

JPMORGAN CHASE BANK, N.A. - BANGKOK BRANCH

FINANCIAL STATEMENTS

31 DECEMBER 2024



Independent auditor's report

To the Board of Directors of JPMorgan Chase Bank, N.A.

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of JPMorgan Chase Bank, N.A. - Bangkok Branch (the Bank) as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS) and the Bank of Thailand Notifications in relation to the preparation and presentation of financial reporting.

What I have audited

The Bank's financial statements comprise:

- the statement of financial position as at 31 December 2024;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in head office's equity and other branches under the same entity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

Basis for opinion

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

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS and the Bank of Thailand Notifications in relation to the preparation and presentation of financial reporting, and for such internal control as 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.



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 TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 management 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.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read 'Sakuna Y'.

Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
4 April 2025

JPMorgan Chase Bank, N.A. - Bangkok Branch
Statement of Financial Position
As at 31 December 2024

	Notes	2024 Baht	2023 Baht
Assets			
Cash		-	4,184,357
Interbank and money market items, net	6	42,363,308,065	26,010,868,647
Accounts receivable from securities trading		321,274,274	1,160,942,488
Financial assets measured at fair value			
through profit or loss	7	10,557,761,328	11,829,866,961
Financial derivatives assets	8	46,120,776,239	39,794,527,963
Investments, net	9	22,662,987,759	24,538,911,751
Loans to customers			
and accrued interest receivables, net	10	923,658,319	1,243,583,773
Equipment, net	12	330,310,196	44,307,762
Right-of-use assets, net	13	161,830,050	193,224,270
Deferred tax assets	18	118,617,003	100,012,851
Other assets, net	14	131,257,773	62,162,401
Total assets		<u>123,691,781,006</u>	<u>104,982,593,224</u>

(Mr. Jarin Pintosopon)
Branch Manager

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

JPMorgan Chase Bank, N.A. - Bangkok Branch
Statement of Financial Position (Cont'd)
As at 31 December 2024

		2024	2023
	Notes	Baht	Baht
Liabilities and Head Office's equity and balances with other branches under the same entity			
Liabilities			
Deposits	15	42,263,429,906	30,704,916,033
Interbank and money market items	16	6,103,106,006	4,398,948,686
Accounts payable from securities trading		587,447,228	2,041,354,176
Liability payable on demand		149,532,427	50,204,569
Financial liabilities designated at fair value through profit or loss	17	9,512,895,756	9,967,634,686
Financial derivatives liabilities	8	43,793,033,731	37,846,248,629
Lease liabilities, net	13	172,779,311	208,973,518
Provision	19	134,757,979	116,245,859
Other liabilities	20	608,532,582	572,710,947
Total liabilities		103,325,514,926	85,907,237,103
Head Office's equity and balances with other branches under the same entity			
Fund remitted into Thailand for maintaining assets under law	23	12,688,965,166	12,688,965,166
Net balance of inter-office accounts with Head Office and other branches under the same entity	23	3,710,602,197	3,415,867,116
Others component of accounts with head office and other branches under the same entity		80,265,275	65,248,177
Retained earnings		3,886,433,442	2,905,275,662
Total Head Office's equity and balances with other branches under the same entity		20,366,266,080	19,075,356,121
Total liabilities and Head Office's equity and balances with other branches under the same entity		123,691,781,006	104,982,593,224

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

JPMorgan Chase Bank, N.A. - Bangkok Branch
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2024

	Notes	2024 Baht	2023 Baht
Interest income	28	1,537,885,769	1,199,672,524
Interest expense	29	(972,285,197)	(848,968,286)
Net interest income		565,600,572	350,704,238
Fee and service income	30	61,641,696	53,926,910
Fee and service expenses		(22,155,583)	(20,547,719)
Net fee and service income		39,486,113	33,379,191
Gains on financial instruments measured at fair value through profit or loss	31	2,560,945,664	1,957,638,867
Losses on financial liabilities designated at fair value through profit or loss	31	(803,634,778)	(813,250,531)
Other operating income	32	204,222,196	194,450,753
Total operating income		2,566,619,767	1,722,922,518
Other operating expenses			
Employee expenses		493,445,126	496,263,684
Premise and equipment expenses		145,337,906	75,739,683
Taxes and duties		31,244,736	75,720,671
Other expenses	33	694,390,493	579,673,314
Total other operating expenses		1,364,418,261	1,227,397,352
(Reversal) expected credit losses	34	(8,393,008)	(11,316,116)
Profit before income tax		1,210,594,514	506,841,282
Income tax expense	35	(229,436,734)	(128,842,398)
Net profit for the year		981,157,780	377,998,884

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

JPMorgan Chase Bank, N.A. - Bangkok Branch
Statement of Profit or Loss and Other Comprehensive Income (Cont'd)
For the year ended 31 December 2024

	Notes	2024 Baht	2023 Baht
Other comprehensive income (expense)			
Items that will not be subsequently reclassified to profit or loss			
Remeasurements of provision for employment benefit plan		-	40,711,983
Income tax relating to components of other comprehensive income that will not be subsequently reclassified to profit or loss	18	-	(8,142,397)
Total items that will not be subsequently reclassified to profit or loss		-	32,569,586
Items that will be subsequently reclassified to profit or loss			
Gain (losses) on debt instruments classified at fair value through other comprehensive income	9	5,661,350	(2,664,947)
Income tax relating to components of other comprehensive income that will be subsequently reclassified to profit or loss	18	688,913	1,385,098
Total items that will be reclassified subsequently to profit or loss		6,350,263	(1,279,849)
Other comprehensive income for the year, net of tax		6,350,263	31,289,737
Total comprehensive income for the year		987,508,043	409,288,621

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

JPMorgan Chase Bank, N.A. - Bangkok Branch

Statement of Changes in Head Office's equity and Other Branches Under the Same Entity

For the year ended 31 December 2024

Other components of accounts with Head Office and other branches										
	Notes	Fund remitted into Thailand for maintaining assets under law	Net balance of inter-office accounts with Head Office and other branches under the same entity		Unrealised gain on changes in fair value of investments measured at FVOCI		Provision for share-based payment		Retained earnings	Total Baht
			Baht	Baht	Baht	Baht	Baht	Baht		
Balance as at 1 January 2023		12,688,965,166	7,707,649,724	12,367,258	42,051,595	2,494,707,192		22,945,740,935		
Net profit for the year		-	-	-	-	377,998,884		377,998,884		
Decrease during the year		-	(4,291,782,608)	-	-	-		(4,291,782,608)		
Unrealised loss on changes in fair value of investments										
measured at fair value through other comprehensive income	9	-	-	(2,664,947)	-	-		(2,664,947)		
Provision for share-based payment		-	-	-	12,109,173	-		12,109,173		
Actuarial gain		-	-	-	-	40,711,983		40,711,983		
Income tax relating to other component										
of other comprehensive income for the year	18	-	-	1,385,098	-	(8,142,397)		(6,757,299)		
Balance as at 31 December 2023		12,688,965,166	3,415,867,116	11,087,409	54,160,768	2,905,275,662		19,075,356,121		
Balance as at 1 January 2024		12,688,965,166	3,415,867,116	11,087,409	54,160,768	2,905,275,662		19,075,356,121		
Net profit for the year		-	-	-	-	981,157,780		981,157,780		
Increase during the year		-	294,735,081	-	-	-		294,735,081		
Unrealised gain on changes in fair value of investments										
measured at fair value through other comprehensive income	9	-	-	5,661,350	-	-		5,661,350		
Provision for share-based payment		-	-	-	8,666,835	-		8,666,835		
Income tax relating to other component						-		-		
of other comprehensive income for the year	18	-	-	688,913	-	-		688,913		
Balance as at 31 December 2024		12,688,965,166	3,710,602,197	17,437,672	62,827,603	3,886,433,442		20,366,266,080		

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

JPMorgan Chase Bank, N.A. - Bangkok Branch
Statement of Cash Flows
For the year ended 31 December 2024

		2024	2023
	Notes	Baht	Baht
Cash flows from operating activities:			
Net profit from operating before income tax		1,210,594,514	506,841,282
Adjustments to reconcile net profit from operating before income tax to net cash provided by (used in) operating activities:			
Expected credit losses (reversal)	34	(8,393,008)	(11,316,116)
Depreciation and amortisation	12, 13	66,859,100	33,466,763
Provision for employee benefit plan		19,978,744	18,252,972
Provision for share based payment expense	22	24,597,066	23,008,165
Unrealised gain on financial instrument measured at fair value through profit an loss		(12,420,377)	(43,941,849)
Loss on write-off of equipment	12	35,825,274	2,882
Unrealised gain on changes in fair value of financial derivative instruments		(379,463,174)	(1,066,088,768)
Interest income	28	(1,537,885,769)	(1,199,672,524)
Interest expense		975,602,149	853,911,252
Operating profit (loss) before changes in operating assets and liabilities		395,294,519	(885,535,941)
(Increase) decrease in operating assets:			
Interbank and money market items		(18,880,943,927)	5,212,329,979
Financial assets measured at fair value through profit or loss		670,287,276	1,878,299,615
Loans to customers		327,439,999	1,657,130,745
Other assets		(75,064,037)	14,501,936
Increase (decrease) in operating liabilities:			
Deposits		11,558,513,873	(2,268,128,245)
Interbank and money market items		1,704,157,320	(1,596,292,160)
Liability payable on demand		99,327,858	(99,044,889)
Financial liabilities designated at fair value through profit or loss		(454,738,930)	350,624,909
Provision for employee benefit plan		(1,158,000)	(263,374)
Provision for share based payment expense		(15,930,231)	(10,898,992)
Other liabilities		23,564,417	121,121,948
Net balance of inter-office accounts with Head Office and other branches under the same entity		185,611,589	(3,895,937,136)
Net cash provided by operating activities before interest received, interest paid and income tax paid		(4,463,638,274)	477,908,395
Interest received		1,085,693,662	832,251,952
Interest paid		(954,423,216)	(792,029,653)
Income tax paid		(240,101,433)	(80,861,729)
Net cash from operating activities		(4,572,469,261)	437,268,965

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

JPMorgan Chase Bank, N.A. - Bangkok Branch
Statement of Cash Flows (Cont'd)
For the year ended 31 December 2024

		2024	2023
	Notes	Baht	Baht
Cash flows from investing activities:			
Purchase of investments in securities (FVOCI)		(44,100,437,796)	(48,894,009,320)
Proceed from matured investments in securities (FVOCI)		46,440,000,000	49,140,000,000
Purchase of equipment	12	(361,283,729)	(26,262,335)
Net cash from investing activities		1,978,278,475	219,728,345
Cash flows from financing activities:			
Cash paid for lease liabilities	13	(47,810,464)	(15,614,103)
Net cash from financing activities		(47,810,464)	(15,614,103)
Net increase (decrease) in cash and cash equivalents		(2,642,001,250)	641,383,207
Cash and cash equivalents at the beginning of the year		10,619,845,819	9,978,462,612
Cash and cash equivalents at end of the year		7,977,844,569	10,619,845,819
Cash and cash equivalents			
Cash on hand		-	4,184,357
Interbank and money market items		7,635,866,176	10,164,559,579
Net balance of inter-office accounts with Head Office and other branches under the same entity		341,978,393	451,101,883
		7,977,844,569	10,619,845,819
Non cash item:			
Accounts receivable from securities trading		321,274,274	1,160,942,488
Accounts payable from securities trading		587,447,228	2,041,354,176
Increase in right-of-use assets	13	5,365,152	206,787,319

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

1 General information

JPMorgan Chase Bank, N.A., which is a bank established under the law of the State of New York, United States of America, operates as a full branch in Thailand, namely Bangkok Branch, herein referred to as "the Bank". The address of the Bank's registration in Thailand is as follows:

One City Centre, Ploen Chit Road, Lumpini, Pathum Wan, Bangkok 10330.

