

**TMB Bank Public Company Limited
and its Subsidiaries**

Interim financial statements
for the three-month and nine-month periods ended
30 September 2018
and
Independent auditor's report
on review of interim financial information

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of TMB Bank Public Company Limited

I have reviewed the accompanying consolidated and the Bank only statements of financial position of TMB Bank Public Company Limited and its subsidiaries (the "Group"), and of TMB Bank Public Company Limited (the "Bank") respectively, as at 30 September 2018; the consolidated and the Bank only statements of profit or loss and other comprehensive income for the three-month and nine-month period ended 30 September 2018, changes in equity and cash flows for the nine-month period ended 30 September 2018; and the condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with the 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".

(Chanchai Sakulkoedsin)
Certified Public Accountant
Registration No. 6827

KPMG Phoomchai Audit Ltd.
Bangkok
13 November 2018

TMB Bank Public Company Limited and its subsidiaries
Statements of financial position

Assets	Note	Consolidated		Bank only	
		30 September	31 December	30 September	31 December
		2018	2017	2018	2017
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Cash		12,082,987	17,871,736	12,082,971	17,871,549
Interbank and money market items, net	13	117,461,796	112,534,388	117,461,796	111,275,311
Derivative assets	13	9,077,604	8,673,716	9,077,604	8,673,716
Investments, net	5, 13	71,651,295	61,305,161	71,651,277	58,179,756
Investments in subsidiaries and associate, net	6	4,513,180	-	3,387,883	3,753,633
Loans to customers and accrued interest receivables, net	7, 13				
Loans to customers		667,427,336	643,424,651	667,381,195	643,376,740
Accrued interest receivables		1,311,683	969,067	1,311,683	969,067
Total loans to customers and accrued interest receivables		668,739,019	644,393,718	668,692,878	644,345,807
Less deferred revenue		(47,960)	(51,604)	(47,960)	(51,604)
Less allowance for doubtful accounts	7.3, 9, 13	(31,898,995)	(24,638,712)	(31,870,575)	(24,608,522)
Less revaluation allowance for debt restructuring	7.6	(883,101)	(330,469)	(883,101)	(330,469)
Total loans to customers and accrued interest receivables, net		635,908,963	619,372,933	635,891,242	619,355,212
Properties for sale, net		2,586,268	2,213,599	2,586,268	2,213,599
Premises and equipment, net		11,405,445	12,070,715	11,405,404	12,045,447
Goodwill and other intangible assets, net		2,355,840	2,131,810	2,355,823	2,069,669
Deferred tax assets	16.1	283,489	682,970	1,114,878	666,968
Other receivables, net		1,269,233	1,689,907	1,237,496	1,637,186
Other assets, net	13	4,576,556	5,324,833	4,576,632	5,234,269
Total assets		873,172,656	843,871,768	872,829,274	842,976,315

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

TMB Bank Public Company Limited and its subsidiaries
Statements of financial position

Liabilities and equity	Note	Consolidated		Bank only	
		30 September	31 December	30 September	31 December
		2018	2017	2018	2017
		(Unaudited)		(Unaudited)	
		(in thousand Baht)			
Liabilities					
Deposits	13	638,863,903	611,429,815	642,043,901	611,508,489
Interbank and money market items	13	59,614,744	60,349,098	59,614,744	60,349,098
Liabilities payable on demand		3,840,301	3,664,924	3,840,301	3,664,924
Financial liabilities designated at fair value through profit or loss		389,131	385,698	389,131	385,698
Derivative liabilities	13	8,936,459	8,558,761	8,936,459	8,558,761
Debts issued and borrowings, net	10, 13	32,194,074	33,351,579	32,194,074	33,351,579
Provisions for employee benefits		1,162,250	1,301,442	1,161,095	1,270,859
Provisions for other liabilities		583,856	544,224	581,608	541,977
Deferred revenue		17,914,899	18,907,907	17,914,917	18,907,925
Other liabilities	13	12,659,291	15,522,773	12,687,017	15,340,480
Total liabilities		776,158,908	754,016,221	779,363,247	753,879,790
Equity					
Share capital					
Authorised share capital					
44,108,738,479 ordinary shares of Baht 0.95 each		41,903,302	41,903,302	41,903,302	41,903,302
Issued and paid-up share capital					
43,851,893,110 ordinary shares of Baht 0.95 each					
(31 December 2017: 43,839,858,871 ordinary shares					
of Baht 0.95 each)		41,659,299	41,647,866	41,659,299	41,647,866
Premium on share capital		403,596	378,931	403,596	378,931
Other reserves		4,793,155	5,097,303	4,793,141	5,097,113
Retained earnings					
Appropriated					
Legal reserve		2,550,000	2,550,000	2,550,000	2,550,000
Unappropriated		47,607,698	40,181,447	44,059,991	39,422,615
Equity attributable to equity holders of the Bank		97,013,748	89,855,547	93,466,027	89,096,525
Non-controlling interest		-	-	-	-
Total equity		97,013,748	89,855,547	93,466,027	89,096,525
Total liabilities and equity		873,172,656	843,871,768	872,829,274	842,976,315

Mr. Piti Tantakasem
Chief Executive Officer

Mr. Singha Nikornpun
Chairman of the Audit Committee

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

TMB Bank Public Company Limited and its subsidiaries
Statements of profit or loss and other comprehensive income (Unaudited)

	Note	Consolidated		Bank only	
		Three-month period ended		Three-month period ended	
		30 September		30 September	
		2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
Interest income	13	8,877,620	8,753,366	8,865,654	8,731,506
Interest expenses	13	2,744,597	2,560,727	2,756,291	2,560,727
Net interest income		6,133,023	6,192,639	6,109,363	6,170,779
Fees and service income	13	2,980,078	3,539,102	2,613,955	3,217,966
Fees and service expenses		866,381	747,722	777,351	683,036
Net fees and service income		2,113,697	2,791,380	1,836,604	2,534,930
Gains on trading and foreign exchange transactions, net		371,781	250,682	371,781	250,682
Losses on financial liabilities designated at fair value through profit or loss, net		(510)	(7,463)	(510)	(7,463)
Gains on investments, net	6	11,834,662	8,360	7,834,461	8,360
Other operating income	13	162,457	140,579	160,431	135,484
Total operating income		20,615,110	9,376,177	16,312,130	9,092,772
Other operating expenses					
Employee expenses	13	1,900,563	1,961,736	1,828,330	1,900,258
Directors' remuneration	13	7,699	8,074	7,639	7,984
Premises and equipment expenses		855,135	849,028	838,937	833,538
Taxes and duties		319,351	312,792	319,096	312,286
Others	13	1,116,620	1,314,567	1,038,169	1,269,355
Total other operating expenses		4,199,368	4,446,197	4,032,171	4,323,421
Impairment loss on loans and debt securities	7.3, 13	9,385,896	2,390,997	9,388,724	2,394,169
Profit from operations before income tax		7,029,846	2,538,983	2,891,235	2,375,182
Income tax	16.2	1,435,653	521,261	523,634	492,643
Profit for the period		5,594,193	2,017,722	2,367,601	1,882,539
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on remeasuring available-for-sale investments		(52,277)	11,821	(52,277)	11,749
Losses arising from translating the financial statements of foreign operations		(10,128)	(10,104)	(10,128)	(10,104)
Income tax relating to items that will be reclassified subsequently to profit or loss	16.2	12,481	(344)	12,481	(328)
		(49,924)	1,373	(49,924)	1,317
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Change in revaluation surplus on assets		(35,976)	(20,473)	(35,976)	(20,473)
Actuarial losses on post-employment benefit plan		-	(31,139)	-	(31,139)
Income tax relating to items that will not be reclassified subsequently to profit or loss	16.2	7,195	10,322	7,195	10,322
		(28,781)	(41,290)	(28,781)	(41,290)
Total other comprehensive income for the period,					
net of income tax		(78,705)	(39,917)	(78,705)	(39,973)
Total comprehensive income for the period		5,515,488	1,977,805	2,288,896	1,842,566

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

TMB Bank Public Company Limited and its subsidiaries
Statements of profit or loss and other comprehensive income (Unaudited)

	Consolidated		Bank only	
	Three-month period ended		Three-month period ended	
	30 September		30 September	
<i>Note</i>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Profit attributable to:				
Equity holders of the Bank	5,594,193	2,003,468	2,367,601	1,882,539
Non-controlling interest	-	14,254	-	-
Profit for the period	<u>5,594,193</u>	<u>2,017,722</u>	<u>2,367,601</u>	<u>1,882,539</u>
Total comprehensive income attributable to:				
Equity holders of the Bank	5,515,488	1,963,551	2,288,896	1,842,566
Non-controlling interest	-	14,254	-	-
Total comprehensive income for the period	<u>5,515,488</u>	<u>1,977,805</u>	<u>2,288,896</u>	<u>1,842,566</u>
Earnings per share				
Basic earnings per share (in Baht)	<u>0.1276</u>	<u>0.0457</u>	<u>0.0540</u>	<u>0.0429</u>
Diluted earnings per share (in Baht)	<u>0.1276</u>	<u>0.0457</u>	<u>0.0540</u>	<u>0.0429</u>

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Mr. Piti Tantakasem
Chief Executive Officer

Mr. Singha Nikornpun
Chairman of the Audit Committee

TMB Bank Public Company Limited and its subsidiaries
Statements of profit or loss and other comprehensive income (Unaudited)

	Note	Consolidated		Bank only	
		Nine-month period ended		Nine-month period ended	
		30 September		30 September	
		2018	2017	2018	2017
<i>(in thousand Baht)</i>					
Interest income	13	26,122,529	26,000,754	26,095,040	25,941,548
Interest expenses	13	7,859,919	7,450,623	7,880,009	7,450,766
Net interest income		18,262,610	18,550,131	18,215,031	18,490,782
Fees and service income	13	9,935,613	9,708,514	8,846,967	8,842,285
Fees and service expenses		2,621,080	2,056,205	2,360,892	1,866,934
Net fees and service income		7,314,533	7,652,309	6,486,075	6,975,351
Gains on trading and foreign exchange transactions, net		1,178,506	833,510	1,178,506	833,510
Losses on financial liabilities designated at fair value through profit or loss, net		(3,433)	(23,117)	(3,433)	(23,117)
Gains on investments, net	6	11,940,566	56,921	7,940,168	56,921
Other operating income	13	498,693	711,617	1,287,987	810,758
Total operating income		39,191,475	27,781,371	35,104,334	27,144,205
Other operating expenses					
Employee expenses	13	6,034,947	6,187,593	5,828,561	6,004,708
Directors' remuneration	13	36,295	36,919	36,115	36,649
Premises and equipment expenses		2,554,218	2,508,316	2,507,229	2,461,778
Taxes and duties		938,233	936,842	937,285	935,367
Others	13	3,194,558	3,245,899	3,049,764	3,143,574
Total other operating expenses		12,758,251	12,915,569	12,358,954	12,582,076
Impairment loss on loans and debt securities	7.3, 13	14,070,735	6,913,780	14,081,858	6,921,094
Profit from operations before income tax		12,362,489	7,952,022	8,663,522	7,641,035
Income tax	16.2	2,462,299	1,486,506	1,557,662	1,409,284
Profit for the period		9,900,190	6,465,516	7,105,860	6,231,751
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Gains (losses) on remeasuring available-for-sale investments		(185,799)	95,902	(185,579)	95,408
Losses arising from translating the financial statements of foreign operations		(10,128)	(40,414)	(10,128)	(40,414)
Income tax relating to items that will be reclassified subsequently to profit or loss	16.2	39,186	(11,098)	39,142	(10,998)
		(156,741)	44,390	(156,565)	43,996
Items that will not be reclassified subsequently to profit or loss					
Change in revaluation surplus on assets		(45,590)	(33,446)	(45,590)	(33,446)
Actuarial gains on post-employment benefit plan		101,871	192,772	108,690	189,900
Income tax relating to items that will not be reclassified subsequently to profit or loss	16.2	(11,256)	(31,865)	(12,620)	(31,291)
		45,025	127,461	50,480	125,163
Total other comprehensive income for the period, net of income tax		(111,716)	171,851	(106,085)	169,159
Total comprehensive income for the period		9,788,474	6,637,367	6,999,775	6,400,910

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

TMB Bank Public Company Limited and its subsidiaries
Statements of profit or loss and other comprehensive income (Unaudited)

