

**The Siam Commercial Bank Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month and nine-month periods ended
30 September 2016
and
Independent auditor's report
on review of interim financial information

Independent Auditor’s Report on Review of Interim Financial Information

To the Board of Directors of The Siam Commercial Bank Public Company Limited

I have reviewed the accompanying consolidated and the Bank’s statements of financial position of The Siam Commercial Bank Public Company Limited and its subsidiaries, and of The Siam Commercial Bank Public Company Limited, respectively, as at 30 September 2016; the consolidated and the Bank’s statements of profit or loss and other comprehensive income for three-month and nine-month periods ended 30 September 2016, changes in equity and cash flows for the nine-month period ended 30 September 2016 and condensed notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”.

(Winid Silamongkol)
Certified Public Accountant
Registration No. 3378

KPMG Phoomchai Audit Ltd.
Bangkok
8 November 2016

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Statement of financial position

Assets	Note	Consolidated		The Bank	
		30 September	31 December	30 September	31 December
		2016	2015	2016	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Cash		33,076,489	38,979,295	32,905,698	38,737,313
Interbank and money market items, net		261,008,530	260,942,972	248,094,069	246,492,375
Claims on security		504,992	4,545,098	504,992	4,545,098
Derivative assets		53,815,307	57,397,448	54,720,217	58,559,234
Investments, net	6	520,792,617	536,655,307	296,997,626	333,861,095
Investments in subsidiaries and associate, net	7	337,858	344,215	16,420,417	26,979,728
Loans to customers and accrued interest receivables, net	8				
Loans to customers		1,934,826,738	1,856,004,740	1,923,670,754	1,844,260,304
Accrued interest receivables		3,923,706	4,544,595	3,353,726	4,107,045
Total loans to customers and accrued interest receivables		1,938,750,444	1,860,549,335	1,927,024,480	1,848,367,349
Less deferred revenue		(22,957,184)	(22,598,424)	(22,957,184)	(22,598,424)
Less allowance for doubtful accounts	8.5	(78,889,106)	(64,422,766)	(78,154,931)	(63,186,848)
Less revaluation allowance for debt restructuring	9	(240,452)	(354,520)	(240,452)	(354,520)
Total loans to customers and accrued interest receivables, net		1,836,663,702	1,773,173,625	1,825,671,913	1,762,227,557
Customers' liabilities under acceptances		74,342	58,266	74,342	58,266
Properties for sale, net		11,321,614	10,558,081	11,319,609	10,553,526
Premises and equipment, net		39,463,345	39,987,650	38,239,388	38,713,417
Goodwill and other intangible assets, net		12,371,779	12,031,442	3,081,949	2,250,011
Assets pending transfer		6,619,648	2,268,037	6,702,305	2,352,923
Deferred tax assets		63,812	65,586	2,063	2,073
Other assets, net		30,254,432	37,302,153	21,591,221	32,093,243
Total assets		2,806,368,467	2,774,309,175	2,556,325,809	2,557,425,859

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Statement of financial position

	Note	Consolidated		The Bank	
		30 September 2016 (Unaudited)	31 December 2015	30 September 2016 (Unaudited)	31 December 2015
<i>(in thousand Baht)</i>					
Liabilities and equity					
Liabilities					
Deposits		1,887,289,921	1,890,728,922	1,882,678,282	1,884,903,678
Interbank and money market items		143,527,861	142,937,063	146,679,042	145,717,872
Liabilities payable on demand		10,810,445	8,484,207	10,809,799	8,480,486
Liabilities to deliver security		568,807	4,563,438	504,992	4,545,098
Derivative liabilities		53,796,967	59,587,955	53,758,200	59,498,470
Debt issued and borrowings		118,639,581	121,163,995	118,439,714	121,385,957
Bank's liabilities under acceptances		74,342	58,266	74,342	58,266
Provisions		7,374,666	7,227,782	7,042,700	6,876,481
Liabilities under insurance contracts	10	210,985,543	184,778,966	-	-
Liabilities pending transfer		12,628,720	11,544,516	12,579,869	11,479,413
Deferred tax liabilities		2,860,966	3,141,226	2,021,573	2,771,706
Other liabilities		32,054,300	32,399,805	24,171,423	25,802,975
Total liabilities		2,480,612,119	2,466,616,141	2,258,759,936	2,271,520,402
Equity					
Share capital					
Authorised share capital					
3,583,825,728 preference shares of Baht 10 each		35,838,257	35,839,655	35,838,257	35,839,655
3,416,174,272 ordinary shares of Baht 10 each		34,161,743	34,160,345	34,161,743	34,160,345
Issued and paid-up share capital					
3,942,618 preference shares of Baht 10 each		39,426	47,033	39,426	47,033
3,395,249,580 ordinary shares of Baht 10 each		33,952,496	33,944,889	33,952,496	33,944,889
Premium on share capital					
Premium on preference shares		15,417	18,392	15,417	18,392
Premium on ordinary shares		11,108,774	11,105,799	11,108,774	11,105,799
Other reserves		19,559,114	17,926,079	18,667,556	18,783,380
Retained earnings					
Appropriated					
Legal reserve		7,000,000	7,000,000	7,000,000	7,000,000
Unappropriated		253,845,626	237,420,539	226,782,204	215,005,964
Total shareholders' equity		325,520,853	307,462,731	297,565,873	285,905,457
Non-controlling interests		235,495	230,303	-	-
Total equity		325,756,348	307,693,034	297,565,873	285,905,457
Total liabilities and equity		2,806,368,467	2,774,309,175	2,556,325,809	2,557,425,859

(Mr. Arthid Nanthawithaya)
President and Chief Executive Officer

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Statement of profit or loss and other comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		The Bank	
		Three month period ended□		Three month period ended□	
		30 September		30 September	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Interest income		30,421,886	29,910,619	28,332,835	28,015,181
Interest expense		8,207,446	9,840,173	8,198,728	9,843,419
Net interest income		22,214,440	20,070,446	20,134,107	18,171,762
Fees and service income		9,115,586	8,179,045	9,525,797	8,882,259
Fees and service expense		1,493,611	1,401,832	1,201,397	1,194,312
Net fees and service income		7,621,975	6,777,213	8,324,400	7,687,947
Net trading income		1,719,900	1,576,166	1,666,967	2,132,997
Net gain on investments		1,072,907	8,294,159	268,183	8,240,080
Share of loss of investment in associate		(2,898)	(28,076)	-	-
Dividend income		283,442	405,503	520,876	650,507
Net earned insurance premiums		13,203,042	13,865,302	-	-
Other operating income		100,934	97,325	22,528	11,931
Total operating income		46,213,742	51,058,038	30,937,061	36,895,224
Net insurance claims		12,024,528	11,806,180	-	-
Net operating income		34,189,214	39,251,858	30,937,061	36,895,224
Other operating expenses					
Staff costs		6,303,141	5,688,061	5,590,102	4,947,847
Directors' remuneration		26,648	25,465	24,888	22,470
Premises and equipment expenses		2,667,139	2,513,919	2,470,989	2,303,957
Taxes and duties		1,084,240	1,043,164	1,012,638	990,375
Others		2,673,818	2,604,038	3,227,908	3,024,637
Total operating expenses		12,754,986	11,874,647	12,326,525	11,289,286
Impairment loss on loans and debt securities		7,011,657	16,002,119	7,010,000	15,998,351
Profit before tax		14,422,571	11,375,092	11,600,536	9,607,587
Income tax expense	18	2,872,270	2,342,427	2,215,884	1,789,842
Net profit		11,550,301	9,032,665	9,384,652	7,817,745

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Statement of profit or loss and other comprehensive income (Unaudited)

	<i>Note</i>	Consolidated		The Bank	
		Three month period ended□		Three month period ended□	
		30 September		30 September	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
Other comprehensive income (loss)					
<i>Items that are or may be reclassified to profit or loss</i>					
Loss on remeasuring available-for-sale investments		(1,271,704)	(8,284,334)	(396,952)	(8,139,183)
Foreign currency translation differences for foreign operations		(27,288)	136,922	-	-
Share of other comprehensive income of investment in associate		-	43,362	-	-
Change in hedge reserve		(106,886)	(703,493)	-	-
Income tax on other comprehensive income (loss)		275,718	1,922,725	79,391	1,627,837
		<u>(1,130,160)</u>	<u>(6,884,818)</u>	<u>(317,561)</u>	<u>(6,511,346)</u>
<i>Items that will not be reclassified to profit or loss</i>					
Change in revaluation surplus		-	(8,081)	-	(8,081)
Income tax on other comprehensive income (loss)		-	1,616	-	1,616
		<u>-</u>	<u>(6,465)</u>	<u>-</u>	<u>(6,465)</u>
Total other comprehensive loss, net of income tax		<u>(1,130,160)</u>	<u>(6,891,283)</u>	<u>(317,561)</u>	<u>(6,517,811)</u>
Total comprehensive income		<u>10,420,141</u>	<u>2,141,382</u>	<u>9,067,091</u>	<u>1,299,934</u>
Net profit attributable to					
Shareholders of the parent company		11,532,896	9,018,129	9,384,652	7,817,745
Non-controlling interests		17,405	14,536	-	-
Total comprehensive income attributable to					
Shareholders of the parent company		10,409,248	2,136,633	9,067,091	1,299,934
Non-controlling interests		10,893	4,749	-	-
Earnings per share of the parent company					
Basic earnings per share (<i>in Baht</i>)	19	<u>3.40</u>	<u>2.65</u>	<u>2.76</u>	<u>2.30</u>

.....
(Mr. Arthid Nanthawithaya)
President and Chief Executive Officer

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Statement of profit or loss and other comprehensive income (Unaudited)

