	28,252
Total items that will be reclassified subsequently to profit or loss		(301,479)	(113,006)	(301,479)	(113,006)
Items that will not be reclassified subsequently to profit or loss					
Gain (loss) on equity instruments designated at fair value through other comprehensive income		(8,198)	792,301	1,830	(2,821)
Income taxes on items that will not be subsequently reclassified to profit or loss	51	1,645	(158,283)	(366)	564
Total items that will not be reclassified to profit or loss		(6,553)	634,018	1,464	(2,257)
Total other comprehensive income (expense)		(308,032)	521,012	(300,015)	(115,263)
Total comprehensive income		3,789,161	3,371,105	3,659,394	2,016,849
Net profit attributable to					
Equity holders of the Bank		4,088,634	2,816,940	3,959,409	2,132,112
Non-controlling interests		8,559	33,153	-	-
Total comprehensive income attributable to					
Equity holders of the Bank		3,780,603	3,337,812	3,659,394	2,016,849
Non-controlling interests		8,558	33,293	-	-
Earnings per share of Equity holders of the Bank					
Basic earnings per share (Baht)	36	4.83	3.33	4.68	2.52



(Mr. Aphinant Klewpatinond)
Chief Executive Officer




(Mr. Philip Chen Chong Tan)
President

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

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Statement of Changes in Equity
For the six-month period ended 30 June 2022

		Consolidated										Unit : Thousand Baht	
		Attributable to owners of the parent											
		Other components of equity											
		Revaluation		Revaluation		Deferred tax		Appropriated		Total equity			
		surplus (deficit) on	surplus (deficit) on	surplus (deficit) on	surplus (deficit) on	relating to	relating to	retained earnings -	retained earnings -	attributable	attributable		
		investments in debt	investments in equity	investments in equity	investments in equity	components of other	components of other	Legal	Unappropriated	to the Bank's	to the Bank's		
		instruments measured	at fair value through	at fair value through	at fair value through	comprehensive	comprehensive	reserve	retained earnings	shareholders	shareholders		
		other comprehensive income	other comprehensive income	other comprehensive income	other comprehensive income	income (expenses)	income (expenses)						
		Issued and paid-up share capital	Premium on share capital	Revaluation surplus (deficit) on investments in debt instruments measured at fair value through other comprehensive income	Revaluation surplus (deficit) on investments in equity instruments designated at fair value through other comprehensive income	Deferred tax relating to components of other comprehensive income (expenses)	Deferred tax relating to components of other comprehensive income (expenses)	Appropriated retained earnings - Legal reserve	Unappropriated retained earnings	Total equity attributable to the Bank's shareholders	Total equity attributable to the Bank's shareholders	Non-controlling interests	Total equity
Notes													
Opening balance as at 1 January 2021		8,467,511	9,356,233	286,124	(261,271)	(3,564)	(3,564)	852,337	27,978,147	46,517,180	46,517,180	108,541	46,625,721
31	Dividend paid	-	-	-	-	-	-	-	(1,905,157)	(1,905,157)	(1,905,157)	-	(1,905,157)
32	Total comprehensive income (expense)	-	-	(141,258)	792,127	(129,997)	(129,997)	-	2,816,940	3,337,812	3,337,812	33,293	3,371,105
	Transfer to retained earnings	-	-	-	74,287	(11,867)	(11,867)	-	(62,420)	-	-	-	-
	Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(29,217)	(29,217)
Closing balances as at 30 June 2021		8,467,511	9,356,233	144,866	605,143	(145,428)	(145,428)	852,337	28,827,510	47,949,835	47,949,835	112,617	48,062,452
Opening balance as at 1 January 2022		8,467,511	9,356,233	(16,381)	(139,386)	28,557	28,557	852,337	32,655,567	51,046,101	51,046,101	116,054	51,162,155
31	Dividend paid	-	-	-	-	-	-	-	(1,861,175)	(1,861,175)	(1,861,175)	-	(1,861,175)
32	Total comprehensive income (expense)	-	-	(376,849)	(8,197)	77,015	77,015	-	4,088,634	3,780,603	3,780,603	8,558	3,789,161
	Transfer to retained earnings	-	-	-	(64,378)	12,854	12,854	-	51,524	-	-	-	-
	Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(27,263)	(27,263)
Closing balances as at 30 June 2022		8,467,511	9,356,233	(393,230)	(211,961)	118,426	118,426	852,337	34,934,550	52,965,529	52,965,529	97,349	53,062,878

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

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Statement of Changes in Equity (Cont'd)
For the six-month period ended 30 June 2022

		Separate							Unit : Thousand Baht
		Other components of equity							
		Revaluation surplus (deficit) on investments in debt instruments measured at fair value through other comprehensive income	Revaluation surplus (deficit) on investments in equity instruments designated at fair value through other comprehensive income	Deferred tax relating to components of other comprehensive income (expenses)	Appropriated retained earnings - Legal reserve	Unappropriated retained earnings	Total equity		
Issued and paid-up share capital	Premium on share capital								
Notes									
	8,467,511	9,356,233	286,124	211,663	(99,557)	852,337	26,617,999	45,692,310	
Opening balance as at 1 January 2021									
Dividend paid	31	-	-	-	-	-	(1,905,157)	(1,905,157)	
Total comprehensive income (expense)	32	-	(141,258)	(2,821)	28,816	-	2,132,112	2,016,849	
	8,467,511	9,356,233	144,866	208,842	(70,741)	852,337	26,844,954	45,804,002	
Closing balances as at 30 June 2021									
	8,467,511	9,356,233	(16,381)	213,233	(39,370)	852,337	29,121,443	47,955,006	
Opening balance as at 1 January 2022									
Dividend paid	31	-	-	-	-	-	(1,861,175)	(1,861,175)	
Total comprehensive income (expense)	32	-	(376,849)	1,830	75,004	-	3,959,409	3,659,394	
	8,467,511	9,356,233	(393,230)	215,063	35,634	852,337	31,219,677	49,753,225	
Closing balances as at 30 June 2022									



(Signature)

(Mr. Aphinant Kiewpatinond)
Chief Executive Officer

(Signature)

(Mr. Philip Chen Chong Tan)
President

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

	Consolidated		Separate	
	2022	2021	2022	2021
	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Cash flows from operating activities				
Profit from operating before income tax expenses	5,099,156	3,477,190	4,785,383	2,520,128
Adjustments to reconcile profit from operating before income tax expenses to cash received (paid) from operating activities				
Depreciation	230,525	250,128	198,430	204,573
Amortisation	103,276	103,405	85,821	86,935
Amortisation of premium on investments in securities	29,255	51,940	29,678	52,243
Expected credit loss	738,862	2,223,947	734,281	2,223,558
Unrealised loss on trading and foreign exchange transactions	669,438	507,419	108,322	526,099
(Gain) loss on remeasuring financial instruments measured at fair value through profit or loss	225,607	(311,392)	87,812	(412,814)
Reversal on impairment on investments in subsidiaries	-	-	(18,516)	(80,577)
Loss on lease modifications	-	3,549	-	-
Loss on diminution in value of properties foreclosed	70,278	25,456	81,513	57,997
(Reversal) Loss on impairment of other assets	3,340	(8,953)	3,340	(8,953)
Gain on disposal of investment in securities	(546,026)	(511,096)	-	-
Gain on disposal of equipment	(10,533)	(1,533)	(10,533)	(1,533)
Loss on write-off of equipment	253	17,453	253	17,453
Net interest income	(8,808,648)	(7,676,436)	(8,746,311)	(7,498,851)
Dividend income	(292,552)	(218,094)	(686,107)	(553,751)
Proceeds from interest income	10,165,998	9,123,530	10,127,426	8,986,981
Interest paid	(1,947,935)	(2,027,124)	(1,970,574)	(2,067,794)
Dividend received	294,596	218,454	55,315	28,091
Cash paid for corporate income tax	(1,344,502)	(428,484)	(954,852)	(217,842)
Increase in provision expenses	52,752	42,128	39,989	37,135
Increase (decrease) in specific business tax payable	13,815	(2,427)	13,793	(2,768)
Decrease in accrued expenses	(1,071,231)	(589,309)	(493,111)	(412,736)
Profit from operating before changes in operating assets and liabilities	3,675,724	4,269,751	3,471,352	3,483,574
(Increase) decrease in operating assets				
Interbank and money market items	21,646	3,160,526	4,038,153	(176,079)
Financial assets measured at fair value through profit or loss	(5,698,993)	(8,509,378)	(857,945)	(1,543,163)
Loans and receivables	(32,363,347)	(20,815,286)	(32,315,863)	(20,276,363)
Properties foreclosed	2,613,261	3,013,410	2,650,786	3,097,773
Accounts receivable from clearing house and broker-dealers	(834,933)	(1,448,265)	-	-
Securities and derivative business receivables	(1,487,496)	678,239	-	-
Other assets	(57,988)	(2,093,831)	(262,831)	(2,016,017)

	Consolidated		Separate	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from operating activities (Cont'd)				
Increase (decrease) in operating liabilities				
Deposits	32,558,964	(2,267,273)	32,583,835	(2,185,562)
Interbank and money market items	(2,178,815)	7,836,451	(2,551,718)	6,826,649
Liabilities payable on demand	258,818	175,888	258,818	175,888
Accounts payable to clearing house and broker-dealers	(1,314,265)	380,467	-	-
Securities and derivative business payables	3,116,977	2,006,798	-	-
Other payables	5,654	(213,660)	3,427	(275,774)
Other liabilities	323,305	105,377	291,679	87,284
Net cash from operating activities	(1,361,488)	(13,720,786)	7,309,693	(12,801,790)
Cash flows from investing activities				
Cash paid for investments in debt instruments measured at fair value through other comprehensive income	(16,792,600)	(2,538,520)	(16,792,600)	(2,538,520)
Proceeds from investments in debt instruments measured at fair value through other comprehensive income	2,717,079	3,092,934	2,717,079	3,092,934
Cash paid for investments in equity instruments measured at fair value through other comprehensive income	(4,535)	(1,093,798)	-	-
Proceeds from investments in equity instruments measured at fair value through other comprehensive income	178,058	899,106	-	-
Cash paid for investments in debt instruments measured at amortised cost	(629,596)	(139,654)	-	-
Proceeds from investments in debt instruments measured at amortised cost	674,828	126,971	-	-
Dividend received and profit sharing from subsidiaries	-	-	630,792	525,660
Proceeds from reduction of the capital in subsidiaries	-	-	-	102,503
Cash paid for investment in subsidiaries	-	-	-	(4)
Cash paid for building improvement and equipment	(334,101)	(285,893)	(237,459)	(44,739)
Proceeds from sales of equipment	10,552	2,512	10,552	2,512
Purchases of intangible assets	(189,251)	(194,673)	(163,516)	(168,740)
Net cash from investing activities	(14,369,566)	(131,015)	(13,835,152)	971,606
Cash flows from financing activities				
Proceeds from issuance of debentures	25,719,856	24,935,780	20,551,715	23,846,540
Cash paid for redemption of debentures	(9,553,275)	(10,427,695)	(11,515,421)	(10,355,392)
Proceeds from borrowings	-	-	(695,000)	-
Cash paid for redemption of financial liabilities designated at fair value through profit or loss	(6,105,310)	(2,575,257)	-	-
Proceeds from issuance of financial liabilities designated at fair value through profit or loss	7,477,000	3,583,471	-	-
Dividend paid	(1,861,175)	(1,905,157)	(1,861,175)	(1,905,157)
Cash paid for lease liabilities	(55,309)	(61,262)	(91,188)	(86,922)
Dividend paid to minority interest	(139)	(1,537)	-	-
Decrease in share capital of minority shareholders in subsidiaries	(27,124)	(27,680)	-	-
Net cash from financing activities	15,594,524	13,520,663	6,388,931	11,499,069
Net decrease in cash and cash equivalents	(136,530)	(331,138)	(136,528)	(331,115)
Cash and cash equivalents as at 1 January	1,242,065	1,490,626	1,241,867	1,490,407
Cash and cash equivalents as at 30 June	1,105,535	1,159,488	1,105,339	1,159,292

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

Supplementary information for cash flows:

Non-cash transactions

Significant non-cash transactions for the six-month period ended 30 June 2022 and 2021 are as follows;

	Consolidated		Separate	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Increase (decrease) in account payables from land, premises and equipment purchased	(43,315)	11,341	(43,315)	11,341
Transfer of assets for loan settlement	2,753,879	3,066,625	2,720,088	3,036,716
Increase in lease liabilities	48,934	54,161	195,469	82,529
Increase in right-of-use assets	48,934	50,611	195,469	82,529
Decrease in fair value reserves on debt securities measured at fair value through other comprehensive income	(376,849)	(141,258)	(376,849)	(141,258)
Increase (decrease) in fair value reserves on equity securities measured at fair value through other comprehensive income	(72,592)	866,605	1,830	(2,821)
Increase in payables from trading securities	880,769	238,902	880,769	238,902
Increase in receivables from trading securities	505,509	683,140	572,758	695,706
Pay-in-kind properties foreclosed for reduction and distribution of the capital of the subsidiaries	-	-	444,220	389,394
Transfer of land, premises and equipment to right-of-use assets	-	41,233	-	41,233
Transfer of investment properties to land, premises and equipment	21,502	-	-	-

(Mr. Aphinant Kiewpatinond)
Chief Executive Officer



(Mr. Philip Chen Chong Tan)
President

Notes	Topic
1	General
2	Significant events during the current period
3	Accounting policies
4	Capital risk management
5	Risk management
6	Estimates and assumptions
7	Interbank and money market items, net (assets)
8	Derivatives
9	Financial assets measured at fair value through profit or loss
10	Investments, net
11	Investments in subsidiaries, net
12	Investment property, net
13	Loans to customers and accrued interest receivables, net
14	Hire-purchase and finance lease receivables
15	Allowance for expected credit loss
16	Properties foreclosed, net
17	Land, premises and equipment, net
18	Right-of-use assets, net and Lease liabilities, net
19	Other intangible assets, net and goodwill
20	Deferred income tax, net
21	Other assets, net
22	Deposits
23	Interbank and money market items, net (liabilities)
24	Financial liabilities designated at fair value through profit or loss
25	Debt issued and borrowings
26	Provisions
27	Other accounts payable
28	Other liabilities
29	Legal reserve
30	Capital fund
31	Dividend paid
32	Other components of equity
33	Assets with obligations and restrictions
34	Advance received from electronic transactions
35	Commitments and contingent liabilities
36	Earnings per share
37	Information on quality of assets
38	Related party transactions
39	Benefits paid to directors and executives
40	Operating segments
41	Important positions and performance classified by type of domestic or foreign transactions
42	Interest income
43	Interest expenses
44	Fees and services income, net
45	Gain on financial instruments measured at fair value through profit or loss, net
46	Gain (loss) on investments, net
47	Other operating income
48	Other expenses
49	Expected credit losses
50	Income tax expenses
51	Income tax relating to components of other comprehensive income (loss)
52	Financial instruments
53	Offsetting of financial assets and liabilities
54	Fair value
55	Subsequent events

1 General

Kiatnakin Phatra Bank Public Company Limited ("the Bank") was incorporated in Thailand. Its head office is located at 209 KKP Tower, Sukhumvit 21 (Asoke) Road, Khlong Toey Nua, Wattana, Bangkok. The Bank provides banking business through its branches network in Thailand. As at 30 June 2022 and 31 December 2021, has 11 subsidiaries and funds ("subsidiaries").

This interim consolidated and separate financial statements have been approved for issued by the Board of Directors on 25 August 2022.

2 Significant events during the current period

During 2Q22, for customers impacted by the COVID-19 situation, the Bank continues to provide assistance focusing on measures as appropriate for each customer segment and taking into account long-term restructuring plan to match with the deterioration in the current financial status of customers impacted by COVID-19. The Bank will continue to assess the situation closely especially in terms of portfolio quality and will continue to prudently set up provisions to cushion against any possible deteriorations.

3 Accounting policies

The principal accounting policies applied in the preparation of these interim consolidated and separate financial statements are set out below.

3.1 Basis of preparation

The interim consolidated and separate financial statements ("the financial statements") have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") and the financial reporting requirements issued under the Securities and Exchange Act. The primary financial statements (i.e. statements of financial position, profit or loss and other comprehensive income, changes in shareholders' equity and cash flows) are prepared in the full format as required by the Notification of the Bank of Thailand ("BOT"), no. SorNorSor 21/2561. The preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group dated on 31 October 2018 and the circular letter of BOT no. TorPorTor ForNorSor 2 Wor 802/2564 directive dated on 3 September 2021, regarding to Covid-19 (Measures to enhance the existing debt restructuring facilities to be more sustainable) and Notification no. SorNorSor 4/2564 (2021) Re: Measure to promote the acceptance of the transfer of collateral property for Debt Repayment under the Emergency Decree on the Provision of Assistance and Rehabilitation of Business Operators impacted by the spread of the Covid-19 pandemic B.E. 2564.

The interim consolidated and separate financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of interim financial statements in conformity with the Thai financial reporting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the interim consolidated and separate financial statements, are disclosed in note 6 to the interim financial statements.

An English-language version of the interim financial statements has been prepared from the interim statutory financial statements that are in Thai-language version. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial statements shall prevail.

3.2 Basis for Preparation of the interim consolidated Financial Statements

The interim consolidated financial statements include the accounts of the head office and all branches of the Bank and its subsidiaries (collectively known as “the Group”) where the Bank has a controlling interest. Significant related party transactions and balances have been eliminated. The list of subsidiaries is as below:

	Type of business	Ownership Interest (%)	
		30 June 2022	31 December 2021
KKP Capital Public Company Limited	Holding Company	99.98	99.98
Kiatnakin Phatra Securities Public Company Limited	Securities	99.95 ⁽¹⁾	99.95 ⁽¹⁾
Kiatnakin Phatra Asset Management Co., Ltd	Fund Management	99.97 ⁽²⁾	99.97 ⁽²⁾
	Financial service and		
KKP Dime Securities Co., Ltd	Digital Asset Business	99.97 ⁽³⁾	99.97 ⁽³⁾
Asia Recovery 1 Fund	Investments	99.95	99.95
Asia Recovery 2 Fund	Investments	99.59	99.59
Asia Recovery 3 Fund	Investments	99.97	99.97
Thai Restructuring Fund	Investments	98.91	98.91
Bangkok Capital Fund	Investments	95.72	95.72
Gamma Capital Fund	Investments	94.03	94.03
KKP Tower Co., Ltd	Real estate	91.34	91.34

⁽¹⁾ Indirectly holding via KKP Capital Public Company Limited of 99.97%

⁽²⁾ Indirectly holding via KKP Capital Public Company Limited of 99.99%

⁽³⁾ Indirectly holding via KKP Capital Public Company Limited of 99.99%

3.3 New and amended financial reporting standards

Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have significant impacts to the Group and the Bank.

- A) Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance for insurance business provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures will allow most TFRS 9 hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

TFRS 7 requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

- B) Accounting guidance on temporary relief measure for entities assisting debtors affected by the COVID-19 pandemic

The Group which assists debtors affected by the COVID-19 pandemic can apply the accounting guidance announced by TFAC based on BOT circular For. Nor. Sor 2. Wor. 802/2564 to help debtors between 1 January 2022 and 31 December 2023. The key relief measures involve, for example, the consideration for debt staging for ECL calculation where there is debt restructuring, revising EIR for the restructured debt and ECL calculation regarding unused credit line. This accounting relief has the similar content to this existing accounting guidance (BOT circular letter number TorPorTor ForNorSor (23) Wor 276/2563, regarding to "The relief programs for customers affected by Thai economic situations.") which the Bank currently applies.

The above amendment financial reporting standards and accounting guidance do not have significant impact on the Group.

3.4 Group Accounting - Investments in subsidiaries and associates and interests in joint ventures

- A) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the interim separate financial statements, investments in subsidiaries are accounted for using cost method with consideration for impairment of asset (if any).

- B) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in owners' equity.

- C) Disposal of subsidiaries

When the Group ceases to have control it shall ceased to consolidate its subsidiaries. Any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

- D) Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the interim financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the interim consolidated financial statements in the period of which the business combination occurs.

The differences between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed by transfer to retained earnings.

E) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

F) Interim separate financial statement

In the interim separate financial statements, investments in subsidiaries and associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the subsidiaries is set out in Note 3.2

3.5 Foreign currency translation

A) Functional and presentation currency

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

B) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

C) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflation economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows;

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position,
- Income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates, and
- All resulting exchange differences are recognised in other comprehensive income.

3.6 Cash

Cash includes cash on hand according to the BOT's Notification.

3.7 Financial instruments

A) Classification of financial assets

The Group classifies its financial assets as follows:

- those to be measured subsequently at fair value either through profit or loss (FVPL) or through other comprehensive income (FVOCI)
- those to be measured at amortised cost

B) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

C) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

D) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories:

- 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)

Financial assets that are held for collection of contractual cash flows that represent SPPI and for selling the financial assets are measured at FVOCI. Movements in the carrying amount are taken through OCI, except impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit. Interest revenue is included in finance income. Impairment losses are presented as separate line item.

- 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).

The Group reclassifies debt instruments only when its business model for managing those assets changes.

The Group classifies financial asset as purchased or originated financial asset (POCI) when the financial asset that are credit-impaired on initial recognition.

E) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income and profit sharing when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in gain or loss on financial instrument measured at fair value through profit or loss in the profit or loss in the statement of profit or loss and other comprehensive income.

The Group presents its investments in infrastructure fund units which the fund established and registered in Thailand as equity investments and measures them at FVPL following the TFAC's clarification, "Interpretation of investments in property fund unit trusts, Real Estate Investment Trust units, infrastructure fund units, and infrastructure trust units established and registered in Thailand" dated 25 June 2021. The fund is required to distribute benefits of not less than 90% of its adjusted net profit.

F) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The changes in the fair value is recognised to gain (loss) on financial instruments measured at fair value through profit or loss. The Group presents fair value of future contracts as the part of other assets.

G) Modification

The Group sometimes renegotiates or otherwise modifies the contractual cashflow. When this happens, the Group assesses whether the new terms are substantially different to the original terms or not. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not financial difficulty.
- Significant change in the interest rate
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group recalculates the gross carrying amount based on the revised cash flows of the financial assets and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group will monitor debt restructuring without derecognition if the debtors can to repay in accordance with the debt restructuring contract for three consecutive months or three instalment payment periods, whichever period is longer. In which, it reflects that the status of debtors does not meet criteria for significant increase in credit risk. Eventually, the Group will consider reclassifying debtors' staging to 1 stage better. For example, the stage will be reclassified from Stage 2 to Stage 1.

However, regarding the debt restructuring for debtors in Stage 3; the monitoring repayment period will increase to be at least 9 months consecutively with no remaining principal and accrued interest due. After debtors have met the repayment criteria, it reflects the status of debtors does not meet criteria for significant increase in credit risk and can be reclassified as Stage 1 immediately.

The Group applies staging guideline to debtors, who make debt restructuring contract as a result from being affected by the situation impacting the Thai economy, from BOT circular letter number TorPorTor ForNorSor (23) Wor 276/2563, regarding to "The relief programs for customers affected by Thai economic situations." with effective date from 1 January 2021 until 30 June 2022 as following detail:

- The Group will classify debt restructuring for debtors without non-performing loans (non-NPL) as Stage 1 immediately. If analysing the status and business of debtors and it's clear that the debtors can comply with debt restructuring agreements without waiting for the results of debt restructuring compliance conditions, it will be considered as pre-emptive debt restructuring and not troubled debt restructuring (TDR).
- The Group will classify debt restructuring for debtors with non-performing loans (NPL) as Stage 1 if the debtors can repay in accordance with the debt restructuring contract for three consecutive months or three instalment payment periods, whichever period is longer.
- In case that the debt restructuring causes the previously effective interest rate (EIR) no longer reflect the estimated cash flow received from the loan. The Bank can use new calculated EIR as an interest rate for the new debt restructuring under the guidelines of the Bank of Thailand circular.
- On 22 December 2021, TFAC has announced the accounting guidance on temporary relief measures for the entities assisting debtors affected by the COVID-19 pandemic. The Bank which assists debtors affected by the COVID-19 pandemic can apply the accounting guidance announced by TFAC based on BOT circular ForNorSor 2 Wor 802/2564 to help debtors between 1 January 2022 and 31 December 2023 which has the similar content to this existing accounting guidance (BOT circular letter number TorPorTor ForNorSor (23) Wor 276/2563, regarding to "the relief programs for customers affected by Thai economic situations." which the Bank has already applied. However, this relief programs focuses on the debt restructuring program to be more sustainable.

If the terms are substantially different, the Group derecognises the original financial assets and recognises a new asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Difference in the carrying amount are also recognised in profit or loss as gain or loss on derecognition.

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either

- The Group transfers substantially all the risks and rewards of ownership, or
- The Group neither transfers nor retains substantially all the risks and rewards of ownership and the Group has not retained control.

The Group enters into transactions where it retains the contractual rights to receive cash flow from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group:

- Has no obligation to make payments unless it collects equivalent amounts from assets;
- Is prohibited from selling or pledging the assets; or
- Has an obligation to remit any cash it collections from the assets without material delay.

H) Impairment

The Group measures expected credit losses using the following approaches:

A. Simplified approach

The Group applies simplified approach to measure expected credit losses which uses a lifetime expected credit loss for other assets apart from loans to customers.

B. General approach

At each reporting date, the Group applies general approach to measure expected credit losses on debt instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income, loan commitments, and financial guarantee contracts except for those that are under simplified approach. The Group always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

Under the three-stage expected credit loss impairment model except for significant exposures in loans to customer, the impairment will be assessed by using collective approach model with forward looking information adjustment. The impairment of some significant exposures in loans to customer will be assessed by using individual assessment approach.

Significant increase in credit risk

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available increases in credit risk since initial recognition.

TFRS 9 contains a rebuttable presumption that the risk of financial assets is deemed to have increased significantly when more than 30 days past due. The Group uses this 30-day backstop for all its products. In addition, the Group considers a range of qualitative and quantitative events to assess whether a significant increase in credit risk since initial recognition has occurred. These events include for example, changes in credit risk ratings, payment delinquency, past payment patterns, behavioral scores, and watch-lists. Exposures with significant increase in credit risk are transferred from Stage 1 to Stage 2. Exposures will move back to Stage 1 once they no longer meet the criteria.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default or credit-impaired which is considered to have occurred when there is evidence that the customer is experiencing financial difficulty which is likely to significantly affect the ability to repay. Exposures are credit-impaired if they are past due for 90 days or more or possesses signs indicating weaknesses which are likely to impact ability to meet future financial obligations. The default definition is consistent with that used for risk management purposes. Exposures that are credit-impaired are classified as Stage 3 and could be upgraded to Stage 2 if the customer no longer meet credit impaired definition, and exposures are classified as Stage 1 if significant increase in credit risk since initial recognition is no longer significant.

Surplus reserve

The Group measures the surplus reserve on the date of adoption for new financial reporting standards related to financial instruments by comparing the difference between allowance for expected credit losses according to requirement under new financial reporting standards related to financial instruments and total reserves that the Group had on 31 December 2019. In which, the Group will amortised the surplus reverse using straight-line method by 5 years consecutively in accordance with notification to utilise surplus reserve from Bank of Thailand dated on 6 November 2019.

For purchased or originated credit-impaired financial asset, the Group recognised the financial assets by discounted expected cash flows by considering all contractual terms of the financial asset, expected credit loss, all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts with presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably using credit-adjusted effective interest rate determined at initial recognition.

I) Classification and measurement of financial liabilities and equity

Financial instruments issued by the Group must be classified as financial liabilities or equity securities by considering contractual obligations.

- Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.
- Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

At initial recognition, the Group measures financial liabilities at fair value. The Group reclassifies all financial liabilities as subsequently measured at amortised cost, except for:

- Financial guarantee contracts and loan commitments
- Financial liabilities at fair value through profit or loss

This classification is applied to derivatives, financial liabilities held for trading and other financial liabilities designated as such at initial recognition. Financial liabilities designated at fair value through profit or loss when and only the Group demonstrates that it falls within one (or more) of following three criteria;

- a) When such designation eliminates or significantly reduces a measurement or recognition inconsistency ("accounting mismatch") that would otherwise arise,
- b) When a group of financial liabilities or both is managed and its performance is evaluated on fair value basis, in accordance with a documented risk management or investment strategy, and
- c) When an instrument contains an embedded derivative that meets particular conditions.

Gain or losses on financial liabilities designated at fair value through profit or loss are presented gain or losses on financial instruments measured at fair value through profit or loss.

Derecognition of financial liabilities

Financial liabilities are derecognised when they are extinguished or when the obligation specified in the contract is discharged, cancelled, or expired.

The exchange between the Group and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new term including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any cost or fees incurred are recognised as part of gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjusted the carrying amount of the liability and are amortised over remaining term of modified liability.

J) Financial guarantee contract and loan commitment

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of a) the amount of expected credit loss determined; and b) the amount initially recognised less the cumulative amount of income recognised.

Loan commitments provided by the Group are measured at the amount of loss allowance. The Group has not provided any commitment to provide loan at a below-market interest rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For the loan commitments and financial guarantee contract, the loss allowance is recognised as a provision. However, for contracts that include both a loan and an undrawn commitment and the Group cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan. To extent that the combined expected credit losses exceed the gross carrying amount of the loan, the expected credit loss are recognised as a provision.

The Group applies expected credit losses provisioning for unused credit lines of debtors, who are affected by the situation impacting the Thai economy, from BOT circular letter number TorPorTor ForNorSor (23) Wor 276/2563, regarding to "The relief programs for customers affected by Thai economic situations." with effective date from 1 January 2020 until 31 December 2021 and following BOT circular ForNorSor 2 Wor 802/2564 regarding to Covid-19 (Measures to enhance the existing debt restructuring facilities to be more sustainable) with effective date from 1 January 2022 until 31 December 2023 by provisioning the expected credit losses only from outstanding loans which have been drawn down.

K) Interest income and interest expense recognition

Interest income is calculated by applying the effective interest rate to the gross carrying is applied to the amortised cost of the financial asset, except for:

- Purchased or originated credit-impaired financial asset (POCI), for which the original credit-adjusted effective interest rate is applied to the amortised cost of financial asset.
- Financial assets that are not (POCI) but have subsequently becomes credit-impaired (a stage 3), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (net of the expected credit loss provision).

L) Offset

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.

3.8 Valuation of investments in property

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. After initial recognition, investment is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives which are around 40 - 60 years.

The Group recognises the difference between the net disposal proceeds and carrying amount as income or expenses to profit or loss when there is disposal of an investment property.

3.9 Loans

Overdrafts are stated at the principal amounts including interest. Other loans are stated at the principal amount. Unearned discounts received in advance are presented as deduction from the loans.

Hire-purchase and finance lease receivables are stated at the contract value of the hire-purchase and finance lease receivables net of unearned income.

3.10 Properties foreclosed

Properties foreclosed include land and/or construction, leasehold, condominium and repossessed vehicles.

The Group states land and/or construction, leasehold and condominium at the lower of the outstanding loan principal including accrued interest or fair value.

Repossessed vehicles are stated at the lower of cost or fair value at the transferred date. Fair value is calculated by using market value (Red book).

Gains (losses) on disposal of properties foreclosed are recorded as income or expenses in profit or loss when the disposal is made. Impairment loss (if any) is recognised as expense in profit or loss.

3.11 Land, premises and equipment

The Group states land at historical cost, while premises and equipment are stated at historical cost less accumulated depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the cost of each asset, except for land, to its residual value over its estimated useful life as follows;

Premises and building improvement	5 - 60 years
Equipment	3 - 5 years
Furniture and fixtures	3 - 5 years
Vehicles	5 years

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

The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains - net' in profit or loss.

3.12 Goodwill in a business combination

Goodwill represents the excess of the consideration transferred over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liability of the acquired subsidiary and the fair value of the non-controlling interest in the acquired subsidiary undertaking at the date of acquisition. Goodwill on acquisitions of subsidiaries is separately reported in the consolidated statement of financial position.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

For excess of net fair value of the identifiable net assets over purchase cost as at the date of acquisition, the Group recognises that excess as revenue recorded in profit or loss.

3.13 Intangible assets

3.13.1 Computer software

Acquired computer software licenses are capitalised when the Group uses the specific software. These costs are amortised over their estimated useful lives of not exceeding 10 years.

3.13.2 Deferred license fee

The subsidiaries amortise deferred license fee on a systematic basis over the useful economic useful life of 5 years.

3.14 Impairment of assets

Assets that have an indefinite useful life, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is recognised in the profit or loss.

3.15 Receivables from Clearing House and Broker-dealers

Receivables from Clearing House and Broker-dealers comprise of net receivable of the followings;

- (1) Net receivables from Thailand Clearing House (TCH) for settlement of equity securities trading made through the Stock Exchange of Thailand, included cash collateral pledged with TCH for equity trading,
- (2) Net receivables from TCH from derivatives trading made through TCH, included cash collateral pledged with TCH for derivatives trading,
- (3) Net receivables from foreign equity securities or derivatives trading settled overseas through foreign securities companies, included cash collateral pledged with foreign securities companies for equity or derivatives trading, and
- (4) Net receivables from local equity securities or derivatives trading settled domestically through local securities companies, included cash collateral pledged with local securities companies for equity or derivatives trading.

3.16 Securities and derivatives business receivables

Securities and derivatives business receivables comprise the net securities business receivables and derivatives business receivables, after deducting allowance for expected credit losses and adding related accrued interest receivables.

In addition, securities business receivables comprise the net receivable balances of cash accounts, securities borrowing receivables and other receivables such as overdue cash customers' accounts and receivables which are subject to legal proceedings, are undergoing restructuring or are settling in installments.

Derivatives business receivables include other receivables which are derivatives business receivable subjected to legal proceeding, are undergoing restructuring or are being settled in installments.

3.17 Payables to Clearing House and Broker-dealers

Payables to Clearing House and Broker-dealers comprise net payables of the followings;

- (1) Net payables to Thailand Clearing House (TCH) for settlement of equity securities trading made through the Stock Exchange of Thailand,
- (2) Net payables to TCH from derivatives trading made through TCH,
- (3) Net payables from foreign equity securities or derivatives trading settled overseas through foreign securities companies, and
- (4) Net payables from local equity securities or derivatives trading settled domestically through local securities companies.

3.18 Securities and derivatives business payables

Securities and derivatives business payables are the obligation of the Group in respect to securities and derivatives business with outside parties, such as the net payables of cash accounts, obligation to deliver securities as a result of short sales or securities borrowing and obligation to return assets held by the Group as customers' collateral for securities lending, etc.

3.19 Structured notes

The Group's structured notes are offered to customers or business associates of the Group, which are institutional investors or high net worth investors, through private placements. The notes are issued under conditions approved by the Office of the Securities and Exchange Commission, and the underlying assets are securities listed on the Stock Exchange of Thailand.

Structured notes comprise of 2 parts which are a note and a put or a call option. If the economic characteristics and risks of an embedded derivative are not closely related to the economic characteristic and risk of host contract, the Group will separately account the embedded derivative from the host contract and measure the embedded derivative under "derivatives assets/liabilities" in the statement of financial position. The host contract will be accounted for under the related accounting standards. On the other hand, if the economic characteristics and risks of an embedded derivative are closely related to the economic characteristics and risks of the host contract, the Group will not separately account the embedded derivative from the host contract and classify the host contract under the related accounting standards. The Group is able to designate the structured notes to measure at fair value through profit or loss if those structured notes are met the criteria as disclosed in Note 3.7

The initial recognition of structured notes comprises of notes and options. The cost of notes is recorded at amortised cost. The discount is amortised by the effective interest rate method. For an option-based note, it is calculated from selling prices of structured notes less the cost of notes. The balances of structured notes are subsequently measured at fair value. Changes in fair value are reflected in profit or loss. The value of the option part is calculated from the general accepted valuation model or technique such as Black-Scholes model and Monte Carlo Simulation. The input variables used in this model are derived from observable market variables and conditions that include market prices of the underlying asset, volatility of the underlying asset, time to maturity of option, risk free rate, strike price, dividends and correlations between the underlying assets.

3.20 Employment benefit

Provident fund

The Group operates a provident fund that is a defined contribution plan, the assets of which are held separately from the Group and managed by an external authorised fund manager in accordance with the provident fund Act. B.E. 2530. The provident fund is funded by payments from employees and by the Group. The Group has no further payment obligations once the contributions have been paid. Contributions to the provident fund are recognised as employee benefit expense when they are due.

The Group is required to make contributions at the same rates as follows;

Service periods	Contribution rate (%)
Less than 5 years	5
Over 5 years	8 - 10

Post-employment benefit obligation

Legal severance payment plan

All employees will receive severance payment upon retirement in accordance with the Labor Protection Act.

The obligation of this plan is considered as an unfunded defined benefit obligation under TAS 19 Employee benefits and is separately measured by an actuary using the projected unit credit method to determine the present value of employee benefit cash flows to be paid in the future. Under this method, the obligation is based on an actuarial calculation including the employee's expected salary, employees' turnover rate, salary increase rate, mortality rate, discount rate, years of service and other factors.

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.

The Group recognises the post-employment benefit obligation as a provision in the statement of financial position and personnel expenses.

Benefit from carried forward leave

The Group recognises the benefit from employees' cumulative carried forward leave as a provision in the statement of financial position and personnel expenses.

3.21 Provisions

Provisions for legal claims are recognised when: The Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.22 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.23 Recognition and amortisation customers' deposits

Cash collateral received from customers for trading in securities of cash balance accounts and placed as margin for derivatives trading is recorded as assets and liabilities of the subsidiary for internal control purposes. As at the end of reporting period, the subsidiary excludes these amounts from both the assets and liabilities and presents only the assets which belong to the subsidiary.

3.24 Securities borrowing and lending

The Group is engaged in securities borrowing and lending, whereby the Group acts as a principal of the borrowers and lenders of securities.

The Group records its obligations to return borrowed securities which it has been sold as short selling or lent as "Securities borrowing and lending payables" recognised as Securities and derivatives business payables, net in the statements of financial position, and securities lent to customers as "Securities borrowing and lending receivables" recognised as Securities and derivatives business receivables in the statement of financial position. The balance of securities borrowing and lending receivables and payables are subsequently measured at fair value. The fair value is based on last offer price quoted on the Stock Exchange of Thailand of the last business day on the statement of financial position date. Unrealised gains or losses resulting from securities borrowing and lending receivables and payables are included in gain (loss) on financial instruments measured at fair value through profit or loss, net. Moreover, the Group records cash paid as collateral for securities borrowing as "Collateral receivables" and cash received as collateral for securities lending as "Collateral payables". Fees from borrowing are charged to expenses, and fees from lending are recognised as revenue. They are recognised on an accrual basis over the term of the borrowing and lending.

3.25 Accounting for lease

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payment to be made under reasonably certain extension options are also included in the measurement of the liabilities.

The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

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. Low-value assets comprise office equipment.

3.26 Fees and services income

The Group recognises fees and services income when diverse range of services have been rendered to its customers.

Fee and commission income is generally recognised on the completion of a transaction. Such fees include brokerage fees, insurance commission fee, underwriting fee, financial advisory fees, unit trust trading fee, and other fees related to the completion of corporate finance transactions.

For a service that is provided over a period of time, fee and commission income is recognised over the period during which the related service is provided or credit risk is undertaken. Such fees include the income from issuance of acceptance, avals and guarantees, tailing fees, securities lending fee, fund management and registrar fee, investment advisory fees, and bancassurance service fees from insurance company.

3.27 Recognition of expenses

The Group recognises expenses on an accrual basis.

3.28 Earnings per share

The Group computes basic earnings per share by dividing the net profit for the period by the weighted-average number of issued and paid-up ordinary shares during the period. The diluted earnings per share are computed by dividing the net profit for the period adjusted by expense (after tax effect) saved from the conversion of dilutive potential ordinary shares, by the weighted-average number of ordinary shares (included potentially dilutive shares).

3.29 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders.

3.30 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

4 Capital risk management

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

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

Moreover, the Bank is required to manage its capital funds in accordance with the Act on Undertaking of Banking Business B.E. 2551. The Bank's capital fund is presented in Note 30 to the interim financial statements.

5 Risk management

The risk management policy of the Group is emphasised on managing overall risks as a Group wide in order to ensure the appropriateness and effectiveness of the enterprise wide risk management. While each related business and department unit is required to sufficiently understand and effectively manage its risks incurred under the centralised framework and risk management policy of the Group, risk management department also plays important roles to control and review each business line and unit to ensure the sufficient risk management and control system.

Risks relating to significant financial instruments held by the Group are summarised below:

5.1 Credit risk

Credit risk refers to risk arising from the failure of either debtors to repay principal and interest as agreed, or of counterparties to comply with conditions or contracts. Credit risk covers all types of financial products: transactions on-financial reporting such as loans, overdrafts, bills of exchange, and other types of debts; and those off-financial reporting such as derivatives trading and letters of guarantee.

The Group has constantly improved its process of credit risk management to appropriately reflect its managed credit risk. Details of such improvement measures are as follows;

5.1.1 Credit Policy Adjustment

The Bank focuses on adjusting its main credit policy, business loan policy, personal loan policy, and Watch List mechanism as an integral part of Debt Restructuring, Asset Classification, Provision and Write-off Policy to provide adequate level of conservativeness and suitability to current environment. Counterparty credit policy and country credit policy have also been added to accommodate the Bank's extended reach to financial institution and corporation counterparties.

5.1.2 Development of Credit Approval Aid

The Bank aims to consistently develop and improve its tools for assisting the credit approval process. Set up Product Program for Retail Banking, which covers 2 dimensions, customer profile and collateral class. In addition, Behavior-Score usage, which applied for acquired existing customer with different credit granted from risk level. For new customer, the Bank started implementing internal score by using the NCB data which will ensure to a better risk assessment and select a customer group in accordance with the Bank's goals and strategy. In addition to that, Bank introduced the alternative score base for Thin customer profile who just newly to credit to help Bank to precise underwriting process for business target expansion which is the major segment for Hire Purchase business.

5.1.3 Loan portfolio Management

The Bank focuses on giving credit to businesses which the Bank has expertise. The Bank will manage its loan portfolio to maximise profit with an acceptable level or Risk Appetite of each portfolio as well as early warning indicator for monitoring of loan portfolio position with a systematic information reporting, in-depth analysis for the identification of risks and solution planning. A concentration risk limit is also utilised to lessen the volatility in the Group's performance. Examples of concentration limits include the Single Lending Limit and the Large Borrower Concentration Limit.

The Bank has introduced Risk Mitigation function which will be responsible for Retail Collection Strategies. The customer will be graded as High, Medium and Low upon each Individual payment behavior and collection treatment will be differentiated according to their grade. In addition, the Bank implemented has done in-depth cost-benefit analysis for each collection activity, especially when comparing to debt outstanding balance to ensure each collection activities must be cost-effectiveness. During the Covid-19 situation, Bank has introduced the risk segmentation for phone collection dunning (Before NPL) by Chi-square Automatic Interaction Detector (CHAID) for forbearance and normal account. This is to give the right offer help program to customer during crisis. In addition, Bank performed portfolio scrub or credit review to manage the risk of existing customer and to offer the right re-structuring program if we found significant shift in behavior of customer performance.

In the case of recognised financial assets, the carrying amount of the assets recorded in the statement of financial position, net of a portion of allowance for expected credit losses, represents the maximum exposure to credit risk.

The Group considers that there is no significant concentration of credit risk due to a large number of customers and counterparties in different industries.

Credit risk also arises from the possibility that the counterparty to off-statement of financial position financial instruments will not adhere to the terms of the contract when settlement becomes due.

The Group is exposed to credit risk in case where the counterparty fails to comply with terms in accordance with off-statement of financial position financial instruments such as commitments to extend credit, standby letters of credit, and financial guarantees. Risk of aforementioned instruments equals the contractual notional amount of applicable instruments. The Group use the same credit policy in making commitments and conditional obligations as they do for on-statement of financial position financial instruments. For interest rate swap and forward foreign exchange contracts, the contract or notional amount does not represent the Group exposure to potential credit loss. The Group controls credit risk on financial instruments through prudent credit approvals, limits, and strict monitoring procedures.

The Group has policies in place to ensure that loans are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions. The Group has policies that limit the credit line of loan transaction to any client or financial institution.

As at 30 June 2022 and 31 December 2021, concentrations of credit risk relative to the loans and receivables summarised by type of industry are as follows;

	Consolidated		Separate	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Agriculture and mining	476,523	484,337	476,523	484,337
Manufacturing and commerce	35,608,812	34,423,380	35,608,812	34,423,380
Real estate and constructions	32,457,916	31,454,056	34,781,451	33,825,591
Public utilities and services	24,558,558	24,108,269	24,558,558	24,108,269
Housing loans	39,521,001	33,098,198	39,521,001	33,098,198
Hire-purchase loans	172,022,758	156,061,626	172,022,758	156,061,626
Finance lease loans	488,234	462,925	488,234	462,925
Others	31,206,967	26,816,959	30,789,434	26,386,810
Total loans and receivables	336,340,769	306,909,750	338,246,771	308,851,136

5.1.4 Expected credit loss measurement

Further explanation is also provided of how the Group determines appropriate grouping when expected credit loss is measured on a collective basis.

The expected credit loss (ECL) is measured on either a 12-month (12M) or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit loss is the discounted product of the probability of default (PD), exposure at default (EAD), and loss given default (LGD), defined as follows:

- Probability of default (PD) represents the likelihood of a borrower defaulting on its financial obligation (as per definition of default and credit-impaired), either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.
- Exposure at default (EAD) is based on the amounts that the Group expects to be owed at the time of default, over the next 12 months (12-month EAD) or over the remaining lifetime (lifetime EAD)
- Loss given default (LGD) represents the Group's expectation of the extent of the loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The expected credit loss is determined by projecting the PD, LGD, and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together. This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortizing products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis.
- For revolving products, the exposure at default is predicted by taking current drawn balance and adding a credit conversion factor which allows for the expected drawdown of the remaining limit by the time of default. These assumptions vary by the product type and current limit utilization band, based on analysis of the Group's recent default data.

Forward-looking economic information is also included in determining the 12-month and lifetime.

Forward-looking information incorporated in the ECL models

The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

Economic variable assumptions

The percentage change of most significant period-end assumptions used for the ECL estimate as at 30 June 2022 are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

		2022	2023	2024
GDP at current market prices (%YoY)	Base	7.4%	5.8%	5.0%
	Upside	7.4%	5.9%	5.0%
	Downside	8.8%	6.0%	6.7%
Unemployment Rate	Base	1.5%	1.4%	1.3%
	Upside	1.4%	1.3%	1.2%
	Downside	2.0%	1.7%	1.4%
Inflation	Base	1.8%	1.0%	1.0%
	Upside	1.5%	0.8%	0.8%
	Downside	3.0%	2.0%	1.5%
Automotive sales (%YoY)	Base	5.8%	12.2%	9.6%
	Upside	13.3%	13.4%	9.6%
	Downside	3.8%	4.2%	13.4%

The weightings assigned to each economic scenario at 30 June 2022 were as follows:

	Base	Upside	Downside
Retail	60%	15%	25%
Non-retail	60%	15%	25%

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any regulatory, legislative or political changes, have also been considered, but are not deemed to have a material impact and therefore no adjustment has been made to the ECL for such factors. This is reviewed and monitored for appropriateness on a semi-annually basis.

For the six-month period ended 30 June 2022, the management considered to provision the additional expected credit losses as management overlay due to the Bank cautionary measure after assessing the various conditions and economic uncertainties arising from the COVID-19 situation which could result in asset quality deterioration in the coming periods.

Grouping of instruments for losses measured on a collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

In performing this grouping, there must be sufficient information for the group to be statistically credible. Where sufficient information is not available internally, the Group has considered benchmarking internal/external supplementary data to use for modelling purposes.

5.1.5 Credit risk exposure

5.1.5.1 Maximum exposure to credit risk

The maximum credit risk exposure of the Group in the event of other parties failing to perform their obligation is detailed below. No account taken of any collateral held and the maximum exposure to loss is considered to be the statement of financial position carrying amount or, for non-derivative off-statement of financial position transaction and financial guarantee, their contractual nominal amounts. The exposure to credit risk of the Group equals their carrying amount in the statement of financial position as at reporting date, except for the followings:

	Consolidated	
	30 June 2022	31 December 2021
	Maximum exposure Thousand Baht	Maximum exposure Thousand Baht
Credit risk exposures of on-statement of financial position assets:		
Financial assets measured at fair value through profit or loss	2,402,236	3,580,389
Investments, net	29,835,060	14,834,250
	32,237,296	18,414,639
Credit risk exposure of off-statement of financial position items:		
Financial guarantees	2,400,017	2,439,578
Loan commitments	49,505,420	41,739,870
	51,905,437	44,179,448
	Separate	
	30 June 2022	31 December 2021
	Maximum exposure Thousand Baht	Maximum exposure Thousand Baht
Credit risk exposures of on-statement of financial position assets:		
Financial assets measured at fair value through profit or loss	2,402,236	3,514,536
Investments, net	29,655,400	14,609,700
	32,057,636	18,124,236
Credit risk exposure of off-statement of financial position items:		
Financial guarantees	2,400,017	2,439,578
Loan commitments	50,211,635	42,446,086
	52,611,652	44,885,664

5.1.5.2 Collateral

The Group employs a range of policies and practices to mitigate credit risk. The most common of these is accepting collateral for funds advanced. The Group has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

The Group prepares a valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The main collateral type accepted and given value by the Group are:

- Mortgage over residential;
- Charges over commercial real estate or movable assets financed
- Charges over business assets such as properties, equipment, fixed deposit, debentures, personal guarantees and corporate guarantees; and
- Charges over financial instruments such as marketable securities
- Others

Term loan financing and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured.

The Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group since the prior period.

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

	Consolidated			
	30 June 2022			
	Gross carrying amount	Expected credit losses	Net carrying amount	Fair value of collateral held
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Retail lending				
Auto hire purchase loan	3,311,367	1,680,129	1,631,238	-
Personal loan	87,327	66,461	20,866	200
Micro SME loan	1,532,681	913,636	619,045	1,266,849
Housing loan	514,340	179,786	334,554	459,201
Commercial lending				
Real estate development loan	3,503,956	1,203,427	2,300,529	5,059,042
SME loan	1,960,879	452,523	1,508,356	2,093,846
Corporate lending	130,935	58,921	72,014	5,558
Special Asset Management Loan	1,396,799	156,082	1,240,717	2,790,820
Total credit-impaired assets	12,438,284	4,710,965	7,727,319	11,675,516

	Consolidated			
	31 December 2021			
	Gross carrying amount Thousand Baht	Expected credit losses Thousand Baht	Net carrying amount Thousand Baht	Fair value of collateral held Thousand Baht
Retail lending				
Auto hire purchase loan	3,158,799	1,588,825	1,569,974	-
Personal loan	93,764	70,907	22,857	-
Micro SME loan	1,341,070	808,998	532,072	1,132,164
Housing loan	490,608	171,396	319,212	448,667
Commercial lending				
Real estate development loan	3,202,068	1,127,266	2,074,802	4,479,393
SME loan	1,849,026	442,249	1,406,777	2,031,870
Special Asset Management Loan	1,357,763	152,921	1,204,841	2,817,609
Total credit-impaired assets	11,493,098	4,362,562	7,130,535	10,909,703
	Separate			
	30 June 2022			
	Gross carrying amount Thousand Baht	Expected credit losses Thousand Baht	Net carrying amount Thousand Baht	Fair value of collateral held Thousand Baht
Retail lending				
Auto hire purchase loan	3,311,367	1,680,129	1,631,238	-
Personal loan	87,327	66,461	20,866	200
Micro SME loan	1,532,681	913,636	619,045	1,266,849
Housing loan	514,340	179,786	334,554	459,201
Commercial lending				
Real estate development loan	3,503,956	1,203,427	2,300,529	5,059,042
SME loan	1,960,879	452,523	1,508,356	2,093,846
Corporate lending	130,935	58,921	72,014	5,558
Special Asset Management Loan	821,776	147,164	674,612	952,746
Total credit-impaired assets	11,863,261	4,702,047	7,161,214	9,837,442
	Separate			
	31 December 2021			
	Gross carrying amount Thousand Baht	Expected credit losses Thousand Baht	Net carrying amount Thousand Baht	Fair value of collateral held Thousand Baht
Retail lending				
Auto hire purchase loan	3,158,799	1,588,825	1,569,974	-
Personal loan	93,764	70,907	22,857	-
Micro SME loan	1,341,070	808,998	532,072	1,132,164
Housing loan	490,608	171,396	319,212	448,667
Commercial lending				
Real estate development loan	3,202,068	1,127,266	2,074,802	4,479,393
SME loan	1,849,026	442,249	1,406,777	2,031,870
Special Asset Management Loan	804,930	146,629	658,301	952,746
Total credit-impaired assets	10,940,265	4,356,270	6,583,995	9,044,840

Collateral for financial assets at fair value through profit or loss

	Consolidated		Separate	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Derivatives	2,968,864	1,047,699	2,968,864	1,047,699

The Group mitigates the credit risk of derivatives by entering into master netting agreements and holding collateral in the form of cash.

Credit related commitments

Commitment to extend credit represents unutilised portion of approved credit in the form of loans financing, guarantees or letters of credit. In terms of credit risk, the Group is potentially exposed to loss in an amount equal to the total unutilised commitments. However, the potential amount of loss is less than the total unutilised commitments, as most commitments to extend credit are contingent upon customers maintaining specific minimum credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than short-term commitments.

Total loans to customers - credit quality

All loans to customers are categorised into 'neither past due nor impaired', 'past due but not impaired' and 'impaired'.

