

Krung Thai Bank Public Company Limited  
and its subsidiaries  
Review report and interim financial information  
For the three-month and nine-month periods ended  
30 September 2020

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

To the Shareholders of Krung Thai Bank Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Krung Thai Bank Public Company Limited and its subsidiaries as at 30 September 2020, the related consolidated statement of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated statements of changes in equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the interim separate financial information of Krung Thai Bank Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting and the Bank of Thailand's regulations. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting and the Bank of Thailand's regulations.

### **Emphasis of matter**

I draw attention to Note 2 to the interim financial statements, the Bank and its subsidiaries have adopted new accounting policies in respect of the set of Thai Financial Reporting Standards related to financial instruments and Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations that Affect the Thai Economy as announced by the Federation of Accounting Professions in preparation of the current period's financial statements. My conclusion is not modified in respect of this matter.

### **Other Matter**

The consolidated statement of financial position of Krung Thai Bank Public Company Limited and its subsidiaries, and the separate statement of financial position of Krung Thai Bank Public Company Limited as at 31 December 2019, presented herein as comparative information, were audited by another auditor who expressed an unmodified opinion on those statements, under his report dated 26 February 2020. The consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2019, and the consolidated statements of changes in equity and cash flows for the nine-month period then ended of Krung Thai Bank Public Company Limited and its subsidiaries, and the separate statements of comprehensive income for the three-month and nine-month periods then ended, and the separate statements of changes in equity and cash flows for the nine-month period then ended of Krung Thai Bank Public Company Limited, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 13 November 2019, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Ratana Jala

Certified Public Accountant (Thailand) No. 3734

EY Office Limited

Bangkok: 12 November 2020

**Krung Thai Bank Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 30 September 2020**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
Cash	5.1	54,408,548	68,433,721	54,374,356	68,361,786
Interbank and money market items - net		378,050,220	338,770,589	377,828,241	338,273,821
Financial assets measured at fair value through profit or loss	5.3	20,215,968	-	20,575,874	-
Claims on securities		-	67,350,100	-	67,350,100
Derivatives assets		61,316,302	55,811,418	61,316,302	55,811,462
Investments - net	5.4	313,389,351	395,227,970	313,346,106	395,174,162
Investments in subsidiaries and associated companies - net	5.5	27,967,566	30,945,612	10,990,725	10,830,013
Loans to customers and accrued interest receivables - net	5.6	2,149,619,965	1,959,765,482	2,077,622,723	1,884,110,174
Customers' liability under acceptances		-	133,241	-	133,241
Properties for sale - net		32,532,804	32,182,562	32,517,939	32,175,895
Premises and equipment - net		24,598,605	24,200,896	22,205,702	22,293,897
Right-of-use assets		4,578,685	-	3,583,254	-
Other intangible assets - net		5,470,137	3,900,228	3,309,412	1,398,367
Deferred tax assets		5,734,352	8,164,563	3,417,039	5,697,176
Accrued income		2,179,447	3,487,317	1,891,953	3,193,301
Other assets - net		24,413,341	23,842,421	24,110,461	23,554,727
<b>Total assets</b>		<b>3,104,475,291</b>	<b>3,012,216,120</b>	<b>3,007,090,087</b>	<b>2,908,358,122</b>

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

(Vichai Assarasakorn)

Chairman of the Audit Committee

(Payong Srivanich)

President

**Krung Thai Bank Public Company Limited and its subsidiaries**  
**Statement of financial position (continued)**  
**As at 30 September 2020**

(Unit: Thousand Baht)

Note	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and equity</b>				
Deposits	2,312,537,804	2,155,864,986	2,317,106,961	2,158,459,942
Interbank and money market items	221,600,673	215,822,527	215,557,399	208,239,974
Liabilities payable on demand	5,748,437	4,744,254	5,748,437	4,744,254
Liabilities to deliver securities	-	67,350,100	-	67,350,100
Derivatives liabilities	57,429,022	51,868,539	57,429,022	51,868,539
Debt issued and borrowings	88,631,348	96,841,300	44,309,548	51,322,900
Banks' liability under acceptances	-	133,241	-	133,241
Lease liabilities	4,548,074	-	3,541,688	-
Provisions	16,525,951	15,239,758	14,979,939	13,776,104
Other liabilities	47,704,340	56,025,029	41,672,188	48,239,602
<b>Total liabilities</b>	<b>2,754,725,649</b>	<b>2,663,889,734</b>	<b>2,700,345,182</b>	<b>2,604,134,656</b>
<b>Equity</b>				
Share capital				
Authorised 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
Deficit from the change in the ownership interests in subsidiary	(128,341)	-	-	-
Other components of equity	29,780,172	33,006,142	16,934,186	16,094,673
Retained earnings				
Appropriated				
Legal reserve	7,200,504	7,200,504	7,200,504	7,200,504
Unappropriated	209,181,558	205,241,876	189,771,441	188,089,515
<b>Equity attributable to equity holders of the Bank</b>	<b>338,872,667</b>	<b>338,287,296</b>	<b>306,744,905</b>	<b>304,223,466</b>
Non-controlling interests	10,876,975	10,039,090	-	-
<b>Total equity</b>	<b>349,749,642</b>	<b>348,326,386</b>	<b>306,744,905</b>	<b>304,223,466</b>
<b>Total liabilities and equity</b>	<b>3,104,475,291</b>	<b>3,012,216,120</b>	<b>3,007,090,087</b>	<b>2,908,358,122</b>

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

(Vichai Assarasakorn)

Chairman of the Audit Committee

(Payong Srivanich)

President

(Unaudited but reviewed)

## Krung Thai Bank Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the three-month period ended 30 September 2020

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
<b>Profit or loss</b>					
Interest income	5.13	27,212,125	29,843,988	23,539,390	26,153,735
Interest expenses	5.14	5,610,313	8,682,652	5,227,818	8,299,778
<b>Net interest income</b>		<b>21,601,812</b>	<b>21,161,336</b>	<b>18,311,572</b>	<b>17,853,957</b>
Fees and service income		6,631,885	7,522,799	5,121,807	6,056,238
Fees and service expenses		1,607,174	1,574,301	1,091,450	1,148,733
<b>Net fees and service income</b>		<b>5,024,711</b>	<b>5,948,498</b>	<b>4,030,357</b>	<b>4,907,505</b>
Gains on financial instruments measured at fair value					
through profit or loss		962,202	-	960,648	-
Gains on trading and foreign exchange transactions		-	473,676	-	473,464
Gains on investments		148,376	1,153,855	138,707	1,153,855
Share of profit from investments accounted for under equity method		1,013,484	458,420	-	-
Dividend income		81,942	153,672	156,192	227,922
Other operating income		1,441,500	1,078,134	644,240	190,258
<b>Total operating income</b>		<b>30,274,027</b>	<b>30,427,591</b>	<b>24,241,716</b>	<b>24,806,961</b>
<b>Other operating expenses</b>					
Employee's expenses		7,226,119	10,012,460	5,792,920	8,577,015
Directors' remuneration		79,030	10,352	7,409	6,155
Premises and equipment expenses		2,321,241	2,229,389	1,397,735	1,322,651
Taxes and duties		858,931	1,145,788	726,440	1,006,527
Impairment loss of properties for sale		617,368	-	631,965	-
Other expenses		2,598,911	2,738,949	3,570,066	3,483,222
<b>Total other operating expenses</b>		<b>13,701,600</b>	<b>16,136,938</b>	<b>12,126,535</b>	<b>14,395,570</b>
Expected credit losses	5.15	12,414,013	-	10,716,121	-
Impairment losses of loans and debt securities		-	6,097,675	-	4,501,156
<b>Profit before income tax</b>		<b>4,158,414</b>	<b>8,192,978</b>	<b>1,399,060</b>	<b>5,910,235</b>
Income tax	5.16	482,093	1,154,481	31,783	756,442
<b>Profit for the period</b>		<b>3,676,321</b>	<b>7,038,497</b>	<b>1,367,277</b>	<b>5,153,793</b>

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

(Vichai Assarasakorn)

Chairman of the Audit Committee

(Payong Srivanich)

President

(Unaudited but reviewed)

**Krung Thai Bank Public Company Limited and its subsidiaries**  
**Statement of comprehensive income (continued)**  
**For the three-month period ended 30 September 2020**

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Other comprehensive income (loss)</b>				
<i>Transactions that will be reclassified subsequently to profit or loss</i>				
Gains (losses) on debt securities measured at fair value through other comprehensive income	494,153	-	494,660	-
Gains (losses) on changes in value of available-for-sale investments	-	481,954	-	489,235
Gains (losses) arising from translating the financial statements of foreign operations	58,059	(16,051)	58,059	(16,051)
Gains (losses) on cash flow hedges	6,239	-	6,239	-
Gains (losses) from deferred cost of hedging	162,229	-	162,229	-
Share of other comprehensive income (loss) of associate (equity method) for items that will be reclassified subsequently to profit or loss	(304,749)	9,870,456	-	-
Income tax relating to other comprehensive income (loss) for items that will be reclassified subsequently to profit or loss	(133,852)	(96,391)	(132,626)	(97,847)
<i>Transactions that will never be reclassified subsequently to profit or loss</i>				
Changes in revaluation surplus on assets	-	(63,164)	-	(63,164)
Share of other comprehensive income (loss) of associated companies (equity method) for items that will never be reclassified subsequently to profit or loss	(1,630,870)	-	-	-
Gains (losses) on investments in equity securities designated to be measured at fair value through other comprehensive income	(998,204)	-	(998,204)	-
Actuarial gains (losses) on defined benefit plan	-	703,629	-	699,059
Income tax relating to other comprehensive income (losses) for items that will never be reclassified subsequently to profit or loss	199,641	(128,093)	199,641	(127,179)
<b>Other comprehensive income (loss) - net</b>	<b>(2,147,354)</b>	<b>10,752,340</b>	<b>(210,002)</b>	<b>884,053</b>
<b>Total comprehensive income (loss)</b>	<b>1,528,967</b>	<b>17,790,837</b>	<b>1,157,275</b>	<b>6,037,846</b>
<b>Total profit attributable to:</b>				
Equity holders of the Bank	3,057,136	6,354,570	1,367,277	5,153,793
Non-controlling interest	619,185	683,927		
	<b>3,676,321</b>	<b>7,038,497</b>		
<b>Total comprehensive income attributable</b>				
Equity holders of the Bank	909,782	17,106,910	1,157,275	6,037,846
Non-controlling interest	619,185	683,927		
	<b>1,528,967</b>	<b>17,790,837</b>		
<b>Earnings per share of the Bank</b>				
Basic earnings per share (Baht)	0.22	0.45	0.10	0.37

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

(Vichai Assarasakorn)  
Chairman of the Audit Committee

(Payong Srivanich)  
President

(Unaudited but reviewed)

**Krung Thai Bank Public Company Limited and its subsidiaries****Statement of comprehensive income****For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2020	2019	2020	2019
<b>Profit or loss</b>					
Interest income	5.13	86,994,551	93,466,106	75,626,393	82,666,946
Interest expenses	5.14	18,971,392	25,859,067	17,823,291	24,730,636
<b>Net interest income</b>		<b>68,023,159</b>	<b>67,607,039</b>	<b>57,803,102</b>	<b>57,936,310</b>
Fees and service income		20,473,583	21,852,365	16,140,499	17,312,570
Fees and service expenses		5,228,679	4,618,430	3,887,172	3,387,753
<b>Net fees and service income</b>		<b>15,244,904</b>	<b>17,233,935</b>	<b>12,253,327</b>	<b>13,924,817</b>
Gains on financial instruments measured at fair value					
through profit or loss		2,384,484	-	2,445,655	-
Gains on trading and foreign exchange transactions		-	2,139,274	-	2,138,715
Gains on investments		894,871	1,826,058	885,203	1,829,848
Share of profit from investments accounted for under equity method		1,568,804	1,239,605	-	-
Dividend income		329,578	458,166	2,302,570	2,437,132
Other operating income		5,232,085	3,525,267	2,944,286	754,752
<b>Total operating income</b>		<b>93,677,885</b>	<b>94,029,344</b>	<b>78,634,143</b>	<b>79,021,574</b>
<b>Other operating expenses</b>					
Employee's expenses		21,622,566	24,300,512	17,571,727	19,859,567
Directors' remuneration		238,111	97,979	61,769	58,515
Premises and equipment expenses		6,518,290	6,638,243	3,863,058	3,887,968
Taxes and duties		2,881,333	3,339,812	2,516,312	2,932,606
Impairment loss of properties for sale		1,111,188	4,814,172	1,132,699	4,845,675
Other expenses		7,157,727	6,666,341	9,654,258	9,218,624
<b>Total other operating expenses</b>		<b>39,529,215</b>	<b>45,857,059</b>	<b>34,799,823</b>	<b>40,802,955</b>
Expected credit losses	5.15	35,648,698	-	30,566,506	-
Impairment losses of loans and debt securities		-	18,989,045	-	14,504,132
<b>Profit before income tax</b>		<b>18,499,972</b>	<b>29,183,240</b>	<b>13,267,814</b>	<b>23,714,487</b>
Income tax	5.16	3,183,537	5,175,645	1,917,272	3,896,263
<b>Profit for the period</b>		<b>15,316,435</b>	<b>24,007,595</b>	<b>11,350,542</b>	<b>19,818,224</b>

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

(Vichai Assarasakorn)

Chairman of the Audit Committee

(Payong Srivanich)

President



(Unaudited but reviewed)

**Krung Thai Bank Public Company Limited and its subsidiaries**  
**Statement of comprehensive income (continued)**  
**For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

Note	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b>Other comprehensive income (loss)</b>				
<i>Transactions that will be reclassified subsequently to profit or loss</i>				
Gains (losses) on debt securities measured at fair value through other comprehensive income	106,721	-	111,984	-
Gains (losses) on changes in value of available-for-sale investments	-	3,932,534	-	3,948,048
Gains (losses) arising from translating the financial statements of foreign operations	54,617	(26,193)	54,617	(26,193)
Gains (losses) on cash flow hedges	128,482	-	128,482	-
Gains (losses) from deferred cost of hedging	105,778	-	105,778	-
Share of other comprehensive income (loss) of associated companies (equity method) for items that will be reclassified subsequently to profit or loss	(2,317,452)	14,436,099	-	-
Income tax relating to other comprehensive income (loss) for items that will be reclassified subsequently to profit or loss	(76,803)	(786,507)	(77,856)	(789,610)
<i>Transactions that will never be reclassified subsequently to profit or loss</i>				
Changes in revaluation surplus on assets	-	(63,164)	-	(63,164)
Share of other comprehensive income (loss) of associate (equity method) for items that will never be reclassified subsequently to profit or loss	(1,989,918)	-	-	-
Gains (losses) on investments in equity securities designated to be measured at fair value through other comprehensive income	(2,313,256)	-	(2,139,298)	-
Actuarial gains (losses) on defined benefit plan	-	714,064	-	699,059
Income tax relating to other comprehensive income (losses) for items that will never be reclassified subsequently to profit or loss	427,709	(130,180)	427,709	(127,179)
<b>Other comprehensive income (loss) - net</b>	<b>(5,874,122)</b>	<b>18,076,653</b>	<b>(1,388,584)</b>	<b>3,640,961</b>
<b>Total comprehensive income (loss)</b>	<b>9,442,313</b>	<b>42,084,248</b>	<b>9,961,958</b>	<b>23,459,185</b>
<b>Total profit attributable to:</b>				
Equity holders of the Bank	13,279,160	21,825,328	11,350,542	19,818,224
Non-controlling interest	2,037,275	2,182,267		
	<b>15,316,435</b>	<b>24,007,595</b>		
<b>Total comprehensive income attributable</b>				
Equity holders of the Bank	7,405,038	39,901,981	9,961,958	23,459,185
Non-controlling interest	2,037,275	2,182,267		
	<b>9,442,313</b>	<b>42,084,248</b>		
<b>Earnings per share of the Bank</b>				
Basic earnings per share (Baht)	0.95	1.56	0.81	1.42

