

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

Interim financial statements
for the three-month period ended
31 March 2019

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 31 March 2019; the consolidated and the Bank’s statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2019 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”.

(Wilai Buranakittisophon)
Certified Public Accountant
Registration No. 3920

KPMG Phoomchai Audit Ltd.
Bangkok
13 May 2019

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

Assets	Note	Consolidated		The Bank	
		31 March	31 December	31 March	31 December
		2019	2018	2019	2018
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		<i>(in thousand Baht)</i>			
Cash		39,405,810	47,116,872	39,088,621	46,443,366
Interbank and money market items, net		355,548,218	377,904,575	338,045,248	362,033,032
Derivative assets		47,273,619	41,682,825	46,713,570	41,533,759
Investments, net	5	618,823,855	568,853,597	319,279,000	272,994,919
Investments in subsidiaries and associate, net	6	78,148	47,391	18,988,748	18,988,748
Loans to customers and accrued interest receivables, net	7				
Loans to customers		2,157,893,430	2,170,100,801	2,142,157,642	2,154,332,379
Accrued interest receivables		4,048,615	3,334,205	3,737,266	3,028,442
Total loans to customers and accrued interest receivables		2,161,942,045	2,173,435,006	2,145,894,908	2,157,360,821
Less deferred revenue		(31,610,268)	(29,540,202)	(31,610,268)	(29,540,202)
Less allowance for doubtful accounts	7.5	(99,808,469)	(99,404,677)	(99,060,101)	(98,646,744)
Less revaluation allowance for debt restructuring	8	(3,916,845)	(3,867,951)	(3,916,845)	(3,867,951)
Total loans to customers and accrued interest receivables, net		2,026,606,463	2,040,622,176	2,011,307,694	2,025,305,924
Properties for sale, net		14,767,133	13,449,583	14,455,012	13,445,838
Premises and equipment, net		42,397,668	43,206,362	41,239,143	41,707,339
Goodwill and other intangible assets, net		25,591,644	25,491,592	15,747,660	15,697,382
Assets pending transfer		2,829,832	2,232,926	2,947,607	2,429,931
Deferred tax assets		105,100	197,811	26,618	106,779
Other assets, net		26,456,771	26,533,915	19,116,375	19,440,025
Total assets		3,199,884,261	3,187,339,625	2,866,955,296	2,860,127,042

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

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		The Bank	
		31 March	31 December	31 March	31 December
		2019	2018	2019	2018
Liabilities and shareholders' equity		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		<i>(in thousand Baht)</i>			
Liabilities					
Deposits		2,118,058,298	2,159,630,551	2,114,087,303	2,156,936,065
Interbank and money market items		152,325,802	142,528,617	157,201,625	145,599,164
Liability payable on demand		17,251,618	13,944,143	17,248,081	13,942,883
Liabilities to deliver security		4,578	1,144	-	-
Derivative liabilities		40,630,362	36,483,008	41,190,067	36,798,917
Debt issued and borrowings		133,346,674	107,560,901	131,831,120	106,065,393
Provisions		11,104,920	9,426,568	10,532,833	8,922,840
Liabilities under insurance contracts	9	282,325,617	278,220,199	-	-
Liabilities pending transfer		14,562,419	19,675,994	14,508,385	19,435,132
Deferred tax liabilities		1,319,194	423,164	419,253	-
Other liabilities		36,558,010	38,462,288	30,866,975	31,240,768
Total liabilities		<u>2,807,487,492</u>	<u>2,806,356,577</u>	<u>2,517,885,642</u>	<u>2,518,941,162</u>
Shareholders' equity					
Share capital					
Authorised share capital					
3,582,809,059 preferred shares of Baht 10 each		<u>35,828,091</u>	<u>35,828,427</u>	<u>35,828,091</u>	<u>35,828,427</u>
3,417,190,941 common shares of Baht 10 each		<u>34,171,909</u>	<u>34,171,573</u>	<u>34,171,909</u>	<u>34,171,573</u>
Issued and paid-up share capital					
3,684,702 preferred shares of Baht 10 each		36,847	37,183	36,847	37,183
3,395,507,496 common shares of Baht 10 each		33,955,075	33,954,739	33,955,075	33,954,739
Premium on share capital					
Premium on preferred shares		14,410	14,541	14,410	14,541
Premium on common shares		11,109,781	11,109,650	11,109,781	11,109,650
Other reserves		17,837,835	15,668,579	16,775,708	16,535,798
Retained earnings					
Appropriated					
Legal reserve		7,000,000	7,000,000	7,000,000	7,000,000
Unappropriated		321,468,148	312,241,904	280,177,833	272,533,969
Total owners of the company		<u>391,422,096</u>	<u>380,026,596</u>	<u>349,069,654</u>	<u>341,185,880</u>
Non-controlling interests		974,673	956,452	-	-
Total shareholders' equity		<u>392,396,769</u>	<u>380,983,048</u>	<u>349,069,654</u>	<u>341,185,880</u>
Total liabilities and shareholders' equity		<u>3,199,884,261</u>	<u>3,187,339,625</u>	<u>2,866,955,296</u>	<u>2,860,127,042</u>

(Mr. Arthid Nanthawithaya)

CEO & Chairman of Executive Committee

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

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

	<i>Note</i>	Consolidated		The Bank	
		Three month period ended□		Three month period ended□	
		31 March		31 March	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Interest income		33,454,931	31,288,043	30,661,363	28,797,487
Interest expenses		8,741,515	7,956,072	8,720,064	7,939,763
Net interest income		24,713,416	23,331,971	21,941,299	20,857,724
Fee and service income		8,956,299	10,042,124	9,382,583	9,935,575
Fee and service expenses		2,288,492	1,897,512	2,016,321	1,610,964
Net fee and service income		6,667,807	8,144,612	7,366,262	8,324,611
Net gain on trading		1,946,892	2,581,820	1,901,195	2,388,439
Net gain on investments		655,324	331,202	577,122	176,496
Share of profit from investment in associate		30,756	-	-	-
Dividend income		185,767	292,856	69,796	82,503
Net earned insurance premiums		13,543,566	13,696,876	-	-
Other operating income		95,539	90,056	19,768	17,016
Total operating income		47,839,067	48,469,393	31,875,442	31,846,789
Net insurance claims		13,269,098	13,091,227	-	-
Net operating income		34,569,969	35,378,166	31,875,442	31,846,789
Other operating expenses					
Employee expenses	10	9,208,959	7,448,474	8,250,888	6,560,140
Directors' remuneration		26,438	25,640	23,005	24,190
Premises and equipment expenses		3,313,019	3,138,423	3,067,450	2,932,607
Taxes and duties		1,152,673	1,099,250	1,061,286	1,018,648
Other expenses		4,133,924	4,518,162	4,714,030	5,149,392
Total operating expenses		17,835,013	16,229,949	17,116,659	15,684,977
Impairment loss on loans and debt securities		5,420,184	5,011,633	5,429,159	5,010,000
Profit from operation before income tax expense		11,314,772	14,136,584	9,329,624	11,151,812
Income tax expenses	17	2,155,422	2,757,516	1,754,394	2,131,436
Net profit		9,159,350	11,379,068	7,575,230	9,020,376

