

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

Interim financial statements
for the three-month and nine-month periods ended
30 September 2019

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 2019; the consolidated and the Bank only statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2019, changes in equity and cash flows for the nine-month period ended 30 September 2019; and 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 Sakulkoedin)
Certified Public Accountant
Registration No. 6827

KPMG Phoomchai Audit Ltd.
Bangkok
14 November 2019

TMB Bank Public Company Limited and its subsidiaries

Statements of financial position

	<i>Note</i>	Consolidated		Bank only	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
<i>(in thousand Baht)</i>					
Cash		10,769,613	15,234,235	10,769,600	15,231,053
Interbank and money market items, net	14	130,877,271	113,522,391	130,877,271	113,522,391
Derivative assets	14	8,678,615	7,916,452	8,678,615	7,916,452
Investments, net	5	53,988,550	73,476,647	53,988,541	73,476,629
Investments in subsidiaries and associate, net	6	4,651,381	4,577,259	221,942	221,942
Loans to customers and accrued interest receivables, net	7, 14				
Loans to customers		693,634,031	685,793,189	693,605,062	685,747,048
Accrued interest receivables		<u>1,318,560</u>	<u>1,308,437</u>	<u>1,318,560</u>	<u>1,308,437</u>
Total loans to customers and accrued interest receivables		694,952,591	687,101,626	694,923,622	687,055,485
Less deferred revenue		(66,270)	(86,234)	(66,270)	(86,234)
Less allowance for doubtful accounts	7.3, 9, 14	(27,492,952)	(31,975,862)	(27,470,953)	(31,947,442)
Less revaluation allowance for debt restructuring	7.6	<u>(970,921)</u>	<u>(999,484)</u>	<u>(970,921)</u>	<u>(999,484)</u>
Total loans to customers and accrued interest receivables, net		666,422,448	654,040,046	666,415,478	654,022,325
Properties for sale, net		2,705,254	2,613,771	2,705,254	2,613,771
Premises and equipment, net		12,958,871	11,876,263	12,958,857	11,876,236
Goodwill and other intangible assets, net		2,801,955	2,592,359	2,801,745	2,592,345
Deferred tax assets	17.1	1,146,417	400,882	1,990,829	1,245,983
Other receivables, net		1,180,257	1,251,198	1,149,288	1,220,229
Other assets, net	14	<u>4,720,394</u>	<u>4,211,807</u>	<u>4,720,332</u>	<u>4,212,122</u>
Total assets		<u>900,901,026</u>	<u>891,713,310</u>	<u>897,277,752</u>	<u>888,151,478</u>

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

TMB Bank Public Company Limited and its subsidiaries

Statements of financial position

	Note	Consolidated		Bank only	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
<i>(in thousand Baht)</i>					
Liabilities and equity					
Liabilities					
Deposits	14	673,473,601	649,568,443	673,503,899	649,574,715
Interbank and money market items	14	33,081,876	64,266,589	33,081,876	64,266,589
Liabilities payable on demand		3,494,493	3,504,740	3,494,493	3,504,740
Financial liabilities designated at fair value through profit or loss		414,574	396,560	414,574	396,560
Derivative liabilities	14	8,297,399	7,327,950	8,297,399	7,327,950
Debts issued and borrowings, net	10, 14	49,291,326	35,124,014	49,291,326	35,124,014
Provisions for employee benefits	11	1,681,354	1,220,760	1,679,759	1,219,606
Provisions for other liabilities		647,291	630,217	647,135	630,061
Deferred revenue		16,764,174	17,593,616	16,764,192	17,593,634
Other liabilities	14	11,162,685	13,301,508	11,138,932	13,271,849
Total liabilities		798,308,773	792,934,397	798,313,585	792,909,718
Equity					
Share capital					
Authorised share capital					
106,223,552,373 ordinary shares of Baht 0.95 each					
(31 December 2018: 44,108,738,479 ordinary shares					
of Baht 0.95 each)	13.4	100,912,375	41,903,302	100,912,375	41,903,302
Issued and paid-up share capital					
43,851,893,110 ordinary shares of Baht 0.95 each		41,659,299	41,659,299	41,659,299	41,659,299
Premium on share capital		403,596	403,596	403,596	403,596
Other reserves		6,033,486	4,810,560	6,033,493	4,810,560
Retained earnings					
Appropriated					
Legal reserve		3,000,000	3,000,000	3,000,000	3,000,000
Unappropriated		51,495,872	48,905,458	47,867,779	45,368,305
Equity attributable to equity holders of the Bank		102,592,253	98,778,913	98,964,167	95,241,760
Non-controlling interest		-	-	-	-
Total equity		102,592,253	98,778,913	98,964,167	95,241,760
Total liabilities and equity		900,901,026	891,713,310	897,277,752	888,151,478

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	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Interest income	14	9,216,116	8,877,620	9,212,591	8,865,654
Interest expenses	14	3,010,113	2,744,597	3,010,116	2,756,291
Net interest income		6,206,003	6,133,023	6,202,475	6,109,363
Fees and service income	14, 18	2,695,946	2,980,078	2,696,529	2,613,955
Fees and service expenses	18	730,879	866,381	730,879	777,351
Net fees and service income		1,965,067	2,113,697	1,965,650	1,836,604
Gains on trading and foreign exchange transactions, net		474,564	371,781	474,564	371,781
Losses on financial liabilities designated at fair value through profit or loss, net		(7,303)	(510)	(7,303)	(510)
Gains on investments, net	6	1,804,446	11,834,662	1,804,446	7,834,461
Share of profit from investment using equity method		78,897	-	-	-
Other operating income	14	174,666	162,457	313,767	160,431
Total operating income		10,696,340	20,615,110	10,753,599	16,312,130
Other operating expenses					
Employee expenses	14	2,062,442	1,900,563	2,061,952	1,828,330
Directors' remuneration	14	8,957	7,699	8,957	7,639
Premises and equipment expenses		874,772	855,135	874,721	838,937
Taxes and duties		325,405	319,351	325,259	319,096
Others	14	1,859,143	1,116,620	1,858,422	1,038,169
Total other operating expenses		5,130,719	4,199,368	5,129,311	4,032,171
Impairment loss on loans and debt securities	7.3, 14	2,893,085	9,385,896	2,893,788	9,388,724
Profit from operations before income tax		2,672,536	7,029,846	2,730,500	2,891,235
Income tax	17.2	561,355	1,435,653	560,731	523,634
Profit for the period		2,111,181	5,594,193	2,169,769	2,367,601
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on remeasuring available-for-sale investments	5	190,821	(52,277)	190,821	(52,277)
Losses arising from translating the financial statements of foreign operations		-	(10,128)	-	(10,128)
Income tax relating to items that will be reclassified subsequently to profit or loss	17.2	(38,164)	12,481	(38,164)	12,481
		152,657	(49,924)	152,657	(49,924)
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Change in revaluation surplus on assets		(8,680)	(35,976)	(8,680)	(35,976)
Actuarial losses on post-employment benefit plan		(127,785)	-	(127,785)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	17.2	27,293	7,195	27,293	7,195
		(109,172)	(28,781)	(109,172)	(28,781)
Total other comprehensive income for the period, net of income tax		43,485	(78,705)	43,485	(78,705)
Total comprehensive income for the period		2,154,666	5,515,488	2,213,254	2,288,896

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	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Profit attributable to:				
Equity holders of the Bank	2,111,181	5,594,193	2,169,769	2,367,601
Non-controlling interest	-	-	-	-
Profit for the period	<u>2,111,181</u>	<u>5,594,193</u>	<u>2,169,769</u>	<u>2,367,601</u>
Total comprehensive income attributable to:				
Equity holders of the Bank	2,154,666	5,515,488	2,213,254	2,288,896
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	<u>2,154,666</u>	<u>5,515,488</u>	<u>2,213,254</u>	<u>2,288,896</u>
Earnings per share				
Basic earnings per share (in Baht)	<u>0.0481</u>	<u>0.1276</u>	<u>0.0495</u>	<u>0.0540</u>
Diluted earnings per share (in Baht)	<u>0.0467</u>	<u>0.1276</u>	<u>0.0480</u>	<u>0.0540</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	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Interest income	14	27,504,384	26,122,529	27,487,615	26,095,040
Interest expenses	14	8,717,925	7,859,919	8,717,932	7,880,009
Net interest income		18,786,459	18,262,610	18,769,683	18,215,031
Fees and service income	14, 18	7,800,005	9,935,613	7,804,070	8,846,967
Fees and service expenses	18	2,204,224	2,621,080	2,204,224	2,360,892
Net fees and service income		5,595,781	7,314,533	5,599,846	6,486,075
Gains on trading and foreign exchange transactions, net		1,145,016	1,178,506	1,145,016	1,178,506
Losses on financial liabilities designated at fair value through profit or loss, net		(18,870)	(3,433)	(18,870)	(3,433)
Gains on investments, net	6	1,904,241	11,940,566	1,904,241	7,940,168
Share of profit from investment using equity method		214,122	-	-	-
Other operating income	14	478,342	498,693	614,931	1,287,987
Total operating income		28,105,091	39,191,475	28,014,847	35,104,334
Other operating expenses					
Employee expenses	14	6,518,953	6,034,947	6,516,967	5,828,561
Directors' remuneration	14	40,288	36,295	40,288	36,115
Premises and equipment expenses		2,483,809	2,554,218	2,483,636	2,507,229
Taxes and duties		971,527	938,233	970,189	937,285
Others	14	4,063,969	3,194,558	4,061,104	3,049,764
Total other operating expenses		14,078,546	12,758,251	14,072,184	12,358,954
Impairment loss on loans and debt securities	7.3, 14	7,222,391	14,070,735	7,233,484	14,081,858
Profit from operations before income tax		6,804,154	12,362,489	6,709,179	8,663,522
Income tax	17.2	1,196,816	2,462,299	1,192,781	1,557,662
Profit for the period		5,607,338	9,900,190	5,516,398	7,105,860
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Gains (losses) on remeasuring available-for-sale investments	5	333,351	(185,799)	333,360	(185,579)
Losses arising from translating the financial statements of foreign operations		(31,067)	(10,128)	(31,067)	(10,128)
Income tax relating to items that will be reclassified subsequently to profit or loss	17.2	(60,456)	39,186	(60,458)	39,142
		241,828	(156,741)	241,835	(156,565)
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Change in revaluation surplus on assets	19	1,348,001	(45,590)	1,348,001	(45,590)
Actuarial gains (losses) on post-employment benefit plan		(55,826)	101,871	(55,826)	108,690
Income tax relating to items that will not be reclassified subsequently to profit or loss	17.2	(258,435)	(11,256)	(258,435)	(12,620)
		1,033,740	45,025	1,033,740	50,480
Total other comprehensive income for the period, net of income tax		1,275,568	(111,716)	1,275,575	(106,085)
Total comprehensive income for the period		6,882,906	9,788,474	6,791,973	6,999,775