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

(Vichai Assarasakorn)

Chairman of the Audit Committee

(Payong Srivanich)

President

(Unaudited but reviewed)

## Krung Thai Bank Public Company Limited and its subsidiaries

## Statement of changes in equity

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

Consolidated financial statements													
Attributable to equity holder of the Bank													
	Issued and fully paid-up share capital	Premium on share capital	Other components of equity					Share of other comprehensive income (loss) of associates	Deficit from the change in the ownership interest in subsidiary	Retained earnings	Total equity attributable to equity holders of the Bank	Non-controlling interests	Total
			Surplus (deficit) on revaluation of assets	Revaluation surplus (deficit) on investments	Gains (losses) from reclassification of investments	Hedge reserve	Gains (losses) from translating the financial statements						
<b>Balance as at 1 January 2019</b>	72,005,040	20,833,734	8,350,437	6,265,396	644,353	-	(99,869)	3,914,071	-	193,962,287	305,875,449	8,265,654	314,141,103
Dividends (Note 5.8)	-	-	-	-	-	-	-	-	-	(10,039,611)	(10,039,611)	(1,068,730)	(11,108,341)
Adjustment gains (losses) from reclassification of investments	-	-	-	610,918	(610,918)	-	-	-	-	-	-	-	-
Non-controlling interest increases from disposal of investments in subsidiary company	-	-	-	-	-	-	-	-	-	-	-	15,762	15,762
Total comprehensive income (loss)	-	-	(50,531)	3,146,027	-	-	(26,193)	14,436,099	-	22,396,579	39,901,981	2,182,267	42,084,248
<b>Balance as at 30 September 2019</b>	<b>72,005,040</b>	<b>20,833,734</b>	<b>8,299,906</b>	<b>10,022,341</b>	<b>33,435</b>	<b>-</b>	<b>(126,062)</b>	<b>18,350,170</b>	<b>-</b>	<b>206,319,255</b>	<b>335,737,819</b>	<b>9,394,953</b>	<b>345,132,772</b>
<b>Balance as at 1 January 2020</b>	<b>72,005,040</b>	<b>20,833,734</b>	<b>8,206,016</b>	<b>8,180,228</b>	<b>(1,877)</b>	<b>-</b>	<b>(115,736)</b>	<b>16,737,511</b>	<b>-</b>	<b>212,442,380</b>	<b>338,287,296</b>	<b>10,039,090</b>	<b>348,326,386</b>
Cumulative effects of changes in accounting policies (Note 3)	-	-	-	2,129,230	1,877	(29,786)	-	129,137	-	1,019,741	3,250,199	-	3,250,199
<b>Balance as at 1 January 2020 - as restate</b>	<b>72,005,040</b>	<b>20,833,734</b>	<b>8,206,016</b>	<b>10,309,458</b>	<b>-</b>	<b>(29,786)</b>	<b>(115,736)</b>	<b>16,866,648</b>	<b>-</b>	<b>213,462,121</b>	<b>341,537,495</b>	<b>10,039,090</b>	<b>351,576,585</b>
Dividends (Note 5.8)	-	-	-	-	-	-	-	-	-	(10,528,965)	(10,528,965)	(1,150,528)	(11,679,493)
Change in the ownership interest in subsidiaries	-	-	-	-	-	-	-	-	(128,341)	169,746	41,405	(41,405)	-
Decrease in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(7,457)	(7,457)
Surplus on revaluation of assets	-	-	417,694	-	-	-	-	-	-	-	417,694	-	417,694
Total comprehensive income (loss)	-	-	-	(1,808,777)	-	187,408	54,617	(4,307,370)	-	13,279,160	7,405,038	2,037,275	9,442,313
<b>Balance as at 30 September 2020</b>	<b>72,005,040</b>	<b>20,833,734</b>	<b>8,623,710</b>	<b>8,500,681</b>	<b>-</b>	<b>157,622</b>	<b>(61,119)</b>	<b>12,559,278</b>	<b>(128,341)</b>	<b>216,382,062</b>	<b>338,872,667</b>	<b>10,876,975</b>	<b>349,749,642</b>

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

(Vichai Assarasakorn)

Chairman of the Audit Committee

(Payong Srivanich)

President

(Unaudited but reviewed)

## Krung Thai Bank Public Company Limited and its subsidiaries

## Statement of changes in equity (continued)

For the nine-month period ended 30 September 2020

(Unit: Thousand Baht)

	Separate financial statements									
	Other components of equity								Retained earnings	Total
	Issued and fully paid-up share capital	Premium on share capital	Surplus (deficit) on revaluation of assets	Revaluation surplus (deficit) on investments	Gains (losses) from reclassification of investments	Hedge reserve	Gains (losses) from translating the financial statements			
<b>Balance as at 1 January 2019</b>	72,005,040	20,833,734	8,350,437	6,075,297	644,353	-	(99,869)	179,696,186	287,505,178	
Dividends (Note 5.8)	-	-	-	-	-	-	-	(10,039,611)	(10,039,611)	
Adjustment gains (losses) from reclassification of investments	-	-	-	610,918	(610,918)	-	-	-	-	
Total comprehensive income (loss)	-	-	(50,531)	3,158,438	-	-	(26,193)	20,377,471	23,459,185	
<b>Balance as at 30 September 2019</b>	<u>72,005,040</u>	<u>20,833,734</u>	<u>8,299,906</u>	<u>9,844,653</u>	<u>33,435</u>	<u>-</u>	<u>(126,062)</u>	<u>190,034,046</u>	<u>300,924,752</u>	
<b>Balance as at 1 January 2020</b>	72,005,040	20,833,734	8,206,016	8,006,270	(1,877)	-	(115,736)	195,290,019	304,223,466	
Cumulative effects of changes in accounting policies (Note 3)	-	-	-	2,129,230	1,877	(29,786)	-	860,349	2,961,670	
<b>Balance as at 1 January 2020 - as restate</b>	<u>72,005,040</u>	<u>20,833,734</u>	<u>8,206,016</u>	<u>10,135,500</u>	<u>-</u>	<u>(29,786)</u>	<u>(115,736)</u>	<u>196,150,368</u>	<u>307,185,136</u>	
Dividends (Note 5.8)	-	-	-	-	-	-	-	(10,528,965)	(10,528,965)	
Surplus on revaluation of assets	-	-	126,776	-	-	-	-	-	126,776	
Total comprehensive income (loss)	-	-	-	(1,630,609)	-	187,408	54,617	11,350,542	9,961,958	
<b>Balance as at 30 September 2020</b>	<u>72,005,040</u>	<u>20,833,734</u>	<u>8,332,792</u>	<u>8,504,891</u>	<u>-</u>	<u>157,622</u>	<u>(61,119)</u>	<u>196,971,945</u>	<u>306,744,905</u>	

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

(Vichai Assarasakorn)

Chairman of the Audit Committee

(Payong Srivanich)

President

(Unaudited but reviewed)

**Krung Thai Bank Public Company Limited and its subsidiaries****Statements of cash flows****For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Cash flows from operating activities</b>				
Profit before income tax	18,499,972	29,183,240	13,267,814	23,714,487
Adjustments to reconcile profit before income tax to net cash received (paid) from operating activities:				
Depreciation and amortisation expenses	3,683,519	1,978,179	2,458,271	910,539
Expected credit losses	35,648,698	-	30,566,506	-
Impairment losses of loans and debt securities	-	18,989,045	-	14,504,132
Share of profit from investments accounted for under equity method	(1,568,804)	(1,239,605)	-	-
(Gains) losses on disposal of assets	306,811	(6,719)	301,822	(1,679)
(Gains) losses on disposal of investments	(894,871)	(1,869,348)	(894,871)	(1,869,348)
(Gains) losses on revaluation of investments	-	(560,876)	-	(560,876)
Unrealised (gains) losses on financial instruments measured at fair value through profit and loss	486,450	-	425,278	-
Losses on impairment of properties for sale	1,111,188	4,814,172	1,132,699	4,845,675
Losses on impairment of investment	-	43,290	9,668	39,500
Losses on impairment of other assets	363,499	235,444	363,499	235,444
Amortisation of premium (discount) on investments	325,010	(91,670)	325,010	(85,580)
(Gains) losses on foreign currency translation	(3,358,018)	6,877,258	(3,358,018)	6,877,263
Increase (decrease) in provisions	559,317	2,872,320	380,872	2,682,082
(Increase) decrease in other accrued income	(500,265)	671,831	(506,787)	789,397
Increase (decrease) in other accrued expenses	(9,170,555)	(2,114,066)	(1,517,000)	(2,107,655)
	45,491,951	59,782,495	42,954,763	49,973,381
Net interest income	(68,023,159)	(67,607,039)	(57,803,102)	(57,936,310)
Dividend income	(329,578)	(458,166)	(2,302,570)	(2,437,132)
Proceeds from interest income	79,962,380	95,597,216	68,499,723	84,785,352
Cash paid on interest expenses	(22,214,381)	(26,161,024)	(21,063,132)	(24,981,641)
Proceeds from dividend income	613,324	458,696	2,303,474	458,696
Proceeds from income tax	160,201	-	-	-
Cash paid on income tax expenses	(6,196,700)	(9,017,801)	(4,686,848)	(7,327,259)
<b>Income from operating activities before changes in operating assets and liabilities</b>	29,464,038	52,594,377	27,902,308	42,535,087

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

(Vichai Assarasakorn)  
Chairman of the Audit Committee

(Payong Srivanich)  
President

(Unaudited but reviewed)

**Krung Thai Bank Public Company Limited and its subsidiaries****Statements of cash flows (continued)****For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
<b>Cash flows from operating activities (continued)</b>				
(Increase) decrease in operating assets				
Interbank and money market items	(41,845,249)	33,652,779	(42,119,739)	33,225,695
Financial assets measured at fair value through profit or loss	32,549,969	-	32,251,236	-
Claims on securities	-	(16,516,600)	-	(16,516,600)
Derivatives assets	(4,877)	(21,671,802)	(4,833)	(21,670,503)
Investments in trading securities	-	(37,202,284)	-	(37,202,284)
Loans to customers	(222,999,252)	(83,391,069)	(221,705,697)	(75,560,517)
Properties for sale	1,978,487	1,272,721	1,943,308	1,172,702
Other assets	2,632,197	(11,334,039)	2,641,616	(11,179,284)
Increase (decrease) in operating liabilities				
Deposits	156,672,818	42,906,727	158,647,018	42,025,025
Interbank and money market items	5,610,780	27,205,806	7,150,060	24,957,825
Liabilities payable on demand	1,004,184	352,668	1,004,184	352,668
Liabilities to deliver securities	-	16,516,600	-	16,516,600
Derivatives liabilities	5,690,256	25,180,898	5,690,256	25,180,898
Other liabilities	12,905,901	11,181,333	6,998,036	13,660,977
<b>Net cash provided by (used in) operating activities</b>	<b>(16,340,748)</b>	<b>40,748,115</b>	<b>(19,602,247)</b>	<b>37,498,289</b>
<b>Cash flows from investing activities</b>				
Purchase of debt and equity securities measured at fair value through other comprehensive income	(174,961,273)	-	(174,809,673)	-
Proceeds from disposal of debt and equity securities measured at fair value through other comprehensive income	204,264,032	-	203,490,714	-
Purchase of debt securities measured at amortised cost	(2,251,802)	-	(607,991)	-
Proceeds from disposal of debt instruments measured at amortised cost	1,499,591	-	646,153	-
Purchase of available for sale securities	-	(156,307,162)	-	(156,953,762)
Proceeds from disposal of available for sale securities	-	91,841,376	-	92,484,951
Purchase of held-to-maturity debt securities	-	(1,714,063)	-	(1,181,324)
Proceeds from disposal of held-to-maturity debt securities	-	2,633,898	-	1,758,895
Purchase of general investments	-	(441,608)	-	(441,608)
Proceeds from disposal of general investments	-	194,755	-	194,755
Purchase of investments in subsidiaries and associates	(635)	(117,500)	(170,381)	(144,945)
Proceeds from disposal of investments in subsidiaries and associates	-	427,052	-	427,052
Proceeds from dividend income from subsidiaries and associates	-	179,136	-	1,904,716
Purchase of intangible assets	(2,152,080)	(524,321)	(2,037,108)	(317,933)
Purchase of premises and equipment	(2,097,871)	(1,053,584)	(1,680,502)	(472,123)
Proceeds from disposal of premises and equipment	9,381	27,009	4,427	1,693
<b>Net cash provided by (used in) investing activities</b>	<b>24,309,343</b>	<b>(64,855,012)</b>	<b>24,835,639</b>	<b>(62,739,633)</b>

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

(Vichai Assarasakorn)

Chairman of the Audit Committee

(Payong Srivanich)

President

(Unaudited but reviewed)

**Krung Thai Bank Public Company Limited and its subsidiaries**

**Statements of cash flows (continued)**

**For the nine-month period ended 30 September 2020**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
<b>Cash flows from financing activities</b>				
Proceeds from debt issued and borrowings	3,747,124	28,000,000	247,124	24,000,000
Repayments of debt issued and borrowings	(12,239,573)	(5,281,000)	(7,542,973)	-
Repayments of lease liabilities	(1,706,697)	-	(1,450,625)	-
Dividend paid for ordinary share	(10,523,974)	(10,034,812)	(10,523,974)	(10,034,812)
Dividend paid for preferred share	(4,991)	(4,799)	(4,991)	(4,799)
Dividend paid to non-controlling interest	(1,150,528)	(1,069)	-	-
Purchase shares from non-controlling interest	(169,746)	-	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(22,048,385)</b>	<b>12,678,320</b>	<b>(19,275,439)</b>	<b>13,960,389</b>
(Gains) losses from translating the financial statements of foreign operations	54,617	(26,193)	54,617	(26,193)
<b>Decrease in cash and cash equivalents</b>	<b>(14,025,173)</b>	<b>(11,454,770)</b>	<b>(13,987,430)</b>	<b>(11,307,148)</b>
<b>Beginning balance of cash and cash equivalents</b>	<b>68,433,721</b>	<b>68,878,125</b>	<b>68,361,786</b>	<b>68,661,544</b>
<b>Ending balance of cash and cash equivalents</b>	<b>54,408,548</b>	<b>57,423,355</b>	<b>54,374,356</b>	<b>57,354,396</b>

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

.....  
(Vichai Assarasakorn)

Chairman of the Audit Committee

.....  
(Payong Srivanich)

President

**Krung Thai Bank Public Company Limited and its subsidiaries****Table of contents for notes to interim consolidated financial statements****For the nine-month period ended 30 September 2020**

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**Krung Thai Bank Public Company Limited and its subsidiaries**  
**Notes to interim consolidated financial statements**  
**For the nine-month period ended 30 September 2020**

**1. General information**

**1.1 Corporate information**

Krung Thai Bank Public Company Limited (“the Bank”) is a public company limited registered in 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.

**1.2 Coronavirus disease 2019 (COVID-19) Pandemic**

The COVID-19 pandemic is continuing to evolve, resulting in an economic slowdown and impacting various businesses and industries, directly or indirectly. This situation may bring uncertainties and affect the Bank’s and its subsidiaries’ business activities which may impacting the Bank’s and its subsidiaries’ operating results and cash flows, at present and in the future. The impact cannot be reasonably estimated at this stage.

