REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS
BANK OF AYUDHYA PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of Bank of Ayudhya Public Company Limited and its subsidiaries and the Bank's statement of financial position of Bank of Ayudhya Public Company Limited as at September 30, 2017, and the related consolidated and Bank's statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2017, and the related consolidated and separate statements of changes in equity and cash flows for the nine-month period ended September 30, 2017, and the condensed notes to the financial statements. The Bank's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim Financial Reporting".

Permsak Wongpatcharapakorn
Certified Public Accountant (Thailand)
Registration No. 3427
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK
November 9, 2017

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2017

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	"UNAUDITED"		"UNAUDITED"	
	As at September 30, 2017	As at December 31, 2016	As at September 30, 2017	As at December 31, 2016
ASSETS				
CASH	32,367,972	36,142,429	31,780,621	35,670,918
INTERBANK AND MONEY MARKET ITEMS, NET	265,565,904	200,283,418	261,264,637	194,452,735
CLAIM ON SECURITY	31,247,841	13,838,550	31,247,841	13,838,550
DERIVATIVES ASSETS	16,055,445	29,117,399	16,081,899	29,117,399
INVESTMENTS, NET (Note 7.2)	91,349,530	131,781,831	91,260,219	131,762,520
INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES, NET (Note 7.3)	2,179,017	1,919,378	57,594,694	55,710,546
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET (Note 7.4)				
Loans to customers	1,561,339,975	1,506,222,326	1,418,803,403	1,371,970,480
Accrued interest receivables	4,377,263	3,864,375	2,766,595	2,316,251
Total loans to customers and accrued interest receivables	1,565,717,238	1,510,086,701	1,421,569,998	1,374,286,731
Less Deferred revenue	(65,131,212)	(57,340,352)	(45,979,982)	(36,656,980)
Less Allowance for doubtful accounts (Note 7.5)	(53,438,160)	(48,273,619)	(37,945,441)	(32,647,817)
Less Revaluation allowance for debt restructuring (Note 7.6)	(1,290,792)	(1,187,903)	(44,233)	(28,026)
Net loans and accrued interest receivables	1,445,857,074	1,403,284,827	1,337,600,342	1,304,953,908
CUSTOMERS' LIABILITY UNDER ACCEPTANCE	493,572	476,024	493,572	476,024
PROPERTIES FOR SALE, NET	3,876,363	4,256,248	2,242,633	2,388,268
PREMISES AND EQUIPMENT, NET	25,496,668	25,221,074	23,624,760	23,326,968
GOODWILL AND OTHER INTANGIBLE ASSETS, NET	16,643,840	16,698,596	3,486,851	3,585,090
DEFERRED TAX ASSETS	4,729,987	4,713,693	-	-
ACCOUNTS RECEIVABLE FOR INVESTMENTS	3,345,643	52,668	3,345,643	52,668
OTHER ASSETS, NET	18,960,659	15,402,070	12,341,439	10,631,652
TOTAL ASSETS	1,958,169,515	1,883,188,205	1,872,365,151	1,805,967,246

The condensed notes to the financial statements form an integral part of these interim financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2017

BAHT: '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	"UNAUDITED"		"UNAUDITED"	
	As at September 30, 2017	As at December 31, 2016	As at September 30, 2017	As at December 31, 2016
LIABILITIES AND EQUITY				
DEPOSITS	1,197,283,177	1,108,287,927	1,194,471,014	1,102,914,201
INTERBANK AND MONEY MARKET ITEMS, NET	290,437,705	314,399,699	295,604,413	317,482,684
LIABILITY PAYABLE ON DEMAND	5,809,119	4,176,569	5,808,732	4,176,258
LIABILITY TO DELIVER SECURITY	31,247,841	13,838,550	31,247,841	13,838,550
DERIVATIVES LIABILITIES	16,577,415	20,581,038	16,577,415	20,581,236
DEBT ISSUED AND BORROWINGS (Note 7.7)	148,221,596	160,325,732	116,124,560	133,918,957
BANK'S LIABILITY UNDER ACCEPTANCE	493,572	476,024	493,572	476,024
PROVISIONS (Note 7.8)	7,804,753	7,333,340	6,808,248	6,456,427
DEFERRED TAX LIABILITIES	232,279	456,479	229,412	293,890
ACCOUNTS PAYABLE FOR INVESTMENTS	3,437,769	65,526	3,437,769	65,526
OTHER LIABILITIES	36,601,321	44,479,313	18,965,322	27,037,238
TOTAL LIABILITIES	1,738,146,547	1,674,420,197	1,689,768,298	1,627,240,991
EQUITY				
SHARE CAPITAL				
Authorized share capital				
7,574,143,747 ordinary shares of				
Baht 10 each	75,741,437	75,741,437	75,741,437	75,741,437
Issued and paid-up share capital				
7,355,761,773 ordinary shares of				
Baht 10 each	73,557,618	73,557,618	73,557,618	73,557,618
PREMIUM ON ORDINARY SHARES	52,878,749	52,878,749	52,878,749	52,878,749
OTHER RESERVES	3,678,406	4,062,842	3,894,475	3,963,430
RETAINED EARNINGS				
Appropriated				
Legal reserve	4,371,800	4,371,800	4,371,800	4,371,800
Unappropriated	84,763,844	73,308,328	47,894,211	43,954,658
TOTAL BANK'S EQUITY	219,250,417	208,179,337	182,596,853	178,726,255
NON-CONTROLLING INTEREST	772,551	588,671	-	-
TOTAL EQUITY	220,022,968	208,768,008	182,596,853	178,726,255
TOTAL LIABILITIES AND EQUITY	1,958,169,515	1,883,188,205	1,872,365,151	1,805,967,246

The condensed notes to the financial statements form an integral part of these interim financial statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Miss Duangdao Wongpanitkrit)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
INTEREST INCOME (Note 7.16)	23,974,234	21,474,612	16,423,746	14,892,763
INTEREST EXPENSES (Note 7.17)	6,628,459	5,896,987	6,201,735	5,702,852
INTEREST INCOME, NET	17,345,775	15,577,625	10,222,011	9,189,911
FEES AND SERVICE INCOME	6,580,027	6,082,481	3,376,491	3,189,700
FEES AND SERVICE EXPENSES	1,541,592	1,481,466	1,011,719	911,402
FEES AND SERVICE INCOME, NET	5,038,435	4,601,015	2,364,772	2,278,298
GAINS ON TRADING AND FOREIGN EXCHANGE TRANSACTIONS, NET	903,606	1,022,771	907,718	1,009,720
GAINS ON INVESTMENTS, NET	484,162	82,585	484,162	82,585
SHARE OF PROFIT FROM INVESTMENT FOR USING EQUITY METHOD	83,847	92,929	-	-
DIVIDEND INCOME	62,982	63,347	62,982	1,063,409
BAD DEBTS RECOVERIES	1,332,659	1,796,377	237,965	870,769
GAINS ON SALE PROPERTIES FOR SALE	75,753	58,099	30,878	43,451
OTHER OPERATING INCOME	228,834	260,013	218,743	310,776
TOTAL OPERATING INCOME	25,556,053	23,554,761	14,529,231	14,848,919
OTHER OPERATING EXPENSES				
Employee's expenses	6,010,539	5,430,033	4,149,254	3,882,128
Directors' remuneration	14,406	12,405	12,969	11,860
Premises and equipment expenses	2,042,131	1,831,219	1,584,285	1,420,216
Taxes and duties	652,735	632,703	436,466	436,568
Others	3,069,903	2,973,279	1,490,930	1,715,640
Total other operating expenses	11,789,714	10,879,639	7,673,904	7,466,412
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	6,177,467	5,274,870	3,803,785	3,011,823
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	7,588,872	7,400,252	3,051,542	4,370,684
INCOME TAX EXPENSES	1,479,756	1,494,070	561,695	671,123
NET PROFIT	6,109,116	5,906,182	2,489,847	3,699,561

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"

BAHT : '000

		CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2017	**2016**	**2017**	**2016**
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified subsequently to profit or loss:					
Loss on remeasuring available-for-sales investments		(33,219)	(80,747)	(33,219)	(80,747)
Loss arising from translating the financial statements of a foreign operation		(130,387)	(4,606)	-	-
Income tax relating to components of other comprehensive income		31,786	16,149	6,644	16,149
Items that will not be reclassified subsequently to profit or loss:					
Changes in assets revaluation surplus		-	3,047,249	-	3,047,249
Income tax relating to components of other comprehensive income		-	(609,450)	-	(609,450)
Total other comprehensive income, net		(131,820)	2,368,595	(26,575)	2,373,201
TOTAL COMPREHENSIVE INCOME		5,977,296	8,274,777	2,463,272	6,072,762
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		6,014,127	5,829,265	2,489,847	3,699,561
Non-controlling interest		94,989	76,917	-	-
		6,109,116	5,906,182	2,489,847	3,699,561
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		5,882,774	8,197,983	2,463,272	6,072,762
Non-controlling interest		94,522	76,794	-	-
		5,977,296	8,274,777	2,463,272	6,072,762
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	**BAHT**	0.82	0.79	0.34	0.50
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	**SHARES**	7,355,761,773	7,355,761,773	7,355,761,773	7,355,761,773

The condensed notes to the financial statements form an integral part of these interim financial statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Miss Duangdao Wongpanitkrit)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
INTEREST INCOME (Note 7.16)	70,160,572	63,435,248	47,800,964	44,366,257
INTEREST EXPENSES (Note 7.17)	19,393,187	17,609,945	18,057,132	17,140,303
INTEREST INCOME, NET	50,767,385	45,825,303	29,743,832	27,225,954
FEES AND SERVICE INCOME	19,132,373	17,807,709	9,864,315	9,146,284
FEES AND SERVICE EXPENSES	4,786,985	4,355,245	2,943,948	2,594,239
FEES AND SERVICE INCOME, NET	14,345,388	13,452,464	6,920,367	6,552,045
GAINS ON TRADING AND FOREIGN EXCHANGE TRANSACTIONS, NET	2,826,975	2,819,003	2,867,588	2,784,048
GAINS ON INVESTMENTS, NET	825,304	613,330	725,304	613,330
SHARE OF PROFIT FROM INVESTMENT FOR USING EQUITY METHOD	259,638	266,422	-	-
DIVIDEND INCOME	170,950	140,271	3,197,475	4,838,589
BAD DEBTS RECOVERIES	3,832,455	3,609,455	590,893	1,016,767
GAINS ON SALE PROPERTIES FOR SALE	398,901	556,581	267,831	287,471
OTHER OPERATING INCOME	649,117	691,370	622,162	760,694
TOTAL OPERATING INCOME	74,076,113	67,974,199	44,935,452	44,078,898
OTHER OPERATING EXPENSES				
Employee's expenses	18,065,069	15,845,029	12,504,560	11,406,630
Directors' remuneration	42,201	35,798	37,871	34,526
Premises and equipment expenses	6,109,983	5,346,299	4,695,224	4,181,049
Taxes and duties	1,946,978	1,903,732	1,311,449	1,326,255
Others	8,913,137	8,218,663	4,736,624	4,673,916
Total other operating expenses	35,077,368	31,349,521	23,285,728	21,622,376
IMPAIRMENT LOSS OF LOANS AND DEBT SECURITIES	16,860,223	15,943,617	10,112,394	8,882,211
PROFIT FROM OPERATING BEFORE INCOME TAX EXPENSES	22,138,522	20,681,061	11,537,330	13,574,311
INCOME TAX EXPENSES	4,343,863	4,219,983	1,539,189	1,818,719
NET PROFIT	17,794,659	16,461,078	9,998,141	11,755,592

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"

BAHT : '000

		CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
		2017	**2016**	**2017**	**2016**
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified subsequently to profit or loss:					
Gain on remeasuring available-for-sales investments		156,068	53,650	156,068	53,650
Loss arising from translating the financial statements of a foreign operation		(393,716)	(5,305)	-	-
Income tax relating to components of other comprehensive income		44,730	(10,730)	(31,214)	(10,730)
Items that will not be reclassified subsequently to profit or loss:					
Changes in assets revaluation surplus		-	3,047,249	-	3,047,249
Income tax relating to components of other comprehensive income		-	(609,450)	-	(609,450)
Total other comprehensive income, net		(192,918)	2,475,414	124,854	2,480,719
TOTAL COMPREHENSIVE INCOME		17,601,741	18,936,492	10,122,995	14,236,311
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		17,530,229	16,248,248	9,998,141	11,755,592
Non-controlling interest		264,430	212,830	-	-
		17,794,659	16,461,078	9,998,141	11,755,592
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		17,338,710	18,723,995	10,122,995	14,236,311
Non-controlling interest		263,031	212,497	-	-
		17,601,741	18,936,492	10,122,995	14,236,311
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	**BAHT**	2.38	2.21	1.36	1.60
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES	**SHARES**	7,355,761,773	7,355,761,773	7,355,761,773	7,355,761,773

