

JPMORGAN CHASE BANK, N.A. - BANGKOK BRANCH

FINANCIAL STATEMENTS

31 DECEMBER 2023



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 2023, 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 2023;
- 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 significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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 judgment 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', with a stylized flourish at the end.

Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
4 April 2024

JPMorgan Chase Bank, N.A. - Bangkok Branch

Statement of Financial Position

As at 31 December 2023

	Notes	2023 Baht	2022 Baht
Assets			
Cash		4,184,357	595,421
Interbank and money market items, net	6	26,010,868,647	30,981,070,392
Accounts receivable from securities trading		1,160,942,488	4,959,007,892
Financial assets measured at fair value through profit or loss	7	11,829,866,961	11,192,558,466
Financial derivatives assets	8	39,794,527,963	44,240,530,257
Investments, net	9	24,538,911,751	24,428,668,856
Loans to customers and accrued interest receivables, net	10	1,243,583,773	2,890,128,210
Equipment, net	12	44,307,762	23,838,769
Right-of-use assets, net	13	193,224,270	8,183,201
Deferred tax assets	18	100,012,851	69,167,670
Other assets, net	14	62,162,401	65,157,569
Total assets		104,982,593,224	118,858,906,703

(Mr. Jarin Pintusopon)
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 2023

	Notes	2023 Baht	2022 Baht
Liabilities and Head Office's equity and balances with other branches under the same entity			
Liabilities			
Deposits	15	30,704,916,033	32,973,044,278
Interbank and money market items	16	4,398,948,686	5,995,240,846
Accounts payable from securities trading		2,041,354,176	3,367,753,320
Liability payable on demand		50,204,569	149,249,458
Financial liabilities designated at fair value through profit or loss	17	9,967,634,686	9,617,009,777
Financial derivatives liabilities	8	37,846,248,629	43,358,339,691
Lease liabilities, net	13	208,973,518	4,704,212
Provision	19	116,245,859	138,756,972
Other liabilities	20	572,710,947	309,067,214
Total liabilities		85,907,237,103	95,913,165,768
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	3,415,867,116	7,707,649,724
Others component of accounts with head office and other branches under the same entity		65,248,177	54,418,853
Retained earnings		2,905,275,662	2,494,707,192
Total Head Office's equity and balances with other branches under the same entity		19,075,356,121	22,945,740,935
Total liabilities and Head Office's equity and balances with other branches under the same entity		104,982,593,224	118,858,906,703

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 2023

	Notes	2023 Baht	2022 Baht
Interest income	28	1,199,672,524	573,665,315
Interest expense	29	(848,968,286)	(371,124,125)
Net interest income		350,704,238	202,541,190
Fee and service income	30	53,926,910	46,611,153
Fee and service expenses		(20,547,719)	(19,022,280)
Net fee and service income		33,379,191	27,588,873
Gains on financial instruments measured at fair value through profit or loss	31	1,957,638,867	1,511,489,314
Gains (Losses) on financial liabilities designated at fair value through profit or loss	31	(813,250,531)	(96,158,158)
Other operating income	32	194,450,753	257,874,208
Total operating income		1,722,922,518	1,903,335,427
Other operating expenses			
Employee expenses		496,263,684	445,204,018
Premise and equipment expenses		75,739,683	47,839,952
Taxes and duties		75,720,671	50,014,296
Other expenses	33	579,673,314	490,464,149
Total other operating expenses		1,227,397,352	1,033,522,415
(Reversal) expected credit losses	34	(11,316,116)	4,194,674
Profit before income tax		506,841,282	865,618,338
Income tax expense	35	(128,842,398)	(192,680,518)
Net profit for the year		377,998,884	672,937,820

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 2023

	Notes	2023 Baht	2022 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			
Losses on debt instruments classified at fair value through other comprehensive income	9	(2,664,947)	(15,764,457)
Income tax relating to components of other comprehensive income that will be subsequently reclassified to profit or loss	18	1,385,098	3,152,891
Total items that will be reclassified subsequently to profit or loss		(1,279,849)	(12,611,566)
Other comprehensive income (expense) for the year, net of tax		31,289,737	(12,611,566)
Total comprehensive income for the year		409,288,621	660,326,254

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 2023

	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		Other components of accounts with Head Office and other branches under the same entity		Retained earnings	Total
		Baht	Baht	Baht	Baht	Baht	Baht		
Balance as at 1 January 2022		12,688,965,166	5,628,485,907	24,978,824	33,660,728	1,821,769,372	20,197,859,997		
Net profit for the year		-	-	-	-	672,937,820	672,937,820		672,937,820
Increase during the year		-	2,079,163,817	-	-	-	2,079,163,817		2,079,163,817
Unrealised loss on changes in fair value of investments measured at fair value through other comprehensive income	9	-	-	(15,764,457)	-	-	(15,764,457)		(15,764,457)
Provision for share-based payment		-	-	-	8,390,867	-	8,390,867		8,390,867
Income tax relating to other component of other comprehensive income for the year	18	-	-	3,152,891	-	-	3,152,891		3,152,891
Balance as at 31 December 2022		12,688,965,166	7,707,649,724	12,367,258	42,051,595	2,494,707,192	22,945,740,935		22,945,740,935
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		22,945,740,935
Net profit for the year		-	-	-	-	377,998,884	377,998,884		377,998,884
Decrease during the year		-	(4,291,782,608)	-	-	-	(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)		(2,664,947)
Provision for share-based payment		-	-	-	12,109,173	-	12,109,173		12,109,173
Actuarial gain		-	-	-	-	40,711,983	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)		(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		19,075,356,121