**2. Basis of preparation of the financial statements**

**2.1 Basis of preparation of the interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, Accounting Guidelines promulgated by the Federation of Accounting Professions (“TFAC”), accounting practices generally accepted in Thailand including relevant Bank of Thailand’s regulations. The Bank chooses to present the interim financial statements that are the statement of financial position, comprehensive income, changes in equity, and cash flows in the same format as that used for the annual financial statements. Notes to the interim financial statements disclosed only significant information.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.



## **2.2 Basis of preparation of the consolidated and separate financial statements**

The financial statements are presented in accordance with the Notification of the Bank of Thailand (“BOT”) No. SOR NOR SOR. 21/2561 dated 31 October 2018, 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 2 October 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 the financial reporting standards, under the Accounting Act B.E. 2547 (2004).

### The consolidated financial statements

The consolidated financial statements comprise the accounts of the Bank and those of its subsidiaries in which the Bank has a controlling interest, after eliminating significant intercompany transactions and balances. The 7 subsidiaries are KTB Law Co., Ltd., KTB General Services and Security Co., Ltd., Krung Thai Asset Management Plc., KTB Computer Services Co., Ltd., KTB Leasing Co., Ltd., KTB Advisory Co., Ltd. and Krungthai Card Plc. The financial statements of the subsidiaries are prepared for the same reporting period as the Bank, using the same significant accounting policies. In cases where there are different accounting policies, the Bank has adjusted the effect of these differences in the consolidated financial statements.

The percentages of shareholdings and investments in the Bank’s subsidiaries and associated companies are shown in Note 5.5 to the interim financial statements.

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

### The separate financial statements

Investments in subsidiaries and associated companies are accounted for in the separate financial statements using the cost method.

The Bank’s financial statements for the three-month and nine-month periods ended 30 September 2020 and 2019 and for the year ended 31 December 2019 included the accounts of domestic and foreign branches, after eliminating the effects of all interbranch transactions.

### The English language interim financial statements

The interim financial statements in Thai language are the official statutory financial statements of the Bank. The interim financial statements in English language has been translated from the interim financial statements in Thai language. In case of a conflict or a difference in interpretation between the two languages, the interim financial statements in Thai language shall prevail.

## **2.3 New Financial reporting standards**

### **2.3.1 Financial reporting standards that became effective in the current period**

During the period, the Bank and its subsidiaries have adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. However, the new financial reporting standards that involve changes to key principles are summarised below;

#### **Financial reporting standards related to financial instruments**

A set of TFRSs related to financial instruments, consisting of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Entity's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these set of financial reporting standards on the Bank and its subsidiaries are as follows:

***Classification and measurement of financial assets and financial liabilities***

Financial assets - debt instruments

The Bank and its subsidiaries classify their financial assets - debt instruments as subsequently measured at amortised cost or fair value in accordance with the Bank's and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets as follows:

- Financial assets measured at amortised cost only if both following conditions are met: the financial assets is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets measured at fair value through other comprehensive income only if both following conditions are met: the financial assets is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets as well as the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets measured at fair value through profit or loss unless the financial assets is held within a business model whose objective is to hold financial asset in order to collect contractual cash flows or, the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Despite the foregoing, these financial assets - debt instruments may be irrevocably designated as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

Investment in equity instruments

All equity investments are measured at fair value in the statement of financial position. The Bank and its subsidiaries have classified equity investments as the financial assets measured at fair value through other comprehensive income, except for those equity investments measured at fair value through profit or loss in accordance with the Bank's and its subsidiaries' Investment Policy.

The management of the Bank and its subsidiaries reviewed and assessed the Bank's and its subsidiaries' existing financial assets as at 1 January 2020 based on the facts and circumstances that existed at that date and concluded the following significant changes on the Bank's and its subsidiaries' financial assets as regards their classification and measurement:

- The held-to-maturity and available-for-sale investments in debt securities as well as available-for-sale and general investments in equity securities are removed.
- Classify almost held-to-maturity debt securities to be financial assets measured at amortised cost.
- Classify almost available-for-sale debt securities to be financial assets measured at fair value through other comprehensive income.
- Classify almost investments in equity securities to be financial assets measured at fair value through other comprehensive income except for some items that are classified to be financial assets measured at fair value through profit or loss in accordance with the Bank's and its subsidiaries' Investment Policy, or some items that are classified as 'Debt instruments' in accordance with the financial reporting standards and their contractual cash flows are not solely payments of principal and interest on the principal amount outstanding.
- The investments in equity securities which are elected to be measured at fair value through other comprehensive income cannot be subsequently revoked. All gains and losses are presented in other comprehensive income except for dividend which is recognised in profit or loss.
- Initially recognise the whole derivatives for banking book at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss. The Bank and its subsidiaries apply hedge accounting for certain derivatives.

#### Financial liabilities

The adoption of these set of financial reporting standards does not impact to the Bank's and its subsidiaries' classification of financial liabilities. The Bank and its subsidiaries continue to be classified all financial liabilities as measured at amortised cost.

### ***Impairment of financial assets***

The TFRS 9 sets out an entity estimates the expected credit losses instead of recognising its incurred losses under previous accounting policy. This financial reporting standards requires to recognise impairment by based on an Expected Credit Losses model and management overlay for the factors which are not captured by the model and requires the Bank and its subsidiaries to recognise an allowance for expected credit losses for all loans to customers and investments in debt securities which are not measured at fair value through profit or loss, together with loan commitments and financial guarantee contracts. The allowance is measured at the amount equal to 12-month expected credit losses, except for the case that there has been a significant increase in credit risk since initial recognition and financial assets that are credit-impaired, the allowance is measured at the amount equal to the lifetime expected credit losses of financial instrument. In addition, TFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, contract assets and lease receivables in certain circumstances.

### ***Hedge accounting***

The general hedge accounting requirements aim to align the accounting with risk management strategy, permitting to have a greater variety of hedging instruments and risks being hedged, however they do not explicitly address hedge accounting for Dynamic Risk Management, as a result included an accounting policy choice to remain with the existing accounting practice.

### ***Transition***

The Bank and its subsidiaries adopted a set of financial reporting standards related to financial instruments by recognising the cumulative effects of the first-time adoption of these set of financial reporting standards as an adjustment to the retained earnings or other components of shareholders' equity as at 1 January 2020. The comparative information was not restated; therefore, the presentation of the year 2019 is not comparable with the presentation of the year 2020.

The cumulative effect of the change is described in Note 3 to the interim financial statements.

### ***TFRS 16 Leases***

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The financial reporting standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Bank and its subsidiaries adopted this financial reporting standard using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings (if any) as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 3 to the interim financial statements.

### **2.3.2 Accounting Guidance**

#### **Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand No. BOT. RPD.(23)C. 276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy” and the circular of the Bank of Thailand No. BOT. RPD.(01)C. 380/2563 “Measures to provide additional assistance to debtors during the COVID-19 situation” or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, personal loan businesses under the supervision of the Bank of Thailand and certain entities not under the supervision of the Bank of Thailand, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses. Entities providing assistance to debtors in accordance with the Bank of Thailand’s measures and electing to apply this Accounting Guidance have to apply all temporary relief measures specified in this guidance.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by situations that affect the Thai economy with the helping period during the period from 1 January 2020 to 31 December 2021 or until there are any changes from the Bank of Thailand, which require the compliance for such changes. The guidance applies to large-sized debtors, small and medium-sized debtors, and retail debtors who have the ability to run a business or to repay debts in the future and have been impacted directly or indirectly by such situations, considering the following guidelines.

- Debtors who were not yet non-performing (Stage 1 or Stage 2) on or after 1 January 2020
- Debtors who became non-performing (Stage 3) on or after 1 January 2019, unless the entity is able to prove that the debtors becoming non-performing before 1 January 2019 are non-performing loans affected by the economic conditions

An entity provides assistance to affected debtors in accordance with the Bank of Thailand's guidelines applies these following procedures.

- Loans that are not yet non-performing (Non-NPL) are classified as loans where there has not been a significant increase in credit risk (Performing or Stage 1), provided that analysis of its status and business shows that the debtor is able to comply with the debt restructuring agreement without compliance monitoring. Such debt restructuring is considered a pre-emptive debt restructuring rather than a troubled debt restructuring. If it is a provision of assistance to debtors in accordance with the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563, stage classification of the debtor remains at the same stage as before.
- Non-performing loans (NPL) are classified as performing loans if the debtor is able to make repayment in accordance with the debt restructuring agreement for 3 months or 3 installments consecutively, whichever is the longer period.
- Additional working capital loans provided to a debtor in order to support liquidity and enable the debtor to continue run its business operations during the debt restructuring are classified by account level if the debtor has cash flows to support its repayment or if, considering other factors, the debtor has ability to repay its debts.
- The guidelines specified in the appendix of the circular of the Bank of Thailand No. BOT.RPD.(23)C. 276/2563 relating to assessment of whether there has been a significant increase in credit risk are initially applied to assess whether a debtor is moving to Stage 2.
- Expected credit losses are determined based on the outstanding balance of the drawn down portion only.
- A newly calculated effective interest rate is applied to determine the present value of loans that have been restructured in accordance with guidelines to assist debtors specified in the circulars of the Bank of Thailand, if the debt restructuring causes the existing effective interest rate to no longer reflect the estimated cash inflows from the loan. In addition, if it is a provision of assistance to debtors in accordance with the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563, an entity recognises its interest income during the repayment holiday using the new calculated effective interest rate, or set out by Bank of Thailand's guidelines if there are changes.

- Consideration is given to placing less weight on forward-looking information that is the result of the temporary crisis than on information reflecting ability of debt payment from historical experience, in cases where a general approach is used in determining expected credit losses.

During the nine-month period ended 30 September 2020, the Bank has provided assistance to debtors impacted by situations that affect the Thai economy and elected to apply this accounting guidance for the affected debtors. As of 30 September 2020, the Bank has debtors participating in the program of relief measures total of 172,288 debtors with the outstanding balance of Baht 413,158 million.

### **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Bank and its subsidiaries have not adopted such accounting guidance in the preparation of the interim financial statements for the nine-month period ended 30 September 2020.

### **2.3.3 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Bank and its subsidiaries is currently evaluating the impact of these financial reporting standards to the financial statements in the year when they are adopted.

### **2.4 Significant accounting policies, judgements and estimates**

The interim financial statements are prepared by using the same accounting policies, methods of computation, and accounting judgements and estimates as were used for the financial statements for the year ended 31 December 2019, except for the accounting policies regarding the financial reporting standards related to financial instruments and TFRS 16 Leases which adopted during the period. These are referred to the accounting policies, methods of computation, and accounting judgements and estimates as were used for the financial statements for the six-month period ended 30 June 2020.



### 3. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 2.3 to the interim financial statements, during the current period, the Bank and its subsidiaries have adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these financial reporting standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The changes in accounting policies due to the adoption of TFRS 16 does not impact to retained earnings as at 1 January 2020.

Amounts of the adjustment transactions that have an impact to the statement of financial position as at 1 January 2020, due to the changes in accounting policies by adopting these financial reporting standards, presented as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	The impacts of			1 January 2020
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
Interbank and money market items - net	338,771	(400)	-	338,371
Financial assets measured at fair value through profit or loss	-	53,695	-	53,695
Claims on securities	67,350	(67,350)	-	-
Derivatives assets	55,811	1,663	-	57,474
Investments - net	395,228	(50,828)	-	344,400
Investments in subsidiaries and associated companies - net	30,946	43	-	30,989
Loans to customers and accrued interest receivables - net	1,959,765	(4,030)	-	1,955,735
Customers' liability under acceptances	133	(133)	-	-
Right-of-use assets	-	-	3,895	3,895
Deferred tax assets	8,165	(730)	-	7,435
Accrued income	3,487	(712)	-	2,775
Other assets - net	23,842	5,822	-	29,664
<b>Liabilities and equity</b>				
Interbank and money market items	215,823	167	-	215,990
Liabilities to deliver securities	67,350	(67,350)	-	-
Derivatives liabilities	51,869	132	-	52,001
Debt issued and borrowings	96,841	216	-	97,057
Banks' liability under acceptances	133	(133)	-	-
Lease liabilities	-	-	3,895	3,895
Provisions	15,240	1,514	-	16,754
Other liabilities	56,025	(756)	-	55,269
<b>Equity</b>				
Other components of equity	33,006	2,230	-	35,236
Retained earnings	212,443	1,020	-	213,463

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	31 December 2019	The impacts of		
		Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
<b>Statement of financial position</b>				
<b>Assets</b>				
Interbank and money market items - net	338,274	(400)	-	337,874
Financial assets measured at fair value				
through profit or loss	-	53,695	-	53,695
Claims on securities	67,350	(67,350)	-	-
Derivatives assets	55,811	1,663	-	57,474
Investments - net	395,174	(50,828)	-	344,346
Loans to customers and accrued interest				
receivables - net	1,884,110	(4,030)	-	1,880,080
Customers' liability under acceptances	133	(133)	-	-
Right-of-use assets	-	-	3,434	3,434
Deferred tax assets	5,697	(730)	-	4,967
Accrued income	3,193	(712)	-	2,481
Other assets - net	23,555	5,576	-	29,131
<b>Liabilities and equity</b>				
Interbank and money market items	208,240	167	-	208,407
Liabilities to deliver securities	67,350	(67,350)	-	-
Derivatives liabilities	51,869	132	-	52,001
Debt issued and borrowings	51,323	216	-	51,539
Banks' liability under acceptances	133	(133)	-	-
Lease liabilities	-	-	3,434	3,434
Provisions	13,776	1,514	-	15,290
Other liabilities	48,240	(756)	-	47,484
<b>Equity</b>				
Other components of equity	16,095	2,101	-	18,196
Retained earnings	195,290	860	-	196,150

### 3.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Million Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Recognition of losses from below-market interest rate loans	-	(246)
Recognition of expected credit losses of financial asset - debt instruments that are not measured at fair value through profit and loss	(141)	(141)
Reclassification of available-for-sale equity investments to financial assets measured at fair value through profit and loss	35	35
Fair value measurement of investments in non-listed equity securities	104	104
Reclassification of available-for-sale debt securities investments to financial assets measured at fair value through profit or loss	98	98
Recognition of derivatives at fair value through profit and loss	1,607	1,607
Recognition of adjusted values due to fair value hedge, which included in hedged item's book value	(383)	(383)
Recognition of the impact from the change in accounting policies of associated companies	(86)	-
Relevant deferred tax assets	(214)	(214)
The impact to retained earnings due to the adoption of financial reporting standards related to financial instruments	<u>1,020</u>	<u>860</u>

(Unaudited but reviewed)

As at 1 January 2020, the classification and measurement of financial assets and financial liabilities in accordance with TFRS 9 comparing with the former classification and measurement are as follow:

(Unit: Million Baht)