The Bank's financial statements have been approved for issue by the Bank's management on 4th April 2025.

2 Basis of preparation

JPMorgan Chase Bank, N.A. - Bangkok Branch is a segment of JPMorgan Chase Bank, N.A. and is not a separate legal entity. The financial statements of the Thailand operations of Bank have been prepared from the records of the Thailand operations and only reflect transaction recorded locally.

The financial statements have been prepared in accordance with procedures, policies and notifications of the Bank of Thailand regarding the preparation of the financial statements of commercial banks and Thai Financial Reporting Standards ("TFRS"). The primary financial statements (i.e. statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in Head Office's equity and other branches under the same entity and statement of cash flows) are prepared in the format as required by the Notification of the Bank of Thailand ("BOT"), No. SorNorSor. 21/2561, "The Preparation and Format of the Financial Statements of Commercial Bank and Holding Parent Company of Financial Group" dated on 31 October 2018.

The Bank's financial statements have been prepared under the historical cost convention except some of transactions as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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

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

3 Summary of material accounting policies

3.1 Revised financial reporting standards and related interpretations

In the current period, the Bank has adopted amendment to TAS 12 - Income taxes that is effective for the accounting period beginning on or after 1 January 2024 in which the Bank must recognise any deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to amounts of taxable and deductible temporary differences. The impact from new standard described in Note 18.

For the new and amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2025, the management had assessed that they do not have significant impact to the Bank.

3.2 Accounting policies

3.2.1 Financial asset

a) Classification

The Bank classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

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

The Bank reclassifies debt investments when and only when its business model for managing those assets changes.

Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, interbank and money market items and balance of inter-office accounts with Head Office and other branches under the same entity, other short-term highly liquid investments with maturities less than three months from an acquisition date.

Loans

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

b) Recognition and derecognition

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

c) Measurement

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

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

d) Debt instruments

Subsequent measurement of debt instruments depends on the Bank's business model for managing the asset and the cash flow characteristics of the financial assets. There are two measurement categories which the Bank classifies its debt instruments:

- FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains or losses. Interest income is included in finance income. Impairment expenses are presented separately in the statement of profit or loss and comprehensive income.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Impairment

For other financial assets carried at amortised cost and FVOCI, the Bank applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition, except accounts receivable from securities trading applied simplified approach

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Bank assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Bank and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Bank reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment and reversal of impairment losses are recognised in profit or loss.

f) Surplus reserve

The Bank measures the surplus reserve on the date of adoption for new financial reporting standards related to financial instruments by comparing the difference between allowance for expected credit losses according to requirement under new financial reporting standards related to financial instruments and total reserves that the Bank had on 31 December 2020. In which, the Bank will amortised the surplus reverse using straight-line method by 5 years consecutively in accordance with notification to utilise surplus reserve from BOT circular For. Nor. Sor 23 Wor.1603/2562 on 6 November 2020.

3.2.2 Financial liabilities

a) Classification

Financial instruments issued by the Bank are classified as either financial liabilities or equity securities by considering contractual obligations.

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

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition

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

d) Financial liabilities designated at fair value through profit or loss

The Bank designated certain borrowings upon initial recognition of financial liabilities at fair value through statements of profit or loss and other comprehensive income (fair value option); this designation cannot be changed subsequently. The fair value option is applied, as the borrowing consists of borrowing host contract and embedded derivatives that must otherwise be separated if it is not designated as fair value through profit or loss.

Financial liabilities for which the fair value option is applied are recognised in the statement of financial position as "Financial liabilities designated at fair value through profit or loss". Fair value changes relating to financial liabilities designated at fair value through profit or loss are recognised in "Gains (losses) from financial liabilities designated at fair value through profit or loss" in profit or loss.

3.2.3 Financial derivatives

The Bank recognises financial derivative instruments on the trade date.

Derivative financial instruments including foreign exchange forward contracts, forward rate agreements, currency option agreements, interest rate option agreements, interest and currency swap agreements, credit derivative agreements and commodity derivative agreements are recognised at fair values. Fair values are either the market price in the market or obtained from widely used methods such as discounted cash flow models. Changes in fair value are reflected in the statements of profit or loss and other comprehensive income.

3.2.4 Offsetting of financial instruments

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

3.2.5 Recognition of income

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

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

Fee and service income relating to local transactions such as foreign currency conversion fee and foreign currency transaction facilitation fee are recognised only when a performance obligation is satisfied which is at a point in time.

Fee and service income relating to cross-border transactions such as income attribution from related parties, for which the Bank receives a percentage allocation of total fees are recognised over the period which the related service is provided.

3.2.6 Recognition of expenses

Interest on financial liabilities measured at amortised cost and fair value through profit or loss are recognised as expense by using the effective interest rate method.

The Bank recognises other expenses on an accrual basis.

3.2.7 Equipment and depreciation

Equipment is stated at historical cost less accumulated depreciation and allowance for decrease in value (if any).

Depreciation is calculated on a straight-line basis to write off the cost of each asset over its estimated useful life as follows:

Computer equipment	3 years
Office equipment	5 years
Furniture and fixtures & fitting	10 years

3.2.8 Leases

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

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

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

3.2.9 Impairment of assets

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

3.2.10 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Bank's functional presentation currency.

b) Transactions and balances

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

3.2.11 Provision for share based payment

Restricted stock units

The Bank operates a number of equity-settled share based compensation plan, under which the Bank receives services from employees as consideration of shares of the ultimate parent company. The ultimate parent company is the guarantor for share based compensation plan and the Bank does not have any obligation for the granted shares. The fair value of the granted shares is recognised as an expense in the statements of comprehensive income against its Head office's equity and balances with other branches under the same entity during the grant date and the vesting date. The Head office's equity and balances with other branches under the same entity is reversed when the Bank pays back to the ultimate parent company.

3.2.12 Employee benefits

The Bank's employment benefits consist of post-employment benefits both defined contribution plan and defined benefit plan.

Defined Contribution Plan or Provident Fund

The Bank operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trustee-administered fund. Such fund is managed by an external fund manager in accordance with the provident fund Act. B.E. 2530. The provident fund is funded by payments from employees and contributions by the Bank. The Bank has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Bank recognises contributions to the provident fund as expense in the statement of profit or loss and other comprehensive income in the period which the transactions take place.

Defined Benefit Plan

A defined benefit plan is a plan that is not a defined contribution plan. Typically, the defined benefit plan defines an amount of benefit that an employee will receive on retirement or retrenchment without cause, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using weighted average discount rate of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Remeasurements of defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in the statement of profit or loss and other comprehensive income.

Under Labour Laws applicable in Thailand and the Bank's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labor Law which is currently at a maximum rate of 400 days of final salary.

Long service awards

The Bank provides long service awards to employees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as is used for defined benefit retirement plans.

Remeasurements of defined benefit plans arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

These obligations are valued in every 2 years by independent qualified actuaries.

3.2.13 Provisions

In addition to provisions for post-employment benefits and long service awards, provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events.

It is probable that an outflow of resources will be required to settle the obligations, and a reliable estimate of the amount can be made. Where the Bank expects provisions to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

3.2.14 Current and deferred income taxes

Income tax comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their value for tax purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

a) Decrease in value of loans

The Bank determined the expected credit loss by projecting the PD, LGD, and EAD for each future month. These three components are multiplied together for an efficient ECL calculation. The Bank determined the appropriateness of financial assets grouping when the Bank measured the expected credit loss for those by using collective approach with forward-looking economic information adjustment.

Expected credit loss is the discounted product of the probability of default (PD), exposure at default (EAD), and loss given default (LGD), defined as follows:

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

b) Fair value of financial derivative instruments

In determining the fair value of financial derivative instruments, the management has made judgement in valuing derivative instruments by using widely accepted valuation techniques and guidelines. Management believed that estimation are reasonable.

c) Post-employment benefits

In accordance with Thai Labour Law, the Bank has commitment on post-retirement benefits to employees on reaching retirement age. The present value of employee benefit liabilities recognised in the statement of financial position is determined on the present value of estimated future cash outflows for staff. The assumptions used in determining the net annual cost for employee benefits include the salary and years of services of respective employees which are payable in the future year and discount rate (government bond). Any changes in these assumptions will impact the net annual cost recorded for employee benefits. At each period ends, the Bank revises the appropriate discount rate, which represents the rate that should be used to determine the present value of future cash flows to settle the nearly reached retired employee benefits at the end of period when there are material impacts.

d) Fair value of financial liabilities designated at fair value through profit or loss

Management uses various methodologies and assumptions in the determination of fair value. Valuations are based on discounted cash flow analyses that consider the embedded derivative and the terms and payment structure of the note.

Moreover, the Bank considers using models such as the Black-Scholes option pricing model, simulation models, or a combination of models that use observable or unobservable valuation inputs, depending on the embedded derivative. The specific inputs used vary according to the nature of the embedded derivative features, as described in the discussion above regarding derivative valuation. The Bank may make valuation adjustment of financial derivatives by fair value adjustments.

5 Capital risk management

The Bank's objective when managing capital is to safeguard the Bank's ability to continue as a going concern in order to provide returns for Head Office and other branches under the same entity.

The Bank maintains a capital adequacy ratio in accordance with the Act on undertaking of Banking Business B.E. 2551. Capital funds are disclosed in Note 23.