	Consolidated		Bank only	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
<i>Note</i>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
Profit attributable to:				
Equity holders of the Bank	9,900,190	6,429,449	7,105,860	6,231,751
Non-controlling interest	-	36,067	-	-
Profit for the period	9,900,190	6,465,516	7,105,860	6,231,751
Total comprehensive income attributable to:				
Equity holders of the Bank	9,788,474	6,601,013	6,999,775	6,400,910
Non-controlling interest	-	36,354	-	-
Total comprehensive income for the period	9,788,474	6,637,367	6,999,775	6,400,910
Earnings per share				
Basic earnings per share (in Baht)	0.2258	0.1467	0.1621	0.1422
Diluted earnings per share (in Baht)	0.2258	0.1466	0.1620	0.1421

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Chairman of the Audit Committee

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

TMB Bank Public Company Limited and its subsidiaries
Statements of changes in equity (Unaudited)

Note	Consolidated											
	Other reserves							Retained earnings				
	Issued and paid-up share capital	Premium on share capital	Other reserve - share-based payments	Revaluation surplus on assets, net	Revaluation surplus on available-for-sale investments, net	Translation adjustment arising from translating the financial statements of foreign operations, net	Total other reserve	Legal reserve	Unappropriated	Equity attributable to equity holders of the Bank	Non-controlling interest	Total equity
(in thousand Baht)												
Nine-month period ended 30 September 2017												
Balance at 1 January 2017	41,617,002	325,406	105,377	5,160,194	(55,683)	67,978	5,277,866	2,120,000	34,382,496	83,722,770	125,036	83,847,806
Comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	6,429,449	6,429,449	36,067	6,465,516
Other comprehensive income	-	-	-	(26,756)	76,721	(32,331)	17,634	-	153,930	171,564	287	171,851
Total comprehensive income for the period	-	-	-	(26,756)	76,721	(32,331)	17,634	-	6,583,379	6,601,013	36,354	6,637,367
Contributions by and distribution to owners of the bank												
Expenses in relation to share-based payments	-	-	13,342	-	-	-	13,342	-	-	13,342	-	13,342
Issued ordinary shares to employees	30,864	54,037	(84,901)	-	-	-	(84,901)	-	-	-	-	-
Expenses in relation to issuance of ordinary shares to employees	-	(512)	-	-	-	-	-	-	-	(512)	-	(512)
Dividend paid	-	-	-	-	-	-	-	-	(2,622,968)	(2,622,968)	(17,925)	(2,640,893)
Total contributions by and distribution to owners of the bank	30,864	53,525	(71,559)	-	-	-	(71,559)	-	(2,622,968)	(2,610,138)	(17,925)	(2,628,063)
Transfer to retained earnings	-	-	-	(90,821)	-	-	(90,821)	-	90,821	-	-	-
Balance at 30 September 2017	41,647,866	378,931	33,818	5,042,617	21,038	35,647	5,133,120	2,120,000	38,433,728	87,713,645	143,465	87,857,110
Nine-month period ended 30 September 2018												
Balance at 1 January 2018	41,647,866	378,931	35,877	5,007,190	26,672	27,564	5,097,303	2,550,000	40,181,447	89,855,547	-	89,855,547
Comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	9,900,190	9,900,190	-	9,900,190
Other comprehensive income	-	-	-	(36,472)	(148,639)	(8,102)	(193,213)	-	81,497	(111,716)	-	(111,716)
Total comprehensive income for the period	-	-	-	(36,472)	(148,639)	(8,102)	(193,213)	-	9,981,687	9,788,474	-	9,788,474
Contributions by and distribution to owners of the bank												
Expenses in relation to share-based payments	-	-	707	-	-	-	707	-	-	707	-	707
Issued ordinary shares to employees	11,433	25,151	(36,584)	-	-	-	(36,584)	-	-	-	-	-
Expenses in relation to issuance of ordinary shares to employees	-	(486)	-	-	-	-	-	-	-	(486)	-	(486)
Dividend paid	-	-	-	-	-	-	-	-	(2,630,494)	(2,630,494)	-	(2,630,494)
Total contributions by and distribution to owners of the bank	11,433	24,665	(35,877)	-	-	-	(35,877)	-	(2,630,494)	(2,630,273)	-	(2,630,273)
Transfer to retained earnings	-	-	-	(75,058)	-	-	(75,058)	-	75,058	-	-	-
Balance at 30 September 2018	41,659,299	403,596	-	4,895,660	(121,967)	19,462	4,793,155	2,550,000	47,607,698	97,013,748	-	97,013,748

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

TMB Bank Public Company Limited and its subsidiaries
Statements of changes in equity (Unaudited)

		Bank only								
		Other reserves						Retained earnings		
Note	Issued and paid-up share capital	Premium on share capital	Other reserve - share-based payments	Revaluation surplus on assets, net	Revaluation surplus on available-for-sale investments, net (in thousand Baht)	Translation adjustment arising from translating the financial statements of foreign operations, net	Total other reserve	Legal reserve	Unappropriated	Total equity
Nine-month period ended 30 September 2017										
Balance at 1 January 2017	41,617,002	325,406	105,377	5,160,194	(55,959)	67,978	5,277,590	2,120,000	33,730,438	83,070,436
Comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	-	6,231,751	6,231,751
Other comprehensive income	-	-	-	(26,756)	76,326	(32,331)	17,239	-	151,920	169,159
Total comprehensive income for the period	-	-	-	(26,756)	76,326	(32,331)	17,239	-	6,383,671	6,400,910
Contributions by and distribution to owners of the bank										
Expenses in relation to share-based payments	-	-	13,342	-	-	-	13,342	-	-	13,342
Issued ordinary shares to employees	30,864	54,037	(84,901)	-	-	-	(84,901)	-	-	-
Expenses in relation to issuance of ordinary shares to employees	-	(512)	-	-	-	-	-	-	-	(512)
Dividend paid	-	-	-	-	-	-	-	-	(2,622,968)	(2,622,968)
Total contributions by and distribution to owners of the bank										
	30,864	53,525	(71,559)	-	-	-	(71,559)	-	(2,622,968)	(2,610,138)
Transfer to retained earnings	-	-	-	(90,821)	-	-	(90,821)	-	90,821	-
Balance at 30 September 2017	41,647,866	378,931	33,818	5,042,617	20,367	35,647	5,132,449	2,120,000	37,581,962	86,861,208
Nine-month period ended 30 September 2018										
Balance at 1 January 2018	41,647,866	378,931	35,877	5,007,190	26,482	27,564	5,097,113	2,550,000	39,422,615	89,096,525
Comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	-	7,105,860	7,105,860
Other comprehensive income	-	-	-	(36,472)	(148,463)	(8,102)	(193,037)	-	86,952	(106,085)
Total comprehensive income for the period	-	-	-	(36,472)	(148,463)	(8,102)	(193,037)	-	7,192,812	6,999,775
Contributions by and distribution to owners of the bank										
Expenses in relation to share-based payments	-	-	707	-	-	-	707	-	-	707
Issued ordinary shares to employees	11,433	25,151	(36,584)	-	-	-	(36,584)	-	-	-
Expenses in relation to issuance of ordinary shares to employees	-	(486)	-	-	-	-	-	-	-	(486)
Dividend paid	-	-	-	-	-	-	-	-	(2,630,494)	(2,630,494)
Total contributions by and distribution to owners of the bank										
	11,433	24,665	(35,877)	-	-	-	(35,877)	-	(2,630,494)	(2,630,273)
Transfer to retained earnings	-	-	-	(75,058)	-	-	(75,058)	-	75,058	-
Balance at 30 September 2018	41,659,299	403,596	-	4,895,660	(121,981)	19,462	4,793,141	2,550,000	44,059,991	93,466,027

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

TMB Bank Public Company Limited and its subsidiaries
Statements of cash flows (Unaudited)

	Consolidated		Bank only	
	Nine-month period ended		Nine-month period ended	
	30 September		30 September	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit from operations before income tax	12,362,489	7,952,022	8,663,522	7,641,035
<i>Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities</i>				
Depreciation and amortisation	1,062,569	994,630	1,054,394	985,118
Impairment loss on loans and debt securities	14,070,735	6,913,780	14,081,858	6,921,094
Impairment loss on premises and equipment	5,656	17,266	5,656	17,266
Impairment loss on properties for sale and other assets	94,491	206,022	94,479	203,075
Provisions for employee benefits and other liabilities	83,936	53,830	83,899	50,013
Impairment loss on investments (reversal of)	1,263	(21,781)	1,263	(21,781)
Losses on revaluation of trading investments	3,013	3,075	3,013	3,075
Losses on disposal of intangible assets	-	8,743	-	8,743
Gains on disposal of premises and equipment	(11,066)	(35,406)	(11,038)	(35,176)
Gains on disposal of investments	(111,537)	(35,140)	(111,341)	(35,140)
Gains on disposal of investments in a subsidiary	(11,830,292)	-	(7,830,090)	-
Unrealised losses on remeasurement of financial liabilities designated at fair value through profit or loss	3,433	23,117	3,433	23,117
Unrealised gains on exchange on derivatives	(33,127)	(1,131,578)	(33,127)	(1,131,578)
Unrealised gains on exchange on debentures and borrowings	(57,852)	(834,377)	(57,852)	(834,377)
Expenses in relation to share-based payments	707	13,342	707	13,342
Net interest income	(18,262,610)	(18,550,131)	(18,215,031)	(18,490,782)
Dividend income	(18,293)	(28,559)	(818,293)	(154,034)
Interest received	24,881,072	25,259,199	24,852,062	25,269,143
Interest paid	(6,304,358)	(5,962,424)	(6,312,754)	(5,962,566)
Income tax paid	(1,230,501)	(2,153,423)	(1,112,403)	(2,088,948)
Profit from operations before changes in operating assets and liabilities	14,709,728	12,692,207	14,342,357	12,380,639
<i>Decrease (increase) in operating assets</i>				
Interbank and money market items	(5,843,825)	(16,376,498)	(6,304,017)	(16,121,849)
Trading investments	(3,824,418)	8,990,736	(3,824,418)	8,990,736
Loans to customers	(30,177,825)	(32,709,832)	(30,188,948)	(32,717,146)
Properties for sale	(198,597)	255,774	(198,597)	255,774
Other receivables	602,674	718,542	605,558	665,013
Other accrued income	203,143	(83,550)	240,822	(155,987)
Other assets	(401,784)	283,327	(408,419)	301,162
<i>Increase (decrease) in operating liabilities</i>				
Deposits	27,376,041	8,314,809	30,547,097	8,371,474
Interbank and money market items	(734,354)	10,065,219	(734,354)	10,065,219
Liabilities payable on demand	175,377	(482,241)	175,377	(482,241)
Short-term debt issued and borrowings	-	(445,215)	-	(445,215)
Provisions for obligations on transfers of non-performing assets	-	(1,317,048)	-	(1,317,048)
Provisions for employee benefits	(235,561)	(119,725)	(235,561)	(119,725)
Provisions for other liabilities	(28,603)	(11,820)	(28,603)	(11,820)
Account payables	101,691	280,670	101,806	280,708
Other accrued expenses	(831,391)	20,936	(743,531)	(59,205)
Deferred revenue	(983,498)	19,010,826	(983,498)	19,022,317
Other liabilities	(2,503,602)	3,049,996	(2,644,565)	3,062,944
Net cash provided by (used in) operating activities	(2,594,804)	12,137,113	(281,494)	11,965,750

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

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

The interim financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Audit Committee on 13 November 2018.

1 General information

TMB Bank Public Company Limited, (The “Bank”), is incorporated in Thailand and has its registered office at 3000 Phaholyothin Road, Chomphon, Chatuchak, Bangkok.

The Bank was listed on the Stock Exchange of Thailand on 23 December 1983.

The principal business of the Bank is operating commercial banking businesses. A subsidiary is incorporated as limited company under Thai laws and has been operating in Thailand, with its core businesses being provisions of asset management. Details of the Bank’s subsidiaries and associate as at 30 September 2018 and 31 December 2017 are given in note 6.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (“TAS”) No. 34 (revised 2017) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission; and presented as prescribed by the Bank of Thailand (“BoT”) notification number Sor Nor Sor. 21/2558, directive dated 4 December 2015, regarding “The preparation and announcement of the financial statements of commercial banks and holding companies which are the parent company of a group of companies offering financial services”.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2017 and for the six-month period ended 30 June 2018. They do not include all of the financial information required for full annual and six-month period financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Bank and its subsidiaries for the year ended 31 December 2017 and for the six-month period ended 30 June 2018.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2017 except that the Bank and its subsidiaries have adopted all the revised TFRSs that are effective for annual periods beginning on or after 1 January 2018. The adoption of these revised TFRSs did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Bank and its subsidiaries.

