

**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 March 31, 2019, and the related consolidated and Bank's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, 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".

BANGKOK
May 14, 2019

Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2019

BAHT: '000

	CONSOLIDATED			THE BANK'S	
	FINANCIAL STATEMENTS			FINANCIAL STATEMENTS	
	"UNAUDITED"			"UNAUDITED"	
	Notes	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
ASSETS					
CASH		32,791,508	34,679,453	31,502,780	33,467,518
INTERBANK AND MONEY MARKET ITEMS, NET		289,534,945	245,553,368	284,170,120	239,262,061
CLAIM ON SECURITY		30,020,304	12,739,466	30,020,304	12,739,466
DERIVATIVES ASSETS		16,396,151	14,114,996	16,409,224	14,118,477
INVESTMENTS, NET	7.2	136,174,765	134,749,046	135,856,684	134,432,727
INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES, NET	7.3	10,839,200	2,619,961	58,811,091	58,261,091
LOANS TO CUSTOMERS AND ACCRUED INTEREST RECEIVABLES, NET	7.4				
Loans to customers		1,790,203,137	1,749,254,185	1,637,391,859	1,612,370,410
Accrued interest receivables		4,595,778	4,325,799	2,831,434	2,534,581
Total loans to customers and accrued interest receivables		1,794,798,915	1,753,579,984	1,640,223,293	1,614,904,991
Less Deferred revenue		(80,535,024)	(77,236,147)	(67,443,376)	(64,003,015)
Less Allowance for doubtful accounts	7.5	(61,858,737)	(59,790,567)	(47,793,718)	(45,696,125)
Less Revaluation allowance for debt restructuring	7.6	(1,591,380)	(1,569,084)	(105,840)	(100,722)
Net loans and accrued interest receivables		1,650,813,774	1,614,984,186	1,524,880,359	1,505,105,129
CUSTOMERS' LIABILITY UNDER ACCEPTANCE		615,464	564,690	615,464	564,690
PROPERTIES FOR SALE, NET		3,360,671	3,478,358	2,103,991	2,188,153
PREMISES AND EQUIPMENT, NET		25,754,914	26,238,751	23,800,836	24,246,855
GOODWILL AND OTHER INTANGIBLE ASSETS, NET		16,725,249	16,642,318	3,891,698	3,767,460
DEFERRED TAX ASSETS		4,316,472	4,273,990	339,827	256,391
ACCOUNTS RECEIVABLE FOR INVESTMENTS		3,481,169	804,663	3,481,169	804,663
ASSETS CLASSIFIED AS HELD FOR SALE	7.7	-	39,536,149	-	2,413,540
OTHER ASSETS, NET		20,505,347	22,642,989	15,605,878	18,273,336
TOTAL ASSETS		2,241,329,933	2,173,622,384	2,131,489,425	2,049,901,557

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 MARCH 31, 2019

BAHT: '000

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	"UNAUDITED"		"UNAUDITED"	
Notes	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
LIABILITIES AND EQUITY				
DEPOSITS	1,465,377,000	1,426,348,223	1,459,165,582	1,420,893,299
INTERBANK AND MONEY MARKET ITEMS, NET	272,870,356	244,097,059	274,545,358	246,253,800
LIABILITY PAYABLE ON DEMAND	6,940,076	5,990,667	6,940,034	5,990,573
LIABILITY TO DELIVER SECURITY	30,020,304	12,739,466	30,020,304	12,739,466
DERIVATIVES LIABILITIES	13,704,487	13,539,514	13,704,899	13,542,540
DEBT ISSUED AND BORROWINGS	7.8 137,475,993	155,649,788	103,987,467	115,987,549
BANK'S LIABILITY UNDER ACCEPTANCE	615,464	564,690	615,464	564,690
PROVISIONS	7.9 9,036,480	7,763,695	7,888,806	6,867,642
DEFERRED TAX LIABILITIES	674,768	3,765	-	-
ACCOUNTS PAYABLE FOR INVESTMENTS	4,487,295	103,091	4,487,295	103,091
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE	7.7 -	13,783,913	-	-
OTHER LIABILITIES	43,303,171	49,320,226	26,410,763	31,029,920
TOTAL LIABILITIES	1,984,505,394	1,929,904,097	1,927,765,972	1,853,972,570
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	2,395,634	2,150,878	2,985,500	2,587,947
RETAINED EARNINGS				
Appropriated				
Legal reserve	5,890,800	5,890,800	5,890,800	5,890,800
Unappropriated	120,942,489	108,159,015	68,410,786	61,013,873
TOTAL BANK'S EQUITY	255,665,290	242,637,060	203,723,453	195,928,987
NON-CONTROLLING INTEREST	1,159,249	1,081,227	-	-
TOTAL EQUITY	256,824,539	243,718,287	203,723,453	195,928,987
TOTAL LIABILITIES AND EQUITY	2,241,329,933	2,173,622,384	2,131,489,425	2,049,901,557

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 MARCH 31, 2019
"UNAUDITED"

BAHT : '000

		CONSOLIDATED		THE BANK'S	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Notes	2019	2018	2019	2018
INTEREST INCOME	7.17	27,488,402	25,524,733	19,555,643	17,702,226
INTEREST EXPENSES	7.18	8,076,517	7,502,260	7,491,134	7,045,822
INTEREST INCOME, NET		19,411,885	18,022,473	12,064,509	10,656,404
FEES AND SERVICE INCOME		7,309,943	7,206,784	3,879,045	3,859,519
FEES AND SERVICE EXPENSES		2,014,330	1,886,748	1,486,084	1,219,708
FEES AND SERVICE INCOME, NET		5,295,613	5,320,036	2,392,961	2,639,811
GAINS ON TRADING AND FOREIGN EXCHANGE					
TRANSACTIONS, NET		1,159,478	1,314,310	1,173,987	1,304,853
GAINS ON INVESTMENTS, NET		8,670,645	228,008	5,064,530	228,008
SHARE OF PROFIT FROM INVESTMENT USING					
EQUITY METHOD		191,773	112,200	-	-
DIVIDEND INCOME		42,661	50,384	1,142,421	50,384
BAD DEBTS RECOVERIES		1,599,748	1,442,412	388,391	281,273
GAINS ON SALE PROPERTIES FOR SALE		224,249	195,330	189,476	122,093
OTHER OPERATING INCOME		149,857	201,651	166,463	213,831
TOTAL OPERATING INCOME		36,745,909	26,886,804	22,582,738	15,496,657
OTHER OPERATING EXPENSES					
Employee's expenses		7,951,457	6,538,612	5,504,098	4,316,560
Directors' remuneration		14,808	15,372	13,614	14,259
Premises and equipment expenses		2,077,589	2,096,584	1,569,262	1,575,119
Taxes and duties		750,207	685,552	494,172	445,517
Others		3,427,416	3,062,682	1,826,949	1,652,168
Total other operating expenses		14,221,477	12,398,802	9,408,095	8,003,623
IMPAIRMENT LOSS ON LOANS AND					
DEBT SECURITIES		6,348,647	6,683,021	4,168,447	4,408,785
PROFIT FROM OPERATING BEFORE					
INCOME TAX EXPENSES		16,175,785	7,804,981	9,006,196	3,084,249
INCOME TAX EXPENSES		3,361,017	1,516,167	1,656,011	564,855
NET PROFIT		12,814,768	6,288,814	7,350,185	2,519,394

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

BAHT : '000

		CONSOLIDATED		THE BANK'S	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	Notes	2019	2018	2019	2018
OTHER COMPREHENSIVE INCOME					
Items that will be reclassified subsequently to profit or loss:					
Gain on remeasuring available-for-sale investments		555,351	111,979	555,351	111,979
Loss arising from translating the financial statements of a foreign operation		(188,083)	(338,113)	-	-
Income tax relating to components of other comprehensive income		(75,784)	42,238	(111,070)	(22,396)
Total other comprehensive income, net		291,484	(183,896)	444,281	89,583
TOTAL COMPREHENSIVE INCOME		13,106,252	6,104,918	7,794,466	2,608,977
NET PROFIT ATTRIBUTABLE					
Owners of the Bank		12,736,746	6,214,569	7,350,185	2,519,394
Non-controlling interest		78,022	74,245	-	-
		12,814,768	6,288,814	7,350,185	2,519,394
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE					
Owners of the Bank		13,028,230	6,032,167	7,794,466	2,608,977
Non-controlling interest		78,022	72,751	-	-
		13,106,252	6,104,918	7,794,466	2,608,977
EARNINGS PER SHARE OF OWNERS OF THE BANK					
BASIC EARNINGS PER SHARE	BAHT	1.73	0.84	1.00	0.34
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 THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"

BAHT : '000

CONSOLIDATED FINANCIAL STATEMENTS											
Notes	Owners of the Bank									Non-	Total
	Issued and Paid-up Share Capital	Premium on Share Capital	Other reserves				Retained Earnings		Total	Controlling Interest	
			Asset	Revaluation	Foreign	Deficit from Business	Appropriated	Unappropriated	Bank's		
			Appraisal	Surplus	Currency	Combination under	Legal		Equity		
			Surplus	on Investments	Translation	Common Control	Reserve				
Balance as of January 1, 2018	73,557,618	52,878,749	8,148,936	888,958	(323,533)	(5,217,755)	5,006,800	90,190,736	225,130,509	856,717	225,987,226
Change in revaluation surplus	-	-	(64,035)	-	-	-	-	64,035	-	-	-
Dividend payment	-	-	-	-	-	-	-	-	-	(4)	(4)
Total comprehensive income	-	-	-	89,583	(271,985)	-	-	6,214,569	6,032,167	72,751	6,104,918
Balance as of March 31, 2018	73,557,618	52,878,749	8,084,901	978,541	(595,518)	(5,217,755)	5,006,800	96,469,340	231,162,676	929,464	232,092,140
Balance as of January 1, 2019	73,557,618	52,878,749	7,895,654	(89,952)	(437,069)	(5,217,755)	5,890,800	108,159,015	242,637,060	1,081,227	243,718,287
Change in revaluation surplus	-	-	(46,728)	-	-	-	-	46,728	-	-	-
Total comprehensive income	-	-	-	444,281	(152,797)	-	-	12,736,746	13,028,230	78,022	13,106,252
Balance as of March 31, 2019	73,557,618	52,878,749	7,848,926	354,329	(589,866)	(5,217,755)	5,890,800	120,942,489	255,665,290	1,159,249	256,824,539

