



Ref. KTB.ACC. 885/2019

May 15, 2019

To The President

The Stock Exchange of Thailand

Re : Submission of the Reviewed Financial Statements for the three-month period ended March 31, 2019

Krung Thai Bank Public Company Limited hereby submits the reviewed financial statements for the three-month period ended March 31, 2019 through SET Portal as follows:

1. The financial statements which have been reviewed by certified public accountant.
2. The Management Discussion and Analysis (MD&A) report.

Please be informed accordingly.

Sincerely yours,

*(Signed) Payong Srivanich*

Payong Srivanich

President

Benjamas Kitcharoen AVP Senior Accounting Officer

Accounting Department Tel. 0-2208-4730

(TRANSLATION)

**Auditor's Report on Review of Interim Financial Information**

**To the Shareholders of Krung Thai Bank Public Company Limited**

The Office of the Auditor General of Thailand has reviewed the accompanying consolidated and the Bank's statements of financial position as at March 31, 2019, the related consolidated and the Bank's statements of income and other comprehensive income, statements of changes in equity and statements of cash flows for the three-month period then ended, and condensed notes to the financial statements of Krung Thai Bank Public Company Limited and its subsidiaries and of Krung Thai Bank Public Company Limited, respectively. The Bank's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting". The responsibility of the Office of the Auditor General of Thailand is to express a conclusion on this interim financial information based on the review.

**Scope of Review**

The Office of the Auditor General of Thailand conducted the 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 the Office of the Auditor General of Thailand to obtain assurance that the Office of the Auditor General of Thailand would become aware of all significant matters that might be identified in an audit. Accordingly, the Office of the Auditor General of Thailand does not express an audit opinion on the reviewed interim financial information.

**Conclusion**

Based on the reviews, nothing has come to the attention that causes the Office of the Auditor General of Thailand to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".

*(Signed)* *Pornchai Jumroonpanichkul*  
(Pornchai Jumroonpanichkul)  
Deputy Auditor General

*(Signed)* *Nusara Hussadee*  
(Nusara Hussadee)  
Auditor, Senior Professional Level  
Acting Director of Financial and Procurement Audit Office No.4

(TRANSLATION)

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**KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH, 2019**

(Thousand Baht)

	NOTE	CONSOLIDATED		THE BANK'S	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		MARCH 31, 2019	DECEMBER 31, 2018	MARCH 31, 2019	DECEMBER 31, 2018
		(UNAUDITED/ REVIEWED)	(AUDITED)	(UNAUDITED/ REVIEWED)	(AUDITED)
<b>ASSETS</b>					
CASH		62,119,344	68,878,125	61,951,733	68,661,544
INTERBANK AND MONEY MARKET ITEMS, NET		424,454,239	372,513,779	423,572,955	371,763,700
CLAIMS ON SECURITIES		72,544,300	33,595,200	72,544,300	33,595,200
DERIVATIVES ASSETS	6.2	37,205,991	36,229,566	37,206,997	36,231,033
INVESTMENTS, NET	6.3	268,525,688	223,332,594	268,620,148	223,228,712
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, NET	6.4	18,342,540	16,834,298	10,697,855	10,697,855
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	6.5				
LOANS TO CUSTOMERS		2,033,640,355	2,025,130,041	1,959,615,858	1,948,747,872
ACCRUED INTEREST RECEIVABLES		5,753,333	5,424,063	5,225,728	4,877,860
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES		2,039,393,688	2,030,554,104	1,964,841,586	1,953,625,732
LESS DEFERRED REVENUE		(760,955)	(925,374)	(29,238)	(45,990)
LESS ALLOWANCE FOR DOUBTFUL ACCOUNTS	6.6	(139,043,737)	(133,754,394)	(130,790,923)	(125,339,870)
TOTAL LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET		1,899,588,996	1,895,874,336	1,834,021,425	1,828,239,872
CUSTOMERS' LIABILITIES UNDER ACCEPTANCES		200,041	208,030	200,041	208,030
PROPERTIES FOR SALE, NET	6.8	32,729,216	35,983,101	32,710,128	35,912,796
PREMISES AND EQUIPMENT, NET		26,515,558	26,501,196	24,464,452	24,592,840
OTHER INTANGIBLE ASSETS, NET		3,819,878	3,943,802	1,001,010	994,705
DEFERRED TAX ASSETS	6.9	4,991,895	5,127,961	2,599,736	2,666,690
ACCRUED INCOME		2,843,478	3,837,229	3,231,702	3,627,623
OTHER ASSETS, NET		30,232,845	16,343,974	29,454,280	15,760,774
TOTAL ASSETS		2,884,114,009	2,739,203,191	2,802,276,762	2,656,181,374
<b>LIABILITIES AND EQUITY</b>					
DEPOSITS		2,077,071,058	2,039,601,901	2,080,372,694	2,042,947,825
INTERBANK AND MONEY MARKET ITEMS, NET		201,438,922	157,395,930	200,870,829	151,999,937
LIABILITIES PAYABLE ON DEMAND		6,037,505	5,579,659	6,037,505	5,579,659
LIABILITIES TO DELIVER SECURITIES		72,564,207	33,595,200	72,564,207	33,595,200
DERIVATIVES LIABILITIES	6.2	35,176,738	32,345,613	35,176,738	32,345,613
DEBT ISSUED AND BORROWINGS	6.10	96,853,640	95,205,510	50,069,240	50,521,110
BANK'S LIABILITIES UNDER ACCEPTANCES		200,041	208,030	200,041	208,030
PROVISIONS		12,133,252	11,837,740	10,992,932	10,734,911
OTHER LIABILITIES		58,667,405	49,292,505	51,379,991	40,743,911
TOTAL LIABILITIES		2,560,142,768	2,425,062,088	2,507,664,177	2,368,676,196

NOTES TO THE INTERIM FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 MARCH, 2019

		(Thousand Baht)			
	NOTE	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		MARCH 31, 2019 (UNAUDITED/ REVIEWED)	DECEMBER 31, 2018 (AUDITED)	MARCH 31, 2019 (UNAUDITED/ REVIEWED)	DECEMBER 31, 2018 (AUDITED)
<b>LIABILITIES AND EQUITY (CONTINUED)</b>					
EQUITY					
SHARE CAPITAL	6.11				
AUTHORIZED SHARE CAPITAL					
5,500,000 PREFERRED SHARES OF BAHT 5.15 EACH		28,325	28,325	28,325	28,325
13,976,061,250 ORDINARY SHARES OF BAHT 5.15 EACH		71,976,715	71,976,715	71,976,715	71,976,715
ISSUED AND PAID-UP SHARE CAPITAL					
5,500,000 PREFERRED SHARES OF BAHT 5.15 EACH		28,325	28,325	28,325	28,325
13,976,061,250 ORDINARY SHARES OF BAHT 5.15 EACH		71,976,715	71,976,715	71,976,715	71,976,715
PREMIUM ON SHARE CAPITAL					
PREMIUM ON ORDINARY SHARE		20,833,734	20,833,734	20,833,734	20,833,734
OTHER COMPONENTS OF EQUITY		20,800,001	19,074,388	15,499,192	14,970,218
RETAINED EARNINGS					
APPROPRIATED					
LEGAL RESERVE	6.12	7,200,504	7,200,504	7,200,504	7,200,504
UNAPPROPRIATED		194,062,865	186,761,783	179,074,115	172,495,682
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		314,902,144	305,875,449	294,612,585	287,505,178
NON-CONTROLLING INTEREST		9,069,097	8,265,654		
TOTAL EQUITY		323,971,241	314,141,103	294,612,585	287,505,178
TOTAL LIABILITIES AND EQUITY		2,884,114,009	2,739,203,191	2,802,276,762	2,656,181,374

NOTES TO THE INTERIM FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Vichai Assarasakorn  
VICHAI ASSARASAKORN  
CHAIRMAN OF THE AUDIT COMMITTEE

(Signed) Payong Srivanich  
PAYONG SRIVANICH  
PRESIDENT

(TRANSLATION)

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**KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

UNAUDITED/  
REVIEWED

	NOTE	(Thousand Baht)			
		CONSOLIDATED		THE BANK'S	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
INTEREST INCOME	6.18	33,377,426	29,505,184	29,859,881	26,193,081
INTEREST EXPENSES	6.19	8,736,287	8,964,873	8,368,714	8,584,037
INTEREST INCOME, NET		24,641,139	20,540,311	21,491,167	17,609,044
FEEES AND SERVICE INCOME		7,077,534	7,590,175	5,539,849	6,065,818
FEEES AND SERVICE EXPENSES		1,442,276	1,431,496	997,044	1,050,457
FEEES AND SERVICE INCOME, NET		5,635,258	6,158,679	4,542,805	5,015,361
GAINS ON TRADINGS AND FOREIGN EXCHANGE TRANSACTIONS, NET		995,119	909,750	995,151	907,757
GAINS ON INVESTMENTS, NET		335,300	114,671	335,300	114,671
SHARE OF PROFIT FROM INVESTMENTS FOR USING EQUITY METHOD		317,602	583,474	-	-
DIVIDEND INCOME		116,292	101,152	796,372	101,152
OTHER OPERATING INCOME		1,531,143	1,111,393	519,997	104,913
TOTAL OPERATING INCOME		33,571,853	29,519,430	28,680,792	23,852,898
OTHER OPERATING EXPENSES					
EMPLOYEES' EXPENSES		7,137,023	8,021,045	5,713,601	6,657,231
DIRECTORS' REMUNERATION		15,415	10,099	6,448	6,300
PREMISES AND EQUIPMENT EXPENSES		2,194,534	2,169,805	1,244,956	1,242,772
TAXES AND DUTIES		1,117,225	1,046,597	983,961	919,544
IMPAIRMENT LOSS OF PROPERTIES FOR CLOSED		3,769,375	293,737	3,790,481	293,483
OTHERS		1,962,800	1,983,418	2,902,303	2,769,210
TOTAL OTHER OPERATING EXPENSES		16,196,372	13,524,701	14,641,750	11,888,540
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES		7,329,818	6,908,026	6,000,001	5,500,511
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES		10,045,663	9,086,703	8,039,041	6,463,847
INCOME TAX EXPENSES	6.20	1,941,138	1,689,064	1,460,608	1,306,104
NET PROFIT		8,104,525	7,397,639	6,578,433	5,157,743

NOTES TO THE INTERIM FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(TRANSLATION)

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KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)  
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

UNAUDITED/  
REVIEWED

(Thousand Baht)

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2019	2018	2019	2018
OTHER COMPREHENSIVE INCOME				
ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS				
GAINS (LOSSES) ON REMEASURING AVAILABLE-FOR-SALE INVESTMENTS	648,504	(752,807)	641,005	(752,807)
GAINS (LOSSES) ARISING FROM TRANSLATING THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS	16,170	(123,990)	16,170	(123,990)
SHARE OF OTHER COMPREHENSIVE INCOME OF ASSOCIATES (EQUITY METHOD)				
WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	1,190,640	(1,039,963)	-	-
INCOME TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME				
WILL BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS	(129,701)	150,561	(128,201)	150,561
OTHER COMPREHENSIVE INCOME, NET	1,725,613	(1,766,199)	528,974	(726,236)
TOTAL COMPREHENSIVE INCOME	9,830,138	5,631,440	7,107,407	4,431,507
NET PROFIT ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	7,301,082	6,786,536	6,578,433	5,157,743
NON-CONTROLLING INTEREST	803,443	611,103		
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE				
EQUITY HOLDERS OF THE BANK	9,026,695	5,020,337	7,107,407	4,431,507
NON-CONTROLLING INTEREST	803,443	611,103		
EARNINGS PER SHARE OF PARENT COMPANY				
BASIC EARNINGS PER SHARE (BAHT)	0.52	0.49	0.47	0.37

NOTES TO THE INTERIM FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Vichai Assarasakorn  
VICHAI ASSARASAKORN  
CHAIRMAN OF THE AUDIT COMMITTEE

(Signed) Payong Srivanich  
PAYONG SRIVANICH  
PRESIDENT

UNAUDITED/  
REVIEWED

**KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2019**

(Thousand Baht)

CONSOLIDATED FINANCIAL STATEMENTS													NON- CONTROLLING INTEREST	TOTAL	
ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK											TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK				
ISSUED AND PAID-UP SHARE CAPITAL	PREMIUM ON SHARE CAPITAL	APPRAISAL SURPLUS (DEFICIT) ON ASSETS	REVALUATION SURPLUS (DEFICIT) ON INVESTMENTS	GAINS (LOSS) FROM RECLASSIFICATION OF INVESTMENTS	GAIN (LOSS) FROM TRANSLATING THE FINANCIAL STATEMENTS	SHARE OF OTHER COMPREHENSIVE INCOME OF ASSOCIATES	RETAINED EARNINGS	OTHER COMPONENTS OF EQUITY							
<b>BEGINNING BALANCE AS AT JANUARY 1, 2018</b>	72,005,040	20,833,734	8,356,992	6,090,218	644,353	6,719,698	173,103,741	287,861,255	6,357,688	294,218,943					
TOTAL COMPREHENSIVE INCOME	-	-	(602,246)	-	(123,990)	(1,039,963)	6,786,536	5,020,337	611,103	5,631,440					
<b>ENDING BALANCE AS AT MARCH 31, 2018</b>	72,005,040	20,833,734	8,356,992	5,487,972	644,353	5,679,735	179,890,277	292,881,592	6,968,791	299,850,383					
<b>BEGINNING BALANCE AS AT JANUARY 1, 2019</b>	72,005,040	20,833,734	8,350,437	6,265,396	644,353	3,914,071	193,962,287	305,875,449	8,265,654	314,141,103					
TOTAL COMPREHENSIVE INCOME	-	-	518,803	-	16,170	1,190,640	7,301,082	9,026,695	803,443	9,830,138					
<b>ENDING BALANCE AS AT MARCH 31, 2019</b>	72,005,040	20,833,734	8,350,437	6,784,199	644,353	5,104,711	201,263,369	314,902,144	9,069,097	323,971,241					

NOTES TO THE INTERIM FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.



**KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE - MONTH PERIOD ENDED MARCH 31, 2019**

UNAUDITED/  
REVIEWED

(Thousand Baht)

**THE BANK'S FINANCIAL STATEMENTS**

ISSUED AND PAID-UP SHARE CAPITAL	PREMIUM		OTHER COMPONENTS OF EQUITY				RETAINED EARNINGS	TOTAL
	ON SHARE CAPITAL	ON ASSETS (DEFICIT)	APPRAISAL SURPLUS (DEFICIT) ON ASSETS	REVALUATION SURPLUS (DEFICIT) ON INVESTMENTS	GAINS (LOSS) FROM RECLASSIFICATION OF INVESTMENTS	GAIN (LOSS) FROM TRANSLATING THE FINANCIAL STATEMENTS		
<b>BEGINNING BALANCE AS AT JANUARY 1, 2018</b>	72,005,040	20,833,734	8,356,992	5,907,145	644,353	107,479	162,274,408	270,129,151
TOTAL COMPREHENSIVE INCOME	-	-	-	(602,246)	-	(123,990)	5,157,743	4,431,507
<b>ENDING BALANCE AS AT MARCH 31, 2018</b>	72,005,040	20,833,734	8,356,992	5,304,899	644,353	(16,511)	167,432,151	274,560,658
<b>BEGINNING BALANCE AS AT JANUARY 1, 2019</b>	72,005,040	20,833,734	8,350,437	6,075,297	644,353	(99,869)	179,696,186	287,505,178
TOTAL COMPREHENSIVE INCOME	-	-	-	512,804	-	16,170	6,578,433	7,107,407
<b>ENDING BALANCE AS AT MARCH 31, 2019</b>	72,005,040	20,833,734	8,350,437	6,588,101	644,353	(83,699)	186,274,619	294,612,585

NOTES TO THE INTERIM FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Vichai Assarasakorn

VICHAI ASSARASAKORN

CHAIRMAN OF THE AUDIT COMMITTEE

(Signed) Payong Srivanich

PAYONG SRIVANICH

PRESIDENT

**KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

	(Thousand Baht)			
	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2019	2018	2019	2018
		(RESTATED)		(RESTATED)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	10,045,663	9,086,703	8,039,041	6,463,847
ADJUSTMENTS TO RECONCILE PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES				
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
DEPRECIATION AND AMORTIZATION EXPENSES	664,599	698,883	308,212	326,612
BAD DEBTS, DOUBTFUL ACCOUNTS AND LOSS ON IMPAIRMENT	7,329,818	6,908,026	6,000,001	5,500,511
SHARE OF PROFIT FROM INVESTMENTS FOR USING EQUITY METHOD	(317,602)	(583,474)	-	-
GAIN ON DISPOSAL OF ASSETS	(248)	(222)	(133)	(485)
GAIN ON DISPOSAL OF INVESTMENTS	(335,300)	(114,671)	(335,300)	(114,671)
(GAIN) LOSS ON REVALUATION OF INVESTMENTS	(38,686)	128,278	(38,686)	128,278
LOSS ON IMPAIRMENT OF PROPERTIES FOR SALE	3,769,375	293,737	3,790,481	293,483
LOSS ON IMPAIRMENT OF OTHER ASSETS	94,213	126,919	94,213	126,919
AMORTIZATION OF PREMIUM ON INVESTMENTS	186,690	31,844	189,391	32,401
(GAIN) LOSS ON FOREIGN CURRENCY TRANSLATION	4,448,576	(371,099)	4,448,579	(371,108)
INCREASE IN PROVISIONS	260,368	203,801	258,021	332,436
(INCREASE) DECREASE IN OTHER ACCRUED INCOME	1,478,420	(200,856)	880,590	(222,237)
DECREASE IN OTHER ACCRUED EXPENSES	(4,133,200)	(2,969,813)	(3,614,354)	(1,453,135)
	23,452,686	13,238,056	20,020,056	11,042,851
INTEREST INCOME, NET	(24,641,139)	(20,540,311)	(21,491,167)	(17,609,044)
DIVIDEND INCOME	(116,292)	(101,152)	(796,372)	(101,152)
PROCEEDS FROM INTEREST INCOME	33,338,648	29,864,794	29,802,505	26,528,581
CASH PAID ON INTEREST EXPENSES	(9,320,832)	(9,411,209)	(8,918,632)	(9,099,504)
PROCEEDS FROM DIVIDEND INCOME	52,765	36,717	52,765	36,717
CASH PAID ON INCOME TAX EXPENSES	(231,487)	(274,220)	(129,661)	(176,547)
PROFIT FROM OPERATION BEFORE CHANGES IN				
OPERATING ASSETS AND LIABILITIES	22,534,349	12,812,675	18,539,494	10,621,902
(INCREASE) DECREASE IN OPERATING ASSETS				
INTERBANK AND MONEY MARKET ITEMS	(51,972,014)	(35,638,876)	(51,840,808)	(35,659,150)
CLAIMS ON SECURITIES	(38,949,100)	(24,939,800)	(38,949,100)	(24,939,800)
INVESTMENTS IN TRADING SECURITIES	(14,797,275)	(6,028,104)	(14,797,275)	(6,028,104)
LOANS TO CUSTOMERS	(12,193,102)	4,865,283	(12,911,580)	3,588,500
PROPERTIES FOR SALE	499,717	917,697	424,518	922,247
OTHER ASSETS	(18,885,590)	(15,208,076)	(18,009,664)	(15,053,353)
INCREASE (DECREASE) IN OPERATING LIABILITIES				
DEPOSITS	37,469,157	(37,806,609)	37,424,869	(38,180,054)
INTERBANK AND MONEY MARKET ITEMS	44,042,992	21,547,640	48,870,892	27,233,199
LIABILITIES PAYABLE ON DEMAND	457,846	6,355,112	457,846	6,355,112
LIABILITIES TO DELIVER SECURITIES	38,969,007	25,941,131	38,969,007	25,941,131
DEBT ISSUED AND SHORT-TERM BORROWINGS	-	187,391	-	187,391
OTHER LIABILITIES	14,998,912	13,476,329	16,138,995	12,849,890
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	22,174,899	(33,518,207)	24,317,194	(32,161,089)

NOTES TO THE INTERIM FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

**KRUNG THAI BANK PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019**

	CONSOLIDATED		(Thousand Baht)	
	FINANCIAL STATEMENTS		THE BANK'S	
	2019	2018	2019	2018
		(RESTATED)		(RESTATED)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
PURCHASES OF AVAILABLE FOR SALE SECURITIES	(61,556,761)	(62,765,276)	(62,207,361)	(62,765,276)
PROCEEDS FROM DISPOSAL OF AVAILABLE FOR SALE SECURITIES	31,149,975	59,589,500	31,800,575	59,402,888
PURCHASES OF HELD TO MATURITY DEBT SECURITIES	(1,019,633)	(689,008)	(796,175)	(447,182)
PROCEEDS FROM DISPOSAL OF HELD TO MATURITY DEBT SECURITIES	782,037	33,347,098	350,036	33,103,098
PURCHASES OF GENERAL INVESTMENTS	(30,874)	(49,955)	(30,874)	(49,955)
PROCEEDS FROM DISPOSAL OF GENERAL INVESTMENTS	7,117	43,917	7,117	43,917
PURCHASES OF INTANGIBLE ASSETS	(120,920)	(74,384)	(49,931)	(41,897)
PURCHASES OF PREMISES AND EQUIPMENT	(269,335)	(195,673)	(116,695)	(54,555)
PROCEEDS FROM DISPOSAL OF PREMISES AND EQUIPMENT	8,544	3,327	133	485
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>(31,049,850)</u>	<u>29,209,546</u>	<u>(31,043,175)</u>	<u>29,191,523</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
PROCEEDS FROM DEBT ISSUED AND LONG-TERM BORROWINGS	2,500,000	2,060,378	-	-
REPAYMENTS OF DEBT ISSUED AND LONG-TERM BORROWINGS	(400,000)	(800,000)	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>2,100,000</u>	<u>1,260,378</u>	<u>-</u>	<u>-</u>
(GAIN) LOSS ON ARISING FROM TRANSLATING THE FINANCIAL STATEMENTS OF FOREIGN OPERATIONS	16,170	(123,990)	16,170	(123,990)
DECREASE IN CASH AND CASH EQUIVALENTS	(6,758,781)	(3,172,273)	(6,709,811)	(3,093,556)
BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS	68,878,125	73,572,868	68,661,544	73,334,740
ENDING BALANCE OF CASH AND CASH EQUIVALENTS	<u>62,119,344</u>	<u>70,400,595</u>	<u>61,951,733</u>	<u>70,241,184</u>

NOTES TO THE INTERIM FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

(Signed) Vichai Assarasakorn  
**VICHAI ASSARASAKORN**  
**CHAIRMAN OF THE AUDIT COMMITTEE**

(Signed) Payong Srivanich  
**PAYONG SRIVANICH**  
**PRESIDENT**

**KRUNG THAI BANK PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019 (UNAUDITED/REVIEWED)**

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**1. GENERAL INFORMATION**

Krung Thai Bank Public Company Limited (the Bank) is a public company limited registered in the Kingdom of Thailand with its head office located at 35 Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok. The Bank engages in commercial banking business and conducts its business through a nationwide branch network and in certain major centers of the world.

**2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENT**

**2.1 Preparation of the Interim Financial Statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2017) Interim Financial Reporting, by choosing to present the interim financial statements for transactions occurred on the statement of financial position, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows as on the annual financial statements. Notes to the interim financial statements disclosed significant information.

The interim financial statements are prepared to update the information from the financial statements for the year ended December 31, 2017. Accordingly, these interim financial statements should be used together with that mentioned financial statements.

**2.2 Basis of Preparation of the Consolidated and the Bank's Financial Statements**

The consolidated and the Bank's financial statements are presented in accordance with the Notification of the Bank of Thailand (BoT) No. SOR NOR SOR.21/2558 dated December 4, 2015, regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Parent Companies of Financial Holding Groups, including any other supplementary BoT's notifications; and with the regulations of the Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the Preparation and Submission of Financial Statements and Report on Financial Position and Results of Business Operations of Listed Companies, B.E. 2560 (2017). Moreover, these financial statements are prepared in conformity with generally accepted accounting principles, under Accounting Act B.E. 2543 (2000).

The Consolidated Financial Statements

The consolidated financial statements comprise the accounts of the Bank and its subsidiaries in which the Bank is a controlling interest after eliminating material intercompany transactions and balances. The 7 consolidated subsidiaries are KTB Law Co., Ltd., KTB General Services and Security Co., Ltd., Krung Thai Asset Management Pcl., KTB Computer Services Co., Ltd., KTB Leasing Co., Ltd., KTB Advisory Co., Ltd., and Krungthai Card Pcl.

Percentages of shareholdings and investments in the Bank's subsidiaries and associates are shown in Note 6.4.

Investments in associates are accounted in the consolidated financial statements using the equity method.

## 2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENT (Continued)

### 2.2 Basis of Preparation of the Consolidated and the Bank's Financial Statements (Continued)

#### The Bank's Financial Statements

Investments in subsidiaries and associates are accounted in the Bank's financial statements using the cost method.

The Bank's financial statements for the three-month period ended March 31, 2019 and 2018 and for the year ended December 31, 2018 included the accounts of domestic and foreign branches, after eliminating the effects of all interbranch transactions.

#### The English Translation of Financial Statements

This English translation of financial statement has been prepared from the statutory financial statements that were issued in Thai language. In case of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

### 2.2 Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) Effective in Current Period

The Bank has adopted Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), TSIC Interpretations and TFRIC Interpretations that announced and revised in accordance with the Federation of Accounting Professions, those are effective for the financial statements of the period beginning on or after January 1, 2018. The Bank administrators have considered to constitute no significant impacts on the Bank's accounting policies, and the Bank's and its subsidiaries' financial statements.

### 2.3 The New and Revised Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) announced but not yet Effective.

The Federation of Accounting Professions has announced Thai Accounting Standards (TAS), Thai Financial Reporting Standards (TFRS), IFRIC Interpretations and Thai Accounting Guidances that are relevant to the Bank. Effective for the financial statements period beginning on or after January 1, 2020 as follows:

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

Thai Accounting Standards (TAS) and Thai Financial Reporting Standards (TFRS) stated above will have impacts on the Bank's financial statements in relation to the classification, the measurement of financial assets and liabilities, the impairment calculation of financial instruments and the presentation and disclosure of financial instruments at the effective mentioned above. In preparing of adopting of such TAS, TFRS and IFRIC mentioned above the Bank has set up the working group on policies, operation process management, and implementing plan. The Bank is in the preparation process for adoption of such TAS and TFRS mentioned above according to the effective date.

TFRS 16	Leases
Thai Accounting Guidances	Financial instruments and Presentation for Insurance business

The Bank administrators have considered not to constitute no significant impacts on the Bank's accounting policies and its subsidiaries' financial statements.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The Bank uses the same accounting policies and estimation methods for the interim financial statements as for the financial statements for the year ended December 31, 2018.

### 4. Risk Management

As at March 31, 2019 and December 31, 2018, the Bank has calculated the capital fund in accordance with the BOT's Basel III Framework. Since 2016, which is required the commercial banks that registered in Thailand to maintain the additional common equity Tier 1 ratio more than minimum capital fund 2.5 percent of total Risk-Weighted Assets by gradually maintained the additional more than 0.625 percent of each year, beginning from January 1, 2016 until fully amount on January 1, 2019.

The Bank of Thailand (BOT) guidelines for higher loss absorbency for domestic systemically important banks (D-SIBs), the commercial bank that has been classified under D-SIBs is required to maintain an additional higher loss absorbency of 0.5% of total risk weighted assets from January 1, 2019 and increase to 1.0% of total risk weighted assets from January 1, 2020 onwards.

#### Capital Adequacy Ratios

	<u>2019</u>	<u>2018</u>
	<u>More than %</u>	<u>More than %</u>
Common Equity Tier 1 Ratio	7.50	6.375
Tier 1 capital fund ratio	9.00	7.875
Capital Adequacy Ratio	11.50	10.375

Capital fund and Capital adequacy ratio information as at March 31, 2019 is preliminary information prepared by criteria and methodologies, that prescribed by the BOT, which is required the Bank to prepare and submit the information to the BOT within 3 months from the end of the quarter including disclose the information as at June 30 and December 31 of each year via the Bank's Web Site. For the comparable information as at December 31, 2018 already submitted to the BOT as follow.

	(Million Baht)	
	<u>Financial Business Groups</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Common Equity Tier 1		
Paid-up share capital	72,005.04	72,005.04
Premium on share capital	20,833.74	20,833.74
Legal reserve	7,200.50	7,200.50
Net income after appropriation	174,631.23	174,631.23
Other components of equity	20,783.58	19,063.98
Capital deduction items on common equity Tier 1	(9,620.59)	(9,721.13)
Tier 1 capital fund - financial instruments	1,131.95	968.79
Total tier 1 capital fund	<u>286,965.45</u>	<u>284,982.15</u>
Tier 2 capital fund		
Long-term subordinated debt	51,810.16	51,810.16
Allowance for assets classified as normal	21,722.54	21,908.25
Total tier 2 capital fund	<u>73,532.70</u>	<u>73,718.41</u>
Total capital fund	<u><u>360,498.15</u></u>	<u><u>358,700.56</u></u>

**4.3 Capital Requirements (Continued)**

(Million Baht)

	<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Common equity Tier 1		
Paid-up share capital	72,005.04	72,005.04
Premium on share capital	20,833.74	20,833.74
Legal reserve	7,200.50	7,200.50
Net income after appropriation	162,860.95	162,860.95
Other components of equity	15,494.79	14,965.81
Capital deduction items on common equity Tier 1	(5,790.12)	(5,850.76)
Total tier 1 capital fund	<u>272,604.90</u>	<u>272,015.28</u>
Tier 2 capital fund		
Long-term subordinated debt	51,810.16	51,810.16
Allowance for assets classified as normal	21,140.17	21,045.98
Total tier 2 capital fund	<u>72,950.33</u>	<u>72,856.14</u>
Total capital fund	<u>345,555.23</u>	<u>344,871.42</u>

Capital Adequacy Ratio

	<u>Financial Business Groups</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Common equity Tier 1 ratio	14.60	14.42	14.29	14.35
Tier 1 capital fund ratio	14.66	14.47	14.29	14.35
Capital adequacy ratio	18.41	18.22	18.12	18.19

The Bank discloses information about capital requirements of the Bank and financial business groups under the BOT's Notifications regarding the Disclosure of Capital Requirements of Commercial Banks and regarding the Disclosure of Capital Requirement of the Financial Business Group.