6 Interbank and money market items, net (assets)

	2024 Baht	2023 Baht
Domestic items		
The Bank of Thailand	6,625,435,917	9,488,139,814
Commercial banks	35,023,582,792	16,180,341,760
Total	41,649,018,709	25,668,481,574
<u>Add</u> Accrued interest receivable	-	-
<u>Less</u> Allowance for expected credit loss	-	(188,894)
Total domestic items	41,649,018,709	25,668,292,680
Foreign items		
Euro	666,348,564	327,144,091
Swiss Franc	23,330	8,868
Singapore Dollar	39,494,039	6,300,880
Others	8,423,423	9,122,128
Total	714,289,356	342,575,967
Total foreign items	714,289,356	342,575,967
Total interbank and money market items, net	42,363,308,065	26,010,868,647

7 Financial assets measured at fair value through profit or loss

	Fair value	
	31 December 2024 Baht	31 December 2023 Baht
Government and state enterprise securities	10,557,761,328	11,829,866,961
Total	10,557,761,328	11,829,866,961

8 Financial derivatives

8.1 Trading derivatives

Fair value and notional amount classified by types of risks as at 31 December 2024 and 2023 comprise of the followings:

	2024		
	Fair value		
Types of risks	Assets Baht	Liabilities Baht	Notional amount Baht
Foreign exchange rate	21,422,884,976	29,964,619,412	878,340,920,085
Interest rate	24,008,101,078	13,243,226,811	1,273,026,596,064
Credit risk	550,776,554	223,811,273	52,171,349,750
Index	139,013,631	29,897,634	29,738,249,086
Others	-	331,478,601	-
Total trading derivatives	46,120,776,239	43,793,033,731	2,233,277,114,985

Types of risks	2023		
	Fair value		Notional amount
	Assets Baht	Liabilities Baht	
Foreign exchange rate	22,640,274,023	22,189,122,301	852,812,332,324
Interest rate	16,185,307,524	14,871,448,564	1,354,317,811,262
Credit risk	723,020,614	380,632,203	60,934,585,650
Index	245,925,802	41,135,802	8,344,424,942
Others	-	363,909,759	-
Total trading derivatives	39,794,527,963	37,846,248,629	2,276,409,154,178

Proportion of derivative contract balances as at 31 December 2024 and 2023 classified by counterparties comprise of the followings:

	2024 Percentage	2023 Percentage
Financial institutions	48	53
Affiliated companies	43	40
Third parties	9	7
Total trading derivatives	100	100

9 Investments, net

9.1 Classification of investments

	Fair value	
	31 December 2024	31 December 2023
	Baht	Baht
Investments in debt instruments measured at fair value through other comprehensive income		
Government and state enterprise securities	22,662,987,759	24,538,911,751
<u>Less</u> Allowance for expected credit losses	-	-
Total	22,662,987,759	24,538,911,751

9.2 Recognition of transaction in other comprehensive income for debt instruments measured at fair value through other comprehensive income

Recognition of transaction in other comprehensive income for debt instruments measured at fair value through other comprehensive income for the years ended 31 December 2024 and 2023 are as follow:

	2024 Baht	2023 Baht
Gain (losses) from changes in value of investments in debt instruments measured at FVOCI	5,661,350	(2,664,947)

10 Loans to customers and accrued interest receivables, net

10.1 Classified by types of loans:

	2024 Baht	2023 Baht
Loans to customers net from deferred revenue	924,804,246	1,251,915,462
<u>Add</u> Accrued interest receivables	<u>25,650</u>	<u>735,378</u>
Total loans to customers net from deferred revenue, and accrued interest receivables	924,829,896	1,252,650,840
<u>Less</u> Allowance for expected credit loss	<u>(1,171,577)</u>	<u>(9,067,067)</u>
Total loans to customers and interest receivables, net	<u>923,658,319</u>	<u>1,243,583,773</u>

10.2 Classified by currencies and domiciles of customers:

	2024 Baht	2023 Baht
Domestic items	923,171,130	1,251,915,462
Foreign items	1,633,116	-
Total loans to customers net from deferred revenue	<u>924,804,246</u>	<u>1,251,915,462</u>

10.3 Classified by classification:

The Bank has loans to customers net from deferred revenue and accrued interest receivables which can be classified in accordance with the Bank of Thailand (BOT) guidelines as follows:

Loans classification	2024 Loans outstanding and interest receivables Baht	2023 Loans outstanding and interest receivables Baht
1. Financial assets with an insignificant increase in credit risk (Performing financial assets)	924,829,896	1,252,650,840
2. Financial assets with a significant increase in credit risk (Under-performing financial assets)	-	-
3. Credit-impaired financial assets (Non-performing financial assets)	-	-
Total loans and accrued interest receivables	<u>924,829,896</u>	<u>1,252,650,840</u>

10.4 Movement in the gross carrying amount of loans

	2024			
	Financial assets with an insignificant increase in credit risk Baht	Financial assets with a significant increase in credit risk Baht	Credit-impaired financial assets Baht	Total Baht
As of 1 January 2024	1,252,650,840	-	-	1,252,650,840
Change due to collection and modification	21,253,615	-	-	21,253,615
Newly acquired or purchased financial assets	270,000,000	-	-	270,000,000
Derecognised financial assets	(619,074,559)	-	-	(619,074,559)
As of 31 December 2024	924,829,896	-	-	924,829,896

	2023			
	Financial assets with an insignificant increase in credit risk Baht	Financial assets with a significant increase in credit risk Baht	Credit-impaired financial assets Baht	Total Baht
As of 1 January 2023	2,911,103,958	-	-	2,911,103,958
Change due to collection and modification	(891,162,009)	-	-	(891,162,009)
Newly acquired or purchased financial assets	250,362,707	-	-	250,362,707
Derecognised financial assets	(1,017,653,816)	-	-	(1,017,653,816)
As of 31 December 2023	1,252,650,840	-	-	1,252,650,840

11 Allowance for expected credit losses

	2024			
	Financial assets with an insignificant increase in credit risk Baht	Financial assets with a significant increase in credit risk Baht	Credit-impaired financial assets Baht	Surplus reserve Baht
Interbank and money market items				
As of 1 January 2024	-	-	-	188,894
Amortisation of surplus reserve	-	-	-	(188,894)
As of 31 December 2024	-	-	-	-

	2024			
	Financial assets with an insignificant increase in credit risk Baht	Financial assets with a significant increase in credit risk Baht	Credit-impaired financial assets Baht	Surplus reserve Baht
Loans				
As of 1 January 2024	5,113,158	-	-	3,953,909
Change from additional drawdown and repayment	(1,645,687)	-	-	-
Derecognised financial assets	(2,295,894)	-	-	-
Amortisation of surplus reserve	-	-	-	(3,953,909)
As of 31 December 2024	1,171,577	-	-	-

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	2023				
	Financial assets with an insignificant increase in credit risk Baht	Financial assets with a significant increase in credit risk Baht	Credit-impaired financial assets Baht	Surplus reserve Baht	Total Baht
Interbank and money market items					
As of 1 January 2023	-	-	-	377,788	377,788
Amortisation of surplus reserve	-	-	-	(188,894)	(188,894)
As of 31 December 2023	-	-	-	188,894	188,894
	2023				
	Financial assets with an insignificant increase in credit risk Baht	Financial assets with a significant increase in credit risk Baht	Credit-impaired financial assets Baht	Surplus reserve Baht	Total Baht
Loans					
As of 1 January 2023	13,067,930	-	-	7,907,818	20,975,748
Change from additional drawdown and repayment	(3,401,521)	-	-	-	(3,401,521)
Newly acquired or purchased financial assets	395,186	-	-	-	395,186
Derecognised financial assets	(4,948,437)	-	-	-	(4,948,437)
Amortisation of surplus reserve	-	-	-	(3,953,909)	(3,953,909)
As of 31 December 2023	5,113,158	-	-	3,953,909	9,067,067

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12 Equipment, net

As at 1 January 2023

Cost	62,116,307	54,883,238	25,057,292	2,587,235	-	144,644,072
Less Accumulated depreciation	(46,103,688)	(51,501,704)	(23,199,911)	-	-	(120,805,303)
Net book value	16,012,619	3,381,534	1,857,381	2,587,235	-	23,838,769

For the year ended 31 December 2023

Opening net book value	16,012,619	3,381,534	1,857,381	2,587,235	-	23,838,769
Reclassification	-	-	-	-	5,543,761	5,543,761
Additions	1,901,781	2,200,102	6,892	22,153,560	-	26,262,335
Write off, net	(2,882)	-	-	-	-	(2,882)
Depreciation charge	(6,294,508)	(2,529,036)	(651,790)	-	(1,858,887)	(11,334,221)
Closing net book value	11,617,010	3,052,600	1,212,483	24,740,795	3,684,874	44,307,762

As at 31 December 2023

Cost	55,700,458	57,083,340	25,064,184	24,740,795	74,463,983	237,052,760
Less Accumulated depreciation	(44,083,448)	(54,030,740)	(23,851,701)	-	(70,779,109)	(192,744,998)
Net book value	11,617,010	3,052,600	1,212,483	24,740,795	3,684,874	44,307,762

For the year ended 31 December 2024

Opening net book value	11,617,010	3,052,600	1,212,483	24,740,795	3,684,874	44,307,762
Additions	53,407,614	34,289,010	37,996,191	-	235,590,914	361,283,729
Write off, net	(6,708,685)	(1,272,375)	(1,192,323)	(22,998,003)	(3,653,888)	(35,825,274)
Depreciation charge	(11,542,952)	(4,886,787)	(6,519,711)	-	(16,506,571)	(39,456,021)
Closing net book value	46,772,987	31,182,448	31,496,640	1,742,792	219,115,329	330,310,196

As at 31 December 2024

Cost	78,484,775	60,692,852	38,068,257	1,742,792	238,575,243	417,563,919
Less Accumulated depreciation	(31,711,788)	(29,510,404)	(6,571,617)	-	(19,459,914)	(87,253,723)
Net book value	46,772,987	31,182,448	31,496,640	1,742,792	219,115,329	330,310,196

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

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

	2024 Baht	2023 Baht
Right-of-use assets, net		
Building and building improvements, net	157,005,527	193,224,270
Vehicles	4,824,523	-
Total right-of-use assets, net	161,830,050	193,224,270
Lease liabilities, net		
Current portion of lease liabilities	52,368,131	52,663,161
Non-current portion of lease liabilities	120,411,180	156,310,357
Total lease liabilities, net	172,779,311	208,973,518

During the year ended 31 December 2024, the Bank has additions to the right-of-use assets was Baht 5.4 million (2023 : Baht 206.8 million).

The statement of profit or loss and other comprehensive income included following transactions related to leases.

	2024 Baht	2023 Baht
Depreciation charge of right-of-use assets		
Building and building improvements	26,862,450	22,132,542
Vehicles	540,629	-
Total right-of-use assets	27,403,079	22,132,542
Finance cost relating to leases	3,316,952	4,106,103
Expenses relating to leases of low value assets that are not shown above as short-term leases (included in premises and equipment expenses)	-	60,000

The total cash outflow for leases of the Bank for the year ended 31 December 2024 was Baht 47.8 million (2023 : Baht 15.6 million).