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

	<i>Note</i>	Consolidated		The Bank	
		Three month period ended□		Three month period ended□	
		31 March		31 March	
		2019	2018	2019	2018
<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		2,658,990	(1,926,637)	385,680	(131,116)
Losses arising from translating the financial statements of a foreign operation		(40,676)	(115,459)	-	-
Changes in hedge reserve		209,408	(219,014)	-	-
Income tax relating to components of other comprehensive income (loss) will be reclassified subsequently to profit or loss		(573,351)	429,130	(77,136)	26,223
Total other comprehensive income (loss), net of income tax		<u>2,254,371</u>	<u>(1,831,980)</u>	<u>308,544</u>	<u>(104,893)</u>
Total comprehensive income		<u>11,413,721</u>	<u>9,547,088</u>	<u>7,883,774</u>	<u>8,915,483</u>
Net profit attributable to:					
Owners of the company		9,156,503	11,364,452	7,575,230	9,020,376
Non-controlling interests		2,847	14,616	-	-
Total comprehensive income attributable to:					
Owners of the company		11,395,500	9,545,812	7,883,774	8,915,483
Non-controlling interests		18,221	1,276	-	-
Earnings per share of the parent company					
Basic earnings per share (<i>in Baht</i>)	18	<u>2.69</u>	<u>3.34</u>	<u>2.23</u>	<u>2.65</u>

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(Mr. Arthid Nanthawithaya)
CEO & Chairman of Executive Committee

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The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated															
	Issued and paid-up share capital		Premium on share capital		Other reserves							Retained earnings		Total owners of the company	Non- controlling interests	Total shareholders' equity
					Gains on remeasuring available-for-sale investments	Losses arising from translating the financial statements of a foreign operation	Changes in Total other reserves	Changes in revaluation surplus	Others	Legal reserve	Unappropriated					
	Preferred shares	Common shares	Preferred shares	Common shares	available-for-sale investments	Losses arising from translating the financial statements of a foreign operation	Changes in Total other reserves	Changes in revaluation surplus	Others	Legal reserve	Unappropriated	Total owners of the company	Non- controlling interests	Total shareholders' equity		
<i>(in thousand Baht)</i>																
Three month period ended 31 March 2019																
Balance at 1 January 2019	37,183	33,954,739	14,541	11,109,650	1,735,234	(345,268)	588,419	16,054,705	(2,364,511)	15,668,579	7,000,000	312,241,904	380,026,596	956,452	380,983,048	
Conversion of preferred shares to common shares	(336)	336	(131)	131	-	-	-	-	-	-	-	-	-	-	-	
Net profit	-	-	-	-	-	-	-	-	-	-	-	9,156,503	9,156,503	2,847	9,159,350	
Other comprehensive income (loss)	-	-	-	-	2,112,141	(39,610)	166,140	-	-	2,238,671	-	326	2,238,997	15,374	2,254,371	
Total comprehensive income (loss)	-	-	-	-	2,112,141	(39,610)	166,140	-	-	2,238,671	-	9,156,829	11,395,500	18,221	11,413,721	
Transfer to retained earnings	-	-	-	-	-	-	-	(69,415)	-	(69,415)	-	69,415	-	-	-	
Balance at 31 March 2019	36,847	33,955,075	14,410	11,109,781	3,847,375	(384,878)	754,559	15,985,290	(2,364,511)	17,837,835	7,000,000	321,468,148	391,422,096	974,673	392,396,769	

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The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	Consolidated														
	Issued and paid-up share capital		Premium on share capital		Other reserves						Total Retained earnings		Total owners of the company	Non- controlling interests	Total shareholders' equity
					Gains (losses) on remeasuring available-for-sale investments	Losses arising from translating the financial statements of a foreign operation	Changes in revaluation surplus		Total other reserves	Legal reserve					
	Preferred shares	Common shares	Preferred shares	Common shares	Changes in hedge reserve	Others			Total reserves	Legal reserve	Unappropriated	Total owners of the company	Non- controlling interests	Total shareholders' equity	
<i>(in thousand Baht)</i>															
Three month period ended 31 March 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
Conversion of preferred shares to common shares	(44)	44	(17)	17	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests without a change in control	-	-	-	-	2	-	-	-	(15)	(13)	-	-	(13)	(37)	(50)
Net profit	-	-	-	-	-	-	-	-	-	-	-	11,364,452	11,364,452	14,616	11,379,068
Other comprehensive loss	-	-	-	-	(1,529,420)	(115,459)	(173,761)	-	-	(1,818,640)	-	-	(1,818,640)	(13,340)	(1,831,980)
Total comprehensive (loss) income	-	-	-	-	(1,529,420)	(115,459)	(173,761)	-	-	(1,818,640)	-	11,364,452	9,545,812	1,276	9,547,088
Transfer to retained earnings	-	-	-	-	-	-	-	(68,040)	-	(68,040)	-	68,040	-	-	-
Balance at 31 March 2018	37,806	33,954,116	14,785	11,109,406	4,485,140	(445,491)	161,411	16,261,850	(2,364,511)	18,098,399	7,000,000	302,794,860	373,009,372	300,660	373,310,032

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										
					<u>Other reserves</u>						
	Issued and		Premium on		Gains			Total	Retained earnings		Total
	Preferred	Common	Preferred	Common	on remeasuring	Changes in	revaluation	other	Legal	Unappropriated	shareholders'
shares	shares	shares	shares	available-for-sale	hedge reserve	surplus	reserves	reserve	Unappropriated	equity	
<i>(in thousand Baht)</i>											
Three month period ended 31 March 2019											
Balance at 1 January 2019	37,183	33,954,739	14,541	11,109,650	1,052,485	(8)	15,483,321	16,535,798	7,000,000	272,533,969	341,185,880
Conversion of preferred shares to common shares	(336)	336	(131)	131	-	-	-	-	-	-	-
Net profit	-	-	-	-	-	-	-	-	-	7,575,230	7,575,230
Other comprehensive income	-	-	-	-	308,544	-	-	308,544	-	-	308,544
Total comprehensive income	-	-	-	-	308,544	-	-	308,544	-	7,575,230	7,883,774
Transfer to retained earnings	-	-	-	-	-	-	(68,634)	(68,634)	-	68,634	-
Balance at 31 March 2019	36,847	33,955,075	14,410	11,109,781	1,361,029	(8)	15,414,687	16,775,708	7,000,000	280,177,833	349,069,654

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										
					<u>Other reserves</u>						
	Issued and		Premium on		Gains (losses)			Total	Retained earnings		Total
	Preferred	Common	Preferred	Common	on remeasuring	Changes in	revaluation	other	Legal	Unappropriated	shareholders'
shares	shares	shares	shares	available-for-sale	hedge reserve	surplus	reserves	reserve	Unappropriated	equity	
<i>(in thousand Baht)</i>											
Three month period ended 31 March 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
Conversion of preferred shares to common shares	(44)	44	(17)	17	-	-	-	-	-	-	-
Net profit	-	-	-	-	-	-	-	-	-	9,020,376	9,020,376
Other comprehensive loss	-	-	-	-	(104,893)	-	-	(104,893)	-	-	(104,893)
Total comprehensive (loss) income	-	-	-	-	(104,893)	-	-	(104,893)	-	9,020,376	8,915,483
Transfer to retained earnings	-	-	-	-	-	-	(67,263)	(67,263)	-	67,263	-
Balance at 31 March 2018	37,806	33,954,116	14,785	11,109,406	2,794,676	(8)	15,688,136	18,482,804	7,000,000	267,284,102	337,883,019