The condensed notes to the financial statements form an integral part of these interim financial statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Miss Duangdao Wongpanitkrit)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS										
	Owners of the Bank									Non-Controlling Interest	Total
	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves				Retained Earnings		Total Bank's Equity		
			Asset Appraisal Surplus	Revaluation Surplus on Investments	Foreign Currency Translation	Deficit from Business Combination under Common Control	Appropriated Legal Reserve	Unappropriated			
Balance as of January 1, 2016	73,557,618	52,878,749	6,243,620	952,099	3,168	(5,217,755)	3,584,800	58,352,894	190,355,193	392,525	190,747,718
Change in revaluation surplus	-	-	(190,452)	-	-	-	-	190,452	-	-	-
Dividend payment (Note 7.9)	-	-	-	-	-	-	-	(5,884,610)	(5,884,610)	(81,935)	(5,966,545)
Total comprehensive income	-	-	2,437,799	42,920	(4,972)	-	-	16,248,248	18,723,995	212,497	18,936,492
Balance as of September 30, 2016	73,557,618	52,878,749	8,490,967	995,019	(1,804)	(5,217,755)	3,584,800	68,906,984	203,194,578	523,087	203,717,665
Balance as of January 1, 2017	73,557,618	52,878,749	8,422,604	758,581	99,412	(5,217,755)	4,371,800	73,308,328	208,179,337	588,671	208,768,008
Change in revaluation surplus	-	-	(193,809)	-	-	-	-	193,809	-	-	-
Dividend payment (Note 7.9)	-	-	-	-	-	-	-	(6,252,397)	(6,252,397)	(81,936)	(6,334,333)
Total comprehensive income	-	-	-	124,854	(316,373)	-	-	17,530,229	17,338,710	263,031	17,601,741
Change in shareholding in subsidiaries company	-	-	-	-	892	-	-	(16,125)	(15,233)	2,785	(12,448)
Balance as of September 30, 2017	73,557,618	52,878,749	8,228,795	883,435	(216,069)	(5,217,755)	4,371,800	84,763,844	219,250,417	772,551	220,022,968

The condensed notes to the financial statements form an integral part of these interim financial statements

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"

BAHT : '000

THE BANK'S FINANCIAL STATEMENTS

	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves			Retained Earnings		Total
			Asset Appraisal Surplus	Revaluation Surplus on Investments	Deficit from Business Combination under Common Control	Appropriated Legal Reserve	Unappropriated	
Balance as of January 1, 2016	73,557,618	52,878,749	6,224,030	952,099	(5,217,755)	3,584,800	34,599,439	166,578,980
Change in revaluation surplus	-	-	(170,861)	-	-	-	170,861	-
Dividend payment (Note 7.9)	-	-	-	-	-	-	(5,884,610)	(5,884,610)
Total comprehensive income	-	-	2,437,799	42,920	-	-	11,755,592	14,236,311
Balance as of September 30, 2016	73,557,618	52,878,749	8,490,968	995,019	(5,217,755)	3,584,800	40,641,282	174,930,681
Balance as of January 1, 2017	73,557,618	52,878,749	8,422,604	758,581	(5,217,755)	4,371,800	43,954,658	178,726,255
Change in revaluation surplus	-	-	(193,809)	-	-	-	193,809	-
Dividend payment (Note 7.9)	-	-	-	-	-	-	(6,252,397)	(6,252,397)
Total comprehensive income	-	-	-	124,854	-	-	9,998,141	10,122,995
Balance as of September 30, 2017	73,557,618	52,878,749	8,228,795	883,435	(5,217,755)	4,371,800	47,894,211	182,596,853

The condensed notes to the financial statements form an integral part of these interim financial statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Miss Duangdao Wongpanitkrit)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from operating before income tax expenses	22,138,522	20,681,061	11,537,330	13,574,311
Adjustments to reconcile income to cash received (paid) from operating activities:				
Depreciation and amortization	2,898,479	2,653,328	2,227,620	1,966,789
Deferred interest expenses	1,055	1,298	687	1,298
Impairment loss of loans and debt securities	16,860,223	15,943,617	10,112,394	8,882,211
Gains on translation in foreign currencies	(10,853,769)	(6,712,679)	(10,853,769)	(6,712,679)
Share of profit from investment for using equity method	(259,638)	(266,422)	-	-
Gains on investments	(825,304)	(613,330)	(725,304)	(613,330)
Increase (decrease) in discount on investments	92,193	(155,380)	92,193	(155,380)
Gains on sales of properties for sale	(398,901)	(556,581)	(267,831)	(287,471)
Losses on sales of premises and equipment	17,236	796	26,459	1,973
Loss on impairment of properties for sale	287,017	307,524	146,434	175,593
Loss on impairment of premises and equipment (reversal)	2	(90,299)	(76)	(89,101)
Loss on impairment of other assets (reversal)	87,055	(40,592)	60,977	86,866
Increase in other reserves	431,630	421,913	313,942	250,922
Interest income, net	(50,767,385)	(45,825,303)	(29,743,832)	(27,225,954)
Interest received	69,723,710	67,221,273	47,384,600	36,507,753
Interest paid	(20,271,709)	(18,345,570)	(18,888,815)	(18,202,719)
Dividend income	(170,950)	(140,271)	(3,197,475)	(4,838,589)
Dividend received	175,357	137,738	174,957	136,982
Decrease in other accrued expenses	530,768	515,912	406,398	379,788
Income tax paid	(5,244,959)	(5,087,793)	(1,713,310)	(2,309,573)
Income from operations before changes in operating assets and liabilities	24,450,632	30,050,240	7,093,579	1,529,690
(Increase) decrease in operating assets				
Interbank and money market items	(67,774,911)	5,990,239	(68,523,890)	4,040,678
Derivatives assets	12,588,981	10,689,186	12,562,528	10,686,049
Current investments - securities for trading	(4,305,539)	(8,071,565)	(4,305,539)	(8,071,565)
Loans to customers	(69,651,749)	(110,381,160)	(50,532,920)	(83,658,989)
Properties for sale	6,247,184	431,470	3,999,065	3,473,940
Other assets	(3,884,169)	5,627,393	(2,138,922)	2,622,008

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017

"UNAUDITED"

BAHT : '000

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Increase (decrease) in operating liabilities				
Deposits	92,365,586	29,565,587	94,927,148	28,930,668
Interbank and money market items	(8,913,396)	34,478,959	(6,829,672)	35,754,066
Liability payable on demand	1,765,600	2,384,042	1,765,524	2,384,042
Derivatives liabilities	(4,663,146)	(6,585,653)	(4,663,344)	(6,583,783)
Other liabilities	(7,079,956)	(5,128,098)	(7,815,974)	(6,474,749)
Net cash from operating activities	(28,854,883)	(10,949,360)	(24,462,417)	(15,367,945)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments in securities	112,133,639	102,427,644	112,133,639	102,427,644
Cash paid for purchases of investments in securities	(66,463,635)	(101,667,419)	(66,393,636)	(101,664,770)
Cash paid for investment in subsidiaries	(12,448)	(4,729,989)	(1,984,148)	(5,178,323)
Dividend received from subsidiaries	-	-	3,026,924	3,699,013
Proceeds from sales of premises and equipment	59,678	67,875	6,862	2,464
Cash paid for purchases of premises and equipment	(2,122,883)	(1,924,838)	(1,662,342)	(1,424,271)
Cash paid for purchases of other assets	(602,952)	(642,249)	(452,825)	(542,682)
Net cash from investing activities	42,991,399	(6,468,976)	44,674,474	(2,680,925)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debts issued and borrowings	250,607,057	234,510,400	241,753,362	227,780,000
Cash paid for repayment of debts issued and borrowings	(262,704,416)	(213,521,132)	(259,547,758)	(208,154,317)
Cash paid for repayment of liabilities under finance lease agreements	(16,737)	(15,923)	(16,737)	(15,923)
Dividend payment	(6,334,333)	(5,966,545)	(6,252,397)	(5,884,610)
Net cash from financing activities	(18,448,429)	15,006,800	(24,063,530)	13,725,150
Total	(4,311,913)	(2,411,536)	(3,851,473)	(4,323,720)
Loss arising from translating the financial statements of a foreign operation	(203,517)	(4,972)	-	-
Effect of exchange rate change on cash	(38,824)	(16,869)	(38,824)	(16,869)
Net decrease in cash and cash equivalents	(4,554,254)	(2,433,377)	(3,890,297)	(4,340,589)
Cash and cash equivalents as at January 1,	39,576,980	35,468,254	35,670,918	33,595,831
Cash and cash equivalents as at September 30,	35,022,726	33,034,877	31,780,621	29,255,242

The condensed notes to the financial statements form an integral part of these interim financial statements

(Mr. Noriaki Goto)
President and Chief Executive Officer

(Miss Duangdao Wongpanitkrit)
Director

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
THE CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2017
"UNAUDITED"

1. GENERAL INFORMATION

Bank of Ayudhya Public Company Limited ("the Bank") is a public company registered in the Kingdom of Thailand with its head office located at 1222 Rama III Road, Bang Phongphang Subdistrict, Yannawa District, Bangkok. The Bank's main business is commercial banking and the Bank conducts its business through a network of branches throughout Thailand and other countries. The immediate and ultimate parent company of the Bank are the Bank of Tokyo-Mitsubishi UFJ, Ltd. and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan. As at September 30, 2017 and December 31, 2016, the Bank has 17 subsidiaries.

2. BASIS FOR PREPARATION OF THE CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS

2.1 The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 34 (Revised 2016), "Interim Financial Reporting" and the regulation of the Thai Securities and Exchange Commission ("SEC") and the Stock Exchange of Thailand ("SET"), where the Presentation in accordance with the Bank of Thailand ("BOT")'s Notification Sor.Nor.Sor. 21/2558 regarding the Preparation and Announcement of Financial Statements of Commercial Banks and Holding Companies of Financial Industry dated December 4, 2015.

The interim financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

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

The Bank prepares its interim financial statements in the Thai language in conformity with Thai Financial Reporting Standards and the Notifications noted above. However, for convenience of readers, the Bank also prepares its interim financial statements in English language, by translating from the Thai version.

Certain financial information which is normally included in the financial statements prepared in accordance with Thai Financial Reporting Standards, but which is not required for interim reporting purposes, has been omitted. In addition, interim financial statements should be read in conjunction with the financial statements and notes thereto included in the audited financial statements for the year ended December 31, 2016.

The consolidated and the Bank's statements of financial position as at December 31, 2016, presented herein as comparative information, have been derived from the consolidated and the Bank's financial statements for the year then ended which have been audited.

The results of operations for the nine-month period ended September 30, 2017 are not necessarily indicative of the operating results anticipated for the full year.

The preparation of interim financial statements in conformity with Thai Financial Reporting Standards also requires management to exercise judgment in order to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. The actual results may differ from such estimates.

Thai Financial Reporting Standards announced but not effective in 2017

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards, which are effective for the accounting period beginning on or after January 1, 2018 onwards. Thai Financial Reporting Standards which are related to the Bank and its subsidiaries are as follows:

Thai Accounting Standards ("TAS")

TAS 1 (Revised 2017)	Presentation of Financial Statements
TAS 7 (Revised 2017)	Statement of Cash Flows
TAS 8 (Revised 2017)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2017)	Events After the Reporting Period
TAS 12 (Revised 2017)	Income Taxes
TAS 16 (Revised 2017)	Property, Plant and Equipment
TAS 17 (Revised 2017)	Leases
TAS 18 (Revised 2017)	Revenue
TAS 19 (Revised 2017)	Employee Benefits
TAS 20 (Revised 2017)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2017)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2017)	Borrowing Cost
TAS 24 (Revised 2017)	Related Party Disclosures
TAS 26 (Revised 2017)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2017)	Separate Financial Statements
TAS 28 (Revised 2017)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2017)	Financial Reporting in Hyperinflationary Economics
TAS 33 (Revised 2017)	Earnings per Share
TAS 34 (Revised 2017)	Interim Financial Reporting
TAS 36 (Revised 2017)	Impairment of Assets
TAS 37 (Revised 2017)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2017)	Intangible Assets
TAS 40 (Revised 2017)	Investment Property

Thai Financial Reporting Standards ("TFRS")

TFRS 2 (Revised 2017)	Share-based Payment
TFRS 3 (Revised 2017)	Business Combinations
TFRS 5 (Revised 2017)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2017)	Operating Segments
TFRS 10 (Revised 2017)	Consolidated Financial Statements
TFRS 11 (Revised 2017)	Joint Arrangements
TFRS 12 (Revised 2017)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2017)	Fair Value Measurement

Thai Standards Interpretations ("TSIC")

TSIC 15 (Revised 2017)	Operating Leases - Incentives
TSIC 27 (Revised 2017)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (Revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2017)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 1 (Revised 2017)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2017)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2017)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (Revised 2017)	Interim Financial Reporting and Impairment
TFRIC 13 (Revised 2017)	Customer Loyalty Programmes
TFRIC 14 (Revised 2017)	TAS 19 (Revised 2017) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (Revised 2017)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2017)	Transfers of Assets from Customers
TFRIC 21 (Revised 2017)	Levies

The management of the Bank and subsidiaries anticipate that the above Thai Financial Reporting Standards will be adopted in the Bank and subsidiaries' financial statements when they become effective. The adoption of those standards will have no material impact on the financial statements of the Bank and its subsidiaries in the period of initial application.