	Consolidated		The Bank	
	Nine month period ended□		Nine month period ended□	
	30 September		30 September	
<i>Note</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Interest income	91,112,052	91,987,627	85,006,310	86,497,734
Interest expense	25,466,594	30,571,617	25,450,182	30,591,285
Net interest income	65,645,458	61,416,010	59,556,128	55,906,449
Fees and service income	25,796,594	24,459,808	27,767,724	27,203,770
Fees and service expense	4,520,139	4,237,124	3,721,296	3,627,979
Net fees and service income	21,276,455	20,222,684	24,046,428	23,575,791
Net trading income	4,778,325	6,332,168	4,746,321	6,244,137
Net gain on investments	2,439,080	8,833,258	1,263,143	8,427,029
Share of loss of investment in associate	(6,358)	(78,905)	-	-
Dividend income	959,943	1,175,018	3,043,033	3,904,925
Net earned insurance premiums	42,267,842	42,335,951	-	-
Other operating income	341,083	587,277	73,720	47,677
Total operating income	137,701,828	140,823,461	92,728,773	98,106,008
Net insurance claims	36,968,668	35,852,177	-	-
Net operating income	100,733,160	104,971,284	92,728,773	98,106,008
Other operating expenses				
Staff costs	18,354,932	16,716,400	16,198,402	14,624,093
Directors' remuneration	71,517	71,808	66,042	66,683
Premises and equipment expenses	7,830,175	7,508,959	7,256,173	6,895,466
Taxes and duties	3,209,183	3,184,495	3,013,123	3,022,757
Others	7,338,527	8,574,245	8,824,942	9,758,740
Total operating expenses	36,804,334	36,055,907	35,358,682	34,367,739
Impairment loss on loans and debt securities	20,533,977	24,733,697	20,530,000	24,738,542
Profit before tax	43,394,849	44,181,680	36,840,091	38,999,727
Income tax expense	18	8,447,726	8,751,373	6,589,905
Net profit		34,947,123	35,430,307	30,250,186
				31,889,237

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Statement of profit or loss and other comprehensive income (Unaudited)

	Consolidated		The Bank	
	Nine month period ended□		Nine month period ended□	
	30 September		30 September	
<i>Note</i>	2016	2015	2016	2015
<i>(in thousand Baht)</i>				
Other comprehensive income (loss)				
<i>Items that are or may be reclassified to profit or loss</i>				
Gain (loss) on remeasuring available-for-sale investments	2,838,375	(7,799,152)	185,288	(6,531,496)
Foreign currency translation differences for foreign operations	(88,349)	163,594	-	-
Share of other comprehensive (loss) income of investment in associate	(22,820)	55,408	-	-
Change in hedge reserve	(309,336)	(443,676)	3	-
Income tax on other comprehensive income (loss)	(503,013)	1,632,102	(37,058)	1,283,968
	<u>1,914,857</u>	<u>(6,391,724)</u>	<u>148,233</u>	<u>(5,247,528)</u>
<i>Items that will not be reclassified to profit or loss</i>				
Change in revaluation surplus	(53,058)	(8,081)	(53,058)	(8,081)
Income tax on other comprehensive income (loss)	10,612	1,616	10,612	1,616
	<u>(42,446)</u>	<u>(6,465)</u>	<u>(42,446)</u>	<u>(6,465)</u>
Total other comprehensive income (loss), net of income tax	<u>1,872,411</u>	<u>(6,398,189)</u>	<u>105,787</u>	<u>(5,253,993)</u>
Total comprehensive income	<u>36,819,534</u>	<u>29,032,118</u>	<u>30,355,973</u>	<u>26,635,244</u>
Net profit attributable to				
Shareholders of the parent company	34,896,704	35,387,527	30,250,186	31,889,237
Non-controlling interests	50,419	42,780	-	-
Total comprehensive income attributable to				
Shareholders of the parent company	36,753,679	28,973,635	30,355,973	26,635,244
Non-controlling interests	65,855	58,483	-	-
Earnings per share of the parent company				
Basic earnings per share (<i>in Baht</i>)	<i>19</i>	<u>10.27</u>	<u>10.41</u>	<u>8.90</u>
		<u>9.38</u>		

.....
(Mr. Arthid Nanthawithaya)
President and Chief Executive Officer

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Note	Consolidated														Total
		Issued and paid-up share capital		Premium on share capital		Gain on re-measuring available-for-sale investments	Foreign currency translation differences	Other reserves			Total other reserves	Retained earnings		Total shareholders' equity	Non-controlling interests	
		Preference shares	Ordinary shares	Preference shares	Ordinary shares			Share of other comprehensive loss of investment in associate	Change in hedge reserve	Change in revaluation surplus		Legal reserve	Unappropriated			
						<i>(in thousand Baht)</i>										
Nine month period ended 30 September 2016																
Balance at 1 January 2016		47,033	33,944,889	18,392	11,105,799	3,279,867	(102,523)	(2,341,459)	149,046	16,941,148	17,926,079	7,000,000	237,420,539	307,462,731	230,303	307,693,034
Dividend paid	11	-	-	-	-	-	-	-	-	-	-	-	(18,695,557)	(18,695,557)	(8,883)	(18,704,440)
Conversion of preference shares to ordinary shares		(7,607)	7,607	(2,975)	2,975	-	-	-	-	-	-	-	-	-	-	-
Disposal of non-controlling interests with a change in control		-	-	-	-	-	-	-	-	-	-	-	-	-	(51,780)	(51,780)
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	34,896,704	34,896,704	50,419	34,947,123
Other comprehensive income (loss)		-	-	-	-	2,256,007	(88,349)	(22,820)	(245,417)	(42,446)	1,856,975	-	-	1,856,975	15,436	1,872,411
Total comprehensive income (loss) for the period		-	-	-	-	2,256,007	(88,349)	(22,820)	(245,417)	(42,446)	1,856,975	-	34,896,704	36,753,679	65,855	36,819,534
Transfer to retained earnings		-	-	-	-	-	-	-	-	(223,940)	(223,940)	-	223,940	-	-	-
Balance at 30 September 2016		39,426	33,952,496	15,417	11,108,774	5,535,874	(190,872)	(2,364,279)	(96,371)	16,674,762	19,559,114	7,000,000	253,845,626	325,520,853	235,495	325,756,348

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		Consolidated																				
		Issued and paid-up share capital		Premium on share capital		Gain (loss) on remeasuring available-for-sale investments		Foreign currency translation differences		Share of other comprehensive (loss) income of investment in associate		Change in revaluation surplus		Total other reserves		Retained earnings		Total shareholders' equity		Non- controlling interests		Total
<i>Note</i>		Preference shares	Ordinary shares	Preference shares	Ordinary shares	<i>(in thousand Baht)</i>										Legal reserve	Unappropriated	equity	interests			
Nine month period ended 30 September 2015																						
Balance at 1 January 2015		48,802	33,943,120	19,084	11,105,107	9,598,653	(267,916)	(69,062)	145,469	12,507,773	21,914,917	7,000,000	210,910,085	284,941,115	965,585			285,906,700				
Dividend paid		-	-	-	-	-	-	-	-	-	-	-	(20,395,153)	(20,395,153)	(15,826)			(20,410,979)				
Conversion of preference shares to ordinary shares		(1,269)	1,269	(496)	496	-	-	-	-	-	-	-	-	-	-			-				
Acquisitions of non-controlling interests without a change in control		-	-	-	-	125,989	-	(2,325,977)	3,319	243	(2,196,426)	-	(74)	(2,196,500)	(795,732)			(2,992,232)				
Profit for the period		-	-	-	-	-	-	-	-	-	-	-	35,387,527	35,387,527	42,780			35,430,307				
Other comprehensive income (loss)		-	-	-	-	(6,278,042)	163,594	55,408	(348,387)	(6,465)	(6,413,892)	-	-	(6,413,892)	15,703			(6,398,189)				
Total comprehensive income (loss) for the period		-	-	-	-	(6,278,042)	163,594	55,408	(348,387)	(6,465)	(6,413,892)	-	35,387,527	28,973,635	58,483			29,032,118				
Transfer to retained earnings		-	-	-	-	-	-	-	-	(168,873)	(168,873)	-	168,873	-	-			-				
Balance at 30 September 2015		47,533	33,944,389	18,588	11,105,603	3,446,600	(104,322)	(2,339,631)	(199,599)	12,332,678	13,135,726	7,000,000	226,071,258	291,323,097	212,510			291,535,607				

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	<i>Note</i>	The Bank										
		Issued and		Premium on		Gain on			Other reserves			
		paid-up share capital		share capital		remeasuring available-for-sale investments	Change in hedge reserve	Change in revaluation surplus	Total other reserves	Retained earnings		Total
		Preference shares	Ordinary shares	Preference shares	Ordinary shares					Legal reserve	Unappropriated	
<i>(in thousand Baht)</i>												
Nine month period ended 30 September 2016												
Balance at 1 January 2016		47,033	33,944,889	18,392	11,105,799	2,422,935	-	16,360,445	18,783,380	7,000,000	215,005,964	285,905,457
Dividend paid	<i>11</i>	-	-	-	-	-	-	-	-	-	(18,695,557)	(18,695,557)
Conversion of preference shares to ordinary shares		(7,607)	7,607	(2,975)	2,975	-	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	-	-	-	-	30,250,186	30,250,186
Other comprehensive income (loss)		-	-	-	-	148,231	2	(42,446)	105,787	-	-	105,787
Total comprehensive income (loss) for the period		-	-	-	-	148,231	2	(42,446)	105,787	-	30,250,186	30,355,973
Transfer to retained earnings		-	-	-	-	-	-	(221,611)	(221,611)	-	221,611	-
Balance at 30 September 2016		39,426	33,952,496	15,417	11,108,774	2,571,166	2	16,096,388	18,667,556	7,000,000	226,782,204	297,565,873

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	The Bank									
					Other reserves					
	Issued and paid-up share capital		Premium on share capital		Gain (loss) on remeasuring	Change in revaluation	Total	Retained earnings		
	Preference shares	Ordinary shares	Preference shares	Ordinary shares	available-for-sale investments	surplus	other reserves	Legal reserve	Unappropriated	Total
	<i>(in thousand Baht)</i>									
Nine month period ended 30 September 2015										
Balance at 1 January 2015	48,802	33,943,120	19,084	11,105,107	7,461,906	11,999,507	19,461,413	7,000,000	194,313,666	265,891,192
Dividend paid	-	-	-	-	-	-	-	-	(20,395,153)	(20,395,153)
Conversion of preference shares to ordinary shares	(1,269)	1,269	(496)	496	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	-	31,889,237	31,889,237
Other comprehensive income (loss)	-	-	-	-	(5,247,528)	(6,465)	(5,253,993)	-	-	(5,253,993)
Total comprehensive income (loss) for the period	-	-	-	-	(5,247,528)	(6,465)	(5,253,993)	-	31,889,237	26,635,244
Transfer to retained earnings	-	-	-	-	-	(166,168)	(166,168)	-	166,168	-
Balance at 30 September 2015	47,533	33,944,389	18,588	11,105,603	2,214,378	11,826,874	14,041,252	7,000,000	205,973,918	272,131,283

(Mr. Arthid Nanthawithaya)

