

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

Interim financial statements
for the three-month and nine-month periods ended
30 September 2018

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 2018; the consolidated and the Bank's statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2018, changes in equity and cash flows for the nine-month period ended 30 September 2018 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
12 November 2018

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
		2018	2017	2018	2017
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		<i>(in thousand Baht)</i>			
Cash		38,724,820	40,797,176	38,344,601	40,591,037
Interbank and money market items, net		430,803,518	316,733,080	416,119,875	303,476,880
Derivative assets		43,493,876	43,499,427	44,147,700	46,035,173
Investments, net	5	468,099,398	570,370,844	181,022,237	299,032,913
Investments in subsidiaries and associate, net	6	167,407	-	18,502,748	18,016,700
Loans to customers and accrued interest receivables, net	7				
Loans to customers		2,131,858,054	2,059,948,448	2,116,613,553	2,046,282,647
Accrued interest receivables		3,799,677	3,328,131	3,495,112	2,963,859
Total loans to customers and accrued interest receivables		2,135,657,731	2,063,276,579	2,120,108,665	2,049,246,506
Less deferred revenue		(28,094,340)	(25,216,416)	(28,094,340)	(25,216,417)
Less allowance for doubtful accounts	7.5	(95,253,290)	(85,699,301)	(94,498,313)	(84,936,081)
Less revaluation allowance for debt restructuring	8	(4,185,078)	(4,291,141)	(4,185,078)	(4,291,141)
Total loans to customers and accrued interest receivables, net		2,008,125,023	1,948,069,721	1,993,330,934	1,934,802,867
Properties for sale, net		12,425,217	11,283,644	12,421,675	11,280,102
Premises and equipment, net		43,359,478	44,164,383	41,915,356	42,890,983
Goodwill and other intangible assets, net		22,784,217	18,107,161	13,230,640	8,778,161
Assets pending transfer		2,976,868	2,234,515	3,045,061	2,300,059
Deferred tax assets		303,994	110,753	25,074	25,740
Other assets, net		26,642,071	28,661,317	15,142,179	18,401,385
Total assets		3,097,905,887	3,024,032,021	2,777,248,080	2,725,632,000

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

		Consolidated		The Bank	
		30 September 2018 (Unaudited)	31 December 2017 (Audited)	30 September 2018 (Unaudited)	31 December 2017 (Audited)
Liabilities and shareholders' equity	<i>Note</i>				
		<i>(in thousand Baht)</i>			
Liabilities					
Deposits		2,123,468,395	2,092,457,200	2,122,012,831	2,087,890,289
Interbank and money market items		112,138,814	108,573,192	116,337,634	110,911,960
Liability payable on demand		20,289,624	23,670,751	20,289,035	23,670,230
Liabilities to deliver security		7,320	59,900	-	-
Derivative liabilities		39,184,157	44,984,107	39,065,713	44,620,824
Debt issued and borrowings		94,706,868	78,538,067	91,495,041	75,379,761
Provisions		8,233,685	7,729,706	7,798,117	7,340,382
Liabilities under insurance contracts	9	272,791,787	248,244,534	-	-
Liabilities pending transfer		15,348,323	14,615,892	15,164,645	14,488,352
Deferred tax liabilities		1,304,346	3,589,507	1,106,837	2,559,950
Other liabilities		37,086,464	37,806,171	27,743,273	29,802,716
Total liabilities		<u>2,724,559,783</u>	<u>2,660,269,027</u>	<u>2,441,013,126</u>	<u>2,396,664,464</u>
Shareholders' equity					
Share capital					
Authorised share capital					
3,582,850,722 preferred shares of Baht 10 each		35,828,507	35,838,257	35,828,507	35,838,257
3,417,149,278 common shares of Baht 10 each		<u>34,171,493</u>	<u>34,161,743</u>	<u>34,171,493</u>	<u>34,161,743</u>
Issued and paid-up share capital					
3,726,365 preferred shares of Baht 10 each		37,264	37,850	37,264	37,850
3,395,465,833 common shares of Baht 10 each		33,954,658	33,954,072	33,954,658	33,954,072
Premium on share capital					
Premium on preferred shares		14,573	14,802	14,573	14,802
Premium on common shares		11,109,618	11,109,389	11,109,618	11,109,389
Other reserves		14,749,933	19,985,092	17,500,335	18,654,960
Retained earnings					
Appropriated					
Legal reserve		7,000,000	7,000,000	7,000,000	7,000,000
Unappropriated		305,856,940	291,362,368	266,618,506	258,196,463
Total owners of the company		<u>372,722,986</u>	<u>363,463,573</u>	<u>336,234,954</u>	<u>328,967,536</u>
Non-controlling interests		623,118	299,421	-	-
Total shareholders' equity		<u>373,346,104</u>	<u>363,762,994</u>	<u>336,234,954</u>	<u>328,967,536</u>
Total liabilities and shareholders' equity		<u>3,097,905,887</u>	<u>3,024,032,021</u>	<u>2,777,248,080</u>	<u>2,725,632,000</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	
	Three month period ended		Three month period ended	
	30 September		30 September	
Note	2018	2017	2018	2017
<i>(in thousand Baht)</i>				
Interest income	32,541,187	31,513,449	29,798,746	29,108,091
Interest expenses	8,150,775	8,240,967	8,125,433	8,231,186
Net interest income	24,390,412	23,272,482	21,673,313	20,876,905
Fees and service income	8,792,295	9,457,171	8,590,000	9,654,193
Fees and service expenses	2,264,791	1,577,301	1,956,120	1,292,188
Net fees and service income	6,527,504	7,879,870	6,633,880	8,362,005
Net gain on trading	2,202,702	1,867,583	2,144,086	1,735,305
Net gain on investments	1,093,907	565,872	1,048,136	284,651
Share of profit from investment in associate	167,407	-	-	-
Dividend income	288,028	272,426	416,652	423,667
Net earned insurance premiums	10,998,901	12,686,669	-	-
Other operating income	83,193	87,128	9,225	14,329
Total operating income	45,752,054	46,632,030	31,925,292	31,696,862
Net insurance claims	11,029,581	11,940,122	-	-
Net operating income	34,722,473	34,691,908	31,925,292	31,696,862
Other operating expenses				
Employee's expenses	7,296,061	6,852,348	6,438,941	6,055,804
Directors' remuneration	27,088	25,530	23,868	24,380
Premises and equipment expenses	3,334,212	2,931,842	3,101,960	2,712,755
Taxes and duties	1,105,960	1,090,292	1,023,375	1,011,290
Others	4,737,015	3,621,500	5,383,769	4,164,010
Total operating expenses	16,500,336	14,521,512	15,971,913	13,968,239
Impairment loss on loans and debt securities	5,133,975	7,554,460	5,140,261	7,510,000
Profit from operating before income tax expense	13,088,162	12,615,936	10,813,118	10,218,623
Income tax expenses	18	2,573,286	2,472,397	2,092,024
Net profit		10,514,876	8,721,094	8,286,113

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The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of profit or loss and other comprehensive income (Unaudited)

	Consolidated		The Bank		
	Three month period ended		Three month period ended		
	30 September		30 September		
Note	2018	2017	2018	2017	
<i>(in thousand Baht)</i>					
Other comprehensive income (loss)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on remeasuring available-for-sale investments		136,201	3,221,121	(513,737)	276,996
Losses arising from translating the financial statements					
of a foreign operation		(59,654)	(38,750)	-	-
Changes in hedge reserve		193,706	173,527	-	-
Income tax relating to components of other comprehensive income (loss)					
will be reclassified subsequently to profit or loss		(65,982)	(678,930)	102,747	(55,399)
Total other comprehensive income (loss), net of income tax		204,271	2,676,968	(410,990)	221,597
Total comprehensive income		10,719,147	12,820,507	8,310,104	8,507,710
Net profit attributable to:					
Owners of the company		10,508,295	10,130,221	8,721,094	8,286,113
Non-controlling interests		6,581	13,318	-	-
Total comprehensive income attributable to:					
Owners of the company		10,706,981	12,786,510	8,310,104	8,507,710
Non-controlling interests		12,166	33,997	-	-
Earnings per share of parent company					
Basic earnings per share <i>(in Baht)</i>	19	3.09	2.98	2.57	2.44

(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>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Interest income	95,796,043	93,453,966	87,969,261	86,503,345
Interest expenses	24,224,882	24,832,537	24,180,443	24,811,677
Net interest income	71,571,161	68,621,429	63,788,818	61,691,668
Fees and service income	27,991,614	27,105,369	27,532,148	27,894,182
Fees and service expenses	6,235,496	4,791,493	5,324,445	3,907,180
Net fees and service income	21,756,118	22,313,876	22,207,703	23,987,002
Net gain on trading	6,482,411	5,315,831	6,287,171	5,081,622
Net gain on investments	1,998,694	987,602	1,806,690	496,282
Share of profit (loss) from investment in associate	167,407	(8,949)	-	-
Dividend income	1,084,877	870,084	891,594	2,474,294
Net earned insurance premiums	39,248,802	39,615,519	-	-
Other operating income	428,134	867,064	204,625	627,204
Total operating income	142,737,604	138,582,456	95,186,601	94,358,072
Net insurance claims	38,294,227	36,725,130	-	-
Net operating income	104,443,377	101,857,326	95,186,601	94,358,072
Other operating expenses				
Employee's expenses	22,057,492	20,730,757	19,418,971	18,384,535
Directors' remuneration	73,918	72,760	65,628	67,205
Premises and equipment expenses	9,714,816	8,497,980	9,047,274	7,903,842
Taxes and duties	3,335,436	3,256,690	3,069,797	3,038,610
Others	13,328,051	9,682,330	15,340,568	11,428,949
Total operating expenses	48,509,713	42,240,517	46,942,238	40,823,141
Impairment loss on loans and debt securities	15,152,229	17,574,786	15,160,261	17,530,000
Profit from operating before income tax expense	40,781,435	42,042,023	33,084,102	36,004,931
Income tax expenses	18	7,763,878	8,047,407	6,170,347
Net profit		33,017,557	33,994,616	26,913,755
				29,565,212