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 THREE-MONTH PERIOD ENDED MARCH 31, 2019
"UNAUDITED"

BAHT : '000

THE BANK'S FINANCIAL STATEMENTS								
Notes	Issued and	Premium	Other reserves			Retained Earnings		Total
	Paid-up	on Share	Asset	Revaluation	Deficit from Business	Appropriated	Unappropriated	
	Share	Capital	Appraisal	Surplus	Combination under	Legal		
	Capital		Surplus	on Investments	Common Control	Reserve		
Balance as of January 1, 2018	73,557,618	52,878,749	8,148,936	888,958	(5,217,755)	5,006,800	50,262,400	185,525,706
Change in revaluation surplus	-	-	(64,035)	-	-	-	64,035	-
Total comprehensive income	-	-	-	89,583	-	-	2,519,394	2,608,977
Balance as of March 31, 2018	<u>73,557,618</u>	<u>52,878,749</u>	<u>8,084,901</u>	<u>978,541</u>	<u>(5,217,755)</u>	<u>5,006,800</u>	<u>52,845,829</u>	<u>188,134,683</u>
Balance as of January 1, 2019	73,557,618	52,878,749	7,895,654	(89,952)	(5,217,755)	5,890,800	61,013,873	195,928,987
Change in revaluation surplus	-	-	(46,728)	-	-	-	46,728	-
Total comprehensive income	-	-	-	444,281	-	-	7,350,185	7,794,466
Balance as of March 31, 2019	<u>73,557,618</u>	<u>52,878,749</u>	<u>7,848,926</u>	<u>354,329</u>	<u>(5,217,755)</u>	<u>5,890,800</u>	<u>68,410,786</u>	<u>203,723,453</u>

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 THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"

BAHT : '000

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Income from operating before income tax expenses	16,175,785	7,804,981	9,006,196	3,084,249
Adjustments to reconcile income to cash received (paid)				
from operating activities:				
Depreciation and amortization	1,001,677	919,837	742,951	685,304
Interest expenses from finance lease	4,617	175	4,006	72
Impairment loss on loans and debt securities	6,348,647	6,683,021	4,168,447	4,408,785
Gain on translation in foreign currencies	(727,438)	(7,757,301)	(727,438)	(7,757,301)
Unrealized (gain) loss from revaluation of derivatives	(2,850,636)	628,055	(2,862,842)	627,395
Share of profit from investment using equity method	(191,773)	(112,200)	-	-
Gain on investments	(8,670,645)	(228,008)	(5,064,530)	(228,008)
Increase (decrease) in discount on investments	(68,566)	29,422	(68,566)	29,422
Gain on sales of properties for sale	(224,249)	(195,330)	(189,476)	(122,093)
(Gain) loss on sales of premises and equipment	(3,123)	(1,656)	1,960	2,019
Loss on impairment of properties for sale	64,787	68,845	17,464	23,607
Loss on impairment of premises and equipment	-	1,144	-	-
Loss on impairment of other assets	42,258	37,809	30,753	23,332
Increase in other reserves	1,272,785	118,410	1,016,474	81,100
Interest income, net	(19,411,885)	(18,022,473)	(12,064,509)	(10,656,404)
Interest received	27,352,136	25,397,501	19,380,532	17,544,359
Interest paid	(9,337,358)	(8,249,482)	(8,654,256)	(7,771,833)
Dividend income	(42,661)	(50,384)	(1,142,421)	(50,384)
Dividends received	8,672	35,531	8,423	35,531
Decrease in other accrued expenses	(2,431,194)	(2,018,733)	(2,104,596)	(1,427,413)
Income tax paid	(399,963)	(407,830)	(131,959)	(150,856)
Income (loss) from operations before changes in				
operating assets and liabilities	7,911,873	4,681,334	1,366,613	(1,619,117)
(Increase) decrease in operating assets				
Interbank and money market items	(45,512,681)	(62,915,393)	(46,514,666)	(62,982,134)
Current investments - securities for trading	(8,355,775)	(1,618,670)	(8,354,000)	(1,613,808)
Loans to customers	(27,259,268)	(31,303,947)	(27,379,807)	(7,998,971)
Properties for sale	3,486,865	2,631,802	2,985,617	1,862,429
Other assets	1,008,853	(1,077,575)	2,407,096	(162,635)

BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019

"UNAUDITED"

BAHT : '000

	CONSOLIDATED		THE BANK'S	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2019	2018	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Increase (decrease) in operating liabilities				
Deposits	40,322,008	51,925,345	39,730,582	51,891,205
Interbank and money market items	31,477,463	(1,894,462)	30,995,724	(2,680,850)
Liability payable on demand	975,859	512,274	975,911	512,278
Other liabilities	(4,864,881)	28,318	(3,234,836)	667,276
Net cash from operating activities	<u>(809,684)</u>	<u>(39,030,974)</u>	<u>(7,021,766)</u>	<u>(22,124,327)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales of investments in securities	13,107,452	25,005,589	13,107,453	25,007,703
Cash paid for purchases of investments in securities	(3,806,902)	(17,915,223)	(3,806,915)	(17,916,896)
Cash received from sales of investment in subsidiaries	8,027,466	-	8,027,466	-
Cash paid for investment in subsidiaries	-	-	(1,100,000)	-
Dividend received from subsidiaries	-	-	1,100,008	-
Proceeds from sales of premises and equipment	33,909	11,840	270	489
Cash paid for purchases of premises and equipment	(158,251)	(520,283)	(30,330)	(397,157)
Cash paid for purchases of other assets	(238,570)	(231,708)	(180,844)	(181,489)
Net cash from investing activities	<u>16,965,104</u>	<u>6,350,215</u>	<u>17,117,108</u>	<u>6,512,650</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from debts issued and borrowings	1,964,212	32,554,760	-	15,000,000
Cash paid for repayment of debts issued and borrowings	(20,135,642)	(4,160,249)	(12,000,082)	(4,007,082)
Cash paid for repayment of liabilities under finance lease agreements	(46,327)	(7,241)	(40,692)	(5,923)
Dividend payment	-	(4)	-	-
Net cash from financing activities	<u>(18,217,757)</u>	<u>28,387,266</u>	<u>(12,040,774)</u>	<u>10,986,995</u>
Total	<u>(2,062,337)</u>	<u>(4,293,493)</u>	<u>(1,945,432)</u>	<u>(4,624,682)</u>
Loss arising from translating the financial statements of				
a foreign operation	(121,739)	(166,769)	-	-
Effect of exchange rate change on cash	<u>(19,306)</u>	<u>(68,822)</u>	<u>(19,306)</u>	<u>(68,822)</u>
Net decrease in cash and cash equivalents	<u>(2,203,382)</u>	<u>(4,529,084)</u>	<u>(1,964,738)</u>	<u>(4,693,504)</u>
Cash and cash equivalents as at January 1,	<u>40,370,459</u>	<u>41,701,147</u>	<u>33,467,518</u>	<u>37,671,005</u>
Cash and cash equivalents as at March 31,	<u><u>38,167,077</u></u>	<u><u>37,172,063</u></u>	<u><u>31,502,780</u></u>	<u><u>32,977,501</u></u>

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 PERIOD ENDED MARCH 31, 2019
“UNAUDITED”

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BANK OF AYUDHYA PUBLIC COMPANY LIMITED AND SUBSIDIARIES
THE CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019
“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 MUFG Bank, Ltd. (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.) (“MUFG”) and Mitsubishi UFJ Financial Group, Inc., respectively, both companies are registered in Japan. As at March 31, 2019 and December 31, 2018, the Bank has 16 subsidiaries and 17 subsidiaries, respectively.

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 2018), “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 a Commercial Bank and a Holding Company that is the Parent Company of a Financial Group 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 (“TFRS”) 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 annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. In addition, the interim financial statements for the three-month period ended March 31, 2019 should be read in conjunction with the financial statements and notes thereto included in the audited financial statements for the year ended December 31, 2018.

The consolidated and the Bank's statements of financial position as at December 31, 2018, presented herein as comparative information, have been derived from the consolidated and the Bank's financial statements for the year then ended which had been audited.

The unaudited results of operations for the three-month period ended March 31, 2019 are not necessarily indicative of the operating results anticipated for the full year.

The preparation of interim financial statements in conformity with TFRS 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 in the Royal Gazette but not yet effective in 2019

Thai Financial Reporting Standards which will be effective for the financial statements with fiscal years beginning on or after January 1, 2020

On September 21, 2018, the Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards that are relevant to financial instruments, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follow:

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

On March 15, 2019, the Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standards (TFRS) No. 16 "Leases", which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

The management of the Bank and its subsidiaries will adopt such TFRSs in the Bank and subsidiaries' financial statements when it becomes effective. The management of the Bank and its subsidiaries are in the process to assess the impact of these TFRSs 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	
			March 31, 2019	December 31, 2018
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 ⁽¹⁾	Hire-purchase and motorcycle 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
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	99.84	99.84
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 Finnivate Company Limited	Venture Capital	Thailand	100.00	100.00
Krungsri Leasing Services Company Limited ⁽³⁾	Hire-purchase, leasing and sales finance	Lao PDR	100.00	100.00
Hattha Kaksekar Limited	Micro finance	Cambodia	100.00	100.00

⁽¹⁾ On February 28, 2019, the Bank sold 50% of investment in Ngern Tid Lor Company Limited, reducing its ownership interest to 50%. As a result, as at March 31, 2019, investment in Ngern Tid Lor Company Limited is classified as investment in joint ventures.

⁽²⁾ Indirectly holding via Ayudhya Capital Services Company Limited of 100%.

⁽³⁾ As at March 31, 2019 and December 31, 2018, indirectly holding via Ayudhya Capital Auto Lease Public Company Limited of 75% and Ayudhya Capital Services Company Limited of 25%.

All material intercompany transactions and balances have been eliminated.

3. ADOPTION OF REVISED THAI FINANCIAL REPORTING STANDARDS

Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Bank and its subsidiaries have adopted the revised financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Bank and its subsidiaries financial statements.

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, 2018.