President and Chief Executive Officer

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Consolidated		The Bank	
	Nine month period ended □		Nine month period ended □	
	30 September		30 September	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash flows from operating activities				
Profit before tax	43,394,849	44,181,680	36,840,091	38,999,727
<i>Adjustments for</i>				
Depreciation and amortisation	2,030,856	2,056,887	1,894,989	1,920,453
Impairment loss on loans and debt securities	22,004,220	26,193,718	22,000,242	26,166,530
Loss (reversal) on impairment of properties for sale	70,460	(333,378)	70,460	(333,378)
Loss on impairment of premises and equipment	-	74,044	-	74,044
Gain on sales of premises and equipment	(153,807)	(22,131)	(140,854)	(16,233)
Net trading income	(4,778,325)	(6,332,168)	(4,746,321)	(6,244,137)
Net gain on investments	(2,439,080)	(8,833,258)	(1,263,143)	(8,427,029)
Share of loss of investment in associate	6,358	78,905	-	-
	60,135,531	57,064,299	54,655,464	52,139,977
Net interest income	(65,645,458)	(61,416,010)	(59,556,128)	(55,906,449)
Dividend income	(959,943)	(1,175,018)	(3,043,033)	(3,904,925)
Proceeds from interest	91,214,204	91,526,888	85,532,388	86,419,232
Interest paid	(27,797,011)	(30,564,741)	(27,785,886)	(30,562,754)
Proceeds from dividend	954,585	1,178,449	3,036,514	3,904,516
Income tax paid	(11,772,713)	(11,207,722)	(9,696,781)	(9,324,887)
Income from operations before changes in operating assets and liabilities	46,129,195	45,406,145	43,142,538	42,764,710
<i>(Increase) decrease in operating assets</i>				
Interbank and money market items	31,737	(6,191,919)	(1,550,438)	(6,476,995)
Claims on security	4,040,106	1,008,939	4,040,106	1,008,939
Derivative assets	3,316,383	(22,011,622)	3,834,959	(23,656,603)
Investment in securities for trading	(16,027,038)	(3,627,482)	(14,738,114)	(3,730,694)
Loans to customers	(93,243,318)	(66,914,854)	(93,326,050)	(65,069,665)
Properties for sale	6,233,159	6,698,791	6,230,609	6,693,713
Other assets	3,211,563	(17,478,121)	8,353,111	(15,417,648)
<i>Increase (decrease) in operating liabilities</i>				
Deposits	(3,439,001)	32,624,242	(2,225,396)	33,054,204
Interbank and money market items	590,798	(49,925,801)	961,170	(50,425,769)
Liabilities payable on demand	2,326,238	2,891,860	2,329,313	2,891,881
Liabilities to deliver security	(3,994,631)	(998,413)	(4,040,106)	(1,008,939)
Derivative liabilities	(5,373,177)	38,937,311	(5,936,888)	38,717,939
Short-term debt issued and borrowings	732,178	(204,832)	310,348	(72,388)
Liabilities under insurance contracts	26,206,577	27,260,601	-	-
Other liabilities	5,819,920	2,958,620	4,340,297	1,662,565
Net cash used in operating activities	(23,439,311)	(9,566,535)	(48,274,541)	(39,064,750)

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Statement of cash flows (Unaudited)

	Consolidated		The Bank	
	Nine month period ended □		Nine month period ended □	
	30 September		30 September	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
Cash flows from investing activities				
Purchases of available-for-sale securities	(384,079,910)	(285,989,732)	(294,724,569)	(222,354,840)
Proceeds from sales of available-for-sale securities	412,212,796	308,708,771	349,675,193	272,656,239
Purchases of held-to-maturity securities	(8,801,641)	(17,086,586)	(280,400)	-
Proceeds from redemption of held-to-maturity securities	19,450,545	16,629,939	1,003,200	1,167,695
Purchases of general securities	(753,507)	(2,091)	(753,507)	(2,091)
Proceeds from sales of general securities	13,791	-	13,791	-
Purchases of investments in subsidiaries and/or associate	-	(262,462)	(100,000)	(3,610,761)
Proceeds from decrease in capital of subsidiary	-	-	8,442,471	202,601
Purchases of premises and equipment	(1,241,675)	(940,682)	(1,198,606)	(830,631)
Proceeds from sales of premises and equipment	271,747	121,344	232,916	91,543
Purchases of intangible assets	(742,852)	(441,453)	(1,172,006)	(369,198)
Net cash from investing activities	36,329,294	20,737,048	61,138,483	46,950,557
Cash flows from financing activities				
Acquisitions of non-controlling interests	-	(3,506,085)	-	-
Dividend paid to equity holders of the Bank	(18,695,557)	(20,395,153)	(18,695,557)	(20,395,153)
Dividend paid to non-controlling interests	(8,883)	(15,826)	-	-
Net cash used in financing activities	(18,704,440)	(23,917,064)	(18,695,557)	(20,395,153)
Foreign currency translation differences for foreign operations	(88,349)	163,594	-	-
Net decrease in cash	(5,902,806)	(12,582,957)	(5,831,615)	(12,509,346)
Cash at 1 January	38,979,295	42,131,800	38,737,313	41,922,318
Cash at 30 September	33,076,489	29,548,843	32,905,698	29,412,972
Supplementary disclosures of cash flow information				
Significant non-cash items were as follows:				
Gain (loss) on remeasuring available-for-sale investments	2,838,375	(7,799,152)	185,288	(6,531,496)
Foreign currency translation differences for foreign operations	(88,349)	163,594	-	-
Share of other comprehensive (loss) income of investment in associate	(22,820)	55,408	-	-
Change in hedge reserve	(309,336)	(443,676)	3	-
Change in revaluation surplus	(53,058)	(8,081)	(53,058)	(8,081)
Properties for sale from loan payment	7,067,152	6,822,710	7,067,152	6,822,710

(Mr. Arthid Nanthawithaya)
President and Chief Executive Officer

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

Note	Contents	Pages
1	General information	15
2	Basis of preparation of the interim financial statements	15
3	Adoption of TFRS 4 (revised 2015) - Insurance contracts	16
4	Fair value of assets and liabilities	17
5	Maintenance of capital fund	21
6	Investments, net	23
7	Investments in subsidiaries and associate, net	25
8	Loans to customers and accrued interest receivables, net	27
9	Troubled debt restructuring	33
10	Liabilities under insurance contracts	35
11	Dividends	35
12	Assets pledged as collateral and under restriction	35
13	Contingencies	36
14	Related parties	36
15	Key management personnel compensation	38
16	Operating segments	39
17	The financial position and results of operations classified by domestic and foreign business	41
18	Income tax expense	43
19	Basic earnings per share	43
20	Events after the reporting period	43
21	Thai Financial Reporting Standards (TFRS) not yet adopted	44

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from and are consistent with the Thai language statutory financial statements, and both the English and Thai language financial statements were approved and authorised for issue by the directors on 8 November 2016.

1 General information

The Siam Commercial Bank Public Company Limited, the “Bank”, is incorporated in Thailand and has its registered office at 9 Rutchadapisek Road, Jatujak, Bangkok.

The Bank was established by Royal Charter on 30 January 1906 and was listed on the Stock Exchange of Thailand on 6 February 1976.

The principal business of the Bank is the provision of financial products and services through its Head Office and branch network in Thailand, its branches in Singapore, Hong Kong, Laos, Vietnam, and Cayman Islands and its subsidiaries in Thailand and Cambodia. The Bank also has a sizeable investment in its life insurance subsidiary. Details of the Bank’s subsidiaries as at 30 September 2016 and 31 December 2015 are given in note 7.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2015) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission; and presented as prescribed by the Bank of Thailand (BoT) notification number Sor Nor Sor 21/2558, directive dated 4 December 2015, regarding “The preparation and announcement of the financial statements of commercial banks and holding companies which are the parent company of a group of companies offering financial services”.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2015 and for the six-month period ended 30 June 2016. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank and its subsidiaries for the year ended 31 December 2015 and for the six-month period ended 30 June 2016.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2015 except that the Bank and its subsidiaries have adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2016. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Bank and its subsidiaries except as disclosed in note 3.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2017 and have not been adopted in the preparation of these interim financial statements. Those new and revised TFRS that are relevant to the Bank and its subsidiaries’ operations are disclosed in note 21.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

(b) Functional and presentation currency

The interim financial statements are presented in Thai Baht, which is the Bank and its subsidiaries' functional currency. All financial information presented in Thai Baht has been rounded in the notes to the interim financial statements to the nearest million unless otherwise stated.

(c) Use of judgments and estimates

The preparation of interim financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgments made by management in applying the Bank and its subsidiaries' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2015.

(d) Basis of preparation of the consolidated financial statements

The consolidated financial statements include the accounts of the Head Office, all domestic and overseas branches and the Bank's subsidiaries. All inter-company transactions and balances within this Group have been eliminated.

3 Adoption of TFRS 4 (revised 2015) - Insurance contracts

From 1 January 2016, the Bank's subsidiary in life insurance business (SCB Life Assurance PCL) has adopted TFRS 4 (revised 2015) *Insurance Contracts* ("TFRS 4") which applies to all insurance contracts (including reinsurance contracts) that the subsidiary issues and to reinsurance contracts that it holds only, except for specified contracts covered by other TFRSs. The definition of insurance contracts is a contract that the subsidiary accepts significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

This TFRS exempts the subsidiary temporarily from some requirements of other TFRSs, including the requirement to consider the *Conceptual Framework for Financial Reporting* (revised 2015) in selecting accounting policies for insurance contracts. However, the TFRS has limitations as follows;

- a) prohibits provisions for possible claims under contracts that are not in existence at the end of the reporting period (such as catastrophe and equalisation provisions).
- b) requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets.
- c) requires an insurer to keep insurance liabilities in its statement of financial position until they are discharged or cancelled, or expire, and to present insurance liabilities without offsetting against related reinsurance assets.

Management has determined that all significant insurance products issued by the subsidiary fall within the definition of 'Insurance Contracts' in TFRS 4, and that the subsidiary's existing accounting policies are in compliance with that standard. TFRS 4 requires certain disclosures in relation to Insurance Contracts and provides transitional relief from new disclosure of certain comparative information.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

4 Fair value of assets and liabilities

The Bank and its subsidiaries have an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including level 3 fair values, and reports through to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Bank and its subsidiaries Audit Committee.