2.2 The consolidated financial statements included the accounts of the head office and all branches of the Bank and its subsidiaries. These subsidiaries are as follows:

Subsidiaries	Business type	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Bank (%) As at September 30, 2017	December 31, 2016
Ayudhya Development Leasing Company Limited	Hire-purchase and leasing	Thailand	99.99	99.99
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Thailand	100.00	100.00
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Thailand	100.00	100.00
Ayudhya Card Services Company Limited[(1)]	Credit cards and personal loans	Thailand	-	100.00
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
General Card Services Limited	Credit cards and personal loans	Thailand	100.00	100.00

Subsidiaries (Continued)	Business type	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Bank (%) As at September 30, 2017	December 31, 2016
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Thailand	100.00	100.00
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Thailand	100.00	100.00
Total Service Solutions Public Company Limited	Collection services	Thailand	100.00	100.00
Krungsri Asset Management Company Limited	Fund management	Thailand	76.59	76.59
Krungsri Ayudhya AMC Limited	Asset management	Thailand	100.00	100.00
Krungsri Securities Public Company Limited	Securities	Thailand	99.74	98.71
Krungsri Factoring Company Limited	Factoring	Thailand	100.00	100.00
Krungsri Life Assurance Broker Limited(2)	Life assurance broker	Thailand	100.00	100.00
Krungsri General Insurance Broker Limited(2)	General insurance broker	Thailand	100.00	100.00
Krungsri Finnovate Company Limited	Venture capital	Thailand	100.00	-
Krungsri Leasing Services Company Limited(3)	Hire-purchase, leasing and sales finance	Lao PDR	90.00	70.00
Hattha Kaksekar Limited	Micro finance	Cambodia	100.00	100.00

(1) Subsidiary registered the completion of liquidation in 2017.
(2) Indirectly holding via Ayudhya Capital Services Company Limited of 100%.
(3) As at September 30, 2017 and December 31, 2016, indirectly holding via Ayudhya Capital Auto Lease Public Company Limited of 78% and 35% and Ayudhya Capital Services Company Limited of 12% and 35%, respectively.

All material intercompany transactions and balances have been eliminated.

3. ADOPTION OF NEW AND REVISED THAI FINANCIAL REPORTING STANDARDS

Since January 1, 2017, the Bank and its subsidiaries have adopted the new and revised Thai Financial Reporting Standards ("TFRSs") issued by the Federation of Accounting Professions, which are effective on the financial statements for the accounting periods beginning on or after January 1, 2017. Thai Financial Reporting Standards which are related to the Bank and its subsidiaries are as follows:

Thai Accounting Standards ("TAS")

TAS 1 (Revised 2016)	Presentation of Financial Statements
TAS 7 (Revised 2016)	Statement of Cash Flows
TAS 8 (Revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2016)	Events After the Reporting Period
TAS 12 (Revised 2016)	Income Taxes
TAS 16 (Revised 2016)	Property, Plant and Equipment
TAS 17 (Revised 2016)	Leases
TAS 18 (Revised 2016)	Revenue
TAS 19 (Revised 2016)	Employee Benefits
TAS 20 (Revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2016)	The Effects of Changes in Foreign Exchange Rate
TAS 23 (Revised 2016)	Borrowing Cost
TAS 24 (Revised 2016)	Related Party Disclosures
TAS 26 (Revised 2016)	Accounting and Reporting by Retirement Benefit Plans

Thai Accounting Standards ("TAS") (Continued)

TAS 27 (Revised 2016)	Separate Financial Statements
TAS 28 (Revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2016)	Financial Reporting in Hyperinflationary Economics
TAS 33 (Revised 2016)	Earnings per Share
TAS 34 (Revised 2016)	Interim Financial Reporting
TAS 36 (Revised 2016)	Impairment of Assets
TAS 37 (Revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2016)	Intangible Assets
TAS 40 (Revised 2016)	Investment Property
TAS 104 (Revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (Revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (Revised 2016)	Financial Instruments Disclosure and Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 2 (Revised 2016)	Share-based Payment
TFRS 3 (Revised 2016)	Business Combinations
TFRS 5 (Revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2016)	Operating Segments
TFRS 10 (Revised 2016)	Consolidated Financial Statements
TFRS 11 (Revised 2016)	Joint Arrangements
TFRS 12 (Revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2016)	Fair Value Measurement

Thai Standards Interpretations Committee ("TSIC")

TSIC 15 (Revised 2016)	Operating Leases - Incentives
TSIC 27 (Revised 2016)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 31 (Revised 2016)	Revenue - Barter Transactions Involving Advertising Services
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Thai Financial Reporting Standards Interpretations Committee ("TFRIC")

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TFRIC 5 (Revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 10 (Revised 2016)	Interim Financial Reporting and Impairment
TFRIC 13 (Revised 2016)	Customer Loyalty Programmes
TFRIC 14 (Revised 2016)	TAS 19 (Revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 17 (Revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2016)	Transfers of Assets from Customers
TFRIC 21 (Revised 2016)	Levies

Guideline on Accounting

Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities

The above TFRSs have no material impact to the Bank and its subsidiaries' financial statements except Thai Accounting Standard No. 38 (Revised 2016) "Intangible Assets". The Bank and its subsidiaries have changed amortization method of intangible assets from revenue-based method to be straight-line method. The effects of such change are as follows:

		Unit: Million Baht
	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Statements of profit or loss and other comprehensive income for the three-month period ended September 30, 2017		
Decrease in other expenses – amortization expenses	30.74	0.51
Increase in profit from operating before income tax expenses	30.74	0.51

		Unit: Million Baht
	CONSOLIDATED FINANCIAL STATEMENTS	THE BANK'S FINANCIAL STATEMENTS
Statements of profit or loss and other comprehensive income for the nine-month period ended September 30, 2017		
Decrease in other expenses – amortization expenses	93.99	1.52
Increase in profit from operating before income tax expenses	93.99	1.52

4. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on accounting policies and method of computation consistent with those used in the annual financial statements for the year ended December 31, 2016, except for the new and revised TFRSs as mentioned in Note 3.

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received from sell an asset or paid for transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in the absence of a principal market, the most a liquid market where the Bank and its subsidiaries are able to access.

Fair value measurement of financial assets and liabilities are determined according to the following hierarchies:

Level 1 - Quoted price (unadjusted) in active market for identical assets or liabilities that the Bank and its subsidiaries can access at the measurement date

Level 2 - Quoted price in active market for similar assets or liabilities, the quoted price for identical or similar assets in inactive market and other valuation technique where significant inputs used to measure the fair value are observable

Level 3 - Using techniques where significant inputs used to measure the fair value are unobservable

Financial assets and liabilities measured at fair value

Classification of financial assets and liabilities measured at fair value by the level of fair value hierarchy as at September 30, 2017 and December 31, 2016 are summarized as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

	September 30, 2017				**December 31, 2016**			
	Fair value			**Carrying**	**Fair value**			**Carrying**
	Level 1	**Level 2**	**Total fair value**	**amount**	**Level 1**	**Level 2**	**Total fair value**	**amount**
Derivatives assets								
- trading book	-	15,398	15,398	15,398	-	23,380	23,380	23,380
Investments - trading	134	4,775	4,909	4,909	-	425	425	425
Investments								
- available-for-sale	3,407	66,328	69,735	69,735	3,420	111,077	114,497	114,497
Derivative liabilities								
- trading book	-	13,194	13,194	13,194	-	19,758	19,758	19,758

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	September 30, 2017				**December 31, 2016**			
	Fair value			**Carrying**	**Fair value**			**Carrying**
	Level 1	**Level 2**	**Total fair value**	**amount**	**Level 1**	**Level 2**	**Total fair value**	**amount**
Derivatives assets								
- trading book	-	15,425	15,425	15,425	-	23,380	23,380	23,380
Investments - trading	134	4,775	4,909	4,909	-	425	425	425
Investments								
- available-for-sale	3,407	66,328	69,735	69,735	3,420	111,077	114,497	114,497
Derivative liabilities								
- trading book	-	13,194	13,194	13,194	-	19,758	19,758	19,758

There are no transfers of financial assets and liabilities measured at fair value between level 1 and level 2 during the nine-month period ended September 30, 2017 and for the year ended December 31, 2016.

Valuation technique for financial assets and liabilities measured at fair value are as follows:

Derivative - trading book

The valuation techniques using to determine the fair value of derivatives is dependent on the type of instrument and available market data used to measure the fair value. These valuation techniques include discounted cash flow model, option pricing model and other standards model commonly used by market participants. The data used in the valuation is the observable input e.g. interest rate, forward exchange rate. Credit valuation adjustments are also made against the valuation of derivative products to reflect the possibility that the counterparty may default and the Bank may not receive the full market value of the transactions.

Investments

Investment in domestic debt securities listed in Thai Bond Market Association ("ThaiBMA"), discounted cash flow using ThaiBMA yield curve as the discounted rate to determine the fair value.

Equity securities traded in the SET, the fair value is determined by using the last bid price of SET.

Investment in unit trust not listed in SET, the fair value is determined by using the net asset value at the reporting date announced by the asset management company.

6. CAPITAL FUND

The Bank maintains the internal capital adequacy assessment process in accordance with the supervisory review process of the BOT and monitors on a regular basis to ensure that the current and future capital requirements are aligned with the risk appetite in the Financial Business Group and the Bank.

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 BOT. The Bank is required to calculate its Capital Funds in accordance with Basel III. As at September 30, 2017 and December 31, 2016 the Consolidated Supervision and the Bank's total capital funds and capital adequacy ratios can be categorized as follows:

Unit : Million Baht

	Basel III Consolidated Supervision	
	September 30, 2017	**December 31, 2016**
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Statutory reserve	4,372	4,372
Unappropriated retained earning	78,801	62,305
Other comprehensive income	8,740	8,959
Owner changes - other	(5,218)	(5,218)
Less Deduction items from Common Equity Tier 1 capital	(21,026)	(20,220)
Total Common Equity Tier 1 capital	192,106	176,635
Additional Tier 1	1,263	1,387
Total Tier 1 capital	193,369	178,022
Tier 2 capital	58,222	41,080
Total capital fund	251,591	219,102

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement*		Basel III Consolidated Supervision	
	September 30, 2017	**December 31, 2016**	**September 30, 2017**	**December 31, 2016**
Total Common Equity Tier 1 capital / Total risk weighted assets	5.75	5.125	13.05	12.14
Total Tier 1 capital / Total risk weighted assets	7.25	6.625	13.14	12.24
Total capital / Total risk weighted assets	9.75	9.125	17.09	15.06
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)			251,591	219,102
Capital ratio after deducting capital add-on arising from Single Lending Limit			17.09	15.06

* BOT requires to maintain minimum CAR at 8.5% and gradually increases the conservation buffer at 0.625% per year since January 1, 2016 until reaching 2.5% by January 1, 2019.

BOT has adopted supervisory framework for Domestic Systemically Important Banks ("D-SIBs") by requiring qualified banks to maintain higher capital to better absorb losses from their operations. The Bank is identified as D-SIBs and required to maintain additional 1% of common equity tier 1 from the current minimum requirement. This new requirement will be phasing in starting at 0.5% on January 1, 2019 and 1% on January 1, 2020.

Unit : Million Baht

	Basel III The Bank	
	September 30, 2017	**December 31, 2016**
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Statutory reserve	4,372	4,372
Unappropriated retained earning	45,339	36,052
Other comprehensive income	9,001	8,988
Owner changes - other	(5,218)	(5,218)
Less Deduction items from Common Equity Tier 1 capital	(12,237)	(11,803)
Total Common Equity Tier 1 capital	167,694	158,828
Additional Tier 1	-	-
Total Tier 1 capital	167,694	158,828
Tier 2 capital	51,888	32,266
Total capital fund	219,582	191,094

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement*		Basel III The Bank	
	September 30, 2017	**December 31, 2016**	**September 30, 2017**	**December 31, 2016**
Total Common Equity Tier 1 capital / Total risk weighted assets	5.75	5.125	12.43	11.77
Total Tier 1 capital / Total risk weighted assets	7.25	6.625	12.43	11.77
Total capital / Total risk weighted assets	9.75	9.125	16.28	14.16
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)			219,582	191,094
Capital ratio after deducting capital add-on arising from Single Lending Limit			16.28	14.16

* BOT requires to maintain minimum CAR at 8.5% and gradually increases the conservation buffer at 0.625% per year since January 1, 2016 until reaching 2.5% by January 1, 2019.

BOT has adopted supervisory framework for Domestic Systemically Important Banks (“D-SIBs”) by requiring qualified banks to maintain higher capital to better absorb losses from their operations. The Bank is identified as D-SIBs and required to maintain additional 1% of common equity tier 1 from the current minimum requirement. This new requirement will be phasing in starting at 0.5% on January 1, 2019 and 1% on January 1, 2020.

Disclosure of capital maintenance information of the Financial Business Group and the Bank under the BOT’s Notification regarding the Disclosure of the Capital Requirement of the Financial Business Group and regarding the Disclosure of the Capital Requirement of Commercial Banks with details as follows:

Location of disclosure	www.krungsri.com
Date of disclosure	October 20, 2017
Information as at	June 30, 2017

7. ADDITIONAL INFORMATION

7.1 Additional information of cash flows

7.1.1 Non-cash transactions for the nine-month periods ended September 30, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK’S FINANCIAL STATEMENTS	
	2017	**2016**	**2017**	**2016**
Increase in revaluation surplus on investments	156	54	156	54
Accumulated depreciation of premises appraisal deducted from premises revaluation surplus	(242)	(238)	(242)	(214)
Increase in changes assets revaluation surplus	-	3,047	-	3,047
Properties for sale debt repayment	5,755	5,654	3,732	3,003
Properties and premises transferred to be properties for sale	-	34	-	-

7.1.2 In accordance with a resolution passed by the Bank's Annual General Meeting of Shareholders No. 104 held on April 28, 2016, it approved the Bank to acquire all registered and issued shares (100%) of Hattha Kaksekar Limited ("HKL"), operated the microfinance business in Cambodia from the existing shareholders.

On September 12, 2016, the Ministry of Commerce of Cambodia approved the transaction and the legal transfer of HKL has been completely transferred to the Bank. The acquisition date is on September 12, 2016.