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In addition to the above new and revised TFRSs, the FAP has issued a number of new TFRSs which are not yet effective for current periods. The Bank and its subsidiaries have not early adopted these standards in preparing these interim financial statements. Those new TFRSs that are relevant to the Bank and its subsidiaries' operations become effective for annual financial reporting periods beginning on or after 1 January of the following years.

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* *TFRSs - Financial instruments standards*

TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

- TAS 11 (revised 2017) *Construction Contracts*,
- TAS 18 (revised 2017) *Revenue*,
- TSIC 31 (revised 2017) *Revenue-Barter Transactions Involving Advertising Services*,
- TFRIC 13 (revised 2017) *Customer Loyalty Programmes*,
- TFRIC 15 (revised 2017) *Agreements for the Construction of Real Estate*, and
- TFRIC 18 (revised 2017) *Transfers of Assets from Customers*.

The Bank and its subsidiary have made a preliminary assessment of the potential impact of adopting and initially applying TFRS 15 on the consolidated and bank only financial statements and expect that there will be no material impact on the consolidated and bank only financial statements in the period of initial application.

TFRSs - Financial instruments standards

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

Management is presently considering the potential impact of adopting and initially applying TFRSs - Financial instruments standards on the consolidated and bank only financial statements.

(b) *Functional and presentation currency*

The interim financial statements are prepared and presented in Thai Baht, which is the Bank and its subsidiaries' functional currency. All financial information is presented in Thai Baht and has been rounded to the nearest thousand and in the notes to financial statements to the nearest million unless otherwise stated.

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(c) Use of judgements and estimates

The preparation of interim financial statements in conformity with TFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Bank and its subsidiaries' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2017.

(d) Basis of consolidation

The consolidated financial statements include the account of the Head Office, all domestic and overseas branches and the Bank's subsidiaries and have been prepared on the same basis as that apply for the consolidated financial statements for the year ended 31 December 2017, with structural change in the subsidiary occurring during the period as given in note 6. All inter-company transactions and balances within this Group have been eliminated.

3 Fair value of financial assets and liabilities

3.1 Financial assets and liabilities

The significant differences of fair values in comparison with carrying values of each line item of financial assets and financial liabilities as shown in the statements of financial position as at 30 September 2018 and 31 December 2017 were as follows:

	Consolidated			
	30 September 2018		31 December 2017	
	Carrying value	Fair value	Carrying value	Fair value
	<i>(in million Baht)</i>			
Financial assets				
Derivatives assets	9,078	9,088	8,674	8,811
Investments, net	71,651	71,758	61,305	61,928
Total financial assets	80,729	80,846	69,979	70,739
Financial liabilities				
Deposits	638,864	638,873	611,430	611,430
Derivatives liabilities	8,936	9,444	8,559	8,764
Debts issued and borrowings	32,194	32,011	33,352	34,380
Total financial liabilities	679,994	680,328	653,341	654,574

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	Bank only			
	30 September 2018		31 December 2017	
	Carrying value	Fair value	Carrying value	Fair value
	<i>(in million Baht)</i>			
Financial assets				
Derivatives assets	9,078	9,088	8,674	8,811
Investments, net	71,651	71,758	58,180	58,803
Total financial assets	80,729	80,846	66,854	67,614
Financial liabilities				
Deposits	642,044	642,053	611,508	611,508
Derivatives liabilities	8,936	9,444	8,559	8,764
Debts issued and borrowings	32,194	32,011	33,352	34,380
Total financial liabilities	683,174	683,508	653,419	654,652

The following methods and assumptions were used by the Bank and its subsidiaries in estimating fair value of financial instruments as disclosed herein.

- Investments, net:

The fair value of investments in government-sector debt securities is determined, using yield rates or prices quoted on the Thai Bond Market Association (“ThaiBMA”). The fair value of investments in other debt securities issued locally is determined based on market value appraised by the reliable institutions, their respective yields, or the ThaiBMA’s yield rates adjusted by appropriate risk factors.

The fair value of marketable equity securities held for trading and as available-for-sale is determined at the last bid price quoted on the last working day of the Stock Exchange of Thailand of the reporting period. The fair value of an investment unit is determined using the net asset value announced on the reporting period-end date. The fair value of non-marketable equity securities is determined mainly based on the net asset value of the investee company.

- Derivatives:

In cases where there is an active market, the Bank uses the market value as the fair value of derivatives. For simple over-the-counter derivative, fair values are based on inputs which are observable from independent and reliable market data sources, mainly based on exchange-traded prices, broker/dealer quotations, or counterparties’ quotations. Those inputs are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values of over-the-counter derivative reflect the credit risk of the instrument and include adjustments to take account of the counter party and own entity credit risk when appropriate.

Fair value hierarchy

When measuring the fair value of an asset or a liability, the Bank and its subsidiaries use market observable data as far as possible. Fair value measurements for assets and liabilities are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Bank and its subsidiaries recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 to Level 2 of the fair value hierarchy during the nine-month period ended 30 September 2018 and the year ended 31 December 2017.

3.1.1 Financial assets and liabilities measured at fair value

The Bank and its subsidiaries have an established control framework with respect to the measurement of fair values. This is to ensure that prudent revaluation principles and proper internal control procedures are in place.

The following table analyses financial assets and liabilities measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Consolidated			
	Fair value			
	Level 1	Level 2	Level 3	Total
	(in million Baht)			
30 September 2018				
<i>Financial assets</i>				
Derivatives (trading book)				
- Foreign currency related	-	6,433	-	6,433
- Interest rate related	-	2,475	-	2,475
Investments				
- Trading investments	-	4,441	-	4,441
- Available-for-sale investments	-	41,214	-	41,214
<i>Financial liabilities</i>				
Financial liabilities designated at fair value through profit or loss	-	389	-	389
Derivatives (trading book)				
- Foreign currency related	-	6,711	-	6,711
- Interest rate related	-	2,216	-	2,216
31 December 2017				
<i>Financial assets</i>				
Derivatives (trading book)				
- Foreign currency related	-	5,048	-	5,048
- Interest rate related	-	3,603	-	3,603
Investments				
- Trading investments	-	620	-	620
- Available-for-sale investments	-	36,865	-	36,865
<i>Financial liabilities</i>				
Financial liabilities designated at fair value through profit or loss	-	386	-	386
Derivatives (trading book)				
- Foreign currency related	-	4,713	-	4,713
- Interest rate related	-	3,728	-	3,728

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	Bank only			
	Fair value			
	Level 1	Level 2	Level 3	Total
	<i>(in million Baht)</i>			
30 September 2018				
<i>Financial assets</i>				
Derivatives (trading book)				
- Foreign currency related	-	6,433	-	6,433
- Interest rate related	-	2,475	-	2,475
Investments				
- Trading investments	-	4,441	-	4,441
- Available-for-sale investments	-	41,214	-	41,214
<i>Financial liabilities</i>				
Financial liabilities designated at fair value through profit or loss	-	389	-	389
Derivatives (trading book)				
- Foreign currency related	-	6,711	-	6,711
- Interest rate related	-	2,216	-	2,216
31 December 2017				
<i>Financial assets</i>				
Derivatives (trading book)				
- Foreign currency related	-	5,048	-	5,048
- Interest rate related	-	3,603	-	3,603
Investments				
- Trading investments	-	620	-	620
- Available-for-sale investments	-	33,740	-	33,740
<i>Financial liabilities</i>				
Financial liabilities designated at fair value through profit or loss	-	386	-	386
Derivatives (trading book)				
- Foreign currency related	-	4,713	-	4,713
- Interest rate related	-	3,728	-	3,728

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3.1.2 Financial assets and liabilities not measured at fair value

The following table shows financial assets and liabilities not measured at fair value at the reporting date. It does not include fair value information for financial assets and liabilities not measured at fair value if the carrying value is a reasonable approximation of fair value.

	Consolidated		Bank only	
	Carrying value	Fair value	Carrying value	Fair value
	<i>(in million Baht)</i>			
30 September 2018				
<i>Financial assets</i>				
Derivatives (banking book)	170	180	170	180
Investments				
- Held-to-maturity debt securities	25,761	25,585	25,761	25,585
- General investments	235	518	235	518
<i>Financial liabilities</i>				
Deposits	638,864	638,873	642,044	642,053
Derivatives (banking book)	9	517	9	517
Debts issued and borrowings	32,194	32,011	32,194	32,011
31 December 2017				
<i>Financial assets</i>				
Derivatives (banking book)	23	160	23	160
Investments				
- Held-to-maturity debt securities	23,511	23,851	23,511	23,851
- General investments	309	592	309	592
<i>Financial liabilities</i>				
Deposits	611,430	611,430	611,508	611,508
Derivatives (banking book)	117	323	117	323
Debts issued and borrowings	33,352	34,380	33,352	34,380

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4 Maintenance of capital fund

The Bank maintains its capital fund in accordance with the Financial Institution Business Act B.E. 2551 by maintaining its capital fund as a proportion of risk weighted assets in accordance with the criteria, methodologies, and conditions prescribed by the Bank of Thailand. As announced by the BoT in its circulars dated 8 November 2012 and 8 May 2015, the Bank is required to calculate its Capital Fund in accordance with Basel III. As at 30 September 2018 and 31 December 2017, the consolidated supervision and the Bank only's total capital funds could be categorised as follows:

	Consolidated supervision	
	30 September	31 December
	2018	2017
	<i>(in million Baht)</i>	
<i>Tier 1 capital</i>		
Common Equity Tier 1 capital (CET1)		
Paid-up share capital	41,659	41,648
Share premium	404	379
Legal reserve	2,550	2,550
Net profits after appropriation	40,841	35,129
Other comprehensive income	4,582	4,886
Capital adjustment items on CET1	(54)	(71)
Capital deduction items on CET1	(4,124)	(3,666)
Total Tier 1 Capital	85,858	80,855
<i>Tier 2 capital</i>		
Allowance for classified assets of “pass” category	3,953	4,940
Subordinated debentures	20,430	20,430
Total Tier 2 Capital	24,383	25,370
Total Capital funds	110,241	106,225
Total Risk-Weighted Assets	624,761	609,097

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	The BoT's regulation minimum requirement*	30 September 2018	The BoT's regulation minimum requirement*	31 December 2017
		(%)		
Capital Adequacy Ratio/Total Risk-Weighted Asset	10.375	17.65	9.75	17.44
Tier 1 Capital Ratio/Total Risk-Weighted Asset	7.875	13.74	7.25	13.27
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	6.375	13.74	5.75	13.27

	Bank only	
	30 September 2018	31 December 2017
	<i>(in million Baht)</i>	
Tier 1 capital		
Common Equity Tier 1 capital (CET1)		
Paid-up share capital	41,659	41,648
Share premium	404	379
Legal reserve	2,550	2,550
Net profits after appropriation	40,514	34,587
Other comprehensive income	4,582	4,885
Capital adjustment items on CET1	(54)	(71)
Capital deduction items on CET1	(4,669)	(3,588)
Total Tier 1 Capital	84,986	80,390
Tier 2 capital		
Allowance for classified assets of “pass” category	3,953	4,940
Subordinated debentures	20,430	20,430
Total Tier 2 Capital	24,383	25,370
Total Capital funds	109,369	105,760
Total Risk-Weighted Assets	615,873	609,875

	The BoT's regulation minimum requirement*	30 September 2018	The BoT's regulation minimum requirement*	31 December 2017
		(%)		
Capital Adequacy Ratio/Total Risk-Weighted Asset	10.375	17.76	9.75	17.34
Tier 1 Capital Ratio/Total Risk-Weighted Asset	7.875	13.80	7.25	13.18
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	6.375	13.80	5.75	13.18

* Includes capital conservation buffer as required by the BoT commencing 1 January 2016.

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According to the Bank of Thailand's notification number For Nor Sor (23) Wor 263/2556 dated 22 February 2013, the Bank is required to disclose CET1 after deducting capital add-on arising from Single Lending Limit, effective at the end of January 2015. As at 30 September 2018 and 31 December 2017, the Bank has no add-on arising from Single Lending Limit.