14 Other assets, net

	2024 Baht	2023 Baht
Accrued interest receivables	17,866,686	23,270,496
Prepaid expenses	21,854,569	20,340,926
Account receivables from option sold premium	1,269,512	951,578
Other receivables	90,267,006	17,599,401
Total other assets, net	131,257,773	62,162,401

15 Deposits

15.1 Classified by types of deposits:

	2024 Baht	2023 Baht
On demand	33,207,715,004	24,465,696,737
Savings	9,055,714,902	6,239,219,296
Total deposits	42,263,429,906	30,704,916,033

15.2 Classified by currencies and domiciles of depositors:

	2024		
	Domestic Baht	Foreign Baht	Total Baht
Thai Baht	31,192,959,201	2,878,020,980	34,070,980,181
US Dollar	5,943,869,435	2,047,339,273	7,991,208,708
Euro	140,175,085	-	140,175,085
Pound	17,293,359	-	17,293,359
Yen	33,986,247	-	33,986,247
Yuan	9,627,987	-	9,627,987
Hongkong Dollar	158,339	-	158,339
Total deposits	37,338,069,653	4,925,360,253	42,263,429,906

	2023		
	Domestic Baht	Foreign Baht	Total Baht
Thai Baht	24,287,522,582	950,698,092	25,238,220,674
US Dollar	3,338,106,603	1,857,137,867	5,195,244,470
Euro	268,810,475	-	268,810,475
Pound	2,377,087	-	2,377,087
Yen	127,422	-	127,422
Yuan	135,905	-	135,905
Total deposits	27,897,080,074	2,807,835,959	30,704,916,033

16 Interbank and money market items (liabilities)

	2024 Baht	2023 Baht
Domestic items		
Other financial institutions	6,103,106,006	4,398,948,686
Total domestic items	6,103,106,006	4,398,948,686
Foreign items		
Thai Baht	-	-
Total foreign items	-	-
Total interbank and money market items	6,103,106,006	4,398,948,686

17 Financial liabilities designated at fair value through profit or loss

	2024 Baht	2023 Baht
Bill of exchange	9,512,895,756	9,967,634,686
Total financial liabilities designated at fair value through profit or loss	9,512,895,756	9,967,634,686

Proportion of transactions being classified by type of counterparties

	2024 Percentage	2023 Percentage
Third parties	100	100
Total proportion of transactions being classified by type of counterparties	100	100

18 Deferred income tax

The analysis of deferred tax assets and liabilities is as follows:

	2024 Baht	2023 Baht
Deferred tax assets	181,890,267	132,896,473
Deferred tax liabilities	(63,273,264)	(32,883,622)
Deferred tax assets (net)	118,617,003	100,012,851

The gross movement and the deferred income tax account is as follows:

	2024 Baht	2023 Baht
As at 1 January	100,012,851	69,167,670
Debited (Credited) to profit or loss (Note 35)	17,915,239	37,602,483
Tax debited (credited) in other comprehensive income	688,913	(6,757,302)
As at 31 December	118,617,003	100,012,851

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The movement in deferred tax assets and liabilities during the year is as follows:

	Derivative liabilities from option sold premium Baht	Provision for employee benefits Baht	Provision for restricted stock units Baht	Unrealised (loss) on changes in fair value of investment measured at FVPL Baht	Provision for derivatives Baht	Lease liabilities Baht	Others Baht	Total Baht
Deferred tax assets								
As at 1 January 2024								
Charged debited (credited) to profit and loss	24,875,832	22,895,963	10,832,154	-	71,038,618	-	3,253,906	132,896,473
	11,804,899	3,764,149	1,733,367	4,128	(4,742,896)	34,555,863	1,874,284	48,993,794
As at 31 December 2024	36,680,731	26,660,112	12,565,521	4,128	66,295,722	34,555,863	5,128,190	181,890,267
Deferred tax assets								
As at 1 January 2023								
Charged debited (credited) to profit and loss	1,254,640	27,554,478	8,410,319	416,666	77,834,327	-	3,253,906	118,724,336
Recognised in other comprehensive income	23,621,192	3,483,882	2,421,835	(416,666)	(6,795,709)	-	-	22,314,534
	-	(8,142,397)	-	-	-	-	-	(8,142,397)
As at 31 December 2023	24,875,832	22,895,963	10,832,154	-	71,038,618	-	3,253,906	132,896,473

	Unrealised gain on changes in fair value of investment measured at FVPL Baht	Unrealised gain on changes in fair value of investment measured at FVOCI Baht	Derivative assets for option purchased premium Baht	Right of use Baht	Total Baht
Deferred tax liabilities					
As at 1 January 2024					
Charged debited (credited) to profit and loss	4,157,000	1,706,720	27,019,902	-	32,883,622
Recognised in other comprehensive income	2,991,355	-	(4,278,810)	32,366,010	31,078,555
	-	(688,913)	-	-	(688,913)
As at 31 December 2024	7,148,355	1,017,807	22,741,092	32,366,010	63,273,264
Deferred tax liabilities					
As at 1 January 2023					
Charged debited (credited) to profit and loss	-	3,091,815	46,464,851	-	49,556,666
Recognised in other comprehensive income	4,157,000	-	(19,444,949)	-	(15,287,949)
	-	(1,385,095)	-	-	(1,385,095)
As at 31 December 2023	4,157,000	1,706,720	27,019,902	-	32,883,622

19 Provision

	2024 Baht	2023 Baht
Post-employment benefits obligation	133,300,561	114,479,817
Others	1,457,418	1,766,042
Total provision for employee benefits plan	134,757,979	116,245,859

Post-employment benefits obligation

Provision for post-employment benefits is for employees with more than 120 days of service and who resign in accordance with the rules and conditions stipulated under the labour laws applicable in Thailand and for long service awards.

As at 31 December 2024 and 2023, the post-employment benefits provided unfunded obligation as follows:

	2024 Baht	2023 Baht
Present value of obligations	126,110,306	107,737,819
Provision for long service award	7,190,255	6,741,998
Total provision for employee benefits plan	133,300,561	114,479,817

Movements of provision for post-employment benefits are as follows:

	2024 Baht	2023 Baht
As at 1 January	107,737,819	130,834,010
Current service costs	15,000,303	16,161,952
Interest costs	3,372,184	2,352,446
Remeasurements:		
Actuarial (gains) losses		
- Demographic assumptions	-	-
- Financial assumptions	-	(13,696,979)
- Experience gain	-	(27,650,236)
<u>Less</u> Benefit paid	-	(263,374)
As at 31 December	126,110,306	107,737,819

The reversal of provision for post-employment benefits came from an employee decide to early retire during the year. The Company already paid the early retirement benefit to the employee.

Expenses for post-employment benefits were recognised in the statement of profit or loss and other comprehensive income as follows:

	2024 Baht	2023 Baht
Current service costs	15,000,303	16,161,952
Interest costs	3,372,184	2,352,446
Total	18,372,487	18,514,398

Significant assumptions used in the actuarial calculation are summarised as follows:

	2024	2023
Discount rate	3.13%	3.13%
Salary increase rate	6%	6%
Pre-retirement mortality rate	100% of Thai Mortality Ordinary Table 2017	100% of Thai Mortality Ordinary Table 2017
Disability rate	5% of Thai Mortality Ordinary Table 2017	5% of Thai Mortality Ordinary Table 2017
Pre-retirement withdrawal rate	From 5 years historical data	From 5 years historical data
Retirement age	60 years old	60 years old
Turnover rate	9%	9%

Sensitivity analysis on key assumptions changes are as follows:

	Increase (Decrease)	
	2024	2023
	Baht	Baht
Discount rate		
Increase 1%	(9,814,530)	(9,006,363)
Decrease 1%	11,228,346	10,311,650
Salary rate		
Increase 1%	12,650,179	10,384,363
Decrease 1%	(11,214,088)	(9,247,015)
Turnover rate		
Increase 5%	(42,439,593)	(38,817,496)
Decrease 5%	20,591,337	18,542,442

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

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

Maturity profile of post-employment benefits is as follows:

	2024	2023
Maturity duration of the post-employment benefits (Years)	19.35	19.35
Maturity analysis of benefits to be paid		
Less than 1 year (Baht)	-	-
Between 1 - 2 years (Baht)	6,009,974	-
Between 2 - 5 years (Baht)	52,619,128	51,308,706
Over 5 years (Baht)	772,504,347	779,824,743

20 Other liabilities

	2024 Baht	2023 Baht
Accrued interest payable	48,639,270	36,596,409
Accrued bonuses	109,705,125	102,714,337
Accrued FIDF charges	97,715,619	91,896,499
Cash received in advance from forward contracts	-	10,885,658
Income tax payable	112,487,438	113,862,949
Withholding tax payable	2,359,618	1,940,361
Others	237,625,512	214,814,734
Total other liabilities	608,532,582	572,710,947

21 Provident fund

The Bank established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530, which contributions are made by both the employees and the Bank. For the year ended 31 December 2024, the Bank contributed Baht 24.5 million (31 December 2023 : Baht 24.1 million).

22 Provision for share based payment

The restricted stock units of the ultimate parent company, JPMorgan Chase & Co., will be awarded at no cost to employees who are eligible according to The Bank entity's regulations, upon their grant. The awards are measured at their grant dates based on their fair value. This amount is recognised as an expense evenly over the vesting periods and the head office's equity and balances with other branches under the same entity is treated as a capital contribution. The exercise price of the granted shares is lower of the market price of the shares on the date of grant or the vesting date. The restricted stock units are generally granted annually and can be vested for 50% of granted amount after two years and for another 50% of granted amount after three years. The restricted stock units are converted into shares of JPMorgan Chase & Co. at the vesting date. The employees are able to continue their vesting upon voluntary employment termination, which would be based on the age and year of service requirements. Before vesting, the restricted stock units entitle the recipient to receive cash payments equivalent to dividend paid on the underlying common stocks during the period the restricted stock units are outstanding. However, all of these awards are subject to forfeiture until the vesting date and they contain clawback provisions that may result in cancellation prior to vesting under certain specified circumstances.

The movements in the number of outstanding shares and their related weighted average share prices at the grant dates are as follows:

	Weighted average share prices Baht per share	Weighted average share prices USD per share	Number of awards
As at 1 January 2024	4,962	145	9,227
Granted during the year	5,649	166	4,309
Exercised during the year	(4,983)	147	(3,645)
Transferred during the year	5,187	153	1,199
Cancelled during the year	-	-	-
As at 31 December 2024	5,187	153	11,090
As at 1 January 2023	5,013	145	8,793
Granted during the year	4,791	140	4,841
Exercised during the year	(4,722)	138	(3,208)
Transferred during the year	-	-	-
Cancelled during the year	(4,996)	146	(1,199)
As at 31 December 2023	4,962	145	9,227

For the year ended 31 December 2024, the total share based payment expense recognised during the year amounting to Baht 24.59 million (31 December 2023 : Baht 23.80 million).

23 Capital funds

	2024 Baht	2023 Baht
Assets maintained in accordance with Section 32	12,688,965,166	12,688,965,166
Total funds for maintaining assets in accordance with Section 32 and net balance of inter-office accounts		
Funds for maintaining assets in accordance with Section 32	12,688,965,166	12,688,965,166
Net inter-office balance which branch is debtor of the head office, others branches and subsidiary	3,710,602,197	3,415,867,116
Total	16,399,567,363	16,104,832,282
Capital funds	12,688,965,166	12,688,965,166
Total capital funds to risk weighted assets ratio (%)	19.24	20.06

The Bank will disclose capital maintenance information as at 31 December 2024 in accordance with the notification of the Bank of Thailand Re: Public Disclosure of Capital Maintenance Information for Commercial Banks on its website at www.th.jpmorgan.com within April 2025.

Moreover, the Bank is required to disclose information related to Liquidity Coverage Ratio as at 31 December 2023 under the Notification of Bank of Thailand, no. Sor Nor Sor 2/2561, as the above location and date of disclosure.

24 Assets pledged as collateral

The Bank has investments in government securities which are pledged as collaterals for structured bills of exchange. The book values of such securities as at 31 December 2024 amounted to Baht 6,187,840,176 (31 December 2023 : Baht 5,505,775,304).