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	
		Nine month period ended		Nine month period ended	
		30 September		30 September	
		2018	2017	2018	2017
<i>(in thousand Baht)</i>					
Other comprehensive income (loss)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
(Losses) gains on remeasuring available-for-sale investments		(5,927,163)	6,292,253	(1,188,475)	680,189
Losses arising from translating the financial statements of a foreign operation		(20,095)	(154,777)	-	-
Share of other comprehensive income of associate (using equity method)		-	72	-	-
Changes in hedge reserve		(376,269)	270,681	-	51,212
Income tax relating to components of other comprehensive income (loss) will be reclassified subsequently to profit or loss		1,260,686	(1,312,587)	237,695	(146,280)
Total other comprehensive (loss) income, net of income tax		(5,062,841)	5,095,642	(950,780)	585,121
Total comprehensive income		27,954,716	39,090,258	25,962,975	30,150,333
Net profit attributable to:					
Owners of the company		32,983,954	33,953,080	26,913,755	29,565,212
Non-controlling interests		33,603	41,536	-	-
Total comprehensive income (loss) attributable to:					
Owners of the company		27,954,982	39,010,044	25,962,975	30,150,333
Non-controlling interests		(266)	80,214	-	-
Earnings per share of parent company					
Basic earnings per share (<i>in Baht</i>)	19	9.70	9.99	7.92	8.70

(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)

		Consolidated															
		Other reserves															
		Issued and paid-up share capital		Premium on share capital		Gains (losses) on remeasuring available-for-sale investments		Losses arising from translating the financial statements of a foreign operation		Changes in revaluation surplus Others		Total other reserves	Retained earnings		Total owners of the company	Non- controlling interests	Total shareholders' equity
<i>Note</i>		Preferred shares	Common shares	Preferred shares	Common shares	available-for-sale investments	statements of a foreign operation	Changes in hedge reserve	revaluation surplus	Others	reserves	Legal reserve	Unappropriated	the company	interests	equity	
<i>(in thousand Baht)</i>																	
Nine month period ended 30 September 2018																	
Balance at 1 January 2018		37,850	33,954,072	14,802	11,109,389	6,014,558	(330,032)	335,172	16,329,890	(2,364,496)	19,985,092	7,000,000	291,362,368	363,463,573	299,421	363,762,994	
Dividend paid		-	-	-	-	-	-	-	-	-	-	-	(18,695,557)	(18,695,557)	-	(18,695,557)	
Acquisition of non-controlling interests without a change in control		-	-	-	-	3	-	-	-	(15)	(12)	-	-	(12)	(37)	(49)	
Non-controlling interests arising on acquisition of subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	324,000	324,000	
Conversion of preferred shares to common shares		(586)	586	(229)	229	-	-	-	-	-	-	-	-	-	-	-	
Net profit		-	-	-	-	-	-	-	-	-	-	32,983,954	32,983,954	33,603	33,017,557		
Other comprehensive loss		-	-	-	-	(4,710,353)	(20,095)	(298,524)	-	-	(5,028,972)	-	-	(5,028,972)	(33,869)	(5,062,841)	
Total comprehensive (loss) income		-	-	-	-	(4,710,353)	(20,095)	(298,524)	-	-	(5,028,972)	-	32,983,954	27,954,982	(266)	27,954,716	
Transfer to retained earnings		-	-	-	-	-	-	-	(206,175)	-	(206,175)	-	206,175	-	-	-	
Balance at 30 September 2018		37,264	33,954,658	14,573	11,109,618	1,304,208	(350,127)	36,648	16,123,715	(2,364,511)	14,749,933	7,000,000	305,856,940	372,722,986	623,118	373,346,104	

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																					
		Other reserves																					
		Issued and paid-up share capital		Premium on share capital		Gains on remeasuring available-for-sale investments		Losses arising from translating the financial statements of a foreign operation		Share of other comprehensive (loss) income of associate (using equity method)		Changes in revaluation surplus Others		Total other reserves		Retained earnings Legal Unappropriated		Total owners of the company		Non- controlling interests		Total shareholders' equity	
<i>Note</i>		Preferred shares	Common shares	Preferred shares	Common shares	available-for-sale investments	foreign operation	associate (using equity method)	Changes in revaluation surplus Others	Total other reserves	Legal reserve	Unappropriated	Total owners of the company	Non- controlling interests	Total shareholders' equity								
<i>(in thousand Baht)</i>																							
Nine month period ended 30 September 2017																							
	Balance at 1 January 2017	38,903	33,953,019	15,213	11,108,978	1,186,362	(125,943)	(72)	40,608	16,605,336	(2,364,207)	15,342,084	7,000,000	266,630,575	334,088,772	209,450	334,298,222						
	Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(18,695,557)	(18,695,557)	-	(18,695,557)							
	Conversion of preferred shares to common shares	(987)	987	(386)	386	-	-	-	-	-	-	-	-	-	-	-							
	Net profit	-	-	-	-	-	-	-	-	-	-	-	33,953,080	33,953,080	41,536	33,994,616							
	Other comprehensive income (loss)	-	-	-	-	4,996,580	(154,777)	72	215,089	-	-	5,056,964	-	-	5,056,964	38,678	5,095,642						
	Total comprehensive income (loss)	-	-	-	-	4,996,580	(154,777)	72	215,089	-	-	5,056,964	-	33,953,080	39,010,044	80,214	39,090,258						
	Transfer to retained earnings	-	-	-	-	-	-	-	-	(206,597)	-	(206,597)	-	206,597	-	-	-						
	Balance at 30 September 2017	37,916	33,954,006	14,827	11,109,364	6,182,942	(280,720)	-	255,697	16,398,739	(2,364,207)	20,192,451	7,000,000	282,094,695	354,403,259	289,664	354,692,923						

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							Total shareholders' equity
	Issued and paid-up share capital		Premium on share capital		Gains (losses) on remeasuring available-for-sale investments	Changes in hedge reserve	Changes in revaluation surplus	Total other reserves	Retained earnings			
	Preferred shares	Common shares	Preferred shares	Common shares					Legal reserve	Unappropriated		
<i>Note</i>												
<i>(in thousand Baht)</i>												
Nine month period ended 30 September 2018												
Balance at 1 January 2018	37,850	33,954,072	14,802	11,109,389	2,899,569	(8)	15,755,399	18,654,960	7,000,000	258,196,463	328,967,536	
Dividend paid	-	-	-	-	-	-	-	-	-	(18,695,557)	(18,695,557)	
Conversion of preferred shares to common shares	(586)	586	(229)	229	-	-	-	-	-	-	-	
Net profit	-	-	-	-	-	-	-	-	-	26,913,755	26,913,755	
Other comprehensive loss	-	-	-	-	(950,780)	-	-	(950,780)	-	-	(950,780)	
Total comprehensive (loss) income	-	-	-	-	(950,780)	-	-	(950,780)	-	26,913,755	25,962,975	
Transfer to retained earnings	-	-	-	-	-	-	(203,845)	(203,845)	-	203,845	-	
Balance at 30 September 2018	37,264	33,954,658	14,573	11,109,618	1,948,789	(8)	15,551,554	17,500,335	7,000,000	266,618,506	336,234,954	

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											
	Issued and paid-up share capital		Premium on share capital		Other reserves				Retained earnings		Total shareholders' equity	
					Gains on remeasuring available-for-sale investments	Changes in hedge reserve	Changes in revaluation surplus	Total other reserves				Legal reserve
	Preferred shares	Common shares	Preferred shares	Common shares								
	<i>Note</i>											
<i>(in thousand Baht)</i>												
Nine month period ended 30 September 2017												
Balance at 1 January 2017		38,903	33,953,019	15,213	11,108,978	2,325,667	(40,970)	16,027,739	18,312,436	7,000,000	238,765,712	309,194,261
Dividend paid	<i>11</i>	-	-	-	-	-	-	-	-	-	(18,695,557)	(18,695,557)
Conversion of preferred shares to common shares		(987)	987	(386)	386	-	-	-	-	-	-	-
Net profit		-	-	-	-	-	-	-	-	-	29,565,212	29,565,212
Other comprehensive income		-	-	-	-	544,151	40,970	-	585,121	-	-	585,121
Total comprehensive income		-	-	-	-	544,151	40,970	-	585,121	-	29,565,212	30,150,333
Transfer to retained earnings		-	-	-	-	-	-	(204,267)	(204,267)	-	204,267	-
Balance at 30 September 2017		37,916	33,954,006	14,827	11,109,364	2,869,818	-	15,823,472	18,693,290	7,000,000	249,839,634	320,649,037