The Bank disclosed capital adequacy information for the Bank and the full consolidated financial institutions as at 30 June 2018 through the Bank's website at www.tmbbank.com/ir/capital_funds/basel3 in October 2018.

Capital management

The Bank's capital management approach is driven by its desire to maintain a strong capital base to support the development of its business, to meet regulatory capital requirements and to maintain appropriate credit ratings.

5 Investments, net

5.1 Classified by type of investments

	Consolidated		Bank only	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in million Baht)</i>			
Trading securities - Fair value				
Government and state enterprise securities	4,441	620	4,441	620
Total	4,441	620	4,441	620
Available-for-sale securities - Fair value				
Government and state enterprise securities	41,211	36,862	41,211	33,737
Domestic marketable equity securities	3	3	3	3
Total	41,214	36,865	41,214	33,740
Held-to-maturity debt securities - Cost/Amortised cost				
Government and state enterprise securities	25,761	23,511	25,761	23,511
Total	25,761	23,511	25,761	23,511
General investments - Cost				
Domestic non-marketable equity securities	1,024	1,098	1,024	1,098
Foreign non-marketable equity securities	2	2	2	2
Total	1,026	1,100	1,026	1,100
Less allowance for impairment losses	(791)	(791)	(791)	(791)
Net	235	309	235	309
Total investments, net	71,651	61,305	71,651	58,180

As at 30 September 2018, the Bank had purchases and sales of investment in debt securities with net sales amounting to Baht 379 million (31 December 2017: net sales amounting to Baht 68 million), for which the settlement was not due at the reporting date.

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

As at 30 September 2018 and 31 December 2017, the Bank had investments in entities in which the Bank holds 10% or more of the paid-up share capital of the investee companies but such companies are not treated as its subsidiaries and associates. Those investments were summarised below.

	Consolidated and Bank only	
	30 September 2018	31 December 2017
	<i>(in million Baht)</i>	
Property development and construction	34	34
Public utilities and services	14	14
Mutual funds and financial services	47	56
Others	11	11
Total	106	115
Less allowance for impairment losses	(41)	(41)
Investments, net	65	74

Interest in unconsolidated structured entity arising in the normal business

The Bank and its subsidiaries may enter into transactions with structured entities in the forms of investment in unit trusts, lending and derivative transactions and providing fund management services. Investment in unit trusts is recognised as equity securities. Lending and derivative transactions are provided under normal business terms and are managed the same way as others counterparties. Fund management is provided to mutual funds and private funds from which the Bank and its subsidiaries earn management fees.

As at 30 September 2018 and 31 December 2017, the Bank and its subsidiaries did not have significant risks and transactions relating to structured entities to disclose in the financial statements.

5.3 Investments in companies with problems in their financial position and operating results

As at 30 September 2018 and 31 December 2017, the Bank and its subsidiaries had the following investments in listed companies which meet the Stock Exchange of Thailand (“SET”)’s criteria for delisting, and are in default on debt securities, or companies whose ability to continue as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET:

	Consolidated and Bank only							
	30 September 2018				31 December 2017			
	No. of Com- panies	Cost value/ book value	Fair value	Allowance for impairment losses	No. of Com- panies	Cost value/ book value	Fair value	Allowance for impairment losses
		<i>(in million Baht)</i>				<i>(in million Baht)</i>		
- Listed companies under delisting conditions/ defaulted debt securities	2	62	-	(62)	2	62	-	(62)
- Companies whose ability to continues as a going concern is uncertain, or unlisted companies whose financial position and operating results are similar to the listed companies which meet criteria for delisting from the SET	11	730	-	(730)	11	730	-	(730)
Total	13	792	-	(792)	13	792	-	(792)

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6 Investments in subsidiaries and associate, net

Companies	Type of Business	Consolidated										Bank only								Dividend income for the nine-month period ended	
		Percentage of ownership interest		Paid-up capital		Equity		Allowance for impairment losses		At Equity, net		Cost		Allowance for impairment losses		At cost, net					
		30	31	30	31	30	31	30	31	30	31	30	31	30	31	30	31	30	30		
		September	December	September	December	September	December	September	December	September	December	September	December	September	December	September	December	September	September		
		2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017		
		(%)	(in million Baht)																		
Subsidiaries and associate																					
Phayathai Asset Management Co., Ltd.	Asset management business	100.00	100.00	1,070	1,070	-	-	-	-	-	-	3,870	3,870	(679)	(679)	3,191	3,191	-	-		
Designee for ETA Contract Ltd.*	Financial support business	99.50	99.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
TMB Asset Management Co., Ltd.	Fund management business	35.00	100.00	35	100	4,513	-	-	-	4,513	-	197	563	-	-	197	563	800	125		
Total						4,513	-	-	-	4,513	-	4,067	4,433	(679)	(679)	3,388	3,754	800	125		

* The Company registered the dissolution with the Ministry of Commerce on 29 June 2018 and currently on the liquidation process.

On 27 September 2018, the Bank sold 65% of its interest in TMB Asset Management Co., Ltd., a subsidiary, reducing its ownership interest to 35% and recognised profit on the loss of control of a subsidiary of Baht 7,830 million, and Baht 7,604 million in the Bank only and consolidated financial statements. TMB Asset Management Co., Ltd. thereby ceased to be a subsidiary and became an associated company. The fair value of the Bank's retained interest in the associate at the date when control was lost was Baht 4,513 million, which became the carrying value of the Bank's interest in the associate at that date in the consolidated financial statements. The difference of fair value was recognised as a profit on the loss of control of a subsidiary of Baht 4,226 million which is included in "Gain on investments, net" in the consolidated statements of profit or loss and other comprehensive income.

The remaining 35% investment in TMB Asset Management Co., Ltd. is subject to call and put options in the future.

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7 Loans to customers and accrued interest receivables, net

7.1 Classified by loan type

	Consolidated		Bank only	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in million Baht)</i>			
Overdrafts	112,153	118,834	112,153	118,834
Loans	390,288	374,105	390,242	374,057
Bills	164,976	150,468	164,976	150,468
Others	10	18	10	18
Less deferred revenue	(48)	(52)	(48)	(52)
Loans to customers net of deferred revenue	667,379	643,373	667,333	643,325
Add accrued interest receivables	1,312	969	1,312	969
Total loans to customers net of deferred revenue add accrued interest receivables	668,691	644,342	668,645	644,294
Less allowance for doubtful accounts				
- Provision at BoT's minimum rates required	(17,804)	(15,049)	(17,776)	(15,019)
- Provision in excess of BoT's minimum rates required	(14,095)	(9,590)	(14,095)	(9,590)
Less revaluation allowance for debt restructuring	(883)	(330)	(883)	(330)
Loans to customers and accrued interest receivables, net	635,909	619,373	635,891	619,355

7.2 Classified by business type and quality of loan classification

	Consolidated				
	30 September 2018				
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss
	<i>(in million Baht)</i>				
Agriculture and mining	11,636	217	15	-	255
Manufacturing and commerce	316,310	19,472	1,366	24	14,751
Property development and construction	19,468	340	12	-	330
Infrastructure and services	62,909	1,026	81	58	702
Housing loans	146,199	4,277	745	752	931
Others	62,709	1,866	650	99	179
Total*	619,231	27,198	2,869	933	17,148

	Consolidated				
	31 December 2017				
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss
	<i>(in million Baht)</i>				
Agriculture and mining	11,130	209	3	-	291
Manufacturing and commerce	319,212	18,711	760	404	12,302
Property development and construction	17,034	784	7	-	267
Infrastructure and services	62,419	1,093	10	-	746
Housing loans	128,132	3,330	452	545	871
Others	61,843	1,955	643	64	156
Total*	599,770	26,082	1,875	1,013	14,633

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	Bank only 30 September 2018					Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	
	<i>(in million Baht)</i>					
Agriculture and mining	11,636	217	15	-	247	12,115
Manufacturing and commerce	316,310	19,472	1,366	24	14,751	351,923
Property development and construction	19,468	340	12	-	310	20,130
Infrastructure and services	62,909	1,026	81	58	684	64,758
Housing loans	146,199	4,277	745	752	931	152,904
Others	62,709	1,866	650	99	179	65,503
Total*	619,231	27,198	2,869	933	17,102	667,333

	Bank only 31 December 2017					Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss	
	<i>(in million Baht)</i>					
Agriculture and mining	11,130	209	3	-	284	11,626
Manufacturing and commerce	319,212	18,711	760	404	12,301	351,388
Property development and construction	17,034	784	7	-	245	18,070
Infrastructure and services	62,419	1,093	10	-	728	64,250
Housing loans	128,132	3,330	452	545	871	133,330
Others	61,843	1,955	643	64	156	64,661
Total*	599,770	26,082	1,875	1,013	14,585	643,325

*Loans to customers net of deferred revenue.

7.3 Classified by loan classification

The Bank and its subsidiaries have classified loans to customers and accrued interest receivables (excluding interbank and money market items) in accordance with the BoT's notification, regarding the Classification and Provisions made by Financial Institutions, as follows:

	Consolidated 30 September 2018			
	Loans to customers and accrued interest receivables	Net amount used to set the allowance for doubtful accounts ⁽¹⁾	Minimum rates required	Allowance for doubtful accounts ⁽²⁾
	<i>(in million Baht)</i>		<i>(%)</i>	<i>(in million Baht)</i>
Minimum allowance as per BoT's regulations				
Pass	620,488	551,754	1	5,971
Special mention	27,253	14,429	2	401
Sub-standard	2,869	1,701	100	1,777
Doubtful	933	357	100	373
Doubtful of loss	17,148	6,322	100	9,282
Total*	668,691	574,563		17,804
Provision in excess of BoT's minimum rates required				14,095 ⁽³⁾
Total				31,899

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Consolidated				
31 December 2017				
	Loans to customers and accrued interest receivables (in million Baht)	Net amount used to set the allowance for doubtful accounts ⁽¹⁾ (in million Baht)	Minimum rates required (%)	Allowance for doubtful accounts ⁽²⁾ (in million Baht)
Minimum allowance as per BoT's regulations				
Pass	600,675	527,213	1	5,747
Special mention	26,146	14,963	2	457
Sub-standard	1,875	1,154	100	1,238
Doubtful	1,013	444	100	470
Doubtful of loss	14,633	5,024	100	7,137
Total*	<u>644,342</u>	<u>548,798</u>		<u>15,049</u>
Provision in excess of BoT's minimum rates required				<u>9,590 ⁽³⁾</u>
Total				<u>24,639</u>

Bank only				
30 September 2018				
	Loans to customers and accrued interest receivables (in million Baht)	Net amount used to set the allowance for doubtful accounts ⁽¹⁾ (in million Baht)	Minimum rates required (%)	Allowance for doubtful accounts ⁽²⁾ (in million Baht)
Minimum allowance as per BoT's regulations				
Pass	620,488	551,754	1	5,971
Special mention	27,253	14,429	2	401
Sub-standard	2,869	1,701	100	1,777
Doubtful	933	357	100	373
Doubtful of loss	17,102	6,294	100	9,254
Total*	<u>668,645</u>	<u>574,535</u>		<u>17,776</u>
Provision in excess of BoT's minimum rates required				<u>14,095 ⁽³⁾</u>
Total				<u>31,871</u>

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Bank only				
31 December 2017				
	Loans to customers and accrued interest receivables (in million Baht)	Net amount used to set the allowance for doubtful accounts ⁽¹⁾ (in million Baht)	Minimum rates required (%)	Allowance for doubtful accounts ⁽²⁾ (in million Baht)
Minimum allowance as per BoT's regulations				
Pass	600,675	527,213	1	5,747
Special mention	26,146	14,963	2	457
Sub-standard	1,875	1,154	100	1,238
Doubtful	1,013	444	100	470
Doubtful of loss	14,585	4,994	100	7,107
Total*	<u>644,294</u>	<u>548,768</u>		<u>15,019</u>
Provision in excess of BoT's minimum rates required				<u>9,590 ⁽³⁾</u>
Total				<u>24,609</u>

*Loans to customers net of deferred revenue add accrued interest receivables

- ⁽¹⁾ Net amount used to set the allowance for doubtful accounts: In the case of loans that are classified as pass and special mention means the principal balance net of the value of collateral, excluding land, buildings and constructions thereon, leasehold rights and machinery. In the case of loans that are classified as sub-standard, doubtful and doubtful of loss, it means the debt balance after deduction of the present value of future cash flows expected to be received from debt collection, or from the disposal of collateral, excluding machinery.
- ⁽²⁾ Allowance for doubtful accounts on loans guaranteed by the Thai Credit Guarantee Corporation according to the Portfolio Guarantee Scheme was made in accordance with the Bank of Thailand's notification on supervisory guidelines on loans guaranteed in the Portfolio Guarantee Scheme by Thai Credit Guarantee Corporation.
- ⁽³⁾ As at 30 September 2018, this included provision of Baht 1,033 million (31 December 2017: Baht 1,160 million) provided for non-performing loans.