25 Commitments

As at 31 December 2024 and 2023, the Bank has the following commitments (excluding derivatives in Note 8) which were incurred in the normal course of business as follows:

	2024		
	Thai Baht Baht	Foreign currencies Baht	Total Baht
Unused overdraft credit line	1,894,000,000	-	1,894,000,000
Unused credit facilities	-	679,757,000	679,757,000
Total commitments	1,894,000,000	679,757,000	2,573,757,000
	2023		
	Thai Baht Baht	Foreign currencies Baht	Total Baht
Unused overdraft credit line	1,656,000,000	-	1,656,000,000
Unused credit facilities	-	1,368,932,000	1,368,932,000
Total commitments	1,656,000,000	1,368,932,000	3,024,932,000

26 Related party transactions

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

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The significant related party transactions are transacted with The Bank companies of JPMorgan Chase.

The ultimate parent company is JPMorgan Chase & Co., a company incorporated in the United States of America. JPMorgan Chase Bank, N.A. is a wholly-owned subsidiary of JPMorgan Chase & Co.

Relationships of related parties

Head Office

- JPMorgan Chase & Co.
- JPMorgan Chase Bank, N.A.

Other Branches

- J.P. Morgan Chase Bank Berhad
- JPMorgan Chase Bank, N.A. - London Branch
- JPMorgan Chase Bank, N.A. - Sydney Branch
- JPMorgan Chase Bank, N.A. - Tokyo Branch
- JPMorgan Chase Bank, N.A. - Hong Kong Branch
- JPMorgan Chase Bank, N.A. - Singapore Branch
- JPMorgan Chase Bank, N.A. - Jakarta Branch
- JPMorgan Chase Bank, N.A. - Manila Branch
- JPMorgan Chase Bank, N.A. - Mumbai Branch
- JPMorgan Chase Bank, N.A. - Seoul Branch

Fellow subsidiaries

- J.P. Morgan Securities Plc
- J.P. Morgan SE
- JPMorgan Securities Japan Co., Ltd
- J.P. Morgan Europe Limited
- J.P. Morgan Securities (Asia Pacific) Limited
- J.P. Morgan Securities Australia Limited
- JPMorgan Chase Bank (China) Company Limited - Shanghai Branch
- J.P. Morgan Securities (Thailand) Limited
- JPMorgan Securities (Malaysia) Sdn. Bhd.
- J.P. Morgan SE - Paris Branch
- J.P. Morgan Securities LLC
- J.P. Morgan SE - London Branch
- J.P. Morgan SE - Amsterdam Branch
- J.P. Morgan Securities Asia Private Limited

The significant related party transactions, outstanding balances as of 31 December 2024 and 2023 and income and expenses for the years then ended 31 December 2024 and 2023 consisted of the followings:

	2024 Million Baht	2023 Million Baht
Statements of financial position		
Interbank and money market items, net (assets)		
J.P. Morgan SE	666	327
J.P. Morgan Chase Bank Berhad	1	1
Financial derivatives assets		
JPMorgan Chase Bank, N.A. and Other Branches	21,626	21,537
Interbank and money market items (liabilities)		
J.P. Morgan Securities (Thailand) Ltd.	6,108	4,404
Provision for share based payment		
J.P. Morgan Chase & Co	63	54
Financial derivatives liabilities		
JPMorgan Chase Bank, N.A. and Other Branches	13,071	14,678
Net balance of inter-office accounts with Head Office and other branches under the same entity		
JPMorgan Chase Bank, N.A.	(3,795)	(3,533)
Other Branches	84	118
Off statement of financial position with Head office, Other branches and Fellow subsidiaries		
Commitments	970,342	911,512
Statements of profit or loss and other comprehensive income with Head office, Other branches and Fellow subsidiaries		
Interest expense	385	373
Fees and service incomes	24	23
Other operating income	203	194
Employee expenses	26	24
Fees and services expenses and other expenses	603	506

Transactions between the Bank and related parties had been priced at and contain similar conditions with the Bank's general customers and conformed to normal course of banking business practice.

27 Important position and performance classified by type of domestic or foreign transactions

27.1 Position classified by type of transaction

	2024			2023		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	123,688	-	123,688	104,983	-	104,983
Interbank and money market items, net (assets)	42,363	-	42,363	26,011	-	26,011
Accounts receivable from securities trading	321	-	321	1,161	-	1,161
Financial assets measured at fair value through profit or loss	10,558	-	10,558	11,830	-	11,830
Investments, net	22,663	-	22,663	24,539	-	24,539
Loans to customers and accrued interest receivables, net	924	-	924	1,244	-	1,244
Deposits	42,263	-	42,263	30,705	-	30,705
Interbank and money market items (liabilities)	6,103	-	6,103	4,399	-	4,399
Accounts payable from securities trading	587	-	587	2,041	-	2,041
Financial liabilities designated at fair value through profit or loss	9,513	-	9,513	9,968	-	9,968

27.2 Performance classified by types of transaction

	2024			2023		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	1,538	-	1,538	1,200	-	1,200
Interest expense	(972)	-	(972)	(849)	-	(849)
Net interest income	566	-	566	351	-	351
Net fee and service income	39	-	39	33	-	33
Other operating incomes	1,962	-	1,962	1,339	-	1,339
Other operating expenses	(1,356)	-	(1,356)	(1,216)	-	(1,216)
Profit before income tax	1,211	-	1,211	507	-	507

28 Interest income

	2024 Baht	2023 Baht
Interbank and money market items, net (assets)	776,961,848	591,814,064
Investment in debt securities	726,895,220	556,935,163
Loans to customers	34,028,701	50,923,297
Total interest income	1,537,885,769	1,199,672,524

29 Interest expense

	2024 Baht	2023 Baht
Deposits	388,559,193	275,029,234
Interbank and money market items (liabilities)	388,789,340	377,929,710
Contribution fee to the Deposit Protection Agency and Financial Institution Development Fund	194,936,664	196,009,342
Total interest expense	972,285,197	848,968,286

30 Fee and service income

	2024 Baht	2023 Baht
Money transfer and collection services	26,587,223	22,133,843
Service fees from related companies (Note 26)	24,181,217	22,972,027
Others	10,873,256	8,821,040
Total fee and service income	61,641,696	53,926,910

Revenue transactions classified by timing of revenue recognition for the years ended 31 December 2024 and 2023 are as follows:

	2024 Baht	2023 Baht
Timing of revenue recognition		
At a point in time	61,641,696	53,926,910
Over time	-	-
Total fee and service income	61,641,696	53,926,910

31 Gains (losses) on financial instruments measured at fair value through profit or loss, net

Gains (losses) on financial instruments measured at fair value through profit or loss, net for the years ended 31 December 2024 and 2023 are as follows:

1. Gains (Losses) on financial instruments measured at fair value through profit or loss

	2024 Baht	2023 Baht
Gains (Losses) on foreign currencies and foreign exchange rate derivatives	1,000,991,170	591,213,269
Gains (Losses) on interest rate derivatives	1,157,251,294	1,212,192,962
Gains (Losses) on debt securities	209,395,393	5,472,040
Others	193,307,807	148,760,596
Total gains (losses) on trading and foreign exchange transactions	2,560,945,664	1,957,638,867

2. Gains (Losses) from financial liabilities designated at fair value through profit or loss

	2024 Baht	2023 Baht
Changes in fair value of bill of exchange	(917,287,484)	(1,055,717,955)
Gains (Losses) on redemption and interest expense paid	113,652,706	242,467,424
Total gains (losses) from financial liabilities designated at fair value through profit or loss	(803,634,778)	(813,250,531)

32 Other operating income

	2024 Baht	2023 Baht
Revenue sharing from related parties (Note 26)	202,713,546	194,151,425
Others	1,508,650	299,328
Total other operating income	204,222,196	194,450,753

Revenue transactions classified by timing of revenue recognition for the years ended 31 December 2024 and 2023 are as follows:

	2024 Baht	2023 Baht
Timing of revenue recognition		
At a point in time	1,508,650	299,328
Over time	202,713,546	194,151,425
Total other operating income	204,222,196	194,450,753

33 Other expenses

	2024 Baht	2023 Baht
Service fees to related companies (Note 26)	603,386,315	506,033,777
Brokerage commissions	13,427,895	7,803,843
Others	77,576,283	65,835,694
Total other expenses	694,390,493	579,673,314

34 (Reversal) expected credit losses

	2024 Baht	2023 Baht
Interbank and money market items	(188,894)	(188,894)
Loans	(7,895,490)	(11,908,681)
Investment in debt instrument measured at fair value through other comprehensive income	-	-
Loan commitments and financial guarantees	(308,624)	781,459
Total	(8,393,008)	(11,316,116)

35 Income tax expense

	2024 Baht	2023 Baht
Current income tax:		
Adjustments in respect of prior year	(21,408,711)	(8,350,403)
Current income tax on profits for the year	268,760,684	174,795,284
Total current income tax	247,351,973	166,444,881
Deferred income tax:		
Adjustments in respect of prior year	-	-
Origination and reversal of temporary differences (Note 18)	(17,915,239)	(37,602,483)
Total deferred income taxes	(17,915,239)	(37,602,483)
Total income tax expense	229,436,734	128,842,398

The income tax on profits before tax of the Bank differs from the theoretical amount that would arise using the basic income tax rate of the home country of the Bank as follows:

	2024 Baht	2023 Baht
Profit before tax	1,210,594,514	506,841,282
Tax calculated at a tax rate of 20%	242,118,903	101,368,256
Adjustments in respect of prior year	(21,408,711)	(8,350,403)
Tax effect of:		
Expenses not deductible for tax purpose	8,726,542	35,824,545
Income tax charge	229,436,734	128,842,398

For the year ended 31 December 2024, the weighted average applicable income tax rate was 19% (31 December 2023 : 25%).