Past due loans financing refers to loans, advances and financing that are overdue by one day or more. Loans to customers are classified impaired when they fulfil any of the following criteria:

- the principal or interest both is past due more than 90 days or 3 months from the first day of default;
- where the account is in arrears for less than 90 days or 3 months, there is evidence of impairment to indicate that the borrower customer is 'unlikely to repay' its credit obligations; or
- the loans to customers are classified as rescheduled and restructured

Distribution of loans, advances and financing by credit quality

	Consolidated				
	30 June 2022				
	12-month ECL Thousand Baht	Lifetime ECL not credit-impaired Thousand Baht	Lifetime ECL credit-impaired Thousand Baht	Purchased or originated credit-impaired financial assets Thousand Baht	Total Thousand Baht
Neither past due nor impaired	293,580,347	3,009,354	-	-	296,589,701
Past due but not impaired	19,737,812	17,217,161	-	-	36,954,973
Impaired	-	-	11,550,049	888,235	12,438,284
Gross carrying amount	313,318,159	20,226,515	11,550,049	888,235	345,982,958
Less: Expected credit losses	(8,197,284)	(3,398,471)	(4,682,196)	(28,769)	(16,306,720)
Net carrying amount	305,120,875	16,828,044	6,867,853	859,466	329,676,238

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

Consolidated					
31 December 2021					
	12-month ECL Thousand Baht	Lifetime ECL not credit-impaired Thousand Baht	Lifetime ECL credit-impaired Thousand Baht	Purchased or originated credit-impaired financial assets Thousand Baht	Total Thousand Baht
Neither past due nor impaired	271,708,256	4,019,531	-	-	275,727,787
Past due but not impaired	15,432,764	12,999,257	-	-	28,432,021
Impaired	-	-	10,637,842	855,256	11,493,098
Gross carrying amount	287,141,020	17,018,788	10,637,842	855,256	315,652,906
Less: Expected credit losses	(8,153,465)	(2,857,114)	(4,336,418)	(26,143)	(15,373,140)
Net carrying amount	278,987,555	14,161,674	6,301,424	829,113	300,279,766
Separate					
30 June 2022					
	12-month ECL Thousand Baht	Lifetime ECL not credit-impaired Thousand Baht	Lifetime ECL credit-impaired Thousand Baht	Purchased or originated credit-impaired financial assets Thousand Baht	Total Thousand Baht
Neither past due nor impaired	295,901,223	3,009,354	-	-	298,910,577
Past due but not impaired	19,737,812	17,217,161	-	-	36,954,973
Impaired	-	-	11,550,049	313,212	11,863,261
Gross carrying amount	315,639,035	20,226,515	11,550,049	313,212	347,728,811
Less: Expected credit losses	(8,198,517)	(3,398,471)	(4,682,196)	(19,851)	(16,299,035)
Net carrying amount	307,440,518	16,828,044	6,867,853	293,361	331,429,776
Separate					
31 December 2021					
	12-month ECL Thousand Baht	Lifetime ECL not credit-impaired Thousand Baht	Lifetime ECL credit-impaired Thousand Baht	Purchased or originated credit-impaired financial assets Thousand Baht	Total Thousand Baht
Neither past due nor impaired	274,076,240	4,019,531	-	-	278,095,771
Past due but not impaired	15,432,764	12,999,257	-	-	28,432,021
Impaired	-	-	10,637,842	302,423	10,940,265
Gross carrying amount	289,509,004	17,018,788	10,637,842	302,423	317,468,057
Less: Expected credit losses	(8,155,882)	(2,857,114)	(4,336,418)	(19,851)	(15,369,265)
Net carrying amount	281,353,122	14,161,674	6,301,424	282,572	302,098,792

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

The table below presents credit quality of Interbank asset items, financial assets measured at fair value through profit or loss, investments, and derivatives that neither past due nor impaired, past due but not impaired and impaired, analysed by rating:

Consolidated				
30 June 2022				
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	Thousand Baht	not credit-	credit-impaired	Thousand Baht
		impaired		
		Thousand Baht	Thousand Baht	
Interbank asset items				
Sovereigns	12,712,032	-	-	12,712,032
AAA	10,913,824	-	-	10,913,824
AA- to AA+	8,013,016	-	-	8,013,016
A- to A+	3,540,913	-	-	3,540,913
Lower than A-	19,567,109	-	-	19,567,109
Unrated	500,000	-	-	500,000
Less: Expected credit losses	(12,089)	-	-	(12,089)
	55,234,805	-	-	55,234,805
Financial assets measured at fair value through profit or loss				
Sovereigns	662,811	-	-	662,811
AAA	83,772	-	-	83,772
AA- to AA+	1,046,669	-	-	1,046,669
A- to A+	567,394	-	-	567,394
Lower than A-	-	-	-	-
Unrated	1,107,006	-	-	1,107,006
	3,467,652	-	-	3,467,652
Investment				
Sovereigns	24,021,158	-	-	24,021,158
AAA	501,539	-	-	501,539
AA- to AA+	660,280	-	-	660,280
A- to A+	3,007,359	-	-	3,007,359
Lower than A-	1,399,812	-	-	1,399,812
Unrated	-	-	-	-
	29,590,148	-	-	29,590,148
Derivative assets				
Sovereigns	642,566	-	-	642,566
AAA	838,033	-	-	838,033
AA- to AA+	1,436,120	-	-	1,436,120
A- to A+	2,068,596	-	-	2,068,596
Lower than A-	2,374,721	-	-	2,374,721
Unrated	5,603,492	-	-	5,603,492
	12,963,528	-	-	12,963,528

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

	Consolidated			
	31 December 2021			
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	Thousand Baht	not credit- impaired Thousand Baht	credit-impaired Thousand Baht	Thousand Baht
Interbank asset items				
Sovereigns	11,209,224	-	-	11,209,224
AAA	18,573,204	-	-	18,573,204
AA- to AA+	10,183,155	-	-	10,183,155
A- to A+	3,834,556	-	-	3,834,556
Lower than A-	10,471,300	-	-	10,471,300
Unrated	979,186	-	-	979,186
<u>Less:</u> Expected credit losses	(12,391)	-	-	(12,391)
	55,238,234	-	-	55,238,234
Financial assets measured at fair value through profit or loss				
Sovereigns	831,575	-	-	831,575
AAA	-	-	-	-
AA- to AA+	2,017,361	-	-	2,017,361
A- to A+	653,534	-	-	653,534
Lower than A-	23,226	-	-	23,226
Unrated	65,853	-	-	65,853
	3,591,549	-	-	3,591,549
Investment				
Sovereigns	13,623,993	-	-	13,623,993
AAA	19,714	-	-	19,714
AA- to AA+	35,103	-	-	35,103
A- to A+	140,544	-	-	140,544
Lower than A-	1,250,906	-	-	1,250,906
Unrated	25,714	-	-	25,714
	15,095,974	-	-	15,095,974
Derivative assets				
Sovereigns	153,377	-	-	153,377
AAA	2,440,399	-	-	2,440,399
AA- to AA+	902,895	-	-	902,895
A- to A+	444,229	-	-	444,229
Lower than A-	1,258,049	-	-	1,258,049
Unrated	2,225,470	-	-	2,225,470
	7,424,419	-	-	7,424,419

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

Separate				
30 June 2022				
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	Thousand Baht	not credit-	credit-impaired	Thousand Baht
		impaired	Thousand Baht	
		Thousand Baht		
Interbank asset items				
Sovereigns	12,712,032	-	-	12,712,032
AAA	10,888,788	-	-	10,888,788
AA- to AA+	8,005,335	-	-	8,005,335
A- to A+	6,716,621	-	-	6,716,621
Lower than A-	17,912,883	-	-	17,912,883
Unrated	500,000	-	-	500,000
<u>Less:</u> Expected credit losses	(12,998)	-	-	(12,998)
	56,722,661	-	-	56,722,661
Financial assets measured at fair value through profit or loss				
Sovereigns	662,811	-	-	662,811
AAA	83,772	-	-	83,772
AA- to AA+	1,046,669	-	-	1,046,669
A- to A+	567,394	-	-	567,394
Lower than A-	-	-	-	-
Unrated	-	-	-	-
	2,360,646	-	-	2,360,646
Investment				
Sovereigns	23,841,402	-	-	23,841,402
AAA	501,539	-	-	501,539
AA- to AA+	660,280	-	-	660,280
A- to A+	3,007,359	-	-	3,007,359
Lower than A-	1,399,812	-	-	1,399,812
Unrated	-	-	-	-
	29,410,392	-	-	29,410,392
Derivative assets				
Sovereigns	642,566	-	-	642,566
AAA	838,033	-	-	838,033
AA- to AA+	1,436,120	-	-	1,436,120
A- to A+	2,073,487	-	-	2,073,487
Lower than A-	2,374,721	-	-	2,374,721
Unrated	5,603,492	-	-	5,603,492
	12,968,419	-	-	12,968,419

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

	Separate		
	31 December 2021		
	12-month ECL	Lifetime ECL not credit- impaired	Lifetime ECL credit-impaired
	Thousand Baht	Thousand Baht	Thousand Baht
			Total Thousand Baht
Interbank asset items			
Sovereigns	11,209,224	-	-
AAA	18,557,923	-	-
AA- to AA+	10,154,504	-	-
A- to A+	10,722,383	-	-
Lower than A-	9,129,763	-	-
Unrated	979,186	-	-
<u>Less:</u> Expected credit losses	(15,223)	-	-
	60,737,760	-	-
Financial assets measured at fair value through profit or loss			
Sovereigns	831,575	-	-
AAA	-	-	-
AA- to AA+	2,017,361	-	-
A- to A+	653,534	-	-
Lower than A-	23,226	-	-
Unrated	-	-	-
	3,525,696	-	-
Investment			
Sovereigns	13,399,428	-	-
AAA	19,714	-	-
AA- to AA+	35,103	-	-
A- to A+	140,544	-	-
Lower than A-	1,250,906	-	-
Unrated	25,714	-	-
	14,871,409	-	-
Derivative assets			
Sovereigns	153,377	-	-
AAA	2,440,399	-	-
AA- to AA+	902,895	-	-
A- to A+	453,030	-	-
Lower than A-	1,258,049	-	-
Unrated	2,225,470	-	-
	7,433,220	-	-

Other financial assets - credit quality

Other financial assets of the Group are neither past due nor impaired, past due but not impaired and impaired are summarised as below:

Consolidated				
30 June 2022				
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Thousand Baht	not credit-	credit-impaired	Total
		impaired	Thousand Baht	Thousand Baht
		Thousand Baht		
Accounts receivable from clearing house and broker - dealers	2,466,995	-	-	2,466,995
Securities and derivative business receivables	11,831,295	-	-	11,831,295
Other assets	4,018,084	55,016	58,659	4,131,759
<u>Less:</u> Expected credit losses	(1,859)	(6,877)	(46,290)	(55,026)
	18,314,515	48,139	12,369	18,375,023
Consolidated				
31 December 2021				
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Thousand Baht	not credit-	credit-impaired	Total
		impaired	Thousand Baht	Thousand Baht
		Thousand Baht		
Accounts receivable from clearing house and broker - dealers	979,499	-	-	979,499
Securities and derivative business receivables	10,996,362	-	-	10,996,362
Other assets	2,520,526	41,716	55,672	2,617,914
<u>Less:</u> Expected credit losses	(1,554)	(5,390)	(44,131)	(51,075)
	14,494,833	36,326	11,541	14,542,700
Separate				
30 June 2022				
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Thousand Baht	not credit-	credit-impaired	Total
		impaired	Thousand Baht	Thousand Baht
		Thousand Baht		
Other assets	4,152,017	55,016	58,659	4,265,692
<u>Less:</u> Expected credit losses	(1,859)	(6,877)	(46,290)	(55,026)
	4,150,158	48,139	12,369	4,210,666
Separate				
31 December 2021				
	12-month ECL	Lifetime ECL	Lifetime ECL	
	Thousand Baht	not credit-	credit-impaired	Total
		impaired	Thousand Baht	Thousand Baht
		Thousand Baht		
Other assets	2,577,456	41,716	55,672	2,674,844
<u>Less:</u> Expected credit losses	(1,554)	(5,390)	(44,131)	(51,075)
	2,575,902	36,326	11,541	2,623,769

Loan commitments and financial guarantees below represent the ECL being recognised.

Consolidated				
30 June 2022				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Loans financing commitments and financial guarantees	112,158	657	-	112,815
Consolidated				
31 December 2021				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Loans financing commitments and financial guarantees	113,417	1,042	-	114,459
Separate				
30 June 2022				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Loans financing commitments and financial guarantees	112,330	657	-	112,987
Separate				
31 December 2021				
	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Loans financing commitments and financial guarantees	113,905	1,042	-	114,947

5.2 Market risk

Presently, the Bank performs many transactions in financial market products for both trading and banking books. Five major transaction types are 1) fixed income trading and fixed income derivatives, 2) foreign exchange trading and foreign exchange derivatives, 3) interest rate derivatives, 4) common equity, property fund, infrastructure fund, and Real Estate Investment Trust (REIT) which registered in the Stock Exchange of Thailand (SET) and equity derivatives, and 5) option contract which refers equity price, ETF price or mutual fund performance as underlying asset. Furthermore, the capital market business invests in common equity traded in the SET and foreign stock markets as well as futures contract in Thailand Futures Exchange (TFEX) and equity derivatives.

The trading book market risk management focuses on transactions with interest rate risk and foreign exchange risk. In highly volatile market, these risks arise from internal and external uncontrollable factors and adversely affect trading book. Therefore, the Bank determines acceptable risk limit on interest rate risk and foreign exchange risk for trading book transactions and allows equity transaction to expose zero market risk in equity price.

The banking book market risk management emphasizes on transactions with interest rate risk. The Bank determines acceptable interest rate risk limit and fully hedges foreign exchange risk or hedge to insignificant level. However, the Bank may invest in common equity, property fund, infrastructure fund, and REIT which registered in the SET. This will be a long-term investment which required the related committee approval, on a case-by-case basis.

The Bank has consistently developed comprehensive and systematic market risk management procedures, ranging from identifying, measuring, monitoring and controlling risks resulted from trading and banking book transactions. These processes cover related and significant market risk factors. Meanwhile, the financial market group and treasury department are major units to manage market risk in trading and banking books respectively. The Market Risk Management together with the Liquidity Risk Management and ALM departments identify risk indicator and propose risk limit for an approval from Risk Oversight Committee to assess and monitor market risk. The internationally accepted risk indicator tools such as Value at Risk (VaR), Present Value of a Basis Point (PV01), Net Open Position in Foreign Currency (NOP), and Economic Value of Equity (EVE) are utilized to cover changes in the market. In case of any irregularity or beyond acceptable market risk limit, the Market Risk Management and Liquidity Risk Management and ALM departments will report to relevant units.

The capital market risk management department focuses on the investment in common equity, in the SET and foreign stock markets, private equity, futures contract in TFEX, and equity derivatives. The key market risk factors consist of equity prices, liquidity, foreign exchange rate and equity volatility. The capital market business short-term investment strategy gives rise to minimal risks resulted from risk hedging. On the other hand, the long-term investment in common equity in the country or in the foreign countries by the Direct Investment Department of KKPS is not hedged and directional, hence highly volatile market risk still exists. In the event that the price of invested securities drops, or the exchange rate changes, such events will adversely impact the Group's performance and profitability. Nevertheless, the Group is aware of the risks arising from these investment strategies. The Group has limited investment risk under acceptable level. The Risk Management department of the Capital Market Business is responsible for setting risk limits, for example, maximum loss at a determined confident level and maximum position held which determined by daily volume. In case of any irregularity or beyond acceptable trading book risk limit, the Risk Management department of the Capital Market Business will report to relevant units.

5.2.1 Interest rate risk

The Bank manages interest rate risk in trading book by limiting portfolio's sensitivity to interest rate change, including relevant foreign interest rates, to be in line with the risk appetite.

Interest rate risk management in banking book is to reduce negative impact arising from interest rate volatility. The Bank manages risk of the gap between asset and liability structures, which sensitive to interest rate change, both on statement of financial position, and off-statement of financial position. The Bank specifies to regularly evaluate the impacts on net interest income (Earning perspective), and economic value of equity (Economic value perspective), under supervision of the Assets and Liabilities Management Committee (ALCO). The treasury department is mainly responsible for managing the structure of assets and liabilities to be at an appropriate level, while the risk management group monitors and controls the risk, and reports to the Risk Oversight Committee and the Bank's Board of Directors on a regular basis.

As at 30 June 2022 and 31 December 2021, the loan information classified by fixed and floating rates is summarized as follows;

	Consolidated		Separate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Loans and receivables with fixed interest rate	263,506,825	241,062,764	263,506,825	241,062,764
Loans and receivables with floating interest rate	72,833,944	65,846,986	74,739,946	67,788,372
Total loans and receivables	336,340,769	306,909,750	338,246,771	308,851,136

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

The Group has summarised financial assets and liabilities classified on maturity of interest re-pricing years as at 30 June 2022 and 31 December 2021 as follows;

	Consolidated						
	30 June 2022						
	0 - 3 months Thousand Baht	Over 3 - 12 months Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Non- performing loans Thousand Baht	Non- interest bearing Thousand Baht	Total Thousand Baht
Financial assets							
Interbank and money market items	36,840,200	10,331,156	-	-	-	8,045,583	55,216,939
Financial assets measured at fair value through profit or loss	1,509,832	3,215,027	465,303	124,270	-	23,083,494	28,397,926
Derivatives assets	1,477,728	1,008,516	-	-	-	10,631,516	13,117,760
Investments in securities, net	10,972,448	4,518,641	11,870,183	2,228,876	-	1,555,468	31,145,616
Loans	151,892,182	43,046,058	116,773,703	11,963,580	2,481,747	10,183,499	336,340,769
Account receivables from clearing house and broker - dealers	-	-	-	-	-	2,466,995	2,466,995
Securities and derivative business receivables	-	-	-	-	-	11,831,295	11,831,295
Financial liabilities							
Deposits	238,276,699	61,686,113	20,023,935	-	-	954,163	320,940,910
Interbank and money market items	7,503,877	3,576,638	2,533,495	-	-	871,504	14,485,514
Liabilities payables on demand	-	-	-	-	-	927,349	927,349
Financial liabilities designated at fair value through profit or loss	-	3,071,440	-	-	-	-	3,071,440
Derivatives liabilities	3,514,534	1,017,896	-	-	-	10,809,585	15,342,015
Debt issued and borrowings	17,918,500	21,622,991	12,027,864	8,392,000	-	-	59,961,355
Lease liabilities	275	16,595	142,393	74,365	-	-	233,628
Payable to clearing house house and broker - dealers	-	-	-	-	-	346,738	346,738
Securities and derivative business payables	-	-	-	-	-	12,015,070	12,015,070
	Consolidated						
	31 December 2021						
	0 - 3 months Thousand Baht	Over 3 - 12 months Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Non- performing loans Thousand Baht	Non- interest bearing Thousand Baht	Total Thousand Baht
Financial assets							
Interbank and money market items	40,887,913	10,002,621	-	-	-	4,348,051	55,238,585
Financial assets measured at fair value through profit or loss	1,499,705	-	1,176,738	915,106	-	18,773,275	22,364,824
Derivatives assets	1,085,354	616,311	-	-	-	5,779,844	7,481,509
Investments in securities, net	107,162	2,182,996	9,517,634	3,288,182	-	1,744,239	16,840,213
Loans	104,030,123	48,815,052	129,833,761	12,193,110	2,605,209	9,432,495	306,909,750
Account receivables from clearing house and broker - dealers	-	-	-	-	-	979,499	979,499
Securities and derivative business receivables	-	-	-	-	-	10,996,362	10,996,362
Financial liabilities							
Deposits	198,773,779	73,136,150	15,747,951	-	-	724,066	288,381,946
Interbank and money market items	11,157,467	1,953,684	2,764,108	-	-	789,070	16,664,329
Liabilities payables on demand	-	-	-	-	-	668,531	668,531
Financial liabilities designated at fair value through profit or loss	-	1,699,750	-	-	-	-	1,699,750
Derivatives liabilities	2,502,970	549,834	-	-	-	5,983,522	9,036,326
Debt issued and borrowings	16,095,817	14,317,090	5,000,000	8,392,000	-	-	43,804,907
Lease liabilities	1,568	10,254	152,283	75,897	-	-	240,002
Payable to clearing house house and broker - dealers	-	-	-	-	-	1,661,003	1,661,003
Securities and derivative business payables	-	-	-	-	-	8,898,093	8,898,093

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

	Separate						
	30 June 2022						
	0 - 3 months Thousand Baht	Over 3 - 12 months Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Non- performing loans Thousand Baht	Non-interest bearing Thousand Baht	Total Thousand Baht
Financial assets							
Interbank and money market items	39,786,471	10,331,156	-	-	-	6,585,194	56,702,821
Financial assets measured at fair value through profit or loss	1,509,832	3,215,027	465,303	124,270	-	2,831,627	8,146,059
Derivatives assets	1,477,728	1,008,516	-	-	-	10,482,175	12,968,419
Investments in securities, net	10,872,491	4,438,842	11,870,183	2,228,876	-	247,006	29,657,398
Loans	151,892,182	45,369,593	116,773,703	11,963,580	2,064,214	10,183,499	338,246,771
Financial liabilities							
Deposits	238,823,594	61,686,113	20,023,935	-	-	954,163	321,487,805
Interbank and money market items	9,134,413	1,576,638	2,533,495	-	-	871,504	14,116,050
Liabilities payables on demand	-	-	-	-	-	927,349	927,349
Derivatives liabilities	1,996,052	1,017,896	-	-	-	10,792,770	13,806,718
Debt issued and borrowings	18,523,500	13,138,630	12,027,864	8,392,000	-	-	52,081,994
Lease liabilities	275	16,509	142,235	793,841	-	-	952,860

	Separate						
	31 December 2021						
	0 - 3 months Thousand Baht	Over 3 - 12 months Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Non- performing loans Thousand Baht	Non-interest bearing Thousand Baht	Total Thousand Baht
Financial assets							
Interbank and money market items	47,075,371	10,002,621	-	-	-	3,662,982	60,740,974
Financial assets measured at fair value through profit or loss	1,499,705	-	1,110,885	915,106	-	3,843,590	7,369,286
Derivatives assets	1,085,354	616,311	-	-	-	5,731,555	7,433,220
Investments in securities, net	57,179	2,008,414	9,517,634	3,288,182	-	245,176	15,116,585
Loans	104,030,123	51,186,587	129,833,761	12,193,110	2,175,060	9,432,495	308,851,136
Financial liabilities							
Deposits	199,295,803	73,136,150	15,747,951	-	-	724,066	288,903,970
Interbank and money market items	11,260,906	1,853,684	2,764,108	-	-	789,070	16,667,768
Liabilities payables on demand	-	-	-	-	-	668,531	668,531
Derivatives liabilities	1,663,936	549,834	-	-	-	5,949,427	8,163,197
Debt issued and borrowings	17,395,817	12,963,016	5,000,000	8,392,000	-	-	43,750,833
Lease liabilities	1,568	10,040	152,052	684,919	-	-	848,579

The average balances of significant performing financial assets and financial liabilities, including the average interest are summarised as follows;

Consolidated		
For the six-month period ended 30 June 2022		
	Average outstanding balances Thousand Baht	Average interest Thousand Baht
Significant performing financial assets		
Interbank and money market items, net	55,276,018	219,040
Investments in securities	48,609,564	167,085
Loans	325,762,386	10,424,578
	429,647,968	10,810,703
Significant financial liabilities		
Deposits	302,963,060	1,306,617
Interbank and money market items, net	19,979,705	63,515
Debt issued and borrowings	50,950,397	255,698
	373,893,162	1,625,830

Consolidated			
For the six-month period ended 30 June 2021			
	Average outstanding balances Thousand Baht	Interest Thousand Baht	Average rate %
Significant performing financial assets			
Interbank and money market items, net	35,587,941	130,697	0.73
Investments in securities	37,614,916	186,263	0.99
Loans	274,167,993	9,237,929	6.74
	347,370,850	9,554,889	5.50
Significant financial liabilities			
Deposits	251,179,791	1,268,861	1.01
Interbank and money market items, net	17,231,105	49,216	0.57
Debt issued and borrowings	33,113,207	273,444	1.65
	301,524,103	1,591,521	1.06
Separate			
For the six-month period ended 30 June 2022			
	Average outstanding balances Thousand Baht	Interest Thousand Baht	Average rate %
Significant performing financial assets			
Interbank and money market items, net	57,711,527	245,449	0.85
Investments in securities	30,385,242	149,268	0.98
Loans	327,683,104	10,378,223	6.33
	415,779,873	10,772,940	5.18
Significant financial liabilities			
Deposits	303,530,076	1,306,781	0.86
Interbank and money market items, net	19,634,903	60,196	0.61
Debt issued and borrowings	45,544,838	235,543	1.03
	368,709,817	1,602,520	0.87
Separate			
For the six-month period ended 30 June 2021			
	Average outstanding balances Thousand Baht	Interest Thousand Baht	Average rate %
Significant performing financial assets			
Interbank and money market items, net	34,473,556	126,948	0.74
Investments in securities	26,326,153	173,439	1.32
Loans	277,858,743	9,119,712	6.56
	338,658,452	9,420,099	5.56
Significant financial liabilities			
Deposits	251,776,302	1,268,944	1.01
Interbank and money market items, net	17,198,699	48,400	0.56
Debt issued and borrowings	31,979,812	270,986	1.69
	300,954,813	1,588,330	1.06

Interest/profit rate sensitivity

The table below shows the interest/profit sensitivity for the financial assets and financial liabilities held as at reporting date.

	Consolidated			
	30 June 2022		30 June 2021	
	+ 1 basis point	- 1 basis point	+ 1 basis point	- 1 basis point
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Impact on profit after taxation	26,166	(26,166)	19,774	(19,774)
Impact on equity	21,277	(21,277)	14,211	(14,211)
	Separate			
	30 June 2022		30 June 2021	
	+ 1 basis point	- 1 basis point	+ 1 basis point	- 1 basis point
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Impact on profit after taxation	26,166	(26,166)	19,795	(19,795)
Impact on equity	21,277	(21,277)	14,232	(14,232)

5.2.2 Foreign exchange rate risk

Foreign exchange rate risk refers to the loss affecting income and/or equity from exchange rate fluctuations that affect foreign currency transactions and foreign currency assets and liabilities.

The Bank sets and controls the risk of trading intent transactions that exposed to foreign exchange rate risk to be within an acceptable level. The transactions include foreign currency bonds, FX spot, FX derivatives, and cross currency swap. For other assets and liabilities, the Bank regularly hedges against the foreign exchange rate risk by using forward and swap contracts. Therefore, the Bank's overall foreign exchange rate risk is relatively low.

The subsidiaries have strategies, which invest abroad and do not intent to expose to foreign exchange rate risk. As such, the subsidiaries also use forward and swap contracts to hedge the risk. However, the foreign exchange rate risk may remain for some investment strategies, since the amount of these investment strategies is considered as very small or the investments are exposed to foreign exchange rate risk in low liquidity currencies. In some cases, the subsidiaries will hedge the risk by taking an opposite position in another currency which is positively correlated with the target currency (i.e., cross hedging).

