

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

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 2019
and
Independent auditor's review report

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 2019; 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 2019, changes in equity and cash flows for the nine-month period ended 30 September 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
14 November 2019

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
		2019	2018	2019	2018
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		<i>(in thousand Baht)</i>			
Cash		40,181,134	47,116,872	40,067,754	46,443,366
Interbank and money market items, net		454,080,217	377,904,575	449,617,678	362,033,032
Derivative assets		67,078,364	41,682,825	67,288,229	41,533,759
Investments, net	5	272,021,452	568,853,597	269,839,213	272,994,919
Investments in subsidiaries and associate, net	6	535,148	47,391	6,419,157	18,988,748
Loans to customers and accrued interest receivables, net	7				
Loans to customers		2,183,697,211	2,170,100,801	2,178,875,564	2,154,332,379
Accrued interest receivables		3,430,827	3,334,205	3,400,995	3,028,442
Total loans to customers and accrued interest receivables		2,187,128,038	2,173,435,006	2,182,276,559	2,157,360,821
Less deferred revenue		(33,629,621)	(29,540,202)	(33,628,723)	(29,540,202)
Less allowance for doubtful accounts	7.5	(107,918,402)	(99,404,677)	(107,170,643)	(98,646,744)
Less revaluation allowance for debt restructuring	8	(3,089,453)	(3,867,951)	(3,089,453)	(3,867,951)
Total loans to customers and accrued interest receivables, net		2,042,490,562	2,040,622,176	2,038,387,740	2,025,305,924
Properties for sale, net		16,614,620	13,449,583	16,302,499	13,445,838
Premises and equipment, net		40,822,696	43,206,362	39,991,359	41,707,339
Goodwill and other intangible assets, net		17,921,535	25,491,592	17,183,760	15,697,382
Assets pending transfer		3,941,336	2,232,926	4,169,182	2,429,931
Deferred tax assets		1,515,775	197,811	1,370,490	106,779
Other assets, net		24,015,396	26,533,915	20,260,450	19,440,025
Total assets		2,981,218,235	3,187,339,625	2,970,897,511	2,860,127,042

The accompanying notes form an integral part of the interim financial statements.

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated		The Bank	
		30 September 2019 (Unaudited)	31 December 2018 (Audited)	30 September 2019 (Unaudited)	31 December 2018 (Audited)
<i>(in thousand Baht)</i>					
Liabilities and shareholders' equity					
Liabilities					
Deposits		2,193,822,334	2,159,630,551	2,191,595,811	2,156,936,065
Interbank and money market items		120,990,325	142,528,617	120,780,710	145,599,164
Liability payable on demand		13,320,427	13,944,143	13,320,214	13,942,883
Liabilities to deliver security		26,761	1,144	-	-
Derivative liabilities		64,253,657	36,483,008	64,290,188	36,798,917
Debt issued and borrowings		91,021,577	107,560,901	90,482,165	106,065,393
Provisions		11,045,369	9,426,568	10,642,566	8,922,840
Liabilities under insurance contracts	9	-	278,220,199	-	-
Liabilities pending transfer		21,432,888	19,675,994	21,381,999	19,435,132
Deferred tax liabilities		139,140	423,164	-	-
Other liabilities	6	69,179,956	38,462,288	66,036,677	31,240,768
Total liabilities		2,585,232,434	2,806,356,577	2,578,530,330	2,518,941,162
Shareholders' equity					
Share capital					
Authorised share capital					
3,582,767,096 preferred shares of Baht 10 each		35,827,671	35,828,427	35,827,671	35,828,427
3,417,232,904 common shares of Baht 10 each		34,172,329	34,171,573	34,172,329	34,171,573
Issued and paid-up capital					
3,642,739 preferred shares of Baht 10 each		36,427	37,183	36,427	37,183
3,395,549,459 common shares of Baht 10 each		33,955,495	33,954,739	33,955,495	33,954,739
Premium on share capital					
Premium on preferred shares		14,246	14,541	14,246	14,541
Premium on common shares		11,109,945	11,109,650	11,109,945	11,109,650
Other reserves		16,958,813	15,668,579	16,889,927	16,535,798
Retained earnings					
Appropriated					
Legal reserve		7,000,000	7,000,000	7,000,000	7,000,000
Unappropriated		326,396,860	312,241,904	323,361,141	272,533,969
Total owners of the company		395,471,786	380,026,596	392,367,181	341,185,880
Non-controlling interests		514,015	956,452	-	-
Total shareholders' equity		395,985,801	380,983,048	392,367,181	341,185,880
Total liabilities and shareholders' equity		2,981,218,235	3,187,339,625	2,970,897,511	2,860,127,042

(Mr. Arthid Nanthawithaya)

CEO & Chairman of Executive Committee

The accompanying notes form an integral part of the interim financial statements.

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

	<i>Note</i>	Consolidated		The Bank	
		Three month period ended		Three month period ended	
		30 September		30 September	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Interest income		35,432,279	32,541,187	32,309,536	29,798,746
Interest expenses		9,240,866	8,150,775	9,219,910	8,125,433
Net interest income		26,191,413	24,390,412	23,089,626	21,673,313
Fee and service income		9,736,836	8,792,295	9,937,114	8,590,000
Fee and service expenses		2,345,921	2,264,791	2,037,019	1,956,120
Net fee and service income		7,390,915	6,527,504	7,900,095	6,633,880
Net gain on trading and foreign exchange transactions		1,257,333	2,202,702	1,163,810	2,144,086
Net gain on investments		1,493,158	1,093,907	1,164,602	1,048,136
Net gain on sale of investment in subsidiary	6	24,023,848	-	61,899,788	-
Share of profit from investment in associate		457,000	167,407	-	-
Dividend income		162,749	288,028	676,116	416,652
Net earned insurance premiums		9,700,337	10,998,901	-	-
Other operating income		116,212	83,193	88,735	9,225
Total operating income		70,792,965	45,752,054	95,982,772	31,925,292
Net insurance claims		10,341,271	11,029,581	-	-
Net operating income		60,451,694	34,722,473	95,982,772	31,925,292
Other operating expenses					
Employee expenses		7,775,320	7,296,061	6,911,382	6,438,941
Directors' remuneration		26,368	27,088	22,701	23,868
Premises and equipment expenses		3,547,513	3,334,212	3,271,009	3,101,960
Taxes and duties		1,219,146	1,105,960	1,135,263	1,023,375
Other expenses		4,994,208	4,737,015	5,507,408	5,383,769
Total operating expenses		17,562,555	16,500,336	16,847,763	15,971,913
Impairment loss on loans and debt securities	7.5.2	15,273,284	5,133,975	15,272,000	5,140,261
Profit from operation before income tax expense		27,615,855	13,088,162	63,863,009	10,813,118
Income tax expenses	17	12,876,604	2,573,286	12,457,692	2,092,024
Net profit		14,739,251	10,514,876	51,405,317	8,721,094

The accompanying notes form an integral part of the interim 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	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		13,278,966	136,201	78,985
Losses arising from translating the financial statements of a foreign operation		(10,251)	(59,654)	-
Changes in hedge reserve		2,270,258	193,706	-
Income tax relating to components of other comprehensive income (loss) will be reclassified subsequently to profit or loss		(3,109,845)	(65,982)	(15,797)
Total other comprehensive income (loss), net of income tax		12,429,128	204,271	63,188
Total comprehensive income		27,168,379	10,719,147	51,468,505
Net profit (loss) attributable to:				
Owners of the company		14,798,355	10,508,295	51,405,317
Non-controlling interests		(59,104)	6,581	-
Total comprehensive income attributable to:				
Owners of the company		27,126,209	10,706,981	51,468,505
Non-controlling interests		42,170	12,166	-
Earnings per share of the parent company				
Basic earnings per share (in Baht)	18	4.35	3.09	15.12
		2.57		

(Mr. Arthid Nanthawithaya)

CEO & Chairman of Executive Committee

The accompanying notes form an integral part of the interim financial statements.