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 hierarchy:

- 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 March 31, 2019 and December 31, 2018 are as follows:

Unit: Million Baht								
CONSOLIDATED FINANCIAL STATEMENTS								
	March 31, 2019					December 31, 2018		
	Fair value			Carrying amount		Fair value		Carrying amount
	Level 1	Level 2	Total fair value		Level 1	Level 2	Total fair value	
Derivatives assets								
- trading book	-	15,639	15,639	15,639	-	14,037	14,037	14,037
Investments - trading	120	6,898	7,018	7,018	2	929	931	931
Investments								
- available-for-sale	5,276	107,185	112,461	112,461	4,360	112,738	117,098	117,098
Derivatives liabilities								
- trading book	-	11,517	11,517	11,517	-	11,075	11,075	11,075

Unit: Million Baht								
THE BANK'S FINANCIAL STATEMENTS								
	March 31, 2019					December 31, 2018		
	Fair value			Carrying amount		Fair value		Carrying amount
	Level 1	Level 2	Total fair value		Level 1	Level 2	Total fair value	
Derivatives assets								
- trading book	-	15,652	15,652	15,652	-	14,041	14,041	14,041
Investments - trading	116	6,898	7,014	7,014	-	929	929	929
Investments								
- available-for-sale	5,276	107,185	112,461	112,461	4,360	112,738	117,098	117,098
Derivatives liabilities								
- trading book	-	11,518	11,518	11,518	-	11,079	11,079	11,079

There are no transfers of financial assets and liabilities measured at fair value between level 1 and level 2 for the three-month period ended March 31, 2019 and for the year ended December 31, 2018.

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

Derivatives - 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 March 31, 2019 and December 31, 2018 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	
	March 31,	December 31,
	2019	2018
Tier 1 capital		
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Legal reserve	5,891	5,891
Cumulative profit after appropriation	95,768	95,768
Other reserves		
Other comprehensive income	7,525	7,281
Other items from owner changes	(5,218)	(5,218)
Deduction items from Common Equity Tier 1 capital	(26,726)	(22,188)
Total Common Equity Tier 1 capital	203,677	207,971
Additional Tier 1 capital		
Non-Controlling interest	2,951	1,040
Total Tier 1 capital	206,628	209,011
Tier 2 capital		
Subordinated debentures	41,985	41,985
General provision	18,562	18,235
Non-Controlling interest	644	249
Total Tier 2 capital	61,191	60,469
Total capital fund	267,819	269,480

Capital adequacy ratio (%)

	BOT regulatory		Basel III	
	Minimum requirement*		Consolidated Supervision	
	March 31,	December 31,	March 31,	December 31,
	2019	2018	2019	2018
Total Common Equity Tier 1 capital / Total risk weighted assets	7.50	6.375	12.04	12.46
Total Tier 1 capital / Total risk weighted assets	9.00	7.875	12.21	12.52
Total capital / Total risk weighted assets	11.50	10.375	15.83	16.15
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)			267,819	269,480
Capital ratio after deducting capital add-on arising from Single Lending Limit			15.83	16.15

* The additional capital maintenances are required to gradually reserve at 0.625% per year, starting from January 1, 2016 to January 1, 2019. (At that time, the total increasing of capital fund would be 2.5%).

The Domestic Systemically Important Banks ("D-SIBs") will be required to hold additional core capital of 0.5% from January 2019 and 1% from January 2020.

Unit : Million Baht		
Basel III		
The Bank		
	March 31,	December 31,
	2019	2018
Tier 1 capital		
Common Equity Tier 1 capital		
Issued and paid-up share capital	73,558	73,558
Premium on share capital	52,879	52,879
Legal reserve	5,891	5,891
Cumulative profit after appropriation	53,786	53,786
Other reserves		
Other comprehensive income	8,203	7,805
Other items from owner changes	(5,218)	(5,218)
Deduction items from Common Equity Tier 1 capital	(13,481)	(13,324)
Total Common Equity Tier 1 capital	175,618	175,377
Additional Tier 1 capital	-	-
Total Tier 1 capital	175,618	175,377
Tier 2 capital		
Subordinated debentures	41,985	41,985
General provision	12,198	11,614
Total Tier 2 capital	54,183	53,599
Total capital fund	229,801	228,976

Capital adequacy ratio (%)

	BOT regulatory Minimum requirement*		Basel III The Bank	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Total Common Equity Tier 1 capital / Total risk weighted assets	7.50	6.375	11.39	11.59
Total Tier 1 capital / Total risk weighted assets	9.00	7.875	11.39	11.59
Total capital / Total risk weighted assets	11.50	10.375	14.91	15.13
Capital after deducting capital add-on arising from Single Lending Limit (Million Baht)			229,801	228,976
Capital ratio after deducting capital add-on arising from Single Lending Limit			14.91	15.13

* The additional capital maintenances are required to gradually reserve at 0.625% per year, starting from January 1, 2016 to January 1, 2019. (At that time, the total increasing of capital fund would be 2.5%).

The Domestic Systemically Important Banks ("D-SIBs") will be required to hold additional core capital of 0.5% from January 2019 and 1% from January 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	April 30, 2019
Information as at	December 31, 2018

7. ADDITIONAL INFORMATION

7.1 Additional information of cash flows

7.1.1 Non-cash transactions for the three-month periods ended March 31, 2019 and 2018 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended March 31,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended March 31,	
	2019	2018	2019	2018
Increase in revaluation surplus on investments	555	112	555	112
Amortization of premises appraisal surplus transferred to retained earning	(58)	(79)	(58)	(79)
Properties for sale debt repayment	3,210	2,325	2,729	1,657
Properties and premises transferred to be properties for sale	-	10	-	10

7.1.2 Changes in liabilities arising from financing activity for the three-month periods ended March 31, 2019 and 2018 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended March 31,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended March 31,	
	2019	2018	2019	2018
Beginning balance	156,547	142,890	116,694	112,005
Financing cash flows	(18,218)	28,387	(12,041)	10,987
Other non-cash items	(1)	(2)	2	-
Ending balance	<u>138,328</u>	<u>171,275</u>	<u>104,655</u>	<u>122,992</u>

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 March 31, 2019 and December 31, 2018 consist of the following:

Unit: Million Baht								
CONSOLIDATED FINANCIAL STATEMENTS								
	March 31, 2019				December 31, 2018			
	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	6,898	1	(1)	6,898	929	1	(1)	929
Domestic marketable equity securities	123	-	(3)	120	3	(1)	-	2
	7,021	1	(4)	7,018	932	-	(1)	931
<u>Less</u> Revaluation allowance	(3)			-	(1)			-
Total	7,018			7,018	931			931
Securities Available-for-Sale								
Government and state enterprise securities	92,497	8	(91)	92,414	100,571	20	(204)	100,387
Private sector's debt securities	13,903	178	(6)	14,075	11,451	189	(6)	11,634
Domestic marketable equity securities	5,623	810	(456)	5,977	5,193	613	(724)	5,082
	112,023	996	(553)	112,466	117,215	822	(934)	117,103
<u>Add</u> (less) Revaluation allowance	443			-	(112)			-
<u>Less</u> Allowance for impairment	(5)			(5)	(5)			(5)
Total	112,461			112,461	117,098			117,098
Securities Held-to-Maturity								
Private sector's debt securities	16,000				16,000			
Investment in accounts receivable	287				311			
	16,287				16,311			
<u>Less</u> Allowance for impairment	(14)				(14)			
Total	16,273				16,297			
Securities for General Investments								
Domestic non-marketable equity securities	589				589			
Foreign non-marketable equity securities	1				1			
	590				590			
<u>Less</u> Allowance for impairment	(167)				(167)			
Total	423				423			
Total Investments, net	<u>136,175</u>				<u>134,749</u>			

Unit: Million Baht								
THE BANK'S FINANCIAL STATEMENTS								
	March 31, 2019				December 31, 2018			
	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	6,898	1	(1)	6,898	929	1	(1)	929
Domestic marketable equity securities	118	-	(2)	116	-	-	-	-
	7,016	1	(3)	7,014	929	1	(1)	929
<u>Less</u> Revaluation allowance	(2)			-	-			-
Total	7,014			7,014	929			929
Securities Available-for-Sale								
Government and state enterprise securities	92,497	8	(91)	92,414	100,571	20	(204)	100,387
Private sector's debt securities	13,903	178	(6)	14,075	11,451	189	(6)	11,634
Domestic marketable equity securities	5,623	810	(456)	5,977	5,193	613	(724)	5,082
	112,023	996	(553)	112,466	117,215	822	(934)	117,103
<u>Add</u> (less) Revaluation allowance	443			-	(112)			-
<u>Less</u> Allowance for impairment	(5)			(5)	(5)			(5)
Total	112,461			112,461	117,098			117,098
Securities Held-to-Maturity								
Private sector's debt securities	16,000				16,000			
Investment in accounts receivable	287				311			
	16,287				16,311			
<u>Less</u> Allowance for impairment	(14)				(14)			
Total	16,273				16,297			
Securities for General Investments								
Domestic non-marketable equity securities	275				275			
Foreign non-marketable equity securities	1				1			
	276				276			
<u>Less</u> Allowance for impairment	(167)				(167)			
Total	109				109			
Total Investments, net	135,857				134,433			

As at March 31, 2019 and December 31, 2018, the Bank and its subsidiaries had investments in general investments in the consolidated financial statements of 2 companies and the Bank's financial statements of 1 company, 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 March 31, 2019 and December 31, 2018 consist of the following:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Investment (Equity Method)	Dividend
Joint ventures							
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Common stock } Preferred stock }	6,090	50.00	2,963	8,109	-
Tesco Card Services Limited ⁽¹⁾	Credit cards and personal loans	Common stock	2,080	50.00	1,040	2,440	-
Tesco Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Common stock	12	50.00	-	68	-
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	107	50.00	-	222	-
Investments in joint ventures, net					<u>4,003</u>	<u>10,839</u>	<u>-</u>

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Investment (Equity Method)	Dividend
Joint ventures							
Tesco Card Services Limited ⁽¹⁾	Credit cards and personal loans	Common stock	2,080	50.00	1,040	2,333	-
Tesco Life Assurance Broker Limited ⁽²⁾	Life assurance broker	Common stock	12	50.00	-	67	-
Tesco General Insurance Broker Limited ⁽²⁾	General insurance broker	Common stock	107	50.00	-	220	-
Investments in joint ventures, net					<u>1,040</u>	<u>2,620</u>	<u>-</u>