Consolidated financial statements						
Value according to former accounting policy	The classification and measurement in accordance with TFRS 9					Total
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost		
<b>Financial assets as at 1 January 2020</b>						
Cash	68,434	-	-	-	68,434	68,434
Interbank and money market items - net	338,771	-	-	-	338,371	338,371
Financial assets measured at fair value through profit or loss	-	53,695	-	-	-	53,695
Claims on securities	67,350	-	-	-	-	-
Derivatives assets	55,811	57,474	-	-	-	57,474
Investments - net	395,228	-	327,288	16,032	1,080	344,400
Loans to customers and accrued interest receivables - net	1,959,765	-	-	-	1,955,735	1,955,735
Customers' liability under acceptances	133	-	-	-	-	-
Accrued income	3,487	-	-	-	2,775	2,775
Other assets - net	23,842	-	-	-	29,664	29,664
<b>Total financial assets</b>	<b>2,912,821</b>	<b>111,169</b>	<b>327,288</b>	<b>16,032</b>	<b>2,396,059</b>	<b>2,850,548</b>
<b>Financial liabilities as at 1 January 2020</b>						
Deposits	2,155,865	-	-	-	2,155,865	2,155,865
Interbank and money market items	215,823	-	-	-	215,990	215,990
Liabilities payable on demand	4,744	-	-	-	4,744	4,744
Liabilities to deliver securities	67,350	-	-	-	-	-
Derivatives liabilities	51,869	52,001	-	-	-	52,001
Debt issued and borrowings	96,841	-	-	-	97,057	97,057
Banks' liability under acceptances	133	-	-	-	-	-
Provisions	15,240	-	-	-	16,754	16,754
Other liabilities	56,025	-	-	-	55,269	55,269
<b>Total financial liabilities</b>	<b>2,663,890</b>	<b>52,001</b>	<b>-</b>	<b>-</b>	<b>2,545,679</b>	<b>2,597,680</b>

Separate financial statements						
Value according to former accounting policy	The classification and measurement in accordance with TFRS 9					Total
	Financial instruments measured at fair value through profit or loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost		
<b>Financial assets as at 1 January 2020</b>						
Cash	68,362	-	-	-	68,362	68,362
Interbank and money market items - net	338,274	-	-	-	337,874	337,874
Financial assets measured at fair value through profit or loss	-	53,695	-	-	-	53,695
Claims on securities	67,350	-	-	-	-	-
Derivatives assets	55,811	57,474	-	-	-	57,474
Investments - net	395,174	-	327,288	16,032	1,026	344,346
Loans to customers and accrued interest receivables - net	1,884,110	-	-	-	1,880,080	1,880,080
Customers' liability under acceptances	133	-	-	-	-	-
Accrued income	3,193	-	-	-	2,481	2,481
Other assets - net	23,555	-	-	-	29,131	29,131
<b>Total financial assets</b>	<b>2,835,962</b>	<b>111,169</b>	<b>327,288</b>	<b>16,032</b>	<b>2,318,954</b>	<b>2,773,443</b>
<b>Financial liabilities as at 1 January 2020</b>						
Deposits	2,158,460	-	-	-	2,158,460	2,158,460
Interbank and money market items	208,240	-	-	-	208,407	208,407
Liabilities payable on demand	4,744	-	-	-	4,744	4,744
Liabilities to deliver securities	67,350	-	-	-	-	-
Derivatives liabilities	51,869	52,001	-	-	-	52,001
Debt issued and borrowings	51,323	-	-	-	51,539	51,539
Banks' liability under acceptances	133	-	-	-	-	-
Provisions	13,776	-	-	-	15,290	15,290
Other liabilities	48,240	-	-	-	47,484	47,484
<b>Total financial liabilities</b>	<b>2,604,135</b>	<b>52,001</b>	<b>-</b>	<b>-</b>	<b>2,485,924</b>	<b>2,537,925</b>

(Unaudited but reviewed)

The following table shows a reconciliation of the closing allowance for impairment as at 31 December 2019, recognised in accordance with BOT regulations and TAS 105 Accounting for Investments in Debt and Equity Securities and the provision for contingent liabilities, recognised in accordance with TAS 37 Provisions, Contingent Liabilities and Contingent Assets to the opening allowance for expected credit losses as at 1 January 2020, determined in accordance with TFRS 9. Such changes are due to remeasurement of allowance for expected credit losses under requirement of this financial reporting standard.

(Unit: Million Baht)

	Consolidated financial statements		
	31 December 2019	Remeasurement	1 January 2020
Allowance for expected credit losses:			
Interbank and money market items - net (assets)	1,235	400	1,635
Held-to-maturity debt securities investments, which are reclassified to be measured at amortised cost	36	2	38
Investments in debt securities measured at fair value through other comprehensive income	79	20	99
Loans to customers and accrued interest receivables	135,268	(1,795)	133,473
Loan commitments and financial guarantee contracts	116	1,514	1,630
Total	<u>136,734</u>	<u>141</u>	<u>136,875</u>

(Unit: Million Baht)

	Separate financial statements		
	31 December 2019	Remeasurement	1 January 2020
Allowance for expected credit losses:			
Interbank and money market items - net (assets)	1,235	400	1,635
Held-to-maturity debt securities investments, which are reclassified to be measured at amortised cost	36	2	38
Investments in debt securities measured at fair value through other comprehensive income	79	20	99
Loans to customers and accrued interest receivables	126,772	(1,795)	124,977
Loan commitments and financial guarantee contracts	116	1,514	1,630
Total	<u>128,238</u>	<u>141</u>	<u>128,379</u>

### 3.2 Leases

Upon initial application of TFRS 16 the Bank and its subsidiaries recognised lease liabilities that were previously classified as operating leases at the present value of the remaining lease payments, discounted using the Bank's and its subsidiaries' incremental borrowing rate at 1 January 2020 in percentage of 1.41 to 6.25 per annum (Separate financial statements: 1.41 to 3.14 per annum). For leases previously classified as finance leases, the Bank and its subsidiaries recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	3,238	2,349
Less: Short-term leases and leases of low-value assets	(243)	(6)
Add: Option to extend or terminate lease term	296	296
Less: Contracts reassessed as service agreements	(101)	-
Add: Lease agreements that are additionally determined	977	977
Less: Others	(137)	(86)
Less: Deferred interest expenses	(135)	(96)
Increase in lease liabilities due to TFRS 16 adoption	3,895	3,434
Liabilities under finance lease agreements as at		
31 December 2019	-	-
Lease liabilities as at 1 January 2020	<u>3,895</u>	<u>3,434</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 are summarised below:

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
Building and building improvement	2,518	2,346
Furniture, fixtures and office equipment	231	-
Motor vehicles	1,146	1,088
<b>Total right-of-use assets</b>	<u>3,895</u>	<u>3,434</u>

#### 4. Capital funds

As at 30 September 2020 and 31 December 2019, the Bank has calculated capital funds in accordance with the BOT's Basel III Framework. Since 2016, BOT has required commercial banks that are registered in Thailand to maintain the additional common equity Tier 1 ratio that exceeds the minimum capital funds by more than 2.5 percent of total risk-weighted assets, by gradually increasing the excess over the minimum capital funds by 0.625 percent each year, beginning from 1 January 2016 until the full amount was maintained on 1 January 2019.

The BOT added a rule requiring those commercial banks that have been identified as commercial banks with systematic country risk to maintain an additional capital adequacy ratio equal to 0.5 percent of risk assets from 1 January 2019 and increasing in to be 1 percent of total risk-weighted assets from 1 January 2020 onwards.

#### Capital adequacy ratios

	2020	2019
	More than %	More than %
Common equity Tier 1 ratio	8.00	7.50
Tier 1 capital fund ratio	9.50	9.00
Capital adequacy ratio	12.00	11.50

The capital fund and capital adequacy ratio information as at 30 September 2020, is preliminary information prepared using the criteria and methods prescribed by the BOT, which requires the Bank to prepare and submit such information to the BOT within 3 months from the end of the quarter, and to disclose such information as at 30 June and 31 December of each year via the Bank's website. Comparative information as at 31 December 2019, already submitted to the BOT, is as follow:

	(Unit: Million Baht)	
	Financial business group	
	30 September 2020	31 December 2019
Common equity Tier 1		
Paid-up share capital	72,005	72,005
Premium on share capital	20,834	20,834
Legal reserve	7,201	7,201
Net income after appropriation	197,266	193,994
Other components of equity	29,188	33,011
Capital deduction items on common equity Tier 1	(19,103)	(22,340)
Tier 1 capital funds - financial instruments	1,060	1,100
Total Tier 1 capital funds	308,451	305,805
Tier 2 capital funds		
Long-term subordinated debt	44,000	53,091
Allowance for assets classified as normal	22,095	22,443
Total Tier 2 capital funds	66,095	75,534
Total capital funds	374,546	381,339



(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements	
	30 September 2020	31 December 2019
Common equity Tier 1		
Paid-up share capital	72,005	72,005
Premium on share capital	20,834	20,834
Legal reserve	7,201	7,201
Net income after appropriation	180,442	179,309
Other components of equity	16,019	16,090
Capital deduction items on common equity Tier 1	(9,608)	(9,977)
Total tier 1 capital funds	286,893	285,462
Tier 2 capital funds		
Long-term subordinated debt	44,000	53,091
Allowance for assets classified as normal	21,167	21,525
Total Tier 2 capital funds	65,167	74,616
Total capital funds	352,060	360,078

	Capital adequacy ratio			
	Financial business group		Separate financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
	(%)	(%)	(%)	(%)
Common equity Tier 1 ratio	15.45	15.19	15.01	14.80
Tier 1 capital fund ratio	15.51	15.24	15.01	14.80
Capital adequacy ratio	18.83	19.01	18.42	18.66

The Bank discloses information about the capital requirements of the Bank and the financial business group in accordance with the BOT's Notification regarding the Disclosure of Capital Requirements of Commercial Banks and Notification regarding the Disclosure of Capital Requirement of Financial Business Groups.

Channel of disclosure                      [www.krungthai.com](http://www.krungthai.com)>Investor Relations>Financial Information>Pillar III disclosures

Date of disclosure                          Within November 2020

Information as at                            30 June 2020

## 5. Supplementary information

### 5.1 Supplementary information of cash and cash flows

#### 5.1.1 Cash

Cash as at 30 September 2020 and 31 December 2019 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Cash	49,017	62,717	48,982	62,645
Cash received in advance from electronic money transactions and electronic money transfer services	5,392	5,717	5,392	5,717
<b>Total</b>	<b>54,409</b>	<b>68,434</b>	<b>54,374</b>	<b>68,362</b>

5.1.2 Significant non-cash items for the nine-month periods ended 30 September 2020 and 2019 are as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Increase in revaluation surplus on available-for-sale investments, net of income tax expenses	-	3,146	-	3,158
Increase in revaluation surplus on investments measured at fair value through other comprehensive income, net of income tax expenses	1,809	-	1,631	-
Increase in right-of-use assets	2,679	-	1,872	-
Increase in properties for sale from loans repayment	1,230	1,643	1,209	1,643

## 5.1.3 Disclosures of related changes in liabilities from financing activities

(Unit: Million Baht)

Consolidated financial statements				
Item	Cash flows			30 September 2020
	1 January 2020	from financing activities	Non-cash item	
Debt issued and borrowings	96,841	(8,492)	282	88,631
<b>Total</b>	<b>96,841</b>	<b>(8,492)</b>	<b>282</b>	<b>88,631</b>

(Unit: Million Baht)

Separate financial statements				
Item	Cash flows			30 September 2020
	1 January 2020	from financing activities	Non-cash item	
Debt issued and borrowings	51,323	(7,295)	282	44,310
<b>Total</b>	<b>51,323</b>	<b>(7,295)</b>	<b>282</b>	<b>44,310</b>

## 5.2 Classification of financial assets and liabilities

(Unit: Million Baht)

Consolidated financial statements					
30 September 2020					
	Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<b>Financial assets</b>					
Cash	-	-	-	54,409	54,409
Interbank and money market items - net	-	-	-	378,050	378,050
Financial assets measured at fair value through profit and loss	20,216	-	-	-	20,216
Derivatives assets	61,316	-	-	-	61,316
Investments - net	-	297,261	14,363	1,765	313,389
Loans to customers and accrued interest receivables - net	-	-	-	2,149,620	2,149,620
<b>Total financial assets</b>	<b>81,532</b>	<b>297,261</b>	<b>14,363</b>	<b>2,583,844</b>	<b>2,977,000</b>

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements					
30 September 2020					
	Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<b>Financial liabilities</b>					
Deposits	-	-	-	2,312,538	2,312,538
Interbank and money market items	-	-	-	221,601	221,601
Liabilities payable on demand	-	-	-	5,748	5,748
Derivatives liabilities	57,429	-	-	-	57,429
Debt issued and borrowings	-	-	-	88,631	88,631
Lease liabilities	-	-	-	4,548	4,548
Provisions	-	-	-	16,526	16,526
Total financial liabilities	<u>57,429</u>	<u>-</u>	<u>-</u>	<u>2,649,592</u>	<u>2,707,021</u>

The beginning balance of financial assets and financial liabilities classified in accordance with TFRS 9 are presented in Note 3.1 to the interim financial statements.

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statement					
30 September 2020					
	Financial instruments measured at fair value through profit and loss	Financial instruments measured at fair value through other comprehensive income	Investments in equity securities designated at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<b>Financial assets</b>					
Cash	-	-	-	54,374	54,374
Interbank and money market items - net	-	-	-	377,828	377,828
Financial assets measured at fair value through profit and loss	20,576	-	-	-	20,576
Derivatives assets	61,316	-	-	-	61,316
Investments - net	-	298,065	14,360	921	313,346
Loans to customers and accrued interest receivables - net	-	-	-	2,077,623	2,077,623
<b>Total financial assets</b>	<b>81,892</b>	<b>298,065</b>	<b>14,360</b>	<b>2,510,746</b>	<b>2,905,063</b>
<b>Financial liabilities</b>					
Deposits	-	-	-	2,317,107	2,317,107
Interbank and money market items	-	-	-	215,557	215,557
Liabilities payable on demand	-	-	-	5,748	5,748
Derivatives liabilities	57,429	-	-	-	57,429
Debt issued and borrowings	-	-	-	44,310	44,310
Lease liabilities	-	-	-	3,542	3,542
Provisions	-	-	-	14,980	14,980
<b>Total financial liabilities</b>	<b>57,429</b>	<b>-</b>	<b>-</b>	<b>2,601,244</b>	<b>2,658,673</b>

The beginning balance of financial assets and financial liabilities classified in accordance with TFRS 9 are presented in Note 3.1 to the interim financial statements.

**5.3 Financial assets measured at fair value through profit and loss**

(Unit: Million Baht)

Investments	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020		30 September 2020	
<b>Financial assets held for trading</b>				
Government and state enterprises securities	12,253		12,253	
Private enterprises debt securities	2,902		3,262	
Total	15,155		15,515	
<b>Others</b>				
Private debt securities	4,026		4,026	
Unit trust	1,035		1,035	
Total	5,061		5,061	
Total financial assets measured at fair value through profit and loss	20,216		20,576	

**5.4 Investments - net**

The detail of investments of the Bank and its subsidiaries as of 30 September 2020 and 31 December 2019 are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Investments in debt securities measured at				
amortised cost	1,765	-	921	-
Investments in debt securities measured at				
fair value through other comprehensive income	297,261	-	298,065	-
Investments in equity securities designated at				
fair value through other comprehensive income	14,363	-	14,360	-
Trading investments	-	48,252	-	48,252
Available-for-sale investments	-	344,198	-	344,856
Held-to-maturity debt securities	-	1,737	-	1,028
General investments	-	1,041	-	1,038
	313,389	395,228	313,346	395,174

## 5.4.1 Investments in debt securities measured at amortised cost

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020		30 September 2020	
	Amortised cost		Amortised cost	
Government and state enterprise securities		844		-
Private debt securities		364		364
Foreign debt securities		607		607
Total		1,815		971
<u>Less</u> Allowance for expected credit losses		(50)		(50)
Total		1,765		921

## 5.4.2 Investments in debt securities measured at fair value through other comprehensive income

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020		30 September 2020	
	Fair value		Fair value	
Government and state enterprise securities		253,014		253,014
Private debt securities		10,938		11,742
Foreign debt securities		33,309		33,309
Total		297,261		298,065
Allowance for expected credit losses		(940)		(940)

## 5.4.3 Investments in equity securities designated at fair value through other comprehensive income

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2020		30 September 2020	
	Fair value	Dividend income	Fair value	Dividend income
Domestic marketable equity securities	10,340	258	10,340	258
Foreign marketable equity securities	3,096	20	3,096	20
Domestic non-marketable equity securities	921	12	918	12
Foreign non-marketable equity securities	6	1	6	1
Total	14,363	291	14,360	291

During the nine-month period ended 30 September 2020, the Bank and its subsidiaries have no disposal on investments in equity securities designated at fair value through other comprehensive income.

