Standard Chartered Bank (Thai)
Public Company Limited
Report and financial statements
30 June 2026

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Independent Auditor's Report

To the Shareholders of Standard Chartered Bank (Thai) Public Company Limited

Opinion

I have audited the accompanying financial statements of Standard Chartered Bank (Thai) Public Company Limited ("the Bank"), which comprise the statement of financial position as at 30 June 2026, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the six-month period then ended, and notes to the financial statements, including material accounting policy information (collectively called "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Standard Chartered Bank (Thai) Public Company Limited as at 30 June 2026, its financial performance and cash flows for the six-month period then ended in accordance with Thai Financial Reporting Standards and the Bank of Thailand's regulations.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide those changed with governance 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 through to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Ployjuta Sucanthamal
Certified Public Accountant (Thailand) No. 10678

EY Office Limited
Bangkok: 27 August 2026

Statements of Financial Position

As at 30 June 2026 and 31 December 2025

	Note	30 June 2026 Baht '000	31 December 2025 Baht '000
Assets			
Cash		**146,431**	124,208
Interbank and money market items - net	8	**44,378,486**	53,072,504
Financial assets measured at fair value through profit or loss	9	**62,397,176**	54,008,740
Derivative assets	10	**32,210,659**	23,155,013
Investments - net	11	**37,463,587**	44,683,907
Loan to customers and interest receivables - net	12	**28,878,647**	25,227,443
Leasehold improvements and equipment - net	14	**98,375**	125,365
Right-of-use assets - net	15	**91,459**	100,590
Intangible assets - net	16	**914,262**	843,506
Deferred tax assets	17.1	**624,204**	-
Other assets	18	**25,588,953**	23,650,080
Total assets		**232,792,239**	224,991,356
Liabilities and shareholders' equity			
Liabilities			
Deposits	19	**113,065,829**	106,070,097
Interbank and money market items	20	**27,850,643**	30,458,383
Liabilities payable on demand		**865,055**	1,078,970
Financial liabilities measured at fair value through profit or loss	21	**8,841,766**	14,211,266
Derivative liabilities	10	**29,276,327**	29,134,935
Lease liabilities	15.2	**98,926**	108,206
Provisions for liabilities	22	**644,269**	647,355
Deferred tax liabilities	17.1	**-**	226,172
Other liabilities	23	**28,487,671**	18,792,930
Total liabilities		**209,130,486**	200,728,314

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

ธนาคารสแตนดาร์ดชาร์เตอร์ด (ไทย) จำกัด (มหาชน)
Standard Chartered Bank (Thai) Public Company Limited

N. Tejavanija

(Mr. Nitiphong Tejavanija)
Acting President and Chief Executive Officer
and Acting Head of Coverage,
Thailand and Representative Offices

(Mr. Ong Ee Poh)
Chief Financial Officer,
Thailand and Representative Offices

Statements of Financial position (continued)

As at 30 June 2026 and 31 December 2025

	Note	30 June 2026 Baht '000	31 December 2025 Baht '000
Shareholders' equity			
Share capital			
Registered share capital	24		
1,484,263 ordinary shares of Baht 7.64 each		**11,339,767**	11,339,767
Issued and paid-up share capital	24		
1,483,705 ordinary shares of Baht 7.64 each		**11,335,503**	11,335,503
Premium on share capital	25	**9,055,819**	9,055,819
Other components of equity	26	**16,555**	166,931
Retained earnings			
Appropriated			
Statutory reserves	27	**1,133,977**	1,133,977
Unappropriated		**2,119,899**	2,570,812
Total shareholders' equity		**23,661,753**	24,263,042
Total liabilities and shareholders' equity		**232,792,239**	224,991,356

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

(Mr. Nitiphong Tejavanija)
Acting President and Chief Executive Officer
and Acting Head of Coverage,
Thailand and Representative Offices

(Mr. Ong Ee Poh)
Chief Financial Officer,
Thailand and Representative Offices

Statements of comprehensive income

For the six-month periods ended 30 June 2026 and 2025

	Note	30 June 2026 Baht '000	30 June 2025 Baht '000
Profit or loss :			
Interest income	31.3, 35	2,259,235	2,906,404
Interest expense	31.3, 36	(1,473,593)	(1,859,285)
Net interest income		785,642	1,047,119
Fees and service income		639,088	856,575
Fees and service expenses		(196,309)	(257,799)
Net fees and service income	37	442,779	598,776
Net gains on financial instruments measured as fair value through profit or loss	31.3, 38	1,685,034	1,369,440
Net gains on investments	39	153,531	101,812
Other operating income		5,342	5,828
Total operating income		3,072,328	3,122,975
Operating expenses			
Employee expenses	31.6	(694,635)	(668,391)
Director's remuneration		(3,350)	(3,350)
Premises and equipment expenses		(66,395)	(72,742)
Taxes and duties		(33,438)	(50,739)
Other operating expenses	31.3, 31.5, 40	(1,050,172)	(964,937)
Total operating expenses		(1,847,990)	(1,760,159)
Expected credit loss (reversal)	41	(35,883)	44,012
Profit from operation before income tax expenses		1,260,221	1,318,804
Income tax expenses	17.2	(256,367)	(266,517)
Net profit		1,003,854	1,052,287

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

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Statements of comprehensive income (continued)

For the six-month periods ended 30 June 2026 and 2025

	Note	30 June 2026 Baht '000	30 June 2025 Baht '000
Other comprehensive income (loss):	17.3		
Items to be recognised subsequently in profit or loss:			
Gains (losses) on revaluation of investments in debt instruments measured at fair value through other comprehensive income		(188,409)	198,208
Losses on measurement of derivatives held for cash flows hedges		(274)	(4,955)
Related income taxes		37,736	(38,660)
Items to be recognised subsequently in profit or loss - net of income taxes		(150,947)	154,593
Items not to be recognised subsequently in profit or loss:			
Gains (losses) on revaluation of investments in equity securities designated to be measured at fair value through other comprehensive income		691	(1,907)
Gains (losses) on revaluation of own credit risk		21	(2,886)
Actuarial gains (losses)		17,628	(27,690)
Related income taxes		(3,668)	6,496
Items not to be recognised subsequently in profit or loss - net of income taxes		14,672	(25,987)
Other comprehensive income (loss) for the periods		(136,275)	128,606
Total comprehensive income for the periods		867,579	1,180,893
Earnings per share:			
Earnings per share (Baht)	32	0.67	0.71

The accompanying notes are an integral part the financial statements.

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Statements of changes in shareholders' equity

For the six-month period ended 30 June 2026 and 2025

	Note	Issued and paid up share capital	Premium on share capital	Other components of equity				Retained earnings		Total
				Fair value reserve	Cash flow hedge reserve	Own credit revaluation reserve	Total	Appropriated - Statutory reserve	Unappropriated	
		Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000	Baht '000
Balance as at 1 January 2025		14,837,045	9,055,819	(21,921)	1,844	(8,457)	(28,534)	1,484,263	771,632	26,120,225
Par value reduction	24	(3,501,542)	-	-	-	-	-	(350,286)	350,286	(3,501,542)
Net profit		-	-	-	-	-	-	-	1,052,287	1,052,287
Other comprehensive income (loss) for the period		-	-	157,031	(3,964)	(2,309)	150,758	-	(22,152)	128,606
Total comprehensive income (loss) for the period		-	-	157,031	(3,964)	(2,309)	150,758	-	1,030,135	1,180,893
Balance as at 30 June 2025		11,335,503	9,055,819	135,110	(2,120)	(10,766)	122,224	1,133,977	2,152,053	23,799,576
Balance as at 1 January 2026		**11,335,503**	**9,055,819**	**177,278**	**261**	**(10,608)**	**166,931**	**1,133,977**	**2,570,812**	**24,263,042**
Dividend paid	28		-	-	-	-	-		**(1,468,868)**	**(1,468,868)**
Net profit		-	-	-	-	-	-	-	**1,003,854**	**1,003,854**
Other comprehensive income (loss) for the period		-	-	**(150,174)**	**(219)**	**17**	**(150,376)**	-	**14,101**	**(136,275)**
Total comprehensive income (loss) for the period		-	-	**(150,174)**	**(219)**	**17**	**(150,376)**	-	**1,017,955**	**867,579**
Balance as at 30 June 2026		**11,335,503**	**9,055,819**	**27,104**	**42**	**(10,591)**	**16,555**	**1,133,977**	**2,119,899**	**23,661,753**

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

Statements of cash flows

For the six-month period ended 30 June 2026 and 2025

	Note	30 June 2026 Baht '000	30 June 2025 Baht '000
Cash flows from operating activities			
Profit from operation before income tax expenses		1,260,221	1,318,804
Adjustments to reconcile profit from operation before income tax expenses to net cash provided by (used in) operating activities			
Depreciation and amortisation		141,079	163,586
Expected credit losses (reversal)		(35,883)	44,012
Amortisation of net discount on investments in debt securities		89,720	14,657
Gains on disposals of investments in debt securities		(153,531)	(101,812)
(Gains) losses on financial instruments measured at fair value through profit or loss		2,619,026	(2,740,243)
Losses on impairment and write-offs of equipment, right-of-use assets and intangible assets		-	5,746
Increase in provision for long-term employee benefits		21,180	19,347
Net interest income		(785,642)	(1,047,119)
Cash received on interest income		2,319,407	2,801,814
Cash paid on interest expenses		(1,544,176)	(1,747,057)
Cash paid on income taxes		(32,225)	(28,357)
Profit (losses) from operating activities before changes in operating assets and liabilities		3,899,176	(1,296,622)
(Increase) decrease in operating assets:			
Interbank and money market items		8,621,030	(118,888)
Net derivative assets		(8,914,528)	4,516,812
Financial assets measured at fair value through profit or loss		(12,558,668)	20,567
Loans to customers		(3,616,240)	(6,713,311)
Other assets		(1,947,927)	(17,875,957)
Increase (decrease) in operating liabilities:			
Deposits		6,995,732	378,277
Interbank and money market items		(2,607,740)	17,907,273
Liabilities payable on demand		(213,915)	(188,423)
Financial liabilities measured at fair value through profit or loss		(5,314,013)	9,320,447
Payments on provisions for liabilities		(5,334)	(6,694)
Other liabilities		8,733,739	10,709,823
Net cash provided by (used in) operating activities		(6,928,688)	16,653,304
Cash flows from investing activities			
Proceeds from sales of debt securities measured at amortised cost		1,081,578	2,385,000
Purchases of debt securities measured at fair value through other comprehensive income		(63,020,426)	(38,999,181)
Proceeds from sales of debt securities measured at fair value through other comprehensive income		70,542,778	23,652,866
Cash paid for purchases of equipment		-	(1,285)
Cash paid for purchases of intangible assets		(166,665)	(142,797)
Net cash provided by (used in) investing activities		8,437,265	(13,105,397)

Statements of cash flows (continued)

For the six-month period ended 30 June 2026 and 2025

	Note	30 June 2026 Baht '000	30 June 2025 Baht '000
Cash flows from financing activities			
Cash paid on lease liabilities		**(17,486)**	(17,700)
Capital reduction	24	**-**	(3,501,542)
Dividends paid	28	**(1,468,868)**	-
Net cash used in financing activities		**(1,486,354)**	(3,519,242)
Net increase in cash and cash equivalents		**22,223**	28,665
Cash and cash equivalents as at 1 January		**124,208**	83,246
Cash and cash equivalents as at 30 June		**146,431**	111,911
Supplemental cash flows information			
Non-cash transaction:			
Increase in right-of-use assets		**9,050**	-

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

N. Tejavanija

(Mr. Nitiphong Tejavanija)
Acting President and Chief Executive Officer
and Acting Head of Coverage,
Thailand and Representative Offices

(Mr. Ong Ee Poh)
Chief Financial Officer,
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Standard Chartered Bank (Thai) Public Company Limited

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1. General information

Corporate information

Standard Chartered Bank (Thai) Public Company Limited (the "Bank"), has been incorporated in Thailand and had its Head Office located at No. 140 Wireless Road, Lumpini sub-district, Patumwan district, Bangkok. The immediate and ultimate parent companies of the Bank are Standard Chartered Bank (Singapore) Limited, which have been incorporated in the Singapore and Standard Chartered PLC, which have been incorporated in the United Kingdom, respectively. The Bank is a commercial bank, which provides a wide range of banking services to corporate and institutional clients.

2. Basis of preparation of financial statements

These financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and with reference to the principles stipulated by the Bank of Thailand ("BoT") and their presentation has been made in compliance with the Notification of the Bank of Thailand ("BoT") No. SoR NoR SoR. 21/2561 dated 31 October 2018, regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups, including any other supplementary BoT's Notifications.

These financial statements have been prepared on a historical cost basis except where otherwise disclosed in Note 4 to the financial statements regarding a summary of significant accounting policies.

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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current period

The Federation of Accounting Professions issued revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2026. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Bank believes that adoption of these amendments will not have any significant impact on the Bank's financial statements.