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 2023

	Notes	2023 Baht	2022 Baht
Cash flows from operating activities:			
Net profit from operating before income tax		506,841,282	865,618,338
Adjustments to reconcile net profit from operating before income tax to net cash provided by (used in) operating activities:			
(Reversal) expected credit losses	34	(11,316,116)	4,194,674
Depreciation and amortisation	12, 13, 14	33,466,763	25,753,553
Provision for employee benefit plan		18,252,972	19,991,229
Provision for share based payment expense	22	23,008,165	20,343,073
Unrealised gain on financial instrument measured at fair value through profit an loss		(43,941,849)	(1,258,132)
Loss on write-off of equipment	12	2,882	88,638
Loss on write-off of leasehold right and leasehold improvement		-	5,285,448
Unrealised (gain) loss on changes in fair value of financial derivative instruments		(1,066,088,768)	5,069,447,231
Interest income	28	(1,199,672,524)	(573,665,315)
Interest expense		853,911,252	371,124,125
Operating profit (loss) before changes in operating assets and liabilities		(885,535,941)	5,806,922,862
(Increase) decrease in operating assets:			
Interbank and money market items		5,212,329,979	(13,849,519,726)
Financial assets measured at fair value through profit or loss		1,878,299,615	3,467,133,568
Loans to customers		1,657,130,745	(1,392,650,746)
Other assets		14,501,936	(42,054,163)
Increase (decrease) in operating liabilities:			
Deposits		(2,268,128,245)	6,973,347,678
Interbank and money market items		(1,596,292,160)	2,636,997,399
Liability payable on demand		(99,044,889)	104,203,790
Financial liabilities designated at fair value through profit or loss		350,624,909	(3,938,572,332)
Provision for employee benefit plan		(263,374)	-
Provision for share based payment expense		(10,898,992)	(11,952,206)
Other liabilities		121,121,948	33,573,849
Net balance of inter-office accounts with Head Office and other branches under the same entity		(3,895,937,136)	2,023,980,733
Net cash provided by operating activities before interest received, interest paid and income tax paid		477,908,395	1,811,410,706
Interest received		832,251,952	443,461,735
Interest paid		(792,029,653)	(340,815,725)
Income tax paid		(80,861,729)	(130,636,209)
Net cash from operating activities		437,268,965	1,783,420,507

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 2023

	Notes	2023 Baht	2022 Baht
Cash flows from investing activities:			
Purchase of investments in securities (FVOCI)		(48,894,009,320)	(63,425,597,528)
Proceed from matured investments in securities (FVOCI)		49,140,000,000	62,379,000,000
Purchase of equipment	12	(26,262,335)	(8,061,944)
Net cash from investing activities		219,728,345	(1,054,659,472)
Cash flows from financing activities:			
Cash paid for lease liabilities	13	(15,614,103)	(5,254,488)
Net cash from financing activities		(15,614,103)	(5,254,488)
Net increase in cash and cash equivalents		641,383,207	723,506,547
Cash and cash equivalents at the beginning of the year		9,978,462,612	9,254,956,065
Cash and cash equivalents at end of the year		10,619,845,819	9,978,462,612
Cash and cash equivalents			
Cash on hand		4,184,357	595,421
Interbank and money market items		10,164,559,579	9,922,610,780
Net balance of inter-office accounts with Head Office and other branches under the same entity		451,101,883	55,256,411
		10,619,845,819	9,978,462,612
Non cash item:			
Accounts receivable from securities trading		1,160,942,488	3,733,371,820
Accounts payable from securities trading		2,041,354,176	2,822,679,423
Increase in right-of-use assets	13	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:

Bubhajit Building, 20 North Sathorn Road, Silom, Bangrak, Bangkok 10500.

The Bank’s financial statements have been approved for issue by the Bank’s management on 4 April 2024.

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.

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 significant accounting policies

3.1 Revised financial reporting standards and related interpretations

3.1.1 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 which are relevant to the Bank.

The following amended TFRSs were not mandatory for the current reporting period and the Bank has not early adopted them.

- A) Amendment to TAS 1 - Presentation of financial statements revised the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
- B) Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors revised to the definition of 'accounting estimates' to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.
- C) Amendments to TAS 12 - Income taxes
 - c.1) Companies must recognise any deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or any other component of equity, as appropriate.

- c.2) Companies must apply all income taxes arising from the tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), an international organisation.

In December 2021, the OECD released the Pillar Two model rules to apply the Global Anti-Base Erosion Proposal, or 'GloBE') to reform international corporate taxation. Large multinational enterprises within the rules' scope must calculate the GloBE effective tax rates for each territory in which they operate and pay a top-up tax for the differences between these and the 15% minimum rate.

In December 2023, the amendments to TAS 12 provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also require affected companies to disclose:

- the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes
- their current tax expense (if any) related to the Pillar Two income taxes, and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

Earlier application is permitted.

The above amendment financial reporting standards do not have significant impact on 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

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted future cash flows from the continuing use of the asset or the amount obtainable from the sale of the asset less any costs of disposal.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in operating profits.

Repairs and maintenance are charged to the statements of profit or loss and other comprehensive income during the accounting period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Bank. Major renovations are depreciated over the remaining useful life of the related asset.

3.2.8 Intangible assets

Acquired intangible assets are capitalised and amortised using the straight-line basis over their useful lives, generally over 4 years. Intangible assets are not revalued, but are presented at cost less accumulated amortisation. The carrying amount of each intangible asset is reviewed annually and adjusted for impairment where it is considered necessary.

The estimated useful life is reviewed and revised as necessary in every financial position date.

3.2.9 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.

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

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

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

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.

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

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

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

3.2.10 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.

3.2.11 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.

3.2.12 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.

3.2.13 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.

3.2.14 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.

3.2.15 Current and deferred income taxes

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

Current tax

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

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when 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.