Channel of disclosure	<a href="http://www.ktb.co.th">www.ktb.co.th</a> >Investor Relations>Financial Information> Basel III Disclosures
Date of disclosure	April 30, 2019
Information as at	December 31, 2018

## 5. ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Thai financial reporting standards requires managements to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future period affected. Information about significant areas at estimation uncertainty and assumptions in applying accounting policies that have a significant effect on the amounts recognized in the financial statements.

## 6. SUPPLEMENTARY INFORMATION

### 6.1. Supplementary Information of Cash Flows

#### 6.1.1 Significant non-cash items for the three-month period ended March 31, 2019 and 2018 are as follows:

	(Million Baht)			
	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>March 31, 2018</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Increase (decrease) in revaluation surplus on available-for-sale investments net income tax expenses	518.80	(602.25)	512.80	(602.25)
Increase in properties for sale from loans payment	1,026.02	622.55	1,026.02	622.55

#### 6.1.2 Disclosures of Related change in Liabilities from Financing Activities

	(Million Baht)			
	<u>Consolidated Financial Statements</u>			
<u>Item</u>	<u>January 1, 2019</u>	<u>Cash Flows From Financing Activities</u>	<u>None-Cash Item Exchange Rate Conversion</u>	<u>March 31, 2019</u>
Debt Issued and Borrowings	95,205.51	2,100.00	(451.87)	96,853.64
<b>Total</b>	<b>95,205.51</b>	<b>2,100.00</b>	<b>(451.87)</b>	<b>96,853.64</b>

	(Million Baht)			
	<u>The Bank's Financial Statements</u>			
<u>Item</u>	<u>January 1, 2019</u>	<u>Cash Flows From Financing Activities</u>	<u>None-Cash Item Exchange Rate Conversion</u>	<u>March 31, 2019</u>
Debt Issued and Borrowings	50,521.11	-	(451.87)	50,069.24
<b>Total</b>	<b>50,521.11</b>	<b>-</b>	<b>(451.87)</b>	<b>50,069.24</b>



**6.2 Derivatives Held for Trading****The Fair Values and the Notional Amounts Classified by Type of Risk**

(Million Baht)

Type of Risk	Consolidated Financial Statements					
	March 31, 2019			December 31, 2018		
	Fair Value		Notional Amounts	Fair Value		Notional Amounts
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	23,805.37	21,869.25	2,071,949.21	23,368.23	18,779.56	2,214,299.83
Interest rate	9,236.92	8,662.47	1,897,227.46	6,739.14	7,037.15	1,784,644.83
Others	4,163.70	4,645.02	117,662.05	6,122.20	6,528.90	111,623.79
<b>Total</b>	<b>37,205.99</b>	<b>35,176.74</b>	<b>4,086,838.72</b>	<b>36,229.57</b>	<b>32,345.61</b>	<b>4,110,568.45</b>

(Million Baht)

Type of Risk	The Bank's Financial Statements					
	March 31, 2019			December 31, 2018		
	Fair Value		Notional Amounts	Fair Value		Notional Amounts
	Assets	Liabilities		Assets	Liabilities	
Exchange rate	23,805.37	21,869.25	2,071,949.21	23,368.23	18,779.56	2,214,299.83
Interest rate	9,237.93	8,662.47	1,897,459.59	6,740.60	7,037.15	1,784,982.84
Others	4,163.70	4,645.02	117,662.05	6,122.20	6,528.90	111,623.78
<b>Total</b>	<b>37,207.00</b>	<b>35,176.74</b>	<b>4,087,070.85</b>	<b>36,231.03</b>	<b>32,345.61</b>	<b>4,110,906.45</b>

**The Proportion of Derivative Transactions Classified by Type of Counterparty based on the Notional Amounts**

Counterparty	Consolidated Financial Statements		The Bank's Financial Statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
	Proportion	Proportion	Proportion	Proportion
Financial institutions	74.15%	75.18%	74.14%	75.18%
Group companies	0.25%	0.26%	0.26%	0.27%
Third parties	25.60%	24.56%	25.60%	24.55%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

**6.3 Investments, Net**

(Million Baht)

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>
	<u>Fair Value</u>	<u>Fair Value</u>	<u>Fair Value</u>	<u>Fair Value</u>
<b>7.3.1 Trading Securities</b>				
Government and state enterprises securities	27,290.71	15,670.50	27,290.71	15,670.50
Private enterprises debt securities	2,629.54	239.95	2,629.54	239.95
Foreign debt securities	8,043.28	7,452.93	8,043.28	7,452.93
<b>Total</b>	<b>37,963.53</b>	<b>23,363.38</b>	<b>37,963.53</b>	<b>23,363.38</b>
<b>7.3.2 Available-for-Sale Securities</b>				
Government and state enterprises securities	158,256.49	132,192.80	158,256.49	132,192.80
Private enterprises debt securities	14,529.57	14,045.36	15,163.89	14,687.18
Foreign debt securities	38,368.33	35,046.70	38,368.33	35,046.70
Domestic marketable equity securities	15,611.01	15,133.22	15,611.01	15,133.22
Foreign marketable equity securities	376.89	382.34	376.89	382.34
<b>Total</b>	<b>227,142.29</b>	<b>196,800.42</b>	<b>227,776.61</b>	<b>197,442.24</b>
	<u>Cost/</u>	<u>Cost/</u>	<u>Cost/</u>	<u>Cost/</u>
	<u>Amortized Cost</u>	<u>Amortized Cost</u>	<u>Amortized Cost</u>	<u>Amortized Cost</u>
<b>7.3.3 Held-to-Maturity Debt Securities</b>				
Government and state enterprises securities	1,539.81	1,745.65	1,000.00	1,000.00
Private enterprises debt securities	735.71	35.71	735.71	35.71
Foreign debt securities	379.55	646.30	379.55	646.30
<b>Total</b>	<b>2,655.07</b>	<b>2,427.66</b>	<b>2,115.26</b>	<b>1,682.01</b>
<u>Less</u> Allowance for impairment	(35.81)	(35.82)	(35.81)	(35.82)
<b>Total</b>	<b>2,619.26</b>	<b>2,391.84</b>	<b>2,079.45</b>	<b>1,646.19</b>
<b>7.3.4 General Investments</b>				
Domestic non-marketable equity securities	1,957.56	1,933.74	1,957.51	1,933.69
Foreign non-marketable equity securities	3.63	3.77	3.63	3.77
Others	0.79	0.81	0.79	0.81
<b>Total</b>	<b>1,961.98</b>	<b>1,938.32</b>	<b>1,961.93</b>	<b>1,938.27</b>
<u>Less</u> Allowance for impairment	(1,161.37)	(1,161.37)	(1,161.37)	(1,161.37)
<b>Total</b>	<b>800.61</b>	<b>776.95</b>	<b>800.56</b>	<b>776.90</b>
	<b>268,525.69</b>	<b>223,332.59</b>	<b>268,620.15</b>	<b>223,228.71</b>

### 6.3 Investments, Net (Continued)

As at March 31, 2019 and December 31, 2018, general investments which are domestic non-marketable equity securities of Baht 1,957.51 million and Baht 1,933.69 million respectively, included investments in the Islamic Bank of Thailand of Baht 1,048.15 million, which the Bank reserved the full amount of allowances for impairment and included investments in Private Equity Trust for SME Growing Together of Baht 124.51 million which support the government policies.

**6.3.5** As at March 31, 2019 and December 31, 2018 unrealized gains (losses) on revaluation of available-for-sale securities are as follows:

(Million Baht)

	<u>Consolidated Financial Statements</u>							
	<u>March 31, 2019</u>				<u>December 31, 2018</u>			
	<u>Cost</u> <sup>1</sup>	<u>Unrealized Gains</u> <sup>2</sup>	<u>Unrealized Losses</u> <sup>2</sup>	<u>Fair Value</u>	<u>Cost</u> <sup>1</sup>	<u>Unrealized Gains</u> <sup>2</sup>	<u>Unrealized Losses</u> <sup>2</sup>	<u>Fair Value</u>
Available-for-Sale Securities	218,085.45	10,858.34	(1,801.50)	227,142.29	188,392.08	10,532.73	(2,124.39)	196,800.42

(Million Baht)

	<u>The Bank's Financial Statements</u>							
	<u>March 31, 2019</u>				<u>December 31, 2018</u>			
	<u>Cost</u> <sup>1</sup>	<u>Unrealized Gains</u> <sup>2</sup>	<u>Unrealized Losses</u> <sup>2</sup>	<u>Fair Value</u>	<u>Cost</u> <sup>1</sup>	<u>Unrealized Gains</u> <sup>2</sup>	<u>Unrealized Losses</u> <sup>2</sup>	<u>Fair Value</u>
Available-for-Sale Securities	218,736.05	10,858.34	(1,817.78)	227,776.61	189,042.68	10,532.73	(2,133.17)	197,442.24

<sup>1</sup> net of allowance for impairment

<sup>2</sup> Included Gains (Losses) from reclassification of investments

**6.3.6** As at March 31, 2019 and December 31, 2018, the Bank has investments in foreign securities that are affected by foreign exchange rate, resulting in a decrease of the carrying amount of Baht 521.29 million and Baht 608.53 million, respectively.

**6.3.7** The Bank has the other investments with holding of 10 percent and upwards of the paid-up capital, classified by industrial sector and represented at their fair value as follows:

(Million Baht)

	<u>Consolidated and The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Public utilities and services	1,422.11	1,434.11

**6.4.8** As at December 31, 2019, the Bank has investments in 4 listed companies that are subject to delisting from SET, their cost of Baht 2.13 million which are fully reserved allowance for impairment.

**6.4 Investments in Subsidiaries and Associates, Net****6.4.1 The Bank's Financial Statements**

(Million Baht)

March 31, 2019

<u>Name of Company</u>	<u>Type of Business</u>	<u>Type of Shares</u>	Percentages of Investments		
			<u>Shareholdings</u>	<u>(Cost Method)</u>	<u>Dividend</u>
<b>Subsidiaries</b>					
KTB Law Co., Ltd.	Legal Services	Ordinary	100.00	30.00	27.00
KTB General Services and Security Co., Ltd.	General Services	Ordinary	100.00	140.00	118.65
Krung Thai Asset Management Pcl.	Securities Business	Ordinary	100.00	210.90	455.00
KTB Computer Services Co., Ltd.	IT Services	Ordinary	100.00	1,300.00	79.43
KTB Leasing Co., Ltd. *	Hire Purchase	Ordinary	100.00	1,000.00	-
KTB Advisory Co., Ltd.**	Financial Counseling & Advisory Services	Ordinary	100.00	40.00	-
Krungthai Card Pcl.	Credit Card Business	Ordinary	49.45	1,994.60	-
Total				4,715.50	680.08
<u>Less Allowance for impairment***</u>				(802.56)	-
Total				3,912.94	680.08
<b>Associates</b>					
Krungthai-AXA Life Insurance Pcl.	Life Insurance	Ordinary	50.00	4,071.77	-
Krungthai Panich Insurance Pcl.	Non-Life Insurance	Ordinary	45.00	1,518.82	-
Krung Thai IBJ Leasing Co., Ltd.	Hire Purchase	Ordinary	49.00	87.38	-
KT Zmico Securities Co., Ltd.	Securities Business	Ordinary	50.00	1,068.89	-
National ITMX Co., Ltd.	Service	Ordinary	21.13	38.05	-
Total				6,784.91	-
Investments in subsidiaries and associates, net				10,697.85	680.08

**6.4 Investments in Subsidiaries and Associates, Net (Continued)****6.4.1 The Bank's Financial Statements (Continued)**

(Million Baht)

<u>Name of Company</u>	<u>Type of Business</u>	<u>Type of Shares</u>	<u>December 31, 2018</u>		
			<u>Percentages of Shareholdings</u>	<u>Investments (Cost Method)</u>	<u>Dividend</u>
<b>Subsidiaries</b>					
KTB Law Co., Ltd.	Legal Services	Ordinary	100.00	30.00	22.50
KTB General Services and Security Co., Ltd.	General Services	Ordinary	100.00	140.00	157.15
Krung Thai Asset Management Pcl.	Securities Business	Ordinary	100.00	210.90	320.00
KTB Computer Services Co., Ltd.	IT Services	Ordinary	100.00	1,300.00	16.38
KTB Leasing Co., Ltd.*	Hire Purchase	Ordinary	100.00	1,000.00	-
KTB Advisory Co., Ltd.	Financial Counseling & Advisory Services	Ordinary	100.00	40.00	-
Krungthai Card Pcl.	Credit Card Business	Ordinary	49.45	1,994.60	675.75
Total				4,715.50	1,191.78
<u>Less Allowance for impairment***</u>				(802.56)	-
Total				3,912.94	1,191.78
<b>Associates</b>					
Krungthai-AXA Life Insurance Pcl.	Life Insurance	Ordinary	50.00	4,071.77	-
Krungthai Panich Insurance Pcl.	Non-Life Insurance	Ordinary	45.00	1,518.82	168.30
Krung Thai IBJ Leasing Co., Ltd.	Hire Purchase	Ordinary	49.00	87.38	41.36
KT Zmico Securities Co., Ltd.	Securities Business	Ordinary	50.00	1,068.89	-
National ITMX Co., Ltd.	Service	Ordinary	21.13	38.05	5.28
Total				6,784.91	214.94
Investments in subsidiaries and associates, net				10,697.85	1,406.72

\* Under consideration of business restructuring plan.

\*\* Under operation of business plan preparation.

\*\*\* Allowance for impairment in subsidiaries occurs from cost higher than book value.

