

**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 2020
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 (the “Group”), and of The Siam Commercial Bank Public Company Limited (the “Bank”), respectively, as at 30 September 2020; 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 2020, changes in equity and cash flows for the nine-month period ended 30 September 2020 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” and the regulations of the Bank of Thailand. 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” and the regulations of the Bank of Thailand.

(Wilai Buranakittisopon)
Certified Public Accountant
Registration No. 3920

KPMG Phoomchai Audit Ltd.
Bangkok
13 November 2020

The Siam Commercial Bank Public Company Limited and its Subsidiaries

Statement of financial position

		Consolidated		The Bank	
		30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2020 (Unaudited)	31 December 2019 (Audited)
<i>(in thousand Baht)</i>					
Cash		41,445,444	47,615,159	41,250,764	47,450,329
Interbank and money market items, net		579,049,537	433,510,185	574,370,693	427,250,921
Financial assets measured at fair value through profit or loss	5	43,431,199	-	39,551,305	-
Derivative assets		78,701,923	63,132,091	78,792,110	63,283,308
Investments, net	6	313,374,210	312,065,032	313,649,388	310,504,994
Investments in subsidiaries and associate, net	7	-	78,148	16,894,797	6,727,117
Loans to customers and accrued interest receivables, net	8, 9	2,055,333,798	2,002,460,863	2,050,848,655	1,998,168,736
Properties for sale, net		15,313,639	16,641,789	15,065,003	16,393,154
Investment properties, net		-	-	290,210	-
Premises and equipment, net		40,680,436	40,776,524	38,997,166	39,910,623
Goodwill and other intangible assets, net		18,390,230	19,186,569	17,592,878	18,450,769
Deferred tax assets		3,023,885	2,004,629	2,723,922	1,809,077
Other assets, net		36,636,594	26,275,330	34,417,762	22,498,024
Total assets		3,225,380,895	2,963,746,319	3,224,444,653	2,952,447,052

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

	Consolidated		The Bank	
	30 September 2020 (Unaudited)	31 December 2019 (Audited)	30 September 2020 (Unaudited)	31 December 2019 (Audited)
<i>(in thousand Baht)</i>				
Liabilities and shareholders' equity				
Liabilities				
Deposits	2,406,641,124	2,159,425,196	2,406,673,928	2,156,488,855
Interbank and money market items	181,156,730	145,844,197	181,200,933	145,870,962
Liabilities payable on demand	11,718,334	11,796,217	11,718,255	11,794,548
Financial liabilities measured at fair value through profit or loss	1,135	-	-	-
Liabilities to deliver security	-	18,335	-	-
Derivative liabilities	68,668,642	61,937,343	69,267,567	61,987,555
Debt issued and borrowings	71,631,964	77,952,008	70,614,565	76,355,562
Provisions	18,115,948	11,409,640	17,566,421	10,997,107
Deferred tax liabilities	138,217	138,921	-	-
Other liabilities	60,706,332	94,377,991	62,955,394	91,008,290
Total liabilities	2,818,778,426	2,562,899,848	2,819,997,063	2,554,502,879
Shareholders' equity				
Share capital				
Authorised share capital				
3,582,726,197 preferred shares of Baht 10 each	35,827,262	35,827,351	35,827,262	35,827,351
3,417,273,803 common shares of Baht 10 each	34,172,738	34,172,649	34,172,738	34,172,649
Issued and paid-up capital				
3,601,840 preferred shares of Baht 10 each	36,018	36,107	36,018	36,107
3,395,590,358 common shares of Baht 10 each	33,955,904	33,955,815	33,955,904	33,955,815
Premium on share capital				
Premium on preferred shares	14,086	14,121	14,086	14,121
Premium on common shares	11,110,105	11,110,070	11,110,105	11,110,070
Other reserves	16,670,896	16,169,935	16,514,087	16,135,730
Retained earnings				
Appropriated				
Legal reserve	7,000,000	7,000,000	7,000,000	7,000,000
Unappropriated	337,367,266	332,071,783	335,817,390	329,692,330
Total owners of the company	406,154,275	400,357,831	404,447,590	397,944,173
Non-controlling interests	448,194	488,640	-	-
Total shareholders' equity	406,602,469	400,846,471	404,447,590	397,944,173
Total liabilities and shareholders' equity	3,225,380,895	2,963,746,319	3,224,444,653	2,952,447,052

(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)

	Consolidated		The Bank	
	Three-month period ended		Three-month period ended	
	30 September		30 September	
<i>Note</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Interest income	28,582,281	35,432,279	28,490,779	32,309,536
Interest expenses	4,858,415	9,240,866	4,831,682	9,219,910
Net interest income	<u>23,723,866</u>	<u>26,191,413</u>	<u>23,659,097</u>	<u>23,089,626</u>
Fee and service income	10,769,726	9,736,836	9,753,957	9,937,114
Fee and service expenses	2,200,123	2,345,921	1,945,340	2,037,019
Net fee and service income	<u>8,569,603</u>	<u>7,390,915</u>	<u>7,808,617</u>	<u>7,900,095</u>
Net gain on financial instruments measured at fair value through profit or loss	1,422,415	-	1,086,402	-
Net gain on trading and foreign exchange transactions	-	1,257,333	-	1,163,810
Net gain on investments	336,603	1,493,158	338,264	1,164,602
Net gain on sale of investment in subsidiary	7.2	-	24,023,848	-
Share of profit from investment in associate	-	457,000	-	-
Dividend income	8,961	162,749	600,873	676,116
Net earned insurance premiums	7.2	-	9,700,337	-
Other operating income	423,143	116,212	389,304	88,735
Total operating income	<u>34,484,591</u>	<u>70,792,965</u>	<u>33,882,557</u>	<u>95,982,772</u>
Net insurance claims	7.2	-	10,341,271	-
Net operating income	<u>34,484,591</u>	<u>60,451,694</u>	<u>33,882,557</u>	<u>95,982,772</u>
Other operating expenses				
Employee expenses	7,612,951	7,775,320	6,716,267	6,911,382
Directors' remuneration	29,341	26,368	25,080	22,701
Premises and equipment expenses	3,245,463	3,547,513	3,170,973	3,271,009
Taxes and duties	945,776	1,219,146	943,122	1,135,263
Other expenses	3,913,218	4,994,208	4,315,412	5,507,408
Total operating expenses	<u>15,746,749</u>	<u>17,562,555</u>	<u>15,170,854</u>	<u>16,847,763</u>
Expected credit loss	12,955,000	-	12,868,944	-
Impairment loss on loans and debt securities	-	15,273,284	-	15,272,000
Profit from operation before income tax expenses	5,782,842	27,615,855	5,842,759	63,863,009
Income tax expenses	19	1,203,601	1,087,835	12,457,692
Net profit	<u>4,579,241</u>	<u>14,739,251</u>	<u>4,754,924</u>	<u>51,405,317</u>

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	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Other comprehensive income (loss)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Losses on investments in debt instruments at fair value through other comprehensive income	(643,829)	-	(643,829)	-
Gains on remeasuring available-for-sale investments	-	13,278,966	-	78,985
Losses arising from translating the financial statements of a foreign operation	(41,525)	(10,251)	(110,594)	-
Changes in hedge reserve	-	2,270,258	-	-
Income tax relating to components of other comprehensive income (loss) will be reclassified subsequently to profit or loss	128,765	(3,109,845)	128,765	(15,797)
	<u>(556,589)</u>	<u>12,429,128</u>	<u>(625,658)</u>	<u>63,188</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Losses on investments designated at fair value through other comprehensive income	(39,654)	-	(39,654)	-
Actuarial losses on defined benefit plans	(1,779,674)	-	(1,731,587)	-
Income tax relating to components of other comprehensive income (loss) will not be reclassified subsequently to profit or loss	363,867	-	354,249	-
	<u>(1,455,461)</u>	<u>-</u>	<u>(1,416,992)</u>	<u>-</u>
Total other comprehensive (loss) income, net of income tax	<u>(2,012,050)</u>	<u>12,429,128</u>	<u>(2,042,650)</u>	<u>63,188</u>
Total comprehensive income	<u>2,567,191</u>	<u>27,168,379</u>	<u>2,712,274</u>	<u>51,468,505</u>
Net profit (loss) attributable to:				
Owners of the company	4,641,385	14,798,355	4,754,924	51,405,317
Non-controlling interests	(62,144)	(59,104)	-	-
Total comprehensive income (loss) attributable to:				
Owners of the company	2,625,868	27,126,209	2,712,274	51,468,505
Non-controlling interests	(58,677)	42,170	-	-
Earnings per share of the parent company				
Basic earnings per share <i>(in Baht)</i>	20	<u>1.37</u>	<u>4.35</u>	<u>1.40</u>
		<u>15.12</u>		

(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	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Interest income		90,045,365	103,306,402	89,762,295	94,541,000
Interest expenses		16,766,954	26,865,206	16,676,412	26,808,326
Net interest income		73,278,411	76,441,196	73,085,883	67,732,674
Fee and service income		31,971,733	28,049,000	28,878,316	29,208,773
Fee and service expenses		6,806,950	6,805,512	6,016,505	5,991,927
Net fee and service income		25,164,783	21,243,488	22,861,811	23,216,846
Net gain on financial instruments measured at fair value through profit or loss		6,497,939	-	6,094,544	-
Net gain on trading and foreign exchange transactions		-	5,264,538	-	5,058,913
Net gain on investments		1,689,176	3,067,201	1,722,369	2,426,056
Net gain on sale of investment in subsidiary	7.2	-	24,023,848	-	61,899,788
Share of (loss) profit from investment in associate		(78,147)	487,756	-	-
Dividend income		149,533	619,436	2,002,046	1,723,637
Net earned insurance premiums	7.2	-	34,950,839	-	-
Other operating income		1,700,370	311,642	1,631,812	135,293
Total operating income		108,402,065	166,409,944	107,398,465	162,193,207
Net insurance claims	7.2	-	35,346,903	-	-
Net operating income		108,402,065	131,063,041	107,398,465	162,193,207
Other operating expenses					
Employee expenses		23,841,645	24,739,068	21,506,297	22,018,282
Directors' remuneration		86,914	77,425	75,240	64,944
Premises and equipment expenses		9,530,781	10,228,294	9,124,886	9,417,740
Taxes and duties		2,850,685	3,560,305	2,839,943	3,299,450
Other expenses		11,970,322	13,449,970	13,619,172	15,183,440
Total operating expenses		48,280,347	52,055,062	47,165,538	49,983,856
Expected credit loss		32,415,468	-	32,108,802	-
Impairment loss on loans and debt securities		-	26,602,692	-	26,611,159
Profit from operation before income tax expenses		27,706,250	52,405,287	28,124,125	85,598,192
Income tax expenses	19	5,629,929	17,561,901	5,166,973	16,359,333
Net profit		22,076,321	34,843,386	22,957,152	69,238,859

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	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
<i>Note</i>	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Other comprehensive income (loss)				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Losses on investments in debt instruments at fair value through other comprehensive income	(769,549)	-	(769,549)	-
Gains on remeasuring available-for-sale investments	-	22,713,039	-	797,499
Losses arising from translating the financial statements of a foreign operation	(53,093)	(155,010)	(183,286)	-
Changes in hedge reserve	-	3,287,789	-	-
Income tax relating to components of other comprehensive income (loss) will be reclassified subsequently to profit or loss	153,909	(5,199,837)	153,909	(159,500)
	<u>(668,733)</u>	<u>20,645,981</u>	<u>(798,926)</u>	<u>637,999</u>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Gains on investments designated at fair value through other comprehensive income	178,859	-	178,859	-
Actuarial losses on defined benefit plans	(1,779,674)	-	(1,731,587)	-
Income tax relating to components of other comprehensive income (loss) will not be reclassified subsequently to profit or loss	320,164	-	310,546	-
	<u>(1,280,651)</u>	<u>-</u>	<u>(1,242,182)</u>	<u>-</u>
Total other comprehensive (loss) income, net of income tax	<u>(1,949,384)</u>	<u>20,645,981</u>	<u>(2,041,108)</u>	<u>637,999</u>
Total comprehensive income	<u>20,126,937</u>	<u>55,489,367</u>	<u>20,916,044</u>	<u>69,876,858</u>
Net profit (loss) attributable to:				
Owners of the company	22,252,157	34,930,466	22,957,152	69,238,859
Non-controlling interests	(175,836)	(87,080)	-	-
Total comprehensive income (loss) attributable to:				
Owners of the company	20,299,265	55,413,734	20,916,044	69,876,858
Non-controlling interests	(172,328)	75,633	-	-
Earnings per share of the parent company				
Basic earnings per share (<i>in Baht</i>)	20	<u>6.55</u>	<u>10.28</u>	<u>6.75</u>
			<u>20.37</u>	