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)

	2023	2022
	Total Baht	Total Baht
Domestic items		
The Bank of Thailand	9,488,139,814	9,431,384,651
Commercial banks	16,180,341,760	21,434,123,744
Total	25,668,481,574	30,865,508,395
Add Accrued interest receivable	-	9,459
<u>Less</u> Allowance for expected credit loss	<u>(188,894)</u>	<u>(377,788)</u>
Total domestic items	25,668,292,680	30,865,140,066
Foreign items		
Euro	327,144,091	106,333,806
Swiss Franc	8,868	250,278
Singapore Dollar	6,300,880	1,592,914
Others	9,122,128	7,753,328
Total	342,575,967	115,930,326
Total foreign items	342,575,967	115,930,326
Total interbank and money market items, net	26,010,868,647	30,981,070,392

7 Financial assets measured at fair value through profit or loss

	Fair value	
	31 December 2023 Baht	31 December 2022 Baht
Government and state enterprise securities	11,829,866,961	11,192,558,466
Total	11,829,866,961	11,192,558,466

8 Financial derivatives

8.1 Trading derivatives

Fair value and notional amount classified by types of risks as at 31 December 2023 and 2022 comprise of the followings:

Types of risks	2023		
	Fair value		Notional amount Baht
	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

Types of risks	2022		
	Fair value		Notional amount Baht
	Assets Baht	Liabilities Baht	
Foreign exchange rate	23,852,427,860	24,252,704,902	739,551,475,000
Interest rate	19,761,454,674	18,325,315,785	1,531,552,464,044
Credit risk	371,536,104	375,151,526	67,586,773,200
Index	255,111,619	51,204,148	6,189,993,037
Others	-	353,963,330	-
Total trading derivatives	44,240,530,257	43,358,339,691	2,344,880,705,281

Proportion of derivative contract balances as at 31 December 2023 and 2022 classified by counterparties comprise of the followings:

	2023 Percentage	2022 Percentage
Financial institutions	53	52
Affiliated companies	40	40
Third parties	7	8
Total trading derivatives	100	100

9 Investments, net

9.1 Classification of investments

	Fair value	
	31 December 2023 Baht	31 December 2022 Baht
Investments in debt instruments measured at fair value through other comprehensive income		
Government and state enterprise securities	24,538,911,751	24,428,668,856
<u>Less</u> Allowance for expected credit losses	-	-
Total	24,538,911,751	24,428,668,856

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 2023 and 2022 are as follow:

	2023 Baht	2022 Baht
Loss from changes in value of investments in debt instruments measured at FVOCI	2,664,947	15,764,457

10 Loans to customers and accrued interest receivables, net

10.1 Classified by types of loans:

	2023 Baht	2022 Baht
Loans to customers net from deferred revenue	1,251,915,462	2,910,699,112
<u>Add</u> Accrued interest receivables	735,378	404,846
Total loans to customers net from deferred revenue, and accrued interest receivables	1,252,650,840	2,911,103,958
<u>Less</u> Allowance for expected credit loss	(9,067,067)	(20,975,748)
Total loans to customers and interest receivables, net	1,243,583,773	2,890,128,210

10.2 Classified by currencies and domiciles of customers:

	2023 Baht	2022 Baht
Domestic items	1,251,915,462	2,901,886,385
Foreign items	-	8,812,727
Total loans to customers net from deferred revenue	1,251,915,462	2,910,699,112

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	2023	2022
	Loans outstanding and interest receivables Baht	Loans outstanding and interest receivables Baht
1. Financial assets with an insignificant increase in credit risk (Performing financial assets)	1,252,650,840	2,911,103,958
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	1,252,650,840	2,911,103,958

10.4 Movement in the gross carrying amount of loans

	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 from additional drawdown and repayment	(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
	2022			
	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 2022	1,518,535,292	-	-	1,518,535,292
Change from additional drawdown and repayment	400,554,078	-	-	400,554,078
Newly acquired or purchased financial assets	998,047,935	-	-	998,047,935
Derecognised financial assets	(6,033,347)	-	-	(6,033,347)
As of 31 December 2022	2,911,103,958	-	-	2,911,103,958

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

11 Allowance for expected credit losses

	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
	2022				
	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 2022	-	-	-	566,682	566,682
Amortisation of surplus reserve	-	-	-	(188,894)	(188,894)
As of 31 December 2022	-	-	-	377,788	377,788
	2022				
	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 2022	4,142,027	-	-	11,861,728	16,003,755
Change from additional drawdown and repayment	3,979,427	-	-	-	3,979,427
Newly acquired or purchased financial assets	4,961,429	-	-	-	4,961,429
Derecognised financial assets	(14,953)	-	-	-	(14,953)
Amortisation of surplus reserve	-	-	-	(3,953,910)	(3,953,910)
As of 31 December 2022	13,067,930	-	-	7,907,818	20,975,748

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

12 Equipment, net

	Computer equipment Baht	Office equipment Baht	Furniture and fixture Baht	Fixed assets in progress Baht	Leasehold improvements Baht	Total Baht
As at 1 January 2022						
Cost	75,906,195	54,500,720	25,057,292	-	-	155,464,207
Less Accumulated depreciation	(58,284,477)	(48,525,844)	(22,343,886)	-	-	(129,154,207)
Net book value	17,621,718	5,974,876	2,713,406	-	-	26,310,000
For the year ended 31 December 2022						
Opening net book value	17,621,718	5,974,876	2,713,406	-	-	26,310,000
Additions	5,078,484	396,225	-	2,587,235	-	8,061,944
Write off, net	(88,634)	(4)	-	-	-	(88,638)
Depreciation charge	(6,598,949)	(2,989,563)	(856,025)	-	-	(10,444,537)
Closing net book value	16,012,619	3,381,534	1,857,381	2,587,235	-	23,838,769
As at 31 December 2022						
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

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

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

	2023 Baht	2022 Baht
Right-of-use assets, net		
Building and building improvements, net	193,224,270	8,183,201
Total right-of-use assets, net	193,224,270	8,183,201
Lease liabilities, net		
Current portion of lease liabilities	52,663,161	4,704,212
Non-current portion of lease liabilities	156,310,357	-
Total lease liabilities, net	208,973,518	4,704,212

During the year ended 31 December 2023, the Bank has additions to the right-of-use assets was Baht 206.8 million (2022: Nil).