Fair value of assets and liabilities of subsidiary and book value of each item are as follows:

Consolidated financial statements

Unit: Million Baht

	Book Value	**Fair Value**
Assets		
Cash	361	361
Receivable and loans	14,246	14,705
Intangible assets	-	161
Others	4,806	4,752
	19,413	19,979
Liabilities		
Deposit and borrowings	15,591	15,604
Others	1,725	1,858
	17,316	17,462
Net assets	2,097	2,517
Goodwill		2,806
Cash payment to acquire shares		5,323
Less Cash of the subsidiary		(361)
Net cash payment		4,962

During the nine-month period ended September 30, 2017, the Bank has adjusted the fair value of assets and liabilities based on the Final Purchase Price Allocation Report. Therefore, the Bank made an adjustment to goodwill, which had been previously recognized on the acquisition date in the consolidated statements of financial position as at September 30, 2017 as follows:

Unit: Million Baht

	Fair value as previously reported	**Increase (decrease)**	**Fair value as final reported**
Net assets	2,846	(329)	2,517
Purchase price	5,323	-	5,323
Goodwill	2,477	329	2,806

7.1.3 Realized and unrealized gains (losses) on foreign exchange

In the preparation of cash flows statements, realized gains (losses) on foreign exchange are based on a cash basis. Unrealized gains (losses) on foreign exchange are based on the translation difference of assets and liabilities in foreign currencies as described in the accounting policies. It is presented as an adjustment to reconcile income before tax to cash received (paid) from operating activities.

7.2 Investments, net

Investments, net as at September 30, 2017 and December 31, 2016 consisted of the following:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	September 30, 2017				**December 31, 2016**			
	Cost/ Amortized Cost	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**	**Cost/ Amortized Cost**	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**
Securities for Trading								
Government and state enterprise securities	4,776	-	(1)	4,775	425	-	-	425
Domestic marketable equity securities	134	1	(1)	134	-	-	-	-
	4,910	1	(2)	4,909	425	-	-	425
Add Revaluation allowance	(1)			-	-			-
Total	4,909			4,909	425			425
Securities Available-for-Sale								
Government and state enterprise securities	53,926	288	(1)	54,213	95,728	296	(66)	95,958
Private sector's debt securities	10,848	408	-	11,256	13,358	399	(25)	13,732
Domestic marketable equity securities	4,141	529	(120)	4,550	4,747	532	(188)	5,091
	68,915	1,225	(121)	70,019	113,833	1,227	(279)	114,781
Add Revaluation allowance	1,104			-	948			-
Less Allowance for impairment	(284)			(284)	(284)			(284)
Total	69,735			69,735	114,497			114,497
Securities Held-to-Maturity								
Private sector's debt securities	16,050				16,050			
Investment in accounts receivable	513				714			
	16,563				16,764			
Less Allowance for impairment	(64)				(64)			
Total	16,499				16,700			
Securities for General Investments								
Domestic non-marketable equity securities	387				322			
Foreign non-marketable equity securities	3				30			
	390				352			
Less Allowance for impairment	(183)				(192)			
Total	207				160			
Total Investments, net	91,350				131,782			

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	September 30, 2017				December 31, 2016			
	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Cost/ Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities for Trading								
Government and state enterprise securities	4,776	-	(1)	4,775	425	-	-	425
Domestic marketable equity securities	134	1	(1)	134	-	-	-	-
	4,910	1	(2)	4,909	425	-	-	425
Add Revaluation allowance	(1)			-	-			-
Total	4,909			4,909	425			425
Securities Available-for-Sale								
Government and state enterprise securities	53,926	288	(1)	54,213	95,728	296	(66)	95,958
Private sector's debt securities	10,569	408	-	10,977	13,079	399	(25)	13,453
Domestic marketable equity securities	4,141	529	(120)	4,550	4,747	532	(188)	5,091
	68,636	1,225	(121)	69,740	113,554	1,227	(279)	114,502
Add Revaluation allowance	1,104			-	948			-
Less Allowance for impairment	(5)			(5)	(5)			(5)
Total	69,735			69,735	114,497			114,497
Securities Held-to-Maturity								
Private sector's debt securities	16,050				16,050			
Investment in accounts receivable	513				714			
	16,563				16,764			
Less Allowance for impairment	(64)				(64)			
Total	16,499				16,700			
Securities for General Investments								
Domestic non-marketable equity securities	281				287			
Foreign non-marketable equity securities	3				30			
	284				317			
Less Allowance for impairment	(167)				(176)			
Total	117				141			
Total Investments, net	91,260				131,763			

As at September 30, 2017 and December 31, 2016, the Bank and its subsidiaries had investments in general investments in the consolidated and the Bank's financial statements of 3 companies and 1 company, respectively, subject to being delisted from the SET, with cost of Baht 12 million and market price of Baht 0.

7.3 Investments in subsidiaries and joint ventures, net

Investments in subsidiaries and joint ventures net as at September 30, 2017 and December 31, 2016 consisted of the following:

Unit: Million Baht

Company Name	Business Type	Securities Investment Type	Registered Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Investment (Equity Method)	Dividend
			CONSOLIDATED FINANCIAL STATEMENTS September 30, 2017				
Joint ventures							
Tesco Card Services Limited [1]	Credit cards and personal loans	Common stock	2,080	50.00	1,040	1,955	-
Tesco Life Assurance Broker Limited [2]	Life assurance broker	Common stock	12	50.00	-	59	-
Tesco General Insurance Broker Limited [2]	General insurance broker	Common stock	107	50.00	-	165	-
Investments in joint ventures, net					1,040	2,179	-

Unit: Million Baht

Company Name	Business Type	Securities Investment Type	Registered Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Investment (Equity Method)	Dividend
			CONSOLIDATED FINANCIAL STATEMENTS December 31, 2016				
Joint ventures							
Tesco Card Services Limited [1]	Credit cards and personal loans	Common stock	2,080	50.00	1,040	1,715	-
Tesco Life Assurance Broker Limited [2]	Life assurance broker	Common stock	12	50.00	-	57	-
Tesco General Insurance Broker Limited [2]	General insurance broker	Common stock	107	50.00	-	147	-
Investments in joint ventures, net					1,040	1,919	-

[1] Indirect holding via Ayudhya Capital Services Company Limited
[2] Indirect holding via Tesco Card Services Limited

Unit: Million Baht

Company Name	**Business Type**	**Securities Investment Type**	**Registered Share Capital**	**Proportion of Ownership Interest and Voting Power Held by the Bank (%)**	**Investment (Cost)**	**Dividend**
			THE BANK'S FINANCIAL STATEMENTS			
			September 30, 2017			
Subsidiaries						
Ayudhya Development Leasing Company Limited	Hire- purchase and leasing	Common stock	1,235	99.99	3,929	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	2,759
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Common stock	3,290	100.00	3,126	-
		Preferred stock			1	-
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-
General Card Services Limited	Credit cards and personal loans	Common stock	2,458	100.00	2,581	-
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	205	268
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-
Krungsri Securities Public Company Limited	Securities	Common stock	1,350	99.74	1,493	-
Krungsri Factoring Company Limited	Factoring	Common stock	300	100.00	300	-
Krungsri Finnovate Company Limited	Venture capital	Common stock	1,000	100.00	700	-
Hattha Kaksekar Limited	Micro finance	Common stock	759	100.00	5,937	-
Investments in subsidiaries					62,647	3,027
Less Allowance for impairment					(5,052)	-
Investments in subsidiaries net					57,595	3,027

Unit: Million Baht

Company Name	Business Type	Securities Investment Type	Registered Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Dividend
		THE BANK'S FINANCIAL STATEMENTS December 31, 2016				
Subsidiaries						
Ayudhya Development Leasing Company Limited	Hire- purchase and leasing	Common stock	1,235	99.99	3,929	-
Ayudhya Capital Auto Lease Public Company Limited	Hire-purchase and auto leasing	Common stock	25,545	100.00	19,880	4,708
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Common stock	3,290	100.00	3,126	1,000
		Preferred stock			1	-
Ayudhya Card Services Company Limited [1]	Credit cards and personal loans	Common stock	180	100.00	-	-
Ayudhya Capital Services Company Limited	Credit cards and personal loans	Common stock	5,925	100.00	11,941	-
General Card Services Limited	Credit cards and personal loans	Common stock	2,458	100.00	2,581	400
Krungsriayudhya Card Company Limited	Credit cards and personal loans	Common stock	5,906	100.00	6,275	-
Siam Realty and Services Security Company Limited	Car rental services and personnel services	Common stock	100	100.00	100	-
Total Services Solutions Public Company Limited	Collection services	Common stock	401	100.00	1,614	-
Krungsri Asset Management Company Limited	Fund management	Common stock	350	76.59	205	268
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-
Krungsri Securities Public Company Limited	Securities	Common stock	600	98.71	731	-
Krungsri Factoring Company Limited	Factoring	Common stock	300	100.00	300	-
Hattha Kaksekar Limited	Micro finance	Common stock	237	100.00	5,415	-
Investments in subsidiaries					60,663	6,376
Less Allowance for impairment					(4,952)	-
Investments in subsidiaries net					55,711	6,376

[1] Subsidiary registered the completion of liquidation in 2017.

DISCLOSURE OF THE STATEMENTS OF CASH FLOWS OF ASSET MANAGEMENT COMPANY

KRUNGSRI AYUDHYA AMC LIMITED
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2017
"UNAUDITED"

Unit: Million Baht

	2017	**2016**
Cash flows from operating activities		
Income before income tax	170	120
Adjustments to reconcile income to cash provided (paid) from operating activities		
Bad debt and doubtful accounts	17	5
Loss on impairment of properties for sale	17	20
Depreciation and amortization	1	1
Gain on sales of properties for sale	(96)	(70)
Employment benefits expenses	4	6
Interest income, net	(126)	(87)
Interest received	126	87
Income tax paid	(41)	(27)
Income from operations before changes in operating assets and liabilities	72	55
(Increase) decrease in operating assets		
Investment in receivables	22	33
Loans to customers	2	17
Properties for sale	274	244
Other assets	54	(22)
Decrease in operating liabilities		
Other liabilities	(38)	(3)
Net cash from operating activities	386	324
Cash flows from investing activities		
Net cash from investing activities	-	-
Cash flows from financing activities		
Net cash from financing activities	-	-
Net increase in cash and cash equivalents	386	324
Cash and cash equivalents as at January 1,	957	458
Cash and cash equivalents as at September 30,	1,343	782

7.4 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at September 30, 2017 and December 31, 2016 are as follows:

(1) Classified by products

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	September 30, 2017	**December 31, 2016**	**September 30, 2017**	**December 31, 2016**
Overdrafts	58,808	55,297	58,758	55,243
Loan against contract	760,956	737,450	779,261	782,688
Trade bill	289,856	296,147	288,346	297,178
Hire-purchase receivable	381,927	344,044	286,517	232,016
Lease contract receivable	14,811	14,413	3,684	3,452
Credit card receivable	51,461	56,542	-	-
Others	3,521	2,329	2,237	1,394
Total	1,561,340	1,506,222	1,418,803	1,371,971
Less Deferred revenue	(65,131)	(57,340)	(45,980)	(36,657)
Loans to customers after deferred revenue, net	1,496,209	1,448,882	1,372,823	1,335,314
Add Accrued interest receivables	4,377	3,865	2,767	2,316
Loans to customers and accrued interest receivable after deferred revenue, net	1,500,586	1,452,747	1,375,590	1,337,630
Less Allowance for doubtful accounts				
1) BOT requirement :				
- Individual approach	(26,246)	(24,525)	(21,475)	(20,006)
- Collective approach	(8,603)	(7,693)	(6,433)	(5,220)
2) Surplus reserve	(18,589)	(16,056)	(10,038)	(7,422)
Less Revaluation allowance for debt restructuring	(1,291)	(1,188)	(44)	(28)
Total loans to customers, net	1,445,857	1,403,285	1,337,600	1,304,954

(2) Classified by currency and residence of debtors

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	September 30, 2017			December 31, 2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,405,381	11,307	1,416,688	1,350,834	11,571	1,362,405
US Dollar	51,582	22,994	74,576	60,759	21,891	82,650
Other currencies	1,162	3,783	4,945	1,575	2,252	3,827
Total	1,458,125	38,084	1,496,209	1,413,168	35,714	1,448,882

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	September 30, 2017			December 31, 2016		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,298,859	10,614	1,309,473	1,253,181	10,846	1,264,027
US Dollar	51,583	7,883	59,466	60,759	6,079	66,838
Other currencies	1,162	2,722	3,884	1,575	2,874	4,449
Total	1,351,604	21,219	1,372,823	1,315,515	19,799	1,335,314

(3) Classified by business type and classification

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	September 30, 2017					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	17,925	1,108	116	113	806	20,068
Manufacturing and trading	358,561	13,060	4,906	1,685	7,919	386,131
Real estate and construction	86,267	3,761	841	280	1,736	92,885
Public utilities and services	149,242	13,279	276	178	1,640	164,615
Housing loans	204,068	1,754	830	1,248	2,912	210,812
Others	586,647	23,693	5,250	2,323	3,785	621,698
Total	1,402,710	56,655	12,219	5,827	18,798	1,496,209

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS					
	December 31, 2016					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	17,101	658	93	103	777	18,732
Manufacturing and trading	377,983	15,831	4,187	1,411	6,250	405,662
Real estate and construction	83,854	2,834	1,321	172	1,587	89,768
Public utilities and services	146,896	13,020	275	530	1,700	162,421
Housing loans	191,176	2,045	1,197	1,419	2,266	198,103
Others	539,300	23,350	5,491	2,241	3,814	574,196
Total	1,356,310	57,738	12,564	5,876	16,394	1,448,882