36 Financial instruments

36.1 Measurement basis of financial assets and liabilities

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

	2024			
	At fair value through profit or loss Baht	At fair value through other comprehensive income Baht	Amortised cost Baht	Total Baht
Financial assets				
Interbank and money market items, net	-	-	42,363,308,065	42,363,308,065
Account receivable from securities trading	-	-	321,274,274	321,274,274
Financial assets measured at fair value through profit or loss	10,557,761,328	-	-	10,557,761,328
Derivatives assets	46,120,776,239	-	-	46,120,776,239
Investments, net	-	22,662,987,759	-	22,662,987,759
Loans to customers and accrued interest receivables, net	-	-	923,658,319	923,658,319
Total financial assets	56,678,537,567	22,662,987,759	43,608,240,658	122,949,765,984
Financial liabilities				
Deposits	-	-	42,263,429,906	42,263,429,906
Interbank and money market items, net	-	-	6,103,106,006	6,103,106,006
Account payable from securities trading	-	-	587,447,228	587,447,228
Liabilities payable on demand	-	-	149,532,427	149,532,427
Financial liabilities measured at fair value through profit or loss	9,512,895,756	-	-	9,512,895,756
Derivatives liabilities	43,793,033,731	-	-	43,793,033,731
Lease liabilities	-	-	172,779,311	172,779,311
Total financial liabilities	53,305,929,487	-	49,276,294,878	102,582,224,365
2023				
	At fair value through profit or loss Baht	At fair value through other comprehensive income Baht	Amortised cost Baht	Total Baht
Financial assets				
Cash	-	-	4,184,357	4,184,357
Interbank and money market items, net	-	-	26,010,868,647	26,010,868,647
Account receivable from securities trading	-	-	1,160,942,488	1,160,942,488
Financial assets measured at fair value through profit or loss	11,829,866,961	-	-	11,829,866,961
Derivatives assets	39,794,527,963	-	-	39,794,527,963
Investments, net	-	24,538,911,751	-	24,538,911,751
Loans to customers and accrued interest receivables, net	-	-	1,243,583,773	1,243,583,773
Total financial assets	51,624,394,924	24,538,911,751	28,419,579,265	104,582,885,940
Financial liabilities				
Deposits	-	-	30,704,916,033	30,704,916,033
Interbank and money market items, net	-	-	4,398,948,686	4,398,948,686
Account payable from securities trading	-	-	2,041,354,176	2,041,354,176
Liabilities payable on demand	-	-	50,204,569	50,204,569
Financial liabilities measured at fair value through profit or loss	9,967,634,686	-	-	9,967,634,686
Derivatives liabilities	37,846,248,629	-	-	37,846,248,629
Lease liabilities	-	-	208,973,518	208,973,518
Total financial liabilities	47,813,883,315	-	37,404,396,982	85,218,280,297

37 Offsetting of financial assets and liabilities

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

As at 31 December 2024 and 2023, the Bank has no reverse repurchase agreement and derivative agreement subject to master netting arrangements.

	2024					
	Effects of offsetting on the financial position			Related amounts not offset		
	Gross amounts Baht	Gross amounts set off in the financial position Baht	Net amounts presented in the financial position Baht	Amount subject to master netting arrangements Baht	Financial instrument Collateral * Baht	Net amounts Baht
Financial assets						
Reverse repurchase agreement	34,727,441,888	-	34,727,441,888	-	(34,727,441,888)	-
Derivative assets	27,260,503,499	-	27,260,503,499	(11,981,400,687)	-	15,279,102,812
Total financial assets	61,987,945,387	-	61,987,945,387	(11,981,400,687)	(34,727,441,888)	15,279,102,812
Financial liabilities						
Derivative liabilities	31,811,633,044	-	31,811,633,044	(18,860,272,740)	(83,400,000)	12,867,960,304
Total financial liabilities	31,811,633,044	-	31,811,633,044	(18,860,272,740)	(83,400,000)	12,867,960,304

	2023					
	Effects of offsetting on the financial position			Related amounts not offset		
	Gross amounts Baht	Gross amounts set off in the financial position Baht	Net amounts presented in the financial position Baht	Amount subject to master netting arrangements Baht	Financial instrument Collateral * Baht	Net amounts Baht
Financial assets						
Reverse repurchase agreement	15,846,497,960	-	15,846,497,960	-	(15,846,497,960)	-
Derivative assets	17,384,723	-	17,384,723	(15,400,000)	(1,984,723)	-
Total financial assets	15,863,852,683	-	15,863,852,683	(15,400,000)	(15,848,482,683)	-
Financial liabilities						
Derivative liabilities	26,971,517	-	26,971,517	-	-	-
Total financial liabilities	26,971,517	-	26,971,517	-	-	-

* Amount of financial instrument collateral is presented less than or equal to offsetting amount of 'net amounts presented in the financial position' and 'amount subject to master netting arrangements'.

38 Financial risk management

Strategy in using financial instruments

The Bank has developed and implemented comprehensive policies and procedures to identify, mitigate, and monitor risk across the entity, which are based on JPMorgan Chase policies. These practices rely on constant communication, judgment, and knowledge of products and markets by the people closest to them, combined with regular oversight by a central risk management group and senior management.

(a) Credit risk

Credit risk is the risk of losses resulting from failure by the Bank's counterparties and customers to meet their obligations. The carrying amount of cash, interbank and money market, investments in debts, loans to and accrued interest receivables, accounts receivable from securities trading and commitments represent the maximum exposure of the Bank to credit risk. With respect to derivative financial instruments, the maximum credit exposure of the Bank is represented by the positive fair values, mainly pertaining to derivative transactions with financial institutions, including intercompany balances.

"Know Your Customer" is the key element to credit risk management.

JPMorgan Chase has developed policies and practices that are designed to ensure that credit risks are accurately assessed, properly approved, continuously monitored and actively managed at both the transaction and portfolio levels. The policy framework establishes credit approval authorities, concentration limits, risk-rating methodologies, portfolio-review parameters and problem-loan management.

The Bank's capital will be committed following thorough research and analysis, utilising all expertise appropriately available in the utilising which may contribute to the bank risk assessment. Certain transactions will require special approval due to their risk attributes or level of sensitivity.

Officers with Credit Approval Authority are expected to understand the credit policies, guidelines and procedures applicable to their responsibilities.

The new business initiative process requires a thorough understanding of the credit risk (and all other forms of risk) inherent in all proposed activities or undertakings. New initiatives will only be introduced after appropriate new control systems are implemented, in accordance with the Bank's New Business Initiative Process.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and principal repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral if applicable.

1) Derivatives

The Bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Bank (i.e., assets which their fair value is positive), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Bank requires margin deposits from counterparties.

2) Master netting arrangements

The Bank further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of statement of financial position assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Bank's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

3) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit, which represent irrevocable assurances that the Bank will make payments in the event that a customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit which are written undertakings by the Bank on behalf of a customer authorising a third party to draw the drafts on the Bank up to a stipulated amount under specific terms and conditions are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the potential loss may be less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

As at 31 December 2024 and 2023, concentrations of credit risk relative to the loans and receivables summarised by type of industry are as follows;

	2024 Baht	2023 Baht
Manufacturing and commerce	915,781,759	1,242,035,743
Utilities and services	9,022,487	9,879,719
Total loans and receivables	924,804,246	1,251,915,462

Expected credit loss measurement

The Bank applies general approach to measure expected credit losses on cash, interbank and money market, investments in debts, loans to and accrued interest receivables, and commitments. The Bank always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method, except accounts receivable from securities trading applied simplified approach.

Under the three-stage expected credit loss impairment model, the impairment will be assessed by using collective approach model with forward looking information adjustment.

Credit risk exposure

Maximum exposure to credit risk

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

	2024	2023
	Maximum exposure Baht	Maximum exposure Baht
Credit risk exposures of on-statement of financial position assets:		
Financial assets measured at fair value through profit or loss	10,337,367,000	11,776,406,000
Investment in debt securities	22,770,000,000	24,670,000,000
	<u>33,107,367,000</u>	<u>36,446,406,000</u>

Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The Bank has internal policies on the acceptability of specific classes of collateral or credit risk mitigation.

Reverse repo is generally secured; term loan financing and lending to corporate entities are generally unsecured.

The Bank prepares a valuation of the collateral obtained as part of the origination process. This assessment is reviewed periodically. The collateral type accepted and given value by the Bank is charges over financial instruments such as marketable securities.

	31 December 2024			
	Gross carrying amount Baht	Expected credit losses Baht	Net carrying amount Baht	Fair value of collateral held Baht
Reverse repo	34,727,441,888	-	34,727,441,888	34,929,954,033
Total	<u>34,727,441,888</u>	<u>-</u>	<u>34,727,441,888</u>	<u>34,929,954,033</u>
	31 December 2023			
	Gross carrying amount Baht	Expected credit losses Baht	Net carrying amount Baht	Fair value of collateral held Baht
Reverse repo	15,846,497,960	-	15,846,497,960	15,994,885,831
Total	<u>15,846,497,960</u>	<u>-</u>	<u>15,846,497,960</u>	<u>15,994,885,831</u>

Total loans to customers - credit quality

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

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

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

Distribution of loans, advances and financing by credit quality

	31 December 2024			Total Baht
	12-month ECL Baht	Lifetime ECL not credit- impaired Baht	Lifetime ECL credit- impaired Baht	
Neither past due nor impaired	924,829,896	-	-	924,829,896
Past due but not impaired	-	-	-	-
Impaired	-	-	-	-
Gross carrying amount	924,829,896	-	-	924,829,896
Less Allowance for expected credit loss	(1,171,577)	-	-	(1,171,577)
Net carrying amount	923,658,319	-	-	923,658,319

	31 December 2023			Total Baht
	12-month ECL Baht	Lifetime ECL not credit- impaired Baht	Lifetime ECL credit- impaired Baht	
Neither past due nor impaired	1,252,650,840	-	-	1,252,650,840
Past due but not impaired	-	-	-	-
Impaired	-	-	-	-
Gross carrying amount	1,252,650,840	-	-	1,252,650,840
Less Allowance for expected credit loss	(9,067,067)	-	-	(9,067,067)
Net carrying amount	1,243,583,773	-	-	1,243,583,773

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

	31 December 2024			Total Baht
	12-month ECL Baht	Lifetime ECL not credit- impaired Baht	Lifetime ECL credit- impaired Baht	
Interbank asset items				
Sovereigns	6,625,435,918	-	-	6,625,435,918
AAA	39,517,368	-	-	39,517,368
AA- to AA+	7,032,667	-	-	7,032,667
A- to A+	35,691,322,112	-	-	35,691,322,112
Lower than A-	-	-	-	-
Unrated	-	-	-	-
Less: Expected credit losses	-	-	-	-
	42,363,308,065	-	-	42,363,308,065
Financial assets measured at fair value through profit or loss				
Sovereigns	10,557,761,328	-	-	10,557,761,328
AAA	-	-	-	-
AA- to AA+	-	-	-	-
A- to A+	-	-	-	-
Lower than A-	-	-	-	-
Unrated	-	-	-	-
	10,557,761,328	-	-	10,557,761,328
Investment in debt securities				
Sovereigns	22,662,987,759	-	-	22,662,987,759
AAA	-	-	-	-
AA- to AA+	-	-	-	-
A- to A+	-	-	-	-
Lower than A-	-	-	-	-
Unrated	-	-	-	-
	22,662,987,759	-	-	22,662,987,759
Derivative assets				
Sovereigns	-	-	-	-
AAA	1,359,537,307	-	-	1,359,537,307
AA- to AA+	21,742,042,405	-	-	21,742,042,405
A- to A+	6,345,420,117	-	-	6,345,420,117
Lower than A-	6,357,773,066	-	-	6,357,773,066
Unrated	10,316,003,344	-	-	10,316,003,344
	46,120,776,239	-	-	46,120,776,239