(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	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit from operating before income tax expense	40,781,435	42,042,023	33,084,102	36,004,931
<i>Adjustments to reconcile profit from operating before income tax expense</i>				
<i>to cash receipts (payments) from operating activities</i>				
Depreciation and amortisation	3,403,258	2,286,900	3,256,510	2,165,586
Impairment loss on loans and debt securities	17,490,813	19,354,854	17,498,844	19,310,069
Losses on impairment of properties for sale	88,772	15,108	88,772	14,000
Losses (gains) on sale of premises and equipment	32,043	(19,629)	32,753	(16,575)
Net (gain) loss on trading	(3,937,656)	775,461	(3,518,139)	792,332
Net gain on investments	(1,998,694)	(987,602)	(1,806,690)	(496,282)
Share of (profit) loss from investment in associate	(167,407)	8,949	-	-
	55,692,564	63,476,064	48,636,152	57,774,061
Net interest income	(71,571,161)	(68,621,429)	(63,788,818)	(61,691,668)
Dividend income	(1,084,877)	(870,084)	(891,594)	(2,474,294)
Proceeds from interest	92,854,461	93,745,780	86,353,223	87,572,663
Interest paid	(24,240,109)	(26,164,292)	(24,180,121)	(26,133,660)
Proceeds from dividend	1,096,533	877,058	856,456	1,647,482
Income tax paid	(10,320,393)	(10,757,886)	(8,264,991)	(8,585,225)
Profit from operating before changes in operating assets and liabilities	42,427,018	51,685,211	38,720,307	48,109,359
<i>(Increase) decrease in operating assets</i>				
Interbank and money market items	(113,967,665)	(57,792,300)	(112,647,856)	(58,096,748)
Derivative assets	3,794,113	8,846,019	5,382,446	10,201,001
Investment in securities for trading	(1,335,977)	8,497,207	(5,753,321)	10,639,055
Loans to customers	(84,721,537)	(71,669,339)	(83,142,625)	(70,301,711)
Properties for sale	6,442,098	6,399,261	6,442,098	6,399,261
Other assets	2,525,773	5,215,910	2,640,334	7,195,610
<i>Increase (decrease) in operating liabilities</i>				
Deposits	31,011,195	524,715	34,122,542	1,722,065
Interbank and money market items	3,565,622	49,636,751	5,425,674	49,838,752
Liability payable on demand	(3,381,127)	3,858,874	(3,381,195)	3,846,218
Liabilities to deliver security	(52,580)	1,167	-	-
Derivative liabilities	(6,249,624)	(10,657,759)	(5,986,997)	(12,140,443)
Short-term debt issued and borrowings	14,365,323	(38,835,163)	14,311,803	(39,653,951)
Liabilities under insurance contracts	24,547,253	25,430,141	-	-
Other liabilities	2,067,266	(3,294,519)	(43,215)	(4,005,595)
Net cash used in operating activities	(78,962,849)	(22,153,824)	(103,910,005)	(46,247,127)

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	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Cash flows from investing activities				
Acquisition of available-for-sale securities	(239,876,629)	(428,363,333)	(131,511,202)	(327,094,924)
Proceeds from sale of available-for-sale securities	341,609,944	471,099,699	255,558,229	395,015,899
Acquisition of held-to-maturity securities	(3,032,896)	(264,600)	(237,321)	(264,600)
Proceeds from redemption of held-to-maturity securities	1,229,067	2,915,928	1,139,398	1,470,900
Acquisition of general investments	(969,932)	(139,234)	(961,955)	(139,234)
Proceeds from sale of general investments	1,330,155	30,208	1,330,155	30,208
Acquisition of investments in subsidiaries and/or associate	-	-	(486,049)	(7,000)
Acquisition of premises and equipment	(1,653,769)	(2,360,818)	(1,403,339)	(2,291,828)
Proceeds from sale of premises and equipment	177,081	46,771	176,252	41,818
Acquisition of intangible assets	(5,790,540)	(2,874,125)	(5,504,755)	(2,764,816)
Net cash from investing activities	93,022,481	40,090,496	118,099,413	63,996,423
Cash flows from financing activities				
Proceeds from long-term debt issued	2,168,000	14,833,464	2,168,000	14,833,464
Repayment of long-term debt issued	-	(20,000,000)	-	(20,000,000)
Proceeds from long-term borrowings	133,613	112,204	133,613	112,204
Repayment of long-term borrowings	(41,900)	-	(41,900)	-
Dividend paid to equity holders of the Bank	(18,695,557)	(18,695,557)	(18,695,557)	(18,695,557)
Acquisition of non-controlling interests	323,951	-	-	-
Net cash used in financing activities	(16,111,893)	(23,749,889)	(16,435,844)	(23,749,889)
Losses arising from translating the financial statements of a foreign operation	(20,095)	(154,777)	-	-
Net decrease in cash	(2,072,356)	(5,967,994)	(2,246,436)	(6,000,593)
Cash at 1 January	40,797,176	40,488,512	40,591,037	40,317,033
Cash at 30 September	38,724,820	34,520,518	38,344,601	34,316,440

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	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Supplementary disclosures of cash flow information				
Significant non-cash items were as follows:				
(Losses) gains on remeasuring available-for-sale investments	(5,927,163)	6,292,253	(1,188,475)	680,189
Losses arising from translating the financial statements of a foreign operation	(20,095)	(154,777)	-	-
Share of other comprehensive income of associate (using equity method)	-	72	-	-
Changes in hedge reserve	(376,269)	270,681	-	51,212
Properties for sale from loan payment	7,672,443	6,023,653	7,672,443	6,023,653
Losses from foreign exchange revaluation on long-term debt issued	(457,525)	(2,585,485)	(457,525)	(2,585,485)
(Losses) gains from foreign exchange revaluation on banking book derivatives	(690,538)	153,665	(690,538)	153,665

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(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 2018 (Unaudited)

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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 financial statements, and both the English and Thai language financial statements were approved and authorised for issue by the directors on 12 November 2018.

1 General information

The Siam Commercial Bank Public Company Limited, the “Bank”, is incorporated in Thailand and has its registered office at 9 Ratchadapisek 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, Shanghai 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 2018 and 31 December 2017 are given in note 6.

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 2017) *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 2017 and for the six-month period ended 30 June 2018. 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 2017 and for the six-month period ended 30 June 2018.

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 2017 except that the Bank and its subsidiaries have adopted all revised TFRS that are effective for annual periods beginning on or after 1 January 2018. The adoption of these 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.

In addition to the above new and revised TFRS, the FAP has issued a number of new TFRS which are not yet effective in the current period. The Bank and its subsidiaries have not early adopted these standards in preparing these interim financial statements. Those new TFRS that are relevant to the Bank and its subsidiaries’ operations become effective for annual financial reporting periods beginning on or after 1 January of the following years.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
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TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* TFRS - Financial instruments standards

TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

- TAS 11 (revised 2017) *Construction Contracts*,
- TAS 18 (revised 2017) *Revenue*,
- TSIC 31 (revised 2017) *Revenue-Barter Transactions Involving Advertising Services*,
- TFRIC 13 (revised 2017) *Customer Loyalty Programmes*,
- TFRIC 15 (revised 2017) *Agreements for the Construction of Real Estate*, and
- TFRIC 18 (revised 2017) *Transfers of Assets from Customers*.

The Bank and its subsidiaries have made a preliminary assessment of the potential impact of adopting TFRS 15 on the consolidated and the Bank's financial statements and expects that there will be no material impact on the consolidated and the Bank's financial statements in the period of initial application.

TFRS - Financial instruments standards

These TFRS establish requirements for the recognition and subsequent measurement of financial instruments, impairment, hedge accounting and related disclosures.

Management is presently considering the potential impact of adopting TFRS - Financial instruments standards on the consolidated and Bank's financial statements.

(b) *Functional and presentation currency*

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

(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.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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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 2017.

(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 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 chief financial officer.

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 these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Bank's Audit Committee.

When measuring the fair value of an asset or a liability, the Bank and its subsidiaries use observable market 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 levels of the fair value hierarchy during the nine-month period ended 30 September 2018.

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of 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 2018 (Unaudited)

3.1 Financial instruments measured at fair value

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

	Consolidated			The Bank		
	Level 1	Fair value Level 2	Total	Level 1	Fair value Level 2	Total
	<i>(in million Baht)</i>					
30 September 2018						
Financial assets						
Derivative assets						
- Foreign exchange rate	-	28,428	28,428	-	28,348	28,348
- Interest rate	-	14,299	14,299	-	14,243	14,243
- Others	-	61	61	-	851	851
Total	-	42,788	42,788	-	43,442	43,442
Investments						
- Trading securities	2,613	14,822	17,435	-	14,802	14,802
- Available-for-sale securities	23,082	303,583	326,665	8,535	145,118	153,653
Total	25,695	318,405	344,100	8,535	159,920	168,455
Total financial assets	25,695	361,193	386,888	8,535	203,362	211,897
Financial liabilities						
Derivative liabilities						
- Foreign exchange rate	-	24,986	24,986	-	25,511	25,511
- Interest rate	-	12,587	12,587	-	12,225	12,225
- Others	116	1,033	1,149	-	868	868
Total financial liabilities	116	38,606	38,722	-	38,604	38,604
31 December 2017						
Financial assets						
Derivative assets						
- Foreign exchange rate	-	26,362	26,362	-	26,728	26,728
- Interest rate	-	15,749	15,749	-	15,583	15,583
- Others	-	195	195	-	2,531	2,531
Total	-	42,306	42,306	-	44,842	44,842
Investments						
- Trading securities	7,066	9,127	16,193	-	9,101	9,101
- Available-for-sale securities	21,863	410,201	432,064	8,482	268,383	276,865
Total	28,929	419,328	448,257	8,482	277,484	285,966
Total financial assets	28,929	461,634	490,563	8,482	322,326	330,808
Financial liabilities						
Derivative liabilities						
- Foreign exchange rate	-	24,526	24,526	-	27,519	27,519
- Interest rate	-	14,398	14,398	-	14,351	14,351
- Others	278	5,524	5,802	-	2,493	2,493
Total financial liabilities	278	44,448	44,726	-	44,363	44,363

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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The Bank and its subsidiaries determine Level 2 fair values for debt securities using quoted market prices for identical or similar instruments in active markets or other inputs that are observable market data.