When measuring the fair value of an asset or a liability, the Bank and its subsidiaries use market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Bank and its subsidiaries recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between level of the fair value hierarchy during the nine-month period ended 30 September 2016.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

4.1 Financial instruments carried at fair value

The fair value of financial instruments carried at fair value in the consolidated and the Bank statement of financial position were as follows:

	Consolidated				The Bank			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	<i>(in million Baht)</i>							
30 September 2016								
Financial assets								
Derivative assets	-	53,425	90	53,515	-	54,095	325	54,420
- Foreign exchange rate	-	30,242	-	30,242	-	30,914	-	30,914
- Interest rate	-	23,181	-	23,181	-	23,181	-	23,181
- Others	-	2	90	92	-	-	325	325
Trading securities	1,897	35,321	-	37,218	-	35,308	-	35,308
Available-for-sale securities	23,853	336,623	-	360,476	7,970	239,755	-	247,725
Financial liabilities								
Derivative liabilities	63	52,464	195	52,722	-	52,421	262	52,683
- Foreign exchange rate	-	29,360	-	29,360	-	29,318	-	29,318
- Interest rate	-	23,103	-	23,103	-	23,103	-	23,103
- Others	63	1	195	259	-	-	262	262

	Consolidated				The Bank			
	Fair value				Fair value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	<i>(in million Baht)</i>							
31 December 2015								
Financial assets								
Derivative assets	-	56,508	38	56,546	-	57,674	34	57,708
- Foreign exchange rate	-	37,703	-	37,703	-	38,869	-	38,869
- Interest rate	-	18,805	-	18,805	-	18,805	-	18,805
- Others	-	-	38	38	-	-	34	34
Trading securities	294	20,821	-	21,115	-	20,808	-	20,808
Available-for-sale securities	21,321	360,879	-	382,200	8,126	290,975	-	299,101
Financial liabilities								
Derivative liabilities	5	58,932	-	58,937	-	58,813	34	58,847
- Foreign exchange rate	-	42,423	-	42,423	-	42,315	-	42,315
- Interest rate	-	16,498	-	16,498	-	16,498	-	16,498
- Others	5	11	-	16	-	-	34	34

The Bank and its subsidiaries determine Level 2 fair values for debt securities using quoted market prices for identical or similar instruments in inactive markets or other inputs that are observable market data.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Bank and its subsidiaries and counterparty when appropriate.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

Level 3 fair values for simple over-the-counter derivative financial instruments are calculated based on Black-Scholes model. Assumptions and factors are adjusted according to the Bank and its subsidiaries' policy. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Bank and its subsidiaries and counterparty when appropriate.

4.2 Financial instruments not carried at fair value

Fair value hierarchy of financial instruments which are not measured at fair value and for which there is a significant difference with carrying amount as at 30 September 2016 and 31 December 2015 were as follows:

	Consolidated		The Bank	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>(in million Baht)</i>				
30 September 2016				
Financial assets				
Derivative assets	300	1,020	300	1,020
Held-to-maturity securities	122,070	140,224	12,941	14,381
Financial liabilities				
Deposits	1,887,290	1,887,341	1,882,678	1,882,729
Derivative liabilities	1,075	1,101	1,075	1,101

	Consolidated		The Bank	
	Carrying amount	Fair value	Carrying amount	Fair value
<i>(in million Baht)</i>				
31 December 2015				
Financial assets				
Derivative assets	851	1,662	851	1,662
Held-to-maturity securities	133,064	147,144	13,682	15,046
Financial liabilities				
Deposits	1,890,729	1,891,037	1,884,904	1,885,211
Derivative liabilities	651	877	651	877

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

The following methods and assumptions are used by the Bank in estimating fair market values of financial instruments as disclosed herein:

Interbank and money market items (Assets):	Fair value calculated based on present value of estimated cash flows, using the current interest rate in the money market.
Derivatives:	The fair values of derivatives are obtained from quoted market prices in active markets. Fair values of derivatives in an illiquid market are obtained using an average price (quoted from several reliable sources), valuation technique and a benchmark price of instruments which have similar characteristics, as appropriate.
Investments:	<p>The following methodologies are used to determine the fair value of securities held by the Bank.</p> <ul style="list-style-type: none"> - The fair value of debt securities is estimated based on the Thai Bond Market Association's last average bid price. In situations where no auction prices are available, the fair value is estimated based on the last executed price. For debt securities with no active market price, the fair value is estimated based on the yield curve of debt securities plus a risk premium. - The bidding prices at The Stock Exchange of Thailand on the last business day of the period are used to estimate the fair value of listed private sector equity securities. - The fair value of unit trusts is estimated based on the net asset value at the reporting date. - The fair value of foreign debt and equity securities listed on foreign stock exchanges is estimated by using the bid prices at such exchanges as of the last business day of the period. The fair value of non-listed foreign debt and equity securities is determined based on values quoted by reliable international financial institutions.
Loans to customers and accrued interest receivables:	<ul style="list-style-type: none"> - For variable-rate loans that are repriced frequently and have no significant change in credit risk, fair values are based on carrying amount. - Fair values of other loans are estimated using discounted cash flow analyses, using market interest rates or the fair value of collateral. There is no significant difference with the carrying amount.
Deposits and interbank and money market items (Liabilities):	<ul style="list-style-type: none"> - The carrying amount disclosed for deposits which are payable on demand by the depositor, are equal to the fair value of such deposits. - Fair values for fixed-deposits are estimated using a discounted cash flow calculation that applies interest rates currently being offered on similar deposits. - The carrying amount of interbank and money market items approximates their fair value.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

Liabilities payable on demand: The carrying amount of liabilities payable on demand approximates fair value.

Debt issued and borrowings: - The carrying amounts of short-term borrowings maturing within 90 days approximate their fair values.
- Fair values of other borrowings are estimated using discounted cash flow analyses based on the Bank's current borrowing rates for similar types of borrowing arrangements.

5 Maintenance of capital fund

The Bank and its subsidiaries, which are financial institutions, are subject to various capital and regulatory requirements of the Bank of Thailand. Under these capital adequacy guidelines and the regulatory framework for prompt corrective action, the Bank and its subsidiaries must satisfy specific capital guidelines that involve, among others, quantitative measures of the Bank's and its subsidiaries' assets, liabilities and certain off-financial reporting items as calculated in accordance with regulatory practices. The Bank's and its subsidiaries' capital amounts and classifications are also subject to qualitative judgments by the Bank of Thailand as to components, risk weightings, and other factors. These capital and regulatory requirements are subject to change, as considered necessary by the Bank of Thailand.

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. As announced by the BoT in its circulars dated 8 November 2012 and 17 December 2012, the Bank is required to calculate its Capital Fund in accordance with Basel III. As at 30 September 2016 and 31 December 2015, the Consolidated Supervision group and the Bank's total capital funds can be categorised as follows:

	Basel III Consolidated Supervision	
	30 September 2016	31 December 2015
	<i>(in million Baht)</i>	
Tier 1 capital		
Common Equity Tier 1 (CET1)		
Issued and paid-up share capital	33,992	33,992
Premium on share capital	11,124	11,124
Legal reserve	7,000	7,000
Net gain after appropriations	236,110	210,378
Disclosed reserves		
Other comprehensive income	19,272	12,069
Other owner changes items	(2,364)	(2,342)
Capital deduction items on CET1	(7,300)	(6,730)
Total Tier 1 capital	<u>297,834</u>	<u>265,491</u>
Tier 2 capital		
Subordinated debt	36,000	40,000
Allowance for classified assets of "normal" category	21,490	19,140
Total Tier 2 capital	<u>57,490</u>	<u>59,140</u>
Total capital funds	<u>355,324</u>	<u>324,631</u>
Total risk weighted assets	1,987,426	1,880,484

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

		Basel III	
		Consolidated Supervision	
		30 September	31 December
		2016	2015
		<i>(in million Baht)</i>	
Total capital / Total risk weighted assets	(minimum 9.125%*)	17.9%	17.3%
Total Tier 1 capital / Total risk weighted assets	(minimum 6.625%*)	15.0%	14.1%
Total Tier 1 common equity / Total risk weighted assets	(minimum 5.125%*)	15.0%	14.1%
Total Tier 2 capital / Total risk weighted assets		2.9%	3.2%

* Conservation buffer requires additional Common Equity Tier 1 of 0.625% per annum from 1 January 2016 onwards until reaching 2.50% in 2019

Capital after deducting capital add-on arising from Single Lending Limit	354,157	321,596
Capital ratio after deducting capital add-on arising from Single Lending Limit	17.8%	17.1%

		Basel III	
		The Bank	
		30 September	31 December
		2016	2015
		<i>(in million Baht)</i>	
Tier 1 capital			
Common Equity Tier 1 (CET1)			
Issued and paid-up share capital		33,992	33,992
Premium on share capital		11,124	11,124
Legal reserve		7,000	7,000
Net gain after appropriations		218,192	198,492
Other comprehensive income		16,941	12,250
Capital deduction items on CET1		(6,163)	(5,654)
Total Tier 1 capital		281,086	257,204
Tier 2 capital			
Subordinated debt		36,000	40,000
Allowance for classified assets of “normal” category		20,814	19,140
Total Tier 2 capital		56,814	59,140
Total capital funds		337,900	316,344
Total risk weighted assets		1,916,852	1,841,506
Total capital / Total risk weighted assets	(minimum 9.125%*)	17.6%	17.2%
Total Tier 1 capital / Total risk weighted assets	(minimum 6.625%*)	14.6%	14.0%
Total Tier 1 common equity / Total risk weighted assets	(minimum 5.125%*)	14.6%	14.0%
Total Tier 2 capital / Total risk weighted assets		3.0%	3.2%

* Conservation buffer requires additional Common Equity Tier 1 of 0.625% per annum from 1 January 2016 onwards until reaching 2.50% in 2019.