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	31 December 2023			Total Baht
	12-month ECL Baht	Lifetime ECL not credit- impaired Baht	Lifetime ECL credit- impaired Baht	
Interbank asset items				
Sovereigns	9,488,139,814	-	-	9,488,139,814
AAA	333,453,839	-	-	333,453,839
AA- to AA+	7,766,849	-	-	7,766,849
A- to A+	16,181,697,039	-	-	16,181,697,039
Lower than A-	-	-	-	-
Unrated	-	-	-	-
Less: Expected credit losses	(188,894)	-	-	(188,894)
	26,010,868,647	-	-	26,010,868,647
Financial assets measured at fair value through profit or loss				
Sovereigns	11,829,866,961	-	-	11,829,866,961
AAA	-	-	-	-
AA- to AA+	-	-	-	-
A- to A+	-	-	-	-
Lower than A-	-	-	-	-
Unrated	-	-	-	-
	11,829,866,961	-	-	11,829,866,961
Investment in debt securities				
Sovereigns	24,538,911,751	-	-	24,538,911,751
AAA	-	-	-	-
AA- to AA+	-	-	-	-
A- to A+	-	-	-	-
Lower than A-	-	-	-	-
Unrated	-	-	-	-
	24,538,911,751	-	-	24,538,911,751
Derivative assets				
Sovereigns	-	-	-	-
AAA	478,591,844	-	-	478,591,844
AA- to AA+	22,965,042,236	-	-	22,965,042,236
A- to A+	6,036,036,996	-	-	6,036,036,996
Lower than A-	8,483,834,206	-	-	8,483,834,206
Unrated	1,831,022,681	-	-	1,831,022,681
	39,794,527,963	-	-	39,794,527,963

Other financial assets - credit quality

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

	31 December 2024			Total Baht
	12-month ECL Baht	Lifetime ECL not credit- impaired Baht	Lifetime ECL credit- impaired Baht	
Accounts receivable from securities trading	321,274,274	-	-	321,274,274
Total	321,274,274	-	-	321,274,274

	31 December 2023			Total Baht
	12-month ECL Baht	Lifetime ECL not credit- impaired Baht	Lifetime ECL credit- impaired Baht	
Accounts receivable from securities trading	1,160,942,488	-	-	1,160,942,488
Total	1,160,942,488	-	-	1,160,942,488

(b) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Bank's operations. Sensitivity to interest rates arises from mismatches in the interest rate characteristics of the assets and their corresponding funding liability. One of the major causes of these mismatches is timing differences in the repricing of the assets and liabilities. These mismatches are actively managed by the Branch and its Head Office as part of the overall risk management process which is conducted within internal guidelines and in conjunction with market risk.

As at 31 December 2024 and 2023, financial assets and liabilities classified by type of interest rate were as follows:

Descriptions	2024			Total Million Baht
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	
Financial assets				
Interbank and money market items, net	714	34,727	6,922	42,363
Accounts receivable from securities trading	-	-	321	321
Financial assets measured at fair value through profit or loss	-	10,558	-	10,558
Investments, net	-	22,663	-	22,663
Loan to customers and accrued interest receivables from deferred revenue	-	924	-	924
Total financial assets	714	68,872	7,243	76,829
Financial liabilities				
Deposits	-	38,214	4,049	42,263
Interbank and money market items	4,303	1,800	-	6,103
Accounts payable from securities trading	-	-	587	587
Financial liabilities designated at fair value through profit or loss	101	9,401	11	9,513
Demand liabilities	-	-	150	150
Lease liabilities	-	173	-	173
Total financial liabilities	4,404	49,588	4,797	58,789
Descriptions	2023			Total Million Baht
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	
Financial assets				
Cash	-	-	4	4
Interbank and money market items, net	343	15,846	9,822	26,011
Accounts receivable from securities trading	-	-	1,161	1,161
Financial assets measured at fair value through profit or loss	-	11,830	-	11,830
Investments, net	-	24,539	-	24,539
Loan to customers and accrued interest receivables from deferred revenue	673	579	-	1,252
Total financial assets	1,016	52,794	10,987	64,797
Financial liabilities				
Deposits	-	28,918	1,787	30,705
Interbank and money market items	2,599	1,800	-	4,399
Accounts payable from securities trading	-	-	2,041	2,041
Financial liabilities designated at fair value through profit or loss	689	9,040	239	9,968
Demand liabilities	-	-	50	50
Lease liabilities	-	209	-	209
Total financial liabilities	3,288	39,967	4,117	47,372

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Transactions	2024							
	Repricing or maturity date					Non-Performing loans	Non-interest bearing	Total
	At call	0 - 3	3 - 12	1 - 5	Over 5			
	Million Baht	months Million Baht	months Million Baht	years Million Baht	years Million Baht	Million Baht	Million Baht	Million Baht
Financial assets								
Interbank and money market items, net	714	34,727	-	-	-	-	6,922	42,363
Accounts receivable from securities trading	-	-	-	-	-	-	321	321
Financial assets measured at fair value through profit or loss	-	3,367	2,958	2,678	1,555	-	-	10,558
Investments, net	-	9,541	12,621	501	-	-	-	22,663
Loans to customers and accrued interest receivables net from deferred revenue	250	550	124	-	-	-	-	924
Total financial assets	964	48,185	15,703	3,179	1,555	-	7,243	76,829
Financial liabilities								
Deposits	38,214	-	-	-	-	-	4,049	42,263
Interbank and money market items	4,303	1,800	-	-	-	-	-	6,103
Accounts payable from securities trading	-	-	-	-	-	-	587	587
Financial liabilities designated at fair value through profit or loss	-	-	452	1,072	7,978	-	11	9,513
Demand liabilities	-	-	-	-	-	-	150	150
Lease liabilities	-	-	-	173	-	-	-	173
Total financial liabilities	42,517	1,800	452	1,245	7,978	-	4,797	58,789
2023								
Transactions	Repricing or maturity date					Non-Performing loans	Non-interest bearing	Total
	At call	0 - 3	3 - 12	1 - 5	Over 5			
	Million Baht	months Million Baht	months Million Baht	years Million Baht	years Million Baht	Million Baht	Million Baht	Million Baht
Financial assets								
Cash	-	-	-	-	-	-	4	4
Interbank and money market items, net	343	15,846	-	-	-	-	9,822	26,011
Accounts receivable from securities trading	-	-	-	-	-	-	1,161	1,161
Financial assets measured at fair value through profit or loss	-	884	6,059	2,622	2,265	-	-	11,830
Investments, net	-	13,285	10,757	497	-	-	-	24,539
Loans to customers and accrued interest receivables net from deferred revenue	329	802	121	-	-	-	-	1,252
Total financial assets	672	30,817	16,937	3,119	2,265	-	10,987	64,797
Financial liabilities								
Deposits	28,918	-	-	-	-	-	1,787	30,705
Interbank and money market items	2,599	1,800	-	-	-	-	-	4,399
Accounts payable from securities trading	-	-	-	-	-	-	2,041	2,041
Financial liabilities designated at fair value through profit or loss	-	-	693	1,455	7,581	-	239	9,968
Demand liabilities	-	-	-	-	-	-	50	50
Lease liabilities	-	-	-	209	-	-	-	209
Total financial liabilities	31,517	1,800	693	1,664	7,581	-	4,117	47,372

The average balances of the financial assets and liabilities of the Bank generating revenues and expenses, calculated based on the average balances outstanding during the year, and the average interest rate for the years ended 31 December 2024 and 2023, can be summarised as follows:

	2024			2023		
	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)	Average balances Million Baht	Interest and dividend Million Baht	Average rate (%)
Performing financial assets						
Interbank and money market items, net	31,841	777	2.44	29,811	592	1.99
Investments, net	34,565	727	2.10	33,449	557	1.66
Loans to customers and accrued interest receivables	976	34	3.48	1,700	51	3.00
Total	67,382	1,538		64,960	1,200	
Performing financial liabilities						
Deposits	33,673	389	1.16	32,722	275	0.84
Interbank and money market items	6,437	96	1.49	4,413	39	0.88
Total	40,110	485		37,135	314	

* Not included the interest from loan with Head office and other branches under the same entity (net).

(c) Currency risk

Currency risk is the risk to earnings and value of financial instruments caused by the fluctuations in foreign exchange rates. It is managed in conjunction with market risk.

The Bank manages currency risk within the limit which is approved by the Thailand Risk Committee. In addition, the Bank limits the net foreign currency position of each currency at 15% of the total fund of the Bank, and limits the net foreign currency in aggregate of every currency at 20% of total funds of the Bank. The ratio is complied with the regulation of the Bank of Thailand.

The following table presents a currency analysis for monetary assets and liabilities on statement of financial position as at 31 December 2024 and 2023 as follow:

	2024				
	Baht Million Baht	US Dollar Million Baht	Japanese Yen Million Baht	Others Million Baht	Total Million Baht
Interbank and money market items, net	41,649	-	-	714	42,363
Accounts receivable from securities trading	321	-	-	-	321
Financial assets measured at fair value through profit or loss	10,558	-	-	-	10,558
Financial derivative assets	13,651	23,424	255	8,791	46,121
Investments, net	22,663	-	-	-	22,663
Loans to customers and accrued interest receivables net from deferred revenue	922	2	-	-	924
Total assets	89,764	23,426	255	9,505	122,950
Deposits	34,071	7,991	34	167	42,263
Interbank and money market items	6,103	-	-	-	6,103
Accounts payable from securities trading	587	-	-	-	587
Demand liabilities	150	-	-	-	150
Financial liabilities designated at fair value through profit or loss	9,513	-	-	-	9,513
Financial derivative liabilities	5,209	23,186	10,807	4,591	43,793
Lease liabilities	173	-	-	-	173
Total liabilities	55,806	31,177	10,841	4,758	102,582
Net foreign currency position in the statement of financial position	33,958	(7,751)	(10,586)	4,747	20,368

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	2023				
	Baht Million Baht	US Dollar Million Baht	Japanese Yen Million Baht	Others Million Baht	Total Million Baht
Cash	4	-	-	-	4
Interbank and money market items, net	25,668	-	-	343	26,011
Accounts receivable from securities trading	1,161	-	-	-	1,161
Financial assets measured at fair value through profit or loss	11,830	-	-	-	11,830
Financial derivative assets	13,320	23,837	583	2,055	39,795
Investments, net	24,539	-	-	-	24,539
Loans to customers and accrued interest receivables net from deferred revenue	1,252	-	-	-	1,252
Total assets	77,774	23,837	583	2,398	104,592
Deposits	25,238	5,195	-	272	30,705
Interbank and money market items	4,399	-	-	-	4,399
Accounts payable from securities trading	2,041	-	-	-	2,041
Demand liabilities	50	-	-	-	50
Financial liabilities designated at fair value through profit or loss	9,967	-	-	-	9,967
Financial derivative liabilities	7,605	18,735	9,887	1,620	37,847
Lease liabilities	209	-	-	-	209
Total liabilities	49,509	23,930	9,887	1,892	85,218
Net foreign currency position in the statement of financial position	28,265	(93)	(9,304)	506	19,374

Value-at-risk (VaR)

The Bank utilises VaR, a statistical risk measure, to estimate the potential loss from adverse market moves in the current market environment. The Bank has a single VaR framework used as a basis for calculating Risk Management VaR and Regulatory VaR.

The VaR framework is employed across the Bank using historical simulation based on data for the previous 12 months. Risk Management VaR is calculated assuming a one-day holding period and an expected tail-loss methodology which approximates a 99% confidence level. The VaR of the Bank as at 31 December 2024, based on one-day time horizon at 99% confidence level, is Baht 20.53 million (2023 : Baht 40.63 million).