The Siam Commercial Bank Public Company Limited and its Subsidiaries

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

	Note	Consolidated		The Bank	
		Nine month period ended		Nine month period ended	
		30 September		30 September	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Interest income		103,306,402	95,796,043	94,541,000	87,969,261
Interest expenses		26,865,206	24,224,882	26,808,326	24,180,443
Net interest income		76,441,196	71,571,161	67,732,674	63,788,818
Fee and service income		28,049,000	27,991,614	29,208,773	27,532,148
Fee and service expenses		6,805,512	6,235,496	5,991,927	5,324,445
Net fee and service income		21,243,488	21,756,118	23,216,846	22,207,703
Net gain on trading and foreign exchange transactions		5,264,538	6,482,411	5,058,913	6,287,171
Net gain on investments		3,067,201	1,998,694	2,426,056	1,806,690
Net gain on sale of investment in subsidiary	6	24,023,848	-	61,899,788	-
Share of profit from investment in associate		487,756	167,407	-	-
Dividend income		619,436	1,084,877	1,723,637	891,594
Net earned insurance premiums		34,950,839	39,248,802	-	-
Other operating income		311,642	428,134	135,293	204,625
Total operating income		166,409,944	142,737,604	162,193,207	95,186,601
Net insurance claims		35,346,903	38,294,227	-	-
Net operating income		131,063,041	104,443,377	162,193,207	95,186,601
Other operating expenses					
Employee expenses		24,739,068	22,057,492	22,018,282	19,418,971
Directors' remuneration		77,425	73,918	64,944	65,628
Premises and equipment expenses		10,228,294	9,714,816	9,417,740	9,047,274
Taxes and duties		3,560,305	3,335,436	3,299,450	3,069,797
Other expenses		13,449,970	13,328,051	15,183,440	15,340,568
Total operating expenses		52,055,062	48,509,713	49,983,856	46,942,238
Impairment loss on loans and debt securities	7.5.2	26,602,692	15,152,229	26,611,159	15,160,261
Profit from operation before income tax expense		52,405,287	40,781,435	85,598,192	33,084,102
Income tax expenses	17	17,561,901	7,763,878	16,359,333	6,170,347
Net profit		34,843,386	33,017,557	69,238,859	26,913,755

The accompanying notes form an integral part of the interim financial statements.

The Siam Commercial Bank Public Company Limited and its Subsidiaries

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

	Note	Consolidated		The Bank	
		Nine month period ended		Nine month period ended	
		30 September		30 September	
		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		22,713,039	(5,927,163)	797,499	(1,188,475)
Losses arising from translating the financial statements					
of a foreign operation		(155,010)	(20,095)	-	-
Changes in hedge reserve		3,287,789	(376,269)	-	-
Income tax relating to components of other comprehensive					
income (loss) will be reclassified subsequently to profit or loss		(5,199,837)	1,260,686	(159,500)	237,695
Total other comprehensive income (loss), net of income tax		20,645,981	(5,062,841)	637,999	(950,780)
Total comprehensive income		55,489,367	27,954,716	69,876,858	25,962,975
Net profit (loss) attributable to:					
Owners of the company		34,930,466	32,983,954	69,238,859	26,913,755
Non-controlling interests		(87,080)	33,603	-	-
Total comprehensive income (loss) attributable to:					
Owners of the company		55,413,734	27,954,982	69,876,858	25,962,975
Non-controlling interests		75,633	(266)	-	-
Earnings per share of the parent company					
Basic earnings per share (in Baht)	18	10.28	9.70	20.37	7.92

(Mr. Arthid Nanthawithaya)

CEO & Chairman of Executive Committee

The accompanying notes form an integral part of the interim financial statements.

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

		Consolidated															
		Other reserves												Total	Non-	Total	
		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	controlling interests	Total shareholders' equity
<i>Note</i>		Preferred shares	Common shares	Preferred shares	Common shares			Changes in hedge reserve				Legal reserve	Unappropriated				
		<i>(in thousand Baht)</i>															
Nine month period ended 30 September 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	
Dividend paid	10	-	-	-	-	-	-	-	-	-	-	-	(18,695,557)	(18,695,557)	-	(18,695,557)	
Conversion of preferred shares to common shares		(756)	756	(295)	295	-	-	-	-	-	-	-	-	-	-	-	
Liquidation of subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(7,316)	(7,316)	(435)	(7,751)	
Change in ownership interests in subsidiary with a loss in control		-	-	-	-	(18,068,789)	-	(3,196,882)	(5,340)	2,364,511	(18,906,500)	-	(2,359,171)	(21,265,671)	(517,635)	(21,783,306)	
Net profit (loss)		-	-	-	-	-	-	-	-	-	-	-	34,930,466	34,930,466	(87,080)	34,843,386	
Other comprehensive income (loss)		-	-	-	-	18,025,327	(150,848)	2,608,463	-	-	20,482,942	-	326	20,483,268	162,713	20,645,981	
Total comprehensive income (loss) for the period		-	-	-	-	18,025,327	(150,848)	2,608,463	-	-	20,482,942	-	34,930,792	55,413,734	75,633	55,489,367	
Transfer to retained earnings		-	-	-	-	-	-	-	(286,208)	-	(286,208)	-	286,208	-	-	-	
Balance at 30 September 2019		36,427	33,955,495	14,246	11,109,945	1,691,772	(496,116)	-	15,763,157	-	16,958,813	7,000,000	326,396,860	395,471,786	514,015	395,985,801	

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	investments	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	10	-	-	-	-	-	-	-	-	-	-	-	(18,695,557)	(18,695,557)	-	(18,695,557)	
Conversion of preferred shares to common shares		(586)	586	(229)	229	-	-	-	-	-	-	-	-	-	-	-	
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	
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 for the period		-	-	-	-	(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 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	Changes in	Total			
	Preferred shares	Common shares	Preferred shares	Common shares	remeasuring available-for-sale investments	revaluation surplus	other reserves	Legal reserve	Unappropriated	
<i>Note</i>										
<i>(in thousand Baht)</i>										
Nine month period ended 30 September 2019										
Balance at 1 January 2019	37,183	33,954,739	14,541	11,109,650	1,052,477	15,483,321	16,535,798	7,000,000	272,533,969	341,185,880
Dividend paid	-	-	-	-	-	-	-	-	(18,695,557)	(18,695,557)
Conversion of preferred shares to common shares	(756)	756	(295)	295	-	-	-	-	-	-
Net profit	-	-	-	-	-	-	-	-	69,238,859	69,238,859
Other comprehensive income	-	-	-	-	637,999	-	637,999	-	-	637,999
Total comprehensive income for the period	-	-	-	-	637,999	-	637,999	-	69,238,859	69,876,858
Transfer to retained earnings	-	-	-	-	-	(283,870)	(283,870)	-	283,870	-
Balance at 30 September 2019	36,427	33,955,495	14,246	11,109,945	1,690,476	15,199,451	16,889,927	7,000,000	323,361,141	392,367,181

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of changes in equity (Unaudited)