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	September 30, 2017					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	14,114	1,098	85	75	173	15,545
Manufacturing and trading	354,582	12,824	4,883	1,665	7,206	381,160
Real estate and construction	85,207	3,760	825	208	1,732	91,732
Public utilities and services	149,236	13,279	276	178	1,312	164,281
Housing loans	202,589	1,753	827	1,247	2,896	209,312
Others	491,064	14,013	1,949	1,778	1,989	510,793
Total	1,296,792	46,727	8,845	5,151	15,308	1,372,823

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS					
	December 31, 2016					
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	13,074	645	84	94	158	14,055
Manufacturing and trading	374,203	15,590	4,178	1,383	5,579	400,933
Real estate and construction	83,072	2,835	1,226	171	1,581	88,885
Public utilities and services	146,864	13,019	275	530	1,317	162,005
Housing loans	188,055	2,040	1,195	1,416	2,241	194,947
Others	457,110	11,815	2,095	1,539	1,930	474,489
Total	1,262,378	45,944	9,053	5,133	12,806	1,335,314

(4) Classified by type of classification

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	September 30, 2017			
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Use for Calculation Allowance	% Use for Calculation Allowance[(3)]	Allowance for Doubtful Accounts[(4)]
1. Minimum allowance per BOT guideline				
Normal	1,406,843	928,517	1, 2	11,049
Special mention	56,897	44,540	2, 14	3,120
Substandard	12,219	9,131	50, 100	7,555
Doubtful	5,827	3,471	45, 100	2,743
Doubtful of loss	18,800	8,604	100	10,382
Total	1,500,586	994,263		34,849 [(1)]
2. Surplus Reserve				18,589 [(2)]
Total				53,438

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	December 31, 2016			
	Loans to Customers and Accrued Interest Receivables	**Outstanding Balance Use for Calculation Allowance**	**% Use for Calculation Allowance[3]**	**Allowance for Doubtful Accounts[4]**
1. Minimum allowance per BOT guideline				
Normal	1,359,936	907,176	1	10,426
Special mention	57,976	45,028	2, 14	3,100
Substandard	12,564	8,493	50, 100	7,254
Doubtful	5,876	2,964	46, 100	2,388
Doubtful of loss	16,395	7,385	100	9,050
Total	1,452,747	971,046		32,218[1]
2. Surplus Reserve				16,056[2]
Total				48,274

[1] Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at September 30, 2017 and December 31, 2016, of Baht 8,603 million and Baht 7,693 million, respectively.

[2] Including allowance for doubtful accounts of loans granted to subsidiaries as at September 30, 2017 and December 31, 2016, at the rate of 1% of Baht 94,863 million and Baht 118,284 million equal to Baht 949 million and Baht 1,183 million, respectively, which are not eliminated but treated as surplus reserve in the consolidated financial statements.

[3] % set up are the minimum rates required by the BOT for loans to customers and the rates used for the collective approach valuation.

[4] Excluding revaluation allowance for debt restructuring as at September 30, 2017 and December 31, 2016, of Baht 1,291 million and Baht 1,188 million, respectively, and excluding allowance for doubtful accounts for interbank and money market items as at September 30, 2017 and December 31, 2016, of Baht 331 million and Baht 439 million, respectively.

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	September 30, 2017			
	Loans to Customers and Accrued Interest Receivables	**Outstanding Balance Use for Calculation Allowance**	**% Use for Calculation Allowance[3]**	**Allowance for Doubtful Accounts[4]**
1. Minimum allowance per BOT guideline				
Normal	1,299,410	830,185	1, 2	9,823
Special mention	46,876	35,141	2, 10	2,354
Substandard	8,845	5,905	38, 100	5,187
Doubtful	5,151	2,864	38, 100	2,364
Doubtful of loss	15,308	6,508	100	8,180
Total	1,375,590	880,603		27,908 [1]
2. Surplus Reserve				10,038 [2]
Total				37,946

				Unit: Million Baht
	THE BANK'S FINANCIAL STATEMENTS			
	December 31, 2016			
	Loans to Customers and Accrued Interest Receivables	**Outstanding Balance Use for Calculation Allowance**	**% Use for Calculation Allowance[3]**	**Allowance for Doubtful Accounts[4]**
1. Minimum allowance per BOT guideline				
Normal	1,264,559	819,366	1	9,378
Special mention	46,079	34,415	2, 12	2,157
Substandard	9,053	5,164	41, 100	4,819
Doubtful	5,133	2,280	41, 100	2,035
Doubtful of loss	12,806	5,356	100	6,837
Total	1,337,630	866,581		25,226[1]
2. Surplus Reserve				7,422[2]
Total				32,648

(1) Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at September 30, 2017 and December 31, 2016, of Baht 6,433 million and Baht 5,220 million, respectively.

(2) Including allowance for doubtful accounts of loan granted to subsidiaries as at September 30, 2017 and December 31, 2016, at the rate of 1% of Baht 94,863 million and Baht 118,284 million, equal to Baht 949 million and Baht 1,183 million, respectively.

(3) % set up are the minimum rates required by the BOT for loans to customers and the rates used for the collective approach valuation.

(4) Excluding revaluation allowance for debt restructuring as at September 30, 2017 and December 31, 2016, of Baht 44 million and Baht 28 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at September 30, 2017 and December 31, 2016, of Baht 331 million and Baht 439 million, respectively.

For the nine-month periods ended September 30, 2017 and 2016, the Bank entered into agreements to sell non-performing loans (NPLs) to the third parties as follows:

		Unit: Million Baht
	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS	
	2017	**2016**
Book value	1,858	1,152
Net book value	1,432	820
Sale price	1,432	820

As at September 30, 2017 and December 31, 2016, the Bank and Krungsri Ayudhya AMC Limited ("AMC") had non-performing loans which included interbank and money market items as follows:

			Unit: Million Baht
	September 30, 2017		
	The Bank	**AMC**	**The Bank and AMC**
Non-performing loans	29,304	503	29,807
Percentage of total loans	1.85	100.00	1.88
Non-performing loans, net	13,573	340	13,913
Percentage of total loans, net	0.87	100.00	0.89

	Unit: Million Baht		
	December 31, 2016		
	The Bank	**AMC**	**The Bank and AMC**
Non-performing loans	26,992	541	27,533
Percentage of total loans	1.84	100.00	1.88
Non-performing loans, net	13,300	359	13,659
Percentage of total loans, net	0.92	100.00	0.94

As at September 30, 2017 and December 31, 2016, the Bank and its subsidiaries' non-performing loans are Baht 36,844 million and Baht 34,834 million, respectively.

(5) Troubled debt restructuring

For the three-month and nine-month periods ended September 30, 2017 and 2016, the Bank and its subsidiaries had restructured the following debts:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

Form of Restructuring	For the three-month period ended September 30, 2017 Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	For the three-month period ended September 30, 2016 Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Modification of terms	6,281	867	-	-	5,855	1,458	-	-
Reduction of principal and interest	1,569	74	-	-	1,493	75	-	-
Various forms of restructuring	252	869	-	-	228	819	-	-
Total	8,102	1,810		-	7,576	2,352		-

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

Form of Restructuring	For the nine-month period ended September 30, 2017 Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	For the nine-month period ended September 30, 2016 Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Modification of terms	18,037	5,636	-	-	16,088	3,671	-	-
Reduction of principal and interest	5,111	251	-	-	4,817	244	-	-
Various forms of restructuring	743	5,531	-	-	612	4,641	-	-
Total	23,891	11,418		-	21,517	8,556		-

Unit : Million Baht

THE BANK'S FINANCIAL STATEMENTS

Form of Restructuring	For the three-month period ended September 30, 2017				For the three-month period ended September 30, 2016			
	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Modification of terms	619	458	-	-	330	671	-	-
Various forms of Restructuring	252	869	-	-	228	819	-	-
Total	871	1,327		-	558	1,490		-

Unit : Million Baht

THE BANK'S FINANCIAL STATEMENTS

Form of Restructuring	For the nine-month period ended September 30, 2017				For the nine-month period ended September 30, 2016			
	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value	Number of Debtors	Amount of Debt Before Restructuring	Type of Assets Acquired	Fair Value
Modification of terms	1,866	4,439	-	-	602	1,842	-	-
Various forms of restructuring	743	5,531	-	-	612	4,641	-	-
Total	2,609	9,970		-	1,214	6,483		-

For the nine-month periods ended September 30, 2017 and 2016, the Bank and its subsidiaries calculated the net realizable value for the trouble debt restructured by the modification of terms using the present value of future cash flows under the restructured loan agreement, discounted by the market rate, together with the fair value of collateral as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

Method	For the nine-month period ended September 30, 2017				For the nine-month period ended September 30, 2016			
	Average Aging (Year)	Number of Debtors	Amount of Debt Before Restructuring	Amount of Debt After Restructuring	Average Aging (Year)	Number of Debtors	Amount of Debt Before Restructuring	Amount of Debt After Restructuring
Present value of future cash flows	4.73	17,670	4,761	4,751	4.74	15,448	2,383	2,415
Fair value of collateral	8.30	367	875	875	7.05	640	1,288	1,286

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

Method	For the nine-month period ended September 30, 2017				For the nine-month period ended September 30, 2016			
	Average Aging (Year)	Number of Debtors	Amount of Debt Before Restructuring	Amount of Debt After Restructuring	Average Aging (Year)	Number of Debtors	Amount of Debt Before Restructuring	Amount of Debt After Restructuring
Present value of future cash flows	4.78	1,541	3,568	3,560	7.43	18	559	559
Fair value of collateral	9.38	325	871	871	7.72	584	1,283	1,281

For the three-month and nine-month periods ended September 30, 2017 and 2016, the Bank and its subsidiaries recognized losses on debt restructured and interest received from debt restructured in the statements of profit or loss and other comprehensive income as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended September 30,		THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended September 30,	
	2017	2016	2017	2016
Losses on debt restructured (reversal)	381	346	13	(9)
Interest received from debt restructured	298	176	193	132

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the nine-month periods ended September 30,		THE BANK'S FINANCIAL STATEMENTS For the nine-month periods ended September 30,	
	2017	2016	2017	2016
Losses on debt restructured (reversal)	1,138	718	25	(49)
Interest received from debt restructured	834	603	508	392

As at September 30, 2017 and December 31, 2016, the Bank and its subsidiaries recorded balances of total debt restructured and debt restructured during the nine-month period ended September 30, 2017 and during the year ended December 31, 2016, in the statements of financial position as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Balances of total debt restructured	21,005	19,541	16,178	14,803
Balances of debt restructured during the periods/years	10,331	11,976	9,306	9,880

(6) Lease receivables (Included hire-purchase receivables and finance lease)

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS September 30, 2017 Amount due per agreements			
	Within 1 Year	**Greater than 1-5 Years**	**Greater than 5 Years**	**Total**
Minimum lease payments	98,030	222,603	76,105	396,738
Less Unearned interest income				(65,104)
Present value of the minimum lease payments				331,634
Less Allowance for doubtful accounts				(12,560)
Total lease receivables, net				319,074

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS December 31, 2016 Amount due per agreements			
	Within 1 Year	**Greater than 1-5 Years**	**Greater than 5 Years**	**Total**
Minimum lease payments	94,225	204,456	59,776	358,457
Less Unearned interest income				(57,293)
Present value of the minimum lease payments				301,164
Less Allowance for doubtful accounts				(11,874)
Total lease receivables, net				289,290

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS September 30, 2017 Amount due per agreements			
	Within 1 Year	**Greater than 1-5 Years**	**Greater than 5 Years**	**Total**
Minimum lease payments	54,474	167,824	67,903	290,201
Less Unearned interest income				(45,962)
Present value of the minimum lease payments				244,239
Less Allowance for doubtful accounts				(6,433)
Total lease receivables, net				237,806

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	December 31, 2016			
	Amount due per agreements			
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	Total
Minimum lease payments	42,952	139,794	52,722	235,468
Less Unearned interest income				(36,619)
Present value of the minimum lease payments				198,849
Less Allowance for doubtful accounts				(5,220)
Total lease receivables, net				193,629

7.5 Allowance for doubtful accounts

Allowance for doubtful accounts as at September 30, 2017 and December 31, 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	September 30, 2017						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	10,426	3,100	7,254	2,388	9,050	16,056	48,274
Doubtful accounts	722	410	4,931	2,595	4,631	2,541	15,830
Bad debts written off	(88)	(390)	(4,627)	(2,233)	(2,873)	-	(10,211)
Bad debts written off from sales of NPLs	(3)	-	-	(4)	(425)	-	(432)
Other	(8)	-	(3)	(3)	(1)	(8)	(23)
Ending balance	11,049	3,120	7,555	2,743	10,382	18,589	53,438

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS						
	December 31, 2016						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	9,204	3,802	6,255	4,271	6,346	13,340	43,218
Items arising from business combination	143	-	26	12	6	18	205
Doubtful accounts (reversal)	1,256	(281)	6,356	1,125	9,277	2,727	20,460
Bad debts written off	(177)	(421)	(5,383)	(2,996)	(5,809)	(28)	(14,814)
Bad debts written off from sales of NPLs	-	-	-	(24)	(770)	-	(794)
Other	-	-	-	-	-	(1)	(1)
Ending balance	10,426	3,100	7,254	2,388	9,050	16,056	48,274

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS						
	September 30, 2017						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	9,378	2,157	4,819	2,035	6,837	7,422	32,648
Doubtful accounts	536	587	1,233	2,565	2,655	2,618	10,194
Bad debts written off	(88)	(390)	(865)	(2,232)	(887)	-	(4,462)
Bad debts written off from sales of NPLs	(3)	-	-	(4)	(425)	-	(432)
Other	-	-	-	-	-	(2)	(2)
Ending balance	9,823	2,354	5,187	2,364	8,180	10,038	37,946

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS						
	December 31, 2016						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	8,462	2,537	3,750	3,574	2,726	5,238	26,287
Doubtful accounts	1,092	41	1,499	1,482	5,683	2,185	11,982
Bad debts written off	(176)	(421)	(430)	(2,997)	(802)	-	(4,826)
Bad debts written off from sales of NPLs	-	-	-	(24)	(770)	-	(794)
Other	-	-	-	-	-	(1)	(1)
Ending balance	9,378	2,157	4,819	2,035	6,837	7,422	32,648

As at September 30, 2017 and December 31, 2016, the Bank and its subsidiaries estimated the minimum total allowance under the BOT Guidelines as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Allowance for doubtful accounts*	36,471	33,844	28,283	25,692

* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring.