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(Mr. Arthid Nanthawithaya)
CEO & Chairman of Executive Committee

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	
	Three month period ended		Three month period ended	
	31 March		31 March	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit from operation before income tax expense	11,314,772	14,136,584	9,329,624	11,151,812
<i>Adjustments to reconcile profit from operating before income tax expense to cash receipts (payments) from operating activities</i>				
Depreciation and amortisation	1,361,261	1,054,939	1,289,354	1,008,994
Impairment losses on loans and debt securities	6,220,222	5,810,164	6,229,197	5,808,530
Impairment losses (reversal) on properties for sale	50,295	(8,856)	50,295	(8,856)
Reversal of impairment losses on premises and equipment	(16,927)	(18,791)	-	(18,791)
Provisions expense	1,454,943	72,907	1,422,074	67,195
Losses on sale of premises and equipment	8,194	8,142	6,979	8,304
Net gain on trading	(490,841)	(703,625)	(481,759)	(576,961)
Net gain on investments	(655,324)	(331,202)	(577,122)	(176,496)
Share of profit from investment in associate	(30,756)	-	-	-
	19,215,839	20,020,262	17,268,642	17,263,731
Net interest income	(24,713,416)	(23,331,971)	(21,941,299)	(20,857,724)
Dividend income	(185,767)	(292,856)	(69,796)	(82,503)
Proceeds from interest	31,102,144	29,287,041	29,676,606	27,908,006
Interest paid	(9,598,030)	(8,360,270)	(9,591,931)	(8,339,282)
Proceeds from dividend	101,225	152,982	297,315	170,160
Income tax paid	(91,711)	(279,351)	(2,129)	(3,371)
Profit from operation before changes in operating assets and liabilities	15,830,284	17,195,837	15,637,408	16,059,017
<i>(Increase) decrease in operating assets</i>				
Interbank and money market items	22,476,033	(22,753,594)	24,044,248	(21,607,591)
Derivative assets	(5,129,243)	(11,595,328)	(4,916,864)	(11,866,208)
Investment in securities for trading	(24,649,571)	(7,918,307)	(24,593,846)	(7,839,202)
Loans to customers	5,032,363	(33,166,537)	5,000,319	(32,775,739)
Properties for sale	2,042,712	1,857,784	2,351,088	1,857,784
Other assets	1,208,953	1,789,664	(63,135)	1,282,178
<i>Increase (decrease) in operating liabilities</i>				
Deposits	(41,572,253)	327,383	(42,848,762)	142,739
Interbank and money market items	9,797,185	10,779,853	11,602,461	12,988,047
Liability payable on demand	3,307,475	(7,286,231)	3,305,198	(7,286,440)
Liabilities to deliver security	3,434	(18,424)	-	-
Derivative liabilities	4,501,523	9,758,437	4,247,355	9,357,549
Short-term debt issued and borrowings	(3,300,192)	(1,387,184)	(3,292,632)	(331,883)
Liabilities under insurance contracts	4,105,418	8,967,575	-	-
Other liabilities	(7,627,273)	108,773	(5,626,819)	243,237
Net cash used in operating activities	(13,973,152)	(33,340,299)	(15,153,981)	(39,776,512)

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	
	Three month period ended		Three month period ended	
	31 March		31 March	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash flows from investing activities				
Acquisition of available-for-sale securities	(145,752,549)	(80,424,482)	(102,580,323)	(50,676,828)
Proceeds from sale of available-for-sale securities	122,107,491	109,364,998	81,547,673	86,663,973
Acquisition of held-to-maturity securities	(351,549)	(1,256,473)	(31,477)	(237,321)
Proceeds from redemption of held-to-maturity securities	1,200,296	2,718,961	-	939,399
Acquisition of general securities	(66,056)	(62,147)	(65,261)	(54,169)
Acquisition of investments in subsidiaries and/or associate	-	-	-	(50)
Acquisition of premises and equipment	(217,755)	(553,432)	(286,643)	(539,333)
Proceeds from sale of premises and equipment	250,137	154,329	19	154,166
Acquisition of intangible assets	(663,438)	(1,400,711)	(580,940)	(1,369,654)
Net cash (used in) from investing activities	(23,493,423)	28,541,043	(21,996,952)	34,880,183
Cash flows from financing activities				
Proceeds from long-term debt issued	31,510,000	1,100,000	31,510,000	1,100,000
Repayment of long-term debt issued	(1,700,000)	-	(1,700,000)	-
Proceeds from long-term borrowings	3,371	45,586	3,371	45,586
Repayment of long-term borrowings	(17,183)	(11,859)	(17,183)	(11,859)
Acquisition of non-controlling interests without a change in control	-	(50)	-	-
Net cash from financing activities	29,796,188	1,133,677	29,796,188	1,133,727
Losses arising from translating the financial statements of a foreign operation	(40,676)	(115,459)	-	-
Net decrease in cash	(7,711,063)	(3,781,038)	(7,354,745)	(3,762,602)
Cash at 1 January	47,116,872	40,797,176	46,443,366	40,591,037
Cash at 31 March	39,405,809	37,016,138	39,088,621	36,828,435
Supplementary disclosures of cash flow information				
Significant non-cash items were as follows:				
Losses from foreign exchange revaluation on long-term debt issued	(761,358)	(2,417,061)	(761,358)	(2,417,061)
Gains (losses) from foreign exchange revaluation on banking book derivatives	775,648	(773,688)	775,648	(773,688)

(Mr. Arthid Nanthawithaya)

CEO & Chairman of Executive Committee

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 period ended 31 March 2019 (Unaudited)

Note	Contents	Pages
1	General information	13
2	Basis of preparation of the interim financial statements	13
3	Fair value of assets and liabilities	14
4	Maintenance of capital fund	19
5	Investments, net	21
6	Investments in subsidiaries and associate, net	22
7	Loans to customers and accrued interest receivables, net	24
8	Troubled debt restructuring	30
9	Liabilities under insurance contracts	31
10	Employee expenses	31
11	Assets pledged as collateral and under restriction	32
12	Contingencies	32
13	Related parties	33
14	Key management personnel compensation	35
15	Operating segments	35
16	The financial position and results of operations classified by domestic and foreign business	37
17	Income tax expenses	38
18	Basic earnings per share	38
19	Events after the reporting period	39
20	Thai Financial Reporting Standards (TFRS) not yet adopted	39

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from and are consistent with the Thai language financial statements, and both the English and Thai language financial statements were approved and authorised for issue by the directors on 13 May 2019.

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, Singapore and Cambodia. The Bank also has a sizeable investment in its life insurance subsidiary. Details of the Bank’s subsidiaries as at 31 March 2019 and 31 December 2018 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 2018) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions; 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 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 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 2018 except that the Bank and its subsidiaries have adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2019.

The Bank and its subsidiaries have initially adopted TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”), which replaced TAS 18 *Revenue* (“TAS 18”) and related interpretations.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

Under TFRS 15, the Bank and its subsidiaries recognise revenue when a customer obtains control of the services in an amount that reflects the consideration to which the Bank and its subsidiaries expect to be entitled to. In addition, judgment is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Bank and its subsidiaries recognise fee and service income as and when the related services are performed. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due. Such changes in accounting policies have no material impacts on the financial statements.