	<i>Note</i>	The Bank									
		Issued and paid-up share capital		Premium on share capital		Other reserves			Retained earnings		Total
						Gains (losses) on	Changes in	Total			
		Preferred shares	Common shares	Preferred shares	Common shares	remeasuring available-for-sale investments	revaluation surplus	other reserves	Legal reserve	Unappropriated	Total shareholders' 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	2,899,561	15,755,399	18,654,960	7,000,000	258,196,463	328,967,536
Dividend paid	<i>10</i>	-	-	-	-	-	-	-	-	(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 for the period		-	-	-	-	(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	1,948,781	15,551,554	17,500,335	7,000,000	266,618,506	336,234,954

(Mr. Arthid Nanthawithaya)

CEO & Chairman of Executive Committee

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of cash flows (Unaudited)

	Note	Consolidated		The Bank	
		Nine month period ended		Nine month period ended	
		30 September		30 September	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Cash flows from operating activities					
Profit from operating before income tax expense		52,405,287	40,781,435	85,598,192	33,084,102
<i>Adjustments to reconcile profit from operating before income tax expense to cash receipts (payments) from operating activities</i>					
Depreciation and amortisation		4,402,365	3,403,258	4,164,860	3,256,510
Impairment loss on loans and debt securities		28,916,783	17,490,813	29,030,301	17,498,844
Losses on impairment of properties for sale		146,326	88,772	146,326	88,772
Provisions		1,520,891	266,566	1,662,619	221,706
Losses on sale of premises and equipment		2,343	32,043	2,700	32,753
Losses from write-off of premises and equipment		49,080	-	49,080	-
Net loss from sale of properties for sale		854,577	332,815	854,577	332,815
Net loss (gain) on trading and foreign exchange transaction		89,107	(3,937,656)	548,593	(3,518,139)
Net gain on investments		(3,067,201)	(1,998,694)	(2,426,056)	(1,806,690)
Share of profit from investment in associate		(487,756)	(167,407)	-	-
Net gain on sale of investment in subsidiary		(24,023,848)	-	(61,899,788)	-
		60,807,954	56,291,945	57,731,404	49,190,673
Net interest income		(76,441,196)	(71,571,161)	(67,732,674)	(63,788,818)
Dividend income		(619,436)	(1,084,877)	(1,723,637)	(891,594)
Proceeds from interest		105,100,308	92,854,461	93,792,249	86,353,223
Interest paid		(26,737,178)	(24,240,109)	(26,767,246)	(24,180,121)
Proceeds from dividend		636,497	1,096,533	1,978,096	856,456
Income tax paid		(11,094,358)	(10,320,393)	(8,471,116)	(8,264,991)
Profit from operating before changes in operating assets and liabilities		51,652,591	43,026,399	48,807,076	39,274,828
<i>(Increase) decrease in operating assets</i>					
Interbank and money market items		(89,683,166)	(113,967,665)	(87,608,141)	(112,647,856)
Derivative assets		(31,228,632)	3,794,113	(29,922,571)	5,382,446
Investment in securities for trading		(16,410,574)	(1,335,977)	(15,698,966)	(5,753,321)
Loans to customers		(52,529,038)	(84,721,537)	(52,330,849)	(83,142,625)
Properties for sale		6,727,967	6,109,283	6,791,550	6,109,283
Other assets		(7,200,052)	2,525,773	(3,949,808)	2,640,334
<i>Increase (decrease) in operating liabilities</i>					
Deposits		34,191,783	31,011,195	34,659,746	34,122,542
Interbank and money market items		(21,538,292)	3,565,622	(24,818,454)	5,425,674
Liability payable on demand		(623,716)	(3,381,127)	(622,669)	(3,381,195)
Liabilities to deliver security		25,617	(52,580)	-	-
Derivative liabilities		28,283,641	(6,249,624)	27,888,941	(5,986,997)
Short-term debt issued and borrowings		(22,230,552)	14,365,323	(21,246,849)	14,311,803
Liabilities under insurance contracts		8,367,474	24,547,253	-	-
Other liabilities	6	34,204,112	1,800,700	28,207,313	(264,921)
Net cash used in operating activities		(77,990,837)	(78,962,849)	(89,843,681)	(103,910,005)

The accompanying notes form an integral part of the interim 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	
Note	2019	2018	2019	2018
<i>(in thousand Baht)</i>				
Cash flows from investing activities				
Acquisition of available-for-sale securities	(187,433,403)	(239,876,629)	(187,433,403)	(131,511,202)
Proceeds from sale of available-for-sale securities	190,591,639	341,609,944	210,367,616	255,558,229
Acquisition of held-to-maturity securities	(263,002)	(3,032,896)	(263,002)	(237,321)
Proceeds from redemption of held-to-maturity securities	9,845,984	1,229,067	1,942,993	1,139,398
Acquisition of general investments	(2,110,114)	(969,932)	(2,105,397)	(961,955)
Proceeds from sale of general investments	16,344	1,330,155	17,344	1,330,155
Acquisition of investments in subsidiaries and/or associate	-	-	(40,040)	(486,049)
Proceeds from disposal of subsidiary	6	75,077,319	75,077,319	-
Acquisition of premises and equipment	(598,090)	(1,653,769)	(634,551)	(1,403,339)
Proceeds from sale of premises and equipment	6,509	177,081	6,978	176,252
Acquisition of intangible assets	(3,814,854)	(5,790,540)	(3,359,565)	(5,504,755)
Net cash from investing activities	81,318,332	93,022,481	93,576,292	118,099,413
Cash flows from financing activities				
Proceeds from long-term debt issued	32,429,790	2,168,000	32,429,790	2,168,000
Repayment of long-term debt issued	(23,844,375)	-	(23,844,375)	-
Proceeds from long-term borrowings	79,593	133,613	79,593	133,613
Repayment of long-term borrowings	(57,674)	(41,900)	(57,674)	(41,900)
Repayment of long-term debenture	(20,000)	-	(20,000)	-
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 without a change in control	-	323,951	-	-
Net cash used in financing activities	(10,108,223)	(16,111,893)	(10,108,223)	(16,435,844)
Losses arising from translating the financial statements of a foreign operation	(155,010)	(20,095)	-	-
Net decrease in cash	(6,935,738)	(2,072,356)	(6,375,612)	(2,246,436)
Cash at 1 January	47,116,872	40,797,176	46,443,366	40,591,037
Cash at 30 September	40,181,134	38,724,820	40,067,754	38,344,601
Supplementary disclosures of cash flow information				
Significant non-cash items were as follows:				
Gains from foreign exchange revaluation on long-term debt issued	2,469,888	457,525	2,469,888	457,525
Gains (losses) from foreign exchange revaluation on banking book derivatives	195,264	(690,538)	195,264	(690,538)

(Mr. Arthid Nanthawithaya)

CEO & Chairman of Executive Committee

The accompanying notes form an integral part of the interim financial statements.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2019 (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 14 November 2019.

1 General information

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 Cambodia. Details of the Bank's subsidiaries as at 30 September 2019 and 31 December 2018 are given in note 6.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The condensed interim financial statements are presented in the same format as the annual and six-month period financial statements and prepared its notes to the interim financial statements on a condensed basis ("interim financial statements") in accordance with Thai Accounting Standard (TAS) No. 34 *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 and for the six-month period ended 30 June 2019. 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 and for the six-month period ended 30 June 2019.

(b) Use of judgments, estimates and accounting policies

In preparing these interim financial statements, judgments and estimates are made by management in applying the Bank and its subsidiaries' accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended 31 December 2018 and for the six-month period ended 30 June 2019, except for the estimation of additional allowance for doubtful accounts (see Note 7.5.2) and TFRS 15 *Revenue from Contracts with Customers* ("TFRS 15") which the Bank and its subsidiaries has adopted since 1 January 2019 to replace TAS 18 Revenue ("TAS 18") and related interpretations.