**6.4 Investments in Subsidiaries and Associates, Net (Continued)****6.4.2 The Consolidated Financial Statements**

(Million Baht)

<u>Name of Company</u>	<u>Type of Business</u>	<u>Type of Shares</u>	<u>Percentages of Shareholdings</u>	<u>March 31, 2019</u>	
				<u>Investments (Cost Method)</u>	<u>Investments (Equity Method)</u>
<b>Associates</b>					
Krungthai-AXA Life Insurance Pcl.	Life Insurance	Ordinary	50.00	593.57	13,291.10
Krungthai Panich Insurance Pcl.	Non-Life Insurance	Ordinary	45.00	971.30	2,873.14
Krung Thai IBJ Leasing Co., Ltd.	Hire Purchase	Ordinary	49.00	87.38	686.34
KT Zmico Securities Co., Ltd.	Securities Business	Ordinary	50.00	1,068.89	1,131.21
National ITMX Co., Ltd.	Service	Ordinary	21.13	38.05	360.75
Total investments in associates, net				2,759.19	18,342.54

(Million Baht)

<u>Name of Company</u>	<u>Type of Business</u>	<u>Type of Shares</u>	<u>Percentages of Shareholdings</u>	<u>December 31, 2018</u>	
				<u>Investments (Cost Method)</u>	<u>Investments (Equity Method)</u>
<b>Associates</b>					
Krungthai-AXA Life Insurance Pcl.	Life Insurance	Ordinary	50.00	593.57	11,900.65
Krungthai Panich Insurance Pcl.	Non-Life Insurance	Ordinary	45.00	971.30	2,761.78
Krung Thai IBJ Leasing Co., Ltd.	Hire Purchase	Ordinary	49.00	87.38	659.77
KT Zmico Securities Co., Ltd.	Securities Business	Ordinary	50.00	1,068.89	1,167.81
National ITMX Co., Ltd.	Service	Ordinary	21.13	38.05	344.29
Total investments in associates, net				2,759.19	16,834.30

Investments in associates are accounted in the consolidated financial statements by using the equity method based on financial information from unaudited/unreviewed financial statements of the associates.

**6.4.3 Financial Positions and Operations of Associates**

(Million Baht)

<u>Name of Company</u>	<u>Consolidated Financial Statements</u>					
	<u>March 31, 2019</u>			<u>December 31, 2018</u>		
	<u>Total Assets</u>	<u>Total Liabilities</u>	<u>Shareholders' Equity</u>	<u>Total Assets</u>	<u>Total Liabilities</u>	<u>Shareholders' Equity</u>
Krungthai-AXA Life Insurance Pcl.	289,291.51	262,733.34	26,558.17	275,484.29	251,627.05	23,857.24
Krungthai Panich Insurance Pcl.	10,140.13	3,755.38	6,384.75	9,792.84	3,652.00	6,140.84
Krung Thai IBJ Leasing Co., Ltd.	11,685.43	10,284.73	1,400.70	11,203.31	9,851.20	1,352.11
KT Zmico Securities Co., Ltd.	7,143.74	4,881.32	2,262.42	6,661.43	4,368.05	2,293.38
National ITMX Co., Ltd.	1,888.56	181.05	1,707.51	1,847.03	219.48	1,627.55
	320,149.37	281,835.82	38,313.55	304,988.90	269,717.78	35,271.12

**6.4 Investments in Subsidiaries and Associates, Net (Continued)****6.4.3 Financial Positions and Operations of Associates (Continued)**

(Million Baht)

<u>Name of Company</u>	<u>Consolidated Financial Statements</u>			
	<u>March 31, 2019</u>		<u>March 31, 2018</u>	
	<u>"Unreviewed"</u>		<u>"Reviewed"</u>	
	<u>Total Income</u>	<u>Net Profit (Loss)</u>	<u>Total Income</u>	<u>Net Profit (Loss)</u>
Krungthai-AXA Life Insurance Pcl.	18,202.94	411.00	23,524.15	1,005.04
Krungthai Panich Insurance Pcl.	692.55	151.03	736.89	142.04
Krung Thai IBJ Leasing Co., Ltd. *	226.85	48.59	217.43	53.18
KT Zmico Securities Co., Ltd.	261.18	(9.34)	378.53	14.60
National ITMX Co., Ltd. *	240.65	79.96	134.64	22.48
	<u>19,624.17</u>	<u>681.24</u>	<u>24,991.64</u>	<u>1,237.34</u>

\* For the three-month period ended March 31, 2018 information is yet unreviewed by the auditor.

**6.5 Loans to Customers and Accrued Interest Receivables, Net****6.5.1 Classified by Type of Loans**

(Million Baht)

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>March 31, 2018</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Overdrafts	168,323.67	171,033.53	168,323.67	171,033.53
Loans	1,362,257.62	1,347,062.18	1,289,702.88	1,273,401.07
Bills	490,530.84	492,393.92	500,420.84	503,233.92
Hire purchase receivables	7,042.94	9,173.43	1.04	1.04
Financial lease receivables	1,998.44	2,338.81	-	-
Others	3,486.85	3,128.17	1,167.43	1,078.31
<u>Less</u> Deferred revenue	<u>(760.96)</u>	<u>(925.37)</u>	<u>(29.24)</u>	<u>(45.99)</u>
Total loans to customers net of deferred revenue	2,032,879.40	2,024,204.67	1,959,586.62	1,948,701.88
<u>Add</u> Accrued interest receivables	<u>5,753.33</u>	<u>5,424.06</u>	<u>5,225.73</u>	<u>4,877.86</u>
Total loans to customers net of deferred revenue, plus accrued interest receivables	2,038,632.73	2,029,628.73	1,964,812.35	1,953,579.74
<u>Less</u> Allowance for doubtful accounts				
1. Minimum reserve under BOT's regulations				
Individual approach	(73,690.36)	(71,305.17)	(71,327.96)	(69,052.44)
Collective approach	(3,620.25)	(3,781.72)	-	-
2. Excess allowance	(61,733.13)	(58,667.50)	(59,462.96)	(56,287.43)
Total loans to customers, net	<u>1,899,588.99</u>	<u>1,895,874.34</u>	<u>1,834,021.43</u>	<u>1,828,239.87</u>

## 6.5 Loans to Customers and Accrued Interest Receivables, Net (Continued)

### 6.5.1 Classified by Type of Loans (Continued)

As at March 31, 2019, the Bank has loans to interbank and money market items which subject to government policy program, the loans are as follows : KTB-Soft Loan which is a working capital for Medium-Sized Enterprises and Retails (SMEs), KTB-Soft Loan which is a principal of machinery improvement and increase productivity for Medium-Sized Enterprises and Retails (SMEs), financial support for the three Southern provinces' entrepreneur, revolving fund project for energy conservation by financial institution phase 6, and Loan project for environment totaling amount Baht 34,295.03 million.

As at March 31, 2019 and December 31, 2018 , the Bank's other loans of Baht 1,167.43 million and Baht 1,078.31 million included debts resulting from the Bank's liabilities under acceptances or guarantees of Baht 1,109.10 million and Baht 1,031.55 million, respectively.

### 6.5.2 Classified by Loans Classification

	(Million Baht)			
	<u>Consolidated Financial Statements</u>			
	<u>March 31, 2019</u>			
	Loans and Accrued Interest Receivables	Net Amount Used for Setting the Allowance for Doubtful Accounts	% Used for Setting the Allowance for Doubtful Accounts	Allowance for Doubtful Accounts
1. Minimum reserve under BOT's regulations				
Normal	1,857,832.06	875,293.56	1	13,364.63
Special mention	71,150.22	31,366.09	2	11,436.61
Substandard	17,065.20	8,580.30	100	8,587.94
Doubtful	15,364.62	7,150.06	100	7,150.06
Doubtful of loss	77,220.63	35,275.71	100	36,771.37
2. Excess allowance				61,733.13
Total	<u>2,038,632.73</u>	<u>957,665.72</u>		<u>139,043.74</u>

	(Million Baht)			
	<u>Consolidated Financial Statements</u>			
	<u>December 31, 2018</u>			
	Loans and Accrued Interest Receivables	Net Amount Used for Setting the Allowance for Doubtful Accounts	% Used for Setting the Allowance for Doubtful Accounts	Allowance for Doubtful Accounts
1. Minimum reserve under BOT's regulations				
Normal	1,858,756.46	872,883.93	1	13,399.00
Special mention	64,464.87	25,554.66	2	11,584.89
Substandard	14,404.28	7,898.81	100	7,898.81
Doubtful	17,923.17	9,196.18	100	9,196.18
Doubtful of loss	74,079.95	31,511.21	100	33,008.01
2. Excess allowance				58,667.50
Total	<u>2,029,628.73</u>	<u>947,044.79</u>		<u>133,754.39</u>



**6.5 Loans to Customers and Accrued Interest Receivables, Net (Continued)****6.5.2 Classified by Loans Classification (Continued)**

(Million Baht)

	<u>The Bank's Financial Statements</u>			
	<u>March 31, 2019</u>			
		Net Amount	%	
	Loans and Accrued Interest Receivables	Used for Setting the Allowance for Doubtful Accounts <sup>1</sup>	Used for Setting the Allowance for Doubtful Accounts	Allowance for Doubtful Accounts
1. Minimum reserve under BOT's regulations				
Normal	1,789,551.22	812,987.12	1	11,167.58
Special mention	69,281.65	30,015.51	2	11,008.41
Substandard	16,814.87	8,396.01	100	8,403.66
Doubtful	15,126.04	6,965.80	100	6,965.80
Doubtful of loss	74,038.57	32,286.86	100	33,782.51
2. Excess allowance				59,462.96
Total	1,964,812.35	890,651.30		130,790.92

(Million Baht)

	<u>The Bank's Financial Statements</u>			
	<u>December 31, 2018</u>			
		Net Amount	%	
	Loans and Accrued Interest Receivables	Used for Setting the Allowance for Doubtful Accounts <sup>1</sup>	Used for Setting the Allowance for Doubtful Accounts	Allowance for Doubtful Accounts
1. Minimum reserve under BOT's regulations				
Normal	1,788,230.40	810,450.16	1	11,142.66
Special mention	62,679.70	24,206.50	2	11,091.42
Substandard	14,097.45	7,689.49	100	7,689.49
Doubtful	17,622.11	9,019.90	100	9,019.90
Doubtful of loss	70,950.08	28,612.17	100	30,108.97
2. Excess allowance				56,287.43
Total	1,953,579.74	879,978.22		125,339.87

<sup>1</sup> Net amount used for setting the allowance for doubtful accounts represents outstanding amount of principal excluding accrued interest receivables after deducted collateral, or debts after deducted the present value of expected cash flows from debtors, or present value of expected cash flows from sale of collateral.

<sup>2</sup> Included loss rate net of recovery.

## 6.5 Loans to Customers and Accrued Interest Receivables, Net (Continued)

### 6.5.3 Non-Performing Loans (NPLs)

As at March 31, 2019 and December 31, 2018, the Bank and its subsidiaries had NPLs defined according to the BOT's notification as loans classified substandard, doubtful, doubtful of loss, and loss. Including interbank and money market items but excluding accrued interest receivables.

(Million Baht)

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>
NPLs before allowance for doubtful accounts	109,606.72	106,369.71	105,937.11	102,633.69
NPLs as percentage of total loans	4.50	4.53	4.48	4.52
NPLs after allowance for doubtful accounts	45,951.45	44,396.08	45,637.87	43,942.97
NPLs as percentage of net total loans	1.94	1.94	1.98	1.98

For the three-month period ended March 31, 2019 and December 31, 2018, the Bank write off bad debts from non-performing debtors which included principal and accrued interest receivables of Baht 1,337.99 million and Baht 18,330.35 million, respectively.

### 6.5.4 Non-Accrual Loans based on the Accrual Basis

As at March 31, 2019 and December 31, 2018, the Bank and its subsidiaries have non-accrual loans based on the accrual basis and comply with the BOT's requirement as follows:

(Million Baht)

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Non-accrual loans	109,606.72	106,369.71	105,937.11	102,633.69
Percentage of total loans before allowance for doubtful accounts	4.50	4.53	4.48	4.52

### 6.5.5 Loans to Potential Delisted Companies

As at March 31, 2019 and December 31, 2018, the Bank and its subsidiaries have loans and accrued interest receivables to 3 potential delisted companies of Baht 8,938.00 million which have allowance for doubtful accounts of Baht 7,617.37 million. Moreover, there are 3 potential delisted companies of Baht 9,052.68 million, which have allowance for doubtful accounts of Baht 7,616.11 million, respectively.

### 6.5.6 Troubled Debt Restructuring (TDR)

For the three-month period ended March 31, 2019, the Bank conducts the troubled debt restructuring contracts in 1,679 cases, which the debt balance before restructuring of Baht 14,182.37 million, principal repayment is in amount of Baht 2,121.12 million, whereas its loans increase in amount of Baht 829.48 million.

**6.5 Loans to Customers and Accrued Interest Receivables, Net (Continued)****6.5.6 Troubled Debt Restructuring (TDR) (Continued)**

TDR for the three-month period ended March 31, 2019 is set out as follows:

(Million Baht)

<u>Troubled Debt Restructuring Methods</u>	<u>No. of Cases</u>	<u>The Bank's Financial Statements</u>		<u>Fair Value</u>
		<u>Outstanding Debt before Restructuring</u>	<u>Type of Transferred Assets</u>	
Transfers of assets	2	32.96	Land & Premises	32.96
Change of repayment conditions	84	4,890.27		
Debt restructuring in various forms	1,593	9,259.04		
	<u>1,679</u>	<u>14,182.27</u>		

As at March 31, 2019, the Bank has outstanding balance of loans restructured debts 36,822 cases of Baht 166,751.65 million, of which 16,869 cases of Baht 10,619.69 million, has been monitored under the new contractual agreements.

The consolidated financial statements for the three-month period ended March 31, 2019, the Bank and its subsidiaries restructured debts of 1,699 cases, which the debts before restructuring were Baht 14,862.91 million.

For the year ended December 31, 2018, the Bank conducts the troubled debt restructuring contracts in 9,410 cases, which the debt balance before restructuring of Baht 67,302.08 million, principal repayment is in amount of Baht 10,857.72 million, whereas its loans increase in amount of Baht 44,680.60 million, and bad debts from troubled debt restructuring of Baht 3.80 million.

TDR for the year ended December 31, 2018 was set out as follows:

(Million Baht)

<u>Troubled Debt Restructuring Methods</u>	<u>No. of Cases</u>	<u>The Bank's Financial Statements</u>		<u>Fair Value</u>
		<u>Outstanding Debt before Restructuring</u>	<u>Type of Transferred Assets</u>	
Transfers of assets	6	52.56	Land & Premises	52.56
Change of repayment conditions	381	29,283.27		
Debt restructuring in various forms	9,023	37,966.25		
	<u>9,410</u>	<u>67,302.08</u>		

As at December 31, 2018, the Bank has outstanding balance of loans restructured debts 36,782 cases of Baht 165,455.48 million, of which 16,175 cases of Baht 8,830.08 million, has been monitored under the new contractual agreements.

The consolidated financial statements for the year ended December 31, 2018, the Bank and its subsidiaries restructured debts of 9,467 cases, which the debts before restructuring were Baht 69,562.05 million.