For a number of new TFRS which are not yet effective for the current period, the Bank and its subsidiaries have not early adopted these standards in preparing these interim financial statements before the effective date. Those new TFRS that are relevant to the Bank and its subsidiaries' operations are disclosed in note 20.

(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.

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 2018.

(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.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

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 recognise 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 three-month period ended 31 March 2019.

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. 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 period ended 31 March 2019 (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>					
31 March 2019						
Financial assets						
Derivative assets						
- Foreign exchange rate	-	27,432	27,432	-	27,103	27,103
- Interest rate	-	18,870	18,870	-	18,121	18,121
- Others	-	99	99	-	617	617
Total	-	46,401	46,401	-	45,841	45,841
Investments						
- Trading securities	1,885	36,122	38,007	-	36,023	36,023
- Available-for-sale securities	19,736	439,265	459,001	6,049	264,391	270,440
Total	21,621	475,387	497,008	6,049	300,414	306,463
Total financial assets	21,621	521,788	543,409	6,049	346,255	352,304
Financial liabilities						
Derivative liabilities						
- Foreign exchange rate	-	21,996	21,996	-	22,608	22,608
- Interest rate	-	17,893	17,893	-	17,884	17,884
- Others	116	483	599	-	556	556
Total financial liabilities	116	40,372	40,488	-	41,048	41,048
31 December 2018						
Financial assets						
Derivative assets						
- Foreign exchange rate	-	25,364	25,364	-	25,242	25,242
- Interest rate	-	15,590	15,590	-	15,035	15,035
- Others	-	101	101	-	629	629
Total	-	41,055	41,055	-	40,906	40,906
Investments						
- Trading securities	1,968	11,447	13,415	-	11,411	11,411
- Available-for-sale securities	20,389	412,274	432,663	6,785	242,013	248,798
Total	22,357	423,721	446,078	6,785	253,424	260,209
Total financial assets	22,357	464,776	487,133	6,785	294,330	301,115
Financial liabilities						
Derivative liabilities						
- Foreign exchange rate	-	21,002	21,002	-	21,450	21,450
- Interest rate	-	14,136	14,136	-	14,076	14,076
- Others	116	557	673	-	601	601
Total financial liabilities	116	35,695	35,811	-	36,127	36,127

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

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 for financial assets in the form of derivatives and debt instruments.

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 31 March 2019 and 31 December 2018 were as follows:

	Consolidated		The Bank	
	Carrying amount	Fair value Level 2 <i>(in million Baht)</i>	Carrying amount	Fair value Level 2
31 March 2019				
Financial assets				
Derivative assets	873	785	873	785
Held-to-maturity securities	119,679	130,790	10,698	11,473
Financial liabilities				
Derivative liabilities	142	46	142	46
31 December 2018				
Financial assets				
Derivative assets	628	409	628	409
Held-to-maturity securities	120,645	131,527	10,675	11,479
Financial liabilities				
Derivative liabilities	672	490	672	490

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.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

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:	The carrying amount of liabilities payable on demand approximates fair value.
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
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

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 31 March 2019 and 31 December 2018, the Consolidated Supervision group and the Bank's total capital funds were categorised as follows:

	Basel III	
	Consolidated Supervision	
	31 March 2019	31 December 2018
	<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	287,738
Disclosed reserves		
Other comprehensive income	17,967	15,944
Other owner changes items	(2,365)	(2,365)
Capital deduction items on CET1	(29,743)	(26,754)
Total Tier 1 capital	<u>325,713</u>	<u>326,679</u>
Tier 2 capital		
Subordinated debt	18,000	20,000
Allowance for classified assets of "normal" category	23,591	23,793
Total Tier 2 capital	<u>41,591</u>	<u>43,793</u>
Total capital funds	<u>367,304</u>	<u>370,472</u>
Total risk weighted assets	2,151,899	2,166,374

	The BoT's regulation minimum requirement*	31 March 2019	The BoT's regulation minimum requirement* (%)	31 December 2018
Total capital / Total risk weighted assets	11.5	17.1	10.375	17.1
Total Tier 1 capital / Total risk weighted assets	9.0	15.2	7.875	15.1
Total Tier 1 common equity / Total risk weighted assets	7.5	15.2	6.375	15.1
Total Tier 2 capital / Total risk weighted assets		1.9		2.0

* Conservation buffer requires additional Common Equity Tier 1 of 0.625% per annum from 1 January 2016 onwards until reaching 2.5% in 2019, and a D-SIB Buffer of 0.5% from 1 January 2019 increasing to 1.0% from 1 January 2020 onwards.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

	Basel III	
	Consolidated Supervision	
	31 March 2019	31 December 2018
	<i>(in million Baht)</i>	
Capital after deducting capital add-on arising from Single Lending Limit	367,304	370,472
Capital ratio after deducting capital add-on arising from Single Lending Limit (%)	17.1	17.1

	Basel III	
	The Bank	
	31 March 2019	31 December 2018
	<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	258,691	258,691
Other comprehensive income	14,233	13,985
Capital deduction items on CET1	<u>(19,553)</u>	<u>(19,609)</u>
Total Tier 1 capital	<u>305,487</u>	<u>305,183</u>
Tier 2 capital		
Subordinated debt	18,000	20,000
Allowance for classified assets of “normal” category	<u>22,740</u>	<u>22,953</u>
Total Tier 2 capital	<u>40,740</u>	<u>42,953</u>
Total capital funds	<u>346,227</u>	<u>348,136</u>
Total risk weighted assets	2,073,217	2,091,071

	The BoT’s regulation minimum requirement*	31 March 2019	The BoT’s regulation minimum requirement*	31 December 2018
			(%)	
Total capital / Total risk weighted assets	11.5	16.7	10.375	16.6
Total Tier 1 capital / Total risk weighted assets	9.0	14.7	7.875	14.6
Total Tier 1 common equity / Total risk weighted assets	7.5	14.7	6.375	14.6
Total Tier 2 capital / Total risk weighted assets		2.0		2.0

* Conservation buffer requires additional Common Equity Tier 1 of 0.625% per annum from 1 January 2016 onwards until reaching 2.5% in 2019, and a D-SIB Buffer of 0.5% from 1 January 2019 increasing to 1.0% from 1 January 2020 onwards.