(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																							
		Issued and paid-up share capital		Premium on share capital		Gains on remeasuring available-for-sale investments		Gains (losses) on investments in debt instruments at fair value through other comprehensive income		Losses arising from translating the financial statements of a foreign operation		Gain (losses) on investments designated at fair value through other comprehensive income		Changes in revaluation surplus		Total other reserves		Retained earnings Legal reserve		Total owners of the company		Non- controlling interests		Total	
Note		Preferred shares	Common shares	Preferred shares	Common shares	investments	income	foreign operation	income	surplus	reserves	reserve	Unappropriated	the company	interests	Total									
<i>(in thousand Baht)</i>																									
Nine-month period ended 30 September 2020																									
	Balance at 31 December 2019 - as reported	36,107	33,955,815	14,121	11,110,070	1,059,304	-	(530,055)	-	15,640,686	16,169,935	7,000,000	332,071,783	400,357,831	488,640	400,846,471									
	Impact of changes in accounting policies	-	-	-	-	(1,059,304)	1,172,391	-	1,243,267	-	1,356,354	-	274,161	1,630,515	-	1,630,515									
	Balance at 1 January 2020 restated	36,107	33,955,815	14,121	11,110,070	-	1,172,391	(530,055)	1,243,267	15,640,686	17,526,289	7,000,000	332,345,944	401,988,346	488,640	402,476,986									
	Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(16,146,163)	(16,146,163)	-	(16,146,163)									
	Conversion of preferred shares to common shares	(89)	89	(35)	35	-	-	-	-	-	-	-	-	-	-	-									
	Liquidation of subsidiary	-	-	-	-	-	-	-	-	-	-	-	12,827	12,827	(118)	12,709									
	Capital contribution from a non-controlling interest of a newly incorporated subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	132,000	132,000									
	Net profit (loss)	-	-	-	-	-	-	-	-	-	-	-	22,252,157	22,252,157	(175,836)	22,076,321									
	Other comprehensive income (loss)	-	-	-	-	-	(615,640)	(55,807)	143,088	-	(528,359)	-	(1,424,533)	(1,952,892)	3,508	(1,949,384)									
	Total comprehensive income (loss)	-	-	-	-	-	(615,640)	(55,807)	143,088	-	(528,359)	-	20,827,624	20,299,265	(172,328)	20,126,937									
	Transfer to retained earnings	-	-	-	-	-	-	-	(56,420)	(270,614)	(327,034)	-	327,034	-	-	-									
	Balance at 30 September 2020	36,018	33,955,904	14,086	11,110,105	-	556,751	(585,862)	1,329,935	15,370,072	16,670,896	7,000,000	337,367,266	406,154,275	448,194	406,602,469									

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														
		Issued and		Premium on		Gains (losses) on		Losses arising		Changes in		Total	Retained earnings		Total	Non-
		paid-up share capital		share capital		available-for-sale		from translating		revaluation		other	Legal		owners of	controlling
Note	Preferred shares	Common shares	Preferred shares	Common shares	investments	statements of a	foreign operation	Changes in	surplus	Others	reserves	reserve	Unappropriated	the company	interests	Total
<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	12	-	-	-	-	-	-	-	-	-	-	-	(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)		-	-	-	-	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 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)

		The Bank												
		Other reserves										Retained earnings		
Note		Issued and		Premium on		Gains on	Gains (losses) on investments in debt instruments at fair value through other comprehensive income	Losses arising from translating the financial statements of a foreign operation	Gains (losses) on investments designated at fair value through other comprehensive income	Changes in revaluation surplus	Total other reserves	Legal reserve		Total
		paid-up share capital	Common shares	Preferred shares	Common shares							available-for-sale investments	comprehensive income	
<i>(in thousand Baht)</i>														
Nine-month period ended 30 September 2020														
	Balance at 31 December 2019 - as reported	36,107	33,955,815	14,121	11,110,070	1,056,822	-	-	-	15,078,908	16,135,730	7,000,000	329,692,330	397,944,173
	Impact of changes in accounting policies	-	-	-	-	(1,056,822)	1,172,390	-	1,243,336	-	1,358,904	-	374,632	1,733,536
	Balance at 1 January 2020 restated	36,107	33,955,815	14,121	11,110,070	-	1,172,390	-	1,243,336	15,078,908	17,494,634	7,000,000	330,066,962	399,677,709
	Dividend paid	-	-	-	-	-	-	-	-	-	-	-	(16,146,163)	(16,146,163)
	Conversion of preferred shares to common shares	(89)	89	(35)	35	-	-	-	-	-	-	-	-	-
	Net profit	-	-	-	-	-	-	-	-	-	-	-	22,957,152	22,957,152
	Other comprehensive (loss) income	-	-	-	-	-	(615,640)	(183,286)	143,088	-	(655,838)	-	(1,385,270)	(2,041,108)
	Total comprehensive income	-	-	-	-	-	(615,640)	(183,286)	143,088	-	(655,838)	-	21,571,882	20,916,044
	Transfer to retained earnings	-	-	-	-	-	-	-	(56,420)	(268,289)	(324,709)	-	324,709	-
	Balance at 30 September 2020	36,018	33,955,904	14,086	11,110,105	-	556,750	(183,286)	1,330,004	14,810,619	16,514,087	7,000,000	335,817,390	404,447,590

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)

The Bank

Note	Other reserves									
	Issued and paid-up share capital		Premium on share capital		Gains on remeasuring available-for-sale investments	Changes in revaluation surplus	Total other reserves	Retained earnings		Total
	Preferred shares	Common shares	Preferred shares	Common shares				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	1,052,477	15,483,321	16,535,798	7,000,000	272,533,969	341,185,880
Dividend paid	12	-	-	-	-	-	-	-	(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		-	-	-	-	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

(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 cash flows (Unaudited)

	Consolidated		The Bank	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash flows from operating activities				
Profit from operating before income tax expense	27,706,250	52,405,287	28,124,125	85,598,192
<i>Adjustments to reconcile profit from operating before income tax expense to cash receipts (payments) from operating activities</i>				
Depreciation and amortisation	7,557,457	4,402,365	7,219,445	4,164,860
Expected credit loss	34,719,531	-	34,412,335	-
Impairment loss on loans and debt securities	-	28,916,783	-	29,030,301
Impairment loss on properties for sale	1,435,590	146,326	1,435,590	146,326
Impairment loss on premises and equipment	289,792	-	289,792	-
Provisions expense	3,148,658	1,520,891	2,954,479	1,662,619
(Gain) loss on sale of premises and equipment	(26,855)	2,343	(5,853)	2,700
Loss from write-off of premises and equipment	71,754	49,080	60,505	49,080
(Gain) loss from sale of properties for sale	(651,366)	854,577	(651,366)	854,577
Net unrealised gain on financial instruments	(14,645,703)	-	(14,349,097)	-
Net gain on trading and foreign exchange transaction	-	(14,783,324)	-	(15,242,810)
Net gain on investments	(1,689,176)	(3,067,201)	(1,722,369)	(2,426,056)
Net gain on sale of investment in subsidiary	-	(24,023,848)	-	(61,899,788)
Share of loss (profit) from investment in associate	78,147	(487,756)	-	-
	<u>57,994,079</u>	<u>45,935,523</u>	<u>57,767,586</u>	<u>41,940,001</u>
Net interest income	(73,278,411)	(76,441,196)	(73,085,883)	(67,732,674)
Dividend income	(149,533)	(619,436)	(2,002,046)	(1,723,637)
Proceeds from interest	81,223,120	105,100,308	80,966,254	93,792,249
Interest paid	(21,576,834)	(26,737,178)	(21,497,562)	(26,767,246)
Proceeds from dividend	145,555	636,497	1,999,415	1,978,096
Income tax paid	(20,557,694)	(11,094,358)	(19,986,162)	(8,471,116)
Profit from operating before changes in operating assets and liabilities	23,800,282	36,780,160	24,161,602	33,015,673
<i>(Increase) decrease in operating assets</i>				
Interbank and money market items	(145,546,301)	(89,683,166)	(147,068,366)	(87,608,141)
Derivative assets	(7,111,048)	(16,356,201)	(7,074,167)	(14,131,168)
Investment in short-term securities	5,952,781	(16,410,574)	7,698,552	(15,698,966)
Loans to customers	(77,804,880)	(52,529,038)	(77,268,658)	(52,330,849)
Properties for sale	5,610,714	6,727,967	5,610,714	6,791,550
Other assets	(10,858,702)	(7,200,052)	(12,416,465)	(3,949,808)
<i>Increase (decrease) in operating liabilities</i>				
Deposits	247,215,928	34,191,783	250,185,073	34,659,746
Interbank and money market items	35,312,533	(21,538,292)	35,329,971	(24,818,454)
Liability payable on demand	(77,883)	(623,716)	(76,293)	(622,669)
Financial liabilities measured at fair value through profit or loss	(17,200)	-	-	-
Liabilities to deliver security	-	25,617	-	-
Derivative liabilities	6,575,334	28,283,641	7,124,048	27,888,941
Short-term debt issued and borrowings	(12,006,578)	(22,230,552)	(11,427,530)	(21,246,849)
Liabilities under insurance contracts	-	8,367,474	-	-
Other liabilities	(20,789,477)	34,204,112	(19,275,920)	28,207,313
Net cash from (used in) operating activities	<u>50,255,503</u>	<u>(77,990,837)</u>	<u>55,502,561</u>	<u>(89,843,681)</u>

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	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
Cash flows from investing activities				
Acquisition of instruments measured at fair value through other comprehensive income	(329,737,033)	-	(329,732,540)	-
Acquisition of available-for-sale securities	-	(187,433,403)	-	(187,433,403)
Proceeds from sale of instruments measured at fair value through other comprehensive income	296,544,195	-	296,544,195	-
Proceeds from sale of available-for-sale securities	-	190,591,639	-	210,367,616
Acquisition of instruments at amortised cost	(227,178)	-	(227,178)	-
Acquisition of held-to-maturity securities	-	(263,002)	-	(263,002)
Proceeds from redemption of instruments at amortised cost	725,983	-	723,902	-
Proceeds from redemption of held-to-maturity securities	-	9,845,984	-	1,942,993
Acquisition of general securities	-	(2,110,114)	-	(2,105,397)
Proceeds from sale of general investments	-	16,344	-	17,344
Acquisition of investments in subsidiaries	-	-	(5,779,000)	(40,040)
Proceeds from disposal of subsidiary	-	75,077,319	351,665	75,077,319
Proceeds from liquidation of subsidiaries	28,612	-	28,612	-
Acquisition of premises and equipment	(506,845)	(598,090)	(387,198)	(634,551)
Proceeds from sale of premises and equipment	35,304	6,509	14,621	6,978
Acquisition of intangible assets	(2,117,729)	(3,814,854)	(1,933,069)	(3,359,565)
Net cash (used in) from investing activities	(35,254,691)	81,318,332	(40,395,990)	93,576,292
Cash flows from financing activities				
Proceeds from long-term debt issued	192,025	32,429,790	192,025	32,429,790
Repayment of long-term debt issued	(2,963,311)	(23,844,375)	(2,963,311)	(23,844,375)
Proceeds from long-term borrowings	7,270	79,593	7,270	79,593
Repayment of long-term borrowings	(66,902)	(57,674)	(66,902)	(57,674)
Repayment of long-term debenture	-	(20,000)	-	(20,000)
Payment of lease liabilities	(2,272,353)	-	(2,145,769)	-
Dividend paid to equity holders of the Bank	12 (16,146,163)	(18,695,557)	(16,146,163)	(18,695,557)
Capital contribution from a non-controlling interest of a newly incorporated subsidiary	132,000	-	-	-
Net cash used in financing activities	(21,117,434)	(10,108,223)	(21,122,850)	(10,108,223)
Losses arising from translating the financial statements of a foreign operation	(53,093)	(155,010)	(183,286)	-
Net decrease in cash	(6,169,715)	(6,935,738)	(6,199,565)	(6,375,612)
Cash at 1 January	47,615,159	47,116,872	47,450,329	46,443,366
Cash at 30 September	41,445,444	40,181,134	41,250,764	40,067,754

(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 2020 (Unaudited)

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The Siam Commercial Bank Public Company Limited and its Subsidiaries
Notes to the condensed interim financial statements
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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 13 November 2020.

1 General information

The principal activities of the Bank are the provision of financial products and services through its Head Office and branch network in Thailand, its branches in Singapore, Hong Kong, Laos, Vietnam, China and Cayman Islands and its subsidiaries in Thailand, Singapore, Cambodia and Myanmar. Details of the Bank's subsidiaries as at 30 September 2020 and 31 December 2019 are given in note 7.

2 Basis of preparation of the interim financial statements

2.1 Statement of compliance

The interim financial statements are presented in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting* on a condensed basis and the regulations of the Bank of Thailand (BoT), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission (SEC). The interim financial statements are presented in accordance with the Bank of Thailand (BoT) notification number Sor Nor Sor 21/2561 dated 31 October 2018, regarding to *Preparation and Announcement of Financial Statements of a Commercial Bank and a Holding Company that is the Parent Company of a Financial Group*.

The interim financial statements 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 2019 and for the six-month period ended 30 June 2020.

The Bank and its subsidiaries have initially applied TFRS 9 *Financial Instruments* and its relevant financial instruments accounting standards including TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

The accounting policies used in the preparation of condensed interim financial statements are same as those used for the financial statements of the Bank and its subsidiaries for the year ended 31 December 2019 except as mentioned below:

- (1) The application of new TFRS;
- (2) The application of BoT's notification number Sor Nor Sor 6/2563 dated 24 March 2020, regarding to *The investment in unit trust of fixed income fund for enhancing the liquidity of the money market*;
- (3) The application of BoT circular letter number Tor Por Tor For Nor Sor (23) Wor 276/2563 dated 28 February 2020, regarding to *The relief programs for customers affected by Thai economic situations* and BoT circular letter number Tor Por Tor For Nor Sor (01) Wor 380/2563 dated 26 March 2020, regarding to *The additional relief measures for the customers during COVID-19 pandemic situations*.

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 2020 (Unaudited)

Under the aforementioned COVID-19 related circular, the BoT announced measures on loan staging allowing banks to classify a non-NPL customer as of 1 January 2020 as performing or stage 1 immediately if the Bank believes that such customer can perform according to the restructuring plans.

NPL customers as of 1 January 2019 can be classified as performing, or stage 1, immediately if they can adhere to repayment schedule specified in the restructuring plans for 3 consecutive months or 3 consecutive periods, whichever is longer. The Bank shall constantly monitor and review customers' adherence to the new terms and conditions.

The BoT also announced additional relief measures as follows:

For retail customers:

- (1) Grant principal and/or interest payment holiday of 3 - 6 months for all term loans (including mortgage loans, auto loans and small SME (SSME) loans) beginning in April 2020 for affected non-NPL customers (as of 1 March 2020) who requested assistance, and
- (2) Reduce minimum credit card payment from 10% to 5% in 2020 - 2021, which will gradually rise to 8% in 2022 and fully revert back to 10% in 2023.

For non-retail customers:

Measure 1: A loan payment holiday of 6 months for all companies with a line of credit not exceeding Baht 100 million to provide needed liquidity.