The Bank and its subsidiaries recorded allowance for doubtful accounts* in the financial statements as follows:

Unit: Million Baht

	September 30, 2017	December 31, 2016
Consolidated financial statements	55,060	49,900
The Bank and Krungsri Ayudhya AMC Limited	38,642	33,433
The Bank's financial statements	38,321	33,114

* Such allowance for doubtful accounts consists of allowance for doubtful accounts for loans to customers and accrued interest receivables, allowance for doubtful accounts for interbank and money market items and revaluation allowance for debt restructuring.

As at September 30, 2017 and December 31, 2016, the Bank and its subsidiaries had loans to customers and accrued interest receivables to companies which have certain problems in financial position and result of operations as defined in the Guideline of SET dated July 8, 1998 regarding the Quality of Assets and Transactions with Related Parties and the allowance for doubtful accounts for such loans as follows:

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS September 30, 2017			
	Number	**Outstanding Balance**	**Collateral**	**Allowance for Doubtful Accounts**
Companies subject to be delisted by SET	4	2,236	673	1,581
Total	4	2,236	673	1,581

Unit: Million Baht

	CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS December 31, 2016			
	Number	**Outstanding Balance**	**Collateral**	**Allowance for Doubtful Accounts**
Companies subject to be delisted by SET	2	2,220	623	1,595
Total	2	2,220	623	1,595

7.6 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring as at September 30, 2017 and December 31, 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	September 30, 2017	**December 31, 2016**	**September 30, 2017**	**December 31, 2016**
Beginning balance	1,188	1,726	28	412
Increase (decrease) during the periods / years	1,138	786	25	(376)
Amount written off	(1,035)	(1,324)	(9)	(8)
Ending balance	1,291	1,188	44	28

7.7 Debt issued and borrowings

Debt issued and borrowings as at September 30, 2017 and December 31, 2016 are as follows:

Unit: Million Baht

	Currency	Interest rate (%)	Maturity	CONSOLIDATED FINANCIAL STATEMENTS					
				September 30, 2017			December 31, 2016		
				Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	3.50 - 4.70	2022-2027	41,851	-	41,851	24,844	-	24,844
	USD	7.50 - 10.85	2019-2027	-	841	841	-	907	907
Senior securities	THB	1.73 - 4.50	2017-2020	96,175	-	96,175	89,275	-	89,275
Bill of exchange	THB	0.81 - 1.12	2017	6,272	-	6,272	41,817	-	41,817
Other borrowings	THB	0.00 - 9.00	2018-2023	2	275	277	7	339	346
	USD	0.00 - 7.59	2017-2023	-	2,726	2,726	-	3,037	3,037
	KHR	10.25 - 11.80	2017-2018	-	80	80	-	100	100
				144,300	3,922	148,222	155,943	4,383	160,326

Unit: Million Baht

	Currency	Interest rate (%)	Maturity	THE BANK'S FINANCIAL STATEMENTS					
				September 30, 2017			December 31, 2016		
				Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated debentures	THB	3.50 - 4.70	2022-2027	41,851	-	41,851	24,844	-	24,844
Senior securities	THB	1.86 - 2.89	2017-2020	68,000	-	68,000	67,500	-	67,500
Bill of exchange	THB	0.81 - 1.12	2017	6,272	-	6,272	41,568	-	41,568
Other borrowings	THB	0.00	2023	2	-	2	7	-	7
				116,125	-	116,125	133,919	-	133,919

Additional information on debts issued and borrowings is as follows:

1. On November 7, 2012, the Bank issued subordinated debentures No. 1/2012 in the amount of Baht 14,844 million for a 10-year tenor at the fixed interest rate of 4.7% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on the fifth anniversary of the issued date or on any interest payment date after the fifth anniversary subject to the approval of the BOT.

2. On August 11, 2016, the Bank issued subordinated debentures No. 1/2016 in amount of Baht 10,000 million for a 10-year and 6-month tenor at the fixed interest rate of 3.5% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on any interest payment date after the fifth anniversary subject to the approval of the BOT.

3. On May 24, 2017, the Bank issued subordinated debentures No. 1/2017 in amount of Baht 17,007 million for a 10-year and 6-month tenor at the fixed interest rate of 3.9% per annum, payable quarterly in February, May, August and November of each year. The Bank has the right to redeem subordinated debentures on any interest payment date after the fifth anniversary subject to the approval of the BOT.

7.8 Provisions

Provisions for the nine-month period ended September 30, 2017 and for the year ended December 31, 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance at January 1, 2016	**Increase (Decrease)**	**Balance at December 31, 2016**	**Increase (Decrease)**	**Balance at September 30, 2017**
Provision for post-employment benefits obligation	4,751	490	5,241	391	5,632
Others	2,008	84	2,092	81	2,173
Total	6,759	574	7,333	472	7,805

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS				
	Balance at January 1, 2016	**Increase (Decrease)**	**Balance at December 31, 2016**	**Increase (Decrease)**	**Balance at September 30, 2017**
Provision for post-employment benefits obligation	4,157	323	4,480	301	4,781
Others	1,981	(5)	1,976	51	2,027
Total	6,138	318	6,456	352	6,808

7.9 Dividend payment

The Annual General Meeting of Shareholders No. 104 held on April 28, 2016, approved the dividend payment for the six-month period ended December 31, 2015 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on May 26, 2016.

The Board of Directors' Meeting No. 8/2016 held on August 24, 2016, approved the interim dividend payment for the six-month period ended June 30, 2016 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on September 22, 2016.

The Annual General Meeting of Shareholders No. 105 held on April 27, 2017, approved the dividend payment for the six-month period ended December 31, 2016 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.45 per share totaling Baht 3,310 million with payment date on May 25, 2017.

The Board of Directors' Meeting No. 8/2017 held on August 23, 2017, approved the interim dividend payment for the six-month period ended June 30, 2017 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.40 per share totaling Baht 2,942 million with payment date on September 21, 2017.

7.10 Assets with obligations and restrictions

As at September 30, 2017 and December 31, 2016, government and state enterprise securities with book value of Baht 9,114 million and Baht 38,737 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

7.11 Contingencies

Contingencies as at September 30, 2017 and December 31, 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	September 30, 2017	December 31, 2016	September 30, 2017	December 31, 2016
Avals to bills	1,604	1,475	1,604	1,475
Guarantees of loans	77	90	77	90
Liability under unmatured import bills	1,380	1,601	1,380	1,601
Letters of credit	8,590	8,425	8,590	8,425
Other contingencies				
- Unused overdraft limit	6,232	17,903	6,232	17,903
- Unused credit line	31,663	31,968	33,797	31,962
- Other guarantees	62,665	60,038	62,665	60,038
- Others	387	196	387	196
Total	112,598	121,696	114,732	121,690

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2019 with a local company. As at September 30, 2017 and December 31, 2016, the Bank and its subsidiaries have a commitment to pay in the amounts of Baht 1,217 million and Baht 1,885 million, respectively.

As at September 30, 2017 and December 31, 2016, the Bank has commitments to pay regarding the information technology services the amounts of Baht 3,008 million and Baht 1,496 million, respectively.

As at September 30, 2017 and December 31, 2016, the Bank has commitment payment amount of Baht 756 million and Baht 1,479 million as a result of entering to the construction agreement of the office building, respectively.

7.12 Related party transactions

The Bank has business transactions with subsidiaries, joint ventures and related companies. These transactions are with companies that have shareholding and/or major shareholders and/or joint directors with the Bank and with related persons. Such loans to related party have the allowance for doubtful accounts policy which comply with the same BOT regulations as those granted to other debtors.

According to the Bank of Thailand’s Notification Sor.Nor.Sor. 8/2560 regarding the “Guideline on Consolidated Supervision” dated April 27, 2017, the Bank is required to disclose the Inter-Group Transactions in the Financial Business Group Policy and the Risk Management for Inter-Group Transactions in the Financial Business Group Policy as follows:

1. The Inter-Group Transactions in the Financial Business Group Policy

   The inter-group transactions shall be the same conditions or criteria, including interest rate or service fee charged, as applied when the Bank conducts the transactions with general customers with the same risk level.

2. The Risk Management for Inter-Group Transactions in the Financial Business Group Policy

   The Bank manages risk for all inter-group transactions based on the Credit Risk Management for the Financial Business Policy which covers the key credit risk management process, namely credit risk control, credit risk measurement, and credit risk monitoring, in accordance with the Bank’s policy and the Bank of Thailand’s requirements.

Related party transactions are as follows:

7.12.1 Assets, liabilities and contingencies with certain officers from the levels of Bank’s Directors, Executive Vice Presidents and higher, and Vice Presidents/equivalent positions and higher in the Finance and Accounting Functions and the companies in which they and/or the Bank directors and/or their related parties and/or the Bank owned and the companies in which the directors and/or shareholders of the Bank have significant voting right either directly and indirectly, as at September 30, 2017 and December 31, 2016 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2017

	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company												
The Bank of Tokyo-Mitsubishi UFJ Ltd.	15,507	-	-	1,713	1,240	-	217,398	-	1,971	799	327,026	7,513
Total	15,507	-	-	1,713	1,240	-	217,398	-	1,971	799	327,026	7,513
Joint ventures												
Tesco Card Services Limited	-	9,376	21	-	36	537	-	-	-	1	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	133	-	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	537	-	-	-	-	-	-
Less Allowance for doubtful accounts	-	(94)	-	-	-	-	-	-	-	-	-	-
Total	-	9,282	21	-	36	1,207	-	-	-	1	-	-
Related companies having joint major shareholders or directors	-	7,658	36	496	16	6,855	49	-	58	21	17,869	1,520
Less Allowance for doubtful accounts	-	(74)	-	-	-	-	-	-	-	-	-	-
Total	-	7,584	36	496	16	6,855	49	-	58	21	17,869	1,520
Individual and related parties	-	441	-	-	-	3,787	-	-	-	696	-	-
Less Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	441	-	-	-	3,787	-	-	-	696	-	-
Total	15,507	17,307	57	2,209	1,292	11,849	217,447	-	2,029	1,517	344,895	9,033

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016

	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company												
The Bank of Tokyo-Mitsubishi UFJ Ltd.	18,243	-	-	3,533	790	-	231,673	-	3,432	507	436,115	7,409
Total	18,243	-	-	3,533	790	-	231,673	-	3,432	507	436,115	7,409
Joint ventures												
Tesco Card Services Limited	-	8,502	24	-	89	288	-	-	-	4	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	126	-	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	1	554	-	-	-	-	-	-
Less Allowance for doubtful accounts	-	(85)	-	-	-	-	-	-	-	-	-	-
Total	-	8,417	24	-	90	968	-	-	-	4	-	-
Related companies having joint major shareholders or directors	12	18,141	38	200	-	9,585	263	1,094	356	10	28,597	2,170
Less Allowance for doubtful accounts	-	(77)	-	-	-	-	-	-	-	-	-	-
Total	12	18,064	38	200	-	9,585	263	1,094	356	10	28,597	2,170
Individual and related parties	-	469	-	-	-	1,178	-	-	-	396	-	-
Less Allowance for doubtful accounts	-	(1)	-	-	-	-	-	-	-	-	-	-
Total	-	468	-	-	-	1,178	-	-	-	396	-	-
Total	18,255	26,949	62	3,733	880	11,731	231,936	1,094	3,788	917	464,712	9,579

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

September 30, 2017

	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company												
The Bank of Tokyo-Mitsubishi UFJ Ltd.	15,507	-	-	1,713	1,240	-	217,398	-	1,971	799	327,026	7,513
Total	15,507	-	-	1,713	1,240	-	217,398	-	1,971	799	327,026	7,513
Subsidiaries												
Ayudhya Development Leasing Company Limited	-	6,864	1	-	4	15	-	-	-	1	-	44
Ayudhya Capital Auto Lease Public Company	-	21,573	89	-	126	1,571	-	-	-	106	-	-
Ngern Tid Lor Company Limited	-	4,420	1	-	10	128	-	-	-	-	-	2
Ayudhya Capital Services Company Limited	-	27,891	87	-	44	738	-	-	-	11	-	3
General Card Services Limited	-	8,727	20	-	10	275	-	-	-	-	-	-
Krungsriayudhya Card Company Limited	-	20,743	36	-	195	786	-	-	-	5	-	1
Siam Realty and Services Security Company Limited	-	510	-	-	-	27	-	-	-	67	-	-
Total Services Solutions Public Company Limited	-	-	-	-	1	1,289	-	-	-	9	-	-
Krungsri Asset Management Company Limited	-	-	-	-	93	-	2,939	-	-	11	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	1	1,343	-	-	-	64	-	35
Krungsri Securities Public Company Limited	-	-	-	-	2	5	2,354	-	-	7	-	-
Krungsri Factoring Company Limited	-	-	-	-	-	204	-	-	-	-	-	-
Krungsri Life Assurance Broker Company Limited	-	-	-	-	-	1,020	-	-	-	1	-	-
Krungsri General Insurance Broker Company Limited	-	-	-	-	-	1,326	-	-	-	1	-	-