	31 March 2019	31 December 2018
	<i>(in million Baht)</i>	
Capital after deducting capital add-on arising from Single Lending Limit	346,227	348,136
Capital ratio after deducting capital add-on arising from Single Lending Limit (%)	16.7	16.6

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:

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

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 year end date as indicated in the BoT notification
Information as of	31 December 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 31 March 2019 and 31 December 2018, the investments in securities of the Bank and its subsidiaries were classified as follows:

	Consolidated		The Bank	
	31 March 2019 Fair value	31 December 2018 Fair value	31 March 2019 Fair value	31 December 2018 Fair value
	<i>(in million Baht)</i>			
Trading securities				
Government and state enterprise securities	33,908	9,974	33,885	9,944
Corporate debt securities	2,214	1,473	2,138	1,467
Domestic equity securities	1,885	1,968	-	-
Total	38,007	13,415	36,023	11,411

	Consolidated		The Bank	
	31 March 2019 Fair value	31 December 2018 Fair value	31 March 2019 Fair value	31 December 2018 Fair value
	<i>(in million Baht)</i>			
Available-for-sale securities				
Government and state enterprise securities	377,350	348,508	253,966	228,742
Corporate debt securities	40,444	39,497	-	-
Foreign debt securities	21,450	24,249	10,425	13,271
Domestic equity securities	17,546	18,528	3,838	4,904
Foreign equity securities	2,211	1,881	2,211	1,881
Total	459,001	432,663	270,440	248,798

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

	Consolidated		The Bank	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	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	118,081	119,074	10,068	10,072
Corporate debt securities	69	68	365	364
Foreign debt securities	265	239	265	239
Other securities	1,300	1,300	-	-
Total	119,715	120,681	10,698	10,675
Less allowance for impairment	(36)	(36)	-	-
Total	119,679	120,645	10,698	10,675

	Consolidated		The Bank	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	Cost	Cost	Cost	Cost
	<i>(in million Baht)</i>			
General investments				
Domestic non-marketable equity securities	1,023	1,023	1,003	1,003
Foreign non-marketable equity securities	1,300	1,296	1,300	1,296
Total	2,323	2,319	2,303	2,299
Less allowance for impairment	(186)	(188)	(185)	(188)
Total	2,137	2,131	2,118	2,111
Total investments, net	618,824	568,854	319,279	272,995

5.2 Investments in companies with problems in their financial positions

As at 31 March 2019, 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 89 million (31 December 2018: Baht 59 million).

6 Investments in subsidiaries and associate, net

As at 31 March 2019 and 31 December 2018, the Bank and its subsidiaries had an investment in associate, net of impairment provisions, as follows

	Type of business	Type of share	Direct and indirect shareholding		Consolidated Investment value			
			31 March 2019	31 December 2018	Cost method		Equity method	
			(%)	(%)	31 March 2019	31 December 2018	31 March 2019	31 December 2018
					<i>(in million Baht)</i>			
Associate								
Sahaviriya Steel Industries PCL*	Steel industry	Common	40.2	40.2	-	-	78	47
Total investments in associate, net					-	-	78	47

* 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.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

As at 31 March 2019 and 31 December 2018, the Bank had investments in subsidiaries and associate, net of impairment provisions, as follows:

	Type of business	Type of share	The Bank			
			Direct shareholding		Investment value	
			31	31	31	31
			March 2019	December 2018	March 2019	December 2018
			(%)		(in million Baht)	
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	60.0	972	972
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	-	-	-	-
SCB-Julius Baer (Singapore) Pte.Ltd. ^{****}	Securities	Common	-	-	-	-
Associate						
Sahaviriya Steel Industries PCL ^{*****}	Steel industry	Common	40.2	40.2	-	-
Total					21,183	21,183
Less allowance for impairment					(2,194)	(2,194)
Total investments in subsidiaries and associate, net					18,989	18,989

* The Company is under liquidation.

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

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

**** Subsidiary of SCB-Julius Baer 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.

All subsidiaries and associate were registered and operate in Thailand except for the Cambodian Commercial Bank Ltd., and SCB-Julius Baer (Singapore) Pte. Ltd., which were registered and operate in Cambodia and Singapore, respectively.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

7 Loans to customers and accrued interest receivables, net

7.1 Classified by business type and quality of loan classification as at 31 March 2019 and 31 December 2018.

	Consolidated											
	31 March 2019					31 December 2018						
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *
	<i>(in million Baht)</i>											
Agriculture and mining	12,850	3,560	161	128	370	17,069	17,071	195	2,074	126	332	19,798
Manufacturing and commercial	528,863	19,647	7,560	4,357	21,209	581,636	558,753	19,315	8,819	3,583	19,871	610,341
Real estate and construction	155,252	3,685	536	572	2,926	162,971	158,998	3,278	982	410	2,972	166,640
Utilities and services	369,960	2,117	1,226	1,143	3,818	378,264	367,705	2,359	622	1,041	4,549	376,276
Housing loans	533,373	10,632	5,641	5,272	3,629	558,547	526,324	10,795	6,134	5,762	3,757	552,772
Others	400,803	17,637	4,230	2,230	2,896	427,796	387,441	17,938	4,372	2,324	2,659	414,734
Total *	2,001,101	57,278	19,354	13,702	34,848	2,126,283	2,016,292	53,880	23,003	13,246	34,140	2,140,561

	The Bank											
	31 March 2019					31 December 2018						
	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *	Normal	Special Mention	Sub- Standard	Doubtful	Doubtful Loss	Total *
	<i>(in million Baht)</i>											
Agriculture and mining	12,800	3,560	161	128	370	17,019	17,024	195	2,074	126	332	19,751
Manufacturing and commercial	527,418	19,647	7,560	4,357	21,209	580,191	557,190	19,281	8,819	3,583	19,871	608,744
Real estate and construction	155,252	3,685	536	572	1,994	162,039	158,998	3,278	982	410	2,025	165,693
Utilities and services	368,759	2,117	1,226	1,143	3,818	377,063	366,478	2,359	622	1,041	4,549	375,049
Housing loans	533,311	10,632	5,641	5,272	3,629	558,485	526,266	10,795	6,134	5,762	3,757	552,714
Others	388,816	17,637	4,230	2,230	2,838	415,751	375,608	17,938	4,372	2,324	2,600	402,842
Total *	1,986,356	57,278	19,354	13,702	33,858	2,110,548	2,001,564	53,846	23,003	13,246	33,134	2,124,793

* Net of deferred revenue, excludes accrued interest receivables

7.2 Loans to listed companies identified for delisting

	Consolidated and the Bank									
	31 March 2019					31 December 2018				
	Loans and accrued		No. of companies receivables*			Loans and accrued		No. of companies receivables*		
	<i>(in million Baht)</i>					<i>(in million Baht)</i>				
Listed companies identified for delisting			No. of companies receivables*	interest	Collateral provision			No. of companies receivables*	interest	Collateral provision
			2	10,881	5,412	8,809	3	10,996	5,449	8,291

* Including loans to financial institutions but excluding other expenses

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

7.3 Non-Performing Loans

As at 31 March 2019 and 31 December 2018, 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	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in million Baht)</i>			
Non-Performing Loans (net of allowance for doubtful accounts)	33,836	35,699	33,550	35,406
% of Non-Performing Loans to total loans (net)	1.4	1.5	1.4	1.5
Non-Performing Loans (gross)	67,904	70,389	66,914	69,383
% of Non-Performing Loans to total loans	2.8	2.9	2.8	2.8

As at 31 March 2019, Rutchayothin Assets Management Co., Ltd. which is a subsidiary of the Bank, had Non-Performing Loans of Baht 405 million (*31 December 2018: Baht 421 million*). However, the Non-Performing Loans based on principal of loan purchased from the Bank and its subsidiaries as at 31 March 2019 was Baht 932 million (*31 December 2018: Baht 947 million*).