During the three-month and nine-month periods ended 30 September 2018, the Bank set aside additional provision of approximately Baht 5,000 million (presented as a part of "Provision in excess of BOT's minimum rates required") in anticipation of strengthening regulatory measures on certain credit risk factors and to be more prudent.

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7.4 Non-performing loans

NPLs per BoT's regulations refer to all sub-standard, doubtful, doubtful of loss and loss loans.

As at 30 September 2018 and 31 December 2017, the Bank and its subsidiary's NPLs (including interbank and money market items) were summarised as follows:

	30 September 2018			
	TMB Bank Public Company Limited	Phayathai Asset Management Co., Ltd.	Elimination	Consolidated
Net NPLs (principal net of allowance for doubtful accounts)				
NPLs after allowance for doubtful accounts on NPLs (<i>in million Baht</i>)	8,445	18	-	8,463
Total loans after allowance for doubtful accounts on NPLs (<i>in million Baht</i>)	765,225	18	-	765,243
Percentage of net NPLs (%)	1.10	100.00		1.11
NPLs (principal)				
NPLs (<i>in million Baht</i>)	20,904	46	-	20,950
Total loans (<i>in million Baht</i>)	777,684	46	-	777,730
Percentage of NPLs (%)	2.69	100.00		2.69
	31 December 2017			
	TMB Bank Public Company Limited	Phayathai Asset Management Co., Ltd.	Elimination	Consolidated
Net NPLs (principal net of allowance for doubtful accounts)				
NPLs after allowance for doubtful accounts on NPLs (<i>in million Baht</i>)	7,495	18	-	7,513
Total loans after allowance for doubtful accounts on NPLs (<i>in million Baht</i>)	735,334	18	-	735,352
Percentage of net NPLs (%)	1.02	100.00		1.02
NPLs (principal)				
NPLs (<i>in million Baht</i>)	17,473	48	-	17,521
Total loans (<i>in million Baht</i>)	745,312	48	-	745,360
Percentage of NPLs (%)	2.34	100.00		2.35

For the nine-month period ended 30 September 2018 and 2017, the Bank sold non-performing loans, with principal totalling approximately Baht 1,300 million and Baht 700 million, respectively, to Asset Management Company. The selling price in excess of the carrying value of those non-performing loans was presented as a deduction from "Impairment loss on loans and debt securities" in the statement of profit or loss and other comprehensive income.

As at 30 September 2018, the Bank had loans to customers, amounting to Baht 56,092 million (31 December 2017: Baht 50,177 million) on which it ceased recognition of interest income on an accrual basis.

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7.5 Troubled debt restructuring

During the nine-month periods ended 30 September 2018 and 2017, the Bank and its subsidiary entered into contracts for troubled debt restructuring, (only the account where debtor has present value loss/losses on debt structuring is presented) , which can be summarised as follows:

Consolidated and Bank only					
Nine-month period ended 30 September 2018					
	Number of debtors	Before restructuring (in million Baht)	After restructuring	Asset acquired Type	Fair value (in million Baht)
Type of restructuring					
Transfer of asset	1	3	-	Land and building	3
Modification of terms of payments	5,387	15,791	15,791	-	-
Combination of methods	3	29	22	Land and building	7
Total	5,391	15,823	15,813		10
Term of debt restructuring agreements					
Not over 5 years	773	102	99		
5 - 10 years	3,163	1,711	1,707		
Over 10 years	1,455	14,010	14,007		
Total	5,391	15,823	15,813		

Consolidated and Bank only					
Nine-month period ended 30 September 2017					
	Number of debtors	Before restructuring (in million Baht)	Number of debtors	After restructuring (in million Baht)	Asset acquired Type Fair value (in million Baht)
Type of restructuring					
Modification of terms of payments	4,666	6,999	4,666	6,999	- -
Combination of methods	5	1,019	4	616	Land and building 350
Total	4,671	8,018	4,670	7,615	350
Term of debt restructuring agreements					
Not over 5 years	928	1,631	928	1,629	
5 - 10 years	3,182	877	3,182	877	
Over 10 years	561	5,510	560	5,109	
Total	4,671	8,018	4,670	7,615	

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Supplemental information relating to restructuring debtors for the nine-month periods ended 30 September 2018 and 2017 is as follows:

	Consolidated and Bank only	
	Nine-month periods ended 30 September	
	2018	2017
	<i>(in million Baht)</i>	
Interest income on restructured debts, which is recognised during the periods	24	28
Cash settlement by debtors	89	92
Losses on debt restructuring, net	53	9

As at 30 September 2018 and 31 December 2017, the Bank and its subsidiary had the outstanding balances with troubled debt restructuring debtors which had been performing in accordance with debt restructuring agreements, as follows:

	Consolidated				Bank only			
	30 September 2018		31 December 2017		30 September 2018		31 December 2017	
	Number of debtors	Outstanding balance <i>(in million Baht)</i>	Number of debtors	Outstanding balance <i>(in million Baht)</i>	Number of debtors	Outstanding balance <i>(in million Baht)</i>	Number of debtors	Outstanding balance <i>(in million Baht)</i>
Troubled debt restructuring debtors	8,061	14,573	6,123	8,347	8,060	14,564	6,122	8,336

7.6 Revaluation allowance for debt restructuring

	Consolidated and Bank only	
	30 September 2018	31 December 2017
	<i>(in million Baht)</i>	
Beginning balance	3	177
Increase during the period/year	5	153
Ending balance	8	330

7.7 Loans to customers having problems with financial position and operating results

As at 30 September 2018 and 31 December 2017, the Bank and its subsidiary had loans and accrued interest receivables due from listed companies having problems with their financial position and operating results, and set aside allowances for doubtful accounts as follows:

	Consolidated and Bank only							
	30 September 2018				31 December 2017			
	Number of debtors	Loans and accrued interest receivables	Collateral	Allowance for doubtful accounts	Number of debtors	Loans and accrued interest receivables	Collateral	Allowance for doubtful accounts
		<i>(in million Baht)</i>				<i>(in million Baht)</i>		
Listed companies under delisting conditions in SET	3	3	-	-	3	12	10	-

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8 Classified assets

As at 30 September 2018 and 31 December 2017, classified assets were classified in accordance with the BoT's regulation, consisting of investments (including investments in subsidiaries), loans to customers and accrued interest receivables (including interbank and money market items), properties for sale, premises and equipment and other assets as follows:

Consolidated						
30 September 2018						
	Investments	Loans to customers and accrued interest receivables	Properties for sale (in million Baht)	Premises and equipment	Other assets	Total
Pass	-	730,896	-	-	-	730,896
Special mention	-	27,253	-	-	-	27,253
Sub-standard	-	2,869	-	-	4	2,873
Doubtful	-	933	-	-	1	934
Doubtful of loss	1,014	17,148	146	265	505	19,078
Total	1,014	779,099	146	265	510	781,034

Consolidated						
31 December 2017						
	Investments	Loans to customers and accrued interest receivables	Properties for sale (in million Baht)	Premises and equipment	Other assets	Total
Pass	-	702,698	-	-	-	702,698
Special mention	-	26,146	-	-	-	26,146
Sub-standard	-	1,875	-	-	3	1,878
Doubtful	-	1,013	-	-	1	1,014
Doubtful of loss	847	14,633	153	285	469	16,387
Total	847	746,365	153	285	473	748,123

Bank only						
30 September 2018						
	Investments	Loans to customers and accrued interest receivables	Properties for sale (in million Baht)	Premises and equipment	Other assets	Total
Pass	-	730,896	-	-	-	730,896
Special mention	-	27,253	-	-	-	27,253
Sub-standard	-	2,869	-	-	4	2,873
Doubtful	-	933	-	-	1	934
Doubtful of loss	1,693	17,102	146	265	503	19,709
Total	1,693	779,053	146	265	508	781,665

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Bank only
31 December 2017

	Investments	Loans to customers and accrued interest receivables	Properties for sale (in million Baht)	Premises and equipment	Other assets	Total
Pass	-	702,698	-	-	-	702,698
Special mention	-	26,146	-	-	-	26,146
Sub-standard	-	1,875	-	-	3	1,878
Doubtful	-	1,013	-	-	1	1,014
Doubtful of loss	1,526	14,585	153	285	468	17,017
Total	1,526	746,317	153	285	472	748,753

9 Allowance for doubtful accounts

The movements in the allowance for doubtful accounts during the period/year were as follows:

Consolidated
Nine-month period ended 30 September 2018

	Provision at BoT's minimum rates required					Provision in excess of BoT's minimum rates required	Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss		
	(in million Baht)						
Beginning balance	5,747	457	1,238	470	7,137	9,590	24,639
Allowance for doubtful accounts	224	(56)	539	(97)	8,295	4,505	13,410
Bad debt recovery	-	-	-	-	650	-	650
Bad debt written-off	-	-	-	-	(6,091)	-	(6,091)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(709)	-	(709)
Ending balance	5,971	401	1,777	373	9,282	14,095	31,899

Consolidated
Year ended 31 December 2017

	Provision at BoT's minimum rates required					Provision in excess of BoT's minimum rates required	Total
	Pass	Special mention	Sub-standard	Doubtful	Doubtful of loss		
	(in million Baht)						
Beginning balance	5,288	340	1,251	1,049	6,731	10,252	24,911
Allowance for doubtful accounts	459	117	(13)	(579)	9,572	(662)	8,894
Bad debt recovery	-	-	-	-	828	-	828
Bad debt written-off	-	-	-	-	(9,183)	-	(9,183)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(811)	-	(811)
Ending balance	5,747	457	1,238	470	7,137	9,590	24,639

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Bank only

Nine-month period ended 30 September 2018

	Provision at BoT's minimum rates required					Provision in excess of BoT's minimum rates required	Total
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss		
	<i>(in million Baht)</i>						
Beginning balance	5,747	457	1,238	470	7,107	9,590	24,609
Allowance for doubtful accounts	224	(56)	539	(97)	8,306	4,505	13,421
Bad debt recovery	-	-	-	-	641	-	641
Bad debt written-off	-	-	-	-	(6,091)	-	(6,091)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(709)	-	(709)
Ending balance	5,971	401	1,777	373	9,254	14,095	31,871

Bank only

Year ended 31 December 2017

	Provision at BoT's minimum rates required					Provision in excess of BoT's minimum rates required	Total
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss		
	<i>(in million Baht)</i>						
Beginning balance	5,288	340	1,251	1,049	6,701	10,252	24,881
Allowance for doubtful accounts	459	117	(13)	(579)	9,582	(662)	8,904
Bad debt recovery	-	-	-	-	818	-	818
Bad debt written-off	-	-	-	-	(9,183)	-	(9,183)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(811)	-	(811)
Ending balance	5,747	457	1,238	470	7,107	9,590	24,609

10 Debts issued and borrowings, net

Consolidated and Bank only

	Interest rates as at		30 September 2018			31 December 2017		
	30 September 2018 (%)	Maturities	Domestic	Foreign	Total	Domestic	Foreign	Total
	<i>(in million Baht)</i>							
Subordinated debentures ⁽¹⁾	3.50 and 5.50	2019 ⁽²⁾ and 2022 ⁽²⁾	20,430	-	20,430	20,430	-	20,430
Senior debentures	3.108 and 6mLibor+1.05	2021 and 2025	-	11,666	11,666	-	12,813	12,813
Bills of exchange ⁽³⁾	2.15	2012	5	-	5	5	-	5
Other borrowings	0.00 – 0.75	2019 - 2031	7	86	93	12	92	104
Total			20,442	11,752	32,194	20,447	12,905	33,352

⁽¹⁾ Counted as a part of Tier 2 capital, which is determined under the conditions as specified in the BoT's Notification (note 4)

⁽²⁾ The years in which call option exercise periods start.