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

	2023 Baht	2022 Baht
Depreciation charge of right-of-use assets		
Building and building improvements	22,132,542	11,337,212
Total right-of-use assets	22,132,542	11,337,212
Finance cost relating to leases	4,106,103	59,728
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	60,000

The total cash outflow for leases of the Bank for the year ended 31 December 2023 was Baht 15.6 million (2022: Baht 5.3 million).

14 Other assets, net

	2023 Baht	2022 Baht
Leasehold right and leasehold improvement, net	-	5,543,761
Accrued interest receivables	23,270,496	13,416,612
Prepaid expenses	20,340,926	5,634,869
Account receivables from option sold premium	951,578	900,632
Other receivables	17,599,401	39,661,695
Total other assets, net	62,162,401	65,157,569
The amortisation cost of leasehold right and depreciation of leasehold improvement for the year	-	3,971,804

15 Deposits

15.1 Classified by types of deposits:

	2023 Baht	2022 Baht
On demand	24,465,696,737	28,674,532,092
Savings	6,239,219,296	4,298,512,186
Total deposits	30,704,916,033	32,973,044,278

15.2 Classified by currencies and domiciles of depositors:

	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

	2022		
	Domestic Baht	Foreign Baht	Total Baht
Thai Baht	28,790,504,488	722,948,854	29,513,453,342
US Dollar	3,077,824,918	266,493,020	3,344,317,938
Euro	115,113,682	-	115,113,682
Pound	20,195	-	20,195
Yen	137,211	-	137,211
Yuan	1,910	-	1,910
Total deposits	31,983,602,404	989,441,874	32,973,044,278

16 Interbank and money market items (liabilities)

	2023 Baht	2022 Baht
Domestic items		
Other financial institutions	4,398,948,686	5,995,240,846
Total domestic items	4,398,948,686	5,995,240,846
Foreign items		
Thai Baht	-	-
Total foreign items	-	-
Total interbank and money market items	4,398,948,686	5,995,240,846

17 Financial liabilities designated at fair value through profit or loss

	2023 Baht	2022 Baht
Bill of exchange	9,967,634,686	9,617,009,777
Total financial liabilities designated at fair value through profit or loss	9,967,634,686	9,617,009,777

Proportion of transactions being classified by type of counterparties

	2023 Percentage	2022 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:

	2023 Baht	2022 Baht
Deferred tax assets	132,896,473	118,724,336
Deferred tax liabilities	(32,883,622)	(49,556,666)
Deferred tax assets (net)	100,012,851	69,167,670

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

	2023 Baht	2022 Baht
As at 1 January	69,167,670	100,151,980
Debited (Credited) to profit or loss (Note 35)	37,602,483	(34,137,201)
Tax debited (credited) in other comprehensive income	(6,757,302)	3,152,891
As at 31 December	100,012,851	69,167,670

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

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

	Derivative liabilities from option sold premium	Provision for employee benefits	Provision for restricted stock units	Unrealised (loss) on changes in fair value of investment measured at FVPL	Provision for derivatives	Others	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Deferred tax assets							
As at 1 January 2023	1,254,640	27,554,478	8,410,319	416,666	77,834,327	3,253,906	118,724,336
Charged debited (credited) to profit and loss	23,621,192	3,483,882	2,421,835	(416,666)	(6,795,709)	-	22,314,534
Recognised in other comprehensive income	-	(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
Deferred tax assets							
As at 1 January 2022	2,451,008	23,556,232	6,732,146	-	87,232,536	3,253,906	123,225,828
Charged debited (credited) to profit and loss	(1,196,368)	3,998,246	1,678,173	416,666	(9,398,209)	-	(4,501,492)
Recognised in other comprehensive income	-	-	-	-	-	-	-
As at 31 December 2022	1,254,640	27,554,478	8,410,319	416,666	77,834,327	3,253,906	118,724,336

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

	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	Total Baht
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
Deferred tax liabilities				
As at 1 January 2022				
Charged debited (credited) to profit and loss	1,754,873	6,244,706	15,074,269	23,073,848
Recognised in other comprehensive income	(1,754,873)	-	31,390,582	29,635,709
	-	(3,152,891)	-	(3,152,891)
As at 31 December 2022	-	3,091,815	46,464,851	49,556,666

19 Provision

	2023 Baht	2022 Baht
Post-employment benefits obligation	114,479,817	137,772,389
Others	1,766,042	984,583
Total provision for employee benefits plan	116,245,859	138,756,972

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 2023 and 2022, the post-employment benefits provided unfunded obligation as follows:

	2023 Baht	2022 Baht
Present value of obligations	107,737,819	130,834,010
Provision for long service award	6,741,998	6,938,379
Total provision for employee benefits plan	114,479,817	137,772,389

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

	2023 Baht	2022 Baht
As at 1 January	130,834,010	111,837,562
Current service costs	16,161,952	16,958,901
Interest costs	2,352,446	2,037,547
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	107,737,819	130,834,010

The reversal of provision for post-employment benefits came from an employee decide to early retire during this 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:

	2023 Baht	2022 Baht
Current service costs	16,161,952	16,958,901
Interest costs	2,352,446	2,037,547
Total	18,514,398	18,996,448

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

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

	2023	2022
Discount rate	3.13%	1.83%
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)	
	2023	2022
	Baht	Baht
Discount rate		
Increase 1%	(9,006,363)	(11,490,202)
Decrease 1%	10,311,650	13,177,511
Salary rate		
Increase 1%	10,384,363	14,398,634
Decrease 1%	(9,247,015)	(12,736,018)
Turnover rate		
Increase 5%	68,920,323	(49,127,373)
Decrease 5%	18,542,442	23,346,942

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:

	2023	2022
Maturity duration of the post-employment benefits (Years)	19.35	20.02
Maturity analysis of benefits to be paid		
Less than 1 year (Baht)	-	263,374
Between 1 - 2 years (Baht)	-	-
Between 2 - 5 years (Baht)	51,308,706	40,692,877
Over 5 years (Baht)	779,824,743	702,103,918

20 Other liabilities

	2023 Baht	2022 Baht
Accrued interest payable	36,596,409	21,715,812
Accrued bonuses	102,714,337	99,516,909
Accrued FIDF charges	91,896,499	49,838,463
Cash received in advance from forward contracts	10,885,658	43,338,760
Income tax payable	113,862,949	28,409,021
Withholding tax payable	1,940,361	1,811,137
Others	214,814,734	64,437,112
Total other liabilities	572,710,947	309,067,214

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 2023, the Bank contributed Baht 24.1 million (31 December 2022: Baht 22.7 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.