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 30 September		Nine-month period ended 30 September	
<i>Note</i>	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Profit attributable to:				
Equity holders of the Bank	5,607,338	9,900,190	5,516,398	7,105,860
Non-controlling interest	-	-	-	-
Profit for the period	<u>5,607,338</u>	<u>9,900,190</u>	<u>5,516,398</u>	<u>7,105,860</u>
Total comprehensive income attributable to:				
Equity holders of the Bank	6,882,906	9,788,474	6,791,973	6,999,775
Non-controlling interest	-	-	-	-
Total comprehensive income for the period	<u>6,882,906</u>	<u>9,788,474</u>	<u>6,791,973</u>	<u>6,999,775</u>
Earnings per share				
	<i>20</i>			
Basic earnings per share (in Baht)	<u>0.1279</u>	<u>0.2258</u>	<u>0.1258</u>	<u>0.1621</u>
Diluted earnings per share (in Baht)	<u>0.1266</u>	<u>0.2258</u>	<u>0.1245</u>	<u>0.1620</u>

Mr. Piti Tantakasem
Chief Executive Officer

Mr. Singha Nikornpun
Chairman of the Audit Committee

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

	Consolidated												
	Note	Other reserves					Retained earnings					Total equity	
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 <i>(in thousand Baht)</i>	Total other reserve	Legal reserve	Unappropriated	Equity attributable to equity holders of the Bank	Non-controlling interest		
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	21	-	-	-	-	-	-	-	-	(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
Nine-month period ended 30 September 2019													
Balance at 1 January 2019		41,659,299	403,596	-	4,828,409	(37,311)	19,462	4,810,560	3,000,000	48,905,458	98,778,913	-	98,778,913
Comprehensive income for the period													
Profit for the period		-	-	-	-	-	-	-	-	5,607,338	5,607,338	-	5,607,338
Other comprehensive income		-	-	-	1,078,401	266,681	(24,853)	1,320,229	-	(44,661)	1,275,568	-	1,275,568
Total comprehensive income for the period		-	-	-	1,078,401	266,681	(24,853)	1,320,229	-	5,562,677	6,882,906	-	6,882,906
Contributions by and distribution to owners of the bank													
Dividend paid		-	-	-	-	-	-	-	-	(3,069,566)	(3,069,566)	-	(3,069,566)
Total contributions by and distribution to owners of the bank		-	-	-	-	-	-	-	-	(3,069,566)	(3,069,566)	-	(3,069,566)
Transfer to retained earnings		-	-	-	(97,303)	-	-	(97,303)	-	97,303	-	-	-
Balance at 30 September 2019		41,659,299	403,596	-	5,809,507	229,370	(5,391)	6,033,486	3,000,000	51,495,872	102,592,253	-	102,592,253

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										
	<i>Note</i>	Other reserves						Retained earnings			Total equity
		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	
<i>(in thousand Baht)</i>											
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	21	-	-	-	-	-	-	-	-	(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
Nine-month period ended 30 September 2019											
Balance at 1 January 2019		41,659,299	403,596	-	4,828,409	(37,311)	19,462	4,810,560	3,000,000	45,368,305	95,241,760
Comprehensive income for the period											
Profit for the period		-	-	-	-	-	-	-	-	5,516,398	5,516,398
Other comprehensive income		-	-	-	1,078,401	266,688	(24,853)	1,320,236	-	(44,661)	1,275,575
Total comprehensive income for the period		-	-	-	1,078,401	266,688	(24,853)	1,320,236	-	5,471,737	6,791,973
Contributions by and distribution to owners of the bank											
Dividend paid		-	-	-	-	-	-	-	-	(3,069,566)	(3,069,566)
Total contributions by and distribution to owners of the bank		-	-	-	-	-	-	-	-	(3,069,566)	(3,069,566)
Transfer to retained earnings		-	-	-	(97,303)	-	-	(97,303)	-	97,303	-
Balance at 30 September 2019		41,659,299	403,596	-	5,809,507	229,377	(5,391)	6,033,493	3,000,000	47,867,779	98,964,167

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	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash flows from operating activities				
Profit from operations before income tax	6,804,154	12,362,489	6,709,179	8,663,522
Adjustments to reconcile profit from operations before income tax to net cash provided by (used in) operating activities				
Depreciation and amortisation	1,168,499	1,062,569	1,168,446	1,054,394
Impairment loss on loans and debt securities	7,222,391	14,070,735	7,233,484	14,081,858
Impairment loss on premises and equipment (reversal of)	(68,348)	5,656	(68,348)	5,656
Impairment loss on properties for sale and other assets	527,689	94,491	527,675	94,479
Provisions for employee benefits and other liabilities	560,291	83,936	559,850	83,899
Impairment losses on investment	-	1,263	-	1,263
Losses (gains) on revaluation of trading investments	(501)	3,013	(501)	3,013
Losses on written off of intangible assets	14,457	-	14,457	-
Gains on disposal of premises and equipment	(14,803)	(11,066)	(14,803)	(11,038)
Gains on disposal of investments	(1,904,241)	(111,537)	(1,904,241)	(111,341)
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	18,870	3,433	18,870	3,433
Unrealised losses (gains) on exchange on derivatives	206,944	(33,127)	206,944	(33,127)
Unrealised gains on exchange on debentures and borrowings	(843,629)	(57,852)	(843,629)	(57,852)
Expenses in relation to share-based payments	-	707	-	707
Share of profit from investments using the equity method	(214,122)	-	-	-
Deferred revenue	(1,434,198)	(983,498)	(1,434,198)	(983,498)
Net interest income	(18,786,459)	(18,262,610)	(18,769,683)	(18,215,031)
Dividend income	(25,510)	(18,293)	(165,510)	(818,293)
Interest received	26,386,228	24,881,072	26,369,459	24,852,062
Interest paid	(6,949,881)	(6,304,358)	(6,949,888)	(6,312,754)
Income tax paid	(2,726,047)	(1,230,501)	(2,717,544)	(1,112,403)
Profit from operations before changes in operating assets and liabilities	9,941,784	13,726,230	9,940,019	13,358,859
Decrease (increase) in operating assets				
Interbank and money market items	(17,357,493)	(5,843,825)	(17,357,493)	(6,304,017)
Trading investments	(6,435,041)	(3,824,418)	(6,435,041)	(3,824,418)
Loans to customers	(19,612,701)	(30,177,825)	(19,634,545)	(30,188,948)
Properties for sale	12,438	(198,597)	12,438	(198,597)
Other receivables	59,166	602,674	59,180	605,558
Other accrued income	64,581	203,143	64,982	240,822
Other assets	(1,053,897)	(401,784)	(1,053,922)	(408,419)
Increase (decrease) in operating liabilities				
Deposits	23,897,019	27,376,041	23,921,046	30,547,097
Interbank and money market items	(31,184,713)	(734,354)	(31,184,713)	(734,354)
Liabilities payable on demand	(10,247)	175,377	(10,247)	175,377
Financial liabilities designated at fair value through profit or loss	(856)	-	(856)	-
Provisions for employee benefits	(87,937)	(235,561)	(87,937)	(235,561)
Provisions for other liabilities	(1,353,761)	(28,603)	(1,353,761)	(28,603)
Account payables	207,572	101,691	209,754	101,806
Other accrued expenses	(719,579)	(831,391)	(719,485)	(743,531)
Other liabilities	356,447	(2,503,602)	356,295	(2,644,565)
Net cash used in operating activities	(43,277,218)	(2,594,804)	(43,274,286)	(281,494)

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	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	1,021,066	808,896	1,021,066	804,479
Dividend received	23,551	18,293	23,551	818,293
Purchase of available-for-sale investments	(145,276,420)	(36,155,135)	(145,276,420)	(36,155,135)
Proceeds from sales of available-for-sale investments	184,359,801	31,638,300	184,359,801	28,512,936
Purchase of held to maturity debt securities	(18,455,734)	(7,484,618)	(18,455,734)	(7,484,618)
Proceeds from redemption of matured held to maturity debt securities	7,716,086	5,261,665	7,716,086	5,261,665
Purchase of general investments	(34,175)	-	(34,175)	-
Proceeds from sales of general investments	78,535	102,263	78,535	102,263
Proceeds from sales of investment in a subsidiary	-	8,131,596	-	8,131,596
Purchase of premises and equipment	(546,276)	(351,810)	(546,268)	(343,116)
Purchase of leasehold rights	(2,878)	(4,422)	(2,878)	(4,422)
Purchase of intangible assets	(671,247)	(646,948)	(671,018)	(638,357)
Proceeds from disposals of premises and equipment	59,978	117,417	59,978	116,774
Net cash provided by (used in) investing activities	28,272,287	1,435,497	28,272,524	(877,642)
<i>Cash flows from financing activities</i>				
Proceeds from long-term borrowings	20,000	-	20,000	-
Repayments of long-term borrowings	(8,879)	(7,772)	(8,879)	(7,772)
Interest paid on long-term debts issued and borrowings	(1,370,179)	(888,682)	(1,370,179)	(888,682)
Cash receipts on debentures issued	30,000,000	1,917,000	30,000,000	1,917,000
Cash paid for redemption of debentures	(15,000,000)	(3,008,880)	(15,000,000)	(3,008,880)
Expenses in relation to issuance of ordinary shares to employees	-	(486)	-	(486)
Dividends paid to equity holders of the Bank	(3,069,566)	(2,630,494)	(3,069,566)	(2,630,494)
Net cash provided by (used in) financing activities	10,571,376	(4,619,314)	10,571,376	(4,619,314)
Change in translation adjustments of foreign operations	(31,067)	(10,128)	(31,067)	(10,128)
Net decrease in cash	(4,464,622)	(5,788,749)	(4,461,453)	(5,788,578)
Cash at 1 January	15,234,235	17,871,736	15,231,053	17,871,549
Cash at 30 September	10,769,613	12,082,987	10,769,600	12,082,971
Supplementary disclosures of cash flow information				
Non-cash transactions:				
Issuance of ordinary shares to employees	-	36,584	-	36,584
Transfer of investment from held to maturity debt securities to available-for-sale investments	42,057,373	-	42,057,373	-

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

TMB Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2019 (Unaudited)

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TMB Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2019 (Unaudited)

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 14 November 2019.

1 General information

TMB Bank Public Company Limited, (The “Bank”), is incorporated in Thailand and has its registered office at 3000 Phahonyothin 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 2019 and 31 December 2018 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 2018 and for the six-month period ended 30 June 2019. 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 2018 and for the six-month period ended 30 June 2019.

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 2018 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 2019.

The primary change is that the Bank and its subsidiaries have initially adopted TFRS 15 Revenue from Contracts with Customers (“*TFRS 15*”), which replaced TAS 18 Revenue (“*TAS 18*”) and related interpretations.

TMB Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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

Under TFRS 15, the Bank and its subsidiaries recognise revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Bank and its subsidiaries expect to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Bank and its subsidiaries recognise revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognise revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such change in accounting policy has no material impacts on the financial statements.