⁽³⁾ The outstanding balance of bills of exchange maturing during the year 2012 were waiting for redeem by the holders.

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11 Assets pledged as collateral and under restriction

As at 30 September 2018 and 31 December 2017, assets pledged as collateral and under restriction were as follows:

	Consolidated and Bank only	
	30 September 2018	31 December 2017
	<i>(in million Baht)</i>	
Interbank and money market items		
- Deposit under restriction of oversea branch	11	12
Investments in securities		
- Pledged as collateral against repurchase transactions	24,335	19,323
Total	24,346	19,335

12 Commitments and contingent liabilities

12.1 Commitments

	Consolidated and Bank only	
	30 September 2018	31 December 2017
	<i>(in million Baht)</i>	
Avals to bills ⁽¹⁾	805	633
Liability under unmaturing import bills	2,589	2,529
Letters of credit	17,175	19,360
Other commitments		
- Other guarantees	71,438	62,045
- Amount of unused bank overdrafts	81,210	80,908
- Committed line	3,562	5,566
- Others ⁽²⁾	26,272	23,110
Total	203,051	194,151

⁽¹⁾ As at 30 September 2018, this included bank acceptance amounting to Baht 4 million (31 December 2017: Baht 3 million).

⁽²⁾ As at 30 September 2018, this included the financial assets accepted as collateral that had been sold or pledged amounting to Baht 25,061 million (31 December 2017: Baht 22,641 million). The Bank is obliged to return those securities in equivalent amount.

As at 30 September 2018 and 31 December 2017, the Bank had no commitments from providing other guarantees to listed companies, which meet criteria for delisting conditions from the Stock Exchange of Thailand.

12.2 Litigation

- (a) As at 30 September 2018 and 31 December 2017, the Bank and its subsidiaries were claimed pursuant to obligations under the letters of guarantee and other claims for 74 cases and 75 cases, respectively (Bank only: claims for 71 cases and 69 cases, respectively). The said claims were made against the Bank and its subsidiaries for the approximate liability amounts of Baht 424 million ⁽¹⁾ and Baht 1,394 million ⁽¹⁾, respectively (Bank only: Baht 215 million ⁽¹⁾ and Baht 1,173 million ⁽¹⁾, respectively).
- (b) As at 30 September 2018 and 31 December 2017, the Bank and its subsidiaries have recognised provisions for possible losses from the litigation cases totalling Baht 70 million and Baht 165 million, respectively (Bank only: Baht 68 million and Baht 163 million, respectively). The management considers that the provision established for such potential losses due to the said litigation cases is adequate.

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⁽¹⁾ Excluding the liabilities of the Bank and its subsidiaries as at 30 September 2018 and 31 December 2017 of Baht 1,798 million and Baht 930 million, respectively (Bank only: Baht 1,275 million and Baht 407 million, respectively), which the Court of First Instance and the Appeals Court dismissed the cases.

12.3 Non-cancellable operating lease commitments

	Consolidated		Bank only	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in million Baht)</i>			
<i>Future minimum lease payment</i>				
Within one year	416	534	416	519
After one year but within five years	573	381	573	371
Total	989	915	989	890

13 Related parties

For the purposes of these financial statements, parties are considered to be related to the Bank if the Bank has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Definitions and characteristics of relationships

Related parties are as follows:

1. Major shareholders are the shareholders who own over 10% of the Bank's paid-up share capital.
2. Entities with joint control or significant influence over the entity are
 - 2.1 Related companies of major shareholders
 - 2.2 Entities in which related companies of major shareholders hold over 10% of paid-up share capital
 - 2.3 Entities in which the Bank holds over 10% of paid-up share capital (excluding subsidiaries and associate)
3. Subsidiaries
4. Associate
5. Key management personnel of the Bank are directors, management personnel at the level "Head of" or executive vice president and above, and related management personnel of Accounting or Finance.
6. Other related parties are
 - 6.1 Close family members of key management personnel
 - 6.2 Entities in which key management personnel and their close family members hold over 10% of paid-up share capital

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6.3 Entities of which key management personnel and their close family members are directors exercising control or having significant influence

The additional information on investments in subsidiaries and associate is disclosed in note 6.

Relationships with key management and other related parties were as follows:

Name of entity/Personnel	Country of incorporation/ nationality	Nature of relationship
Key management personnel	Thailand and other countries	Persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly, including any director (whether executive or otherwise) of the Bank and its subsidiaries
Ministry of Finance	Thailand	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
ING Bank N.V.	The Netherlands	The major shareholder of the Bank owning over 10% of the Bank's paid-up share capital
Entities whose shares have been owned or have been controlled by the Ministry of Finance	Thailand	Related through the major shareholder of the Bank, owning over 10% of the Bank's paid-up share capital
Phayathai Asset Management Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
Designee for ETA Contract Ltd	Thailand	Subsidiary, 99.5% shareholding, more than 50% of directors are representatives of the Bank
TMB Asset Management Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank and associate since 27 September 2018, 35% shareholding, less than 50% of directors are representative from the Bank

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Interest rates of loans	Based on market rate and the collateral consideration process, the same as the Bank's normal course of business, except for the interest rates of staff welfare loans which are in accordance with the Bank's regulation.
Fee and service income	Registrar and related services, money transfer services for unit holders, agents and support services for funds managed by its subsidiary/associate are charged by the Bank at the rate based on conditions specified in contracts negotiated in the normal course of business, taking into account the size of funds and the purchase and sale volumes of investment units
Interest rate on deposits and borrowings	Based on market rate
Fee and services income for other types of services	Based on market price

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Transactions

Branch office rental and related service
Sale of non-performing assets to subsidiary
Sale of government and state enterprise securities to a subsidiary

Pricing policies

Based on market rate
Based on market price
Based on market price

13.1 Significant related parties transactions with key management and other related parties

Significant related parties transactions for the three-month and nine-month periods ended 30 September 2018 and 2017 with key management and other related parties were as follows:

Consolidated							
Three-month period ended 30 September 2018							
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	Impairment loss on loans and debt securities (reversal of)
	<i>(in million Baht)</i>						
1. Major shareholders	-	-	-	-	-	2	-
2. Entities with joint control or significant influence over the entity	83	74	3	-	2	35	(4)
3. Subsidiaries	-	-	-	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	-	1	-	-	-	-	-
6. Other related parties	-	-	-	-	-	-	-

Consolidated							
Three-month period ended 30 September 2017							
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	Impairment loss on loans and debt securities (reversal of)
	<i>(in million Baht)</i>						
1. Major shareholders	6	1	-	-	-	2	-
2. Entities with joint control or significant influence over the entity	88	64	4	-	-	39	(4)
3. Subsidiaries	-	-	-	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	-	1	-	-	-	-	-
6. Other related parties	1	1	-	-	-	16	-

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Consolidated							Impairment loss on loans and debt securities (reversal of)
Nine-month period ended 30 September 2018							
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	
	(in million Baht)						
1. Major shareholders	-	4	-	-	-	4	-
2. Entities with joint control or significant influence over the entity	264	186	2	-	11	147	(22)
3. Subsidiaries	-	-	-	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	3	-	-	-	-	-
6. Other related parties	-	1	-	-	-	8	-

Consolidated							Impairment loss on loans and debt securities (reversal of)
Nine-month period ended 30 September 2017							
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	
	(in million Baht)						
1. Major shareholders	18	1	-	-	-	8	-
2. Entities with joint control or significant influence over the entity	245	169	14	-	13	145	37
3. Subsidiaries	-	-	-	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	2	-	-	-	-	-
6. Other related parties	2	2	-	-	-	29	(1)

Bank only							Impairment loss on loans and debt securities (reversal of)
Three-month period ended 30 September 2018							
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	
	(in million Baht)						
1. Major shareholders	-	-	-	-	-	2	-
2. Entities with joint control or significant influence over the entity	81	74	3	-	2	35	(4)
3. Subsidiaries	-	12	519	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	-	1	-	-	-	-	-
6. Other related parties	-	-	-	-	-	-	-

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Bank only							
Three-month period ended 30 September 2017							
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	Impairment loss on loans and debt securities (reversal of)
	<i>(in million Baht)</i>						
1. Major shareholders	6	1	-	-	-	2	-
2. Entities with joint control or significant influence over the entity	87	64	4	-	-	39	(4)
3. Subsidiaries	-	-	775	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	-	1	-	-	-	-	-
6. Other related parties	1	1	-	-	-	16	-

Bank only							
Nine-month period ended 30 September 2018							
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	Impairment loss on loans and debt securities (reversal of)
	<i>(in million Baht)</i>						
1. Major shareholders	-	4	-	-	-	4	-
2. Entities with joint control or significant influence over the entity	259	186	2	-	11	147	(22)
3. Subsidiaries	-	20	2,020	-	800	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	3	-	-	-	-	-
6. Other related parties	-	1	-	-	-	8	-

Bank only							
Nine-month period ended 30 September 2017							
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	Impairment loss on loans and debt securities (reversal of)
	<i>(in million Baht)</i>						
1. Major shareholders	18	1	-	-	-	8	-
2. Entities with joint control or significant influence over the entity	240	169	14	-	13	145	37
3. Subsidiaries	-	-	2,020	-	126	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	1	2	-	-	-	-	-
6. Other related parties	2	2	-	-	-	29	(1)

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13.2 Outstanding balances with related parties

As at 30 September 2018 and 31 December 2017, significant outstanding balances with related persons or parties were as follows:

13.2.1 Significant balances between the Bank and its subsidiaries and their major shareholders as at 30 September 2018 and 31 December 2017 were as follows:

	Consolidated and Bank only	
	30 September 2018	31 December 2017
	<i>(in million Baht)</i>	
Loans to customers and accrued interest receivables, net		
Ministry of Finance	-	687
Deposits (including interbank and money market items - liabilities)		
ING Bank N.V.	10	4
Debts issued and borrowings (including interbank and money market items - liabilities)		
ING Bank N.V.	-	1,634
Other liabilities		
ING Bank N.V.	-	4
Commitments - Derivatives ⁽¹⁾		
ING Bank N.V.	4,861	5,422
⁽¹⁾ Presented in notional amount		
Other commitments		
ING Bank N.V.	47	16

13.2.2 Significant balances between the Bank and its subsidiaries and other entities with joint control or significant influence over the entities as at 30 September 2018 and 31 December 2017 were as follows:

	Consolidated		Bank only	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in million Baht)</i>			
Interbank and money market items - assets and loans to customers and accrued interest receivables				
Entities whose shares are owned or controlled by the Ministry of Finance	10,341	16,219	10,341	15,694
Allowance for doubtful accounts				
Entities whose shares are owned or controlled by the Ministry of Finance	103	125	103	125
Deposits (including interbank and money market items - liabilities)				
Entities whose shares are owned or controlled by the Ministry of Finance	8,224	7,877	8,224	7,877
TMB Property Development Co., Ltd.	4	4	4	4
Total	8,228	7,881	8,228	7,881

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	Consolidated		Bank only	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in million Baht)</i>			
Debts issued and borrowings (including interbank and money market items - liabilities)				
Entities whose shares are owned or controlled by the Ministry of Finance	18,024	9,907	18,024	9,907
Other liabilities				
Entities whose shares are owned or controlled by the Ministry of Finance	26	9	26	9
Commitments - Derivatives⁽¹⁾				
Entities whose shares are owned or controlled by the Ministry of Finance	96,096	120,930	96,096	120,930
⁽¹⁾ Presented in notional amount				
Other commitments				
Entities whose shares are owned or controlled by the Ministry of Finance	981	1,107	981	1,107

13.2.3 Significant balances between the Bank and its subsidiaries and associate as at 30 September 2018 and 31 December 2017 were as follows:

	Consolidated		Bank only	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in million Baht)</i>			
Other assets				
Phayathai Asset Management Co., Ltd.	-	-	-	1
TMB Asset Management Co., Ltd.	180	-	180	252
Total	180	-	180	253
Deposits				
Phayathai Asset Management Co., Ltd.	-	-	3,180	16
TMB Asset Management Co., Ltd.	70	-	70	62
Total	70	-	3,250	78

13.2.4 Significant balances between the Bank and its subsidiaries, and their key management personnel as at 30 September 2018 and 31 December 2017 were as follows:

	Consolidated		Bank only	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net	7	15	7	15
Welfare loans	29	45	29	45
Allowance for doubtful accounts	-	1	-	1
Deposits	292	289	292	280
Other liabilities	1	-	1	-

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13.2.5 Significant balances between the Bank and its subsidiaries, and other related parties as at 30 September 2018 and 31 December 2017 were as follows:

	Consolidated		Bank only	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	<i>(in million Baht)</i>			
Loans to customers and accrued interest receivables, net	1	31	1	31
Deposits	101	163	101	160
Other commitments	-	45	-	45

13.3 Senior management personnel compensation

For the three-month and nine-month periods ended 30 September 2018 and 2017, senior management personnel compensation, included in profit or loss, was classified as follows:

Three-month periods ended 30 September	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Short-term employee benefits - directors	8	8	8	8
Short-term employee benefits - management	166	168	155	160
Post-employment benefits	11	10	9	8
Share-based payments (performance share bonus)	-	1	-	1
Total	185	187	172	177

Nine-month periods ended 30 September	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Short-term employee benefits - directors	36	37	36	37
Short-term employee benefits - management	620	598	589	573
Post-employment benefits	34	28	29	24
Share-based payments (performance share bonus)	2	11	2	11
Total	692	674	656	645

Senior management personnel of the Bank are directors, management personnel at the level “Head of” or executive vice president and above, and related management personnel of Accounting or Finance. Senior management personnel of the subsidiaries are those at the level of director and executive officer upwards.