**6.5 Loans to Customers and Accrued Interest Receivables, Net (Continued)****6.5.7 Financial Lease Receivables (Including Hire Purchase Receivables and Financial Lease Receivables)**

(Million Baht)

	<u>Consolidated Financial Statements</u>							
	<u>March 31, 2019</u>				<u>December 31, 2018</u>			
	<u>Amount Due of the Contract</u>				<u>Amount Due of the Contract</u>			
	<u>Not Over</u>	<u>Over</u>	<u>Over</u>		<u>Not Over</u>	<u>Over</u>	<u>Over</u>	
<u>1 Year</u>	<u>1 - 5 Years</u>	<u>5 Years</u>	<u>Total</u>	<u>1 Year</u>	<u>1 - 5 Years</u>	<u>5 Years</u>	<u>Total</u>	
Gross investment of leases payment	5,368.09	3,657.56	15.73	9,041.38	6,778.78	4,712.38	21.08	11,512.24
<u>Less</u> Unearned financial income				(731.86)				(879.53)
Present value of minimum leases payment				8,309.52				10,632.71
<u>Less</u> Allowance for doubtful accounts				(951.44)				(1,238.29)
Financial lease receivables, net				<u>7,358.08</u>				<u>9,394.42</u>

(Million Baht)

	<u>The Bank's Financial Statements</u>							
	<u>March 31, 2019</u>				<u>December 31, 2018</u>			
	<u>Amount Due of the Contract</u>				<u>Amount Due of the Contract</u>			
	<u>Not Over</u>	<u>Over</u>	<u>Over</u>		<u>Not Over</u>	<u>Over</u>	<u>Over</u>	
<u>1 Year</u>	<u>1 - 5 Years</u>	<u>5 Years</u>	<u>Total</u>	<u>1 Year</u>	<u>1 - 5 Years</u>	<u>5 Years</u>	<u>Total</u>	
Gross investment of leases payment	1.04	-	-	1.04	1.04	-	-	1.04
<u>Less</u> Unearned financial income				(0.15)				(0.15)
Present value of minimum leases payment				0.89				0.89
<u>Less</u> Allowance for doubtful accounts				(0.89)				(0.89)
Financial lease receivables, net				<u>-</u>				<u>-</u>

**6.6 Allowance for Doubtful Accounts**

(Million Baht)

	<u>Consolidated Financial Statements</u>						
	<u>March 31, 2019</u>						
	Allowance						Total
	in Excess of						
	Special			Doubtful	BOT's		
	Normal	Mention	Substandard	Doubtful	of Loss	Requirement	
Beginning balances	13,399.00	11,584.89	7,898.81	9,196.18	33,008.01	58,667.50	133,754.39
Doubtful accounts	(0.75)	11.46	1,950.60	(2,023.78)	4,506.73	2,882.35	7,326.61
Bad debt recovered	-	-	-	-	643.28	-	643.28
Bad debt written-off	(29.19)	(159.88)	(1,261.47)	(29.34)	(1,370.81)	-	(2,850.69)
Others	(4.43)	0.14	-	7.00	(15.84)	183.28	170.15
Ending balances	13,364.63	11,436.61	8,587.94	7,150.06	36,771.37	61,733.13	139,043.74

(Million Baht)

	<u>Consolidated Financial Statements</u>						
	<u>December 31, 2018</u>						
	Allowance						Total
	in Excess of						
	Special			Doubtful	BOT's		
	Normal	Mention	Substandard	Doubtful	of Loss	Requirement	
Beginning balances	11,067.33	17,305.19	7,289.59	25,029.24	28,246.88	36,425.50	125,363.73
Doubtful accounts	(1,300.47)	(4,752.43)	4,952.00	(15,682.55)	19,260.70	23,735.97	26,213.22
Allowance for doubtful accounts transferred from allowance for debt restructuring revaluation	-	17.26	-	-	-	-	17.26
Bad debt recovered	-	-	-	-	4,343.30	-	4,343.30
Bad debt written-off	(216.14)	(1,083.64)	(4,342.78)	(119.51)	(18,607.45)	-	(24,369.52)
Others	3,848.28	98.51	-	(31.00)	(235.42)	(1,493.97)	2,186.40
Ending balances	13,399.00	11,584.89	7,898.81	9,196.18	33,008.01	58,667.50	133,754.39

**6.6 Allowance for Doubtful Accounts (Continued)**

(Million Baht)

	<u>The Bank's Financial Statements</u>						
	<u>March 31, 2019</u>						
							Allowance
							in Excess of
	Special			Doubtful	BOT's		
	Normal	Mention	Substandard	Doubtful	of Loss	Requirement	Total
Beginning balances	11,142.66	11,091.42	7,689.49	9,019.90	30,108.97	56,287.43	125,339.87
Doubtful accounts	29.35	(83.15)	714.16	(2,061.09)	4,408.48	2,992.25	6,000.00
Bad debt recovered	-	-	-	-	618.89	-	618.89
Bad debt written-off	-	-	-	-	(1,337.99)	-	(1,337.99)
Others	(4.43)	0.14	-	7.00	(15.84)	183.28	170.15
Ending balances	11,167.58	11,008.41	8,403.65	6,965.81	33,782.51	59,462.96	130,790.92

(Million Baht)

	<u>The Bank's Financial Statements</u>						
	<u>December 31, 2018</u>						
							Allowance
							in Excess of
	Special			Doubtful	BOT's		
	Normal	Mention	Substandard	Doubtful	of Loss	Requirement	Total
Beginning balances	8,948.50	16,803.74	7,003.55	24,651.26	25,500.03	33,819.27	116,726.35
Doubtful accounts	(1,654.12)	(5,828.09)	685.94	(15,600.36)	18,934.50	23,962.13	20,500.00
Allowance for doubtful accounts transferred from allowance for debt restructuring revaluation	-	17.26	-	-	-	-	17.26
Bad debt recovered	-	-	-	-	4,240.21	-	4,240.21
Bad debt written-off	-	-	-	-	(18,330.35)	-	(18,330.35)
Others	3,848.28	98.51	-	(31.00)	(235.42)	(1,493.97)	2,186.40
Ending balances	11,142.66	11,091.42	7,689.49	9,019.90	30,108.97	56,287.43	125,339.87

For the three-month period ended March 31, 2019, the Bank has the allowance for doubtful accounts of Baht 6,000 million. For the year ended December 31, 2018, the Bank has the allowance for doubtful accounts of Baht 20,500 million.

**6.7 Revaluation Allowance for Debt Restructuring**

(Million Baht)

Consolidated and the Bank's Financial Statements

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Beginning balance	-	17.26
Transfer to allowance for doubtful accounts	-	(17.26)
Ending balance	-	-

The revaluation allowance for debt restructuring was transferred from allowance for doubtful accounts for restructured debtors, and transferred to allowance for doubtful accounts when the debtors defaulted to comply with the new troubled debt restructuring agreement.

The revaluation allowance for debt restructuring has not been amortized and recognized as income upon receipt of debt repayment but transferred to allowance for doubtful accounts instead as the restructured debts may become non-performing.

**6.8 Properties for Sale, Net**

(Million Baht)

Consolidated Financial Statements

	<u>March 31, 2019</u>			<u>December 31, 2018</u>				
	Beginning		Ending	Beginning		Ending		
<u>Type of Properties for Sale</u>	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
Assets from debt repayment								
Immovable properties								
Appraised by external appraisers	30,718.06	1,054.12	1,227.21	30,544.97	32,002.40	2,236.11	3,520.45	30,718.06
Appraised by internal appraisers	6,080.65	712.49	42.77	6,750.37	4,190.69	2,172.98	283.02	6,080.65
Movable properties	297.35	16.58	88.89	225.04	236.44	168.47	107.56	297.35
Total	37,096.06	1,783.19	1,358.87	37,520.38	36,429.53	4,577.56	3,911.03	37,096.06
Others (closed branches)	68.62	-	-	68.62	68.62	-	-	68.62
Properties for sale in transit	901.95	350.00	901.95	350.00	826.01	901.95	826.01	901.95
Total	38,066.63	2,133.19	2,260.82	37,939.00	37,324.16	5,479.51	4,737.04	38,066.63
<u>Less</u> Allowance for impairment	(2,083.53)	(3,126.25)	-	(5,209.78)	(1,814.22)	(269.31)	-	(2,083.53)
Properties for sale, net	35,983.10	(993.06)	2,260.82	32,729.22	35,509.94	5,210.20	4,737.04	35,983.10

**6.8 Properties for Sale, Net (Continued)**

(Million Baht)

Type of Properties for Sale	The Bank's Financial Statements							
	March 31, 2019				December 31, 2018			
	Beginning Balance	Additions	Disposals	Ending Balance	Beginning Balance	Additions	Disposals	Ending Balance
Assets from debt repayment								
Immovable properties								
Appraised by external appraisers	30,718.06	1,054.12	1,227.21	30,544.97	32,002.40	2,236.11	3,520.45	30,718.06
Appraised by internal appraisers	6,080.65	712.49	42.77	6,750.37	4,190.69	2,172.98	283.02	6,080.65
Movable properties	110.60	-	-	110.60	110.60	-	-	110.60
Total	36,909.31	1,766.61	1,269.98	37,405.94	36,303.69	4,409.09	3,803.47	36,909.31
Others (closed branches)	68.62	-	-	68.62	68.62	-	-	68.62
Properties for sale in transit	901.95	350.00	901.95	350.00	826.01	901.95	826.01	901.95
Total	37,879.88	2,116.61	2,171.93	37,824.56	37,198.32	5,311.04	4,629.48	37,879.88
<u>Less</u> Allowance for impairment	(1,967.08)	(3,147.35)	-	(5,114.43)	(1,711.98)	(255.10)	-	(1,967.08)
Properties for sale, net	35,912.80	(1,030.74)	2,171.93	32,710.13	35,486.34	5,055.94	4,629.48	35,912.80

As at March 31, 2019 and December 31, 2018, the Bank has allowance for impairment of properties for sale which is increased in the amount of Baht 3,147.35 million and increased in the amount of Baht 255.10 million, respectively, from additional of loss on impairment.

For the three-month period ended March 31, 2019 and 2018, the Bank generated gains on sale of properties for sale in the amount of Baht 446.89 million and Baht 84.21 million, respectively (before including revenue from ownership transferring fees which were paid by customer in the amount of Baht 6.69 million and Baht 15.57 million and selling expenses in the amount of Baht 27.56 million and Baht 28.54 million, respectively).

**6.9 Deferred Tax Assets and Deferred Tax Liabilities**

Deferred tax assets and deferred tax liabilities as at March 31, 2019 and December 31, 2018 are as follows:

(Million Baht)

	Consolidated Financial Statements		The Bank's Financial Statements	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
	Deferred Tax Assets	4,991.89	5,127.96	2,599.74
Deferred Tax Liabilities	-	-	-	-
Net	4,991.89	5,127.96	2,599.74	2,666.69



**6.9 Deferred Tax Assets and Deferred Tax Liabilities (Continued)**

Movements in deferred tax assets and deferred tax liabilities during the period/year are as follows:

(Million Baht)

	<u>Consolidated Financial Statements</u>			
	<u>Charged / credited to:</u>			
	Other			
	Comprehensive			
	<u>January 1, 2019</u>	<u>Profit / Loss</u>	<u>Income</u>	<u>March 31, 2019</u>
<b>Deferred Tax Assets</b>				
Investments	680.13	0.02	(64.58)	615.57
Investments in subsidiaries and associates	160.51	-	-	160.51
Loans to customers and accrued interest receivables, net	4,008.39	(63.15)	-	3,945.24
Properties for sale	416.90	625.14	-	1,042.04
Premises and equipment	268.60	0.17	-	268.77
Provisions	2,966.05	30.28	-	2,996.33
Guarantee deposit under financial lease	15.20	(12.49)	-	2.71
Others	1,514.33	(563.03)	-	951.30
Total	<u>10,030.11</u>	<u>16.94</u>	<u>(64.58)</u>	<u>9,982.47</u>
<b>Deferred Tax Liabilities</b>				
Investments	2,138.32	9.42	65.12	2,212.86
Premises and equipment	2,492.00	5.55	-	2,497.55
Loans to customers and accrued interest receivables, net	271.71	8.29	-	280.00
Others	0.12	0.05	-	0.17
Total	<u>4,902.15</u>	<u>23.31</u>	<u>65.12</u>	<u>4,990.58</u>
<b>Net</b>	<u>5,127.96</u>	<u>(6.37)</u>	<u>(129.70)</u>	<u>4,991.89</u>

(Million Baht)

	<u>Consolidated Financial Statements</u>			
	<u>Charged / credited to:</u>			
	Other			
	Comprehensive			
	<u>January 1, 2018</u>	<u>Profit / Loss</u>	<u>Income</u>	<u>December 31, 2018</u>
<b>Deferred Tax Assets</b>				
Investments	470.70	(2.62)	212.05	680.13
Investments in subsidiaries and associates	160.49	0.02	-	160.51
Loans to customers and accrued interest receivables, net	3,874.51	133.88	-	4,008.39
Properties for sale	362.90	54.00	-	416.90
Premises and equipment	212.76	55.84	-	268.60
Provisions	3,131.38	59.06	(224.39)	2,966.05
Guarantee deposit under financial lease	31.94	(16.74)	-	15.20
Others	1,051.46	462.87	-	1,514.33
Total	<u>9,296.14</u>	<u>746.31</u>	<u>(12.34)</u>	<u>10,030.11</u>
<b>Deferred Tax Liabilities</b>				
Investments	1,867.86	14.61	255.85	2,138.32
Premises and equipment	2,408.67	84.97	(1.64)	2,492.00
Loans to customers and accrued interest receivables, net	426.67	(154.96)	-	271.71
Others	0.17	(0.05)	-	0.12
Total	<u>4,703.37</u>	<u>(55.43)</u>	<u>254.21</u>	<u>4,902.15</u>
<b>Net</b>	<u>4,592.77</u>	<u>801.74</u>	<u>(266.55)</u>	<u>5,127.96</u>

**6.9 Deferred Tax Assets and Deferred Tax Liabilities (Continued)**

(Million Baht)

	<u>The Bank's Financial Statements</u>			
	<u>Charged / credited to:</u>			
	Other			
	Comprehensive			
	<u>January 1, 2019</u>	<u>Profit / Loss</u>	<u>Income</u>	<u>March 31, 2019</u>
<b>Deferred Tax Assets</b>				
Investments	681.89	0.02	(63.08)	618.83
Investments in subsidiaries and associates	160.51	-	-	160.51
Loans to customers and accrued interest receivables, net	2,085.57	(24.93)	-	2,060.64
Properties for sale	393.42	629.47	-	1,022.89
Premises and equipment	187.09	-	-	187.09
Provisions	2,332.62	42.20	-	2,374.82
Others	1,401.09	(571.04)	-	830.05
Total	<u>7,242.19</u>	<u>75.72</u>	<u>(63.08)</u>	<u>7,254.83</u>
<b>Deferred Tax Liabilities</b>				
Investments	2,138.32	9.42	65.12	2,212.86
Premises and equipment	2,437.18	5.05	-	2,442.23
Total	<u>4,575.50</u>	<u>14.47</u>	<u>65.12</u>	<u>4,655.09</u>
<b>Net</b>	<u>2,666.69</u>	<u>61.25</u>	<u>(128.20)</u>	<u>2,599.74</u>