In addition, the Bank and its subsidiaries have not early adopted a number of new and revised TFRSs which are not yet effective for current period in preparing these interim financial statements before the effective date. Those new and revised TFRSs that are relevant to the Bank and its subsidiaries' operations become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 16	Leases	2020
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 - 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. These TFRSs replaced the following standards:

TAS 101	<i>Doubtful accounts and bad debts</i>
TAS 104	<i>Troubled Debt Restructuring</i>
TAS 105	<i>Accounting for investments in Debt and Equity Securities</i>
TAS 106	<i>Accounting for Investment Companies</i>
TAS 107	<i>Financial Instruments: Disclosure and Presentation</i>

(i) Classification - Financial assets

TFRS 9 classifies financial assets into three categories: measured at amortised cost, fair value to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The standard eliminates the existing TAS 105 categories of held to maturity debt securities, available for sale, trading and general investment. The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed.

TMB Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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

(ii) Measurement at amortised cost

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. TFRS 9 shall replace current Bank's accounting policy on recognising both finance cost and finance income by contract rate.

(iii) Impairment - Financial assets and contract assets

TFRS 9 introduces forward-looking 'expected credit loss' (ECL) models whereas currently the Bank and its subsidiaries determine allowance for doubtful account based on relevant BoT's criteria and regulations. TFRS 9 will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment models will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

(iv) Classification - Financial liabilities

TFRS 9 contains a new classification and measurement approach for financial liabilities consisting of two principal classification categories: amortised cost and FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Under TFRS 9, fair value changes for financial liabilities classified as FVTPL are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of change in the fair value is presented in profit or loss.

(v) Hedge accounting

TFRS 9 provides guidance on hedge accounting while current TFRSs are silent. There are three hedge accounting models and the type of model applied depends on the hedged exposures consisting of a fair value exposure, a cash flow exposure or a foreign currency exposure on a net investment in a foreign operation. Under TFRS 9, the Bank and its subsidiaries are required to ensure that hedge accounting relationships are aligned with the Bank and its subsidiaries' risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

Currently, the Bank and its subsidiaries had derivative, entering for the banking book purpose, with interest components which are recognised on an accrual basis and foreign exchange components which are recognised based on exchange rate ruling on the reporting period-end date. However, TFRS 9 had an option to apply hedge accounting for any transaction that meets the specific requirement of hedge accounting under TFRS 9 at date of initial application.

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

TMB Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2019 (Unaudited)

TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. This standard replaced existing lease standards as follows:

TAS 17	<i>Leases</i>
TFRIC 4	<i>Determining whether an Arrangement contains a Lease</i>
TSIC 15	<i>Operating Leases-Incentives</i>
TSIC 27	<i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>

Currently, the Bank and its subsidiaries recognise payments made under operating leases in profit or loss on a straight line basis over the term of the lease.

Management is presently considering the potential impact of adopting and initially applying TFRS 16 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.

(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 2018.

(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 2018 with no structural change with subsidiary occurring during the period. All inter-company transactions and balances within this Group have been eliminated.

TMB Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2019 (Unaudited)

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 2019 and 31 December 2018 were as follows:

	Consolidated			
	30 September 2019		31 December 2018	
	Carrying value	Fair value	Carrying value	Fair value
	<i>(in million Baht)</i>			
Financial assets				
Derivatives assets	8,678	8,683	7,917	7,937
Investments, net	53,989	54,269	73,477	73,784
Total financial assets	62,667	62,952	81,394	81,721
Financial liabilities				
Deposits	673,474	673,483	649,568	649,586
Derivatives liabilities	8,298	8,368	7,328	7,677
Debts issued and borrowings	49,291	51,972	35,124	35,005
Total financial liabilities	731,063	733,823	692,020	692,268
Bank only				
	30 September 2019		31 December 2018	
	Carrying value	Fair value	Carrying value	Fair value
	<i>(in million Baht)</i>			
Financial assets				
Derivatives assets	8,678	8,683	7,917	7,937
Investments, net	53,989	54,269	73,477	73,784
Total financial assets	62,667	62,952	81,394	81,721
Financial liabilities				
Deposits	673,504	673,514	649,575	649,592
Derivatives liabilities	8,298	8,368	7,328	7,677
Debts issued and borrowings	49,291	51,972	35,124	35,005
Total financial liabilities	731,093	733,854	692,027	692,274

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.

TMB Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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

- 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).

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 2019 and the year ended 31 December 2018.

TMB Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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

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			Total
	Level 1	Level 2	Level 3	
	Fair value			
	(in million Baht)			
30 September 2019				
<i>Financial assets</i>				
Derivatives (trading book)				
- Foreign currency related	-	5,560	-	5,560
- Interest rate related	-	3,117	-	3,117
Investments				
- Trading investments	-	7,729	-	7,729
- Available-for-sale investments	-	45,998	-	45,998
<i>Financial liabilities</i>				
Financial liabilities designated at fair value through profit or loss	-	415	-	415
Derivatives (trading book)				
- Foreign currency related	-	5,295	-	5,295
- Interest rate related	-	3,002	-	3,002
31 December 2018				
<i>Financial assets</i>				
Derivatives (trading book)				
- Foreign currency related	-	5,625	-	5,625
- Interest rate related	-	2,291	-	2,291
Investments				
- Trading investments	-	1,293	-	1,293
- Available-for-sale investments	-	40,830	-	40,830
<i>Financial liabilities</i>				
Financial liabilities designated at fair value through profit or loss	-	397	-	397
Derivatives (trading book)				
- Foreign currency related	-	5,171	-	5,171
- Interest rate related	-	2,152	-	2,152

TMB Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2019 (Unaudited)

	Bank only			Total
	Level 1	Level 2	Level 3	
	Fair value			
	<i>(in million Baht)</i>			
30 September 2019				
<i>Financial assets</i>				
Derivatives (trading book)				
- Foreign currency related	-	5,560	-	5,560
- Interest rate related	-	3,117	-	3,117
Investments				
- Trading investments	-	7,729	-	7,729
- Available-for-sale investments	-	45,998	-	45,998
<i>Financial liabilities</i>				
Financial liabilities designated at fair value through profit or loss	-	415	-	415
Derivatives (trading book)				
- Foreign currency related	-	5,295	-	5,295
- Interest rate related	-	3,002	-	3,002
31 December 2018				
<i>Financial assets</i>				
Derivatives (trading book)				
- Foreign currency related	-	5,625	-	5,625
- Interest rate related	-	2,291	-	2,291
Investments				
- Trading investments	-	1,293	-	1,293
- Available-for-sale investments	-	40,830	-	40,830
<i>Financial liabilities</i>				
Financial liabilities designated at fair value through profit or loss	-	397	-	397
Derivatives (trading book)				
- Foreign currency related	-	5,171	-	5,171
- Interest rate related	-	2,152	-	2,152

TMB Bank Public Company Limited and its Subsidiaries
Notes to the interim financial statements
For the three-month and nine-month periods ended 30 September 2019 (Unaudited)

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 2019				
<i>Financial assets</i>				
Derivatives (banking book)	1	6	1	6
Investments				
- General investments	262	542	262	542
<i>Financial liabilities</i>				
Deposits	673,474	673,483	673,504	673,514
Derivatives (banking book)	1	71	1	71
Debts issued and borrowings	49,291	51,972	49,291	51,972
31 December 2018				
<i>Financial assets</i>				
Derivatives (banking book)	1	21	1	21
Investments				
- Held-to-maturity debt securities	31,119	31,143	31,119	31,143
- General investments	235	518	235	518
<i>Financial liabilities</i>				
Deposits	649,568	649,586	649,575	649,592
Derivatives (banking book)	5	354	5	354
Debts issued and borrowings	35,124	35,005	35,124	35,005

TMB Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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

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 2019 and 31 December 2018, the consolidated supervision and the Bank only's total capital funds could be categorised as follows:

	Consolidated supervision			
	30 September 2019	31 December 2018		
	<i>(in million Baht)</i>			
Tier 1 capital				
Common Equity Tier 1 capital (CET1)				
Paid-up share capital	41,659	41,659		
Share premium	404	404		
Legal reserve	3,000	3,000		
Net profits after appropriation	45,836	40,841		
Other comprehensive income	4,712	4,650		
Capital adjustment items on CET1	(71)	(57)		
Capital deduction items on CET1	(5,456)	(4,196)		
Total Tier 1 Capital	90,084	86,301		
Tier 2 capital				
Allowance for classified assets of “pass” category	3,600	3,665		
Subordinated debentures	35,430	20,430		
Total Tier 2 Capital	39,030	24,095		
Total Capital funds	129,114	110,396		
Total Risk-Weighted Assets	644,689	637,628		
	The BoT's regulation minimum requirement*	30 September 2019	The BoT's regulation minimum requirement*	31 December 2018
		(%)		
Capital Adequacy Ratio/Total Risk-Weighted Asset	11.0	20.03	10.375	17.31
Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.5	13.97	7.875	13.53
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	7.0	13.97	6.375	13.53

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	Bank only	
	30 September 2019	31 December 2018
	<i>(in million Baht)</i>	
Tier 1 capital		
Common Equity Tier 1 capital (CET1)		
Paid-up share capital	41,659	41,659
Share premium	404	404
Legal reserve	3,000	3,000
Net profits after appropriation	42,299	40,514
Other comprehensive income	4,712	4,650
Capital adjustment items on CET1	(71)	(57)
Capital deduction items on CET1	(6,301)	(5,041)
Total Tier 1 Capital	85,702	85,129
Tier 2 capital		
Allowance for classified assets of “pass” category	3,600	3,665
Subordinated debentures	35,430	20,430
Total Tier 2 Capital	39,030	24,095
Total Capital funds	124,732	109,224
Total Risk-Weighted Assets	632,558	625,456

	The BoT’s regulation minimum requirement*	30 September 2019	The BoT’s regulation minimum requirement*	31 December 2018
		(%)		
Capital Adequacy Ratio/Total Risk-Weighted Asset	11.0	19.72	10.375	17.46
Tier 1 Capital Ratio/Total Risk-Weighted Asset	8.5	13.55	7.875	13.61
Common Equity Tier 1 Capital Ratio/Total Risk-Weighted Asset	7.0	13.55	6.375	13.61

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

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 2019 and 31 December 2018, the Bank has no add-on arising from Single Lending Limit.

According to the Bank of Thailand’s notification number Sor Nor Sor 4/2556, dated 2 May 2013, titled “The Disclosure of Capital Requirements of Commercial Banks” and the Bank of Thailand’s notification number Sor Nor Sor 5/2556, dated 2 May 2013, titled “ The Disclosure of Capital Requirements of Commercial Banks on Consolidated Basis”, the Bank disclosed capital adequacy information for the Bank and the full consolidated financial institutions as at 30 June 2019 through the Bank’s website at www.tmbbank.com/ir/capital_funds/basel3 in October 2019.