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

The balances of financial assets and liabilities denominated in foreign currencies other than the functional currency as at 30 June 2022 and 31 December 2021 are summarised as follows;

	Consolidated						
	30 June 2022						
	US Dollar Thousand Baht	Hong Kong Dollar Thousand Baht	Yen Thousand Baht	Yuan Thousand Baht	Vietnamese Dong Thousand Baht	Others Thousand Baht	Total Thousand Baht
Financial assets							
Interbank and money market items, net	6,602,927	2,935	15,580	1,936	7,034	345,337	6,975,749
Investments in securities, net	-	-	-	-	232,566	339,590	572,156
Loans to customers and accrued interest receivables	9,180,890	-	-	-	-	-	9,180,890
Account receivables from clearing house and broker - dealers	101,386	91,651	-	29	-	(14)	193,052
Securities and derivative business Receivables	302,535	3,846	-	-	-	-	306,381
Total financial assets	16,187,738	98,432	15,580	1,965	239,600	684,913	17,228,228
Financial liabilities							
Deposits	1,536,228	981	-	-	-	109,928	1,647,137
Interbank and money market items, net	3,883,034	-	-	-	-	-	3,883,034
Debt issued and borrowings	-	-	-	-	-	20,190,106	20,190,106
Lease liabilities	-	-	-	-	-	-	-
Account payable to clearing house and broker - dealers	275,794	3,046	-	-	-	-	278,840
Securities and derivative business Payables	81,546	83,157	-	-	-	-	164,703
Total financial liabilities	5,776,602	87,184	-	-	-	20,300,034	26,163,820
Foreign currency position of items recognised on the statements of financial position, net	10,411,136	11,248	15,580	1,965	239,600	(19,615,121)	(8,935,592)
Foreign currency position of items in the statements of financial position, net (Forward exchange contracts and cross currency swaps)	(9,826,814)	24,218	(10,114)	-	-	20,142,029	10,329,319

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

	Separate				
	30 June 2022				
	US Dollar Thousand Baht	Yen Thousand Baht	Yuan Thousand Baht	Others Thousand Baht	Total Thousand Baht
Financial assets					
Interbank and money market items, net	6,595,168	15,580	1,936	347,946	6,960,630
Loans to customers and accrued interest receivables	9,180,890	-	-	-	9,180,890
Total financial assets	15,776,058	15,580	1,936	347,946	16,141,520
Financial liabilities					
Deposits	1,536,228	-	-	110,909	1,647,137
Interbank and money market items, net	3,883,034	-	-	-	3,883,034
Debt issued and borrowings	-	-	-	20,190,106	20,190,106
Total financial liabilities	5,419,262	-	-	20,301,015	25,720,277
Foreign currency position of items recognised on the statements of financial position, net	10,356,796	15,580	1,936	(19,953,069)	(9,578,757)
Foreign currency position of items in the statements of financial position, net (Forward exchange contracts and cross currency swaps)	(9,826,814)	(10,114)	-	20,166,247	10,329,319
	Separate				
	31 December 2021				
	US Dollar Thousand Baht	Yen Thousand Baht	Yuan Thousand Baht	Others Thousand Baht	Total Thousand Baht
Financial assets					
Interbank and money market items, net	3,850,349	25,134	13,352	187,759	4,076,594
Loans to customers and accrued interest receivables	9,314,554	-	-	-	9,314,554
Total financial assets	13,164,903	25,134	13,352	187,759	13,391,148
Financial liabilities					
Deposits	683,573	-	-	5,025	688,598
Interbank and money market items, net	3,676,525	-	-	-	3,676,525
Lease liabilities	-	-	-	15,006,341	15,006,341
Total financial liabilities	4,360,098	-	-	15,011,366	19,371,464
Foreign currency position of items recognised on the statements of financial position, net	8,804,805	25,134	13,352	(14,823,607)	(5,980,316)
Foreign currency position of items in the statements of financial position, net (Forward exchange contracts and cross currency swaps)	(10,130,305)	(26,068)	(12,363)	14,923,196	4,754,460

Foreign exchange risk sensitivity analysis

The following table sets out the analysis of the exposure to assess the impact of a 1% change in exchange rate to the profit after taxation and share's holder equity.

	Consolidated	
	30 June 2022	30 June 2021
	Thousand Baht	Thousand Baht
+ 1%		
US Dollar	(40,957)	53,833
Hong Kong Dollar	335	84
Yen	(102)	(3)
Dong	2,396	20,780
Others	204,793	8,224
	166,465	82,918
- 1%		
US Dollar	40,957	(53,833)
Hong Kong Dollar	(335)	(84)
Yen	102	3
Dong	(2,396)	(20,780)
Others	(204,793)	(8,224)
	(166,465)	(82,918)

	Separate	
	30 June 2022	30 June 2021
	Thousand Baht	Thousand Baht
+ 1%		
US Dollar	(39,727)	68,600
Hong Kong Dollar	242	-
Yen	(102)	(3)
Others	201,394	44
	161,807	68,641
- 1%		
US Dollar	39,727	(68,600)
Hong Kong Dollar	(242)	-
Yen	102	3
Others	(201,394)	(44)
	(161,807)	(68,641)

5.2.3 Equity price risk

Equity price risk refers to the loss affecting income and/or equity from a movement in equity price.

The Bank assesses the potential of securities issuer companies and has a policy to buy/sell equity securities mainly for medium-term and long-term investments. For trading book, the bank can invest in equity securities and/or equity derivative. In managing equity position risk, which is held, according to initial intention, as long-term, the Bank monitors and regularly reports the equity price risk.

The majority of Bank's equity position is in the subsidiaries, and unit trusts, which manage the Bank's assets. The remaining portion consists of equities listed in The Stock Exchange of Thailand, and those obtained from debt restructuring.

The equity position in the banking book of the capital market business is managed by the direct investment department of KKPS, which focuses on a long-term investment based on the business intrinsic value by employing value-based investment approach. In a search for investment opportunities, the direct investment department performs in-depth analysis, and covers essential aspects related to sustainable growth of the business opportunity, such as, attractiveness, industry's trend, business model, sustainable competitiveness, talent and transparency of executives, including the structure that encourages good governance. However, every transaction of the direct investment department must be approved from the Investment Committee (IC) before investing and be controlled and monitored transactions under the framework which approved by the risk management department.

Equity price risk sensitivity analysis

The table below summarizes the impact of increases/decreases of these equity indices on the group's equity and post-tax profit for the period. The analysis is based on the assumption that the equity prices had increased by 1% respectively or decreased by 1% with all other variables held constant.

	Consolidated			
	30 June 2022		30 June 2021	
	equity prices increase by 1% Thousand Baht	equity prices decreased by 1% Thousand Baht	equity prices increase by 1% Thousand Baht	equity prices decreased by 1% Thousand Baht
Impact on profit after taxation	7,129	(5,560)	17,148	(15,877)
Impact on equity	11,730	(10,161)	42,781	(41,510)

5.3 Liquidity risk

Liquidity risk is the risk of the Bank not being able to fulfill its obligation of repayment as it is unable to promptly convert its assets into cash, unable to raise sufficient funds in time or able to at a high cost which may affect the Bank's income and capital.

The Bank has established the Money Desk Sub-Committee to analyze and track cash inflows and outflows as well as closely monitor the Bank's liquidity to comply with the Bank's risk limits. The committee will regularly convene at least once every two weeks under the supervision of the Asset and Liability Management Committee (ALCO). The treasury department plays a key role in the implementation of the Bank's liquidity management to maintain an appropriate level of liquidity. Additionally, the risk management department monitors and controls the position of liquidity risk and regularly reports to the Risk Oversight Committee (ROC) and the Board of Directors.

The Bank also sets liquidity risk management policy and procedure in accordance with the Bank's strategy and the BOT's financial institution liquidity management framework. The main policies are as follows;

- Maintenance of liquidity ratio under both Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) regulated by BOT and at an appropriate level
- Control of liabilities and assets maturity mismatch at an acceptable level
- Diversification of liability types
- Expansion of deposit base while considering customer concentration in each type of deposit and maturity
- Provision of contingent liquidity reserves

Significant assets and liabilities of the Group analyzed by relevant maturity groupings are as follows;

	Consolidated					
	30 June 2022					
	On demand Thousand Baht	Within 1 year Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	No maturity Thousand Baht	Total Thousand Baht
Financial assets						
Cash	-	-	-	-	1,105,535	1,105,535
Interbank and money market items	8,390,595	-	46,875,044	-	5,835	55,271,474
Financial assets measured at fair value through profit or loss	-	28,397,926	-	-	-	28,397,926
Derivatives assets	-	11,327,617	1,212,185	577,958	-	13,117,760
Investments in securities, net	-	15,491,089	11,870,183	2,228,876	1,555,468	31,145,616
Hire-purchase receivables	24,011	2,440,976	83,179,963	86,377,808	-	172,022,758
Finance lease receivables	67,875	41,294	379,065	-	-	488,234
Loans and receivables	12,065,419	26,526,052	49,205,106	76,033,200	-	163,829,777
Accounts receivable from clearing house and broker - dealers	-	2,466,995	-	-	-	2,466,995
Securities and derivative business receivables	-	11,831,295	-	-	-	11,831,295
Total financial assets	20,547,900	98,523,244	192,721,546	165,217,842	2,666,838	479,677,370
Financial liabilities						
Deposits	195,312,268	105,526,732	20,101,910	-	-	320,940,910
Interbank and money market items	953,308	7,624,403	3,959,707	1,948,096	-	14,485,514
Liabilities payable on demand	927,349	-	-	-	-	927,349
Financial liabilities designated at fair value through profit or loss	-	3,071,440	-	-	-	3,071,440
Derivatives liabilities	-	13,385,481	1,328,251	628,283	-	15,342,015
Debt issued and borrowings	-	39,549,093	12,020,262	8,392,000	-	59,961,355
Lease liabilities	-	16,870	142,393	74,365	-	233,628
Accounts payable to clearing house and broker - dealers	-	346,738	-	-	-	346,738
Securities and derivative business payables	-	12,015,070	-	-	-	12,015,070
Total financial liabilities	197,192,925	181,535,827	37,552,523	11,042,744	-	427,324,019

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

Consolidated						
31 December 2021						
	On demand Thousand Baht	Within 1 year Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	No maturity Thousand Baht	Total Thousand Baht
Financial assets						
Cash	-	-	-	-	1,242,065	1,242,065
Interbank and money market items	7,094,789	-	48,168,563	-	5,835	55,269,187
Financial assets measured at fair value through profit or loss	-	22,298,971	65,853	-	-	22,364,824
Derivatives assets	-	6,416,657	625,812	439,040	-	7,481,509
Investments in securities, net	-	2,290,158	9,517,634	3,288,183	1,744,238	16,840,213
Hire-purchase receivables	24,166	2,449,855	79,717,742	73,869,863	-	156,061,626
Finance lease receivables	67,167	65,921	329,837	-	-	462,925
Loans and receivables	11,830,268	21,564,309	49,450,845	67,109,628	430,149	150,385,199
Accounts receivable from clearing house and broker - dealers	-	979,499	-	-	-	979,499
Securities and derivative business receivables	-	10,996,362	-	-	-	10,996,362
Total financial assets	19,016,390	67,061,732	187,876,286	144,706,714	3,422,287	422,083,409
Financial liabilities						
Deposits	170,317,727	102,316,268	15,747,951	-	-	288,381,946
Interbank and money market items	2,691,907	7,980,020	3,283,134	2,709,268	-	16,664,329
Liabilities payable on demand	668,531	-	-	-	-	668,531
Financial liabilities designated at fair value through profit or loss	-	1,699,750	-	-	-	1,699,750
Derivatives liabilities	-	8,008,539	631,498	396,289	-	9,036,326
Debt issued and borrowings	-	30,412,907	5,000,000	8,392,000	-	43,804,907
Lease liabilities	-	11,822	152,283	75,897	-	240,002
Accounts payable to clearing house and broker - dealers	-	1,661,003	-	-	-	1,661,003
Securities and derivative business payables	-	8,898,093	-	-	-	8,898,093
Total financial liabilities	173,678,165	160,988,402	24,814,866	11,573,454	-	371,054,887
Separate						
30 June 2022						
	On demand Thousand Baht	Within 1 year Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	No maturity Thousand Baht	Total Thousand Baht
Financial assets						
Cash	-	-	-	-	1,105,339	1,105,339
Interbank and money market items	9,885,194	-	46,875,044	-	-	56,760,238
Financial assets measured at fair value through profit or loss	-	8,146,059	-	-	-	8,146,059
Derivatives assets	-	11,178,276	1,212,185	577,958	-	12,968,419
Investments in securities, net	-	15,311,333	11,870,183	2,228,876	247,006	29,657,398
Hire-purchase receivables	24,011	2,440,976	83,179,963	86,377,808	-	172,022,758
Finance lease receivables	67,875	41,294	379,065	-	-	488,234
Loans and receivables	12,065,419	28,849,587	49,205,106	75,615,667	-	165,735,779
Total financial assets	22,042,499	65,967,525	192,721,546	164,800,309	1,352,345	446,884,224
Financial liabilities						
Deposits	195,859,163	105,526,732	20,101,910	-	-	321,487,805
Interbank and money market items	2,521,979	5,686,268	3,959,707	1,948,096	-	14,116,050
Liabilities payable on demand	927,349	-	-	-	-	927,349
Derivatives liabilities	-	11,850,184	1,328,251	628,283	-	13,806,718
Debt issued and borrowings	-	31,669,732	12,020,262	8,392,000	-	52,081,994
Lease liabilities	-	16,784	142,235	793,841	-	952,860
Total financial liabilities	199,308,491	154,749,700	37,552,365	11,762,220	-	403,372,776
Separate						
31 December 2021						
	On demand Thousand Baht	Within 1 year Thousand Baht	Over 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	No maturity Thousand Baht	Total Thousand Baht
Financial assets						
Cash	-	-	-	-	1,241,867	1,241,867
Interbank and money market items	12,602,983	-	48,168,563	-	-	60,771,546
Financial assets measured at fair value through profit or loss	-	7,369,286	-	-	-	7,369,286
Derivatives assets	-	6,368,368	625,812	439,040	-	7,433,220
Investments in securities, net	-	2,065,593	9,517,634	3,288,183	245,175	15,116,585
Hire-purchase receivables	24,166	2,449,855	79,717,742	73,869,863	-	156,061,626
Finance lease receivables	67,167	65,921	329,837	-	-	462,925
Loans and receivables	11,830,268	23,935,844	49,450,845	67,109,628	-	152,326,585
Total financial assets	24,524,584	42,254,867	187,810,433	144,706,714	1,487,042	400,783,640
Financial liabilities						
Deposits	170,839,751	102,316,268	15,747,951	-	-	288,903,970
Interbank and money market items	2,733,481	7,941,885	3,283,134	2,709,268	-	16,667,768
Liabilities payable on demand	668,531	-	-	-	-	668,531
Derivatives liabilities	-	7,135,410	631,498	396,289	-	8,163,197
Debt issued and borrowings	-	30,358,833	5,000,000	8,392,000	-	43,750,833
Lease liabilities	-	11,609	152,052	684,918	-	848,579
Total financial liabilities	174,241,763	147,764,005	24,814,635	12,182,475	-	359,002,878

5.4 Fair value

The methodology of fair value measurement is depended on the characteristics of the financial instrument. For those financial instruments which are regarded as being traded in an active market, fair value is determined by reference to the market price of the financial instrument. If, however the appropriate quoted market price cannot be determined, the fair value is determined by using an appropriate valuation technique and complied with related authorities' regulations.

The Group holds derivatives for trading intent, and servicing customers, including for a purpose of managing the Bank and subsidiaries' assets and liabilities. This includes interest rate swaps, cross currency swaps, FX derivatives, and equity derivatives.

Additionally, the Group does not control only the market risk of the derivatives to be within an acceptable level, but also the counterparty credit risks by setting-up and controlling transaction limits based on the normal lending procedures.

6 Estimates and assumptions

Preparation of the interim financial statements in conformity with the Thai Financial Reporting Standards requires management to make estimates and assumptions in certain circumstances, affecting reported amounts of revenue, expenses, assets and liabilities, the disclosure of contingent assets and liabilities. Actual results could differ from these estimates. The significant areas requiring management to make judgments and estimates that affect reported amounts and disclosures are as follows;

6.1 Measurement allowance of expected credit loss

Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument. A cash shortfall is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive discounted at the original effective interest rate for the financial assets that are not purchased or originated credit-impaired financial assets or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets. The Group estimates cash flows by considering all contractual terms of the financial assets through the expected life of that financial assets.

The cash flows that are considered shall include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. There is a presumption that the expected life of a financial assets can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the expected life of a financial assets, the Group uses the remaining contractual term of the financial assets.

For loan commitments, a credit loss is the present value of the difference between the contractual cash flows that are due to the entity if the holder of the loan commitment draws down the loan and the cash flows that the entity expects to receive if the loan is drawn down. The Group's estimate of expected credit losses on loan commitments shall be consistent with its expectations of drawdowns on that loan commitment and the expected portion of the loan commitment that will be drawn down over the expected life of the loan commitment when estimating lifetime expected credit losses.

For a financial guarantee contract, the entity is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, cash shortfalls are the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the entity expects to receive from the holder, the debtor or any other party. If the asset is fully guaranteed, the estimation of cash shortfalls for a financial guarantee contract would be consistent with the estimations of cash shortfalls for the asset subject to the guarantee.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

6.2 Valuation of investments in properties

Fair value of investments in properties is calculated from the appraisal value, appraised by an internal appraiser. The fair value of investment properties is based on Market Approach by surveying the comparative market data in the vicinity to perform a comparative analysis by means of data modification (Grid-Adjustment).

6.3 Valuation of properties foreclosed

Fair value of properties foreclosed-immovable assets is calculated from the appraisal value, appraised by an external independent valuer or internal valuer of the Bank every year, less estimated selling expenses, and the appraisal value is discounted according to the holding period.

The Bank calculates allowance for impairment of repossessed vehicles and movable foreclosed assets in accordance with the BOT's Notification.

6.4 Goodwill

Goodwill is tested for impairment using a fair value method of present value of dividend discount model on an annual basis.

6.5 Fair value of financial derivative instruments

In determining the fair value of financial derivative instruments, the management has made judgement by using a variant of acceptable valuation techniques. The input parameter to the models used is taken from observable market, and includes consideration of maturity, interest rate, correlation and volatility, etc. The counterparty risk from derivative transactions is taken into account when reporting the fair value of derivative positions.

6.6 Provision for post-retirement benefits and pension fund

The present value of the retirement benefit obligations depends on a number of assumptions. The Key assumptions used and impacts from possible changes in key assumptions are disclosed in note 26.

6.7 Lease contracts

Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Most extension options on offices have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term etc.

7 Interbank and money market items, net (assets)

	Consolidated		Separate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Domestic				
The Bank of Thailand and FIDF	15,465,875	12,957,619	15,465,875	12,957,619
Commercial Banks	24,526,878	24,108,305	22,827,514	22,739,485
Special purpose financial institutions	6,501,254	11,951,254	6,501,254	11,951,254
Other financial institutions	2,100,000	2,140,000	5,300,000	9,040,000
Total	48,594,007	51,157,178	50,094,643	56,688,358
<u>Add</u> Accrued interest receivables and undue interest receivable	21,705	19,978	24,588	19,947
<u>Less</u> Expected credit losses	(1,430)	(2,849)	(2,339)	(5,681)
Total domestic items	48,614,282	51,174,307	50,116,892	56,702,624
Foreign				
US Dollar	6,252,046	3,867,471	6,244,651	3,839,725
Euro	92,389	71,616	92,063	70,577
Other currencies	278,497	142,320	271,464	142,314
Total	6,622,932	4,081,407	6,608,178	4,052,616
<u>Add</u> Accrued interest receivables and undue interest receivable	8,250	(7,938)	8,250	(7,938)
<u>Less</u> Expected credit losses	(10,659)	(9,542)	(10,659)	(9,542)
Total foreign items	6,620,523	4,063,927	6,605,769	4,035,136
Total	55,234,805	55,238,234	56,722,661	60,737,760

8 Derivatives

8.1 Derivatives for trading

Derivatives for trading as at 30 June 2022 and 31 December 2021 are as follows;

Type of risk	Consolidated					
	30 June 2022			31 December 2021		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Exchange rate	11,774,308	12,473,966	662,367,067	6,532,680	6,789,828	528,318,831
Interest rate	1,177,549	834,198	161,770,634	872,560	813,925	185,662,052
Equity price	165,903	2,033,851	15,263,036	76,269	1,432,573	9,931,632
Debt securities	-	-	3,179,247	-	-	503,166
Total	13,117,760	15,342,015	842,579,984	7,481,509	9,036,326	724,415,681

Type of risk	Separate					
	30 June 2022			31 December 2021		
	Fair value		Notional amount	Fair value		Notional amount
	Assets	Liabilities		Assets	Liabilities	
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Exchange rate	11,777,625	12,473,965	662,539,882	6,541,482	6,789,828	528,711,147
Interest rate	1,177,549	834,198	161,770,634	872,560	813,925	185,662,052
Equity price	13,245	498,555	5,464,900	19,178	559,444	3,318,750
Debt securities	-	-	3,179,247	-	-	503,166
Total	12,968,419	13,806,718	832,954,663	7,433,220	8,163,197	718,195,115

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

As at 30 June 2022 and 31 December 2021, the proportion, determined based on the notional amount, of derivatives for trading transactions divided by type of counterparty are as follows;

	Consolidated	
	30 June 2022	31 December 2021
	%	%
Financial institutions	77.95	72.72
Third parties	22.05	27.78
Total	100.00	100.00
	Separate	
	30 June 2022	31 December 2021
	%	%
Financial institutions	78.85	73.34
Third parties	21.07	26.54
Subsidiaries	0.08	0.12
Total	100.00	100.00

9 Financial assets measured at fair value through profit or loss

	Consolidated	
	Fair value	Fair value
	30 June 2022	31 December 2021
	Thousand	Thousand
	Baht	Baht
Government and state enterprise securities	662,811	831,575
Private sector's debt securities	2,804,841	2,759,974
Foreign debt securities	-	143,501
Domestic marketable equity securities	24,930,274	18,623,852
Foreign marketable equity securities	-	5,922
Total	28,397,926	22,364,824
	Separate	
	Fair value	Fair value
	30 June 2022	31 December 2021
	Thousand	Thousand
	Baht	Baht
Government and state enterprise securities	662,811	831,575
Private sector's debt securities	1,697,835	2,694,121
Domestic marketable equity securities	5,785,413	3,843,590
Total	8,146,059	7,369,286

10 Investments, net

10.1 Classification of investments

	Consolidated	
	Amortised cost	Amortised cost
	30 June 2022	31 December 2021
	Thousand	Thousand
	Baht	Baht
Investments in debt instruments measured at amortised cost		
Government and state enterprise securities	179,756	224,566
Total	179,756	224,566
Less Allowance for expected credit losses	-	-
Total	179,756	224,566
	Consolidated	
	Fair value	Fair value
	30 June 2022	31 December 2021
	Thousand	Thousand
	Baht	Baht
Investments in debt instruments measured at fair value through other comprehensive income		
Government and state enterprise securities	24,342,941	14,399,949
Private sector's debt securities	5,067,451	471,460
Total	29,410,392	14,871,409
Allowance for expected credit losses	(5,327)	(1,187)

	Consolidated			
	30 June 2022		31 December 2021	
	Fair value	Dividend	Fair value	Dividend
	Thousand	Income	Thousand	Income
	Baht	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht
Investments in equity instruments designated at fair value through other comprehensive income				
Domestic marketable equity securities	277,524	5,060	346,555	10,393
Foreign marketable equity securities	306,247	11,582	431,456	33,150
Domestic non-marketable equity security	705,788	-	700,318	-
Foreign non-marketable equity security	265,909	-	265,909	-
Total	1,555,468	16,642	1,744,238	43,543
Total investment, net	31,145,616	16,642	16,840,213	43,543

	Separate	
	Amortised cost	Amortised cost
	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht
Investments in debt instruments measured at amortised cost		
Government and state enterprise securities	-	-
Total	-	-
<u>Less</u> Allowance for expected credit losses	-	-
Total	-	-

	Separate	
	Fair value	Fair value
	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht
Investments in debt instruments measured at fair value through other comprehensive income		
Government and state enterprise securities	24,342,941	14,399,949
Private sector's debt securities	5,067,451	471,460
Total	29,410,392	14,871,409
Allowance for expected credit losses	(5,327)	(1,187)

	Separate			
	30 June 2022		31 December 2021	
	Fair value	Dividend	Fair value	Dividend
	Thousand Baht	Income	Thousand Baht	Income
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Investments in equity instruments designated at fair value through other comprehensive income				
Domestic marketable equity securities	10,461	-	14,101	-
Domestic non-marketable equity security	236,545	-	231,075	-
Total	247,006	-	245,176	-
Total investment, net	29,657,398	-	15,116,585	-

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

During the six-month period ended 30 June 2022 and 2021, the Group has derecognised investments in equity instruments designated at fair value through other comprehensive income as following detail:

Consolidated				
30 June 2022				
	Fair value at the date of the derecognition Thousand Baht	Dividends received Thousand Baht	Retained earnings or losses due to the derecognition Thousand Baht	Explanation for the derecognition
Investments that are derecognised				
Domestic marketable equity Securities	10,918	70	(2,319)	Sell according to the Investment policy of the Investment committee
Foreign marketable equity Securities	169,626	297	73,762	Sell according to the Investment policy of the Investment committee
Total	180,544	367	71,443	
Consolidated				
30 June 2021				
	Fair value at the date of the derecognition Thousand Baht	Dividends received Thousand Baht	Retained earnings or losses due to the derecognition Thousand Baht	Explanation for the derecognition
Investments that are derecognised				
Domestic marketable equity securities	119,270	504	53,387	Sell according to the investment policy of the investment committee
Foreign marketable equity securities	293,682	-	(129,127)	Sell according to the investment policy of the investment committee
Domestic non-marketable equity security	183	-	1,436	Sell according to the Investment policy of the Investment committee
Total	413,135	504	(74,304)	

10.2 Investments in securities with holdings of 10% upwards

Investments in securities in which the Group hold 10% upwards of the paid-up capital in each entity, classified by industry are as follows:

Business type	Consolidated			
	30 June 2022		31 December 2021	
	Investment amount at fair value Baht	Holding %	Investment amount at fair value Baht	Holding %
Digital Asset Business	-	-	265,909,104	10.26
Holding Business	457,642,033	18.48	457,642,033	18.48
Foreign investment Funds	1,107,005,132	34.46	-	-
Leasing	63,814,054	10.00	58,997,494	10.00

Business type	Separate			
	30 June 2022		31 December 2021	
	Investment amount at fair value Baht	Holding %	Investment amount at fair value Baht	Holding %
Leasing	63,814,054	10.00	58,997,494	10.00

10.3 Recognition of transaction in profit or loss and other comprehensive income for debt instruments measured at fair value through other comprehensive income

Recognition of transaction in profit or loss and other comprehensive income for debt instruments measured at fair value through other comprehensive income for the six-month period ended 30 June 2022 and 2021 are as follow:

	Consolidated		Separate	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Gain (loss) from changes in value of investments in debt instruments measured at FVOCI	(389,358)	(147,309)	(389,358)	(147,309)
Loss (gain) realised from sale of investments in debt instruments measured at FVOCI	12,509	6,051	12,509	6,051
	(376,849)	(141,258)	(376,849)	(141,258)

11 Investments in subsidiaries, net

As at 30 June 2022 and 31 December 2021, the Bank has investments in subsidiaries as follows;

			Separate			
			30 June 2022			
			Cost method			Dividend received Thousand Baht
Business type	Securities investment type		Cost Thousand Baht	Impairment Thousand Baht	Net balance Thousand Baht	
KKP Capital Public Company Limited	Holding Company	Ordinary shareholder	7,170,621	-	7,170,621	99.98
Asia Recovery 1 Fund	Investments*	Unit trust	192,037	-	192,037	99.95
Asia Recovery 2 Fund	Investments*	Unit trust	359,849	-	359,849	99.59
Asia Recovery 3 Fund	Investments*	Unit trust	553,503	-	553,503	99.97
Thai Restructuring Fund	Investments*	Unit trust	165,528	-	165,528	98.91
Bangkok Capital Fund	Investments*	Unit trust	1,443,576	(561,396)	882,180	95.72
Gamma Capital Fund	Investments*	Unit trust	247,985	-	247,985	94.03
KKP Tower Co., Ltd.	Real estate	Ordinary shareholder	206,398	-	206,398	91.34
			10,339,497	(561,396)	9,778,101	630,792

* Investments in commercial loans auctioned from Financial Restructuring Authority (FRA).

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

			Separate				
			31 December 2021				
			Cost method				
Business type	Securities investment type		Cost Thousand Baht	Impairment Thousand Baht	Net balance Thousand Baht	Holding %	Dividend received Thousand Baht
KKP Capital Public Company Limited	Holding Company	Ordinary shareholder	7,170,621	-	7,170,621	99.98	1,051,320
Asia Recovery 1 Fund	Investments*	Unit trust	192,037	-	192,037	99.95	-
Asia Recovery 2 Fund	Investments*	Unit trust	359,849	-	359,849	99.59	-
Asia Recovery 3 Fund	Investments*	Unit trust	570,723	-	570,723	99.97	-
Thai Restructuring Fund	Investments*	Unit trust	165,528	-	165,528	98.91	-
Bangkok Capital Fund	Investments*	Unit trust	1,443,576	(579,912)	863,664	95.72	-
Gamma Capital Fund	Investments*	Unit trust	674,985	-	674,985	94.03	-
KKP Tower Co., Ltd.	Real estate	Ordinary shareholder	206,398	-	206,398	91.34	-
			10,783,717	(579,912)	10,203,805		1,051,320

* Investments in commercial loans auctioned from Financial Restructuring Authority (FRA).