7.4 Classified assets

The Bank and its subsidiaries had classified assets as at 31 March 2019 and 31 December 2018 as follows:

	Consolidated					
	31 March 2019					
	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	2,005,001	323,991	-	-	75	2,329,067
Special Mention	57,381	-	-	-	68	57,449
Sub-Standard	19,392	-	-	-	14	19,406
Doubtful	13,702	-	-	-	11	13,713
Doubtful Loss	34,856	-	2,759	607	792	39,014
	<u>2,130,332</u>	<u>323,991</u>	<u>2,759</u>	<u>607</u>	<u>960</u>	<u>2,458,649</u>

* Net of deferred revenue

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

Consolidated						
31 December 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	2,019,500	327,545	-	-	19	2,347,064
Special Mention	53,968	-	-	-	5	53,973
Sub-Standard	23,034	-	-	-	3	23,037
Doubtful	13,246	-	-	-	5	13,251
Doubtful Loss	34,147	-	4,091	559	1,012	39,809
	<u>2,143,895</u>	<u>327,545</u>	<u>4,091</u>	<u>559</u>	<u>1,044</u>	<u>2,477,134</u>

The Bank						
31 March 2019						
	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	1,989,952	314,456	-	-	75	2,304,483
Special Mention	57,381	-	-	-	68	57,449
Sub-Standard	19,392	-	-	-	14	19,406
Doubtful	13,702	-	-	-	11	13,713
Doubtful Loss	33,858	-	3,027	603	780	38,268
	<u>2,114,285</u>	<u>314,456</u>	<u>3,027</u>	<u>603</u>	<u>948</u>	<u>2,433,319</u>

The Bank						
31 December 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	2,004,473	318,081	-	-	19	2,322,573
Special Mention	53,934	-	-	-	5	53,939
Sub-Standard	23,034	-	-	-	3	23,037
Doubtful	13,246	-	-	-	5	13,251
Doubtful Loss	33,134	-	3,208	556	984	37,882
	<u>2,127,821</u>	<u>318,081</u>	<u>3,208</u>	<u>556</u>	<u>1,016</u>	<u>2,450,682</u>

* Net of deferred revenue

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

7.5 Allowance for doubtful accounts

7.5.1 Loans classified by quality as at 31 March 2019 and 31 December 2018 (inclusive of accrued interest receivables)

	Consolidated						Total
	31 March 2019						
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			
	Net amount used to			Net amount used to			
Loans and accrued interest receivables <i>(in million Baht)</i>	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	1,808,239	1,768,186*	1	17,562	196,762	2,963	20,525
- Special Mention	44,760	43,943*	2	878	12,621	2,535	3,413
- Sub-Standard	18,209	9,267**	100	9,267	1,183	571	9,838
- Doubtful	13,094	4,674**	100	4,674	608	285	4,959
- Doubtful Loss	<u>32,930</u>	<u>18,577**</u>	100	<u>18,577</u>	<u>1,926</u>	<u>928</u>	<u>19,505</u>
Total	<u>1,917,232</u>	<u>1,844,647</u>		<u>50,958</u>	<u>213,100</u>	<u>7,282</u>	<u>58,240</u>
Allowance established in excess of BoT regulations							<u>41,568</u>
Total							<u>99,808</u>

	Consolidated						Total
	31 December 2018						
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			
	Net amount used to			Net amount used to			
*	Loans and accrued interest receivables <i>(in million Baht)</i>	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	1,832,982	1,790,588*	1	17,788	186,518	2,873	20,661
- Special Mention	41,113	40,176*	2	803	12,855	2,697	3,500
- Sub-Standard	21,718	12,189**	100	12,189	1,316	642	12,831
- Doubtful	12,682	4,057**	100	4,057	564	261	4,318
- Doubtful Loss	<u>32,371</u>	<u>17,077**</u>	100	<u>17,077</u>	<u>1,776</u>	<u>825</u>	<u>17,902</u>
Total	<u>1,940,866</u>	<u>1,864,087</u>		<u>51,914</u>	<u>203,029</u>	<u>7,298</u>	<u>59,212</u>
Allowance established in excess of BoT regulations							<u>40,193</u>
Total							<u>99,405</u>

* Net of cash and near cash collateral

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

*** Excluding revaluation allowance for troubled debt restructuring

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

The Bank							
31 March 2019							
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			Total
	Net amount used to			Net amount used to			
	Loans and accrued interest receivables <i>(in million Baht)</i>	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	1,793,190	1,753,441*	1	17,535	196,762	2,963	20,498
- Special Mention	44,760	43,943*	2	878	12,621	2,535	3,413
- Sub-Standard	18,209	9,267**	100	9,267	1,183	571	9,838
- Doubtful	13,094	4,674**	100	4,674	608	285	4,959
- Doubtful Loss	31,932	17,864**	100	17,864	1,926	928	18,792
Total	<u>1,901,185</u>	<u>1,829,189</u>		<u>50,218</u>	<u>213,100</u>	<u>7,282</u>	57,500
Allowance established in excess of BoT regulations							<u>41,560</u>
Total							<u>99,060</u>

The Bank							
31 December 2018							
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			Total
	Net amount used to			Net amount used to			
	Loans and accrued interest receivables <i>(in million Baht)</i>	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	1,817,955	1,775,859*	1	17,759	186,518	2,873	20,632
- Special Mention	41,079	40,142*	2	803	12,855	2,697	3,500
- Sub-Standard	21,718	12,189**	100	12,189	1,316	642	12,831
- Doubtful	12,682	4,057**	100	4,057	564	261	4,318
- Doubtful Loss	31,358	16,357**	100	16,357	1,776	825	17,182
Total	<u>1,924,792</u>	<u>1,848,604</u>		<u>51,165</u>	<u>203,029</u>	<u>7,298</u>	58,463
Allowance established in excess of BoT regulations							<u>40,184</u>
Total							<u>98,647</u>

* Net of cash and near cash collateral

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

*** Excluding revaluation allowance for troubled debt restructuring

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

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 31 March 2019 and 31 December 2018 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 31 March 2019 and 31 December 2018, the changes to the allowance for doubtful accounts were as follows:

	Consolidated 31 March 2019					Allowance established in excess of BoT regulations	Total
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss		
	<i>(in million Baht)</i>						
As at 1 January 2019	20,661	3,500	12,831	4,318	17,902	40,193	99,405
Bad debt and doubtful accounts	(135)	(87)	(2,993)	641	7,432	1,424	6,282
Bad debts written off	-	-	-	-	(5,829)	-	(5,829)
Others	(1)	-	-	-	-	(49)	(50)
As at 31 March 2019	20,525	3,413	9,838	4,959	19,505	41,568	99,808

	Consolidated 31 December 2018					Allowance established in excess of BoT regulations	Total
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss		
	<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	697	275	4,870	155	13,298	7,756	27,051
Bad debts written off	-	-	-	-	(13,602)	-	(13,602)
Others	-	-	-	-	-	257	257
As at 31 December 2018	20,661	3,500	12,831	4,318	17,902	40,193	99,405

	The Bank 31 March 2019					Allowance established in excess of BoT regulations	Total
	Normal	Special Mention	Sub - Standard	Doubtful	Doubtful Loss		
	<i>(in million Baht)</i>						
As at 1 January 2019	20,632	3,500	12,831	4,318	17,182	40,184	98,647
Bad debt and doubtful accounts	(134)	(87)	(2,993)	641	7,439	1,425	6,291
Bad debts written off	-	-	-	-	(5,829)	-	(5,829)
Others	-	-	-	-	-	(49)	(49)
As at 31 March 2019	20,498	3,413	9,838	4,959	18,792	41,560	99,060