3.2 Financial reporting standards that will be become effective in the future

The Federation of Accounting Professions has issued new and revised financial reporting standards which will become effective in the future. The standard involving changes to key principles is summarised below:

TFRS 18 Presentation and Disclosure in Financial Statements

TFRS 18 will become effective for annual reporting periods beginning on or after 1 January 2028 and supersedes TAS 1, Presentation of Financial Statements. The standard introduces new requirements for classifying income and expenses into categories and presenting subtotals in the statement of profit or loss. It also requires disclosures of management-defined performance measures and includes new requirements for the aggregation and disaggregation of financial information.

The management of the Bank is currently evaluating the impact of this standard on the financial statements in the year of initial adoption.

4. Summary of significant accounting policies

4.1 Revenue recognition

a) Interest income and discounts on loans

The Bank has recognised interest on loans on an accrual basis, using the effective interest method, applied to the outstanding principal amount, without ceasing revenue recognition. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset. The effective interest rate is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate. If loans to customers are later credit-impaired, the Bank recognises interest income using the effective interest method applied to the net carrying value of the loan (the loan amount minus allowance for expected credit losses). If the financial asset is no longer credit-impaired, the Bank reverts to calculating interest income on a gross carrying amount.

b) Fees and service income

The Bank recognises fees and service income in profit or loss over the service rendering periods.

4.2 Expense recognition

The Bank recognises interest expenses and non-interest expenses on an accrual basis.

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

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

4.4 Net gains (losses) on investments

The Bank recognises gains (losses) on disposals or derecognition of financial assets on the transaction dates.

4.5 Cash

Cash represent cash in hand and cash on collection.

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

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

4.7 Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the dates on which the derivative contracts are entered into (trade date) and are subsequently remeasured at their fair values. The gains or losses on remeasurement to fair value is recognised immediately in net gains (losses) from financial instruments measured at fair value through profit or loss except for those qualified and the derivatives designated as hedging instruments in a cash flow hedge relationship. All derivatives are carried as assets under "Derivatives assets" when the fair value is positive and as liabilities under "Derivatives liabilities" when the fair value is negative in the statements of financial position.

4. Summary of significant accounting policies (continued)

Hedge accounting

The Bank makes use of derivatives to manage exposures arising from assets, liabilities, off-balance sheet items, net position or cash flow. Hedging accounting can be applied for hedged items and hedging instruments. Upon meeting specified criteria for hedge accounting, the Bank applies hedge accounting for the aforementioned derivatives. In hedging, the Bank takes into consideration the relationship between hedging instruments and the hedged items, including the nature of the risk, the objective and strategy for undertaking the hedge as well as the effectiveness of the hedging relationship.

Fair value hedge

Where a derivative hedges the change in fair value of a recognised asset, liability (or an identified portion of such asset and liabilities), any gain or loss on remeasuring the fair value of the hedging instrument is recognised in profit or loss. The hedged item is also measured at fair value in respect of the risk being hedged, with any gain or loss being recognised in profit or loss. The cumulative changes in the fair value attributable to the hedged risk of hedged item is made as an adjustment to the carrying value of the hedged assets or liabilities.

Cash flow hedge

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of change in the fair value of the derivative is recognised in other comprehensive income, and presented as "Cash flows hedge reserve" in other components of equity. Any ineffective portion is recognised immediately in profit or loss.

Discontinuing hedge accounting

Hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, or no longer qualified for hedge accounting. Any cumulative gain or loss on hedging instrument recognised in equity is retained in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was previously reported in equity is recognised in profit or loss immediately.

4.8 Financial instruments

Recognition of financial instruments

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

Classification and measurement

Financial assets - debt securities

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

a) A financial asset measured at amortised cost

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

b) A financial asset measured at fair value through other comprehensive income

A financial asset shall be classified as a financial asset measured at fair value through other comprehensive income only if both following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial asset as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding on the designation date. This financial asset is initially recognised at fair value and subsequently measured at fair value. The unrealised gains or losses from change in fair value are recognised in other comprehensive income. Upon derecognition

4. Summary of significant accounting policies (continued)

and disposal, the cumulative fair value change is recycled to the profit and loss. The gains or losses on foreign exchange, expected credit losses, and interest income calculated using the effective interest method are recognised in profit or loss.

At the end of the reporting period, investments in debt instruments measured at fair value through other comprehensive income are presented in the statements of financial position net of allowance for expected credit losses (if any).

c) A financial asset measured at fair value through profit or loss

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

Financial assets - equity instruments

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

Initial recognition

The Bank initially recognises investments on the trade date, which is the date the Bank has actually committed to purchase and sell the investment.

Fair value

The fair value of marketable securities is based on the latest bid price of the last working day of the reporting period. The fair value of non-marketable securities is based on discounted future cash flows and/or determined by comparing with information of similar companies.

The fair value of government bonds, state enterprise securities and private sector debt securities is determined using the formula specified by the Bank of Thailand and the yield rates quoted by the Thai Bond Market Association or other financial institutions.

Gains (losses) on disposals of investments

Gains (losses) on disposals of investments (excluding investments in equity securities classified as financial assets designated to be measured at fair value through other comprehensive income) are recognised in profit or loss on the transaction dates. The Bank has adopted the First-in, First-out method for computation of cost of investment.

Changes in classification of investments in debt instruments

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

Financial liabilities

The Bank classifies and measures financial liabilities at amortised cost. They are initially recognised at fair value and subsequently measured at amortised cost. The Bank may classify financial liabilities as financial liabilities measured at fair value through profit or loss when they are held for trading or designated to be measured at fair value.

4. Summary of significant accounting policies (continued)

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

→ The designation eliminates or significantly reduces an accounting mismatch

→ A group of financial liabilities or a group of financial assets and liabilities is managed and its performance is evaluated on a fair value basis

→ The liabilities contain one or more embedded derivatives.

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

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

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

Modifications of financial instruments not measured at fair value

Financial assets

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

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

Financial liabilities

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

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

Derecognition of financial instruments

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when the Bank has transferred substantially all risks and rewards of ownership. If the Bank neither transfers nor retains substantially all risks and rewards of ownership of such financial assets, and retains control of such financial assets, the Bank continues to recognise the financial assets to the extent of its continuing involvement. Financial liabilities are derecognised when they are extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

4. Summary of significant accounting policies (continued)

Write-off bad debts

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

4.9 Loans to customers

Loans to customers are stated at the outstanding principal amount, except for bank overdrafts which include interest receivables. Bills purchased at a discount are stated at the face value of the bill, net of deferred revenue.

4.10 Allowance for expected credit losses on financial assets

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

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

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

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

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

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

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

At every reporting date, the Bank assesses whether there has been a significant increase in credit risk of financial assets since initial recognition by comparing the risk of default over the expected lifetime at the reporting date with the credit risk at the date of initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Bank uses internal quantitative and qualitative indicators, and forecasts information to assess the deterioration in credit quality of financial assets such as arrears of over 30 days past due, loans under the watchlist (Early warning sign), loans that are classified as in the high risk group, changes of internal credit rating of the borrower since initial recognition, and issuer credit rating with either below 'investment grade', etc.

The Bank assesses whether the credit risk has increased significantly from the date of initial recognition on an individual basis.

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

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

4. Summary of significant accounting policies (continued)

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

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

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

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

Accounting judgements and estimates

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

4.11 Financial assets with modifications of terms/Debt restructuring

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

→ If the modification of terms does not result in derecognition of the financial asset, the Bank calculates the gross carrying value of the new financial asset based on the present value of the new or modified cash flows, discounted using the original effective interest rate of the financial asset, and recognises gain or loss on contract modification of terms in profit or loss.

→ If the modification of terms results in derecognition of the financial asset, the fair value of the new financial asset is the latest cash flows of the original financial asset on the date of derecognition. The difference between the carrying amount of the asset and the sum of the consideration received from the financial asset is recognised in profit or loss which is presented as expected credit losses.

In cases where debt restructuring does not result in derecognition, a debtor is classified in the stage where there has been a significant increase in credit risk (Stage 2) or that is credit-impaired (Stage 3) until the repayment is made in compliance with the new debt restructuring agreement for not less than 12 months from the restructuring date. The financial asset is therefore classified in the stage where there has not been a significant increase in credit risk (Stage 1). If the debt restructuring results in a derecognition, the new financial asset is considered a financial asset with no significant increase in credit risk (Performing or Stage 1).

4.12 Leasehold improvements and equipment

Leasehold improvements and equipment are measured at cost less accumulated depreciation and allowance for impairment losses (if any).

The Bank initially recognises leasehold improvements and equipment at its acquisition cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

4. Summary of significant accounting policies (continued)

When parts of an item of leasehold improvements and equipment have different useful lives, they are accounted for as separate items of premise and equipment.

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

Depreciation is determined on their costs on a straight-line basis over the following estimated useful lives.

Leasehold improvements	6 years
Equipment	3 -5 years

No depreciation is provided on assets in progress.

The Bank derecognises leasehold improvements and equipment upon disposal or when no future economic benefits are expected from its use or disposal. Any gains and losses arising on disposal of an asset are included in profit or loss when asset is derecognised.

Accounting judgements and estimates

In determining depreciation of leasehold improvements and equipment, the management is required to make estimates of the useful lives and salvage values of the leasehold improvements and equipment, and to review these estimated useful lives and salvage values when there are any changes.

In addition, the management assesses whether there are indicators of the impairment of leasehold improvements and equipment, and record impairment losses in the period when it is determined that the recoverable amounts are lower than the carrying amounts. This requires judgements in terms of forecasting future revenues and expenses relating to the assets subject to the review.

4.13 Right-of-use assets/Lease liabilities

Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and allowance for impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

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

Accounting judgement and estimates

Determination of the term of lease with the option to extend or cancel the lease - as a lessee

In determination of the lease term, the management needs to exercise judgement in assessing whether the Bank is reasonably certain or not to exercise the right to extend the period of the lease or cancel the lease, taking into account all relevant facts and circumstances that create economic incentives for the Bank to exercise that right.

Lease liabilities

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

4. Summary of significant accounting policies (continued)

Short-term leases and Leases of low-value assets

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

4.14 Intangible assets

Intangible assets, which are application software, are initially recognised at cost. Following the initial recognition, they are presented at cost net accumulated amortisation and allowance for impairment loss (if any).

Amortisation is recognised in profit or loss on a straight-line basis over the estimated benefit lives of intangible assets and tested for impairment whenever there is an indication that the intangible asset may be impaired. The Bank will review amortisation period and the amortisation method of such intangible assets at least at each financial period. The amortisation expense is charged to profit or loss.

No amortisation is made on application software under development.

4.15 Impairment of non-financial assets

At the end of the reporting period, the Bank assesses to determine whether there is any indication of impairment of its assets. If any such indication exists, the assets' recoverable amounts are estimated.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and its fair value less costs to sell.

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

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

4.16 Provisions

Provisions are recognised when the Bank has a present obligation as a result of a past event, it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.17 Employee benefits

Short-term employee benefits

The Bank records salaries, wages, bonuses and contributions to the social security fund as expenses when incurred.

A liability is recognised for the amount expected to be paid if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Bank and its employees have jointly established a provident fund. Membership of the fund is on a voluntary basis. The fund is monthly contributed by the employees and by the Bank. Contributions by the employees at rates ranging from 3% to 15% of their basic salaries and by the Bank at 10% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers. The Bank will have no legal or constructive obligation to pay further amount. The fund's assets are held in a separate trust fund and the Bank's contributions are recognised as expenses when incurred.

Defined benefit plans

The Bank's net obligation in respect of the defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in respect of their current period and prior periods services discounted to be present value. The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method. In remeasurement of the net defined benefit obligations, actuarial gains or losses are recognised immediately in other comprehensive income. The Bank determines interest expense on the net defined benefit

4. Summary of significant accounting policies (continued)

obligation for the period by applying the discount rate used to measure the defined benefit obligations at the beginning of the period, taking into account any changes in the net defined benefit obligations during the period as a result of contributions and benefit payments. Net interest expenses and other expenses related to defined benefit obligations are recognised in profit or loss.

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

Termination benefits

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

Accounting judgements and estimates

Obligations under the defined benefit plan are determined by using actuarial technique. Such determination is made based on various assumptions, including discount rate, future salary incremental rate, staff turnover rate, and mortality rate, using the management's best knowledge of current situation and economic environment.

4.18 Foreign currency translation

The Bank's financial statements are prepared and presented in Thai Baht, which is the Bank's functional currency.

Items denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the transaction dates. Monetary assets and liabilities are translated by using the reference exchange rates of the Bank of Thailand as at the reporting date.

Foreign currency differences are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates prevailing on the transaction dates.

The Bank enters into forward foreign exchange contracts for both trading and hedging purposes. Trading and hedging contracts are stated at fair value. Forward foreign exchange contracts outstanding and undue at the reporting date are stated at fair value by comparing contract rates to forward market rates having with similar maturities at the reporting date. Changes in fair value on outstanding forward foreign exchange contracts are recognised in profit or loss except for the portion of the effective cash flow hedges.