The liquidation of the capital of the mutual funds

According to the Notifications of the Capital Market Supervisory Board No. Thor Nor. 21/2552 Thor Nor. 22/2552, and Thor Nor. 23/2552: Rules, Conditions and Procedures for Establishment and Management of Mutual Funds for Solving Financial Institutions Problems, it specified that the maturity date of the scheme to be no later than 31 August 2015. Therefore, Asia Recovery Fund 1, Asia Recovery Fund 2, Asia Recovery Fund 3, Thai Restructuring Fund, Bangkok Capital Fund and Gamma Capital Fund are required to be liquidated in accordance with these notifications. The remaining funds are in the process of liquidation.

During the six-month period ended 30 June 2022, the Bank has received capital distribution for liquidation from Asia Recovery 3 Fund and Gamma Capital Fund in the amount of Baht 444 million (30 June 2021: Baht 492 million).

12 Investment property, net

	Consolidated	
	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht
Cost	-	26,790
<u>Less</u> Accumulated depreciation	-	(5,288)
Net book amount	-	21,502
Opening net book amount	21,502	21,761
Additions	-	6
Transferred - in (out)	(21,502)	-
Depreciation	-	(265)
Closing net book amount	-	21,502
Fair value	-	55,850

The Group's investment properties were revalued at 31 December 2021 by internal appraiser. The fair value of investment properties is based on Income Approach. The fair values are within level 3 of the fair value hierarchy.

Amount recognised in profit or loss that are related to investment property are as follows;

	Consolidated	
	30 June 2022	30 June 2021
	Thousand Baht	Thousand Baht
Rental income	-	-
Direct operating expense arise from investment property that generated rental income	-	257

13 Loans to customers and accrued interest receivables, net

13.1 Classified by product

	Consolidated		Separate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<u>Loans</u>				
Overdrafts	1,759,534	1,307,023	1,759,534	1,307,023
Loans	162,020,586	149,028,529	163,926,588	150,969,915
Bills	49,657	49,647	49,657	49,647
Hire-purchase receivables	172,022,758	156,061,626	172,022,758	156,061,626
Finance lease receivables	488,234	462,925	488,234	462,925
Total loans net of deferred revenue	336,340,769	306,909,750	338,246,771	308,851,136
<u>Add</u> Accrued interest receivables and undue interest receivable	9,642,189	8,743,156	9,482,040	8,616,921
Total loans and accrued interest receivables net of deferred revenue	345,982,958	315,652,906	347,728,811	317,468,057
<u>Less</u> Allowance for expected credit losses	(17,250,220)	(16,505,340)	(17,242,535)	(16,501,465)
Net loans to customers and accrued interest receivables	328,732,738	299,147,566	330,486,276	300,966,592

13.2 Classified by currency and residence of customers

	Consolidated		Separate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Domestic				
Baht	325,255,707	295,620,398	327,161,709	297,561,784
US Dollar	4,941,580	5,012,985	4,941,580	5,012,985
Foreign				
Baht	1,945,774	2,003,463	1,945,774	2,003,463
US Dollar	4,197,708	4,272,904	4,197,708	4,272,904
Total loans	336,340,769	306,909,750	338,246,771	308,851,136

13.3 Classification by loans classification

	Consolidated	
	30 June 2022	31 December 2021
Loans classification	Loans outstanding and interest receivables Thousand Baht	Loans outstanding and interest receivables Thousand Baht
Financial assets with an insignificant increase in credit risk (Performing financial assets)	313,318,159	287,141,020
Financial assets with a significant increase in credit risk (Under-performing financial assets)	20,226,515	17,018,788
Credit-impaired financial assets (Non-performing financial assets)	11,550,049	10,637,842
Purchased or originated credit-impaired financial assets	888,235	855,256
Total loans and accrued interest receivables	345,982,958	315,652,906
	Separate	
	30 June 2022	31 December 2021
Loans classification	Loans outstanding and interest receivables Thousand Baht	Loans outstanding and interest receivables Thousand Baht
Financial assets with an insignificant increase in credit risk (Performing financial assets)	315,639,035	289,509,004
Financial assets with a significant increase in credit risk (Under-performing financial assets)	20,226,515	17,018,788
Credit-impaired financial assets (Non-performing financial assets)	11,550,049	10,637,842
Purchased or originated credit-impaired financial assets	313,212	302,423
Total loans and accrued interest receivables	347,728,811	317,468,057

13.4 Non-performing loans

The Group has non-performing loans, defined according to the BOT's Notification as loan classified as credit-impaired or purchased or originated credit-impaired financial assets, including interbank and money market items, but excluding accrued interest receivables, as follows;

	Consolidated		Separate	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Non-performing loans (excluding accrued interest receivables)	10,950,983	10,191,158	10,533,450	9,761,009
Percentage of non-performing loans to total loans (including loans to financial institutions)	2.84	2.84	2.69	2.65

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

13.5 Movement in the gross carrying amount of loans that contributed to changes in the ECL

Consolidated					
30 June 2022					
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As of 1 January 2022	287,141,020	17,018,788	10,637,842	855,256	315,652,906
Change due to reclassification	(11,280,763)	5,196,748	6,084,015	-	-
Change due to collection and modification	(10,837,468)	(1,216,937)	(2,059,740)	32,979	(14,081,166)
Newly acquired or purchased financial assets	65,390,317	25,057	-	-	65,415,374
Derecognised financial assets	(17,076,297)	(753,244)	(1,208,569)	-	(19,038,110)
Write-off	(18,650)	(43,897)	(1,903,499)	-	(1,966,046)
Others	-	-	-	-	-
As of 30 June 2022	313,318,159	20,226,515	11,550,049	888,235	345,982,958
Consolidated					
31 December 2021					
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As of 1 January 2021	247,488,972	15,426,193	8,255,609	780,005	271,950,779
Change due to reclassification	(18,614,623)	5,448,479	13,166,144	-	-
Change due to collection and modification	(38,946,218)	(2,779,575)	(4,958,468)	75,251	(46,609,010)
Newly acquired or purchased financial assets	114,244,613	12,577	5,793	-	114,262,983
Derecognised financial assets	(16,976,269)	(1,039,715)	(2,597,563)	-	(20,613,547)
Write-off	(55,455)	(49,171)	(3,233,673)	-	(3,338,299)
Others	-	-	-	-	-
As of 31 December 2021	287,141,020	17,018,788	10,637,842	855,256	315,652,906
Separate					
30 June 2022					
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As of 1 January 2022	289,509,004	17,018,788	10,637,842	302,423	317,468,057
Change due to reclassification	(11,280,763)	5,196,748	6,084,015	-	-
Change due to collection and modification	(10,884,576)	(1,216,937)	(2,059,740)	10,789	(14,150,464)
Newly acquired or purchased financial assets	65,390,317	25,057	-	-	65,415,374
Derecognised financial assets	(17,076,297)	(753,244)	(1,208,569)	-	(19,038,110)
Write-off	(18,650)	(43,897)	(1,903,499)	-	(1,966,046)
Others	-	-	-	-	-
As of 30 June 2022	315,639,035	20,226,515	11,550,049	313,212	347,728,811
Separate					
31 December 2021					
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As of 1 January 2021	251,771,915	15,426,193	8,255,609	296,305	275,750,022
Change due to reclassification	(18,614,623)	5,448,479	13,166,144	-	-
Change due to collection and modification	(40,861,177)	(2,779,575)	(4,958,468)	6,118	(48,593,102)
Newly acquired or purchased financial assets	114,244,613	12,577	5,793	-	114,262,983
Derecognised financial assets	(16,976,269)	(1,039,715)	(2,597,563)	-	(20,613,547)
Write-off	(55,455)	(49,171)	(3,233,673)	-	(3,338,299)
Others	-	-	-	-	-
As of 31 December 2021	289,509,004	17,018,788	10,637,842	302,423	317,468,057

14 Hire-purchase and finance lease receivables

Receivables of the Group under hire-purchase and finance lease agreements and mostly comprise hire-purchase agreements for cars, machine and equipment for business operation. The terms of the agreements are generally between 1 to 7 years and under most agreements, interest is charged at a fixed rate as specified in agreements.

Consolidated and Separate				
30 June 2022				
Amount due under lease agreements				
	Less than 1 year Thousand Baht	Within 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
Gross investment in the agreements	2,586,101	97,822,468	113,770,634	214,179,203
<u>Less</u> Unearned income				(41,668,211)
Present value of minimum lease payment per agreement				172,510,992
<u>Less</u> Allowance for expected credit losses				(9,088,029)
Hire-purchase and finance lease receivables, net				163,422,963

Consolidated and Separate				
31 December 2021				
Amount due under lease agreements				
	Less than 1 year Thousand Baht	Within 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
Gross investment in the agreements	2,652,377	94,094,581	96,852,263	193,599,221
<u>Less</u> Unearned income				(37,074,670)
Present value of minimum lease payment per agreement				156,524,551
<u>Less</u> Allowance for expected credit losses				(8,780,358)
Hire-purchase and finance lease receivables, net				147,744,193

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

15 Allowance for expected credit losses

Consolidated						
30 June 2022						
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Surplus reserve	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interbank and money market items						
As at 1 January 2022	12,391	-	-	-	-	12,391
Change due to new estimation of credit loss	1,203	-	-	-	-	1,203
Newly acquired or purchased financial assets	13,696	-	-	-	-	13,696
Derecognised financial assets	(15,201)	-	-	-	-	(15,201)
As at 30 June 2022	12,089	-	-	-	-	12,089
Loans						
As at 1 January 2022	8,153,465	2,857,114	4,336,418	26,143	1,132,200	16,505,340
Change due to reclassification	662,583	(1,566,732)	904,149	-	-	-
Change due to new estimation of credit loss	(2,816,561)	2,209,061	1,484,835	2,626	-	879,961
Newly acquired or purchased financial assets	2,501,021	2,817	-	-	-	2,503,838
Derecognised financial assets	(301,740)	(94,481)	(1,061,740)	-	-	(1,457,961)
Write-off	(1,484)	(9,308)	(981,466)	-	-	(992,258)
Amortisation of surplus reserve	-	-	-	-	(188,700)	(188,700)
As at 30 June 2022	8,197,284	3,398,471	4,682,196	28,769	943,500	17,250,220
Separate						
30 June 2022						
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Surplus reserve	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interbank and money market items						
As at 1 January 2022	15,223	-	-	-	-	15,223
Change due to new estimation of credit loss	(721)	-	-	-	-	(721)
Newly acquired or purchased financial assets	13,697	-	-	-	-	13,697
Derecognised financial assets	(15,201)	-	-	-	-	(15,201)
As at 30 June 2022	12,998	-	-	-	-	12,998
Loans						
As at 1 January 2022	8,155,882	2,857,114	4,336,418	19,851	1,132,200	16,501,465
Change due to reclassification	662,583	(1,566,732)	904,149	-	-	-
Change due to new estimation of credit loss	(2,817,745)	2,209,061	1,484,835	-	-	876,151
Newly acquired or purchased financial assets	2,501,021	2,817	-	-	-	2,503,838
Derecognised financial assets	(301,740)	(94,481)	(1,061,740)	-	-	(1,457,961)
Write-off	(1,484)	(9,308)	(981,466)	-	-	(992,258)
Amortisation of surplus reserve	-	-	-	-	(188,700)	(188,700)
As at 30 June 2022	8,198,517	3,398,471	4,682,196	19,851	943,500	17,242,535
Consolidated and Separate						
30 June 2022						
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Surplus reserve	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Other assets						
As at 1 January 2022	1,554	5,390	44,131	-	-	51,075
Change due to reclassification	1,757	(2,728)	971	-	-	-
Change due to new estimation of credit loss	(2,685)	7,499	4,258	-	-	9,072
Newly acquired or purchased financial assets	2,451	782	17,168	-	-	20,401
Derecognised financial assets	(1,218)	(4,066)	(20,238)	-	-	(25,522)
As at 30 June 2022	1,859	6,877	46,290	-	-	55,026

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

Consolidated						
31 December 2021						
Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Surplus reserve	Total	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interbank and money market items						
As at 1 January 2021	11,395	-	-	-	-	11,395
Change due to new estimation of credit loss	(7,949)	-	-	-	-	(7,949)
Newly acquired or purchased financial assets	41,911	-	-	-	-	41,911
Derecognised financial assets	(32,966)	-	-	-	-	(32,966)
As at 31 December 2021	12,391	-	-	-	-	12,391
Loans						
As at 1 January 2021	5,468,900	3,023,260	3,080,190	22,815	1,509,600	13,104,765
Change due to reclassification	922,574	(3,367,390)	2,444,816	-	-	-
Change due to new estimation of credit loss	(1,873,410)	3,446,918	3,003,612	5,317	-	4,582,437
Newly acquired or purchased financial assets	4,162,526	9,403	4,531	-	-	4,176,460
Derecognised financial assets	(523,264)	(238,544)	(2,363,428)	(1,989)	-	(3,127,225)
Write-off	(3,861)	(16,533)	(1,833,303)	-	-	(1,853,697)
Amortisation of surplus reserve	-	-	-	-	(377,400)	(377,400)
As at 31 December 2021	8,153,465	2,857,114	4,336,418	26,143	1,132,200	16,505,340
Separate						
31 December 2021						
Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Surplus reserve	Total	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interbank and money market items						
As at 1 January 2021	11,395	-	-	-	-	11,395
Change due to new estimation of credit loss	(5,117)	-	-	-	-	(5,117)
Newly acquired or purchased financial assets	41,911	-	-	-	-	41,911
Derecognised financial assets	(32,966)	-	-	-	-	(32,966)
As at 31 December 2021	15,223	-	-	-	-	15,223
Loans						
As at 1 January 2021	5,471,840	3,023,260	3,080,190	22,020	1,509,600	13,106,910
Change due to reclassification	922,574	(3,367,390)	2,444,816	-	-	-
Change due to new estimation of credit loss	(1,873,934)	3,446,918	3,003,612	(180)	-	4,576,416
Newly acquired or purchased financial assets	4,162,526	9,403	4,531	-	-	4,176,460
Derecognised financial assets	(523,264)	(238,544)	(2,363,428)	(1,989)	-	(3,127,225)
Write-off	(3,860)	(16,533)	(1,833,303)	-	-	(1,853,696)
Amortisation of surplus reserve	-	-	-	-	(377,400)	(377,400)
As at 31 December 2021	8,155,882	2,857,114	4,336,418	19,851	1,132,200	16,501,465
Consolidated and Separate						
31 December 2021						
Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Surplus reserve	Total	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Other assets						
As at 1 January 2021	1,156	4,435	18,922	-	-	24,513
Change due to reclassification	2,641	(4,675)	2,034	-	-	-
Change due to new estimation of credit loss	(4,370)	13,166	9,015	-	-	17,811
Newly acquired or purchased financial assets	4,503	1,200	65,637	-	-	71,340
Derecognised financial assets	(2,376)	(8,736)	(51,477)	-	-	(62,589)
As at 31 December 2021	1,554	5,390	44,131	-	-	51,075

16 Properties foreclosed, net

	Consolidated		Separate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Properties foreclosed	7,161,354	7,020,735	8,263,240	7,749,718
<u>Less</u> Provision for diminution in value	(3,109,072)	(3,038,794)	(3,109,072)	(3,027,559)
Net properties foreclosed	4,052,282	3,981,941	5,154,168	4,722,159

The Group acquired properties foreclosed by transferring assets, auction and repossession for the debt settlement.

	Consolidated		
	30 June 2022		
	Immovable assets Thousand Baht	Movable assets Thousand Baht	Total Thousand Baht
At beginning of period	6,542,145	478,590	7,020,735
Additions	129,150	2,614,530	2,743,680
Disposals	(190,261)	(2,412,800)	(2,603,061)
At end of period	6,481,034	680,320	7,161,354
<u>Less</u> Provision for diminution in value	(3,092,328)	(16,744)	(3,109,072)
Net properties foreclosed	3,388,706	663,576	4,052,282

	Consolidated		
	31 December 2021		
	Immovable assets Thousand Baht	Movable assets Thousand Baht	Total Thousand Baht
At beginning of year	5,395,781	520,581	5,916,362
Additions	2,243,541	5,592,753	7,836,294
Disposals	(1,097,177)	(5,634,744)	(6,731,921)
At end of year	6,542,145	478,590	7,020,735
<u>Less</u> Provision for diminution in value	(3,021,593)	(17,201)	(3,038,794)
Net properties foreclosed	3,520,552	461,389	3,981,941

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

Separate			
30 June 2022			
	Immovable assets Thousand Baht	Movable assets Thousand Baht	Total Thousand Baht
At beginning of period	7,271,128	478,590	7,749,718
Additions	549,778	2,614,530	3,164,308
Disposals	(237,986)	(2,412,800)	(2,650,786)
At end of period	7,582,920	680,320	8,263,240
<u>Less</u> Provision for diminution in value	(3,092,328)	(16,744)	(3,109,072)
Net properties foreclosed	4,490,592	663,576	5,154,168

Separate			
31 December 2021			
	Immovable assets Thousand Baht	Movable assets Thousand Baht	Total Thousand Baht
At beginning of year	6,052,570	520,581	6,573,151
Additions	1,987,701	5,592,753	7,580,454
Disposals	(769,143)	(5,634,744)	(6,403,887)
At end of year	7,271,128	478,590	7,749,718
<u>Less</u> Provision for diminution in value	(3,010,358)	(17,201)	(3,027,559)
Net properties foreclosed	4,260,770	461,389	4,722,159

Immovable properties foreclosed classified by external and internal appraisers as at 30 June 2022 and 31 December 2021 are as follows;

	Consolidated		Separate	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Immovable properties foreclosed				
Appraised by external appraisers	6,380,693	6,476,304	7,482,579	7,205,287
Appraised by internal appraisers	100,341	65,841	100,341	65,841
Total	6,481,034	6,542,145	7,582,920	7,271,128

As of 30 June 2022, the Bank had repossessed cars which were still under the redemption option by guarantor in amount of Baht 286 million and immovable assets with buy-back option from properties' owner under measure to promote the acceptance of the transfer of collateral property for debt repayment under the emergency decree on the provision of assistance and rehabilitation of business operators impacted by the spread of the Covid-19 pandemic B.E. 2564 in amount of Baht 1,321 million.

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

17 Land, premises and equipment, net

Consolidated								
30 June 2022								
Cost				Accumulated depreciation				Land, Premises and Equipment, net
Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	
Land	557,370	17,156	-	574,526	-	-	-	574,526
Premises and building and building improvement	2,605,815	420,804	(5,242)	3,021,377	(1,125,901)	5,242	(1,163,860)	1,857,517
Equipment	1,471,611	117,855	(16,049)	1,573,417	(1,159,232)	16,030	(1,215,375)	358,042
Furniture and fixtures	811,733	40,736	(26,806)	825,663	(624,398)	26,553	(632,374)	193,289
Vehicles	298,173	37,411	(22,760)	312,824	(198,342)	22,760	(198,346)	114,478
Work in progress	864,058	196,461	(518,136)	542,383	-	-	-	542,383
Total	6,608,760	830,423	(588,993)	6,850,190	(3,107,873)	70,585	(3,209,955)	3,640,235
Consolidated								
31 December 2021								
Cost				Accumulated depreciation				Land, Premises and Equipment, net
Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	
Land	557,370	-	-	557,370	-	-	-	557,370
Premises and building and building improvement	2,957,424	123,735	(475,344)	2,605,815	(1,420,005)	381,239	(1,125,901)	1,479,914
Equipment	1,519,242	146,158	(193,789)	1,471,611	(1,168,923)	176,925	(1,159,232)	312,379
Furniture and fixtures	819,109	73,520	(80,896)	811,733	(627,017)	77,537	(624,398)	187,335
Vehicles	284,351	42,490	(28,668)	298,173	(184,514)	28,091	(198,342)	99,831
Work in progress	547,427	326,771	(10,140)	864,058	-	-	-	864,058
Total	6,684,923	712,674	(788,837)	6,608,760	(3,400,459)	663,792	(3,107,873)	3,500,887
Separate								
30 June 2022								
Cost				Accumulated depreciation				Land, Premises and Equipment, net
Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	
Land	94,968	-	-	94,968	-	-	-	94,968
Premises and building	47,582	-	-	47,582	(45,423)	(327)	(45,750)	1,832
Equipment	1,115,937	94,233	(16,049)	1,194,121	(907,799)	16,030	(938,756)	255,365
Furniture and fixtures	710,526	34,398	(26,806)	718,118	(532,488)	26,553	(538,265)	179,853
Vehicles	273,478	37,411	(22,760)	288,129	(175,190)	22,760	(174,404)	113,725
Work in progress	128,349	54,441	(26,340)	156,450	-	-	-	156,450
Total	2,370,840	220,483	(91,955)	2,499,368	(1,660,900)	65,343	(1,697,175)	802,193
Separate								
31 December 2021								
Cost				Accumulated depreciation				Land, Premises and Equipment, net
Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	Beginning Balance Thousand Baht	Additions Thousand Baht	Disposals/ Transfers Thousand Baht	Ending Balance Thousand Baht	
Land	94,968	-	-	94,968	-	-	-	94,968
Premises and building	107,293	-	(59,711)	47,582	(57,109)	13,911	(45,423)	2,159
Equipment	1,153,501	81,846	(119,410)	1,115,937	(921,158)	118,550	(907,799)	208,138
Furniture and fixtures	718,432	72,966	(80,872)	710,526	(539,860)	77,519	(532,488)	178,038
Vehicles	259,656	42,490	(28,668)	273,478	(162,961)	28,090	(175,190)	98,288
Work in progress	53,815	84,674	(10,140)	128,349	-	-	-	128,349
Total	2,387,665	281,976	(298,801)	2,370,840	(1,681,088)	238,070	(1,660,900)	709,940

18 Right-of-use assets, net and Lease liabilities, net

The statement of financial position included following transactions relating to leases.

	Consolidated	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Right-of-use assets, net		
Building and building improvements, net	312,011	320,809
Vehicles	84	210
Total right-of-use assets, net	312,095	321,019
Lease liabilities, net		
Current portion of lease liabilities	166,161	84,534
Non-current portion of lease liabilities	67,467	155,468
Total lease liabilities, net	233,628	240,002
	Separate	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Right-of-use assets, net		
Building and building improvements, net	1,031,498	932,842
Vehicles	-	-
Total right-of-use assets, net	1,031,498	932,842
Lease liabilities, net		
Current portion of lease liabilities	241,202	145,121
Non-current portion of lease liabilities	711,658	703,458
Total lease liabilities, net	952,860	848,579

During the six-month period ended 30 June 2022, additions to the right-of-use assets of the Group and the Bank were Baht 49 million and Baht 195 million, respectively. (During the year ended 31 December 2021, additions to the right-of-use assets of the Group and the Bank were Baht 209 million and Baht 241 million, respectively.)

The statement of profit or loss and other comprehensive income for the six-month period ended included following transactions related to leases.

	Consolidated	
	30 June 2022 Thousand Baht	30 June 2021 Thousand Baht
Depreciation charge of right-of-use assets		
Building and building improvements	57,733	58,296
Vehicles	125	125
Total right-of-use assets	57,858	58,421
Finance cost relating to leases	3,689	3,549
Expenses relating to short-term leases (included in premises and equipment expenses)	1,729	1,018
Expenses relating to leases of low value assets that are not shown above as short-term leases (included in premises and equipment expenses)	306	1,769

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

	Separate	
	30 June 2022	30 June 2021
	Thousand Baht	Thousand Baht
Depreciation charge of right-of-use assets		
Building and building improvements	96,812	91,269
Vehicles	-	-
Total right-of-use assets	96,812	91,269
Finance cost relating to leases	11,501	11,342
Expenses relating to short-term leases (included in premises and equipment expenses)	1,490	8,351
Expenses relating to leases of low value assets that are not shown above as short-term leases (included in premises and equipment expenses)	147	1,160

The total cash outflow for leases of the Group and the Bank For the six-month period ended 30 June 2022 were Baht 61 million and Baht 104 million, respectively. (The total cash outflow for leases of the Group and the Bank in 2021 were Baht 64 million and 108 million, respectively.)

19 Other intangible assets, net and goodwill

19.1 Other intangible assets, net

Consolidated								
30 June 2022								
	Cost				Accumulated amortisation			
	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance	Beginning Balance	Additions	Disposals/ Transfers	Ending balance
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Software	2,557,152	77,768	-	2,634,920	(1,516,881)	(103,226)	-	(1,620,107)
License fee	7,188	-	-	7,188	(6,837)	(50)	-	(6,887)
Work in progress	170,952	154,805	(43,322)	282,435	-	-	-	-
Total	2,735,292	232,573	(43,322)	2,924,543	(1,523,718)	(103,276)	-	(1,626,994)
Consolidated								
31 December 2021								
	Cost				Accumulated amortisation			
	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance	Beginning Balance	Additions	Disposals/ Transfers	Ending balance
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Software	2,429,654	207,711	(80,213)	2,557,152	(1,343,157)	(210,173)	36,449	(1,516,881)
License fee	7,188	-	-	7,188	(6,737)	(100)	-	(6,837)
Work in progress	41,540	501,132	(371,720)	170,952	-	-	-	-
Total	2,478,382	708,843	(451,933)	2,735,292	(1,349,894)	(210,273)	36,449	(1,523,718)
Separate								
30 June 2022								
	Cost				Accumulated amortisation			
	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance	Beginning Balance	Additions	Disposals/ Transfers	Ending balance
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Software	2,179,353	61,851	-	2,241,204	(1,210,534)	(85,821)	-	(1,296,355)
Work in progress	156,320	137,111	(35,446)	257,985	-	-	-	-
Total	2,335,673	198,962	(35,446)	2,499,189	(1,210,534)	(85,821)	-	(1,296,355)
Separate								
31 December 2021								
	Cost				Accumulated amortisation			
	Beginning Balance	Additions	Disposals/ Transfers	Ending Balance	Beginning Balance	Additions	Disposals/ Transfers	Ending balance
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Software	2,086,860	172,706	(80,213)	2,179,353	(1,071,306)	(175,677)	36,449	(1,210,534)
Work in progress	30,030	472,230	(345,940)	156,320	-	-	-	-
Total	2,116,890	644,936	(426,153)	2,335,673	(1,071,306)	(175,677)	36,449	(1,210,534)

19.2 Goodwill

Consolidated				
30 June 2022				
Cost				
	Beginning balance Thousand Baht	Additions Thousand Baht	Disposals/ transfers Thousand Baht	Ending balance Thousand Baht
Goodwill	3,066,035	-	-	3,066,035
Total	3,066,035	-	-	3,066,035

Consolidated				
31 December 2021				
Cost				
	Beginning balance Thousand Baht	Additions Thousand Baht	Disposals/ transfers Thousand Baht	Ending balance Thousand Baht
Goodwill	3,066,035	-	-	3,066,035
Total	3,066,035	-	-	3,066,035

Goodwill arised from the Capital Market segment which was identified as the cash-generating unit (CGUs).

The recoverable amount of this CGU is determined by the Dividend Discount Model. This calculation used the dividend received projection based on financial budgets covering a ten-year period which are referred from the past operating results together with the estimated growth rates of market and the subsidiaries which management believes that ten years period can reflect their business plan. Dividend beyond the ten-year extrapolation uses the estimated dividend growth rate of 4% (31 December 2021: 4%) and the discount rate of 12% per annum (31 December 2021: 12%).

As at 30 June 2022, the recoverable amount using this Dividend Discount Model is greater than the book value amount of Baht 4,945 million (31 December 2021: Baht 5,101 million).