Under TFRS 15, judgment is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. The Bank and its subsidiaries recognise revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Bank and its subsidiaries expect to be entitled. Whereas, under TAS 18, the Bank and its subsidiaries recognised fee and service income as and when the related services were 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.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
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The Bank and its subsidiaries have not early adopted a number of new TFRS which are not yet effective in the current period. Those new TFRS that are relevant to operations of the Bank and its subsidiaries are disclosed in note 20.

(c) *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 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 nine-month period ended 30 September 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
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3.1 Financial instruments measured at fair value

The fair value 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	Level 2	Total	Level 1	Level 2	Total
	Fair value (in million Baht)					
30 September 2019						
Financial assets						
Derivative assets						
- Foreign exchange rate	-	37,093	37,093	-	37,093	37,093
- Interest rate	-	29,714	29,714	-	29,714	29,714
- Others	-	54	54	-	264	264
Total	-	66,861	66,861	-	67,071	67,071
Investments						
- Trading securities	2,283	28,368	30,651	-	28,182	28,182
- Available-for-sale securities	3,259	225,457	228,716	3,259	225,436	228,695
Total	5,542	253,825	259,367	3,259	253,618	256,877
Total financial assets	5,542	320,686	326,228	3,259	320,689	323,948
Financial liabilities						
Derivative liabilities						
- Foreign exchange rate	-	31,518	31,518	-	31,518	31,518
- Interest rate	-	32,337	32,337	-	32,337	32,337
- Others	1	331	332	-	368	368
Total financial liabilities	1	64,186	64,187	-	64,223	64,223

The Siam Commercial Bank Public Company Limited and its Subsidiaries
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	Consolidated			The Bank		
	Level 1	Fair value Level 2	Total	Level 1	Fair value Level 2	Total
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 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 represent 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 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 2019 and 31 December 2018 were as follows:

	Consolidated		The Bank	
	Carrying amount	Fair value Level 2	Carrying amount	Fair value Level 2
30 September 2019				
Financial assets				
Derivative assets	217	248	217	248
Held-to-maturity securities	8,639	9,539	8,967	9,861
Financial liabilities				
Derivative liabilities	67	27	67	27

The Siam Commercial Bank Public Company Limited and its Subsidiaries
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	Consolidated		The Bank	
	Carrying amount	Fair value Level 2 <i>(in million Baht)</i>	Carrying amount	Fair value Level 2
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.
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.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
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- Loans to customers and accrued interest receivables:
- 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):
- 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:
- 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.

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

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	Basel III			
	Consolidated Supervision			
	30 September		31 December	
	2019		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		307,655		287,738
Disclosed reserves				
Other comprehensive income		14,700		15,944
Other owner changes items		-		(2,365)
Capital deduction items on CET1		(19,298)		(26,754)
Total Tier 1 capital		<u>355,173</u>		<u>326,679</u>
Tier 2 capital				
Subordinated debt		-		20,000
Allowance for classified assets of “normal” category		22,964		23,793
Total Tier 2 capital		<u>22,964</u>		<u>43,793</u>
Total capital funds		<u>378,137</u>		<u>370,472</u>
Total risk weighted assets		2,108,019		2,166,374
	The BoT’s regulation minimum requirement*	30 September 2019	The BoT’s regulation minimum requirement* (%)	31 December 2018
Total capital / Total risk weighted assets	11.5	17.9	10.375	17.1
Total Tier 1 capital / Total risk weighted assets	9.0	16.8	7.875	15.1
Total Tier 1 common equity / Total risk weighted assets	7.5	16.8	6.375	15.1
Total Tier 2 capital / Total risk weighted assets		1.1		2.0

* Conservation buffer requires additional Common Equity Tier 1 of 0.625% per annum from 1 January 2016 onwards until reaching 2.50% in 2019 and D-SIB Buffer of 0.5% from 1 January 2019 and increase to 1.0% from 1 January 2020 onwards.

	30 September	31 December
	2019	2018
	<i>(in million Baht)</i>	
Capital after deducting capital add-on arising from Single Lending Limit	378,137	370,472
Capital ratio after deducting capital add-on arising from Single Lending Limit (%)	17.9	17.1

The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
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	Basel III The Bank	
	30 September 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	271,824	258,691
Other comprehensive income	14,323	13,985
Capital deduction items on CET1	<u>(18,554)</u>	<u>(19,609)</u>
Total Tier 1 capital	<u>319,709</u>	<u>305,183</u>
Tier 2 capital		
Subordinated debt	-	20,000
Allowance for classified assets of “normal” category	<u>22,884</u>	<u>22,953</u>
Total Tier 2 capital	<u>22,884</u>	<u>42,953</u>
Total capital funds	<u>342,593</u>	<u>348,136</u>
Total risk weighted assets	2,091,978	2,091,071

	The BoT’s regulation minimum requirement*	30 September 2019	The BoT’s regulation minimum requirement*	31 December 2018
			(%)	
Total capital / Total risk weighted assets	11.5	16.4	10.375	16.6
Total Tier 1 capital / Total risk weighted assets	9.0	15.3	7.875	14.6
Total Tier 1 common equity / Total risk weighted assets	7.5	15.3	6.375	14.6
Total Tier 2 capital / Total risk weighted assets		1.1		2.0

* Conservation buffer requires additional Common Equity Tier 1 of 0.625% per annum from 1 January 2016 onwards until reaching 2.50% in 2019 and D-SIB Buffer of 0.5% from 1 January 2019 and increase to 1.0% from 1 January 2020 onwards.

	30 September 2019	31 December 2018
	<i>(in million Baht)</i>	
Capital after deducting capital add-on arising from Single Lending Limit	342,593	348,136
Capital ratio after deducting capital add-on arising from Single Lending Limit (%)	16.4	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:

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 2019

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	Consolidated		The Bank	
	30 September 2019	31 December 2018	30 September 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	8,391	119,074	8,380	10,072
Corporate debt securities	30	68	369	364
Foreign debt securities	218	239	218	239
Other securities	-	1,300	-	-
Total	8,639	120,681	8,967	10,675
<i>Less</i> allowance for impairment	-	(36)	-	-
Total	8,639	120,645	8,967	10,675

	Consolidated		The Bank	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	Cost	Cost	Cost	Cost
	<i>(in million Baht)</i>			
General investments				
Domestic non-marketable equity securities	1,217	1,023	1,195	1,003
Foreign non-marketable equity securities	3,033	1,296	3,033	1,296
Total	4,250	2,319	4,228	2,299
<i>Less</i> allowance for impairment	(235)	(188)	(233)	(188)
Total	4,015	2,131	3,995	2,111
Total investments, net	272,021	568,854	269,839	272,995

5.2 Investments in companies with problems in their financial positions

As at 30 September 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 276 million (31 December 2018: Baht 59 million).

6 Investments in subsidiaries and associate, net

As at 30 September 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			
			30 September 2019	31 December 2018	Cost method		Equity method	
			(%)	(%)	30 September 2019	31 December 2018	30 September 2019	31 December 2018
					<i>(in million Baht)</i>			
Associate								
Sahaviriya Steel Industries PCL*	Steel industry	Common	40.2	40.2	-	-	535	47
Total investments in associate, net					-	-	535	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.