4.19 Share-based payments

The Standard Chartered Group operates a number of share-based payment schemes for their directors and employees, for which the fair value of the services received in exchange for the grant of the options is recognised as an expense in profit or loss. Cash-settled awards are revalued at each reporting date and liabilities recognised in the statements of financial position for all unpaid amounts, with any changes in fair value increased or reduced employee expenses in profit or loss.

4.20 Income tax expenses

Income tax expenses consisted of current income taxes and deferred income taxes.

a) Current income taxes

Current income taxes are the expected tax payable to tax authorities determined based on the taxable income in accordance with tax laws, including any adjustment in respect of previous years. Current and deferred income taxes are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

b) Deferred income taxes

Deferred income taxes are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those for taxation purposes.

4. Summary of significant accounting policies (continued)

The measurement of deferred income taxes reflects the tax consequences that would follow the manner in which the Bank expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred income taxes are measured at the tax rate that is expected to be applied to the temporary differences when they reverse, using the tax rate enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Accounting judgements and estimates

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

4.21 Fair value measurement

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

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

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

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

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

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

Accounting judgements and estimates

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

4.22 Significant accounting judgements and estimates

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

Recognition and derecognition of assets and liabilities

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

4. Summary of significant accounting policies (continued)

Significant accounting judgements and estimates

- Allowance for expected credit losses – as described in note to financial statement 4.10
- Leasehold improvements and equipment and depreciation – as described in note to financial statement 4.12
- Leases – as a lessee – as described in note to financial statement 4.13
- Post-employee benefits – as described in note to financial statement 4.17
- Deferred tax assets - as described in note to financial statement 4.20
- Fair value of financial instruments – as described in note to financial statement 4.21
- Litigation – as described in note to financial statement 29.2

5. Risk Management of the Bank

5.1 Credit Risk

Credit risk is the potential for loss due to the failure of a counterparty to meet its obligations to pay the Bank in accordance with agreed terms. The Bank manages its credit exposures following the principle of diversification across products, geographies, client segments and industry sectors.

The Credit Risk function is the second line control function responsible for independent challenge, monitoring and oversight of the Credit risk management practices of the business and functions engaged in or supporting revenue-generating activities, which constitute the first line of defence. In addition, to ensure that credit risks are properly assessed and are transparent, credit decisions are controlled in accordance with the risk appetite, credit policies and standards, which are approved by the Bank's Board of Directors or delegated committees.

The Credit Policy sets the principles that must be followed for the end-to-end credit process including credit initiation, credit grading, credit assessment, structuring of product, credit risk mitigation, monitoring and control and documentation. In addition, there are other Group-wide policies as those relating to risk appetite, model risk, and stress testing. Appropriate allocation and sound diversification of lending portfolios among suitable industries are also key objectives of the Bank.

The Bank regularly monitors credit exposures, portfolio performance, and external trends that may impact risk management outcomes.

All credit proposals are subject to a robust Credit Risk assessment. It includes a comprehensive evaluation of the client's credit quality, including willingness, ability and capacity to repay. The primary lending consideration is based on the client's credit quality and the repayment capacity from operating cashflows for counterparties. The risk assessment gives due consideration to the client's liquidity and leverage position.

The maximum exposure to credit risk

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

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

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

5. Risk Management of the Bank (continued)

As at 30 June 2026 and 31 December 2025, the maximum exposures to credit risk were as follows:

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Interbank and money market items (asset)	44,378	53,073
Investments	37,464	44,684
Loans to customers and interest receivables	29,447	25,777
Interest receivables on non-loans	540	417
Total financial assets	111,829	123,951
Loan commitments	9,167	8,023
Financial guarantees	26,418	29,189
Total	35,585	37,212
Total maximum exposure to credit risk	147,414	161,163

Interbank and money market items - assets

As at 30 June 2026 and 31 December 2025, the Bank had interbank and money market items amounting to Baht 44,378 million and Baht 53,073 million, respectively, with counterparties having their credit ratings between AA and B, as rated by external rating agencies like Moody's, S&P and Fitch.

Collateral and any arrangements to increase credibility

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

	Exposure to credit risk with collateral as at		
	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million	Type of collateral
Interbank and money market items - assets	14,810	20,018	Debt securities
Loans to customers and interest receivables	338	367	Land, machinery and others

Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Bank. The Bank has adopted the policy to prevent this risk by performing credit analysis from customers' information and follow-up on customer status consistently.

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

5. Risk Management of the Bank (continued)

	30 June 2026			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Interbank and money market items (Assets)				
Investment grade	44,156	-	-	44,156
Non-investment grade	89	-	-	89
Overdue for 1-30 days	134	-	-	134
Total	44,379	-	-	44,379
Less Allowance for expected credit losses	(1)	-	-	(1)
Net book value	44,378	-	-	44,378
Investments in debt securities measured at amortised cost				
Investment grade	9,169	-	-	9,169
Total	9,169	-	-	9,169
Less Allowance for expected credit losses	(7)	-	-	(7)
Net book value	9,162	-	-	9,162
Investments in debt securities measured at fair value through other comprehensive income				
Investment grade	28,285	-	-	28,285
Net book value	28,285	-	-	28,285
Allowance for expected credit losses	(16)	-	-	(16)
Loans to customers and interest receivables				
Not overdue	27,487	1,258	-	28,745
Overdue 1 - 30 days	164	-	-	164
Overdue 31 - 90 days	-	-	-	-
Overdue longer than 90 days	-	-	538	538
Total	27,651	1,258	538	29,447
Less Allowance for expected credit losses	(12)	(18)	(538)	(568)
Net book value	27,639	1,240	-	28,879
Loan commitments				
Not overdue	9,107	60	-	9,167
Total	9,107	60	-	9,167
Less Allowance for expected credit losses	(5)	(8)	-	(13)
Net book value	9,102	52	-	9,154
Financial guarantee contracts				
Not overdue	24,197	1,642	579	26,418
Total	24,197	1,642	579	26,418
Less Allowance for expected credit losses	(3)	(1)	(205)	(209)
Net book value	24,194	1,641	374	26,209

5. Risk Management of the Bank (continued)

	31 December 2025			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Interbank and money market items (Assets)				
Investment grade	52,783	-	-	52,783
Non-investment grade	277	-	-	277
Overdue for 1-30 days	14	-	-	14
Total	53,074	-	-	53,074
Less Allowance for expected credit losses	(1)	-	-	(1)
Net book value	53,073	-	-	53,073
Investments in debt securities measured at amortised cost				
Investment grade	9,112	-	-	9,112
Total	9,112	-	-	9,112
Less Allowance for expected credit losses	(8)	-	-	(8)
Net book value	9,104	-	-	9,104
Investments in debt securities measured at fair value through other comprehensive income				
Investment grade	35,563	-	-	35,563
Net book value	35,563	-	-	35,563
Allowance for expected credit losses	(27)	-	-	(27)
Loans to customers and interest receivables				
Not overdue	23,284	1,666	-	24,950
Overdue 1 - 30 days	70	2	-	72
Overdue 31 - 90 days	-	247	-	247
Overdue longer than 90 days	-	-	508	508
Total	23,354	1,915	508	25,777
Less Allowance for expected credit losses	(7)	(35)	(508)	(550)
Net book value	23,347	1,880	-	25,227
Loan commitments				
Not overdue	7,963	60	-	8,023
Total	7,963	60	-	8,023
Less Allowance for expected credit losses	(4)	(2)	-	(6)
Net book value	7,959	58	-	8,017
Financial guarantee contracts				
Not overdue	23,375	5,248	566	29,189
Total	23,375	5,248	566	29,189
Less Allowance for expected credit losses	(5)	(16)	(196)	(217)
Net book value	23,370	5,232	370	28,972

5. Risk Management of the Bank (continued)

5.2 Market Risk

Market risk is the potential for loss of economic value due to adverse changes in financial market rates or prices. The Bank's exposure to market risk arises predominantly from these sources.

Trading book

The Bank provides clients access to financial markets, facilitation of which entails the Bank taking moderate market risk positions. All trading teams support client activity; there are no proprietary teams. Hence, income earned from market-risk related activities is primarily driven by the volume of client activity rather than risk-taking. From 1 January 2016, a CVA desk has been actively hedging the credit and market exposure arising from CVA (Credit Valuation Adjustment) and FVA (Funding Valuation Adjustment).

Non-trading book

Market risk also arises in the non-trading book from the requirement to hold a large liquid assets buffer of high-quality, liquid debt securities and from the translation of non-Thai Baht denominated assets, liabilities and earnings.

The primary categories of market risk for the Bank are:

→ Interest rate risk: arising from changes in yield curves, credit spreads and implied volatilities on interest rate options.

→ Currency exchange rate risk: arising from changes in exchange rates and implied volatilities on foreign exchange options.

→ Commodity price risk: arising from changes in commodity prices and commodity options implied volatilities; covering energy, precious metals, base metals and agricultural. For this category of market risk, the Bank is fully hedged through a back-to-back position.

→ Credit spread risk: arising from changed in the credit spread of its derivatives' counterparties through credit value adjustment (CVA) account.

Market risk governance

The Bank has established standards, principles, policies and techniques for managing market risk. The Board of Directors approves the Bank's market risk appetite and market risk limits taking account of market volatility, the range of products and asset classes, business volumes and transaction sizes. The Market and Traded Credit Risk Function, which is independent from the business, measures and monitors exposures against the approved limits to ensure the Bank's market risk exposures are within acceptable levels.

Value at Risk (VaR)

The Bank measures the risk of losses arising from future potential adverse movements in market rates, prices and volatilities using a VaR methodology. VaR, in general, is a quantitative measure of market risk that applies recent historical market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level. VaR provides a consistent measure that can be applied across trading businesses and products over time and can be set against actual daily trading profit and loss outcome.

VaR is calculated for expected movements over a minimum of one business day and to a confidence level of 97.5 percent. This confidence level suggests that potential daily losses, in excess of the VaR measures, are likely to be experienced six times per year.

The Bank applies the VaR methodologies with volatility scale to reflect high market move under current situation.

Volatility-Scaled VaR (VSV)

The Bank enhances traditional Historical Simulation VaR by adjusting past returns for current market volatility. This methodology involves the revaluation of all existing positions to reflect the effect of historically observed changes in market risk factors on the valuation of the current portfolio. This approach is applied for general market risk factors and the majority of specific factor (Credit spread risk VaR) with the enhancement on volatility scale. The underlying notion of VSV is to make the VaR model more reactive to recent market volatility, in which, using current market volatility to scale up the volatility of the past year. Furthermore, geopolitical uncertainty coupled with Central Banks actions and various elections in the future might lead to an increase in volatility. The historical observation period of one year is chosen and applied.

5. Risk Management of the Bank (continued)

VaR is calculated as our exposure as at the close of business. Intra-day risk levels may vary from those reported at the end of the day.

In addition, sensitivity measures are used in addition to VaR as a risk management tools. For example, interest rate sensitivity is measured in terms of exposure to a one basis point increase in yields, whereas foreign exchange, commodity and equity sensitivities are measured in terms of the underlying values or amounts involved. Option risks are controlled through revaluation limits on underlying price and volatility shifts, limits on volatility risk and other variables that determine the option's value.

Stress Testing

Losses beyond the 97.5 percent confidence interval are not captured by a VaR calculation, which therefore gives no indication of the size of unexpected losses in these situations.

The Bank complements the VaR measurement by daily stress testing of market risk exposures to highlight the potential risk that may arise from extreme market events that are rare but plausible.

Stress testing is an integral part of market risk management framework and considers both historical market events and forward-looking scenarios. A consistent stress-testing methodology is applied to trading and non-trading books. The stress testing methodology assumes that scope for management action would be limited during a stress event, reflecting the decrease in market liquidity that often occurs.

Stress scenarios are regularly updated to reflect the changes in risk profile and economic events. The Market and Traded Credit Risk function reviews stress exposures and, where necessary, enforces reductions in overall market risk exposure. The Risk Committee considers the results of stress tests as part of its supervision of risk appetite.

Regular stress-test scenarios are applied to interest rates, credit spread, exchange rates, commodity prices and equity prices. This covers all asset classes in the Financial Markets' banking and trading books.

Non-trading book and Treasury Market's risk treatment

Interest rate risk from non-trading book portfolios is transferred to financial markets where it is managed by Treasury Market (TM) desks under the supervision of Assets and Liabilities Committee (ALCO). TM deals in the market in approved financial instruments in order to manage the net interest rate risk, subject to approved VaR and risk limits.

VaR and stress tests are therefore applied to these non-trading book exposures in the same way as for trading book, including these investments measured at fair value through other comprehensive income.