Companies with a line of credit with a commercial bank not exceeding Baht 100 million are automatically eligible to defer both principal and interest payments for 6 months. However, customers can opt out of the relief program. This payment holiday will not be considered missed payment and will not affect the credit history.

Measure 2: Soft loans to provide liquidity for customers with a credit line not exceeding Baht 500 million at a concessional interest rate of 2% per annum and interest-free (subsidised by the Ministry of Finance) for the first 6 months.

The BoT will provide soft loans of Baht 500 billion at 0.01% interest rate per annum to financial institutions for 2 years. Financial institutions will then lend this money to eligible customers at a concessional rate of 2% per annum.

For eligibility, customers must:

- (i) operate domestically,
- (ii) not be listed on the Stock Exchange of Thailand (SET) or the Market for Alternative Investment (MAI),
- (iii) have a credit line with a financial institution not exceeding Baht 500 million, and
- (iv) still have normal repayment status or less than 90 days in arrears (non-NPL) as of 31 December 2019.

The maximum drawdown for the soft loans is 20% of the loan outstanding at the end of December 2019.

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 2020 (Unaudited)

On 10 March 2020, the Government of Thailand approved measures to help business owners directly and indirectly affected by the COVID-19 pandemic. One of the key measures is the soft loan program in the total amount of Baht 150 billion which will be provided by the Government Savings Bank (GSB). GSB will provide soft loans to banks at the interest rate of 0.01% for 2 years and banks can lend to affected business owners not more than Baht 20 million per customer and at the rate of not more than 2%.

On 8 April 2020, BoT announced a reduction in rate of contribution from financial institutions to the Financial Institutions Development Fund (FIDF) from 0.46% of deposit base to 0.23% per annum temporarily for the year 2020 to 2021 which is retrospectively effective from 1 January 2020.

On 19 June 2020, the BoT issued the second phase of measures to further assist retail customers affected by the COVID-19 pandemic with details as follows:

(1) Reduce interest rate ceiling by 2 - 4% per annum:

Interest rate ceiling for credit cards and personal loans (effective from 1 August 2020) will be reduced by 2 - 4% per annum.

(2) Increase credit card, revolving loan, and installment loan limit:

For borrowers with good repayment track record and less than Baht 30,000 monthly income who need additional credit lines, their credit limit will be temporarily increased from 1.5 to 2 times of their average monthly income until 31 December 2021 (effective from 1 August 2020).

(3) Additional minimum relief measures for retail customers in phase 2 (effective from 1 July 2020):

The Bank shall extend the scope and duration of assistance for non-NPL (as of 1 March 2020) retail customers affected by COVID-19 pandemic by offering at least the minimum relief options according to the loan type.

(4) Debt restructuring:

Banks shall accelerate borrowers' debt restructuring process, taking borrowers' ability to pay as the key consideration, in order to provide financial relief for borrowers. Debt restructuring may entail extending repayment period, converting short-term to long-term loans, deferring payments, and reducing interest rates. Banks will work with severely impacted borrowers who fall into NPLs and consider delaying foreclosure or seizing collaterals.

DR BIZ Program (effective from 1 September 2020):

On 21 August 2020, the BoT and financial institutions launched the DR BIZ program for business customers. The objective of this program is to coordinate assistance and debt relief for customers with multiple creditors which will be done through a standardised debt solution that creditors have agreed upon to ensure quick and comprehensive debt restructuring decisions. To be eligible, business customers must owe between Baht 50 - 500 million with multiple financial institutions. Furthermore, customers must not be NPL or be NPL with any financial institutions after 1 January 2019, unless it can be proven that they were impacted by COVID-19.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
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Debt Consolidation (effective from 1 September 2020):

On 27 August 2020, the BoT released new debt relief measure to help retail customers by allowing customers who have mortgages with banks to consolidate other unsecured personal loans (credit card, unsecured loans, auto loans) to utilise the same collaterals. Eligible customers must have mortgage loans (non-NPLs) and unsecured loans (both non-NPLs and NPLs) with the same bank. With this debt consolidation, interests charged on unsecured loans will be capped at the Minimum Retail Rate (MRR).

As at 30 September 2020, 29% of the Bank and its subsidiaries' loans to customers were under the financial relief program according to the aforementioned BoT notification.

2.2 Use of judgments, estimates and accounting policies

The preparation of interim financial statements requires management to make judgments, estimate and assumptions that affect the application of 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 described in the financial statements for the year ended 31 December 2019, except for the new significant judgments and key sources of estimation uncertainty related to the application of new TFRS as described in note 3.

3 Changes in accounting policies

From 1 January 2020, the Bank and its subsidiaries have initially applied TFRS *Financial instruments standards* which comprise TFRS 9 *Financial Instruments* ("TFRS 9") and relevant standards and interpretations, related BoT notifications as stated in note 2 and TFRS 16 *Leases*.

	Note	Consolidated		The Bank	
		Retained earnings	Other reserves	Retained earnings	Other reserves
At 31 December 2019 - as reported		332,072	16,170	329,692	16,136
<i>Increase (decrease) due to:</i>					
Adoption of TFRS - Financial instruments standards					
Classification of financial instruments	3.1.1	634	1,681	631	1,684
Impairment loss on financial assets	3.1.2	(113)	15	-	15
Derivatives	3.1.3	(162)	-	(162)	-
Related tax		(85)	(340)	(94)	(340)
At 1 January 2020 - restated		332,346	17,526	330,067	17,495

3.1 TFRS - Financial instruments standards

The Bank and its subsidiaries have adopted TFRS 9 *Financial Instruments* and relevant financial instruments standards using the cumulative effect, taking into account the effect of initially applying this standard only to financial instruments that were not derecognised before 1 January 2020 as an adjustment to retained earnings or other reserves at 1 January 2020. Therefore, the Bank and its subsidiaries have not restated the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

The Siam Commercial Bank Public Company Limited and its Subsidiaries
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These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting as further described below:

3.1.1 Classification and measurement of financial assets and financial liabilities

Under TFRS 9, financial assets are classified into three categories: measured at amortised cost (AMC), fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. However, the Bank and its subsidiaries may, at initial recognition, irrevocably designate a financial asset as measured at FVTPL. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

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 2020 (Unaudited)

The following table shows the original classification and measurement under TAS 105 and BoT regulations and the new classification and measurement under TFRS 9 as at 1 January 2020.

	Original classification at 31 December 2019	New classification under TFRS 9	At 31 December 2019	Consolidated		Allowance for expected credit loss	At 1 January 2020
				Reclassification	Remeasurement <i>(in million Baht)</i>		
Assets							
Cash	AMC	AMC	47,615	-	-	-	47,615
Interbank and money market items, net	AMC	AMC	433,510	-	-	24	433,534
Financial assets measured at FVTPL			-	33,978	761	-	34,739
Government and state enterprise securities	-	FVTPL	-	22,072	-	-	22,072
Corporate debt instruments	-	FVTPL	-	4,550	-	-	4,550
Domestic equity instruments	-	FVTPL	-	4,141	-	-	4,141
Foreign equity instruments	-	FVTPL	-	24	-	-	24
Domestic non-marketable equity instruments	-	FVTPL	-	31	393	-	424
Foreign non-marketable equity instruments	-	FVTPL	-	3,160	368	-	3,528
Derivative assets			63,132	-	2,540	-	65,672
Forward exchange contracts - held for risk management	Accrual	FVTPL	84	-	68	-	152
Forward exchange contracts - held for trading	FV	FVTPL	34,989	-	-	-	34,989
Interest rate swap contracts - held for risk management	Accrual	FVTPL	-	-	2,472	-	2,472
Interest rate swap contracts - held for trading	FV	FVTPL	27,573	-	-	-	27,573
Equity derivatives - held for trading	FV	FVTPL	482	-	-	-	482
Commodity derivatives - held for trading	FV	FVTPL	4	-	-	-	4

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 2020 (Unaudited)

	Original classification at 31 December 2019	New classification under TFRS 9	At 31 December 2019	Consolidated Reclassification	Remeasurement (in million Baht)	Allowance for expected credit loss	At 1 January 2020
Investments, net			312,065	(33,978)	1,554	(3)	279,638
Government and state enterprise securities	Trading	-	22,072	(22,072)	-	-	-
Corporate debt instruments	Trading	-	4,550	(4,550)	-	-	-
Domestic equity instruments	Trading	-	3,192	(3,192)	-	-	-
Domestic equity instruments	AFS	-	949	(949)	-	-	-
Foreign equity instruments	AFS	-	24	(24)	-	-	-
Domestic non-marketable equity instruments	General	-	31	(31)	-	-	-
Foreign non-marketable equity instruments	General	-	3,160	(3,160)	-	-	-
Government and state enterprise securities	AFS	FVOCI	258,768	-	-	-	258,768
Foreign debt instruments	AFS	FVOCI	10,999	-	-	-	10,999
Domestic non-marketable equity instruments	General	FVOCI	486	-	1,554	-	2,040
Foreign non-marketable equity instruments	General	FVOCI	4	-	-	-	4
Government and state enterprise securities	HTM	AMC	7,586	-	-	-	7,586
Corporate debt instruments	HTM	AMC	30	-	-	(1)	29
Foreign debt instruments	HTM	AMC	214	-	-	(2)	212
Investments in subsidiaries and associate, net	-	-	78	-	-	-	78
Loans to customers and accrued interest receivables, net	AMC	AMC	2,002,461	-	-	4,814	2,007,275
Properties for sale, net	-	-	16,642	-	-	-	16,642
Premises and equipment, net	-	-	40,776	-	-	-	40,776
Goodwill and other intangible assets, net	-	-	19,187	-	-	-	19,187
Deferred tax assets	-	-	2,005	-	(431)	6	1,580
Other assets, net	AMC	AMC	26,275	-	(78)	-	26,197
Total assets			2,963,746	-	4,346	4,841	2,972,933

The Siam Commercial Bank Public Company Limited and its Subsidiaries
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	Original classification at 31 December 2019	New classification under TFRS 9	At 31 December 2019	Consolidated		Allowance for expected credit loss	At 1 January 2020
				Reclassification	Remeasurement <i>(in million Baht)</i>		
Liabilities							
Deposits	AMC	AMC	2,159,425	-	-	-	2,159,425
Interbank and money market items	AMC	AMC	145,844	-	-	-	145,844
Liabilities payable on demand	AMC	AMC	11,796	-	-	-	11,796
Liabilities to deliver security	FV	FVTPL	18	-	-	-	18
Derivative liabilities			61,937	-	156	-	62,093
Forward exchange contracts - held for risk management	Accrual	FVTPL	63	-	(15)	-	48
Forward exchange contracts - held for trading	FV	FVTPL	31,308	-	-	-	31,308
Interest rate swap contracts - held for risk management	Accrual	FVTPL	-	-	171	-	171
Interest rate swap contracts - held for trading	FV	FVTPL	30,297	-	-	-	30,297
Equity derivatives - held for trading	FV	FVTPL	265	-	-	-	265
Commodity derivatives - held for trading	FV	FVTPL	4	-	-	-	4
Debt issued and borrowings	AMC	AMC	77,952	-	2,472	-	80,424
Provisions	-	-	11,410	-	-	4,933	16,343
Deferred tax liabilities	-	-	139	-	-	-	139
Other liabilities	AMC	AMC	94,379	-	(4)	-	94,375
Total liabilities			2,562,900	-	2,624	4,933	2,570,457
Shareholders' equity							
Share capital	-	-	33,992	-	-	-	33,992
Premium on share capital	-	-	11,124	-	-	-	11,124
Other reserves	-	-	16,170	-	1,344	12	17,526
Legal reserve	-	-	7,000	-	-	-	7,000
Unappropriated retained earnings	-	-	332,072	-	378	(104)	332,346
Total owners of the company	-	-	400,358	-	1,722	(92)	401,988
Non-controlling interests	-	-	488	-	-	-	488
Total shareholders' equity			400,846	-	1,722	(92)	402,476
Total liabilities and shareholders' equity			2,963,746	-	4,346	4,841	2,972,933

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	Original classification at 31 December 2019	New classification under TFRS 9	At 31 December 2019	The Bank		Allowance for expected credit loss	At 1 January 2020
				Reclassification	Remeasurement <i>(in million Baht)</i>		
Assets							
Cash	AMC	AMC	47,450	-	-	-	47,450
Interbank and money market items, net	AMC	AMC	427,251	-	-	25	427,276
Financial assets measured at FVTPL			-	32,140	761	-	32,901
Government and state enterprise securities	-	FVTPL	-	22,040	-	-	22,040
Corporate debt instruments	-	FVTPL	-	4,374	-	-	4,374
Domestic equity instruments	-	FVTPL	-	2,520	-	-	2,520
Foreign equity instruments	-	FVTPL	-	23	-	-	23
Domestic non-marketable equity instruments	-	FVTPL	-	23	393	-	416
Foreign non-marketable equity instruments	-	FVTPL	-	3,160	368	-	3,528
Derivative assets			63,283	-	2,540	-	65,823
Forward exchange contracts - held for risk management	Accrual	FVTPL	84	-	68	-	152
Forward exchange contracts - held for trading	FV	FVTPL	34,989	-	-	-	34,989
Interest rate swap contracts - held for risk management	Accrual	FVTPL	-	-	2,472	-	2,472
Interest rate swap contracts - held for trading	FV	FVTPL	27,573	-	-	-	27,573
Equity derivatives - held for trading	FV	FVTPL	633	-	-	-	633
Commodity derivatives - held for trading	FV	FVTPL	4	-	-	-	4