(Million Baht)

	<u>The Bank's Financial Statements</u>			
	<u>Charged / credited to:</u>			
	Other			
	Comprehensive			
	<u>January 1, 2018</u>	<u>Profit / Loss</u>	<u>Income</u>	<u>December 31, 2018</u>
<b>Deferred Tax Assets</b>				
Investments	470.70	(2.62)	213.81	681.89
Investments in subsidiaries and associates	160.49	0.02	-	160.51
Loans to customers and accrued interest receivables, net	1,851.40	234.17	-	2,085.57
Properties for sale	342.39	51.03	-	393.42
Premises and equipment	183.88	3.21	-	187.09
Provisions	2,416.25	129.06	(212.69)	2,332.62
Others	981.98	419.11	-	1,401.09
Total	<u>6,407.09</u>	<u>833.98</u>	<u>1.12</u>	<u>7,242.19</u>
<b>Deferred Tax Liabilities</b>				
Investments	1,867.86	14.61	255.85	2,138.32
Premises and equipment	2,408.88	29.94	(1.64)	2,437.18
Total	<u>4,276.74</u>	<u>44.55</u>	<u>254.21</u>	<u>4,575.50</u>
<b>Net</b>	<u>2,130.35</u>	<u>789.43</u>	<u>(253.09)</u>	<u>2,666.69</u>

## 6.10 Debt Issued and Borrowings

Classified by type of debts and sources of fund as follows:

(Million Baht)

<u>Consolidated Financial Statements</u>												
				<u>March 31, 2019</u>			<u>December 31, 2018</u>					
				Interest			Maturity					
				Rate (%)			Date					
				<u>Currency</u>	<u>Rate (%)</u>	<u>Date</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
Long term bonds												
	2015	Baht	3.14-4.00	2019-2025	7,080.00	-	7,080.00	7,080.00	-	7,080.00		
	2016	Baht	1.88-4.00	2019-2026	17,096.00	-	17,096.00	17,496.00	-	17,496.00		
	2017	Baht	2.46-3.80	2022-2027	11,043.40	-	11,043.40	11,043.40	-	11,043.40		
	2018	Baht	2.20-3.83	2020-2028	9,065.00	-	9,065.00	9,065.00	-	9,065.00		
	2019	Baht	2.40-2.65	2021-2022	2,500.00	-	2,500.00	-	-	-		
KTB subordinated debentures												
	No.1/2014 (EMTN Programme)	USD	5.20	2024	-	22,268.19	22,268.19	-	22,714.86	22,714.86		
	No.1/2015	MYR	5.10	2025	-	7,800.35	7,800.35	-	7,805.55	7,805.55		
	No.1/2017	Baht	3.40	2027	20,000.00	-	20,000.00	20,000.00	-	20,000.00		
	Short-term bill of exchange (B/E) *	Baht	-	2012	0.70	-	0.70	0.70	-	0.70		
Total					66,785.10	30,068.54	96,853.64	64,685.10	30,520.41	95,205.51		

(Million Baht)

<u>The Bank's Financial Statements</u>												
				<u>December 31, 2018</u>			<u>December 31, 2018</u>					
				Interest			Maturity					
				Rate (%)			Date					
				<u>Currency</u>	<u>Rate (%)</u>	<u>Date</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>	<u>Domestic</u>	<u>Foreign</u>	<u>Total</u>
KTB subordinated debentures												
	No.1/2014 (EMTN Programme)	USD	5.20	2024	-	22,268.19	22,714.86	-	22,714.86	22,714.86		
	No.1/2015	MYR	5.10	2025	-	7,800.35	7,805.55	-	7,805.55	7,805.55		
	No.1/2017	Baht	3.40	2027	20,000.00	-	20,000.00	20,000.00	-	20,000.00		
	Short-term bill of exchange (B/E) *	Baht	-	2012	0.70	-	0.70	0.70	-	0.70		
Total					20,000.70	30,068.54	50,521.11	20,000.70	30,520.41	50,521.11		

\* A maturity B/E that its holder is still not redeemable, is included in short-term bill of exchange.

## **6.10 Debt Issued and Borrowings (Continued)**

Bonds under Euro Medium Term Note Programme (EMTN Programme) amount USD 2,500 Million

On June 26, 2014, the Bank issued and offered USD 700 million of subordinated debentures pursuant to Basel III (Tier 2 subordinated debenture). The debentures has tenor 10.5 years. The constant interest rate of 5.20 percent per annum for the first 5.5 years, after that the interest rate is equal to 5-years US Treasury Rate plus margin that is the interest rate of 3.535 percent per annum with a payment of interest every six months. It's on 26<sup>th</sup> of June and December of each year until maturity.

Subordinated Debentures pursuant to Malaysian Ringgit Medium Term Note Programme amount MYR 5,000 Million

On July 6, 2015, the Bank issued and offered MYR 1,000 million of subordinated debentures pursuant to Basel III (Tier 2 subordinated debenture). The debenture has tenor 10 years, constant interest rate of 5.10 percent per annum. The right to early redeem the debentures after 5 years.

Subordinated Debentures

The Bank issued subordinated debentures No. 1/2560 that amount Baht 20,000 million, 20 million units of Baht 1,000 each, constant interest rate of 3.40 percent per annum with a payment of interest every three months until maturity. The debenture has tenor of 10 years and is due in 2027 (B.E.2570). The right to early redeem the debenture after 5 years or after that subject to the Bank's condition, without holder's consent.

Redemption of Subordinated Debentures

The right to early redeem the debenture after 5 years or any interest payment date after 5 years or according to the condition of agreement, except for the subordinated debenture pursuant to EMTN Programme, the right to early redeem the debenture after 5.5 years or any interest payment date after 5.5 years.

## **6.11 Share Capital**

### **6.11.1 Ordinary Shares**

As at March 31, 2019 and December 31, 2018, the Bank's authorized share capital and issued and paid-up share capital are 13,976,061,250 shares.

### **6.11.2 Preferred Shares**

The 5.5 million of preferred shares are fully paid-up. Preferred share has more preference over the ordinary share. Apart from entitling to the same voting rights and claims on dividends as ordinary shares, it may enjoy preferential rights to a special dividend at a 3 percent fixed rate per annum prior to the ordinary shares when paid.

**6.11.3** The Bank is the state enterprise; its major shareholder is the Financial Institutions Development Fund (FIDF). As at December 31, 2018, FIDF holds 7,696,248,833 shares or 55.05 percent of paid-up ordinary and preferred shares.

## 6.12 Legal Reserve

According to the Public Limited Company Act, the Bank is required to appropriate net profit of the year as legal reserve which is not less than 5 percent after deducting accumulated losses brought forward (if any) until legal reserve reaches an amount not less than 10 percent of authorized share capital. The Bank also set aside full amount of legal reserve.

## 6.13 Contingent Liabilities

	(Million Baht)	
	<u>Consolidated and the Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Avals to bills	9,540.79	9,996.58
Guarantees of loans	3,780.89	3,781.13
Liability under unmatured import bills	5,043.44	5,626.47
Letters of credit	56,617.70	54,990.07
Other contingencies		
Unused credit line of overdraft	156,591.79	154,399.93
Other guarantees	172,301.77	172,789.00
Others	-	246.59
<b>Total</b>	<b>403,876.38</b>	<b>401,829.77</b>

Besides the contingent liabilities are mentioned above, as at March 31, 2019 and December 31, 2018, the Bank has contingent liabilities owing to prosecutions that are significant case of Baht 11,699.71 million and Baht 12,560.20 million, respectively. Such prosecutions comprised of the completed cases in the civil court and the cases proceedings in the Appeal Court and the Supreme Court.

As at March 31, 2019 and December 31, 2018, the Bank has recognized provisions of Baht 717.94 million and Baht 684.40 million, respectively.

## 6.14 Assets with Obligations and Restrictions

	(Million Baht)	
	<u>Consolidated and the Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Government and state enterprise bonds pledged as collateral		
Court collateral	504.75	517.71
Repurchase agreements	15,381.15	-
Properties for sale (debtor is granted the right to buy back or first right for this portion)	9,314.17	8,450.02
<b>Total</b>	<b>25,200.07</b>	<b>8,967.73</b>

## 6.15 Related Party Transactions

**6.15.1** As at March 31, 2019 and December 31, 2018, loans to the Bank's executives (First Vice President and above) are Baht 114.66 million and Baht 126.69 million. The average outstanding balances of such loans at month end are Baht 121.15 million and Baht 125.68 million, respectively.

The loans and obligation outstanding as at March 31, 2019 and December 31, 2018 to close family of the Bank's executives mentioned above are Baht 13.72 million and Baht 16.58 million, respectively.

### 6.15.2 Loans, Obligations, Derivatives, and Other Assets

The balances of loans and obligations to related parties, normal bank pricing policies, as at March 31, 2019 and December 31, 2018 are as follows:

	(Million Baht)			
	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>
<b>Loans</b>				
Related parties which the Bank totally held from 10 to 20 percent				
of their paid-up capital	0.58	0.48	0.58	0.48
Related parties which the Bank acquired equal to or over 10 percent				
of their paid-up capital from TDR	8,834.53	8,949.19	8,834.53	8,949.19
<u>Less</u> Allowance for doubtful accounts	(7,617.35)	(7,616.08)	(7,617.35)	(7,616.08)
Total	<u>1,217.18</u>	<u>1,333.11</u>	<u>1,217.18</u>	<u>1,333.11</u>
Subsidiaries				
KTB General Services and Security Co., Ltd.	-	-	10.07	9.00
KTB Computer Services Co., Ltd.	-	-	2,519.72	2,356.11
KTB Leasing Co., Ltd.	-	-	7,703.67	9,825.38
Krung Thai Asset Management Pcl.	-	-	0.06	0.03
Krungthai Card Pcl.	-	-	2,310.62	3,190.59
<u>Less</u> Allowance for doubtful accounts	-	-	(125.44)	(153.81)
Total	<u>-</u>	<u>-</u>	<u>12,418.70</u>	<u>15,227.30</u>
Associates				
Krung Thai IBJ Leasing Co., Ltd.	2,600.13	2,000.12	2,600.13	2,000.12
KT Zmico Securities Co., Ltd.	1,435.59	0.58	1,435.59	0.58
Krungthai Panich Insurance Pcl.	0.64	0.55	0.64	0.55
<u>Less</u> Allowance for doubtful accounts	(40.36)	(20.01)	(40.36)	(20.01)
Total	<u>3,996.00</u>	<u>1,981.24</u>	<u>3,996.00</u>	<u>1,981.24</u>
Related parties with directors or key management personal				
<u>Less</u> Allowance for doubtful accounts	(554.19)	(393.97)	(554.19)	(393.97)
Total	<u>37,771.42</u>	<u>26,851.30</u>	<u>37,771.42</u>	<u>26,851.30</u>

**6.15 Related Party Transactions (Continued)****6.15.2 Loans, Obligations, Derivatives, and Other Assets (Continued)**

(Million Baht)

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>
<b>Obligations</b>				
Related parties which the Bank totally held from 10 to 20 percent of their paid-up capital	20.89	20.89	20.89	20.89
Related parties which the Bank acquired equal to or over 10 percent of their paid-up capital from TDR	0.96	0.96	0.96	0.96
Subsidiaries	-	-	0.95	0.96
KTB General Services and Security Co., Ltd.	-	-	4.55	4.55
KTB Computer Services Co., Ltd.	-	-	0.98	0.98
KTB Leasing Co., Ltd.	-	-	0.50	0.50
Krungthai Card Pcl.	-	-	-	-
Associates	1.80	1.80	1.80	1.80
Krung Thai IBJ Leasing Co., Ltd.	0.85	0.85	0.85	0.85
Krungthai-AXA Life Insurance Pcl.	5.00	-	5.00	-
Krungthai Panich Insurance Pcl.	10,923.68	12,168.19	10,923.68	12,168.19
Related parties with directors or key management personal				
<b>Derivatives</b>				
Subsidiaries				
KTB Leasing Co., Ltd.	-	-	232.13	338.01
Associates				
Krungthai-AXA Life Insurance Pcl.	10,183.91	10,773.81	10,183.91	10,773.81
<b>Other Assets</b>				
Subsidiaries				
KTB General Services and Security Co., Ltd.	-	-	121.29	2.70
KTB Computer Services Co., Ltd.	-	-	80.01	0.72
KTB Leasing Co., Ltd.	-	-	5.54	3.81
Krungthai Card Pcl.	-	-	1,334.03	1,772.88
KTB Computer Services Co., Ltd.	-	-	27.00	-
Krung Thai Asset Management Pcl.	-	-	513.86	46.59
Associates				
Krungthai-AXA Life Insurance Pcl.	237.29	171.36	237.29	171.36
Krungthai Panich Insurance Pcl.	25.22	28.52	25.22	28.52
KT Zmico Securities Co., Ltd.	1.75	1.03	1.75	1.03

**6.15 Related Party Transactions (Continued)****6.15.3 Deposits, Interbank and Money Market Items, and Other Liabilities**

The balances of deposits and interbank and money market items to related parties, normal bank pricing policies, as at March 31, 2019 and December 31, 2018 are as follows:

	(Million Baht)			
	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>December 31, 2018</u>	<u>March 31, 2019</u>	<u>December 31, 2018</u>
<b>Deposits</b>				
Subsidiaries				
KTB Law Co., Ltd.	-	-	584.00	556.72
KTB General Services and Security Co., Ltd.	-	-	572.26	580.91
KTB Computer Services Co., Ltd.	-	-	215.78	46.77
KTB Leasing Co., Ltd.	-	-	276.75	251.74
Krung Thai Asset Management Pcl.,	-	-	241.64	201.31
KTB Advisory Co., Ltd.	-	-	44.03	44.13
Krungthai Card Pcl.	-	-	1,608.83	1,865.65
Associates				
Krung Thai IBJ Leasing Co., Ltd.	17.77	36.91	17.77	36.91
KT Zmico Securities Co., Ltd.	26.27	38.73	26.27	38.73
Krungthai Panich Insurance Pcl.	109.32	129.42	109.32	129.42
Krungthai-AXA Life Insurance Pcl.	1,888.12	2,580.73	1,888.12	2,580.73
Other parties related with directors or key managements	11,999.40	21,867.66	11,999.40	21,867.66
<b>Interbank and Money Market Items</b>				
Associates				
Krungthai-AXA Life Insurance Pcl.	4,200.00	4,200.00	4,200.00	4,200.00
<b>Other Liabilities</b>				
Subsidiaries				
KTB General Services and Security Co., Ltd.	-	-	256.57	336.15
KTB Computer Services Co., Ltd.	-	-	788.82	1,008.03
KTB Leasing Co., Ltd.	-	-	0.62	0.35
Krungthai Card Pcl.	-	-	0.92	1.17
KTB Law Co., Ltd.	-	-	129.01	125.00
Krung Thai Asset Management Pcl.	-	-	0.34	0.04
KTB Advisory Co., Ltd.	-	-	0.04	-
Associates				
KT Zmico Securities Co., Ltd.	0.01	0.03	0.01	0.03
Krungthai Panich Insurance Pcl.	53.15	13.22	53.15	13.22
Krungthai-AXA Life Insurance Pcl.	17.80	29.35	17.80	29.35
National ITMX Co., Ltd.	15.55	13.86	15.55	13.86