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

September 30, 2017

	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Subsidiaries (Continued)												
Krungsri Leasing Services Company Limited	-	3,468	1	-	5	62	-	-	-	-	-	-
Hattha Kaksekar Limited	-	667	16	26	1	-	-	-	-	-	1,802	-
Krungsri Finnovate Company Limited	-	-	-	-	5	620	-	-	-	-	-	-
Total	-	94,863	251	26	497	9,409	5,293	-	-	283	1,802	85
Less Allowance for doubtful accounts	-	(949)	-	-	-	-	-	-	-	-	-	-
Total	-	93,914	251	26	497	9,409	5,293	-	-	283	1,802	85
Joint ventures												
Tesco Card Services Limited	-	9,376	21	-	7	537	-	-	-	-	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	133	-	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	537	-	-	-	-	-	-
Less Allowance for doubtful accounts	-	(94)	-	-	-	-	-	-	-	-	-	-
Total	-	9,282	21	-	7	1,207	-	-	-	-	-	-
Related companies having joint major shareholders or directors	-	7,658	36	496	-	6,855	49	-	58	14	17,869	1,520
Less Allowance for doubtful accounts	-	(74)	-	-	-	-	-	-	-	-	-	-
Total	-	7,584	36	496	-	6,855	49	-	58	14	17,869	1,520
Individual and related parties	-	384	-	-	-	3,612	-	-	-	528	-	-
Total	15,507	111,164	308	2,235	1,744	21,083	222,740	-	2,029	1,624	346,697	9,118

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

December 31, 2016

	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company												
The Bank of Tokyo-Mitsubishi UFJ Ltd.	18,243	-	-	3,533	790	-	231,673	-	3,432	507	436,115	7,409
Total	18,243	-	-	3,533	790	-	231,673	-	3,432	507	436,115	7,409
Subsidiaries												
Ayudhya Development Leasing Company Limited	-	5,484	1	-	3	2	-	-	-	1	-	45
Ayudhya Capital Auto Lease Public Company	-	35,857	113	-	118	411	-	-	-	145	-	-
Ngern Tid Lor Company Limited	-	5,055	2	-	11	105	-	-	-	-	-	1
Ayudhya Capital Services Company Limited	-	26,255	79	-	67	996	-	-	-	13	-	3
General Card Services Limited	-	12,506	25	-	53	315	-	-	-	-	-	-
Krungsriayudhya Card Company Limited	-	30,821	47	-	456	864	-	-	-	7	-	1
Siam Realty and Services Security Company Limited	-	555	-	-	1	41	-	-	-	51	-	-
Total Services Solutions Public Company Limited	-	-	-	-	2	1,211	-	-	-	11	-	-
Krungsri Asset Management Company Limited	-	-	-	-	68	-	2,376	-	-	6	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	5	957	-	-	-	65	-	38
Krungsri Securities Public Company Limited	-	-	-	-	3	3	1,417	-	-	7	136	-
Krungsri Factoring Company Limited	-	-	-	-	1	196	-	-	-	1	-	-
Krungsri Life Assurance Broker Company Limited	-	-	-	-	-	889	-	-	-	1	-	-
Krungsri General Insurance Broker Company Limited	-	-	-	-	-	1,363	-	-	-	1	-	-

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

December 31, 2016

	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Borrowings	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Subsidiaries (Continued)												
Krungsri Leasing Services Company Limited	-	1,751	1	-	1	92	-	-	-	-	-	-
Hattha Kaksekar Limited	-	-	-	-	1	-	-	-	-	-	-	-
Total	-	118,284	268	-	790	7,445	3,793	-	-	309	136	88
Less Allowance for doubtful accounts	-	(1,183)	-	-	-	-	-	-	-	-	-	-
Total	-	117,101	268	-	790	7,445	3,793	-	-	309	136	88
Joint ventures												
Tesco Card Services Limited	-	8,502	24	-	31	288	-	-	-	-	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	126	-	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	1	554	-	-	-	-	-	-
Less Allowance for doubtful accounts	-	(85)	-	-	-	-	-	-	-	-	-	-
Total	-	8,417	24	-	32	968	-	-	-	-	-	-
Related companies having joint major shareholders or directors	12	18,141	38	200	-	9,585	263	1,094	356	10	28,597	2,170
Less Allowance for doubtful accounts	-	(77)	-	-	-	-	-	-	-	-	-	-
Total	12	18,064	38	200	-	9,585	263	1,094	356	10	28,597	2,170
Individual and related parties	-	405	-	-	-	1,178	-	-	-	271	-	-
Total	18,255	143,987	330	3,733	1,612	19,176	235,729	1,094	3,788	1,097	464,848	9,667

As at September 30, 2017 and December 31, 2016, the Bank charges interest rates to related parties at 0.10% - 26.47% p.a. and 0.60% - 23.00% p.a., respectively.

As at September 30, 2017 and December 31, 2016, the allowance for doubtful accounts of loans granted to subsidiaries of Baht 949 million and Baht 1,183 million, respectively, are not eliminated but treated as surplus reserve in the consolidated financial statements.

7.12.2 The Bank has investments in subsidiaries and joint ventures as disclosed in Note 7.3 and has investments in related companies as follows:

Unit: Million Baht

				CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS			
				September 30, 2017		December 31, 2016	
	Business Type	Registered Share Capital	Ownership (%)	Investment Cost	Dividend Amount	Investment Cost	Dividend Amount
Related company							
Sri Ayudhya Capital Public Company Limited	Investment holding company	250	8.50	326	37	326	43
Less Allowance for impairment				(5)	-	(5)	-
Investment in related company, net				321	37	321	43

7.12.3 Income and expenses between the Bank and its subsidiaries, joint ventures and related companies for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	For the three-month period ended September 30, 2017				For the three-month period ended September 30, 2016			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
The Bank of Tokyo-Mitsubishi UFJ Ltd.	-	94	781	151	1	(279)	527	302
Total	-	94	781	151	1	(279)	527	302
Joint ventures								
Tesco Card Services Limited	60	125	-	-	57	102	-	1
Tesco Life Assurance Broker Company Limited	-	2	-	-	-	2	-	-
Tesco General Insurance Broker Limited	-	5	1	-	-	5	1	-
Total	60	132	1	-	57	109	1	1
Related companies having joint major shareholders or directors	48	186	13	64	100	51	19	38
Total	48	186	13	64	100	51	19	38
Individual and related parties	4	1	39	-	3	1	3	-
Total	112	413	834	215	161	(118)	550	341

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS							
	For the nine-month period ended September 30, 2017				For the nine-month period ended September 30, 2016			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
The Bank of Tokyo-Mitsubishi UFJ Ltd.	1	(915)	2,204	439	4	(1,544)	1,469	634
Total	1	(915)	2,204	439	4	(1,544)	1,469	634
Joint ventures								
Tesco Card Services Limited	171	369	-	3	176	345	-	3
Tesco Life Assurance Broker Company Limited	-	4	1	-	-	4	1	-
Tesco General Insurance Broker Limited	-	17	3	-	-	15	3	-
Total	171	390	4	3	176	364	4	3
Related companies having joint major shareholders or directors	204	960	61	248	240	244	47	136
Total	204	960	61	248	240	244	47	136
Individual and related parties	13	3	55	-	9	2	8	-
Total	389	438	2,324	690	429	(934)	1,528	773

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

	For the three-month period ended September 30, 2017				For the three-month period ended September 30, 2016			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
The Bank of Tokyo-Mitsubishi UFJ Ltd.	-	94	781	151	1	(279)	527	302
Total	-	94	781	151	1	(279)	527	302
Subsidiaries								
Ayudhya Development Leasing Company Limited	59	2	-	(4)	26	6	-	-
Ayudhya Capital Auto Lease Public Company Limited	239	137	4	138	453	161	-	105
Ngern Tid Lor Company Limited	41	6	-	-	50	15	-	-
Ayudhya Capital Services Company Limited	186	66	-	(11)	177	63	-	9
General Card Services Limited	55	2	-	2	71	9	-	1
Krungsriayudhya Card Company Limited	149	(25)	-	40	156	43	-	37
Siam Realty and Services Security Company Limited	3	-	-	128	3	1	-	128
Total Services Solutions Public Company Limited	-	-	4	13	-	-	4	20
Krungsri Asset Management Company Limited	-	257	9	7	-	201	6	2
Krungsri Ayudhya AMC Limited	-	-	-	(2)	-	3	-	-
Krungsri Securities Public Company Limited	-	4	5	-	-	5	4	2
Krungsri Factoring Company Limited	-	1	-	(1)	-	1	-	-
Krungsri Life Assurance Broker Limited	-	-	3	-	-	-	3	-
Krungsri General Insurance Broker Limited	-	1	4	-	-	-	4	-
Krungsri Leasing Services Company Limited	46	(6)	-	-	14	-	-	-
Hattha Kaksekar Limited	12	28	-	-	-	-	-	-
Krungsri Finnovate Company Limited	-	2	-	-	-	-	-	-
Total	790	475	29	310	950	508	21	304
Joint ventures								
Tesco Card Services Limited	60	5	-	1	57	6	-	1
Tesco General Insurance Broker Limited	-	2	1	-	-	2	1	-
Total	60	7	1	1	57	8	1	1
Related companies having joint major shareholders or directors	48	184	13	43	100	51	19	38
Total	48	184	13	43	100	51	19	38
Individual and related parties	4	1	4	-	2	1	2	-
Total	902	761	828	505	1,110	289	570	645

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS							
	For the nine-month period ended September 30, 2017				For the nine-month period ended September 30, 2016			
	Income		Expenses		Income		Expenses	
	Interest income	Non-interest income	Interest expenses	Non-interest expenses	Interest income	Non-interest income	Interest expenses	Non-interest expenses
Parent company								
The Bank of Tokyo-Mitsubishi UFJ Ltd.	1	(915)	2,204	439	4	(1,544)	1,469	634
Total	1	(915)	2,204	439	4	(1,544)	1,469	634
Subsidiaries								
Ayudhya Development Leasing Company Limited	160	10	-	(4)	81	13	-	-
Ayudhya Capital Auto Lease Public Company Limited	848	426	11	429	1,633	469	1	305
Ngern Tid Lor Company Limited	133	34	-	1	168	37	-	1
Ayudhya Capital Services Company Limited	553	210	-	5	543	184	-	31
General Card Services Limited	170	23	-	5	220	26	-	3
Krungsriayudhya Card Company Limited	464	75	1	125	484	126	-	106
Siam Realty and Services Security Company Limited	9	3	-	391	10	2	-	387
Total Services Solutions Public Company Limited	-	1	14	38	-	1	12	64
Krungsri Asset Management Company Limited	-	659	24	10	-	449	13	5
Krungsri Ayudhya AMC Limited	-	5	1	(2)	-	8	1	-
Krungsri Securities Public Company Limited	-	16	13	3	-	15	11	7
Krungsri Factoring Company Limited	-	3	-	(1)	-	4	-	-
Krungsri Life Assurance Broker Limited	-	1	8	-	-	1	7	-
Krungsri General Insurance Broker Limited	-	1	11	-	-	1	9	-
Krungsri Leasing Services Company Limited	102	4	-	-	36	-	-	-
Hattha Kaksekar Limited	21	28	-	-	-	-	-	-
Krungsri Finnovate Company Limited	-	4	-	-	-	-	-	-
Total	2,460	1,503	83	1,000	3,175	1,336	54	909
Joint ventures								
Tesco Card Services Limited	171	19	-	3	176	17	-	2
Tesco Life Assurance Broker Company Limited	-	-	1	-	-	-	1	-
Tesco General Insurance Broker Limited	-	8	3	-	-	7	3	-
Total	171	27	4	3	176	24	4	2
Related companies having joint major shareholders or directors	204	955	61	185	240	244	47	136
Total	204	955	61	185	240	244	47	136
Individual and related parties	11	3	10	-	7	2	6	-
Total	2,847	1,573	2,362	1,627	3,602	62	1,580	1,681

7.12.4 For the nine-month periods ended September 30, 2017 and 2016, related party transactions among subsidiaries included collection services and other services of Baht 718 million and Baht 735 million, respectively, and office and vehicle rental and facilities service of Baht 53 million and Baht 47 million, respectively.

7.12.5 For the nine-month periods ended September 30, 2017 and 2016, subsidiaries had related party transactions from the licenses relevant to technology and software for Baht 38 million and Baht 39 million, respectively.

7.12.6 For the nine-month periods ended September 30, 2017 and 2016, related party transactions among subsidiaries from other services were Baht 1,075 million and Baht 1,139 million, respectively.

7.13 Management compensation

The Bank and its subsidiaries have no special benefits given to the directors and executive officers beyond the general benefits made as usual, including contingency benefits from employment compensation agreements and other benefits for those persons.

The Bank and its subsidiaries did not sell, give or lease any properties to directors, executive officers, or their related parties, or did not purchased or leased any assets from those persons, except, during the nine-month period ended September 30, 2017 the subsidiary had sold assets to managements in the amount of Baht 6 million with the book value of Baht 6 million.