⁽¹⁾ Indirect holding via Ayudhya Capital Services Company Limited

⁽²⁾ Indirect holding via Tesco Card Services Limited

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
March 31, 2019						
Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Dividend
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	-
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	-
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-
Krungsri Securities Public Company Limited	Securities	Common stock	1,350	99.84	1,497	-
Krungsri Factoring Company Limited	Factoring	Common stock	300	100.00	300	-
Krungsri Finnivate Company Limited	Venture capital	Common stock	700	100.00	700	-
Hattha Kaksekar Limited	Micro finance	Common stock	2,536	100.00	7,713	-
Investments in subsidiaries					61,300	-
Joint venture						
Ngern Tid Lor Company Limited	Hire-purchase and motorcycle loans	Common stock } Preferred stock }	6,090	50.00	2,963	1,100
Investments in subsidiaries and Joint venture					64,263	1,100
Less Allowance for impairment					(5,452)	-
Investments in subsidiaries and Joint venture, net					58,811	1,100

On February 28, 2019, the Bank sold 50% of its interest in Ngern Tid Lor Company Limited ("NTL"), a subsidiary, reducing its ownership interest to 50%, and recognised profit on sales of the subsidiary of Baht 4,290 million, and Baht 5,019 million in the consolidated financial statements and the Bank financial statements, respectively. The Bank had changed the classification of investment in NTL from subsidiary to joint venture. The fair value of the Bank's retained interested in joint venture at the date when control was changed was Baht 8,027 million, which became the carrying value of the Bank's interest in the joint venture at that date in the consolidated financial statements. The difference of fair value was recognised as a profit on the change of control of a subsidiary of Baht 4,335 million which is included in "Gain on investments, net" in the consolidated statements of profit or loss and other comprehensive income.

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
December 31, 2018						
Company Name	Business Type	Securities Investment Type	Issued and Paid-up Share Capital	Proportion of Ownership Interest and Voting Power Held by the Bank (%)	Investment (Cost)	Dividend
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	4,956
Ngern Tid Lor Company Limited ⁽¹⁾	Hire-purchase and motorcycle loans	Common stock	4,990	100.00	2,412	1,700
		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	375
Krungsri Ayudhya AMC Limited	Asset management	Common stock	2,700	100.00	4,565	-
Krungsri Securities Public Company Limited	Securities	Common stock	1,350	99.84	1,497	-
Krungsri Factoring Company Limited	Factoring	Common stock	300	100.00	300	-
Krungsri Finnivate Company Limited	Venture capital	Common stock	700	100.00	700	-
Hattha Kaksekar Limited	Micro finance	Common stock	2,536	100.00	7,713	-
Investments in subsidiaries					63,713	7,031
<u>Less Allowance for impairment</u>					(5,452)	-
Investments in subsidiaries, net					<u>58,261</u>	<u>7,031</u>

⁽¹⁾ Investment in Ngern Tid Lor Company Limited was reclassified to assets held for sale 50% of cost value.

DISCLOSURE OF THE STATEMENTS OF CASH FLOWS OF ASSET MANAGEMENT COMPANY

KRUNGSRI AYUDHYA AMC LIMITED
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2019
“UNAUDITED”

	Unit: Million Baht	
	2019	2018
Cash flows from operating activities		
Income before income tax	10	35
Adjustments to reconcile income to cash provided (paid) from operating activities		
Gain on sales of properties for sale	(11)	(44)
Employment benefits expenses	11	2
Interest income, net	(26)	(13)
Interest received	26	13
Income tax paid	-	(1)
Income from operations before changes in operating assets and liabilities	10	(8)
Decrease in operating assets		
Investment in receivables	8	13
Properties for sale	28	80
Other assets	61	1
Decrease in operating liabilities		
Other liabilities	2	(32)
Net cash from operating activities	109	54
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	109	54
Cash and cash equivalents as at January 1,	1,729	1,429
Cash and cash equivalents as at March 31,	1,838	1,483

7.4 Loans to customers and accrued interest receivables, net

Loans to customers and accrued interest receivables, net as at March 31, 2019 and December 31, 2018 are as follows:

(1) Classified by products

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Overdrafts	65,619	65,542	65,571	65,495
Loan against contract	896,929	862,481	863,710	862,019
Trade bill	294,042	293,963	305,126	296,299
Hire-purchase receivable	454,429	440,153	393,711	378,571
Lease contract receivable	12,914	13,276	4,193	4,428
Credit card receivable	59,847	66,923	-	-
Others	6,423	6,916	5,081	5,558
Total	1,790,203	1,749,254	1,637,392	1,612,370
<u>Less</u> Deferred revenue	(80,535)	(77,236)	(67,443)	(64,003)
Loans to customers after deferred revenue, net	1,709,668	1,672,018	1,569,949	1,548,367
<u>Add</u> Accrued interest receivables	4,596	4,326	2,831	2,535
Loans to customers and accrued interest receivable after deferred revenue, net	1,714,264	1,676,344	1,572,780	1,550,902
<u>Less</u> Allowance for doubtful accounts				
1) BOT requirement :				
- Individual approach	(30,125)	(28,718)	(25,784)	(24,533)
- Collective approach	(11,562)	(11,332)	(9,812)	(9,549)
2) Surplus reserve	(20,172)	(19,741)	(12,198)	(11,614)
<u>Less</u> Revaluation allowance for debt restructuring	(1,591)	(1,569)	(106)	(101)
Total loans to customers, net	1,650,814	1,614,984	1,524,880	1,505,105

(2) Classified by currency and residence of debtors

	Unit: Million Baht					
	CONSOLIDATED FINANCIAL STATEMENTS					
	March 31, 2019			December 31, 2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,622,382	10,813	1,633,195	1,582,019	10,703	1,592,722
US Dollar	36,762	31,315	68,077	41,178	30,949	72,127
Other currencies	1,042	7,354	8,396	990	6,179	7,169
Total	1,660,186	49,482	1,709,668	1,624,187	47,831	1,672,018

	Unit: Million Baht					
	THE BANK'S FINANCIAL STATEMENTS					
	March 31, 2019			December 31, 2018		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Baht	1,509,270	9,827	1,519,097	1,483,104	9,813	1,492,917
US Dollar	36,762	9,334	46,096	41,178	9,497	50,675
Other currencies	1,042	3,714	4,756	990	3,785	4,775
Total	1,547,074	22,875	1,569,949	1,525,272	23,095	1,548,367

(3) Classified by business type and classification

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
March 31, 2019						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	21,883	1,091	111	125	831	24,041
Manufacturing and trading	362,128	11,705	1,937	1,218	11,086	388,074
Real estate and construction	111,012	3,538	299	225	1,728	116,802
Public utilities and services	175,677	12,199	165	133	1,949	190,123
Housing loans	245,485	3,558	1,171	908	4,790	255,912
Others	699,624	23,220	5,307	2,999	3,566	734,716
Total	1,615,809	55,311	8,990	5,608	23,950	1,709,668

Unit: Million Baht						
CONSOLIDATED FINANCIAL STATEMENTS						
December 31, 2018						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	21,970	1,027	140	118	836	24,091
Manufacturing and trading	381,543	10,617	2,178	1,268	10,810	406,416
Real estate and construction	106,983	3,406	451	260	1,704	112,804
Public utilities and services	162,620	12,416	222	138	1,797	177,193
Housing loans	240,703	3,255	1,414	1,008	4,104	250,484
Others	665,459	23,572	5,661	2,708	3,630	701,030
Total	1,579,278	54,293	10,066	5,500	22,881	1,672,018

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
March 31, 2019						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	17,662	1,081	99	96	201	19,139
Manufacturing and trading	357,152	11,672	1,929	1,031	10,562	382,346
Real estate and construction	109,612	3,504	293	223	1,681	115,313
Public utilities and services	175,677	12,198	165	133	1,638	189,811
Housing loans	243,246	3,555	1,168	903	4,778	253,650
Others	583,754	18,320	2,839	2,738	2,039	609,690
Total	1,487,103	50,330	6,493	5,124	20,899	1,569,949

Unit: Million Baht						
THE BANK'S FINANCIAL STATEMENTS						
December 31, 2018						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Total
Agriculture and mining	17,830	1,011	121	83	198	19,243
Manufacturing and trading	376,754	10,580	2,169	1,078	10,280	400,861
Real estate and construction	105,673	3,369	443	256	1,653	111,394
Public utilities and services	162,608	12,415	222	138	1,489	176,872
Housing loans	238,397	3,254	1,412	1,004	4,091	248,158
Others	565,962	18,229	3,189	2,417	2,042	591,839
Total	1,467,224	48,858	7,556	4,976	19,753	1,548,367

(4) Classified by type of classification

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
March 31, 2019				
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,620,151	1,077,069	1, 2	12,893
Special mention	55,564	41,659	2, 19	7,249
Substandard	8,990	6,715	52, 100	4,808
Doubtful	5,608	3,975	56, 100	2,896
Doubtful of loss	23,951	11,904	100	13,841
Total	<u>1,714,264</u>	<u>1,141,322</u>		<u>41,687 ⁽¹⁾</u>
2. Surplus Reserve				<u>20,172 ⁽²⁾</u>
Total				<u>61,859</u>

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
December 31, 2018				
	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,583,364	1,049,728	1, 2	12,418
Special mention	54,533	41,361	2, 18	6,375
Substandard	10,066	7,049	51, 100	5,148
Doubtful	5,500	3,753	46, 100	2,787
Doubtful of loss	22,881	11,488	100	13,322
Total	<u>1,676,344</u>	<u>1,113,379</u>		<u>40,050 ⁽¹⁾</u>
2. Surplus Reserve				<u>19,741 ⁽²⁾</u>
Total				<u>59,791</u>

⁽¹⁾ Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at March 31, 2019 and December 31, 2018, of Baht 11,562 million and Baht 11,332 million, respectively.

⁽²⁾ Including allowance for doubtful accounts of loans granted to subsidiaries as at March 31, 2019 and December 31, 2018, at the rate of 1% of Baht 61,639 million and Baht 83,661 million equal to Baht 616 million and Baht 837 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 March 31, 2019 and December 31, 2018, of Baht 1,591 million and Baht 1,569 million, respectively, and excluding allowance for doubtful accounts for interbank and money market items as at March 31, 2019 and December 31, 2018, of Baht 433 million and Baht 448 million, respectively.