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				Reclassification	Remeasurement <i>(in million Baht)</i>		
Investments, net			310,505	(32,140)	1,554	(3)	279,916
Government and state enterprise securities	Trading	-	22,040	(22,040)	-	-	-
Corporate debt instruments	Trading	-	4,374	(4,374)	-	-	-
Domestic equity instruments	Trading	-	1,592	(1,592)	-	-	-
Domestic equity instruments	AFS	-	928	(928)	-	-	-
Foreign equity instruments	AFS	-	23	(23)	-	-	-
Domestic non-marketable equity instruments	General investment	-	23	(23)	-	-	-
Foreign non-marketable equity instruments	General investment	-	3,160	(3,160)	-	-	-
Government and state enterprise securities	AFS	FVOCI	258,768	-	-	-	258,768
Foreign debt instruments	AFS	FVOCI	10,999	-	-	-	10,999
Domestic non-marketable equity instruments	General investment	FVOCI	479	-	1,554	-	2,033
Foreign non-marketable equity instruments	General investment	FVOCI	4	-	-	-	4
Government and state enterprise securities	HTM	AMC	7,575	-	-	-	7,575
Corporate debt instruments	HTM	AMC	326	-	-	(1)	325
Foreign debt instruments	HTM	AMC	214	-	-	(2)	212
Investments in subsidiaries and associate, net	-	-	6,727	-	-	-	6,727
Loans to customers and accrued interest receivables, net	AMC	AMC	1,998,169	-	-	4,911	2,003,080
Properties for sale, net	-	-	16,393	-	-	-	16,393
Premises and equipment, net	-	-	39,911	-	-	-	39,911
Goodwill and other intangible assets, net	-	-	18,451	-	-	-	18,451
Deferred tax assets	-	-	1,809	-	(431)	(3)	1,375
Other assets, net	AMC	AMC	22,498	-	(78)	-	22,420
Total assets			<u>2,952,447</u>	<u>-</u>	<u>4,346</u>	<u>4,930</u>	<u>2,961,723</u>

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	Original classification at 31 December 2019	New classification under TFRS 9	At 31 December 2019	The Bank		Allowance for expected credit loss	At 1 January 2020
				Reclassification	Remeasurement <i>(in million Baht)</i>		
Liabilities							
Deposits	AMC	AMC	2,156,489	-	-	-	2,156,489
Interbank and money market items	AMC	AMC	145,871	-	-	-	145,871
Liabilities payable on demand	AMC	AMC	11,794	-	-	-	11,794
Derivative liabilities			61,988	-	156	-	62,144
Forward exchange contracts - held for risk management	Accrual	FVTPL	63	-	(15)	-	48
Forward exchange contracts - held for trading	FV	FVTPL	31,308	-	-	-	31,308
Interest rate swap contracts - held for risk management	Accrual	FVTPL	-	-	171	-	171
Interest rate swap contracts - held for trading	FV	FVTPL	30,297	-	-	-	30,297
Equity derivatives - held for trading	FV	FVTPL	316	-	-	-	316
Commodity derivatives - held for trading	FV	FVTPL	4	-	-	-	4
Debt issued and borrowings	AMC	AMC	76,356	-	2,472	-	78,828
Provisions	-	-	10,997	-	-	4,918	15,915
Other liabilities	AMC	AMC	91,008	-	(4)	-	91,004
Total liabilities			2,554,503	-	2,624	4,918	2,562,045
Shareholders' equity							
Share capital	-	-	33,992	-	-	-	33,992
Premium on share capital	-	-	11,124	-	-	-	11,124
Other reserves	-	-	16,136	-	1,347	12	17,495
Legal reserve	-	-	7,000	-	-	-	7,000
Unappropriated retained earnings	-	-	329,692	-	375	-	330,067
Total shareholders' equity			397,944	-	1,722	12	399,678
Total liabilities and shareholders' equity			2,952,447	-	4,346	4,930	2,961,723

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3.1.1.1 Recognition and initial measurement

The Bank and its subsidiaries initially recognise all financial instruments (including regular-way purchases and sales of financial assets) on the trade date, which is the date on which the Bank and its subsidiaries become a party to the contractual provisions of the financial instrument, except for investments in debt instruments which are recognised on the settlement date.

Financial assets or financial liabilities that are not measured at fair value through profit or loss are measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issuance.

3.1.1.2 Classification

Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost (AMC), fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

A financial asset is measured at AMC if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Bank and its subsidiaries may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

Business model assessment

The Bank and its subsidiaries make an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the financial assets;

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- how the performance of the portfolio is evaluated and reported to the Bank and its subsidiaries' management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how investment managers are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank and its subsidiaries' stated objective for managing the financial assets is achieved and how cash flows are realised.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

For the purposes of this assessment,

'Principal' is defined as the fair value of the financial asset on initial recognition.

'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Bank and its subsidiaries consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment the Bank and its subsidiaries consider:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- terms that limit the Bank and subsidiaries' claim to cash flows from specified assets (e.g. non-recourse loans); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Classification of financial liabilities

The Bank and its subsidiaries classify their financial liabilities, other than financial guarantees and loan commitments, as measured at AMC or FVTPL (in the case of derivative liabilities).

The Bank and its subsidiaries record their obligations to return borrowed collateral, in the form of securities for private repurchase or securities borrowing and lending transactions where these securities are used to further borrow or lend in other transactions in financial liabilities measured at FVTPL.

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Designation at FVTPL

Financial assets

At initial recognition, the Bank and its subsidiaries may irrevocably designate a financial asset that otherwise meets the requirements to be measured at AMC or at FVOCI as at FVTPL because this designation eliminates or significantly reduces an accounting mismatch, which would otherwise arise.

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Bank and its subsidiaries change their business model for managing financial assets.

3.1.1.3 Derecognition

Derecognition of financial assets

The Bank and its subsidiaries derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire, or they transfer the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank and its subsidiaries neither transfer nor retain substantially all of the risks and rewards of ownership and they do not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Any cumulative gain or loss recognised in other comprehensive income in respect of equity instruments designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank and its subsidiaries are recognised as a separate asset or liability.

The Bank and its subsidiaries enter into transactions whereby they transfer assets recognised on their statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

When assets are sold to a third party with a concurrent total rate of return swap on the transferred assets, the transaction is accounted for as a secured financing transaction similar to sale-and-repurchase transactions, because the Bank and its subsidiaries retain all or substantially all of the risks and rewards of ownership of such assets.

In transactions in which the Bank and its subsidiaries neither retain nor transfer substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Bank and its subsidiaries continue to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

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In certain transactions, the Bank and its subsidiaries retain the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset shall be recognised or a servicing liability if the fee to be received is not expected to compensate the entity adequately for performing the servicing.

Derecognition of financial liabilities

The Bank and its subsidiaries derecognise a financial liability when its contractual obligations are discharged or cancelled or expired.

3.1.1.4 Modifications of financial assets and financial liabilities

Modifications of financial assets

If the terms of a financial asset are modified, then the Bank and its subsidiaries evaluate whether the cash flows of the modified asset are substantially different.

If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank and its subsidiaries plan to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place. This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If the modification of a financial asset measured at amortised cost or FVOCI does not result in derecognition of the financial asset, then the Bank and its subsidiaries first recalculate the gross carrying amount of the financial asset using the original effective interest rate of the asset and recognises the resulting adjustment as a modification gain or loss in profit or loss. For floating-rate financial assets, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and fees received as part of the modification adjust the gross carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with expected credit loss. In other cases, it is presented as interest income calculated using the effective interest rate method.

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Modifications of financial liabilities

The Bank and its subsidiaries derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability derecognised and consideration paid is recognised in profit or loss. The consideration paid includes any non-cash assets transferred and new liabilities assumed.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

3.1.2 Impairment of financial assets

The Bank and its subsidiaries recognise allowance for expected credit loss (ECL) on the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- lease receivables;
- financial guarantee contracts issued; and
- loan commitments issued.

No impairment loss is recognised on equity investments.

Significant accounting estimates and judgments

The Bank and its subsidiaries' expected credit loss calculations are based on complex models with a series of underlying assumptions. The significant judgments and estimates in determining expected credit loss include criteria for assessing if there has been a significant increase in credit risk and development of expected credit loss models, including the choice of inputs relating to macroeconomic variables. The calculation also involves expert credit judgment used by management in conjunction with internal and external information.

Measurement of ECL

An expected credit loss represents the present value of expected cash shortfalls over the residual term of a financial asset, undrawn commitment or financial guarantee. A cash shortfall is the difference between the cash flows that are due in accordance with the contractual terms of the instrument and the cash flows that are expected to be received over the contractual life of the instrument.

Expected credit losses are computed as unbiased, probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward-looking information.

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Estimates of expected cash shortfalls are determined by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

Forward-looking macro-economic assumptions are incorporated into the PD, LGD and EAD where relevant and where they have been identified to influence credit risk, such as GDP growth rates, interest rates and housing price indices. These assumptions are determined using all reasonable and supportable information, which includes both available internal and external information and are consistent with those used for financial and capital planning.

The period over which cash shortfalls are determined is generally limited to the maximum contractual period for which the Bank and its subsidiaries are exposed to credit risk where a behavioral life is estimated such as certain revolving facilities.

The estimation of expected cash shortfalls on collateralised financial instruments reflects the expected amount and timing of cash flows from foreclosure of the collateral less the costs of obtaining and selling the collateral, regardless of whether the foreclosure is deemed probable or not.

Cash shortfalls are discounted using the effective interest rate.

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Bank and its subsidiaries expect to receive);
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Bank and its subsidiaries if the commitment is drawn down and the cash flows that the Bank and its subsidiaries expect to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Bank and its subsidiaries expect to recover.

In order to assess the expected credit loss, models are developed based on historical repayment, default information and other information indicating default risk behavior.

In case that the models cannot capture the risk, the management overlay principle, covering industry, model and other risks, will be applied.

Staging (see note 2.1 for application on loans to customers subject to relief programmes)

For ECL recognition, financial assets are classified in any of the below 3 stages at each reporting date. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

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· *Performing (Stage 1)*

Financial assets that have not had a significant increase in credit risk (SICR) since initial recognition (i.e. no stage 2 or 3 triggers apply) or debt instrument that considered to have low credit risk at each reporting date with the exception of purchased or originated credit impaired (POCI) assets. The provision for ECL is 12-month ECL. 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Bank and its subsidiaries consider government and state enterprise securities to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Bank and its subsidiaries do not apply the low credit risk exemption to any other financial instruments.

· *Under-performing (Stage 2)*

When financial assets have a SICR since initial recognition, expected credit losses are recognised for possible default events over the lifetime of the financial assets. SICR is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk. Financial assets that are 30 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Quantitative factors include an assessment of whether there has been a significant increase in the probability of default (PD) since origination. Increase in PD is determined from economic conditions that are relating to changes in credit risk such as internal credit rating downgrade or behavior scoring deterioration. If the changes exceed the thresholds, the financial assets are considered to have experienced a significant increase in credit risk.

Qualitative factor assessments are part of current credit risk management processes, such as an assessment of significant deterioration in the customers' ability to repay. Qualitative indicators include operating results, financial liquidity and other reliable indicators.

Financial assets can be transferred to stage 1 in case they have proven that their ability to repay are back to normal.

· *Non-performing (Stage 3)*

Financial assets that are credit-impaired or in default represent those that are at least 90 days past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the customers are unlikely to repay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets.

Evidence that financial assets are credit-impaired includes observable data, but not limited to the following events:

- Significant financial difficulty of the issuer or borrower;
- Breach of contract such as default or a past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial recognition;
- The disappearance of an active market for the applicable financial asset due to financial difficulties of the borrower; or
- Purchase or origination of a financial asset at a significant discount that reflects incurred credit losses.

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Expected credit losses of credit-impaired financial assets are determined based on the difference between the present value of the recoverable cash flows under a range of scenarios, including the realisation of any collateral held where appropriate, discounted with the financial assets' original effective interest rate, and the gross carrying value of the financial assets prior to any credit impairments.

Financial assets that are credit-impaired require a lifetime provision.

- *Non-retail loans credit impairment considerations*

For individual qualitative consideration of large corporate loans that are credit-impaired, there will be additional procedures where the Bank's Special Business Function analyses and presents the qualitative information and expected credit loss to the Quality Credit Assessment Committee to review and propose to the Credit Committee for approval for such staging and expected credit losses. The expected credit loss are considered from the difference between the loan carrying amount and the present value of expected future cash flows including the considerations of collateral value deterioration and other information related to future cash flow assessment.

- *Retail loans credit impairment considerations*

For retail loans which comprise of a large number of loans with the shared similar characteristics, statistical estimates are used through credit scoring analysis. The retail loans are considered to be credit-impaired when they are more than 90 days past due or if the borrower has been filed for bankruptcy or the borrower ceases or closes its operations.

Improvement in credit risk (see note 2.1 for application on loans to customers subject to relief programmes)

A period may elapse from the point at which instruments enter stage 2 or stage 3 and are reclassified back to stage 1.

For financial assets that are credit-impaired (stage 3), and have not been subject to modification, a transfer to stage 2 or stage 1 is only permitted where the instrument is no longer considered to be credit-impaired. An instrument will no longer be considered credit-impaired when there is no shortfall of cash flows compared to the original contractual terms.

For financial assets within stage 2, these can only be transferred to stage 1 when they are no longer considered to have experienced a significant increase in credit risk.

Where significant increase in credit risk was determined using quantitative measures, the instruments will automatically transfer back to stage 1 when the original PD based transfer criteria are no longer met. Where instruments were transferred to stage 2 due to an assessment of qualitative factors, the issues that led to the reclassification must be cured before the instruments can be reclassified to stage 1. This includes instances where management actions led to instruments being classified as stage 2, requiring that action to be resolved before loans are reclassified to stage 1.

- *Loans to customers under modification (see note 2.1 for application on loans to customers subject to relief programmes)*

For modified loans to customers, exposures under stage 3 can be transferred to stage 2 when the customer performs under the revised terms of the contract for 3 months or 3 periods, whichever is longer. A further 9 months or 9 periods, whichever is longer monitoring is required for such customers to be transferred to stage 1 on the basis that there is no overdue balance on the account and the customer is expected to repay its remaining obligations in full. When transferring to stage 1, credit risk will be reset at the transferring date.