Capital after deducting capital add-on arising from Single Lending Limit	336,719	314,196
Capital ratio after deducting capital add-on arising from Single Lending Limit	17.6%	17.1%

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

	Consolidated		The Bank	
	30 September 2016 Fair value	31 December 2015 Fair value	30 September 2016 Fair value	31 December 2015 Fair value
<i>(in million Baht)</i>				
Available-for-sale securities				
Government and state enterprise securities	266,159	323,977	211,773	290,108
Corporate debt securities	31,005	23,569	-	-
Foreign debt securities	39,437	13,313	27,982	867
Domestic marketable equity securities	19,824	18,479	6,879	8,126
Foreign marketable equity securities	4,051	2,862	1,091	-
Total	360,476	382,200	247,725	299,101
	Consolidated		The Bank	
	30 September 2016 Cost / Amortised cost	31 December 2015 Cost / Amortised cost	30 September 2016 Cost / Amortised cost	31 December 2015 Cost / Amortised cost
<i>(in million Baht)</i>				
Held-to-maturity securities				
Government and state enterprise securities	120,499	131,261	12,222	13,239
Corporate debt securities	36	36	448	443
Foreign debt securities	271	-	271	-
Other securities	1,300	1,803	-	-
Total	122,106	133,100	12,941	13,682
Less allowance for impairment	(36)	(36)	-	-
Total	122,070	133,064	12,941	13,682
	Consolidated		The Bank	
	30 September 2016 Cost	31 December 2015 Cost	30 September 2016 Cost	31 December 2015 Cost
<i>(in million Baht)</i>				
General investments				
Domestic non-marketable equity securities	934	447	928	441
Foreign non-marketable equity securities	271	17	271	17
Total	1,205	464	1,199	458
Less allowance for impairment	(176)	(188)	(175)	(188)
Total	1,029	276	1,024	270
 Total investments, net	 520,793	 536,655	 296,998	 333,861

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

6.2 Investments in companies with problems in their financial positions

As at 30 September 2016, the Bank and its subsidiaries held investments in a number of securities issued by companies with problems in their financial positions and operating results. The Bank and its subsidiaries have made a provision for diminution in the value of securities equal to the amount by which the cost exceeds the market value of respective securities. The aggregate cost of these securities is Baht 59 million (31 December 2015: Baht 71 million).

7 Investments in subsidiaries and associate, net

As at 30 September 2016 and 31 December 2015, the Bank and its subsidiaries had an investment in associate, net of any impairment provisions, as follows:

	Type of business	Type of share	Direct and indirect shareholding		Consolidated Investment value				
			30 September 2016	31 December 2015	Cost method		Equity method		
			(%)	(%)	30 September 2016	31 December 2015	30 September 2016	31 December 2015	
					(in million Baht)				
Associate									
Services									
	Supernap (Thailand) Co., Ltd.	Data center	Ordinary	24.9	24.9	351	351	338	344
	Less allowance for impairment					(13)	(7)	-	-
	Total investments in associate, net					338	344	338	344

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

As at 30 September 2016 and 31 December 2015, the Bank had investments in subsidiaries and associate, net of impairment provisions, as follows:

		The Bank				
		Direct shareholding		Investment value Cost method		
		30	31	30	31	
Type of business	Type of share	September 2016	December 2015	September 2016	December 2015	
		(%)		(in million Baht)		
Subsidiaries						
Finance & Insurance						
VinaSiam Bank*	Banking	Ordinary	-	100.0	-	2,340
Cambodian Commercial Bank Ltd.	Banking	Ordinary	100.0	100.0	964	964
Rutchayothin Assets Management Co., Ltd.	Asset management	Ordinary	100.0	100.0	25	25
SCB Securities Co., Ltd.	Securities	Ordinary	100.0	100.0	2,207	2,107
SCB Asset Management Co., Ltd.	Asset management	Ordinary	100.0	100.0	222	222
Siam Commercial Leasing PCL**	Collection	Ordinary	99.4	99.4	1,533	9,976
SCB Life Assurance PCL	Life insurance	Ordinary	99.2	99.2	12,540	12,540
Services						
SCB Training Centre Co., Ltd.	Training center	Ordinary	100.0	100.0	390	390
Siam Phitiwat Co., Ltd.**	Appraisal services	Ordinary	100.0	100.0	10	10
SCB Plus Co., Ltd.	Collection	Ordinary	100.0	100.0	1	1
Other						
Sor. Or. Kor. PCL**	Commercial	Ordinary	99.7	99.7	582	582
Indirect subsidiaries						
Mahisorn Co., Ltd.***	Property management	Ordinary	-	-	-	-
Digital Ventures Co., Ltd.****	Financial technology	Ordinary	-	-	-	-
Associate						
Services						
Supernap (Thailand) Co., Ltd.	Data center	Ordinary	10.0	10.0	141	141
Total					<u>18,615</u>	<u>29,298</u>
Less allowance for impairment					<u>(2,195)</u>	<u>(2,318)</u>
Total investments in subsidiaries and associate, net					<u>16,420</u>	<u>26,980</u>

* On 17 December 2015, the State Bank of Vietnam granted to the Bank an establishment license for a foreign bank branch in Vietnam. On 24 December 2015, the Bank acquired an additional 67% interest in VinaSiam Bank for Baht 1,643 million, increasing its ownership from 33% to 100% of the issued and paid up share capital. The banking license of VinaSiam Bank was revoked on 30 December 2015. In 1Q'16, the Bank transferred all of the assets and liabilities of VinaSiam Bank to its newly established branch in Ho Chi Minh City, the Socialist Republic of Vietnam.

** The Company is under liquidation

*** Subsidiary of SCB Plus Co., Ltd.

**** Newly established in 2016 and be a subsidiary of SCB Securities Co., Ltd.

All subsidiaries and associate were registered and operate in Thailand except for the Cambodian Commercial Bank Ltd., which is registered and operates in Cambodia.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

8 Loans to customers and accrued interest receivables, net

8.1 Classified by business type and quality of loan classification as at 30 September 2016 and 31 December 2015

	Consolidated											
	30 September 2016						31 December 2015					
	Normal	Special Mention	Sub-Standard	Doubtful	Doubtful Loss	Total *	Normal	Special Mention	Sub-Standard	Doubtful	Doubtful Loss	Total *
	<i>(in million Baht)</i>											
Agriculture and mining	14,913	141	154	103	116	15,427	15,710	364	144	78	206	16,502
Manufacturing and commercial	551,648	6,933	3,397	4,480	27,115	593,573	550,508	7,908	14,114	10,180	11,121	593,831
Real estate and construction	129,789	2,633	461	670	2,569	136,122	137,138	893	500	164	2,543	141,238
Utilities and services	318,363	809	1,767	562	1,857	323,358	249,231	958	1,598	317	2,020	254,124
Housing loans	495,369	10,718	4,949	3,319	2,566	516,921	476,562	9,756	4,680	2,648	1,366	495,012
Others	304,593	14,591	3,620	1,451	2,214	326,469	312,013	13,369	3,876	1,422	2,019	332,699
Total *	1,814,675	35,825	14,348	10,585	36,437	1,911,870	1,741,162	33,248	24,912	14,809	19,275	1,833,406

	The Bank											
	30 September 2016						31 December 2015					
	Normal	Special Mention	Sub-Standard	Doubtful	Doubtful Loss	Total *	Normal	Special Mention	Sub-Standard	Doubtful	Doubtful Loss	Total *
	<i>(in million Baht)</i>											
Agriculture and mining	14,857	141	154	103	116	15,371	15,304	340	144	78	44	15,910
Manufacturing and commercial	549,338	6,933	3,397	4,480	27,115	591,263	547,871	7,908	14,114	10,000	10,939	590,832
Real estate and construction	129,788	2,633	461	670	1,572	135,124	137,138	859	500	164	1,481	140,142
Utilities and services	317,977	809	1,767	562	1,857	322,972	248,716	957	1,598	317	1,865	253,453
Housing loans	495,335	10,718	4,949	3,319	2,566	516,887	476,541	9,755	4,680	2,648	1,366	494,990
Others	297,279	14,591	3,620	1,451	2,156	319,097	305,707	13,369	3,876	1,422	1,961	326,335
Total *	1,804,574	35,825	14,348	10,585	35,382	1,900,714	1,731,277	33,188	24,912	14,629	17,656	1,821,662

* Net of deferred revenue, excludes accrued interest receivables

8.2 Loans to listed companies identified for delisting

	Consolidated and the Bank									
	30 September 2016					31 December 2015				
	Loans and accrued					Loans and accrued				
	No. of companies receivables*	interest	Amount of Collateral provision	No. of companies receivables*	interest	Amount of Collateral provision	No. of companies receivables*	interest	Amount of Collateral provision	
Listed companies identified for delisting	3	12,726	6,048	8,367	2	2,377	1,807	469		

(in million Baht)

* Including loans to financial institutions but excluding other expenses

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

8.3 Non-Performing Loans

As at 30 September 2016 and 31 December 2015, the Bank used the guidelines specified in the BoT's notification dated 3 August 2008 in determining Non-Performing Loans which consist of loans classified as sub-standard, doubtful, doubtful loss and loss under the BoT's guideline. The amounts were as follows:

	Consolidated		The Bank	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	<i>(in million Baht)</i>			
Non-Performing Loans (net of allowance for doubtful accounts)	28,384	25,069	28,023	24,458
% of Non-Performing Loans to total loans (net)	1.3	1.3	1.3	1.2
Non-Performing Loans (gross)	61,370	58,996	60,315	57,197
% of Non-Performing Loans to total loans	2.8	2.9	2.8	2.8

As at 30 September 2016, Rutchayothin Assets Management Co., Ltd. which is a subsidiary of the Bank, had Non-Performing Loans of Baht 465 million (*31 December 2015: Baht 465 million*). However, the Non-Performing Loans based on principal of loan purchased from the Bank and its subsidiaries as at 30 September 2016 was Baht 997 million (*31 December 2015: Baht 997 million*).

8.4 Classified assets

The Bank and its subsidiaries had classified assets as at 30 September 2016 and 31 December 2015 as follows:

	Consolidated					Total
	30 September 2016					
	Loans and accrued interest receivables*	Loans to financial institutions and accrued interest receivables	Investments	Properties for sale	Other assets	
	<i>(in million Baht)</i>					
Normal	1,818,396	243,920	-	-	25	2,062,341
Special Mention	35,985	-	-	-	3	35,988
Sub-Standard	14,384	-	-	-	9	14,393
Doubtful	10,585	-	-	-	5	10,590
Doubtful Loss	36,443	-	2,776	648	470	40,337
	1,915,793	243,920	2,776	648	512	2,163,649

* Net of deferred revenue

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

Consolidated						
31 December 2015						
	Loans and accrued interest receivables*	Loans to financial institutions and accrued interest receivables	Investments	Properties for sale	Other assets	Total
	<i>(in million Baht)</i>					
Normal	1,745,381	207,306	-	-	20	1,952,707
Special Mention	33,495	-	-	-	3	33,498
Sub-Standard	24,985	-	-	-	4	24,989
Doubtful	14,809	-	-	-	4	14,813
Doubtful Loss	19,281	-	3,111	597	442	23,431
	<u>1,837,951</u>	<u>207,306</u>	<u>3,111</u>	<u>597</u>	<u>473</u>	<u>2,049,438</u>