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

March 31, 2019

	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,489,760	955,688	1	11,181
Special mention	50,505	36,883	2, 12	6,707
Substandard	6,493	4,237	50, 100	3,170
Doubtful	5,124	3,535	56, 100	2,539
Doubtful of loss	20,898	9,988	100	11,999
Total	<u>1,572,780</u>	<u>1,010,331</u>		<u>35,596⁽¹⁾</u>
2. Surplus Reserve				<u>12,198⁽²⁾</u>
Total				<u>47,794</u>

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

December 31, 2018

	Loans to Customers and Accrued Interest Receivables	Outstanding Balance Used for Calculation Allowance	% Used for Calculation Allowance ⁽³⁾	Allowance for Doubtful Accounts ⁽⁴⁾
1. Minimum allowance per BOT guideline				
Normal	1,469,613	944,802	1, 2	10,911
Special mention	49,004	36,184	2, 12	5,811
Substandard	7,556	4,565	49, 100	3,494
Doubtful	4,976	3,273	55, 100	2,409
Doubtful of loss	19,753	9,554	100	11,457
Total	<u>1,550,902</u>	<u>998,378</u>		<u>34,082⁽¹⁾</u>
2. Surplus Reserve				<u>11,614⁽²⁾</u>
Total				<u>45,696</u>

⁽¹⁾ Including allowance for doubtful accounts on a collective approach for hire-purchase loans as at March 31, 2019 and December 31, 2018, of Baht 9,812 million and Baht 9,549 million, respectively.

⁽²⁾ Including allowance for doubtful accounts of loan granted to subsidiaries as at March 31, 2019 and December 31, 2018, at the rate of 1% of Baht 61,639 million and Baht 83,661 million, equal to Baht 616 million and Baht 837 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 March 31, 2019 and December 31, 2018, of Baht 106 million and Baht 101 million, respectively and excluding allowance for doubtful accounts for interbank and money market items as at March 31, 2019 and December 31, 2018, of Baht 432 million and Baht 448 million, respectively.

As at March 31, 2019 and December 31, 2018, the Bank and Krungsri Ayudhya AMC Limited (“AMC”) had non-performing loans which included interbank and money market items as follows:

Unit: Million Baht			
March 31, 2019			
	The Bank	AMC	The Bank and AMC
Non-performing loans	32,515	437	32,952
Percentage of total loans	1.81	100.00	1.84
Non-performing loans, net	14,808	312	15,120
Percentage of total loans, net	0.83	100.00	0.85

Unit: Million Baht			
December 31, 2018			
	The Bank	AMC	The Bank and AMC
Non-performing loans	32,285	445	32,730
Percentage of total loans	1.87	100.00	1.90
Non-performing loans, net	14,925	306	15,231
Percentage of total loans, net	0.87	100.00	0.89

As at March 31, 2019 and December 31, 2018, the Bank and its subsidiaries’ non-performing loans are Baht 38,548 million and Baht 38,446 million, respectively.

(5) Troubled debt restructuring

For the three-month periods ended March 31, 2019 and 2018, 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 March 31, 2019				For the three-month period ended March 31, 2018			
	Number	Amount	Type of Assets	Fair Value	Number	Amount	Type of Assets	Fair Value
	of	of Debt Before	Acquired		of	of Debt Before	Acquired	
	Debtors	Restructuring			Debtors	Restructuring		
Modification of terms	5,599	1,107	-	-	4,828	889	-	-
Reduction of principal and interest	1,686	82	-	-	1,914	95	-	-
Various forms of restructuring	245	1,127	-	-	259	1,247	-	-
Total	7,530	2,316		-	7,001	2,231		-

Unit : Million Baht								
THE BANK'S FINANCIAL STATEMENTS								
Form of Restructuring	For the three-month period ended March 31, 2019				For the three-month period ended March 31, 2018			
	Number	Amount	Type of Assets	Fair Value	Number	Amount	Type of Assets	Fair Value
	of	of Debt Before	Acquired		of	of Debt Before	Acquired	
	Debtors	Restructuring			Debtors	Restructuring		
Modification of terms	621	744	-	-	457	585	-	-
Various forms of restructuring	245	1,127	-	-	259	1,246	-	-
Total	866	1,871		-	716	1,831		-

For the three-month periods ended March 31, 2019 and 2018, the Bank and its subsidiaries calculated the net realizable value for the troubled 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

Method	CONSOLIDATED FINANCIAL STATEMENTS							
	For the three-month period ended March 31, 2019				For the three-month period ended March 31, 2018			
	Average	Number	Amount of Debt		Average	Number	Amount of Debt	
	Aging	of	Before	After	Aging	of	Before	After
	(Year)	Debtors	Restructuring	Restructuring	(Year)	Debtors	Restructuring	Restructuring
Present value of future cash flows	4.84	5,487	742	737	4.82	4,718	428	424
Fair value of collateral	8.99	112	365	365	8.78	110	461	461

Unit: Million Baht

Method	THE BANK'S FINANCIAL STATEMENTS							
	For the three-month period ended March 31, 2019				For the three-month period ended March 31, 2018			
	Average	Number	Amount of Debt		Average	Number	Amount of Debt	
	Aging	of	Before	After	Aging	of	Before	After
	(Year)	Debtors	Restructuring	Restructuring	(Year)	Debtors	Restructuring	Restructuring
Present value of future cash flows	5.18	512	379	374	5.14	349	124	120
Fair value of collateral	9.24	109	365	365	8.95	108	461	461

For the three-month period ended March 31, 2019 and 2018, 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 March 31,		THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended March 31,	
	2019	2018	2019	2018
Losses on debt restructured	312	356	12	13
Interest received from debt restructured	249	284	225	194

As at March 31, 2019 and December 31, 2018, the Bank and its subsidiaries recorded balances of total debt restructured and debt restructured during the three-month period ended March 31, 2019 and during the year ended December 31, 2018, in the statements of financial position as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS		THE BANK'S FINANCIAL STATEMENTS	
	March 31,	December 31,	March 31,	December 31,
	2019	2018	2019	2018
Balances of total debt restructured	22,553	22,399	17,925	17,697
Balances of debt restructured during the period/year	2,166	8,867	1,722	6,044

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

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
March 31, 2019				
	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	100,317	252,870	114,156	467,343
<u>Less</u> Unearned interest income				(80,469)
Present value of the minimum lease payments				386,874
<u>Less</u> Allowance for doubtful accounts				(13,461)
Total lease receivables, net				373,413

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
December 31, 2018				
	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	98,837	245,971	108,621	453,429
<u>Less</u> Unearned interest income				(77,166)
Present value of the minimum lease payments				376,263
<u>Less</u> Allowance for doubtful accounts				(13,215)
Total lease receivables, net				363,048

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
March 31, 2019				
	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	73,869	217,905	106,130	397,904
<u>Less</u> Unearned interest income				(67,389)
Present value of the minimum lease payments				330,515
<u>Less</u> Allowance for doubtful accounts				(9,734)
Total lease receivables, net				320,781

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
December 31, 2018				
	Amount due per agreements			Total
	Within 1 Year	Greater than 1-5 Years	Greater than 5 Years	
Minimum lease payments	71,522	210,930	100,547	382,999
<u>Less</u> Unearned interest income				(63,943)
Present value of the minimum lease payments				319,056
<u>Less</u> Allowance for doubtful accounts				(9,479)
Total lease receivables, net				309,577

7.5 Allowance for doubtful accounts

Allowance for doubtful accounts as at March 31, 2019 and December 31, 2018 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
March 31, 2019							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	12,418	6,375	5,148	2,787	13,322	19,741	59,791
Doubtful accounts	508	1,297	1,220	1,166	1,276	585	6,052
Bad debts written off	(29)	(423)	(1,559)	(1,056)	(756)	(100)	(3,923)
Other	(4)	-	(1)	(1)	(1)	(54)	(61)
Ending balance	12,893	7,249	4,808	2,896	13,841	20,172	61,859

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS							
December 31, 2018							
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	11,863	2,998	5,938	3,902	11,020	18,452	54,173
Doubtful accounts	980	4,466	5,985	2,298	7,550	3,103	24,382
Bad debts written off	(66)	(1,023)	(6,335)	(3,410)	(4,738)	-	(15,572)
Bad debts written off from sales of NPLs	-	-	-	(1)	(509)	-	(510)
Transferred to assets held for sale	(359)	(66)	(439)	-	-	(1,810)	(2,674)
Other	-	-	(1)	(2)	(1)	(4)	(8)
Ending balance	12,418	6,375	5,148	2,787	13,322	19,741	59,791

	THE BANK'S FINANCIAL STATEMENTS						Unit: Million Baht
	March 31, 2019						
	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	10,911	5,811	3,494	2,409	11,457	11,614	45,696
Doubtful accounts	299	1,319	183	1,186	601	584	4,172
Bad debts written off	(29)	(423)	(507)	(1,056)	(59)	-	(2,074)
Ending balance	11,181	6,707	3,170	2,539	11,999	12,198	47,794

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

December 31, 2018

	Normal	Special Mention	Substandard	Doubtful	Doubtful of Loss	Surplus Reserve	Total
Beginning balance	10,549	2,287	3,731	3,425	8,984	9,518	38,494
Doubtful accounts	428	4,547	1,409	2,395	4,720	2,097	15,596
Bad debts written off	(66)	(1,023)	(1,646)	(3,410)	(1,738)	-	(7,883)
Bad debts written off from							
sales of NPLs	-	-	-	(1)	(509)	-	(510)
Other	-	-	-	-	-	(1)	(1)
Ending balance	10,911	5,811	3,494	2,409	11,457	11,614	45,696

As at March 31, 2019 and December 31, 2018, the Bank and its subsidiaries estimated the minimum total allowance under the BOT Guidelines as follows:

Unit: Million Baht

	CONSOLIDATED FINANCIAL STATEMENTS March 31, 2019	December 31, 2018	THE BANK'S FINANCIAL STATEMENTS March 31, 2019	December 31, 2018
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Allowance for doubtful accounts*	43,711	42,066	36,134	34,631
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* 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

	March 31, 2019	December 31, 2018
Consolidated financial statements	63,883	61,808
The Bank and Krungsri Ayudhya AMC Limited	48,619	46,532
The Bank's financial statements	48,332	46,245

* 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 March 31, 2019 and December 31, 2018, 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 disclosure of asset quality and related party transactions and the allowance for doubtful accounts for such loans as follows:

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
March 31, 2019

	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	5	1,040	626	431
Total	5	1,040	626	431

Unit: Million Baht

CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS
December 31, 2018

	Number	Outstanding Balance	Collateral	Allowance for Doubtful Accounts
Companies subject to be delisted by SET	2	-	-	-
Total	2	-	-	-

7.6 Revaluation allowance for debt restructuring

Revaluation allowance for debt restructuring as at March 31, 2019 and December 31, 2018 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Beginning balance	1,569	1,303	101	48
Increase during the period/year	312	1,716	12	91
Amount written off	(290)	(1,450)	(7)	(38)
Ending balance	1,591	1,569	106	101

7.7 Assets classified as held for sale and liabilities directly associated with assets classified as held for sale net

As at December 31, 2018, investment in Ngern Tid Lor Company Limited ("NTL") is presented as assets classified as held for sale resulting from the following agreements 1) the sale and purchase of shares of NTL agreement by selling 50% of the ordinary shares in NTL to Siam Asia Credit Access PTE LTD, a company ultimately owned by a consortium led by CVC Capital Partners Asia Fund IV and Equity Partners Limited Group and 2) the shareholders agreement in relation to the shareholding in NTL. The disposal of NTL is accomplished on February 28, 2019.