5. Risk Management of the Bank (continued)

(a) Interest rate risk

Significant financial assets and liabilities of the Bank classified by repricing periods of interest rate were as follows:

	30 June 2026								
	Immediate repricing	Within 6 months	Over 6 months to 1 year	Over 1 year to 5 years	More than 5 years	Non-interest bearing	Non - performing loan	Total	Average yields
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	% per
Financial assets									
Cash	-	-	-	-	-	146	-	146	-
Interbank and money market items - net	133	42,249	65	-	-	1,931	-	44,378	1.91
Financial assets measured at fair value through profit or loss	-	5,847	-	791	55,759	-	-	62,397	2.53
Investments - net	-	16,464	17,325	3,658	-	17	-	37,464	1.79
Loans to customers and interest receivables	2,375	20,062	1,000	3,734	1,709	29	538	29,447	2.64
Collateral receivables under Credit Support Annex agreements and private repurchase transactions	9,127	-	-	-	-	-	-	9,127	2.08
Receivables on sales of investments	-	-	-	-	-	15,127	-	15,127	-
Others	-	-	-	-	-	540	-	540	-
Total financial assets	11,635	84,622	18,390	8,183	57,468	17,790	538	198,626	
Financial liabilities									
Deposits	87,418	12,958	1,165	-	-	11,525	-	113,066	1.79
Interbank and money market items	7,914	12,856	-	-	-	7,081	-	27,851	1.11
Liabilities payable on demand	-	-	-	-	-	865	-	865	-
Financial liabilities measured at fair value through profit or loss	1,584	7,258	-	-	-	-	-	8,842	-
Lease liabilities	-	19	19	52	9	-	-	99	3.70
Collateral payables under Credit Support Annex agreements and private repurchase transactions	9,774	-	-	-	-	-	-	9,774	1.79
Payables on purchase of investments	-	-	-	-	-	13,249	-	13,249	-
Others	-	-	-	-	-	87	-	87	-
Total financial liabilities	106,690	33,091	1,184	52	9	32,807	-	173,833	

5. Risk Management of the Bank (continued)

	31 December 2025								
	Immediate repricing	Within 6 months	Over 6 months to 1 year	Over 1 year to 5 years	More than 5 years	Non-interest bearing	Non - performing loan	Total	Average yields
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	% per annum
Financial assets									
Cash	-	-	-	-	-	124	-	124	-
Interbank and money market items - net	13	50,760	283	-	-	2,017	-	53,073	2.97
Financial assets measured at fair value through profit or loss	-	1,068	796	775	51,370	-	-	54,009	2.39
Investments - net	-	13,797	11,388	19,482	-	17	-	44,684	2.21
Loans to customers and interest receivables	1,315	18,849	178	3,907	965	55	508	25,777	3.30
Collateral receivables under Credit Support Annex agreements and private repurchase transactions	17,285	-	-	-	-	-	-	17,285	2.19
Receivables on sales of investments	-	-	-	-	-	5,333	-	5,333	-
Others	-	-	-	-	-	417	-	417	-
Total financial assets	18,613	84,474	12,645	24,164	52,335	7,963	508	200,702	
Financial liabilities									
Deposits	75,411	18,945	669	-	-	11,045	-	106,070	2.30
Interbank and money market items	10,053	13,511	-	-	-	6,894	-	30,458	1.66
Liabilities payable on demand	-	-	-	-	-	1,079	-	1,079	-
Financial liabilities measured at fair value through profit or loss	9,427	3,794	990	-	-	-	-	14,211	-
Lease liabilities	-	18	18	60	12	-	-	108	3.57
Collateral payables under Credit Support Annex agreements and private repurchase transactions	10,677	-	-	-	-	-	-	10,677	1.58
Payables on purchase of investments	-	-	-	-	-	4,927	-	4,927	-
Others	-	-	-	-	-	158	-	158	-
Total financial liabilities	105,568	36,268	1,677	60	12	24,103	-	167,688	

5. Risk Management of the Bank (continued)

Interest rate sensitivity analysis

Analysis of sensitivity to changes in interest rates shows the potential change in interest rates on the Bank's profit or loss and equity by setting constant to other variables.

The sensitivity to profit or loss is the effect of changing interest rates on profit or loss for the period. For financial assets and financial liabilities at the end of the reporting period, sensitivity of equity is calculated by measuring fair value as at the reporting date of financial assets measured at fair value through other comprehensive income with a new fixed rate, including the effect of hedging cash flow risk by assuming change in interest rate. The methods used in sensitivity analysis do not change from the previous period.

(b) Foreign exchange rate risk

Foreign exchange rate risk is the risk that foreign exchange rate volatility gives the adverse impact on income or capital due to foreign currency transactions or having assets or liabilities in foreign currency, when converting all items on the Bank's financial statements to local currency, the book values decrease including decline of income or loss incurred from foreign exchange trading.

As at 30 June 2026 and 31 December 2025, the Bank's net overbought (oversold) foreign currency positions were as follows:

	30 June 2026 US Dollar 'Million	31 December 2025 US Dollar 'Million
Net foreign currency exposure		
US Dollar	43	(12)
Others*	(25)	(4)

* Balance denominated in other currencies were stated in USD equivalents.

Foreign exchange rate sensitivity analysis

Analysis of sensitivity to changes in foreign exchange rate shows the potential change in interest rates on the income statement and the equity of the bank by setting constant to other variables. Risks and methods used in sensitivity analysis do not change from the previous period.

5.3 Liquidity and Funding Risk

Liquidity and Funding Risk is the risk that the Bank may not have sufficient stable or diverse sources of funding to meet its obligations as they fall due.

The Liquidity and Funding Risk framework requires Bank to ensure that it operates within predefined liquidity limits and remains in compliance with liquidity policies and practices, as well as local regulatory requirements.

The Bank achieves this through a combination of setting Risk Appetite and associated limits, policy formation, risk measurement and monitoring, prudential and internal stress testing, governance, and review.

The Bank has maintained resilience and retained a robust liquidity position. The Bank continues to focus on improving the quality and diversification of its funding mix and remains committed to supporting its clients.

Liquidity risk governance

The Bank's Board of Directors approves the Bank's risk appetite for liquidity and funding risk. The Assets and Liabilities Committee (ALCO) is the responsible governing body to ensure that liquidity and funding risk are managed and maintained in accordance with the Bank's risk management frameworks, risk appetite, and regulatory requirements.

Stress Testing

The Bank intends to maintain a prudent and sustainable funding and liquidity position, such that it can withstand a severe yet plausible liquidity stress.

The internal liquidity stress testing framework includes multiple stress scenarios with varied survival periods and stressed conditions to appropriately reflect the liquidity risks undertaken by the Bank. The framework includes an idiosyncratic stress, a market wide stress and a combined stress.

5. Risk Management of the Bank (continued)

The Bank's Board of Directors and ALCO have oversight over the appropriateness of the stress scenarios and the assumption contained within them.

In accordance with the BoT Notification No. Sor Nor Sor 2/2561 dated 25 January 2018, Re: "Liquidity coverage ratio disclosure standards", the Bank intends to disclose Liquidity Coverage Ratio for quarter 2 of 2026 within 4 months after period ended through the Bank's website https://www.sc.com/th. However, the Bank already disclosed its Liquidity Coverage Ratio for quarter 4 of 2025 in March 2026.

As at 30 June 2026 and 31 December 2025, the Bank's financial assets and liabilities were classified by remaining periods to maturity as follows:

	30 June 2026						
	At call	Within 6 months	Over 6 months to 1 year	Over 1 year to 5 years	Over 5 years	No Maturity	Total
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Financial assets							
Cash	146	-	-	-	-	-	146
Interbank and money market items - net	2,095	42,219	64	-	-	-	44,378
Financial assets measured at fair value through profit or loss	-	5,847	-	791	55,759	-	62,397
Investments - net	-	16,464	17,325	3,658	-	17	37,464
Loans to customers and interest receivables	2,989	17,924	1,359	3,805	3,370	-	29,447
Collateral receivables under Credit Support Annex agreements and private repurchase transactions	9,127	-	-	-	-	-	9,127
Receivables on sales of investments	15,127	-	-	-	-	-	15,127
Others	540	-	-	-	-	-	540
Total financial assets	30,024	82,454	18,748	8,254	59,129	17	198,626
Financial liabilities							
Deposits	98,943	12,958	1,165	-	-	-	113,066
Interbank and money market items	14,995	12,856	-	-	-	-	27,851
Liabilities payable on demand	865	-	-	-	-	-	865
Financial liabilities measured at fair value through profit or loss	1,584	7,258	-	-	-	-	8,842
Lease liabilities	-	19	19	52	9	-	99
Collateral payables under Credit Support Annex agreements and private repurchase transactions	9,774	-	-	-	-	-	9,774
Payables on purchase of investments	13,249	-	-	-	-	-	13,249
Others	87	-	-	-	-	-	87
Total financial liabilities	139,497	33,091	1,184	52	9	-	173,833

5. Risk Management of the Bank (continued)

	31 December 2025						
	At call	Within 6 months	Over 6 months to 1 year	Over 1 year to 5 years	Over 5 years	No Maturity	Total
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Financial assets							
Cash	124	-	-	-	-	-	124
Interbank and money market items - net	2,069	50,726	278	-	-	-	53,073
Financial assets measured at fair value through profit or loss	-	1,068	796	775	51,370	-	54,009
Investments - net	-	13,797	11,388	19,482	-	17	44,684
Loans to customers and interest receivables	1,907	16,910	396	3,905	2,659	-	25,777
Collateral receivables under Credit Support Annex agreements and private repurchase transactions	17,285	-	-	-	-	-	17,285
Receivables on sales of investments	5,333	-	-	-	-	-	5,333
Others	417	-	-	-	-	-	417
Total financial assets	27,135	82,501	12,858	24,162	54,029	17	200,702
Financial liabilities							
Deposits	86,456	18,945	669	-	-	-	106,070
Interbank and money market items	16,947	13,511	-	-	-	-	30,458
Liabilities payable on demand	1,079	-	-	-	-	-	1,079
Financial liabilities measured at fair value through profit or loss	9,427	3,794	990	-	-	-	14,211
Lease liabilities	-	18	18	60	12	-	108
Collateral payables under Credit Support Annex agreements and private repurchase transactions	10,677	-	-	-	-	-	10,677
Payables on purchase of investments	4,927	-	-	-	-	-	4,927
Others	158	-	-	-	-	-	158
Total financial liabilities	129,671	36,268	1,677	60	12	-	167,688

5. Risk Management of the Bank (continued)

Derivatives

The remaining periods to maturity of the notional amounts of derivatives as at 30 June 2026 and 31 December 2025 were as follows:

	30 June 2026		
	Within 1 year Baht 'Million	Over 1 year Baht 'Million	Total Baht 'Million
Foreign exchange			
Forward exchange contracts	876,255	6,681	882,936
Cross currency swap contracts	49,426	227,632	277,058
Currency option contracts	20,428	-	20,428
Interest rate			
Interest rate swap contracts	177,553	642,722	820,275
Interest rate option contracts	19,805	32,660	52,465
Others			
Bond forward contracts	19,493	46,117	65,610
Commodities	5,860	-	5,860
Total	1,168,820	955,812	2,124,632

	31 December 2025		
	Within 1 year Baht 'Million	Over 1 year Baht 'Million	Total Baht 'Million
Foreign exchange			
Forward exchange contracts	671,719	4,183	675,902
Cross currency swap contracts	40,686	198,907	239,593
Currency option contracts	16,152	-	16,152
Interest rate			
Interest rate swap contracts	105,870	539,171	645,041
Interest rate option contracts	5,095	11,100	16,195
Others			
Bond forward contracts	25,304	34,592	59,896
Commodities	1,750	4,667	6,417
Total	866,576	792,620	1,659,196

6. Classification of financial assets and liabilities

	30 June 2026				
	Financial instruments measured at fair value through profit and loss	Investments in debt securities measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Financial assets					
Cash	-	-	-	146	146
Interbank and money market items - net	-	-	-	44,378	44,378
Financial assets measured at fair value through profit or loss	62,397	-	-	-	62,397
Derivatives assets	32,211	-	-	-	32,211
Investments - net	-	28,285	17	9,162	37,464
Loans to customers and interest receivables - net	-	-	-	28,879	28,879
Collateral receivables under the Credit Support Annex agreements and the private repurchase transactions(1)	-	-	-	9,127	9,127
Receivables on sales of investments (1)	-	-	-	15,127	15,127
Accrued income and interest receivables (1)	-	-	-	540	540
Total financial assets	94,608	28,285	17	107,359	230,269
Financial liabilities					
Deposits	-	-	-	113,066	113,066
Interbank and money market items	-	-	-	27,851	27,851
Liabilities payable on demand	-	-	-	865	865
Financial liabilities measured at fair value through profit or loss	8,842	-	-	-	8,842
Derivatives liabilities	29,276	-	-	-	29,276
Lease liabilities	-	-	-	99	99
Collateral payables under the Credit Support Annex agreements and the private repurchase transactions(2)	-	-	-	9,774	9,774
Payables on purchase of investments (2)	-	-	-	13,249	13,249
Interest payables (2)	-	-	-	87	87
Total financial liabilities	38,118	-	-	164,991	203,109

(1) These items were included as a part of "Other assets " in statements of financial position.

(2) These items were included as a part of "Other liabilities " in statements of financial position.