Level 2 fair values for over-the-counter derivative financial instruments are derived using broker quotes in active markets. Fair values reflect the credit risk of the counterparty.

3.2 Financial instruments not measured 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 2018 and 31 December 2017 were as follows:

	Consolidated		The Bank	
	Carrying amount	Fair value Level 2 <i>(in million Baht)</i>	Carrying amount	Fair value Level 2
30 September 2018				
Financial assets				
Derivative assets	706	13,022	706	13,022
Held-to-maturity securities	122,133	131,727	10,721	11,512
Financial liabilities				
Derivative liabilities	462	7,992	462	7,992
31 December 2017				
Financial assets				
Derivative assets	1,193	692	1,193	692
Held-to-maturity securities	120,671	134,404	11,637	12,749
Financial liabilities				
Derivative liabilities	258	285	258	285

The following methods and assumptions are used 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, where available. 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.

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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 and listed unit trust. - The fair value of non-listed 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.
Liabilities payable on demand:	<p>The carrying amount of liabilities payable on demand approximates fair value.</p>
Debt issued and borrowings:	<ul style="list-style-type: none"> - 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.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
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4 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 and its subsidiaries' assets, liabilities and certain off-financial reporting items as calculated in accordance with regulatory practices. The Bank 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 8 May 2015, the Bank is required to calculate its Capital Fund in accordance with Basel III. As at 30 September 2018 and 31 December 2017, the Consolidated Supervision group and the Bank's total capital funds were categorised as follows:

	Basel III			
	30 September	31 December		
	2018	2017		
	<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	287,738	265,905		
Disclosed reserves				
Other comprehensive income	15,309	20,476		
Other owner changes items	(2,365)	(2,365)		
Capital deduction items on CET1	(21,314)	(14,193)		
Total Tier 1 capital	331,484	321,939		
Tier 2 capital				
Subordinated debt	20,000	20,000		
Allowance for classified assets of "normal" category	23,417	22,564		
Total Tier 2 capital	43,417	42,564		
Total capital funds	374,901	364,503		
Total risk weighted assets	2,133,655	2,055,938		
	The BoT's regulation minimum requirement*	30 September 2018	The BoT's regulation minimum requirement*	31 December 2017
Total capital / Total risk weighted assets	10.375	17.6	9.75	17.7
Total Tier 1 capital / Total risk weighted assets	7.875	15.6	7.25	15.6
Total Tier 1 common equity / Total risk weighted assets	6.375	15.6	5.75	15.6
Total Tier 2 capital / Total risk weighted assets		2.0		2.1

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

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 2018 (Unaudited)

	Basel III Consolidated Supervision	
	30 September 2018	31 December 2017
	<i>(in million Baht)</i>	
Capital after deducting capital add-on arising from Single Lending Limit	374,901	363,997
Capital ratio after deducting capital add-on arising from Single Lending Limit (%)	17.6	17.7

	Basel III The Bank	
	30 September 2018	31 December 2017
	<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	258,692	242,348
Other comprehensive income	15,228	16,596
Capital deduction items on CET1	<u>(17,036)</u>	<u>(11,082)</u>
Total Tier 1 capital	<u>309,000</u>	<u>299,978</u>
Tier 2 capital		
Subordinated debt	20,000	20,000
Allowance for classified assets of “normal” category	<u>22,587</u>	<u>21,754</u>
Total Tier 2 capital	<u>42,587</u>	<u>41,754</u>
Total capital funds	<u>351,587</u>	<u>341,732</u>
Total risk weighted assets	2,058,640	1,984,315

	The BoT's regulation minimum requirement*	30 September 2018	The BoT's regulation minimum requirement*	31 December 2017
			<i>(%)</i>	
Total capital / Total risk weighted assets	10.375	17.1	9.75	17.2
Total Tier 1 capital / Total risk weighted assets	7.875	15.0	7.25	15.1
Total Tier 1 common equity / Total risk weighted assets	6.375	15.0	5.75	15.1
Total Tier 2 capital / Total risk weighted assets		2.1		2.1

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

	30 September 2018	31 December 2017
	<i>(in million Baht)</i>	
Capital after deducting capital add-on arising from Single Lending Limit	351,587	341,029
Capital ratio after deducting capital add-on arising from Single Lending Limit (%)	17.1	17.2

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
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Disclosures of capital maintenance information under Bank of Thailand Notification number Sor Nor Sor 4/2556 dated 2 May 2013 on the Public Disclosures of Capital Maintenance for Commercial Banks and Bank of Thailand Notification number Sor Nor Sor 5/2556 dated 2 May 2013 on the Public Disclosures of Capital Maintenance for Financial Group, were as follows:

Location of disclosure	The Bank's website under Investor Relations section at http://www.scb.co.th/en/investor-relations/financial-information.html
Date of disclosure	Within 4 months after the period end date as indicated in the BoT notification
Information as of	30 June 2018

Capital management

The Bank and its subsidiaries policies are to maintain a strong capital base so as to provide a cushion against future uncertainties, engender market confidence in the Bank's robustness and to support business growth. Further, the impact of the level of capital on shareholders' returns is also considered together with the need to maintain a balance between the higher returns that might be possible with higher gearing and the advantages and security afforded by a sound capital position.

The Bank and its subsidiaries have complied with BoT imposed capital requirements throughout the period and, as noted in the table above, its capital level is well in excess of the minimum requirements.

5 Investments, net

5.1 Classification of investments in securities

As at 30 September 2018 and 31 December 2017, the investments in securities of the Bank and its subsidiaries were classified as follows:

	Consolidated		The Bank	
	30 September 2018 Fair value	31 December 2017 Fair value	30 September 2018 Fair value	31 December 2017 Fair value
	<i>(in million Baht)</i>			
Trading securities				
Government and state enterprise securities	13,354	9,089	13,334	9,063
Corporate debt securities	1,468	38	1,468	38
Domestic equity securities	2,613	7,066	-	-
Total	17,435	16,193	14,802	9,101
	Consolidated		The Bank	
	30 September 2018 Fair value	31 December 2017 Fair value	30 September 2018 Fair value	31 December 2017 Fair value
	<i>(in million Baht)</i>			
Available-for-sale securities				
Government and state enterprise securities	250,092	362,079	140,871	265,702
Corporate debt securities	38,133	37,224	-	-
Foreign debt securities	15,141	10,898	4,050	2,681
Domestic equity securities	23,102	20,248	8,535	6,867
Foreign equity securities	197	1,615	197	1,615
Total	326,665	432,064	153,653	276,865

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	Consolidated		The Bank	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Cost / Amortised cost	Cost / Amortised cost	Cost / Amortised cost	Cost / Amortised cost
	<i>(in million Baht)</i>			
Held-to-maturity securities				
Government and state enterprise securities	120,593	119,125	10,077	10,992
Corporate debt securities	36	36	404	399
Foreign debt securities	240	246	240	246
Other securities	1,300	1,300	-	-
Total	122,169	120,707	10,721	11,637
<i>Less</i> allowance for impairment	(36)	(36)	-	-
Total	122,133	120,671	10,721	11,637

	Consolidated		The Bank	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Cost	Cost	Cost	Cost
	<i>(in million Baht)</i>			
General investments				
Domestic non-marketable equity securities	1,023	1,092	1,003	1,079
Foreign non-marketable equity securities	999	532	999	532
Total	2,022	1,624	2,002	1,611
<i>Less</i> allowance for impairment	(156)	(181)	(156)	(181)
Total	1,866	1,443	1,846	1,430
Total investments, net	468,099	570,371	181,022	299,033

5.2 Investments in companies with problems in their financial positions

As at 30 September 2018, 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 2017: Baht 59 million).

6 Investments in subsidiaries and associate, net

As at 30 September 2018 and 31 December 2017, the Bank and its subsidiaries had an investment in associate, net of impairment provisions, as follows

Type of business	Type of share	Consolidated						
		Direct and indirect shareholding		Investment value				
		30 September 2018	31 December 2017	Cost method		Equity method		
		(%)	(%)	30 September 2018	31 December 2017	30 September 2018	31 December 2017	
<i>(in million Baht)</i>								
Associate								
Sahaviriya Steel Industries PCL*	Steel industry	Common	40.2	-	-	-	167	-
Total investments in associate, net					-	-	167	-

* On 28 March 2018, the Bank acquired common shares in Sahaviriya Steel Industries Public Company Limited through a debt-to-equity swap under a rehabilitation plan.