Details of assets classified as held for sale and liabilities directly associated with assets held for sale as at December 31, 2018 are as follows:

Consolidated financial statements

Unit: Million Baht

	December 31, 2018
Assets	
Cash	392
Interbank and money market items	319
Loan and accrued interest receivable, net	37,041
Properties for sale, net	57
Premises and equipment, net	548
Goodwill and other intangible assets, net	225
Deferred tax assets	645
Other assets	309
	39,536
Liabilities	
Debt issued and borrowings	12,225
Provision	75
Other liabilities	1,484
	13,784

For the period from January 1, 2019 to February 28, 2019 (disposal date) and for the year ended December 31, 2018, NTL contributed net profit of Baht 275 million and Baht 1,379 million, respectively.

The Bank's financial statements

As at December 31, 2018, the Bank reclassified 50% of investment in NTL to assets classified as held for sale of Baht 2,414 million.

7.8 Debt issued and borrowings

Debt issued and borrowings as at March 31, 2019 and December 31, 2018 are as follows:

Unit: Million Baht									
CONSOLIDATED FINANCIAL STATEMENTS									
					March 31, 2019		December 31, 2018		
	Currency	Interest rate (%)	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
Subordinated									
debentures	THB	3.40 - 3.90	2027	41,985	-	41,985	41,985	-	41,985
	USD	7.50 - 11.86	2019-2027	-	702	702	-	750	750
Senior securities	THB	1.66 - 2.25	2019-2021	89,865	-	89,865	107,865	-	107,865
	KHR	8.50	2021	-	761	761	-	775	775
Bill of exchange	THB	-	-	1	-	1	1	-	1
Other borrowings	THB	0.00 - 7.15	2021-2023	1	316	317	2	251	253
	USD	0.00 - 8.11	2019-2023	-	3,845	3,845	-	4,021	4,021
				131,852	5,624	137,476	149,853	5,797	155,650

Unit: Million Baht									
THE BANK'S FINANCIAL STATEMENTS									
				March 31, 2019			December 31, 2018		
	Currency	Interest rate	Maturity	Domestic	Foreign	Total	Domestic	Foreign	Total
		(%)							
Subordinated									
debentures	THB	3.40 - 3.90	2027	41,985	-	41,985	41,985	-	41,985
Senior securities	THB	1.85 - 2.25	2019-2021	62,000	-	62,000	74,000	-	74,000
Bill of exchange	THB	-	-	1	-	1	1	-	1
Other borrowings	THB	0.00	2023	1	-	1	2	-	2
				103,987	-	103,987	115,988	-	115,988

Additional information on debts issued and borrowings is as follows:

1. 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.
2. 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.
3. On November 17, 2017, the Bank issued subordinated debentures No. 2/2017 in the amount of Baht 14,978 million for a 10-year tenor at the fixed interest rate of 3.4% 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 any interest payment date thereafter subject to the approval of the BOT.

7.9 Provisions

Provisions for the three-month period ended March 31, 2019 and for the year ended December 31, 2018 are as follows:

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
	Balance at January 1, 2018	Increase (Decrease)	Balance at December 31, 2018	Increase (Decrease)
Provision for post-employment benefits obligation	5,321	296	5,617	1,273
Others	2,147	-	2,147	(1)
Total	<u>7,468</u>	<u>296</u>	<u>7,764</u>	<u>1,272</u>

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
	Balance at January 1, 2018	Increase (Decrease)	Balance at December 31, 2018	Increase (Decrease)
Provision for post-employment benefits obligation	4,531	340	4,871	1,024
Others	2,019	(22)	1,997	(3)
Total	<u>6,550</u>	<u>318</u>	<u>6,868</u>	<u>1,021</u>

On December 13, 2018, the National Legislative Assembly passed an amendment bill to the Labor Protection Act. Consequently, the Labor Protection Act (No. 7) B.E. 2562 announced in the Royal Gazette on April 5, 2019 and will be effective on May 5, 2019 onwards. This new Thai labor law amend the amount of severance pay for an employee who has worked at least 20 years in accordance with the entity's working rules and regulations to be increased to 400 days at the employee's last wage rate which impact on the post-employee benefit plan. The Bank and its subsidiaries have considered to amend the post-employee benefit plan and recognize the increase of the post-employment benefit obligation as at the financial reporting date and the increase in such severance pay of Baht 1,125 million and Baht 918 million as the expense for the three-month period ended March 31, 2019, in the consolidated financial statements and the Bank's financial statements, respectively.

7.10 Dividend payment

The Annual General Meeting of Shareholders No. 106 held on April 26, 2018, approved the dividend payment for the six-month period ended December 31, 2017 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 21, 2018.

The Board of Directors' Meeting No. 8/2018 held on August 22, 2018, approved the interim dividend payment for the six-month period ended June 30, 2018 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 20, 2018.

7.11 Assets with obligations and restrictions

As at March 31, 2019 and December 31, 2018, government and state enterprise securities with book value of Baht 27,224 million and Baht 13,344 million, respectively, are used as collateral for other commitments with government departments and state enterprises.

7.12 Contingencies

Contingencies as at March 31, 2019 and December 31, 2018 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Avals to bills	1,483	1,108	1,483	1,108
Guarantees of loans	2,497	2,432	2,497	2,432
Liability under unmatured import bills	1,451	1,955	1,451	1,955
Letters of credit	5,440	5,818	5,440	5,818
Other contingencies				
- Unused overdraft limit	5,369	5,266	5,369	5,266
- Unused credit line	37,379	34,693	42,146	39,694
- Other guarantees	55,590	54,895	55,590	54,895
- Others	192	210	192	210
Total	109,401	106,377	114,168	111,378

The Bank and its subsidiaries have entered into a long-term information technology service agreement, which will be expired in 2023 with a local company. As at March 31, 2019 and December 31, 2018, the Bank and its subsidiaries have a commitment to pay in the amounts of Baht 3,694 million and Baht 3,720 million, respectively.

As at March 31, 2019 and December 31, 2018, the Bank and its subsidiaries have commitments to pay regarding the information technology services the amounts of Baht 2,836 million and Baht 2,409 million, respectively.

As at March 31, 2019 and December 31, 2018, the Bank has commitment payment amount of Baht 368 million and Baht 338 million as a result of entering to the construction agreement of the office building, respectively.

7.13 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. 12/2561 regarding the "Regulations on Risk Supervision of Financial Business Group" dated May 22, 2018, 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 have 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 processes, 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:

- 7.13.1 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 March 31, 2019 and December 31, 2018 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS												
March 31, 2019												
	Interbank and money market items (Assets)	Investment	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company												
MUFG Bank, Ltd. (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	28,221	-	-	-	2,158	473	-	188,336	1,644	1,709	408,204	2,657
Total	28,221	-	-	-	2,158	473	-	188,336	1,644	1,709	408,204	2,657
Joint ventures												
Ngern Tid Lor Company Limited	-	1,821	21,250	6	-	30	273	-	-	4	-	6
Tesco Card Services Limited	-	-	5,672	16	-	423	363	-	-	6	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	8	151	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	15	521	-	-	6	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	(269)	-	-	-	-	-	-	-	-	-
Total	-	1,821	26,653	22	-	476	1,308	-	-	16	-	6
Related companies having joint major shareholders or directors	16	-	9,205	39	512	19	10,219	128	11	24	17,839	683
<u>Less</u> Allowance for doubtful accounts	-	-	(86)	-	-	-	-	-	-	-	-	-
Total	16	-	9,119	39	512	19	10,219	128	11	24	17,839	683
Individual and related parties	-	-	488	-	-	-	3,594	-	-	646	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	(1)	-	-	-	-	-	-	-	-	-
Total	-	-	487	-	-	-	3,594	-	-	646	-	-
Total	28,237	1,821	36,259	61	2,670	968	15,121	188,464	1,655	2,395	426,043	3,346

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS											
December 31, 2018											
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company											
MUFG Bank, Ltd. (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	27,680	-	-	3,528	385	-	195,260	1,354	3,365	375,245	2,737
Total	27,680	-	-	3,528	385	-	195,260	1,354	3,365	375,245	2,737
Joint ventures											
Tesco Card Services Limited	-	5,900	20	-	270	575	-	-	3	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	4	157	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	9	594	-	-	5	-	-
<u>Less</u> Allowance for doubtful accounts	-	(59)	-	-	-	-	-	-	-	-	-
Total	-	5,841	20	-	283	1,326	-	-	8	-	-
Related companies having joint major shareholders or directors	19	9,365	27	447	26	9,878	180	6	26	19,229	680
<u>Less</u> Allowance for doubtful accounts	-	(89)	-	-	-	-	-	-	-	-	-
Total	19	9,276	27	447	26	9,878	180	6	26	19,229	680
Individual and related parties	-	543	-	-	-	3,468	-	-	804	-	-
<u>Less</u> Allowance for doubtful accounts	-	(1)	-	-	-	-	-	-	-	-	-
Total	-	542	-	-	-	3,468	-	-	804	-	-
Total	27,699	15,659	47	3,975	694	14,672	195,440	1,360	4,203	394,474	3,417