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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 and Bank only	
	30 September 2019	31 December 2018
	<i>(in million Baht)</i>	
Trading securities - Fair value		
Government and state enterprise securities	7,729	1,293
Total	7,729	1,293
Available-for-sale securities - Fair value		
Government and state enterprise securities	45,996	40,828
Domestic marketable equity securities	2	2
Total	45,998	40,830
Held-to-maturity debt securities- Cost/Amortised cost		
Government and state enterprise securities	-	31,119
Total	-	31,119
General investments - Cost		
Domestic non-marketable equity securities	1,051	1,024
Foreign non-marketable equity securities	2	2
Total	1,053	1,026
Less allowance for impairment losses	(791)	(791)
Net	262	235
Total investments, net	53,989	73,477

As at 30 September 2019, the Bank had purchases and sales of investments in debt securities with net purchases amounting to Baht 173 million (31 December 2018: net sales amounting to Baht 718 million), for which the settlement was not due at the reporting date.

In August 2019, the Bank has revisited its investment strategy in response to the market condition and transferred investments in debt securities with carrying value of Baht 42,057 million from held-to-maturity investments to available-for-sale investments, and recognised unrealised gain from transfer of the investments of Baht 1,966 million in other comprehensive income.

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

As at 30 September 2019 and 31 December 2018, 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 2019	31 December 2018
	<i>(in million Baht)</i>	
Property development and construction	34	34
Public utilities and services	14	14
Mutual funds and financial services	46	47
Others	11	11
Total	105	106
<i>Less</i> allowance for impairment losses	<i>(41)</i>	<i>(41)</i>
Investments, net	64	65

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. 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.

As at 30 September 2019 and 31 December 2018, 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 2019 and 31 December 2018, 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 2019				31 December 2018			
	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	Percentage of ownership interest		Consolidated				Bank only				Dividend income for the nine-month period ended									
				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
				September 2019	December 2018	September 2019	December 2018	September 2019	December 2018	September 2019	December 2018			September 2019	December 2018	September 2019	December 2018	September 2019	December 2018	September 2019	September 2018
		(%)				(in million Baht)															
Subsidiaries																					
Phahonyothin Asset Management Co., Ltd.																					
Management Co., Ltd.	Asset management business	100.00	100.00	25	25	-	-	-	-	-	-	25	25	-	-	25	25	-	-		
Phayathai Asset Management Co., Ltd.*																					
Management Co., Ltd.*	Asset management business	100.00	100.00	1,070	1,070	-	-	-	-	-	-	649	649	(649)	(649)	-	-	-	-		
Associate																					
TMB Asset Management Co., Ltd.																					
Management Co., Ltd.	Fund management business	35.00	35.00	35	35	4,651	4,577	-	-	4,651	4,577	197	197	-	-	197	197	140	800		
Total						4,651	4,577	-	-	4,651	4,577	871	871	(649)	(649)	222	222	140	800		

* The Company registered the dissolution with the Ministry of Commerce on 26 December 2018 and currently on the liquidation process.

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

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 7,851 million, and Baht 7,625 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 4,227 million which is included in "Gain on investments, net" in the consolidated statements of profit or loss and other comprehensive income.

TMB Bank Public Company Limited and its Subsidiaries

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7 Loans to customers and accrued interest receivables, net

7.1 Classified by loan type

	Consolidated		Bank only	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in million Baht)</i>			
Overdrafts	107,598	110,833	107,598	110,833
Loans	426,143	409,053	426,114	409,007
Bills	159,853	165,891	159,853	165,891
Others	40	16	40	16
Less deferred revenue	(66)	(86)	(66)	(86)
Loans to customers net of deferred revenue	693,568	685,707	693,539	685,661
Add accrued interest receivables	1,318	1,308	1,318	1,308
Total loans to customers net of deferred revenue add accrued interest receivables	694,886	687,015	694,857	686,969
Less allowance for doubtful accounts				
- Provision at BoT's minimum rates required	(15,833)	(18,576)	(15,811)	(18,547)
- Provision in excess of BoT's minimum rates required	(11,660)	(13,400)	(11,660)	(13,400)
Less revaluation allowance for debt restructuring	(971)	(999)	(971)	(999)
Loans to customers and accrued interest receivables, net	666,422	654,040	666,415	654,023

7.2 Classified by business type and quality of loan classification

	Consolidated					Total
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	
	30 September 2019					
	<i>(in million Baht)</i>					
Agriculture and mining	9,531	241	5	-	197	9,974
Manufacturing and commerce	305,960	16,388	862	95	13,517	336,822
Property development and construction	24,228	555	29	-	380	25,192
Infrastructure and services	69,807	1,617	42	43	593	72,102
Housing loans	170,568	4,760	1,139	1,247	1,165	178,879
Others	67,934	1,677	718	108	162	70,599
Total*	648,028	25,238	2,795	1,493	16,014	693,568

	Consolidated					Total
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	
	31 December 2018					
	<i>(in million Baht)</i>					
Agriculture and mining	11,686	215	1	15	218	12,135
Manufacturing and commerce	313,735	19,696	462	913	15,537	350,343
Property development and construction	20,801	394	-	1	384	21,580
Infrastructure and services	66,594	1,203	62	62	578	68,499
Housing loans	154,939	4,726	848	832	850	162,195
Others	68,138	1,860	700	104	153	70,955
Total*	635,893	28,094	2,073	1,927	17,720	685,707

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	Bank only					Total
	30 September 2019					
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	
	<i>(in million Baht)</i>					
Agriculture and mining	9,531	241	5	-	189	9,966
Manufacturing and commerce	305,960	16,388	862	95	13,517	336,822
Property development and construction	24,228	555	29	-	360	25,172
Infrastructure and services	69,807	1,617	42	43	592	72,101
Housing loans	170,568	4,760	1,139	1,247	1,165	178,879
Others	67,934	1,677	718	108	162	70,599
Total*	648,028	25,238	2,795	1,493	15,985	693,539

	Bank only					Total
	31 December 2018					
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss	
	<i>(in million Baht)</i>					
Agriculture and mining	11,686	215	1	15	210	12,127
Manufacturing and commerce	313,735	19,696	462	913	15,537	350,343
Property development and construction	20,801	394	-	1	363	21,559
Infrastructure and services	66,594	1,203	62	62	561	68,482
Housing loans	154,939	4,726	848	832	850	162,195
Others	68,138	1,860	700	104	153	70,955
Total*	635,893	28,094	2,073	1,927	17,674	685,661

*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 2019			
	Loans to customers and accrued interest receivables <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts ⁽¹⁾	Minimum rates required <i>(%)</i>	Allowance for doubtful accounts ⁽²⁾ <i>(in million Baht)</i>
Minimum allowance as per BoT's regulations				
Pass	649,277	583,090	1	6,270
Special mention	25,307	13,603	2	388
Sub-standard	2,795	1,346	100	1,557
Doubtful	1,493	490	100	563
Doubtful of loss	16,014	3,743	100	7,055
Total*	694,886	602,272		15,833
Provision in excess of BoT's minimum rates required				11,660 ⁽³⁾
Total				27,493

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	Consolidated			
	31 December 2018			
	Loans to customers and accrued interest receivables <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts ⁽¹⁾	Minimum rates required <i>(%)</i>	Allowance for doubtful accounts ⁽²⁾ <i>(in million Baht)</i>
Minimum allowance as per BoT's regulations				
Pass	637,138	570,387	1	6,142
Special mention	28,157	15,603	2	419
Sub-standard	2,073	1,029	100	1,235
Doubtful	1,927	1,050	100	1,065
Doubtful of loss	17,720	6,717	100	9,715
Total*	<u>687,015</u>	<u>594,786</u>		<u>18,576</u>
Provision in excess of BoT's minimum rates required				<u>13,400 ⁽³⁾</u>
Total				<u>31,976</u>

	Bank only			
	30 September 2019			
	Loans to customers and accrued interest receivables <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts ⁽¹⁾	Minimum rates required <i>(%)</i>	Allowance for doubtful accounts ⁽²⁾ <i>(in million Baht)</i>
Minimum allowance as per BoT's regulations				
Pass	649,277	583,090	1	6,270
Special mention	25,307	13,603	2	388
Sub-standard	2,795	1,346	100	1,557
Doubtful	1,493	490	100	563
Doubtful of loss	15,985	3,721	100	7,033
Total*	<u>694,857</u>	<u>602,250</u>		<u>15,811</u>
Provision in excess of BoT's minimum rates required				<u>11,660 ⁽³⁾</u>
Total				<u>27,471</u>

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	Bank only			
	31 December 2018			
	Loans to customers and accrued interest receivables <i>(in million Baht)</i>	Net amount used to set the allowance for doubtful accounts ⁽¹⁾	Minimum rates required <i>(%)</i>	Allowance for doubtful accounts ⁽²⁾ <i>(in million Baht)</i>
Minimum allowance as per BoT's regulations				
Pass	637,138	570,387	1	6,142
Special mention	28,157	15,603	2	419
Sub-standard	2,073	1,029	100	1,235
Doubtful	1,927	1,050	100	1,065
Doubtful of loss	17,674	6,689	100	9,686
Total*	<u>686,969</u>	<u>594,758</u>		<u>18,547</u>
Provision in excess of BoT's minimum rates required				<u>13,400 ⁽³⁾</u>
Total				<u>31,947</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 2019, this included provision of Baht 1,573 million (31 December 2018: Baht 971 million) provided for non-performing loans.

For the year ended 31 December 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 2019 and 31 December 2018, the Bank and its subsidiary's NPLs (including interbank and money market items) were summarised as follows:

	30 September 2019			
	TMB Bank Public Company Limited	Phahonyothin 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>)	9,543	7	-	9,550
Total loans after allowance for doubtful accounts on NPLs (<i>in million Baht</i>)	794,290	7	-	794,297
Percentage of net NPLs (%)	1.20	100.00		1.20
NPLs (principal)				
NPLs (<i>in million Baht</i>)	20,273	29	-	20,302
Total loans (<i>in million Baht</i>)	805,020	29	-	805,049
Percentage of NPLs (%)	2.52	100.00		2.52
	31 December 2018			
	TMB Bank Public Company Limited	Phahonyothin 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>)	8,696	18	-	8,714
Total loans after allowance for doubtful accounts on NPLs (<i>in million Baht</i>)	773,474	18	-	773,492
Percentage of net NPLs (%)	1.12	100.00		1.13
NPLs (principal)				
NPLs (<i>in million Baht</i>)	21,674	46	-	21,720
Total loans (<i>in million Baht</i>)	786,451	46	-	786,497
Percentage of NPLs (%)	2.76	100.00		2.76

For the nine-month period ended 30 September 2019 and 2018, the Bank sold non-performing loans, with principal totalling approximately Baht 4,400 million and Baht 1,300 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 2019, the Bank had loans to customers, amounting to Baht 52,950 million (31 December 2018: Baht 57,502 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 2019 and 2018, 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			
	Number of debtors	Nine-month period ended 30 September 2019		Asset acquired Fair value <i>(in million Baht)</i>
		Before restructuring <i>(in million Baht)</i>	After restructuring	
Type of restructuring				
Modification of terms of payments	4,907	9,409	9,409	-
Total	4,907	9,409	9,409	-
Term of debt restructuring agreements				
Not over 5 years	873	394	394	
Over 5 - 10 years	2,919	1,324	1,324	
Over 10 years	1,115	7,691	7,691	
Total	4,907	9,409	9,409	