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For modified loans to customers, exposures under stage 2 that were not previously credit-impaired can be transferred to stage 1 when the customer performs under the revised terms of the contract for 3 consecutive months or 3 periods, whichever is longer, and the customer is expected to repay its remaining obligations in full.

Financial guarantee contracts held

The Bank and its subsidiaries assess whether a financial guarantee contract held is an integral element of a financial asset that is accounted for separately. The factors that the Bank and its subsidiaries consider when making this assessment include whether:

- the guarantee is implicitly part of the contractual terms of the debt instrument;
- the guarantee is required by laws and regulations that govern the contract of the debt instrument;
- the guarantee is entered into at the same time as and in contemplation of the debt instrument; and
- the guarantee is given by the parent of the borrower or another company within the borrower's group.

If the Bank and its subsidiaries determine that the guarantee is an integral element of the financial asset, then any premium payable in connection with the initial recognition of the financial asset is treated as a transaction cost of acquiring it. The Bank and its subsidiaries consider the effect of the protection when measuring the fair value of the debt instrument and when measuring ECL.

If the Bank and its subsidiaries determine that the guarantee is not an integral element of the debt instrument, then it recognises an asset representing any prepayment of guarantee premium and a right to compensation for credit losses. A prepaid premium asset is recognised only if the guaranteed exposure neither is credit-impaired nor has undergone a significant increase in credit risk when the guarantee is acquired. These assets are recognised in "other assets". The Bank and its subsidiaries present gains or losses on a compensation right in profit or loss in the line item "expected credit loss".

Loss provisions on purchased or originated credit impaired instruments (POCI)

The Bank and its subsidiaries measure expected credit loss on a lifetime basis for POCI instruments throughout the life of the instrument. However, expected credit loss is not recognised in a separate loss provision on initial recognition for POCI instruments as the lifetime expected credit loss is inherent within the gross carrying amount of the instruments. The Bank and its subsidiaries recognise the change in lifetime expected credit losses arising subsequent to initial recognition in the income statement and the cumulative change as a loss provision. Where lifetime expected credit losses on POCI instruments are less than those at initial recognition, then the favorable differences are recognised as impairment gains in profit or loss and as impairment loss where the expected credit losses are greater.

Presentation of allowance for ECL in the statement of financial position

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, the Bank and its subsidiaries separately present ECL of drawn component by deducting from the gross carrying amount while ECL of undrawn component is presented as a provision; and
- debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the other reserves.

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Write-off of credit impaired instruments and reversal of impairment

To the extent a financial instrument is considered irrecoverable, the applicable portion of the gross carrying value is written off against the related loan provision. Such loans are written off after all the necessary procedures have been completed, it is decided that there is no realistic probability of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the expected credit loss in profit or loss.

If, in a subsequent period, the amount of the credit impairment loss decreases and the decrease can be related objectively to an event occurring after the credit impairment was recognised, such as an improvement in the debtor's credit rating, the previously recognised credit impairment loss is reversed by adjusting the expected credit loss account. The amount of the reversal is recognised in profit or loss.

	Consolidated		
	At 31 December 2019	Remeasurement (in million Baht)	At 1 January 2020
Interbank and money market items	157	(24)	133
Investments	-	3	3
Loans to customers	114,272	(4,814)	109,458
Loan commitments	2	3,777	3,779
Financial guarantee contracts	24	1,156	1,180
Others	-	15	15
Total	114,455	113	114,568

	The Bank		
	At 31 December 2019	Remeasurement (in million Baht)	At 1 January 2020
Interbank and money market items	157	(25)	132
Investments	-	3	3
Loans to customers	113,627	(4,911)	108,716
Loan commitments	-	3,755	3,755
Financial guarantee contracts	-	1,163	1,163
Others	-	15	15
Total	113,784	-	113,784

3.1.3 Derivatives held for risk management purposes and hedge accounting

Derivatives held for risk management purposes include all derivative assets and liabilities that are not classified as trading assets or liabilities. Derivatives held for risk management purposes are measured at fair value in the statement of financial position.

The Bank and its subsidiaries designate certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Bank and its subsidiaries formally document the relationship between the hedging instruments and hedged items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationship. The Bank and its subsidiaries make an assessment, both at inception of the hedge relationship and on an ongoing basis, whether the

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hedging instruments are expected to be effective hedge in offsetting the changes in the fair value or cash flows of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a specific range. For a cash flow hedge of a forecast transaction, the Bank and its subsidiaries make an assessment whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

These hedging relationships are described below:

Fair value hedges

When a derivative is designated as the hedging instrument in the hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in profit or loss. The change in fair value of the hedged item attributable to the hedged risk is recognised in profit or loss. If the hedged item would otherwise be measured at cost or amortised cost, then its carrying amount is adjusted accordingly.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for fair value hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

Any adjustments up to the point of discontinuation to a hedged item for which the effective interest method is used is amortised to profit or loss as an adjustment to the recalculated effective interest rate of the item over its remaining life.

On hedge discontinuation, any hedging adjustment made previously to a hedged financial instrument for which the effective interest method is used is amortised to profit or loss by adjusting the effective interest rate of the hedged item from the date on which amortization begins. If the hedged item is derecognised, then the adjustment is recognised immediately in profit or loss when the item is derecognised.

Cash flow hedges

When a derivative is designated as the hedging instrument in the hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in the hedging reserve within shareholders' equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss. The amount recognised in the hedging reserve is classified from other comprehensive income to profit or loss as a reclassification adjustment in the same period as the hedged cash flows affect profit or loss, and in the same line item in the statement of profit or loss and other comprehensive income.

If the hedging derivative expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively.

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If the hedged cash flows are no longer expected to occur, then the Bank and its subsidiaries immediately reclassify the amount in the hedging reserve from OCI to profit or loss. For terminated hedging relationships, if the hedged cash flows are still expected to occur, then the amount accumulated in the hedging reserve is not reclassified until the hedged cash flows affect profit or loss; if the hedged cash flows are expected to affect profit or loss in multiple reporting periods, then the Bank and its subsidiaries reclassify the amount in the hedging reserve from OCI to profit or loss on a straight-line basis.

3.1.4 Interest

Effective interest rate

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the AMC of the financial liability.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Bank and its subsidiaries estimate future cash flows considering all contractual terms of the financial instrument, but not expected credit loss. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit loss.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The gross carrying amount of a financial asset is the AMC of a financial asset before adjusting for any expected credit loss allowance.

Calculation of interest income and expense

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the AMC of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest. The effective interest rate is also revised for fair value hedge adjustments at the date amortisation of the hedge adjustment begins.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the AMC of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the AMC of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

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3.2 TFRS 16 Leases

From 1 January 2020, the Bank and its subsidiaries have initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Bank and its subsidiaries as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Bank and its subsidiaries assess whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Bank and its subsidiaries allocate the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Bank and its subsidiaries recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Bank and its subsidiaries recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Bank and its subsidiaries also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

Impact from the adoption of TFRS 16

Consolidated The Bank
(in million Baht)

At 1 January 2020

Increase in premises and equipment	4,365	4,046
Increase in other liabilities	4,365	4,046
Incremental borrowing rate (<i>% per annum</i>)	2.0 - 5.3	2.0 - 3.1

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4 Maintenance of capital fund

The Bank and its subsidiaries, which are financial institutions, are subject to various capital and regulatory requirements of BoT. 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 BoT as to components, risk weightings, and other factors. These capital and regulatory requirements are subject to change, as considered necessary by BoT.

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 BoT. As announced by the BoT in circulars dated 8 November 2012 and 7 May 2019, the Bank is required to calculate its Capital Fund in accordance with Basel III.

Additionally, the BoT notification dated 19 November 2019 sets out guidelines on holding of minimum provisions to accommodate the implementation of TFRS 9, requiring that banks to hold minimum provisions of 0.33% for accounting period 2020, 0.67% for accounting period 2021 and 1.0% for accounting period 2022 onwards; of assets and off-financial reporting items which are performing (stage 1) and under-performing (stage 2). In case the available provisions are less than minimum requirement, the Bank shall adjust such difference to the capital fund items starting from 1 January 2020 onwards.

As at 30 September 2020 and 31 December 2019, the Consolidated Supervision and the Bank's total capital funds were categorised as follows:

	Basel III	
	Consolidated Supervision	
	30 September 2020	31 December 2019
	<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	334,705	307,655
Other comprehensive income	14,445	13,973
Capital deduction items on CET1	(22,664)	(21,052)
Total Tier 1 capital	<u>378,602</u>	<u>352,692</u>
Tier 2 capital		
General provisions	<u>23,251</u>	<u>22,514</u>
Total Tier 2 capital	<u>23,251</u>	<u>22,514</u>
Total capital funds	<u>401,853</u>	<u>375,206</u>
Total risk weighted assets	2,145,282	2,075,492

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	Basel III			
	Consolidated Supervision			
	30 September 2020		31 December 2019	
	The BoT's regulation minimum requirement*	Capital ratio of the Financial Group	The BoT's regulation minimum requirement*	Capital ratio of the Financial Group
			(%)	
Total capital funds / Total risk-weighted assets	12.0	18.7	11.5	18.1
Total Tier 1 capital / Total risk-weighted assets	9.5	17.6	9.0	17.0
Total CET1 / Total risk-weighted assets	8.0	17.6	7.5	17.0
Total Tier 2 capital / Total risk-weighted assets		1.1		1.1

* Conservation buffer requires additional CET1 of 2.50%, and a D-SIB Buffer of 0.5% for 2019 increasing to 1.0% for 2020 onwards.

	30 September 2020	31 December 2019
	<i>(in million Baht)</i>	
Capital after deducting capital add-on arising from Single Lending Limit	401,853	375,206
Capital ratio after deducting capital add-on arising from Single Lending Limit (%)	18.7	18.1

	Basel III	
	The Bank	
	30 September 2020	31 December 2019
	<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	332,326	271,824
Other comprehensive income	13,987	13,632
Capital deduction items on CET1	<u>(21,580)</u>	<u>(20,260)</u>
Total Tier 1 capital	<u>376,849</u>	<u>317,312</u>
Tier 2 capital		
General provisions	<u>23,279</u>	<u>22,432</u>
Total Tier 2 capital	<u>23,279</u>	<u>22,432</u>
Total capital funds	<u>400,128</u>	<u>339,744</u>
Total risk weighted assets	2,138,817	2,060,169

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	Basel III			
	The Bank			
	30 September 2020		31 December 2019	
	The BoT's regulation minimum requirement*	Capital ratio of the Bank	The BoT's regulation minimum requirement*	Capital ratio of the Bank (%)
Total capital funds / Total risk-weighted assets	12.0	18.7	11.5	16.5
Total Tier 1 capital / Total risk-weighted assets	9.5	17.6	9.0	15.4
Total CET1 / Total risk-weighted assets	8.0	17.6	7.5	15.4
Total Tier 2 capital / Total risk-weighted assets		1.1		1.1

* Conservation buffer requires additional CET1 of 2.50%, and a D-SIB Buffer of 0.5% for 2019 increasing to 1.0% for 2020 onwards.

	30 September 2020	31 December 2019
	<i>(in million Baht)</i>	
Capital after deducting capital add-on arising from Single Lending Limit	400,128	339,744
Capital ratio after deducting capital add-on arising from Single Lending Limit (%)	18.7	16.5

Disclosures of capital maintenance information under the BoT notification number Sor Nor Sor 4/2556 dated 2 May 2013, regarding to *Disclosure Requirement on Capital Adequacy for a Commercial Bank*, BoT notification number Sor Nor Sor 14/2562 dated 7 May 2019, regarding to *Disclosure requirement on Capital Adequacy for a Commercial Bank (Volume 2)*, the BoT notification number Sor Nor Sor 5/2556 dated 2 May 2013, regarding to *Disclosure Requirement on Capital Adequacy for a Financial Group* and the BoT notification number Sor Nor Sor 15/2562 dated 7 May 2019, regarding to *Disclosure Requirement on Capital Adequacy for a Financial group (Volume 2)*, 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
Disclosure period requirement	Within 4 months after the period end date as indicated in the BoT notification
Latest information at	30 June 2020

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

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5 Financial assets measured at fair value through profit or loss

	Consolidated 30 September 2020 Fair value	The Bank 30 September 2020 Fair value
	<i>(in million Baht)</i>	
Government and state enterprise securities	26,965	26,965
Corporate debt instruments	6,798	6,660
Foreign debt instruments	209	209
Domestic equity instruments	3,338	1,838
Foreign equity instruments	33	33
Domestic non-marketable equity instruments	9	9
Foreign non-marketable equity instruments	6,079	3,837
Total	43,431	39,551

6 Investments, net

6.1 Classification by type of investments

	Consolidated 30 September 2020 AMC	The Bank 30 September 2020 AMC
	<i>(in million Baht)</i>	
<i>Investments in debt instruments measured at AMC</i>		
Government and state enterprise securities	7,076	7,065
Corporate debt instruments	31	329
Foreign debt instruments	216	216
Less allowance for expected credit loss	(4)	(4)
Total	7,319	7,606

	Consolidated 30 September 2020 Fair value	The Bank 30 September 2020 Fair value
	<i>(in million Baht)</i>	
<i>Investments in debt instruments measured at FVOCI</i>		
Government and state enterprise securities	279,884	279,884
Corporate debt instruments	390	390
Foreign debt instruments	23,622	23,622
Total	303,896	303,896

Allowance for expected credit loss	(41)	(41)
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	Consolidated 30 September 2020	The Bank 30 September 2020	Consolidated 30 September 2020	The Bank 30 September 2020
	Fair value	Fair value	Dividend income	Dividend income
			<i>(in million Baht)</i>	
<i>Investments in equity instruments designated at FVOCI</i>				
Domestic non-marketable equity instruments	2,154	2,143	4	3
Foreign non-marketable equity instruments	5	4	-	-
Total	2,159	2,147	4	3
Total investments, net	313,374	313,649		