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As at 30 September 2019 and 31 December 2018, the Bank had investments in subsidiaries and associate, net of impairment provisions and dividend income for the nine-month period ended 30 September, as follows:

	Type of business	Type of share	Direct shareholding		The Bank Investment value		Dividend income	
			30	31	Cost method		30	30
			September	December	September	December	September	September
			2019	2018	2019	2018	2019	2018
			(%)			<i>(in million Baht)</i>		
Subsidiaries								
Finance & Insurance								
Cambodian Commercial Bank Ltd.	Banking	Common	100.0	100.0	2,688	2,688	100	-
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	108	12
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	1,058	189
Siam Commercial Leasing PCL*	Collection	Common	-	99.4	-	1,533	-	-
SCB Life Assurance PCL**	Life insurance	Common	-	99.2	-	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	-	10	-	-
SCB Plus Co., Ltd.	Collection	Common	100.0	100.0	1	1	227	283
SCB Protect Co., Ltd.	Non-life insurance broker	Common	100.0	100.0	2	2	-	10
SCB Abacus Co., Ltd.	Data analytics	Common	100.0	100.0	50	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					7,140	21,183	1,493	494
Less allowance for impairment					(720)	(2,194)		
Total investments in subsidiaries and associate, net					6,420	18,989		

* The company was liquidated during the period 2019

** On 26 September 2019, the Bank sold all its shares in SCB Life Assurance PCL.

*** 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.

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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.

Sale of investment in SCB Life Assurance PCL

On 1 July 2019, the Bank entered into a binding Share Sale Agreement with FWD Group Financial Services Pte. Ltd. to sell its entire stake in SCB Life Assurance PCL.

On 6 August 2019, the Extraordinary General Meeting of Shareholders has approved to sell its entire stake in SCB Life Assurance PCL to FWD Group Financial Services Pte. Ltd.

On 26 September 2019, the Bank sold all its shares (99.2%) in SCB Life Assurance PCL. From the shares sold, the Bank has received a total consideration of Baht 92,720 million, of which Baht 75,000 million was the share sale, resulting in net gains on sale of investment in subsidiary of Baht 24,024 million and Baht 61,900 million in the consolidated and the Bank's financial statements, respectively. The Bank entered into a long-term Distribution Agreement with FWD Group Financial Services Pte. Ltd. to offer the life insurance product to the customers through the Bank's distribution channels for a period of 15 years. An amount of Baht 17,720 million from the total consideration, has been recorded as deferred income which was included in other liabilities and will be recognised as income over 15 years. The Bank will also receive payments common in bancassurance transactions over the course of the Distribution Agreement.

The financial performance of SCB Life Assurance PCL was included in the consolidated financial statements of the Group up to 26 September 2019. Total revenue and net profit of SCB Life Assurance PCL for the period from 1 January 2019 to 26 September 2019 are Baht 44,698 million and Baht 3,078 million, respectively.

7 Loans to customers and accrued interest receivables, net

7.1 Classified by business type and quality of loan classification as at 30 September 2019 and 31 December 2018.

	Consolidated											
	30 September 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	9,604	220	206	120	3,492	13,642	17,071	195	2,074	126	332	19,798
Manufacturing and commercial	496,737	24,754	7,081	7,132	13,778	549,482	558,753	19,315	8,819	3,583	19,871	610,341
Real estate and construction	159,884	2,627	11,185	778	2,401	176,875	158,998	3,278	982	410	2,972	166,640
Utilities and services	400,410	3,787	1,055	1,202	3,528	409,982	367,705	2,359	622	1,041	4,549	376,276
Housing loans	521,368	12,812	5,720	5,238	3,180	548,318	526,324	10,795	6,134	5,762	3,757	552,772
Others	419,683	20,975	5,503	2,559	3,049	451,769	387,441	17,938	4,372	2,324	2,659	414,734
Total *	2,007,686	65,175	30,750	17,029	29,428	2,150,068	2,016,292	53,880	23,003	13,246	34,140	2,140,561

* Net of deferred revenue, excludes accrued interest receivables

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	The Bank											
	30 September 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	9,544	220	206	120	3,492	13,582	17,024	195	2,074	126	332	19,751
Manufacturing and commercial	495,432	24,754	7,081	7,132	13,778	548,177	557,190	19,281	8,819	3,583	19,871	608,744
Real estate and construction	159,844	2,627	11,185	778	1,469	175,903	158,998	3,278	982	410	2,025	165,693
Utilities and services	399,421	3,787	1,055	1,202	3,528	408,993	366,478	2,359	622	1,041	4,549	375,049
Housing loans	521,306	12,812	5,720	5,238	3,180	548,256	526,266	10,795	6,134	5,762	3,757	552,714
Others	418,308	20,975	5,503	2,559	2,991	450,336	375,608	17,938	4,372	2,324	2,600	402,842
Total *	2,003,855	65,175	30,750	17,029	28,438	2,145,247	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								
	30 September 2019				31 December 2018				
	No. of companies	Loans and accrued interest	Amount of receivables*	Collateral provision	No. of companies	Loans and accrued interest	Amount of receivables*	Collateral provision	Amount of provision
	<i>(in million Baht)</i>								
Listed companies identified for delisting	2	8,524	3,815	3,146	3	10,996	5,449	8,291	

* Including loans to financial institutions but excluding other expenses

7.3 Non-Performing Loans

As at 30 September 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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in million Baht)</i>			
Non-Performing Loans (net of allowance for doubtful accounts)	37,327	35,699	37,042	35,406
% of Non-Performing Loans to total loans (net)	1.5	1.5	1.5	1.5
Non-Performing Loans (gross)	77,207	70,389	76,217	69,383
% of Non-Performing Loans to total loans	3.0	2.9	3.0	2.8

As at 30 September 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 30 September 2019 was Baht 932 million (31 December 2018: Baht 947 million).

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7.4 Classified assets

As at 30 September 2019 and 31 December 2018, classified assets were as follows:

Consolidated						
30 September 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	2,010,934	418,135	-	-	81	2,429,150
Special Mention	65,325	-	-	-	76	65,401
Sub-Standard	30,775	-	-	-	17	30,792
Doubtful	17,029	-	-	-	15	17,044
Doubtful Loss	29,436	-	724	701	722	31,583
	<u>2,153,499</u>	<u>418,135</u>	<u>724</u>	<u>701</u>	<u>911</u>	<u>2,573,970</u>

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						
30 September 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	2,007,081	419,085	-	-	81	2,426,247
Special Mention	65,325	-	-	-	76	65,401
Sub-Standard	30,775	-	-	-	17	30,792
Doubtful	17,029	-	-	-	15	17,044
Doubtful Loss	28,438	-	1,358	697	712	31,205
	<u>2,148,648</u>	<u>419,085</u>	<u>1,358</u>	<u>697</u>	<u>901</u>	<u>2,570,689</u>

* Net of deferred revenue

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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
	2,127,821	318,081	3,208	556	1,016	2,450,682

* Net of deferred revenue

7.5 Allowance for doubtful accounts

7.5.1 Loans classified by quality as at 30 September 2019 and 31 December 2018 (inclusive of accrued interest receivables)

	Consolidated						Total
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			
	Loans and accrued interest receivables	Net amount used to set the allowance for doubtful accounts	% used for setting the allowance	Allowance for doubtful accounts***	Loans and accrued interest receivables	Allowance for doubtful accounts***	
<i>(in million Baht)</i>			<i>(in million Baht)</i>				
Minimum allowance of BoT regulations							
- Normal	1,807,843	1,774,373*	1	17,732	203,091	2,946	20,678
- Special Mention	50,517	49,621*	2	992	14,808	2,891	3,883
- Sub-Standard	29,268	15,618**	100	15,618	1,507	738	16,356
- Doubtful	16,204	6,875**	100	6,875	825	378	7,253
- Doubtful Loss	27,386	15,824**	100	15,824	2,050	981	16,805
Total	1,931,218	1,862,311		57,041	222,281	7,934	64,975
Allowance established in excess of BoT regulations							42,943
Total							107,918

* 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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Consolidated							
31 December 2018							
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			
	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***	Total
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	32,371	17,077**	100	17,077	1,776	825	17,902
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>