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

Supplemental information relating to restructuring debtors for the nine-month periods ended 30 September 2019 and 2018 is as follows:

	Consolidated and Bank only	
	Nine-month periods ended 30 September	
	2019	2018
	<i>(in million Baht)</i>	
Interest income on restructured debts, which is recognised during the periods	391	243
Cash settlement by debtors	1,307	849
Losses on (reversal of) debt restructuring, net	(28)	553

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As at 30 September 2019 and 31 December 2018, 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 2019		31 December 2018		30 September 2019		31 December 2018	
	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance	Number of debtors	Outstanding balance
		<i>(in million Baht)</i>		<i>(in million Baht)</i>		<i>(in million Baht)</i>		<i>(in million Baht)</i>
Troubled debt restructuring debtors	9,251	14,230	8,469	15,783	9,250	14,221	8,468	15,774

7.6 Revaluation allowance for debt restructuring

	Consolidated and Bank only	
	30 September 2019	31 December 2018
	<i>(in million Baht)</i>	
Beginning balance	999	330
Increase (decrease) during the period/year	(28)	669
Ending balance	971	999

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

As at 30 September 2019 and 31 December 2018, 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 2019				31 December 2018			
	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	1	3	-	-	3	3	-	-

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8 Classified assets

As at 30 September 2019 and 31 December 2018, classified assets were classified in accordance with the BoT's regulation, consisting of investments (including investments in subsidiaries and associate), 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					Total
	30 September 2019					
	Investments	Loans to customers and accrued interest receivables	Properties for sale <i>(in million Baht)</i>	Premises and equipment	Other assets	
Pass	-	760,810	-	-	-	760,810
Special mention	-	25,307	-	-	-	25,307
Sub-standard	-	2,795	-	-	8	2,803
Doubtful	-	1,493	-	-	1	1,494
Doubtful of loss	846	16,014	134	165	644	17,803
Total	846	806,419	134	165	653	808,217

	Consolidated					Total
	31 December 2018					
	Investments	Loans to customers and accrued interest receivables	Properties for sale <i>(in million Baht)</i>	Premises and equipment	Other assets	
Pass	-	737,983	-	-	-	737,983
Special mention	-	28,157	-	-	-	28,157
Sub-standard	-	2,073	-	-	5	2,078
Doubtful	-	1,927	-	-	2	1,929
Doubtful of loss	914	17,720	150	265	500	19,549
Total	914	787,860	150	265	507	789,696

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Bank only						
30 September 2019						
	Investments	Loans to customers and accrued interest receivables	Properties for sale <i>(in million Baht)</i>	Premises and equipment	Other assets	Total
Pass	-	760,810	-	-	-	760,810
Special mention	-	25,307	-	-	-	25,307
Sub-standard	-	2,795	-	-	8	2,803
Doubtful	-	1,493	-	-	1	1,494
Doubtful of loss	1,496	15,985	134	165	643	18,423
Total	1,496	806,390	134	165	652	808,837

Bank only						
31 December 2018						
	Investments	Loans to customers and accrued interest receivables	Properties for sale <i>(in million Baht)</i>	Premises and equipment	Other assets	Total
Pass	-	737,983	-	-	-	737,983
Special mention	-	28,157	-	-	-	28,157
Sub-standard	-	2,073	-	-	5	2,078
Doubtful	-	1,927	-	-	2	1,929
Doubtful of loss	1,563	17,674	150	265	499	20,151
Total	1,563	787,814	150	265	506	790,298

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9 Allowance for doubtful accounts

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

	Consolidated					Provision in excess of BoT's minimum rates required	Total
	Nine-month period ended 30 September 2019						
	Provision at BoT's minimum rates required						
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss		
	<i>(in million Baht)</i>						
Beginning balance	6,142	419	1,235	1,065	9,715	13,400	31,976
Allowance for doubtful accounts	128	(31)	322	(502)	9,068	(1,740)	7,245
Bad debt recovery	-	-	-	-	761	-	761
Bad debt written-off	-	-	-	-	(10,252)	-	(10,252)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(2,237)	-	(2,237)
Ending balance	6,270	388	1,557	563	7,055	11,660	27,493

	Consolidated					Provision in excess of BoT's minimum rates required	Total
	Year ended 31 December 2018						
	Provision at BoT's minimum rates required						
	Pass	Special mention	Sub- standard	Doubtful	Doubtful of loss		
	<i>(in million Baht)</i>						
Beginning balance	5,747	457	1,238	470	7,137	9,590	24,639
Allowance for doubtful accounts	395	(38)	(3)	595	10,601	3,810	15,360
Bad debt recovery	-	-	-	-	915	-	915
Bad debt written-off	-	-	-	-	(7,503)	-	(7,503)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(1,435)	-	(1,435)
Ending balance	6,142	419	1,235	1,065	9,715	13,400	31,976

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Bank only							
Nine-month period ended 30 September 2019							
	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	6,142	419	1,235	1,065	9,686	13,400	31,947
Allowance for doubtful accounts	128	(31)	322	(502)	9,079	(1,740)	7,256
Bad debt recovery	-	-	-	-	757	-	757
Bad debt written-off	-	-	-	-	(10,252)	-	(10,252)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(2,237)	-	(2,237)
Ending balance	6,270	388	1,557	563	7,033	11,660	27,471

Bank only							
Year ended 31 December 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	395	(38)	(3)	595	10,615	3,810	15,374
Bad debt recovery	-	-	-	-	902	-	902
Bad debt written-off	-	-	-	-	(7,503)	-	(7,503)
Allowance for doubtful accounts of the disposed debt	-	-	-	-	(1,435)	-	(1,435)
Ending balance	6,142	419	1,235	1,065	9,686	13,400	31,947

10 Debts issued and borrowings, net

	Consolidated and Bank only							
	Interest rates as at		30 September 2019			31 December 2018		
	30 September 2019	Maturities	Domestic	Foreign	Total	Domestic	Foreign	Total
	(<i>%</i>)		<i>(in million Baht)</i>					
Subordinated debentures ⁽¹⁾	3.50 and 4.00	2022 ⁽²⁾ and 2024 ⁽²⁾	35,430	-	35,430	20,430	-	20,430
Senior debentures	3.108 and 6mLibor+1.05	2021 and 2025	-	13,766	13,766	-	14,602	14,602
Bills of exchange ⁽³⁾	2.15	2012	5	-	5	5	-	5
Other borrowings	0.00 - 0.75	2019 - 2031	20	70	90	6	81	87
Total			35,455	13,836	49,291	20,441	14,683	35,124

⁽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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Subordinated debentures

10.1 On 29 August 2014, the Bank issued the Subordinated Debenture No.1/2557 to be counted as Tier 2 capital under Basel III requirement, amounting to Baht 15,000 million, which has a 10-year maturity period and carries a fixed interest rate of 5.50% per annum, payable quarterly in February, May, August and November of every year. The Bank can early redeem the Subordinated Debenture No.1/2557 after 5 years from the issue date or according to certain specified conditions. The Bank has to get the Bank of Thailand's approval before early redemption of the Subordinated Debenture.

On 20 June 2019, the Bank proposed to buy back these Subordinated Debenture No.1/2557 from investors amounting to Baht 8,984 million. The outstanding balance remained at Baht 6,016 million. Such buy back has been approved by the Bank of Thailand.

On 29 August 2019, the Bank redeemed its entire Subordinated Debenture No.1/2557 amounting to Baht 6,016 million. Such redemption has already been approved by the Bank of Thailand.

10.2 On 28 June 2019, the Bank issued the Subordinated Debenture No.1/2562 to be counted as Tier 2 capital under Basel III requirement, amounting to Baht 30,000 million, which has a 10-year maturity period and carries a fixed interest rate of 4.00% per annum, payable quarterly in March, June, September and December of every year. The Bank can early redeem the Subordinated Debenture No.1/2562 after 5 years from the issue date or according to certain specified conditions. The Bank has to get the Bank of Thailand's approval before early redemption of the Subordinated Debenture.

11 Provisions for employee benefits

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Bank and its subsidiary have therefore recognised the increase of the provision for employee benefit - post employment benefit plans as at 30 September 2019 as well as past service cost during the nine-month period then ended in the consolidated and Bank only financial statements in the amount of Baht 312 million and Baht 312 million, respectively.

12 Assets pledged as collateral and under restriction

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

	Consolidated and Bank only	
	30 September 2019	31 December 2018
	<i>(in million Baht)</i>	
Interbank and money market items		
- Deposit under restriction of oversea branch	5	10
Investments in securities		
- Pledged as collateral against repurchase transactions	2,542	17,446
Total	2,547	17,456

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13 Commitments and contingent liabilities

13.1 Commitments

	Consolidated and Bank only	
	30 September 2019	31 December 2018
	<i>(in million Baht)</i>	
Avals to bills ⁽¹⁾	456	319
Guarantees of loans	38	-
Liability under unmatured import bills	1,775	2,722
Letters of credit	12,891	15,772
Other commitments		
- Other guarantees	64,885	65,584
- Amount of unused bank overdrafts	83,076	81,632
- Committed line	4,858	3,882
- Others ⁽²⁾	20,099	30,069
Total	188,078	199,980

⁽¹⁾ As at 30 September 2019, this included bank acceptance amounting to Baht 1 million (31 December 2018: Baht 5 million).

⁽²⁾ As at 30 September 2019, this included the financial assets accepted as collateral that had been sold or pledged amounting to Baht 19,085 million (31 December 2018: Baht 29,375 million). The Bank is obliged to return those securities in equivalent amount.

As at 30 September 2019 and 31 December 2018, the Bank had no commitments from providing other guarantees to listed companies, which meet criteria for delisting conditions from the Stock Exchange of Thailand.

13.2 Litigation

(a) As at 30 September 2019 and 31 December 2018, the Bank and its subsidiaries were claimed pursuant to obligations under the letters of guarantee and other claims for 52 cases and 63 cases, respectively (Bank only: claims for 50 cases and 60 cases, respectively). The said claims were made against the Bank and its subsidiaries for the approximate liability amounts of Baht 201 million ⁽¹⁾ and Baht 468 million ⁽¹⁾, respectively (Bank only: Baht 198 million ⁽¹⁾ and Baht 259 million ⁽¹⁾, respectively).

(b) As at 30 September 2019 and 31 December 2018, the Bank and its subsidiaries have recognised provisions for possible losses from the litigation cases totalling Baht 15 million and Baht 44 million, respectively (Bank only: Baht 15 million and Baht 44 million, respectively). The management considers that the provision established for such potential losses due to the said litigation cases is adequate.