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As at 30 September 2018 and 31 December 2017, 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
			September	December	September	December
			2018	2017	2018	2017
			(%)		(in million Baht)	
Type of business	Type of share					
Subsidiaries						
Finance & Insurance						
Cambodian Commercial Bank Ltd.	Banking	Common	100.0	100.0	2,688	2,688
Rutchayothin Assets Management Co., Ltd.	Asset management	Common	100.0	100.0	25	25
SCB Securities Co., Ltd.	Securities	Common	100.0	100.0	2,207	2,207
SCB-Julius Baer Securities Co., Ltd.*	Securities	Common	60.0	-	486	-
SCB Asset Management Co., Ltd.	Asset management	Common	100.0	100.0	222	222
Siam Commercial Leasing PCL**	Collection	Common	99.4	99.4	1,533	1,533
SCB Life Assurance PCL	Life insurance	Common	99.2	99.2	12,540	12,540
Services						
SCB Training Centre Co., Ltd.	Training center	Common	100.0	100.0	390	390
Siam Phitiwat Co., Ltd.**	Appraisal services	Common	100.0	100.0	10	10
SCB Plus Co., Ltd.	Collection	Common	100.0	100.0	1	1
SCB Protect Co., Ltd.	Non-life insurance broker	Common	100.0	100.0	2	2
SCB Abacus Co., Ltd.	Data analytics	Common	100.0	100.0	10	10
Other						
Sor. Or. Kor. PCL**	Commercial	Common	99.7	99.7	583	583
Indirect subsidiaries						
Mahisorn Co., Ltd.***	Property management	Common	-	-	-	-
Digital Ventures Co., Ltd.****	Financial technology and venture capital	Common	-	-	-	-
Associate						
Sahaviriya Steel Industries PCL*****	Steel industry	Common	40.2	-	-	-
Total					<u>20,697</u>	<u>20,211</u>
<i>Less allowance for impairment</i>					<u>(2,194)</u>	<u>(2,194)</u>
Total investments in subsidiaries and associate, net					<u>18,503</u>	<u>18,017</u>

* Newly established in 2018. The Company changed its name from SCB-Julius Baer Co., Ltd. to SCB-Julius Baer Securities Co., Ltd. in September 2018.

** The Company is under liquidation.

*** Subsidiary of SCB Plus Co., Ltd. (100% shareholding)

**** Subsidiary of SCB Securities Co., Ltd. (100% shareholding)

***** On 28 March 2018, the Bank acquired common shares in Sahaviriya Steel Industries Public Company Limited through a debt-to-equity swap under a rehabilitation plan.

SCB-Julius Baer Securities Co., Ltd. (the Bank's subsidiary) established a new subsidiary, SCB-Julius Baer (Singapore) Pte. Ltd. (100% shareholding). The Company is in the process of calling registered capital payment of SGD 8,000,000.

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

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7 Loans to customers and accrued interest receivables, net

7.1 Classified by business type and quality of loan classification as at 30 September 2018 and 31 December 2017

	Consolidated												
	30 September 2018					Total *	31 December 2017					Total *	
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss		Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss		
	<i>(in million Baht)</i>												
Agriculture and mining	17,337	171	2,017	139	382	20,046	16,625	2,290	336	124	179	19,554	
Manufacturing and commercial	557,497	17,485	3,912	4,438	22,738	606,070	565,471	16,976	5,043	3,684	21,559	612,733	
Real estate and construction	159,143	3,262	782	687	3,272	167,146	140,789	3,210	952	655	3,517	149,123	
Utilities and services	357,868	1,330	523	889	5,082	365,692	338,868	1,493	1,023	1,209	3,701	346,294	
Housing loans	527,689	10,893	5,999	5,273	4,462	554,316	514,815	12,329	6,042	5,649	3,729	542,564	
Others	364,175	17,152	4,063	2,317	2,787	390,494	340,964	15,342	3,718	2,108	2,332	364,464	
Total *	1,983,709	50,293	17,296	13,743	38,723	2,103,764	1,917,532	51,640	17,114	13,429	35,017	2,034,732	

	The Bank												
	30 September 2018					Total *	31 December 2017					Total *	
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss		Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss		
	<i>(in million Baht)</i>												
Agriculture and mining	17,293	171	2,017	139	382	20,002	16,571	2,290	336	124	179	19,500	
Manufacturing and commercial	556,089	17,485	3,912	4,438	22,738	604,662	563,091	16,976	5,043	3,684	21,559	610,353	
Real estate and construction	159,138	3,262	782	687	2,325	166,194	140,786	3,210	952	655	2,553	148,156	
Utilities and services	356,823	1,330	523	889	5,082	364,647	338,798	1,493	1,023	1,209	3,701	346,224	
Housing loans	527,630	10,893	5,999	5,273	4,462	554,257	514,764	12,329	6,042	5,649	3,729	542,513	
Others	352,497	17,152	4,063	2,317	2,728	378,757	330,879	15,342	3,718	2,108	2,273	354,320	
Total *	1,969,470	50,293	17,296	13,743	37,717	2,088,519	1,904,889	51,640	17,114	13,429	33,994	2,021,066	

* Net of deferred revenue, excludes accrued interest receivables

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7.2 Loans to listed companies identified for delisting

	Consolidated and the Bank							
	30 September 2018				31 December 2017			
	Loans and accrued interest		Amount of collateral provision		Loans and accrued interest		Amount of collateral provision	
No. of companies	receivables*	(in million Baht)		No. of companies	receivables*	(in million Baht)		
Listed companies identified for delisting	3	11,121	5,917	9,771	2	12,045	5,914	9,771

* Including loans to financial institutions but excluding other expenses

7.3 Non-Performing Loans

As at 30 September 2018 and 31 December 2017, the Bank used the guidelines specified in the BoT's notification dated 10 June 2016 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 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in million Baht)</i>			
Non-Performing Loans (net of allowance for doubtful accounts)	37,075	35,592	36,780	35,289
% of Non-Performing Loans to total loans (net)	1.5	1.6	1.5	1.6
Non-Performing Loans (gross)	69,762	65,560	68,756	64,537
% of Non-Performing Loans to total loans	2.8	2.8	2.8	2.8

As at 30 September 2018, Rutchayothin Assets Management Co., Ltd. which is a subsidiary of the Bank, had Non-Performing Loans of Baht 421 million (*31 December 2017: Baht 433 million*). However, the Non-Performing Loans based on principal of loan purchased from the Bank and its subsidiaries as at 30 September 2018 was Baht 947 million (*31 December 2017: Baht 964 million*).

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7.4 Classified assets

The Bank and its subsidiaries had classified assets as at 30 September 2018 and 31 December 2017 as follows:

Consolidated						
30 September 2018						
	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	1,987,388	392,004	-	-	21	2,379,413
Special Mention	50,378	-	-	-	4	50,382
Sub-Standard	17,324	-	-	-	3	17,327
Doubtful	13,743	-	-	-	5	13,748
Doubtful Loss	38,730	-	5,089	533	1,021	45,373
	<u>2,107,563</u>	<u>392,004</u>	<u>5,089</u>	<u>533</u>	<u>1,054</u>	<u>2,506,243</u>

Consolidated						
31 December 2017						
	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	1,920,725	281,672	-	-	16	2,202,413
Special Mention	51,721	-	-	-	4	51,725
Sub-Standard	17,161	-	-	-	3	17,164
Doubtful	13,429	-	-	-	6	13,435
Doubtful Loss	35,024	-	2,051	444	1,096	38,615
	<u>2,038,060</u>	<u>281,672</u>	<u>2,051</u>	<u>444</u>	<u>1,125</u>	<u>2,323,352</u>

* Net of deferred revenue

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The Bank
30 September 2018

	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	1,972,852	382,352	-	-	21	2,355,225
Special Mention	50,378	-	-	-	4	50,382
Sub-Standard	17,324	-	-	-	3	17,327
Doubtful	13,743	-	-	-	5	13,748
Doubtful Loss	37,717	-	3,199	529	988	42,433
	2,092,014	382,352	3,199	529	1,021	2,479,115

The Bank
31 December 2017

	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	1,907,725	274,343	-	-	16	2,182,084
Special Mention	51,721	-	-	-	4	51,725
Sub-Standard	17,161	-	-	-	3	17,164
Doubtful	13,429	-	-	-	6	13,435
Doubtful Loss	33,994	-	2,550	441	1,073	38,058
	2,024,030	274,343	2,550	441	1,102	2,302,466

* Net of deferred revenue

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7.5 Allowance for doubtful accounts

7.5.1 Loans classified by quality as at 30 September 2018 and 31 December 2017 (inclusive of accrued interest receivables)

Consolidated							
30 September 2018							
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			Total
	Loans and accrued interest receivables <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts	% used for setting the allowance	Allowance for doubtful accounts ^{***}	Loans and accrued interest receivables <i>(in million Baht)</i>	Allowance for doubtful accounts ^{***}	
Minimum allowance of BoT regulations							
- Normal	1,807,484	1,766,530*	1	17,549	179,904	2,701	20,250
- Special Mention	37,953	37,132*	2	743	12,425	2,681	3,424
- Sub-Standard	16,290	8,611**	100	8,611	1,034	509	9,120
- Doubtful	13,254	4,110**	100	4,110	489	228	4,338
- Doubtful Loss	36,906	18,752**	100	18,752	1,824	848	19,600
Total	<u>1,911,887</u>	<u>1,835,135</u>		<u>49,765</u>	<u>195,676</u>	<u>6,967</u>	56,732
Allowance established in excess of BoT regulations							<u>38,521</u>
Total							<u>95,253</u>

Consolidated							
31 December 2017							
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			Total
	Loans and accrued interest receivables <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts	% used for setting the allowance	Allowance for doubtful accounts ^{***}	Loans and accrued interest receivables <i>(in million Baht)</i>	Allowance for doubtful accounts ^{***}	
Minimum allowance of BoT regulations							
- Normal	1,754,409	1,727,479*	1	17,173	166,316	2,791	19,964
- Special Mention	41,422	40,650*	2	813	10,299	2,412	3,225
- Sub-Standard	16,222	7,488**	100	7,488	939	473	7,961
- Doubtful	12,807	3,855**	100	3,855	622	308	4,163
- Doubtful Loss	33,320	17,423**	100	17,423	1,704	783	18,206
Total	<u>1,858,180</u>	<u>1,796,895</u>		<u>46,752</u>	<u>179,880</u>	<u>6,767</u>	53,519
Allowance established in excess of BoT regulations							<u>32,180</u>
Total							<u>85,699</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