The recoverable amount of such investment is radically changed from continuing growth in the Capital Market Segment and positive trend in business model of the Capital Market Segment in the future.

20 Deferred income tax, net

Deferred tax assets and deferred tax liabilities as at 30 June 2022 and 31 December 2021 are as follows;

	Consolidated		Separate	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Deferred tax assets	1,907,962	1,743,966	1,692,587	1,591,719
Deferred tax liabilities	(8,402)	(10,111)	-	-
Deferred income tax, net	1,899,560	1,733,855	1,692,587	1,591,719

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

Movements in deferred tax assets and deferred tax liabilities during the period/year were as follows;

	Consolidated			Balance as at 30 June 2022 Thousand Baht
	Balance as at 1 January 2022 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive Income Thousand Baht	
Deferred tax assets				
Allowance for doubtful accounts	236,793	(37,004)	-	199,789
Allowance for impairment of investments	117,449	(2,875)	(828)	113,746
Allowance for expected credit losses	23,086	(333)	-	22,753
Allowance for impairment of properties foreclosed	606,144	16,201	-	622,345
Provisions	186,216	10,863	-	197,079
Income received in advance	181,711	5,745	-	187,456
Loss from mutual fund liquidation	251,161	-	-	251,161
Non-accrued interest income	50,449	(3,699)	-	46,750
Depreciation of assets	10,957	(1,965)	-	8,992
Loss on remeasuring securities measured at FVOCI	66,440	-	52,977	119,417
Unrealised loss on remeasuring FVPL securities	17,179	12,820	-	29,999
Unrealised loss on remeasuring securities borrowing and lending	4,274	(4,274)	-	-
Unused tax losses	51,909	9,477	-	61,386
Unrealised loss on remeasuring derivatives	367,158	104,679	-	471,837
Others	16,616	2,419	-	19,035
Total	2,187,542	112,054	52,149	2,351,745
Deferred tax liabilities				
Premise appraisal surplus	10,110	(1,708)	-	8,402
Prepaid hire-purchase commission	96,407	(25,758)	-	70,649
Gain on remeasuring securities measured at FVOCI	42,705	-	(39,133)	3,572
Unrealised gain on remeasuring FVPL securities	291,216	66,715	-	357,931
Unrealised gain on remeasuring securities borrowing and lending	-	617	-	617
Others	13,249	(2,235)	-	11,014
Total	453,687	37,631	(39,133)	452,185
Deferred income tax, net	1,733,855	74,423	91,282	1,899,560
	Consolidated			Balance as at 31 December 2021 Thousand Baht
	Balance as at 1 January 2021 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive Income Thousand Baht	
Deferred tax assets				
Allowance for doubtful accounts	306,926	(70,133)	-	236,793
Allowance for impairment of investments	133,096	(15,530)	(117)	117,449
Allowance for expected credit losses	26,188	(3,102)	-	23,086
Allowance for impairment of properties foreclosed	587,599	18,545	-	606,144
Provisions	184,606	16,109	(14,499)	186,216
Income received in advance	185,497	(3,786)	-	181,711
Loss from mutual fund liquidation	-	251,161	-	251,161
Non-accrued interest income	63,203	(12,754)	-	50,449
Depreciation of assets	32,741	(21,784)	-	10,957
Loss on remeasuring securities measured at FVOCI	89,996	2,187	(25,743)	66,440
Unrealised loss on remeasuring FVPL securities	231,457	(214,278)	-	17,179
Unrealised loss on remeasuring securities borrowing and lending	2,702	1,572	-	4,274
Unused tax losses	82,373	(58,797)	28,333	51,909
Unrealised loss on remeasuring derivatives	-	367,158	-	367,158
Others	11,260	5,356	-	16,616
Total	1,937,644	261,924	(12,026)	2,187,542
Deferred tax liabilities				
Premise appraisal surplus	13,556	(3,446)	-	10,110
Prepaid hire-purchase commission	173,623	(77,216)	-	96,407
Gain on remeasuring securities measured at FVOCI	100,941	-	(58,236)	42,705
Unrealised gain on remeasuring FVPL securities	4,973	286,243	-	291,216
Unrealised gain on remeasuring derivatives	296,849	(296,849)	-	-
Others	22,576	(9,327)	-	13,249
Total	612,518	(100,595)	(58,236)	453,687
Deferred income tax, net	1,325,126	362,519	46,210	1,733,855

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

	Separate		
	Balance as at 1 January 2022 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive Income Thousand Baht
Deferred tax assets			
Allowance for doubtful accounts	236,793	(37,004)	-
Allowance for impairment of investments	115,982	(2,875)	(828)
Allowance for expected credit losses	23,086	(333)	-
Allowance for impairment of properties foreclosed	605,512	16,302	-
Provisions	133,679	8,345	-
Depreciation of assets	9,823	(831)	-
Income received in advance	179,527	5,814	-
Loss from mutual fund liquidation	251,161	-	-
Non-accrued interest income	50,449	(3,699)	-
Loss on remeasuring securities measured at FVOCI	-	-	36,699
Unrealised loss on remeasuring derivatives	200,247	(7,898)	-
Others	15,381	2,515	-
Total	1,821,640	(19,664)	35,871
Deferred tax liabilities			
Prepaid hire-purchase commission	96,406	(25,758)	-
Gain on remeasuring securities measured at FVOCI	39,133	-	(39,133)
Unrealised gain on remeasuring FVPL securities	81,674	(17,562)	-
Others	12,708	(2,208)	-
Total	229,921	(45,528)	(39,133)
Deferred income tax, net	1,591,719	25,864	75,004
	Separate		
	Balance as at 1 January 2021 Thousand Baht	Items as recognised into profit or loss Thousand Baht	Items as recognised into other comprehensive Income Thousand Baht
Deferred tax assets			
Allowance for doubtful accounts	306,926	(70,133)	-
Allowance for impairment of investments	131,629	(15,530)	(117)
Allowance for expected credit losses	26,188	(3,102)	-
Allowance for impairment of properties foreclosed	586,763	18,749	-
Provisions	126,131	18,565	(11,017)
Depreciation of assets	1,863	7,960	-
Income received in advance	183,174	(3,647)	-
Loss from mutual fund liquidation	-	251,161	-
Non-accrued interest income	63,203	(12,754)	-
Unrealised loss on remeasuring FVPL securities	231,457	(231,457)	-
Unrealised loss on remeasuring derivatives	-	200,247	-
Others	9,833	5,548	-
Total	1,667,167	165,607	(11,134)
Deferred tax liabilities			
Prepaid hire-purchase commission	173,622	(77,216)	-
Gain on remeasuring securities measured at FVOCI	99,437	-	(60,304)
Unrealised gain on remeasuring FVPL securities	-	81,674	-
Unrealised gain on remeasuring derivatives	280,181	(280,181)	-
Others	21,982	(9,274)	-
Total	575,222	(284,997)	(60,304)
Deferred income tax, net	1,091,945	450,604	49,170

Accordingly, the Group used a tax rate of 20% for calculation of deferred income tax for the six-month period ended 30 June 2022 and for the year ended 31 December 2021.

21 Other assets, net

	Consolidated		Separate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interest and dividend income receivables	52,714	28,529	41,390	18,911
Other income receivables	488,572	680,015	198,065	210,035
Prepaid expenses and deferred expenses	135,630	105,183	93,558	70,474
Prepaid output tax for hire-purchase receivables*	82,303	64,990	82,303	64,990
Other receivables, net*	5,061,155	5,322,991	4,922,292	5,150,256
Receivables from trading securities	868,812	353,303	931,284	358,526
Refundable deposit	98,538	92,064	142,195	136,801
Withholding income tax	32,195	30,211	-	-
Input VAT - pending tax invoice	476,288	633,862	422,820	578,835
Others*	694,721	674,857	180,469	165,625
Total other assets	7,990,928	7,986,005	7,014,376	6,754,453

* As at 30 June 2022 these transactions are shown net of total doubtful accounts of Baht 55.03 million in the consolidated and the separate financial statements (31 December 2021: Baht 51.07 million).

22 Deposits

22.1 Classified by type of deposit

	Consolidated		Separate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current accounts	2,058,012	860,726	2,523,964	1,206,418
Savings accounts	193,254,256	169,457,001	193,335,199	169,633,333
Term deposits	125,499,117	117,896,190	125,499,117	117,896,190
NCD	129,525	168,029	129,525	168,029
Total	320,940,910	288,381,946	321,487,805	288,903,970

22.2 Classified by currency and residence of depositors

	Consolidated					
	30 June 2022			31 December 2021		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Thai Baht	317,273,833	2,019,940	319,293,773	286,209,918	1,483,430	287,693,348
USD	1,535,911	317	1,536,228	683,573	-	683,573
Other	110,909	-	110,909	5,025	-	5,025
Total	318,920,653	2,020,257	320,940,910	286,898,516	1,483,430	288,381,946

	Separate					
	30 June 2022			31 December 2021		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Thai Baht	317,820,728	2,019,940	319,840,668	286,731,942	1,483,430	288,215,372
USD	1,535,911	317	1,536,228	683,573	-	683,573
Other	110,909	-	110,909	5,025	-	5,025
Total	319,467,548	2,020,257	321,487,805	287,420,540	1,483,430	288,903,970

23 Interbank and money market items, net (liabilities)

	Consolidated	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Domestic		
Bank of Thailand and Financial Institution Development Fund	1,585,556	1,893,243
Commercial banks	7,654,263	7,134,859
Specific Financial Institution	1,425,840	3,504,855
Other financial institutions	2,055,005	2,460,377
	12,720,664	14,993,334
Foreign		
USD	1,764,850	1,670,995
Total	14,485,514	16,664,329
	Separate	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Domestic		
Bank of Thailand and Financial Institution Development Fund	1,585,556	1,893,243
Commercial banks	6,817,820	6,865,194
Specific Financial Institution	1,425,840	3,504,855
Other financial institutions	2,521,984	2,733,481
	12,351,200	14,996,773
Foreign		
USD	1,764,850	1,670,995
Total	14,116,050	16,667,768

24 Financial liabilities designated at fair value through profit or loss

	Consolidated		Separate	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Structured debentures	3,071,440	1,699,750	-	-
Total	3,071,440	1,699,750	-	-

Proportion of transactions being classified by type of counterparties

	Consolidated		Separate	
	30 June 2022 %	31 December 2021 %	30 June 2022 %	31 December 2021 %
Third parties	100	100	-	-
Total	100	100	-	-

25 Debt issued and borrowings

				Consolidated	
				30 June 2022	31 December 2021
				Thousand Baht	Thousand Baht
	Currency	Interest rate %	Maturity		
Senior securities	THB	0.15 - 1.30	2023	21,880,000	16,470,000
Subordinated bond	THB	3.50 - 4.00	2028 - 2031	8,392,000	8,392,000
Structured debentures not designated at fair value	THB	0.26 - 1.63	2024	29,689,355	16,935,688
		and linked to equity, fund or, set index price			
Bill of exchange	THB	0.57 - 0.59	2022	-	2,007,219
Total				59,961,355	43,804,907
				Separate	
				30 June 2022	31 December 2021
				Thousand Baht	Thousand Baht
	Currency	Interest rate %	Maturity		
Senior securities	THB	0.15 - 1.30	2023	21,880,000	16,470,000
Subordinated bond	THB	3.50 - 4.00	2028 - 2031	8,392,000	8,392,000
Structured debentures not designated at fair value	THB	0.26 - 1.63	2024	21,204,994	15,581,614
		and linked to equity, fund or, set index price			
Bill of exchange	THB	0.57 - 0.59	2022	-	2,007,219
Borrowing	THB	0.20	At call	605,000	1,300,000
Total				52,081,994	43,750,833

26 Provisions

		Consolidated		Separate	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Expected credit loss of financial guarantee contracts and loan commitments		112,815	114,459	112,987	114,947
Post-employment benefits obligation		980,413	930,675	655,952	618,977
Others		56,624	53,610	56,624	53,610
Total		1,149,852	1,098,744	825,563	787,534

Post-employment benefits obligation

The Group has post-employment benefits plan under the Thai Labor Protection Act, which is considered as unfunded defined benefit plans.

Movements in the present value of the defined benefit obligation for the six-month period ended 30 June 2022 and for the years ended 31 December 2021 are as follows;

	Consolidated		Separate	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Beginning defined benefit obligation	930,675	889,267	618,977	586,590
<u>Recognised within Statement of Profit or Loss:</u>				
Current service cost	51,954	106,558	37,015	79,453
Interest cost	8,372	14,992	5,719	10,134
<u>Recognised within Other comprehensive income:</u>				
Remeasurements:				
Loss (gain) from change in financial assumptions	-	(65,533)	-	(34,017)
Experience (gain) loss	-	(6,962)	-	(21,065)
<u>Other:</u>				
Defined benefit obligation transferred from subsidiary company	91	-	(84)	(204)
Benefits paid	(10,679)	(7,647)	(5,675)	(1,914)
Ending defined benefit obligation	980,413	930,675	655,952	618,977

The principal actuarial assumptions used to calculate the obligation under the defined benefit plans as at 30 June 2022 and 31 December 2021 are as follows;

	30 June 2022	31 December 2021
Financial assumptions		
Discount rate	0.53% - 3.57%	0.53% - 3.57%
Expected rate of salary increase	3.0% - 8.0%	3.0% - 8.0%
Turnover rate	0.0% - 25.0%	0.0% - 25.0%
Retirement age	55 years and 60 years	55 years and 60 years

Sensitivity analysis on key assumption changes are as follows;

	Increase (decrease) in defined benefit obligation			
	Consolidated		Separate	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Discount rate -1.0%	98,437	95,845	68,090	66,026
Discount rate +1.0%	(85,432)	(83,388)	(59,002)	(57,308)
Expected rate of salary increase -1.0%	(89,085)	(82,489)	(61,439)	(56,695)
Expected rate of salary increase +1.0%	101,490	93,822	70,034	64,539
Turnover rate -20.0%	68,732	62,687	51,557	47,035
Turnover rate +20.0%	(57,188)	(52,273)	(42,545)	(38,871)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the post-employment benefits liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

Maturity profile of defined benefit obligation

	Consolidated		Separate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Maturity duration of the post-employment benefits (Years)	10 - 16	10 - 16	15	15
Maturity analysis of benefits expected to be paid				
Benefits expected to be paid within 12 months	65,843	10,679	46,797	5,675
Benefits expected to be paid between 1 and 2 years	83,823	65,843	39,081	46,797
Benefits expected to be paid between 2 and 5 years	226,669	246,628	148,051	150,415
Benefits expected to be paid in more than 5 years	2,736,519	2,800,383	1,916,973	1,953,691

Allowance for expected credit loss of financial guarantee contracts and loan commitments

	Consolidated			
	30 June 2022			
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As of 1 January 2022	113,417	1,042	-	114,459
Change due to reclassification	(6,225)	6,225	-	-
Change due to new estimation of credit loss	(42,931)	4,848	-	(38,083)
Newly acquired or purchased financial assets	67,400	-	-	67,400
Derecognised financial assets	(19,503)	(11,458)	-	(30,961)
As of 30 June 2022	112,158	657	-	112,815
	Consolidated			
	31 December 2021			
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As of 1 January 2021	126,327	3,139	-	129,466
Change due to reclassification	(266)	266	-	-
Change due to new estimation of credit loss	(70,436)	(2,178)	-	(72,614)
Newly acquired or purchased financial assets	113,835	4	-	113,839
Derecognised financial assets	(56,043)	(189)	-	(56,232)
As of 31 December 2021	113,417	1,042	-	114,459
	Separate			
	30 June 2022			
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As of 1 January 2022	113,905	1,042	-	114,947
Change due to reclassification	(6,225)	6,225	-	-
Change due to new estimation of credit loss	(43,247)	4,848	-	(38,399)
Newly acquired or purchased financial assets	67,400	-	-	67,400
Derecognised financial assets	(19,503)	(11,458)	-	(30,961)
As of 30 June 2022	112,330	657	-	112,987

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

	Separate			
	31 December 2021			
	Financial assets with an insignificant increase in credit risk	Financial assets with a significant increase in credit risk	Credit-impaired financial assets	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As of 1 January 2021	127,523	3,139	-	130,662
Change due to reclassification	(266)	266	-	-
Change due to new estimation of credit loss	(71,144)	(2,178)	-	(73,322)
Newly acquired or purchased financial assets	113,835	4	-	113,839
Derecognised financial assets	(56,043)	(189)	-	(56,232)
As of 31 December 2021	113,905	1,042	-	114,947

27 Other accounts payable

	Consolidated		Separate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Margin payables	2,968,893	1,064,478	2,968,893	1,064,478
Insurance premium payables	181,563	239,710	181,563	239,710
Dealer payables	977,320	1,158,597	977,320	1,158,597
Other refund payables to customers	9,155	10,788	9,155	10,788
Securities payables	1,087,363	206,595	1,087,363	206,595
Others	1,868,958	3,569,976	1,689,152	3,392,397
Total	7,093,252	6,250,144	6,913,446	6,072,565

28 Other liabilities

	Consolidated		Separate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Accrued bonus	1,098,575	1,990,644	656,751	965,000
Accrued expenses	1,032,289	1,164,225	891,794	1,029,430
Front-end fees	42,984	35,853	42,984	35,853
Other income received in advance	1,145,918	1,211,220	1,217,273	1,283,254
Deposits	149,362	156,098	148,327	155,504
Value added tax payable	31,296	29,701	1,286	9,132
Others	720,428	333,811	663,464	297,912
Total other liabilities	4,220,852	4,921,552	3,621,879	3,776,085

29 Legal reserve

Under the Public Companies Act, the Bank which is the public company is required to set aside as legal reserve at least 5% of its net profit, net of accumulated deficit brought forward (if any), until the reserve is not less than 10% of the registered capital.

30 Capital fund

The minimum capital requirement under the regulation of the Bank of Thailand shows as follow:

Capital funds	Minimum capital requirement ratio (%)	Capital buffer ratio (%)	Minimum capital requirement and capital buffer ratio (%)
Common equity tier 1 capital to risk-weighted assets	4.50	2.50	7.00
Tier 1 capital to risk-weighted assets	6.00	2.50	8.50
Capital funds to risk-weighted assets	8.50	2.50	11.00

The Bank thus conducts the internal capital adequacy assessment process in accordance with the supervisory review process of the Bank of Thailand and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite in the Bank.

The Group and the Bank maintain its capital funds in accordance with the criteria, methodologies and conditions prescribed by the Bank of Thailand. As at 30 June 2022 and 31 December 2021, total capital funds can be categorised as follows:

	Consolidated		Separate	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Tier 1 capital				
Issued and paid-up capital	8,467,511	8,467,511	8,467,511	8,467,511
Share premium	9,356,233	9,356,233	9,356,233	9,356,233
Legal reserve	852,337	852,337	852,337	852,337
Retained earnings after appropriation	32,577,059	30,331,403	27,260,268	26,209,901
Other reserve and other provisions	(650,429)	(286,734)	(147,860)	156,294
Capital deduction items on CET1	(6,140,971)	(6,044,701)	(5,915,205)	(5,811,646)
Total tier 1 capital	44,461,740	42,676,049	39,873,284	39,230,630
Tier 2 capital				
Subordinated debt	8,392,000	8,392,000	8,392,000	8,392,000
Allowance for classified assets of "normal" category	3,625,955	3,311,702	3,659,163	3,352,145
Total tier 2 capital	12,017,955	11,703,702	12,051,163	11,744,145
Total capital fund	56,479,695	54,379,751	51,924,447	50,974,775

As at 30 June 2022 and 31 December 2021, capital adequacy ratios maintained by the Bank in accordance with the Notification of the BOT are as follows:

	Capital funds			
	Consolidated		Separate	
	30 June 2022 (%)	31 December 2021 (%)	30 June 2022 (%)	31 December 2021 (%)
Common equity tier 1 capital to risk-weighted assets	12.99	13.62	11.82	12.63
Tier 1 capital to risk-weighted assets	12.99	13.62	11.82	12.63
Capital funds to risk-weighted assets	16.51	17.35	15.39	16.41

	Consolidated		Separate	
	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht	30 June 2022 Thousand Baht	31 December 2021 Thousand Baht
Capital funds less capital add-ons				
Capital funds to risk-weighted assets	56,479,695	54,379,751	51,924,447	50,974,775
Rate of capital funds to risk-weighted assets	16.51	17.35	15.39	16.41

Disclosure of Capital Maintenance information under the Notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance for Commercial Banks.

Location of disclosure	: https://ir.kkpg.com/en/updates/pillar-disclosure
Date of disclosure	: Within October 2022
Information as at	: 30 June 2022

Moreover, the Group has disclosed information related to Liquidity Coverage Ratio as at 30 June 2022 under the Notification of Bank of Thailand, no. Sor Nor Sor 2/2561, as the above location and date of disclosure.

31 Dividend paid

On 22 April 2021, the Annual General Meeting of the Bank's shareholders for the year 2020 approved the resolution regarding the payment of dividend for the year 2020 at the rate of Baht 2.25 per ordinary share. The dividend was paid on 20 May 2021 amounting to Baht 1,905,157,483.

On 21 April 2022, the Annual General Meeting of the Bank's shareholders for the year 2022 approved the resolution regarding the payment of dividend for the year 2021 at the rate of Baht 2.95 per ordinary share, a part of which had been paid as interim dividend at the rate of Baht 0.75 per share on 23 September 2022, amounting to Baht 635,053,319 and the remaining amount will be paid on 19 May 2022 at the rate of Baht 2.20 per share in amounting to Baht 1,861,175,489.

32 Other components of equity

Other components of equity for the For the six-month period ended 30 June 2022 and 2021 are as follows;

	Consolidated			
	Attributable to owners of the components of the Components of equity parent			
	Revaluation surplus (deficit) on investments in debt instruments measured at fair value through other comprehensive income Thousand Baht	Revaluation surplus (deficit) on investment in equity instruments designated at fair value through other comprehensive income Thousand Baht	Deferred tax relating to components of other comprehensive income (expense) Thousand Baht	Deficit from change in the ownership interest in subsidiaries Thousand Baht
Opening balances as at 1 January 2021	286,124	(261,271)	(3,564)	(158,337)
Total comprehensive income (expenses)	(141,258)	792,127	(129,997)	-
Transfer to retained earnings	-	74,287	(11,867)	-
Closing balances as at 30 June 2021	144,866	605,143	(145,428)	(158,337)
Opening balance as at 1 January 2022	(16,381)	(139,386)	28,557	(158,337)
Total comprehensive income (expenses)	(376,849)	(8,197)	77,015	-
Transfer to retained earnings	-	(64,378)	12,854	-
Closing balances as at 30 June 2022	(393,230)	(211,961)	118,426	(158,337)

	Separate		
	Other components of equity		
	Revaluation surplus (deficit) on investments in debt instruments measured at fair value through other comprehensive income Thousand Baht	Revaluation surplus (deficit) on investment in equity instruments designated at fair value through other comprehensive income Thousand Baht	Deferred tax relating to components of other comprehensive income (expense) Thousand Baht
Opening balances as at 1 January 2021			
Total comprehensive income (expenses)	286,124 (141,258)	211,663 (2,821)	(99,557) 28,816
Closing balances as at 30 June 2021	144,866	208,842	(70,741)
Opening balance as at 1 January 2022			
Total comprehensive income (expenses)	(16,381) (376,849)	213,233 1,830	(39,370) 75,004
Closing balances as at 30 June 2022	(393,230)	215,063	35,634

33 Assets with obligations and restrictions

As 30 June 2022, the Group and the Bank have investments in government securities which are pledged as collaterals for repurchase agreement with fair value of Baht 3,598.50 million (31 December 2021: Baht 3,344.62 million).

34 Advance received from electronic transactions

The BOT Notification No. SOR NOR CHOR 7/2561, dated 16 April 2018, regarding the “Regulations on Service Business Relating to Electronic Money (e-Money) Services” requires the Bank to disclose advances received from e-Money Services. As of 30 June 2022, the Bank had no advances received from e-Money Services (31 December 2021: Nil).

35 Commitments and contingent liabilities

	Consolidated		Separate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Aval to bills of exchange	493,026	82,109	493,026	82,109
Other contingencies				
- Unused overdraft credit facilities	12,469,006	7,691,697	12,969,006	8,191,697
- Other guarantee	11,648,351	11,697,796	11,648,351	11,697,796
Total	24,610,383	19,471,602	25,110,383	19,971,602

As at 30 June 2022, the Group has other commitments in the form of various agreements relating to computer system and software development and construction agreement of the office building. The Group is obligated to pay a further Baht 364.68 million (31 December 2021: Baht 422.17 million).

36 Earnings per share

Earnings per share in the interim consolidated and the interim separate financial statements for the the six-month periods ended 30 June 2022 and 2021 are calculated as follows;

	Consolidated					
	For the six-month period ended 30 June					
	Profit for the periods		Weighted average number of ordinary shares		Earnings per share	
	2022	2021	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Shares	Thousand Shares	Baht	Baht
Basic earnings per share						
Net profit available to ordinary shareholders	4,088,634	2,816,940	846,751	846,751	4.83	3.33
	Separate					
	For the six-month period ended 30 June					
	Profit for the periods		Weighted average number of ordinary shares		Earnings per share	
	2022	2021	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Shares	Thousand Shares	Baht	Baht
Basic earnings per share						
Net profit available to ordinary shareholders	3,959,409	2,132,112	846,751	846,751	4.68	2.52

There are no dilutive ordinary shares in issue for the six-month period ended 30 June 2022 and 2021.

37 Information on quality of assets

37.1 Investments in securities

The Bank has investments in debt instruments in companies which were ordered to discontinue their operations and defaulted their debts as at 30 June 2022 and 31 December 2021 as follows;

Consolidated and Separate 30 June 2022				
Type of investment	Numbers	Cost Million Baht	Market value Million Baht	Provision Million Baht
Company which has defaulted on interest payment Listed company being subject to delisting	Senior securities	1	0.04	-
	Common stocks	1	5.42	10.19
		2	5.46	10.19
Consolidated and Separate 31 December 2021				
Type of investment	Numbers	Cost Million Baht	Market value Million Baht	Provision Million Baht
Company which has defaulted on interest payment Listed company being subject to delisting	Senior securities	1	0.04	-
	Common stocks	1	5.42	13.86
		2	5.46	13.86

37.2 Loans and accrued interest receivables

The Group had given loans and accrued interest receivables to companies which faced the financial operational difficulties and provided related allowance for expected credit losses in the interim consolidated and the separate financial statements as follows;

Consolidated 30 June 2022				
Numbers	Total debts Thousand Baht	Collateral Thousand Baht	Allowance for expected credit losses Thousand Baht	
Companies which are under default problem	783	6,989,626	10,741,491	2,093,388
	783	6,989,626	10,741,491	2,093,388
Consolidated 31 December 2021				
Numbers	Total debts Thousand Baht	Collateral Thousand Baht	Allowance for expected credit losses Thousand Baht	
Companies which are under default problem	718	6,375,667	10,065,960	1,920,565
	718	6,375,667	10,065,960	1,920,565

Separate				
30 June 2022				
	Numbers	Total debts Thousand Baht	Collateral Thousand Baht	Allowance for expected credit losses Thousand Baht
Companies which are under default problem	760	6,436,904	8,955,924	2,085,228
	760	6,436,904	8,955,924	2,085,228
Separate				
31 December 2021				
	Numbers	Total debts Thousand Baht	Collateral Thousand Baht	Allowance for expected credit losses Thousand Baht
Companies which are under default problem	695	5,842,483	8,253,604	1,915,030
	695	5,842,483	8,253,604	1,915,030

38 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Bank, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Bank. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Bank that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Bank and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship rather than the legal form.