⁽¹⁾ Excluding the liabilities of the Bank and its subsidiaries as at 30 September 2019 and 31 December 2018 of Baht 1,832 million and Baht 1,789 million, respectively (Bank only: Baht 1,309 million and Baht 1,266 million, respectively), which the Court of First Instance and the Appeals Court dismissed the cases.

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13.3 Non-cancellable operating lease commitments

	Consolidated and Bank only	
	30 September 2019	31 December 2018
	<i>(in million Baht)</i>	
<i>Future minimum lease payment</i>		
Within one year	442	503
After one year but within five years	517	743
Total	<u>959</u>	<u>1,246</u>

	Consolidated		Bank only	
<i>Three-month periods ended</i>	2019	2018	2019	2018
<i>30 September</i>	<i>(in million Baht)</i>			
<i>Recognised in profit or loss</i>				
Lease expense	<u>142</u>	<u>173</u>	<u>142</u>	<u>170</u>

	Consolidated		Bank only	
<i>Nine-month periods ended</i>	2019	2018	2019	2018
<i>30 September</i>	<i>(in million Baht)</i>			
<i>Recognised in profit or loss</i>				
Lease expense	<u>453</u>	<u>513</u>	<u>453</u>	<u>502</u>

13.4 Significant agreement

- On 7 August 2019, the meeting of the Board of Directors No. Special 4/2562 resolved to approve, in principle, the entry into a share purchase agreement in relation to the acquisition of shares in Thanachart Bank Public Company Limited (TBANK) and authorise the management of the Bank to negotiate, agree and execute the share purchase agreement with Thanachart Capital Public Company Limited (TCAP) and Scotia Netherlands Holding B.V. (BNS), which is a company in a group of the Bank of Nova Scotia, under the terms and conditions therein.
- On 8 August 2019, the Bank and two major shareholders of TBANK, namely TCAP and BNS, entered into a share purchase agreement (the SPA). Under the SPA, the Bank agrees to purchase 6,062,438,397 shares in TBANK (accounting for approximately 99.96% of the total issued and outstanding shares in TBANK) from the said major shareholders and will proceed to offer to purchase the remaining 2,423,773 shares (accounting for approximately 0.04% of the total issued and outstanding shares in TBANK) from all other minority shareholders of TBANK. Closing is subject to meeting conditions including obtaining regulatory approvals.

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3. On 23 September 2019, the meeting of the Extraordinary General of Shareholders No.1/2019 resolved to approve as follows:

3.1 Approved an acquisition of the entire shares in TBANK as part of an acceptance of an entire business transfer from TBANK.

3.2 Approved for the issuance not exceeding 31,481,481,482 units of transferable subscription rights (TSRs) to the existing shareholders of the Bank.

3.3 Approved for the issuance of the new ordinary shares not exceeding 31,481,481,482 shares in reserve for the exercise of TSRs, and not exceeding 30,890,177,781 shares for the TBANK's existing shareholders, private placement, management and employee of the Bank and TBANK.

In addition, the new ordinary shares have been registered with the Ministry of Commerce on 25 September 2019. Therefore, the total authorised share capital of the Bank was Baht 100,912,374,754.35 which divided into 106,223,552,373 ordinary shares of 0.95 Baht per share.

14 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)

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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
 - 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, currently on the liquidation process.
Phahonyothin Asset Management Co., Ltd.	Thailand	Subsidiary, 100% shareholding, more than 50% of directors are representatives of the Bank
TMB Asset Management Co., Ltd.	Thailand	Associate, 35% shareholding, less than 50% of directors are representatives of the Bank

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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
Branch office rental and related service	Based on market rate
Sale of non-performing assets to a subsidiary	Based on market price

14.1 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 2019 and 2018 with key management and other related parties were as follows:

	Consolidated						Impairment loss on loans and debt securities (reversal of)
	Three-month period ended 30 September 2019						
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	
	<i>(in million Baht)</i>						
1. Major shareholders	-	-	-	-	-	-	-
2. Entities with joint control or significant influence over the entity	103	93	2	-	2	61	29
3. Subsidiaries	-	-	-	-	-	-	-
4. Associate	-	-	425	-	-	-	-
5. Key management personnel of the Bank	-	1	-	-	-	-	-
6. Other related parties	6	-	-	-	-	-	(1)

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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

Nine-month period ended 30 September 2019

	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	-	-	-	-	-	5	-
2. Entities with joint control or significant influence over the entity	259	271	7	-	20	157	46
3. Subsidiaries	-	-	-	-	-	-	-
4. Associate	-	-	1,227	-	-	-	-
5. Key management personnel of the Bank	-	2	-	-	-	-	-
6. Other related parties	11	1	-	-	-	4	7

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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	
	<i>(in million Baht)</i>						
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	-

Bank only							Impairment loss on loans and debt securities (reversal of)
Three-month period ended 30 September 2019							
	Interest income	Interest expenses	Fees and service income	Fees and service expenses	Other operating income	Other operating expenses	
	<i>(in million Baht)</i>						
1. Major shareholders	-	-	-	-	-	-	-
2. Entities with joint control or significant influence over the entity	103	93	2	-	2	61	29
3. Subsidiaries	-	-	1	-	-	-	-
4. Associate	-	-	425	-	-	-	-
5. Key management personnel of the Bank	-	1	-	-	-	-	-
6. Other related parties	6	-	-	-	-	-	(1)

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Bank only							
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	81	74	3	-	2	35	(4)
3. Subsidiaries	-	12	519	-	-	-	-
4. Associate	-	-	-	-	-	-	-
5. Key management personnel of the Bank	-	1	-	-	-	-	-
6. Other related parties	-	-	-	-	-	-	-

Bank only							
Nine-month period ended 30 September 2019							
	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	-	-	-	-	-	5	-
2. Entities with joint control or significant influence over the entity	259	271	7	-	20	157	46
3. Subsidiaries	-	-	4	-	-	-	-
4. Associate	-	-	1,227	-	-	-	-
5. Key management personnel of the Bank	-	2	-	-	-	-	-
6. Other related parties	11	1	-	-	-	4	7

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	Bank only						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	
	<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	-

14.2 Outstanding balances with related parties

As at 30 September 2019 and 31 December 2018, significant outstanding balances with related persons or parties were as follows:

14.2.1 Significant balances between the Bank and its subsidiaries and their major shareholders as at 30 September 2019 and 31 December 2018 were as follows:

	Consolidated and Bank only	
	30 September 2019	31 December 2018
	<i>(in million Baht)</i>	
Deposits (including interbank and money market items - liabilities)		
ING Bank N.V.	9	12
Commitments - Derivatives ⁽¹⁾		
ING Bank N.V.	4,589	4,867
Other commitments		
ING Bank N.V.	15	16

⁽¹⁾ Presented in notional amount

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14.2.2 Significant balances between the Bank and its subsidiaries and other entities with joint control or significant influence over the entities as at 30 September 2019 and 31 December 2018 were as follows:

	Consolidated and Bank only	
	30 September 2019	31 December 2018
	<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	16,300	14,351
Allowance for doubtful accounts		
Entities whose shares are owned or controlled by the Ministry of Finance	133	87
Other assets		
Entities whose shares are owned or controlled by the Ministry of Finance	3	-
Deposits (including interbank and money market items - liabilities)		
Entities whose shares are owned or controlled by the Ministry of Finance	26,483	11,789
TMB Property Development Co., Ltd.	4	4
Total	26,487	11,793
Debts issued and borrowings (including interbank and money market items - liabilities)		
Entities whose shares are owned or controlled by the Ministry of Finance	10,224	22,881
Other liabilities		
Entities whose shares are owned or controlled by the Ministry of Finance	39	12
Commitments - Derivatives ⁽¹⁾		
Entities whose shares are owned or controlled by the Ministry of Finance	92,930	105,161
⁽¹⁾ Presented in notional amount		
Other commitments		
Entities whose shares are owned or controlled by the Ministry of Finance	581	854

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14.2.3 Significant balances between the Bank and its subsidiaries and associate as at 30 September 2019 and 31 December 2018 were as follows:

	Consolidated		Bank only	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
	<i>(in million Baht)</i>			
Other assets				
Phahonyothin Asset Management Co., Ltd.	-	-	-	1
TMB Asset Management Co., Ltd.	126	124	126	124
Total	126	124	126	125
Deposits				
Phahonyothin Asset Management Co., Ltd.	-	-	30	6
TMB Asset Management Co., Ltd.	75	50	75	50
Total	75	50	105	56

14.2.4 Significant balances between the Bank and its subsidiaries, and their key management personnel as at 30 September 2019 and 31 December 2018 were as follows:

	Consolidated and Bank only	
	30 September 2019	31 December 2018
	<i>(in million Baht)</i>	
Loans to customers and accrued interest receivables	11	10
Welfare loans	26	28
Deposits	224	223
Other liabilities	1	-

14.2.5 Significant balances between the Bank and its subsidiaries, and other related parties as at 30 September 2019 and 31 December 2018 were as follows:

	Consolidated and Bank only	
	30 September 2019	31 December 2018
	<i>(in million Baht)</i>	
Loans to customers and accrued interest receivables	676	1
Allowance for doubtful accounts	7	-
Deposits	251	126
Other commitments	109	1

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14.3 Senior management personnel compensation

For the three-month and nine-month periods ended 30 September 2019 and 2018, senior management personnel compensation, included in profit or loss, was classified as follows:

<i>Three-month periods ended 30 September</i>	Consolidated		Bank only	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Short-term employee benefits - directors	9	8	9	8
Short-term employee benefits - management	214	166	214	155
Post-employment benefits	8	11	8	9
Total	231	185	231	172

<i>Nine-month periods ended 30 September</i>	Consolidated		Bank only	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Short-term employee benefits - directors	40	36	40	36
Short-term employee benefits - management	632	620	632	589
Post-employment benefits	28	34	28	29
Share-based payments (performance share bonus)	-	2	-	2
Total	700	692	700	656

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.

14.4 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 14.3 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.

15 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 customers who operate business with annual revenues of Baht 100 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.

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

1.2 Small Enterprise: These are customers who operate business with annual revenues of less than Baht 100 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.