The Bank						
30 September 2016						
	Loans and accrued interest receivables*	Loans to financial institutions and accrued interest receivables	Investments	Properties for sale	Other assets	Total
	<i>(in million Baht)</i>					
Normal	1,807,731	236,049	-	-	25	2,043,805
Special Mention	35,985	-	-	-	3	35,988
Sub-Standard	14,384	-	-	-	9	14,393
Doubtful	10,585	-	-	-	5	10,590
Doubtful Loss	35,382	-	3,458	644	469	39,953
	<u>1,904,067</u>	<u>236,049</u>	<u>3,458</u>	<u>644</u>	<u>511</u>	<u>2,144,729</u>

The Bank						
31 December 2015						
	Loans and accrued interest receivables*	Loans to financial institutions and accrued interest receivables	Investments	Properties for sale	Other assets	Total
	<i>(in million Baht)</i>					
Normal	1,735,064	200,574	-	-	20	1,935,658
Special Mention	33,435	-	-	-	3	33,438
Sub-Standard	24,985	-	-	-	4	24,989
Doubtful	14,629	-	-	-	4	14,633
Doubtful Loss	17,656	-	3,285	594	442	21,977
	<u>1,825,769</u>	<u>200,574</u>	<u>3,285</u>	<u>594</u>	<u>473</u>	<u>2,030,695</u>

* Net of deferred revenue

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

8.5 Allowance for doubtful accounts

8.5.1 Loans classified by quality as at 30 September 2016 and 31 December 2015 (inclusive of accrued interest receivables)

	Consolidated						Total
	30 September 2016						
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			
	Loans and accrued interest receivables	Net amount used to set the allowance for doubtful accounts	% used for setting the allowance	Allowance for doubtful accounts***	Net amount used to set the allowance for doubtful accounts	Allowance for doubtful accounts***	
<i>(in million Baht)</i>			<i>(in million Baht)</i>				
Minimum allowance of BoT regulations							
- Normal	1,818,396	1,638,093*	1	18,853	151,791	2,711	21,564
- Special Mention	35,985	24,712*	2	494	9,782	2,305	2,799
- Sub-Standard	14,384	6,235**	100	6,235	786	385	6,620
- Doubtful	10,585	3,467**	100	3,467	412	191	3,658
- Doubtful Loss	36,443	22,056**	100	22,056	1,862	818	22,874
Total	<u>1,915,793</u>	<u>1,694,563</u>		<u>51,105</u>	<u>164,633</u>	<u>6,410</u>	<u>57,515</u>
Allowance established in excess of BoT regulations							<u>21,374</u>
Total							<u>78,889</u>

	Consolidated						Total
	31 December 2015						
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			
	Loans and accrued interest receivables	Net amount used to set the allowance for doubtful accounts	% used for setting the allowance	Allowance for doubtful accounts***	Net amount used to set the allowance for doubtful accounts	Allowance for doubtful accounts***	
<i>(in million Baht)</i>			<i>(in million Baht)</i>				
Minimum allowance of BoT regulations							
- Normal	1,745,381	1,536,211*	1	15,295	156,698	2,855	18,150
- Special Mention	33,495	23,404*	2	469	8,875	1,856	2,325
- Sub-Standard	24,985	14,087**	100	14,087	1,058	468	14,555
- Doubtful	14,809	7,801**	100	7,712	641	275	7,987
- Doubtful Loss	19,281	10,811**	100	10,811	1,808	764	11,575
Total	<u>1,837,951</u>	<u>1,592,314</u>		<u>48,374</u>	<u>169,080</u>	<u>6,218</u>	<u>54,592</u>
Allowance established in excess of BoT regulations							<u>9,831</u>
Total							<u>64,423</u>

* Net of cash and near cash collateral

** Net of PV cashflow from loan receivables including sale of collateral

*** Excluding revaluation allowance for troubled debt restructuring

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

The Bank							
30 September 2016							
	Individual approach (All loans except for finance leases)				Collective approach (Finance leases)		Total
	Loans and accrued interest receivables	Net amount used to		Allowance for doubtful accounts***	Net amount used to		
		set the allowance for doubtful accounts	% used for setting the allowance		set the allowance for doubtful accounts	Allowance for doubtful accounts***	
<i>(in million Baht)</i>				<i>(in million Baht)</i>			
Minimum allowance of BoT regulations							
- Normal	1,807,731	1,627,992*	1	18,826	151,791	2,711	21,537
- Special Mention	35,985	24,712*	2	494	9,782	2,305	2,799
- Sub-Standard	14,384	6,235**	100	6,235	786	385	6,620
- Doubtful	10,585	3,467**	100	3,467	412	191	3,658
- Doubtful Loss	35,382	21,355**	100	21,355	1,862	818	22,173
Total	<u>1,904,067</u>	<u>1,683,761</u>		<u>50,377</u>	<u>164,633</u>	<u>6,410</u>	56,787
Allowance established in excess of BoT regulations							<u>21,368</u>
Total							<u>78,155</u>

The Bank							
31 December 2015							
	Individual approach (All loans except for finance leases)				Collective approach (Finance leases)		Total
	Loans and accrued interest receivables	Net amount used to		Allowance for doubtful accounts***	Net amount used to		
		set the allowance for doubtful accounts	% used for setting the allowance		set the allowance for doubtful accounts	Allowance for doubtful accounts***	
<i>(in million Baht)</i>				<i>(in million Baht)</i>			
Minimum allowance of BoT regulations							
- Normal	1,735,064	1,526,918*	1	15,269	156,698	2,855	18,124
- Special Mention	33,435	23,386*	2	468	8,875	1,856	2,324
- Sub-Standard	24,985	14,087**	100	14,087	1,058	468	14,555
- Doubtful	14,629	7,621**	100	7,621	641	275	7,896
- Doubtful Loss	17,656	9,707**	100	9,707	1,808	764	10,471
Total	<u>1,825,769</u>	<u>1,581,719</u>		<u>47,152</u>	<u>169,080</u>	<u>6,218</u>	53,370
Allowance established in excess of BoT regulations							<u>9,817</u>
Total							<u>63,187</u>

* Net of cash and near cash collateral

** Net of PV cashflow from loan receivables including sale of collateral

*** Excluding revaluation allowance for troubled debt restructuring

Following an assessment of the ultimate collectability of the Bank's consolidated loan portfolio, the management of the Bank and its subsidiaries believe that the allowance for doubtful accounts established was adequate as at 30 September 2016 and 31 December 2015 and in compliance with the BoT's guidelines. The aggregate allowance is based on both quantitative criteria noted above and qualitative criteria that reflects management judgment.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

8.5.2 Changes to the allowance for doubtful accounts

As at 30 September 2016 and 31 December 2015, the changes to the allowance for doubtful accounts were as follows:

Consolidated							
30 September 2016							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
<i>(in million Baht)</i>							
As at 1 January 2016	18,150	2,325	14,555	7,987	11,575	9,831	64,423
Bad debt and doubtful accounts	3,415	474	(7,935)	(4,329)	19,105	11,488	22,218
Bad debts written off	-	-	-	-	(7,806)	-	(7,806)
Others	(1)	-	-	-	-	55	54
As at 30 September 2016	<u>21,564</u>	<u>2,799</u>	<u>6,620</u>	<u>3,658</u>	<u>22,874</u>	<u>21,374</u>	<u>78,889</u>

Consolidated							
31 December 2015							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
<i>(in million Baht)</i>							
As at 1 January 2015	17,102	2,858	7,623	3,074	10,432	17,904	58,993
Transfer in	-	5	-	1	268	15	289
Bad debt and doubtful accounts	1,046	(539)	6,932	4,912	27,444	(7,931)	31,864
Bad debts written off	-	-	-	-	(26,594)	-	(26,594)
Others	2	1	-	-	25	(157)	(129)
As at 31 December 2015	<u>18,150</u>	<u>2,325</u>	<u>14,555</u>	<u>7,987</u>	<u>11,575</u>	<u>9,831</u>	<u>64,423</u>

The Bank							
30 September 2016							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
<i>(in million Baht)</i>							
As at 1 January 2016	18,124	2,324	14,555	7,896	10,471	9,817	63,187
Transfer in	-	1	-	91	403	10	505
Bad debt and doubtful accounts	3,413	474	(7,935)	(4,329)	19,105	11,486	22,214
Bad debts written off	-	-	-	-	(7,806)	-	(7,806)
Others	-	-	-	-	-	55	55
As at 30 September 2016	<u>21,537</u>	<u>2,799</u>	<u>6,620</u>	<u>3,658</u>	<u>22,173</u>	<u>21,368</u>	<u>78,155</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

The Bank							
31 December 2015							
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss	Allowance established in excess of BoT regulations	Total
	<i>(in million Baht)</i>						
As at 1 January 2015	17,086	2,858	7,623	3,074	9,691	17,898	58,230
Bad debt and doubtful accounts	1,038	(534)	6,932	4,822	27,346	(7,924)	31,680
Bad debts written off	-	-	-	-	(26,566)	-	(26,566)
Others	-	-	-	-	-	(157)	(157)
As at 31 December 2015	<u>18,124</u>	<u>2,324</u>	<u>14,555</u>	<u>7,896</u>	<u>10,471</u>	<u>9,817</u>	<u>63,187</u>

9 Troubled debt restructuring

During the nine-month periods ended 30 September 2016 and 2015, troubled debt restructuring was as follows:

Types of debt restructuring	No. of accounts		Consolidated and the Bank				Transferred assets		Fair value	
			Outstanding debts							
			Before debt restructuring		After debt restructuring					
2016	2015	2016	2015	2016	2015	2016	2015			
<i>(in million Baht)</i>										
Transfers of assets	17	1	116	125	116	125	Immovable properties	-	-	
Debt restructuring in various forms	891	1,819	12,043	10,620	12,022	10,597	Immovable properties	14	37	
Changes of repayment conditions	9,536	13,312	7,601	16,368	7,568	16,238				
Total	<u>10,444</u>	<u>15,132</u>	<u>19,760</u>	<u>27,113</u>	<u>19,706</u>	<u>26,960</u>				

During the nine-month periods ended 30 September 2016 and 2015, troubled debt restructuring compared with total loans including loans to financial institutions were as follows:

	Consolidated			
	2016		2015	
	No. of accounts	Outstanding debts	No. of accounts	Outstanding debts
	<i>(in million Baht)</i>		<i>(in million Baht)</i>	
Troubled debt restructured during the nine-month periods ended 30 September	10,444	19,760	15,132	27,113
Total loans including loans to financial institutions	1,230,645	2,159,713	1,192,901	2,063,504

	The Bank			
	2016		2015	
	No. of accounts	Outstanding debts	No. of accounts	Outstanding debts
	<i>(in million Baht)</i>		<i>(in million Baht)</i>	
Troubled debt restructured during the nine-month periods ended 30 September	10,444	19,760	15,132	27,113
Total loans including loans to financial institutions	1,105,014	2,140,116	1,084,712	2,047,092

The average term of troubled debt restructuring as of 30 September 2016 is 9.6 years (30 September 2015: 11.8 years).