	Consolidated 31 December 2019	The Bank 31 December 2019
	Fair value	Fair value
	<i>(in million Baht)</i>	
<i>Trading securities</i>		
Government and state enterprise securities	22,072	22,040
Corporate debt securities	4,550	4,374
Domestic equity securities	3,192	1,592
Total	29,814	28,006

	Consolidated 31 December 2019	The Bank 31 December 2019
	Fair value	Fair value
	<i>(in million Baht)</i>	
<i>Available-for-sale securities</i>		
Government and state enterprise securities	258,768	258,768
Foreign debt securities	10,999	10,999
Domestic equity securities	949	928
Foreign equity securities	24	23
Total	270,740	270,718

	Consolidated 31 December 2019	The Bank 31 December 2019
	Cost / AMC	Cost / AMC
	<i>(in million Baht)</i>	
<i>Held-to-maturity securities</i>		
Government and state enterprise securities	7,586	7,575
Corporate debt securities	30	326
Foreign debt securities	214	214
Total	7,830	8,115

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	Consolidated 31 December 2019 Cost <i>(in million Baht)</i>	The Bank 31 December 2019 Cost
General investments		
Domestic non-marketable equity securities	724	707
Foreign non-marketable equity securities	3,192	3,192
Total	3,916	3,899
Less allowance for impairment	(235)	(233)
Total	3,681	3,666
Total investments, net	312,065	310,505

6.2 Investments in which the Bank and its subsidiaries hold 10% or more

Consolidated				The Bank			
Number of companies	30 September 2020 <i>(in million Baht)</i>	Number of companies	31 December 2019 <i>(in million Baht)</i>	Number of companies	30 September 2020 <i>(in million Baht)</i>	Number of companies	31 December 2019 <i>(in million Baht)</i>
Others	9	8	8	8	344	8	343
	<u>1,919</u>		<u>343</u>		<u>344</u>		<u>343</u>

6.3 Investment in companies with problems in their financial positions and operating results

As at 30 September 2020, the consolidated and the Bank's aggregate cost of investments in companies with problems in their financial position and operating results amounting to Baht 279 million and Baht 276 million, respectively. These investments have zero fair value at reporting date (31 December 2019: aggregate cost of Baht 276 million and Baht 273 million, respectively with full provision for diminution in the value of securities equal to the amount by which the cost exceeds the market value of respective securities).

7 Investments in subsidiaries and associate, net

7.1 Classified by type of investment in subsidiaries and associate

	Type of business	Type of share	Direct and indirect shareholding		Consolidated Investment value				
			30 September 2020	31 December 2019	Cost method		Equity method		
			(%)	(%)	30 September 2020	31 December 2019	30 September 2020	31 December 2019	
Associate									
Sahaviriya Steel Industries PCL	Steel industry	Common	40.2	40.2	-	-	-	-	78
Total investments in associate, net					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78</u>

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	Type of business	Type of share	The Bank						
			Direct shareholding		Cost method		Dividend income for the period		
			30	31	30	31	30	30	
			September 2020	December 2019	September 2020	December 2019	September 2020	September 2019	
			(%)		(in million Baht)				
Subsidiaries									
SCB 10X Co., Ltd.*	Holding company	Common	100.0	-	5,300	-	-	-	-
Siam Commercial Myanmar Ltd.*	Banking	Common	100.0	-	4,748	-	-	-	-
Cambodian Commercial Bank Ltd.	Banking	Common	100.0	100.0	2,688	2,688	-	-	100
SCB Securities Co., Ltd.	Securities	Common	100.0	100.0	2,207	2,207	430	-	108
SCB-Julius Baer Securities Co., Ltd.	Securities	Common	60.0	60.0	1,080	1,080	-	-	-
SCB Training Centre Co., Ltd.	Training center	Common	100.0	100.0	390	390	-	-	-
SCB Asset Management Co., Ltd.	Asset management	Common	100.0	100.0	222	222	1,216	-	1,058
Monix Co., Ltd.*	Digital lending	Common	60.0	-	198	-	-	-	-
SCB Protect Co., Ltd.**	Insurance broker	Common	100.0	100.0	183	2	1	-	-
Rutchayothin Assets Management Co., Ltd.	Asset management	Common	100.0	100.0	25	25	-	-	-
SCB Plus Co., Ltd.	Collection	Common	100.0	100.0	1	1	227	-	227
SCB Abacus Co., Ltd.*****	Data analytics and digital lending	Common	-	100.0	-	250	-	-	-
Sor. Or. Kor. PCL***	Commercial	Common	-	99.7	-	583	-	-	-
							<u>1,874</u>	<u>1,493</u>	
Indirect subsidiaries									
Mahisorn Co., Ltd.****	Property management	Common	-	-	-	-	-	-	-
Digital Ventures Co., Ltd.*****	Financial technology and venture capital	Common	-	-	-	-	-	-	-
SCB Abacus Co., Ltd.*****	Data analytics and digital lending	Common	-	-	-	-	-	-	-
Purple Ventures Co., Ltd.*****	E-Commerce and digital services	Common	-	-	-	-	-	-	-
SCB-Julius Baer (Singapore) Pte. Ltd.*****	Securities	Common	-	-	-	-	-	-	-
Associate									
Sahaviriya Steel Industries PCL	Steel industry	Common	40.2	40.2	-	-	-	-	-
Total						<u>17,042</u>	<u>7,448</u>		
Less allowance for impairment						<u>(147)</u>	<u>(720)</u>		
Total investments in subsidiaries and associate, net						<u>16,895</u>	<u>6,728</u>		

* Newly established in 2020

** The Company's authorised share capital was additionally issued and paid-up in amounting to Baht 1 million and Baht 180 million in February and June 2020, respectively.

*** The Company was liquidated in March 2020

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

***** Subsidiary of SCB 10X Co., Ltd. (100% shareholding) (31 December 2019: subsidiary of SCB Securities Co., Ltd. (100% shareholding))

***** Subsidiary of SCB 10X Co., Ltd. (100% shareholding) (31 December 2019: subsidiary of Siam Commercial Bank PCL. (100% shareholding))

***** Subsidiary of SCB 10X Co., Ltd. (100% shareholding) (Newly established in 2020)

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

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

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7.2 Divestment in SCB Life Assurance PCL

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 gain 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.

8 Loans to customers and accrued interest receivables, net

8.1 Classified by type of loans

	Consolidated 30 September 2020	The Bank 30 September 2020
	<i>(in million Baht)</i>	
Loans to customers	2,170,777	2,165,360
Add accrued interest receivables and undue interest receivables	12,709	12,662
Total loans to customers and accrued interest receivables and undue interest receivables	2,183,486	2,178,022
Less modification loss	(2,458)	(2,458)
Less allowance for expected credit loss	(125,694)	(124,715)
Total	2,055,334	2,050,849

	Consolidated 31 December 2019	The Bank 31 December 2019
Loans to customers	2,113,787	2,108,876
Add accrued interest receivables	2,946	2,920
Total loans to customers and accrued interest receivables, net	2,116,733	2,111,796
Less allowance for doubtful accounts		
- Allowance established per BoT regulations		
- Individual approach	(58,631)	(57,990)
- Collective approach	(8,546)	(8,546)
- Allowance established in excess of BoT minimum regulations	(43,973)	(43,969)
Less revaluation allowance for debt restructuring	(3,122)	(3,122)
Total	2,002,461	1,998,169

8.2 Classified by stages

	Consolidated 30 September 2020	The Bank 30 September 2020
	<i>(in million Baht)</i>	
Stage 1	1,889,940	1,885,733
Stage 2	202,572	202,485
Stage 3	90,974	89,804
Total*	2,183,486	2,178,022

* Includes accrued interest receivables and undue interest receivables

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31 December 2019							
	Individual approach (All loans except for hire-purchase)				Collective approach (Hire-purchase)		Total
	Net amount used to				Loans and accrued interest receivables		
	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	1,768,195	1,734,439*	1	17,334	198,243	3,069	20,403
- Special Mention	49,103	48,122*	2	965	15,893	3,075	4,040
- Sub-Standard	34,389	18,717**	100	18,717	1,845	901	19,618
- Doubtful	16,842	5,898**	100	5,898	979	455	6,353
- Doubtful Loss	29,054	15,717**	100	15,717	2,190	1,046	16,763
Total	<u>1,897,583</u>	<u>1,822,893</u>		<u>58,631</u>	<u>219,150</u>	<u>8,546</u>	67,177
Allowance established in excess of BoT regulations							<u>43,973</u>
Total							<u>111,150</u>

The Bank							
31 December 2019							
	Individual approach (All loans except for hire-purchase)				Collective approach (Hire-purchase)		Total
	Net amount used to				Loans and accrued interest receivables		
	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	1,764,369	1,730,625*	1	17,306	198,243	3,069	20,375
- Special Mention	48,862	47,886*	2	958	15,893	3,075	4,033
- Sub-Standard	34,389	18,717**	100	18,717	1,845	901	19,618
- Doubtful	16,842	5,898**	100	5,898	979	455	6,353
- Doubtful Loss	28,184	15,111**	100	15,111	2,190	1,046	16,157
Total	<u>1,892,646</u>	<u>1,818,237</u>		<u>57,990</u>	<u>219,150</u>	<u>8,546</u>	66,536
Allowance established in excess of BoT regulations							<u>43,969</u>
Total							<u>110,505</u>

* Net of cash and near cash collateral

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

*** Excludes revaluation allowance for troubled debt restructuring

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8.3 Classified by business type and stages

	Consolidated				The Bank			
	30 September 2020				30 September 2020			
	Stage 1	Stage 2	Stage 3	Total *	Stage 1	Stage 2	Stage 3	Total *
	<i>(in million Baht)</i>							
Agriculture and mining	13,407	1,361	3,472	18,240	13,407	1,361	3,472	18,240
Manufacturing and commercial	462,477	71,822	36,899	571,198	460,331	71,743	36,623	568,697
Real estate and construction	154,061	20,433	14,160	188,654	154,013	20,433	13,356	187,802
Utilities and services	339,235	24,961	9,468	373,664	339,042	24,961	9,468	373,471
Housing loans	492,301	42,657	16,328	551,286	492,242	42,657	16,328	551,227
Others	418,455	39,698	9,582	467,735	416,711	39,691	9,521	465,923
Total *	1,879,936	200,932	89,909	2,170,777	1,875,746	200,846	88,768	2,165,360

* Excludes accrued interest receivables and undue interest receivables

	Consolidated					The Bank					Total *	
	31 December 2019					31 December 2019						
	Normal	Special Mention	Sub-Standard	Doubtful	Loss	Total *	Normal	Special Mention	Sub-Standard	Doubtful	Loss	Total *
	<i>(in million Baht)</i>											
Agriculture and mining	12,726	387	125	165	3,417	16,820	12,668	387	125	165	3,417	16,762
Manufacturing and commercial	499,219	22,273	12,163	5,921	15,325	554,901	496,853	22,037	12,163	5,921	15,325	552,299
Real estate and construction	152,772	4,214	9,734	484	2,594	169,798	152,762	4,214	9,734	484	1,789	168,983
Utilities and services	353,755	3,382	1,803	1,155	3,183	363,278	353,755	3,382	1,803	1,155	3,183	363,278
Housing loans	515,944	12,122	6,086	6,850	3,386	544,388	515,895	12,122	6,086	6,850	3,386	544,339
Others	429,295	22,486	6,243	3,246	3,332	464,602	427,966	22,486	6,243	3,246	3,274	463,215
Total *	1,963,711	64,864	36,154	17,821	31,237	2,113,787	1,959,899	64,628	36,154	17,821	30,374	2,108,876

* Excludes accrued interest receivables

8.4 Classified by type of financial instruments

	Consolidated			Total
	30 September 2020			
	Loans to customers and financial institutions*	Deposit with financial institutions*	Investments in debt instruments*	Total
	<i>(in million Baht)</i>			
Stage 1	2,428,951	40,121	311,520	2,780,592
Stage 2	202,572	-	-	202,572
Stage 3	90,974	-	-	90,974
Total	2,722,497	40,121	311,520	3,074,138

* Includes accrued interest receivables and undue interest receivables

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Consolidated					
31 December 2019					
	Loans to customers*	Loans to financial institutions*	Investments	Other assets	Total
	<i>(in million Baht)</i>				
Normal	1,966,438	385,755	-	78	2,352,271
Special Mention	64,996	8	-	77	65,081
Sub-Standard	36,234	-	-	19	36,253
Doubtful	17,821	-	-	18	17,839
Doubtful Loss	31,244	-	944	773	32,961
Total	<u>2,116,733</u>	<u>385,763</u>	<u>944</u>	<u>965</u>	<u>2,504,405</u>

* Includes accrued interest receivables

The Bank				
30 September 2020				
	Loans to customers and financial institutions*	Deposit with financial institutions*	Investments in debt instruments*	Total
	<i>(in million Baht)</i>			
Stage 1	2,426,345	33,812	311,806	2,771,963
Stage 2	202,485	-	-	202,485
Stage 3	89,804	-	-	89,804
Total	<u>2,718,634</u>	<u>33,812</u>	<u>311,806</u>	<u>3,064,252</u>

* Includes accrued interest receivables and undue interest receivable

The Bank					
31 December 2019					
	Loans to customers*	Loans to financial institutions*	Investments	Other assets	Total
	<i>(in million Baht)</i>				
Normal	1,962,612	385,755	-	78	2,348,445
Special Mention	64,755	8	-	77	64,840
Sub-Standard	36,234	-	-	19	36,253
Doubtful	17,821	-	-	18	17,839
Doubtful Loss	30,374	-	1,511	688	32,573
Total	<u>2,111,796</u>	<u>385,763</u>	<u>1,511</u>	<u>880</u>	<u>2,499,950</u>

* Includes accrued interest receivables

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8.5 Non-Performing Loans

As at 30 September 2020 and 31 December 2019, the Bank used the guidelines specified in the BoT notification number Sor Nor Sor 23/2561 dated 31 October 2018, regarding to *Regulations Asset Classification and Provisioning of a Financial Institution*, in determining Non-Performing Loans under the BoT's guideline. The amounts were as follows:

	Consolidated		The Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in million Baht)</i>			
Non-Performing Loans (net of allowance for expected credit loss / allowance for doubtful accounts)	36,601	42,761	36,290	42,498
% of Non-Performing Loans to total loans (net)	1.4	1.7	1.4	1.7
Non-Performing Loans (gross)	89,909	85,212	88,768	84,349
% of Non-Performing Loans to total loans	3.3	3.4	3.3	3.4

During the nine-month period ended 30 September 2020, the Bank sold and transferred right to receive debt payments to an Asset Management Company with a total amount of Baht 9,153 million.