Information about reportable segments:

Three-month period ended 30 September 2019

	Commercial Banking	Retail Banking	Consolidated Other segments <i>(in million Baht)</i>	Elimination	Total
Net interest income	3,330	2,395	481	-	6,206
Net fees and service income	513	1,441	11	-	1,965
Other operating income	276	66	2,194	-	2,536
Total operating income	4,119	3,902	2,686	-	10,707
Operating expenses	(1,832)	(2,279)	(612)	-	(4,723)
Profits from operation	2,287	1,623	2,074	-	5,984
Provision for doubtful accounts on loans and loan-related transactions					(3,311)
Profit before income tax					2,673
Income tax					(562)
Profit for the period					2,111
Depreciation and amortisation	51	200	147	-	398
Source of operating income breakdown by operating segments					
Third party	5,963	2,938	1,806	-	10,707
Inter - segment	(1,844)	964	880	-	-
Total operating income	4,119	3,902	2,686	-	10,707

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

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
Net fees and service income	519	1,298	311	(15)	2,113
Other operating income	372	52	12,036	-	12,460
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
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
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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

Nine-month period ended 30 September 2019

	Commercial Banking	Retail Banking	Consolidated Other segments (in million Baht)	Elimination	Total
Net interest income	9,932	7,314	1,540	-	18,786
Net fees and service income	1,479	4,076	46	-	5,601
Other operating income	975	180	2,557	-	3,712
Total operating income	12,386	11,570	4,143	-	28,099
Operating expenses	(5,840)	(6,953)	(812)	-	(13,605)
Profits from operation	6,546	4,617	3,331	-	14,494
Provision for doubtful accounts on loans and loan-related transactions					(7,690)
Profit before income tax					6,804
Income tax					(1,197)
Profit for the period					5,607

Depreciation and amortisation	152	582	435	-	1,169
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Source of operating income breakdown by operating segments

Third party	17,712	8,365	2,022	-	28,099
Inter - segment	(5,326)	3,205	2,121	-	-
Total operating income	12,386	11,570	4,143	-	28,099

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

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
Net fees and service income	1,559	4,879	924	(48)	7,314
Other operating income	1,144	168	12,298	-	13,610
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
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
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

Reconciliation of reportable segment profit or loss

Three-month period ended

30 September 2019

	Net interest income	Net fees and service income	Consolidated Other operating income (in million Baht)	Operating expenses	Impairment loss on loans and debt securities
Segment reporting	6,206	1,965	2,536	(4,723)	(3,311)
Bad debts, doubtful accounts and impairment losses	(10)	(6)	12	(414)	418
Others	10	6	(22)	6	-
Consolidated financial statements	6,206	1,965	2,526	(5,131)	(2,893)

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

*Three-month period ended
30 September 2018*

	Net interest income	Net fees and service income	Other operating income <i>(in million Baht)</i>	Operating expenses	Impairment loss on loans and debt securities
Segment reporting	6,040	2,113	12,460	(4,233)	(9,351)
Bad debts, doubtful accounts and impairment losses	-	-	8	27	(35)
Others	93	-	(100)	7	-
Consolidated financial statements	6,133	2,113	12,368	(4,199)	(9,386)

*Nine-month period ended
30 September 2019*

	Net interest income	Net fees and service income	Other operating income <i>(in million Baht)</i>	Operating expenses	Impairment loss on loans and debt securities
Segment reporting	18,786	5,601	3,712	(13,605)	(7,690)
Bad debts, doubtful accounts and impairment losses	(10)	(5)	14	(467)	468
Others	10	-	(3)	(7)	-
Consolidated financial statements	18,786	5,596	3,723	(14,079)	(7,222)

*Nine-month period ended
30 September 2018*

	Net interest income	Net fees and service income	Other operating income <i>(in million Baht)</i>	Operating expenses	Impairment loss on loans and debt securities
Segment reporting	18,263	7,314	13,610	(12,827)	(13,998)
Bad debts, doubtful accounts and impairment losses	-	-	15	58	(73)
Others	-	-	(11)	11	-
Consolidated financial statements	18,263	7,314	13,614	(12,758)	(14,071)

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

	Consolidated				
	30 September 2019				
	Commercial banking	Retail banking	Other segments	Elimination	Total
	<i>(in million Baht)</i>				
Assets	<u>607,227</u>	<u>229,209</u>	<u>60,911</u>	<u>3,554</u>	<u>900,901</u>
Liabilities and equity	<u>250,414</u>	<u>454,320</u>	<u>192,613</u>	<u>3,554</u>	<u>900,901</u>

	Consolidated				
	31 December 2018				
	Commercial banking	Retail banking	Other segments	Elimination	Total
	<i>(in million Baht)</i>				
Assets	<u>592,967</u>	<u>211,987</u>	<u>83,256</u>	<u>3,503</u>	<u>891,713</u>
Liabilities and equity	<u>260,939</u>	<u>450,747</u>	<u>176,524</u>	<u>3,503</u>	<u>891,713</u>

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

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

	Consolidated					
	30 September 2019			31 December 2018		
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Total assets	900,343	558	900,901	891,039	674	891,713
Interbank and money market items, net (assets)	130,375	502	130,877	112,925	597	113,522
Investments, net	53,989	-	53,989	73,477	-	73,477
Investments in subsidiaries and associate, net	4,651	-	4,651	4,577	-	4,577
Loans to customers and accrued interest receivables, net	666,389	33	666,422	653,998	42	654,040
Deposits	673,421	53	673,474	649,466	102	649,568
Interbank and money market items (liabilities)	32,912	170	33,082	64,102	165	64,267
Debts issued and borrowings, net	40,114	9,177	49,291	25,389	9,735	35,124

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

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

<i>Three-month periods ended 30 September</i>	Consolidated					
	2019		2018			
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Interest income	9,213	3	9,216	8,874	4	8,878
Interest expenses	2,936	74	3,010	2,665	80	2,745
Net interest income (expenses)	6,277	(71)	6,206	6,209	(76)	6,133
Net fees and service income	1,965	-	1,965	2,113	-	2,113
Total other operating income	2,526	-	2,526	12,368	-	12,368
Total other operating expenses	5,128	3	5,131	4,196	3	4,199
Impairment loss on loans and debt securities	2,893	-	2,893	9,386	-	9,386
Profit (loss) from operations before income tax	2,747	(74)	2,673	7,108	(79)	7,029
<i>Nine-month periods ended 30 September</i>	Consolidated					
	2019		2018			
	Domestic business	Foreign business	Total	Domestic business	Foreign business	Total
	<i>(in million Baht)</i>					
Interest income	27,495	9	27,504	26,110	13	26,123
Interest expenses	8,491	227	8,718	7,565	295	7,860
Net interest income (expenses)	19,004	(218)	18,786	18,545	(282)	18,263
Net fees and service income	5,596	-	5,596	7,314	-	7,314
Total other operating income	3,723	-	3,723	13,614	-	13,614
Total other operating expenses	14,070	9	14,079	12,749	9	12,758
Impairment loss on loans and debt securities	7,222	-	7,222	14,071	-	14,071
Profit (loss) from operations before income tax	7,031	(227)	6,804	12,653	(291)	12,362

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17 Deferred tax and income tax

17.1 Deferred tax

Movements in deferred tax assets and liabilities during the nine-month periods ended 30 September 2019 and 2018 were as follows:

	At 1 January 2019	Consolidated (Charged) / Credited to:		At 30 September 2019
		Profit or loss	Other comprehensive income	
		<i>(note 17.2)</i>		
		<i>(in million Baht)</i>		
<i>Deferred tax assets</i>				
Investments	179	119	(9)	289
Loans to customer and accrued interest receivables	1,160	804	-	1,964
Properties for sale	46	(3)	-	43
Premises and equipment	58	(25)	-	33
Provisions for employee benefits	244	81	11	336
Provisions for other liabilities	126	4	-	130
Deferred revenue and other liabilities	295	(57)	-	238
Others	381	130	-	511
Total	2,489	1,053	2	3,544
<i>Deferred tax liabilities</i>				
Investments	845	-	58	903
Premises and equipment	1,207	(20)	270	1,457
Others	36	9	(7)	38
Total	2,088	(11)	321	2,398
Net	401	1,064	(319)	1,146

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

	At 1 January 2018	Consolidated (Charged) / Credited to:		At 30 September 2018
		Profit or loss	Other comprehensive income	
		(note 17.2) (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
		Bank only (Charged) / Credited to:		
	At 1 January 2019	Profit or loss	Other comprehensive income	At 30 September 2019
		(note 17.2) (in million Baht)		
Deferred tax assets				
Investments	179	119	(9)	289
Loans to customers and accrued interest receivables	1,160	804	-	1,964
Properties for sale	46	(3)	-	43
Premises and equipment	58	(25)	-	33
Provisions for employee benefits	244	81	11	336
Provisions for other liabilities	126	3	-	129
Deferred revenue and other liabilities	295	(57)	-	238
Others	381	130	-	511
Total	2,489	1,052	2	3,543

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

	At 1 January 2019	Bank only (Charged) / Credited to:		At 30 September 2019
		Profit or loss	Other comprehensive income	
		(note 17.2) (in million Baht)		
Deferred tax liabilities				
Investments	-	-	57	57
Premises and equipment	1,207	(20)	270	1,457
Others	36	9	(7)	38
Total	1,243	(11)	320	1,552
Net	1,246	1,063	(318)	1,991

	At 1 January 2018	Bank only (Charged) / Credited to:		At 30 September 2018
		Profit or loss	Other comprehensive income	
		(note 17.2) (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
Deferred tax liabilities				
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

As at 30 September 2019, the Bank had tax-deductible temporary differences in relation to investments in subsidiaries totalling Baht 649 million, for which deferred tax assets have been recognised because certain recognition criteria were met (as at 31 December 2018, the certain recognition criteria were not met).

TMB Bank Public Company Limited and its Subsidiaries

Notes to the interim financial statements

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

17.2 Income tax

Income tax recognised in profit or loss

<i>Three-month periods ended 30 September</i>	Consolidated		Bank only	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Current tax				
Current period	1,012	1,026	1,011	960
	1,012	1,026	1,011	960
Deferred tax				
Movements in temporary differences	(450)	409	(450)	(436)
	(450)	409	(450)	(436)
Total	562	1,435	561	524

<i>Nine-month periods ended 30 September</i>	<i>Note</i>	Consolidated		Bank only	
		2019	2018	2019	2018
		<i>(in million Baht)</i>			
Current tax					
Current period		2,263	2,027	2,258	1,971
Under (over) provided in prior year		(2)	8	(2)	8
		2,261	2,035	2,256	1,979
Deferred tax					
Movements in temporary differences	17.1	(1,064)	427	(1,063)	(421)
		(1,064)	427	(1,063)	(421)
Total		1,197	2,462	1,193	1,558

Income tax recognised in other comprehensive income

<i>Three-month periods ended 30 September</i>	Consolidated					
	Before tax	2019	Net of tax	2018	Before tax	Net of tax
		Tax (expense) benefit		Tax (expense) benefit		
	<i>(in million Baht)</i>					
Investments	190	(37)	153	(52)	11	(41)
Premises and equipment	(8)	1	(7)	(36)	7	(29)
Provisions for employee benefits	(128)	26	(102)	-	(1)	(1)
Others	-	(1)	(1)	(11)	3	(8)
Total	54	(11)	43	(99)	20	(79)

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

<i>Three-month periods ended 30 September</i>	Bank only					
	Before tax	2019 Tax (expense) benefit	Net of tax	Before tax	2018 Tax (expense) benefit	Net of tax
			<i>(in million Baht)</i>			
Investments	190	(37)	153	(53)	11	(42)
Premises and equipment	(8)	2	(6)	(36)	7	(29)
Provisions for employee benefits	(128)	26	(102)	-	-	-
Others	-	(1)	(1)	(11)	3	(8)
Total	54	(10)	44	(100)	21	(79)