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

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

	Average price Baht per share	Average price USD per share	Number of awards
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)
Cancelled during the year	(4,996)	146	(1,199)
As at 31 December 2023	4,962	145	9,227
As at 1 January 2022	4,304	129	8,587
Granted during the year	5,118	153	3,874
Exercised during the year	(3,862)	116	(3,668)
Transferred during the year	-	-	-
As at 31 December 2022	5,013	145	8,793

For the year ended 31 December 2023, the total share based payment expense recognised during the year amounting to Baht 23.80 million (31 December 2022: Baht 20.3 million).

23 Capital funds

	2023 Baht	2022 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	3,415,867,116	7,707,649,724
Total	16,104,832,282	20,396,614,890
Capital funds	12,688,965,166	12,688,965,166
Total capital funds to risk weighted assets ratio (%)	20.06	19.26

The Bank will disclose capital maintenance information as at 31 December 2023 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 2024.

Moreover, the Bank is required to disclose information related to Liquidity Coverage Ratio as at 31 December 2022 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 2023 amounted to Baht 5,505,775,304 (31 December 2022: Baht 5,028,412,066).

25 Commitments

As at 31 December 2023 and 2022, the Bank has the following commitments (excluding derivatives in Note 8) which were incurred in the normal course of business as follows:

	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
	2022		
	Thai Baht Baht	Foreign currencies Baht	Total Baht
Unused overdraft credit line	110,000,000	-	110,000,000
Unused credit facilities	-	1,113,744,000	1,113,744,000
Total commitments	110,000,000	1,113,744,000	1,223,744,000

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 International Finance Limited
- 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 2023 and 2022 and income and expenses for the years then ended 31 December 2023 and 2022 consisted of the followings:

	2023	2022
	Million Baht	Million Baht
Statements of financial position		
Interbank and money market items, net (assets)		
J.P. Morgan, A.G.	327	106
J.P. Morgan Chase Bank Berhad	1	1
Interbank and money market items (liabilities)		
J.P. Morgan Securities (Thailand) Ltd.	4,404	5,996
Provision for share based payment		
J.P. Morgan Chase & Co	54	42
Net balance of inter-office accounts with Head Office and other branches under the same entity		
JPMorgan Chase Bank, N.A.	(3,533)	(7,763)
Other Branches	118	56
Off statement of financial position with Head office, Other branches and Fellow subsidiaries		
Commitments	911,512	951,707
Statements of profit or loss and other comprehensive income with Head office, Other branches and Fellow subsidiaries		
Interest expense	373	147
Fees and service incomes	23	21
Other operating income	194	258
Employee expenses	24	19
Fees and services expenses and other expenses	506	419

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

	2023			2022		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Total assets	104,983	-	104,983	118,818	-	118,818
Interbank and money market items, net (assets)	26,011	-	26,011	30,981	-	30,981
Accounts receivable from securities trading	1,161	-	1,161	4,959	-	4,959
Financial assets measured at fair value through profit or loss	11,830	-	11,830	11,193	-	11,193
Investments, net	24,539	-	24,539	24,429	-	24,429
Loans to customers and accrued interest receivables, net	1,244	-	1,244	2,890	-	2,890
Deposits	30,705	-	30,705	32,973	-	32,973
Interbank and money market items (liabilities)	4,399	-	4,399	5,995	-	5,995
Accounts payable from securities trading	2,041	-	2,041	3,368	-	3,368
Financial liabilities designated at fair value through profit or loss	9,968	-	9,968	9,617	-	9,617

27.2 Performance classified by types of transaction

	2023			2022		
	Domestic Million Baht	Foreign Million Baht	Total Million Baht	Domestic Million Baht	Foreign Million Baht	Total Million Baht
Interest income	1,200	-	1,200	574	-	574
Interest expense	(849)	-	(849)	(371)	-	(371)
Net interest income	351	-	351	203	-	203
Net fee and service income	33	-	33	28	-	28
Other operating incomes	1,339	-	1,339	1,673	-	1,673
Other operating expenses	(1,216)	-	(1,216)	(1,038)	-	(1,038)
Profit before income tax	507	-	507	866	-	866

28 Interest income

	2023 Baht	2022 Baht
Interbank and money market items, net (assets)	591,814,064	180,871,697
Investment in debt securities	556,935,163	355,080,615
Loans to customers	50,923,297	37,713,003
Total interest income	1,199,672,524	573,665,315

29 Interest expense

	2023 Baht	2022 Baht
Deposits	275,029,234	127,843,556
Interbank and money market items (liabilities)	377,929,710	148,046,696
Contribution fee to the Deposit Protection Agency and Financial Institution Development Fund	196,009,342	95,233,873
Total interest expense	848,968,286	371,124,125

30 Fee and service income

	2023 Baht	2022 Baht
Money transfer and collection services	22,133,843	18,360,823
Service fees from related companies (Note 26)	22,972,027	21,437,257
Others	8,821,040	6,813,073
Total fee and service income	53,926,910	46,611,153

Revenue transactions classified by timing of revenue recognition for the years ended 31 December 2023 and 2022 are as follows:

	2023 Baht	2022 Baht
Timing of revenue recognition		
At a point in time	53,926,910	46,611,153
Over time	-	-
Total fee and service income	53,926,910	46,611,153

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 2023 and 2022 are as follows:

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

	2023 Baht	2022 Baht
Gains (Losses) on foreign currencies and foreign exchange rate derivatives	591,213,269	(3,061,869,840)
Gains (Losses) on interest rate derivatives	1,212,192,962	3,421,813,610
Gains (Losses) on debt securities	5,472,040	(36,946,662)
Others	148,760,596	1,188,492,206
Total gains (losses) on trading and foreign exchange transactions	1,957,638,867	1,511,489,314

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

	2023	2022
	Baht	Baht
Changes in fair value of bill of exchange	(1,055,717,955)	583,864,730
Gains (Losses) on redemption and interest expense paid	242,467,424	(680,022,888)
Total gains (losses) from financial liabilities designated at fair value through profit or loss	(813,250,531)	(96,158,158)

32 Other operating income

	2023	2022
	Baht	Baht
Revenue sharing from related parties (Note 26)	194,151,425	257,829,541
Others	299,328	44,667
Total other operating income	194,450,753	257,874,208

Revenue transactions classified by timing of revenue recognition for the years ended 31 December 2023 and 2022 are as follows:

	2023	2022
	Baht	Baht
Timing of revenue recognition		
At a point in time	299,328	44,667
Over time	194,151,425	257,829,541
Total other operating income	194,450,753	257,874,208

33 Other expenses

	2023	2022
	Baht	Baht
Service fees to related companies (Note 26)	506,033,777	419,412,955
Brokerage commissions	7,803,843	8,948,315
Others	65,835,694	62,102,879
Total other expenses	579,673,314	490,464,149

34 (Reversal) expected credit losses

	2023 Baht	2022 Baht
Interbank and money market items	(188,894)	(188,894)
Loans	(11,908,681)	4,971,993
Investment in debt instrument measured at fair value through other comprehensive income	-	-
Loan commitments and financial guarantees	781,459	(588,425)
Total	(11,316,116)	4,194,674

35 Income tax expense

	2023 Baht	2022 Baht
Current income tax:		
Adjustments in respect of prior year	(8,350,403)	4,268,847
Current income tax on profits for the year	174,795,284	154,274,470
Total current income tax	166,444,881	158,543,317
Deferred income tax:		
Adjustments in respect of prior year	-	-
Origination and reversal of temporary differences (Note 18)	(37,602,483)	34,137,201
Total deferred income taxes	(37,602,483)	34,137,201
Total income tax expense	128,842,398	192,680,518

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:

	2023 Baht	2022 Baht
Profit before tax	506,841,282	865,618,338
Tax calculated at a tax rate of 20%	101,368,256	173,123,668
Adjustments in respect of prior year	(8,350,403)	4,268,847
Tax effect of:		
Expenses not deductible for tax purpose	35,824,545	15,288,003
Income tax charge	128,842,398	192,680,518

The weighted average applicable income tax rate was 25% (31 December 2022: 22%).

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.

	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
	2022			
	At fair value through profit or loss Baht	At fair value through other comprehensive income Baht	Amortised cost Baht	Total Baht
Financial assets				
Cash	-	-	595,421	595,421
Interbank and money market items, net	-	-	30,981,070,392	30,981,070,392
Account receivable from securities trading	-	-	4,959,007,892	4,959,007,892
Financial assets measured at fair value through profit or loss	11,192,558,466	-	-	11,192,558,466
Derivatives assets	44,240,530,257	-	-	44,240,530,257
Investments, net	-	24,428,668,856	-	24,428,668,856
Loans to customers and accrued interest receivables, net	-	-	2,890,128,210	2,890,128,210
Total financial assets	55,433,088,723	24,428,668,856	38,830,801,915	118,692,559,494
Financial liabilities				
Deposits	-	-	32,973,044,278	32,973,044,278
Interbank and money market items, net	-	-	5,995,240,846	5,995,240,846
Account payable from securities trading	-	-	3,367,753,320	3,367,753,320
Liabilities payable on demand	-	-	149,249,458	149,249,458
Financial liabilities measured at fair value through profit or loss	9,617,009,777	-	-	9,617,009,777
Derivatives liabilities	43,358,339,691	-	-	43,358,339,691
Lease liabilities	-	-	4,704,212	4,704,212
Total financial liabilities	52,975,349,468	-	42,489,992,114	95,465,341,582

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 2023 and 2022, the Bank has no reverse repurchase agreement and derivative agreement subject to master netting arrangements.

	2023					
	Effects of offsetting on the financial position			Related amounts not offset		
	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	-	-	
	2022					
	Effects of offsetting on the financial position			Related amounts not offset		
	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	21,058,827,940	-	21,058,827,940	-	(21,058,827,940)	
Total financial assets	21,058,827,940	-	21,058,827,940	-	(21,058,827,940)	
Financial liabilities						
Derivative liabilities	25,754,291	-	25,754,291	(27,700,000)	-	
Total financial liabilities	25,754,291	-	25,754,291	(27,700,000)	-	

* 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 2023 and 2022, concentrations of credit risk relative to the loans and receivables summarised by type of industry are as follows;

	2023	2022
	Baht	Baht
Manufacturing and commerce	1,242,035,743	1,936,563,943
Utilities and services	9,879,719	974,135,169
Total loans and receivables	1,251,915,462	2,910,699,112

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:

	2023	2022
	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	11,776,406,000	11,092,098,000
Investment in debt securities	24,670,000,000	24,470,000,000
	36,446,406,000	35,562,098,000

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 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	15,846,497,960	-	15,846,497,960	15,994,885,831

	31 December 2022			
	Gross carrying amount Baht	Expected credit losses Baht	Net carrying amount Baht	Fair value of collateral held Baht
Reverse repo	21,058,827,940	-	21,058,827,940	21,255,437,078
Total	21,058,827,940	-	21,058,827,940	21,255,437,078