9 Allowance for expected credit loss

9.1 Classified by type of financial instruments

	Consolidated			Total
	12-month ECL	Lifetime ECL, not credit- impaired	Lifetime ECL, credit- impaired	
	<i>(in million Baht)</i>			
Interbank and money market items				
Balance as at 30 September 2020	84	-	-	84
Investments in debt instruments				
Balance as at 30 September 2020	45	-	-	45
Loans to customers				
Balance as at 30 September 2020	<u>44,599</u>	<u>28,016</u>	<u>53,079</u>	<u>125,694</u>
Total	<u>44,728</u>	<u>28,016</u>	<u>53,079</u>	<u>125,823</u>

	The Bank			Total
	12-month ECL	Lifetime ECL, not credit- impaired	Lifetime ECL, credit- impaired	
	<i>(in million Baht)</i>			
Interbank and money market items				
Balance as at 30 September 2020	53	-	-	53
Investments in debt instruments				
Balance as at 30 September 2020	45	-	-	45
Loans to customers				
Balance as at 30 September 2020	<u>44,512</u>	<u>27,953</u>	<u>52,250</u>	<u>124,715</u>
Total	<u>44,610</u>	<u>27,953</u>	<u>52,250</u>	<u>124,813</u>

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9.2 Changes to the allowance for expected credit loss

	Consolidated	The Bank
	<i>(in million Baht)</i>	
At 1 January 2020	109,609	108,866
Net remeasurement	27,037	26,755
Write-off	(11,058)	(11,034)
Others	235	226
At 30 September 2020	<u>125,823</u>	<u>124,813</u>

Consolidated							
31 December 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	(256)	540	6,787	2,035	26,640	3,390	39,136
Bad debts written off	-	-	-	-	(27,779)	-	(27,779)
Others	(2)	-	-	-	-	390	388
As at 31 December 2019	<u>20,403</u>	<u>4,040</u>	<u>19,618</u>	<u>6,353</u>	<u>16,763</u>	<u>43,973</u>	<u>111,150</u>

The Bank							
31 December 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	(257)	533	6,787	2,035	26,669	3,395	39,162
Bad debts written off	-	-	-	-	(27,694)	-	(27,694)
Others	-	-	-	-	-	390	390
As at 31 December 2019	<u>20,375</u>	<u>4,033</u>	<u>19,618</u>	<u>6,353</u>	<u>16,157</u>	<u>43,969</u>	<u>110,505</u>

10 Modified loans to customers and troubled debt restructuring

The Coronavirus disease (COVID-19) outbreak that first emerged in People's Republic of China and impacts many countries globally as a pandemic. Thailand is currently facing these challenging circumstances as a result of this pandemic. While this is foremost a health crisis, the pandemic also has a significant economic impact. The Bank released measures to assist debtors affected by the COVID-19 and other economic impact by extending debt repayment and other measures. The relief measures provided by the Bank and the accounting guidance with respect to relief measures provided by BoT are disclosed in note 2.1.

The impact of the COVID-19 pandemic remains uncertain and represents a material downside risk to the economy. However, there are government and other support measures intended to mitigate the negative impact of the economy. The future uncertain events including the impact of the COVID-19 are still not reflected in the current credit models. Therefore, the management considered the impact from these uncertain events based on available information for individual customers level and industry level and recorded additional ECL as a management overlay.

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According to BoT circular number Tor Por Tor For Nor Sor (23) Wor 276/2563 dated 28 February 2020, a new definition of debt restructuring has been introduced i.e. the debt being restructured due to the increase in credit risk and is categorised as follows:

- The debt restructuring of non-NPL customers is pre-emptive restructuring, undertaken once there is an indication of performing customers having repayment problems, resulting in a loss
- The debt restructuring of NPL customers is classified as troubled debt restructuring, regardless of whether a loss has been incurred or not

However, the modification of contract resulting in changes in cash flow projection in order to maintain good relationship with customers, provided that the customer has no increase in credit risk, for instance, reducing interest rate in accordance with market conditions, will not be considered as a debt restructuring.

During the nine-month period ended 30 September 2020, the Bank and its subsidiaries have modified loans that have not resulted in derecognition, while they had a loss allowance measured at an amount equal to lifetime ECL, which excluded loans to customers modified under relief program as mentioned in note 2.1, as follows:

	Consolidated and the Bank <i>(in million Baht)</i>
<i>Loans modified during the nine-month period ended 30 September 2020</i>	
Outstanding before modification	17,582
Net modification loss	(796)
Loans modified since initial recognition	16,786
Outstanding of loans to customers previously modified for which loss allowance has changed during the period to an amount equal to 12-month ECL from lifetime	342

During the nine-month periods ended 30 September 2020 and 2019, troubled debt restructuring was as follows:

	Consolidated and the Bank							
	Outstanding debts							
	No. of accounts		Before debt restructuring		After debt restructuring		Modification loss/ Loss on debt restructuring	
	2020	2019	2020	2019	2020	2019	2020	2019
Troubled debt restructuring	5,352	8,375	7,732	16,242	7,560	16,093	172	109

(in million Baht)

As at 30 September 2020 and 31 December 2019, the Bank and its subsidiaries had outstanding balances relating to troubled debt restructuring loans as follows:

	Consolidated and the Bank			
	30 September 2020		31 December 2019	
	No. of accounts	Outstanding balances	No. of accounts	Outstanding balances
		<i>(in million Baht)</i>		<i>(in million Baht)</i>
Restructured loans which were classified as NPL	8,182	14,750	1,926	10,166
Restructured loans which were not classified as NPL	-	-	21,078	30,804
Total	8,182	14,750	23,004	40,970

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11 Fair value of financial assets and financial liabilities

11.1 Financial assets and financial liabilities measured at fair value

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

	Consolidated			Total
	Level 1	Level 2	Level 3	
	30 September 2020			
	Fair value			
	(in million Baht)			
<i>Financial assets</i>				
Financial assets measured at FVTPL	3,371	33,972	6,088	43,431
Derivative assets				
- Foreign exchange rate	-	31,392	-	31,392
- Interest rate	-	46,663	-	46,663
- Others	-	647	-	647
Total	-	78,702	-	78,702
Investments, net				
- Investments in debt instruments measured at FVOCI	-	303,896	-	303,896
- Investments in equity instruments designated at FVOCI	-	-	2,159	2,159
Total	-	303,896	2,159	306,055
Total financial assets	3,371	416,570	8,247	428,188
<i>Financial liabilities</i>				
Financial liabilities measured at FVTPL	1	-	-	1
Derivative liabilities				
- Foreign exchange rate	-	23,920	-	23,920
- Interest rate	-	44,517	-	44,517
- Others	-	232	-	232
Total	-	68,669	-	68,669
Total financial liabilities	1	68,669	-	68,670

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	The Bank			Total
	30 September 2020			
	Fair value			
	Level 1	Level 2	Level 3	
	<i>(in million Baht)</i>			
Financial assets				
Financial assets measured at FVTPL	1,871	33,834	3,846	39,551
Derivative assets				
- Foreign exchange rate	-	31,392	-	31,392
- Interest rate	-	46,663	-	46,663
- Others	-	737	-	737
Total	-	78,792	-	78,792
Investments, net				
- Investments in debt instruments measured at FVOCI	-	303,896	-	303,896
- Investments in equity instruments designated at FVOCI	-	-	2,147	2,147
Total	-	303,896	2,147	306,043
Total financial assets	1,871	416,522	5,993	424,386
Financial liabilities				
Derivative liabilities				
- Foreign exchange rate	-	23,920	-	23,920
- Interest rate	-	44,517	-	44,517
- Others	-	831	-	831
Total financial liabilities	-	69,268	-	69,268

	Consolidated			The Bank		
	31 December 2019			31 December 2019		
	Fair value			Fair value		
	Level 1	Level 2	Total	Level 1	Level 2	Total
	<i>(in million Baht)</i>					
Financial assets						
Derivative assets						
- Foreign exchange rate	-	34,989	34,989	-	34,989	34,989
- Interest rate	-	27,573	27,573	-	27,573	27,573
- Others	-	486	486	-	637	637
Total	-	63,048	63,048	-	63,199	63,199
Investments						
- Trading securities	3,192	26,622	29,814	1,592	26,414	28,006
- Available-for-sale securities	952	269,788	270,740	951	269,767	270,718
Total	4,144	296,410	300,554	2,543	296,181	298,724
Total financial assets	4,144	359,458	363,602	2,543	359,380	361,923
Financial liabilities						
Derivative liabilities						
- Foreign exchange rate	-	31,308	31,308	-	31,308	31,308
- Interest rate	-	30,297	30,297	-	30,297	30,297
- Others	-	269	269	-	320	320
Total financial liabilities	-	61,874	61,874	-	61,925	61,925

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The Bank and its subsidiaries determine Level 2 fair values for debt instruments 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. In the case of derivative assets, fair values reflect the credit risk of the counterparty.

11.2 Financial assets and financial liabilities 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 2020 and 31 December 2019 were as follows:

	Consolidated		The Bank	
	30 September 2020		30 September 2020	
	Carrying amount	Fair value Level 2	Carrying amount	Fair value Level 2
	<i>(in million Baht)</i>			
Financial assets				
Investments in debt instruments measured at AMC	7,319	8,149	7,606	8,436
	Consolidated		The Bank	
	31 December 2019		31 December 2019	
	Carrying amount	Fair value Level 2	Carrying amount	Fair value Level 2
	<i>(in million Baht)</i>			
Financial assets				
Derivative assets	84	151	84	151
Held-to-maturity securities	7,830	8,717	8,115	9,002
Financial liabilities				
Derivative liabilities	63	48	63	48

The following methods and assumptions are used in estimating fair 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. The fair value has no significant difference with the carrying amount.
Financial assets measured at FVTPL and 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 instruments with no active market price, the fair value is estimated based on the yield curve of debt securities plus a risk premium. - The fair value of listed private sector equity instruments and listed unit trust is estimated by using the bidding prices at The Stock Exchange of Thailand on the last business day of the period.

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- The fair value of non-marketable equity instruments is measured based on different measurement approach that is most appropriate to the investee's business i.e. current adjusted book value, latest round funding price and other valuation models.
- 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 instruments 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 instruments is determined based on values quoted by reliable international financial institutions.

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.

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.
- The 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:

- The fair value of deposits which are payable on demand by the depositor are equal to the carrying amount.
- Fair values for fixed-deposits are estimated using a discounted cash flow calculation that applies interest rates currently being offered on similar deposits.

Interbank and money market items (Liabilities):

- The fair value has no significant difference with the carrying amount.

Liabilities payable on demand:

- The fair value is approximated based on its carrying amount.

Financial liabilities measured at FVTPL:

- The fair value is calculated based on valuation models using market data obtained from reliable sources.

Debt issued and borrowings:

- The fair value of short-term borrowings maturing within 90 days approximated its carrying amount.
- 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.

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12 Dividends

The shareholders of the Bank have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<i>2020</i>				
Interim dividend 2019 (special)	17 January 2020	14 February 2020	0.75	2,549
Annual dividend 2019	24 March 2020	22 April 2020	4.00	13,597
Total			4.75	16,146
<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	1.50	5,099
Total			5.50	18,696

13 Assets pledged as collateral and under restriction

	Consolidated		The Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in million Baht)</i>			
Securities pledged as collateral for repurchase	23,737	58,793	23,737	58,793
Others	90	90	79	79
Total	23,827	58,883	23,816	58,872

14 Contingent liabilities

	Consolidated		The Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in million Baht)</i>			
Avals to bills	5,247	6,233	5,247	6,233
Guarantees of loans	4,602	8,037	4,218	7,270
Liability under unmatured import bills	9,600	12,138	9,479	11,987
Letters of credit	37,859	27,255	37,754	27,138
Other contingencies				
- Amount of unused bank overdrafts	204,130	184,954	203,320	184,182
- Other guarantees	183,619	216,868	182,560	215,829
- Receivables / payables from investments	14,499	9,109	14,499	9,109
- Others	70,033	46,729	62,288	46,729
Total	529,589	511,323	519,365	508,477

As at 30 September 2020, the Bank had commitments of Baht 3 million, in connection with finance companies whose operations were closed down permanently by the Ministry of Finance on 8 December 1997 (31 December 2019: Baht 3 million).

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15 Related parties

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:

15.1 Assets, liabilities and contingencies

	Consolidated		The Bank	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	<i>(in million Baht)</i>			
Subsidiaries				
Derivative assets	-	-	134	152
Investments	-	-	329	326
Loans*	-	-	1,780	-
Other assets	-	-	2,684	749
Deposits	-	-	6,742	3,690
Interbank and money market items (liabilities)	-	-	197	174
Derivative liabilities	-	-	599	50
Debt issued and borrowings	-	-	-	100
Other liabilities	-	-	6,623	804
Contingencies	-	-	4,595	1,906
Associate				
Loans*	8,307	8,387	8,307	8,387
Deposits	43	7	43	7
Contingencies	204	108	204	108
Major shareholders (more than 10% ownership)				
Deposits	9,324	9,481	9,324	9,481
Directors and key executive officers				
Loans*	105	111	105	111
Deposits	1,733	1,519	1,733	1,519
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*	10,142	23,710	10,142	23,710
Deposits	47,943	16,128	47,943	16,128
Other liabilities	-	9	-	9
Contingencies	2,323	7,771	2,323	7,771

* Before deducting allowance for expected credit loss / allowance for doubtful accounts.