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The Bank							
30 September 2018							
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			
	Net amount used to						
	Loans and accrued interest receivables	set the allowance for doubtful accounts	% used for setting the allowance	Allowance for doubtful accounts***	Loans and accrued interest receivables	Allowance for doubtful accounts***	Total
	<i>(in million Baht)</i>				<i>(in million Baht)</i>		
Minimum allowance of BoT regulations							
- Normal	1,792,948	1,752,292*	1	17,523	179,904	2,701	20,224
- Special Mention	37,953	37,132*	2	743	12,425	2,681	3,424
- Sub-Standard	16,290	8,611**	100	8,611	1,034	509	9,120
- Doubtful	13,254	4,110**	100	4,110	489	228	4,338
- Doubtful Loss	35,893	18,033**	100	18,033	1,824	848	18,881
Total	<u>1,896,338</u>	<u>1,820,178</u>		<u>49,020</u>	<u>195,676</u>	<u>6,967</u>	55,987
Allowance established in excess of BoT regulations							<u>38,511</u>
Total							<u>94,498</u>

The Bank							
31 December 2017							
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			
	Net amount used to						
	Loans and accrued interest receivables	set the allowance for doubtful accounts	% used for setting the allowance	Allowance for doubtful accounts***	Loans and accrued interest receivables	Allowance for doubtful accounts***	Total
	<i>(in million Baht)</i>				<i>(in million Baht)</i>		
Minimum allowance of BoT regulations							
- Normal	1,741,409	1,714,836*	1	17,148	166,316	2,791	19,939
- Special Mention	41,422	40,650*	2	813	10,299	2,412	3,225
- Sub-Standard	16,222	7,488**	100	7,488	939	473	7,961
- Doubtful	12,807	3,855**	100	3,855	622	308	4,163
- Doubtful Loss	32,290	16,694**	100	16,694	1,704	783	17,477
Total	<u>1,844,150</u>	<u>1,783,523</u>		<u>45,998</u>	<u>179,880</u>	<u>6,767</u>	52,765
Allowance established in excess of BoT regulations							<u>32,171</u>
Total							<u>84,936</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

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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 2018 and 31 December 2017 and in compliance with the BoT's guidelines, including an assessment for "Possible Impaired Loans", as directed by them. The aggregate allowance is based on both quantitative criteria noted above and qualitative criteria that reflects management judgment.

7.5.2 Changes to the allowance for doubtful accounts

As at 30 September 2018 and 31 December 2017, the changes to the allowance for doubtful accounts were as follows:

Consolidated							
30 September 2018							
	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 2018	19,964	3,225	7,961	4,163	18,206	32,180	85,699
Bad debt and doubtful accounts	286	199	1,159	175	9,423	6,186	17,428
Bad debts written off	-	-	-	-	(8,029)	-	(8,029)
Others	-	-	-	-	-	155	155
As at 30 September 2018	<u>20,250</u>	<u>3,424</u>	<u>9,120</u>	<u>4,338</u>	<u>19,600</u>	<u>38,521</u>	<u>95,253</u>

Consolidated							
31 December 2017							
	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 2017	19,184	3,000	9,654	3,153	15,641	22,721	73,353
Bad debt and doubtful accounts	783	225	(1,693)	1,010	17,640	9,817	27,782
Bad debts written off	-	-	-	-	(15,075)	-	(15,075)
Others	(3)	-	-	-	-	(358)	(361)
As at 31 December 2017	<u>19,964</u>	<u>3,225</u>	<u>7,961</u>	<u>4,163</u>	<u>18,206</u>	<u>32,180</u>	<u>85,699</u>

The Bank							
30 September 2018							
	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 2018	19,939	3,225	7,961	4,163	17,477	32,171	84,936
Bad debt and doubtful accounts	285	199	1,159	175	9,433	6,185	17,436
Bad debts written off	-	-	-	-	(8,029)	-	(8,029)
Others	-	-	-	-	-	155	155
As at 30 September 2018	<u>20,224</u>	<u>3,424</u>	<u>9,120</u>	<u>4,338</u>	<u>18,881</u>	<u>38,511</u>	<u>94,498</u>

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The Bank							
31 December 2017							
	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 2017	19,155	3,000	9,654	3,153	14,946	22,716	72,624
Bad debt and doubtful accounts	784	225	(1,693)	1,010	17,606	9,813	27,745
Bad debts written off	-	-	-	-	(15,075)	-	(15,075)
Others	-	-	-	-	-	(358)	(358)
As at 31 December 2017	<u>19,939</u>	<u>3,225</u>	<u>7,961</u>	<u>4,163</u>	<u>17,477</u>	<u>32,171</u>	<u>84,936</u>

8 Troubled debt restructuring

During the nine-month periods ended 30 September 2018 and 2017, troubled debt restructuring was as follows:

Types of debt restructuring	Consolidated and the Bank							
	No. of accounts		Outstanding debts				Transferred assets	
	2018	2017	2018	2017	2018	2017	Types	Fair value
<i>(in million Baht)</i>								
Transfers of assets	-	1	-	7	-	7	Immovable properties	- 7
Debt restructuring in various forms	3	9	15	128	15	105		
Changes of repayment conditions	<u>2,200</u>	<u>2,971</u>	<u>6,351</u>	<u>7,440</u>	<u>6,260</u>	<u>7,144</u>		
Total	<u>2,203</u>	<u>2,981</u>	<u>6,366</u>	<u>7,575</u>	<u>6,275</u>	<u>7,256</u>		

The average term of troubled debt restructuring as of 30 September 2018 is 11.8 years (*30 September 2017: 11.5 years*).

As at 30 September 2018 and 31 December 2017, the Bank and its subsidiaries had outstanding balances relating to troubled debt restructuring loans as follows:

	Consolidated and the Bank			
	30 September 2018		31 December 2017	
	No. of accounts	Outstanding debts	No. of accounts	Outstanding debts
	<i>(in million Baht)</i>		<i>(in million Baht)</i>	
Restructuring loans which were classified as NPL	1,407	7,131	1,804	8,595
Restructuring loans which were not classified as NPL	13,135	26,722	13,307	27,128
Total	<u>14,542</u>	<u>33,853</u>	<u>15,111</u>	<u>35,723</u>

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Supplementary information relating to restructuring loans for the nine-month periods ended 30 September 2018 and 2017 were as follows:

	Consolidated and the Bank	
	2018	2017
	<i>(in million Baht)</i>	
Interest income recognised in the statement of profit or loss and other comprehensive income	757	890

Revaluation allowance for debt restructuring

As at 30 September 2018 and 31 December 2017, the changes to the revaluation allowance for debt restructuring was as follows:

	Consolidated and the Bank	
	30 September 2018	31 December 2017
	<i>(in million Baht)</i>	
Beginning balance	4,291	4,004
(Decrease) increase during the period/year	(106)	287
Ending balance	<u>4,185</u>	<u>4,291</u>

9 Liabilities under insurance contracts

As at 30 September 2018 and 31 December 2017, liabilities under insurance contracts were as follows:

	Consolidated	
	30 September 2018	31 December 2017
	<i>(in million Baht)</i>	
SCB Life Assurance PCL		
Long-term technical reserves	271,797	247,319
Short-term technical reserves	995	926
Total	<u>272,792</u>	<u>248,245</u>

Long-term technical reserves

	Consolidated	
	30 September 2018	31 December 2017
	<i>(in million Baht)</i>	
Beginning balance	247,319	215,958
Reserve increase from new and inforce policies in the period/year	36,378	43,796
Reserve released for benefit payments, lapse and cancellation in the period/year	(11,900)	(12,435)
Ending balance	<u>271,797</u>	<u>247,319</u>

10 Advance received from electronic payment

According to the Bank of Thailand (BoT) notification number Sor Nor Chor 7/2561, directive dated 16 April 2018, regarding “Regulations on Service Business relating to Electronic Money (E-Money)” and Sor Nor Chor 8/2561 directive dated 16 April 2018 regarding “Regulations on Service Business relating to Electronic Fund Transfer (EFT)”, requiring the Bank to disclose advance from E-Money and advance received from EFT. As at 30 September 2018, the Bank held Baht 8,189 million in this regard.

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11 Dividends

The Board of Directors Meeting held on 21 August 2018 passed a resolution approving an interim dividend payment in respect of the half-year result of 2018 of Baht 1.50 per share, amounting to Baht 5,099 million. The interim dividend was paid to shareholders on 20 September 2018.

At the annual general meeting of the shareholders of the Bank held on 5 April 2018, the shareholders approved the dividend in respect of the Bank result of the year 2017 at Baht 5.50 per share, amounting to Baht 18,696 million. The interim dividend was paid to shareholders on 19 September 2017 of Baht 1.50 per share, amounting to Baht 5,099 million. The remaining dividend of Baht 4.00 per share, amounting to Baht 13,597 million. The remaining dividend was paid to shareholders on 3 May 2018.

At the annual general meeting of the shareholders of the Bank held on 11 April 2017, the shareholders approved the dividend in respect of the Bank result of the year 2016 at Baht 5.50 per share, amounting to Baht 18,696 million. The interim dividend was paid to shareholders on 16 September 2016 of Baht 1.50 per share amounting to Baht 5,099 million. The remaining dividend of Baht 4.00 per share, amounting to Baht 13,597 million. The remaining dividend was paid to shareholders on 9 May 2017.