<i>Nine-month periods ended 30 September</i>	Consolidated					
	Before tax	2019 Tax (expense) benefit	Net of tax	Before tax	2018 Tax (expense) benefit	Net of tax
			<i>(in million Baht)</i>			
Investments	333	(66)	267	(186)	37	(149)
Premises and equipment	1,348	(270)	1,078	(45)	9	(36)
Provisions for employee benefits	(56)	11	(45)	102	(21)	81
Others	(31)	6	(25)	(11)	3	(8)
Total	1,594	(319)	1,275	(140)	28	(112)

<i>Nine-month periods ended 30 September</i>	Bank only					
	Before tax	2019 Tax (expense) benefit	Net of tax	Before tax	2018 Tax (expense) benefit	Net of tax
			<i>(in million Baht)</i>			
Investments	333	(66)	267	(186)	37	(149)
Premises and equipment	1,348	(269)	1,079	(45)	9	(36)
Provisions for employee benefits	(56)	11	(45)	109	(22)	87
Others	(31)	6	(25)	(11)	3	(8)
Total	1,594	(318)	1,276	(133)	27	(106)

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Reconciliation of effective tax rate

<i>Three-month periods ended 30 September</i>	Consolidated			
	2019		2018	
	<i>Rate</i>	<i>(in million</i>	<i>Rate</i>	<i>(in million</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit before income tax		<u>2,672</u>		<u>7,029</u>
Income tax using the Thai corporation tax rate	20	535	20	1,406
Deferred tax expense which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the period	-	(2)	-	(1)
Deferred tax expense which deductible temporary difference had not been met the recognition criteria during the period	-	11	-	-
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	18	-	30
Total	20	562	20	1,435

<i>Three-month periods ended 30 September</i>	Bank only			
	2019		2018	
	<i>Rate</i>	<i>(in million</i>	<i>Rate</i>	<i>(in million</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit before income tax		<u>2,730</u>		<u>2,892</u>
Income tax using the Thai corporation tax rate	20	546	20	578
Deferred tax expense which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the period	-	(2)	-	(1)
Deferred tax expense which deductible temporary difference had not been met the recognition criteria during the period	-	11	-	-
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	6	(2)	(53)
Total	20	561	18	524

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<i>Nine-month periods ended 30 September</i>	Consolidated			
	2019	2018	2019	2018
	<i>Rate</i> <i>(%)</i>	<i>(in million</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in million</i> <i>Baht)</i>
Profit before income tax		<u>6,804</u>		<u>12,362</u>
Income tax using the Thai corporation tax rate	20	1,361	20	2,473
Deferred tax which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the period	(2)	(146)	-	(1)
Deferred tax expense which deductible temporary difference had not been met the recognition criteria during the period	-	23	-	-
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	(1)	(39)	-	(18)
Under (over) provided in prior year	-	(2)	-	8
Total	<u>17</u>	<u>1,197</u>	<u>20</u>	<u>2,462</u>

<i>Nine-month periods ended 30 September</i>	Bank only			
	2019	2018	2019	2018
	<i>Rate</i> <i>(%)</i>	<i>(in million</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in million</i> <i>Baht)</i>
Profit before income tax		<u>6,709</u>		<u>8,664</u>
Income tax using the Thai corporation tax rate	20	1,342	20	1,733
Deferred tax which previously unrecognised deductible temporary difference had been met the recognition criteria and utilised during the period	(2)	(146)	-	(1)
Deferred tax expense which deductible temporary difference had not been met the recognition criteria during the period	-	23	-	-
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net	-	(24)	(2)	(182)
Under (over) provided in prior year	-	(2)	-	8
Total	<u>18</u>	<u>1,193</u>	<u>18</u>	<u>1,558</u>

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

18 Net fees and service income

<i>Three-month periods ended 30 September</i>	Consolidated		Bank only	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Fees and service income				
- Acceptance, avals and guarantees	105	147	105	147
- ATM, Debit card, Credit card and other banking electronic	818	851	818	851
- Funds and Bancassurance	1,424	1,681	1,424	1,281
- Others	349	301	350	335
Total	2,696	2,980	2,697	2,614
Fees and service expenses				
- ATM, Debit card, Credit card and other banking electronic	(571)	(575)	(571)	(575)
- Others	(160)	(292)	(160)	(202)
Total	(731)	(867)	(731)	(777)
Net	1,965	2,113	1,966	1,837

<i>Nine-month periods ended 30 September</i>	Consolidated		Bank only	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Fees and service income				
- Acceptance, avals and guarantees	245	373	245	373
- ATM, Debit card, Credit card and other banking electronic	2,428	2,432	2,428	2,432
- Funds and Bancassurance	4,084	6,171	4,084	4,978
- Others	1,043	959	1,047	1,064
Total	7,800	9,935	7,804	8,847
Fees and service expenses				
- ATM, Debit card, Credit card and other banking electronic	(1,644)	(1,752)	(1,644)	(1,752)
- Others	(560)	(869)	(560)	(609)
Total	(2,204)	(2,621)	(2,204)	(2,361)
Net	5,596	7,314	5,600	6,486

The Bank and its subsidiaries recognized fee and service income at a point in time or over the stage of completion. For access fee income from Bancassurance, the Bank recognises fee income over the initial contract term of 15 years.

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19 Change in revaluation surplus on assets

In June 2019, the Bank had the land and buildings re-appraised by independent valuers, in accordance with the BoT regulations. The surplus from revaluation was credited to other reserves under the heading “Revaluation surplus on assets” totaling Baht 1,382 million, and reversing allowance for impairment of assets in the statement of profit or loss and other comprehensive income amounting to Baht 72 million. Bank of Thailand has approved the incremental revaluation amount to be included as part of Common Equity Tier 1 Capital in October 2019.

20 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 2019 and 2018 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:

<i>Three-month periods ended 30 September</i>	Consolidated		Bank only	
	2019	2018	2019	2018
Profit for the periods attributable to equity holders of the Bank (<i>in million Baht</i>)	<u>2,111</u>	<u>5,594</u>	<u>2,170</u>	<u>2,368</u>
Weighted average number of ordinary shares outstanding (<i>in million shares</i>)	<u>43,852</u>	<u>43,852</u>	<u>43,852</u>	<u>43,852</u>
Basic earnings per share (<i>in Baht</i>)	<u>0.0481</u>	<u>0.1276</u>	<u>0.0495</u>	<u>0.0540</u>

<i>Nine-month periods ended 30 September</i>	Consolidated		Bank only	
	2019	2018	2019	2018
Profit for the periods attributable to equity holders of the Bank (<i>in million Baht</i>)	<u>5,607</u>	<u>9,900</u>	<u>5,516</u>	<u>7,106</u>
Weighted average number of ordinary shares outstanding (<i>in million shares</i>)	<u>43,852</u>	<u>43,848</u>	<u>43,852</u>	<u>43,847</u>
Basic earnings per share (<i>in Baht</i>)	<u>0.1279</u>	<u>0.2258</u>	<u>0.1258</u>	<u>0.1621</u>

Diluted earnings per share

The calculations of diluted earnings per share for the three-month and nine-month periods ended 30 September 2019 and 2018 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:

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<i>Three-month periods ended 30 September</i>	Consolidated		Bank only	
	2019	2018	2019	2018
Profit for the periods attributable to equity holders of the Bank (<i>in million Baht</i>)	<u>2,111</u>	<u>5,594</u>	<u>2,170</u>	<u>2,368</u>
Weighted average number of ordinary shares outstanding (<i>in million shares</i>)	43,852	43,852	43,852	43,852
Effect of dilutive potential ordinary shares for the exercise of transferable subscription rights (<i>in million shares</i>)	<u>1,320</u>	<u>-</u>	<u>1,320</u>	<u>-</u>
Weighted average number of diluted ordinary shares outstanding (<i>in million shares</i>)	<u>45,172</u>	<u>43,852</u>	<u>45,172</u>	<u>43,852</u>
Diluted earnings per share (<i>in Baht</i>)	<u>0.0467</u>	<u>0.1276</u>	<u>0.0480</u>	<u>0.0540</u>
<i>Nine-month periods ended 30 September</i>	Consolidated		Bank only	
	2019	2018	2019	2018
Profit for the periods attributable to equity holders of the Bank (<i>in million Baht</i>)	<u>5,607</u>	<u>9,900</u>	<u>5,516</u>	<u>7,106</u>
Weighted average number of ordinary shares outstanding (<i>in million shares</i>)	43,852	43,848	43,852	43,848
Effect of dilutive potential ordinary shares for the exercise of transferable subscription rights (<i>in million shares</i>)	<u>445</u>	<u>-</u>	<u>445</u>	<u>-</u>
Effect of dilutive potential ordinary shares from TMB PSBP 2010 Scheme (<i>in million shares</i>)	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>
Weighted average number of diluted ordinary shares outstanding (<i>in million shares</i>)	<u>44,297</u>	<u>43,852</u>	<u>44,297</u>	<u>43,852</u>
Diluted earnings per share (<i>in Baht</i>)	<u>0.1266</u>	<u>0.2258</u>	<u>0.1245</u>	<u>0.1620</u>

21 Appropriation of profit and dividend payment

(a) On 12 April 2019, the 2019 Annual General Meeting of the Bank's shareholders passed resolutions approving the appropriation of the 2018 operating profit and dividend payment:

- (1) Appropriation of net profit of Baht 450 million to be legal reserve.
- (2) Payment of a dividend of Baht 0.07 per share from the 2018 operating profit to the shareholders. The Bank paid such dividend to its shareholders on 9 May 2019.

(b) 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.

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22 Events after the reporting period

- 22.1 On 2 October 2019, the Bank of Thailand has approved in relation to the Bank's share acquisition and acceptance of the entire business transfer from Thanachart Bank Public Company Limited to the Bank, which was published in the Royal Gazette in accordance with section 73 and 74 of the Financial Institutions Business Act, B.E. 2551.
- 22.2 On 2 October 2019, the Bank issued 30,357,141,795 units of transferable subscription rights (TSRs) to be allotted for free on a prorata basis to the Bank's existing shareholders. The allocation ratio is at 1.444533 existing shares to 1 TSRs (a fractional number of TSRs will be rounded down) with an exercise price at 1.40 Baht per share.
- 22.3 On 7 October 2019, the Bank proposed to buy back 5.5 year senior debentures issued in 2016 from Thanachart Bank Public Company limited of USD 50 million or amounting to Baht 1,523 million and unwind interest rate swap related to its debenture.
- 22.4 On 10 October 2019, the meeting of the Board of Directors No. Special 5/2019 acknowledged a plan to pay interim dividends based on the operating results of the Bank. Initially, the Bank expects to pay an interim dividend at the rate of Baht 0.03 per share to all shareholders whose names appear in the share register book as at the record date for identifying the shareholders eligible for dividend payment, currently, expected to registered on 2 December 2019. However, it will be proposed to the Board of Director meeting again for consideration and approval within 15 November 2019.