13.4 Other benefits payable to the senior management personnel

The Bank’s senior management personnel do not receive other benefits both in terms of monetary and non-monetary items, except for the benefits that are normally received as mentioned in note 13.3 such as monthly director remuneration, meeting allowance, salary and bonus. Directors who are the Bank’s executives and the representative directors who are the executives of ING Bank N.V. shall not receive director remuneration as per the criteria of the Bank and ING Bank N.V. Nevertheless, directors with permanent residence abroad can reimburse travelling and accommodation expenses in connection with the operation of the Bank’s business as actually incurred. Foreign executives are eligible for additional benefits, which are housing allowances, including utilities, telephone and home trip expenses in accordance with the established criteria.

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14 Segment information

For management purposes, the Bank's businesses are divided into the following core segments, based on customer segmentation:

1. Commercial Banking

1.1 Wholesale Banking: These are corporate customers and owner operators with annual revenues of Baht 100 million and over which was changed in 2017 from 1,000 million and over. The main products and services are corporate loans, letters of guarantee, deposits, trade finance and foreign exchange, supply chain solution, financial management, and other financial services.

1.2 Small Enterprise: These are corporate customers and owner operators with annual revenues of less than Baht 100 million which was changed in 2017 from less than 1,000 million. The main products and services are corporate loans, deposits and bancassurance.

2. Retail Banking: This represents individual persons. The main products and services are deposits, housing and personal loans, cards services, bancassurance and mutual funds, and foreign currency services.

The Bank evaluates segment performance based on profit from operation, using the same accounting policies as those used in its preparation of the financial statements.

The inter-segment transfer pricing policy is to set prices with reference to market rates. Direct operating expenses are recorded as expenses for each operating segment and certain expenses are allocated to each operating segments based on relevant variables e.g. number of transactions, asset based and liabilities base, etc.

The operating segment information, as reported below, is reported in a manner consistent with the Bank's internal reports that are regularly reviewed by the Chief Operating Decision Maker in order to make decisions on the allocation of resources to the operating segments and assess their performance. The Chief Operating Decision Maker has been identified as the Chief Executive Committee.

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Information about reportable segments:

**Three-month period ended
30 September 2018**

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	3,356	2,253	431	-	6,040
Other operating income	891	1,350	12,347	(15)	14,573
Total operating income	4,247	3,603	12,778	(15)	20,613
Operating expenses	(1,943)	(2,245)	(60)	15	(4,233)
Profits from operation	2,304	1,358	12,718	-	16,380
Other income (expenses), net					-
Provision for doubtful accounts on loans and loan-related transactions					(9,351)
Profit before income tax					7,029
Income tax					(1,435)
Profit for the period					5,594
Depreciation and amortisation	48	185	127	-	360
Source of operating income breakdown by operating segments					
Third party	5,919	2,038	12,656	-	20,613
Inter - segment	(1,672)	1,565	122	(15)	-
Total operating income	4,247	3,603	12,778	(15)	20,613

**Three-month period ended
30 September 2017**

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	3,426	2,185	529	-	6,140
Other operating income	822	2,036	409	(14)	3,253
Total operating income	4,248	4,221	938	(14)	9,393
Operating expenses	(1,883)	(2,364)	(112)	14	(4,345)
Profits from operation	2,365	1,857	826	-	5,048
Other income (expenses), net					-
Provision for doubtful accounts on loans and loan-related transactions					(2,509)
Profit before income tax					2,539
Income tax					(521)
Profit for the period					2,018
Depreciation and amortisation	43	190	104	-	337
Source of operating income breakdown by operating segments					
Third party	6,006	2,377	1,010	-	9,393
Inter - segment	(1,758)	1,844	(72)	(14)	-
Total operating income	4,248	4,221	938	(14)	9,393

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Nine-month period ended

30 September 2018

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	10,065	6,611	1,587	-	18,263
Other operating income	2,703	5,047	13,222	(48)	20,924
Total operating income	12,768	11,658	14,809	(48)	39,187
Operating expenses	(5,981)	(6,789)	(105)	48	(12,827)
Profits from operation	6,787	4,869	14,704	-	26,360
Other income (expenses), net					-
Provision for doubtful accounts on loans and loan-related transactions					(13,998)
Profit before income tax					12,362
Income tax					(2,462)
Profit for the period					9,900

Depreciation and amortisation	143	544	376	-	1,063
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**Source of operating income
breakdown by operating segments**

Third party	17,787	6,532	14,868	-	39,187
Inter - segment	(5,019)	5,126	(59)	(48)	-
Total operating income	12,768	11,658	14,809	(48)	39,187

Nine-month period ended

30 September 2017

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	10,457	6,541	1,527	-	18,525
Other operating income	2,344	5,588	1,374	(43)	9,263
Total operating income	12,801	12,129	2,901	(43)	27,788
Operating expenses	(5,558)	(6,814)	(512)	43	(12,841)
Profits from operation	7,243	5,315	2,389	-	14,947
Other income (expenses), net					-
Provision for doubtful accounts on loans and loan-related transactions					(6,995)
Profit before income tax					7,952
Income tax					(1,487)
Profit for the period					6,465

Depreciation and amortisation	102	552	341	-	995
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**Source of operating income
breakdown by operating segments**

Third party	18,047	6,781	2,960	-	27,788
Inter - segment	(5,246)	5,348	(59)	(43)	-
Total operating income	12,801	12,129	2,901	(43)	27,788

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Reconciliation of reportable segment profit or loss

***Three-month period ended
30 September 2018***

	Net interest income	Non- interest income	Consolidated Operating expenses (in million Baht)	Other income (expenses)	Impairment loss on loans and debt securities
Segment reporting	6,040	14,573	(4,233)	-	(9,351)
Bad debts, doubtful accounts and impairment losses	-	8	27	-	(35)
Others	93	(100)	7	-	-
Consolidated financial statements	6,133	14,481	(4,199)	-	(9,386)

***Three-month period ended
30 September 2017***

	Net interest income	Non- interest income	Consolidated Operating expenses (in million Baht)	Other income (expenses)	Impairment loss on loans and debt securities
Segment reporting	6,140	3,253	(4,345)	-	(2,509)
Bad debts, doubtful accounts and impairment losses	-	3	(121)	-	118
Others	52	(72)	20	-	-
Consolidated financial statements	6,192	3,184	(4,446)	-	(2,391)

***Nine-month period ended
30 September 2018***

	Net interest income	Non- interest income	Consolidated Operating expenses (in million Baht)	Other income (expenses)	Impairment loss on loans and debt securities
Segment reporting	18,263	20,924	(12,827)	-	(13,998)
Bad debts, doubtful accounts and impairment losses	-	15	58	-	(73)
Others	-	(11)	11	-	-
Consolidated financial statements	18,263	20,928	(12,758)	-	(14,071)

***Nine-month period ended
30 September 2017***

	Net interest income	Non- interest income	Consolidated Operating expenses (in million Baht)	Other income (expenses)	Impairment loss on loans and debt securities
Segment reporting	18,525	9,263	(12,841)	-	(6,995)
Bad debts, doubtful accounts and impairment losses	-	40	(122)	-	82
Others	25	(72)	47	-	-
Consolidated financial statements	18,550	9,231	(12,916)	-	(6,913)

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	Consolidated				
	30 September 2018				
	Commercial banking	Retail banking	Other segments	Elimination	Total
	(in million Baht)				
Assets	514,675	200,729	160,681	(2,912)	873,173
Liabilities and equity	253,250	445,964	176,871	(2,912)	873,173

	Consolidated				
	31 December 2017				
	Commercial banking	Retail banking	Other segments	Elimination	Total
	(in million Baht)				
Assets	579,813	179,939	88,149	(4,029)	843,872
Liabilities and equity	236,303	425,314	186,284	(4,029)	843,872

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

- 15.1 As at 30 September 2018 and 31 December 2017, the financial position classified by domestic and foreign business was as follows:

	Consolidated					
	30 September			31 December 2017		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Total assets	872,365	808	873,173	843,202	670	843,872
Interbank and money market items, net (assets)	116,888	574	117,462	111,977	557	112,534
Investments, net	71,651	-	71,651	61,305	-	61,305
Loans to customers and accrued interest receivables, net	635,864	45	635,909	619,323	50	619,373
Deposits	638,746	118	638,864	611,310	120	611,430
Interbank and money market items (liabilities)	59,454	161	59,615	53,005	7,344	60,349
Debts issued and borrowings, net	22,472	9,722	32,194	20,539	12,813	33,352

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15.2 The results of operations classified by domestic and foreign business for the three-month and the nine-month periods ended 30 September 2018 and 2017 were as follows:

**For the three-month periods
ended 30 September**

	Consolidated					
	Domestic business	2018 Foreign business	Total	Domestic business	2017 Foreign business	Total
	<i>(in million Baht)</i>					
Interest income	8,874	4	8,878	8,751	2	8,753
Interest expenses	2,665	80	2,745	2,434	127	2,561
Net interest income (expenses)	6,209	(76)	6,133	6,317	(125)	6,192
Net fees and service income	2,113	-	2,113	2,775	17	2,792
Total other operating income	12,368	-	12,368	392	-	392
Total other operating expenses	4,196	3	4,199	4,443	3	4,446
Impairment loss on loans and debt securities	9,386	-	9,386	2,390	1	2,391
Profit (loss) from operations before income tax	7,108	(79)	7,029	2,651	(112)	2,539

**For the nine-month periods
ended 30 September**

	Consolidated					
	Domestic business	2018 Foreign business	Total	Domestic business	2017 Foreign business	Total
	<i>(in million Baht)</i>					
Interest income	26,110	13	26,123	25,997	4	26,001
Interest expenses	7,565	295	7,860	7,062	389	7,451
Net interest income (expenses)	18,545	(282)	18,263	18,935	(385)	18,550
Net fees and service income	7,314	-	7,314	7,635	17	7,652
Total other operating income	13,614	-	13,614	1,580	(1)	1,579
Total other operating expenses	12,749	9	12,758	12,908	8	12,916
Impairment loss on loans and debt securities	14,071	-	14,071	6,912	1	6,913
Profit (loss) from operations before income tax	12,653	(291)	12,362	8,330	(378)	7,952

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16 Deferred tax and income tax

16.1 Deferred tax

Movements in deferred tax assets and liabilities during the nine-month periods ended 30 September 2018 and 2017 were as follows:

	At 1 January 2018	Consolidated (Charged) / Credited to:		At 30 September 2018
		Profit or loss	Other comprehensive income	
		(note 16.2) (in million Baht)		
Deferred tax assets				
Investments	169	-	31	200
Loans to customer and accrued interest receivables	747	427	-	1,174
Properties for sale	43	2	-	45
Premises and equipment	62	(4)	-	58
Provisions for employee benefits	260	(7)	(21)	232
Provisions for other liabilities	111	6	-	117
Deferred revenue and other liabilities	327	(112)	-	215
Others	261	85	-	346
Total	1,980	397	10	2,387
Deferred tax liabilities				
Investments	6	845	(6)	845
Premises and equipment	1,253	(20)	(9)	1,224
Others	38	(1)	(3)	34
Total	1,297	824	(18)	2,103
Net	683	(427)	28	284