**6.15 Related Party Transactions (Continued)****6.15.4 Income and Expenses**

The Bank has significant income and expenses with related parties as follows:

	(Million Baht)			
	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>March 31, 2018</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
<b>Interest Income</b>				
Subsidiaries				
KTB Computer Services Co., Ltd.	-	-	-	0.02
KTB Computer Services Co., Ltd.	-	-	17.20	16.93
KTB Leasing Co., Ltd.	-	-	45.04	128.87
Krungthai Card Pcl.	-	-	9.70	3.91
Associates				
KT Zmico Securities Co., Ltd.	4.67	8.83	4.67	8.83
Krung Thai IBJ Leasing Co., Ltd.	10.21	-	10.21	-
<b>Interest Expenses</b>				
Subsidiaries				
KTB Law Co., Ltd.	-	-	0.99	0.97
KTB General Services and Security Co., Ltd.	-	-	1.29	1.01
KTB Computer Services Co., Ltd.	-	-	0.18	0.34
KTB Leasing Co., Ltd.	-	-	0.27	0.56
Krung Thai Asset Management Pcl.	-	-	0.30	0.54
KTB Advisory Co., Ltd.	-	-	0.04	-
Krungthai Card Pcl.	-	-	0.28	0.31
Associates				
Krungthai Panich Insurance Pcl.	0.02	0.03	0.02	0.03
Krungthai-AXA Life Insurance Pcl.	44.83	39.14	44.83	39.14
Krung Thai IBJ Leasing Co., Ltd.	0.01	-	0.01	-

**6.15 Related Party Transactions (Continued)****6.15.4 Income and Expenses (Continued)**

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>March 31, 2018</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
(Million Baht)				
<b>Other Income</b>				
Subsidiaries				
KTB Law Co., Ltd.	-	-	0.04	0.06
KTB General Services and Security Co., Ltd.	-	-	1.29	1.11
KTB Computer Services Co., Ltd.	-	-	0.11	0.02
KTB Leasing Co., Ltd.	-	-	5.62	5.72
Krung Thai Asset Management Pcl.	-	-	129.61	218.40
Krungthai Card Pcl.	-	-	48.05	69.24
Associates				
Krung Thai IBJ Leasing Co., Ltd.	1.76	-	1.76	-
KT Zmico Securities Co., Ltd.	1.34	3.59	1.34	3.59
Krungthai Panich Insurance Pcl.	35.26	41.01	35.26	41.01
Krungthai-AXA Life Insurance Pcl.	517.55	766.33	517.55	766.33
National ITMX Co., Ltd.	0.02	0.02	0.02	0.02
<b>Other Expenses</b>				
Subsidiaries				
KTB Law Co., Ltd.	-	-	141.52	296.97
KTB General Services and Security Co., Ltd.	-	-	584.08	584.33
KTB Computer Services Co., Ltd.	-	-	972.74	843.74
Krungthai Card Pcl.	-	-	1.84	2.00
Associates				
Krung Thai IBJ Leasing Co., Ltd.	16.61	43.47	16.61	43.47
KT Zmico Securities Co., Ltd.	0.93	0.48	0.93	0.48
National ITMX Co., Ltd.	40.26	24.14	40.26	24.14

**6.15.5** The Bank has no compensations or other benefits, both monetary and non-monetary, to directors and executives except the benefits that are normally paid as follows:

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>March 31, 2018</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
(Million Baht)				
Short-term employee benefits	374.32	361.66	289.47	264.41
Post-employment benefits	17.67	10.42	6.42	6.79
Total	<u>391.99</u>	<u>372.08</u>	<u>295.89</u>	<u>271.20</u>

## 6.15 Related Party Transactions (Continued)

### 6.15.6 Intercompany Trading Transactions

#### Subsidiaries

1) KTB Computer Services Co., Ltd. has been designated mainly to provide information technology (IT) services to various work units in the Bank. Service offers consist of introducing IT to the Bank's business operation and modernizing the existing systems in line with the Bank's requirement, rendering system control and maintenance system software development, offering preliminary consultancy service and organizing training in various applications of IT and techniques. The Bank incurs service charges on a cost plus method for the three-month period ended March 31, 2019 and 2018 of Baht 940.00 million and Baht 811.00 million, respectively.

Since 2003, the GFMIS project Phase 2 has been developed and implemented on behalf of the Bank by KTBCS. The Bank and the Office of GFMIS attached to the Secretariat of the Prime Minister have unanimously signed on the Memorandum of Agreement upon the submission of deliverables and disbursement associated to the investments on the GFMIS project on September 22, 2005. Further the Bank has signed the hiring contract for the implementation and maintenance with the Office of GFMIS. The Bank incurs service charges for the three-month period ended March 31, 2019 and 2018 of Baht 32.74 million.

2) The Bank has operated student loans in subjects of public relations, policy, regulation, loan payment, documents filling, loan notification, loans status, including loan collection, claim for payment, and prosecution for the Student Loans Fund. KTB Law Co., Ltd. has been designated to prosecute debtors of the Student Loans Fund. The Bank incurs service charges for the three-month period ended March 31, 2019 and 2018 of Baht 101.36 million and Baht 264.66 million, respectively.

3) KTB General Services and Security Co., Ltd. is assigned by the Bank to operate all cash delivery, foreign exchange and financial instruments, and the Bank's asset. KTBGS also manages Krung Thai Bank Training Center and the Bank's other buildings. The Bank's expense from those services for the three-month period ended March 31, 2019 and 2018 of Baht 584.08 million and Baht 584.33 million, respectively.

4) The Bank incurs service charges for sourcing and installing EDC machines for foreign exchange service to Krungthai Card Pcl. for the three-month period ended March 31, 2019 and 2018 of Baht 0.07 million and Baht 0.05 million, respectively.

5) The Bank incurs service charges on its subsidiaries [including service charges mentioned in No.1) to 4)] for the three-month period ended March 31, 2019 and 2018 of Baht 1,700.18 million and Baht 1,727.04 million, respectively, at the rate upon agreement.

6) The Bank generates fees income from service contracts for the three-month period ended March 31, 2019 and 2018 of Baht 202.78 million and Baht 286.00 million, respectively.

7) The Bank generates premises rental income from subsidiaries for the three-month period ended March 31, 2019 and 2018 of Baht 4.99 million and Baht 3.98 million at the rate upon agreement.

#### Intercompany Considerations

Intercompany income and expenses are based on the rate upon agreement and the amount specified in the contract, whereas cost plus system has been applicable to some certain transactions.

The consolidated financial statements include the accounts of subsidiaries after eliminating intercompany transactions and balances.

**6.15 Related Party Transactions (Continued)****6.15.6 Intercompany Trading Transactions (Continued)****Associates**

1) The Bank generates premises rental income from associates for the three-month period ended March 31, 2019 and 2018 at the amount of Baht 0.11 million and Baht 0.16 million, respectively, at the rate upon agreement.

2) The Bank generates fees income from supportive service contracts for the three-month period ended March 31, 2019 and 2018 of Baht 536.94 million and 789.01 million, respectively, at the rate upon agreement.

**6.16 Significant Financial Position and Operations Classified by Domestic and Foreign Business Segment****6.16.1 Financial Position Classified by Business Segment**

(Million Baht)

	<u>Consolidated Financial Statements</u>					
	<u>March 31, 2019</u>			<u>December 31, 2018</u>		
	Domestic	Foreign Branches	Total	Domestic	Foreign Branches	Total
	Business	Business		Business	Business	
<u>Segment</u>	<u>Segment</u>		<u>Segment</u>	<u>Segment</u>		
Total assets	2,852,213.60	37,049.80	2,889,263.40	2,704,603.14	39,363.72	2,743,966.86
Interbank and money market items, net	408,769.07	15,685.17	424,454.24	357,494.13	15,019.65	372,513.78
Investments, net*	285,815.69	1,052.54	286,868.23	238,710.38	1,456.51	240,166.89
Loans to customers and						
accrued interest receivables, net	1,884,930.32	14,658.67	1,899,588.99	1,878,056.87	17,817.47	1,895,874.34
Deposits	2,070,754.19	6,316.87	2,077,071.06	2,033,590.08	6,011.82	2,039,601.90
Interbank and money market items, net	201,423.22	15.70	201,438.92	155,433.18	1,962.75	157,395.93
Debt issued and borrowings	66,785.10	30,068.54	96,853.64	64,685.10	30,520.41	95,205.51

(Million Baht)

	<u>The Bank's Financial Statements</u>					
	<u>March 31, 2019</u>			<u>December 31, 2018</u>		
	Domestic	Foreign Branches	Total	Domestic	Foreign Branches	Total
	Business	Business		Business	Business	
<u>Segment</u>	<u>Segment</u>		<u>Segment</u>	<u>Segment</u>		
Total assets	2,770,376.35	37,049.80	2,807,426.15	2,621,581.33	39,363.72	2,660,945.05
Interbank and money market items, net	407,887.79	15,685.17	423,572.96	356,744.05	15,019.65	371,763.70
Investments, net*	278,265.46	1,052.54	279,318.00	232,470.06	1,456.51	233,926.57
Loans to customers and						
accrued interest receivables, net	1,819,362.75	14,658.67	1,834,021.42	1,810,422.40	17,817.47	1,828,239.87
Deposits	2,074,055.82	6,316.87	2,080,372.69	2,036,936.01	6,011.82	2,042,947.83
Interbank and money market items, net	200,855.13	15.70	200,870.83	150,037.19	1,962.75	151,999.94
Debt issued and borrowings	20,000.70	30,068.54	50,069.24	20,000.70	30,520.41	50,521.11

\* Included investments in subsidiaries and associates.

The consolidated and the Bank's financial statements as at March 31, 2019 and December 31, 2018, have total assets before eliminating net interbranch transactions of Baht 5,149.39 million and Baht 4,763.67 million, respectively.

**6.16 Significant Financial Position and Operations Classified by Domestic and Foreign Business Segment (Continued)****6.16.2 Operations Classified by Business Segment**

(Million Baht)

	<u>Consolidated Financial Statements</u>					
	<u>March 31, 2019</u>			<u>March 31, 2018</u>		
	Domestic	Foreign Branches	Total	Domestic	Foreign Branches	Total
	Business	Business		Business	Business	
<u>Segment</u>	<u>Segment</u>		<u>Segment</u>	<u>Segment</u>		
Interest income	33,142.99	786.14	33,929.13	29,161.84	1,059.42	30,221.26
Interest expenses	(8,697.60)	(590.39)	(9,287.99)	(8,935.51)	(745.44)	(9,680.95)
Interest income, net	24,445.39	195.75	24,641.14	20,226.33	313.98	20,540.31
Fees and service income, net	5,626.03	9.23	5,635.26	6,141.51	17.17	6,158.68
Other operating income	3,288.99	6.46	3,295.45	2,836.69	(16.25)	2,820.44
Other operating expenses	(23,457.94)	(68.25)	(23,526.19)	(20,375.31)	(57.42)	(20,432.73)
Profit from operating before income tax expenses	9,902.47	143.19	10,045.66	8,829.22	257.48	9,086.70

(Million Baht)

	<u>The Bank's Financial Statements</u>					
	<u>March 31, 2019</u>			<u>March 31, 2018</u>		
	Domestic	Foreign Branches	Total	Domestic	Foreign Branches	Total
	Business	Business		Business	Business	
<u>Segment</u>	<u>Segment</u>		<u>Segment</u>	<u>Segment</u>		
Interest income	29,625.44	786.14	30,411.58	25,849.74	1,059.42	26,909.16
Interest expenses	(8,330.02)	(590.39)	(8,920.41)	(8,554.68)	(745.44)	(9,300.12)
Interest income, net	21,295.42	195.75	21,491.17	17,295.06	313.98	17,609.04
Fees and service income, net	4,533.57	9.23	4,542.80	4,998.19	17.17	5,015.36
Other operating income	2,640.36	6.46	2,646.82	1,244.75	(16.25)	1,228.50
Other operating expenses	(20,573.50)	(68.25)	(20,641.75)	(17,331.63)	(57.42)	(17,389.05)
Profit from operating before income tax expenses	7,895.85	143.19	8,039.04	6,206.37	257.48	6,463.85

The consolidated and the Bank's financial statements for the three-month period ended March 31, 2019 and 2018, have total interest income and interest expenses before eliminating net interbranch transactions of Baht 551.70 million and Baht 716.08 million, respectively.

## 6.17 Operations Classified by Operating Segment

### Segment Definition

The Bank is organized into segments for internal management which the Management Committee of each segment is the chief operating decision-maker (CODM). Three reportable segments have been divided based on customer types and nature of businesses:

1) Retail banking segment: develops financial products and services, and also provides services for individual customers relating to deposits, loans, payment for goods and services as well as sale of products released by the Bank's subsidiaries and business alliances through network branches nationwide.

2) Wholesale banking segment: provides credit facilities and financial services to corporate clients.

3) Treasury and investment segment: controls the Bank's financial structure to appropriate to make profit from the Bank's equity investment, international business and excess liquidity, and also supervising overseas branches and companies in which the Bank has invested and etc.

Other segments comprise of middle offices, back offices, subsidiaries and associates.

### Accounting Procedures for Segment Reporting

In contrast to the accounting procedures for financial statements preparation, the accounting procedures of the operating segments are based on the principle of Economic Value Management (EVM), whereby performance is measured, as included in the internal management reports that are reviewed by the Bank's CODM. In accordance with the EVM concept, all business units are treated as profit centers, having internal service charge (ISC) between service providing unit and service receiving unit. Fund Transfer Pricing (FTP) concept is used to calculating value of fund for fund provider unit and cost of fund for fund user unit. Income and expenses are allocated according to ownership basis in order to gain net operating profit after tax (NOPAT).