12 Assets pledged as collateral and under restriction

As at 30 September 2018 and 31 December 2017, assets pledged as collateral and under restriction were as follows:

	Consolidated		The Bank	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in million Baht)</i>			
Government securities pledged for life policy reserve	64,411	53,092	-	-
Securities pledged as collateral for repurchase	34,845	26,179	34,845	26,179
Others	534	211	47	156
Total	99,790	79,482	34,892	26,335

13 Contingencies

As at 30 September 2018 and 31 December 2017, contingencies were as follows:

	Consolidated		The Bank	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in million Baht)</i>			
Avals to bills	8,254	4,195	8,254	4,195
Guarantees of loans	15,036	14,476	14,178	13,757
Liability under unmatured import bills	7,744	6,794	7,744	6,794
Letters of credit	42,303	22,256	41,925	21,779
Other contingencies				
- Amount of unused bank overdrafts	187,572	179,213	186,865	178,446
- Other guarantees	183,779	176,112	182,735	175,127
- Receivables / payables from investments	7,617	3,232	6,439	3,212
- Others	42,779	28,232	40,176	24,032
Total	495,084	434,510	488,316	427,342

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As at 30 September 2018, the Bank had commitments of Baht 3 million, in connection with financial institutions whose operations were closed down permanently by the Ministry of Finance on 8 December 1997 (31 December 2017: 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 juristic 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:

14.1 Loans, deposits, borrowings and contingencies

Loans, deposits, borrowings and contingencies to related parties or persons as at 30 September 2018 and 31 December 2017 were as follows:

	Loans*	Consolidated		
		30 September 2018		
		Deposits	Borrowings	Contingencies
		<i>(in million Baht)</i>		
Associate	8,957	87	-	109
Related companies (Shareholding through other companies' debt restructuring process)	-	-	-	1
Major shareholders (more than 10% ownership)	-	7,901	-	-
Entities in which the directors, management or close members of their families have significant influence	3,548	9,346	1,045	1,610
Directors and key executive officers	133	1,463	24	-
Total	12,638	18,797	1,069	1,720

* Before deducting allowance for doubtful accounts amounting to Baht 8,288 million

	Loans*	Consolidated		
		31 December 2017		
		Deposits	Borrowings	Contingencies
		<i>(in million Baht)</i>		
Related companies (Shareholding through other companies' debt restructuring process)	-	-	-	1
Major shareholders (more than 10% ownership)	-	21,393	-	-
Entities in which the directors, management or close members of their families have significant influence	5,758	39,446	1,015	2,610
Directors and key executive officers	176	1,434	23	-
Total	5,934	62,273	1,038	2,611

* Before deducting allowance for doubtful accounts amounting to Baht 60 million

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	The Bank				
	30 September 2018				
	Investments	Loans*	Deposits	Borrowings	Contingencies
	<i>(in million Baht)</i>				
Subsidiaries					
Finance & Insurance	404	-	3,234	2,988	15,382
Others	-	-	1,332	-	-
Total subsidiaries	404	-	4,566	2,988	15,382
Associate	-	8,957	87	-	109
Related companies (Shareholding through other companies' debt restructuring process)	-	-	-	-	1
Major shareholders (more than 10% ownership)	-	-	7,901	-	-
Entities in which the directors, management or close members of their families have significant influence	-	3,548	9,346	1,045	1,610
Directors and key executive officers	-	133	1,463	24	-
Total	404	12,638	23,363	4,057	17,102

* Before deducting allowance for doubtful accounts amounting to Baht 8,288 million

	The Bank				
	31 December 2017				
	Investments	Loans*	Deposits	Borrowings	Contingencies
	<i>(in million Baht)</i>				
Subsidiaries					
Finance & Insurance	399	1,500	1,930	1,821	17,642
Others	-	-	165	-	-
Total subsidiaries	399	1,500	2,095	1,821	17,642
Related companies (Shareholding through other companies' debt restructuring process)	-	-	-	-	1
Major shareholders (more than 10% ownership)	-	-	21,393	-	-
Entities in which the directors, management or close members of their families have significant influence	-	5,758	39,446	1,015	2,610
Directors and key executive officers	-	176	1,434	23	-
Total	399	7,434	64,368	2,859	20,253

* Before deducting allowance for doubtful accounts amounting to Baht 75 million

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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 2018 and 2017 were as follows:

	Consolidated							
	2018				2017			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
Associate	65	-	60	-	-	-	-	-
Major shareholders	-	-	17	7	-	-	54	6
Entities in which the directors, management or close members of their families have significant influence	44	-	22	23	130	-	355	-
Directors and key executive officers	1	-	3	-	4	-	5	-

	The Bank							
	2018				2017			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
Subsidiaries	3	1,988	19	898	1	2,634	15	830
Associate	65	-	60	-	-	-	-	-
Major shareholders	-	-	17	7	-	-	54	6
Entities in which the directors, management or close members of their families have significant influence	44	-	22	23	130	-	355	-
Directors and key executive officers	1	-	3	-	4	-	5	-

Significant income and expenses between the Bank and its subsidiaries, associate and related companies for the nine-month periods ended 30 September 2018 and 2017 were as follows:

	Consolidated							
	2018				2017			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
Associate	205	-	188	-	-	-	-	-
Major shareholders	-	-	83	21	-	-	135	17
Entities in which the directors, management or close members of their families have significant influence	128	-	130	48	183	-	431	-
Directors and key executive officers	4	-	9	-	4	-	8	-

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	The Bank							
	2018				2017			
	Income		Expenses		Income		Expenses	
	Interest	Others	Interest	Others	Interest	Others	Interest	Others
	<i>(in million Baht)</i>							
Subsidiaries	46	6,288	59	2,736	5	9,502	51	2,470
Associate	205	-	188	-	-	-	-	-
Major shareholders	-	-	83	21	-	-	135	17
Entities in which the directors, management or close members of their families have significant influence	128	-	130	48	183	-	431	-
Directors and key executive officers	4	-	9	-	4	-	8	-

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 and its subsidiaries, holding the position of Executive Vice President or higher.

The Bank and its subsidiaries have 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 and its subsidiaries' regulations.

	Consolidated		The Bank	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
<i>For the three-month period ended 30 September</i>				
Short-term employee benefits	360	347	284	293
Post-employment benefits	1	8	-	8
Total	361	355	284	301
<i>For the nine-month periods ended 30 September</i>				
Short-term employee benefits	1,414	1,362	1,165	1,171
Post-employment benefits	27	16	26	15
Total	1,441	1,378	1,191	1,186

16 Operating segments

As at 30 September 2018 and 2017, 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 three main lines of business: the Corporate Segment which serves corporate and commercial customers; the SME Segment which serves SME customers; and the Retail Segment which serves individuals and small businesses. In addition, the Bank has three major subsidiaries: SCB Securities Co., Ltd., SCB Asset Management Co., Ltd. and SCB Life Assurance PCL.

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In the information provided below, the results of subsidiaries together with the income from the Banks' interbank and money market items and investments, that is not allocated to a specific business unit, are presented under the "Life Insurance" and "Others" column. 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 businesses.

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>For the three-month period ended 30 September 2018</i>	Corporate Segment	SME Segment	Retail Segment	Consolidated			Total
				Life insurance	Others	Elimination	
				<i>(in million Baht)</i>			
Net interest income	4,444	3,563	10,847	2,674	2,862	-	24,390
Non-interest income, net	2,262	728	5,483	(331)	3,554	(1,364)	10,332
Total operating income	6,706	4,291	16,330	2,343	6,416	(1,364)	34,722
Total operating expenses	(1,926)	(1,298)	(10,018)	(663)	(3,734)	1,139	(16,500)
Profit before impairment loss and income tax	4,780	2,993	6,312	1,680	2,682	(225)	18,222
Impairment loss and income tax							(7,707)
Net profit							10,515

<i>For the three-month period ended 30 September 2017</i>	Corporate Segment	SME Segment	Retail Segment	Consolidated			Total
				Life insurance	Others	Elimination	
				<i>(in million Baht)</i>			
Net interest income	4,128	3,626	10,491	2,346	2,681	-	23,272
Non-interest income, net	2,806	775	6,190	284	2,772	(1,407)	11,420
Total operating income	6,934	4,401	16,681	2,630	5,453	(1,407)	34,692
Total operating expenses	(1,716)	(1,629)	(8,476)	(646)	(3,076)	1,021	(14,522)
Profit before impairment loss and income tax	5,218	2,772	8,205	1,984	2,377	(386)	20,170
Impairment loss and income tax							(10,026)
Net profit							10,144

<i>For the nine-month period ended 30 September 2018</i>	Corporate Segment	SME Segment	Retail Segment	Consolidated			Total
				Life insurance	Others	Elimination	
				<i>(in million Baht)</i>			
Net interest income	12,739	10,652	31,879	7,690	8,611	-	71,571
Non-interest income, net	7,228	2,227	17,647	(48)	9,833	(4,015)	32,872
Total operating income	19,967	12,879	49,526	7,642	18,444	(4,015)	104,443
Total operating expenses	(5,480)	(4,581)	(28,441)	(1,930)	(11,571)	3,493	(48,510)
Profit before impairment loss and income tax	14,487	8,298	21,085	5,712	6,873	(522)	55,933
Impairment loss and income tax							(22,916)
Net profit							33,017