The Bank							
30 September 2019							
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			
	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***	Total
Minimum allowance of BoT regulations							
- Normal	1,803,990	1,770,542*	1	17,705	203,091	2,946	20,651
- Special Mention	50,517	49,621*	2	992	14,808	2,891	3,883
- Sub-Standard	29,268	15,618**	100	15,618	1,507	738	16,356
- Doubtful	16,204	6,875**	100	6,875	825	378	7,253
- Doubtful Loss	26,388	15,112**	100	15,112	2,050	981	16,093
Total	<u>1,926,367</u>	<u>1,857,768</u>		<u>56,302</u>	<u>222,281</u>	<u>7,934</u>	<u>64,236</u>
Allowance established in excess of BoT regulations							<u>42,935</u>
Total							<u>107,171</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							
31 December 2018							
	Individual approach (All loans except for finance leases)			Collective approach (Finance leases)			
	Net amount used to				Allowance		
	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	1,817,955	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	1,924,792	1,848,604		51,165	203,029	7,298	58,463
Allowance established in excess of BoT regulations							40,184
Total							98,647

* Net of cash and near cash collateral

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

*** Excluding revaluation allowance for troubled debt restructuring

Following an assessment of the ultimate collectability of the Bank's consolidated loan portfolio, the management of the Bank and its subsidiaries believe that the allowance for doubtful accounts established was adequate as at 30 September 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.

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7.5.2 Changes to the allowance for doubtful accounts

As at 30 September 2019 and 31 December 2018, the changes to the allowance for doubtful accounts were as follows:

Consolidated							
30 September 2019							
	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 2019	20,661	3,500	12,831	4,318	17,902	40,193	99,405
Bad debt and doubtful accounts	19	383	3,525	2,935	20,063	1,659	28,584
Bad debts written off	-	-	-	-	(21,160)	-	(21,160)
Others	(2)	-	-	-	-	1,091	1,089
As at 30 September 2019	<u>20,678</u>	<u>3,883</u>	<u>16,356</u>	<u>7,253</u>	<u>16,805</u>	<u>42,943</u>	<u>107,918</u>

Consolidated							
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	19,964	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	<u>20,661</u>	<u>3,500</u>	<u>12,831</u>	<u>4,318</u>	<u>17,902</u>	<u>40,193</u>	<u>99,405</u>

The Bank							
30 September 2019							
	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 2019	20,632	3,500	12,831	4,318	17,182	40,184	98,647
Bad debt and doubtful accounts	19	383	3,525	2,935	20,071	1,660	28,593
Bad debts written off	-	-	-	-	(21,160)	-	(21,160)
Others	-	-	-	-	-	1,091	1,091
As at 30 September 2019	<u>20,651</u>	<u>3,883</u>	<u>16,356</u>	<u>7,253</u>	<u>16,093</u>	<u>42,935</u>	<u>107,171</u>

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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>

During the three-month and nine-month periods ended 30 September 2019, the Bank set impairment loss amounted to Baht 15,576 million and Baht 28,593 million, respectively. The increase in the current period is an account of additional expected losses that may arise, due to the adverse economic outlook, impacting corporate, SME and retail portfolios, respectively.

8 Troubled debt restructuring

During the nine-month periods ended 30 September 2019 and 2018, troubled debt restructuring was as follows:

Consolidated and the Bank												
Types of debt restructuring	No. of accounts		Outstanding debts				Transferred assets		Loss on debt restructuring			
	2019	2018	Before debt restructuring	After debt restructuring		Types	Fair value		2019	2018		
			2019	2018	2019	2018		2019	2018	2019	2018	
	<i>(in million Baht)</i>											
Debt restructuring in various forms	8	3	787	15	675	15	Immovable properties	1	-	3	-	
Changes of repayment conditions	<u>8,367</u>	<u>2,200</u>	<u>15,455</u>	<u>6,351</u>	<u>15,418</u>	<u>6,260</u>		-	-	106	54	
Total	<u>8,375</u>	<u>2,203</u>	<u>16,242</u>	<u>6,366</u>	<u>16,093</u>	<u>6,275</u>		<u>1</u>	<u>-</u>	<u>109</u>	<u>54</u>	

As at 30 September 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				
	30 September 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	1,635	9,901	1,540	10,257
Restructured loans which were not classified as NPL	<u>18,804</u>	<u>27,707</u>	<u>13,196</u>	<u>23,236</u>
Total	<u>20,439</u>	<u>37,608</u>	<u>14,736</u>	<u>33,493</u>

Supplementary information relating to restructuring loans for the nine-month periods ended 30 September 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	738	757

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Revaluation allowance for debt restructuring

As at 30 September 2019 and 31 December 2018, the changes to the revaluation allowance for debt restructuring was as follows:

	Consolidated and the Bank	
	30 September 2019	31 December 2018
	<i>(in million Baht)</i>	
Beginning balance	3,868	4,291
Decrease during the period/year	<u>(779)</u>	<u>(423)</u>
Ending balance	<u>3,089</u>	<u>3,868</u>

9 Liabilities under insurance contracts

As at 30 September 2019 and 31 December 2018, liabilities under insurance contracts were as follows:

	Consolidated	
	30 September 2019	31 December 2018
	<i>(in million Baht)</i>	
SCB Life Assurance PCL		
Long-term technical reserves	285,507	277,247
Short-term technical reserves	<u>1,081</u>	<u>973</u>
Total	286,588	278,220
Decrease from the divestment of SCB Life Assurance PCL	<u>(286,588)</u>	<u>-</u>
Total	<u>-</u>	<u>278,220</u>

10 Dividends

The dividends paid by the Bank to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Amount <i>(in million Baht)</i>
<i>2019</i>				
Annual dividend 2018	4 April 2019	3 May 2019	4.00	13,597
Interim dividend 2019	15 August 2019	13 September 2019	<u>1.50</u>	<u>5,099</u>
Total			<u>5.50</u>	<u>18,696</u>
<i>2018</i>				
Annual dividend 2017	5 April 2018	3 May 2018	4.00	13,597
Interim dividend 2018	21 August 2018	20 September 2018	<u>1.50</u>	<u>5,099</u>
Total			<u>5.50</u>	<u>18,696</u>

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11 Assets pledged as collateral and under restriction

As at 30 September 2019 and 31 December 2018, assets pledged as collateral and under restriction were as follows:

	Consolidated		The Bank	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in million Baht)</i>			
Government securities pledged for life policy reserve	-	64,381	-	-
Securities pledged as collateral for repurchase	39,592	69,435	39,592	69,435
Others	91	79	79	46
Total	39,683	133,895	39,671	69,481

12 Contingencies

As at 30 September 2019 and 31 December 2018, contingencies were as follows:

	Consolidated		The Bank	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in million Baht)</i>			
Avals to bills	6,302	7,985	6,302	7,985
Guarantees of loans	9,811	15,049	9,000	14,181
Liability under unmaturing import bills	9,869	11,129	9,786	11,129
Letters of credit	28,637	46,994	28,255	46,666
Other contingencies				
- Amount of unused bank overdrafts	185,791	185,210	184,990	184,401
- Other guarantees	203,425	218,814	202,389	217,773
- Receivables / payables from investments	9,191	4,906	9,191	3,239
- Others	46,835	47,869	41,648	45,469
Total	499,861	537,956	491,561	530,843

As at 30 September 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).