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

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

Distribution of loans, advances and financing by credit quality

	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
<u>Less</u> Allowance for expected credit loss	(9,067,067)	-	-	(9,067,067)
Net carrying amount	1,243,583,773	-	-	1,243,583,773
	31 December 2022			Total Baht
	12-month ECL Baht	Lifetime ECL not credit- impaired Baht	Lifetime ECL credit- impaired Baht	
Neither past due nor impaired	2,911,103,958	-	-	2,911,103,958
Past due but not impaired	-	-	-	-
Impaired	-	-	-	-
Gross carrying amount	2,911,103,958	-	-	2,911,103,958
<u>Less</u> Allowance for expected credit loss	(20,975,748)	-	-	(20,975,748)
Net carrying amount	2,890,128,210	-	-	2,890,128,210

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

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 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	-	-	-	-
<u>Less: Expected credit losses</u>	<u>(188,894)</u>	-	-	<u>(188,894)</u>
	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

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

	31 December 2022			Total Baht
	12-month ECL Baht	Lifetime ECL not credit- impaired Baht	Lifetime ECL credit- impaired Baht	
Interbank asset items				
Sovereigns	9,431,384,651	-	-	9,431,384,651
AAA	114,078,225	-	-	114,078,225
AA- to AA+	449,747	-	-	449,747
A- to A+	21,435,535,557	-	-	21,435,535,557
Lower than A-	-	-	-	-
Unrated	-	-	-	-
<u>Less: Expected credit losses</u>	<u>(377,788)</u>	-	-	<u>(377,788)</u>
	<u>30,981,070,392</u>	-	-	<u>30,981,070,392</u>
Financial assets measured at fair value through profit or loss				
Sovereigns	11,192,558,466	-	-	11,192,558,466
AAA	-	-	-	-
AA- to AA+	-	-	-	-
A- to A+	-	-	-	-
Lower than A-	-	-	-	-
Unrated	-	-	-	-
	<u>11,192,558,466</u>	-	-	<u>11,192,558,466</u>
Investment in debt securities				
Sovereigns	24,428,668,856	-	-	24,428,668,856
AAA	-	-	-	-
AA- to AA+	-	-	-	-
A- to A+	-	-	-	-
Lower than A-	-	-	-	-
Unrated	-	-	-	-
	<u>24,428,668,856</u>	-	-	<u>24,428,668,856</u>
Derivative assets				
Sovereigns	140,215,401	-	-	140,215,401
AAA	441,825,429	-	-	441,825,429
AA- to AA+	25,369,151,503	-	-	25,369,151,503
A- to A+	5,921,747,895	-	-	5,921,747,895
Lower than A-	10,291,420,926	-	-	10,291,420,926
Unrated	2,076,169,103	-	-	2,076,169,103
	<u>44,240,530,257</u>	-	-	<u>44,240,530,257</u>

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 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
	31 December 2022			Total Baht
	12-month ECL Baht	Lifetime ECL not credit- impaired Baht	Lifetime ECL credit- impaired Baht	
Accounts receivable from securities trading	4,959,007,892	-	-	4,959,007,892
Total	4,959,007,892	-	-	4,959,007,892

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

(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 2023 and 2022, financial assets and liabilities classified by type of interest rate were as follows:

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
Demand liabilities	-	-	50	50
Lease liabilities	-	209	-	209
Total financial liabilities	2,599	30,927	3,878	37,404
Descriptions	2022			Total Million Baht
	Floating interest rate Million Baht	Fixed interest rate Million Baht	Non-interest bearing Million Baht	
Financial assets				
Cash	-	-	1	1
Interbank and money market items, net	115	21,058	9,808	30,981
Accounts receivable from securities trading	-	-	4,959	4,959
Financial assets measured at fair value through profit or loss	-	11,193	-	11,193
Investments, net	-	24,429	-	24,429
Loan to customers and accrued interest receivables from deferred revenue	1,582	1,329	-	2,911
Total financial assets	1,697	58,009	14,768	74,474
Financial liabilities				
Deposits	-	31,152	1,821	32,973
Interbank and money market items	4,195	1,800	-	5,995
Accounts payable from securities trading	-	-	3,368	3,368
Demand liabilities	-	-	149	149
Lease liabilities	-	5	-	5
Total financial liabilities	4,195	32,957	5,338	42,490

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

Transactions	2023							
	Repricing or maturity date					Non-Performing loans	Non-interest bearing	Total
	At call	0 - 3	3 - 12	1 - 5	Over 5			
Million Baht	months Baht	months Baht	years Baht	years 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
Demand liabilities	-	-	-	-	-	-	50	50
Lease liabilities	-	-	-	209	-	-	-	209
Total financial liabilities	31,517	1,800	-	209	-	-	3,878	37,404
Transactions	2022							
	Repricing or maturity date					Non-Performing loans	Non-interest bearing	Total
	At call	0 - 3	3 - 12	1 - 5	Over 5			
Million Baht	months Baht	months Baht	years Baht	years Baht	Million Baht	Million Baht	Million Baht	
Financial assets								
Cash	-	-	-	-	-	-	1	1
Interbank and money market items, net	115	21,058	-	-	-	-	9,808	30,981
Accounts receivable from securities trading	-	-	-	-	-	-	4,959	4,959
Financial assets measured at fair value through profit or loss	-	22	7,870	1,114	2,187	-	-	11,193
Investments, net	-	17,598	6,324	507	-	-	-	24,429
Loans to customers and accrued interest receivables net from deferred revenue	1,329	512	1,070	-	-	-	-	2,911
Total financial assets	1,444	39,190	15,264	1,621	2,187	-	14,768	74,474
Financial liabilities								
Deposits	31,152	-	-	-	-	-	1,821	32,973
Interbank and money market items	4,195	1,800	-	-	-	-	-	5,995
Accounts payable from securities trading	-	-	-	-	-	-	3,368	3,368
Demand liabilities	-	-	-	-	-	-	149	149
Lease liabilities	-	-	5	-	-	-	-	5
Total financial liabilities	35,347	1,800	5	-	-	-	5,338	42,490