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS

March 31, 2019

	Interbank and money market items (Assets)	Investment	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company												
MUFG Bank, Ltd. (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	28,221	-	-	-	2,158	473	-	188,336	1,644	1,709	408,204	2,657
Total	28,221	-	-	-	2,158	473	-	188,336	1,644	1,709	408,204	2,657
Subsidiaries												
Ayudhya Development Leasing Company Limited	-	-	6,666	2	-	4	22	-	-	2	-	236
Ayudhya Capital Auto Lease Public Company Limited	-	-	9,240	34	-	114	774	-	-	196	-	-
Ayudhya Capital Services Company Limited	-	-	25,967	87	-	95	1,640	-	-	23	-	3
General Card Services Limited	-	-	10,046	19	-	15	521	-	-	2	-	-
Krungsriayudhya Card Company Limited	-	-	3,317	2	-	234	1,294	-	-	23	-	1
Siam Realty and Services Security Company Limited	-	-	570	-	-	1	21	-	-	103	-	-
Total Services Solutions Public Company Limited	-	-	-	-	-	1	1,405	-	-	14	-	-
Krungsri Asset Management Company Limited	-	-	-	-	-	91	-	4,837	-	75	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	-	1	1,837	-	-	30	-	35
Krungsri Securities Public Company Limited	-	-	-	-	-	4	2	2,134	-	11	-	-
Krungsri Factoring Company Limited	-	-	-	-	-	-	200	-	-	-	-	-
Krungsri Life Assurance Broker Limited	-	-	-	-	-	-	667	-	-	-	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	-	846	-	-	1	-	-

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

March 31, 2019

	Interbank and money market items (Assets)	Investment	Loans	Accrued interest receivables	Derivative assets	Other Assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Subsidiaries (Continued)												
Krungsri Leasing Services Company Limited	-	-	5,379	3	-	1	549	-	-	-	-	-
Hattha Kaksekar Limited	-	-	454	14	13	5	-	-	2	-	2,713	-
Krungsri Finnovate Company Limited	-	-	-	-	-	4	399	-	-	-	-	-
Total	-	-	61,639	161	13	570	10,177	6,971	2	480	2,713	275
<u>Less</u> Allowance for doubtful accounts	-	-	(616)	-	-	-	-	-	-	-	-	-
Total	-	-	61,023	161	13	570	10,177	6,971	2	480	2,713	275
Joint ventures												
Ngern Tid Lor Company Limited	-	1,821	21,250	6	-	13	273	-	-	4	-	6
Tesco Card Services Limited	-	-	5,672	16	-	11	363	-	-	3	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	-	151	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	-	521	-	-	1	-	-
<u>Less</u> Allowance for doubtful accounts	-	-	(269)	-	-	-	-	-	-	-	-	-
Total	-	1,821	26,653	22	-	24	1,308	-	-	8	-	6
Related companies having joint major shareholders or directors	16	-	9,203	38	512	1	10,219	128	11	22	17,839	683
<u>Less</u> Allowance for doubtful accounts	-	-	(86)	-	-	-	-	-	-	-	-	-
Total	16	-	9,117	38	512	1	10,219	128	11	22	17,839	683
Individual and related parties	-	-	430	-	-	-	3,434	-	-	462	-	-
Total	28,237	1,821	97,223	221	2,683	1,068	25,138	195,435	1,657	2,681	428,756	3,621

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS											
December 31, 2018											
	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Parent company											
MUFG Bank, Ltd. (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	27,680	-	-	3,528	385	-	195,260	1,354	3,365	375,245	2,737
Total	27,680	-	-	3,528	385	-	195,260	1,354	3,365	375,245	2,737
Subsidiaries											
Ayudhya Development Leasing Company Limited	-	6,623	3	-	3	13	-	-	2	-	236
Ayudhya Capital Auto Lease Public Company Limited	-	12,054	46	-	73	925	-	-	179	-	-
Ngern Tid Lor Company Limited	-	18,860	8	-	8	291	-	-	2	-	6
Ayudhya Capital Services Company Limited	-	26,841	90	-	109	1,323	-	-	25	-	3
General Card Services Limited	-	10,803	20	-	91	517	-	-	2	-	-
Krungsriayudhya Card Company Limited	-	2,079	4	-	716	1,495	-	-	17	-	1
Siam Realty and Services Security Company Limited	-	560	-	-	1	58	-	-	52	-	-
Total Services Solutions Public Company Limited	-	-	-	-	1	1,484	-	-	6	-	-
Krungsri Asset Management Company Limited	-	-	-	-	90	-	4,522	-	56	-	-
Krungsri Ayudhya AMC Limited	-	-	-	-	-	1,729	-	-	76	-	35
Krungsri Securities Public Company Limited	-	-	-	-	2	2	2,336	-	2	-	-
Krungsri Factoring Company Limited	-	-	-	-	-	190	-	-	-	-	-
Krungsri Life Assurance Broker Limited	-	-	-	-	-	735	-	-	-	-	-
Krungsri General Insurance Broker Limited	-	-	-	-	-	839	-	-	1	-	-

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS (CONTINUED)

December 31, 2018

	Interbank and money market items (Assets)	Loans	Accrued interest receivables	Derivative assets	Other Assets	Deposits	Interbank and money market items (Liabilities)	Derivative liabilities	Other liabilities	Derivative (Notional amount)	Contingencies
Subsidiaries (Continued)											
Krungsri Leasing Services Company Limited	-	5,377	4	-	2	122	-	-	-	-	-
Hattha Kaksekar Limited	-	464	5	4	3	-	-	4	-	2,767	-
Krungsri Finnovate Company Limited	-	-	-	-	2	401	-	-	-	-	-
Total	-	83,661	180	4	1,101	10,124	6,858	4	420	2,767	281
<u>Less</u> Allowance for doubtful accounts	-	(837)	-	-	-	-	-	-	-	-	-
Total	-	82,824	180	4	1,101	10,124	6,858	4	420	2,767	281
Joint ventures											
Tesco Card Services Limited	-	5,900	20	-	40	575	-	-	3	-	-
Tesco Life Assurance Broker Limited	-	-	-	-	-	157	-	-	-	-	-
Tesco General Insurance Broker Limited	-	-	-	-	-	594	-	-	-	-	-
<u>Less</u> Allowance for doubtful accounts	-	(59)	-	-	-	-	-	-	-	-	-
Total	-	5,841	20	-	40	1,326	-	-	3	-	-
Related companies having joint major shareholders or directors	19	9,366	27	447	-	9,878	180	6	24	19,229	680
<u>Less</u> Allowance for doubtful accounts	-	(89)	-	-	-	-	-	-	-	-	-
Total	19	9,277	27	447	-	9,878	180	6	24	19,229	680
Individual and related parties	-	447	-	-	-	3,366	-	-	551	-	-
Total	27,699	98,389	227	3,979	1,526	24,694	202,298	1,364	4,363	397,241	3,698

As at March 31, 2019 and December 31, 2018, the Bank charges interest rates to related parties at 0.95% - 23.84% p.a. and 0.95% - 23.82% p.a., respectively.

As at March 31, 2019 and December 31, 2018, the allowance for doubtful accounts of loans granted to subsidiaries of Baht 616 million and Baht 837 million, respectively, are not eliminated but treated as surplus reserve in the consolidated financial statements.

7.13.2 The Bank has investments in subsidiaries and joint ventures as disclosed in Note 7.3 and has investments in related companies for the three-month period ended March 31, 2019 and for the year ended December 31, 2018 are as follows:

Unit: Million Baht							
CONSOLIDATED AND THE BANK'S FINANCIAL STATEMENTS							
				March 31, 2019		December 31, 2018	
	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	296	7.17	326	-	326	16
<u>Less</u> Allowance for impairment				<u>(5)</u>	<u>-</u>	<u>(5)</u>	<u>-</u>
Investment in related company, net				<u>321</u>	<u>-</u>	<u>321</u>	<u>16</u>

7.13.3 Income and expenses between the Bank and its subsidiaries, joint ventures and related companies for the three-month period ended March 31, 2019 and 2018 are as follows:

Unit: Million Baht

CONSOLIDATED FINANCIAL STATEMENTS								
For the three-month period ended March 31, 2019					For the three-month period ended March 31, 2018			
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								
MUFG Bank, Ltd. (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.)								
-	(1,873)	1,201	119	7	(107)	996	128	
Total	-	(1,873)	1,201	7	(107)	996	128	
Joint ventures								
Ngern Tid Lor Company Limited								
59	3	-	2	-	-	-	-	
Tesco Card Services Limited								
37	125	-	(2)	58	77	-	2	
Tesco Life Assurance Broker Company Limited								
-	2	-	-	-	2	-	-	
Tesco General Insurance Broker Limited								
-	5	1	-	-	6	1	-	
Total	96	135	1	58	85	1	2	
Related companies having joint major shareholders or directors								
57	73	18	70	50	266	15	86	
Total	57	73	18	50	266	15	86	
Individual and related parties								
5	2	7	6	4	1	7	1	
Total	158	(1,663)	1,227	119	245	1,019	217	