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Income and expenses

<i>Three-month period ended 30 September</i>	Consolidated		The Bank	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Subsidiaries				
Interest income	-	-	5	4
Interest expenses	-	-	8	15
Other income	-	-	1,620	3,219
Other expenses	-	-	732	900
Net gains on financial instruments measured at FVTPL	-	-	239	24
Associate				
Interest income	53	56	53	56
Interest expenses	49	52	49	52
Net losses on financial instruments measured at FVTPL	(1)	(21)	(1)	(21)
Major shareholders (more than 10% ownership)				
Interest expenses	34	24	34	24
Other expenses	6	8	6	8
Directors and key executive officers				
Interest income	1	1	1	1
Interest expenses	2	3	2	3
Entities in which the directors, management or close members of their families have significant influence				
Interest income	77	396	77	396
Interest expenses	73	35	73	35
Other expenses	42	12	42	12
	Consolidated		The Bank	
<i>Nine-month period ended 30 September</i>	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Subsidiaries				
Interest income	-	-	11	7
Interest expenses	-	-	20	61
Other income	-	-	4,910	8,660
Other expenses	-	-	2,363	2,619
Net gain on financial instrument measured at FVTPL	-	-	524	19
Associate				
Interest income	200	173	200	173
Interest expenses	187	159	187	159
Net gain on financial instruments measured at FVTPL	-	107	-	107
Major shareholders (more than 10% ownership)				
Interest expenses	101	50	101	50
Other expenses	19	24	19	24

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<i>Nine-month period ended 30 September</i>	Consolidated		The Bank	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Directors and key executive officers				
Interest income	2	2	2	2
Interest expenses	7	10	7	10
Entities in which the directors, management or close members of their families have significant influence				
Interest income	258	713	258	713
Interest expenses	183	163	183	163
Other expenses	163	41	163	41

16 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>Three-month period ended 30 September</i>	Consolidated		The Bank	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Short-term employee benefits	439	372	307	284
Post-employment benefits	14	8	9	6
Termination benefits	11	-	11	-
Total	464	380	327	290

<i>Nine-month period ended 30 September</i>	Consolidated		The Bank	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Short-term employee benefits	1,992	1,588	1,632	1,280
Post-employment benefits and others	38	70	29	46
Other long-term employee benefits	4	-	-	-
Termination benefits	65	-	65	-
Total	2,099	1,658	1,726	1,326

17 Segment information

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 subsidiary companies and 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 pricing policy among business units are in line with the normal course of business.

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<i>Three-month period ended 30 September 2020</i>	Corporate Segment	SME Segment	Retail Segment	Consolidated			Total
				Insurance Segment	Others	Elimination	
				<i>(in million Baht)</i>			
Net interest income	4,149	4,099	11,866	-	3,610	-	23,724
Non-interest income, net	1,671	545	4,507	2,673	2,889	(1,524)	10,761
Total operating income	5,820	4,644	16,373	2,673	6,499	(1,524)	34,485
Total operating expenses	(2,520)	(2,586)	(8,858)	(322)	(2,440)	979	(15,747)
Profit before expected credit loss and income tax expense	3,300	2,058	7,515	2,351	4,059	(545)	18,738
Expected credit loss							(12,955)
Income tax expense							(1,204)
Net profit							4,579

<i>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	4,435	3,771	12,275	3,047	2,663	-	26,191
Non-interest income, net	1,679	866	5,088	594	65,268	(39,234)	34,261
Total operating income	6,114	4,637	17,363	3,641	67,931	(39,234)	60,452
Total operating expenses	(2,480)	(2,677)	(10,393)	(805)	(2,288)	1,080	(17,563)
Profit before impairment loss and income tax expense	3,634	1,960	6,970	2,836	65,643	(38,154)	42,889
Impairment loss							(15,273)
Income tax expense							(12,877)
Net profit							14,739

<i>Nine-month period ended 30 September 2020</i>	Corporate Segment	SME Segment	Retail Segment	Consolidated			Total
				Insurance Segment	Others	Elimination	
				<i>(in million Baht)</i>			
Net interest income	13,378	12,623	35,925	-	11,352	-	73,278
Non-interest income, net	5,510	1,753	14,158	7,907	10,736	(4,940)	35,124
Total operating income	18,888	14,376	50,083	7,907	22,088	(4,940)	108,402
Total operating expenses	(7,781)	(7,789)	(28,016)	(688)	(7,067)	3,061	(48,280)
Profit before expected credit loss and income tax expense	11,107	6,587	22,067	7,219	15,021	(1,879)	60,122
Expected credit loss							(32,416)
Income tax expense							(5,630)
Net profit							22,076

<i>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	12,970	10,696	36,023	8,538	8,214	-	76,441
Non-interest income, net	5,796	2,432	14,582	2,775	71,484	(42,447)	54,622
Total operating income	18,766	13,128	50,605	11,313	79,698	(42,447)	131,063
Total operating expenses	(7,444)	(8,198)	(30,851)	(2,393)	(6,521)	3,352	(52,055)
Profit before impairment loss and income tax expense	11,322	4,930	19,754	8,920	73,177	(39,095)	79,008
Impairment loss							(26,603)
Income tax expense							(17,562)
Net profit							34,843

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18 Financial position and results of operations classified by domestic and foreign business

18.1 Financial position classified by domestic and foreign business

	Consolidated					
	30 September 2020			31 December 2019		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Total assets	3,202,177	23,204	3,225,381	2,887,037	76,709	2,963,746
Interbank and money market items, net (Assets)	569,594	9,456	579,050	421,587	11,923	433,510
Financial asset measured at FVTPL	43,431	-	43,431	-	-	-
Investments, net *	311,509	1,865	313,374	310,536	1,607	312,143
Loans to customers and accrued interest receivables, net	2,036,387	18,947	2,055,334	1,984,799	17,662	2,002,461
Deposits	2,394,659	11,982	2,406,641	2,148,020	11,405	2,159,425
Interbank and money market items (Liabilities)	176,205	4,952	181,157	140,652	5,192	145,844
Debt issued and borrowings	11,582	60,050	71,632	20,781	57,171	77,952

	The Bank					
	30 September 2020			31 December 2019		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Total assets	3,210,560	13,885	3,224,445	2,885,151	67,296	2,952,447
Interbank and money market items, net (Assets)	570,937	3,434	574,371	421,438	5,813	427,251
Financial asset measured at FVTPL	39,551	-	39,551	-	-	-
Investments, net *	328,710	1,834	330,544	315,656	1,576	317,232
Loans to customers and accrued interest receivables, net	2,034,675	16,174	2,050,849	1,983,270	14,899	1,998,169
Deposits	2,401,032	5,642	2,406,674	2,151,661	4,828	2,156,489
Interbank and money market items (Liabilities)	176,771	4,430	181,201	140,975	4,896	145,871
Debt issued and borrowings	10,565	60,050	70,615	19,185	57,171	76,356

* Includes net investments in subsidiaries and associate

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18.2 The results of operations classified by domestic and foreign businesses

<i>Three-month period ended 30 September</i>	Consolidated							
	2020			2019				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	28,319	396	(133)	28,582	35,159	1,093	(820)	35,432
Interest expenses	(4,277)	(714)	133	(4,858)	(8,997)	(1,064)	820	(9,241)
Net interest income (expense)	24,042	(318)	-	23,724	26,162	29	-	26,191
Net fee and service income	8,538	32	-	8,570	7,354	37	-	7,391
Other operating income	2,059	157	(25)	2,191	2,849	(3)	-	2,846
Net gain on sale of investment in subsidiary	-	-	-	-	24,024	-	-	24,024
Other operating expenses	(15,612)	(160)	25	(15,747)	(17,450)	(113)	-	(17,563)
Expected credit loss	(12,871)	(84)	-	(12,955)	-	-	-	-
Impairment loss	-	-	-	-	(15,162)	(111)	-	(15,273)
Profit (loss) before income tax expense	6,156	(373)	-	5,783	27,777	(161)	-	27,616
Income tax expense	(1,195)	(9)	-	(1,204)	(12,871)	(6)	-	(12,877)
Net profit (loss)	4,961	(382)	-	4,579	14,906	(167)	-	14,739

<i>Three-month period ended 30 September</i>	The Bank							
	2020			2019				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	28,287	337	(133)	28,491	32,109	1,021	(820)	32,310
Interest expenses	(4,265)	(700)	133	(4,832)	(8,989)	(1,051)	820	(9,220)
Net interest income (expense)	24,022	(363)	-	23,659	23,120	(30)	-	23,090
Net fee and service income	7,798	11	-	7,809	7,885	15	-	7,900
Other operating income	2,265	150	-	2,415	3,102	(9)	-	3,093
Net gain on sale of investment in subsidiary	-	-	-	-	61,900	-	-	61,900
Other operating expenses	(15,082)	(89)	-	(15,171)	(16,758)	(90)	-	(16,848)
Expected credit loss	(12,855)	(14)	-	(12,869)	-	-	-	-
Impairment loss	-	-	-	-	(15,162)	(110)	-	(15,272)
Profit (loss) before income tax expense	6,148	(305)	-	5,843	64,087	(224)	-	63,863
Income tax expense	(1,084)	(4)	-	(1,088)	(12,461)	3	-	(12,458)
Net profit (loss)	5,064	(309)	-	4,755	51,626	(221)	-	51,405

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<i>Nine-month period ended 30 September</i>	Consolidated							
	2020			2019				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	88,873	1,731	(559)	90,045	102,415	3,699	(2,808)	103,306
Interest expenses	(14,992)	(2,334)	559	(16,767)	(26,172)	(3,501)	2,808	(26,865)
Net interest income (expense)	73,881	(603)	-	73,278	76,243	198	-	76,441
Net fee and service income	25,086	79	-	25,165	21,133	111	-	21,244
Other operating income	9,753	251	(45)	9,959	9,345	9	-	9,354
Net gain on sale of investment in subsidiary	-	-	-	-	24,024	-	-	24,024
Other operating expenses	(47,870)	(455)	45	(48,280)	(51,659)	(396)	-	(52,055)
Expected credit loss	(32,266)	(150)	-	(32,416)	-	-	-	-
Impairment loss	-	-	-	-	(26,497)	(106)	-	(26,603)
Profit (loss) before income tax expense	28,584	(878)	-	27,706	52,589	(184)	-	52,405
Income tax expense	(5,584)	(46)	-	(5,630)	(17,519)	(43)	-	(17,562)
Net profit (loss)	<u>23,000</u>	<u>(924)</u>	<u>-</u>	<u>22,076</u>	<u>35,070</u>	<u>(227)</u>	<u>-</u>	<u>34,843</u>

<i>Nine-month period ended 30 September</i>	The Bank							
	2020			2019				
	Domestic business	Foreign business	Elimination	Total	Domestic business	Foreign business	Elimination	Total
	<i>(in million Baht)</i>							
Interest income	88,787	1,534	(559)	89,762	93,870	3,479	(2,808)	94,541
Interest expenses	(14,946)	(2,289)	559	(16,676)	(26,156)	(3,460)	2,808	(26,808)
Net interest income (expense)	73,841	(755)	-	73,086	67,714	19	-	67,733
Net fee and service income	22,837	25	-	22,862	23,174	43	-	23,217
Other operating income	11,211	240	-	11,451	9,348	(5)	-	9,343
Net gain on sale of investment in subsidiary	-	-	-	-	61,900	-	-	61,900
Other operating expenses	(46,887)	(279)	-	(47,166)	(49,682)	(302)	-	(49,984)
Expected credit loss	(32,217)	108	-	(32,109)	-	-	-	-
Impairment loss	-	-	-	-	(26,504)	(107)	-	(26,611)
Profit (loss) before income tax expense	28,785	(661)	-	28,124	85,950	(352)	-	85,598
Income tax expense	(5,148)	(19)	-	(5,167)	(16,342)	(17)	-	(16,359)
Net profit (loss)	<u>23,637</u>	<u>(680)</u>	<u>-</u>	<u>22,957</u>	<u>69,608</u>	<u>(369)</u>	<u>-</u>	<u>69,239</u>

19 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 period ended 30 September 2020 were 21% and 19% respectively (30 September 2019: 47%* and 20% respectively).

The consolidated and the Bank's effective tax rate in respect of continuing operations for the nine-month period ended 30 September 2020 were 20% and 18% respectively (30 September 2019: 34%* and 19% respectively).

* The aforementioned increase was mainly due to gain on sale of investment in subsidiary as mentioned in Note 7.2.

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20 Basic earnings per share

<i>Three-month period ended 30 September</i>	Consolidated		The Bank	
	2020	2019	2020	2019
	<i>(in million Baht / million shares)</i>			
Profit attributable to common shareholders of the Bank (basic)	4,641	14,798	4,755	51,405
Number of common and preferred shares outstanding	3,399	3,399	3,399	3,399
Earnings per share (basic) (in Baht)	1.37	4.35	1.40	15.12
	Consolidated			
	The Bank			
<i>Nine-month period ended 30 September</i>	2020	2019	2020	2019
	<i>(in million Baht / million shares)</i>			
Profit attributable to common shareholders of the Bank (basic)	22,252	34,930	22,957	69,239
Number of common and preferred shares outstanding	3,399	3,399	3,399	3,399
Earnings per share (basic) (in Baht)	6.55	10.28	6.75	20.37

21 Events after the reporting period

21.1 On 12 October 2020, the Bank registered the conversion of 300 preferred shares to 300 common shares with the Ministry of Commerce.

21.2 At the Extraordinary General Meeting of SCB 10X Co., Ltd. No 4/2020 on 6 November 2020, the resolution approved an additional authorised share capital from Baht 5,300 million (53 million shares, par value at Baht 100 per share), to total authorised share capital of Baht 13,300 million (133 million shares, par value at Baht 100 per share). The additional authorised capital has not yet been paid up as at reporting date.