6. Classification of financial assets and liabilities (continued)

	31 December 2025				
	Financial instruments measured at fair value through profit and loss	Investments in debt securities measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Financial assets					
Cash	-	-	-	124	124
Interbank and money market items - net	-	-	-	53,073	53,073
Financial assets measured at fair value through profit or loss	54,009	-	-	-	54,009
Derivatives assets	23,155	-	-	-	23,155
Investments - net	-	35,563	17	9,104	44,684
Loans to customers and interest receivables - net	-	-	-	25,227	25,227
Collateral receivables under the Credit Support Annex agreements and the private repurchase transactions[1]	-	-	-	17,285	17,285
Receivables on sales of investments [1]	-	-	-	5,333	5,333
Accrued income and interest receivables [1]	-	-	-	417	417
Total financial assets	77,164	35,563	17	110,563	223,307
Financial liabilities					
Deposits	-	-	-	106,070	106,070
Interbank and money market items	-	-	-	30,458	30,458
Liabilities payable on demand	-	-	-	1,079	1,079
Financial liabilities measured at fair value through profit or loss	14,211	-	-	-	14,211
Derivatives liabilities	29,135	-	-	-	29,135
Lease liabilities	-	-	-	108	108
Collateral payables under the Credit Support Annex agreements and the private repurchase transactions[2]	-	-	-	10,677	10,677
Payables on purchase of investments [2]	-	-	-	4,927	4,927
Interest payables [2]	-	-	-	158	158
Total financial liabilities	43,346	-	-	153,477	196,823

[1] These items were included as a part of "Other assets " in statements of financial position.

[2] These items were included as a part of "Other liabilities " in statements of financial position.

7. Capital funds

The Bank's capital management approach is driven by its desire to maintain a strong capital base to support the development of its business, to meet capital requirements and to maintain appropriate credit ratings.

The Capital Funds and Capital Adequacy Ratio of the Bank as at 30 June 2026 and 31 December 2025 in accordance with the BoT's requirements with reference to Basel III framework consisted of the following:

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Tier 1 Capital		
Common Equity Tier 1 (CET1) :		
Issued and paid-up share capital and premium on share capital	**20,391**	20,391
Statutory reserve	**1,134**	1,134
Net profit after appropriation	**950**	1,073
Other components of equity	**246**	53
Less: Deduction items from common equity tier 1	**(2,147)**	(1,501)
Total Tier 1 capital	**20,574**	21,150
Tier 2 capital		
Surplus of provision	**267**	252
Total Tier 2 capital	**267**	252
Total Capital Funds	**20,840**	21,401

	The BoT's minimum regulatory requirement Percentage	30 June 2026 The Bank Percentage	31 December 2025 The Bank Percentage
Capital Adequacy Ratio			
Total Capital Funds to Risk-weighted assets	11.0	**24.0**	27.2
Tier-1 Capital Funds to Risk-weighted assets	8.5	**23.7**	26.8
Common Equity Tier-1 to Risk-weighted assets	7.0	**23.7**	26.8
Tier-2 Capital Funds to Risk-weighted assets		**0.3**	0.3
Capital Funds after deducting additional capital to support Single Lending Limit (Baht million)		**20,840**	21,401
Capital after deducting capital add-on arising from Single Lending Limit to total risk-weighted assets ratio		**24.0**	27.2

According to the BoT's Notification Sor Nor Sor 4/2556 and Sor Nor Sor 14/2562 commercial banks are required to disclose certain additional capital information for their position. The Bank will disclose such information as at 30 June 2026 within 4 months after period ended in its website (www.sc.com/th). The Bank already disclosed such information as at 31 December 2025 on 31 March 2026.

8. Interbank and money market items (assets)

	30 June 2026			31 December 2025		
	On demand	Term	Total	On demand	Term	Total
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Domestic						
Bank of Thailand	1,347	2,310	3,657	1,190	1,325	2,515
Commercial banks	77	25,979	26,056	414	32,398	32,812
Total	1,424	28,289	29,713	1,604	33,723	35,327
Add: Interest receivables	6	-	6	16	-	16
Less: Deferred revenue	-	(24)	(24)	-	(23)	(23)
Less: Allowance for expected credit losses	-	-	-	-	-	-
Total domestic items	1,430	28,265	29,695	1,620	33,700	35,320
Foreign						
US Dollar	198	8,918	9,116	14	14,884	14,898
Yen	235	4,824	5,059	148	2,123	2,271
Euro	68	-	68	-	30	30
Other currencies	160	282	442	220	282	502
Total	661	14,024	14,685	382	17,319	17,701
Add: Interest receivables	5	-	5	68	-	68
Less: Deferred revenue	-	(6)	(6)	-	(15)	(15)
Less: Allowance for expected credit losses	(1)	-	(1)	(1)	-	(1)
Total foreign items	665	14,018	14,683	449	17,304	17,753
Total domestic and foreign items	2,095	42,283	44,378	2,069	51,004	53,073

As at 30 June 2026 and 31 December 2025, Bank has unfunded risk participation transactions, which the underlying obligations for a portion on which credit risk has been transferred amounted to Baht 6 million and Baht 4 million, respectively.

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

	30 June 2026	31 December 2025
	Baht 'Million	Baht 'Million
Financial assets held for trading		
Government and state enterprises securities	53,653	49,938
Private sector debt securities	2,789	1,773
Foreign debt securities	109	434
Securities purchased under resale agreements	5,846	1,864
Total financial assets measured at fair value through profit or loss	62,397	54,009

10. Derivatives assets/liabilities

10.1 Derivatives held for trading

As at 30 June 2026 and 31 December 2025, the fair values and notional amounts of derivatives held for trading, classified by type of risks, were as follows:

Type of risks	30 June 2026			31 December 2025		
	Fair values		Notional	Fair values		Notional
	Assets	Liabilities	amounts	Assets	Liabilities	amounts
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Foreign currency	20,556	(19,957)	1,180,422	15,291	(16,554)	931,647
Interest rate	8,870	(7,712)	868,813	7,396	(7,015)	657,478
Others						
- Bond forward	2,679	(1,503)	65,610	410	(5,512)	59,896
- Commodity swaps	106	(104)	5,860	58	(54)	6,417
Total others	2,785	(1,607)	71,470	468	(5,566)	66,313
Total	32,211	(29,276)	2,120,705	23,155	(29,135)	1,655,438

10.2 Derivatives held for hedging

As at 30 June 2026 and 31 December 2025, hedging instruments, classified by types of hedge accounting and risk, were as follows:

Fair value hedges

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

Hedge items	30 June 2026		
	Carrying value of investments	Accumulated amount of fair value adjustments on the hedged items	
		Assets	Liabilities
	Baht 'Million	Baht 'Million	Baht 'Million
Interest rate risk			
US Dollar fixed-rate investments in debt securities measured at amortised cost	3,327	3	-
THB fixed-rate in loan measured at amortised cost	600	1	-
Total	3,927	4	-

Hedge items	31 December 2025		
	Carrying value of investments	Accumulated amount of fair value adjustments on the hedged items	
		Assets	Liabilities
	Baht 'Million	Baht 'Million	Baht 'Million
Interest rate risk			
US Dollar fixed-rate investments in debt securities measured at amortised cost	3,158	22	-
THB fixed-rate in loan measured at amortised cost	600	2	-
Total	3,758	24	-

10. Derivatives assets/liabilities (continued)

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

Hedging instruments	30 June 2026		
	Notional amounts	Fair value of hedging instruments	
		Assets	Liabilities
	Baht 'Million	Baht 'Million	Baht 'Million
Interest rate risk			
Interest rate swap contracts	**3,927**	**-**	**(4)**

Hedging instruments	31 December 2025		
	Notional amounts	Fair value of hedging instruments	
		Assets	Liabilities
	Baht 'Million	Baht 'Million	Baht 'Million
Interest rate risk			
Interest rate swap contracts	3,758	-	(24)

The below table sets out the outcome of the Bank's hedging strategy, set out in Note 4.7 to the financial statements, in particular, to changes in the fair value of the hedged items and hedging instruments during the period, used as the basis for recognising ineffectiveness:

Hedged items	Hedging instruments	30 June 2026		
		Gains (losses) attributable to the hedged risk		Change in fair value used for measuring hedge ineffectiveness
		Hedged items	Hedging instruments	
		Baht 'Million	Baht 'Million	Baht 'Million
Interest rate risk				
US Dollar fixed-rate investments in debt securities measured at amortised cost	Interest rate swap	**3**	**(3)**	**-**
THB fixed-rate investments in loan measured at amortised cost	Interest rate swap	**1**	**(1)**	**-**
Total		**4**	**(4)**	**-**

Hedged items	Hedging instruments	31 December 2025		
		Gains (losses) attributable to the hedged risk		Change in fair value used for measuring hedge ineffectiveness
		Hedged items	Hedging instruments	
		Baht 'Million	Baht 'Million	Baht 'Million
Interest rate risk				
US Dollar fixed-rate investments in debt securities measured at amortised cost	Interest rate swap	22	(22)	-
THB fixed-rate investments in loan measured at amortised cost	Interest rate swap	2	(2)	-
Total		24	(24)	-

10. Derivatives assets/liabilities (continued)

Cash flow hedges

For the six-month period end 30 June 2026, the Bank has no cash flow hedge transaction. And for the year ended 31 December 2025, the amounts relating to items designated as hedged items under cash flow hedges are as follows:

Hedged items	31 December 2025		
	Change in fair value used in measuring hedge ineffectiveness	Cash flow hedge reserve	
		Continuing hedges	Discontinued hedges
	Baht 'Million	Baht 'Million	Baht 'Million
Interest rate and foreign exchange rate risk			
USD fixed-rate customer deposit measured at amortised cost	(2)	-	(2)
Total	(2)	-	(2)

The below table sets out the outcome of the Bank's hedging strategy, set out in Note 4.7 to the financial statements, in particular, the notional and the carrying amounts of the derivatives the Bank uses as cash flow hedging instruments and the changes in fair value used for measuring ineffectiveness of the cash flow hedges as follows:

Hedging instruments	31 December 2025						
		Carrying values		Changes in fair value used for measuring hedge ineffectiveness			
	Notional amounts	Assets	Liabilities	Total	Effective portion recognised in other comprehen sive income	Ineffective portion recognised in profit or loss	Amount reclassified from the cash flow hedge reserve to profit or loss
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Interest rate and foreign exchange rate risk							
Cross currency swap (USD:THB) - hedge the risk of USD fixed-rate customer deposit	-	-	-	(2)	(2)		2
Total	-	-	-	(2)	(2)	-	2

The following table provides a reconciliation by risk categories of other components of equity, resulting from hedge accounting.

	31 December 2025
	Cash flow hedge reserve
	Baht 'Million
Beginning balance as of 1 January - net income tax	2
Effective portion of changes in fair value: Interest rate and foreign exchange rate risk	(2)
Related income taxes	-
Ending balance as at 31 December - net income taxes	-

11. Investments

11.1 Classified by types of investment

Investments as at 30 June 2026 and 31 December 2025 consist of:

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Investments in debt securities measured at amortised cost	9,162	9,104
Investments in debt securities measured at fair value through other comprehensive income	28,285	35,563
Investments in equity securities designated at fair value through other comprehensive income	17	17
Total investments	37,464	44,684

Investments in debt securities measured at amortised cost

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Government and state enterprises securities	5,840	5,935
Foreign debt securities	3,329	3,177
Total	9,169	9,112
Less: Allowance for expected credit losses	(7)	(8)
Total investments in debt securities measured at amortised cost - net	9,162	9,104

Investments in debt securities measured at fair value through other comprehensive income

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Government and state enterprise securities	13,929	19,546
Foreign debt securities	14,356	16,017
Total investments in debt securities measured at fair value through other comprehensive income	28,285	35,563
Allowance for expected credit losses	(16)	(27)

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

	Fair Value as at		Dividends received for the six-month period ended	
	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million	30 June 2026 Baht 'Million	30 June 2025 Baht 'Million
Non-marketable domestic equity securities	17	17	5	6
Total investments in equity securities designated at fair value through other comprehensive income	17	17	5	6

During the six-month period ended 30 June 2026 and 2025, the Bank did not dispose equity investments designated to be measured at fair value through other comprehensive income.