Unit: Million Baht

THE BANK'S FINANCIAL STATEMENTS								
	For the three-month period ended March 31, 2019				For the three-month period ended March 31, 2018			
	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								
MUFG Bank, Ltd. (formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	-	(1,873)	1,201	119	7	(107)	996	128
Total	-	(1,873)	1,201	119	7	(107)	996	128
Subsidiaries								
Ayudhya Development Leasing Company Limited	56	6	-	(2)	57	4	-	1
Ayudhya Capital Auto Lease Public Company Limited	84	97	1	177	176	115	4	193
Ngern Tid Lor Company Limited	104	10	-	-	26	12	-	1
Ayudhya Capital Services Company Limited	170	81	-	(17)	172	82	-	19
General Card Services Limited	66	8	-	(1)	58	11	-	2
Krungsriayudhya Card Company Limited	9	38	5	43	108	53	-	48
Siam Realty and Services Security Company Limited	3	2	-	161	3	1	-	131
Total Services Solutions Public Company Limited	-	1	5	12	-	-	5	13
Krungsri Asset Management Company Limited	-	236	19	4	-	327	16	3
Krungsri Ayudhya AMC Limited	-	2	-	(1)	-	1	-	1
Krungsri Securities Public Company Limited	-	6	7	2	-	4	6	2
Krungsri Factoring Company Limited	-	-	-	-	-	1	-	-
Krungsri Life Assurance Broker Limited	-	-	1	-	-	-	1	-
Krungsri General Insurance Broker Limited	-	-	2	-	-	-	1	-
Krungsri Leasing Services Company Limited	82	-	-	-	58	-	-	-
Hattha Kaksekar Limited	9	14	-	-	19	2	-	-
Krungsri Innovate Company Limited	-	2	-	-	-	2	-	-
Total	583	503	40	378	677	615	33	414
Joint ventures								
Ngern Tid Lor Company Limited	59	(2)	-	1	-	-	-	-
Tesco Card Services Limited	37	8	-	(2)	58	9	-	2
Tesco General Insurance Broker Limited	-	3	1	-	-	3	1	-
Total	96	9	1	(1)	58	12	1	2
Related companies having joint major shareholders or directors								
	57	72	18	51	50	264	15	65
Total	57	72	18	51	50	264	15	65
Individual and related parties								
	4	1	4	-	4	1	4	-
Total	740	(1,288)	1,264	547	796	785	1,049	609

- 7.13.4 For the three-month periods ended March 31, 2019 and 2018, compensations paid to key management personnel under TAS 24 (Revised 2018) “Related Party Disclosures” are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2019	2018	2019	2018
Short-term employee benefits	607	514	366	292
Post-employment benefits	17	15	12	10
Total	<u>624</u>	<u>529</u>	<u>378</u>	<u>302</u>

- 7.13.5 For the three-month periods ended March 31, 2019 and 2018, related party transactions among subsidiaries included collection services and other services of Baht 233 million and Baht 241 million, respectively, and office and vehicle rental and other services of Baht 17 million and Baht 19 million, respectively.
- 7.13.6 For the three-month periods ended March 31, 2019 and 2018, subsidiaries had related party transactions from the licenses relevant to technology and software of Baht 5 million and Baht 14 million, respectively.
- 7.13.7 For the three-month periods ended March 31, 2019 and 2018, related party transactions among subsidiaries from other services were Baht 379 million and Baht 363 million, respectively.

7.14 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 purchase or lease any assets from those persons, except, for the three-month periods ended March 31, 2019 and 2018, the subsidiary had sold assets to managements in the amount of Baht 1 million and 2 million with the book value of Baht 1 million and 1 million, respectively.

7.15 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 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 periods ended March 31, 2019 and 2018, 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 periods ended March 31, 2019 and 2018 are as follows:

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
For the three-month period ended March 31, 2019				
	Retail	Commercial	Others	Total
Interest income, net	14,055	5,349	8	19,412
Other operating income	7,213	1,781	8,340	17,334
Total operating income	21,268	7,130	8,348	36,746
Operating expenses	9,793	3,171	1,257	14,221
Impairment loss on loans and debt securities	4,760	1,005	584	6,349
Profit before tax	6,715	2,954	6,507	16,176
Taxation	1,334	580	1,447	3,361
Net profit	5,381	2,374	5,060	12,815

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
For the three-month period ended March 31, 2018				
	Retail	Commercial	Others	Total
Interest income, net	12,654	5,371	(3)	18,022
Other operating income	6,898	2,334	(367)	8,865
Total operating income	19,552	7,705	(370)	26,887
Operating expenses	9,273	2,873	253	12,399
Impairment loss on loans and debt securities (reversal)	4,249	(148)	2,582	6,683
Profit (loss) before tax	6,030	4,980	(3,205)	7,805
Taxation	1,194	914	(592)	1,516
Net profit (loss)	4,836	4,066	(2,613)	6,289

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
	Retail	Commercial	Others	Total
Total assets				
As at March 31, 2019	912,322	1,457,930	(128,922)	2,241,330
As at December 31, 2018	936,252	1,397,667	(160,297)	2,173,622

7.16 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 March 31, 2019 and December 31, 2018 are as follows:

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
March 31, 2019				
	Domestic	Foreign	Elimination	Total
Total assets	2,204,888	47,951	(11,509)	2,241,330
Interbank and money market items, net (Assets)	282,192	7,343	-	289,535
Investments, net*	147,013	1	-	147,014
Loans to customers and accrued interest receivable, net	1,617,526	33,288	-	1,650,814
Deposits	1,446,772	18,605	-	1,465,377
Interbank and money market items, net (Liabilities)	265,193	7,677	-	272,870
Debt issued and borrowings	131,398	6,078	-	137,476

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
December 31, 2018				
	Domestic	Foreign	Elimination	Total
Total assets	2,146,407	46,304	(19,089)	2,173,622
Interbank and money market items, net (Assets)	237,901	7,652	-	245,553
Investments, net*	137,368	1	-	137,369
Loans to customers and accrued interest receivable, net	1,583,687	31,297	-	1,614,984
Deposits	1,408,643	17,705	-	1,426,348
Interbank and money market items, net (Liabilities)	237,017	7,080	-	244,097
Debt issued and borrowings	149,389	6,261	-	155,650

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
March 31, 2019				
	Domestic	Foreign	Elimination	Total
Total assets	2,129,224	7,370	(5,105)	2,131,489
Interbank and money market items, net (Assets)	280,791	3,379	-	284,170
Investments, net*	194,668	-	-	194,668
Loans to customers and accrued interest receivable, net	1,523,675	1,205	-	1,524,880
Deposits	1,456,949	2,217	-	1,459,166
Interbank and money market items, net (Liabilities)	274,544	1	-	274,545
Debt issued and borrowings	103,987	-	-	103,987

Unit: Million Baht				
THE BANK'S FINANCIAL STATEMENTS				
December 31, 2018				
	Domestic	Foreign	Elimination	Total
Total assets	2,047,725	7,577	(5,400)	2,049,902
Interbank and money market items, net (Assets)	235,613	3,649	-	239,262
Investments, net*	192,694	-	-	192,694
Loans to customers and accrued interest receivable, net	1,504,068	1,037	-	1,505,105
Deposits	1,418,767	2,126	-	1,420,893
Interbank and money market items, net (Liabilities)	246,252	2	-	246,254
Debt issued and borrowings	115,988	-	-	115,988

*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 periods ended March 31, 2019 and 2018 are as follows:

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
For the three-month period ended				
March 31, 2019				
	Domestic	Foreign	Elimination	Total
Interest income	26,353	1,226	(91)	27,488
Interest expenses	7,672	495	(91)	8,076
Net interest income	18,681	731	-	19,412
Fees and service income, net	5,255	41	-	5,296
Other operating income	13,102	18	(1,082)	12,038
Other operating expenses	21,162	490	(1,082)	20,570
Profit from operating before tax	15,876	300	-	16,176

Unit: Million Baht				
CONSOLIDATED FINANCIAL STATEMENTS				
For the three-month period ended				
March 31, 2018				
	Domestic	Foreign	Elimination	Total
Interest income	24,595	1,006	(76)	25,525
Interest expenses	7,205	375	(78)	7,502
Net interest income	17,390	631	2	18,023
Fees and service income, net	5,301	19	-	5,320
Other operating income	5,727	25	(2,208)	3,544
Other operating expenses	20,881	411	(2,210)	19,082
Profit from operating before tax	7,537	264	4	7,805

	Unit: Million Baht			
	THE BANK'S FINANCIAL STATEMENTS			
	For the three-month period ended			
	March 31, 2019			
	Domestic	Foreign	Elimination	Total
Interest income	19,541	15	-	19,556
Interest expenses	7,489	2	-	7,491
Net interest income	12,052	13	-	12,065
Fees and service income, net	2,389	4	-	2,393
Other operating income	9,200	7	(1,082)	8,125
Other operating expenses	14,634	25	(1,082)	13,577
Profit from operating before tax	9,007	(1)	-	9,006

	Unit: Million Baht			
	THE BANK'S FINANCIAL STATEMENTS			
	For the three-month period ended			
	March 31, 2018			
	Domestic	Foreign	Elimination	Total
Interest income	17,688	14	-	17,702
Interest expenses	7,044	2	-	7,046
Net interest income	10,644	12	-	10,656
Fees and service income, net	2,635	5	-	2,640
Other operating income	4,398	11	(2,209)	2,200
Other operating expenses	14,604	17	(2,209)	12,412
Profit from operating before tax	3,073	11	-	3,084

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.

7.17 Interest income

Interest income for the three-month periods ended March 31, 2019 and 2018 are as follows:

	CONSOLIDATED		Unit: Million Baht	
	FINANCIAL STATEMENTS		THE BANK'S	
	For the three-month periods		FINANCIAL STATEMENTS	
	ended March 31,		For the three-month periods	
	2019	2018	2019	2018
Interbank and money market items	1,054	1,703	1,050	1,701
Investment and trading transactions	20	8	20	8
Investment in debt securities	570	350	575	350
Loans to customers	18,207	16,265	12,386	11,161
Hire purchase and finance lease	7,620	7,199	5,508	4,482
Other	17	-	17	-
Total interest income	27,488	25,525	19,556	17,702

7.18 Interest expenses

Interest expenses for the three-month periods ended March 31, 2019 and 2018 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS For the three-month periods ended March 31,		Unit: Million Baht THE BANK'S FINANCIAL STATEMENTS For the three-month periods ended March 31,	
	2019	2018	2019	2018
Deposits	4,229	3,531	3,985	3,361
Interbank and money market items	1,060	1,275	1,038	1,274
Contributions to Financial Institution Development Fund and Deposit Protection Agency	1,718	1,638	1,718	1,638
Debt issued and borrowings				
- Subordinated debenture	394	396	375	375
- Other	632	641	349	395
Borrowing fee expense	16	16	2	1
Other	27	5	24	2
Total interest expenses	<u>8,076</u>	<u>7,502</u>	<u>7,491</u>	<u>7,046</u>

7.19 Event after the reporting period

The Annual General Meeting of shareholders No. 107 held on April 25, 2019 approved the dividend payment for the six-month period ended December 31, 2018 to the shareholders of 7,355,761,773 ordinary shares at Baht 0.45 per share totaling Baht 3,310 million. The payment of dividend is scheduled to be made on May 23, 2019.

7.20 Approval of interim financial statements

These interim financial statements have been approved for issuing by the Executive Committee on May 14, 2019.