#### 5.4.4 Trading investments

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
	31 December 2019	31 December 2019
	Fair value	Fair value
Government and state enterprise securities	29,737	29,737
Private debt securities	26	26
Foreign debt securities	18,489	18,489
<b>Total</b>	<b>48,252</b>	<b>48,252</b>

#### 5.4.5 Available-for-sale investments

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
	31 December 2019	31 December 2019
	Fair value	Fair value
Government and state enterprise securities	278,825	278,825
Private debt securities	15,730	16,388
Foreign debt securities	36,527	36,527
Domestic marketable equity securities	12,849	12,849
Foreign marketable equity securities	267	267
<b>Total</b>	<b>344,198</b>	<b>344,856</b>

#### 5.4.6 Held-to-maturity debt securities

	(Unit: Million Baht)	
	Consolidated	Separate
	financial statements	financial statements
	31 December 2019	31 December 2019
	Cost/Amortised cost	Cost/Amortised cost
Government and state enterprise securities	709	-
Private debt securities	605	605
Foreign debt securities	459	459
<b>Total</b>	<b>1,773</b>	<b>1,064</b>
<u>Less Allowance for impairment</u>	<u>(36)</u>	<u>(36)</u>
<b>Total</b>	<b>1,737</b>	<b>1,028</b>



## 5.4.7 General investments

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
	31 December 2019	31 December 2019
	Cost/Amortised cost	Cost/Amortised cost
Domestic non-marketable equity securities	2,242	2,239
Foreign non-marketable equity securities	3	3
Others	1	1
Total	2,246	2,243
<u>Less</u> Allowance for impairment	(1,205)	(1,205)
Total	1,041	1,038

5.4.8 The Bank and its subsidiaries have investments in securities which the Bank holds 10 percent or more of its shares, but is not classified as investments in subsidiaries and associated companies, classified by industrial sector and represented at their fair value as follows:

	(Unit: Million Baht)	
	Consolidated and separate financial statements	
	30 September 2020	31 December 2019
Public utilities and services	1,558	1,538
Mutual funds and REIT	675	545

5.4.9 As at 30 September 2020 and 31 December 2019, investments of the Bank and its subsidiaries in the consolidated and separate financial statements include investments in companies which have problems with their financial position and operating performance, as follows:

	Consolidated and separate financial statements							
	Number		Cost		Fair value		Allowance for expected credit losses/ allowance for impairment provided in the accounts	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
			Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht
1. Listed companies that are possible to delisting from the SET	2	3	-	-	34	-	-	-
2. Companies which have debt settlement problems or default on debt repayment	3	2	947	115	-	-	960	115

## 5.5 Investments in subsidiaries and associated companies - net

### 5.5.1 Separate financial statements

Name of company	Type of business	Type of shares	Percentages of shareholdings		Investments (Cost method)		(Unit: Million Baht) Dividend for the nine-month periods ended				
			30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	30 September 2019			
			<b>Subsidiaries</b>								
			<b>Directly held</b>								
KTB Law Co., Ltd.	Legal services	Ordinary	100.00	100.00	30	30	13	27			
KTB General Services and Security Co., Ltd.	General services	Ordinary	100.00	100.00	140	140	59	119			
Krung Thai Asset Management Plc.	Securities business	Ordinary	100.00	100.00	211	211	500	455			
KTB Computer Services Co., Ltd.	IT services	Ordinary	100.00	100.00	1,300	1,300	-	79			
KTB Leasing Co., Ltd. *	Hire purchase	Ordinary	100.00	100.00	1,000	1,000	-	-			
KTB Advisory Co., Ltd.**	Financial counseling & advisory services	Ordinary	100.00	100.00	40	40	-	-			
Krungthai Card Plc.	Credit card business	Ordinary	49.29	49.10	2,150	1,980	1,118	1,046			
KTC Nano Co., Ltd. ***	Nano finance	Ordinary	24.95	24.95	13	13	-	-			
KTC Pico (Bangkok) Co., Ltd. ***	Personal loan	Ordinary	24.95	24.95	15	15	-	-			
<b>Indirect held</b>											
KTC Pico (Chonburi) Co., Ltd. ****	Personal loan				-	-	-	-			
KTC Pico (Pathum Thani) Co., Ltd. ****	Personal loan				-	-	-	-			
KTC Pico (Samut Prakan) Co., Ltd. ****	Personal loan				-	-	-	-			
KTC Pico (Samut Sakhon) Co., Ltd. ****	Personal loan				-	-	-	-			
Total					4,899	4,729	1,690	1,726			
<u>Less</u> Allowance for impairment					(799)	(799)	-	-			
Total					4,100	3,930	1,690	1,726			
<b>Associated companies</b>											
Krungthai-AXA Life Insurance Plc.	Life insurance	Ordinary	50.00	50.00	4,072	4,072	-	-			
Krungthai Panich Insurance Plc.	Non-life insurance	Ordinary	45.00	45.00	1,519	1,519	208	193			
Krung Thai IBJ Leasing Co., Ltd.	Hire purchase	Ordinary	49.00	49.00	87	87	40	43			
Krungthai Zmico Securities Co., Ltd.	Securities business	Ordinary	50.00	50.00	1,069	1,069	-	-			
National ITMX Co., Ltd.	Service	Ordinary	19.86	19.82	36	36	35	17			
BCI (Thailand) Co., Ltd.	Service	Ordinary	22.17	22.17	117	117	-	-			
Total					6,900	6,900	283	253			
<u>Less</u> Allowance for impairment					(10)	-	-	-			
Total					6,890	6,900	283	253			
Investments in subsidiaries and associated companies - net					10,990	10,830	1,973	1,979			

\* Under considering of business restructuring plan.

\*\* Under preparing of business operation plan.

\*\*\* The Bank invested in the 24.95 percent shareholding in KTC Nano Co., Ltd. and KTC Pico (Bangkok) Co., Ltd. and indirectly invested through Krungthai Card Plc., by investing in Krungthai Card Plc. of 49.29 percent, which Krungthai Card Plc., is shareholding of 75.05 percent each in KTC Nano Co., Ltd. and KTC Pico (Bangkok) Co., Ltd.

\*\*\*\* The Bank indirectly invested through KTC Pico (Bangkok) Co., Ltd., which KTC Pico (Bangkok) invested in the 100 percent shareholding of KTC Pico (Chonburi) Co., Ltd., KTC Pico (Pathum Thani) Co., Ltd., KTC Pico (Samut Prakan) Co., Ltd. and KTC Pico (Samut Sakhon) Co., Ltd.

## 5.5.2 Consolidated financial statements

As at 30 September 2020 and 31 December 2019, investments in associated companies, which presented under the equity method, in the consolidated financial statements consist of investments in ordinary shares of the following companies which operate in Thailand:

(Unit: Million Baht)

Name of company	Type of business	30 September 2020			31 December 2019		
		Percentages of shareholdings	Investments (cost method)	Investments (equity method)	Percentages of shareholdings	Investments (cost method)	Investments (equity method)
<b>Associated companies</b>							
Krungthai-AXA Life Insurance Plc.	Life insurance	50.00	594	22,596	50.00	594	25,663
Krungthai Panich Insurance Plc.	Non-life insurance	45.00	971	2,897	45.00	971	2,952
Krung Thai IBJ Leasing Co., Ltd.	Hire purchase	49.00	87	758	49.00	87	695
Krungthai Zmico Securities Co., Ltd.	Securities business	50.00	1,069	1,191	50.00	1,069	1,148
National ITMX Co., Ltd.	Service	19.86	36	426	19.82	36	379
BCI (Thailand) Co., Ltd.	Service	22.17	117	100	22.17	117	109
Total investments in associated companies			<u>2,874</u>	<u>27,968</u>		<u>2,874</u>	<u>30,946</u>

(Unit: Million Baht)

Name of company	Type of business	For the nine-month periods ended 30 September					
		2020			2019		
		Dividend income	Share of profit	Share of other comprehensive income	Dividend income	Share of profit	Share of other comprehensive income
<b>Associated companies</b>							
Krungthai-AXA Life Insurance Plc. <sup>(1)</sup>	Life insurance	-	1,075	(4,142)	-	909	14,369
Krungthai Panich Insurance Plc. <sup>(1)</sup>	Non-life insurance	208	262	(153)	193	272	93
Krung Thai IBJ Leasing Co., Ltd.	Hire purchase	40	103	-	43	43	-
Krungthai Zmico Securities Co., Ltd.	Securities business	-	57	(12)	-	(21)	(26)
National ITMX Co., Ltd.	Service	35	81	-	17	30	-
BCI (Thailand) Co., Ltd.	Service	-	(9)	-	-	7	-
Total investments in associated companies		<u>283</u>	<u>1,569</u>	<u>(4,307)</u>	<u>253</u>	<u>1,240</u>	<u>14,436</u>

<sup>(1)</sup> For the year 2020, the amount presents after adjustment for the effect of differences in accounting policies.

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

**5.6 Loans to customers and accrued interest receivables - net**

## 5.6.1 Classified by type of loans

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Overdrafts	152,031	168,673	152,031	168,673
Loans	1,551,619	1,407,818	1,469,215	1,324,106
Bills	571,402	505,162	577,822	512,322
Hire-purchase receivables	2,072	3,599	1	1
Finance lease receivables	1,005	1,165	-	-
Others	3,753	3,925	1,106	1,247
<u>Less</u> Deferred revenue	(399)	(469)	(67)	(36)
Total loans to customers net of deferred revenue	2,281,483	2,089,873	2,200,108	2,006,313
<u>Add</u> Accrued interest receivables	13,358	5,160	12,861	4,569
Total loans to customers net of deferred revenue, plus accrued interest receivables	2,294,841	2,095,033	2,212,969	2,010,882
<u>Less</u> Allowance for doubtful accounts				
1. Minimum reserve under BOT's regulations				
Individual approach	-	(66,723)	-	(64,394)
Collective approach	-	(4,046)	-	-
2. Excess allowance	-	(64,459)	-	(62,338)
<u>Less</u> Revaluation allowance for debt restructuring	-	(40)	-	(40)
<u>Less</u> Allowance for expected credit losses	(145,221)	-	(135,346)	-
Total loans to customers and accrued interest receivables - net	2,149,620	1,959,765	2,077,623	1,884,110

As at 30 September 2020, the Bank has loans under the Government Policy Program, including interbank and money market items. These consist of a soft loan program to provide as working capital for SMEs, a soft loan program for replacement and improvement of machinery and increased productivity for SMEs, a program to provide financial support for entrepreneurs in the three Southern border provinces, a 6<sup>th</sup> Phase revolving funds program for energy conservation by financial institutions, a loans project for the environment and COVID-19 soft loan for personal loan and SMEs, totaled amounting to Baht 44,186 million.

(Unaudited but reviewed)

As at 30 September 2020 and 31 December 2019, the Bank has other loans amounting to Baht 1,106 million and Baht 1,247 million, respectively, included debts of Baht 1,076 million and Baht 1,198 million, respectively, resulting from the Bank's settlement of liabilities on behalf of customers who had defaulted on agreements, for which the Bank was guarantor.

#### 5.6.2 Classified by loan classification

	(Unit: Million Baht)	
	Consolidated financial statements	
	30 September 2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit losses
Financial assets where there have not been a significant increase in credit risk (Performing)	1,944,665	32,670
Financial assets where there have been a significant increase in credit risk (Under-Performing)	233,903	39,771
Financial assets that are credit-impaired (Non-Performing)	110,883	69,858
Financial assets where applied simplified approach to calculate expected credit losses (Lifetime ECL - simplified approach)	5,390	2,922
Total	<u>2,294,841</u>	<u>145,221</u>

	(Unit: Million Baht)			
	Consolidated financial statements			
	31 December 2019			
	Loans and accrued interest receivables	Net amount used in setting the allowance for doubtful accounts <sup>(1)</sup>	% Rate used in setting allowance for doubtful accounts <sup>(2)</sup>	Allowance for doubtful accounts
1. Minimum reserve under BOT's regulations				
Normal	1,923,616	883,841	1	13,908
Special mention	68,696	30,545	2	8,478
Substandard	12,780	6,429	100	6,433
Doubtful	12,647	4,527	100	4,547
Doubtful of loss	77,294	37,398	100	37,403
2. Excess allowance				<u>64,459</u>
Total	<u>2,095,033</u>	<u>962,740</u>		<u>135,228</u>

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

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

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements	
	30 September 2020	
	Loans to customers and accrued interest receivables	Allowance for expected credit losses
Financial assets where there have not been a significant increase in credit risk (Performing)	1,880,729	29,105
Financial assets where there have been a significant increase in credit risk (Under-Performing)	222,915	37,404
Financial assets that are credit-impaired (Non-Performing)	109,325	68,837
<b>Total</b>	<b>2,212,969</b>	<b>135,346</b>

(Unit: Million Baht)

	Separate financial statements			
	31 December 2019			
	Loans and accrued interest receivables	Net amount used in setting the allowance for doubtful accounts <sup>(1)</sup>	% Rate used in setting allowance for doubtful accounts <sup>(2)</sup>	Allowance for doubtful accounts
1. Minimum reserve under BOT's regulations				
Normal	1,844,573	808,034	1	11,391
Special mention	67,026	29,098	2	7,942
Substandard	12,528	6,200	100	6,204
Doubtful	12,494	4,388	100	4,409
Doubtful of loss	74,261	34,444	100	34,448
2. Excess allowance				62,338
<b>Total</b>	<b>2,010,882</b>	<b>882,164</b>		<b>126,732</b>

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

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

(Unaudited but reviewed)

5.6.3 As at 30 September 2020 and 31 December 2019, loans of the Bank and its subsidiaries in the consolidated and separate financial statements include amounts due from companies, which have problems with their financial position and operating performance, as follows:

Consolidated and separate financial statements								
						Allowance for expected credit losses/ allowance for doubtful accounts provided		
Number		Debt balances		Collateral value		in the accounts		
30	31	30	31	30	31	30	31	
September	December	September	December	September	December	September	December	
2020	2019	2020	2019	2020	2019	2020	2019	
		Million	Million	Million	Million	Million	Million	
		Baht	Baht	Baht	Baht	Baht	Baht	
1. Listed companies that are possible to delisting from the SET	1	2	7	8,501	7	2,425	-	3,141

#### 5.6.4 Finance lease receivables (including hire-purchase receivables and finance lease receivables)

(Unit: Million Baht)

Consolidated financial statements								
30 September 2020				31 December 2019				
Amounts due under the agreement				Amounts due under the agreement				
Not over		Over		Not over		Over		
1 year	1 - 5 years	5 years	Total	1 year	1 - 5 years	5 years	Total	
Gross investment of leases	1,513	1,507	57	3,077	2,532	2,169	63	4,764
<u>Less</u> Unearned financial income			(333)				(433)	
Present value of minimum lease payments			2,744				4,331	
<u>Less</u> Allowance for doubtful accounts			-				(515)	
<u>Less</u> Allowance for expected credit losses			(512)				-	
Finance lease receivables - net			<u>2,232</u>				<u>3,816</u>	

(Unit: Million Baht)