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

The Bank							
31 December 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	693	275	4,870	155	13,307	7,756	27,056
Bad debts written off	-	-	-	-	(13,602)	-	(13,602)
Others	-	-	-	-	-	257	257
As at 31 December 2018	<u>20,632</u>	<u>3,500</u>	<u>12,831</u>	<u>4,318</u>	<u>17,182</u>	<u>40,184</u>	<u>98,647</u>

8 Troubled debt restructuring

During the three-month periods ended 31 March 2019 and 2018, troubled debt restructuring was as follows:

Types of debt restructuring	Consolidated and the Bank							
	No. of accounts		Outstanding debts				Loss on debt restructuring	
	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in million Baht)</i>							
Debt restructuring in various forms	2	1	3	5	3	5	-	-
Changes of repayment conditions	5,474	1,083	10,573	1,739	10,547	1,733	5	4
Total	<u>5,476</u>	<u>1,084</u>	<u>10,576</u>	<u>1,744</u>	<u>10,550</u>	<u>1,738</u>	<u>5</u>	<u>4</u>

As at 31 March 2019 and 31 December 2018, the Bank and its subsidiaries had outstanding balances relating to troubled debt restructuring loans as follows:

	Consolidated and the Bank			
	31 March 2019		31 December 2018	
	No. of accounts	Outstanding debts	No. of accounts	Outstanding debts
	<i>(in million Baht)</i>		<i>(in million Baht)</i>	
Restructured loans which were classified as NPL	1,365	12,139	1,540	10,257
Restructured loans which were not classified as NPL	17,307	26,608	13,196	23,236
Total	<u>18,672</u>	<u>38,747</u>	<u>14,736</u>	<u>33,493</u>

Supplementary information relating to restructuring loans for the three-month periods ended 31 March 2019 and 2018 were as follows:

	Consolidated and the Bank	
	2019	2018
	<i>(in million Baht)</i>	
Interest income recognised in the statement of profit or loss and other comprehensive income	207	253

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

Revaluation allowance for debt restructuring

As at 31 March 2019 and 31 December 2018, the changes to the revaluation allowance for debt restructuring was as follows:

	Consolidated and the Bank	
	31 March 2019	31 December 2018
	<i>(in million Baht)</i>	
Beginning balance	3,868	4,291
Increase (decrease) during the period/year	49	(423)
Ending balance	<u>3,917</u>	<u>3,868</u>

9 Liabilities under insurance contracts

As at 31 March 2019 and 31 December 2018, liabilities under insurance contracts were as follows:

	Consolidated	
	31 March 2019	31 December 2018
	<i>(in million Baht)</i>	
SCB Life Assurance PCL		
Long-term technical reserves	281,267	277,247
Short-term technical reserves	1,059	973
Total	<u>282,326</u>	<u>278,220</u>

Long-term technical reserves

	Consolidated	
	31 March 2019	31 December 2018
	<i>(in million Baht)</i>	
Beginning balance	277,247	247,319
Reserve increase from new and inforce policies in the period/year	12,681	47,197
Reserve released for benefit payments, lapse and cancellation in the period/year	(8,661)	(17,269)
Ending balance	<u>281,267</u>	<u>277,247</u>

10 Employee expenses

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who has been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. As a result of this change, the provision for retirement benefits as at 31 March 2019 recognised during the three-month period then ended in the consolidated and the Bank's financial statements increased by an amount of Baht 1.4 billion and Baht 1.3 billion, respectively. These amounts have been recorded under employee expenses in the period ended 31 March 2019.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

11 Assets pledged as collateral and under restriction

As at 31 March 2019 and 31 December 2018, assets pledged as collateral and under restriction were as follows:

	Consolidated		The Bank	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in million Baht)</i>			
Government securities pledged for life policy reserve	64,339	64,381	-	-
Securities pledged as collateral for repurchase	73,857	69,435	73,857	69,435
Others	84	79	51	46
Total	138,280	133,895	73,908	69,481

12 Contingencies

As at 31 March 2019 and 31 December 2018, contingencies were as follows:

	Consolidated		The Bank	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in million Baht)</i>			
Avals to bills	6,708	7,985	6,708	7,985
Guarantees of loans	11,952	15,049	11,109	14,181
Liability under unmatured import bills	10,400	11,129	10,400	11,129
Letters of credit	43,100	46,994	42,826	46,666
Other contingencies				
- Amount of unused bank overdrafts	188,880	185,210	188,082	184,401
- Other guarantees	224,805	218,814	223,748	217,773
- Receivables / payables from investments	8,399	4,906	8,293	3,239
- Others	48,865	47,869	46,665	45,469
Total	543,109	537,956	537,831	530,843

As at 31 March 2019, 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 2018: Baht 3 million).

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

13 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:

13.1 Assets, liabilities and contingencies

Assets, liabilities and contingencies balances with related parties as at 31 March 2019 and 31 December 2018 were as follows:

	Consolidated		The Bank	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in million Baht)</i>			
Derivative assets				
Subsidiaries	-	-	561	628
Associate	-	18	-	18
Investments				
Subsidiaries	-	-	365	364
Loans*				
Associate	8,729	8,844	8,729	8,844
Directors and key executive officers	109	121	109	121
Entities in which the directors, management or close members of their families have significant influence	4,318	4,322	4,318	4,322
Other assets				
Subsidiaries	-	-	1,946	1,769
Deposits				
Subsidiaries	-	-	6,699	5,059
Associate	226	416	226	416
Major shareholders (more than 10% ownership)	4,871	4,824	4,871	4,824
Directors and key executive officers	1,517	1,428	1,517	1,428
Entities in which the directors, management or close members of their families have significant influence	14,482	29,161	14,482	29,161

* Before deducting allowance for doubtful accounts for consolidated and the Bank amounting to Baht 6,840 million and 6,840 million, respectively (31 December 2018: Baht 6,816 million and Baht 6,816 million, respectively).

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

	Consolidated		The Bank	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	<i>(in million Baht)</i>			
Interbank and money market items (liabilities)				
Subsidiaries	-	-	225	213
Derivative liabilities				
Subsidiaries	-	-	638	446
Associate	17	-	17	-
Debt issued and borrowings				
Subsidiaries	-	-	3,151	3,183
Directors and key executive officers	6	6	6	6
Other liabilities				
Subsidiaries	-	-	1,079	633
Contingencies				
Subsidiaries	-	-	15,598	15,677
Associate	2,386	1,407	2,386	1,407
Related companies (Shareholding through other companies' debt restructuring process	1	1	1	1
Entities in which the directors, management or close members of their families have significant influence	1,552	1,583	1,552	1,583

13.2 Income and expenses

Significant income and expenses with related parties for the three-month periods ended 31 March 2019 and 2018 were as follows:

	Consolidated		The Bank	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Interest income				
Subsidiaries	-	-	2	28
Associate	58	-	58	-
Directors and key executive officers	1	1	1	1
Entities in which the directors, management or close members of their families have significant influence	48	17	48	17
Interest expenses				
Subsidiaries	-	-	20	15
Associate	54	-	54	-
Major shareholders (more than 10% ownership)	12	46	12	46
Directors and key executive officers	3	2	3	2
Entities in which the directors, management or close members of their families have significant influence	69	81	69	81

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

	Consolidated			The Bank
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Other income				
Subsidiaries	-	-	2,138	2,275
Other expenses				
Subsidiaries	-	-	815	1,592
Major shareholders (more than 10% ownership)	8	14	8	14
Gains (losses) on trading				
Subsidiaries	-	-	(6)	(698)
Associate	11	43	11	43

14 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.