12. Loans to customers and interest receivables

12.1 Classified by loan types

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Overdrafts	304	18
Loans	28,980	25,600
Less: Deferred revenue	(47)	(29)
Loans to customers net of deferred revenue	29,237	25,589
Add: Interest receivables	210	188
Loans to customers net of deferred revenue and interest receivables	29,447	25,777
Less: Allowance for expected credit losses	(568)	(550)
Loans to customers and interest receivables - net	28,879	25,227

12.2 Classified by debtors' residency

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Domestic	28,269	24,339
Foreign	968	1,250
Loans to customers net of deferred revenue	29,237	25,589

12.3 Classified by loan classification

	30 June 2026		31 December 2025	
	Loans to customers and interest receivables Baht 'Million	Allowance for expected credit losses Baht 'Million	Loans to customers and interest receivables Baht 'Million	Allowance for expected credit losses Baht 'Million
Financial assets where there has not been a significant increase in credit risk (Performing)	27,651	(12)	23,354	(7)
Financial assets where there has been a significant increase in credit risk (Under-Performing)	1,258	(18)	1,915	(35)
Financial assets that are credit-impaired (Non-Performing)	538	(538)	508	(508)
Total	29,447	(568)	25,777	(550)

13. Allowance for expected credit losses

	30 June 2026			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Interbank and money market items (assets)				
Beginning balance	1	-	-	1
New financial assets purchased or acquired	1	-	-	1
Payments and derecognition of financial assets	(1)	-	-	(1)
Ending balance	1	-	-	1
Investments in debt securities measured at amortised cost				
Beginning balance	8	-	-	8
Changes due to remeasurement of allowance for expected credit losses	(1)	-	-	(1)
Payments and derecognition of financial assets	-	-	-	-
Ending balance	7	-	-	7
Investments in debt securities measured at fair value through other comprehensive income				
Beginning balance	27	-	-	27
Changes due to remeasurement of allowance for expected credit losses	(7)	-	-	(7)
New financial assets purchased or acquired	13	-	-	13
Payments and derecognition of financial assets	(17)	-	-	(17)
Ending balance	16	-	-	16
Loans to customers and accrued interest receivables				
Beginning balance	7	35	508	550
Changes due to changes in staging	11	(11)	-	-
Changes due to remeasurement of allowance for expected credit losses	(9)	(9)	30	12
New financial assets purchased or acquired	5	4	-	9
Recovery	(2)	(1)	-	(3)
Ending balance	12	18	538	568

13. Allowance for expected credit losses (continued)

	31 December 2025			
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Interbank and money market items (assets)				
Beginning balance	2	-	-	2
New financial assets purchased or acquired	-	-	-	-
Payments and derecognition of financial assets	(1)	-	-	(1)
Ending balance	1	-	-	1
Investments in debt securities measured at amortised cost				
Beginning balance	2	-	-	2
Changes due to remeasurement of allowance for expected credit losses	6	-	-	6
Ending balance	8	-	-	8
Investments in debt securities measured at fair value through other comprehensive income				
Beginning balance	4	-	-	4
Changes due to remeasurement of allowance for expected credit losses	11	-	-	11
New financial assets purchased or acquired	14	-	-	14
Payments and derecognition of financial assets	(2)	-	-	(2)
Ending balance	27	-	-	27
Loans to customers and accrued interest receivables				
Beginning balance	13	230	448	691
Changes due to changes in staging	(4)	4	-	-
Changes due to remeasurement of allowance for expected credit losses	(2)	(199)	60	(141)
New financial assets purchased or acquired	5	1	-	6
Recovery	(5)	(1)	-	(6)
Ending balance	7	35	508	550

14. Leasehold improvements and equipment

	Leasehold improvements Baht 'Million	Equipment Baht 'Million	Assets in progress Baht 'Million	Total Baht 'Million
Cost				
As at 1 January 2025	140	217	3	360
Acquisitions	-	2	2	4
Transfer in (out)	2	1	(3)	-
Disposal and written off	-	(1)	-	(1)
As at 31 December 2025	142	219	2	363
Transfer in (out)	**2**	**-**	**(2)**	**-**
As at 30 June 2026	**144**	**219**	**-**	**363**
Accumulated depreciation				
As at 1 January 2025	53	120	-	173
Depreciation charged for the year	24	42	-	66
Disposal and written off	-	(1)	-	(1)
As at 31 December 2025	77	161	-	238
Depreciation charged for the period	**12**	**15**	**-**	**27**
As at 30 June 2026	**89**	**176**	**-**	**265**
Net book value				
As at 31 December 2025	65	58	2	125
As at 30 June 2026	**55**	**43**	**-**	**98**
Remaining useful lives as at 30 June 2026 (years)	3	0-4		
Depreciation included in profit or loss for the six-month periods ended				
30 June 2025				35
30 June 2026				**27**

As at 30 June 2026 and 31 December 2025, certain equipment was fully depreciated but is still in use. The original costs, before deducting accumulated depreciation, of those assets amounted to Baht 68 million and Baht 66 million, respectively.

15. Right-of-use assets/Lease liabilities

The Bank has lease contracts for property and equipment used in its operations. Leases generally have lease terms between 3 - 10 years.

15.1 Right-of-use assets

	Buildings Baht 'Million	Motor vehicles Baht 'Million	Total Baht 'Million
Cost			
As at 1 January 2025	208	9	217
Acquisition of assets	2	3	5
Disposal and written off	(5)	-	(5)
As at 31 December 2025	205	12	217
Acquisition of assets	**9**	**-**	**9**
As at 30 June 2026	**214**	**12**	**226**
Accumulated depreciation			
As at 1 January 2025	81	2	83
Depreciation charged for the year	31	3	34
As at 31 December 2025	112	5	117
Depreciation charged for the period	**17**	**1**	**18**
As at 30 June 2026	**129**	**6**	**135**
Net book value			
As at 31 December 2025	93	7	100
As at 30 June 2026	**85**	**6**	**91**
Depreciation charged in profit or loss for the six-month periods ended			
30 June 2025			16
30 June 2026			**18**

15.2 Lease liabilities

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Lease payments	**105**	117
Less: Deferred interest expenses	**(6)**	(9)
Lease liabilities - net	**99**	108

A maturity analysis of lease payments is disclosed in Note 5.3 to financial statement regarding liquidity risk.

15. Right-of-use assets/Lease liabilities (continued)

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

	30 June 2026 Baht 'Million	30 June 2025 Baht 'Million
Depreciation expense of right-of-use assets	**18**	16
Interest expense on lease liabilities	**2**	2
Total	**20**	18

The Bank had total cash outflows for leases for the six-month periods ended 30 June 2026 and 2025 of Baht 20 million and Baht 20 million, respectively.

16. Intangible asset

	Application software Baht 'Million	Application software in progress Baht 'Million	Total Baht 'Million
Cost			
As at 1 January 2025	1,695	6	1,701
Acquisitions	-	192	192
Transfer in (out)	181	(181)	-
Disposal and written off	(7)	(7)	(14)
As at 31 December 2025	1,869	10	1,879
Acquisitions	**10**	**156**	**166**
Transfer in (out)	**153**	**(153)**	**-**
As at 30 June 2026	**2,032**	**13**	**2,045**
Accumulated amortisation			
As at 1 January 2025	816	-	816
Amortisation for the year	223	-	223
Disposal and written off	(4)	-	(4)
As at 31 December 2025	1,035	-	1,035
Amortisation for the period	**96**	**-**	**96**
As at 30 June 2026	**1,131**	**-**	**1,131**
Net book value			
As at 31 December 2025	834	10	844
As at 30 June 2026	**901**	**13**	**914**
Remaining useful lives as at 30 June 2026 (years)	0-10		
Amortisation included in profit or loss for the six-month period			
30 June 2025			112
30 June 2026			**96**

As at at 30 June 2026 and 31 December 2025, the Bank had application software, which were fully amortised but still in use. The original costs, before deducting accumulated amortisation, of those assets amounted to Baht 219 million and Baht 212 million, respectively.

During the six-month period ended of 2026, the Bank reassessed the estimated benefit lives of application software in order to accord with its group accounting policy and reflect their estimated useful lives. The useful lives of the application software were previously estimated to be 3 - 5 years and the benefit lives were re-estimated to be capped at 10 years. Such change has the effect of increasing net profit by approximately Bath 11 million.

17. Deferred tax assets/liabilities and income tax expenses

17.1 Deferred tax assets/liabilities

Deferred tax assets/liabilities as at 30 June 2026 and 31 December 2025 consisted of the following components.

	Statement of financial position as at		Changes in deferred income taxes for the six-month periods ended	
	30 June 2026	31 December 2025	30 June 2026	30 June 2025
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Deferred tax assets:				
Revaluation allowance on financial instrument	429	-	429	-
Allowance for expected credit losses	45	45	-	(1)
Provision for long-term employee benefits	84	85	(1)	13
Provision for other liabilities	1	3	(2)	-
Accrued expenses	24	49	(25)	(23)
Tax losses carry forward	-	-	-	327
Others	41	32	9	(5)
Total	624	214	410	311
Deferred tax liabilities:				
Revaluation allowance on financial instruments	-	440	(440)	611
Cash flow hedge reserve	-	-	-	(1)
Total	-	440	(440)	610
Deferred tax assets (liabilites)	624	(226)	-	-
Changes in deferred income taxes			850	(299)

Movements in deferred tax assets (liabilities) during the six-month periods ended 30 June 2026 and 2025 were summarised as follows:

	30 June 2026	30 June 2025
	Baht 'Million	Baht 'Million
Deferred tax assets (liabilities) - beginning balances	(226)	177
Changes in deferred income taxes:		
Adjustment in respect of deferred tax assets	(1)	(3)
Recognised in profit or loss	817	(264)
Recognised in other comprehensive income	34	(32)
Total changes in deferred income taxes for the periods	850	(299)
Deferred tax assets (liabilities) - ending balances	624	(122)

17.2 Income tax expenses

Income tax expenses for the six-month periods ended 30 June 2026 and 2025 were summarised as follows:

	30 June 2026	30 June 2025
	Baht 'Million	Baht 'Million
Current income taxes:		
Current income tax charge for the periods	1,070	-
Adjustments in respect of corporate income taxes of previous periods	2	3
Deferred income taxes:		
Income tax relating to origination and reversal of temporary differences	(816)	264
Income tax expenses reported in profit or loss	256	267

17. Deferred tax assets/liabilities and income tax expenses (continued)

Reconciliations between income tax expenses and the accounting profits for the six-month period ended 30 June 2026 and 2025 multiplied by the applicable tax rate were as follows:

	30 June 2026 Baht 'Million	30 June 2025 Baht 'Million
Accounting profits before income tax expenses	1,260	1,319
Applicable tax rate	20%	20%
Accounting for profits before income tax expenses multiplied by applicable tax rate	252	264
Adjustments in respect of corporate income taxes of previous period	2	3
Tax effects from:		
Reversal of adjustment in deferred tax assets of previous period	1	-
Net tax effect of tax-exempted revenue and non-tax-deductible expenses	1	-
Income tax expenses reported in profit or loss	256	267

17.3 Components of other comprehensive income (losses)

	30 June 2026			30 June 2025		
	Before tax amount Baht 'Million	Tax benefit (expense) Baht 'Million	Net of tax amount Baht 'Million	Before tax amount Baht 'Million	Tax benefit (expense) Baht 'Million	Net of tax amount Baht 'Million
Items to be recognised subsequently in profit or loss:						
Gains (losses) from revaluation of investments in debt securities measured at fair value through other comprehensive income	(189)	38	(151)	198	(40)	158
Losses from measurement of derivatives held for cash flows hedges	-	-	-	(5)	2	(3)
Total items to be recognised subsequently in profit or loss	(189)	38	(151)	193	(38)	155
Items not to be recognised subsequently in profit and loss:						
Gain(losses) from revaluation of investments in equity securities designated to be measured at fair value through other comprehensive income	1	-	1	(2)	-	(2)
Losses from revaluation of own credit risk	-	-	-	(3)	1	(2)
Actuarial gains (losses)	18	(4)	14	(28)	5	(23)
Total items not to be recognised subsequently in profit or loss	19	(4)	15	(33)	6	(27)
Total	(170)	34	(136)	160	(32)	128

17.4 Pillar Two model rules

The Bank falls within the scope of the Pillar Two model rules, which introduce a 15 percent minimum effective tax rate for large multinational enterprise groups. Under these rules, the effective tax rate (ETR) is assessed on a jurisdictional basis, and a top up tax is required if the jurisdictional ETR is below the Pillar Two minimum of 15 percent.

Thailand has enacted these rules, with effect from 1 January 2025. Based on the Bank's assessment using information for the 2025 financial year, no additional top-up tax is expected to arise, nor is this tax expected to have a material impact on the Bank's financial position for the current period.