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

As at 30 September 2016 and 31 December 2015, the Bank and its subsidiaries had outstanding balances relating to restructured loans as follows:

	Consolidated and the Bank			
	30 September 2016		31 December 2015	
	No. of accounts	Outstanding debts <i>(in million Baht)</i>	No. of accounts	Outstanding debts <i>(in million Baht)</i>
Restructured loans which were classified as NPL	2,992	5,495	3,407	6,535
Restructured loans which were not classified as NPL	14,060	25,405	14,089	26,454
Total	17,052	30,900	17,496	32,989

Supplementary information relating to restructured loans for the nine-month periods ended 30 September 2016 and 2015 were as follows:

	Consolidated and the Bank	
	2016	2015
	<i>(in million Baht)</i>	
Interest income recognised in statement of profit or loss and other comprehensive income	1,138	1,236

Revaluation allowance for debt restructuring

As at 30 September 2016 and 31 December 2015, the changes to the revaluation allowance for debt restructuring was as follows:

	Consolidated and the Bank	
	30 September 2016	31 December 2015
	<i>(in million Baht)</i>	
Beginning balance	354	21
(Decrease) increase during the period / year	(114)	333
Ending balance	240	354

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

10 Liabilities under insurance contracts

As at 30 September 2016 and 31 December 2015, liabilities under insurance contracts were as follows:

	Consolidated	
	30 September 2016	31 December 2015
	<i>(in million Baht)</i>	
SCB Life Assurance PCL		
Long-term technical reserves	209,845	183,717
Short-term technical reserves	1,141	1,062
Total	<u>210,986</u>	<u>184,779</u>

Long-term technical reserves

	Consolidated
	30 September 2016 <i>(in million Baht)</i>
At 1 January 2016	183,717
Reserve increase from new and inforce policies in the period	35,005
Reserve released for benefit payments, lapse and cancellation in the period	<u>(8,877)</u>
At 30 September 2016	<u>209,845</u>

11 Dividends

The Board of Directors Meeting held on 23 August 2016 passed a resolution approving an interim dividend payment in respect of the half-year result of 2016 of Baht 1.50 per share, amounting to Baht 5,099 million. The dividend was paid to shareholders on 16 September 2016.

At the annual general meeting of the shareholders of the Bank held on 5 April 2016, the shareholders approved the appropriation of dividend of Baht 4.00 per share, amounting to Baht 13,597 million. The dividend was paid to shareholders on 3 May 2016.

The Board of Directors Meeting held on 25 August 2015 passed a resolution approving an interim dividend payment in respect of the half-year result of 2015 of Baht 1.50 per share, amounting to Baht 5,099 million. The dividend was paid to shareholders on 18 September 2015.

At the annual general meeting of the shareholders of the Bank held on 2 April 2015, the shareholders approved the appropriation of dividend of Baht 4.50 per share, amounting to Baht 15,296 million. The dividend was paid to shareholders on 30 April 2015.

12 Assets pledged as collateral and under restriction

As at 30 September 2016 and 31 December 2015, assets pledged as collateral and under restriction were as follows:

	Consolidated		The Bank	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	<i>(in million Baht)</i>			
Investments				
Securities pledged as collateral for repurchase	46,899	42,636	46,899	42,636
Others	43,566	35,191	167	272
Total	<u>90,465</u>	<u>77,827</u>	<u>47,066</u>	<u>42,908</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

13 Contingencies

As at 30 September 2016 and 31 December 2015, contingencies were as follows:

	Consolidated		The Bank	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
	<i>(in million Baht)</i>			
Avals to bills	8,132	5,754	8,132	5,754
Guarantees of loans	19,676	248	18,643	110
Liability under unmatured import bills	11,059	8,228	11,059	8,228
Letters of credit	24,424	27,775	24,323	27,567
Other contingencies				
- Amount of unused bank overdrafts	163,551	156,991	162,712	156,255
- Other guarantees	188,693	178,458	187,660	176,498
- Receivables / payables from investments	11,447	7,383	10,410	7,383
- Others	34,739	38,132	30,539	35,584
Total	461,721	422,969	453,478	417,379

As at 30 September 2016, the Bank had commitments of Baht 3 million, in connection with finance companies whose operations were closed down permanently by the Ministry of Finance on 8 December 1997 (31 December 2015: Baht 3 million).

14 Related parties

For the purposes of these financial statements, parties are considered to be related to the Bank and its subsidiaries if the Bank and its subsidiaries have the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and its subsidiaries and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Bank has business transactions with related parties or persons. Interest rate for staff loans under the staff welfare scheme is charged in accordance with the Bank's regulations for such loans. Interest rate and other pricing for other related parties are at the same rate as in the normal course of business with the same business conditions as general customers. For other income and expenses are charged at market price as normal business or the price as stipulated in the agreement. Transactions with related parties or persons were as follows:

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

14.1 Loans, deposits, borrowings and contingencies

Loans, deposits, borrowings and contingencies to related parties or persons as at 30 September 2016 and 31 December 2015 were as follows:

	Consolidated							
	30 September 2016				31 December 2015			
	Loans*	Deposits	Borrow- ings	Contin- gencies	Loans*	Deposits	Borrow- ings	Contin- gencies
	<i>(in million Baht)</i>							
Associate	1,558	880	-	-	-	692	-	-
Related companies (Shareholding through other companies' debt restructuring process)	-	-	-	1	-	-	-	1
Major shareholder (more than 10% ownership)	-	10,836	-	-	-	8,216	-	-
Entities in which the directors, management or close members of their families have significant influence	92	776	178	107	11	655	1	107
Directors and key executive officers	137	896	13	-	122	712	19	-
Total	1,787	13,388	191	108	133	10,275	20	108

	The Bank							
	30 September 2016				31 December 2015			
	Loans*	Deposits	Borrow- ings	Contin- gencies	Loans*	Deposits	Borrow- ings	Contin- gencies
	<i>(in million Baht)</i>							
Subsidiaries								
Finance & Insurance	-	2,607	1,966	14,875	-	2,012	1,727	13,151
Others	-	171	-	-	-	460	-	-
Total subsidiaries	-	2,778	1,966	14,875	-	2,472	1,727	13,151
Associate	1,558	880	-	-	-	692	-	-
Related companies (Shareholding through other companies' debt restructuring process)	-	-	-	1	-	-	-	1
Major shareholder (more than 10% ownership)	-	10,836	-	-	-	8,216	-	-
Entities in which the directors, management or close members of their families have significant influence	92	776	178	107	11	655	1	107
Directors and key executive officers	137	896	13	-	122	712	19	-
Total	1,787	16,166	2,157	14,983	133	12,747	1,747	13,259

* Net of provision (1%)

14.2 Income and expenses

Significant income and expenses between the Bank and its subsidiaries, associate and related companies for the three-month periods ended 30 September 2016 and 2015 were as follows:

	Consolidated							
	2016				2015			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Associate	-	1	2	-	-	-	1	-
Major shareholder	-	-	33	5	-	4,289	65	7

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

	The Bank							
	2016				2015			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Subsidiaries	1	2,737	11	684	4	2,790	16	595
Associate	-	1	2	-	-	-	1	-
Major shareholder	-	-	33	5	-	4,289	65	7

Significant income and expenses between the Bank and its subsidiaries, associates and related companies for the nine-month periods ended 30 September 2016 and 2015 were as follows:

	Consolidated							
	2016				2015			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Associate	-	8	5	-	-	-	2	-
Major shareholder	-	-	98	17	-	4,289	190	16

	The Bank							
	2016				2015			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Subsidiaries	5	9,807	38	2,141	11	10,812	59	1,899
Associate	-	8	5	-	-	-	2	-
Major shareholder	-	-	98	17	-	4,289	190	16

15 Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, holding the position of Executive Vice President or higher.

The Bank has not paid benefits to directors and executives other than the benefits that are normally paid such as meeting allowances, reward, salary, bonus, cost of living allowance, transportation charges and fringe benefits according to the Bank's regulations.

	Consolidated		The Bank	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Short-term employee benefits	329	261	285	213
Post-employment benefits	84	-	84	-
Total	413	261	369	213

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

<i>For the nine-month periods ended 30 September</i>	Consolidated		The Bank	
	2016	2015	2016	2015
	<i>(in million Baht)</i>			
Short-term employee benefits	1,291	1,266	1,125	1,088
Post-employment benefits	94	43	93	40
Total	1,385	1,309	1,218	1,128

16 Operating segments

As at 30 September 2016 and 2015, operating segments were as follows:

Information on the Bank's operating model and business segments is set out in the annual report. Specifically, the Bank has four main lines of business: the Corporate Segment which serves corporate and commercial customers; the SME Segment which serves SME customers; the Retail Segment which serves individuals and small businesses; and the Special Business Function which is responsible for NPL resolution. In addition, the Bank has three major subsidiaries: SCB Securities Co., Ltd., SCB Asset Management Co., Ltd. and SCB Life Assurance PCL.

In the information provided below, the results of subsidiaries together with the income from the Banks' investments, interbank and money market, that is not allocated to a specific business unit, are presented under the "Life Insurance" and "Others" column. The results of the Special Business unit are allocated back to the line of business from which the workout assets were transferred. With respect to fee income earned by subsidiaries, it is allocated to the appropriate line of business (Corporate Segment, SME Segment or Retail Segment) in the Management Discussion and Analysis that accompanies the financial statements but is stated under "Life Insurance" and "Others" in the analysis below. Finally, operating expenses are both direct and indirect business expenses of each line of business as well as allocation of common expenses to these business.