<i>For the three-month period ended 31 March</i>	Consolidated		The Bank	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Short-term employee benefits	797	678	664	537
Post-employment benefits	42	52	34	40
Total	839	730	698	577

15 Operating segments

As at 31 March 2019 and 2018, 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.

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:

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

<i>For the three-month period ended 31 March 2019</i>	Corporate Segment	SME Segment	Retail Segment	Consolidated			Total
				Life insurance	Others	Elimination	
				<i>(in million Baht)</i>			
Net interest income	4,298	3,427	11,643	2,717	2,629	(1)	24,713
Non-interest income, net	2,050	779	6,102	(572)	2,596	(1,098)	9,857
Total operating income	6,348	4,206	17,745	2,145	5,225	(1,099)	34,570
Total operating expenses	(2,167)	(2,049)	(10,789)	(656)	(3,256)	1,082	(17,835)
Profit before impairment loss and income tax	4,181	2,157	6,956	1,489	1,969	(17)	16,735
Impairment loss and income tax							(7,576)
Net profit							9,159

<i>For the three-month period ended 31 March 2018</i>	Corporate Segment	SME Segment	Retail Segment	Consolidated			Total
				Life insurance	Others	Elimination	
				<i>(in million Baht)</i>			
Net interest income	4,121	3,527	10,490	2,463	2,731	-	23,332
Non-interest income, net	2,674	738	6,568	313	2,943	(1,190)	12,046
Total operating income	6,795	4,265	17,058	2,776	5,674	(1,190)	35,378
Total operating expenses	(1,915)	(2,012)	(10,290)	(579)	(2,576)	1,142	(16,230)
Profit before impairment loss and income tax	4,880	2,253	6,768	2,197	3,098	(48)	19,148
Impairment loss and income tax							(7,769)
Net profit							11,379

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

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

16.1 As at 31 March 2019 and 31 December 2018, the financial position classified by domestic and foreign businesses was as follows:

	Consolidated					
	31 March 2019			31 December 2018		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Total assets	3,091,564	108,320	3,199,884	3,112,925	74,415	3,187,340
Interbank and money market items, net (Assets)	343,113	12,435	355,548	365,626	12,279	377,905
Investments, net *	617,827	1,075	618,902	567,647	1,254	568,901
Loans to customers and accrued interest receivables, net	2,006,205	20,401	2,026,606	2,021,528	19,094	2,040,622
Deposits	2,102,447	15,611	2,118,058	2,147,122	12,509	2,159,631
Interbank and money market items (Liabilities)	147,418	4,908	152,326	137,316	5,213	142,529
Debt issued and borrowings	49,835	83,512	133,347	54,808	52,753	107,561

	The Bank					
	31 March 2019			31 December 2018		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Total assets	2,769,151	97,804	2,866,955	2,794,927	65,200	2,860,127
Interbank and money market items, net (Assets)	332,624	5,421	338,045	355,127	6,906	362,033
Investments, net *	337,226	1,042	338,268	290,761	1,223	291,984
Loans to customers and accrued interest receivables, net	1,993,650	17,658	2,011,308	2,009,126	16,180	2,025,306
Deposits	2,106,187	7,900	2,114,087	2,150,941	5,995	2,156,936
Interbank and money market items (Liabilities)	152,452	4,750	157,202	140,419	5,180	145,599
Debt issued and borrowings	47,687	84,144	131,831	52,667	53,398	106,065

* Includes net investments in subsidiaries and associate

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

16.2 The results of operations classified by domestic and foreign businesses for the three-month periods ended 31 March 2019 and 2018 were as follows:

	2019			Consolidated				2018		
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total		
	<i>(in million Baht)</i>									
Interest income	33,145	1,331	(1,021)	33,455	31,054	726	(492)	31,288		
Interest expenses	(8,468)	(1,295)	1,021	(8,742)	(7,679)	(769)	492	(7,956)		
Net interest income	24,677	36	-	24,713	23,375	(43)	-	23,332		
Net fees and service income	6,657	11	-	6,668	8,083	62	-	8,145		
Other operating income	3,192	(3)	-	3,189	3,908	(6)	-	3,902		
Other operating expenses	(23,119)	(137)	-	(23,256)	(21,201)	(41)	-	(21,242)		
Profit before income tax	11,407	(93)	-	11,314	14,165	(28)	-	14,137		
Income tax	(2,117)	(38)	-	(2,155)	(2,737)	(21)	-	(2,758)		
Net profit (loss)	9,290	(131)	-	9,159	11,428	(49)	-	11,379		

	2019			The Bank				2018		
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total		
	<i>(in million Baht)</i>									
Interest income	30,425	1,257	(1,021)	30,661	28,616	673	(492)	28,797		
Interest expenses	(8,505)	(1,236)	1,021	(8,720)	(7,671)	(760)	492	(7,939)		
Net interest income	21,920	21	-	21,941	20,945	(87)	-	20,858		
Net fees and service income	7,355	11	-	7,366	8,277	48	-	8,325		
Other operating income	2,577	(9)	-	2,568	2,674	(10)	-	2,664		
Other operating expenses	(22,441)	(105)	-	(22,546)	(20,712)	17	-	(20,695)		
Profit before income tax	9,411	(82)	-	9,329	11,184	(32)	-	11,152		
Income tax	(1,747)	(7)	-	(1,754)	(2,124)	(8)	-	(2,132)		
Net profit (loss)	7,664	(89)	-	7,575	9,060	(40)	-	9,020		

17 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 31 March 2019 were 19% and 19% respectively (*31 March 2018: 20% and 19% respectively*).

18 Basic earnings per share

Basic earnings per share in the consolidated and the Bank's financial statements for the three-month periods ended 31 March 2019 and 2018 were calculated as follows:

	Consolidated		The Bank	
	2019	2018	2019	2018
	<i>(in million Baht / million shares)</i>			
Profit attributable to common shareholders of the Bank (basic)	9,157	11,364	7,575	9,020
Number of common and preferred shares outstanding	3,399	3,399	3,399	3,399
Earnings per share (basic) (in Baht)	2.69	3.34	2.23	2.65

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month period ended 31 March 2019 (Unaudited)

19 Events after the reporting period

- 19.1 At the annual general meeting of the shareholders of the Bank held on 4 April 2019, the shareholders approved the dividend in respect of the Bank result of the year 2018 at Baht 5.50 per share, amounting to Baht 18,696 million. The interim dividend was paid to shareholders on 20 September 2018 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 was paid to shareholders on 3 May 2019.
- 19.2 On 9 April 2019, the Bank registered the conversion of 14,333 preferred shares to 14,333 common shares with the Ministry of Commerce.

20 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new TFRS which are relevant to the Bank and its Subsidiaries' operations are expected to have significant impact on the consolidated and the Bank's financial statements on the date of initial application. Those TFRS which become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments

* TFRS - Financial instruments standards

(a) TFRS - Financial instruments standards

These TFRS establish requirements related to classification, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

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

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying TFRS 16 on the consolidated and Bank's financial statements.