18. Other assets

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Collateral receivables under the Credit Support Annex agreements and the private repurchase transactions	9,127	17,285
Receivables on sales of investments	15,127	5,333
Others	1,335	1,032
Total	**25,589**	23,650

19. Deposits

19.1 Classified by type of deposits

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Current accounts	18,481	17,264
Savings accounts	80,462	69,191
Fixed deposits	14,123	19,615
Total deposits	**113,066**	106,070

19.2 Classified by currency and residence of depositors

	30 June 2026			31 December 2025		
	Domestic Baht 'Million	Overseas Baht 'Million	Total Baht 'Million	Domestic Baht 'Million	Overseas Baht 'Million	Total Baht 'Million
Baht	59,503	3,552	63,055	43,069	5,168	48,237
US Dollar	38,512	4,526	43,038	49,218	4,073	53,291
Others	4,593	2,380	6,973	2,233	2,309	4,542
Total deposits	**102,608**	**10,458**	**113,066**	94,520	11,550	106,070

20. Interbank and money market items (liabilities)

	30 June 2026			31 December 2025		
	On demand Baht 'Million	Term Baht 'Million	Total Baht 'Million	On demand Baht 'Million	Term Baht 'Million	Total Baht 'Million
Domestic items						
Commercial banks	-	12,070	12,070	-	12,073	12,073
Specific financial institutions	-	-	-	-	1,200	1,200
Other financial institutions	6,719	120	6,839	9,271	238	9,509
Total domestic items	**6,719**	**12,190**	**18,909**	9,271	13,511	22,782
Foreign items						
US Dollar	-	666	666	513	-	513
Baht	8,008	-	8,008	7,151	-	7,151
Yuan	268	-	268	-	-	-
EUR	-	-	-	12	-	12
Total Foreign items	**8,276**	**666**	**8,942**	7,676	-	7,676
Total domestic and foreign items	**14,995**	**12,856**	**27,851**	16,947	13,511	30,458

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

21.1 Financial liabilities held for trading

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Provision for returning securities	2,570	10,417

21.2 Financial liabilities designated at fair value through profit or loss

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Structured borrowing	6,272	3,794
Total	6,272	3,794
Cumulative change in fair values due to a change in credit risk of liabilities recognised in other comprehensive income	(2)	(1)
Difference between book values and notional amounts to be settled as the contracts mature	(66)	(27)

22. Provisions for liabilities

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Provision for long-term employee benefits	422	424
Allowance for expected credit losses on loan commitments and financial guarantee contracts	222	223
Total provision for liabilities	644	647

22.1 Provisions for long-term employee benefits

Changes in provisions for long-term employee benefits were summarised as follows:

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Provisions for long-term employee benefits at beginning of the period / year	424	362
Recognised in profit or loss:		
Current service cost	18	30
Interest cost	3	8
Total benefits recognised in profit or loss	21	38
Recognised in other comprehensive income:		
Actuarial (gains) lossesa arising from		
Financial assumption changes	(18)	36
Experience adjustments	-	7
Total recognised in other comprehensive income or loss	(18)	43
Employee benefits paid during the period / year	(5)	(19)
Provisions for long-term employee benefits at end of the period / year	422	424

As at 30 June 2026 and 31 December 2025, the Bank expected to pay long-term employee benefits during the next year amounting to Baht 24 million and Baht 24 million, respectively.

As at 30 June 2026 and 31 December 2025, the weighted average duration of the Bank's long-term employee benefit obligation was 8 years and 8 years, respectively.

22. Provisions for liabilities (continued)

The principal assumptions used in determining provision for long-term employee benefits can be summarised as follows:

(Unit: % per annum)

	30 June 2026	31 December 2025
Future salary incremental rate (depending on age)	4.0	4.0
Turnover rates (depending on age)	0.0 – 30.0	0.0 – 30.0
Average discount rate	1.9	1.4
Mortality development rates	0.0004 – 0.0073	0.0004 – 0.0073

Sensitivity analysis for principal assumptions that affected provision for long-term employee benefits as at 30 June 2026 and 31 December 2025 were summarised below:

	30 June 2026							
	Salary incremental rate		Turnover rate		Discount rate		Mortality development rate	
	Increased by 0.5%	Decreased by 0.5%	Increased by 20%	Decreased by 20%	Increased by 0.25%	Decreased by 0.25%	Increased by 1%	Decreased by 1%
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Increase (decrease) in provision for long-term employee benefits	18	(17)	(11)	13	(9)	9	-	-

	31 December 2025							
	Salary incremental rate		Turnover rate		Discount rate		Mortality development rate	
	Increased by 0.5%	Decreased by 0.5%	Increased by 20%	Decreased by 20%	Increased by 0.25%	Decreased by 0.25%	Increased by 1%	Decreased by 1%
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Increase (decrease) in provision for long-term employee benefits	18	(17)	(11)	13	(9)	9	-	-

22.2 Allowance for expected credit losses on loan commitments and financial guarantee contracts

As at 30 June 2026 and 31 December 2025, allowances for expected credit losses on loan commitments and financial guarantee contracts classified by classification were as follows:

	30 June 2026		31 December 2025	
	Loan commitments and financial guarantee contracts	Allowance for expected credit losses	Loan commitments and financial guarantee contracts	Allowance for expected credit losses
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Financial assets where there has not been a significant increase in credit risk (Performing)	33,304	(8)	31,338	(9)
Financial assets where there has been a significant increase in credit risk (Under-Performing)	1,702	(9)	5,308	(18)
Financial assets that are credit-impaired (Non-Performing)	579	(205)	566	(196)
Total	35,585	(222)	37,212	(223)

22. Provisions for liabilities (continued)

22.2 Allowance for expected credit losses on loan commitments and financial guarantee contracts (continued)

The changes in the allowance for expected credit losses on loan commitments and financial guarantee contracts were as follows:

	30 June 2026			
	Financial assets where there has not been a significant increase in credit risk (12-month ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Beginning balances	9	18	196	223
Changes due to changes in staging	13	(13)	-	-
Changes due to remeasurement of allowance for expected credit losses	(15)	4	-	(11)
Derecognition	(1)	(1)	(1)	(3)
Obligations to grant new credit limits and financial guarantees	2	1	-	3
Remeasurement on foreign exchange rate	-	-	10	10
Ending balances	8	9	205	222

	31 December 2025			
	Financial assets where there has not been a significant increase in credit risk (12-month ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Total
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Beginning balances	7	11	211	229
Changes due to changes in staging	3	(3)	-	-
Changes due to remeasurement of allowance for expected credit losses	(2)	10	-	8
Derecognition	(2)	(1)	-	(3)
Obligations to grant new credit limits and financial guarantees	3	1	-	4
Remeasurement on foreign exchange rate	-	-	(15)	(15)
Ending balances	9	18	196	223

23. Other liabilities

	30 June 2026	31 December 2025
	Baht 'Million	Baht 'Million
Collateral payables under Credit Support Annex agreements and payables on private repurchase transactions	9,774	10,677
Payables on purchases of investments	13,249	4,927
Accrued expense	3,805	1,870
Others	1,660	1,319
Total	28,488	18,793

As at 30 June 2026 and 31 December 2025, the Bank has no advances from electronic money transfer transactions according to the BoT's Notification No. Sor Nor Chor 2/2562 Re : Guidelines for Electronic Fund Transfer Business.

24. Share capital

	30 June 2026			31 December 2025		
	Par value per share (Baht)	Number of shares (Million shares)	Amounts Baht 'Million	Par value per share (Baht)	Number of shares (Million shares)	Amounts Baht 'Million
Registered share capital:						
Ordinary shares	**7.64**	**1,484**	**11,340**	7.64	1,484	11,340
Issued and paid-up share capital:						
Ordinary shares	**7.64**	**1,484**	**11,336**	7.64	1,484	11,336

The Extraordinary General Meeting of shareholders ("EGM") No. 1/2567 was held on 12 December 2024, resolved to approve the reduction of capital by way of reducing the original par value from Baht 10.00 to the par value of Baht 7.64. The number of shares remain unchanged at 1,484,262,702 shares. On 30 December 2024, the Bank of Thailand approved the reduction of capital.

In this regard, the Bank completed the registration of the change of the capital with the Department of Business Development, the Ministry of Commerce on 3 January 2025, resulting in the reduction of the registered capital of the Bank from Baht 14,843 million to Baht 11,340 million and the reduction of the paid-up capital from Baht 14,837 million to Baht 11,336 million.

25. Premium on share capital

Section 51 of the Public Limited Company Act B.E. 2535 requires the Bank to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account under the name of "Premium on share capital", which is not available for dividend distribution.

26. Other components of equity

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Other components of equity:		
Revaluation surplus on investments measured at fair value through other comprehensive income		
Debt securities	**40**	228
Total	**40**	228
Revaluation deficit on investments designated to be measured at fair value through other comprehensive income		
Equity securities	**(6)**	(6)
Total	**(6)**	(6)
Total fair value reserve	**34**	222
Own credit revaluation reserve	**(13)**	(13)
Total other components of equity	**21**	209
Less: Income taxes	**(4)**	(42)
Other components of equity - net of income taxes	**17**	167

27. Statutory reserve

Pursuant to Section 116 of the Public Company Limited Act B.E. 2535, the Bank is required to set aside its legal reserve not less than 5% of its net profits, after deducting any balance of deficit brought forward, until such reserve reaches 10% of the Bank's registered share capital. The statutory reserve is not available for dividend distribution.

28. Dividends

On 17 April 2026, the Annual General Meeting of the Bank's shareholders passed a resolution approving payment of cash dividend from operating results for the year ended 31 December 2025 at the rate of Baht 0.99 per share, or a total of Baht 1,469 million. The dividend payment was made on 8 May 2026

29. Commitments and contingent liabilities

29.1 Contingent liabilities

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Guarantees of loans	3,368	2,460
Letters of credit	533	719
Bank's liability under acceptances	7,018	8,494
Other commitments		
- Undrawn committed lines of other credits	9,167	8,023
- Other guarantees	22,517	26,010
- Others	2,637	5,754
Total other commitments	34,321	39,787
Total commitments	45,240	51,460

As at 30 June 2026 and 31 December 2025, Bank has unfunded risk participation transactions, which the underlying obligations for a portion on which credit risk has been transferred amounted to less than Baht 1 million and Baht 11 million, respectively.

29.2 Litigation

In the course of normal business operation of the Bank, the Bank has been sued and as of 30 June 2026 and 31 December 2025, there were lawsuits under court proceeding. Under these lawsuits, the original principal amount of claims against the Bank as of 30 June 2026 and 31 December 2025 in the aggregate were Baht 662 million and Baht 662 million, respectively (excluding interest and other costs). The Bank's management exercise their reasonable judgment to estimate the amount of claims to the Bank and believe that, should the outcome of the lawsuits be finalised, there will not be a material impact to the Bank's financial position or operating performance.

On 20 July 2026, the Court of First Instance rendered a judgment in a case ordering the Bank to be liable to the plaintiff the amount of Baht 10.8 million plus interest at the rate of 5% per annum, but not exceeding Baht 0.6 million. The Bank is currently in the process of assessing the impact of this judgment and further legal proceeding.

For the assessment of contingent liabilities as a result of litigation for claims, the management has used judgement to assess the outcome of the cases and in case where they believe that there will be no losses, no provisions are recorded as at the end of the reporting period.

30. Asset placed as collateral

The carrying value of assets placed as collateral as at 30 June 2026 and 31 December 2025 were as follows:

	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
Government bonds		
Placed as collateral for hedging of settlement risk	**594**	1,408
Placed as collateral for private repurchase transaction[1]	**10,694**	11,387
Foreign bonds		
Placed as collateral under Credit Support Annex for derivatives[2]	**1,282**	804
Total	**12,570**	13,599

(1) These amounts included the obligations to return the financial assets accepted as collateral from private reverse repurchase transactions and repledge for private repurchase transactions amounting to Baht 1,521 million as at 30 June 2026 (31 December 2025: Baht 4,950 million)

(2) These amounts included the obligations to return the financial assets accepted as collateral from private reverse repurchase placed as collateral under Credit Support Annex for derivatives.

31. Related party transactions

31.1 Related parties

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

Relationships with key management, related persons and parties were as follows:

Name of entity/Personnel	Country of incorporation/ nationality	Nature of relationship
Key management personnel	Thai/Foreigners	Persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director (whether executive or otherwise) of the Bank
Standard Chartered PLC	United Kingdom	Ultimate parent company of the Bank
Standard Chartered Bank (Singapore) Limited	Singapore	Immediate parent company of the Bank
Standard Chartered Bank	United Kingdom	Affiliated company within Standard Chartered Group
Standard Chartered Global Business Services Private Limited	India	Affiliated company within Standard Chartered Group
Standard Chartered Global Business Services SDN BHD	Malaysia	Affiliated company within Standard Chartered Group
Standard Chartered Global Business Services Private Limited	China	Affiliated company within Standard Chartered Group
Raffles Nominees Pte Ltd.	Singapore	Affiliated company within Standard Chartered Group

31.2 Pricing policies

The pricing policies for particular types of transactions were summarised below:

Transactions	Pricing policies
Interest rate	Based on market rate
Services	Contractually agreed price
Derivatives	Based on market price

31. Related party transactions (continue)

31.3 Significant related parties' transactions

Significant transactions for the six-month period ended 30 June 2026 and 2025 with key management and related persons and parties were as follows:

	30 June 2026 Baht 'Million	30 June 2025 Baht 'Million
Net interest income	298	252
Net fees and service expenses	(22)	(21)
Net gains (losses) on financial instruments measured at fair value through profit or loss	1,567	(3,339)
Service fees under the service agreements [1]	(860)	(685)
Other operating expense	(9)	(4)

[1] This amount was presented as a part of "Other operating expenses"

31.4 Outstanding balance

Significant outstanding balance as of 30 June 2026 and 31 December 2025 were as follows:

	30 June 2026		31 December 2025	
	Standard Chartered Group	Others	Standard Chartered Group	Others
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Interbank and money market items (assets)	13,936	-	16,716	-
Derivatives assets	7,931	-	10,198	-
Financial assets held for trading	1,121	-	1,068	-
Collateral receivables under the Credit Support Annex agreements and the private repurchase transactions [1]	4,354	-	123	-
Receivables on sale of investments [1]	1,426	-	447	-
Other assets [1]	236	-	109	-
Deposits	-	35	-	17
Interbank and money market items (liabilities)	1,892	-	1,316	-
Derivatives liabilities	11,004	-	3,911	-
Collateral payables under the Credit Support Annex agreements and the private repurchase transactions [2]	602	-	8,144	-
Accrued expenses [2]	2,264	-	1,292	-
Payables on sale of investments [2]	5,325	-	31	-
Other liabilities [2]	3	-	8	-
Other letters of guarantee	2,417	-	2,723	-
Derivatives (stated in notional amounts)				
- Foreign exchange	358,764	7	269,499	-
- Interest rate	251,439	-	211,252	-
Others				
- Commodity swaps	2,930	-	3,208	-

[1] These accounts were presented as a part of "Other assets"
[2] These accounts were presented as a part of "Other liabilities"

31. Related party transactions (continue)

31.5 Significant agreements with related parties

Service agreements

In 2011, the Bank entered into service agreements with Standard Chartered Bank-UK relating to the provision of certain advisory and other services to the Bank by Standard Chartered Bank-UK. The fees payable by the Bank to Standard Chartered Bank-UK under the advisory and service agreements are based on an allocation of actual costs plus a margin, in accordance with the terms in the agreement.