According to the BOT's Notification Sor Nor Sor. 6/2553 regarding the Guideline on Consolidated Supervision dated on 18 June 2010, the Bank is required to disclose the Inter-Group Transactions in the Financial Business Group Policy and the Risk Management for Inter-Group Transactions in the Financial Business Group Policy as follows;

The Inter-Group Transactions in the Financial Business Group Policy

The inter-group transactions shall be the same conditions or criteria, including interest rate or service fee charged, as applied when the Bank enters into the transactions with general customers with the same risk.

The Risk Management for Inter-Group Transactions in the Financial Business Group Policy

To manage the operation and consolidated supervision, the Board of Directors assigned the Risk Oversight Committee to take the policy into action, control and monitor business and supporting unit to conform with the Financial Business Group Policy. Moreover, the Board of Directors shall be informed of the significant risk of the Financial Business Group on a regularly basis.

Furthermore, the Risk Oversight Committee of each company in the Financial Business Group is responsible to perform the risk assessment according to its policy and report the results to the Bank's Risk Oversight Committee on a regularly basis. In case there is any significant change or any circumstance that will impact the current business operation, the Risk Oversight Committee shall report such matters immediately.

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

The following transactions were carried out with related parties.

38.1 Income

	Consolidated		Separate	
	For the three-month period ended 30 June (Unaudited)		For the three-month period ended 30 June (Unaudited)	
	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht
Interest and dividend income				
Subsidiaries				
KKP Capital PCL.	-	-	632	548
Kiatnakin Phatra Securities PCL.	-	-	17	1
KKP Tower Co., Ltd.	-	-	25	25
	-	-	674	574
Fees and services income				
Subsidiaries				
Kiatnakin Phatra Securities PCL.	-	-	13	13
Kiatnakin Phatra Asset Management Co., Ltd.	-	-	7	8
Thai Restructuring Fund	-	-	1	1
Bangkok Capital Fund	-	-	1	1
Gamma Capital Fund	-	-	1	1
Directors and management at the position of department head and above including their related persons who have control or significant influences	1	3	-	-
	1	3	23	24
Other operating income				
Subsidiaries				
KKP Capital PCL.	-	-	12	35
Kiatnakin Phatra Securities PCL.	-	-	114	20
Kiatnakin Phatra Asset Management Co., Ltd.	-	-	2	3
KKP Dime Securities Co.,Ltd.	-	-	1	-
Bangkok Capital Fund	-	-	-	7
	-	-	129	65

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

	Consolidated		Separate	
	For the six-month period ended 30 June		For the six-month period ended 30 June	
	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht
Interest and dividend income				
Subsidiaries				
KKP Capital PCL.	-	-	632	569
Kiatnakin Phatra Securities PCL.	-	-	33	1
KKP Tower Co., Ltd.	-	-	51	51
	-	-	716	621
Fees and services income				
Subsidiaries				
Kiatnakin Phatra Securities PCL.	-	-	28	34
Kiatnakin Phatra Asset Management Co.,Ltd.	-	-	16	18
Asia Recovery 3 Fund	-	-	1	1
Thai Restructuring Fund	-	-	2	2
Bangkok Capital Fund	-	-	2	2
Gamma Capital Fund	-	-	3	3
Directors and management at the position of department head and above including their related persons who have control or significant influences	5	6	-	-
	5	6	52	60
Other operating income				
Subsidiaries				
KKP Capital PCL.	-	-	12	90
Kiatnakin Phatra Securities PCL.	-	-	110	51
Kiatnakin Phatra Asset Management Co.,Ltd.	-	-	4	7
KKP Dime Securities Co.,Ltd	-	-	1	-
Bangkok Capital Fund	-	-	-	7
Gamma Capital Fund	-	-	1	-
	-	-	128	155

38.2 Expenses

	Consolidated		Separate	
	For the three-month period ended 30 June (Unaudited)		For the three-month period ended 30 June (Unaudited)	
	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht
Interest and discounts on borrowings				
Subsidiaries				
Kiatnakin Phatra Securities PCL.	-	-	26	25
KKP Tower Co., Ltd.	-	-	4	3
Directors and management at the position of department head and above including their related persons who have control or significant influences	7	8	7	8
	7	8	37	36
Other service expenses				
Subsidiaries				
Kiatnakin Phatra Securities PCL.	-	-	83	99
KKP Tower Co., Ltd.	-	-	56	54
Other related parties	19	21	19	21
	19	21	158	174
	Consolidated		Separate	
	For the six-month period ended 30 June		For the six-month period ended 30 June	
	2022	2021	2022	2021
	Million Baht	Million Baht	Million Baht	Million Baht
Interest and discounts on borrowings				
Subsidiaries				
KKP Capital PCL.	-	-	1	-
Kiatnakin Phatra Securities PCL.	-	-	49	47
KKP Tower Co., Ltd.	-	-	8	7
Directors and management at the position of department head and above including their related persons who have control or significant influences	8	16	8	16
	8	16	66	70
Other service expenses				
Subsidiaries				
KKP Capital PCL.	-	-	-	(1)
Kiatnakin Phatra Securities PCL.	-	-	165	153
KKP Tower Co., Ltd.	-	-	106	111
Other related parties	41	40	41	40
	41	40	312	303

38.3 Outstanding balances

	Consolidated		Separate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Million Baht	Million Baht	Million Baht	Million Baht
Loans to financial institutions / Loans				
Subsidiaries				
Kiatnakin Phatra Securities PCL.	-	-	3,200	6,900
KKP Tower Co., Ltd.	-	-	2,324	2,372
<u>Less</u> Allowance of expected credit losses	-	-	(2)	(5)
Directors and management at the position of department head and above including their related persons who have control or significant influences	27	11	27	11
	27	11	5,549	9,278
Accrued interest receivables and undue interest receivable				
Subsidiaries				
KKP Capital PCL.	-	-	(1)	(2)
Kiatnakin Phatra Securities PCL.	-	-	3	-
KKP Tower Co., Ltd.	-	-	(2)	(1)
	-	-	-	(3)
Other accounts receivables				
Subsidiaries				
KKP Capital PCL.	-	-	-	4
Kiatnakin Phatra Securities PCL.	-	-	238	116
Kiatnakin Phatra Asset Management Co., Ltd.	-	-	4	6
KKP Dime Securities Co., Ltd.	-	-	1	-
	-	-	243	126
Derivative assets				
Subsidiaries				
KKP Capital PCL.	-	-	3	9
Kiatnakin Phatra Securities Co., Ltd.	-	-	2	-
	-	-	5	9
Other assets				
Subsidiaries				
KKP Tower Co., Ltd.	-	-	770	662
	-	-	770	662
Deposits				
Subsidiaries				
KKP Capital PCL.	-	-	75	14
Kiatnakin Phatra Securities PCL.	-	-	435	256
Kiatnakin Phatra Asset Management Co., Ltd.	-	-	32	17
KKP Dime Securities Co., Ltd.	-	-	208	25
Bangkok Capital Fund	-	-	119	117
Gamma Capital Fund	-	-	273	215
KKP Tower Co., Ltd.	-	-	81	151
Directors and management at the position of department head and above including their related persons who have control or significant influences	2,291	2,099	2,291	2,099
	2,291	2,099	3,514	2,894

	Consolidated		Separate	
	30 June 2022 Million Baht	31 December 2021 Million Baht	30 June 2022 Million Baht	31 December 2021 Million Baht
Debt issued and borrowings				
Subsidiaries				
KKP Capital PCL	-	-	605	1,300
Directors and management at the position of department head and above including their related persons who have control or significant influences and other related party	-	5	-	5
	-	5	605	1,305
Accrued interest expenses				
Directors and management at the position of department head and above including their related persons who have control or significant influences and other related party	2	1	2	1
	2	1	2	1
Other liabilities				
Subsidiaries				
Kiatnakin Phatra Securities PCL.	-	-	173	250
KKP Tower Co., Ltd.	-	-	723	614
Other related parties	1	3	1	3
	1	3	897	867

During the six-month period ended 30 June 2022, a subsidiary under the Capital Market Segment has investment in ordinary shares which have been classified as collateralised investments which are measured at fair value through other comprehensive income. As at 30 June 2022, fair value of the investment was Baht 458 million. (31 December 2021: Baht 458 million).

Collateralised investments are securities that a subsidiary under the Capital Market Segment allows the invested company to pledge at the Bank as collateral in loan transaction.

During for the six-month period ended 30 June 2022, the Bank has sold an asset to a director at Baht 2 million. (31 December 2021: has no transaction).

During for the six-month period ended 30 June 2022, the Bank has no purchase assets from a subsidiary. (31 December 2021: Baht 52 million).

38.4 Directors and key management compensations

For the six-month period ended 30 June 2022 and 2021, compensations paid to directors and key management personnel are as follows:

	Consolidated		Separate	
	For the six-month period ended 30 June 2022 Thousand Baht	2021 Thousand Baht	For the six-month period ended 30 June 2022 Thousand Baht	2021 Thousand Baht
Short-term employee benefits	179,359	170,460	127,495	129,781
Post-employment benefits	6,672	5,550	3,318	3,375
Total	186,031	176,010	130,813	133,156

39 Benefits paid to directors and executives

The Group has no special benefits given to the directors and executives beyond the general benefits provided such as directors' remuneration, executives' salary and bonus (if any).

40 Operating segments

The Group discloses operating segments information in accordance with the Thai Financial Reporting Standard No.8 "Operating Segments" and under the same basis as internal management reports presented to the Bank's chief operating decision maker for resources allocation to and performance evaluation of various segments. Accordingly, the Bank has divided reportable segments in accordance with the new structure of the Kiatnakin Phatra Financial Group and characteristics of segments operating in significantly diverse environment. These operating segments are; Commercial Banking Business, Capital Market Business, and the Debt Restructuring Segment under the Commercial Banking Business. Details of each operating segment are as follows;

- Commercial banking business consists of all commercial banking business and KKP Tower Co., Ltd. except for the Debt restructuring segment
- Capital market business consists of KKP Capital PCL., Kiatnakin Phatra Securities PCL., Kiatnakin Phatra Asset Management Co., Ltd., and KKP DIME Securities Co., Ltd.,
- The Debt restructuring segment

Assessing the performance of, operating segments is measured in accordance with Thai Financial Reporting Standard as adjusted in accordance with internal management accounting rules and practices. Amounts for each business segment are shown after the allocation of certain centralised costs and income between segments. Transactions between segments are eliminated on consolidation.

40.1 Operation result

Operation result classified by Commercial Banking Business, Capital Market Business and The Debt Restructuring Segment for the years ended 30 June 2022 and 2021 are as follows;

	Consolidated			
	30 June 2022			
	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
Income from external clients				
Interest income, net	8,713	(43)	109	8,779
Fees and services income, net	1,351	1,599	-	2,950
Other operating income, net	248	610	2	860
Total income from operating	10,312	2,166	111	12,589
Income between segments	772	215	-	987
Depreciation and amortisation	209	59	3	271
Other expenses	4,000	1,268	73	5,341
Total other operating expenses	4,209	1,327	76	5,612
Expected credit loss (reversal)	1,885	-	(7)	1,878
Profit from operating				
before income tax expenses	4,218	839	42	5,099
Income tax expenses	833	169	-	1,002
Net Income	3,385	670	42	4,097

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

	Consolidated			
	30 June 2021			
	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
Income from external clients				
Interest income, net	7,405	(33)	252	7,624
Fees and services income, net	1,105	1,943	-	3,048
Other operating income, net	123	536	19	678
Total income from operating	8,633	2,446	271	11,350
Income between segments	778	199	-	977
Depreciation and amortisation	229	64	3	296
Other expenses	3,845	1,215	(95)	4,965
Total other operating expenses	4,074	1,279	(92)	5,261
Expected credit loss (reversal)	2,613	-	(1)	2,612
Profit from operating				
before income tax expenses	1,946	1,167	364	3,477
Income tax expenses	402	233	(8)	627
Net Income	1,544	934	372	2,850

Revenue transactions classified by timing of revenue recognition and operating segments of Commercial Banking Business, Capital Market Business and The Debt Restructuring Segment for the years ended 30 June 2022 and 2021 are as follows:

	Consolidated			
	30 June 2022			
	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
Timing of revenue recognition				
At a point in time	1,264	1,513	2	2,779
Over time	167	539	-	706

	Consolidated			
	30 June 2021			
	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
Timing of revenue recognition				
At a point in time	980	1,897	18	2,895
Over time	156	418	-	574

Total assets classified by Commercial Banking Business, Capital Market Business and The Debt Restructuring Segment

	Commercial banking business Million Baht	Capital market business Million Baht	Debt restructuring segment Million Baht	Total Million Baht
As at 30 June 2022	452,436	40,027	1,837	494,300
As at 31 December 2021	401,654	32,664	1,805	436,123

40.2 Reconciliation operating segments information

Reconciliation between consolidated income from all segments and income and reconciliation between consolidated profit from all segments and profit from operating before income tax expenses for the years ended 30 June 2022 and 2021 are as follows;

	Consolidated	
	2022	2021
	Million Baht	Million Baht
Income		
Consolidated income from all segments	13,576	12,327
Elimination of inter-segment income	(987)	(977)
Total income	12,589	11,350
Profit		
Consolidated profit from all segments	5,099	3,477
Elimination of inter-segment profit	-	-
Profit from operating before income tax expenses	5,099	3,477

Reconciliation between consolidated assets from all segments and total assets as at 30 June 2022 and 31 December 2021 are as follows;

	Consolidated	
	30 June	31 December
	2022	2021
	Million Baht	Million Baht
Assets		
Consolidated assets from all segments	494,300	436,123
Elimination of inter-segment assets	-	-
Total assets	494,300	436,123

During the six-month period ended 30 June 2022 and 2021, there is no revenue from transactions with a single external customer or counter party amounted to 10% or more of the Bank's total revenue.

The Bank and its subsidiaries operate in Thailand only. There has been no material change in total assets or total liabilities from the amounts disclosed in the last annual financial statements.

41 Important positions and performance classified by type of domestic or foreign transactions

41.1 Position classified by type of transaction

	Consolidated					
	30 June 2022			31 December 2021		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Total assets	473,172,641	21,127,115	494,299,756	421,801,742	14,321,459	436,123,201
Interbank and money market items, net (Assets)	48,614,282	6,620,523	55,234,805	51,174,307	4,063,927	55,238,234
Financial assets measured at fair value through profit or loss	28,397,926	-	28,397,926	22,215,401	149,423	22,364,824
Investments	30,573,460	572,156	31,145,616	16,142,848	697,365	16,840,213
Loan to customer and accrued interest receivables, net	317,660,207	11,072,531	328,732,738	292,888,249	6,259,317	299,147,566
Deposits	320,940,910	-	320,940,910	288,381,946	-	288,381,946
Interbank and money market items (Liabilities)	12,720,664	1,764,850	14,485,514	14,993,334	1,670,995	16,664,329
Debt issued and borrowings	59,961,355	-	59,961,355	43,804,907	-	43,804,907

	Separate					
	30 June 2022			31 December 2021		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Total assets	445,812,034	19,949,875	465,761,909	406,763,983	12,141,384	418,905,367
Interbank and money market items, net (Assets)	50,116,892	6,605,769	56,722,661	56,702,624	4,035,136	60,737,760
Financial assets measured at fair value through profit or loss	8,146,059	-	8,146,059	7,369,286	-	7,369,286
Investments	29,657,398	-	29,657,398	15,116,585	-	15,116,585
Loan to customer and accrued interest receivables, net	319,413,745	11,072,531	330,486,276	294,707,275	6,259,317	300,966,592
Deposit	321,487,805	-	321,487,805	288,903,970	-	288,903,970
Interbank and money market items (Liabilities)	12,351,200	1,764,850	14,116,050	14,996,773	1,670,995	16,667,768
Debt issued and borrowings	52,081,994	-	52,081,994	43,750,833	-	43,750,833

41.2 Performance classified by type of transaction

	Consolidated					
	For the six-month period ended 30 June 2022			For the six-month period ended 30 June 2021		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Interest income	10,572,771	244,592	10,817,363	9,419,646	139,371	9,559,017
Interest expenses	2,037,534	436	2,037,970	1,934,127	394	1,934,521
Net interest income	8,535,237	244,156	8,779,393	7,485,519	138,977	7,624,496
Net fee and service income	2,338,993	610,799	2,949,792	2,503,873	544,333	3,048,206
Other operating income	(160,511)	1,020,168	859,657	833,430	(155,586)	677,844
Other operating expenses	5,610,215	1,202	5,611,417	5,259,025	2,102	5,261,127
Profit (loss) from continuing operation before expected credit losses and income tax expenses	5,103,504	1,873,921	6,977,425	5,563,797	525,622	6,089,419

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

	Separate					
	For the six-month period ended 30 June 2022			For the six-month period ended 30 June 2021		
	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht	Domestic Thousand Baht	Foreign Thousand Baht	Total Thousand Baht
Interest income	10,534,037	243,205	10,777,242	9,283,931	137,868	9,421,799
Interest expenses	2,060,189	420	2,060,609	1,974,800	391	1,975,191
Net interest income	8,473,848	242,785	8,716,633	7,309,131	137,477	7,446,608
Net fee and service income	1,362,611	-	1,362,611	1,148,749	-	1,148,749
Other operating income	(368,093)	1,501,836	1,133,743	1,124,835	(196,948)	927,887
Other operating expenses	4,553,917	-	4,553,917	4,391,277	-	4,391,277
Profit (loss) from continuing operation before expected credit losses and income tax expenses	4,914,449	1,744,621	6,659,070	5,191,438	(59,471)	5,131,967

42 Interest income

Interest income for the six-month periods ended 30 June 2022 and 2021 are as follows;

	Consolidated		Separate	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Interbank and money market items	219,040	130,697	245,449	126,948
Investment in debt securities	167,085	186,263	149,268	173,439
Loans	3,932,396	3,696,597	3,984,586	3,790,168
Hire-purchase and financial leases	6,382,635	5,319,644	6,382,635	5,319,644
POCI loans	109,547	221,688	11,002	9,900
Others	6,660	4,128	4,302	1,700
Total interest income	10,817,363	9,559,017	10,777,242	9,421,799

43 Interest expenses

Interest expenses for the six-month periods ended 30 June 2022 and 2021 are as follows;

	Consolidated		Separate	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Deposits	1,306,617	1,268,861	1,306,781	1,268,944
Interbank and money market items	63,515	49,216	60,196	48,400
Contributions to Financial Institution Development Fund and Deposit Protection Agency	387,373	323,439	387,373	323,439
Debt issued				
- Senior securities	84,529	98,689	84,529	98,689
- Subordinated bond	147,860	171,376	147,860	171,376
- Others	23,309	3,379	3,154	921
Fees and charges on borrowings	5,930	5,919	53,507	51,261
Others	18,837	13,642	17,209	12,161
Total interest expenses	2,037,970	1,934,521	2,060,609	1,975,191

44 Fees and services income, net

Fees and services income, net for the six-month periods ended 30 June 2022 and 2021 are as follows:

	Consolidated		Separate	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Fees and services income				
- Brokerage fees	1,046,361	979,110	-	-
- Bancassurance fees	732,666	533,069	732,666	533,069
- Acceptance, avals and guarantees	62,450	79,889	62,450	79,889
- Others	1,654,603	1,864,817	701,360	635,142
Total fees and services income	3,496,080	3,456,885	1,496,476	1,248,100
Fees and services expenses				
- Security management fees	358,054	269,339	-	-
- Others	188,234	139,340	133,865	99,351
Total fees and services expenses	546,288	408,679	133,865	99,351
Fees and services income, net	2,949,792	3,048,206	1,362,611	1,148,749

45 Gain on financial instruments measured at fair value through profit or loss, net

Gain (Loss) on financial instruments measured at fair value through profit or loss, net for the six-month period ended 30 June 2022 and 2021 are as follows:

	Consolidated		Separate	
	For the six-month periods ended 30 June		For the six-month periods ended 30 June	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gain (loss) on trading and foreign exchange transactions				
- Foreign exchange	896,782	(102,656)	870,908	(148,148)
- Debt securities	(140,787)	6,599	(91,151)	23,234
- Equity securities	472,742	683,705	(609)	414,559
- Derivatives	(764,251)	(199,203)	(453,118)	(75,945)
Total	464,486	388,445	326,030	213,700
Gain (loss) on financial instruments designated at fair value through profit or loss				
Changes in fair value				
- Financial liabilities measured at fair value through profit or loss	87,944	28,063	-	-
Gain (loss) on derecognition and interest income and interest expense paid	(67,450)	(58,991)	-	-
Total	20,494	(30,928)	-	-
Grand total	484,980	357,517	326,030	213,700

46 Gain (loss) on investments, net

Gain (loss) on investments, net for the six-month periods ended 30 June 2022 and 2021 are as follows;

	Consolidated		Separate	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gain (loss) on sale of				
- Investment measured at fair value through other comprehensive income	(12,509)	(6,051)	(12,509)	(6,051)
- Investments in subsidiaries	-	-	693	7,060
Total	(12,509)	(6,051)	(11,816)	1,009
Reversal (loss) on impairment of				
- Investments in subsidiaries	-	-	18,516	80,577
Total	-	-	18,516	80,577
Total gain (loss) on investments, net	(12,509)	(6,051)	6,700	81,586

The Group recognised loss on impairment due to the carrying value less than the fair value.

47 Other operating income

Other operating income for the six-month periods ended 30 June 2022 and 2021 are as follows;

	Consolidated		Separate	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Penalty income	70,770	70,328	70,770	70,328
Profit from sales of fixed assets	10,533	1,532	10,533	1,532
Other income	13,331	36,424	33,603	6,990
Total other operating income	94,634	108,284	114,906	78,850

48 Other expenses

Other expenses for the six-month periods ended 30 June 2022 and 2021 are as follows;

	Consolidated		Separate	
	2022	2021	2022	2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Repossessed cars expenses	155,752	44,577	155,752	44,577
Properties foreclosed expenses	22,974	24,823	22,974	24,823
Transportation expenses	79,947	67,576	75,520	63,829
Advertising and promotion expenses	54,532	12,737	40,493	7,540
Management fee of Mutual funds	3,409	3,386	-	-
Other intangible assets expenses	101,367	118,395	85,821	103,993
Other expenses	517,577	502,557	460,618	425,376
Total other expenses	935,558	774,051	841,178	670,138

49 Expected credit losses

Expected credit losses for the six-month periods ended 30 June 2022 and 2021 are as follows:

	Consolidated		Separate	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Interbank and money market items	(302)	(3,191)	(2,225)	(1,920)
Loans	1,876,075	2,582,513	1,873,732	2,581,632
Investment in debt instrument measured at fair value through other comprehensive income	4,140	727	4,140	727
Loan commitments and financial guarantees	(1,644)	32,180	(1,960)	31,400
Total	1,878,269	2,612,229	1,873,687	2,611,839

During the six-month period ended 30 June 2022, the recoverable amount of receivables which were already written-off for the year are Baht 634 million.(30 June 2021 : Baht 624 million).

50 Income tax expenses

Income tax expenses for the six-month periods ended 30 June 2022 and 2021 are as follows;

	Consolidated		Separate	
	2022 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2021 Thousand Baht
Current income tax for the period	1,060,961	657,254	835,547	424,379
Adjustment in respect of current income tax of previous period	15,425	(11,555)	16,291	(10,922)
Deferred tax	(74,423)	(18,602)	(25,864)	(25,441)
Total income tax expenses	1,001,963	627,097	825,974	388,016

Reconciliation of effective tax rate for the six-month periods ended 30 June 2022 and 2021.

	Consolidated	
	2022 Thousand Baht	2021 Thousand Baht
Profit before income tax expenses	5,099,156	3,477,190
Tax calculated at a tax rate of 20%	1,019,831	695,438
Adjustment in respect of current income tax of previous period	15,425	(11,555)
Income not subjected to tax	(172,296)	(88,094)
Expenses not deductible for tax purpose	139,003	29,863
Deferred tax adjustments in respect of prior year	-	1,445
Income tax expenses as statements of profit or loss and other comprehensive income	1,001,963	627,097

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

	Separate	
	2022	2021
	Thousand Baht	Thousand Baht
Profit before income tax expenses	4,785,383	2,520,128
Tax calculated at a tax rate of 20%	957,077	504,026
Adjustment in respect of current income tax of previous period	16,291	(10,922)
Income not subjected to tax	(274,541)	(114,012)
Expenses not deductible for tax purpose	127,147	8,924
Income tax expenses as statements of profit or loss and other comprehensive income	825,974	388,016

The weighted average income tax rate for the six-month period ended 30 June 2022 was 19.65% and 17.26% in the interim consolidated and the separate financial statements, respectively (2021: 18.03% and 15.40%, respectively).

The weighted average income tax rate for the consolidated and separate financial statements changed from dividend received transactions.

51 Income tax relating to components of other comprehensive income (loss)

Income tax relating to components of other comprehensive income (expenses) for the six-month periods ended 30 June 2022 and 2021 are as follows;

	Consolidated					
	2022			2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gain (loss) on debt instruments classified at fair value through other comprehensive income	(376,849)	75,370	(301,479)	(141,258)	28,252	(113,006)
Gain (loss) on equity instruments designated at fair value through other comprehensive income	(8,198)	1,645	(6,553)	792,301	(158,283)	634,018
Other comprehensive income (loss)	(385,047)	77,015	(308,032)	651,043	(130,031)	521,012

	Separate					
	2022			2021		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Gain (loss) on debt instruments classified at fair value through other comprehensive income	(376,849)	75,370	(301,479)	(141,258)	28,252	(113,006)
Gain (loss) on equity instruments designated at fair value through other comprehensive income	1,830	(366)	1,464	(2,821)	564	(2,257)
Other comprehensive income (loss)	(375,019)	75,004	(300,015)	(144,079)	28,816	(115,263)

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

52 Financial instruments

Measurement basis of financial assets and liabilities

The accounting policies in Note 3 describe how different classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of the financial assets and liabilities by category and by statement of financial position heading.