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

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 2023 and 2022, can be summarised as follows:

	2023			2022		
	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	29,811	592	1.99	26,588	181	0.68
Investments, net	33,449	557	1.66	37,543	355	0.95
Loans to customers and accrued interest receivables	1,700	51	3.00	2,364	38	1.61
Total	64,960	1,200		66,495	574	
Performing financial liabilities						
Deposits	32,722	275	0.84	30,439	128	0.42
Interbank and money market items	4,413	39	0.88	4,399	12	0.27
Total	37,135	314		34,838	140	

* 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 2023 and 2022 as follow:

	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

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

	2022				
	Baht Million Baht	US Dollar Million Baht	Japanese Yen Million Baht	Others Million Baht	Total Million Baht
Cash	1	-	-	-	1
Interbank and money market items, net	30,865	-	-	116	30,981
Accounts receivable from securities trading	4,959	-	-	-	4,959
Financial assets measured at fair value through profit or loss	11,193	-	-	-	11,193
Financial derivative assets	12,638	29,873	698	1,032	44,241
Investments, net	24,429	-	-	-	24,429
Loans to customers and accrued interest receivables net from deferred revenue	2,902	9	-	-	2,911
Total assets	86,987	29,882	698	1,148	118,715
Deposits	29,513	3,344	1	115	32,973
Interbank and money market items	5,976	19	-	-	5,995
Accounts payable from securities trading	3,368	-	-	-	3,368
Demand liabilities	149	-	-	-	149
Financial liabilities designated at fair value through profit or loss	9,617	-	-	-	9,617
Financial derivative liabilities	10,680	20,503	8,463	3,712	43,358
Lease liabilities	5	-	-	-	5
Total liabilities	59,308	23,866	8,464	3,827	95,465
Net foreign currency position in the statement of financial position	27,679	6,016	(7,766)	(2,679)	23,250

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 2023, based on one-day time horizon at 99% confidence level, is Baht 40.63 million (2022 : Baht 46.46 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 2023 and 2022.

	2023						Total Million Baht
	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	
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

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

	2022						Total Million Baht
	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	
Cash	1	-	-	-	-	-	1
Interbank and money market items, net	9,923	21,058	-	-	-	-	30,981
Accounts receivable from securities trading	-	4,959	-	-	-	-	4,959
Financial assets measured at fair value through profit or loss	-	22	7,870	1,114	2,187	-	11,193
Financial derivative Assets	-	5,157	6,318	22,620	10,166	-	44,261
Investments, net	-	17,598	6,324	507	-	-	24,429
Loans to customers and accrued interest receivables net from deferred revenue	1,329	512	1,070	-	-	-	2,911
Total assets	11,253	49,306	21,582	24,241	12,353	-	118,735
Deposits	32,973	-	-	-	-	-	32,973
Interbank and money market items	4,195	1,800	-	-	-	-	5,995
Accounts payable from securities trading	-	3,368	-	-	-	-	3,368
Demand liabilities	149	-	-	-	-	-	149
Financial liabilities designated at fair value through profit or loss	-	621	47	1,657	7,292	-	9,617
Financial derivative liabilities	-	5,505	7,302	21,382	9,169	-	43,358
Lease liabilities	-	-	5	-	-	-	5
Total liabilities	37,317	11,294	7,354	23,039	16,461	-	95,465
Liquidity, net	(26,064)	38,012	14,228	1,202	(4,108)	-	23,270

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

	2023 Baht	2022 Baht
Short-term employee benefits	157,714,259	145,760,934
Post-employment benefits	7,278,649	7,680,604
Share based payment	18,922,534	13,196,382
Total	183,915,442	166,637,920

40 Commitment from lease agreement

As at 31 December 2023 and 2022, the Bank has payment obligations of service agreement as follows:

	2023 Baht	2022 Baht
Due within 1 year	20,157,542	3,667,234
Due more than 1 years but no later than 5 years	59,135,128	5,949,652
Due more than 5 years	42,073,344	-
Total	121,366,014	9,616,886

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).

	Book value Million Baht	2023 Fair value			Total Million Baht
		Level 1 Million Baht	Level 2 Million Baht	Level 3 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

JPMorgan Chase Bank, N.A. - Bangkok Branch
Notes to the Financial Statements
For the year ended 31 December 2023

	2022				Total Million Baht
	Book value Million Baht	Fair value			
	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht		
Assets					
Financial derivatives Assets	44,241	-	44,241	-	44,241
Financial assets measured at fair value through profit or loss	11,193	-	11,193	-	11,193
Investment, net	24,429	-	24,429	-	24,429
Total assets	79,863	-	79,863	-	79,863
Liabilities					
Financial liabilities designated at fair value through profit or loss	9,617	-	-	9,617	9,617
Financial derivatives liabilities	43,358	-	43,358	-	43,358
Total liabilities	52,975	-	43,358	9,617	52,975

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	
	2023 Million Baht	2022 Million Baht
As at 1 January	9,617	13,556
Total unrealised gains (losses) recognised in profit and loss	703	(1,405)
Settlement and redemption	(352)	(2,534)
As at 31 December	9,968	9,617

The ranges of unobservable inputs for interest rate correlation are (30%) - 50% (31 December 2022: (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 2023 and 2022 are as follows;

	2023				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
	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
	2022				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
Assets					
Cash	1	1	-	-	1
Interbank and money market items, net	30,981	9,923	21,058	-	30,981
Accounts receivable from securities trading	4,959	-	4,959	-	4,959
Loans to customers and accrued interest receivables, net	2,890	-	2,890	-	2,890
Total assets	38,831	9,924	28,907	-	38,831
Liabilities					
Deposits	32,973	-	32,973	-	32,973
Interbank and money market items	5,995	4,195	1,800	-	5,995
Accounts payable from securities trading	3,368	-	3,368	-	3,368
Liability payable on demand	149	-	149	-	149
Total liabilities	42,485	4,195	38,290	-	42,485

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