For the three-month and nine-month periods ended September 30, 2017 and 2016, compensations paid to key management personnel under TAS 24 (Revised 2016) "Related Party Disclosures" are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended September 30,		THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended September 30,	
	2017	2016	2017	2016
Short-term employee benefits	445	397	284	264
Post-employment benefits	15	13	10	9
Total	460	410	294	273

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the nine-month periods ended September 30,		THE BANK'S FINANCIAL STATEMENTS For the nine-month periods ended September 30,	
	2017	2016	2017	2016
Short-term employee benefits	1,338	1,349	875	915
Post-employment benefits	44	40	29	28
Other long-term benefits	16	-	15	-
Total	1,398	1,389	919	943

7.14 Operating segments

The business segment results are prepared based on the Bank and its subsidiaries' internal management reporting which reflects the organizational management structure. The operating results by business segment provided to Chief Operating Decision Maker to make decision about resources allocations, and assess the performance of operating segments. The operating segment results are measured in accordance with Thai Financial Reporting Standards, which are also adjusted in accordance with internal management accounting rules and practices. Amounts for each business segment are shown after the allocation of certain centralized costs, income from investment, and the application of transfer pricing, where appropriate.
Transactions between segments are recorded on the same basis as the transaction conducted with the third party transactions. Transactions between segments are eliminated on consolidation.

The business segments are described below:

Retail: provides individual customers with a diverse range of banking and related financial services. The products and services available to customers include current and savings accounts, fixed deposits, bill of exchange, housing loan, credit cards, personal loans and sale finance loans, hire-purchase and leasing, wealth management and bancassurance products.

Commercial: provides financial services and products to institutional clients including corporate, small and medium-sized businesses and financial institutions. Products and services comprise the full range of credit facilities from short term working capital, cash management, trade finance, transactional banking, advisory services, and treasury and money markets products.

Others: encompasses other income and expenses generating activities that are not attributed to the business segments described above and eliminated transactions for preparation of consolidated financial statements.

During the three-month and nine-month periods ended September 30, 2017 and 2016, no revenue from transactions with a single external customer or counter party amounted to 10% or more of the Bank's total revenue.

Operating segment by businesses for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month period ended September 30, 2017			
	Retail	**Commercial**	**Others**	**Total**
Interest income, net	11,793	5,539	14	17,346
Other operating income	6,378	2,219	(387)	8,210
Total operating income	18,171	7,758	(373)	25,556
Operating expenses	9,203	2,850	(263)	11,790
Impairment loss of loans and debt securities (reversal)	3,764	(93)	2,506	6,177
Profit (loss) before tax	5,204	5,001	(2,616)	7,589
Taxation	1,050	916	(486)	1,480
Net profit (loss)	4,154	4,085	(2,130)	6,109

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month period ended September 30, 2016			
	Retail	**Commercial**	**Others**	**Total**
Interest income, net	9,831	5,742	5	15,578
Other operating income	5,723	2,566	(312)	7,977
Total operating income	15,554	8,308	(307)	23,555
Operating expenses	8,121	2,411	348	10,880
Impairment loss of loans and debt securities (reversal)	3,908	(348)	1,715	5,275
Profit (loss) before tax	3,525	6,245	(2,370)	7,400
Taxation	714	1,248	(468)	1,494
Net profit (loss)	2,811	4,997	(1,902)	5,906

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the nine-month period ended September 30, 2017			
	Retail	**Commercial**	**Others**	**Total**
Interest income, net	34,281	16,459	27	50,767
Other operating income	18,319	6,133	(1,143)	23,309
Total operating income	52,600	22,592	(1,116)	74,076
Operating expenses	26,441	8,398	238	35,077
Impairment loss of loans and debt securities	11,497	2,745	2,618	16,860
Profit (loss) before tax	14,662	11,449	(3,972)	22,139
Taxation	2,931	2,071	(658)	4,344
Net profit (loss)	11,731	9,378	(3,314)	17,795

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the nine-month period ended September 30, 2016			
	Retail	**Commercial**	**Others**	**Total**
Interest income, net	28,187	17,630	8	45,825
Other operating income	16,827	6,287	(965)	22,149
Total operating income	45,014	23,917	(957)	67,974
Operating expenses	23,406	6,993	950	31,349
Impairment loss of loans and debt securities	11,731	1,375	2,838	15,944
Profit (loss) before tax	9,877	15,549	(4,745)	20,681
Taxation	1,978	3,190	(948)	4,220
Net profit (loss)	7,899	12,359	(3,797)	16,461

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	Retail	**Commercial**	**Others**	**Total**
Total assets				
As at September 30, 2017	780,087	1,342,708	(164,625)	1,958,170
As at December 31, 2016	723,458	1,343,525	(183,795)	1,883,188

7.15 Position and results of operations classified by domestic and foreign business

(1) Position classified by type of business

Position classified by domestic and foreign business as at September 30, 2017 and December 31, 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	September 30, 2017			
	Domestic	Foreign	Elimination	Total
Total assets	1,932,878	36,786	(11,494)	1,958,170
Interbank and money market items, net (Assets)	258,282	7,284	-	265,566
Investments, net*	93,528	1	-	93,529
Loans to customers and accrued interest receivable, net	1,423,822	22,035	-	1,445,857
Deposits	1,183,146	14,137	-	1,197,283
Interbank and money market items, net (Liabilities)	286,844	3,594	-	290,438
Debt issued and borrowings	143,632	4,590	-	148,222

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	December 31, 2016			
	Domestic	Foreign	Elimination	Total
Total assets	1,859,911	29,055	(5,778)	1,883,188
Interbank and money market items, net (Assets)	192,861	7,422	-	200,283
Investments, net*	133,700	1	-	133,701
Loans to customers and accrued interest receivable, net	1,384,619	18,666	-	1,403,285
Deposits	1,093,458	14,830	-	1,108,288
Interbank and money market items, net (Liabilities)	311,917	2,483	-	314,400
Debt issued and borrowings	155,968	4,358	-	160,326

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	September 30, 2017			
	Domestic	Foreign	Elimination	Total
Total assets	1,870,292	9,346	(7,273)	1,872,365
Interbank and money market items, net (Assets)	256,877	4,388	-	261,265
Investments, net*	148,855	-	-	148,855
Loans to customers and accrued interest receivable, net	1,336,496	1,104	-	1,337,600
Deposits	1,192,555	1,916	-	1,194,471
Interbank and money market items, net (Liabilities)	295,604	-	-	295,604
Debt issued and borrowings	116,125	-	-	116,125

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS			
	December 31, 2016			
	Domestic	**Foreign**	**Elimination**	**Total**
Total assets	1,803,616	6,287	(3,936)	1,805,967
Interbank and money market items, net (Assets)	191,464	2,989	-	194,453
Investments, net*	187,473	-	-	187,473
Loans to customers and accrued interest receivable, net	1,303,858	1,096	-	1,304,954
Deposits	1,100,903	2,011	-	1,102,914
Interbank and money market items, net (Liabilities)	317,462	21	-	317,483
Debt issued and borrowings	133,919	-	-	133,919

*Includes investments in subsidiaries and joint ventures, net

(2) Results of operations classified by business

Results of operations classified by domestic and foreign business for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month period ended September 30, 2017			
	Domestic	**Foreign**	**Elimination**	**Total**
Interest income	23,130	893	(49)	23,974
Interest expenses	6,316	367	(55)	6,628
Net interest income	16,814	526	6	17,346
Fees and service income, net	5,024	14	-	5,038
Other operating income	5,220	22	(2,070)	3,172
Other operating expenses	19,682	349	(2,064)	17,967
Profit from operating before tax	7,376	213	-	7,589

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS			
	For the three-month period ended September 30, 2016			
	Domestic	**Foreign**	**Elimination**	**Total**
Interest income	21,308	206	(39)	21,475
Interest expenses	5,847	89	(39)	5,897
Net interest income	15,461	117	-	15,578
Fees and service income, net	4,592	9	-	4,601
Other operating income	4,778	4	(1,406)	3,376
Other operating expenses	17,460	101	(1,406)	16,155
Profit from operating before tax	7,371	29	-	7,400

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the nine-month period ended September 30, 2017			
	Domestic	**Foreign**	**Elimination**	**Total**
Interest income	67,606	2,677	(123)	70,160
Interest expenses	18,421	1,101	(129)	19,393
Net interest income	49,185	1,576	6	50,767
Fees and service income, net	14,310	35	-	14,345
Other operating income	13,891	77	(5,004)	8,964
Other operating expenses	55,705	1,230	(4,998)	51,937
Profit from operating before tax	21,681	458	-	22,139

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the nine-month period ended September 30, 2016			
	Domestic	**Foreign**	**Elimination**	**Total**
Interest income	63,168	306	(39)	63,435
Interest expenses	17,533	116	(39)	17,610
Net interest income	45,635	190	-	45,825
Fees and service income, net	13,424	28	-	13,452
Other operating income	13,729	59	(5,091)	8,697
Other operating expenses	52,197	187	(5,091)	47,293
Profit from operating before tax	20,591	90	-	20,681

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS For the three-month period ended September 30, 2017			
	Domestic	**Foreign**	**Elimination**	**Total**
Interest income	16,407	17	-	16,424
Interest expenses	6,199	3	-	6,202
Net interest income	10,208	14	-	10,222
Fees and service income, net	2,360	5	-	2,365
Other operating income	3,998	11	(2,067)	1,942
Other operating expenses	13,527	18	(2,067)	11,478
Profit from operating before tax	3,039	12	-	3,051

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS For the three-month period ended September 30, 2016			
	Domestic	**Foreign**	**Elimination**	**Total**
Interest income	14,871	22	-	14,893
Interest expenses	5,700	3	-	5,703
Net interest income	9,171	19	-	9,190
Fees and service income, net	2,272	6	-	2,278
Other operating income	4,790	(3)	(1,406)	3,381
Other operating expenses	11,860	24	(1,406)	10,478
Profit (loss) from operating before tax	4,373	(2)	-	4,371

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS For the nine-month period ended September 30, 2017			
	Domestic	Foreign	Elimination	Total
Interest income	47,752	49	-	47,801
Interest expenses	18,049	8	-	18,057
Net interest income	29,703	41	-	29,744
Fees and service income, net	6,903	17	-	6,920
Other operating income	13,219	50	(4,998)	8,271
Other operating expenses	38,210	186	(4,998)	33,398
Profit (loss) from operating before tax	11,615	(78)	-	11,537

Unit: Million Baht

	THE BANK'S FINANCIAL STATEMENTS For the nine-month period ended September 30, 2016			
	Domestic	Foreign	Elimination	Total
Interest income	44,289	77	-	44,366
Interest expenses	17,133	7	-	17,140
Net interest income	27,156	70	-	27,226
Fees and service income, net	6,532	20	-	6,552
Other operating income	15,341	50	(5,091)	10,300
Other operating expenses	35,523	72	(5,091)	30,504
Profit from operating before tax	13,506	68	-	13,574

Income and expenses between the head office and branches or inter-branches are determined by the head office at the rate which approximates actual cost.

7.16 Interest income

Interest income for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended September 30,		THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended September 30,	
	2017	2016	2017	2016
Interbank and money market items	818	711	816	710
Investment and trading transactions	17	38	17	38
Investment in debt securities	484	540	484	540
Loans to customers	15,452	13,988	11,241	10,762
Hire purchase and finance lease	7,203	6,198	3,866	2,843
Total interest income	23,974	21,475	16,424	14,893

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the nine-month periods ended September 30,		THE BANK'S FINANCIAL STATEMENTS For the nine-month periods ended September 30,	
	2017	2016	2017	2016
Interbank and money market items	2,126	2,135	2,115	2,129
Investment and trading transactions	72	93	73	93
Investment in debt securities	1,783	1,578	1,783	1,578
Loans to customers	45,479	41,696	33,090	32,795
Hire purchase and finance lease	20,700	17,933	10,740	7,771
Total interest income	70,160	63,435	47,801	44,366

7.17 Interest expenses

Interest expenses for the three-month and nine-month periods ended September 30, 2017 and 2016 are as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended September 30,		THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended September 30,	
	2017	2016	2017	2016
Deposits	3,103	3,026	2,909	2,993
Interbank and money market items	1,022	789	1,035	795
Contributions to Financial Institution Development Fund and Deposit Protection Agency	1,406	1,315	1,407	1,315
Debt issued and borrowings				
- Subordinated debenture	455	230	431	225
- Other	617	530	419	372
Borrowing fee expense	21	3	-	2
Other	4	4	1	1
Total interest expenses	6,628	5,897	6,202	5,703

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS For the nine-month periods ended September 30,		THE BANK'S FINANCIAL STATEMENTS For the nine-month periods ended September 30,	
	2017	2016	2017	2016
Deposits	9,170	9,344	8,548	9,329
Interbank and money market items	2,885	2,283	2,904	2,302
Contributions to Financial Institution Development Fund and Deposit Protection Agency	4,202	3,877	4,202	3,877
Debt issued and borrowings				
- Subordinated debenture	1,091	578	1,020	573
- Other	2,003	1,506	1,376	1,049
Borrowing fee expense	29	11	4	7
Other	13	11	3	3
Total interest expenses	19,393	17,610	18,057	17,140

7.18 Events after the reporting period

1. On September 28, 2017, the Bank obtained the approval from the BOT to early redeem subordinated debentures No. 1/2012 in the amount of Baht 14,844 million. Therefore, the Bank exercised the right to redeem the subordinated debentures on November 7, 2017.
2. On November 2, 2017, the Bank obtained the approval from the BOT to issue subordinated debentures No. 2/2017 in the amount of Baht 10,000 million with greenshoe of Baht 5,000 million for 10-year at fixed interest rate of 3.4% per annum. The Bank has the right to redeem subordinated debentures on any interest payment date after the fifth anniversary subject to the approval of the BOT.

7.19 Approval of interim financial statements

These interim financial statements have been approved for issuing by the Executive Committee on November 9, 2017.