Separate financial statements								
30 September 2020				31 December 2019				
Amounts due under the agreement				Amounts due under the agreement				
Not over		Over		Not over		Over		
1 year	1 - 5 years	5 years	Total	1 year	1 - 5 years	5 years	Total	
Gross investment of leases	1	-	-	1	1	-	-	1
<u>Less</u> Unearned financial income			-				-	
Present value of minimum leases payments			1				1	
<u>Less</u> Allowance for doubtful accounts			-				(1)	
<u>Less</u> Allowance for expected credit losses			(1)				-	
Finance lease receivables - net			<u>-</u>				<u>-</u>	

## 5.7 Allowance for expected credit losses/Allowance for doubtful accounts

(Unit: Million Baht)

Consolidated financial statements						
30 September 2020						
	Financial assets where there have not been a significant increase in credit risk (12-mth ECL)	Financial assets where there have been a significant increase in credit risk (Lifetime ECL - not impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit-impaired)	Financial assets where simplified approach to calculate expected credit losses (Lifetime ECL - simplified approach)	Allowance for doubtful accounts	Total
<b>Interbank and money market items (assets)</b>						
Beginning balance	-	-	-	-	1,235	1,235
Changes due to the adoption of new accounting standards <sup>(1)</sup>	505	1,126	4	-	(1,235)	400
	505	1,126	4	-	-	1,635
Allowance for expected credit losses during the period	2,163	(61)	(4)	-	-	2,098
Ending balance	2,668	1,065	-	-	-	3,733
<b>Investments in debt securities measured at amortised cost</b>						
Beginning balance	-	-	-	-	36	36
Changes due to the adoption of new accounting standards <sup>(1)</sup>	1	1	36	-	(36)	2
	1	1	36	-	-	38
Allowance for expected credit losses during the period	(1)	13	-	-	-	12
Ending balance	-	14	36	-	-	50
<b>Investments in debt securities measured at fair value through other comprehensive income</b>						
Beginning balance	-	-	-	-	79	79
Changes due to the adoption of new accounting standards <sup>(1)</sup>	12	8	79	-	(79)	20
	12	8	79	-	-	99
Allowance for expected credit losses during the period	3	(8)	846	-	-	841
Ending balance	15	-	925	-	-	940



(Unit: Million Baht)

Consolidated financial statements						
30 September 2020						
	Financial assets where there have not been a significant increase in credit risk (12-mth ECL)	Financial assets where there have been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculate expected credit losses (Lifetime ECL - simplified approach)	Allowance for doubtful accounts	Total
<b>Loans to customers and accrued interest receivables</b>						
Beginning balance	-	-	-	-	135,228	135,228
Changes due to the adoption of new accounting standards <sup>(1)</sup>	24,530	43,954	62,070	2,919	(135,228)	(1,755)
	24,530	43,954	62,070	2,919	-	133,473
Allowance for expected credit losses during the period	8,270	(3,678)	29,890	(29)	-	34,453
Bad debt recovery	-	-	-	60	-	60
Bad debt written-off	(130)	(505)	(22,102)	(28)	-	(22,765)
Ending balance	32,670	39,771	69,858	2,922	-	145,221
<b>Loan commitments and financial guarantee contracts</b>						
Beginning balance	-	-	-	-	116	116
Changes due to the adoption of new accounting standards <sup>(1)</sup>	744	663	223	-	(116)	1,514
	744	663	223	-	-	1,630
Allowance for expected credit losses during the period	(290)	(248)	89	-	-	(449)
Bad debt written-off	-	-	(33)	-	-	(33)
Ending balance	454	415	279	-	-	1,148

<sup>(1)</sup> Allowance for doubtful accounts at the beginning of the period is determined in accordance with the Bank of Thailand's regulations. Currently, they are shown as 12-mth ECL and Lifetime ECL according to the principles of TFRS 9, without retrospective adjustment, as described in Note 2.3 to the interim financial statements.

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements							
31 December 2019							
	Normal	Special mention	Substandard	Doubtful	Doubtful of loss	Allowance in excess of BOT's requirement	Total
Beginning balance	13,399	11,585	7,899	9,196	33,008	58,667	133,754
Doubtful accounts	648	(1,942)	3,285	(4,571)	21,181	5,239	23,840
Allowance for doubtful accounts transferred to allowance for debt restructuring revaluation	-	(40)	-	-	-	-	(40)
Bad debt recovery	-	-	-	-	2,320	-	2,320
Bad debt written-off	(144)	(1,126)	(4,751)	(101)	(19,054)	-	(25,176)
Others	5	1	-	23	(52)	553	530
Ending balance	<u>13,908</u>	<u>8,478</u>	<u>6,433</u>	<u>4,547</u>	<u>37,403</u>	<u>64,459</u>	<u>135,228</u>

(Unit: Million Baht)

Separate financial statements					
30 September 2020					
	Financial assets where there have not been a significant increase in credit risk (12-mth ECL)	Financial assets where there have been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Allowance for doubtful accounts	Total
<b>Interbank and money market items (assets)</b>					
Beginning balance	-	-	-	1,235	1,235
Changes due to the adoption of new accounting standards <sup>(1)</sup>	505	1,126	4	(1,235)	400
	505	1,126	4	-	1,635
Allowance for expected credit losses during the period	2,163	(61)	(4)	-	2,098
Ending balance	<u>2,668</u>	<u>1,065</u>	<u>-</u>	<u>-</u>	<u>3,733</u>

(Unit: Million Baht)

Separate financial statements					
30 September 2020					
	Financial assets where there have not been a significant increase in credit risk (12-mth ECL)	Financial assets where there have been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Allowance for doubtful accounts	Total
<b>Investments in debt securities measured at amortised cost</b>					
Beginning balance	-	-	-	36	36
Changes due to the adoption of new accounting standards <sup>(1)</sup>	1	1	36	(36)	2
	1	1	36	-	38
Allowance for expected credit losses during the period	(1)	13	-	-	12
Ending balance	-	14	36	-	50
<b>Investments in debt securities measured at fair value through other comprehensive income</b>					
Beginning balance	-	-	-	79	79
Changes due to the adoption of new accounting standards <sup>(1)</sup>	12	8	79	(79)	20
	12	8	79	-	99
Allowance for expected credit losses during the period	3	(8)	846	-	841
Ending balance	15	-	925	-	940
<b>Loans to customers and accrued interest receivables</b>					
Beginning balance	-	-	-	126,732	126,732
Changes due to the adoption of new accounting standards <sup>(1)</sup>	22,204	41,956	60,817	(126,732)	(1,755)
	22,204	41,956	60,817	-	124,977
Allowance for expected credit losses during the period	7,031	(4,047)	26,388	-	29,372
Bad debt written-off	(130)	(505)	(18,368)	-	(19,003)
Ending balance	29,105	37,404	68,837	-	135,346

(Unaudited but reviewed)

(Unit: Million Baht)

Separate financial statements					
30 September 2020					
	Financial assets where there have not been a significant increase in credit risk (12-mth ECL)	Financial assets where there have been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Allowance for doubtful accounts	Total
<b>Loan commitments and financial guarantee contracts</b>					
Beginning balance	-	-	-	116	116
Changes due to the adoption of new accounting standards <sup>(1)</sup>	744	663	223	(116)	1,514
	744	663	223	-	1,630
Allowance for expected credit losses during the period	(290)	(248)	89	-	(449)
Bad debt written-off	-	-	(33)	-	(33)
Ending balance	454	415	279	-	1,148

<sup>(1)</sup> Allowance for doubtful accounts at the beginning of the period is determined in accordance with the Bank of Thailand's regulations. Currently, they are shown as 12-mth ECL and Lifetime ECL according to the principles of TFRS 9, without retrospective adjustment, as described in Note 2.3 to the interim financial statements.

(Unit: Million Baht)

Separate financial statements							
31 December 2019							
	Normal	Special mention	Substandard	Doubtful	Doubtful of loss	Allowance in excess of BOT's requirement	Total
Beginning balance	11,143	11,091	7,689	9,020	30,109	56,288	125,340
Doubtful accounts	243	(3,110)	(1,485)	(4,634)	20,989	5,497	17,500
Allowance for doubtful accounts transferred to revaluation allowance for debt restructuring	-	(40)	-	-	-	-	(40)
Bad debt recovery	-	-	-	-	2,236	-	2,236
Bad debt written-off	-	-	-	-	(18,834)	-	(18,834)
Others	5	1	-	23	(52)	553	530
Ending balance	11,391	7,942	6,204	4,409	34,448	62,338	126,732

## 5.8 Dividends

During the nine-month periods ended 30 September 2020 and 2019, the Bank has dividend payment as follow:

(Unit: Million Baht)

Dividends	Approved by	Total dividends		Dividend per share		Payment date
		Preferred shares	Ordinary shares	Preferred shares	Ordinary shares	
Interim dividends for the year 2019	Board of Directors Meeting on 25 March 2020	5	10,524	0.9075	0.753	23 April 2020
Dividends for the year 2018	Annual General Meeting of the Shareholders on 12 April 2019	5	10,035	0.8725	0.718	10 May 2019

## 5.9 Contingent liabilities

(Unit: Million Baht)

	Consolidated and separate financial statements	
	30 September 2020	31 December 2019
Avals to bills	6,491	8,128
Guarantees of loans	9	3,544
Liabilities under unmatured import bills	5,139	6,589
Letters of credit	35,974	53,244
Banks' liability under acceptances	34	-
Other contingencies		
Unused overdraft credit lines	168,732	153,649
Other guarantees	179,951	180,861
Others	6,659	6,417
Total	402,989	412,432

As at 30 September 2020 and 31 December 2019, the Bank has contingent liabilities relating to significant lawsuits of Baht 16,489 million and Baht 13,349 million, respectively. These include lawsuits in which the Court of First Instance has already ruled and that are being appealed in the Appeal Court and the Supreme Court.

As at 30 September 2020 and 31 December 2019, the Bank has guarantees for transactions of the Bank of Baht 5,414 million and Baht 5,161 million, respectively.

**5.10 Assets with obligations and restrictions**

(Unit: Million Baht)

	Consolidated and separate financial statements	
	30 September 2020	31 December 2019
Government and state enterprise bonds pledged as collateral		
Court collateral	427	498
Repurchase agreements	42,047	26,051
Collateral for Student Loan Fund	53	54
Private bonds used as collateral		
Repurchase agreements	5,113	-
Properties for sale (debtor is granted the right to buy back or first right for this portion)	8,703	8,435
<b>Total</b>	<b>56,343</b>	<b>35,038</b>

**5.11 Related party transactions**

5.11.1 As at 30 September 2020 and 31 December 2019, the Bank has loans to executives (First Vice President and above) amounting to Baht 110 million and Baht 121 million and the average outstanding balances of such loans at month-end are Baht 113 million and Baht 119 million, respectively.

The Bank has loans and commitments to family relatives of the Bank's executives as defined above which have the outstanding balances as at 30 September 2020 and 31 December 2019 amounting to Baht 7 million and Baht 6 million, respectively.

**5.11.2 Loans, commitments, derivatives, and other assets**

Loans and commitments to related parties have a normal bank pricing policy which have the balances as at 30 September 2020 and 31 December 2019 as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<b>Loans</b>				
Entities in which the Bank held shares in aggregate from 10 to 20 percent	-	1	-	1
Entities in which the Bank held shares from TDR from 10 percent or more	8,411	8,490	8,411	8,490
<u>Less</u> Allowance for doubtful accounts	-	(3,141)	-	(3,141)
<u>Less</u> Allowance for expected credit losses	(3,112)	-	(3,112)	-
<b>Total</b>	<b>5,299</b>	<b>5,350</b>	<b>5,299</b>	<b>5,350</b>

(Unaudited but reviewed)

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
<b>Loans (Continued)</b>				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	6	8
KTB Computer Services Co., Ltd.	-	-	1,488	2,089
KTB Leasing Co., Ltd.	-	-	2,140	3,693
Krungthai Card Plc.	-	-	4,231	3,491
<u>Less</u> Allowance for doubtful accounts	-	-	-	(93)
<u>Less</u> Allowance for expected credit losses	-	-	(79)	-
Total	-	-	7,786	9,188
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	5,002	5,739	5,002	5,738
Krungthai-AXA Life insurance Plc.	1	-	1	-
Krungthai Zmico Securities Co., Ltd	252	605	252	605
Krungthai Panich Insurance Plc.	1	1	1	1
<u>Less</u> Allowance for doubtful accounts	-	(63)	-	(63)
<u>Less</u> Allowance for expected credit losses	(51)	-	(51)	-
Total	5,205	6,282	5,205	6,281
Entities with parent company or common directors or key management personnel	22,171	30,620	22,171	30,620
<u>Less</u> Allowance for doubtful accounts	-	(170)	-	(170)
<u>Less</u> Allowance for expected credit losses	(162)	-	(162)	-
Total	22,009	30,450	22,009	30,450
<b>Commitments</b>				
Entities in which the Bank held shares in aggregate from 10 to 20 percent	13	19	13	19
Entities in which the Bank held shares from TDR from 10 percent or more	1	1	1	1
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	1	1
KTB Computer Services Co., Ltd.	-	-	5	5
KTB Leasing Co., Ltd.	-	-	1	1
Krungthai Card Plc.	-	-	1	1
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	2	2	2	2
Krungthai-AXA Life Insurance Plc.	1	1	1	1
Krungthai Panich Insurance Plc.	5	5	5	5
Entities with common directors or key management personnel	248	127	248	127

(Unaudited but reviewed)

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<b>Derivatives (Notional amount)</b>				
<u>Subsidiary</u>				
KTB Leasing Co., Ltd.	-	-	-	28
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	782	933	782	933
Krungthai-AXA Life Insurance Plc.	13,110	9,690	13,110	9,690
<b>Other assets</b>				
Entities with parent company or common directors or key management personnel				
	2,605	1,531	2,605	1,531
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	19	-
KTB Leasing Co., Ltd.	-	-	1	-
Krungthai Card Plc.	-	-	391	903
Krung Thai Asset Management Plc.	-	-	94	55
<u>Associated companies</u>				
Krungthai-AXA Life Insurance Plc.	126	250	125	250
Krungthai Panich Insurance Plc.	33	32	25	32
Krungthai Zmico Securities Co., Ltd.	-	1	-	1

### 5.11.3 Deposits, interbank and money market items, and other liabilities

Deposits and interbank and money market items to related parties have a normal bank pricing policy which have the balances as at 30 September 2020 and 31 December 2019 as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<b>Deposits</b>				
<u>Parent company</u>				
Financial Institutions Development Fund	20	-	20	-
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	437	501
KTB General Services and Security Co., Ltd.	-	-	644	703
KTB Computer Services Co., Ltd.	-	-	186	276
KTB Leasing Co., Ltd.	-	-	277	190
KTB Advisory Co., Ltd.	-	-	43	44
Krungthai Card Plc.	-	-	2,982	881
				41



(Unaudited but reviewed)

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
<b>Deposits (Continued)</b>				
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	35	19	35	19
Krungthai Zmico Securities Co., Ltd.	57	19	57	19
Krungthai Panich Insurance Plc.	162	401	162	401
Krungthai-AXA Life Insurance Plc.	1,165	2,881	1,165	2,881
Entities with parent company or common directors or key management personnel	12,948	7,410	12,948	7,410
<b>Interbank and money market items</b>				
<u>Subsidiary</u>				
Krung Thai Asset Management Plc.	-	-	155	303
<u>Associated company</u>				
Krungthai-AXA Life Insurance Plc.	2,700	3,700	2,700	3,700
<b>Other liabilities</b>				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	406	240
KTB Computer Services Co., Ltd.	-	-	755	709
Krungthai Card Plc.	-	-	1	1
KTB Law Co., Ltd.	-	-	111	126
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	9	9	8	9
Krungthai-AXA Life Insurance Plc.	15	26	8	26
National ITMX Co., Ltd.	22	16	22	16