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<i>For the nine-month period ended 30 September 2017</i>	Corporate Segment	SME Segment	Retail Segment	Consolidated			Total
				Life insurance	Others	Elimination	
				<i>(in million Baht)</i>			
Net interest income	12,263	11,091	31,216	6,785	7,266	-	68,621
Non-interest income, net	6,622	2,260	18,954	1,256	9,517	(5,373)	33,236
Total operating income	18,885	13,351	50,170	8,041	16,783	(5,373)	101,857
Total operating expenses	(5,148)	(4,916)	(24,978)	(1,847)	(8,434)	3,083	(42,240)
Profit before impairment loss and income tax	13,737	8,435	25,192	6,194	8,349	(2,290)	59,617
Impairment loss and income tax							(25,622)
Net profit							33,995

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

17.1 As at 30 September 2018 and 31 December 2017, the financial position classified by domestic and foreign businesses was as follows:

	Consolidated					
	30 September 2018			31 December 2017		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Total assets	3,025,254	72,652	3,097,906	2,949,414	74,618	3,024,032
Interbank and money market items, net (Assets)	421,465	9,339	430,804	308,146	8,587	316,733
Investments, net *	467,361	906	468,267	569,284	1,087	570,371
Loans to customers and accrued interest receivables, net	1,988,049	20,076	2,008,125	1,930,702	17,368	1,948,070
Deposits	2,112,534	10,934	2,123,468	2,079,830	12,627	2,092,457
Interbank and money market items (Liabilities)	107,440	4,699	112,139	103,288	5,285	108,573
Debt issued and borrowings	42,037	52,670	94,707	25,468	53,070	78,538

	The Bank					
	30 September 2018			31 December 2017		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Total assets	2,711,725	65,523	2,777,248	2,659,167	66,465	2,725,632
Interbank and money market items, net (Assets)	410,736	5,384	416,120	300,095	3,382	303,477
Investments, net *	198,619	906	199,525	315,963	1,087	317,050
Loans to customers and accrued interest receivables, net	1,975,802	17,529	1,993,331	1,919,980	14,823	1,934,803
Deposits	2,115,450	6,563	2,122,013	2,080,752	7,138	2,087,890
Interbank and money market items (Liabilities)	111,639	4,699	116,338	105,627	5,285	110,912
Debt issued and borrowings	38,181	53,314	91,495	21,653	53,727	75,380

* Includes net investments in subsidiaries and associate

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17.2 The results of operations classified by domestic and foreign businesses for the three-month periods ended 30 September 2018 and 2017 were as follows:

	Consolidated							
	2018			2017				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	32,219	995	(673)	32,541	31,263	819	(569)	31,513
Interest expenses	<u>(7,915)</u>	<u>(909)</u>	<u>673</u>	<u>(8,151)</u>	<u>(7,951)</u>	<u>(859)</u>	<u>569</u>	<u>(8,241)</u>
Net interest income	24,304	86	-	24,390	23,312	(40)	-	23,272
Net fees and service income	6,487	40	-	6,527	7,856	24	-	7,880
Other operating income	3,793	12	-	3,805	3,508	32	-	3,540
Other operating expenses	<u>(21,505)</u>	<u>(129)</u>	<u>-</u>	<u>(21,634)</u>	<u>(21,999)</u>	<u>(77)</u>	<u>-</u>	<u>(22,076)</u>
Profit before income tax	13,079	9	-	13,088	12,677	(61)	-	12,616
Income tax expenses	<u>(2,549)</u>	<u>(24)</u>	<u>-</u>	<u>(2,573)</u>	<u>(2,475)</u>	<u>3</u>	<u>-</u>	<u>(2,472)</u>
Net profit (loss)	<u>10,530</u>	<u>(15)</u>	<u>-</u>	<u>10,515</u>	<u>10,202</u>	<u>(58)</u>	<u>-</u>	<u>10,144</u>

	The Bank							
	2018			2017				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	29,536	935	(673)	29,798	28,916	761	(569)	29,108
Interest expenses	<u>(7,896)</u>	<u>(902)</u>	<u>673</u>	<u>(8,125)</u>	<u>(7,948)</u>	<u>(852)</u>	<u>569</u>	<u>(8,231)</u>
Net interest income	21,640	33	-	21,673	20,968	(91)	-	20,877
Net fees and service income	6,609	25	-	6,634	8,351	11	-	8,362
Other operating income	3,610	8	-	3,618	2,431	27	-	2,458
Other operating expenses	<u>(21,008)</u>	<u>(104)</u>	<u>-</u>	<u>(21,112)</u>	<u>(21,421)</u>	<u>(57)</u>	<u>-</u>	<u>(21,478)</u>
Profit before income tax	10,851	(38)	-	10,813	10,329	(110)	-	10,219
Income tax expenses	<u>(2,076)</u>	<u>(16)</u>	<u>-</u>	<u>(2,092)</u>	<u>(1,926)</u>	<u>(7)</u>	<u>-</u>	<u>(1,933)</u>
Net profit (loss)	<u>8,775</u>	<u>(54)</u>	<u>-</u>	<u>8,721</u>	<u>8,403</u>	<u>(117)</u>	<u>-</u>	<u>8,286</u>

17.3 The results of operations classified by domestic and foreign businesses for the nine-month periods ended 30 September 2018 and 2017 were as follows:

	Consolidated							
	2018			2017				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	94,962	2,615	(1,781)	95,796	92,702	2,454	(1,702)	93,454
Interest expenses	<u>(23,472)</u>	<u>(2,534)</u>	<u>1,781</u>	<u>(24,225)</u>	<u>(23,963)</u>	<u>(2,572)</u>	<u>1,702</u>	<u>(24,833)</u>
Net interest income	71,490	81	-	71,571	68,739	(118)	-	68,621
Net fees and service income	21,627	129	-	21,756	22,238	76	-	22,314
Other operating income	11,082	34	-	11,116	10,892	30	-	10,922
Other operating expenses	<u>(63,380)</u>	<u>(282)</u>	<u>-</u>	<u>(63,662)</u>	<u>(59,549)</u>	<u>(266)</u>	<u>-</u>	<u>(59,815)</u>
Profit before income tax	40,819	(38)	-	40,781	42,320	(278)	-	42,042
Income tax expenses	<u>(7,706)</u>	<u>(58)</u>	<u>-</u>	<u>(7,764)</u>	<u>(8,004)</u>	<u>(43)</u>	<u>-</u>	<u>(8,047)</u>
Net profit (loss)	<u>33,113</u>	<u>(96)</u>	<u>-</u>	<u>33,017</u>	<u>34,316</u>	<u>(321)</u>	<u>-</u>	<u>33,995</u>

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	The Bank							
	2018			2017				Total
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	
<i>(in million Baht)</i>								
Interest income	87,305	2,445	(1,781)	87,969	85,927	2,279	(1,702)	86,504
Interest expenses	<u>(23,451)</u>	<u>(2,510)</u>	<u>1,781</u>	<u>(24,180)</u>	<u>(23,963)</u>	<u>(2,551)</u>	<u>1,702</u>	<u>(24,812)</u>
Net interest income	63,854	(65)	-	63,789	61,964	(272)	-	61,692
Net fees and service income	22,122	86	-	22,208	23,955	32	-	23,987
Other operating income	9,169	21	-	9,190	8,661	18	-	8,679
Other operating expenses	<u>(61,923)</u>	<u>(180)</u>	<u>-</u>	<u>(62,103)</u>	<u>(58,161)</u>	<u>(192)</u>	<u>-</u>	<u>(58,353)</u>
Profit before income tax	33,222	(138)	-	33,084	36,419	(414)	-	36,005
Income tax expenses	<u>(6,141)</u>	<u>(29)</u>	<u>-</u>	<u>(6,170)</u>	<u>(6,420)</u>	<u>(20)</u>	<u>-</u>	<u>(6,440)</u>
Net profit (loss)	<u><u>27,081</u></u>	<u><u>(167)</u></u>	<u><u>-</u></u>	<u><u>26,914</u></u>	<u><u>29,999</u></u>	<u><u>(434)</u></u>	<u><u>-</u></u>	<u><u>29,565</u></u>

18 Income tax expenses

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 multiplied by the pre-tax income of the interim reporting period.

The consolidated and the Bank's effective tax rate in respect of continuing operations for the three-month periods ended 30 September 2018 were 20% and 19% respectively (30 September 2017: 20% 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 2018 were 19% and 19% respectively (30 September 2017: 19% 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 2018 and 2017 were calculated as follows:

	Consolidated		The Bank	
	2018	2017	2018	2017
<i>(in million Baht / million shares)</i>				
Profit attributable to common shareholders of the Bank (basic)	<u>10,508</u>	<u>10,130</u>	<u>8,721</u>	<u>8,286</u>
Number of common and preferred 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>3.09</u>	<u>2.98</u>	<u>2.57</u>	<u>2.44</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 2018 (Unaudited)

Basic earnings per share in the consolidated and the Bank's financial statements for the nine-month periods ended 30 September 2018 and 2017 were calculated as follows:

	Consolidated		The Bank	
	2018	2017	2018	2017
	<i>(in million Baht / million shares)</i>			
Profit attributable to common shareholders of the Bank (basic)	<u>32,984</u>	<u>33,953</u>	<u>26,914</u>	<u>29,565</u>
Number of common and preferred 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>9.70</u>	<u>9.99</u>	<u>7.92</u>	<u>8.70</u>

20 Event after the reporting period

On 10 October 2018, the Bank registered the conversion of 8,062 preferred shares to 8,062 common shares with the Ministry of Commerce.