(Million Baht)

	<u>Consolidated Financial Statements</u>					
	<u>March 31, 2019</u>					
	<u>Retail</u> <u>Banking</u>	<u>Wholesale</u> <u>Banking</u>	<u>Treasury and</u> <u>Investment</u>	<u>Support and</u> <u>Others</u>	<u>Adjustments</u>	<u>Total</u>
Total operating income	11,919.91	11,246.16	1,601.70	8,804.08	-	33,571.85
Total expenses (excluding bad debts, doubtful accounts and loss on impairment)	(7,622.46)	(5,994.45)	(506.37)	(4,014.23)	-	(18,137.51)
Bad debts, doubtful accounts and loss on impairment	(600.43)	(1,953.02)	(242.71)	(4,533.66)	-	(7,329.82)
Net profit (loss)	3,697.02	3,298.69	852.62	256.19	-	8,104.52
Segment assets	1,064,298.37	1,126,905.65	12,780.29	631,031.96	49,097.74	2,884,114.01
Segment liabilities	1,548,315.07	598,419.18	190,923.08	170,728.13	51,757.31	2,560,142.77

**6.17 Operations Classified by Operating Segment (Continued)**

(Million Baht)

	<u>Consolidated Financial Statements</u>					<u>Total</u>
	<u>March 31, 2018</u>					
	<u>Retail</u> <u>Banking</u>	<u>Wholesale</u> <u>Banking</u>	<u>Treasury and</u> <u>Investment</u>	<u>Support and</u> <u>Others</u>	<u>Adjustments</u>	
Total operating income	12,957.08	8,046.05	1,134.20	7,381.59	0.51	29,519.43
Total expenses (excluding bad debts, doubtful accounts and loss on impairment)	(8,242.37)	(2,448.34)	(486.77)	(4,036.28)	-	(15,213.76)
Bad debts, doubtful accounts and loss on impairment	(753.42)	(424.13)	(184.25)	(5,545.72)	(0.51)	(6,908.03)
Net profit (loss)	3,961.29	5,173.58	463.18	(2,200.41)	-	7,397.64
Segment assets	1,012,247.47	1,040,220.49	37,343.54	723,835.69	73,853.65	2,887,500.84
Segment liabilities	1,499,706.16	613,966.91	214,098.15	184,630.11	75,249.13	2,587,650.46

**6.18 Interest Income**

(Million Baht)

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>March 31, 2018</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
	Interbank and money market items	2,199.12	2,707.85	2,199.05
Investment and trading transactions	99.51	77.84	99.51	77.84
Investment in debt	852.55	848.45	849.80	847.84
Loans *	30,085.46	25,551.60	26,708.47	22,540.44
Hire-purchase and finance lease	137.74	300.26	-	-
Others	3.05	19.18	3.05	19.18
Total interest income	33,377.43	29,505.18	29,859.88	26,193.08

\* Interest income from loans for the three-month period ended March 31, 2019 included the income received from the auction of mortgaged guarantee asset of a particular debtor amounting 3,898.70 million baht (Note 6.24.1).

**6.19 Interest Expenses**

(Million Baht)

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>March 31, 2018</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Deposits	4,668.27	4,830.64	4,671.33	4,833.83
Interbank and money market items	639.69	668.58	626.26	649.81
Contributions to Bank of Thailand (BOT)	2,431.00	2,389.00	2,431.00	2,389.00
Contributions to Deposit Protection Agency (DPA)	53.23	52.20	53.23	52.20
Debt issued				
Subordinated notes	928.55	1,001.04	576.61	640.74
B/E	-	0.07	-	0.07
Borrowings	0.80	1.43	0.43	0.74
Borrowing Fees	4.90	4.32	-	-
Others	9.85	17.59	9.85	17.65
Total interest expenses	<u>8,736.29</u>	<u>8,964.87</u>	<u>8,368.71</u>	<u>8,584.04</u>

**6.20 Income Tax Expenses**

The Bank has tax management policy and has been conducting tax management pursuant to the policy that correctly operates tax payment, tax filing and tax benefit utilization according to the legal regulations.

The Bank has considered tax effects both current and future of benefit from carrying amount of assets or settlement of carrying amount of liabilities. If there is probable that the Bank will get benefits from carrying amount of assets or settlement of carrying amount of liabilities, the Bank will pay income tax increase (or decrease) on the basis of amounts expected to be paid. Such the consideration is based on estimates, assumptions, regulation changes that may occur, legal interpretation and historical experience. In the future, if events change, which resulted in Bank to change its decision on the sufficiency of accrued income tax, any changes in accrued income tax will affect to income tax in the period that the changes occur.

Income tax expenses recognized in profit or loss for the three-month period ended March 31, 2019 and 2018 are as follows:

(Million Baht)

	<u>Consolidated Financial Statements</u>		<u>The Bank's Financial Statements</u>	
	<u>March 31, 2019</u>	<u>March 31, 2018</u>	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Current tax				
Current period	1,934.77	1,563.60	1,521.86	1,194.82
Deferred tax				
Movement in temporary differences	6.37	125.46	(61.25)	111.28
Total	<u>1,941.14</u>	<u>1,689.06</u>	<u>1,460.61</u>	<u>1,306.10</u>



## 6.21 Fair Value of Financial Instruments

Financial assets and financial liabilities instruments carried at fair value classified by the levels of fair value hierarchy as follows:

(Million Baht)

<u>Consolidated Financial Statements</u>								
	<u>March 31, 2019</u>				<u>December 31, 2018</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial assets</b>								
Derivatives assets	-	37,205.99	-	37,205.99	-	36,229.57	-	36,229.57
Trading investments	8,043.28	29,920.24	-	37,963.52	7,452.93	15,910.45	-	23,363.38
Available-for-sale investments	54,309.25	172,833.04	-	227,142.29	50,380.46	146,419.96	-	196,800.42
<b>Total financial assets</b>	<b>62,352.53</b>	<b>239,959.27</b>	<b>-</b>	<b>302,311.80</b>	<b>57,833.39</b>	<b>198,559.98</b>	<b>-</b>	<b>256,393.37</b>
<b>Financial liabilities</b>								
Derivatives liabilities	-	35,176.74	-	35,176.74	-	32,345.61	-	32,345.61
<b>Total financial liabilities</b>	<b>-</b>	<b>35,176.74</b>	<b>-</b>	<b>35,176.74</b>	<b>-</b>	<b>32,345.61</b>	<b>-</b>	<b>32,345.61</b>

(Million Baht)

<u>The Bank's Financial Statements</u>								
	<u>March 31, 2019</u>				<u>December 31, 2018</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<b>Financial assets</b>								
Derivatives assets	-	37,204.00	-	37,204.00	-	36,231.03	-	36,231.03
Trading investments	8,043.28	29,920.24	-	37,963.52	7,452.93	15,910.45	-	23,363.38
Available-for-sale investments	54,309.25	173,467.36	-	227,776.61	50,380.46	147,061.78	-	197,442.24
<b>Total financial assets</b>	<b>62,352.53</b>	<b>240,591.60</b>	<b>-</b>	<b>302,944.13</b>	<b>57,833.39</b>	<b>199,203.26</b>	<b>-</b>	<b>257,036.65</b>
<b>Financial liabilities</b>								
Derivatives liabilities	-	35,176.74	-	35,176.74	-	32,345.61	-	32,345.61
<b>Total financial liabilities</b>	<b>-</b>	<b>35,176.74</b>	<b>-</b>	<b>35,176.74</b>	<b>-</b>	<b>32,345.61</b>	<b>-</b>	<b>32,345.61</b>

There are no transfers between level 1 and level 2 of the fair value hierarchy during the period.

### Fair Value Hierarchy

Fair value hierarchy of the above financial assets and liabilities depends on differences of data inputs in valuation, which determined as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank and its subsidiaries can access at the measurement date.
- Level 2 – Inputs that, can be observed either directly or indirectly for those assets and liabilities other than quoted prices in level 1.
- Level 3 – Inputs that are unobservable for those assets and liabilities.

## **6.21 Fair Value of Financial Instruments (Continued)**

### **Valuation Techniques for Level 2**

Fair value of derivatives is calculated by using valuation techniques included discounted cash flow model and option pricing model commonly used by market participants. Data used in the valuation is the observable such as interest rates, exchange rates, and volatilities, is the observable input from reliable institutions.

Fair value of investment in domestic issued debt securities is calculated by using price published price the Thai Bond Market Association (ThaiBMA), whilst fair value of investment in foreign issued debt securities are presented fair value by using the latest published price from reliable institutions.

Moreover, because of using valuation techniques the Bank has valuation adjustment in order to properly reflect related risk. There are many valuation adjustment types such as credit valuation adjustment (CVA), bid–offer spread adjustment for market liquidity risk, and model risk arising from option valuation for SMEs' currency guarantee program.

### **6.22 Business Transaction within the Financial Business Group Policies and Risk Management Policies regarding Business Transaction within the Financial Business Group.**

The BOT's Notification No. SOR NOR SOR. 5/2560 and SOR NOR SOR. 9/2560 dated April 27, 2017, SOR NOR SOR. 8/2561 and SOR NOR SOR. 9/2561 dated April 11, 2018, and SOR NOR SOR. 12/2561 dated May 22, 2018, regarding the Consolidated Supervision Policy requires the Bank to disclose the business transaction within the financial business group policies and risk management policies are prepared as regulations to supervise business transaction within the financial business group, including the Bank and 11 companies within the financial business group (Note 6.5 except National ITMX Co., Ltd.), in terms of common standards and procedures which conform to the BOT's consolidated supervision policy. The business transaction within the financial business group policies and risk management policies regarding business transaction within the financial business group are approved by the Bank's board of directors and reviewed at least once a year. The policies also include transaction types, rules and regulations of business transactions, ratio of business transactions within the financial business group, capital requirements of the financial business groups and other related operating procedures. Business transactions within the group are conducted in the same manner as public operations and follow the Bank's corporate governance.

In case of the Bank having business transactions with a company within the financial business groups as it is the Bank's sector, the Bank will follow the BOT's relenting regulations.

### **6.23 Events after the Reporting Period**

**6.23.1** On April 5, 2019, the Labour Protection Act (No. 7) B.E.2562 (2019) was published in the Royal Thai Government Gazette as the amendment to the previous Labour Protection Act, effective after 30 days from the publication date. Under this Act, the employer is obligated of additional severance pay in the event of termination of an employee who has worked for 20 consecutive years or more at the rate of no less than 400 days of the employee's last pay rate. This constitutes no significant impacts on the Bank's financial statements as it is under the State Enterprise Labor Relations Act B.E.2543 (2000); however, this will be applicable to the Bank's subsidiaries with no significant impacts on the consolidated financial statements.

### 6.23 Events after the Reporting Period (Continue)

**6.23.2** On April 12, 2019, the 26<sup>th</sup> Annual General Shareholders' Meeting passed the resolution to approve the appropriation of 2018 net profit of Baht 25,100.62 million as follows:

	(Million Baht)
Dividend - preferred shares (@ Baht 0.8725)	4.80
Dividend - ordinary shares (@ Baht 0.718)	10,034.81
Net profit carried forward	15,061.01

### 6.24 Others

**6.24.1** The Bank has certain default debtors in relation to convertible preferred shares sale and lending with the outstanding principal amounts as per the related agreements totaling Baht 9,745 million as at December 31, 2018, exclusive of the interest charged thereon at default rates. The Bank has fully made a provision for impairment and allowance for doubtful accounts according to the BOT's regulations and is currently in the execution process following the orders of the Civil and Bankruptcy Courts.

These debtors, together with certain other defendants, have also been prosecuted to the Criminal Division for Persons Holding Political Position of The Supreme Court by the Office of the Attorney General. The Supreme Court had issued the order of acceptance on July 25, 2012 and later gave a final judgment on August 26, 2015 that all defendants must be accountable for the damage caused to the Bank. The Bank submitted the letter to the Office of the Attorney General to designate its Department of Legal Execution as the Bank's legal executioner. In January 2016, the Office of the Attorney General filed a complaint to the Supreme Court to nominate the executing officers. The Supreme Court has nominated executing officers accordingly. The Bank also provided them with the result of property investigation of all debtors in accordance with the court judgment. On October 5, 2016 the attorneys of the Department of Special Litigation arranged a meeting for representatives from the Bank of Thailand, the Anti-Money Laundering Office and the Bank to consider the problems regarding the legal execution of the Supreme Court's order. They will coordinate and exchange information, and each party will utilize its authority by the law and the Supreme Court's order for legal execution towards the defendants for the Bank's benefits.

On August 17, 2017, a defendant of the criminal suit of the Persons Holding Political Positions, who was not one of the default debtors, made a partial settlement of Baht 1,635.74 million to the Bank in relation to the criminal lawsuit. The Bank has accepted such payment, which is recorded the transaction as revenue from litigation compensation, and also sent a letter to this defendant demanding for further payment together with all other defendants to the Bank for the remaining compensation amount according to the order of the Criminal Division for Persons Holding Political Position of the Supreme Court.

## **6.24 Others (Continue)**

### **6.24.1 (Continue)**

In the present, criminal, other bankruptcy, and other civil case judgments are bought to levy compulsory execution of the mortgaged assets that assure debt obligation in the Bank's civil case for auction. The court commanded the Bank to be settled as a mortgagee accepting aforementioned mortgaged guarantee assets as the Bank requested for being mortgage settled. Afterwards, on October 17, 2018, the Legal Execution Department noticed to auction and managed auction the mortgaged guarantee assets, which outsiders bid at Baht 8,914.07 million. At present, the Bank has received a settlement of aforementioned mortgaged guarantee assets from the Legal Execution Department, which were sold under criminal case, of Baht 3,898.99 million. After deducting the transaction fees and litigation expenses of Baht 0.29 million, the net amount of Baht 3,898.70 million resulted as the interest payment per civil case judgments under the financial statements for the three-month period ended March 31, 2019. For the mortgaged guarantee assets sold in other bankruptcy and other civil cases, buyer has submitted a request for extending the payment on the remaining amount as there were applicants filing to withdraw the auction. The executing officer then commanded to allow such extension until the court verdict on withdrawing the auction has been established.

Under the civil case that the Bank being a plaintiff suing for the mortgage enforcement on the aforementioned mortgaged guarantee assets, the Civil Court has the verdict for the Bank to receive all of the filed principal and the interest on September 28, 2017. On October 31, 2018, the Court of Appeals has appointed for the verdict and sustained such prior Civil Court's verdict, in which the defendant has filed for the appeal to the Supreme Court on December 25, 2018 while the Bank also filed against such defendant's petition to the Supreme Court on February 25, 2019. At present, such case is in the period of consideration by the Supreme Court.

**6.24.2** In 2010, the Bank lend a company of USD 95.67 million (Baht 2,884.61 million) pledged an investment in ordinary shares of a foreign financial institution as collateral. Although such shares equaled to 50 percent of its authorized shares capital, are on the Bank's behalf, but the Bank has no influences over this invested financial institution. The Bank has already received full loan repayment under this contract since June, 2011, but not yet transferred those ordinary shares as collateral back to the company because the company need to find a financial institution to be a new investor first.

**6.24.3** On October 12, 2016, the Bank has considered closing a certain foreign branch. Currently, the Bank continues to follow advice from legal consultants. Assets, liabilities and operating performance of the branch do not have a material effect on the Bank's financial statements.

## **6.25 Approval of the Financial Statements**

These financial statements have been authorized for issue by the Audit Committee on May 14, 2019.

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