## 5.11.4 Income and expenses

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

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Interest income</b>				
<u>Subsidiaries</u>				
KTB Computer Services Co., Ltd.	-	-	8	18
KTB Leasing Co., Ltd.	-	-	5	25
Krungthai Card Plc.	-	-	12	10
<u>Associated companies</u>				
Krungthai Zmico Securities Co., Ltd.	2	6	2	6
Krung Thai IBJ Leasing Co., Ltd.	13	18	13	18
<b>Interest expenses</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	-	1
KTB General Services and Security Co., Ltd.	-	-	1	1
KTB Computer Services Co., Ltd.	-	-	1	1
Krungthai Card Plc.	-	-	1	-
KTB Leasing Co., Ltd.	-	-	1	1
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	-	1	-	1
Krungthai-AXA Life Insurance Plc.	31	38	31	38
<b>Other income</b>				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	3	1
KTB Leasing Co., Ltd.	-	-	-	6
Krung Thai Asset Management Plc.	-	-	207	182
Krungthai Card Plc.	-	-	51	77
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	2	2	2	2
Krungthai Zmico Securities Co., Ltd.	1	1	1	1
Krungthai Panich Insurance Plc.	79	75	73	75
Krungthai-AXA Life Insurance Plc.	510	681	484	681

(Unaudited but reviewed)

(Unit: Million Baht)

For the three-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Other expenses</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	89	168
KTB General Services and Security Co., Ltd.	-	-	597	599
KTB Computer Services Co., Ltd.	-	-	930	924
Krungthai Card Plc.	-	-	1	1
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	-	6	-	6
Krungthai Zmico Securities Co., Ltd.	3	1	2	1
National ITMX Co., Ltd.	62	44	62	44
Krungthai-AXA Life Insurance Plc.	18	-	-	-
Krungthai Panich Insurance Plc.	3	-	-	-

(Unit: Million Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Interest income</b>				
<u>Subsidiaries</u>				
KTB Computer Services Co., Ltd.	-	-	33	54
KTB Leasing Co., Ltd.	-	-	22	105
Krungthai Card Plc.	-	-	25	30
<u>Associated companies</u>				
Krungthai Zmico Securities Co., Ltd.	7	17	7	17
Krung Thai IBJ Leasing Co., Ltd.	53	41	53	41

**Interest expenses**

Subsidiaries

KTB Law Co., Ltd.	-	-	2	3
KTB General Services and Security Co., Ltd.	-	-	3	3
KTB Computer Services Co., Ltd.	-	-	1	1
KTB Leasing Co., Ltd.	-	-	1	1
Krung Thai Asset Management Plc.	-	-	1	1
Krungthai Card Plc.	-	-	2	1

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Interest expenses (continued)</b>				
<u>Associated companies</u>				
Krungthai Panich Insurance Plc.	2	1	2	1
Krungthai-AXA Life Insurance Plc.	85	119	85	119
Krung Thai IBJ Leasing Co., Ltd.	1	-	-	-
<b>Other income</b>				
<u>Subsidiaries</u>				
KTB General Services and Security Co., Ltd.	-	-	6	4
KTB Leasing Co., Ltd.	-	-	6	20
Krung Thai Asset Management Plc.	-	-	583	471
Krungthai Card Plc.	-	-	189	204
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	5	6	5	6
Krungthai Zmico Securities Co., Ltd.	4	4	3	4
Krungthai Panich Insurance Plc.	236	132	219	132
Krungthai-AXA Life Insurance Plc.	1,692	1,565	1,606	1,565
<b>Other expenses</b>				
<u>Subsidiaries</u>				
KTB Law Co., Ltd.	-	-	292	601
KTB General Services and Security Co., Ltd.	-	-	1,727	1,786
KTB Computer Services Co., Ltd.	-	-	2,702	2,823
Krungthai Card Plc.	-	-	4	5
<u>Associated companies</u>				
Krung Thai IBJ Leasing Co., Ltd.	5	35	-	35
Krungthai Zmico Securities Co., Ltd.	7	3	6	3
National ITMX Co., Ltd.	171	138	171	138
Krungthai-AXA Life Insurance Plc.	55	-	-	-
Krungthai Panich Insurance Plc.	11	-	-	-

5.11.5 The Bank and its subsidiaries have no compensation or other benefits, either monetary or non-monetary, to directors and executives, except the benefits normally paid as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	260	222	149	149
Post-employment benefits	17	18	6	6
Total	277	240	155	155

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	977	902	706	631
Post-employment benefits	35	46	20	19
Total	1,012	948	726	650

5.11.6 Intercompany trading transactions

#### Subsidiaries

- 1) KTB Computer Services Co, Ltd. ("KTBCS") is assigned by the Bank to provide information technology (IT) services to the Bank in relation to the implementation of various projects and systems according to the Bank's business plan. The services providing to the Bank consist of system control and maintenance, system software development, and providing preliminary consultancy services and training in various areas. The Bank incurred service charges on a cost-plus method of Baht 897 million and Baht 891 million for the three-month periods ended 30 September 2020 and 2019, respectively, and Baht 2,604 million and Baht 2,725 million for the nine-month periods ended 30 September 2020 and 2019, respectively.

Since 2003, the GFMS project Phase 2 has been developed and implemented on behalf of the Bank by KTBCS. The Bank and the Office of GFMS attached to the Secretariat of the Prime Minister unanimously signed on the Memorandum of Agreement upon the submission of deliverables and disbursements associated with the investments in the GFMS project on 22 September 2005. Furthermore, the Bank signed a hire-of-work contract for the implementation and maintenance with the Office of GFMS. The Bank incurred service charges of Baht 33 million and Baht 33 million for the three-month periods ended 30 September 2020 and 2019, respectively, and Baht 98 million and Baht 98 million for the nine-month periods ended 30 September 2020 and 2019, respectively.

- 2) The Bank operates a student loan service for the Student Loans Fund, including public relations, policy, regulation, loan payment, document filling, loan notification, loan status, as well as receipt of settlement, pursuit of loan collection, and prosecution. KTB Law Co., Ltd. has been designated to prosecute debtors of the Student Loans Fund. The Bank incurred service charges of Baht 34 million and Baht 126 million for the three-month periods ended 30 September 2020 and 2019, respectively, and Baht 141 million and Baht 471 million for the nine-month periods ended 30 September 2020 and 2019, respectively.
- 3) KTB General Services and Security Co., Ltd. (“KTBGS”) is assigned by the Bank to provide collection and delivery services for all cash, 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 expenses in respect of those services are amounting to Baht 597 million and Baht 599 million for the three-month periods ended 30 September 2020 and 2019, respectively, and Baht 1,727 million and Baht 1,786 million for the nine-month periods ended 30 September 2020 and 2019, respectively.
- 4) The Bank incurred service charges provided by its subsidiaries [including fees mentioned in No.1) to 3)] amounting to Baht 1,616 million and Baht 1,692 million for the three-month periods ended 30 September 2020 and 2019, respectively, and Baht 4,724 million and Baht 5,216 million for the nine-month periods ended 30 September 2020 and 2019, respectively, at the rates as mutually agreed.
- 5) The Bank generated fee income from service with its subsidiaries amounting to Baht 201 million and Baht 260 million for the three-month periods ended 30 September 2020 and 2019, respectively, and Baht 570 million and Baht 667 million for the nine-month periods ended 30 September 2020 and 2019, respectively.
- 6) The Bank generated premises rental income from its subsidiaries of Baht 3 million and Baht 5 million for the three-month periods ended 30 September 2020 and 2019, respectively, and Baht 5 million and Baht 15 million for the nine-month periods ended 30 September 2020 and 2019, respectively, at the rates as mutually agreed.

#### **Intercompany considerations**

Intercompany income and expenses are based on the rates as mutually agreed and the amount specified in the contract, while the cost-plus method is used for certain transactions.

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

#### **Associated companies**

The Bank generated fee income under support service contracts of Baht 559 million and Baht 713 million for the three-month periods ended 30 September 2020 and 2019, respectively, and Baht 1,832 million and Baht 1,589 million for the nine-month periods ended 30 September 2020 and 2019, respectively, at the rates as mutually agreed.

## 5.12 Operations classified by operating segment

### Segment definition

The Bank organises segments for internal management purposes, with the Management Committee of each segment being the chief operating decision-maker (CODM). Three reportable segments have been identified based on customer type and nature of business:

- 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 its network of 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 maintain appropriate levels and enable the generation of profit from the Bank's equity investment, international business and excess liquidity, and also supervises overseas branches and companies in which the Bank has invested, among others.

Other segments comprise of middle offices, back offices, subsidiaries and associated companies.

### Accounting procedures for segment reporting

The accounting procedures for the operating segments are based on the principle of Economic Value Management (EVM), whereby performance is measured on the same basis as that used 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, with internal service charges (ISC) between the service providing unit and service receiving unit. The Fund Transfer Pricing (FTP) concept is used to calculate the value of funds for the fund provider unit and the cost of funds for fund user unit. Income and expenses are allocated according to ownership in order to derive the net operating profit after tax (NOPAT).

(Unit: Million Baht)

	Consolidated financial statements					
	For the three-month period ended 30 September 2020					
	Retail banking	Wholesale banking	Treasury and investment	Support and others	Eliminations	Total
Total operating income	11,724	5,717	1,797	11,776	(740)	30,274
Total expenses and tax expenses (excluding expected credit losses)	(8,925)	(871)	(208)	(5,773)	1,593	(14,184)
Expected credit losses	1,496	(9,519)	(2,331)	(2,066)	6	(12,414)
Net profit	4,295	(4,673)	(742)	3,937	859	3,676

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements						
For the three-month period ended 30 September 2019						
	Retail banking	Wholesale banking	Treasury and investment	Support and others	Eliminations	Total
Total operating income	12,940	7,272	1,410	17,063	(8,257)	30,428
Total expenses and tax expenses (excluding bad debts, doubtful accounts and loss on impairment)	(8,957)	(1,927)	(552)	(11,242)	5,387	(17,291)
Bad debts, doubtful accounts and loss on impairment	(819)	(2,656)	(5)	(3,899)	1,281	(6,098)
Net profit	3,164	2,689	853	1,922	(1,589)	7,039

(Unit: Million Baht)

Consolidated financial statements						
For the nine-month period ended 30 September 2020						
	Retail banking	Wholesale banking	Treasury and investment	Support and others	Eliminations	Total
Total operating income	38,190	23,985	5,408	31,393	(5,298)	93,678
Total expenses and tax expenses (excluding expected credit losses)	(23,613)	(4,562)	(1,390)	(17,698)	4,550	(42,713)
Expected credit losses	(5,915)	(22,253)	(3,033)	(4,434)	(14)	(35,649)
Net profit	8,662	(2,830)	985	9,261	(762)	15,316

(Unit: Million Baht)

Consolidated financial statements						
For the nine-month period ended 30 September 2019						
	Retail banking	Wholesale banking	Treasury and investment	Support and others	Eliminations	Total
Total operating income	37,017	25,587	5,400	31,872	(5,847)	94,029
Total expenses and tax expenses (excluding bad debts, doubtful accounts and loss on impairment)	(24,147)	(10,798)	(1,820)	(19,316)	5,048	(51,033)
Bad debts, doubtful accounts and loss on impairment	(1,457)	(6,397)	(164)	(10,907)	(64)	(18,989)
Net profit	11,413	8,392	3,416	1,649	(863)	24,007



(Unaudited but reviewed)

Assets and liabilities for segment of the Bank and its subsidiaries as at 30 September 2020 and 31 December 2019 are as follows.

(Unit: Million Baht)

	Consolidated financial statements					
	Retail banking	Wholesale banking	Treasury and investment	Support and others	Eliminations	Total
As at 30 September 2020						
Segment assets	973,713	1,243,098	825,618	60,746	1,300	3,104,475
Segment liabilities	1,651,224	738,081	266,966	113,993	(15,539)	2,754,725
As at 31 December 2019						
Segment assets	934,786	1,076,578	857,030	148,926	(5,104)	3,012,216
Segment liabilities	1,570,438	671,319	228,333	196,987	(3,187)	2,663,890

### Information about major customers

During the nine-month periods ended 30 September 2020 and 2019, the Bank and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

### 5.13 Interest income

Interest income for the three-month and nine-month periods ended 30 September 2020 and 2019 consist of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Interbank and money market items	793	1,552	793	1,552
Investments and trading transactions	107	120	107	120
Investments in debt securities	1,340	1,243	1,339	1,241
Loans to customers *	24,929	26,770	21,296	23,177
Hire-purchase and finance leases	39	96	-	-
Others	4	63	4	64
Total interest income	27,212	29,844	23,539	26,154

\* Interest income from loans to customers for the three-month period ended 30 September 2020, including payment from the auction of property, mortgage collateral, of one debtor, amounting to Baht 1,223 million. (Note 5.19.1 to the interim financial statements).

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Interbank and money market items	2,851	5,546	2,851	5,546
Investments and trading transactions	371	324	371	324
Investments in debt securities	3,261	3,583	3,257	3,577
Loans to customers*	80,305	83,538	69,102	73,110
Hire-purchase and finance leases	161	347	-	-
Others	45	128	45	110
<b>Total interest income</b>	<b>86,994</b>	<b>93,466</b>	<b>75,626</b>	<b>82,667</b>

\* Interest income from loans to customers for the nine-month periods ended 30 September 2020 and 2019, including payment from the auction of property, mortgage collateral, of one debtor, amounting to Baht 4,747 million and Baht 3,899 million, respectively (Note 5.19.1 to the interim financial statements).

The Bank has interest income from financial assets that are credit-impaired for the three-month and nine-month periods ended 30 September 2020 amounting to Baht 448 million and Baht 1,464 million, respectively.

#### 5.14 Interest expenses

Interest expenses for the three-month and nine-month periods ended 30 September 2020 and 2019 consist of the following:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deposits	2,979	4,422	2,982	4,425
Interbank and money market items	441	644	422	619
Contributions to Bank of Thailand (BOT)	1,379	2,391	1,379	2,391
Contributions to Deposit Protection				
Agency (DPA)	61	52	61	52
Debt issued				
- Subordinated debentures	368	757	368	757
- Others	359	356	-	-
Borrowings	1	-	-	-
Borrowing fees	2	5	-	-
Others	20	56	16	56
<b>Total interest expenses</b>	<b>5,610</b>	<b>8,683</b>	<b>5,228</b>	<b>8,300</b>

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deposits	10,862	13,444	10,871	13,453
Interbank and money market items	1,423	1,935	1,373	1,880
Contributions to Bank of Thailand (BOT)	4,035	7,223	4,035	7,223
Contributions to Deposit Protection				
Agency (DPA)	176	157	176	157
Debt issued				
- Subordinated debentures	1,295	1,908	1,295	1,908
- Others	1,088	1,067	-	-
Borrowings	3	2	-	2
Borrowing fees	7	15	-	-
Others	82	108	73	108
Total interest expenses	18,971	25,859	17,823	24,731

### 5.15 Expected credit losses

Expected credit losses and gains or losses from modification of contracts for financial assets for the three-month and nine-month periods ended 30 September 2020 are as follows:

(Unit: Million Baht)

	For the three-month period ended	
	30 September 2020	
	Consolidated	Separate
	financial statements	financial statements
Interbank and money market items (assets)	2,269	2,269
Investments in debt securities measured at amortised cost	10	10
Investments in debt securities measured at fair value through other comprehensive income	2	2
Loans to customers and accrued interest receivables		
- Expected credit losses	10,165	8,467
- Losses from modification of contracts	114	114
Total	12,560	10,862
Loan commitments and financial guarantee contracts	(146)	(146)
Total	12,414	10,716

(Unaudited but reviewed)

(Unit: Million Baht)

For the nine-month period ended

30 September 2020

	Consolidated	Separate
	financial statements	financial statements
Interbank and money market items (assets)	2,098	2,098
Investments in debt securities measured at amortised cost	12	12
Investments in debt securities measured at fair value through other comprehensive income	841	841
Loans to customers and accrued interest receivables		
- Expected credit losses	32,913	27,830
- Losses from modification of contracts	267	267
Total	36,131	31,048
Loan commitments and financial guarantee contracts	(482)	(482)
Total	35,649	30,566

## 5.16 Income tax

The Bank has complied with its tax management policy to correctly operate tax payment, tax filing and tax benefit utilisation 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 higher future income tax (or lower) on the basis of amounts expected to be paid. Such the consideration is based on estimations, assumptions, regulation changes that may occur, legal interpretation and historical experience. In the future, if events change, which resulted in the 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.