Consolidated						
30 June 2022						
	At fair value through profit or loss	Designated at fair value through profit or loss	At fair value through other comprehensive income	Designated at fair value through other comprehensive income	Held at Amortised cost	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets						
Cash	-	-	-	-	1,105,535	1,105,535
Interbank and money market items, net	-	-	-	-	55,234,805	55,234,805
Financial assets measured at fair value through profit or loss	28,397,926	-	-	-	-	28,397,926
Derivatives assets	13,117,760	-	-	-	-	13,117,760
Investments, net	-	-	29,410,392	1,555,468	179,756	31,145,616
Loans to customers and accrued interest receivables, net	-	-	-	-	328,732,738	328,732,738
Accounts receivable from clearing house and broker - dealers	-	-	-	-	2,466,995	2,466,995
Securities and derivative business receivables	3,460,520	-	-	-	8,370,775	11,831,295
Total financial assets	44,976,206	-	29,410,392	1,555,468	396,090,604	472,032,670
Financial liabilities						
Deposits	-	-	-	-	320,940,910	320,940,910
Interbank and money market items, net	-	-	-	-	14,485,514	14,485,514
Liabilities payable on demand	-	-	-	-	927,349	927,349
Financial liabilities measured at fair value through profit or loss	-	3,071,440	-	-	-	3,071,440
Derivatives liabilities	15,342,015	-	-	-	-	15,342,015
Debt issued and borrowings	-	-	-	-	59,961,355	59,961,355
Lease liabilities	-	-	-	-	233,628	233,628
Accounts payable to clearing house and broker - dealers	-	-	-	-	346,738	346,738
Securities and derivative business payables	5,643,999	-	-	-	6,371,071	12,015,070
Total financial liabilities	20,986,014	3,071,440	-	-	403,266,565	427,324,019
Consolidated						
31 December 2021						
	At fair value through profit or loss	Designated at fair value through profit or loss	At fair value through other comprehensive income	Designated at fair value through other comprehensive income	Held at Amortised cost	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets						
Cash	-	-	-	-	1,242,065	1,242,065
Interbank and money market items, net	-	-	-	-	55,238,234	55,238,234
Financial assets measured at fair value through profit or loss	22,364,824	-	-	-	-	22,364,824
Derivatives assets	7,481,509	-	-	-	-	7,481,509
Investments, net	-	-	14,871,410	1,744,238	224,565	16,840,213
Loans to customers and accrued interest receivables, net	-	-	-	-	299,147,566	299,147,566
Accounts receivable from clearing house and broker - dealers	-	-	-	-	979,499	979,499
Securities and derivative business receivables	2,900,688	-	-	-	8,095,674	10,996,362
Total financial assets	32,747,021	-	14,871,410	1,744,238	364,927,603	414,290,272
Financial liabilities						
Deposits	-	-	-	-	288,381,946	288,381,946
Interbank and money market items, net	-	-	-	-	16,664,329	16,664,329
Liabilities payable on demand	-	-	-	-	668,531	668,531
Financial liabilities measured at fair value through profit or loss	-	1,699,750	-	-	-	1,699,750
Derivatives liabilities	9,036,326	-	-	-	-	9,036,326
Debt issued and borrowings	-	-	-	-	43,804,907	43,804,907
Lease liabilities	-	-	-	-	240,002	240,002
Accounts payable to clearing house and broker - dealers	-	-	-	-	1,661,003	1,661,003
Securities and derivative business payables	3,865,042	-	-	-	5,033,051	8,898,093
Total financial liabilities	12,901,368	1,699,750	-	-	356,453,769	371,054,887

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

Separate						
30 June 2022						
	At fair value through profit or loss	Designated at fair value through profit or loss	At fair value through other comprehensive income	Designated at fair value through other comprehensive income	Held at Amortised cost	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets						
Cash	-	-	-	-	1,105,339	1,105,339
Interbank and money market items, net	-	-	-	-	56,722,661	56,722,661
Financial assets measured at fair value through profit or loss	8,146,059	-	-	-	-	8,146,059
Derivatives assets	12,968,419	-	-	-	-	12,968,419
Investments, net	-	-	29,410,392	247,006	-	29,657,398
Loans to customers and accrued interest receivables, net	-	-	-	-	330,486,276	330,486,276
Total financial assets	21,114,478	-	29,410,392	247,006	388,314,276	439,086,152
Financial liabilities						
Deposits	-	-	-	-	321,487,805	321,487,805
Interbank and money market items, net	-	-	-	-	14,116,050	14,116,050
Liabilities payable on demand	-	-	-	-	927,349	927,349
Derivatives liabilities	13,806,718	-	-	-	-	13,806,718
Debt issued and borrowings	-	-	-	-	52,081,994	52,081,994
Lease liabilities	-	-	-	-	952,860	952,860
Total financial liabilities	13,806,718	-	-	-	389,566,058	403,372,776
Separate						
31 December 2021						
	At fair value through profit or loss	Designated at fair value through profit or loss	At fair value through other comprehensive income	Designated at fair value through other comprehensive income	Held at Amortised cost	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets						
Cash	-	-	-	-	1,241,867	1,241,867
Interbank and money market items, net	-	-	-	-	60,737,760	60,737,760
Financial assets measured at fair value through profit or loss	7,369,286	-	-	-	-	7,369,286
Derivatives assets	7,433,220	-	-	-	-	7,433,220
Investments, net	-	-	14,871,410	245,175	-	15,116,585
Loans to customers and accrued interest receivables, net	-	-	-	-	300,966,592	300,966,592
Total financial assets	14,802,506	-	14,871,410	245,175	362,946,219	392,865,310
Financial liabilities						
Deposits	-	-	-	-	288,903,970	288,903,970
Interbank and money market items, net	-	-	-	-	16,667,768	16,667,768
Liabilities payable on demand	-	-	-	-	668,531	668,531
Derivatives liabilities	8,163,197	-	-	-	-	8,163,197
Debt issued and borrowings	-	-	-	-	43,750,833	43,750,833
Lease liabilities	-	-	-	-	848,579	848,579
Total financial liabilities	8,163,197	-	-	-	350,839,681	359,002,878

53 Offsetting of financial assets and liabilities

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset. The column 'net amount' shows the impact on the Group's statement of financial position if all set-off rights were exercised.

Consolidated						
30 June 2022						
Effects of offsetting on the financial position			Related amounts not offset			
	Gross amount net off in the financial position	Net amounts presented in the financial position				
	Gross amounts			Cash collateral	Non-cash Collateral *	Net amounts
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets						
Reverse repurchase agreement	25,501,749	-	25,501,749	(28)	(25,501,721)	-
Derivatives assets	13,117,760	-	13,117,760	(2,968,864)	-	10,148,896
Total financial assets	38,619,509	-	38,619,509	(2,968,892)	(25,501,721)	10,148,896
Financial liabilities						
Repurchase agreement	3,623,515	-	3,623,515	(243,116)	(3,380,399)	-
Derivatives liabilities	15,342,015	-	15,342,015	(2,685,005)	-	12,657,010
Total financial liabilities	18,965,530	-	18,965,530	(2,928,121)	(3,380,399)	12,657,010

* Amount of non-cash collateral is presented less than or equal to offsetting amount of 'net amounts presented in the financial position' and 'amount of cash collateral'.

Consolidated						
31 December 2021						
Effects of offsetting on the financial position			Related amounts not offset			
	Gross amount net off in the financial position	Net amounts presented in the financial position				
	Gross amounts			Cash collateral	Non-cash Collateral *	Net amounts
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets						
Reverse repurchase agreement	29,792,816	-	29,792,816	(16,779)	(29,776,037)	-
Derivatives assets	7,481,509	-	7,481,509	(1,047,699)	-	6,433,810
Total financial assets	37,274,325	-	37,274,325	(1,064,478)	(29,776,037)	6,433,810
Financial liabilities						
Repurchase agreement	3,207,538	-	3,207,538	(110,368)	(3,097,170)	-
Derivatives liabilities	9,036,326	-	9,036,326	(1,985,769)	-	7,050,557
Total financial liabilities	12,243,864	-	12,243,864	(2,096,137)	(3,097,170)	7,050,557

* Amount of non-cash collateral is presented less than or equal to offsetting amount of 'net amounts presented in the financial position' and 'amount of cash collateral'.

Separate						
30 June 2022						
Effects of offsetting on the financial position			Related amounts not offset			
	Gross amount net off in the financial position	Net amounts presented in the financial position				
	Gross amounts			Cash collateral	Non-cash Collateral *	Net amounts
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Financial assets						
Reverse repurchase agreement	25,501,749	-	25,501,749	(28)	(25,501,721)	-
Derivatives assets	12,968,419	-	12,968,419	(2,968,864)	-	9,999,555
Total financial assets	38,470,168	-	38,470,168	(2,968,892)	(25,501,721)	9,999,555
Financial liabilities						
Repurchase agreement	3,623,515	-	3,623,515	(243,116)	(3,380,399)	-
Derivatives liabilities	13,806,718	-	13,806,718	(2,685,005)	-	11,121,713
Total financial liabilities	17,430,233	-	17,430,233	(2,928,121)	(3,380,399)	11,121,713

* Amount of non-cash collateral is presented less than or equal to offsetting amount of 'net amounts presented in the financial position' and 'amount of cash collateral'.

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

Separate 31 December 2021						
Effects of offsetting on the financial position			Related amounts not offset			
Gross amounts Thousand Baht	Gross amount net off in the financial position Thousand Baht	Net amounts presented in the financial position Thousand Baht	Cash collateral Thousand Baht	Non-cash Collateral * Thousand Baht	Net amounts Thousand Baht	
Financial assets						
Reverse repurchase agreement	29,792,816	-	29,792,816	(16,779)	(29,776,037)	-
Derivatives assets	7,433,220	-	7,433,220	(1,047,699)	-	6,385,521
Total financial assets	37,226,036	-	37,226,036	(1,064,478)	(29,776,037)	6,385,521
Financial liabilities						
Repurchase agreement	3,207,538	-	3,207,538	(110,368)	(3,097,170)	-
Derivatives liabilities	8,163,197	-	8,163,197	(1,985,769)	-	6,177,428
Total financial liabilities	11,370,735	-	11,370,735	(2,096,137)	(3,097,170)	6,177,428

* Amount of non-cash collateral is presented less than or equal to offsetting amount of 'net amounts presented in the financial position' and 'amount of cash collateral'.

54 Fair value

54.1 Fair value estimation

The fair value of financial instruments are defined into the following three different levels by valuation method as follows:

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market prices used for financial assets held by the Group are the last bid prices from the Stock Exchange of Thailand, the closing price from the Stock Exchange in overseas and settlement prices from Futures Exchange. These instruments are included in level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (over-the-counter) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

The following table presents the financial assets and liabilities that are measured at fair value at 30 June 2022 and 31 December 2021.

	Consolidated				
	30 June 2022				
	Carrying amount	Fair value			Total
	Thousand Baht	Level 1	Level 2	Level 3	Thousand Baht
		Thousand Baht	Thousand Baht	Thousand Baht	
Assets					
Derivatives assets	13,117,760	-	13,117,760	-	13,117,760
Financial assets measured at fair value through profit or loss					
Government and state enterprise securities	662,811	-	662,811	-	662,811
Private sector's debt securities	2,804,841	-	2,804,841	-	2,804,841
Foreign debt securities					
Domestic marketable equity securities	24,930,274	24,930,274	-	-	24,930,274
Investment, net					
Government and state enterprise securities	24,342,941	-	24,342,941	-	24,342,941
Private sector's debt securities	5,067,451	-	5,067,451	-	5,067,451
Domestic marketable equity securities	277,524	277,524	-	-	277,524
Foreign marketable equity security	306,247	306,247	-	-	306,247
Domestic non-marketable equity security	705,788	-	11,091	694,697	705,788
Foreign non-marketable equity security	265,909	-	-	265,909	265,909
Securities and derivative business receivables	3,460,520	3,460,520	-	-	3,460,520
Total assets	75,942,066	28,974,565	46,006,895	960,606	75,942,066
Liabilities					
Financial liabilities designated at fair value through profit or loss	3,071,440	-	3,071,440	-	3,071,440
Derivatives liabilities	15,342,015	-	15,342,015	-	15,342,015
Securities and derivative business payables	5,643,999	5,643,999	-	-	5,643,999
Total liabilities	24,057,454	5,643,999	18,413,455	-	24,057,454
	Consolidated				
	31 December 2021				
	Carrying amount	Fair value			Total
	Thousand Baht	Level 1	Level 2	Level 3	Thousand Baht
		Thousand Baht	Thousand Baht	Thousand Baht	
Assets					
Derivatives assets	7,481,509	-	7,481,509	-	7,481,509
Financial assets measured at fair value through profit or loss					
Government and state enterprise securities	831,575	-	831,575	-	831,575
Private sector's debt securities	2,759,974	-	2,694,121	65,853	2,759,974
Foreign debt securities	143,501	143,501	-	-	143,501
Domestic marketable equity securities	18,623,852	18,623,852	-	-	18,623,852
Foreign marketable equity securities	5,922	5,922	-	-	5,922
Investment, net					
Government and state enterprise securities	14,399,949	-	14,399,949	-	14,399,949
Private sector's debt securities	471,460	-	471,460	-	471,460
Domestic marketable equity securities	346,555	346,555	-	-	346,555
Foreign marketable equity security	431,456	431,456	-	-	431,456
Domestic non-marketable equity security	700,318	-	11,091	689,227	700,318
Foreign non-marketable equity security	265,909	-	-	265,909	265,909
Securities and derivative business receivables	2,900,688	2,900,688	-	-	2,900,688
Total assets	49,362,668	22,451,974	25,889,705	1,020,989	49,362,668
Liabilities					
Financial liabilities designated at fair value through profit or loss	1,699,750	-	1,699,750	-	1,699,750
Derivatives liabilities	9,036,326	-	9,036,326	-	9,036,326
Securities and derivative business payables	3,865,042	3,865,042	-	-	3,865,042
Total liabilities	14,601,118	3,865,042	10,736,076	-	14,601,118

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

Separate					
30 June 2022					
	Carrying amount Thousand Baht	Fair value			Total Thousand Baht
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Assets					
Derivatives assets	12,968,419	-	12,968,419	-	12,968,419
Financial assets measured at fair value through profit or loss					
Government and state enterprise securities	662,811	-	662,811	-	662,811
Private sector's debt securities	1,697,835	-	1,697,835	-	1,697,835
Domestic marketable equity securities	5,785,413	5,785,413	-	-	5,785,413
Investments, net					
Government and state enterprise securities	24,342,941	-	24,342,941	-	24,342,941
Private sector's debt securities	5,067,451	-	5,067,451	-	5,067,451
Domestic marketable equity securities	10,461	10,461	-	-	10,461
Domestic non-marketable equity	236,545	-	-	236,545	236,545
Total assets	50,771,876	5,795,874	44,739,457	236,545	50,771,876
Liabilities					
Derivatives liabilities	13,806,718	-	13,806,718	-	13,806,718
Total liabilities	13,806,718	-	13,806,718	-	13,806,718
Separate					
31 December 2021					
	Carrying amount Thousand Baht	Fair value			Total Thousand Baht
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Assets					
Derivatives assets	7,433,220	-	7,433,220	-	7,433,220
Financial assets measured at fair value through profit or loss					
Government and state enterprise securities	831,575	-	831,575	-	831,575
Private sector's debt securities	2,694,121	-	2,694,121	-	2,694,121
Domestic marketable equity securities	3,843,590	3,843,590	-	-	3,843,590
Investments, net					
Government and state enterprise securities	14,399,949	-	14,399,949	-	14,399,949
Private sector's debt securities	471,460	-	471,460	-	471,460
Domestic marketable equity securities	14,101	14,101	-	-	14,101
Domestic non-marketable equity	231,075	-	-	231,075	231,075
Total assets	29,919,091	3,857,691	25,830,325	231,075	29,919,091
Liabilities					
Derivatives liabilities	8,163,197	-	8,163,197	-	8,163,197
Total liabilities	8,163,197	-	8,163,197	-	8,163,197

There were no transfers between Levels 1 and 2 during the period/year.

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

The following table presents the financial assets and liabilities that are not measured at fair value at 30 June 2022 and 31 December 2021.

Consolidated					
30 June 2022					
	Carrying amount Thousand Baht	Fair value			Total Thousand Baht
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Assets					
Interbank and money market items, net	55,234,805	55,234,805	-	-	55,234,805
Loans to customers and accrued interest receivables, net	328,732,738	-	325,466,799	-	325,466,799
Investments measured at amortised cost	179,756	-	179,756	-	179,756
Account receivable from clearing house and broker - dealers	2,466,995	-	2,466,995	-	2,466,995
Securities and derivative business receivables	8,370,775	-	8,370,775	-	8,370,775
Total assets	394,985,069	55,234,805	336,484,325	-	391,719,130
Liabilities					
Deposits	320,940,910	-	320,421,913	-	320,421,913
Interbank and money market items, net	14,485,514	14,485,514	-	-	14,485,514
Liabilities payable on demands	927,349	-	927,349	-	927,349
Debt issued and borrowings	59,961,355	-	31,359,994	29,622,955	60,982,949
Accounts payable to clearing house and broker - dealers	346,738	-	346,738	-	346,738
Securities and derivative business payables	6,371,071	-	6,371,071	-	6,371,071
Accrued interest payable	399,864	-	399,864	-	399,864
Total liabilities	403,432,801	14,485,514	359,826,929	29,622,955	403,935,398
Consolidated					
31 December 2021					
	Carrying amount Thousand Baht	Fair value			Total Thousand Baht
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Assets					
Interbank and money market items, net	55,238,234	55,238,234	-	-	55,238,234
Loans to customers and accrued interest receivables, net	299,147,566	-	272,313,518	-	272,313,518
Investments measured at amortised cost	224,566	-	224,566	-	224,566
Account receivable from clearing house and broker - dealers	979,499	-	979,499	-	979,499
Securities and derivative business receivables	8,095,674	-	8,095,674	-	8,095,674
Total assets	363,685,539	55,238,234	281,613,257	-	336,851,491
Liabilities					
Deposits	288,381,946	-	288,018,682	-	288,018,682
Interbank and money market items, net	16,664,329	16,664,329	-	-	16,664,329
Liabilities payable on demands	668,531	-	668,531	-	668,531
Debt issued and borrowings	43,804,907	-	26,448,680	16,909,466	43,358,146
Accounts payable to clearing house and broker - dealers	1,661,003	-	1,661,003	-	1,661,003
Securities and derivative business payables	5,033,051	-	5,033,051	-	5,033,051
Accrued interest payable	346,922	-	346,922	-	346,922
Total liabilities	356,560,689	16,664,329	322,176,869	16,909,466	355,750,664

Kiatnakin Phatra Bank Public Company Limited and Subsidiaries
Notes to the Interim Consolidated and the Separate Financial Statements
For the six-month period ended 30 June 2022

Separate					
30 June 2022					
	Carrying amount Thousand Baht	Fair value			Total Thousand Baht
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Assets					
Interbank and money market items, net	56,722,661	56,722,661	-	-	56,722,661
Loans to customers and accrued interest receivables, net	330,486,276	-	324,811,116	-	324,811,116
Total assets	387,208,937	56,722,661	324,811,116	-	381,533,777
Liabilities					
Deposits	321,487,805	-	320,968,809	-	320,968,809
Interbank and money market items, net	14,116,050	14,116,050	-	-	14,116,050
Liabilities payable on demands	927,349	-	927,349	-	927,349
Debt issued and borrowings	52,081,994	-	31,359,994	21,138,594	52,498,588
Accrued interest payable	399,864	-	399,864	-	399,864
Total liabilities	389,013,062	14,116,050	353,656,016	21,138,594	388,910,660
Separate					
31 December 2021					
	Carrying amount Thousand Baht	Fair value			Total Thousand Baht
		Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Assets					
Interbank and money market items, net	60,737,760	60,737,760	-	-	60,737,760
Loans to customers and accrued interest receivables, net	300,966,592	-	273,124,168	-	273,124,168
Total assets	361,704,352	60,737,760	273,124,168	-	333,861,928
Liabilities					
Deposits	288,903,970	-	288,540,706	-	288,540,706
Interbank and money market items, net	16,667,768	16,667,768	-	-	16,667,768
Liabilities payable on demands	668,531	-	668,531	-	668,531
Debt issued and borrowings	43,750,833	-	26,448,680	15,555,391	42,004,071
Accrued interest payable	346,922	-	346,922	-	346,922
Total liabilities	350,338,024	16,667,768	316,004,839	15,555,391	348,227,998

There were no transfers between Levels 1 and 2 during the period/year.

Other financial instruments not carried at fair value are typically short-term in nature and reprice to current market rate frequently. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes saving deposits and current deposits presented as both interbank and money market assets and liabilities items, account receivable from clearing house and broker-dealers, securities and derivative business receivables, liabilities payable on demand, account payable to cleaning house and broker-dealers and securities and derivative business payables.

Fair value of the following assets and liabilities is estimated for the purpose of disclosure as described below;

Loans to customers and accrued interest receivable, net

For floating rate loans, the fair value is equal to the carrying amount.

For fixed rate loans which are not classified as credit-impaired loans, the fair value is equal to the present value of future cash flows discounted by the effective interest of loans with similar features.

For non-performing fixed rate loans, the fair value is equal to the carrying amount.

Interbank and money market items

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

The interbank and money market items (liabilities) are borrowing and fixed deposits which are short-term. Accordingly, their carrying amount is a reasonable approximation of fair value.

Deposits

For saving and current deposits, the fair value is estimated by using carrying amount.

For fixed deposits and certificate of deposit, the fair value is estimated by using discounted cash flow applying current rates offered for fixed deposits of similar remaining maturities.

Debt issued and borrowings

The fair value of debt issued, and borrowings is estimated by using quoted prices or yields of the Thai Bond Association at the statement of financial positions. In case of there is no active market price or borrowing portion of structured notes, the fair value is estimated by using present value of cash flows discounted by interest rate which reflects the Bank credit risk.

Accrued interest payable

The carrying amount of accrued interest payable in the statement of financial positions approximates to fair value.

Investments measured at amortised cost

The fair value of investments measured at amortised cost is of government securities and private's sector debt securities is estimated by using the average bidding yields and mark-to-market yield of the Thai Bond Association at the statement of financial positions.

54.2 Valuation techniques used to derive Level 2 fair values

Level 2 trading and hedging derivatives comprise of ;

- Forward foreign exchange contracts and foreign exchange swaps which are fair valued based on forward rate of foreign currency against Thai Baht and discounted with Thai Baht interest rate.
- Interest rate swap and cross currency swap are fair valued based on the cash flows from contract rate (for fixed interest rate) or forward rate (for floating rate) and discounted with interest rate in each currency which can be obtained from observable market.
- Equity linked swap is fair valued based on each component in contracts. For equity component, the fair value is measured by using the last bid price quoted by the Stock Exchange of Thailand. For accrued dividend payable or receivable, the fair value is measured based on the expected cash inflow or outflow. For interest component, the fair value measurement is calculated the same method with interest rate swap contracts.
- The fair value of the option is calculated by using widely accepted model which valuation inputs are mainly observable.

The counterparty risk from derivative transactions is taken into account when reporting the fair value of derivative positions. The adjustment to the fair value is known as the credit value adjustment ('CVA').

Level 2 debt investments of marketable securities are fair valued based on the average bidding yields or mark-to-market yield of the Thai Bond Market Association under discounted cash flow model.

54.3 Fair value measurements using significant unobservable inputs (Level 3)

Equity Investment in listed companies

The equity valuation of investment in listed companies are normally determined by the market value. However, one of the foreign marketable equity securities held by the Group has been on trading suspension since May 2021 as the company has been in debt restructuring process due to the effect of Covid-19 pandemic.

The rationale for the write-down could be summarized as follow:

- The company has been on trading suspension since 18 May 2021 until further notice, depending on the relevant authorities' judgement.
- The company might likely go through a lengthy debt restructuring process.
- The situation and outlook of the company are highly uncertain during COVID period when the company's operation should face difficulty, plus the company could not access to additional loans and;
- The latest financial statement available was December 2021, therefore, management could not assess the current situation of the company.

Due to these rationales, the Management took a conservative approach and adjust the valuation the investment in this company from Baht 148.12 million to Baht 0.00

Non-marketable equity securities

	Non-marketable equity securities			
	Consolidated		Separate	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening balance	955,136	923,864	231,075	219,454
Addition	-	236,465	-	7,686
Disposal	-	(236,253)	-	-
Gain (loss) recognised in other comprehensive income	5,470	31,060	5,470	3,935
Closing balance	960,606	955,136	236,545	231,075

There was no changes in fair value basis and estimation during the period/year.

Convertible Bond

	Consolidated	
	30 June 2022	31 December 2021
	Thousand Baht	Thousand Baht
Opening balance	65,853	155,928
Gain (loss) recognised in profit and loss	(65,853)	(90,075)
Closing balance	-	65,853

54.4 Group's valuation processes

Non-marketable equity securities

The Group using 2 methods to measure the fair value of non-marketable equities security as follows:

- Dividend Discount Model and Discounted Cash Flows Model for non-marketable equity securities and the Group expects to receive a return from the investment.
- Reference price from net asset value for non-marketable equity securities and the Group does not expect to receive a return from the investment.

The recoverable amount of these equity investments are determined by the Dividend Discount Model and the Discounted Cash Flows Model. This calculation used the projection based on financial budgets covering a ten year period which are referred from the future business plan of the company together with the estimated growth rates of market and the company which management believes that ten years period can reflect their business plan. The discount rate uses are 12.5% - 14.0% and the dividend and cash flows beyond the ten-year extrapolation uses the estimated growth rate of 1.0% - 2.0% and the recoverable amount is Baht 723.55 million.

The change in dividend discount rate and dividend growth rate increased by 1% or decreased by 1% can affect on profit or loss in the consolidated and the separate financial statements as follows:

	Consolidated			
	30 June 2022		31 December 2021	
	Discount Rate Million Baht	Dividend Discount Rate Million Baht	Discount Rate Million Baht	Dividend Discount Rate Million Baht
Rate increased 1%	(76.18)	40.72	(76.18)	40.72
Rate decreased 1%	90.93	(34.28)	90.93	(34.28)

Convertible Bond

Convertible bond value is equivalent to the higher value of bond component (bond floor) or conversion value. The valuation concept of bond floor and conversion value could be summarised as follows:

- Bond Floor is calculated by discounting all cash flows received which consist of coupon and principal at the end of maturity. Discount rate, which could not be observed from the market, would be calculated by using the combination of credit spread which reflected the current situation of the company and government bond yield. For each valuation date, government bond yield component would be varied based on market while credit spread would reflect the current situation of the company. Bond floor value is Baht 65.85 million.
- Conversion Value: is calculated by multiplying convertible shares with price per share which determined by the Discounted Cash Flows Model. This calculation used the projection based on financial budgets covering a ten-year period which are referred from the future business plan of the company together with the estimated growth rates of market and the company which management believes that ten years period can reflect their business plan. However, due to the current highly uncertain business environment, the Management believes that a more conservative valuation method would be more appropriate for the current situation, therefore, the bond value will be used as the primary valuation method.

The sensitivity analysis of fair value based on the increase and decrease by 1 percent in cash flow growth rate beyond 10 years and discount rate to profit and loss which recognised in statement of profit or loss and other comprehensive incomes is as follows;

	Consolidated	
	30 June 2022	31 December 2021
	Discount Rate Million Baht	Discount Rate Million Baht
Rate increased 1%	-	(0.29)
Rate decreased 1%	-	0.30

The following table presents the summary of quantitative information that significant unobservable in Level 3.

		Consolidated		Unobservable information
		Fair value	Fair value	
		30 June 2022	31 December 2021	
Measurement		Thousand Baht	Thousand Baht	
Financial assets measurement at fair value through profit or loss				
- Debt securities	The higher value of bond component (bond floor) or conversion value	-	65,853	Discount rate and cash flow growth rate
Investment in security				
- Non-marketable equity securities	Dividend Discount Model	265,909	265,909	Dividend discount rate and dividend growth rate
	Reference price from net asset value	694,697	689,227	No significant unobservable information
		950,606	1,020,989	
		Separate		Unobservable information
		Fair value	Fair value	
		30 June 2022	31 December 2021	
Measurement		Thousand Baht	Thousand Baht	
Investment in security				
- Non-marketable equity securities	Reference price from net asset value	236,545	231,075	No significant unobservable information
		236,545	231,075	

55 Subsequent events

On 25 August 2022, the Board of directors Meeting of the Bank No.10/2022 approved the resolution regarding the payment of interim dividend at the rate of Baht 1.75 per share, which will be paid on 22 September 2022.

On 23 August 2022, the Board of directors Meeting of KKP Capital Public Company Limited ("the subsidiary") approved the resolution regarding the payment of interim dividend at the rate of Baht 4.00 per share, which will be paid on 31 August 2022.

On 23 August 2022, the Board of directors Meeting of Kiatnakin Phatra Securities Public Company Limited, a subsidiary company of KKP Capital Public Company Limited, approved the resolution regarding the payment of interim dividend at the rate of Baht 1.00 per share, which will be paid on 30 August 2022.

On 22 August 2022, the Board of directors Meeting of Kiatnakin Phatra Asset Management Company Limited, a subsidiary company of KKP Capital Public Company Limited, approved the resolution regarding the payment of interim dividend at the rate of Baht 10.00 per share, which will be paid on 29 August 2022.