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	At 1 January 2017	Consolidated (Charged) / Credited to:		At 30 September 2017
		Profit or loss	Other comprehensive income	
		(note 16.2)		
		(in million Baht)		
Deferred tax assets				
Investments	189	(4)	(14)	171
Loans to customer and accrued interest receivables	680	32	-	712
Properties for sale	23	19	-	42
Premises and equipment	66	(3)	-	63
Provisions for obligations on transfers of non-performing assets	332	(332)	-	-
Provisions for employee benefits	290	4	(38)	256
Provisions for other liabilities	142	(18)	-	124
Deferred revenue and other liabilities	256	(30)	-	226
Others	112	100	-	212
Total	2,090	(232)	(52)	1,806
Deferred tax liabilities				
Investments	-	-	5	5
Premises and equipment	1,291	(23)	(6)	1,262
Others	24	25	(8)	41
Total	1,315	2	(9)	1,308
Net	775	(234)	(43)	498

	At 1 January 2018	Bank only (Charged) / Credited to:		At 30 September 2018
		Profit or loss	Other comprehensive income	
		(note 16.2)		
		(in million Baht)		
Deferred tax assets				
Investments	169	-	31	200
Loans to customers and accrued interest receivables	735	427	-	1,162
Properties for sale	43	2	-	45
Premises and equipment	62	(4)	-	58
Provisions for employee benefits	254	-	(22)	232
Provisions for other liabilities	108	8	-	116
Deferred revenue and other liabilities	327	(112)	-	215
Others	265	80	-	345
Total	1,963	401	9	2,373

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		Bank only (Charged) / Credited to:		
	At 1 January 2018	Profit or loss	Other comprehensive income	At 30 September 2018
		(note 16.2) (in million Baht)		
<i>Deferred tax liabilities</i>				
Investments	6	-	(6)	-
Premises and equipment	1,252	(19)	(9)	1,224
Others	38	(1)	(3)	34
Total	1,296	(20)	(18)	1,258
Net	667	421	27	1,115

		Bank only (Charged) / Credited to:		
	At 1 January 2017	Profit or loss	Other comprehensive income	At 30 September 2017
		(note 16.2) (in million Baht)		
<i>Deferred tax assets</i>				
Investments	189	(4)	(14)	171
Loans to customers and accrued interest receivables	667	32	-	699
Properties for sale	23	19	-	42
Premises and equipment	66	(3)	-	63
Provisions for obligations on transfers of non-performing assets	332	(332)	-	-
Provisions for employee benefits	285	3	(38)	250
Provisions for other liabilities	140	(17)	-	123
Deferred revenue and other liabilities	256	(30)	-	226
Others	117	104	-	221
Total	2,075	(228)	(52)	1,795
<i>Deferred tax liabilities</i>				
Investments	-	-	5	5
Premises and equipment	1,290	(23)	(6)	1,261
Others	24	25	(8)	41
Total	1,314	2	(9)	1,307
Net	761	(230)	(43)	488

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As at 30 September 2018 and 31 December 2017, the Bank had tax-deductible temporary differences in relation to investments in subsidiaries totalling Baht 679 million, for which deferred tax assets have not yet been recognised because certain recognition criteria were not met.

16.2 Income tax

Income tax recognised in profit or loss

<i>Three-month periods ended 30 September</i>	Consolidated		Bank only	
	2018	2017	2018	2017
	<i>(in million Baht)</i>			
Current tax				
Current period	1,026	244	960	214
	1,026	244	960	214
Deferred tax				
Movements in temporary differences	409	277	(436)	278
	409	277	(436)	278
Total	1,435	521	524	492

<i>Nine-month periods ended 30 September</i>	<i>Note</i>	Consolidated		Bank only	
		2018	2017	2018	2017
		<i>(in million Baht)</i>			
Current tax					
Current period		2,027	1,276	1,971	1,202
Under (over) provided in prior year		8	(23)	8	(23)
		2,035	1,253	1,979	1,179
Deferred tax					
Movements in temporary differences	16.1	427	234	(421)	230
		427	234	(421)	230
Total		2,462	1,487	1,558	1,409

Income tax recognised in other comprehensive income

Consolidated						
<i>Three-month periods ended 30 September</i>						
	Before tax	2018 Tax (expense) benefit	Net of tax	Before tax	2017 Tax (expense) benefit	Net of tax
	<i>(in million Baht)</i>					
Investments	(52)	11	(41)	12	(2)	10
Premises and equipment	(36)	7	(29)	(21)	5	(16)
Provisions for employee benefits	-	(1)	(1)	(31)	5	(26)
Others	(11)	3	(8)	(10)	2	(8)
Total	(99)	20	(79)	(50)	10	(40)

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Bank only						
<i>Three-month periods ended 30 September</i>						
	Before tax	2018 Tax (expense) benefit	Net of tax <i>(in million Baht)</i>	Before tax	2017 Tax (expense) benefit	Net of tax
Investments	(53)	11	(42)	11	(2)	9
Premises and equipment	(36)	7	(29)	(21)	5	(16)
Provisions for employee benefits	-	-	-	(31)	6	(25)
Others	(11)	3	(8)	(10)	2	(8)
Total	(100)	21	(79)	(51)	11	(40)

Consolidated						
<i>Nine-month periods ended 30 September</i>						
	Before tax	2018 Tax (expense) benefit	Net of tax <i>(in million Baht)</i>	Before tax	2017 Tax (expense) benefit	Net of tax
Investments	(186)	37	(149)	96	(19)	77
Premises and equipment	(45)	9	(36)	(34)	7	(27)
Provisions for employee benefits	102	(21)	81	193	(39)	154
Others	(11)	3	(8)	(40)	8	(32)
Total	(140)	28	(112)	215	(43)	172

Bank only						
<i>Nine-month periods ended 30 September</i>						
	Before tax	2018 Tax (expense) benefit	Net of tax <i>(in million Baht)</i>	Before tax	2017 Tax (expense) benefit	Net of tax
Investments	(186)	37	(149)	95	(19)	76
Premises and equipment	(45)	9	(36)	(33)	6	(27)
Provisions for employee benefits	109	(22)	87	190	(38)	152
Others	(11)	3	(8)	(40)	8	(32)
Total	(133)	27	(106)	212	(43)	169

Reconciliation of effective tax rate

Consolidated				
<i>Three-month periods ended 30 September</i>				
	Rate (%)	2018 <i>(in million Baht)</i>	Rate (%)	2017 <i>(in million Baht)</i>
Profit before income tax		7,029		2,539
Income tax using the Thai corporation tax rate	20	1,406	20	507
Deferred tax expense which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the year	-	(1)	-	-
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	30	1	14
Total	20	1,435	21	521

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<i>Three-month periods ended 30 September</i>	Bank only			
	2018		2017	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax		<u>2,892</u>		<u>2,375</u>
Income tax using the Thai corporation tax rate	20	578	20	475
Deferred tax expense which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the year	-	(1)	-	-
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	(2)	(53)	1	17
Total	18	524	21	492

<i>Nine-month periods ended 30 September</i>	Consolidated			
	2018		2017	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax		<u>12,362</u>		<u>7,952</u>
Income tax using the Thai corporation tax rate	20	2,473	20	1,590
Deferred tax which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the period	-	(1)	-	(11)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(18)	(1)	(69)
Under (over) provided in prior year	-	8	-	(23)
Total	20	2,462	19	1,487

<i>Nine-month periods ended 30 September</i>	Bank only			
	2018		2017	
	Rate (%)	(in million Baht)	Rate (%)	(in million Baht)
Profit before income tax		<u>8,664</u>		<u>7,641</u>
Income tax using the Thai corporation tax rate	20	1,733	20	1,528
Deferred tax which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the period	-	(1)	-	(11)
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	(2)	(182)	(1)	(85)
Under (over) provided in prior year	-	8	-	(23)
Total	18	1,558	19	1,409

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17 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 30 September 2018 and 2017 were based on the profit for the periods attributable to equity holders of the Bank and the number of ordinary shares outstanding during the periods as follows:

	Consolidated		Bank only	
<i>Three-month periods ended 30 September</i>	2018	2017	2018	2017
Profit for the periods attributable to equity holders of the Bank (<i>in million Baht</i>)	<u>5,594</u>	<u>2,003</u>	<u>2,368</u>	<u>1,883</u>
Weighted average number of ordinary shares outstanding (<i>in million shares</i>)	<u>43,852</u>	<u>43,840</u>	<u>43,852</u>	<u>43,840</u>
Basic earnings per share (<i>in Baht</i>)	<u>0.1276</u>	<u>0.0457</u>	<u>0.0540</u>	<u>0.0429</u>
	Consolidated		Bank only	
<i>Nine-month periods ended 30 September</i>	2018	2017	2018	2017
Profit for the periods attributable to equity holders of the Bank (<i>in million Baht</i>)	<u>9,900</u>	<u>6,429</u>	<u>7,106</u>	<u>6,232</u>
Weighted average number of ordinary shares outstanding (<i>in million shares</i>)	<u>43,848</u>	<u>43,828</u>	<u>43,847</u>	<u>43,828</u>
Basic earnings per share (<i>in Baht</i>)	<u>0.2258</u>	<u>0.1467</u>	<u>0.1621</u>	<u>0.1422</u>

Diluted earnings per share

The calculations of diluted earnings per share for the three-month and nine-month periods ended 30 September 2018 and 2017 were based on the profit for the periods attributable to equity holders of the Bank and the number of ordinary shares outstanding during the periods after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated		Bank only	
<i>Three-month periods ended 30 September</i>	2018	2017	2018	2017
Profit for the periods attributable to equity holders of the Bank (<i>in million Baht</i>)	<u>5,594</u>	<u>2,003</u>	<u>2,368</u>	<u>1,883</u>
Weighted average number of ordinary shares outstanding (<i>in million shares</i>)	<u>43,852</u>	<u>43,840</u>	<u>43,852</u>	<u>43,840</u>
Effect of dilutive potential ordinary shares from TMB PSBP 2010 Scheme (<i>in million shares</i>)	<u>-</u>	<u>13</u>	<u>-</u>	<u>13</u>
Weighted average number of diluted ordinary shares outstanding (<i>in million shares</i>)	<u>43,852</u>	<u>43,853</u>	<u>43,852</u>	<u>43,853</u>
Diluted earnings per share (<i>in Baht</i>)	<u>0.1276</u>	<u>0.0457</u>	<u>0.0540</u>	<u>0.0429</u>

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<i>Nine-month periods ended 30 September</i>	Consolidated		Bank only	
	2018	2017	2018	2017
Profit for the periods attributable to equity holders of the Bank <i>(in million Baht)</i>	<u>9,900</u>	<u>6,429</u>	<u>7,106</u>	<u>6,232</u>
Weighted average number of ordinary shares outstanding <i>(in million shares)</i>	43,848	43,828	43,848	43,828
Effect of dilutive potential ordinary shares from TMB PSBP 2010 Scheme <i>(in million shares)</i>	<u>4</u>	<u>25</u>	<u>4</u>	<u>25</u>
Weighted average number of diluted ordinary shares outstanding <i>(in million shares)</i>	<u>43,852</u>	<u>43,853</u>	<u>43,852</u>	<u>43,853</u>
Diluted earnings per share <i>(in Baht)</i>	<u>0.2258</u>	<u>0.1466</u>	<u>0.1620</u>	<u>0.1421</u>

18 Appropriation of profit and dividend payment

(a) On 12 April 2018, the 2018 Annual General Meeting of the Bank's shareholders passed resolutions approving the appropriation of the 2017 operating profit and dividend payment as follows:

- (1) Appropriation of net profit of Baht 430 million to be legal reserve.
- (2) Payment of a dividend of Baht 0.06 per share from the 2017 operating profit to the shareholders. The Bank paid such dividend to its shareholders on 9 May 2018.

(b) On 7 April 2017, the 2017 Annual General Meeting of the Bank's shareholders passed resolutions approving the appropriation of the 2016 operating profit and dividend payment as follows:

- (1) Appropriation of net profit of Baht 410 million to be legal reserve.
- (2) Payment of a dividend of Baht 0.06 per share from the 2016 operating profit to the shareholders. The Bank paid such dividend to its shareholders on 4 May 2017.