(Unaudited but reviewed)

Income tax expenses for the three-month and nine-month periods ended 30 September 2020 and 2019 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Interim corporate income tax	469	1,469	56	1,037
<b>Deferred tax:</b>				
Relating to temporary differences and reversal of temporary differences	13	(315)	(24)	(281)
<b>Income tax expenses reported in statements of comprehensive income</b>	<b>482</b>	<b>1,154</b>	<b>32</b>	<b>756</b>

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Interim corporate income tax	1,239	6,753	48	5,459
<b>Deferred tax:</b>				
Relating to temporary differences and reversal of temporary differences	1,945	(1,577)	1,869	(1,563)
<b>Income tax expenses reported in statements of comprehensive income</b>	<b>3,184</b>	<b>5,176</b>	<b>1,917</b>	<b>3,896</b>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2020 and 2019 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax on surplus from revaluation of assets	73	(13)	-	(13)
Deferred tax on gains (losses) from hedge accounting	34	-	34	-
Deferred tax on gains (losses) on revaluation of investments in debt securities measured at fair value through other comprehensive income	98	-	99	-
Deferred tax on gains (losses) on revaluation of investments in equity securities measured at fair value through other comprehensive income	(200)	-	(200)	-
Deferred tax on gains (losses) on revaluation of available-for-sale investments	-	96	-	98
Deferred tax on actuarial gains and losses	-	141	-	140
	<u>5</u>	<u>224</u>	<u>(67)</u>	<u>225</u>

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax on surplus from revaluation of assets	105	(13)	32	(13)
Deferred tax on gains (losses) from hedge accounting	47	-	47	-
Deferred tax on gains (losses) on revaluation of investments in debt securities measured at fair value through other comprehensive income	32	-	31	-
Deferred tax on gains (losses) on revaluation of investments in equity securities measured at fair value through other comprehensive income	(428)	-	(428)	-
Deferred tax on gains (losses) on revaluation of available-for-sale investments	-	787	-	790
Deferred tax on actuarial gains and losses	-	143	-	140
	<u>(244)</u>	<u>917</u>	<u>(318)</u>	<u>917</u>

(Unaudited but reviewed)

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month and nine-month periods ended 30 September 2020 and 2019 are as follows:

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accounting profit before tax	4,158	8,193	1,399	5,910
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	832	1,639	280	1,182
Effects of non-taxable revenue and non-deductible expenses - net	(350)	(485)	(248)	(426)
Income tax expenses reported in statements of comprehensive income	482	1,154	32	756

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accounting profit before tax	18,500	29,183	13,268	23,714
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	3,700	5,837	2,654	4,743
Effects of non-taxable revenue and non-deductible expenses - net	(516)	(661)	(737)	(847)
Income tax expenses reported in statements of comprehensive income	3,184	5,176	1,917	3,896

## 5.17 Fair value of financial instruments

Financial assets and liabilities instruments measured at fair value are classified by the level of fair value hierarchy as follows:

(Unit: Million Baht)

	Consolidated financial statements							
	30 September 2020				31 December 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities measured at fair value</b>								
<b>Financial assets</b>								
Financial assets								
measured at fair value								
through profit or loss	735	19,481	-	20,216	-	-	-	-
Investments in debt								
securities measured at								
fair value through other								
comprehensive income	16,634	280,627	-	297,261	-	-	-	-
Investments in equity								
securities designated at								
fair value through other								
comprehensive income	13,401	457	505	14,363	-	-	-	-
Derivatives assets	-	61,316	-	61,316	-	55,811	-	55,811
Trading investments	-	-	-	-	18,489	29,763	-	48,252
Available-for-sale								
investments	-	-	-	-	48,355	295,843	-	344,198
<b>Financial liabilities</b>								
Derivatives liabilities	-	57,429	-	57,429	-	51,869	-	51,869

(Unit: Million Baht)

	Separate financial statements							
	30 September 2020				31 December 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities measured at fair value</b>								
<b>Financial assets</b>								
Financial assets								
measured at fair value								
through profit or loss	735	19,841	-	20,576	-	-	-	-
Investments in debt								
securities measured at								
fair value through other								
comprehensive income	16,634	281,431	-	298,065	-	-	-	-
Investments in equity								
securities designated at								
fair value through other								
comprehensive income	13,401	455	504	14,360	-	-	-	-
Derivatives assets	-	61,316	-	61,316	-	55,811	-	55,811
Trading investments	-	-	-	-	18,489	29,763	-	48,252
Available-for-sale								
investments	-	-	-	-	48,355	296,501	-	344,856
<b>Financial liabilities</b>								
Derivatives liabilities	-	57,429	-	57,429	-	51,869	-	51,869



During the current period, the Bank changes the fair value hierarchy as follows.

Fair value hierarchy from level 1 to level 2	<ul style="list-style-type: none"><li>- The fair value of unit trusts is calculated from the net asset value of unit trusts received from the asset management company</li><li>- The fair value of foreign currency Corporate Bond is calculated from the latest bid price at the end of business day from Bloomberg.</li></ul>
Fair value hierarchy from level 2 to level 3	<ul style="list-style-type: none"><li>- The fair value of investments in non-marketable equity securities is determined using their latest book value from the entity's financial statements.</li></ul>

### **Fair value hierarchy**

Fair value hierarchy of the above financial assets and liabilities depends on differences in the data inputs used in valuation, and are 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 the quoted prices in level 1.
- Level 3 - Inputs that are unobservable for those assets and liabilities.

### **Valuation techniques for Level 2 and Level 3**

The fair value of derivatives is calculated using valuation techniques that include the discounted cash flow model and option pricing model, commonly used by market participants. The information used in the valuation techniques is observable in the market, which is based on reliable sources, such as interest rates, exchange rates, volatilities, etc.

The fair value of investments in domestic debt securities is calculated using the price published by the Thai Bond Market Association (ThaiBMA), whilst the fair value of investments in foreign debt securities is calculated using the latest published price obtained from reliable sources.

The fair value of investments in non-marketable equity securities is determined using their latest book value from the entity's financial statements.

Moreover, in using valuation techniques, the Bank has adjusted valuation adjustments in order to appropriately reflect relevant risks such as credit valuation adjustment (CVA), market liquidity risk, based on Bid-Offer Spread (Bid-Offer Spread Adjustment), etc.

**5.18 Policies on business transactions within the financial business group and risk management policies in relation to business transactions within the financial business group.**

The BOT's Notifications No. SOR NOR SOR. 5/2560 and SOR NOR SOR. 9/2560 dated 27 April 2017, SOR NOR SOR. 8/2561 dated 11 April 2018, SOR NOR SOR. 12/2561 dated 22 May 2018, and SOR NOR SOR. 11/2562 dated 7 May 2019 regarding the Consolidated Supervision Policy, require the Bank to disclose policies on business transactions within the financial business group and risk management policies in relation to business transactions within the financial business group as the compliance guidance to supervise business transactions within the financial business group, which is composed of the Bank and 17 companies (Note 5.5 to the interim financial statements, excluding National ITMX Co., Ltd. and BCI (Thailand) Co., Ltd.), in terms of common standards and procedures in alignment to the BOT's consolidated supervision policy. The policies on business transactions within the financial business group and risk management policies in relation to business transactions within the financial business group had been approved by the Bank's Board of Directors and reviewed at least once a year. The policies cover types of transaction, rules and regulations for business transactions, the ratio of business transactions within the financial business group, capital requirements of the financial business group and other related operating procedures. Business transactions within the group are conducted in the same manner as to the public with contract entitled by law and follow the Bank's corporate governance policy.

In cases of the Bank having business transactions with a company within the financial business group in which such company is deemed to be the Bank's business unit, the Bank will follow the transaction relief guideline as provided by BOT.

## 5.19 Others

5.19.1 The Bank has certain defaulting debtors in relation to convertible preferred shares sale and purchase agreement and lending facilities with the outstanding principal amounts according to the related sale and purchase agreements and facilities agreements, as of 30 September 2020 totaling Baht 9,745 million, exclusive of the default interests. In this regard, for such outstanding principal amounts, the Bank has fully made a provision for impairment and allowance for doubtful accounts according to the Bank of Thailand's criteria and it is currently in the execution process according to the orders of the Civil Court and the Bankruptcy Court.

In addition, such debtors together with other defendants were connected to a lawsuit of the Office of the Attorney General which was submitted to the Criminal Division for Persons Holding Political Positions of the Supreme Court's (the "Supreme Court"). The Supreme Court had ordered an acceptance of the complaint on 25 July 2012 and thereafter rendered a judgement on 26 August 2015 that all defendants shall be jointly liable for damages to the Bank. The Bank had submitted a letter to the Office of the Attorney General requesting the Department of Legal Execution, the Office of the Attorney General to execute a judgement for the Bank. In January 2016, the Office of the Attorney General had submitted a motion to the Supreme Court requesting for a writ of execution for appointing the executing officers and the Supreme Court ordered and appointed the executing officers. In this respect, the Bank had notified the public prosecutor of the result of a search for all judgment debtors' property. On 5 October 2016, the public prosecutor of the Department of Special Litigation arranged a meeting for representatives from the Bank of Thailand, the Anti-Money Laundering Office (AMLO) and the Bank to consider the issues regarding the legal execution of the Supreme Court's judgement with coordination and exchange information. Each party will legally exercise its authority and the Supreme Court's order in order to enforce all defendants for the Bank's benefits and legal rights.

On 17 August 2017, a defendant of the criminal case of the Persons Holding Political Positions, who was not a defaulting debtor of the civil case, had made a payment of Baht 1,636 million to the Bank for payment of partial damages according to such criminal case. The Bank accepted the payment and recorded such payment as other revenue from a lawsuit compensation, as well as issuing a letter to such defendant demanding for payment of the remaining damages together with all relevant defendants to the Bank according to such judgement.

At present, judgments of the criminal case, other bankruptcy and civil cases have been enforced for confiscation execution of the mortgaged collaterals according to the preferred mortgage in the Bank's civil case for public auction. The court has issued an order for the Bank to receive debt payment as a mortgagee from such mortgaged collaterals according to an application for repayment of debt for the mortgaged debt submitted by the Bank. Thereafter, on 17 October 2018, the Legal Execution Department made an announcement for public auction and managed the proceedings of public auction for the mortgaged collaterals; whereby, a third party was the successful bidder for Baht 8,914 million. In 2019, the Bank has received the net amount of Baht 3,899 million from the Legal Execution Department for the mortgaged collaterals according to the preferred mortgage which were sold under the criminal case. The Bank exercised the right pursuant to Thai laws by deducting fees and litigation expenses of the Bank for Baht 1 million, and the remaining amount of Baht 3,898 million after the Legal Execution Department's deduction of expenses was considered as interest payment according to the judgment of the Bank's civil case. In this respect, on 25 September 2019, a defendant of the criminal case has filed a civil lawsuit against the Bank for taking the lawsuit amount to be recorded as the damages pursuant to the judgment of such criminal case in which the Bank submitted defending response, the Bank's action affirming. In 2020, the Bank had received net payment from the Legal Execution Department for the mortgaged collaterals which had been sold in other bankruptcy cases in the amount of Baht 3,524 million. The Bank exercised the right pursuant to Thai laws by deducting expenses in relation to auction announcement of Baht 0.02 million, and the remaining amount of Baht 3,524 million was considered as interest payment according to the judgement of the Bank's civil case. For other civil cases, currently, the Bank has received the net amount of 1,223 million Baht from the Legal Execution Department for the mortgaged collaterals according to the preferred mortgage which were sold under civil cases. The Bank exercised the right pursuant to Thai laws by deducting for interest in the amount of 1,223 million Baht according to the judgment of the Bank's civil case.

For the Bank's civil case, whereby the Bank was a plaintiff suing for the foreclosure of such mortgaged collaterals, the Civil Court had rendered a judgment in favor of the Bank to receive full payment of debt according to the grounds of the lawsuit together with interest on 28 September 2017. Thereafter, on 31 October 2018, the Court of Appeal had issued an appointment for the hearing of judgment which upheld the judgment of the Civil Court and the defendant had filed a petition to the Supreme Court on 25 December 2018 and the Bank had filed an answer against such defendant's petition on 25 February 2019. Currently, the Supreme Court had rendered a judgement on 5 May 2020 which upheld the judgement of the Court of Appeal.

5.19.2 In 2010, the Bank lent a company USD 96 million ( Baht 2,885 million) , for which an investment in the ordinary shares of a foreign financial institution was pledged as collateral. Although these shares, accounting for 50 percent of such financial institution’s authorised shares capital, were under the Bank, the Bank had no control over this financial institution. The Bank received full repayment of the loan under the contract in July 2011 but has not yet transferred such pledged ordinary shares back to the company because the company must first seek a financial institution to be a new investor of such financial institution.

5.19.3 The Bank considers factors for closing certain branch in foreign country according to advice from its legal consultants. The assets, liabilities and operating performance of such branch are not material to the Bank’s financial statements.

## **5.20 Events after the reporting period**

- a) On 29 September 2020, the Extraordinary Meeting of No. 1/2020 of KTB Advisory Co., Ltd. (“KTBA”) has passed a resolution to approve to establish Infinitas by Krungthai Co., Ltd. (“Infinitas”), by having registered capital of Baht 40 million. KTBA holds 99.99 percent of shares. Infinitas registered the establishment of the Company with the Ministry of Commerce on 2 October 2020.
- b) On 28 October 2020, the Bank and Krungthai Card Plc. (“KTC”) are jointly established KTC Prepaid Co., Ltd. to operate an electronic money services business by having registered capital of 10 million shares at a par value of Baht 10 per share, totaling of Baht 100 million. The Bank and KTC hold 24.95 percent and 75.05 percent of shares, respectively.
- c) On 6 November 2020, KTB Advisory Co., Ltd. (“KTBA”) registered an increase in its capital from Baht 40 million to Baht 300 million for the purchase of capital increased shares of Infinitas by Krungthai Co., Ltd. (“Infinitas”), by issuing newly ordinary shares of 26 million shares at Baht 10 each, totaling of Baht 260 million. The Bank has exercised its rights to capital increased shares at the amount of 18.8 million shares, total of Baht 188 million and Krungthai Card Plc. (“KTC”) has bought additional shares for the remaining of the Bank’s unexercised rights of its subscription for capital increase shares at amount of 7.2 million shares, total of Baht 72 million. As a result, the Bank’s percentage of shareholding decrease from 99.99 percent to 75.99 percent and KTC’s shareholding is 24.00 percent.

## **5.21 Approval of the interim financial statements**

These interim financial statements were authorised for issue by the Audit Committee on 12 November 2020.