The Bank has determined that the Chief Operating Decision Maker is the Executive Committee. Financial information of the business segments measured on a basis that is consistent with internal reporting was as follows:

<i>Three-month period ended 30 September 2016</i>	Consolidated					Total
	Corporate Segment	SME Segment	Retail Segment	Life Insurance	Others	
	<i>(in million Baht)</i>					
Net interest income	3,963	3,655	11,172	2,036	1,388	22,214
Net fees income & dividend and other income	2,301	1,698	6,177	1,137	662	11,975
Total operating income	6,264	5,353	17,349	3,173	2,050	34,189
Total operating expenses	(1,964)	(1,358)	(8,939)	(545)	51	(12,755)
Profit before impairment loss and income tax	4,300	3,995	8,410	2,628	2,101	21,434
Impairment loss and income tax						(9,884)
Net profit						11,550

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

<i>Three-month period ended 30 September 2015</i>	Consolidated					Total
	Corporate Segment	SME Segment	Retail Segment	Life Insurance	Others	
			<i>(in million Baht)</i>			
Net interest income	3,502	3,616	10,597	1,816	539	20,070
Net fees income & dividend and other income	<u>2,755</u>	<u>1,802</u>	<u>6,226</u>	<u>992</u>	<u>7,407</u>	<u>19,182</u>
Total operating income	6,257	5,418	16,823	2,808	7,946	39,252
Total operating expenses	<u>(1,828)</u>	<u>(1,289)</u>	<u>(8,091)</u>	<u>(609)</u>	<u>(58)</u>	<u>(11,875)</u>
Profit before impairment loss and income tax	<u>4,429</u>	<u>4,129</u>	<u>8,732</u>	<u>2,199</u>	<u>7,888</u>	27,377
Impairment loss and income tax						<u>(18,344)</u>
Net profit						<u>9,033</u>

<i>Nine-month period ended 30 September 2016</i>	Consolidated					Total
	Corporate Segment	SME Segment	Retail Segment	Life Insurance	Others	
			<i>(in million Baht)</i>			
Net interest income	11,777	11,144	33,207	5,917	3,600	65,645
Net fees income & dividend and other income	<u>6,135</u>	<u>4,295</u>	<u>20,542</u>	<u>3,445</u>	<u>671</u>	<u>35,088</u>
Total operating income	17,912	15,439	53,749	9,362	4,271	100,733
Total operating expenses	<u>(5,697)</u>	<u>(3,914)</u>	<u>(26,025)</u>	<u>(1,807)</u>	<u>639</u>	<u>(36,804)</u>
Profit before impairment loss and income tax	<u>12,215</u>	<u>11,525</u>	<u>27,724</u>	<u>7,555</u>	<u>4,910</u>	63,929
Impairment loss and income tax						<u>(28,982)</u>
Net profit						<u>34,947</u>

<i>Nine-month period ended 30 September 2015</i>	Consolidated					Total
	Corporate Segment	SME Segment	Retail Segment	Life Insurance	Others	
			<i>(in million Baht)</i>			
Net interest income	11,791	10,766	30,776	5,278	2,805	61,416
Net fees income & dividend and other income	<u>8,112</u>	<u>4,127</u>	<u>20,470</u>	<u>2,904</u>	<u>7,942</u>	<u>43,555</u>
Total operating income	19,903	14,893	51,246	8,182	10,747	104,971
Total operating expenses	<u>(5,418)</u>	<u>(3,938)</u>	<u>(24,464)</u>	<u>(1,833)</u>	<u>(403)</u>	<u>(36,056)</u>
Profit before impairment loss and income tax	<u>14,485</u>	<u>10,955</u>	<u>26,782</u>	<u>6,349</u>	<u>10,344</u>	68,915
Impairment loss and income tax						<u>(33,485)</u>
Net profit						<u>35,430</u>

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

17 The financial position and results of operations classified by domestic and foreign business

17.1 As at 30 September 2016 and 31 December 2015, the financial position classified by domestic and foreign business was as follows:

	Consolidated							
	30 September 2016			31 December 2015				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Total assets	2,757,858	95,478	(46,968)	2,806,368	2,704,384	112,710	(42,785)	2,774,309
Interbank and money market items, net (Assets)	253,106	7,962	(59)	261,009	233,400	27,620	(77)	260,943
Investments, net *	512,925	8,205	-	521,130	536,129	870	-	536,999
Loans to customers and accrued interest receivables, net	1,812,408	24,256	-	1,836,664	1,746,380	26,794	-	1,773,174
Deposits	1,877,747	9,543	-	1,887,290	1,877,221	13,508	-	1,890,729
Interbank and money market items (Liabilities)	141,678	1,909	(59)	143,528	130,383	12,631	(77)	142,937
Debt issued and borrowings	41,251	77,389	-	118,640	40,615	80,549	-	121,164

	The Bank							
	30 September 2016			31 December 2015				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Total assets	2,515,113	88,122	(46,909)	2,556,326	2,497,559	102,575	(42,708)	2,557,426
Interbank and money market items, net (Assets)	244,455	3,639	-	248,094	224,735	21,757	-	246,492
Investments, net *	305,213	8,205	-	313,418	359,974	867	-	360,841
Loans to customers and accrued interest receivables, net	1,804,192	21,480	-	1,825,672	1,739,314	22,914	-	1,762,228
Deposits	1,878,622	4,056	-	1,882,678	1,877,909	6,995	-	1,884,904
Interbank and money market items (Liabilities)	144,771	1,908	-	146,679	133,087	12,631	-	145,718
Debt issued and borrowings	40,334	78,106	-	118,440	40,107	81,279	-	121,386

* Includes net investments in subsidiaries and associate

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

17.2 The results of operations classified by domestic and foreign business for the three-month periods ended 30 September 2016 and 2015 were as follows:

	Consolidated							
	2016			2015				Total
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	
	<i>(in million Baht)</i>							
Interest income	30,164	870	(612)	30,422	29,613	912	(615)	29,910
Interest expense	(7,974)	(846)	612	(8,208)	(9,549)	(906)	615	(9,840)
Net interest income	22,190	24	-	22,214	20,064	6	-	20,070
Net fees and service income	7,602	20	-	7,622	6,765	12	-	6,777
Other operating income	4,339	14	-	4,353	12,371	34	-	12,405
Other operating expenses	(19,620)	(146)	-	(19,766)	(27,825)	(52)	-	(27,877)
Profit before tax	14,511	(88)	-	14,423	11,375	-	-	11,375

	The Bank							
	2016			2015				Total
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	
	<i>(in million Baht)</i>							
Interest income	28,128	817	(612)	28,333	27,756	874	(615)	28,015
Interest expense	(7,968)	(843)	612	(8,199)	(9,555)	(903)	615	(9,843)
Net interest income	20,160	(26)	-	20,134	18,201	(29)	-	18,172
Net fees and service income	8,321	3	-	8,324	7,695	(7)	-	7,688
Other operating income	2,471	8	-	2,479	11,005	31	-	11,036
Other operating expenses	(19,207)	(129)	-	(19,336)	(27,259)	(29)	-	(27,288)
Profit before tax	11,745	(144)	-	11,601	9,642	(34)	-	9,608

17.3 The results of operations classified by domestic and foreign business for the nine-month periods ended 30 September 2016 and 2015 were as follows:

	Consolidated							
	2016			2015				Total
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	
	<i>(in million Baht)</i>							
Interest income	90,314	2,641	(1,843)	91,112	91,106	2,676	(1,794)	91,988
Interest expense	(24,724)	(2,586)	1,843	(25,467)	(29,765)	(2,601)	1,794	(30,572)
Net interest income	65,590	55	-	65,645	61,341	75	-	61,416
Net fees and service income	21,229	47	-	21,276	20,184	39	-	20,223
Other operating income	13,786	26	-	13,812	23,281	51	-	23,332
Other operating expenses	(57,052)	(286)	-	(57,338)	(60,701)	(88)	-	(60,789)
Profit before tax	43,553	(158)	-	43,395	44,105	77	-	44,182

	The Bank							
	2016			2015				Total
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	
	<i>(in million Baht)</i>							
Interest income	84,358	2,491	(1,843)	85,006	85,711	2,581	(1,794)	86,498
Interest expense	(24,718)	(2,575)	1,843	(25,450)	(29,793)	(2,593)	1,794	(30,592)
Net interest income	59,640	(84)	-	59,556	55,918	(12)	-	55,906
Net fees and service income	24,045	1	-	24,046	23,583	(7)	-	23,576
Other operating income	9,114	13	-	9,127	18,581	43	-	18,624
Other operating expenses	(55,657)	(232)	-	(55,889)	(59,073)	(33)	-	(59,106)
Profit before tax	37,142	(302)	-	36,840	39,009	(9)	-	39,000

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

18 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period.

The consolidated and the Bank's effective tax rate in respect of continuing operations for the three-month periods ended 30 September 2016 were 20 % and 19% respectively (*30 September 2015: 21% and 19% respectively*).

The consolidated and the Bank's effective tax rate in respect of continuing operations for the nine-month periods ended 30 September 2016 were 19% and 18% respectively (*30 September 2015: 20% and 18% respectively*).

19 Basic earnings per share

Basic earnings per share in the consolidated and the Bank's financial statements for the three-month periods ended 30 September 2016 and 2015 were calculated as follows:

	Consolidated		The Bank	
	2016	2015	2016	2015
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Bank (basic)	<u>11,533</u>	<u>9,018</u>	<u>9,385</u>	<u>7,818</u>
Number of ordinary and preference shares outstanding	<u>3,399</u>	<u>3,399</u>	<u>3,399</u>	<u>3,399</u>
Earnings per share (basic) (in Baht)	<u>3.40</u>	<u>2.65</u>	<u>2.76</u>	<u>2.30</u>

Basic earnings per share in the consolidated and the Bank's financial statements for the nine-month periods ended 30 September 2016 and 2015 were calculated as follows:

	Consolidated		The Bank	
	2016	2015	2016	2015
	<i>(in million Baht / million shares)</i>			
Profit attributable to ordinary shareholders of the Bank (basic)	<u>34,897</u>	<u>35,388</u>	<u>30,250</u>	<u>31,889</u>
Number of ordinary and preference shares outstanding	<u>3,399</u>	<u>3,399</u>	<u>3,399</u>	<u>3,399</u>
Earnings per share (basic) (in Baht)	<u>10.27</u>	<u>10.41</u>	<u>8.90</u>	<u>9.38</u>

20 Events after the reporting period

On 11 October 2016, the Bank registered the conversion of 52,318 preference shares to 52,318 ordinary shares with the Ministry of Commerce.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2016 (Unaudited)

21 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new TFRS have been issued but are not yet effective and have not been applied in preparing these interim financial statements. New TFRS that may be relevant to the Bank and its subsidiaries' operations, which become effective for annual financial periods beginning on or after 1 January 2017, are set out below. The Bank and its subsidiaries do not plan to adopt these TFRS early.

TFRS	Topic
FAP Announcement no. 5/2016	Accounting Guidance for derecognition of financial assets and financial liabilities

The Bank and its subsidiaries have made a preliminary assessment of the potential initial impact on the consolidated and the Bank's financial statements of these new TFRS and expects that there will be no material impact on the financial statements in the period of initial application.