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:

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13.1 Assets, liabilities and contingencies

As at 30 September 2019 and 31 December 2018, assets, liabilities and contingencies balances with related parties, were as follows:

	Consolidated		The Bank	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in million Baht)</i>			
Subsidiaries				
Derivative assets	-	-	211	628
Investments	-	-	369	364
Loans*	-	-	950	-
Other assets	-	-	1,347	1,769
Deposits	-	-	3,376	5,059
Interbank and money market items (liabilities)	-	-	101	213
Derivative liabilities	-	-	37	446
Debt issued and borrowings	-	-	-	3,183
Other liabilities	-	-	822	633
Contingencies	-	-	1,918	15,677
Associate				
Derivative assets	9	18	9	18
Loans*	8,501	8,844	8,501	8,844
Deposits	114	416	114	416
Contingencies	1,656	1,407	1,656	1,407
Major shareholders (more than 10% ownership)				
Deposits	7,823	4,824	7,823	4,824
Directors and key executive officers				
Loans*	95	121	95	121
Deposits	1,509	1,428	1,509	1,428
Debt issued and borrowings	-	6	-	6
Related companies (Shareholding through other companies' debt restructuring process)				
Contingencies	1	1	1	1
Entities in which the directors, management or close members of their families have significant influence				
Loans*	57,401	4,322	57,401	4,322
Deposits	12,518	29,161	12,518	29,161
Contingencies	1,501	1,583	1,501	1,583

* Before deducting allowance for doubtful accounts for consolidated and the Bank amounting to Baht 3,828 million and 3,828 million, respectively (31 December 2018: Baht 6,816 million and Baht 6,816 million, respectively).

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13.2 Income and expenses

Significant income and expenses with related parties for the three-month periods ended 30 September 2019 and 2018 were as follows:

	Consolidated		The Bank	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Subsidiaries*				
Interest income	-	-	4	3
Interest expenses	-	-	15	19
Other income	-	-	3,219	1,988
Other expenses	-	-	900	898
Net gain (loss) on trading and foreign exchange transactions	-	-	24	(339)
Associate				
Interest income	56	65	56	65
Interest expenses	52	60	52	60
Net (loss) gain on trading and foreign exchange transactions	(21)	29	(21)	29
Major shareholders (more than 10% ownership)				
Interest expenses	24	17	24	17
Other expenses	8	7	8	7
Directors and key executive officers				
Interest income	1	1	1	1
Interest expenses	3	3	3	3
Entities in which the directors, management or close members of their families have significant influence				
Interest income	396	44	396	44
Interest expenses	35	22	35	22
Other expenses	12	23	12	23

* SCB Life Assurance PCL was a subsidiary of the Bank until 26 September 2019.

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Significant income and expenses with related parties for the nine-month periods ended 30 September 2019 and 2018 were as follows:

	Consolidated		The Bank	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Subsidiaries*				
Interest income	-	-	7	46
Interest expenses	-	-	61	59
Other income	-	-	8,660	6,288
Other expenses	-	-	2,619	2,736
Net gain on trading and foreign exchange transactions	-	-	19	915
Associate				
Interest income	173	205	173	205
Interest expenses	159	188	159	188
Net gain on trading and foreign exchange transactions	107	66	107	66
Major shareholders (more than 10% ownership)				
Interest expenses	50	83	50	83
Other expenses	24	21	24	21
Directors and key executive officers				
Interest income	2	4	2	4
Interest expenses	10	9	10	9
Entities in which the directors, management or close members of their families have significant influence				
Interest income	713	128	713	128
Interest expenses	163	130	163	130
Other expenses	41	48	41	48

* SCB Life Assurance PCL was a subsidiary of the Bank until 26 September 2019.

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 30 September</i>	Consolidated		The Bank	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Short-term employee benefits	373	380	283	284
Post-employment benefits	8	4	6	-
Total	381	384	289	284

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<i>For the nine-month periods ended 30 September</i>	Consolidated		The Bank	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Short-term employee benefits	1,621	1,573	1,355	1,236
Post-employment benefits	71	43	46	26
Total	1,692	1,616	1,401	1,262

15 Operating segments

Information on the Bank's operating model and business segments is set out in the annual report. Specifically, the Bank has four main lines of business: the Corporate Segment which serves corporate and commercial customers; the SME Segment which serves SME customers; the Retail Segment which serves individuals and small businesses; the Insurance segment which provides insurance products through the Bank's distribution channel.

In the information provided below, the results of subsidiaries together with the income from the Banks' interbank and money market and investments, that is not allocated to a specific business unit, are presented under "Others" column. 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 2019</i>	Corporate Segment	SME Segment	Retail Segment	Consolidated			Total
				Insurance Segment	Others	Elimination	
	<i>(in million Baht)</i>						
Net interest income	4,303	3,847	12,267	3,047	2,727	-	26,191
Non-interest income, net	1,824	871	4,865	594	27,465	(1,358)	34,261
Total operating income	6,127	4,718	17,132	3,641	30,192	(1,358)	60,452
Total operating expenses	(2,263)	(1,842)	(10,142)	(803)	(3,593)	1,080	(17,563)
Profit before impairment loss and income tax	3,864	2,876	6,990	2,838	26,599	(278)	42,889
Impairment loss and income tax							(28,150)
Net profit							14,739

<i>For the three-month period ended 30 September 2018</i>	Corporate Segment	SME Segment	Retail Segment	Consolidated			Total
				Insurance Segment	Others	Elimination	
	<i>(in million Baht)</i>						
Net interest income	4,503	3,563	10,889	2,674	2,761	-	24,390
Non-interest income, net	2,282	632	4,286	1,052	3,444	(1,364)	10,332
Total operating income	6,785	4,195	15,175	3,726	6,205	(1,364)	34,722
Total operating expenses	(2,035)	(1,567)	(10,863)	(800)	(2,374)	1,139	(16,500)
Profit before impairment loss and income tax	4,750	2,628	4,312	2,926	3,831	(225)	18,222
Impairment loss and income tax							(7,707)
Net profit							10,515

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<i>For the nine-month period ended 30 September 2019</i>	Corporate Segment	SME Segment	Retail Segment	Consolidated			Total
				Insurance Segment	Others	Elimination	
<i>(in million Baht)</i>							
Net interest income	12,862	10,885	35,996	8,537	8,161	-	76,441
Non-interest income, net	6,208	2,409	13,953	2,775	33,847	(4,570)	54,622
Total operating income	19,070	13,294	49,949	11,312	42,008	(4,570)	131,063
Total operating expenses	(6,122)	(5,577)	(29,885)	(2,391)	(11,432)	3,352	(52,055)
Profit before impairment loss and income tax	12,948	7,717	20,064	8,921	30,576	(1,218)	79,008
Impairment loss and income tax							(44,165)
Net profit							34,843

<i>For the nine-month period ended 30 September 2018</i>	Corporate Segment	SME Segment	Retail Segment	Consolidated			Total
				Insurance Segment	Others	Elimination	
<i>(in million Baht)</i>							
Net interest income	12,966	10,653	32,035	7,690	8,227	-	71,571
Non-interest income, net	7,241	1,943	13,941	4,108	9,654	(4,015)	32,872
Total operating income	20,207	12,596	45,976	11,798	17,881	(4,015)	104,443
Total operating expenses	(5,762)	(5,462)	(30,801)	(2,481)	(7,497)	3,493	(48,510)
Profit before impairment loss and income tax	14,445	7,134	15,175	9,317	10,384	(522)	55,933
Impairment loss and income tax							(22,916)
Net profit							33,017

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

16.1 As at 30 September 2019 and 31 December 2018, the financial position classified by domestic and foreign businesses was as follows:

	Consolidated					
	30 September 2019			31 December 2018		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
<i>(in million Baht)</i>						
Total assets	2,904,991	76,227	2,981,218	3,112,925	74,415	3,187,340
Interbank and money market items, net (Assets)	440,741	13,339	454,080	365,626	12,279	377,905
Investments, net *	271,485	1,072	272,557	567,647	1,254	568,901
Loans to customers and accrued interest receivables, net	2,023,554	18,937	2,042,491	2,021,528	19,094	2,040,622
Deposits	2,183,240	10,582	2,193,822	2,147,122	12,509	2,159,631
Interbank and money market items (Liabilities)	116,300	4,690	120,990	137,316	5,213	142,529
Debt issued and borrowings	33,030	57,992	91,022	54,808	52,753	107,561

* Includes net investments in subsidiaries and associate

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	The Bank					
	30 September 2019			31 December 2018		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Total assets	2,902,931	67,967	2,970,898	2,794,927	65,200	2,860,127
Interbank and money market items, net (Assets)	441,445	8,173	449,618	355,127	6,906	362,033
Investments, net *	275,217	1,041	276,258	290,761	1,223	291,984
Loans to customers and accrued interest receivables, net	2,022,136	16,252	2,038,388	2,009,126	16,180	2,025,306
Deposits	2,186,577	5,019	2,191,596	2,150,941	5,995	2,156,936
Interbank and money market items (Liabilities)	116,240	4,541	120,781	140,419	5,180	145,599
Debt issued and borrowings	32,490	57,992	90,482	52,667	53,398	106,065

* Includes net investments in subsidiaries and associate

16.2 The results of operations classified by domestic and foreign businesses for the three-month periods ended 30 September 2019 and 2018 were as follows:

	Consolidated							
	2019				2018			
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	35,159	1,093	(820)	35,432	32,219	995	(673)	32,541
Interest expenses	(8,997)	(1,064)	820	(9,241)	(7,915)	(909)	673	(8,151)
Net interest income	26,162	29	-	26,191	24,304	86	-	24,390
Net fee and service income	7,354	37	-	7,391	6,487	40	-	6,527
Net operating income	26,873	(3)	-	26,870	3,793	12	-	3,805
Other operating expenses	(17,450)	(113)	-	(17,563)	(16,374)	(126)	-	(16,500)
Impairment loss on loans and debt securities	(15,162)	(111)	-	(15,273)	(5,131)	(3)	-	(5,134)
Profit (loss) before income tax	27,777	(161)	-	27,616	13,079	9	-	13,088
Income tax expenses	(12,871)	(6)	-	(12,877)	(2,549)	(24)	-	(2,573)
Net profit (loss)	14,906	(167)	-	14,739	10,530	(15)	-	10,515

	The Bank							
	2019				2018			
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	32,109	1,021	(820)	32,310	29,536	935	(673)	29,798
Interest expenses	(8,989)	(1,051)	820	(9,220)	(7,896)	(902)	673	(8,125)
Net interest income	23,120	(30)	-	23,090	21,640	33	-	21,673
Net fee and service income	7,885	15	-	7,900	6,609	25	-	6,634
Net operating income	65,002	(9)	-	64,993	3,610	8	-	3,618
Other operating expenses	(16,758)	(90)	-	(16,848)	(15,869)	(103)	-	(15,972)
Impairment loss on loans and debt securities	(15,162)	(110)	-	(15,272)	(5,139)	(1)	-	(5,140)
Profit (loss) before income tax	64,087	(224)	-	63,863	10,851	(38)	-	10,813
Income tax expenses	(12,461)	3	-	(12,458)	(2,076)	(16)	-	(2,092)
Net profit (loss)	51,626	(221)	-	51,405	8,775	(54)	-	8,721

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16.3 The results of operations classified by domestic and foreign businesses for the nine-month periods ended 30 September 2019 and 2018 were as follows:

	Consolidated							
	2019			2018				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	102,415	3,699	(2,808)	103,306	94,962	2,615	(1,781)	95,796
Interest expenses	<u>(26,172)</u>	<u>(3,501)</u>	<u>2,808</u>	<u>(26,865)</u>	<u>(23,472)</u>	<u>(2,534)</u>	<u>1,781</u>	<u>(24,225)</u>
Net interest income	76,243	198	-	76,441	71,490	81	-	71,571
Net fee and service income	21,133	111	-	21,244	21,627	129	-	21,756
Net operating income	33,369	9	-	33,378	11,082	34	-	11,116
Other operating expenses	(51,659)	(396)	-	(52,055)	(48,159)	(351)	-	(48,510)
Impairment loss on loans and debt securities	<u>(26,497)</u>	<u>(106)</u>	<u>-</u>	<u>(26,603)</u>	<u>(15,221)</u>	<u>69</u>	<u>-</u>	<u>(15,152)</u>
Profit (loss) before income tax	52,589	(184)	-	52,405	40,819	(38)	-	40,781
Income tax expenses	<u>(17,519)</u>	<u>(43)</u>	<u>-</u>	<u>(17,562)</u>	<u>(7,706)</u>	<u>(58)</u>	<u>-</u>	<u>(7,764)</u>
Net profit (loss)	<u>35,070</u>	<u>(227)</u>	<u>-</u>	<u>34,843</u>	<u>33,113</u>	<u>(96)</u>	<u>-</u>	<u>33,017</u>

	The Bank							
	2019			2018				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	93,870	3,479	(2,808)	94,541	87,305	2,445	(1,781)	87,969
Interest expenses	<u>(26,156)</u>	<u>(3,460)</u>	<u>2,808</u>	<u>(26,808)</u>	<u>(23,451)</u>	<u>(2,510)</u>	<u>1,781</u>	<u>(24,180)</u>
Net interest income	67,714	19	-	67,733	63,854	(65)	-	63,789
Net fee and service income	23,174	43	-	23,217	22,122	86	-	22,208
Net operating income	71,248	(5)	-	71,243	9,169	21	-	9,190
Other operating expenses	(49,682)	(302)	-	(49,984)	(46,693)	(250)	-	(46,943)
Impairment loss on loans and debt securities	<u>(26,504)</u>	<u>(107)</u>	<u>-</u>	<u>(26,611)</u>	<u>(15,230)</u>	<u>70</u>	<u>-</u>	<u>(15,160)</u>
Profit (loss) before income tax	85,950	(352)	-	85,598	33,222	(138)	-	33,084
Income tax expenses	<u>(16,342)</u>	<u>(17)</u>	<u>-</u>	<u>(16,359)</u>	<u>(6,141)</u>	<u>(29)</u>	<u>-</u>	<u>(6,170)</u>
Net profit (loss)	<u>69,608</u>	<u>(369)</u>	<u>-</u>	<u>69,239</u>	<u>27,081</u>	<u>(167)</u>	<u>-</u>	<u>26,914</u>

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 effective tax rate for the consolidated financial statements in respect of continuing operations for the three-month and nine-month periods ended 30 September 2019 were 47% and 34% respectively (30 September 2018: 20% and 19% respectively). The aforementioned increase was mainly due to gain on sale of investment in subsidiary as mentioned in Note 6.

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18 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 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)	<u>14,798</u>	<u>10,508</u>	<u>51,405</u>	<u>8,721</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>4.35</u>	<u>3.09</u>	<u>15.12</u>	<u>2.57</u>

Basic earnings per share in the consolidated and the Bank's financial statements for the nine-month periods ended 30 September 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)	<u>34,930</u>	<u>32,984</u>	<u>69,239</u>	<u>26,914</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>10.28</u>	<u>9.70</u>	<u>20.37</u>	<u>7.92</u>

19 Events after the reporting period

On 8 October 2019, the Bank registered the conversion of 32,000 preferred shares to 32,000 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

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For the three-month and nine-month periods ended 30 September 2019 (Unaudited)

(a) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

(b) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. 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. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is presently considering the potential impact of adopting and initially applying those TFRS on the financial statements.