(d) Liquidity risk

Liquidity risk is the risk that a firm, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure such resources only at excessive cost. The Bank's liquidity management framework is intended to maximise liquidity access and minimise funding costs. Management uses a variety of measures to mitigate liquidity and related risks, taking into consideration market conditions, funding needs and the profile of the location's liability base.

Treasury is responsible for day to day oversight and management of the liquidity of the Bank, and for ensuring compliance with regulations and the liquidity risk management policy. It is responsible for monitoring, managing and reporting the liquidity risk profile for the Bank. It formulates the location's liquidity strategies, including contingency planning; monitors cash flow requirements to determine potential funding gaps; maintains ongoing interaction with lines of business to track funding and business trends; and through all of the above seeks to avoid funding stress through early detection of liquidity issues.

The liquidity management framework has well-defined roles and responsibilities. Daily liquidity risk management tools are used by local Treasury traders to monitor the liquidity profile of the Bank. Funding limits and guidelines have been established, which in conjunction with the monthly liquidity stress tests provide assurance that sufficient funding is available even during periods of market stress.

The following table presents a maturity analysis for monetary assets and liabilities on statement of financial position as at 31 December 2024 and 2023.

	2024						
	At call Million Baht	Within 3 months Million Baht	3 to 12 months Million Baht	1 to 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht	Total Million Baht
Interbank and money market items, net	7,636	34,727	-	-	-	-	42,363
Accounts receivable from securities trading	-	321	-	-	-	-	321
Financial assets measured at fair value through profit or loss	-	3,367	2,958	2,678	1,555	-	10,558
Financial derivative Assets	-	5,941	4,896	26,320	8,964	-	46,121
Investments, net	-	9,541	12,621	501	-	-	22,663
Loans to customers and accrued interest receivables net from deferred revenue	250	550	124	-	-	-	924
Total assets	7,886	54,447	20,599	29,499	10,519	-	122,950
Deposits	42,263	-	-	-	-	-	42,263
Interbank and money market items	4,303	1,800	-	-	-	-	6,103
Accounts payable from securities trading	-	587	-	-	-	-	587
Demand liabilities	150	-	-	-	-	-	150
Financial liabilities designated at fair value through profit or loss	-	6	457	1,072	7,978	-	9,513
Financial derivative liabilities	-	6,261	4,583	25,489	7,460	-	43,793
Lease liabilities	-	-	-	173	-	-	173
Total liabilities	46,716	8,654	5,040	26,734	15,438	-	102,582
Liquidity, net	(38,830)	45,793	15,559	2,765	(4,919)	-	20,368

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	2023						
	At call Million Baht	Within 3 months Million Baht	3 to 12 months Million Baht	1 to 5 years Million Baht	Over 5 years Million Baht	No maturity Million Baht	Total Million Baht
Cash	4	-	-	-	-	-	4
Interbank and money market items, net	10,165	15,846	-	-	-	-	26,011
Accounts receivable from securities trading	-	1,161	-	-	-	-	1,161
Financial assets measured at fair value through profit or loss	-	884	6,059	2,622	2,265	-	11,830
Financial derivative Assets	-	7,287	8,768	16,075	7,665	-	39,795
Investments, net	-	13,285	10,757	497	-	-	24,539
Loans to customers and accrued interest receivables net from deferred revenue	329	802	121	-	-	-	1,252
Total assets	10,498	39,265	25,705	19,194	9,930	-	104,592
Deposits	30,705	-	-	-	-	-	30,705
Interbank and money market items	2,599	1,800	-	-	-	-	4,399
Accounts payable from securities trading	-	2,041	-	-	-	-	2,041
Demand liabilities	50	-	-	-	-	-	50
Financial liabilities designated at fair value through profit or loss	-	153	779	1,455	7,581	-	9,968
Financial derivative liabilities	-	7,923	8,559	14,750	6,614	-	37,846
Lease liabilities	-	-	-	209	-	-	209
Total liabilities	33,354	11,917	9,338	16,414	14,195	-	85,218
Liquidity, net	(22,856)	27,348	16,367	2,780	(4,265)	-	19,374

The table above classified monetary assets and liabilities of the Bank into relevant maturity groupings based on the remaining period at statement of financial position date to the contractual maturity date. It is unusual for banks to have completely matched maturities since business transactions are often of uncertain terms and of different types. In addition, the Bank obtains a large proportion of domestic funding from customer deposits, interbank and money market item and financial liabilities under fair value option, and foreign funding from Head Office and other branches abroad. The Bank has demonstrated that a substantial level of such funding provides a stable source of long-term funding for the Bank.

39 Management benefits

	2024 Baht	2023 Baht
Short-term employee benefits	153,799,132	157,714,259
Post-employment benefits	7,685,349	7,278,649
Share based payment	26,818,832	18,922,534
Total	188,303,313	183,915,442

40 Commitment from lease agreement

As at 31 December 2024 and 2023, the Bank has payment obligations of service agreement as follows:

	2024 Baht	2023 Baht
Due within 1 year	19,666,860	20,157,542
Due more than 1 years but no later than 5 years	58,478,212	62,242,156
Due more than 5 years	42,073,344	56,097,792
Total	120,218,416	138,497,490

41 Fair value

41.1 Fair value measurement

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

1. Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
2. Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
3. Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Fair value of financial assets and financial liabilities as at 31 December 2024 and 2023.

	Book value Million Baht	2024 Fair value			Total Million Baht
		Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	
Assets					
Financial derivatives Assets	46,121	-	46,121	-	46,121
Financial assets measured at fair value through profit or loss	10,558	-	10,558	-	10,558
Investment, net	22,663	-	22,663	-	22,663
Total assets	79,342	-	79,342	-	79,342
Liabilities					
Financial liabilities designated at fair value through profit or loss	9,513	-	-	9,513	9,513
Financial derivatives liabilities	43,793	-	43,793	-	43,793
Total liabilities	53,306	-	43,793	9,513	53,306

	2023				
	Book value	Fair value			Total
	Million Baht	Level 1	Level 2	Level 3	Million Baht
		Million Baht	Million Baht	Million Baht	
Assets					
Financial derivatives Assets	39,795	-	39,795	-	39,795
Financial assets measured at fair value through profit or loss	11,830	-	11,830	-	11,830
Investment, net	24,539	-	24,539	-	24,539
Total assets	76,164	-	76,164	-	76,164
Liabilities					
Financial liabilities designated at fair value through profit or loss	9,968	-	-	9,968	9,968
Financial derivatives liabilities	37,846	-	37,846	-	37,846
Total liabilities	47,814	-	37,846	9,968	47,814

There was no transfer between Levels 1 and 2 during the year.

41.2 Valuation techniques used to derive level 2 and 3 fair values

Derivatives

Derivatives that are valued using models such as the Black-Scholes option pricing model, simulation models or a combination of models, that use observables or unobservable valuation inputs.

Input include:

- Contractual terms including the period to maturity
- Readily observable parameters including interest rates and volatility
- Credit quality of the counterparty and of the Bank
- Market funding levels
- Correlation levels

In addition, the following specific inputs are used for the following derivatives that are valued based on models with significant unobservable inputs:

Structured credit derivatives, specific inputs include:

- CDS spreads and recovery rates
- Credit correlation between the underlying debt instruments
- Actual transactions, where available, are used to regularly recalibrate unobservable parameters

Derivatives related to interest rate and exchange rate which are complexed, specific inputs include:

- Interest rate correlation
- Volatility of interest rate spread
- Exchange rate correlation
- Correlation between interest rate and exchange rate
- Parameters explaining the reference interest rate

Commodity derivatives, specific inputs include:

- Commodity volatility
- Forward commodity price

Debt investments are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

Investments

Fair value of financial assets measured at fair value through profit or loss and other comprehensive income are calculated using the last quoted bid price or using the discounted cash flow by reference to the risk-free yield curve adjusted by an appropriate risk premium.

Reverse repurchase agreement

Fair value of reverse repurchase agreement measured at fair value through profit or loss is calculated using the discounted cash flow by reference to the risk-free yield curve adjusted by an appropriate risk premium.

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

	Financial liabilities designated at fair value	
	2024	2023
	Million Baht	Million Baht
As at 1 January	9,968	9,617
Total unrealised gains recognised in profit and loss	688	703
Settlement and redemption	(1,143)	(352)
As at 31 December	9,513	9,968

For the year ended 31 December 2024, the ranges of unobservable inputs for interest rate correlation are (30%) - 50% (31 December 2023 : (30%) - 50%).

There were no other changes in valuation techniques during the year.

41.4 Bank's valuation processes

Risk-taking functions are responsible for providing fair value estimates for assets and liabilities carried on the statement of financial position at fair value. The Bank's valuation control function is responsible for verifying these estimates and determining any fair value adjustments that may be required to ensure that the Bank's positions are recorded at fair value.

The Model Risk function is independent of the model owners and reviews and approves a wide range of models, including risk management, valuation and certain regulatory capital models used by the Bank. The Model Risk function performs an annual firmwide model risk assessment where developments in the product or market are considered in determining whether valuation models which have already been reviewed need to be reviewed and approved again.

41.5 Fair value of financial assets and liabilities measured at amortised cost

The financial assets and liabilities that are not measured at fair value as at 31 December 2024 and 2023 are as follows;

	2024				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Assets					
Interbank and money market items, net	42,363	7,636	34,727	-	42,363
Accounts receivable from securities trading	321	-	321	-	321
Loans to customers and accrued interest receivables, net	924	-	924	-	924
Total assets	43,608	7,636	35,972	-	43,608
Liabilities					
Deposits	42,263	-	42,263	-	42,263
Interbank and money market items	6,103	4,303	1,800	-	6,103
Accounts payable from securities trading	587	-	587	-	587
Liability payable on demand	150	-	150	-	150
Total liabilities	49,103	4,303	44,800	-	49,103
2023					
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Assets					
Cash	4	4	-	-	4
Interbank and money market items, net	26,011	10,165	15,846	-	26,011
Accounts receivable from securities trading	1,161	-	1,161	-	1,161
Loans to customers and accrued interest receivables, net	1,244	-	1,244	-	1,244
Total assets	28,420	10,169	18,251	-	28,420
Liabilities					
Deposits	30,705	-	30,705	-	30,705
Interbank and money market items	4,399	2,599	1,800	-	4,399
Accounts payable from securities trading	2,041	-	2,041	-	2,041
Liability payable on demand	50	-	50	-	50
Total liabilities	37,195	2,599	34,596	-	37,195

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

Fair value of the following assets and liabilities are estimated for the purpose of disclosure as described below:

Loans to customers and accrued interest receivable, net

The fair value is the outstanding balance of loans and accrued interest less allowance for expected credit loss. The majority of loans are fixed rate. The management has assessed the existing effective rate of the outstanding loans is a reasonable approximation of market effective rate.

Interbank and money market items

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

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

Deposits

The deposits are on demand, savings and fixed deposits which are short-term. Accordingly, their carrying amount is a reasonable approximation of fair value.

Financial assets and financial liabilities which carrying amounts are approximately close to the fair value due to short-term maturity are as follows :

- Accounts receivable from securities trading
- Accounts payable from securities trading
- Liability payable on demand