Outsourcing service agreements

In 2002, the Bank entered into service agreements with related parties for certain accounting and financial processing activities, information technology support, and other related activities. The fees are based on the terms of the agreements, including actual cost, actual cost plus margin, fixed cost per transaction and other agreed fees.

31.6 Remunerations to directors and senior management

Remunerations to the Bank's directors and senior management, who are key management personnel with authority and responsibility, whether direct or indirect, for planning, direction and controlling the operations of the Bank, consisted of monthly remunerations, salaries, provident fund contributions and long-term benefits, which were incurred for the six-month periods ended 30 June 2026 and 2025 as follows:

	30 June 2026 Baht 'Million	30 June 2025 Baht 'Million
Short-term employee benefits	135	120
Post-employment benefits	5	4
Share-based payments	8	7
Total	148	131

The Bank did not provide additional benefit to the directors and management other than the benefits normally provided. These include managements salary, bonus and director remuneration, which were approved in Shareholders' Meeting. All the directors appointed by Standard Chartered PLC. had renounced all types of benefits.

31.7 Share-based payments

The Standard Chartered Group operates a number of share-based arrangements for its executive directors and employees. The Bank participates in cash settled and equity settled share-based compensations under the following schemes:

2021 Standard Chartered Share Plan (the '2021 Plan')

The 2021 Plan was approved by shareholders in May 2021 and is the Standard Chartered Group's main share plan. Since approval, it has been used to deliver various types of share awards. Currently the following only one type of share award has been granted to employees in Thailand.

Deferred awards are used to deliver the deferred portion of variable remuneration, in line with both market practice and regulatory requirements. These awards vest in instalments on anniversaries of the award date specified at the time of grant.

All Employee Sharesave Plans - 2023 Sharesave Plan

Under the 2023 Sharesave Plan, employees may open a 3-year savings contract. Contribution (saving) amount will determine number of options granted. Within a period of six months after the third anniversary, employees can decide to exercise their options to receive a payment equal to any increase in value of Standard Chartered PLC share price units less any withholding tax and stock broking commission charges.

32. Earnings per share

Basic earnings per share is calculated by dividing net profit or loss, excluding other comprehensive income or loss, by the weighted average number of ordinary shares in issue during the periods.

	30 June 2026	30 June 2025
Net profit (Million Baht)	**1,004**	1,052
Earnings per share (Baht/share)	**0.67**	0.71
Weighted average number of ordinary shares (Million shares)	**1,484**	1,484

33. Non-cancellable operating lease agreements

As at 30 June 2026 and 31 December 2025, the Bank had rental and related service commitments related to 6 years office lease agreements. Future minimum lease payments required under such contracts were as follows:

Payable within	30 June 2026 Baht 'Million	31 December 2025 Baht 'Million
1 year	**1**	1
more than 1 to 5 years	**1**	2

34. Segment information

34.1 Client segments

The main business in Thailand, is Corporate and Investment Banking ("CIB").

CIB comprises of International Corporates and Global Subsidiaries Client Segment which cover large, Thai corporations who have international subsidiaries & global network and Thai Corporates who are subsidiaries of global companies, and Financial Institutions Client Segment which cover Thai and international financial institutions.

Activities not directly related to a client segment are included in "Central and other items" which mainly include treasury markets and others. This segment information is reported in consistency with the internal performance framework as presented to the Bank's management.

	30 June 2026 Baht 'Million	30 June 2025 Baht 'Million
Revenue from operating segment :		
Corporate & Investment Banking	**2,752**	2,773
Central and Others	**320**	350
Total operating incomes by segment	**3,072**	3,123
Total operating expenses	**(1,848)**	(1,760)
Expected credit losses	**36**	(44)
Profit from operation before income tax expenses	**1,260**	1,319
Income tax expenses	**(256)**	(267)
Net profit	**1,004**	1,052

34. Segment information (continued)

	30 June 2026		
	Corporate & Investment Banking	Central and Others	Total operating segment
	Baht 'Million	Baht 'Million	Baht 'Million
Total assets	117,927	114,865	232,792
Total liabilities	148,204	60,926	209,130

	31 December 2025		
	Corporate & Investment Banking	Central and Others	Total operating segment
	Baht 'Million	Baht 'Million	Baht 'Million
Total assets	104,465	120,526	224,991
Total liabilities	121,916	78,812	200,728

34.2 Financial position and results of operations classified by business activity

Financial position of the Bank classified by geographic locations as at 30 June 2026 and 31 December 2025 and the operating results of the Bank for the six-month periods ended 30 June 2026 and 2025 classified by geographic locations are only from domestic operation. The Bank does not operate in foreign locations.

35. Interest income

	30 June 2026 Baht 'Million	30 June 2025 Baht 'Million
Interbank and money market items	726	1,041
Investments and trading transactions	742	760
Investments in debt securities	355	485
Loans to customers	436	620
Total Interest income	2,259	2,906

36. Interest expense

	30 June 2026 Baht 'Million	30 June 2025 Baht 'Million
Deposits	1,044	1,370
Interbank and money market items	246	312
Contributions to the Deposit Protection Agency, the Financial Institution Development Fund and Assist Debtors Program by BOT	182	175
Others	2	2
Total Interest expenses	1,474	1,859

37. Fees and service income - net

	30 June 2026 Baht 'Million	30 June 2025 Baht 'Million
Fees and service income		
Of which:		
Acceptances and guarantees	71	67
Fund transfer fee	182	251
Custody fee	219	191
Others	167	348
Total fees and service income	639	857
Fees and service expenses		
Of which:		
Commission	(57)	(44)
Others	(139)	(214)
Total fees and service expenses	(196)	(258)
Net fees and service income	443	599

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

	30 June 2026 Baht 'Million	30 June 2025 Baht 'Million
Gains (Losses) on trading and foreign exchange transactions		
Foreign currencies and foreign currency related derivatives	(266)	2,056
Interest rate related derivatives	672	(573)
Debt securities and derivative linked to prices of debt securities	(176)	643
Others	15	(125)
Total gains on trading and foreign exchange transactions	245	2,001
Gains (Losses) on financial instruments designated at fair value through profit and loss		
Changes in fair value of debt issued and borrowings	(232)	15
Net gains (losses) on derecognition including interest expenses	1,681	(647)
Total gain(losses) on financial instruments designated at fair value through profit and loss	1,449	(632)
Losses on hedging transactions		
Changes in fair value	(9)	-
Total losses on hedging transactions	(9)	-
Total	1,685	1,369

39. Net gains on investments

	30 June 2026 Baht 'Million	30 June 2025 Baht 'Million
Gains on sales		
Investments in debt securities measured at fair value through other comprehensive income	154	102
Net gains on investments	154	102

40. Other operating expenses

	30 June 2026 Baht 'Million	30 June 2025 Baht 'Million
Service fees under the service agreements – related parties	860	685
Technology expenditure	89	132
Others	101	148
Total other operating expenses	1,050	965

41. Expected credit losses (reversal)

	30 June 2026 Baht 'Million	30 June 2025 Baht 'Million
Expected credit losses (reversal):		
Interbank and money market items	-	(1)
Investments in debt securities measured at amortised cost	(1)	-
Investments in debt securities measured at fair value through other comprehensive	(11)	3
Loans to customers, commitments and contingent liabilities	(24)	42
Total excepted credit losses (reversal)	(36)	44

42. Fair values of financial assets and liabilities

42.1 Fair values of financial assets and liabilities

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

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

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

42.2 Fair values of financial assets and liabilities

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

a. Cash

The fair value is assumed to approximate its carrying value.

b. Interbank and money market items (assets and liabilities)

The fair value of floating interest rate interbank and money market items (both assets and liabilities) were assumed to approximate the carrying value as at the reporting date. The fair value of fixed interest rate interbank and money market items with a remaining to maturity period of more than 1 year from the statement of financial position date was determined by discounting the expected future cash flows at the current average interest rate for similar debts

c. Derivatives assets/liabilities

The fair value of derivatives is referred to market price. In case that fair value cannot be quoted in market price, the fair value is determined by using valuation techniques. The information used in the valuation techniques is observable in the market, which is based on reliable sources, such as interest rates and exchange rates etc. Moreover, in using valuation techniques, the Bank has adjusted valuation adjustment in order to appropriately reflect relevant risks such as credit valuation adjustment (CVA), market liquidity risk based on the bid-offer spread, etc.

42. Fair value of financial assets and liabilities (continued)

d. Investments

The fair values of debt securities are determined based on the yield rates quoted by the Thai Bond Market Association.

The fair value of foreign debt securities is determined based on the value quoted by reliable international financial institutions will be used.

The fair value of non-marketable equity securities is determined using non-observable information.

e. Loans to customers

Fair value of floating interest loans to customers where the rates change frequently without material impact on credit risk is measured at carrying value as at reporting date. Fixed interest loans to customers where the interest rate is expected to change within 1 year of the reporting date is measured approximately at their carrying value as at the reporting date. Other fixed interest loans to customers are measured by discounting future cash flow. The discount rate used is determined based on loans with similar credit risk.

f. Deposits

Fair value of payable on demand deposits, floating rate deposits or fixed rate deposits with not more than 1 year from the reporting date remaining to maturity is measured at carrying value as at reporting date. For the promissory notes and fixed rate deposits with more than 1 year from the reporting date remaining to maturity are measured determined by discounting future cash flow. The discount rate used is determined based on current interest rate.

g. Liability payable on demand

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

h. Financial liabilities designated at fair value through profit or loss

The fair value is referred to market price. In case that fair value cannot be quoted in market price, the fair value is determined by using valuation techniques. The information used in the valuation techniques is observable in the market, which is based on reliable sources, such as interest rates and exchange rates etc. Moreover, in using valuation techniques, the Bank has adjusted the Bank's credit risk.

Since the majority of the Bank's financial instruments, which were not measured at fair value, are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is assumed to approximate their book value in the statement of financial position.

42. Fair value of financial assets and liabilities (continued)

As at 30 June 2026 and 31 December 2025, the Bank had financial assets and liabilities measured at fair value or disclosed at fair value using different levels of inputs as follows:

	30 June 2026				
	Carrying	Fair value			
	value	Level 1	Level 2	Level 3	Total
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Financial assets measured at fair value					
Financial assets measured at fair value through profit or loss:					
Financial assets held for trading	62,397	-	62,397	-	62,397
Derivatives assets	32,211	31	32,166	14	32,211
Investments in debt securities measured at fair value through other comprehensive income	28,285	14,356	13,929	-	28,285
Investment in equity securities designated to be measured at fair value through other comprehensive income	17	-	-	17	17
Financial liabilities measured at fair value					
Financial liabilities measured at fair value through profit or loss	8,842	-	8,842	-	8,842
Derivatives liabilities	29,276	33	29,229	14	29,276
Financial assets for which fair value were disclosed					
Investments in debt securities measured at amortised cost	9,162	-	9,213	-	9,213
Loans to customers and interest receivables - net	28,879	-	-	28,030	28,030

	31 December 2025				
	Carrying	Fair value			
	value	Level 1	Level 2	Level 3	Total
	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million	Baht 'Million
Financial assets measured at fair value					
Financial assets measured at fair value through profit or loss:					
Financial assets held for trading	54,009	-	54,009	-	54,009
Derivatives assets	23,155	33	23,122	-	23,155
Investments in debt securities measured at fair value through other comprehensive income	35,563	16,017	19,546	-	35,563
Investment in equity securities designated to be measured at fair value through other comprehensive income	17	-	-	17	17
Financial liabilities measured at fair value					
Financial liabilities measured at fair value through profit or loss	14,211	-	14,211	-	14,211
Derivatives liabilities	29,135	154	28,981	-	29,135
Financial assets for which fair value were disclosed					
Investments in debt securities measured at amortised cost	9,104	-	9,165	-	9,165
Loans to customers and interest receivables - net	25,227	-	-	24,642	24,642

43. Approval of financial statements

These financial statements were authorised for issue by the Bank's Board of Directors on 27 August 2026.